UTHUKELA

UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

SECTION 52(d) REPORT

SEPTEMBER 2026

QUARTER 1

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Part 1 – Annual Budget

1.1 Mayor's Report

The quarterly section 52 report is a report that gives a clear view on the state or performance of the Municipality for the quarter as well as the year-to-date performance. Among the impacts that are challenging the Municipality, is the cash flow challenge currently being experienced by the municipality due to among other things declining collection, historic expenditure patterns, high water losses and high rate of indigents within the municipal boundaries.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the UThukela District Municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

1.2 Council Resolutions

1. The Council of UThukela District Municipality, acting in terms of section 52 of the Municipal Finance Management Act, (Act 56 of 2003) to note:

2. Monthly Budget statements and supporting documents for quarter 1 of 2027.

1.3 Executive Summary

To inform Committee of the financial status of the municipality for Quarter 1 of the 2026/27 financial year in accordance with section 52(d) of the Municipal Finance Management Act 56 of 2003 which states "the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality".

The Municipal Budget and Reporting Regulations also put emphasise on the quarterly reporting with Regulation 31(1) which state that "the mayor's quarterly report on the implementation of the budget and the financial affairs of the municipality as required by section 52(d) of the MFMA must be –

(a) In the format specified in Schedule C and include all the required tables, charts and explanatory information, considering any guidelines issued by the Minister in terms of section 168(1) of the MFMA; and
(b) Consistent with the monthly budget statements for January, February and March as applicable; and
(c) Submitted to the National Treasury and relevant provincial treasury within five days of tabling of the report in the council.

Table C1 - Budgeted Statement Summary

Table C1 is a financial performance summary and provides a concise overview of uThukela District municipality's performance from all major financial perspectives (operating, capital expenditure, financial position and cash flow).

DC23 Uthukela - Table C1 Monthly Budget Statement Summary - M03 - September

Description	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	328 956	326 535	–	26 394	82 872	81 634	1 238	2%	326 536
Investment revenue	5 591	6 407	–	–	1 262	1 602	(340)	-21%	6 407
Transfers and subsidies - Operational	657 767	693 461	–	–	285 849	232 620	53 229	23%	693 461
Other own revenue	73 963	79 049	–	3 790	10 997	19 762	(8 765)	-44%	79 049
Total Revenue (excluding capital transfers and contributions)	1 066 277	1 105 452	–	30 185	380 980	335 618	45 362	14%	1 105 452
Employee costs	404 504	402 890	–	31 422	92 433	100 722	(8 290)	-8%	402 890
Remuneration of Councillors	9 737	7 932	–	648	1 949	1 983	(34)	-2%	7 932
Depreciation and amortisation	96 413	93 980	–	7 534	23 111	23 495	(384)	-2%	93 980
Interest	18 493	6 950	–	72	72	1 737	(1 665)	-96%	6 950
Inventory consumed and bulk purchases	57 212	69 231	–	3 380	3 380	17 308	(13 928)	-80%	69 231
Transfers and subsidies	1 646	2 000	–	624	1 607	500	1 107	221%	2 000
Other expenditure	618 190	485 136	–	13 298	24 412	121 284	(96 872)	-80%	485 136
Total Expenditure	1 206 095	1 068 118	–	56 977	146 964	267 030	(120 066)	-45%	1 068 118
Surplus/(Deficit)	(139 818)	37 333	–	(26 793)	234 016	68 588	165 427	241%	37 333
Transfers and subsidies - capital (monetary allocations)	221 017	222 036	–	–	–	74 012	(74 012)	-100%	222 036
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	81 199	259 369	–	(26 793)	234 016	142 600	91 415	64%	259 369
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	81 199	259 369	–	(26 793)	234 016	142 600	91 415	64%	259 369
Capital expenditure & funds sources									
Capital expenditure	(0)	194 075	–	–	13 043	48 519	(35 475)	-73%	194 075
Capital transfers recognised	(0)	193 075	–	–	13 043	48 269	(35 225)	-73%	193 075
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	1 000	–	–	–	250	(250)	-100%	1 000
Total sources of capital funds	(0)	194 075	–	–	13 043	48 519	(35 475)	-73%	194 075
Financial position									
Total current assets	269 376	262 697	–		482 411				262 697
Total non current assets	3 633 052	3 551 722	–		3 622 985				3 551 722
Total current liabilities	1 359 461	815 298	–		1 308 460				815 298
Total non current liabilities	41 371	50 346	–		41 371				50 346
Community wealth/Equity	2 521 598	2 948 775	–		2 755 565				2 948 775
Cash flows									
Net cash from (used) operating	832 924	238 864	–	39 054	342 219	137 474	(204 744)	-149%	238 864
Net cash from (used) investing	(143 184)	(194 075)	–	(21 554)	(24 426)	(48 519)	(24 093)	50%	(194 075)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	700 616	(209 642)	–	–	337 806	(164 476)	(502 282)	305%	64 803
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	34 033	31 775	23 990	21 191	24 727	24 287	22 994	671 183	854 181
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

Table C2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue - Functional										
Governance and administration		660 271	792 940	–	10	287 135	257 055	30 081	12%	792 940
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		660 271	792 940	–	10	287 135	257 055	30 081	12%	792 940
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		417	412	–	2	12	103	(91)	-88%	412
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		417	412	–	2	12	103	(91)	-88%	412
Economic and environmental services		–	–	–	–	–	–	–		–
Planning and development		–	–	–	–	–	–	–		–
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		626 606	312 100	–	30 172	93 832	78 460	15 372	20%	312 100
Energy sources		–	–	–	–	–	–	–		–
Water management		626 606	312 100	–	30 172	93 832	78 460	15 372	20%	312 100
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	1 287 294	1 105 452	–	30 185	380 980	335 618	45 362	14%	1 105 452
Expenditure - Functional										
Governance and administration		(47 143)	382 711	–	16 960	48 513	95 678	(47 165)	-49%	382 711
Executive and council		60 867	54 593	–	4 429	12 120	13 648	(1 528)	-11%	54 593
Finance and administration		(108 010)	328 118	–	12 531	36 392	82 029	(45 637)	-56%	328 118
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		51 802	60 553	–	4 185	11 117	15 138	(4 022)	-27%	60 553
Community and social services		13 307	6 821	–	1 015	3 111	1 705	1 406	82%	6 821
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		38 494	53 732	–	3 170	8 006	13 433	(5 427)	-40%	53 732
Economic and environmental services		20 239	19 997	–	2 073	5 831	4 999	832	17%	19 997
Planning and development		20 239	19 997	–	2 073	5 831	4 999	832	17%	19 997
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		1 181 197	604 857	–	33 759	81 503	151 214	(69 711)	-46%	604 857
Energy sources		–	–	–	–	–	–	–		–
Water management		1 181 197	604 857	–	33 759	81 503	151 214	(69 711)	-46%	604 857
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	1 206 095	1 068 118	–	56 977	146 964	267 030	(120 066)	-45%	1 068 118
Surplus/ (Deficit) for the year		81 199	37 333	–	(26 793)	234 016	68 588	165 427	241%	37 333

This table reflects the municipal financial performance, classified by functions

Table C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC23 Uthukela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 - September

Vote Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue by Vote	1									
Vote 1 - MAYOR AND MM		–	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		1 121	639	–	–	–	160	(160)	-100.0%	639
Vote 3 - BUDGET AND TREASURY		659 149	792 301	–	10	287 135	256 895	30 240	11.8%	792 301
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		–	–	–	–	–	–	–		–
Vote 5 - WSA& HEALTH SERVICES		417	412	–	2	12	103	(91)	-88.4%	412
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		626 606	312 100	–	30 172	93 832	78 460	15 372	19.6%	312 100
Vote 7 -		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	1 287 294	1 105 452	–	30 185	380 980	335 618	45 362	13.5%	1 105 452
Expenditure by Vote	1									
Vote 1 - MAYOR AND MM		60 867	54 593	–	4 429	12 120	13 648	(1 528)	-11.2%	54 593
Vote 2 - CORPORATE SERVICES		109 510	109 646	–	6 767	20 232	27 411	(7 180)	-26.2%	109 646
Vote 3 - BUDGET AND TREASURY		(217 520)	217 660	–	5 764	16 161	54 415	(38 255)	-70.3%	217 660
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		33 546	25 799	–	3 089	8 943	6 450	2 493	38.7%	25 799
Vote 5 - WSA& HEALTH SERVICES		38 494	54 644	–	3 170	8 006	13 636	(5 630)	-41.3%	54 544
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		1 181 197	603 805	–	33 759	81 503	150 951	(69 448)	-46.0%	603 805
Vote 7 -		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	1 206 095	1 066 047	–	56 977	146 964	266 512	(119 548)	-44.9%	1 066 047
Surplus/ (Deficit) for the year	2	81 199	39 405	–	(26 793)	234 016	69 106	164 909	238.6%	39 405

This table reflect the municipal financial performance, classified by municipal votes (department)

Table C4 - Budgeted Statement – Financial Performance (revenue and expenditure)

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		–	–	–	–	–	–	–		–
Service charges - Water		297 396	303 826	–	24 685	77 735	75 956	1 778	2%	303 826
Service charges - Waste Water Management		31 561	22 709	–	1 730	5 137	5 677	(540)	-10%	22 709
Service charges - Waste management		–	–	–	–	–	–	–		–
Sale of Goods and Rendering of Services		533	573	–	45	134	143	(9)	-6%	573
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		71 139	76 438	–	3 741	10 850	19 109	(8 260)	-43%	76 438
Interest from Current and Non Current Assets		5 591	6 407	–	–	1 262	1 602	(340)	-21%	6 407
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		–	–	–	–	–	–	–		–
Licence and permits		–	–	–	–	–	–	–		–
Special Rating Levies		–	–	–	–	–	–	–		–
Construction Contract Revenue		–	–	–	–	–	–	–		–
Development Charges		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Non-Exchange Revenue		1 768	1 626	–	1	1	407	(406)	-100%	1 626
Property rates		–	–	–	–	–	–	–		–
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		417	412	–	2	12	103	(91)	-88%	412
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		657 767	693 461	–	–	285 849	232 620	53 229	23%	693 461
Interest		–	–	–	–	–	–	–		–
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Fixed and Intangible Assets		105	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		1 068 277	1 105 452	–	30 185	380 980	335 618	45 362	14%	1 105 452
Expenditure By Type										
Employee related costs		404 504	402 890	–	31 422	92 433	100 722	(8 290)	-8%	402 890
Remuneration of councillors		9 737	7 932	–	648	1 949	1 983	(34)	-2%	7 932
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		57 212	69 231	–	3 380	3 380	17 308	(13 928)	-80%	69 231
Debt impairment		(377 897)	93 631	–	–	–	23 408	(23 408)	-100%	93 631
Depreciation and amortisation		96 413	93 980	–	7 534	23 111	23 495	(384)	-2%	93 980
Interest		18 493	6 950	–	72	72	1 737	(1 665)	-96%	6 950
Contracted services		151 929	104 659	–	7 058	15 525	26 165	(10 640)	-41%	104 659
Transfers and subsidies		1 646	2 000	–	624	1 607	500	1 107	221%	2 000
Irrecoverable debts written off		614 943	93 631	–	–	–	23 408	(23 408)	-100%	93 631
Operational costs		229 122	193 216	–	6 240	8 887	48 304	(39 417)	-82%	193 216
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–		–
Other Losses		93	–	–	–	–	–	–		–
Total Expenditure		1 206 095	1 068 118	–	56 977	146 964	267 030	(120 066)	-45%	1 068 118
Surplus/(Deficit)		(139 818)	37 333	–	(26 793)	234 016	68 588	165 427	241%	37 333
Transfers and subsidies - capital (monetary allocations)		221 017	222 036	–	–	–	74 012	(74 012)	-100%	222 036
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		81 199	259 369	–	(26 793)	234 016	142 600	[illegible]	[illegible]	259 369
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		81 199	259 369	–	(26 793)	234 016	142 600	[illegible]	[illegible]	259 369
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		81 199	259 369	–	(26 793)	234 016	142 600	[illegible]	[illegible]	259 369
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		81 199	259 369	–	(26 793)	234 016	142 600	[illegible]	[illegible]	259 369

Operating Revenue:

Services Charges Water

The Water Sales income recognised 2% which is a standard norm. The total revenue billed is R77 million.

Services Charge Wastewater

The municipality has billed R5.1 million from wastewater which is 10% below what was anticipated. The percentage is above threshold due to the prepaid meters being installed. The basic charged for sewer falls on the prepaid.

SALE OF GOODS AND RENDERING OF SERVICES

The municipality has incurred 6% below what was originally anticipated. This has been due to the publication of maps (Towers rent)

INTEREST FROM RECEIVABLES

The municipality has incurred 43% below what was anticipated. The municipality has budgeted this line item due to the previous balance of debtor, that balance has since changed drastically due to debts written off. This will be adjusted in the adjustments budget

INTEREST FROM CURRENT AND NON-CURRENT ASSETS

The municipality incurred a variance of 21% below what was anticipated, as at the end of September 2026. The municipality now receives MIG grant funding based on approved invoiced expenditure, once the funds are received, the corresponding invoice must be paid promptly. The municipality no longer receives and invests the grant funds while waiting for invoices to be submitted. The interest on investments for the month of September has also been not costed.

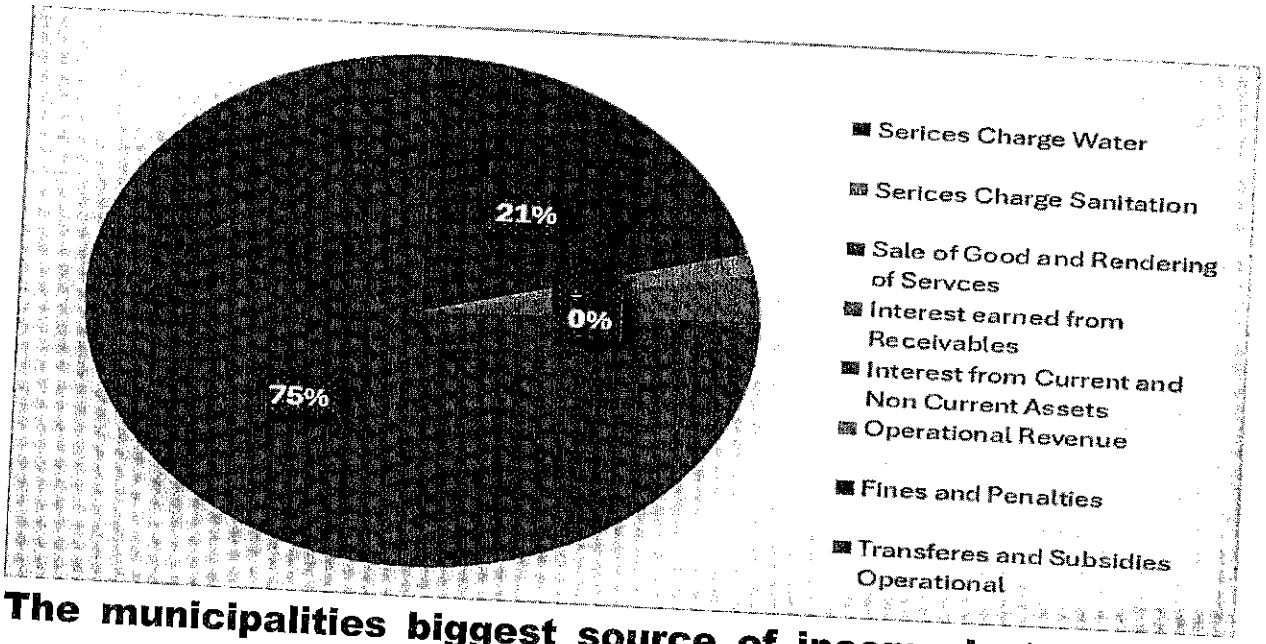
FINES, PENALTIES AND FORFEITS

This is related to mostly the health department, and the municipality has recognised a negative 88% variance. Health records all the transactions separately before it is brought to the municipality for receipting, so there's a delay.

TRANSFERS AND SUBSIDIES – OPERATIONAL

The municipality has recognised 23% variance above what was anticipated, which is a result of the municipality receiving the first trench of equitable share.

QUARTER 1 REVENUE



The municipalities biggest source of income is transfers and subsidies at 75%, followed by Service charges water at 20% and interest on receivables at 2%. From the above we can see that the municipality is grant dependent

Operating Expenditure:

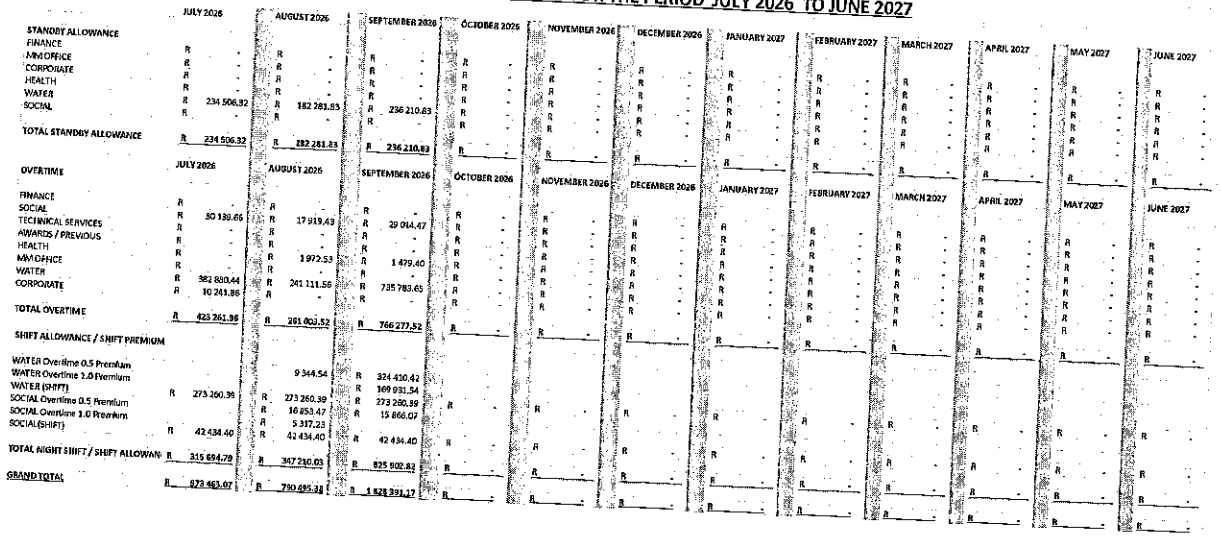
Employee related cost

SEPTEMBER 2026 SALARIES

CODE	COMPANY	SALARY COST	NETT SALARIES	FNB ONLINE	REJECTED SALARIES		COSTING	COSTING	
101	COUNCILLORS				-	COSTED SAL	-	-	-
102	FINANCE				-	COSTED SAL	-	-	-
103	COPORATE				-	COSTED SAL	-	-	-
104	MM OFFICE				-	COSTED SAL	-	-	-
105	SOCIAL				-	COSTED SAL	-	-	-
106	TECHNICAL				-	COSTED SAL	-	-	-
107	HEALTH				-	COSTED SAL	-	-	-
108	WATER				-	COSTED SAL	-	-	-
109	POST RETIREMENT				-	COSTED SAL	-	-	-
UTHUKELA COMBINED		33 043 883.23	18 789 237.62	17 776 933.81	1 012 303.81	COSTED SAL	-	-	-
		33 043 883.23	18 789 237.62	17 776 933.81	1 012 303.81		-	-	33 043 883.23
			REJECTED SALARIES LOADED		1 012 303.81				-

Overtime Report

OVERTIME / SHIFT ANALYSIS FOR THE PERIOD JULY 2026 TO JUNE 2027



	JULY 2026	AUGUST 2026	SEPTEMBER 2026	OCTOBER 2026	NOVEMBER 2026	DECEMBER 2026	JANUARY 2027	FEBRUARY 2027	MARCH 2027	APRIL 2027	MAY 2027	JUNE 2027
STANDBY ALLOWANCE												
FINANCE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
MM OFFICE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
CORPORATE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
HEALTH	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
WATER	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
SOCIAL	R 234 506,32	R 182 281,83	R 236 210,83	R -	R -	R -	R -	R -	R -	R -	R -	R -
TOTAL STANDBY ALLOWANCE	R 234 506,32	R 182 281,83	R 236 210,83	R -	R -	R -	R -	R -	R -	R -	R -	R -
OVERTIME	JULY 2026	AUGUST 2026	SEPTEMBER 2026	OCTOBER 2026	NOVEMBER 2026	DECEMBER 2026	JANUARY 2027	FEBRUARY 2027	MARCH 2027	APRIL 2027	MAY 2027	JUNE 2027
FINANCE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
SOCIAL	R 50 186,66	R 17 919,43	R 29 044,47	R -	R -	R -	R -	R -	R -	R -	R -	R -
TECHNICAL SERVICES	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
AWARDS / PREVIOUS	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
HEALTH	R -	R 1 972,53	R 1 479,40	R -	R -	R -	R -	R -	R -	R -	R -	R -
MM OFFICE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
WATER	R 382 880,44	R 241 111,56	R 735 783,65	R -	R -	R -	R -	R -	R -	R -	R -	R -
CORPORATE	R 10 241,86	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
TOTAL OVERTIME	R 423 261,96	R 261 003,52	R 766 277,52	R -	R -	R -	R -	R -	R -	R -	R -	R -
SHIFT ALLOWANCE / SHIFT PREMIUM												
WATER Overtime 0.5 Premium		9 344,54	R 324 410,42									
WATER Overtime 1.0 Premium			R 169 931,54									
WATER (SHIFT)	R 273 260,39	R 273 260,39	R 273 260,39	R -	R -	R -	R -	R -	R -	R -	R -	R -
SOCIAL Overtime 0.5 Premium		R 16 853,47	R 15 866,07									
SOCIAL Overtime 1.0 Premium		R 5 317,23										
SOCIAL(SHIFT)	R 42 434,40	R 42 434,40	R 42 434,40	R -	R -	R -	R -	R -	R -	R -	R -	R -
TOTAL NIGHT SHIFT / SHIFT ALLOWAN	R 315 694,79	R 347 210,03	R 825 902,82	R -	R -	R -	R -	R -	R -	R -	R -	R -
GRAND TOTAL	R 973 463,07	R 790 695,38	R 1 828 391,17	R -	R -	R -	R -	R -	R -	R -	R -	R -

Major Cost Drivers

Progress report on funding plan
Major cost drivers

	Budget	Actual	pending	Total Expenditure
employee related cost	402 890 000.00	92 433 000.00	-	92 433 000.00
[redacted]	123 700 000.00	3 850 000.00	-	3 850 000.00
DWS	44 436 504.00	58 000.00	-	58 000.00
[redacted]	48 566 470.00	-	-	-
Chemicals	29 000 000.00	1 905 480.00	15 383 000.00	17 288 480.00
[redacted]	25 971 723.00	3 933 210.75	1 195 026.61	5 128 237.36
	10 000 000.00	1 412 000.00	4 269 000.00	5 681 000.00
	10 000 000.00	2 693 000.00	6 884 000.00	9 577 000.00
	10 000 000.00	1 819 000.00	2 135 000.00	3 954 000.00
	8 000 000.00	44 000.00	4 199 872.29	4 243 872.29
	5 000 000.00	191 580.00	2 103 791.09	2 295 371.09
Employee related cost	402 890 000.00	92 433 000.00		
Inventory consumed	69 231 000.00	3 380 000.00		
[redacted]	104 659 000.00	15 525 000.00		
Operational costs	193 216 000.00	8 887 000.00		

EMPLOYEES RELATED COSTS
The municipality incurred 8% below what was anticipated. This is due to the termination of contract employees.

INVENTORY CONSUMED

The municipality recognised 80% below what was originally anticipated. There are other transactions are still pending amounting to 6 million (2 million fuel and oil and 4million Chemicals)

Debt Impairment and Write offs

This line item is costed at the end of the year

INTEREST

The municipality has recognised negative 96% variance on interest. Interest is primarily based on DWS and Eskom as trend of previous years the municipality prioritises the payments therefore, we have cut significantly on interest payments.

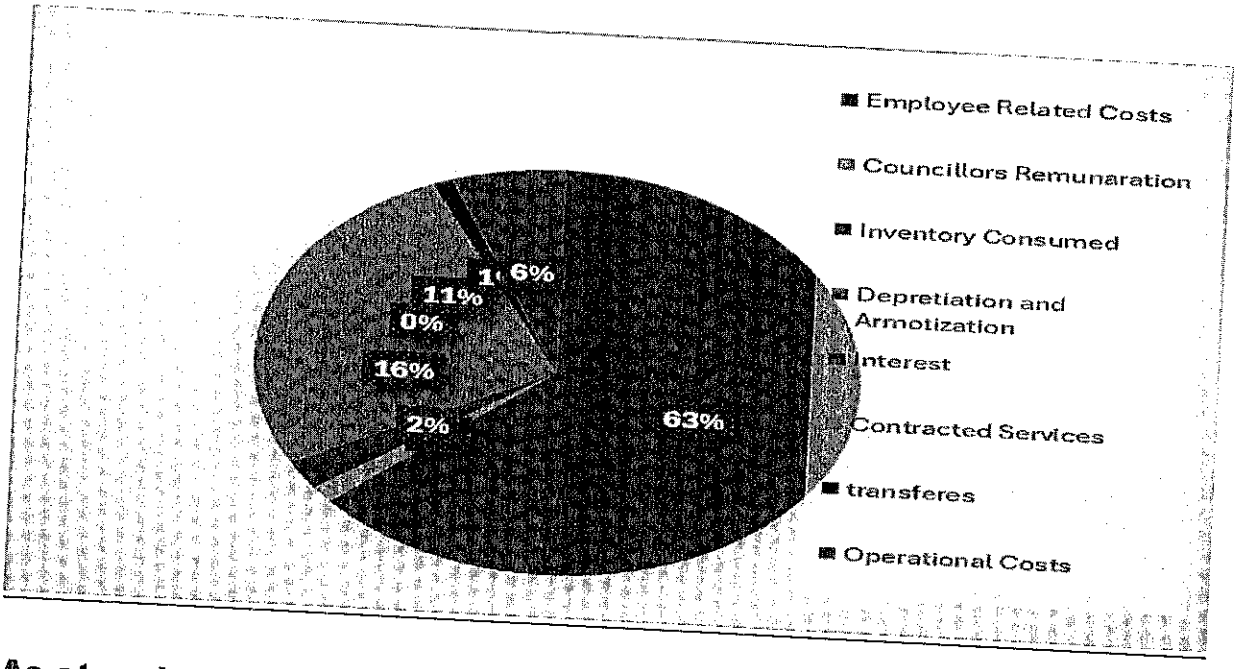
CONTRACTED SERVICES:

The municipality incurred 41% below variance. The municipality continue implemented the cost containment majors, which resulted in savings on cost containment. There are also delays in payments as the municipality is struggling

OPERATIONAL COSTS:

The municipality incurred 82% variance, below what was expected. The implementation of the budget funding plan seeks to cut avoidable expenditure which does not relate to service delivery the municipality has managed to eliminate nice to haves, and soft projects to reduce expenditure related to this line item. The local municipalities expenditure is also not costed as there are also issues with receiving invoices timeously.

QUARTER 1 EXPENDITURE



As at end of quarter 1, employee related costs are the highest at 62% followed by depreciation at 15%, contacted services at 10% and operational costs at 6%.

Table C5 – Monthly Budget Statements – Capital Expenditure

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September

Vote Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Multi-Year expenditure appropriation	2									
Vote 1 - MAYOR AND MM		–	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 3 - BUDGET AND TREASURY		–	–	–	–	–	–	–		–
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		–	–	–	–	–	–	–		–
Vote 5 - WSA& HEALTH SERVICES		–	–	–	–	–	–	–		–
Vote 6 - 509 - WATER, SANITATION AND TECHNICAL SERVICES		–	–	–	–	–	–	–		–
Vote 7 -		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - MAYOR AND MM		–	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		–	1 000	–	–	–	250	(250)	-100%	1 000
Vote 3 - BUDGET AND TREASURY		–	–	–	–	–	–	–		–
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		–	–	–	–	–	–	–		–
Vote 5 - WSA& HEALTH SERVICES		–	–	–	–	–	–	–		–
Vote 6 - 509 - WATER, SANITATION AND TECHNICAL SERVICES		(0)	193 075	–	–	13 043	48 269	(35 225)	-73%	193 075
Vote 7 -		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	–	–	–	–	–	–	–		–
Total Capital Expenditure		(0)	194 075	–	–	13 043	48 519	(35 475)	-73%	194 075
Capital Expenditure - Functional Classification		(0)	194 075	–	–	13 043	48 519	(35 475)	-73%	194 075
Governance and administration										
Executive and council		–	1 000	–	–	–	250	(250)	-100%	1 000
Finance and administration		–	–	–	–	–	–	–		–
Internal audit		–	1 000	–	–	–	250	(250)	-100%	1 000
Community and public safety		–	–	–	–	–	–	–		–
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		–	–	–	–	–	–	–		–
Planning and development		–	–	–	–	–	–	–		–
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		–	–	–	–	–	–	–		–
Energy sources		(0)	193 075	–	–	13 043	48 269	(35 225)	-73%	193 075
Water management		–	–	–	–	–	–	–		–
Waste water management		(0)	193 075	–	–	13 043	48 269	(35 225)	-73%	193 075
Waste management		–	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	(0)	194 075	–	–	13 043	48 519	(35 475)	-73%	194 075
Funded by:										
National Government		–	–	–	–	–	–	–		–
Provincial Government		(0)	193 075	–	–	13 043	48 269	(35 225)	-73%	193 075
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		–	–	–	–	–	–	–		–
Borrowing	6	(0)	193 075	–	–	13 043	48 269	(35 225)	-73%	193 075
Internally generated funds		–	–	–	–	–	–	–		–
Total Capital Funding		–	1 000	–	–	–	250	(250)	-100%	1 000
		(0)	194 075	–	–	13 043	48 519	(35 475)	-73%	194 075

As depicted above capital expenditure has not recorded any transaction at the month of September 2026.

Table C6 - Budgeted Statement – Financial Position

DC23 Uthukela - Table C6 Monthly Budget Statement - Financial Position - M03 - September

Description	Ref	2025/26	Budget Year 2026/27			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		20 014	(208 701)	–	171 692	(208 701)
Short term investments		–	–	–	–	–
Trade and other receivables from exchange transactions		82 458	388 087	–	353 422	388 087
Receivables from non-exchange transactions		52 408	173	–	52 408	173
Current portion of non-current receivables		3 514	–	–	3 514	–
Inventory		26 795	0	–	26 718	0
VAT		100 426	17 432	–	(129 088)	17 432
Other current assets		3 761	65 707	–	3 745	65 707
Total current assets		289 376	262 697	–	482 411	262 697
Non current assets						
Investments		–	–	–	–	–
Investment property		–	–	–	–	–
Property, plant and equipment		3 632 696	3 551 348	–	3 622 634	3 551 348
Biological assets		–	–	–	–	–
Living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		356	374	–	351	374
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		3 633 052	3 551 722	–	3 622 985	3 551 722
TOTAL ASSETS		3 922 428	3 814 419	–	4 105 397	3 814 419
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		(273)	59	–	(273)	59
Consumer deposits		21 603	20 552	–	21 692	20 552
Trade and other payables from exchange transactions		1 002 048	733 554	–	1 034 137	733 554
Trade and other payables from non-exchange transactions		55 856	3 080	–	111 287	3 080
Provision		62 276	42 192	–	24 317	42 192
VAT		217 951	1 761	–	88 744	1 761
Other current liabilities		–	14 100	–	28 557	14 100
Total current liabilities		1 359 461	815 298	–	1 308 460	815 298
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		18 711	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		22 660	50 346	–	41 371	50 346
Total non current liabilities		41 371	50 346	–	41 371	50 346
TOTAL LIABILITIES		1 400 832	865 644	–	1 349 832	865 644
NET ASSETS	2	2 521 596	2 948 775	–	2 755 565	2 948 775
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2 521 598	2 948 775	–	2 755 565	2 948 775
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2 521 598	2 948 775	–	2 755 565	2 948 775

This table is an overview of the municipal assets and liabilities.

Table C7 - Budgeted Statement – Cash Flow

DC23 Uthukela - Table C7 Monthly Budget Statement - Cash Flow - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		165 276	130 614	–	18 130	37 050	32 653	4 396	13%	130 614
Service charges		29 321	57 400	–	6 008	23 185	14 350	8 835	62%	57 400
Other revenue		679 221	693 461	–	548	288 597	232 620	55 977	24%	693 461
Transfers and Subsidies - Operational		172 865	222 036	–	24 641	59 461	74 012	(23 551)	-32%	222 036
Transfers and Subsidies - Capital		4 584	6 407	–	–	1 262	1 602	(340)	-21%	6 407
Interest		–	–	–	–	–	–	–		–
Dividends		(218 342)	(862 105)	–	(10 272)	(53 335)	(215 526)	157 191	-73%	(862 105)
Payments		–	(6 950)	–	–	–	(1 737)	1 737	-100%	(6 950)
Suppliers and employees		–	(2 000)	–	–	–	(500)	500	-100%	(2 000)
Interest		832 924	238 864	–	39 054	342 219	137 474	(204 744)	-149%	238 864
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES										
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Insurance Refund - Capital		–	–	–	–	–	–	–		–
Term Investments		–	–	–	–	–	–	–		–
Payments		–	–	–	–	–	–	–		–
Capital assets		(143 184)	(194 075)	–	(21 554)	(24 426)	(48 519)	24 093	-50%	(194 075)
Retention (Capital)		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) INVESTING ACTIVITIES		(143 184)	(194 075)	–	(21 554)	(24 426)	(48 519)	24 093	(0)	(194 075)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments		–	–	–	–	–	–	–		–
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		689 741	44 789	–	17 501	317 792	88 955			44 789
Cash/cash equivalents at beginning:		10 875	(253 431)	–		20 014	(253 431)			20 014
Cash/cash equivalents at month/year end:		700 616	(208 642)	–		337 806	(164 476)			64 803

This table reflect the municipal cash flows. It is categorised in three activities namely, cash flows from operating activities, cash flows from investing activities as well as cash flows from financing activities

The municipality is also in process of correcting all its cashflow data strings as the vat data strings and suppliers and employees which impact other revenue and payments still have misalignments.

Part 2 – Supporting Documentation

Table SC3 Debtors age analysis

DC23 Uthukela - Supporting Table SC2 Monthly Budget Statement - aged debtors - M03 - September

Description	NT Code	Budget Year 2026/27								
R thousands		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
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	28 398	26 924	19 033	16 794	17 043	16 779	16 624	493 649	633 384
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	1 837	2 155	1 293	1 098	1 042	984	979	36 754	46 142
Receivables from Exchange Transactions - Waste Management	1600	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	3 748	3 574	3 423	3 289	6 628	6 511	6 373	136 369	169 915
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–
Other	1900	51	23	191	11	14	14	18	4 420	4 742
Total By Income Source	2000	34 033	31 775	23 990	21 191	24 727	24 287	22 994	671 183	854 181
2025/26 - totals only		–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group										
Organs of State	2200	4 454	2 275	1 922	1 264	1 175	2 003	872	32 876	46 841
Commercial	2300	6 741	5 195	1 229	1 089	1 064	1 018	1 038	35 318	52 693
Households	2400	22 839	24 305	20 840	18 837	22 488	21 266	21 084	602 989	754 648
Other	2500	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	34 033	31 775	23 990	21 191	24 727	24 287	22 994	671 183	854 181

- The Municipality has a total amount over R800 million outstanding debt as at 30 September 2026

Top 10 Debtors (Water)

Top 10 Debtors as at 30 September 2026

ACCOUNT HOLDER NAME	OUTSTANDING TOTAL BALANCE
LIEBENBERG LC	9 369 767.89
ALFRED DUMA LOCAL MUNICIPALITY STEADVILLE HOST	8 151 171.80
MADUNA D/P 781 GZ	2 575 892.58
NORTHERN NATAL ABBATTOIR	2 529 794.73
PROVINCIAL DEPARTMENT OF AGRICULTURE	1 886 487.88
COLENSO COMBINED SCHOOL (20061	1 794 764.08
SILINDOKUHLE SEC SCHOOL	1 585 993.23
ESKORT LIMITED	1 546 342.87
Peerbhay A.G.H	1 526 944.60
DEPT OF PUBLIC WORKS	1 227 114.36

TOP 10 PAID CREDITORS (GRANTS)

Top 10 paid Grants as at 30 Sept 2026

Co. Name	Amount
Impande	10 350 304.34
Sinako	6 395 743.55
Bumbelihle	6 301 093.54
ECA	5 443 313.97
Owethu	1 827 667.59
Sinethemba	1 287 071.49
R and D	558 323.65
Lethokuhle	555 059.36
Madudla	167 147.76

TOP 10 PAID CREDITORS (OTHER)

Top 10 paid Creditors (Other) as at 30 Sept 2026

Co.Name	Amount
Inkosilangalibalele	13 079 302.46
Eskom	9 183 928.71
Godide	3 964 517.82
Alfredduma	3 213 011.93
Timmas	3 132 727.17
Quickstep	2 135 479.29
Mokibelo	1 425 365.18
Archon	953 189.00
Sgcino	715 000.00
Rheochem	679 362.50

Bank Balance

Bank Balances

The following reflects bank balances at 30 September 2026

DESCRIPTION	JUNE 2026	JULY 2026	AUG 2026	SEPT 2026
FNB MAIN ACCOUNT 62252306280	19 605 229.21	10 727 654.20	44 613 733.34	15 067 263.07
FNB WATER ACCOUNT 62253072385	0	0	0	0
	31 496 908.27	10 727 654.20	44 613 733.34	15 067 263.07
Total cash held	15 067 263.07			

Collection rate

MONTH	CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 SEPTEMBER 202			
	BILLING	MONTHS	RECIEPTS	RECOVERY RATE %
June 2026	31 071 243.21	July 2026	11 877 899.81	38.23%
July 2026	31 574 432.70	August 2026	17 158 443.69	54.34%
August 2026	38 188 746.92	September 2026	15 399 501.41	40.32%
TOTAL	**100 834 422.83**		**44 435 844.91**	44.07%

Column1	Column2	Column3	Column4	Column5
BILLING - JUNE - SEPT 2026		100 834 422.83		
RECIEPTS - JUNE-SEPT 2026		44 435 844.91		
DIFFERENCE		**56 398 577.92**	44%	

Table SC5 Investment portfolio

DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M03 September

Investments by maturity Name of institution & investment ID R thousands	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality					
FNB					
NEDBANK	470	2	–	–	472
ABSA	0	0	–	–	0
	121 258	675	(35 000)	–	86 932
					–
					–
					–
TOTAL INVESTMENTS AND INTEREST	121 728	677	(35 000)	–	87 404

The Municipality held investments of R87 million at the end of September 2026

Grant Performance:

UTHUKELA DISTRICT MUNICIPALITY
GRANT REGISTER - 2026/27
Summary of Grants received, expenditure & Funds available as at 30 SEPTEMBER 2026

	Name of Grant owner	Grant Type	Unaudited Balance as at 01/07/2026	Applied for Roll-over	Budget Amount 2026/26	Received 2026/27	Expenditure from 2025/26	Spent & transferred to Income 2026/27	% Spent on total allocation	% Spent on received amount	Closing Balance/ Unspent 2026/27
G3.101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	-52 328 951.91		222 036 000.00	50 460 644.60	34 531 923.91	6 401 800.44	2%	11%	-12 395 227.57
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	30 410 353.18	30 410 353.18	0.00	0.00	0.00	0.00	0%	0%	30 410 353.18
G3.105	EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	0.00		3 036 000.00	2 125 000.00	0.00	299 374.31	10%	14%	1 825 625.69
G3.108	EX Mthembu	MUNICIPAL DISASTER RELIEF	30 000 000.00		0.00	0.00	0.00	0.00	0%	0%	30 000 000.00
G3.106	EX Mthembu	EPWP INTERGRATED GRANT	0.00		2 187 000.00	547 000.00	0.00	515 719.68	24%	94%	31 280.32
G3.107	EX Mthembu	REGIONAL BULK INFRASTRUCTURE GRANT	15 000 000.00	15 000 000.00	0.00	0.00	0.00	15 000 000.00	0%	100%	0.00
G3.103	B Ndlovu	FINANCE MANAGEMENT GRANT	0.00		2 200 000.00	2 200 000.00	0.00	127 499.85	6%	6%	2 072 500.15
G3.109	O Mngunl	LG SETA	0.00		98 334.00	98 334.00	0.00	0.00	0%	0%	98 334.00
			23 081 401.26	45 410 353.18	229 557 334.00	55 430 978.60	34 531 923.91	21 344 394.28	9%	40%	52 042 865.77

The total grant income income and grant expenditure as per grant register as at the end of September 2026.

Withdrawals Report

national treasury
Department: National Treasury
REPUBLIC OF SOUTH AFRICA

BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

Municipal Finance Management Act, section 11(4)

Consolidated Quarterly Report for period 01 July 2026 to 30 September 2026

NAME OF MUNICIPALITY: UTHUKELA DISTRICT MUNICIPALITY (DC23)

Date	Payee	Amount in R'000	Description and Purpose	Authorised by (name)
1. Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June;				
		0		
2. Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1);				
3. Section 11(d) -Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);				
		0		
4. Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including (i) money collected by the municipality on behalf of that person or organ of state by agreement; or (ii) any insurance or other payments received by the municipality for that person or organ of state;				
		0		
5. Section 11(f) - Refund money incorrectly paid into a bank account;				
		0		
6. Section 11(g) - Refund guarantees, sureties and security deposits;				
		0		
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;				
		180 000 000	Investment of surplus funds - July 2026	
		0	Investments of surplus funds - August 2026	L. Jili & P. Koortzen
		0	Investment of surplus funds - September 2026	L. Jili & P. Koortzen
				L. Jili & P. Koortzen
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;				
9. Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.				
		338 024 474.86	Creditors payments and employee costs for the month of July 2026	L. Jili & P. Koortzen
		51 521 084.82	Creditors payments and employee costs for the month of August 2026	L. Jili & P. Koortzen
		29 546 470.27	Creditors payments and employee costs for the month of September 2026	L. Jili & P. Koortzen

DISTRIBUTION	
1. Did the Accounting Officer table in Council a consolidated report of all withdrawals within 30 days after the end of the quarter;	YES / NO
2. Date the consolidated report was tabled; and	DATE : / /20
3. Was the copy of the consolidated report of all withdrawals submitted to the Auditor General	YES / NO

CHIEF FINANCIAL OFFICER

MUNICIPAL MANAGER

Instructions for completing this report:

The Accounting Officer must include information motivating the non-budgetted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space.
This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.

Withdrawals that must be reported each quarter:

Distribution:

1. Table this report in a full council meeting, including additional motivation on action taken to rectify,within 30 days after the end of each quarter (section 11(4))
2. Submit a copy to the relevant National Treasury, Provincial Treasury and the Auditor-General

FINANCIAL RATIOS

FINANCIAL RATIO	September 2026(Quarter 1)	COMMENTS ON RATIOS
Capital Expenditure to Total Expenditure (10%-20%)	Total Capital Expenditure / (Total Expenditure (Total Operating Expenditure +Capital Expenditure) x 100 13 043/ (146 964 + 13 043) x 100 13 043/ 160 007x 100 **=8%**	This ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritization of expenditure towards current operations versus future capacity in terms of municipal services. The ratio 8 % as shown on the calculations is exactly an acceptable norm, which confirm that for this quarter(1) ending in September 2026 the spending on Capital is not good. The norm ranges from 10% to 20%
Cash Coverage Ratio	(Cash and Cash Equivalents – Unspent Conditional Grants- Overdraft + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortization and Provision for Bad Debts, Impairment and Loss on Disposal of Assets) + (15 067 263.07 – 52 042 865.77– 0 + 87 404 488.58/ 1 082 341 000) **= 0. 05months**	The ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to- day operational expenditure but rather reserved for Grant related expenditure. The municipality ratio is -0.05 month. The normal range is between 1 month and 3 months.
Net Operating Surplus Margin	(Total Operating Revenue – Total Operating Expenditure) / Total Operating Revenue x 100	Net Operating Surplus Margin Net profit margin, or simply net margin, measures how much net income or profit a

	380 980 – 146 964/ 380 980x 100 **=61%**	municipality generates a percentage of its revenue. Based on the calculation's municipality ratios is 61 % for the quarter (1) September 2026
Remuneration (Employee Related Costs and Councilor's Remuneration as % of Total Operating Expenditure)	Remuneration (Employee Related Costs and Councilor's Remuneration) / Total Operating Expenditure x 100 (92 433 + 1 983) / 146 964 x 100 **=64%**	The ratio measures the extent of Remuneration to Total Operating Expenditure Employee-related costs and the councilor's remuneration ratio amount to 64% of the total operating expenditure which is above the MFMA circular 71 recommended norm of 25% - 40%
Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x 100 15 525/ 146 980x 100 **=11%**	This ratio measures the extent to which the municipality resources are committed towards contracted services to perform municipal related functions The municipality ratio for contracted services is 11% which is more than the acceptable norm of 2% and 5%

Prepared by:

Budget Officer

Reviewed by:

Manager: Budget

Approved by:

Acting Chief Financial Officer