

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 30 SEPTEMBER 2025

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ACCRONYMS

MBRR – Municipal Budget Reporting Regulations

YTD – Year to Date

RMC – Risk Management Committee

1.1. MAYORS' REPORT

The mayor's consideration of the Section 71 report for the month of September 2025 highlights the aspects of actual expenditure incurred and revenue generated to date with an aim to ensure correlation in all strategic performance areas. Close attention is given to curb electricity costs on halls, additionally attention is directed to addressing electricity distribution losses, thereby advertise the bid in this regard.

In terms of Section 54(1) of the MFMA the Mayor performed all the legislative requirements pertaining to this section to ensure that approved annual budget and adjustment budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP). In this subject matter, the mayor further takes cognisance of the budget preparation prescripts thereby ensuring that the final funded budget was adopted within the timeline as set by the MFMA.

Operational Budget

The C-schedule tables show the movement of revenue and expenditure since the beginning of the financial year. Narrations are detailed under each table; however, the significant attributes to revenue and expenditure line items are worth mentioning as follows:

- Total revenue – the C-schedule generates actual figures compared to budgeted figures. Total revenue amounts to R102 million rands with a variance of 14%.
- Bulk electricity – actual figure amounts to R12 million rands.
- Employee costs as contained in Part 2 report contribute notable expenditure at the end of the quarter however the C-schedule only shows R395 thousand as actual figures due to integration issues.

Capital Budget

Capital expenditure spending for the reporting period amounts to R12.4 million rands. Grant register is affixed to provide further details on capital expenditure.

Cash Flow

Budget cash flows are shown in Table C7 below of this report. Quarterly circular 71 calculations are done to ensure that current ratios information is obtained to monitor the liquidity of the municipality.

Risk Management – Financial risks

The municipality is cognisant of financial risk exposure and impact thereof. The identified risks range from weak financial management emanating from poor budgeting, growth in fruitless and wasteful expenditure, decreased revenue from non-payment of services due to unemployment of customers. Global economic outlook results in stagnant economic growth risk which impacts municipal fund allocations through DoRA.

Additionally, risks related to infrastructure costs contribute to variation orders and unfunded mandates due to social pressures. Natural disasters are guaranteed to exacerbate financial strain on the municipality. The municipality incorporates all the risks mentioned above in the risk registers and reviews are conducted consistently to ensure that all risks are attended on merit basis.

Mid-year assessment Review – adjustment budget recommendation

The mid-year assessment review will be done in January 2026.

Other matters

- **AFS and audit 2024-25**

The AFS were submitted on 31 August 2025, currently the audit is underway with 33 Request For Information (RFI) as on 08 October 2025 and no communication of finding (CoMAF) have been issued yet.

- **Electricity losses**

The municipality experienced electricity losses in the past years and the challenge is still insistent. The report on electricity losses is affixed on PART 2 of the report. The mitigation attempts are underway, including the initiative to appoint a service provider to implement an all-encompassing approach that spans from metering, auditing, tempering to revenue generation.

1.2. RESOLUTIONS

The resolutions enclosed hereto will be presented to Council when the In-Year Report (IYR) is tabled. Recommendations are detailed hereunder in terms of the Municipal Budget and Reporting Regulations Schedule-C (In Year Reporting) requirements for consideration by council:

- a) That council notes the MFMA Section 71 monthly budget monitoring report and the supporting documentation.
- b) That Council notes the submission of MFMA Section 71 monthly budget monitoring report to National Treasury, Provincial Treasury and Auditor General.
- c) That the council authorise the Accounting Officer to sign the quality certificate.
- d) That the council authorise the Accounting Officer to place the report on the municipal website, within five working days of council seating.

1.3. EXECUTIVE SUMMARY

The objective of reporting on the financial results of the municipality is to enhance sound financial management and promote transparency and accountability of officials and councillors. Monthly budget statement report of a municipality must be in the format specified as per Schedule C and include all the required tables, charts and explanatory information.

Nquthu Municipality Monthly Budget Statement

In terms of S6 of MBRR, the Statement of Financial Performance shown in Table C4 for the current month serves as a consolidated municipality's performance in relation to both approved annual budget and the actual revenue & expenditure for the month end. The municipality advocates for prudent financial management thus ensuring sufficient revenue are collected and made available for operational and capital expenditures.

The PART1 of this month's Section 71 report details budget spending, movements of funds and factors underpinning the revenue and expenditure actual figures to date. Furthermore, the comparisons are analysed from the c-schedule report thereby giving a clear picture on the gaps noted between the original budget and the actual figures.

PART 1

1.4. IN-YEAR BUDGET STATEMENT TABLES

IN-YEAR ADJUSTMENT BUDGET STATEMENT TABLES – BUDGET SUMMARY - TABLE C1

0 - Table C1 Monthly Budget Statement Summary - M03 September

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									
Financial Performance									
Property rates	57 450	62 160	–	788	12 711	15 540	(2 829)	-18%	62 160
Service charges	34 539	39 560	–	124	7 285	9 890	(2 605)	-26%	39 560
Investment revenue	8 907	8 150	–	283	638	2 037	(1 399)	-69%	8 150
Transfers and subsidies - Operational	215 489	215 536	–	–	79 434	53 884	25 550	0	215 536
Other own revenue	18 424	33 333	–	111	2 166	8 333	(6 167)	-74%	33 333
Total Revenue (excluding capital transfers and contributions)	334 809	358 739	–	1 306	102 236	89 685	12 551	14%	358 739
Employee costs	111 037	124 644	–	180	395	31 161	(30 766)	-99%	124 644
Remuneration of Councillors	15 731	15 974	–	–	3 993	(3 993)	–	-100%	15 974
Depreciation and amortisation	40 486	37 000	–	–	–	9 250	(9 250)	-100%	37 000
Interest	199	0	–	–	–	0	(0)	-100%	0
Inventory consumed and bulk purchases	46 149	42 916	–	5 881	14 354	10 729	3 625	34%	42 916
Transfers and subsidies	4 328	4 554	–	–	290	1 364	(1 074)	-79%	4 554
Other expenditure	119 176	107 080	–	8 998	17 700	26 770	(9 069)	-34%	107 080
Total Expenditure	337 105	333 068	–	15 059	32 739	83 267	(50 528)	-61%	333 068
Surplus/(Deficit)	(2 296)	25 671	–	(13 753)	69 497	6 418	63 079	983%	25 671
Transfers and subsidies - capital (monetary allocations)	53 269	37 961	–	–	5 809	9 490	(3 681)	-39%	37 961
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	50 972	63 632	–	(13 753)	75 306	15 908	59 398	373%	63 632
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	50 972	63 632	–	(13 753)	75 306	15 908	59 398	373%	63 632
Capital expenditure & funds sources									
Capital expenditure									
Capital transfers recognised	16 908	32 250	–	3 344	8 668	8 063	605	8%	32 250
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	(25 717)	23 342	–	2 811	3 811	5 835	(2 025)	-35%	23 342
Total sources of capital funds	(8 810)	55 592	–	6 155	12 479	13 898	(1 419)	-10%	55 592
Financial position									
Total current assets	151 764	202 537	–	–	207 674	–	–	–	202 537
Total non current assets	749 814	799 814	–	–	794 826	–	–	–	799 814
Total current liabilities	72 138	111 751	–	–	65 221	–	–	–	111 751
Total non current liabilities	1 508	875	–	–	1 508	–	–	–	875
Community wealth/Equity	810 579	826 293	–	–	860 465	–	–	–	826 293
Cash flows									
Net cash from (used) operating	(16 438)	81 222	–	(7 469)	52 471	31 989	(20 482)	-64%	81 222
Net cash from (used) investing	–	(101 890)	–	–	–	(25 472)	(25 472)	100%	(101 890)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	76 095	50 727	–	(7 469)	126 701	77 912	(48 789)	-63%	53 562
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	1 608	1 150	915	486	293	289	258	15 198	20 197
Creditors Age Analysis									
Total Creditors	5 729	1 658	97	89	–	89	532	1 377	9 569

The year-to-date actual revenue (excluding capital transfers and contributions) is R102 million rands. The operating expenditure year to date is R32.7 million rands, this figure is under stated due to payroll transactions not captured on the system.

The year-to-date expenditure figure for employee costs and councillor allowances is supported by PART 2 payroll because the amount on the C-schedule is understated due to information being not fully integrated with the financial system.

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

The table extract from the Cschedule contains no information.

Table C3: Monthly Budget Statement_ Financial Performance

The table extract from the Cschedule contains no information.

Table C4 Municipality Financial Performance

Table C4 provides information on the planned revenue and operational expenditures against the actual results for the period under reporting. Table C4 report analyses each major component under revenue by source and operational expenditure by type.

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

Description	Ref	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
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		32 858	37 183	-	152	6 887	9 296	(2 409)	-26%	37 183
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 681	2 377	-	(28)	399	594	(196)	-33%	2 377
Sale of Goods and Rendering of Services		810	236	-	11	38	59	(21)	-36%	236
Agency services		-	-	-	-	-	-	-	-	-
Interest		19	0	-	-	-	0	(0)	-100%	0
Interest earned from Receivables		778	1 171	-	-	123	293	(169)	-58%	1 171
Interest from Current and Non Current Assets		8 907	8 150	-	283	638	2 037	(1 399)	-69%	8 150
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		860	1 043	-	6	147	261	(114)	-44%	1 043
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		649	25 331	-	7	830	6 333	(5 503)	-87%	25 331
Non-Exchange Revenue										
Property rates		57 450	62 160	-	788	12 711	15 540	(2 829)	-18%	62 160
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 425	4 463	-	16	153	1 116	(962)	-86%	4 463
Licence and permits		862	1 088	-	72	214	272	(58)	-21%	1 088
Transfers and subsidies - Operational		215 489	215 536	-	-	79 434	53 884	25 550	47%	215 536
Interest		3 633	0	-	-	661	0	661	#####	0
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		9 386	0	-	-	-	0	(0)	-100%	0
Other Gains		-	0	-	-	-	0	(0)	-100%	0
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		334 809	358 739	-	1 306	102 236	89 685	12 551	14%	358 739
Expenditure By Type										
Employee related costs		111 037	124 644	-	180	395	31 161	(30 766)	-99%	124 644
Remuneration of councillors		15 731	15 974	-	-	-	3 993	(3 993)	-100%	15 974
Bulk purchases - electricity		45 257	40 870	-	3 989	12 406	10 217	2 189	21%	40 870
Inventory consumed		891	2 046	-	1 893	1 947	512	1 436	281%	2 046
Debt impairment		16 949	-	-	-	-	-	-	-	-
Depreciation and amortisation		40 486	37 000	-	-	-	9 250	(9 250)	-100%	37 000
Interest		199	0	-	-	-	0	(0)	-100%	0
Contracted services		59 228	51 147	-	5 983	9 391	12 787	(3 396)	-27%	51 147
Transfers and subsidies		4 328	5 454	-	-	290	1 364	(1 074)	-79%	5 454
Irrecoverable debts written off		1 184	15 000	-	-	147	3 750	(3 603)	-96%	15 000
Operational costs		39 118	40 933	-	3 015	8 162	10 233	(2 071)	-20%	40 933
Losses on Disposal of Assets		2 693	0	-	-	-	0	(0)	-100%	0
Other Losses		5	0	-	-	-	0	(0)	-100%	0
Total Expenditure		337 105	333 068	-	15 059	32 739	83 267	(50 528)	-61%	333 068
Surplus/(Deficit)		(2 296)	25 671	-	(13 753)	69 497	6 418	63 079	0	25 671
Transfers and subsidies - capital (monetary allocations)		53 269	37 961	-	-	5 809	9 490	(3 681)	(0)	37 961
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		50 972	63 632	-	(13 753)	75 306	15 908	59 398	0	63 632
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		50 972	63 632	-	(13 753)	75 306	15 908	59 398	0	63 632
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		50 972	63 632	-	(13 753)	75 306	15 908	59 398	0	63 632
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		50 972	63 632	-	(13 753)	75 306	15 908	59 398	0	63 632

TABLE C4: REVENUE BY SOURCE

Property rates

Property rates YTD actual for this month stands at R12.7 million rands, the comparison against the original budget of R62 million rands results in the variance of 18%.

Service charges electricity

The actual revenue from service charges electricity is R6.8 million rands, the comparison against the original budget of R37 million rands results in the variance of -26%.

Interest from Current and Non-Current Assets

The interest from current and non-current assets show the YTD actual figure of R638 thousand rands. The comparison against the original budget of R8.1 million rands results in the variance of -69%.

Transfers and subsidies

The transfers and subsidies allocations from the DoRA for the first tranches of the current year are received and reflected in the grant register on Part 2 of this report. The original budget amounts to R215 million rands while the YTD actual figure is R79.4 million rands hence the variance amounts to 47%.

TABLE C4: EXPENDITURE BY TYPE

Employee related costs

The employee related costs reflects R395 thousand rands as actual figure against the budgeted amount of R124.6 thereby resulting in a variance of -99%.

Remuneration of Councillor's

The YTD actual for remuneration of councillors reflect Rnil million rands. The approved original budget amounts to R 15.4 million rands hence the 100% variance.

Debt impairment

The YTD actuals reflects R0 amounts, the actuals will be prepared during the compilation of interim AFS. The budgeted figure in this regard is R0.

Depreciation & asset impairment

The YTD actuals reflects R0 amounts, the actuals will be prepared during the compilation of interim AFS. The budgeted figure in this regard is R37 million rands.

Bulk purchases

The YTD actual for electricity bulk purchase figure amounts to R12 million rands , the municipality pays the bulk account monthly and there are no interest charges on bulk account.

Monthly Budget Statement_ Capital Expenditure Table 5

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

Vote Description	Ref	2024/25				Budget Year 2025/26				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate and Community Service		-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Vote 4 - Corporate and Community Service		-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		-	-	-	-	-	-	-	-	-
Capital Expenditure - Functional Classification										
Governance and administration		1 585	0	-	-	-	0	(0)	-100%	0
Executive and council		709	0	-	-	-	0	(0)	-100%	0
Finance and administration		876	0	-	-	-	0	(0)	-100%	0
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(15 043)	26 372	-	283	625	6 593	(5 968)	-91%	26 372
Community and social services		(20 862)	23 407	-	283	625	5 852	(5 227)	-89%	23 407
Sport and recreation		5 721	2 965	-	-	-	741	(741)	-100%	2 965
Public safety		98	0	-	-	-	0	(0)	-100%	0
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(1 678)	28 805	-	5 872	11 854	7 201	4 652	65%	28 805
Planning and development		(8 652)	348	-	-	-	87	(87)	-100%	348
Road transport		6 974	28 457	-	5 872	11 854	7 114	4 739	67%	28 457
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		6 326	414	-	-	-	103	(103)	-100%	414
Energy sources		575	0	-	-	-	0	(0)	-100%	0
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 752	414	-	-	-	103	(103)	-100%	414
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(8 810)	55 592	-	6 155	12 479	13 898	(1 419)	-10%	55 592
Funded by:										
National Government		16 908	32 250	-	3 344	8 668	8 063	605	8%	32 250
Provincial Government		(0)	0	-	-	-	0	(0)	-100%	0
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		16 908	32 250	-	3 344	8 668	8 063	605	8%	32 250
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	(25 717)	23 342	-	2 811	3 811	5 835	(2 025)	-35%	23 342
Total Capital Funding		(8 810)	55 592	-	6 155	12 479	13 898	(1 419)	-10%	55 592

The total capital expenditure year to date figure by function classification stands at R12.4 million rands. The original budget shows an amount of R55.5 million rand hence the variance of -10%.

Capital expenditure funded by the national government year to date actual amount to R8.6 million rands, the approved original budget on the C-schedule report amounts to R32.2 million rands thereby producing a variance of 8%.

Table C6 – Monthly Budget Statement – Financial Position

0 - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2024/25		Budget Year 2025/26		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		74 230	51 849	–	130 656	51 849
Trade and other receivables from exchange transactions		9 988	10 218	–	7 888	10 218
Receivables from non-exchange transactions		36 308	84 007	–	37 054	84 007
Current portion of non-current receivables		–	–	–	–	–
Inventory		23 272	1 369	–	23 219	1 369
VAT		7 912	55 029	–	8 803	55 029
Other current assets		54	66	–	55	66
Total current assets		151 764	202 537	–	207 674	202 537
Non current assets						
Investments		–	–	–	–	–
Investment property		53 255	39 384	–	53 255	39 384
Property, plant and equipment		696 480	760 348	–	741 492	760 348
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		79	79	–	79	79
Intangible assets		–	3	–	–	3
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	0	–	–	0
Total non current assets		749 814	799 814	–	794 826	799 814
TOTAL ASSETS		901 577	1 002 350	–	1 002 500	1 002 350
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		20	20	–	20	20
Consumer deposits		2 216	1 803	–	2 220	1 803
Trade and other payables from exchange transactions		55 342	49 725	–	21 091	49 725
Trade and other payables from non-exchange transactions		49	0	–	26 242	0
Provision		13 375	13 054	–	13 375	13 054
VAT		1 136	47 149	–	2 272	47 149
Other current liabilities		–	–	–	–	–
Total current liabilities		72 138	111 751	–	65 221	111 751
Non current liabilities						
Financial liabilities		(20)	(20)	–	(20)	(20)
Provision		1 529	896	–	1 529	896
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	0	–	–	0
Total non current liabilities		1 508	875	–	1 508	875
TOTAL LIABILITIES		73 646	112 626	–	66 729	112 626
NET ASSETS	2	827 931	889 724	–	935 771	889 724
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		810 417	826 141	–	860 303	826 141
Reserves and funds		162	152	–	162	152
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	810 579	826 293	–	860 465	826 293

The table C6 reflects R860 million rands actual accumulated surplus and R826 million rands original budget for accumulated surplus.

Table C7 – Monthly Budget Statement – Cash Flow

0 - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	35 404	-	-	-	8 851	(8 851)	-100%	35 404
Service charges		6 537	33 949	-	-	-	8 487	(8 487)	-100%	33 949
Other revenue		-	31 683	-	-	-	7 921	(7 921)	-100%	31 683
Transfers and Subsidies - Operational		452 602	221 926	-	18 859	144 575	55 482	89 093	161%	221 926
Transfers and Subsidies - Capital		-	75 066	-	-	-	18 767	(18 767)	-100%	75 066
Interest		-	(19 952)	-	-	407	(4 988)	5 395	-108%	(19 952)
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(475 577)	(296 855)	-	(26 327)	(92 510)	(62 530)	29 981	-48%	(296 855)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(16 438)	81 222	-	(7 469)	52 471	31 989	(20 482)	-64%	81 222
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		-	(101 890)	-	-	-	(25 472)	(25 472)	100%	(101 890)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(101 890)	-	-	-	(25 472)	(25 472)	100%	(101 890)
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		(16 438)	(20 668)	-	(7 469)	52 471	6 517			(20 668)
Cash/cash equivalents at beginning:		92 533	71 395	-	-	74 230	71 395			74 230
Cash/cash equivalents at month/year end:		76 095	50 727	-	(7 469)	126 701	77 912			53 562

The table C7 cash flow statement transactions from operating activities with a year to date actual figure of R52.4 million rands. There are Rnil transactions under investing activities and financing activities.

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTOR’S ANALYSIS

Table SC3 extract shows the debtors age analysis in line with the information on the financial system thereby showing ageing by income source.

0 - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy	
		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	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 325	881	690	282	107	76	66	982	4 408	1 512	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	148	123	121	87	80	82	74	5 812	6 527	6 135	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	70	64	55	54	52	57	45	1 655	2 052	1 864	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	65	82	49	64	54	74	73	6 749	7 210	7 014	-	-	
Total By Income Source	2000	1 608	1 150	915	486	293	289	258	15 198	20 197	16 524	-	-	
2024/25 - totals only		4349677	1056439	358710	435091	361216	322110	293275	14202704	21 379	15 614	0	0	
Debtors Age Analysis By Customer Group														
Organs of State	2200	937	880	696	304	111	97	88	4 210	7 324	4 811	-	-	
Commercial	2300	468	87	71	64	65	58	40	962	1 816	1 191	-	-	
Households	2400	123	79	79	56	61	62	41	2 627	3 122	2 841	-	-	
Other	2500	80	104	69	66	57	71	89	7 399	7 935	7 682	-	-	
Total By Customer Group	2600	1 608	1 150	915	486	293	289	258	15 198	20 197	16 524	-	-	

The table 2.1.1 shows the debtors ageing arranged per service type. The balance of debtor’s book amounts to R124 million rands. Collection strategies are implemented by the municipality to encourage customers to settle the bills on time. Monthly statements are emailed to customers and electricity cut-off is implemented.

DEBTORS AGE ANALYSIS

TABLE 2.1.1.

September 2025 Age Analysis								
Totals per Service Type	Total Balance	Current Amount	30 Days Amount	60 Days Amount	90 Days Amount	120 Days Amount	150 Days Amount	180+ Days Amount
Advance Payment	R -3 695 388.92	R -3 695 388.92	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 557.85	R -	R -	R -	R -	R -	R -	R 557.85
Deposit: Waste Disposal	R 2 000.00	R -	R -	R -	R -	R -	R -	R 2 000.00
Electricity Basic	R 765 050.75	R 247 815.63	R 42 378.02	R 33 025.81	R 27 535.30	R 32 945.03	R 19 727.05	R 361 623.91
Electricity Metered	R 6 713 381.36	R 3 630 190.53	R 881 449.53	R 690 012.76	R 281 874.53	R 106 651.05	R 75 643.19	R 1 047 559.77
Market stalls	R 1 111 865.21	R 40 044.80	R 18 965.47	R 18 521.91	R 18 796.94	R 17 375.30	R 16 601.67	R 981 559.12
OFFICE RENTAL	R 124 067.22	R 33 020.59	R 17 539.34	R 12 988.62	R 11 894.67	R 11 824.00	R 14 733.33	R 22 066.67
Plaza Market Stalls	R 263 649.19	R 18 763.24	R 8 798.96	R 8 198.60	R 7 965.24	R 7 843.77	R 7 640.64	R 204 438.74
Property Rates	R 104 139 242.73	R 11 175 531.28	R 5 287 414.72	R 500 760.45	R 347 026.77	R 3 235 978.61	R 2 926 397.96	R 80 666 132.94
Rent (M001)	R 586 297.54	R 43 739.81	R 15 386.07	R 14 985.25	R 14 905.74	R 14 848.68	R 18 258.63	R 464 173.36
Repay: Waste Disposal	R 26 280.82	R -	R -	R -	R -	R -	R -	R 26 280.82
Signs (M001)	R 1 119.59	R -	R -	R -	R -	R -	R -	R 1 119.59
Stall rental	R 28 288.81	R 320.16	R 131.22	R 131.22	R 131.22	R 131.22	R 131.22	R 27 312.55
Sundries (VAT)	R 14 157.84	R 11 417.97	R 2 708.63	R 31.24	R -	R -	R -	R -
Tampering Fee	R 497 240.60	R 9 092.80	R 1 000.00	R -	R 17 316.35	R 15 585.33	R 20 000.00	R 434 246.12
Traffic Fines	R 4 689 000.00	R 78 500.00	R 81 200.00	R 49 000.00	R 46 600.00	R 38 700.00	R 53 800.00	R 4 341 200.00
Traffic Fines (M001)	R 2 045 871.78	R -	R -	R -	R -	R -	R -	R 2 045 871.78
Waste Disposal	R 6 732 313.53	R 392 624.92	R 122 274.48	R 120 937.78	R 83 766.02	R 79 964.41	R 81 363.83	R 5 851 382.09
Total	R124 044 995.90	R11 985 672.81	R6 479 246.44	R1 448 593.64	R 857 812.78	R3 561 847.40	R3 234 297.52	R96 477 525.31

DEBT COLLECTION RATES

Collection Table 2.1.2.

Cash Collected for each Revenue Source via Billing (September 2025)				
	Cash collection	Ageing - September 2025	Collection rate per BT	Billed revenue - September 2025
Rates	R -1 130 781.55	R 104 139 242.73	-1%	R 6 419 584.17
Electricity	R -1 676 297.65	R 7 478 432.11	-22%	R 2 762 205.17
Refuse	R -164 089.80	R 6 760 594.35	-2%	R 270 140.35
Stalls Rental , Traffic fines &	R -91 671.01	R 8 358 135.43	-1%	R 72 174.54
Other Rentals	R -	R 1 003 422.35	0%	R -
Advance payments	R -230 655.43	R -3 694 831.07	6%	R -
	R 138 139.16			R -
TOTAL CASH RECEIVED (BI	R 3 155 356.28	R 124 044 995.90		R 9 524 104.23
Total Ageing	R 124 044 995.90		August 2025 Billing	R 9 233 004.79
Total debtors' payments	R 3 155 356.28		September 2025 Payments	R 3 155 356.28
	3%			34%

Cash collected under the reporting period amounts to R3.1 million rands resulting in collection rate of 3%. The comparison to the previous month billing against current month payments results to 34% collection rate, which is significantly above the norm of 95%.

DEBTOR'S RATIOS

Ratios table 2.1.3.

SEPTEMBER 2025 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	35	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) x 365	2019.66	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	3.15	Revenue Growth (%)

Collection rates stand at 35% using the ratios as provided by National Treasury circular 71. Net debtors' days are increased to 2019.66 from 1 838.59 reported in the preceding month meaning that it takes the municipality above 5 years to collect the current debt, the debtors' days signal cash flow challenges to fund certain expenditure items.

INDIGENT DEBTORS' STATUS

The indigent debtor registration period started in February and closed in April. The total debtors that qualified for indigent debt relief rebates totals to 207. Physical verification was conducted. The rebates granted to eligible indigent debtors encompasses the 100% rebate on billed rates and services for the current year.

ELECTRICITY LOSSES

The electricity losses for the quarter under review amounts to R1.6 million rands which translate to 13.53%. The municipality through the management committee considered a decision to engage in a competitive bidding process in sourcing a service provider that will assist with all electricity challenges. Previously the municipality engaged in the RT29 transversal contract process, and unfortunately the application was decline by National Treasury.

ELECTRICITY OPERATION LOSS 25/26 (RAND VALUE)												
Month	Season High/Low	Bulk Purchases Amount 25/26	Total kWh Amount 25/26 (Internal)	Ontec 3rd party sales	Fixed Costs - Basic Charge	SEBATA Billing 25/26	FBE	Own Consumption	Total Electricity	Profit / Loss on sale of electricity	% return from purchases	%Profit/ Loss
July	High	R 5 336 844.32	R 304 992.00	R 595 046.30	R 37 569.00	R 2 540 416.11	R 207 210.74	R 68 262.13	R 3 753 496.28	R 1 583 348.04	70.33%	29.67%
August	High	R 3 080 617.17	R 230 201.69	R 602 808.39	R 38 829.00	R 2 419 647.64	R 205 205.48	R 66 412.44	R 3 563 104.64	-R 482 487.47	115.66%	-15.66%
September	Both	R 3 988 798.14	R 199 281.36	R 529 742.29	R 39 060.00	R 2 401 917.60	R 185 238.02	R 56 060.33	R 3 411 299.60	R 577 498.54	85.52%	14.48%
TOTALS		R 12 406 259.63	R 734 475.05	R 1 727 596.98	R 115 458.00	R 7 361 981.35	R 597 654.24	R 190 734.90	R 10 727 900.52	R 1 678 359.11	86.47%	13.53%

The advert was placed on the newspaper on the 25th September 2025, thereby providing specification as summarised to state that the municipality aims to source an electricity meter management system that will improve service efficiency in meter reading, debt-collection, customer service, revenue collection, prevention of energy theft, restrict / identify / manage tampering and in general improve the financial position and standing of the municipality.



NQUTHU MUNICIPALITY UMASIPALA WASE NQUTHU

TENDER NOTICE

Invitation to tenders for:

Tender Name	Tender Number	Purchase Price	Last date of sale	Tender Closure
PROVISION FOR SHORT TERM INSURANCE FOR A PERIOD OF 3 YEARS AND 6 MONTHS.	NQULM17/2025-2026: Obtainable from Cashiers' Office, e-Tender portal and Municipal website.	R460.00	Last sale of tender document is 10 October 2025 at 14h30	Monday, 27 October 2025 at 12h00
PROVISION OF CO-SOURCED INTERNAL AUDIT FUNCTION AT NQUTHU LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.	NQULM19/2025-2026: Obtainable from Cashiers' Office, e-Tender portal and Municipal website.	R460.00	Last sale of tender document is 10 October 2025 at 14h30	Monday, 27 October 2025 at 12h00.
PROVISION OF LEARNER'S LICENCE AND DRIVER'S LICENCE FOR NQUTHU MUNICIPALITY.	NQULM16/2025-2026: Obtainable from Cashiers' Office, e-Tender portal and Municipal website.	R460.00	Last sale of tender document is 03 October 2025 at 15h30	Thursday, 09 October 2025 at 12h00.
SUPPLY, INSTALLATION, OPERATION AND MAINTENANCE OF A UTILITY AUTOMATION SYSTEM FOR BULK ELECTRICITY FOR NQUTHU MUNICIPALITY.	NQULM14/2025-2026: Obtainable from Cashiers' Office, e-Tender portal and Municipal website.	R460.00	Last sale of tender document is 03 October 2025 at 15h30	Thursday, 09 October 2025 at 12h00.
SERVICE MUNICIPAL GATES FOR A PERIOD OF 36 MONTHS FOR NQUTHU MUNICIPALITY.	NQULM18/2025-2026: Obtainable from Cashiers' Office, e-Tender portal and Municipal website.	R460.00	Last sale of tender document is 10 October 2025 at 14h30	Monday, 27 October 2025 at 12h00.

2.2. CREDITOR'S ANALYSIS

The municipality continues to pay creditors invoices in line with MFMA prescripts as stated that it should be within 30 days, end user departments are encouraged to attend to invoices timely to avoid delays, and to ensure accurate invoices are submitted to ensure the 30 days threshold is met.

The highest cost driver for the month under reporting relate to Eskom invoices for bulk account and other miscellaneous accounts for halls. The municipality have no arrear debt with Eskom.

Creditors payment summary: Table 2.2.1

Nquthu Municipality Monthly Budget Statement

TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF SEPTEMBER 2025			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	3 739.33
	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	2 507.78
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	12 386.59
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	14 011.62
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	8 192.01
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	12 088.79
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	5 136.81
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	4 561.60
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	446 397.44
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	2 932.21
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	1 616.54
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	3 325.79
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	1 603.72
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	6 251.93
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	10 491.73
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	6 260.08
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	3 116.17
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	11 676.44
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	17 239.19
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	4 088.50
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	1 369.40
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	7 005.50
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	6 344.52
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	4 130.05
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	2 227.60
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	1 898.88
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	1 898.88
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	3 542 709.75
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	4 587 117.86
			8 732 326.71
2	NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	PREPARATION OF AFS AND PROVISION OF FINANCIAL SUPPORT JULY 2025	786 099.75
	NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	PREPARATION OF AFS AND PROVISION OF FINANCIAL SUPPORT AUG 2025	650 399.75
			1 436 499.50
3	COMPENSATION FUND	2024 FINAL ASSESSMENT AND 2025 PROVISIONAL ASSESSMENT	915 882.36
			915 882.36
4	NTSHIDI AND ASSOCIATES	INTERNAL AUDIT FEES, FIRST AND SECOND VISIT	831 968.00
			831 968.00
5	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2025	375 627.79
	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR AUG 2025	375 627.71
	FEZILE SECURITY SERVICES	PROVISION OF SECURITY SERVICE FOR NQUTHU JUNE RURAL HORSE RIDING 2024	64 239.00
			815 494.50

Nquthu Municipality Monthly Budget Statement

6	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR AUG 2025	386 254.94
	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2025	386 254.94
			772 509.88
7	ADVENTURE TRAVEL	ACCOMMODATION CONFERENCE OF 90 DELEGATES IN GAUTENG (30-31 AUG 2025)	125 798.50
	ADVENTURE TRAVEL	ACCOMMODATION OF BP SIBIYA AND M SIBISI IN RITA'S GUESTHOUSE VRYHEID (30-31 JULY 2025)	3 381.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 05 FINANCE DELEGATES IN DURBAN (03 AUG 2025-08 AUG 2025)	44 620.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 05 FINANCE DELEGATES IN DURBAN (24 -29 AUG 2025)	35 765.00
	ADVENTURE TRAVEL	ACCOMMODATION OF D MADONDO IN DURBAN (23-25 JULY 2025)	3 887.00
	ADVENTURE TRAVEL	ACCOMMODATION OF BH BHENGU AND KC SHABALALA IN DURBAN (30 JULY 2025-01 AUG 2025)	7 429.00
	ADVENTURE TRAVEL	ACCOMMODATION OF S ZULU AND MB KHANYE IN ANEW HOTEL HILTON PMB (05-06 AUG 2025)	4 140.00
	ADVENTURE TRAVEL	ACCOMMODATION OF NM BUTHELEZI, S NTULI AND N HLATSHWAYO IN DURBAN (14-15 AUG 2025)	5 658.00
	ADVENTURE TRAVEL	BODYGUARDS IN PEERMONT METCOURT UMFOLOZI (07-08 AUG 2025)	6 796.50
	ADVENTURE TRAVEL	ACCOMMODATION OF S ZULU IN ANEW RESORT VULINTABA (17-20 AUG 2025)	6 037.50
	ADVENTURE TRAVEL	ACCOMMODATION OF N HLATSHWAYO IN BATTLEFIELD GUEST HOUSE (17-22 AUG 2025)	11 097.50
	ADVENTURE TRAVEL	ACCOMMODATION OF ST GABELA AND K MAKHATHINI IN DURBAN (28-29 AUG 2025)	3 887.00
	ADVENTURE TRAVEL	ACCOMMODATION OF FINANCE INTERNS IN DURBAN (07 -12 SEPT 2025)	53 475.00
	ADVENTURE TRAVEL	INTERVIEW WITH GAGASI FM IN DURBAN (07 -08 AUG 2025)	2 116.00
	ADVENTURE TRAVEL	MAYORS' BODYGUARDS IN DURBAN (19-20 AUG 2025)	6 796.50
	ADVENTURE TRAVEL	UMKHOSI WESIVIVANE IN ULUNDI (09 -11 AUG 2025)	43 861.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 24 DELEGATES ATTENDING GOLDEN GAMES IN DURBAN (17 -19 SEPT 2025)	108 148.30
	ADVENTURE TRAVEL	ACCOMMODATION OF NZ MTAMBO IN DURBAN (30 JULY 2025-01 AUG 2025)	3 887.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 FINANCE DELEGATES IN DURBAN (27 JULY 2025-01 AUG 2025)	35 765.00
	ADVENTURE TRAVEL	ACCOMMODATION OF CLLRS AND OFFICIALS ATTENDING I	72 450.00
			584 995.80
8	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2025	380 458.48
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SLUM CLEARANCE OFFICERS DAY AND NIGHT SHIFT JULY 2025	100 050.00
			480 508.48
9	SEBATA MUNICIPAL SOLUTIONS	HELP DESK - SUPPORT JULY 2025	10 062.50
	SEBATA MUNICIPAL SOLUTIONS	EMS- SUPPORT JULY 2025	181 397.55
	SEBATA MUNICIPAL SOLUTIONS	EMS- SUPPORT AUG 2025	115 664.70
	SEBATA MUNICIPAL SOLUTIONS	HELP DESK - SUPPORT AUG 2025	7 906.25
			315 031.00
10	SYAMKELA TRADING	NQUTHU ROAD MARKING AND CONTROL SIGNS INSTALLATION	298 000.00
			298 000.00

CREDITORS AGE ANALYSIS: TABLE 2.2.2

Creditor's ageing reconciliation for the month ending 30 September 2025	
CREDITORS ACCOUNT RECONCILIATION REPORT	
MONTH ENDING SEPTEMBER 2025	
Total Balances as per EMS INVOICE AGE ANALYSIS REPORT:	R 9 083 267.99
AGE ANALYSIS TOTAL AMOUNT:	R 9 083 267.99
CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT R 9 083 267.99	
AGED ANALYSIS	R 9 083 267.99
Current (Transactions below 30 days)	R - R 0.00
<30 Days	R - R 6 620 245.70
<60 Days	R - R 1 657 606.53
<90 Days	R - R 96 730.64
<120 Days	R - R 88 585.64
<150 Days	R - R 0.00
<180 Days	R - R 88 585.64
>180 Days	R - R 531 513.84

The debtors above 90-day threshold pose the risk of creditors being flagged by Provincial Treasury in the Early Warning Signal (EWS) quarterly assessment. The municipality's MFMA Section 71 report is assessed by the Provincial Treasury. The assessment performed in the last quarter indicated that there was one criterion which the municipality met to indicate financial problems.

The indicator being: Section 138(a) of the MFMA - Failure to make payments for amounts more than R1 million which are outstanding for longer than 90 days. The expenditure unit payment schedule and controls are implemented to ensure that only the compliant creditors are paid.

2.3 INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS

The investment register reflects investment state of the municipality. Operating and capital expenditure requires that the municipality withdraws from time to time from investments to ensure cashflow suffice hence the withdrawals history of R500 thousand rands. The investment balance amounts to R73.4 million rands.

Table 2.3.1 Investment register for the period ending 30 September 2025

External Investment Report 30 September 2025								
Financial Institution/Bank		Date invested/	Amount invested	Interest rate	Withdrawal/ Deposit	Balance	Interest	Maturity date
ABSA HOUSING A/C	9277851394	CALL A/C	R2 038 878.95	7.50%	R0.00	R2 048 922.52	R10 043.57	CALL A/C
ABSA CALL	9307695892	CALL A/C	R16 173 111.72	6.95%	R5 680 720.54	R16 254 154.52	R81 042.80	CALL A/C
ABSA BANK	9365964328	CALL A/C	R24 892.17	7.53%	R0.00	R24 972.22	R80.05	CALL A/C
ABSA BANK NOTICE SELECT	9142845014	CALL A/C	R97 469.48	7.05%	R0.00	R97 934.13	R464.65	NOTICE SELECT
NEDBANK 1	037165014039	CALL A/C	R1 338.20	8.05%	R0.00	R1 345.70	R7.50	CALL A/C
FIRST NATIONAL BANK	62372311408	CALL A/C	R10 967 204.74	7.0%	R0.00	R11 025 796.66	R58 591.92	CALL A/C
STANDARD BANK	308585569	CALL A/C	R7 807.86	6.25%	R0.00	R7 842.67	R34.81	CALL A/C
STANDARD BANK	308585569	NOTICE	R27 821 488.00	8.20%	R0.00	R27 997 106.38	R175 618.38	32 DAYS NOTICE
STANDARD BANK	308585569	25-Jul-24	R16 358 067.96	9.15%	R0.00	R16 358 067.96	R0.00	04-Dec-25
TOTAL			R73 490 259.08		R5 680 720.54	R73 816 142.76	R325 883.68	

Withdrawal history is shown in the table below providing a telling picture on withdrawal movement since the start of the financial year. The municipal operational needs resulted in the withdrawal in July amounting to R500 thousand rands.

INVESTMENTS WITHDRAWAL							
DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO		ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
04-Jul-25	ABSA 5892	500 000.00	ABSA 2762		PRIMARY	2 950 471.60	pay for normal operations
		<u>500 000.00</u>					

Table 2.3.2 Bank Balance (Primary account)

BANK RECONCILIATION (PRIMARY ACCOUNT)	4053562762
Details	Amount
Cash book balance as at 30 September 2025	R34 482 995.67
Outstanding deposits	R0.00
Unknown deposits	R0.00
Bank charges	R0.00
Outstanding cheques	R0.00
Transfers	R0.00
Sundries	R0.00
Outstanding receipts	R0.00
Bank statement balance as at 30 September 2025	R34 482 995.67

Bank balance for primary account reflects the amount of R34.4 million rands for the month under review.

BANK RECONCILIATION (GRANTS ACCOUNT)	
Details	Amount
Cash book balance as at 30 September 2025	R97 934.13
Unknown deposits	R0
Outstanding cheques	R0
Bank charges	R0
Returned cheques	R0
Transfers	R0
Sundries	R0
Outstanding receipts	R0
Bank statement balance as at 30 September 2025	R97 934.13

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 30 September 2025

Grant register Table 2.4.1

Summary of Grants received and expenditure - September 2025								
	Grant Type	Pre-Audited Balance as at	Dora/Prov Allocation for year	Received	Spent & transferred to income	Balance as at	Commitments	Available funds/not committed
		1-Jul-2025		2025/26	2025/26	2025/26	2025/26	2025/26
National Grants operational	Eletrification(INEP)		(20 000 000.00)	(9 000 000.00)	-	(9 000 000.00)		(9 000 000.00)
	FMG		(1 900 000.00)	(1 900 000.00)	432 606.50	(1 467 393.51)		(1 467 393.51)
	EPWP		(1 639 008.00)	(410 000.00)	-	(410 000.00)		(410 000.00)
National Grants Capital	MIG		(37 961 004.00)	(22 000 000.00)	9 328 877.45	(12 671 122.55)		(12 671 122.55)
	Disaster relief grant			-	-	-		-
KZN Grants Operational	Cybercadet			-	99 458.82	99 458.82		99 458.82
	Library Modular			-	530 621.37	530 621.37		530 621.37
	Library Volunteer			-	16 000.00	16 000.00		16 000.00
	Library support		(4 493 000.00)	-	558 353.84	558 353.84		558 353.84
	TOTALS	-	(65 993 012.00)	(33 310 000.00)	10 965 917.98	(22 344 082.02)	-	(22 344 082.02)

The grants spending is as follows:

1. INEP 0% spent.
2. MIG grant 42% spent.
3. FMG 23% spent.
4. EPWP 0% spent.

The remaining KZN grants (operational) such as cybercadet grant, library modular grant, library volunteer grant and library support grants are spent yet the allocation is not received at the end of the reporting period.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

Employee benefits for the month under reporting amount to R9.5 million rands. New staff establishment was adopted by council in the last quarter of the previous financial year which will impact the staff benefits. Councillor allowances expenditure amounts to R1.2 million rands. Table 2.5.1 below provide full details on both staff and councillor benefits.

Table 2.5.1 Staff benefits in terms of Section 66 of the MFMA

<i>Staff Benefits in terms of Section 66 of the MFMA</i>		
Actual staff benefits and Councillors allowances for the period ending 30 September 2025		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R 91 550 207.00	R 19 520 637.67
Contributions to pension funds	R 11 886 283.00	R 2 619 098.98
Contributions to medical aids	R 2 377 963.00	R 969 313.10
Contributions to UIF	R 626 907.00	R 147 646.78
Contributions to SDL	R 964 369.00	R 236 886.74
Travel, motor car	R 4 209 576.00	R 1 311 553.07
Salga	R 40 066.00	R 10 918.50
Housing benefits and allowances	R 749 160.00	R 47 979.43
Cellphone Allowance	R -	R -
Overtime payments	R 1 913 336.00	R 815 586.40
Bonuses	R 6 321 148.00	R 1 841 497.61
Other leave & long service	R 624 578.00	R 365 415.64
Allowances (Standby and Drivers Allowance)	R 1 796 316.00	R 666 714.49
Totals	R 123 059 909.00	R 28 553 248.41
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R 14 129 290.00	R 3 331 727.03
Cellphone/Data Allowance	R 2 298 473.00	R 291 965.67
Contributions to SDL	R 40 995.00	R 34 942.95
Totals	R 16 468 758.00	R 3 658 635.65

2.6 SCM REPORTS

INVENTORY

The municipality inventory levels are controlled through stock issues at the stores and recons are performed monthly to ensure that all inventory items are accounted for. Monthly reconciliations are performed to ensure that inventory items are accounted for. the inventory reconciliation below show a balance of R1.0 million rands that is reduced by the issued stock and stock adjustments from the opening balance of R1.1 million rans.

Table 2.6.1. Inventory reconciliation

Inventory Reconciliation - September 2025	
INVENTORY MODULE	
OPENING BALANCE AS PER INVENTORY REPORT	R 1 137 089.52
ADD: TOTAL RECEIPTS	R 0.00
Inventory purchases for the month	R 0.00
LESS: TOTAL ISSUES	(R 41 448.04)
Inventory issued from stores during the month	(R 41 448.04)
ADJUSTMENTS	R 13 687.50
Add: stock surplus identified during the month	R 13 687.50
Less: Stock losses identified during the month	
CLOSING BALANCE AS PER INVENTORY REPORT	R 1 081 953.98
GENERAL LEDGER VOTE BALANCE:	R 1 081 953.98

IRREGULAR & FRUITLESS EXPENDITURE

The municipality incurred the irregular expenditure amounting to R3.3 million rands for the month under reporting, hence the total irregular expenditure amounts to R21 million to date.

Table 2.6.2 Unauthorised and irregular expenditure summary

QUARTER 1 - SEPTEMBER 2025

MONTH No.	MONTH NAME	EXPENDITURE TYPE		TOTAL UI(F)WE
		OPERATIONAL	CAPITAL	
OPENING BALANCE				
1	July	R4 739 886.05	R8 822 394.56	R13 562 280.61
2	August	R1 571 834.79	R2 509 815.32	R4 081 650.11
3	September	R1 515 448.67	R1 844 254.45	R3 359 703.12
CLOSING BALANCE		R7 827 169.51	R13 176 464.33	R21 003 633.84

FRUITLESS EXPENDITURE

The municipality under the reporting period incurred fruitless expenditure amounting to R0.

DEVIATIONS

Deviations and all other matters relating to MFMA SCM Regulations Section 6 are reported as a separate item.

2.7 MATERIAL VARIANCES TO SDBIP

The detailed SDBIP and Performance report is attended and reported by the Performance Management unit. Material variances on Table C4 based on actuals against budget are noted. The variance reasons between actuals vs budget figures are detailed below:


0 - Table C4 Monthly Budget Statement - Financial Performance (
Description	Ref	Budget Year 2025/26			Variance reasons
		Original Budget	YearTD actual	YTD variance %	
R thousands					
Revenue					
Interest from Current and Non Current Assets		8 150	638	-69%	The interest is earned on investment premised on the balance invested.
Interest earned from Receivables		1 171	123	-58%	The interest is charged on outstanding accounts, the payment of account determine the outcome
Rental from Fixed Assets		1 043	147	-44%	The rental income is fixed provided the escalation fees, the adjustment if necessary will be made mid-year.
Sale of Goods and Rendering of Services		236	38	-36%	The sale of services is based on the needs by consumer affected by tariff increase and impact of illegal consumption.
Service charges - Waste management		2 377	399	-33%	The charges are billed on accounts, the adjustment where necessary will be made mid year
Service charges - Electricity		37 183	6 887	-26%	The charges are billed on accounts, the adjustment where necessary will be made mid year
Gains on disposal of Assets		0	-	-100%	Thereare no disposals yet, the budget was not provided for and the review will be mad mid-year
Other Gains		0	-	-100%	Thereare no gains yet, the budget was not provided for and the review will be mad mid-year
Fines, penalties and forfeits		4 463	153	-86%	The penalty charges are depended on offenders charged and the payment thereof.
Licence and permits		1 088	214	-21%	The licences and permits are issued to compliant holders, review will made once the trends are studied
Property rates		62 160	12 711	-18%	The municipality charges 10 equal installments for property rates, journals are passed where errors are identified. The review will be made during adjustment if need arise.
Transfers and subsidies - Operational		215 536	79 434	47%	
Interest		0	661	22041667%	There is no budget for this line item, the actuals shows interest is being charged. Theadjustment will be made.
Expenditure By Type					
Remuneration of councillors		15 974	-	-100%	The actuals are not yet on the system due to integration issues
Depreciation and amortisation		37 000	-	-100%	There is no calculation finalised yet.
Employee related costs		124 644	395	-99%	Theemployee costs actuals are partially captured on the system due to integration issues
Irrecoverable debts written off		15 000	147	-96%	The figure represents the indigent customers rebate granted. There are no other debts written off yet
Transfers and subsidies		5 454	290	-79%	The expenditure on this line item
Contracted services		51 147	9 391	-27%	The services are sourced in line with the contractual agreement, then payments are processed.
Operational costs		40 933	8 162	-20%	The costs are aligned with billed actuals e.g. copier machines
Bulk purchases - electricity		40 870	12 406	21%	The bulk services are billed and paid monthly, no arrear payments are incurred.
Inventory consumed		2 046	1 947	281%	The line item include various expenditure items that are not necessarily classified as inventory, journals are made to allocate expenditure accurately.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I Mpumelelo. B. Jiyane, the municipal manager of Nquthu Municipality, hereby certify that the:

Section 71 - for the month ending 30 September 2025

has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act,

Name	<u>Mr Mpumelelo B. Jiyane</u>
Designation	<u>Municipal Manager of Nquthu Municipality (KZN 242)</u>
Signature:	
Date	<u>10/10/2025</u>