

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 30 APRIL 2026

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ACCRONYMS

MBRR – Municipal Budget Reporting Regulations

YTD – Year to Date

RMC – Risk Management Committee

SDBIP - Service Delivery Budget Implementation Plan

MFMA – Municipal Finance Management Act (Act 56 of 2003)

IYR- In Year Reporting

1.1. MAYORS' REPORT

The Section 71 report for the month of April indicates the start of final quarter of the 2025/26 financial year. The report entails accumulated year to date figures since the start of the year, which reflects how the finances are generated and spent. The report serves as a detailed monitoring tool that further informs the quarterly financial reporting to council. The emphasis is placed on actual expenditure incurred and revenue generated to date with an aim to ensure compliance with budgetary requirements.

The council of Nquthu supports clean administration and governance through improved compliance with financial management legislations. The cost-drivers are detailed in Part 2 to highlight the areas where on the municipality expends significantly. Essentially the municipality ensures that all expenditure is authorised and within appropriated funds in the budget. The investment drivers include the sale and development of sites within Nquthu town, and the attempt to keep the investment balance above R100 million at close of the financial year.

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 traits to revenue and expenditure line items are worth mentioning as follows:

- Total revenue – the C4-schedule generates actual figures compared to budgeted figures. Total revenue amounts to R306 million rands with a variance of 3% based on comparison with approved adjustment budget of R355 million rands.
- Bulk electricity – actual figure amounts to R36.5 million rands.
- Employee costs and councillor remuneration contribute a sizeable expenditure for the period under reporting, thereby resulting in expenditure amount R87.2 million rands and R11.3 million rands respectively.

Capital Budget

The capital expenditure spending for the reporting period amounts to R36.2 million rands. Grant register is affixed to provide further details on capital expenditure.

Cash Flow

The budget cash flows are shown in Table C7 below of this report. The 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 the impact thereof. The identified risks range from weak financial management that emanate 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 report in terms of S72 MFMA was adopted by council on 30 January 2026.

Other matters

- **Audit matter**

The 24-25 audit report was tabled in council on 30 January 2026. The internal audit unit is conducting audit and audit reports were issued.

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, thereby showing a loss of 9.69% in rand value loss and 20.83% in kilowatt loss. 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 after tabling in council.

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.

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

Choose name from list - Table C1 Monthly Budget Statement Summary - M10 April

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	57 645	–	55 392	48 154	7 238	15%	57 645
Service charges	34 539	39 566	41 307	686	29 248	34 441	(5 193)	-15%	41 307
Investment revenue	8 907	8 150	6 720	100	5 135	5 600	(465)	-8%	6 720
Transfers and subsidies - Operational	215 489	215 536	215 423	–	208 547	179 755	28 792	0	215 423
Other own revenue	18 424	33 333	34 012	136	7 810	28 126	(20 316)	-72%	34 012
Total Revenue (excluding capital transfers and contributions)	334 809	358 739	355 107	922	306 132	296 076	10 056	3%	355 107
Employee costs	111 037	124 644	122 051	150	87 204	101 480	(14 276)	-14%	122 051
Remuneration of Councillors	15 731	15 974	15 402	–	11 319	12 835	(1 515)	-12%	15 402
Depreciation and amortisation	40 486	37 000	37 000	–	–	30 833	(30 833)	-100%	37 000
Interest	199	0	300	–	–	180	(180)	-100%	300
Inventory consumed and bulk purchases	46 149	42 916	43 071	3 624	36 979	35 803	1 176	3%	43 071
Transfers and subsidies	4 328	5 454	5 454	113	2 268	4 545	(2 277)	-50%	5 454
Other expenditure	119 176	107 080	116 401	4 713	84 601	96 182	(11 581)	-12%	116 401
Total Expenditure	337 105	333 068	339 679	8 600	222 371	281 858	(59 487)	-21%	339 679
Surplus/(Deficit)	(2 296)	25 671	15 428	(7 679)	83 762	14 218	69 544	489%	15 428
Transfers and subsidies - capital (monetary allocations)	53 269	37 961	60 961	–	25 705	43 134	##	-40%	60 961
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	50 972	63 632	76 389	(7 679)	109 467	57 352	52 115	91%	76 389
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	50 972	63 632	76 389	(7 679)	109 467	57 352	52 115	91%	76 389
Capital expenditure & funds sources									
Capital expenditure	(8 810)	55 592	92 549	3 645	36 266	62 649	(26 383)	-42%	92 549
Capital transfers recognised	16 908	32 250	53 010	2 525	(6 187)	34 373	(40 561)	-118%	53 010
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	(25 717)	23 342	39 540	1 120	42 453	28 276	14 177	50%	39 540
Total sources of capital funds	(8 810)	55 592	92 549	3 645	36 266	62 649	(26 383)	-42%	92 549
Financial position									
Total current assets	151 764	202 537	128 214		219 256				128 214
Total non current assets	749 814	799 814	836 534		854 267				836 534
Total current liabilities	72 138	111 751	92 966		102 083				92 966
Total non current liabilities	1 508	875	1 788		1 508				1 788
Community wealth/Equity	861 552	889 929	888 678		969 932				888 678
Cash flows									
Net cash from (used) operating	(16 438)	81 222	26 789	(2 512)	13 757	48 276	34 519	72%	26 789
Net cash from (used) investing	–	(101 890)	(106 812)	–	–	(66 060)	(66 060)	100%	(106 812)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	76 095	50 727	(5 793)	(2 512)	87 987	56 446	(31 541)	-56%	(5 793)
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	941	459	425	399	412	367	267	15 757	19 026
Debtors Age Analysis									
Total Creditors	5 182	1 058	–	–	5	30	0	–	6 275

BUDGET SUMMARY ANALYSIS - TABLE C1

The year-to-date actual revenue (excluding capital transfers and contributions) is R306 million rands.

The operating expenditure year to date is R222 million rands.

The total sources of capital combined amount to R36.2 million rands. The amount includes capital transfers from National, Provincial Treasuries and internally generated funding.

The financial position shows that the municipality holds total current assets of R219 million rands, the non-current assets amounts to R854 million rands. The current liabilities totals to R102 million rands and the non-current liabilities totals to R1.5 million rands. The net results shows an equity balance of R969 million rands.

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

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M10 April

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	1									
Revenue - Functional										
<i>Governance and administration</i>		318 055	301 691	320 619	210	280 270	259 415	20 855	8%	320 619
Executive and council		46 128	37 961	37 961	-	25 705	31 634	(5 929)	-19%	37 961
Finance and administration		271 927	263 730	282 658	210	254 565	227 781	26 784	12%	282 658
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 647	2 011	3 814	25	3 321	3 320	0	0%	3 814
Community and social services		4 570	25	2 275	4	2 113	2 038	76	4%	2 275
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 077	1 986	1 539	21	1 207	1 283	(75)	-6%	1 539
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		5 338	25 017	24 976	0	825	20 813	(19 989)	-96%	24 976
Planning and development		242	25 017	24 976	0	825	20 813	(19 989)	-96%	24 976
Road transport		5 096	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		58 037	67 980	66 659	686	47 422	55 662	(8 239)	-15%	66 659
Energy sources		55 820	65 245	63 873	686	45 051	53 321	(8 271)	-16%	63 873
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 217	2 735	2 785	-	2 372	2 340	31	1%	2 785
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	388 077	396 700	416 068	922	331 838	339 210	(7 373)	-2%	416 068
Expenditure - Functional										
<i>Governance and administration</i>		176 326	173 377	180 442	3 797	101 297	150 194	(48 898)	-33%	180 442
Executive and council		31 410	33 804	33 947	1 567	26 351	28 283	(1 932)	-7%	33 947
Finance and administration		141 634	136 656	143 432	2 229	71 847	119 358	(47 511)	-40%	143 432
Internal audit		3 282	2 917	3 063	-	3 098	2 552	546	21%	3 063
<i>Community and public safety</i>		34 872	39 359	39 382	530	25 439	31 948	(6 509)	-20%	39 382
Community and social services		17 229	22 384	22 566	228	11 255	17 935	(6 680)	-37%	22 566
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		17 643	16 975	16 816	302	14 184	14 013	170	1%	16 816
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		34 052	34 745	34 790	525	26 791	28 903	(2 113)	-7%	34 790
Planning and development		18 009	20 433	20 885	200	17 435	17 389	46	0%	20 885
Road transport		16 042	14 311	13 905	325	9 355	11 514	(2 159)	-19%	13 905
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		92 942	85 587	85 066	3 749	68 845	70 813	(1 968)	-3%	85 066
Energy sources		76 485	68 757	68 446	3 735	55 012	56 785	(1 773)	-3%	68 446
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 159	1 963	1 959	-	3 318	1 636	1 682	103%	1 959
Waste management		14 298	14 867	14 660	13	10 515	12 392	(1 878)	-15%	14 660
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	338 192	333 068	339 679	8 600	222 371	281 858	(59 487)	-21%	339 679
Surplus/ (Deficit) for the year		49 885	63 632	76 389	(7 679)	109 467	57 352	52 115	0,908681	76 389

Table C3: Monthly Budget Statement_ Financial Performance

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April

Vote 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 by Vote	1									
Vote 1 - Office Of The Municipal Manager		46 128	37 961	37 961	-	25 705	31 634	(5 929)	-18,7%	37 961
Vote 2 - Planning and Economic Development		50	25 274	25 014	0	702	20 845	(20 143)	-96,6%	25 014
Vote 3 - Budget and Treasury		271 755	262 824	258 800	203	254 134	215 566	38 567	17,9%	258 800
Vote 4 - Corporate and Community Service		6 399	7 037	6 559	29	5 855	5 701	154	2,7%	6 559
Vote 5 - Technical Services		63 745	63 604	87 734	690	45 442	65 464	(20 022)	-30,6%	87 734
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-
Vote 7 - Community & Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Corporate Services		-	-	-	-	-	-	-	-	-
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 Revenue by Vote	2	388 077	396 700	416 068	922	331 838	339 210	(7 373)	-2,2%	416 068
Expenditure by Vote	1									
Vote 1 - Office Of The Municipal Manager		17 811	19 356	19 780	1 590	17 068	16 478	590	3,6%	19 780
Vote 2 - Planning and Economic Development		18 009	20 413	20 848	200	17 435	17 358	77	0,4%	20 848
Vote 3 - Budget and Treasury		87 160	91 518	99 360	223	32 055	82 927	(50 872)	-61,3%	99 360
Vote 4 - Corporate and Community Service		62 932	71 130	71 470	1 370	53 741	58 736	(4 995)	-8,5%	71 470
Vote 5 - Technical Services		114 326	94 591	92 881	4 105	73 407	76 909	(3 502)	-4,6%	92 881
Vote 6 - Council And General		17 119	17 739	17 167	4	12 606	14 306	(1 700)	-11,9%	17 167
Vote 7 - Community & Social Services		19 185	16 302	16 220	1 108	14 847	13 516	1 330	9,8%	16 220
Vote 8 - Corporate Services		1 650	2 019	1 953	-	1 211	1 627	(417)	-25,6%	1 953
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 Expenditure by Vote	2	338 192	333 068	339 679	8 600	222 371	281 858	(59 487)	-21,1%	339 679
Surplus/ (Deficit) for the year	2	49 885	63 632	76 389	(7 679)	109 467	57 352	52 115	90,9%	76 389

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.

Nquthu Municipality Monthly Budget Statement

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

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	38 837	686	27 338	32 364	(5 027)	-16%	38 837
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 681	2 377	2 470	-	1 911	2 077	(167)	-8%	2 470
Sale of Goods and Rendering of Services		810	236	241	107	344	201	143	71%	241
Agency services		-	-	-	-	-	-	-	-	-
Interest		19	0	0	-	-	0	(0)	-100%	0
Interest earned from Receivables		778	1 171	469	-	576	391	185	47%	469
Interest from Current and Non Current Assets		8 907	8 150	6 720	100	5 135	5 600	(465)	-8%	6 720
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		860	1 043	995	7	1 081	829	252	30%	995
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		649	25 331	25 689	0	1 194	21 407	(20 213)	-94%	25 689
Non-Exchange Revenue										
Property rates		57 450	62 160	57 645	-	55 392	48 154	7 238	15%	57 645
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 425	4 463	1 734	-	604	1 228	(624)	-51%	1 734
Licence and permits		862	1 088	775	21	753	645	108	17%	775
Transfers and subsidies - Operational		215 489	215 536	215 423	-	208 547	179 755	28 792	16%	215 423
Interest		3 633	0	4 110	-	3 258	3 425	(168)	-5%	4 110
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		9 386	0	0	-	-	0	(0)	-100%	0
Other Gains		-	0	0	-	-	0	(0)	-100%	0
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		334 809	358 739	355 107	922	306 132	296 076	10 056	3%	355 107
Expenditure By Type										
Employee related costs		111 037	124 644	122 051	150	87 204	101 480	(14 276)	-14%	122 051
Remuneration of councillors		15 731	15 974	15 402	-	11 319	12 835	(1 515)	-12%	15 402
Bulk purchases - electricity		45 257	40 870	40 870	3 407	36 549	34 058	2 491	7%	40 870
Inventory consumed		891	2 046	2 201	217	431	1 745	(1 315)	-75%	2 201
Debt impairment		16 949	-	17 415	-	-	14 513	(14 513)	-100%	17 415
Depreciation and amortisation		40 486	37 000	37 000	-	-	30 833	(30 833)	-100%	37 000
Interest		199	0	300	-	-	180	(180)	-100%	300
Contracted services		59 228	51 147	52 453	2 213	41 464	43 090	(1 626)	-4%	52 453
Transfers and subsidies		4 328	5 454	5 454	113	2 268	4 545	(2 277)	-50%	5 454
Irrecoverable debts written off		1 184	15 000	5 241	-	154	4 367	(4 213)	-96%	5 241
Operational costs		39 118	40 933	41 293	2 500	42 983	34 212	8 771	26%	41 293
Losses on Disposal of Assets		2 693	0	0	-	-	0	(0)	-100%	0
Other Losses		5	0	0	-	-	0	(0)	-100%	0
Total Expenditure		337 105	333 068	339 679	8 600	222 371	281 858	(59 487)	-21%	339 679
Surplus/(Deficit)		(2 296)	25 671	15 428	(7 679)	83 762	14 218	69 544	0	15 428
Transfers and subsidies - capital (monetary allocations)		53 269	37 961	60 961	-	25 705	43 134	(17 429)	(0)	60 961
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		50 972	63 632	76 389	(7 679)	109 467	57 352	52 115	0	76 389
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		50 972	63 632	76 389	(7 679)	109 467	57 352	52 115	0	76 389
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		50 972	63 632	76 389	(7 679)	109 467	57 352	52 115	0	76 389
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		50 972	63 632	76 389	(7 679)	109 467	57 352	52 115	0	76 389

TABLE C4: REVENUE BY SOURCE

1. Property rates

Property rates YTD actual for this month stands at R55.3 million rands, the comparison against the adjusted budget of R57.6 million rands results in the variance of 15%. The reasons for variances are detailed in Section 2.7 of the Part 2 in this report.

2. Service charges electricity

The actual revenue from service charges electricity is R27.3 million rands, the comparison against the adjusted budget of R38.8 million rands results in the variance of -16%. The reasons for variances are detailed in Section 2.7 of the Part 2 in this report.

3. Interest from Current and Non-Current Assets

The interest from current and non-current assets show the YTD actual figure of R5.1 million rands. The comparison against the adjusted budget of R6.7 million rands results in the variance of -8%. The reasons for variances are detailed in Section 2.7 of the Part 2 in this report.

4. Transfers and subsidies (Operational)

The transfers and subsidies allocations from the DoRA for three 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 and it was not adjusted, the YTD actual figure is R208 million rands hence the variance amounts to 16%.

TABLE C4: EXPENDITURE BY TYPE

1. Employee related costs

The employee related costs amounts to R87.2 million rands against the adjusted budget of R122 million rands resulting to a variance of -14%.

2. Remuneration of Councillor's

The YTD actual for remuneration of councillors amounts to R11.3 million rands compared to adjusted budget amounting to R15.4 million rands, resulting in a variance of -12%. Details of expenditure is available on Part 2.

3. Debt impairment

The YTD actuals reflects R0 amounts, the actuals will be prepared during the compilation of interim AFS. The budget is adjusted to R17.4 million rands from a zero original budget.

4. 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.

5. Bulk purchases

The YTD actual for electricity bulk purchase figure amounts to R36.5 million rands, the original budget figure is R40.8 million rands hence the variance of 7%. The municipality pays the bulk account monthly and there are no interest charges on bulk account.

Monthly Budget Statement_ Capital Expenditure Table 5

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 April

Vote 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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office Of The Municipal Manager		–	0	0	–	–	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		–	0	0	–	6 666	0	6 666	#####	0
Vote 3 - Budget and Treasury		–	348	348	–	–	290	(290)	-100%	348
Vote 4 - Corporate and Community Service		876	0	0	–	272	0	272	169758%	0
Vote 5 - Technical Services		(21 574)	50 191	66 033	2 736	30 160	48 171	(18 010)	-37%	66 033
Vote 6 - Council And General		709	0	0	–	–	0	(0)	-100%	0
Vote 7 - Community & Social Services		–	–	–	–	–	–	–	–	–
Vote 8 - Corporate Services		–	–	–	–	–	–	–	–	–
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	(19 989)	50 539	66 382	2 736	37 099	48 461	(11 362)	-23%	66 382
Single Year expenditure appropriation	2									
Vote 1 - Office Of The Municipal Manager		–	0	0	–	–	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		–	348	348	–	–	290	(290)	-100%	348
Vote 3 - Budget and Treasury		–	0	0	–	–	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		98	0	0	13	13	0	12	4530%	0
Vote 5 - Technical Services		11 081	4 705	25 819	864	(1 237)	13 898	(15 135)	-109%	25 819
Vote 6 - Council And General		–	–	–	–	–	–	–	–	–
Vote 7 - Community & Social Services		–	0	0	33	391	0	391	1956150%	0
Vote 8 - Corporate Services		–	–	–	–	–	–	–	–	–
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	11 179	5 053	26 168	909	(833)	14 188	(15 021)	-106%	26 168
Total Capital Expenditure		(8 810)	55 592	92 549	3 645	36 266	62 649	(26 383)	-42%	92 549
Capital Expenditure - Functional Classification										
Governance and administration		1 585	0	0	33	663	0	663	348859%	0
Executive and council		709	0	0	–	–	0	(0)	-100%	0
Finance and administration		876	0	0	33	663	0	663	414289%	0
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		(15 043)	26 372	22 135	1 191	7 467	15 271	(7 804)	-51%	22 135
Community and social services		(20 862)	23 407	19 170	315	4 519	12 800	(8 281)	-65%	19 170
Sport and recreation		5 721	2 965	2 965	864	2 935	2 471	465	19%	2 965
Public safety		98	0	0	13	13	0	12	3688%	0
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		(1 678)	28 805	70 000	2 421	28 136	47 033	(18 897)	-40%	70 000
Planning and development		(8 652)	348	348	–	6 666	290	6 377	2200%	348
Road transport		6 974	28 457	69 652	2 421	21 470	46 743	(25 274)	-54%	69 652
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		6 326	414	414	–	–	345	(345)	-100%	414
Energy sources		575	0	0	–	–	0	(0)	-100%	0
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		5 752	414	414	–	–	345	(345)	-100%	414
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	(8 810)	55 592	92 549	3 645	36 266	62 649	(26 383)	-42%	92 549
Funded by:										
National Government		16 908	32 250	53 010	2 525	(6 187)	34 373	(40 561)	-118%	53 010
Provincial Government		(0)	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	53 010	2 525	(6 187)	34 373	(40 561)	-118%	53 010
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		(25 717)	23 342	39 540	1 120	42 453	28 276	14 177	50%	39 540
Total Capital Funding		(8 810)	55 592	92 549	3 645	36 266	62 649	(26 383)	-42%	92 549

The total capital expenditure year to date figure by functional classification stands at R36.2 million rands. The original budget shows an amount of R55.5 million rand hence the variance of -42%. The budget is adjusted to R92.5 million rands due to additional allocation from Provincial Treasury pertaining to Municipal Disaster Recovery Grant amounting to R23 million rands.

The capital expenditure funded by the national government year to date actual amount is overspent by R6.1 million rands, the approved original budget for transfers recognised (allocation from National Treasury) amounts to R32.2 million rands thereby creating a variance of -15%. Internally generated funding increased budget from original budget of R23.3 million rands to R39.5 million rands to cover variations orders and to fund other infrastructure projects budgeted internally, therefore year to date figure is R42.5 million rands.

Table C6 – Monthly Budget Statement – Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M10 April

Description	Ref	Budget Year 2025/26				
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands						
ASSETS						
Current assets						
Cash and cash equivalents		74 230	51 849	28 587	116 422	28 587
Trade and other receivables from exchange transactions		9 988	10 218	14 084	7 195	14 084
Receivables from non-exchange transactions		36 308	84 007	29 784	57 943	29 784
Current portion of non-current receivables		–	–	–	–	–
Inventory		23 272	1 369	23 362	23 394	23 362
VAT		7 912	55 029	32 342	14 247	32 342
Other current assets		54	66	55	54	55
Total current assets		151 764	202 537	128 214	219 256	128 214
Non current assets						
Investments		–	–	–	–	–
Investment property		53 255	39 384	52 939	53 255	52 939
Property, plant and equipment		696 480	760 348	784 665	800 934	784 665
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		79	79	79	79	79
Intangible assets		–	3	(1 149)	–	(1 149)
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	0	0	–	0
Total non current assets		749 814	799 814	836 534	854 267	836 534
TOTAL ASSETS		901 577	1 002 350	964 748	1 073 523	964 748
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		20	20	20	20	20
Consumer deposits		2 216	1 803	1 894	2 460	1 894
Trade and other payables from exchange transactions		55 342	49 725	91 511	38 038	91 511
Trade and other payables from non-exchange transactions		49	0	49	42 400	49
Provision		13 375	13 054	13 375	13 375	13 375
VAT		1 136	47 149	(13 883)	5 789	(13 883)
Other current liabilities		–	–	–	–	–
Total current liabilities		72 138	111 751	92 966	102 083	92 966
Non current liabilities						
Financial liabilities		(20)	(20)	(20)	(20)	(20)
Provision		1 529	896	1 808	1 529	1 808
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	0	0	–	0
Total non current liabilities		1 508	875	1 788	1 508	1 788
TOTAL LIABILITIES		73 646	112 626	94 755	103 592	94 755
NET ASSETS	2	827 931	889 724	869 993	969 932	869 993
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		861 390	889 773	888 516	969 770	888 516
Reserves and funds		162	152	162	162	162
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	861 552	889 925	888 678	969 932	888 678

Nquthu Municipality Monthly Budget Statement

The table C6 reflects R969 million rands actual accumulated surplus and R889.9 million rands original budget for accumulated surplus.

Table C7 – Monthly Budget Statement – Cash Flow

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M10 April

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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	35 404	49 987	-	-	41 656	(41 656)	-100%	49 987
Service charges		6 537	33 949	42 292	-	-	35 243	(35 243)	-100%	42 292
Other revenue		-	31 683	61 343	-	-	44 323	(44 323)	-100%	61 343
Transfers and Subsidies - Operational		452 602	221 926	216 862	6 925	373 688	176 989	196 699	111%	216 862
Transfers and Subsidies - Capital		-	75 066	60 961	-	-	45 434	(45 434)	-100%	60 961
Interest		-	(19 952)	(47 300)	-	32 372	(39 417)	71 788	-182%	(47 300)
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(475 577)	(296 855)	(357 356)	(9 438)	(392 303)	(255 954)	136 349	-53%	(357 356)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(16 438)	81 222	26 789	(2 512)	13 757	48 276	34 519	72%	26 789
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)	(106 812)	-	-	(66 060)	(66 060)	100%	(106 812)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(101 890)	(106 812)	-	-	(66 060)	(66 060)	100%	(106 812)
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)	(80 023)	(2 512)	13 757	(17 784)			(80 023)
Cash/cash equivalents at beginning:		92 533	71 395	74 230	-	74 230	74 230			74 230
Cash/cash equivalents at month/year end:		76 095	50 727	(5 793)	(2 512)	87 987	56 446			(5 793)

The table C7 cash flow statement transactions from operating activities with a year to date actual figure of R13.7 million rands. The operating activities represent the amount used by the municipalities for core business operations such as property rates, service charges etc (under receipts) furthermore the operating activities reflects suppliers and employees etc (under payment) over the period under reporting. There are Rnil transactions under investing activities and financing activities.

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTOR’S ANALYSIS

The table 2.1.1 shows the debtors ageing and the balance of debtor’s book amounts to R146.4 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 measure is implemented.

DEBTORS AGE ANALYSIS

TABLE 2.1.1.

April 2026 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 -1 862 718,09	R -1 862 718,09	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 585,49	R -	R -	R -	R -	R -	R -	R 585,49
Deposit: Waste Disposal	R 2 000,00	R -	R -	R -	R -	R -	R -	R 2 000,00
Electricity Basic	R 931 819,36	R 181 836,96	R 55 737,76	R 47 048,46	R 45 062,07	R 35 757,36	R 35 424,99	R 530 951,76
Electricity Metered	R 5 062 677,52	R 2 349 694,01	R 492 767,75	R 166 531,91	R 193 730,15	R 151 120,75	R 172 378,06	R 1 536 454,89
Market stalls	R 1 139 056,29	R 20 237,04	R 19 356,20	R 18 568,68	R 18 065,86	R 17 756,85	R 16 856,51	R 1 028 215,15
OFFICE RENTAL	R 205 031,34	R 17 994,83	R 17 634,32	R 14 612,75	R 12 108,72	R 12 033,81	R 11 958,91	R 118 688,00
Plaza Market Stalls	R 272 536,13	R 9 787,67	R 8 627,28	R 8 470,38	R 8 363,62	R 7 983,78	R 7 775,08	R 221 528,32
Property Rates	R 125 727 775,92	R 6 070 992,61	R 4 539 937,05	R 4 462 650,10	R 4 408 585,30	R 4 331 385,72	R 4 229 976,94	R 97 684 248,20
Rent (M001)	R 754 169,97	R 31 609,93	R 30 059,41	R 24 095,88	R 23 960,84	R 48 015,82	R 24 418,28	R 572 009,81
Repay: Waste Disposal	R 25 963,42	R -	R -	R -	R -	R -	R -	R 25 963,42
Signs (M001)	R 1 119,59	R -	R -	R -	R -	R -	R -	R 1 119,59
Stall rental	R 31 120,36	R 2 101,95	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 28 362,31
Sundries (VAT)	R 14 415,49	R 8 710,79	R 2 710,54	R 2 710,30	R 283,86	R -	R -	R -
Tampering Fee	R 502 992,87	R -	R -	R 27 508,59	R 15 443,79	R -	R 28 993,00	R 431 047,49
Traffic Fines	R 4 708 521,02	R 53 300,00	R 60 400,00	R 66 200,00	R 35 400,00	R 51 600,00	R 47 700,00	R 4 393 921,02
Traffic Fines (M001)	R 1 734 180,76	R -	R -	R -	R -	R -	R -	R 1 734 180,76
Waste Disposal	R 7 159 192,32	R 260 701,76	R 145 163,97	R 128 086,51	R 116 864,44	R 109 923,76	R 102 115,75	R 6 296 336,13
Total	R 146 410 439,76	R 7 144 249,46	R 5 372 525,50	R 4 966 614,78	R 4 877 999,87	R 4 765 709,07	R 4 677 728,74	R 114 605 612,34

Table: 2.1.2

The debtors age grows by R5.7 million rands in the month of April.

Debtors Age Growth Variance - April 2025-26										
	July	August	September	October	November	December	January	February	March	April
Month	R121 393 499,67	R 117 853 949,71	R 124 044 995,90	R 120 920 953,29	R 127 702 016,87	R 131 742 915,54	R 136 071 045,01	R 137 230 390,85	R 140 635 094,32	R 146 410 439,76
Variance		-R 3 539 549,96	R 6 191 046,19	-R 3 124 042,61	R 6 781 063,58	R 4 040 898,67	R 4 328 129,47	R 1 159 345,84	R 3 404 703,47	R 5 775 345,44

DEBT COLLECTION RATES

Collection Table 2.1.3.

Cash Collected for each Revenue Source via Billing (April 2026)				
	Cash collection	Ageing - April 2026	Collection rate per BT	Billed revenue - April 2026
Rates	R -1 677 728,06	R 125 727 775,92	-1%	R 6 555 002,20
Electricity	R -1 773 354,27	R 5 994 496,88	-30%	R 2 598 660,98
Refuse	R -203 881,10	R 7 187 155,74	-3%	R 272 325,27
Stalls Rental , Traffic fines & Tar	R -73 786,51	R 8 099 166,43	-1%	R 81 757,31
Other Rentals	R -	R 1 263 977,39	0%	R -
Advance payments	R -79 236,39	R -1 862 132,60	4%	R -
Unallocated Payments	R -			R -
TOTAL CASH RECEIVED (BILL	R 3 807 986,33	R 146 410 439,76		R 9 507 745,76
Total Ageing	R 146 410 439,76		March 2026 Billing	R 9 244 567,91
Total debtors' payments	R 3 807 986,33		April 2026 Paymen	R 3 807 986,33
	3%			41%

Cash collected under the reporting period amounts to R3.8 million rands resulting in collection rate of 3%. The comparison to the previous month billing against current month payments results to 41% collection rate, which is significantly below the norm of 95%.

DEBTOR’S RATIOS

Ratios table 2.1.4.

April 2026 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	R	39,26 Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) × 365	R	2 881,74 Net Debtors Days
(Period under review/s Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	R	2,85 Revenue Growth (%)

Collection rates stand at 39.26% using the ratios as provided by National Treasury circular 71. The net debtors’ days are increased to 2881.74 against the days reported in the preceding month. It means 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 for the coming year started in February and the closing date is 30 April 2026. The current year 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 period under review amounts to R3.5 million rands which translate to 21.29%. 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. There is no award as yet.

Table 2.1.5. Electricity distribution loss (units)

ELECTRICITY OPERATION LOSS 25/26 (RAND VALUE)												
Month	Season High/Low	Bulk Purchases Amount 25/26	Total kWh Amount 25/26 (Internal)	Ortec 3rd party sales	Fixed Costs - Basic Charge	SEBATA Billing 25/26	FBE	Own Consumption	Total Electricity	Profit / Loss on sale of electricity	% return from purchase	%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%
October	Low	R 3 791 556,82	R 199 928,16	R 569 723,72	R 40 278,00	R 2 330 503,42	R 186 016,74	R 57 874,34	R 3 384 324,38	R 407 232,44	89,26%	10,74%
November	Low	R 3 682 101,41	R 163 571,72	R 547 180,46	R 40 719,00	R 2 163 179,07	R 185 627,38	R 60 404,09	R 3 160 681,72	R 521 419,69	85,84%	14,16%
December	Low	R 3 305 217,75	R 157 256,90	R 590 613,79	R 38 598,00	R 1 868 065,71	R 178 132,20	R 55 533,93	R 2 888 200,53	R 417 017,22	87,38%	12,62%
January	Low	R 3 327 702,52	R 140 156,38	R 572 484,52	R 41 622,00	R 2 463 837,77	R 183 291,22	R 62 508,48	R 3 463 900,37	-R 136 197,85	104,09%	-4,09%
February	Low	R 3 458 383,34	R 141 118,65	R 509 020,30	R 41 307,00	R 2 171 990,80	R 181 052,40	R 60 593,03	R 3 105 082,18	R 353 301,16	89,78%	10,22%
March	Low	R 3 170 122,70	R 152 776,69	R 561 236,48	R 40 467,00	R 2 031 273,11	R 180 176,34	R 57 551,59	R 3 023 481,21	R 146 641,49	95,37%	4,63%
April	Low	R 3 407 163,62	R 129 791,64	R 579 817,46	R 42 084,00	R 2 259 705,26	R 182 804,52	R 59 961,42	R 3 254 164,30	R 152 999,32	95,51%	4,49%
TOTALS		R 36 548 507,79	R 1 819 075,19	R 5 657 673,71	R 400 533,00	R 22 650 536,49	R 1 874 755,04	R 605 161,78	R33 007 735,21	R 3 540 772,58	90,31%	9,69%

HALL HIRE REVENUE

The municipality rents out the halls to public in line with the tariff of charges document approved by the council. The hall booking was budgeted for three thousand rands and the budget was adjusted to R63.6 thousand rands and total revenue received to date amounts to R54.6 thousand rands.

Table 2.1.6. Hall hire revenue

HALL HIRE REVENUE - 2025/26					
Project Code	Item	Description	Budget Original	Budget Adjusted	Credit
6041	IR002004002001001000000000000000000000	Revenue:Exchange Revenue:Rental from Fixed Assets:Market Related:Investment Property:Straight-lined Operating	(R 3 162,00)	(R 63 600,00)	(R 54 608,51)

2.2. CREDITOR'S ANALYSIS

The municipality takes into consideration the concerns of the Auditor General (2024-25 audit) in relation to expenditure management. The reconciliation report below shows that the municipality ageing of creditors goes beyond the 30 day threshold contrary to MFMA prescript. The 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 SALGA membership levies and Eskom for miscellaneous accounts relating to halls and offices. The municipality have no arrear debt with Eskom.

Creditors payment summary: Table 2.2.1

CREDITORS REPORT FOR APRIL 2026			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION	SALGA LEVIES/ MEMBERSHIP	R1 378 619,10
			R 1 378 619,10
2	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	R 2 761,94
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 7 182,73
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	R 2 676,60
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 439 793,32
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 2 088,77
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	R 2 198,01
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	R 5 636,39
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	R 854,81
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 6 200,97
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	R 3 929,79
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 2 088,77
			R 475 412,10
3	ADVENTURE TRAVEL	ACCOMMODATION OF 06 MUNICIPAL OFFICIALS	R 14 032,30
	ADVENTURE TRAVEL	ACCOMMODATION OF B MAGWAZA ATTENDING	R 2 109,68
	ADVENTURE TRAVEL	ACCOMMODATION OF 05 MUNICIPAL OFFICIALS	R 21 381,94
	ADVENTURE TRAVEL	ACCOMMODATION OF 02 DEPUTY MAYOR'S	R 5 012,85
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 MUNICIPAL OFFICIALS	R 35 638,50
	ADVENTURE TRAVEL	ACCOMMODATION OF ME SIBIYA IN NEWCASTLE (23-27	R 8 137,40
	ADVENTURE TRAVEL	ACCOMMODATION OF S SHOBA ATTENDING BATHO PELE	R 3 709,90
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 MUNICIPAL OFFICIALS	R 15 414,60
	ADVENTURE TRAVEL	ACCOMMODATION OF FINANCE INTERNS ATTENDING	R 53 475,00
	ADVENTURE TRAVEL	ACCOMMODATION OF 19 MUNICIPAL OFFICIALS	R 172 279,05
			R 331 191,22
4	JOKO CONSULTING (PTY)LTD	ELECTRICITY MATERIAL	R 299 422,00
			R 299 422,00
5	FEZILE SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT	R 248 766,39
			R 248 766,39
6	GARDASA SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MARCH 2026	R 248 766,39
			R 248 766,39
7	OCEAN DAWN TRADING	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MARCH 2026	R 248 766,39
			R 248 766,39
8	SIPHILE SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MARCH 2026	R 248 766,39
			R 248 766,39
9	SIYJABULA SECURITY SOLUTION	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MARCH 2026	R 248 766,39
			R 248 766,39
10	COOLE NETWORKS AND TECH (PTY) LTD	SUPPLY AND DELIVER LAPTOPS 30 LAPTOPS	R 236 500,40
			R 236 500,40
		TOTAL CREDITORS	R 3 964 976,77

CREDITORS AGE ANALYSIS: TABLE 2.2.2

Creditor's ageing reconciliation for the month ending 30 April 2026	
CREDITORS ACCOUNT RECONCILIATION REPORT	
MONTH ENDING APRIL 2026	
Total Balances as per EMS INVOICE AGE ANALYSIS REPORT:	R 7 234 134,99
AGE ANALYSIS TOTAL AMOUNT:	R 7 234 134,99
CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT	R 7 234 134,99
AGED ANALYSIS	R 7 234 134,99
Current (Transactions below 30 days)	
<30 Days	R -
<60 Days	R 6 148 432,39
<90 Days	R 1 050 802,55
<120 Days	R -
<150 Days	R -
<180 Days	R 5 000,00
>180 Days	R 29 900,00
	R 0,05

ANIMAL POUND EXPENDITURE

The excerpt below shows the expenditure to date on the contracted services offered in respect of the catching roaming animals around town. The total invoices paid since July 2025 amounts to R224 thousand rands.

ANIMAL POUND EXPENDITURE -APRIL 2026		
Payment Date	Pay Value	Supplier Name
01-08-2025	R 17 250,00	COW CATCHERS
17-02-2026	R 17 250,00	COW CATCHERS
18-03-2026	R 17 250,00	COW CATCHERS
15-04-2026	R 17 250,00	COW CATCHERS
18-09-2025	R 17 250,00	COW CATCHERS
25-07-2025	R 17 250,00	COW CATCHERS
25-07-2025	R 17 250,00	COW CATCHERS
25-07-2025	R 17 250,00	COW CATCHERS
31-10-2025	R 17 250,00	COW CATCHERS
07-11-2025	R 17 250,00	COW CATCHERS
25-07-2025	R 17 250,00	COW CATCHERS
19-12-2025	R 17 250,00	COW CATCHERS
29-01-2026	R 17 250,00	COW CATCHERS
R 224 250,00		

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 increased to R105 million rands.

Table 2.3.1. Investment register for the period ending 31 March 2026

INVESTMENT REGISTER- APRIL 2026						
INSTITUTION	BALANCE	CURRENT YEAR INVESTMENT	INTEREST RECEIVED	WITHDRAWAL	BANK CHARGES	BALANCE
ABSA (1394) HOUSING A/C	R 2 023 002,85	R -	R 93 810,62	R -	R -	R 2 116 813,47
ABSA (4328)	R 24 857,33	R -	R 1 143,46	R -	R 450,00	R 25 550,79
ABSA (5014)	R 96 511,20	R -	R 4 659,71	R -	R -	R 101 170,91
ABSA CALL (5892)	R 16 552 594,49	R 5 680 720,54	R 935 326,62	R 500 000,00	R -	R 22 668 641,65
FNB CALL (1408)	R 10 845 156,72	R -	R 591 463,66	R -	R 1 062,00	R 11 435 558,38
NEDBANK (3)	R 1 330,19	R -	R 68,41	R -	R -	R 1 398,60
STANDARD BANK 014	R 7 756,20	R -	R 321,48	R -	R -	R 8 077,68
STANDARD BANK 063	R 27 549 828,32	R -	R 1 606 347,70	R -	R -	R 29 156 176,02
STANDARD BANK 069	R 16 236 626,89	R -	R 855 226,57	R -	R -	R 17 091 853,46
STANDARD BANK 070	R -	R 23 000 000,00	R -	R -	R -	R 23 000 000,00
TOTAL	R 73 337 664,19	R 28 680 720,54	R 4 088 368,23	R 500 000,00	R 1 512,00	R 105 605 240,96

Table 2.3.2. Investment growth table

Growth variance - investment balances 2025-26										
	July	August	September	October	November	December	January	February	March	April
Balance	R73 337 664,19	R 73 490 259,08	R73 816 142,76	R 79 828 199,59	R 80 179 998,28	R80 946 687,89	R81 286 104,25	R 81 626 952,99	R 82 247 501,96	R 105 605 240,96
Variance		R 152 594,89	R 325 883,68	R 6 012 056,83	R 351 798,69	R 766 689,61	R 339 416,36	R 340 848,74	R 620 548,97	R 23 357 739,00

The table 2.3.2. shows the movement in the investment balances. The growth on investments is shown through the comparisons of the preceding month balance against the following month balance, thereby providing an average investment growth amount of R R3 226 757,68 to date.

Table 2.3.3. Investment withdrawal table

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
		500 000.00					

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, there are no subsequent withdrawals to date.

Table 2.3.2 Bank Balance (Primary account)

Bank balance for primary account reflects the amount of R291 thousand rands for the month under review.

BANK RECONCILIATION (PRIMARY ACCOUNT) 4053562762	
Details	Amount
Cash book balance as at 30 April 2026	R 291 461,88
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 April 2026	R 291 461,88

Bank balance for grant account reflects the amount of R101 thousand rands for the month under review.

BANK RECONCILIATION (GRANTS ACCOUNT)

Details	Amount
Cash book balance as at 30 April 2026	R101 170,91
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 April 2026	R101 170,91

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 30 April 2026

Grant register Table 2.4.1

GRANT REGISTER - APRIL 2026								
	Grant Type	Dora/Prov Allocation for year	Received	Spent & transferred to income	Balance as at	Commitments	Available funds/not committed	% Spending
			2025/26	2025/26	2025/26	2025/26	2025/26	
National Grants operational	Electrification(INEP)	(20 000 000,00)	(18 451 000,00)	13 730 102,57	(4 720 897,43)		(4 720 897,43)	74%
	FMG	(1 900 000,00)	(1 900 000,00)	1 493 462,85	(406 537,15)		(406 537,15)	79%
	EPWP	(1 639 008,00)	(1 936 000,00)	1 639 008,00	(296 992,00)		(296 992,00)	85%
National Grants Capital	MIG	(37 961 004,00)	(37 961 000,00)	27 007 210,15	(10 953 789,86)		(10 953 789,86)	71%
	Disaster relief grant	(23 000 000,00)	(23 000 000,00)	-	(23 000 000,00)		(23 000 000,00)	0%
KZN Grants Operational	Cybercadet		(554 000,00)	514 826,95	(39 173,05)		(39 173,05)	93%
	Library Modular		(1 560 000,00)	1 560 000,00	-		-	100%
	Library Volunteer		(124 000,00)	72 000,00	(52 000,00)		(52 000,00)	58%
	Library support	(4 493 000,00)	(2 142 000,00)	2 142 000,00	(0,00)		(0,00)	100%
	TOTALS	(88 993 012,00)	(87 628 000,00)	48 158 610,51	(39 469 389,49)	-	(39 469 389,49)	

The grants spending is as follows:

1. INEP is overspent at 74%.
2. MIG grant 71% spent.
3. FMG 79% spent.
4. EPWP spent 85%.
5. Library support 100%
6. Cybercadet 93%
7. Library modular 100%
8. Library volunteer 58%

The lowest spent grant is the library volunteer at 58% owing to late allocation of the funds as the receipt of the grant was recognised in October 2025 hence the low spending. The municipality received an amount of R1 142 000.00 in respect of library support grant for the maintenance and repairs of two libraries.

The Expanded Public Works Programme (EPWP) grant was received amounting to R297 000.00.

The total grant funding received amounts to R87.6 million rands. The total grant expenditure to date amounts to R48.1.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

Employee benefits for the month under reporting amount to R92.6 million rands. The 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 R 12.6 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 April 2026		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R 91 550 207,00	R 64 241 031,39
Contributions to pension funds	R 11 886 283,00	R 8 880 344,89
Contributions to medical aids	R 2 377 963,00	R 3 255 237,35
Contributions to UIF	R 626 907,00	R 485 071,84
Contributions to SDL	R 964 369,00	R 765 414,46
Travel, motor car	R 4 209 576,00	R 4 414 458,71
Salga	R 40 066,00	R 35 893,00
Housing benefits and allowances	R 749 160,00	R 186 066,57
Cellphone Allowance	R -	R -
Overtime payments	R 1 913 336,00	R 2 251 340,98
Bonuses	R 6 321 148,00	R 4 956 616,50
Other leave & long service	R 624 578,00	R 991 354,73
Allowances (Standby and Drivers Allowance)	R 1 796 316,00	R 2 232 478,33
Totals	R 123 059 909,00	R 92 695 308,75
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R 14 129 290,00	R 11 584 621,25
Cellphone/Data Allowance	R 2 298 473,00	R 968 130,90
Contributions to SDL	R 40 995,00	R 121 074,80
Totals	R 16 468 758,00	R 12 673 826,95

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 shows a balance brought forward of R1.08 million rands there are R268 thousand rands and there are inventories issued amounting to R91 thousand rands. The inventory balance after all movements considered amounts to R1.1 million rands.

Table 2.6.1. Inventory reconciliation

Inventory Reconciliation	
INVENTORY MODULE	
OPENING BALANCE AS PER INVENTORY REPORT	R 1 082 289,82
ADD: TOTAL RECEIPTS	R 268 539,97
Inventory purchases for the month	R 268 539,97
LESS: TOTAL ISSUES	(R 91 034,96)
Inventory issued from stores during the month	(R 45 534,96)
Journal : Capitalisation of asset	(R 45 500,00)
ADJUSTMENTS	R 0,00
Add: stock surplus identified during the month	R 0,00
Less: Stock losses identified during the month	
CLOSING BALANCE AS PER INVENTORY REPORT	R 1 259 794,83
GENERAL LEDGER VOTE BALANCE:	R 1 142 502,14
 VARIANCE: INVENTORY MODULE VS. GENERAL LEDGER	
<i>The difference is caused by capitalisation of assets. Reversal will be done in Month 10</i>	
 DIFFERENCE IS MADE UP AS FOLLOWS:	
Item 1 (Stock lists vs General ledger variance is caused by rounding offs)	R 117 292,69
	R 117 292,69

IRREGULAR & FRUITLESS EXPENDITURE

The municipality incurred the irregular expenditure amounting to R11.2 million rands for operational expenditure and R28.9 million rands for the month under reporting, hence the total irregular expenditure amounts to R40.2 million rands to date.

Table 2.6.2 Unauthorised and irregular expenditure summary

QUARTER 3-4 -MARCH 2026 IRREGULAR EXPENDITURE				
MONTH No.	MONTH NAME	EXPENDITURE TYPE		MONTHLY TOTALS
OPENING BALANCE		OPERATIONAL	CAPITAL	
		R 10 547 259,82	R 23 665 702,37	
7	January	R 166 276,07	R 819 558,03	R 985 834,10
8	February	R 172 676,11	R 2 020 468,00	R 2 193 144,11
9	March	R 361 382,76	R 2 481 248,63	R 2 842 631,39
CLOSING BALANCE		R 11 247 594,76	R 28 986 977,03	R 40 234 571,79
	TOTAL UIFW EXPENDITURE		R 40 234 571,79	

FRUITLESS EXPENDITURE

The municipality under the reporting period shows the balance of R87 thousand rands since the month of November to date. The expenditure was kept at nil for the entire quarter one.

Fruitless expenditure balance for the period ending 30 April 2026

Register for Fruitless and wasteful Expenditure		Financial Year 2025/ 2026 Nquthu Local Municipality Month April	
Description	Payment/EFT no.	Amount	
Other- Penalty fees paid in Aug 2024			R86 881,80
Compensation Fund- Sec83(6) Penalty	#79477	71 916,25	
NJMPF-Super Annuation- Interest on salary investigation	#79568	14 564,55	
NJMPF-Super Annuation- Penalty 2023	#79567	30,63	
NJMPF-Penalty 2023-Provident	#79566	370,37	
Other -Driving Licences			R118,36
Penalty on late invoice payment	#81081	R118,36	
Arrears on late payment		R0,00	
TOTAL as @ 30 April 2026			R 87 000,16

DEVIATIONS

Deviations and all other matters relating to MFMA SCM Regulations Section 6 are reported monthly 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:

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

Description	Ref	Budget Year 2025/26			YTD variance	Variance reasons
		2024/25 Audited Outcome	Original Budget	YearTD actual		
R thousands					%	
Revenue						
Exchange Revenue						
Service charges - Electricity		32 858	37 183	27 338	-16%	The service charges are dependent on billable accounts supported by meter readings, the trends in the past supported the original budget and variance is studied
Sale of Goods and Rendering of Services		810	236	344	71%	The budget is revised to cover the remaining months of sale of rendering of services
Interest earned from Receivables		778	1 171	576	47%	The budget is revised to align actual interest with the budget. The positive investment balance is kept to ensure increase in this line item.
Rental from Fixed Assets		860	1 043	1 081	30%	The actual rental income is higher than the adjusted budget, the management will review the line item
Non-Exchange Revenue						
Property rates		57 450	62 160	55 392	15%	Property rates are billed in 10 equal instalments hence the downward adjustment to align the actuals of the remaining 2 months of billing.
Fines, penalties and forfeits		1 425	4 463	604	-51%	Budget was revised downwards to align with the current trends in fines revenue taking into consideration the magistrate fines write-off impact.
Licence and permits		862	1 088	753	17%	The revised budget is aligned to issued licences and anticipated issuance of permits.
Transfers and subsidies - Operational		215 489	215 536	208 547	16%	The revenue is aligned with operations hence no review is considered.
Total Revenue (excluding capital transfers and contributions)						
Expenditure By Type						
Employee related costs		111 037	124 644	87 204	-14%	The employee costs are adjusted in line with the collective agreement at staff establishment, The actuals are partially captured on the system due to integration issues.
Remuneration of councillors		15 731	15 974	11 319	-12%	Remuneration of councillors is adjusted downward to align with upper limits and actual figures, the actuals are partially captured on the system due to integration issues.
Inventory consumed		891	2 046	431	-75%	Inventory items are classified and moved with a journal since there are items that are allocated to this line items incorrectly owing to configurations in the system.
Debt impairment		16 949	-	-	-100%	The budget is adjusted from zero whereas the actuals are not yet finalised. The figures will be concluded during the preparation of final AFS.
Depreciation and amortisation		40 486	37 000	-	-100%	There is no calculation finalised yet. Figures will be updated on finalisation of interim AFS.
Transfers and subsidies		4 328	5 454	2 268	-50%	The transfers and subsidies budget is not changed since the anticipated expenditure is expected to match the provided budget.
Irrecoverable debts written off		1 184	15 000	154	-96%	The figure represents the indigent customers rebate granted, hence the adjustment decrease of the original budget. There are no other debts written off yet.
Operational costs		39 118	40 933	42 983	26%	The operational costs budget is slightly adjusted downward since the anticipated expenditure is expected to match the provided budget.
Total Expenditure						

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 April 2026

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

Name Mr Mpumelelo B. Jiyane

Designation Municipal Manager of Nquthu Municipality (KZN 242)

Signature: 

Date 04/05/2026