

2026/27
FINANCIAL
YEAR

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR THE MONTH ENDING 31 AUGUST 2026

SETHEMBE NGENTUTHUKO ENQUTHU

TABLE OF CONTENTS

PART 1 – IN YEAR REPORT

1.1	MAYORS' REPORT	2
1.2	RESOLUTIONS	4
1.3	EXECUTIVE SUMMARY	4
1.4	IN-YEAR BUDGET STATEMENT TABLES	5

PART 2 – SUPPORTING DOCUMENTATION

2.1	DEBTOR'S ANALYSIS	13
2.2	CREDITOR'S ANALYSIS.....	15
2.3	INVESTMENT PORTFOLIO ANALYSIS	17
2.4	ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	18
2.5	COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS.....	19
2.6	SUPPLY CHAIN MANAGEMENT	20
2.7	MATERIAL VARIANCES TO SDBIP	21
2.8	MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	22

LIST OF TABLES

Table 1	MBRR Table C1 -Monthly Budget Statement Summary	05
Table 2	MBRR Table C2 _ Monthly Financial Performance (standard Classification	06
Table 3	MBRR Table C3 -Financial Performance (revenue and expenditure by municipal vote)	07
Table 4	MBRR Table C4 -Financial Performance (revenue and expenditure)	08
Table 5	MBRR Table C5 -Capital expenditure (municipal vote and funding).....	10
Table 6	MBRR Table C6 -Financial Position	11
Table 7	MBRR Table C7 - Cash Flow	12

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 period under review represents the financial performance of the municipality at the start of the financial year. The report complies with the requirements of MFMA section 71 prescript in that the report entails detailed year to date figures reflecting the performance of expenditure and revenues generated against approved budget. The annual budget as approved is funded from the realistically anticipated revenues to be collected and accumulated funds from the previous year's surpluses not committed for other purposes.

It must be noted that the report could not comply fully with the prescripts of the MBRR in this manner the disclosure of C-schedule tables since the start of the new financial year cannot be retrieved from the financial system until the next release of system update. The cost-drivers are detailed in Part 2 of this report highlighting the areas where on the municipality expends significantly. In essence the municipality ensures that all expenditure is authorised and is within appropriated funds in the budget.

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 all adjustment budgets are 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 for the coming year is adopted within the timeline as set by the MFMA.

Operational Budget

The C-schedule tables data in this report reflect data last retrieved in June 2026 due to system update issue that is ongoing.

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 R321 million rands with a variance of -10% based on comparison with approved adjustment budget of R355 million rands.
- Bulk electricity – actual figure amounts to R45.2 million rands.
- Employee costs and councillor remuneration contribute a sizeable expenditure for the period under reporting, thereby resulting in expenditure amount R105 million rands and R14.2 million rands respectively.
- Equitable share allocation is expressed in the table below to the amount of R182.8 million rands.

NQUTHU EQUITABLE SHARE 26/27		
Date	Amount	
08-Jul-26	R	76 207.00
09-Dec-26	R	60 966.00
10-Mar-26	R	45 724.00
	R	182 897.00

Capital Budget

The capital expenditure spending for the reporting period is shown in the grant register affixed on Part to herein.

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.

Mid-year assessment Review – adjustment budget recommendation

The mid-year assessment review report in terms of S72 MFMA will be reviewed at mid-year.

Other matters

- **Audit matters**

The audit by the external auditors (AGSA) is underway as the team from AGSA is onsite. The municipality submitted the AFS on 31 August 2026. The request for information (RFIs) are issued through the AGSA Kopano digital platform.

Electricity losses

The municipality experienced electricity losses in the past years and the challenge is still insistent. The report on electricity losses is attached on PART 2 of the report, thereby showing a loss of 39.17% in rand value loss and 26.45% 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 this regard the challenge to generate Cschedule table is disclosed.

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 - M12 June

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	(2 034)	59 519	57 645	1 874	3%	57 645
Service charges	34 539	39 560	41 307	745	35 855	41 307	(5 452)	-13%	41 307
Investment revenue	8 907	8 150	6 720	20	5 890	6 720	(830)	-12%	6 720
Transfers and subsidies - Operational	215 489	215 536	215 423	–	210 461	215 439	(4 978)	(0)	215 423
Other own revenue	18 424	33 333	34 012	122	9 425	34 012	(24 587)	-72%	34 012
Total Revenue (excluding capital transfers and contributions)	334 809	358 739	355 107	(1 147)	321 151	355 123	(33 972)	-10%	355 107
Employee costs	111 037	124 644	122 051	–	105 758	122 051	(16 293)	-13%	122 051
Remuneration of Councillors	15 731	15 974	15 402	–	14 299	15 402	(1 103)	-7%	15 402
Depreciation and amortisation	40 486	37 000	37 000	–	–	37 000	(37 000)	-100%	37 000
Interest	199	0	300	–	–	300	(300)	-100%	300
Inventory consumed and bulk purchases	46 149	42 916	43 071	5 115	46 106	43 071	3 035	7%	43 071
Transfers and subsidies	4 328	5 454	5 454	–	2 907	5 454	(2 547)	-47%	5 454
Other expenditure	119 176	107 080	116 401	12 287	104 256	116 401	(12 145)	-10%	116 401
Total Expenditure	337 105	333 068	339 679	17 402	273 325	339 679	(66 354)	-20%	339 679
Surplus/(Deficit)	(2 296)	25 671	15 428	(18 549)	47 826	15 444	32 382	210%	15 428
Transfers and subsidies - capital (monetary allocations)	53 269	37 961	60 961	–	27 227	60 961	##	-55%	60 961
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	-2%	76 389
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	-2%	76 389
Capital expenditure & funds sources									
Capital expenditure	(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%	92 549
Capital transfers recognised	16 908	32 250	53 010	6 236	2 967	53 010	(50 043)	-94%	53 010
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	(25 717)	23 342	39 540	10 407	57 786	39 540	18 247	46%	39 540
Total sources of capital funds	(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%	92 549
Financial position									
Total current assets	151 764	202 537	128 214		161 030				128 214
Total non current assets	749 814	799 814	836 534		878 755				836 534
Total current liabilities	72 138	111 751	92 966		103 172				92 966
Total non current liabilities	1 508	875	1 788		1 508				1 788
Community wealth/Equity	861 552	889 925	888 678		935 517				888 678
Cash flows									
Net cash from (used) operating	(16 438)	81 222	26 789	(23 387)	(53 701)	76 435	130 137	170%	26 789
Net cash from (used) investing	–	(101 890)	(106 812)	–	–	(106 812)	(106 812)	100%	(106 812)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	76 095	50 727	(5 793)	(23 387)	20 529	43 853	23 325	53%	(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	1 641	935	669	380	331	292	279	15 818	20 346
Creditors Age Analysis									
Total Creditors	7 554	872	549	–	–	–	0	–	8 974

BUDGET SUMMARY ANALYSIS - TABLE C1

The year-to-date actual revenue (excluding capital transfers and contributions) is R321 million rands.

The operating expenditure year to date is R273 million rands.

The total sources of capital combined amount to R60.7 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 R161 million rands, the non-current assets amounts to R878 million rands. The current liabilities totals to R103 million rands and the non-current liabilities totals to R1.5 million rands. The net results shows an equity balance of R935 million rands.

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

0 - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June

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									
Revenue - Functional										
<i>Governance and administration</i>		318 055	301 691	320 619	(1 662)	288 207	320 619	(32 412)	-10%	320 619
Executive and council		46 128	37 961	37 961	–	27 227	37 961	(10 734)	-28%	37 961
Finance and administration		271 927	263 730	282 658	(1 662)	260 979	282 658	(21 679)	-8%	282 658
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		6 647	2 011	3 814	53	3 617	3 830	(214)	-6%	3 814
Community and social services		4 570	25	2 275	1	2 119	2 291	(172)	-8%	2 275
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		2 077	1 986	1 539	52	1 497	1 539	(42)	-3%	1 539
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		5 338	25 017	24 976	–	864	24 976	(24 113)	-97%	24 976
Planning and development		242	25 017	24 976	–	864	24 976	(24 113)	-97%	24 976
Road transport		5 096	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		58 037	67 980	66 659	745	55 974	66 659	(10 684)	-16%	66 659
Energy sources		55 820	65 245	63 873	745	53 089	63 873	(10 784)	-17%	63 873
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		2 217	2 735	2 785	–	2 885	2 785	100	4%	2 785
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	388 077	396 700	416 068	(863)	348 661	416 084	(67 423)	-16%	416 068
Expenditure - Functional										
<i>Governance and administration</i>		176 326	173 377	180 442	5 745	122 104	180 442	(58 338)	-32%	180 442
Executive and council		31 410	33 804	33 947	331	31 389	33 947	(2 558)	-8%	33 947
Finance and administration		141 634	136 656	143 432	4 055	86 146	143 432	(57 286)	-40%	143 432
Internal audit		3 282	2 917	3 063	1 359	4 569	3 063	1 506	49%	3 063
<i>Community and public safety</i>		34 872	39 359	39 382	1 772	32 202	39 382	(7 180)	-18%	39 382
Community and social services		17 229	22 384	22 566	1 741	14 925	22 566	(7 642)	-34%	22 566
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		17 643	16 975	16 816	31	17 278	16 816	462	3%	16 816
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		34 052	34 745	34 790	1 870	32 574	34 790	(2 215)	-6%	34 790
Planning and development		18 009	20 433	20 885	1 528	21 182	20 885	297	1%	20 885
Road transport		16 042	14 311	13 905	343	11 393	13 905	(2 512)	-18%	13 905
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		92 942	85 587	85 066	8 014	86 444	85 066	1 378	2%	85 066
Energy sources		76 485	68 757	68 446	7 797	69 485	68 446	1 039	2%	68 446
Water management		–	–	–	–	–	–	–	–	–
Waste water management		2 159	1 963	1 959	–	4 021	1 959	2 062	105%	1 959
Waste management		14 298	14 867	14 660	217	12 937	14 660	(1 723)	-12%	14 660
<i>Other</i>		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	338 192	333 068	339 679	17 402	273 325	339 679	(66 354)	-20%	339 679
Surplus/ (Deficit) for the year		49 885	63 632	76 389	(18 265)	75 336	76 405	(1 068)	-0,013984	76 389

Table C3: Monthly Budget Statement_ Financial Performance

0 - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

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										
Revenue by Vote	1									
Vote 1 - Office Of The Municipal Manager		46 128	37 961	37 961	–	27 227	37 961	(10 734)	-28,3%	37 961
Vote 2 - Planning and Economic Development		50	25 274	25 014	–	706	25 014	(24 308)	-97,2%	25 014
Vote 3 - Budget and Treasury		271 755	262 824	258 800	(1 622)	260 527	258 800	1 727	0,7%	258 800
Vote 4 - Corporate and Community Service		6 399	7 037	6 559	12	6 181	6 575	(393)	-6,0%	6 559
Vote 5 - Technical Services		63 745	63 604	87 734	746	54 020	87 734	(33 714)	-38,4%	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	(863)	348 661	416 084	(67 423)	-16,2%	416 068
Expenditure by Vote	1									
Vote 1 - Office Of The Municipal Manager		17 811	19 356	19 780	1 698	20 559	19 780	779	3,9%	19 780
Vote 2 - Planning and Economic Development		18 009	20 413	20 848	1 528	21 182	20 848	334	1,6%	20 848
Vote 3 - Budget and Treasury		87 160	91 518	99 360	676	38 129	99 360	(61 232)	-61,6%	99 360
Vote 4 - Corporate and Community Service		62 932	71 130	71 470	3 087	65 298	71 470	(6 171)	-8,6%	71 470
Vote 5 - Technical Services		114 326	94 591	92 881	8 949	92 440	92 881	(441)	-0,5%	92 881
Vote 6 - Council And General		17 119	17 739	17 167	8	15 634	17 167	(1 533)	-8,9%	17 167
Vote 7 - Community & Social Services		19 185	16 302	16 220	1 456	18 628	16 220	2 409	14,8%	16 220
Vote 8 - Corporate Services		1 650	2 019	1 953	–	1 454	1 953	(499)	-25,5%	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	17 402	273 325	339 679	(66 354)	-19,5%	339 679
Surplus/ (Deficit) for the year	2	49 885	63 632	76 389	(18 265)	75 336	76 405	(1 068)	-1,4%	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

0 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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										
Revenue										
Exchange Revenue										
Service charges - Electricity		32 858	37 183	38 837	745	33 535	38 837	(5 302)	-14%	38 837
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—
Service charges - Waste management		1 681	2 377	2 470	—	2 320	2 470	(150)	-6%	2 470
Sale of Goods and Rendering of Services		810	236	241	67	455	241	214	89%	241
Agency services		—	—	—	—	—	—	—	—	—
Interest		19	0	0	—	—	0	(0)	-100%	0
Interest earned from Receivables		778	1 171	469	—	706	469	237	51%	469
Interest from Current and Non Current Assets		8 907	8 150	6 720	20	5 890	6 720	(830)	-12%	6 720
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		860	1 043	995	3	1 244	995	249	25%	995
Licence and permits		—	—	—	—	—	—	—	—	—
Special rating levies		—	—	—	—	—	—	—	—	—
Operational Revenue		649	25 331	25 689	49	1 250	25 689	(24 439)	-95%	25 689
Non-Exchange Revenue										
Property rates		57 450	62 160	57 645	(2 034)	59 519	57 645	1 874	3%	57 645
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1 425	4 463	1 734	—	739	1 734	(995)	-57%	1 734
Licence and permits		862	1 088	775	3	914	775	140	18%	775
Transfers and subsidies - Operational		215 489	215 536	215 423	—	210 461	215 439	(4 978)	-2%	215 423
Interest		3 633	0	4 110	—	4 118	4 110	8	0%	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	(1 147)	321 151	355 123	(33 972)	-10%	355 107
Expenditure By Type										
Employee related costs		111 037	124 644	122 051	—	105 758	122 051	(16 293)	-13%	122 051
Remuneration of councillors		15 731	15 974	15 402	—	14 299	15 402	(1 103)	-7%	15 402
Bulk purchases - electricity		45 257	40 870	40 870	4 958	45 278	40 870	4 409	11%	40 870
Inventory consumed		891	2 046	2 201	156	827	2 201	(1 374)	-62%	2 201
Debt impairment		16 949	—	17 415	—	—	17 415	(17 415)	-100%	17 415
Depreciation and amortisation		40 486	37 000	37 000	—	—	37 000	(37 000)	-100%	37 000
Interest		199	0	300	—	—	300	(300)	-100%	300
Contracted services		59 228	51 147	52 453	8 599	54 431	52 453	1 979	4%	52 453
Transfers and subsidies		4 328	5 454	5 454	—	2 907	5 454	(2 547)	-47%	5 454
Irrecoverable debts written off		1 184	15 000	5 241	—	166	5 241	(5 075)	-97%	5 241
Operational costs		39 118	40 933	41 293	3 688	49 659	41 293	8 366	20%	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	17 402	273 325	339 679	(66 354)	-20%	339 679
Surplus/(Deficit)		(2 296)	25 671	15 428	(18 549)	47 826	15 444	32 382	0	15 428
Transfers and subsidies - capital (monetary allocations)		53 269	37 961	60 961	—	27 227	60 961	(33 734)	(0)	60 961
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(0)	76 389
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(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	(18 549)	75 053	76 405	(1 352)	(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	(18 549)	75 053	76 405	(1 352)	(0)	76 389

TABLE C4: REVENUE BY SOURCE

1. Property rates

Property rates YTD actual for this month stands at R59.9 million rands, the comparison against the adjusted budget of R57.6 million rands results in the variance of 3%.

2. Service charges electricity

The actual revenue from service charges electricity is R33.5 million rands, the comparison against the adjusted budget of R38.8 million rands results in the variance of -14%. 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 R5.8 million rands. The comparison against the adjusted budget of R6.7 million rands results in the variance of -12%. 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, the YTD actual figure is R210 million rands hence the variance amounts to -2%.

TABLE C4: EXPENDITURE BY TYPE

1. Employee related costs

The employee related costs amounts to R105 million rands against the adjusted budget of R122 million rands resulting to a variance of -13%.

2. Remuneration of Councillor's

The YTD actual for remuneration of councillors amounts to R14.2 million rands compared to adjusted budget amounting to R15.4 million rands, resulting in a variance of -7%. 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 R45.2 million rands, the original budget figure is R40.8 million rands hence the variance of 11%. 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) - M12 June

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		—	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	—	—	348	(348)	-100%	348
Vote 4 - Corporate and Community Service		876	0	0	65	337	0	337	175508%	0
Vote 5 - Technical Services		(21 574)	50 191	66 033	16 578	54 228	66 033	(11 807)	-18%	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	16 644	61 230	66 382	(5 152)	-8%	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	—	—	348	(348)	-100%	348
Vote 3 - Budget and Treasury		—	0	0	—	—	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		98	0	0	—	13	0	12	3758%	0
Vote 5 - Technical Services		11 081	4 705	25 819	—	(880)	25 819	(26 699)	-103%	25 819
Vote 6 - Council And General		—	—	—	—	—	—	—	—	—
Vote 7 - Community & Social Services		—	0	0	—	391	0	391	1630108%	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	—	(476)	26 168	(26 644)	-102%	26 168
Total Capital Expenditure		(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%	92 549
Capital Expenditure - Functional Classification										
Governance and administration		1 585	0	0	65	728	0	728	319382%	0
Executive and council		709	0	0	—	—	0	(0)	-100%	0
Finance and administration		876	0	0	65	728	0	728	379284%	0
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		(15 043)	26 372	22 135	8 783	17 200	22 135	(4 935)	-22%	22 135
Community and social services		(20 862)	23 407	19 170	8 783	13 896	19 170	(5 274)	-28%	19 170
Sport and recreation		5 721	2 965	2 965	—	3 292	2 965	327	11%	2 965
Public safety		98	0	0	—	13	0	12	3057%	0
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		(1 678)	28 805	70 000	7 795	42 825	70 000	(27 175)	-39%	70 000
Planning and development		(8 652)	348	348	—	6 666	348	6 319	1817%	348
Road transport		6 974	28 457	69 652	7 795	36 158	69 652	(33 494)	-48%	69 652
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		6 326	414	414	—	—	414	(414)	-100%	414
Energy sources		575	0	0	—	—	0	(0)	-100%	0
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		5 752	414	414	—	—	414	(414)	-100%	414
Other		—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	3	(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%	92 549
Funded by:										
National Government		16 908	32 250	53 010	6 236	2 967	53 010	(50 042)	-94%	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 Corporations, Higher Educ Institutions)		—	—	—	—	—	—	—	—	—
Transfers recognised - capital		16 908	32 250	53 010	6 236	2 967	53 010	(50 043)	-94%	53 010
Borrowing	6	—	—	—	—	—	—	—	—	—
Internally generated funds		(25 717)	23 342	39 540	10 407	57 786	39 540	18 247	46%	39 540
Total Capital Funding		(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%	92 549

The total capital expenditure year to date figure by functional classification stands at R60.7 million rands against original budget amount of R55.5 million rand and the variance of -34%. The budget is adjusted to R92.5 million rands due to additional allocation from Provincial Treasury pertaining to Municipal Disaster Recovery Grant i.e. R23 million rands.

The capital expenditure funded by the national government YTD actual amount is R2.9 million rands, the approved original budget for transfers recognised (allocation from National Treasury) amounts to R32.2 million rands thereby creating a variance of -94%. Internally generated funding budget is adjusted from original budget of R23.3 to R39.5 million rands however the year to date actual figure is overspent at R60.7 million rands.

Table C6 – Monthly Budget Statement – Financial Position

0 - Table C6 Monthly Budget Statement - Financial Position - M12 June

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	28 587	61 284	28 587
Trade and other receivables from exchange transactions		9 988	10 218	14 084	8 456	14 084
Receivables from non-exchange transactions		36 308	84 007	29 784	52 604	29 784
Current portion of non-current receivables		—	—	—	—	—
Inventory		23 272	1 369	23 362	23 235	23 362
VAT		7 912	55 029	32 342	15 397	32 342
Other current assets		54	66	55	54	55
Total current assets		151 764	202 537	128 214	161 030	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	825 421	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	878 755	836 534
TOTAL ASSETS		901 577	1 002 350	964 748	1 039 785	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	41 521	91 511
Trade and other payables from non-exchange transactions		49	0	49	38 964	49
Provision		13 375	13 054	13 375	13 375	13 375
VAT		1 136	47 149	(13 883)	6 833	(13 883)
Other current liabilities		—	—	—	—	—
Total current liabilities		72 138	111 751	92 966	103 172	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	104 681	94 755
NET ASSETS	2	827 931	889 724	869 993	935 105	869 993
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		861 390	889 773	888 516	935 356	888 516
Reserves and funds		162	152	162	162	162
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	861 552	889 925	888 678	935 517	888 678

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

Table C7 – Monthly Budget Statement – Cash Flow

0 - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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	49 987	-	-	49 987	(49 987)	-100%	49 987
Service charges		6 537	33 949	42 292	-	-	42 292	(42 292)	-100%	42 292
Other revenue		-	31 683	61 343	-	-	61 343	(61 343)	-100%	61 343
Transfers and Subsidies - Operational		452 602	221 926	216 862	12 531	418 766	216 862	201 904	93%	216 862
Transfers and Subsidies - Capital		-	75 066	60 961	-	-	60 961	(60 961)	-100%	60 961
Interest		-	(19 952)	(47 300)	-	10 394	(47 300)	57 694	-122%	(47 300)
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(475 577)	(296 855)	(357 356)	(35 918)	(482 862)	(307 710)	175 152	-57%	(357 356)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(16 438)	81 222	26 789	(23 387)	(53 701)	76 435	130 137	170%	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)	-	-	(106 812)	(106 812)	100%	(106 812)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(101 890)	(106 812)	-	-	(106 812)	(106 812)	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)	(23 387)	(53 701)	(30 376)			(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)	(23 387)	20 529	43 853			(5 793)

The table C7 cash flow statement transactions from operating activities with a year to date actual figure of R53.7 million rand. 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 actual 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 R132 million rands decreasing from R137 million rands in the previous month. 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.

August 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 -1 007 001.21	R -1 007 001.21	R -	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 27.64	R -	R -	R -	R -	R -	R -	R -	R 27.64
Deposit: Waste Disposal	R 2 000.00	R -	R -	R -	R -	R -	R -	R -	R 2 000.00
Electricity Basic	R 911 566.44	R 193 506.42	R 69 974.27	R 54 927.21	R 39 866.87	R 31 792.18	R 27 034.16	R 494 465.33	
Electricity Metered	R 5 671 337.05	R 2 480 405.10	R 845 708.41	R 856 600.36	R 216 429.37	R 110 660.41	R 41 041.64	R 1 120 491.76	
Market stalls	R 1 159 296.08	R 20 566.94	R 19 436.45	R 18 807.12	R 18 426.29	R 18 040.82	R 17 608.20	R 1 046 410.26	
OFFICE RENTAL	R 261 082.49	R 18 333.10	R 18 294.90	R 18 182.59	R 14 706.86	R 12 333.44	R 12 258.53	R 166 973.07	
Plaza Market Stalls	R 274 544.15	R 9 758.58	R 8 955.53	R 8 356.64	R 8 164.61	R 7 937.13	R 7 805.80	R 223 565.86	
Property Rates	R 112 763 019.72	R 6 595 499.17	R 5 445 253.20	R 377 834.29	R 393 650.45	R 3 165 903.78	R 2 800 232.31	R 93 984 646.52	
Rent (M001)	R 789 248.00	R 40 287.98	R 19 017.94	R 20 433.68	R 20 324.11	R 20 214.57	R 20 122.46	R 648 847.26	
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 35 228.97	R 3 902.18	R 1 914.72	R 131.22	R 131.22	R 131.22	R 131.22	R 28 887.19	
Sundries (VAT)	R 14 619.88	R 8 871.23	R 2 889.50	R 2 728.85	R 130.30	R -	R -	R -	
Tampering Fee	R 458 385.35	R 11 928.59	R -	R -	R -	R -	R -	R 446 456.76	
Traffic Fines	R 4 916 171.02	R 91 700.00	R 52 800.00	R 77 450.00	R 61 300.00	R 53 300.00	R 60 400.00	R 4 519 221.02	
Traffic Fines (M001)	R 1 734 180.76	R -	R -	R -	R -	R -	R -	R 1 734 180.76	
Waste Disposal	R 3 995 482.07	R 225 728.95	R 139 506.71	R 115 768.82	R 106 462.26	R 89 788.64	R 83 695.12	R 3 234 531.57	
Total	R 132 006 271.42	R 8 693 487.03	R 6 623 751.63	R 1 551 220.78	R 879 592.34	R 3 510 102.19	R 3 070 329.44	R 107 677 788.01	

Table: 2.1.2

The table below shows the comparison of debtors balances with the prior month balance. The debtors age decreased by R5.6 million rands in the current month.

Growth variance - debtors age balances 2026				
	June	July	August	September
Balance	R 134 838 385.37	R 137 607 690.32	R 132 006 271.42	
Variance	R 2 769 304.95	-R 5 601 418.90		

DEBT COLLECTION RATE

Collection Table 2.1.3.

Cash Collected for each Revenue Source via Billing (August 2026)				
	Cash collection	Ageing - August 2026	Collection rate per BT	Billed revenue - August 2026
Rates	R 5 494 618.99	R 112 763 019.72	5%	R 6 581 746.73
Electricity	R 2 934 710.16	R 6 582 903.49	45%	R 2 795 534.36
Refuse	R 163 568.95	R 4 023 445.49	4%	R 283 185.05
Stalls Rental , Traffic fines & Ta	R 132 565.28	R 8 282 653.09	2%	R 90 509.11
Other Rentals	R -	R 1 361 223.20	0%	R -
Advance payments	R 244 315.91	R -1 006 973.57	-24%	R -
Unallocated Payments	R -			R -
TOTAL CASH RECEIVED (BILL	R 8 969 779.29	R 132 006 271.42		R 9 750 975.25
Total Ageing	R 132 006 271.42		July 2026 Billing	R 9 762 983.98
Total debtors' payments	R 8 969 779.29		August 2026 Payme	R 8 969 779.29
	7%			92%

Cash collected under the reporting period amounts to R6.2 million rands resulting in collection rate of 7%. The comparison to the previous month billing against current month payments results to 92% collection rate, which is significantly above the norm of 95%.

DEBTOR'S RATIOS

Ratios table 2.1.4.

August 2026 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	157	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	2270.68	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	-0.12	Revenue Growth (%)

Collection rates stand at 157% using the ratios as provided by National Treasury circular 71. The net debtors' days decreased to 2270.68 against the days reported in the preceding month. It means that it takes the municipality above 6 years to collect the current debt, the debtors' days signal cash flow challenges to fund certain expenditure items.

INDIGENT DEBTORS

The indigent debtors' registration period for the current year started in February 2026 and the closing date was 30 April 2026. The total debtors that qualified for indigent debt relief rebates totals to 237. The municipality conducted physical verification. The rebates granted to eligible indigent debtors encompasses the 100% rebate on billed rates and services for the current year. The final register is sent to council for debt write-off approval.

ELECTRICITY LOSSES

The electricity losses for the period under review amounts to 26.45%. 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.

Table 2.1.5. Electricity distribution loss (units)

ELECTRICITY DISTRIBUTION LOSS 26/27 (UNITS)										
Month	Season High/Low	Bulk Purchases Units 26/27	Total kWh Units 26/27 (Internal)	Ontec 3rd party sales	SEBATA Billing 26/27	FBE	Own Consumption	Total Electricity	Profit / Loss on sale of electricity	%Profit/Loss
July	High	1 879 423.00	48 191.70	246 015.50	1 001 859.00	96 950.00	15 470.00	1 408 486.20	470 936.80	25.06%
August	High	1 998 558.00	39 080.40	259 409.90	1 034 443.00	96 150.00	14 609.00	1 443 692.30	554 865.70	27.76%
		3 877 981.00	87 272.10	505 425.40	2 036 302.00	193 100.00	30 079.00	2 852 178.50	1 025 802.50	26.45%

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 budget amounts to R66 thousand rands and the revenue received to date amounts to nine thousand rands.

Table 2.1.6. Hall hire revenue

MUNICIPAL HALL HIRE REVENUE - AUGUST 2026						
Item	Description	Budget Adjusted	Credit	Debit Close Balance	Credit Close Balance	Total Balance
IR00200400200	Revenue:Exchange	(R 66 780.00)	(R 9 051.68)	R 0.00	(R 9 051.68)	(R 9 051.68)
10010000000000	Revenue:Rental from					
00000000000000	Fixed Assets:Market					
	Related:Investment					
	Property:Straight-lined					
	Operating					

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.

The highest cost driver for the month under reporting relate to Eskom for municipal bulk account and other electricity miscellaneous accounts. The Eskom account is without arrear debts.

Creditors payment summary: Table 2.2.1

CREDITORS REPORT FOR AUGUST 2026			
TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF AUGUST 2026			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 432 127.65
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 2 131.87
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	R 8 314.50
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	R 15 128.37
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 6 386.04
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	R 6 715 423.97
			R 7 179 512.40
2	KHANYA AFRIKA NETWORKS	SUPPLY AND INSTALL MIMECAST EMAIL SECURITY LICENSE	R 446 260.64
			R 446 260.64
3	BELL EQUIPMENT SALES SOUTH AFRICA	SERVICE AND REPAIRS OF BELL GRADER (BX 03 NS ZN)	R 433 055.37
			R 433 055.37

4	GARDASA SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2026	R 248 766.39
	GARDASA SECURITY SERVICES	PROVISION OF SECURITY SERVICE, GUARDING MUNICIPAL EXCAVATOR AT GRACE AREA ON 14-15 MAY	R 5 405.00
			R 254 171.39
5	AROS PROTECTION SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2026	R 248 766.39
			R 248 766.39
6	FEZILE SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2026	R 248 766.39
			R 248 766.39
7	SIYEJABULA SECURITY SOLUTION	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2026	R 248 766.39
			R 248 766.39
8	KWANONGOMA TRADING	150 SPAR SHOPPING VOUCHERS FOR PAUPER BURIAL	R 234 945.46
			R 234 945.46
9	KOMATSU SOUTH AFRICA (PTY) LTD	SERVICE AND REPAIRS FOR BELL GRADER (BX 03 MY ZN)	R 208 710.31
			R 208 710.31
10	ADVENTURE TRAVEL	ACCOMMODATION OF MB JIYANE ATTENDING WATER CRISIS MEETING IN DURBAN (03-04 AUG	R 2 362.68
	ADVENTURE TRAVEL	ACCOMMODATION OF TC NYANDENI ATTENDING RISK ASSESSMENT WORKSHOP IN DURBAN (02-07 AUG 2026)	R 9 168.37
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 MUNICIPAL OFFICIALS ATTENDING PFMA IN DURBAN (19-24 JULY 2026)	R 35 638.50
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 MUNICIPAL OFFICIALS ATTENDING PAYROLL SYSTEM IN DURBAN (02-07 JULY 2026)	R 37 536.00
	ADVENTURE TRAVEL	ACCOMMODATION OF SS ZULU ATTENDING CIGFARO TRAINING IN DURBAN (03-06 AUG 2026)	R 7 157.03
	ADVENTURE TRAVEL	ACCOMMODATION OF SS ZULU IN NEWCASTLE (22-24 JULY 2026)	R 4 393.00
	ADVENTURE TRAVEL	ACCOMMODATION OF L MDUNGE ATTENDING PROVINCIAL WORKSHOP ASSEMBLY IN DURBAN (13-14 AUG 2026)	R 2 447.82
	ADVENTURE TRAVEL	ACCOMMODATION OF MB JIYANE ATTENDING MATRONS WORKSHOP IN DURBAN (22-14 JULY 2026)	R 6 998.90
	ADVENTURE TRAVEL	ACCOMMODATION OF M NTSHANGASE ATTENDING PGITOC MEETING IN DURBAN (29-30 JULY 2026)	R 2 204.55
	ADVENTURE TRAVEL	ACCOMMODATION OF BP SIBIYA IN VRYHEID (21-22 JULY 2026)	R 2 242.50
	ADVENTURE TRAVEL	ACCOMMODATION OF 05 SCM OFFICIALS ATTENDING CIGFARO TRAINING IN DURBAN (03-06 AUG 2026)	R 28 238.25
	ADVENTURE TRAVEL	ACCOMMODATION OF Z NDLOVU AND MB MANQELE ATTENDING PREMIER'S EXCELLENCE AWARDS IN DURBAN (03-04 JULY 2026)	R 5 498.61
	ADVENTURE TRAVEL	ACCOMMODATION OF N BUTHELEZI, M MNCUBE AND NP NCENGWA ATTENDING JOINT SITTING OF COUNCIL OF MAYORS AND SPEAKERS IN JHB (01-04 JULY 2026)	R 21 540.28
	ADVENTURE TRAVEL	ACCOMMODATION OF BH BHENGU AND N MTAMBO ATTENDING CIGFARO TRAINING IN DURBAN (29-31 JULY 2026)	R 7 403.70
			R 172 830.19

CREDITORS AGE ANALYSIS: TABLE 2.2.2

Creditor's ageing reconciliation for the month ending 31 August 2026	
CREDITORS ACCOUNT RECONCILIATION REPORT	
MONTH ENDING AUGUST 2026	
Total Balances as per EMS INVOICE AGE ANALYSIS REP	
	R 1 948 002.68
AGE ANALYSIS TOTAL AMOUNT:	
	R 1 948 002.68
CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT	
	R 1 948 002.68
AGED ANALYSIS R 1 948 002.68 <30 Days <60 Days <90 Days <120 Days <150 Days <180 Days >180 Days R 941 384.03 R 792 915.37 R 210 300.00 R 3 103.28 R 300.00 R - R -	

2.3. INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS

The investment register reflects investment state of the municipality. The municipality ensures that the funds that are not immediately required to account for either operational or capital expenditure are invested in line with investment policy thus the investment balance of R84.1 million rands.

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

INVESTMENT REGISTER- AUGUST 2026					
INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	BANK CHARGES	BALANCE
NEDBANK (3)	R 1 428.89	R -	R 8.63	R -	R 1 437.52
ABSA CALL (5892)	R 127 156.02	R 30 000 000.00	R 162 360.20	R -	R 30 289 516.22
ABSA (1394) HOUSING A/C	R 2 141 198.52	R -	R 16 348.28	R -	R 2 157 546.80
ABSA (4328)	R 25 934.31	R -	R 135.46	R 50.00	R 26 019.77
ABSA (5014)	R 102 149.99	R -	R 992.47	R -	R 103 142.46
FNB CALL (1408)	R 11 557 915.45	R -	R 127 964.29	R -	R 11 685 879.74
STANDARD BANK 014	R 8 179.52	R -	R 38.83	R -	R 8 218.35
STANDARD BANK 063	R 29 637 258.40	R -	R 216 366.49	R -	R 29 853 624.89
STANDARD BANK 069	R -	R 10 000 000.00	R -	R -	R 10 000 000.00
STANDARD BANK 070	R -	R -	R -	R -	R -
TOTAL	R 43 601 221.10	R 40 000 000.00	R 524 214.65	R 50.00	R 84 125 385.75

Table 2.3.2. Investment growth table

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. In the current period investment increased by R409 thousand rands.

Investment growth/variance report -2026			
	June	July	August
Balance	R43 462 424.89	R 83 716 270.80	84125385.75
Variance		R 40 253 845.91	R 409 114.95

Table 2.3.3. Investment withdrawal table

Withdrawal history is nil at the end of the reporting period.

Table 2.3.2 Bank Balance (Primary account)

Bank balance for primary account reflects the amount of R19.2 million rands for the month under review.

BANK RECONCILIATION (PRIMARY ACCOUNT)		4053562762
Details		Amount
Cash book balance as at 31 August 2026		R 19 282 732.50
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 31 August 2026		R 19 282 732.50

Bank balance for grant account reflects the amount of R103 thousand rands for the month under review.

BANK RECONCILIATION (GRANTS ACCOUNT)		
Details		Amount
Cash book balance as at 31 August 2026		R103 142.46
Unknown deposits		R0
Outstanding cheques		R0
Bank charges		R0
Returned cheques		R0
Transfers		R0
Sundries		R0
Outstanding receipts		R0
Bank statement balance as at 31 August 2026		R103 142.46

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 31 August 2026

Grant register Table 2.4.1

Summary of Grants received and expenditure - August 2026								
	Grant Type	Pre-Audited Balance as at 1-Jul-2026	Dora/Prov Allocation for year	Received 2026/27	Spent & transferred to income 2026/27	Balance as at 2026/27	Available funds/not committed 2026/27	% Spending
National Grants operational	Eletrification(INEP)		17 700 000.00	(7 080 000.00)	977 500.00	(6 102 500.00)	(6 102 500.00)	14%
	FMG		2 100 000.00	(2 100 000.00)	168 302.70	(1 931 697.30)	(1 931 697.30)	8%
	EPWP		1 698 000.00	(425 000.00)	-	(425 000.00)	(425 000.00)	0%
National Grants Capital	MIG		38 403 000.00	(6 000 000.00)	4 810 672.92	(1 189 327.08)	(1 189 327.08)	80%
	Disaster relief grant	(23 000 000.00)		-	-	(23 000 000.00)	(23 000 000.00)	
KZN Grants Capital						-	-	
	Sportfield Maintance	(27 118.26)				(27 118.26)	(27 118.26)	
KZN Grants Operational	Cybercadet			-	103 770.46	103 770.46	103 770.46	
	Tourisim grant			-	-	-	-	
	Library Modular	(1 069 574.25)		-	529 664.42	(539 909.83)	(539 909.83)	
	Library Volunteer	(45 333.00)		-	16 000.00	(29 333.00)	(29 333.00)	
	Library support		4 883 004.00	-	523 903.57	523 903.57	523 903.57	
TOTALS		(24 142 025.51)	64 784 004.00	(15 605 000.00)	7 129 814.07	(32 617 211.44)	(32 617 211.44)	

The grants receipt and spending is as follows:

1. INEP allocation received to date amounts to R7 million rands and 14% is spent.
2. MIG grant allocation received to date is R6 million rands and 80% is spent.
3. FMG 8% is spent from the allocation of R2.1 million rands.
4. EPWP is 0% spent from the allocation of R425 thousand rands..
5. Library support – no allocation yet.
6. Cybercadet - no allocation yet.
7. Library modular - no allocation yet.
8. Library volunteer no allocation yet.
9. Disaster Relief grant is rolled over amounting to R23 million rands and 0% spending is recorded.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

The employee benefits figure for the month under reporting amount to R19.1 million rands. The staff establishment was adopted by council in the last financial. Councillor allowances expenditure amounts to R2.5 million rands. The 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

Staff Benefits in terms of Section 66 of the MFMA		
Actual staff benefits and Councillors allowances for the period ending 31 August 2026		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R 92 838 353.00	R 13 209 657.00
Contributions to pension funds	R 13 857 716.00	R 1 873 099.14
Contributions to medical aids	R 3 887 534.00	R 652 673.52
Contributions to UIF	R 611 608.00	R 96 195.80
Contributions to SDL	R 1 374 931.00	R 158 832.43
Travel, motor car	R 4 884 754.00	R 1 019 029.74
Salga	R 38 625.00	R 7 311.40
Housing benefits and allowances	R 561 972.00	R 42 903.70
Cellphone Allowance	R 157 188.00	R -
Overtime payments	R 1 952 412.00	R 639 826.97
Bonuses	R 6 397 441.00	R 997 375.17
Other leave & long service	R 2 802 594.00	R -
Allowances (Standby and Drivers Allowance)	R 1 809 024.00	R 499 748.08
Totals	R 131 174 152.00	R 19 196 652.95
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R 14 376 864.00	R 2 368 225.48
Cellphone/Data Allowance	R 1 723 572.00	R 175 696.36
Contributions to SDL	R 12.00	R 24 499.70
Totals	R 16 100 448.00	R 2 568 421.54

2.6 SCM REPORTS

INVENTORY

The municipality inventory levels are controlled through stock issues at the stores and reconciliations are performed monthly to ensure that all inventory items are accounted for. The inventory reconciliation below shows a balance brought forward of R888 thousand rands. There are no movements hence the closing balance remains R888 thousand rands.

Table 2.6.1. Inventory reconciliation

INVENTORY MODULE - AUGUST 2026	
INVENTORY MODULE	
OPENING BALANCE AS PER INVENTORY REPORT	R 889 919.00
ADD: TOTAL RECEIPTS	R 0.00
Inventory purchases for the month	R 0.00
LESS: TOTAL ISSUES	R 0.00
Inventory issued from stores during the month Journal : Capitalisation of asset	R 0.00
ADJUSTMENTS	R 0.00
Add: stock surplus identified during the month Less: Stock losses identified during the month	R 0.00
CLOSING BALANCE AS PER INVENTORY REPORT	R 889 919.00

IRREGULAR & FRUITLESS EXPENDITURE

The irregular expenditure report is detailed in the SCM report.

FRUITLESS EXPENDITURE

There are nil transactions recorded for period ending August 2026.

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 for the period ended 30 June 2026. The variance reasons between actuals vs budget figures will be detailed on the C-schedule once it becomes available.

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 31 August 2026
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>0709/2026</u>