

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 28 FEBRUARY 2026

TABLE OF CONTENTS

PART 1 – IN YEAR REPORT

1.1	MAYORS’ REPORT	2
1.2	RESOLUTIONS	3
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	18
2.4	ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	19
2.5	COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS.....	20
2.6	SUPPLY CHAIN MANAGEMENT	21
2.7	MATERIAL VARIANCES TO SDBIP	22
2.8	MUNICIPAL MANAGER’S QUALITY CERTIFICATE.....	24

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 month of February shapes the way forward after the adoption of the budget adjustment. The monthly budget statement contribute to oversight and monitoring role of the mayor. 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 that the municipality expends on significantly whereby 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 at 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 R236.1 million rands with a variance of 2% based on comparison with approved budget of R358 million rands.
- Bulk electricity – actual figure amounts to R29.9 million rands.
- Employee costs and councillor remuneration contribute a sizeable expenditure for the period under reporting, thereby resulting in expenditure amount R68 million rands and R8.8 million rands respectively.

Capital Budget

The capital expenditure spending for the reporting period amounts to R39.4 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 impact thereof. The identified risks range from weak financial management emanating from poor budgeting, growth in fruitless and wasteful expenditure, decreased revenue from non-payment of services due to unemployment of customers. Global economic outlook results in stagnant economic growth risk which impacts municipal fund allocations through DoRA.

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

Mid-year assessment Review – adjustment budget recommendation

The mid-year assessment review 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 issued RFIs and held virtual audit engagement in respect of revenue management, contract and project management audit.

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 10.81% in rand value loss and 21.66% 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

0 - Table C1 Monthly Budget Statement Summary - M08 February

Description	2024/25		Budget Year 2025/26						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	57 450	62 160	57 645	6 161	49 231	38 662	10 569	27%	57 645
Service charges	34 539	39 566	41 307	3 053	25 538	27 576	(2 038)	-7%	41 307
Investment revenue	8 907	8 150	6 720	96	4 029	4 480	(451)	-10%	6 720
Transfers and subsidies - Operational	215 489	215 536	215 423	-	150 598	143 615	6 983	0	215 423
Other own revenue	18 424	33 333	24 881	772	6 803	16 484	(9 681)	-59%	24 881
Total Revenue (excluding capital transfers and contributions)	334 809	358 739	345 976	10 082	236 199	230 818	5 382	2%	345 976
Employee costs	111 037	124 644	125 071	-	68 050	83 216	(15 166)	-18%	125 071
Remuneration of Councillors	15 731	15 974	15 402	-	8 850	10 268	(1 418)	-14%	15 402
Depreciation and amortisation	40 486	37 000	37 000	-	-	24 667	(24 667)	-100%	37 000
Interest	199	0	300	-	-	60	(60)	-100%	300
Inventory consumed and bulk purchases	46 149	42 916	42 916	5 215	35 619	28 611	7 009	24%	42 916
Transfers and subsidies	4 328	5 454	5 454	-	1 788	3 636	(1 849)	-51%	5 454
Other expenditure	119 176	107 080	114 442	5 482	71 758	76 294	(4 536)	-6%	114 442
Total Expenditure	337 105	333 068	340 585	10 697	186 065	226 751	(40 686)	-18%	340 585
Surplus/(Deficit)	(2 296)	25 671	5 391	(615)	50 134	4 067	46 068	1133%	5 391
Transfers and subsidies - capital (monetary allocations)	53 269	37 961	60 961	-	10 994	29 907	##	-63%	60 961
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	50 972	63 632	66 352	(615)	61 128	33 974	27 154	80%	66 352
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	50 972	63 632	66 352	(615)	61 128	33 974	27 154	80%	66 352
Capital expenditure & funds sources									
Capital expenditure	(8 810)	55 592	76 851	2 961	39 465	41 901	(2 435)	-6%	76 851
Capital transfers recognised	16 908	32 250	53 010	405	16 304	26 006	(9 703)	-37%	53 010
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(25 717)	23 342	23 842	2 556	23 162	15 894	7 267	46%	23 842
Total sources of capital funds	(8 810)	55 592	76 851	2 961	39 465	41 901	(2 435)	-6%	76 851
Financial position									
Total current assets	151 764	202 537	151 460		211 232				151 460
Total non current assets	749 814	799 814	821 866		821 812				821 866
Total current liabilities	72 138	111 751	62 959		109 943				62 959
Total non current liabilities	1 508	875	1 788		1 508				1 788
Community wealth/Equity	861 552	889 929	908 579		921 593				908 579
Cash flows									
Net cash from (used) operating	(16 438)	81 222	89 115	16 952	2 847	67 184	64 337	96%	89 115
Net cash from (used) investing	-	(101 890)	(87 803)	-	-	(47 802)	(47 802)	100%	(87 803)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	76 095	50 727	75 542	16 952	77 077	93 613	16 535	18%	75 542
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	2 751	438	456	423	298	306	319	15 427	20 415
Creditors Age Analysis									
Total Creditors	5 516	64	72	52	0	11	142	-	5 857

BUDGET SUMMARY ANALYSIS - TABLE C1

The year-to-date actual revenue (excluding capital transfers and contributions) is R236.1 million rands. The operating expenditure year to date is R 186 million rands.

The total sources of capital combined amount to R39.4 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 R211.2 million rands, the non-current assets amounts to R821.8 million rands. The current liabilities totals to R109.9 million rands and the non-current liabilities totals to R1.5 million rands. The net results shows an equity balance of R921.5 million rands.

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

0 - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February

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										
Governance and administration		318 055	301 691	320 619	6 755	209 428	202 895	6 533	3%	320 619
Executive and council		46 128	37 961	37 961	-	10 994	25 307	(14 313)	-57%	37 961
Finance and administration		271 927	263 730	282 658	6 755	198 434	177 588	20 847	12%	282 658
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		6 647	2 011	3 814	178	2 661	2 543	118	5%	3 814
Community and social services		4 570	25	2 275	2	1 604	1 517	87	6%	2 275
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 077	1 986	1 539	176	1 057	1 026	31	3%	1 539
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		5 338	25 017	15 845	29	805	10 563	(9 758)	-92%	15 845
Planning and development		242	25 017	15 845	29	805	10 563	(9 758)	-92%	15 845
Road transport		5 096	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		58 037	67 980	66 659	3 120	34 300	44 724	(10 425)	-23%	66 659
Energy sources		55 820	65 245	63 873	2 851	32 197	42 603	(10 406)	-24%	63 873
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 217	2 735	2 785	269	2 103	2 122	(19)	-1%	2 785
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	388 077	396 700	406 937	10 082	247 193	260 725	(13 532)	-5%	406 937
Expenditure - Functional										
Governance and administration		176 326	173 377	180 038	5 090	81 604	119 864	(38 260)	-32%	180 038
Executive and council		31 410	33 804	33 947	1 209	20 304	22 621	(2 316)	-10%	33 947
Finance and administration		141 634	136 656	143 028	3 881	58 308	95 201	(36 893)	-39%	143 028
Internal audit		3 282	2 917	3 063	-	2 992	2 042	950	47%	3 063
Community and public safety		34 872	39 359	38 898	23	20 060	25 922	(5 862)	-23%	38 898
Community and social services		17 229	22 384	22 082	3	9 131	14 711	(5 581)	-38%	22 082
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		17 643	16 975	16 816	20	10 929	11 211	(282)	-3%	16 816
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		34 052	34 745	35 196	2 126	26 928	23 434	3 494	15%	35 196
Planning and development		18 009	20 433	20 885	2 087	19 669	13 894	5 775	42%	20 885
Road transport		16 042	14 311	14 311	38	7 259	9 541	(2 281)	-24%	14 311
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		92 942	85 587	86 452	3 458	57 473	57 531	(57)	0%	86 452
Energy sources		76 485	68 757	69 622	3 458	46 796	46 311	485	1%	69 622
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 159	1 963	1 963	-	2 600	1 309	1 292	99%	1 963
Waste management		14 298	14 867	14 867	-	8 077	9 911	(1 834)	-19%	14 867
Other	3	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	338 192	333 068	340 585	10 697	186 065	226 751	(40 686)	-18%	340 585
Surplus/ (Deficit) for the year		49 885	63 632	66 352	(615)	61 128	33 974	27 154	0,7992679	66 352

Table C3: Monthly Budget Statement_ Financial Performance

0 - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

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	-	10 994	25 307	(14 313)	-56,6%	37 961
Vote 2 - Planning and Economic Development		50	25 274	15 883	13	701	10 589	(9 887)	-93,4%	15 883
Vote 3 - Budget and Treasury		271 755	262 824	258 800	6 733	198 130	172 332	25 798	15,0%	258 800
Vote 4 - Corporate and Community Service		6 399	7 037	6 559	182	3 994	4 456	(462)	-10,4%	6 559
Vote 5 - Technical Services		63 745	63 604	87 734	3 154	33 374	48 041	(14 667)	-30,5%	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	406 937	10 082	247 193	260 725	(13 532)	-5,2%	406 937
Expenditure by Vote	1									
Vote 1 - Office Of The Municipal Manager		17 811	19 356	19 780	1 212	13 412	13 177	235	1,8%	19 780
Vote 2 - Planning and Economic Development		18 009	20 413	20 848	2 087	19 669	13 869	5 800	41,8%	20 848
Vote 3 - Budget and Treasury		87 160	91 518	99 306	467	26 167	66 054	(39 887)	-60,4%	99 306
Vote 4 - Corporate and Community Service		62 932	71 130	69 837	1 941	42 648	46 547	(3 899)	-8,4%	69 837
Vote 5 - Technical Services		114 326	94 591	95 474	3 675	61 671	63 545	(1 874)	-2,9%	95 474
Vote 6 - Council And General		17 119	17 739	17 167	17	10 092	11 445	(1 353)	-11,8%	17 167
Vote 7 - Community & Social Services		19 185	16 302	16 220	1 298	11 472	10 813	659	6,1%	16 220
Vote 8 - Corporate Services		1 650	2 019	1 953	-	935	1 302	(367)	-28,2%	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	340 585	10 697	186 065	226 751	(40 686)	-17,9%	340 585
Surplus/ (Deficit) for the year	2	49 885	63 632	66 352	(615)	61 128	33 974	27 154	79,9%	66 352

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) - M08 February

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	2 836	23 844	25 891	(2 047)	-8%	38 837
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 681	2 377	2 470	217	1 694	1 685	9	1%	2 470
Sale of Goods and Rendering of Services		810	236	241	29	176	161	15	9%	241
Agency services		-	-	-	-	-	-	-	-	-
Interest		19	0	0	-	-	0	(0)	-100%	0
Interest earned from Receivables		778	1 171	469	59	517	643	(127)	-20%	469
Interest from Current and Non Current Assets		8 907	8 150	6 720	96	4 029	4 480	(451)	-10%	6 720
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		860	1 043	995	79	980	663	317	48%	995
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		649	25 331	16 557	19	1 098	11 038	(9 940)	-90%	16 557
Non-Exchange Revenue										
Property rates		57 450	62 160	57 645	6 161	49 231	38 662	10 569	27%	57 645
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 425	4 463	1 734	98	544	722	(178)	-25%	1 734
Licence and permits		862	1 088	775	88	639	516	123	24%	775
Transfers and subsidies - Operational		215 489	215 536	215 423	-	150 598	143 615	6 983	5%	215 423
Interest		3 633	0	4 110	399	2 849	2 740	109	4%	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	345 976	10 082	236 199	230 818	5 382	2%	345 976
Expenditure By Type										
Employee related costs		111 037	124 644	125 071	-	68 050	83 216	(15 166)	-18%	125 071
Remuneration of councillors		15 731	15 974	15 402	-	8 850	10 268	(1 418)	-14%	15 402
Bulk purchases - electricity		45 257	40 870	40 870	3 458	29 971	27 246	2 725	10%	40 870
Inventory consumed		891	2 046	2 046	1 757	5 648	1 364	4 284	314%	2 046
Debt impairment		16 949	-	17 415	-	-	11 610	(11 610)	-100%	17 415
Depreciation and amortisation		40 486	37 000	37 000	-	-	24 667	(24 667)	-100%	37 000
Interest		199	0	300	-	-	60	(60)	-100%	300
Contracted services		59 228	51 147	51 219	1 717	35 966	34 146	1 820	5%	51 219
Transfers and subsidies		4 328	5 454	5 454	-	1 788	3 636	(1 849)	-51%	5 454
Irrecoverable debts written off		1 184	15 000	4 900	0	154	3 267	(3 113)	-95%	4 900
Operational costs		39 118	40 933	40 907	3 765	35 638	27 271	8 367	31%	40 907
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	340 585	10 697	186 065	226 751	(40 686)	-18%	340 585
Surplus/(Deficit)		(2 296)	25 671	5 391	(615)	50 134	4 067	46 068	0	5 391
Transfers and subsidies - capital (monetary allocations)		53 269	37 961	60 961	-	10 994	29 907	(18 913)	(0)	60 961
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		50 972	63 632	66 352	(615)	61 128	33 974	27 154	0	66 352
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		50 972	63 632	66 352	(615)	61 128	33 974	27 154	0	66 352
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		50 972	63 632	66 352	(615)	61 128	33 974	27 154	0	66 352
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		50 972	63 632	66 352	(615)	61 128	33 974	27 154	0	66 352

TABLE C4: REVENUE BY SOURCE

1. Property rates

Property rates YTD actual for this month stands at R49.2 million rands, the comparison against the original budget of R62 million rands results in the variance of 27%. The actual amount is slight above the actual to date budget of R36.2 million rands. 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 R23.8 million rands, the comparison against the original budget of R37 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.

3. Interest from Current and Non-Current Assets

The interest from current and non-current assets show the YTD actual figure of R4.0 million rands. The comparison against the original budget of R8.1 million rands results in the variance of -24%. 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 the first tranches of the current year are received and reflected in the grant register on Part 2 of this report. The original budget amounts to R215 million rands while the YTD actual figure is R150.5 million rands hence the variance amounts to 5%.

TABLE C4: EXPENDITURE BY TYPE

1. Employee related costs

The employee related costs amounts to R68.0 million rands against the original budget of R124 million rands resulting to a variance of -8%. T

2. Remuneration of Councillor's

The YTD actual for remuneration of councillors amounts to R8.8 million rands compared to original budget amounting to R15.9 million rands, resulting in a variance of -14%. 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 budgeted figure in this regard is R0.

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 R29.9 million rands, the original budget figure is R40.8 million rands hence the variance of 10%. 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) - M08 February

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	–	–	0	(0)	-100%	0
Vote 3 - Budget and Treasury		–	348	348	–	–	232	(232)	-100%	348
Vote 4 - Corporate and Community Service		876	0	0	–	–	0	(0)	-100%	0
Vote 5 - Technical Services		(21 574)	50 191	52 690	2 556	39 060	35 126	3 934	11%	52 690
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	53 038	2 556	39 060	35 358	3 702	10%	53 038
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	–	–	232	(232)	-100%	348
Vote 3 - Budget and Treasury		–	0	0	–	–	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		98	0	0	–	–	0	(0)	-100%	0
Vote 5 - Technical Services		11 081	4 705	23 465	405	405	6 310	(5 905)	-94%	23 465
Vote 6 - Council And General		–	–	–	–	–	–	–	–	–
Vote 7 - Community & Social Services		–	0	0	–	–	0	(0)	-100%	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	23 814	405	405	6 542	(6 137)	-94%	23 814
Total Capital Expenditure		(8 810)	55 592	76 851	2 961	39 465	41 901	(2 435)	-6%	76 851
Capital Expenditure - Functional Classification										
Governance and administration		1 585	0	0	–	–	0	(0)	-100%	0
Executive and council		709	0	0	–	–	0	(0)	-100%	0
Finance and administration		876	0	0	–	–	0	(0)	-100%	0
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		(15 043)	26 372	25 133	1 422	4 246	16 756	(12 509)	-75%	25 133
Community and social services		(20 862)	23 407	22 168	1 017	3 841	14 779	(10 937)	-74%	22 168
Sport and recreation		5 721	2 965	2 965	405	405	1 977	(1 571)	-79%	2 965
Public safety		98	0	0	–	–	0	(0)	-100%	0
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		(1 678)	28 805	51 304	1 539	35 219	24 869	10 350	42%	51 304
Planning and development		(8 652)	348	348	–	–	232	(232)	-100%	348
Road transport		6 974	28 457	50 956	1 539	35 219	24 637	10 582	43%	50 956
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		6 326	414	414	–	–	276	(276)	-100%	414
Energy sources		575	0	0	–	–	0	(0)	-100%	0
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		5 752	414	414	–	–	276	(276)	-100%	414
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	(8 810)	55 592	76 851	2 961	39 465	41 901	(2 435)	-6%	76 851
Funded by:										
National Government		16 908	32 250	53 010	405	16 304	26 006	(9 703)	-37%	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	405	16 304	26 006	(9 703)	-37%	53 010
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		(25 717)	23 342	23 842	2 556	23 162	15 894	7 267	46%	23 842
Total Capital Funding		(8 810)	55 592	76 851	2 961	39 465	41 901	(2 435)	-6%	76 851

The total capital expenditure year to date figure by function classification stands at R39.4 million rands. The original budget shows an amount of R55.5 million rand hence the variance of -6%.

The capital expenditure funded by the national government year to date actual amount to R16.3 million rands, the approved original budget for transfers recognised (allocation from National Treasury) amounts to R32.2 million rands thereby creating a variance of -37%.

Table C6 – Monthly Budget Statement – Financial Position

0 - Table C6 Monthly Budget Statement - Financial Position - M08 February

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	74 057	111 798	74 057
Trade and other receivables from exchange transactions		9 988	10 218	14 084	8 616	14 084
Receivables from non-exchange transactions		36 308	84 007	29 784	56 871	29 784
Current portion of non-current receivables		-	-	-	-	-
Inventory		23 272	1 369	23 362	23 249	23 362
VAT		7 912	55 029	10 119	10 644	10 119
Other current assets		54	66	54	54	54
Total current assets		151 764	202 537	151 460	211 232	151 460
Non current assets						
Investments		-	-	-	-	-
Investment property		53 255	39 384	52 925	53 255	52 925
Property, plant and equipment		696 480	760 348	768 867	768 479	768 867
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		79	79	79	79	79
Intangible assets		-	3	(5)	-	(5)
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	821 866	821 812	821 866
TOTAL ASSETS		901 577	1 002 350	973 326	1 033 044	973 326
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		20	20	20	20	20
Consumer deposits		2 216	1 803	1 894	2 190	1 894
Trade and other payables from exchange transactions		55 342	49 725	61 201	35 169	61 201
Trade and other payables from non-exchange transactions		49	0	49	54 003	49
Provision		13 375	13 054	13 375	13 375	13 375
VAT		1 136	47 149	(13 580)	5 185	(13 580)
Other current liabilities		-	-	-	-	-
Total current liabilities		72 138	111 751	62 959	109 943	62 959
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	64 747	111 451	64 747
NET ASSETS	2	827 931	889 724	908 579	921 593	908 579
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		861 390	889 773	908 417	921 431	908 417
Reserves and funds		162	152	162	162	162
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	861 552	889 925	908 579	921 593	908 579

The table C6 reflects R921.4 million rands actual accumulated surplus and R889.7 million rands original budget for accumulated surplus.

Table C7 – Monthly Budget Statement – Cash Flow

0 - Table C7 Monthly Budget Statement - Cash Flow - M08 February

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	35 404	49 987	-	-	33 325	(33 325)	-100%	49 987
Service charges		6 537	33 949	42 292	-	-	28 194	(28 194)	-100%	42 292
Other revenue		-	31 683	61 343	-	-	27 304	(27 304)	-100%	61 343
Transfers and Subsidies - Operational		452 602	221 926	215 423	36 218	298 651	143 615	155 036	108%	215 423
Transfers and Subsidies - Capital		-	75 066	60 961	-	-	29 907	(29 907)	-100%	60 961
Interest		-	(19 952)	(1 831)	-	8 401	(1 221)	9 622	-788%	(1 831)
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(475 577)	(296 855)	(339 060)	(19 265)	(304 205)	(193 941)	110 263	-57%	(339 060)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(16 438)	81 222	89 115	16 952	2 847	67 184	64 337	96%	89 115
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)	(87 803)	-	-	(47 802)	(47 802)	100%	(87 803)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(101 890)	(87 803)	-	-	(47 802)	(47 802)	100%	(87 803)
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)	1 312	16 952	2 847	19 383			1 312
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	75 542	16 952	77 077	93 613			75 542

The table C7 cash flow statement transactions from operating activities with a year to date actual figure of R2.8 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 R136 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.

February 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 -2 662 650,90	R -2 662 650,90	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 585,49	R -	R -	R -	R 27,64	R -	R -	R 557,85
Deposit: Electricity Metered	R 800,00	R 800,00	R -	R -	R -	R -	R -	R -
Deposit: Waste Disposal	R 2 000,00	R -	R -	R -	R -	R -	R -	R 2 000,00
Electricity Basic	R 838 728,82	R 202 260,61	R 48 528,86	R 42 192,87	R 37 559,03	R 28 143,74	R 26 307,53	R 453 736,18
Electricity Metered	R 4 035 897,86	R 2 025 218,89	R 155 398,31	R 189 606,35	R 199 385,96	R 121 910,08	R 108 701,50	R 1 235 676,77
Market stalls	R 1 127 288,08	R 39 765,42	R 19 359,21	R 18 620,26	R 17 622,58	R 16 373,96	R 15 955,67	R 999 590,98
OFFICE RENTAL	R 190 272,06	R 35 077,03	R 17 407,97	R 17 332,56	R 13 650,50	R 11 177,33	R 11 106,67	R 84 520,00
Plaza Market Stalls	R 263 392,01	R 18 669,16	R 8 567,84	R 7 936,69	R 7 742,94	R 7 605,68	R 7 421,24	R 205 448,46
Property Rates	R 118 639 163,83	R 10 442 982,34	R 4 581 587,52	R 4 510 457,14	R 4 436 554,81	R 3 832 733,11	R 3 017 185,66	R 87 817 663,25
Rent (M001)	R 713 875,63	R 61 121,75	R 50 132,49	R 26 918,28	R 7 060,56	R 15 409,38	R 15 465,77	R 537 767,40
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 30 937,86	R 2 313,11	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 27 968,65
Sundries (VAT)	R 14 340,66	R 11 420,35	R 2 709,81	R 210,50	R -	R -	R -	R -
Tampering Fee	R 527 162,08	R 43 501,59	R -	R 28 993,00	R 27 488,69	R 2 893,00	R -	R 424 285,80
Traffic Fines	R 4 700 071,02	R 101 600,00	R 51 600,00	R 47 700,00	R 43 000,00	R 22 400,00	R 56 100,00	R 4 377 671,02
Traffic Fines (M001)	R 1 734 180,76	R -	R -	R -	R -	R -	R -	R 1 734 180,76
Waste Disposal	R 7 047 262,58	R 411 701,88	R 129 915,00	R 118 134,65	R 106 876,14	R 100 023,79	R 91 200,96	R 6 089 410,16
Total	R 137 230 390,85	R 10 733 781,23	R 5 065 338,23	R 5 008 233,52	R 4 897 100,07	R 4 158 801,29	R 3 349 576,22	R 104 017 560,29

DEBT COLLECTION RATES

Collection Table 2.1.2.

Cash Collected for each Revenue Source via Billing (February 2026)				
	Cash collection	Ageing - February 2026	Collection rate per BT	Billed revenue - February 2026
Rates	R -2 682 537,56	R 118 639 163,83	-2%	R 6 555 020,64
Electricity	R -4 268 025,72	R 4 875 426,68	-88%	R 2 497 789,34
Refuse	R -211 494,41	R 7 075 226,00	-3%	R 272 143,53
Stalls Rental , Traffic fines & Tar	R -54 176,23	R 8 103 042,60	-1%	R 81 439,76
Other Rentals	R -	R 1 199 597,15	0%	R -
Advance payments	R -1 013 883,34	R -2 662 065,41	38%	R -
Unallocated Payments	R 1 490 197,12			R -
TOTAL CASH RECEIVED (BILL	R 6 739 920,14	R 137 230 390,85		R 9 406 393,27
Total Ageing	R 137 230 390,85		January 2026 Billing	R 9 741 386,07
Total debtors' payments	R 6 739 920,14		February 2026 Payme	R 6 739 920,14
		5%		69%

Cash collected under the reporting period amounts to R6.7 million rands resulting in collection rate of 5%. The comparison to the previous month billing against current month payments results to 69% collection rate, which is significantly below the norm of 95%.

DEBTOR’S RATIOS

Ratios table 2.1.3.

February 2026 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	88	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	2556,57	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	-3,44	Revenue Growth (%)

Collection rates stand at 88% using the ratios as provided by National Treasury circular 71. The net debtors' days are increased to 2 556.57 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 started in February and closed in April. The total debtors that qualified for indigent debt relief rebates totals to 207. Physical verification was conducted. The rebates granted to eligible indigent debtors encompasses the 100% rebate on billed rates and services for the current year. The application phase is opened as from the 01st of February for pensioners and indigent customers.

ELECTRICITY LOSSES

The electricity losses for the period under review amounts to R3 million rands which translate to 21.66%. The municipality through the management committee considered a decision to engage in a competitive bidding process in sourcing a service provider that will assist with all electricity challenges. Previously the municipality engaged in the RT29 transversal contract process, and unfortunately the application was decline by National Treasury.

ELECTRICITY DISTRIBUTION LOSS 25/26 (UNITS)										
Month	Season High/Low	Bulk Purchases Units 25/26	Total kWh Units 25/26 (Internal)	Ontec 3rd party sales	SEBATA Billing 25/26	FBE	Own Consumption	Total Electricity	Profit / Loss on sale of electricity	%Profit/ Loss
July	High	1 903 762,80	97 995,90	205 956,00	1 063 321,00	99 250,00	10 499,00	1 477 021,90	426 740,90	22,42%
August	High	1 960 016,80	77 725,20	206 219,70	980 632,00	98 300,00	9 461,00	1 372 337,90	587 678,90	29,98%
September	Both	1 709 837,20	71 169,30	197 547,80	981 106,00	96 350,00	6 957,00	1 353 130,10	356 707,10	20,86%
October	Low	1 781 147,60	70 462,60	210 558,60	1 041 790,00	96 850,00	8 120,00	1 427 781,20	353 366,40	19,84%
November	Low	1 720 208,20	57 855,20	202 340,10	926 345,00	96 600,00	7 136,00	1 290 276,30	429 931,90	24,99%
December	Low	1 566 705,60	55 887,20	212 899,20	730 072,00	92 750,00	7 508,00	1 099 116,40	467 589,20	29,85%
January	Low	1 585 419,80	49 541,40	212 368,00	1 156 761,00	95 350,00	10 487,00	1 524 507,40	60 912,40	3,84%
February	Low	1 627 312,80	49 689,60	190 236,40	965 027,00	94 400,00	9 963,00	1 309 316,00	317 996,80	19,54%
		13 854 410,80	530 326,40	1 638 125,80	7 845 054,00	769 850,00	70 131,00	10 853 487,20	3 000 923,60	21,66%

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

HALL HIRE REVENUE

The municipality rent outs the halls to public in line with the tariff of charges document approved by the council. The hall booking was budgeted for three thousand and total revenue received to date amounts to R32 thousand nine hundred and ninety one rands.

HALL HIRE REVENUE - JANUARY 2026			
Type	Revenue Description	BudgetOriginal1	Credit
Revenue	Exchange Revenue	-R 3 162,00	-R 32 991,16

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 Eskom for the payment of cessionary INEP project and other miscellaneous accounts for halls and offices. The municipality have no arrear debt with Eskom. The second highest creditor relates to the provision of short-term insurance.

Creditors payment summary: Table 2.2.1

CREDITORS REPORT FOR FEBRUARY 2026

TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF FEBRUARY 2026

No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDING 8332250940	CESSIONARY WORK FOR INEP PROJECT	R 7 078 718,05
	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	R 2 732,96
	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	R 4 623,23
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	R 29 956,63
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 6 944,88
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 4 623,23
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	R 2 641,65
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	R 4 623,23
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 438 866,92
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 1 835,59
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	R 2 005,61
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	R 7 237,18
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	R 5 891,12
	ESKOM HOLDINGS 8440048420	MNXANGALA COMMUNITY HALL	R 4 623,23
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	R 2 939,85
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	R 4 623,23
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	R 8 614,74
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	R 1 189,51
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	R 4 623,23
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 4 546,62
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	R 4 518,27
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	R 7 237,18
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 1 835,58
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 7 237,18
			R 7 642 688,90
2	SERENITY FINANCIAL SERVICES	PROVISION OF SHORT-TERM INSURANCE FOR 36 MONTHS	R 1 474 986,69
			R 1 474 986,69
3	ADVENTURE TRAVEL	ACCOMMODATION OF 09 MUNICIPAL OFFICIALS ATTENDING SAGE TRAINING IN MIDRAND (03-06 FEB)	R 62 620,95
	ADVENTURE TRAVEL	ACCOMMODATION AND CONFERENCE OF 36 DELEGATES IN DURBAN (10-13 FEB 2026)	R 337 489,68
	ADVENTURE TRAVEL	ACCOMMODATION OF TC NYANDENI IN PRETORIA (09-10 DEC 2025)	R 2 369,00
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 FINANCE OFFICIALS IN DUNDEE (03-06 DEC 2025)	R 26 783,50
	ADVENTURE TRAVEL	ACCOMMODATION OF N HLATSHWAYO ATTENDING MFMP IN VOLKRUST (07-12 DEC 2025)	R 10 465,00
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 MUNICIPAL OFFICIALS ATTENDING PFMA IN DURBAN (11-16 JAN 2026)	R 35 638,50
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 MUNICIPAL OFFICIALS ATTENDING PFMA IN DURBAN (07-12 DEC 2025)	R 44 936,25
	ADVENTURE TRAVEL	ACCOMMODATION OF S SHOBA IN PMB (08-10 DEC 2025)	R 4 140,00
	ADVENTURE TRAVEL	ACCOMMODATION OF SS ZULU IN NEWCASTLE (27-30 JAN 2026)	R 5 563,13
	ADVENTURE TRAVEL	ACCOMMODATION OF FINANCE INTERNS ATTENDING PFMA TRAINING IN DURBAN (22 - 27 FEB 2026)	R 53 475,00
	ADVENTURE TRAVEL	ACCOMMODATION OF N HLATSHWAYO ATTENDING MFMP IN VOLKRUST (25-30 JAN 2026)	R 11 882,50
	ADVENTURE TRAVEL	ACCOMMODATION OF 05 DELEGATES IN DUNDEE (16-27 FEB 2026)	R 65 745,50
	ADVENTURE TRAVEL	ACCOMMODATION OF 68 DELEGATES ATTENDING STRATEGIC PLANNING IN DURBAN (17-20 FEB 2026)	R 592 203,08
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 MUNICIPAL OFFICIALS ATTENDING PFMA IN DURBAN (01-06 FEB 2026)	R 35 765,00
	ADVENTURE TRAVEL	ACCOMMODATION OF 02 DEPUTY MAYOR'S BODYGUARDS (04-06 FEB 2026)	R 8 415,70
	ADVENTURE TRAVEL	ACCOMMODATION AND CONFERENCE OF 70 DELEGATES ATTENDING INGOMA MEETING IN JHB (28 FEB 2026-01	R 107 784,70
			R 1 405 277,49

Nquthu Municipality Monthly Budget Statement

4	FEZILE SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR DEC 2025	R 248 766,39
	FEZILE SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JAN 2026	R 248 766,39
			R 497 532,78
5	AUDITOR GENERAL - SA	AUDIT FEES 31JAN2026	R 250 889,18
			R 250 889,18
6	AROS PROTECTION SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JAN 2026	R 248 766,39
			R 248 766,39
7	GARDASA SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JAN 2026	R 248 766,39
			R 248 766,39
8	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JAN 2026	R 248 766,39
			R 248 766,39
9	CCG SYSTEMS	PAYROLL SERVICE FEES	R 4 675,00
	CCG SYSTEMS	ASSISTING IT WITH AUDIT REPORTS	R 5 950,00
	CCG SYSTEMS	PAYROLL TRAINING	R 150 902,00
			R 161 527,00
10	NQUTHU PIONEER TRANSPORT PRIMARY CO-OPERATIVE LIMITED	HIRING OF MINIBUSES TO TRANSPORT SENIOR CITIZEN EVENT TO VA MAKHOBA HALL (17/12/2025)	R 125 000,00
	NQUTHU PIONEER TRANSPORT PRIMARY CO-OPERATIVE LIMITED	HIRING OF MINIBUSES TO TRANSPORT PLAYERS FROM NQUTHU TO DURBAN (13/12/2025)	R 25 000,00
			R 150 000,00

CREDITORS AGE ANALYSIS: TABLE 2.2.2

Creditor's ageing reconciliation for the month ending 28 February 2026	
CREDITORS ACCOUNT RECONCILIATION REPORT	
MONTH ENDING FEBRUARY 2026	
Total Balances as per EMS INVOICE AGE ANALYSIS REPORT:	R 5 703 809,16
AGE ANALYSIS TOTAL AMOUNT:	R 5 703 809,16
CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT	R 5 703 809,16
AGED ANALYSIS	R 5 703 809,16
Current (Transactions below 30 days)	R - R 0,00
<30 Days	R - R 5 355 364,95
<60 Days	R - R 71 081,33
<90 Days	R - R 72 215,50
<120 Days	R - R 52 065,70
<150 Days	R - R 0,05
<180 Days	R - R 11 120,33
>180 Days	R - R 141 961,30

EARLY WARNING SIGNALS

The creditors above 90-day threshold pose the risk of creditors being flagged by Provincial Treasury in the Early Warning Signal (EWS) quarterly assessment. The total creditors balance amounts to R5.7 million rands. The municipality's MFMA Section 71 report is assessed by the Provincial Treasury. The assessment performed in the last quarter indicated that there was one criterion which the municipality met to indicate financial problems. The concerns and root causes of creditors above a 30-day threshold stem from inaccurate invoice submission and other budget related issues, and as such all the creditors issues are attended to.

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 paid since July 2025 amounts to R120 thousand rands.

ANIMAL POUND EXPENDITURE - FEBRUARY 2026

Payment ID	Payment Date	Pay Value	Supplier Name
76489	25-07-2025	R 17 250,00	COW CATCHERS
76792	18-09-2025	R 17 250,00	COW CATCHERS
77038	31-10-2025	R 17 250,00	COW CATCHERS
77164	07-11-2025	R 17 250,00	COW CATCHERS
77429	19-12-2025	R 17 250,00	COW CATCHERS
77633	17-02-2026	R 17 250,00	COW CATCHERS
77573	29-01-2026	R 17 250,00	COW CATCHERS
		R 120 750,00	

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 amounts to R81.6 million rands.

Table 2.3.1. Investment register for the period ending 28 February 2026

SUMMARY OF INVESTMENT REGISTER							
2025/2026							
INSTITUTION	BALANCE	CURRENT YEAR INVESTMENT	INTEREST RECEIVED	WITHDRAWAL	BANK CHARGES	BALANCE	
ABSA (1394) HOUSING A/C	R 2 023 002,85	R -	R 74 947,32	R -	R -	R	2 097 950,17
ABSA (4328)	R 24 857,33	R -	R 900,77	R -	R 350,00	R	25 408,10
ABSA (5014)	R 96 511,20	R -	R 3 727,80	R -	R -	R	100 239,00
ABSA CALL (5892)	R 16 552 594,49	R 5 680 720,54	R 729 707,41	R 500 000,00	R -	R	22 463 022,44
FNB CALL (1408)	R 10 845 156,72	R -	R 472 946,25	R -	R 1 062,00	R	11 317 040,97
NEDBANK (3)	R 1 330,19	R -	R 53,16	R -	R -	R	1 383,35
STANDARD BANK 014	R 7 756,20	R -	R 256,59	R -	R -	R	8 012,79
STANDARD BANK 063	R 27 549 828,32	R -	R 1 281 541,64	R -	R -	R	28 831 369,96
STANDARD BANK 068	R 16 236 626,89	R -	R 545 899,32	R -	R -	R	16 782 526,21
TOTAL	R 73 337 664,19	R 5 680 720,54	R 3 109 980,26	R 500 000,00	R 1 412,00	R	81 626 952,99

Table 2.3.2. Investment growth table

Growth variance - investment balances 2025-26								
	July	August	September	October	November	December	January	February
Month	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
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

The table 2.3.2. shows the movement in the investment balances. The growth on investments is shown through comparing the following month balance with the previous month balance, thereby providing an average investment growth amount of R1 million rands.

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 R15.1 million rands for the month under review.

BANK RECONCILIATION (PRIMARY ACCOUNT)		4053562762
Details	Amount	
Cash book balance as at 28 February 2026	R	15 169 884,12
Outstanding deposits	R	-
Unknown deposits	R	-
Bank charges	R	-
Outstanding cheques	R	-
Transfers	R	-
Sundries	R	-
Outstanding receipts	R	-
Bank statement balance as at 28 February 2026	R	15 169 884,12

Bank balance for grant account reflects the amount of R100 thousand rands for the month under review.

BANK RECONCILIATION (GRANTS ACCOUNT)		
Details	Amount	
Cash book balance as at 28 February 2026	R	100 239,00
Unknown deposits	R	-
Outstanding cheques	R	-
Bank charges	R	-
Returned cheques	R	-
Transfers	R	-
Sundries	R	-
Outstanding receipts	R	-
Bank statement balance as at 28 February 2026	R	100 239,00

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 28 February 2026

Grant register Table 2.4.1

Summary of Grants received and expenditure to date							
	Grant Type	Dora/Prov Allocation for year	Received 2025/26	Spent & transferred to income 2025/26	Balance as at 2025/26	Available funds/not committed 2025/26	% spending
National Grants operational	Eletrification(INEP)	(20 000 000,00)	(13 000 000,00)	13 730 102,62	730 102,62	730 102,62	106%
	FMG	(1 900 000,00)	(1 900 000,00)	1 275 074,75	(624 925,25)	(624 925,25)	67%
	EPWP	(1 639 008,00)	(1 148 000,00)	1 639 008,00	491 008,00	491 008,00	143%
National Grants Capital	MIG	(37 961 004,00)	(31 000 000,00)	18 050 385,59	(12 949 614,41)	(12 949 614,41)	58%
	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)	465 130,21	(88 869,79)	(88 869,79)	84%
	Library Modular		(1 560 000,00)	1 560 000,00	-	-	100%
	Library Volunteer		(124 000,00)	64 000,00	(60 000,00)	(60 000,00)	52%
	Library support	(4 493 000,00)	(2 142 000,00)	2 142 000,00	(0,00)	(0,00)	100%
TOTALS		(88 993 012,00)	(74 428 000,00)	38 925 701,16	(35 502 298,84)	(35 502 298,84)	

The grants spending is as follows:

1. INEP is overspent at 106%.
2. MIG grant 58% spent.
3. FMG 67% spent.
4. EPWP overspent at 143%.

5. Library support 100%
6. Cybercadet 84%
7. Library modular 100%
8. Library volunteer 52%

The lowest spent grant is the library volunteer at 52% owing to late allocation of the funds as the receipt of the grant was recognised in October 2025 hence the low spending.

The total grant funding received amounts to R88.9 million rands. The total grant expenditure to date amounts to R38.9 million rands.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

Employee benefits for the month under reporting amount to R74.5 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 10.1 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 28 February 2026		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R 91 550 207,00	R 51 629 567,01
Contributions to pension funds	R 11 886 283,00	R 7 095 532,12
Contributions to medical aids	R 2 377 963,00	R 2 596 212,70
Contributions to UIF	R 626 907,00	R 389 820,47
Contributions to SDL	R 964 369,00	R 615 612,31
Travel, motor car	R 4 209 576,00	R 3 544 295,65
Salga	R 40 066,00	R 28 814,80
Housing benefits and allowances	R 749 160,00	R 143 938,29
Cellphone Allowance	R -	R -
Overtime payments	R 1 913 336,00	R 2 009 418,34
Bonuses	R 6 321 148,00	R 4 023 939,52
Other leave & long service	R 624 578,00	R 686 393,07
Allowances (Standby and Drivers Allowance)	R 1 796 316,00	R 1 774 499,24
Totals	R 123 059 909,00	R 74 538 043,52
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R 14 129 290,00	R 9 307 495,11
Cellphone/Data Allowance	R 2 298 473,00	R 778 575,12
Contributions to SDL	R 40 995,00	R 97 310,50
Totals	R 16 468 758,00	R 10 183 380,73

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 R1.1 million rands there are no receipts or additions however there are inventories issued amounting to R34 thousand rands. The inventory balance therefore reduced to R1 079 million rands after the movements reported in the recon.

Table 2.6.1. Inventory reconciliation

Inventory Reconciliation		
INVENTORY MODULE		
OPENING BALANCE AS PER INVENTORY REPORT		R 1 114 061,87
ADD: TOTAL RECEIPTS		R 0,00
Inventory purchases for the month		R 0,00
LESS: TOTAL ISSUES		(R 34 772,05)
Inventory issued from stores during the month		(R 34 772,05)
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		<u>R 1 079 289,82</u>
GENERAL LEDGER VOTE BALANCE:		R 1 079 532,33

IRREGULAR & FRUITLESS EXPENDITURE

The municipality incurred the irregular expenditure amounting to R10.5 million rands for operational expenditure and R23.6 million rands for the month under reporting, hence the total irregular expenditure amounts to R34.2 million rands to date.

There are no changes to reported information since November month due to no new report being received to report on UIFWE monthly.

Table 2.6.2 Unauthorised and irregular expenditure summary

QUARTER 2 - NOVEMBER 2025 IRREGULAR EXPENDITURE				
MONTH No.	MONTH NAME	EXPENDITURE TYPE		
OPENING BALANCE		OPERATIONAL	CAPITAL	MONTHLY TOTALS
		R 7 827 169.51	R 13 176 464.33	
1	October	R 1 946 973.25	R 5 607 569.07	R 7 554 542.32
2	November	R 773 117.06	R 4 881 668.97	R 5 654 786.03
3	December	R -	R -	R -
CLOSING BALANCE		R 10 547 259.82	R 23 665 702.37	R 34 212 962.19
TOTAL UIFW EXPENDITURE			R 34 212 962.19	

FRUITLESS EXPENDITURE

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

Fruitless expenditure balance for the period ending 28 February 2026

Annexure C Demarcation Board Code: KZN242 Register for Fruitless and wasteful Expenditure Year Ended 30 June 2026		Financial Yea 2025/ 2026 Nquthu Local Municipality Month February		
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 invest	#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 @ 28 February 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:

Nquthu Municipality Monthly Budget Statement


0 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2024/25	Budget Year 2025/26			Variance reasons
		Audited Outcome	Original Budget	YearTD actual	YearTD budget	
R thousands						
Revenue						
Exchange Revenue						
Operational Revenue		649	25 331	1 098	11 038	-90% The budget will be revised in line with actual transactions taken place
Interest earned from Receivables		778	1 171	517	643	-20% The interest received is too low and the downward adjustment is considered
Interest from Current and Non Current Assets		8 907	8 150	4 029	4 480	-10% The invested funds determine the interest to be received. R500k was withdrawn and no new investments were made hence the adjustment to be effected.
Service charges - Electricity		32 858	37 183	23 844	25 891	-8% 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
Rental from Fixed Assets		860	1 043	980	663	48% The rental income is fixed provided the escalation fees, the adjustment if necessary will be
Non-Exchange Revenue						
Fines, penalties and forfeits		1 425	4 463	544	722	-25% The fines revenue are determined by ticket fines issued, and the court determination granted the variance is notable and the adjustment will be effected
Licence and permits		862	1 088	639	516	24% The licences projections were based on past year trends however the actuals are low in the current year hence the need for adjustment.
Property rates		57 450	62 160	49 231	38 662	27% The municipality charges 10 equal installments for property rates, journals are passed where errors are identified. The review will be made during adjustment if need arise.
Total Revenue (excluding capital transfers and contributions)						
Expenditure By Type						
Debt impairment		16 949	-	-	11 610	-100% There is no calculation finalised yet. Figures will be update on finalisation of interim AFS.
Depreciation and amortisation		40 486	37 000	-	24 667	-100% There is no calculation finalised yet. Figures will be update on finalisation of interim AFS.
Interest		199	0	-	60	-100% There is no budget for this line item, there are no actuals. The adjustment budget will be done.
Irrecoverable debts written off		1 184	15 000	154	3 267	-95% The figure represents the indigent customers rebate granted. There are no other debts written off yet.
Transfers and subsidies		4 328	5 454	1 788	3 636	-51% The transfers and subsidies budget mid-year assessment review shows the need for
Employee related costs		111 037	124 644	68 050	83 216	-18% The employee costs actuals are partially captured on the system due to integration issues
Remuneration of councillors		15 731	15 974	8 850	10 268	-14% The actuals are partially captured on the system due to integration issues, adjustment will be made upward to cover the foreseeable shortfall
Operational costs		39 118	40 933	35 638	27 271	31% The budget will be revised in line with actual transactions taken place
Inventory consumed		891	2 046	5 648	1 364	314% Reclassification of inventory items will be done in line with the inventory recon and remove non-inventory items from this line item.
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 28 February 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>06/03/2026</u>