

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 31 MARCH 2026

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ACCRONYMS

MBRR – Municipal Budget Reporting Regulations

YTD – Year to Date

RMC – Risk Management Committee

SDBIP - Service Delivery Budget Implementation Plan

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

IYR- In Year Reporting

1.1. MAYORS' REPORT

The Section 71 report for the month of March comes just after the adoption of the adjustment budget hence the changes are noted on some line items. 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 where on the municipality expends significantly. Essentially the municipality ensures that all expenditure is authorised and within appropriated funds in the budget. The investment drivers include the sale and development of sites within Nquthu town, and the attempt to keep the investment balance 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 R294 million rands with a variance of 9% based on comparison with approved adjustment budget of R355 million rands.
- Bulk electricity – actual figure amounts to R33.1 million rands.
- Employee costs and councillor remuneration contribute a sizeable expenditure for the period under reporting, thereby resulting in expenditure amount R77 million rands and R10 million rands respectively.

Capital Budget

The capital expenditure spending for the reporting period amounts to R57 million rands. Grant register is affixed to provide further details on capital expenditure.

Cash Flow

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

Risk Management – Financial risks

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

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

Mid-year assessment Review – adjustment budget recommendation

The mid-year assessment review report in terms of S72 MFMA was adopted by council on 30 January 2026.

Other matters

- **Audit matter**

The 24-25 audit report was tabled in council on 30 January 2026. The internal audit unit is conducting audit and engagements with management were held in respect of issued RFIs.

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 10.22% in rand value loss and 21.29% 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 - M09 March

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	55 392	43 408	11 984	28%	57 645
Service charges	34 539	39 560	41 307	3 025	28 563	31 009	(2 446)	-8%	41 307
Investment revenue	8 907	8 150	6 720	35	4 405	5 040	(635)	-13%	6 720
Transfers and subsidies - Operational	215 489	215 536	215 423	46 876	198 444	164 659	33 785	0	215 423
Other own revenue	18 424	33 333	34 012	859	7 668	25 184	(17 515)	-70%	34 012
Total Revenue (excluding capital transfers and contributions)	334 809	358 739	355 107	56 956	294 472	269 300	25 172	9%	355 107
Employee costs	111 037	124 644	121 754	(4)	77 507	91 194	(13 686)	-15%	121 754
Remuneration of Councilors	15 731	15 974	15 402	-	10 086	11 551	(1 465)	-13%	15 402
Depreciation and amortisation	40 486	37 000	37 000	-	-	27 750	(27 750)	-100%	37 000
Interest	199	0	300	-	-	120	(120)	-100%	300
Inventory consumed and bulk purchases	46 149	42 916	43 071	3 205	38 819	32 207	6 613	21%	43 071
Transfers and subsidies	4 328	5 454	5 454	367	2 155	4 091	(1 936)	-47%	5 454
Other expenditure	119 176	107 080	114 768	7 789	79 991	86 074	(6 083)	-7%	114 768
Total Expenditure	337 105	333 068	337 749	11 357	208 558	252 986	(44 428)	-18%	337 749
Surplus/(Deficit)	(2 296)	25 671	17 358	45 599	85 913	16 313	69 600	427%	17 358
Transfers and subsidies - capital (monetary allocations)	53 269	37 961	60 961	-	17 584	34 221	##	-49%	60 961
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	50 972	63 632	78 319	45 599	103 498	50 534	52 964	105%	78 319
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	50 972	63 632	78 319	45 599	103 498	50 534	52 964	105%	78 319
Capital expenditure & funds sources									
Capital expenditure	(8 810)	55 592	92 549	16 011	57 037	47 699	9 338	20%	92 549
Capital transfers recognised	16 908	32 250	53 010	3 908	21 390	25 055	(3 665)	-15%	53 010
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(25 717)	23 342	39 540	12 103	35 648	22 644	13 004	57%	39 540
Total sources of capital funds	(8 810)	55 592	92 549	16 011	57 037	47 699	9 338	20%	92 549
Financial position									
Total current assets	151 764	202 537	108 421		239 169				108 421
Total non current assets	749 814	799 814	837 563		839 384				837 563
Total current liabilities	72 138	111 751	53 588		113 083				53 588
Total non current liabilities	1 508	875	1 788		1 508				1 788
Community wealth/Equity	861 552	889 929	890 608		963 962				890 608
Cash flows									
Net cash from (used) operating	(16 438)	81 222	25 350	33 454	19 220	38 710	19 490	50%	25 350
Net cash from (used) investing	-	(101 890)	(106 812)	-	-	(45 683)	(45 683)	100%	(106 812)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	76 095	50 727	(7 232)	33 454	93 450	67 256	(26 194)	-39%	(7 232)
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	2 991	447	410	422	398	271	296	15 533	20 770
Creditors Age Analysis									
Total Creditors	1 739	12	-	5	30	0	8 718	51 031	61 536

BUDGET SUMMARY ANALYSIS - TABLE C1

The year-to-date actual revenue (excluding capital transfers and contributions) is R294 million rands.

The operating expenditure year to date is R208 million rands.

The total sources of capital combined amount to R57 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 R239 million rands, the non-current assets amounts to R839 million rands. The current liabilities totals to R113 million rands and the non-current liabilities totals to R1.5 million rands. The net results shows an equity balance of R963 million rands.

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

0 - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

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	53 712	270 077	231 905	38 172	16%	320 619
Executive and council		46 128	37 961	37 961	-	17 584	28 471	(10 886)	-38%	37 961
Finance and administration		271 927	263 730	282 658	53 712	252 493	203 434	49 059	24%	282 658
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		6 647	2 011	3 814	133	3 137	2 861	277	10%	3 814
Community and social services		4 570	25	2 275	3	1 951	1 706	245	14%	2 275
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 077	1 986	1 539	129	1 186	1 154	32	3%	1 539
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		5 338	25 017	24 976	19	824	18 732	(17 908)	-96%	24 976
Planning and development		242	25 017	24 976	19	824	18 732	(17 908)	-96%	24 976
Road transport		5 096	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		58 037	67 980	66 659	3 092	38 017	50 022	(12 005)	-24%	66 659
Energy sources		55 820	65 245	63 873	2 823	35 646	47 905	(12 259)	-26%	63 873
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 217	2 735	2 785	269	2 372	2 118	254	12%	2 785
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	388 077	396 700	416 068	56 956	312 056	303 520	8 536	3%	416 068
Expenditure - Functional										
Governance and administration		176 326	173 377	180 442	5 030	92 062	135 127	(43 065)	-32%	180 442
Executive and council		31 410	33 804	33 947	167	22 546	25 452	(2 906)	-11%	33 947
Finance and administration		141 634	136 656	143 432	4 863	66 469	107 377	(40 909)	-38%	143 432
Internal audit		3 282	2 917	3 063	-	3 047	2 297	750	33%	3 063
Community and public safety		34 872	39 359	37 749	537	22 834	28 260	(5 426)	-19%	37 749
Community and social services		17 229	22 384	20 933	490	10 430	15 648	(5 219)	-33%	20 933
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		17 643	16 975	16 816	47	12 404	12 612	(208)	-2%	16 816
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		34 052	34 745	34 790	2 039	30 132	26 004	4 128	16%	34 790
Planning and development		18 009	20 433	20 885	1 628	22 002	15 641	6 361	41%	20 885
Road transport		16 042	14 311	13 905	412	8 130	10 363	(2 233)	-22%	13 905
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		92 942	85 587	84 769	3 180	62 960	63 595	(636)	-1%	84 769
Energy sources		76 485	68 757	68 149	3 180	50 626	50 986	(360)	-1%	68 149
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 159	1 963	1 959	-	2 993	1 472	1 521	103%	1 959
Waste management		14 298	14 867	14 660	-	9 340	11 137	(1 797)	-16%	14 660
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	338 192	333 068	337 749	10 786	207 988	252 986	(44 999)	-18%	337 749
Surplus/ (Deficit) for the year		49 885	63 632	78 319	46 170	104 069	50 534	53 535	1,0593752	78 319

Table C3: Monthly Budget Statement_ Financial Performance

0 - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

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 OfThe Municipal Manager		46 128	37 961	37 961	-	17 584	28 471	(10 886)	-38,2%	37 961
Vote 2 - Planning and Economic Development		50	25 274	25 014	-	701	18 761	(18 059)	-96,3%	25 014
Vote 3 - Budget and Treasury		271 755	262 824	258 800	53 593	252 069	197 041	55 028	27,9%	258 800
Vote 4 - Corporate and Community Service		6 399	7 037	6 559	268	4 606	4 919	(313)	-6,4%	6 559
Vote 5 - Technical Services		63 745	63 604	87 734	3 096	37 095	54 329	(17 234)	-31,7%	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	56 956	312 056	303 520	8 536	2,8%	416 068
Expenditure by Vote	1									
Vote 1 - Office OfThe Municipal Manager		17 811	19 356	19 780	167	14 446	14 827	(382)	-2,6%	19 780
Vote 2 - Planning and Economic Development		18 009	20 413	20 848	1 628	22 002	15 613	6 389	40,9%	20 848
Vote 3 - Budget and Treasury		87 160	91 518	99 360	453	29 298	74 589	(45 291)	-60,7%	99 360
Vote 4 - Corporate and Community Service		62 932	71 130	69 837	2 909	48 942	52 369	(3 427)	-6,5%	69 837
Vote 5 - Technical Services		114 326	94 591	92 584	4 600	67 997	69 082	(1 085)	-1,6%	92 584
Vote 6 - Council And General		17 119	17 739	17 167	17	11 357	12 876	(1 519)	-11,8%	17 167
Vote 7 - Community & Social Services		19 185	16 302	16 220	1 584	13 461	12 165	1 297	10,7%	16 220
Vote 8 - Corporate Services		1 650	2 019	1 953	-	1 055	1 465	(410)	-28,0%	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	337 749	11 357	208 558	252 986	(44 428)	-17,6%	337 749
Surplus/ (Deficit) for the year	2	49 885	63 632	78 319	45 599	103 498	50 534	52 964	104,8%	78 319

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) - M09 March

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	2 808	26 652	29 128	(2 476)	-8%	38 837
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 681	2 377	2 470	217	1 911	1 881	30	2%	2 470
Sale of Goods and Rendering of Services		810	236	241	61	237	181	56	31%	241
Agency services		-	-	-	-	-	-	-	-	-
Interest		19	0	0	-	-	0	(0)	-100%	0
Interest earned from Receivables		778	1 171	469	59	576	352	224	64%	469
Interest from Current and Non Current Assets		8 907	8 150	6 720	35	4 405	5 040	(635)	-13%	6 720
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		860	1 043	995	82	1 068	746	322	43%	995
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		649	25 331	25 689	96	1 194	19 266	(18 073)	-94%	25 689
Non-Exchange Revenue										
Property rates		57 450	62 160	57 645	6 161	55 392	43 408	11 984	28%	57 645
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 425	4 463	1 734	60	604	975	(371)	-38%	1 734
Licence and permits		862	1 088	775	93	732	581	151	26%	775
Transfers and subsidies - Operational		215 489	215 536	215 423	46 876	198 444	164 659	33 785	21%	215 423
Interest		3 633	0	4 110	409	3 258	3 083	175	6%	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	56 956	294 472	269 300	25 172	9%	355 107
Expenditure By Type										
Employee related costs		111 037	124 644	121 754	(4)	77 507	91 194	(13 686)	-15%	121 754
Remuneration of councillors		15 731	15 974	15 402	-	10 086	11 551	(1 465)	-13%	15 402
Bulk purchases - electricity		45 257	40 870	40 870	3 170	33 141	30 652	2 489	8%	40 870
Inventory consumed		891	2 046	2 201	35	5 678	1 555	4 123	265%	2 201
Debt impairment		16 949	-	17 415	-	-	13 061	(13 061)	-100%	17 415
Depreciation and amortisation		40 486	37 000	37 000	-	-	27 750	(27 750)	-100%	37 000
Interest		199	0	300	-	-	120	(120)	-100%	300
Contracted services		59 228	51 147	51 219	3 912	39 878	38 414	1 464	4%	51 219
Transfers and subsidies		4 328	5 454	5 454	367	2 155	4 091	(1 936)	-47%	5 454
Irrecoverable debts written off		1 184	15 000	5 241	-	154	3 930	(3 777)	-96%	5 241
Operational costs		39 118	40 933	40 893	3 877	39 959	30 668	9 291	30%	40 893
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	337 749	11 357	208 558	252 986	(44 428)	-18%	337 749
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		53 269	37 961	60 961	-	17 584	34 221	(16 636)	(0)	60 961
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		50 972	63 632	78 319	45 599	103 498	50 534	52 964	0	78 319
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		50 972	63 632	78 319	45 599	103 498	50 534	52 964	0	78 319
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		50 972	63 632	78 319	45 599	103 498	50 534	52 964	0	78 319
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		50 972	63 632	78 319	45 599	103 498	50 534	52 964	0	78 319

TABLE C4: REVENUE BY SOURCE

1. Property rates

Property rates YTD actual for this month stands at R55.3 million rands, the comparison against the adjusted budget of R57.6 million rands results in the variance of 28%. 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 R26.6 million rands, the comparison against the adjusted budget of R38.8 million rands results in the variance of -8%. The variances is below 10% hence the variance is not detailed in Section 2.7 of the Part 2 of this report.

3. Interest from Current and Non-Current Assets

The interest from current and non-current assets show the YTD actual figure of R4.4 million rands. The comparison against the adjusted budget of R6.7 million rands results in the variance of -13%. The reasons for variances are detailed in Section 2.7 of the Part 2 in this report.

4. Transfers and subsidies (Operational)

The transfers and subsidies allocations from the DoRA for three tranches of the current year are received and reflected in the grant register on Part 2 of this report. The original budget amounts to R215 million rands and it was not adjusted, the YTD actual figure is R198 million rands hence the variance amounts to 21%.

TABLE C4: EXPENDITURE BY TYPE

1. Employee related costs

The employee related costs amounts to R77.5 million rands against the adjusted budget of R121 million rands resulting to a variance of -15%.

2. Remuneration of Councillor's

The YTD actual for remuneration of councillors amounts to R10 million rands compared to adjusted budget amounting to R15.4 million rands, resulting in a variance of -13%. 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

Nquthu Municipality Monthly Budget Statement

The YTD actual for electricity bulk purchase figure amounts to R33.1 million rands, the original budget figure is R40.8 million rands hence the variance of 8%. 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) - M09 March

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	–	335	0	335	3720967%	0
Vote 3 - Budget and Treasury		–	348	348	–	–	261	(261)	-100%	348
Vote 4 - Corporate and Community Service		876	0	0	206	206	0	206	142715%	0
Vote 5 - Technical Services		(21 574)	50 191	66 033	14 144	54 430	39 239	15 191	39%	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	14 350	54 971	39 500	15 470	39%	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	–	–	261	(261)	-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	25 819	1 661	2 066	7 938	(5 871)	-74%	25 819
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	26 168	1 661	2 066	8 199	(6 132)	-75%	26 168
Total Capital Expenditure		(8 810)	55 592	92 549	16 011	57 037	47 699	9 338	20%	92 549
Capital Expenditure - Functional Classification										
Governance and administration		1 585	0	0	206	206	0	205	120165%	0
Executive and council		709	0	0	–	–	0	(0)	-100%	0
Finance and administration		876	0	0	206	206	0	206	142715%	0
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		(15 043)	26 372	22 135	5 641	9 887	11 838	(1 951)	-16%	22 135
Community and social services		(20 862)	23 407	19 170	3 979	7 821	9 614	(1 794)	-19%	19 170
Sport and recreation		5 721	2 965	2 965	1 661	2 066	2 224	(157)	-7%	2 965
Public safety		98	0	0	–	–	0	(0)	-100%	0
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		(1 678)	28 805	70 000	10 165	46 944	35 550	11 395	32%	70 000
Planning and development		(8 652)	348	348	–	335	261	74	28%	348
Road transport		6 974	28 457	69 652	10 165	46 610	35 289	11 321	32%	69 652
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		6 326	414	414	–	–	310	(310)	-100%	414
Energy sources		575	0	0	–	–	0	(0)	-100%	0
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		5 752	414	414	–	–	310	(310)	-100%	414
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	(8 810)	55 592	92 549	16 011	57 037	47 699	9 338	20%	92 549
Funded by:										
National Government		16 908	32 250	53 010	3 908	21 390	25 055	(3 665)	-15%	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	3 908	21 390	25 055	(3 665)	-15%	53 010
Borrowing		–	–	–	–	–	–	–	–	–
Internally generated funds	6	(25 717)	23 342	39 540	12 103	35 648	22 644	13 004	57%	39 540
Total Capital Funding		(8 810)	55 592	92 549	16 011	57 037	47 699	9 338	20%	92 549

The total capital expenditure year to date figure by function classification stands at R57 million rands. The original budget shows an amount of R55.5 million rand hence the variance of 20%. The budget is adjusted to R92 million rands due to additional allocation from Provincial Treasury pertaining to Municipal Disaster Recovery Grant amounting to R23 million rands.

The capital expenditure funded by the national government year to date actual amount to R21.3 million rands, the approved original budget for transfers recognised (allocation from National Treasury) amounts to R32.2 million rands thereby creating a variance of -15%. Internally generated funding increased budget from original budget of R23.3 million rands to R39.5 million rands to cover variations orders and to fund other infrastructure projects budgeted internally.

Table C6 – Monthly Budget Statement – Financial Position

0 - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	Budget Year 2025/26				
		2024/25 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	133 905	28 587
Trade and other receivables from exchange transactions		9 988	10 218	14 084	9 057	14 084
Receivables from non-exchange transactions		36 308	84 007	29 784	59 533	29 784
Current portion of non-current receivables		–	–	–	–	–
Inventory		23 272	1 369	23 362	23 217	23 362
VAT		7 912	55 029	12 549	13 403	12 549
Other current assets		54	66	54	54	54
Total current assets		151 764	202 537	108 421	239 169	108 421
Non current assets						
Investments		–	–	–	–	–
Investment property		53 255	39 384	52 925	53 255	52 925
Property, plant and equipment		696 480	760 348	784 565	786 050	784 565
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	837 563	839 384	837 563
TOTAL ASSETS		901 577	1 002 350	945 984	1 078 554	945 984
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		20	20	20	20	20
Consumer deposits		2 216	1 803	1 894	2 458	1 894
Trade and other payables from exchange transactions		55 342	49 725	60 290	32 411	60 290
Trade and other payables from non-exchange transactions		49	0	49	59 153	49
Provision		13 375	13 054	13 375	13 375	13 375
VAT		1 136	47 149	(22 039)	5 667	(22 039)
Other current liabilities		–	–	–	–	–
Total current liabilities		72 138	111 751	53 588	113 083	53 588
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	55 376	114 591	55 376
NET ASSETS	2	827 931	889 724	890 608	963 962	890 608
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		861 390	889 773	890 446	963 800	890 446
Reserves and funds		162	152	162	162	162
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	861 552	889 925	890 608	963 962	890 608

The table C6 reflects R964 million rands actual accumulated surplus and R889.9 million rands original budget for accumulated surplus.

Table C7 – Monthly Budget Statement – Cash Flow

0 - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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	-	-	37 491	(37 491)	-100%	49 987
Service charges		6 537	33 949	42 292	-	-	31 719	(31 719)	-100%	42 292
Other revenue		-	31 683	61 343	-	-	35 814	(35 814)	-100%	61 343
Transfers and Subsidies - Operational		452 602	221 926	215 423	68 112	366 763	161 567	205 196	127%	215 423
Transfers and Subsidies - Capital		-	75 066	60 961	-	-	37 671	(37 671)	-100%	60 961
Interest		-	(19 952)	(47 300)	-	8 742	(35 475)	44 217	-125%	(47 300)
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(475 577)	(296 855)	(357 356)	(34 658)	(356 285)	(230 076)	126 208	-55%	(357 356)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(16 438)	81 222	25 350	33 454	19 220	38 710	19 490	50%	25 350
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)	-	-	(45 683)	(45 683)	100%	(106 812)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(101 890)	(106 812)	-	-	(45 683)	(45 683)	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)	(81 462)	33 454	19 220	(6 974)			(81 462)
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	(7 232)	33 454	93 450	67 256			(7 232)

The table C7 cash flow statement transactions from operating activities with a year to date actual figure of R19.2 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 R140 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.

March 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 -2 359 846,38	R -2 359 846,38	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 585,49	R -	R -	R -	R -	R -	R 27,64	R 557,85
Deposit: Waste Disposal	R 2 000,00	R -	R -	R -	R -	R -	R -	R 2 000,00
Electricity Basic	R 890 709,71	R 178 864,75	R 51 237,24	R 45 415,27	R 45 207,43	R 35 785,21	R 35 470,39	R 498 729,42
Electricity Metered	R 4 345 610,47	R 2 084 157,64	R 178 939,24	R 196 123,19	R 151 239,39	R 172 404,58	R 184 925,76	R 1 377 820,67
Market stalls	R 1 133 416,74	R 20 227,07	R 19 122,76	R 18 793,59	R 18 545,94	R 17 775,87	R 17 015,80	R 1 021 935,71
OFFICE RENTAL	R 197 321,66	R 17 634,32	R 17 593,61	R 17 483,42	R 13 963,40	R 11 958,91	R 11 884,00	R 106 804,00
Plaza Market Stalls	R 267 911,87	R 9 695,12	R 8 791,60	R 8 584,75	R 8 211,98	R 7 860,10	R 7 680,25	R 217 088,07
Property Rates	R 121 334 511,37	R 5 922 234,92	R 4 522 351,24	R 4 436 324,00	R 4 366 882,75	R 4 281 714,97	R 4 193 479,77	R 93 611 523,72
Rent (M001)	R 735 556,55	R 31 512,90	R 29 901,65	R 23 960,84	R 48 132,49	R 26 918,28	R 7 060,56	R 568 069,83
Repay: Waste Disposal	R 25 963,42	R -	R -	R -	R -	R -	R -	R 25 963,42
Signs (M001)	R 1 119,59	R -	R -	R -	R -	R -	R -	R 1 119,59
Stall rental	R 31 029,11	R 2 141,92	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 28 231,09
Sundries (VAT)	R 14 377,95	R 8 710,54	R 2 710,30	R 2 710,05	R 247,06	R -	R -	R -
Tampering Fee	R 512 152,87	R -	R 27 508,59	R 15 443,79	R -	R 28 993,00	R 26 488,69	R 413 718,80
Traffic Fines	R 4 666 121,02	R 60 400,00	R 66 200,00	R 35 400,00	R 51 600,00	R 47 700,00	R 43 000,00	R 4 361 821,02
Traffic Fines (M001)	R 1 734 180,76	R -	R -	R -	R -	R -	R -	R 1 734 180,76
Waste Disposal	R 7 102 372,12	R 261 000,86	R 145 036,11	R 128 727,07	R 118 245,65	R 108 145,52	R 100 096,02	R 6 241 120,89
Total	R 140 635 094,32	R 6 236 733,66	R 5 069 523,56	R 4 929 097,19	R 4 822 407,31	R 4 739 387,66	R 4 627 260,10	R 110 210 684,84

Table: 2.1.2

The debtors age grows by R3.4 million rands in the month of March.

Debtors Age Growth Variance - March 2025-26									
	July	August	September	October	November	December	January	February	March
Month	R121 393 499,67	R 117 853 949,71	R 124 044 995,90	R 120 920 953,29	R 127 702 016,87	R131 742 915,54	R136 071 045,01	R 137 230 390,85	R 140 635 094,32
Variance		-R 3 539 549,96	R 6 191 046,19	-R 3 124 042,61	R 6 781 063,58	R 4 040 898,67	R 4 328 129,47	R 1 159 345,84	R 3 404 703,47

DEBT COLLECTION RATES

Collection Table 2.1.3.

Cash Collected for each Revenue Source via Billing (March 2026)				
	Cash collection	Ageing - March 2026	Collection rate per BT	Billed revenue - March 2026
Rates	R -3 226 887,38	R 121 334 511,37	-3%	R 6 555 020,64
Electricity	R -1 897 591,40	R 5 236 320,18	-36%	R 2 335 963,98
Refuse	R -205 474,02	R 7 130 335,54	-3%	R 272 143,53
Stalls Rental , Traffic fines & Tar	R -159 773,50	R 8 060 249,34	-2%	R 81 439,76
Other Rentals	R -	R 1 232 938,78	0%	R -
Advance payments	R -660 058,20	R -2 359 260,89	28%	R -
Unallocated Payments	R -			R -
TOTAL CASH RECEIVED (BILL	R -6 149 784,50	R 140 635 094,32		R 9 244 567,91
Total Ageing	R 140 635 094,32		February 2026 Billing	R 9 406 393,27
Total debtors' payments	R 6 149 784,50		March 2026 Payments	R -6 149 784,50
		4%		-65%

Cash collected under the reporting period amounts to R6.1 million rands resulting in collection rate of 4%. The comparison to the previous month billing against current month payments results to 65% collection rate, which is significantly below the norm of 95%.

DEBTOR’S RATIOS

Ratios table 2.1.4.

March 2026 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	63	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	2735,75	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	-1,72	Revenue Growth (%)

Collection rates stand at 63% using the ratios as provided by National Treasury circular 71. The net debtors’ days are increased to 2735.75 against the days reported in the preceding month. It means that it takes the municipality above 5 years to collect the current debt, the debtors’ days signal cash flow challenges to fund certain expenditure items.

INDIGENT DEBTORS’ STATUS

The indigent debtor registration period for the coming year started in February and the closing date is 30 April 2026. The current year total debtors that qualified for indigent debt relief rebates totals to 207. Physical verification was conducted. The rebates granted to eligible indigent debtors encompasses the 100% rebate on billed rates and services for the current year.

ELECTRICITY LOSSES

The electricity losses for the period under review amounts to R3.2 million rands which translate to 21.29%. The municipality through the management committee considered a decision to engage in a competitive bidding process in sourcing a service provider that will assist with all electricity challenges. There is no award as yet.

Table 2.1.5. Electricity distribution loss (units)

ELECTRICITY 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%	
March	Low	1 471 144,60	54 446,20	207 829,00	844 329,00	93 800,00	9 368,00	1 209 772,20	261 372,40	17,77%	
		15 325 555,40	584 772,60	1 845 954,80	8 689 383,00	863 650,00	79 499,00	12 063 259,40	3 262 296,00	21,29%	

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 R49 thousand nine hundred and ninety nine rands.

Table 2.1.6. Hall hire revenue

HALL HIRE CHARGES - MARCH 2026			
Item	Description	Budget Original	Total Balance
IR00200400200100100000000000000000	Revenue:Exchange Revenue:Rental from Fixed Assets:Market Related:Investment Property:Straight-lined Operating	-R 3 162,00	-R 49 999,85

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 bulk account 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 Nquthu Buy Back Centre recycling service .

Creditors payment summary: Table 2.2.1

CREDITORS REPORT FOR MARCH 2026				
TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF MARCH 2026				
No.	VENDOR NAME	DESCRIPTION	AMOUNT	
1	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	2 358,59	
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	4 230,94	
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	1 568,59	
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	420 532,14	
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	1 772,29	
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	3 124,05	
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	7 777,82	
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	131,16	
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	2 789,00	
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	2 576,17	
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	1 772,29	
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	3 977 140,84	
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	3 645 641,12	
			8 071 415,00	
	2	JIBAS RECYCLING	MANAGE AND OPERATE NQUTHU BUY BACK CENTRE FOR A	1 260 712,00
				1 260 712,00
3	SAGE SOUTH AFRICA	ANNUAL SUBSCRIPTION FEE MARCH2026- FEB 2027	763 297,55	
			763 297,55	
4	NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	PROVISION OF FINANCIAL SUPPORT AND INTERIM AFS	524 744,20	
			524 744,20	
5	OCEAN DAWN TRADING	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JAN 2026	248 766,39	
	OCEAN DAWN TRADING	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR FEB 2026	248 766,39	
			497 532,78	
6	SIPHILE SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JAN 2026	248 766,39	
	SIPHILE SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR FEB 2026	248 766,39	
			497 532,78	
7	HITECH OPERATORS	REPAIRS OF BK 29 TH ZN	40 697,35	
	HITECH OPERATORS	REPAIRS OF BL 27 GV ZN	55 932,71	
	HITECH OPERATORS	REPAIRS OF BH 46 JC ZN	95 312,00	
	HITECH OPERATORS	REPAIRS OF BH 46 GV ZN	101 853,86	
		293 795,92		
8	WILD GINGER CREATIVE CONSULTING	SUPPLY AND DELIVER MUNICIPAL CALENDARS AND DIARIES FOR 2026	288 290,05	
			288 290,05	
9	SOLLY M SPORTS	VOUCHERS FOR MAYORAL GAMES	270 000,00	
			270 000,00	
10	AROS PROTECTION SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR FEB 2026	248 766,39	
			248 766,39	

CREDITORS AGE ANALYSIS: TABLE 2.2.2

CREDITORS ACCOUNT RECONCILIATION REPORT																	
MONTH ENDING MARCH 2026																	
Total Balances as per EMS INVOICE AGE ANALYSIS REPORT:	R 1 540 930,10																
AGE ANALYSIS TOTAL AMOUNT:	R 1 540 930,10																
CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT	R 1 540 930,10																
AGED ANALYSIS Current (Transactions below 30 days) <30 Days <60 Days <90 Days <120 Days <150 Days <180 Days >180 Days	R 1 540 930,10 <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr><td>R</td><td style="text-align: right;">-</td></tr> <tr><td>R</td><td style="text-align: right;">1 493 562,12</td></tr> <tr><td>R</td><td style="text-align: right;">12 467,93</td></tr> <tr><td>R</td><td style="text-align: right;">-</td></tr> <tr><td>R</td><td style="text-align: right;">5 000,00</td></tr> <tr><td>R</td><td style="text-align: right;">29 900,00</td></tr> <tr><td>R</td><td style="text-align: right;">0,05</td></tr> <tr><td>R</td><td style="text-align: right;">-</td></tr> </table>	R	-	R	1 493 562,12	R	12 467,93	R	-	R	5 000,00	R	29 900,00	R	0,05	R	-
R	-																
R	1 493 562,12																
R	12 467,93																
R	-																
R	5 000,00																
R	29 900,00																
R	0,05																
R	-																

ANIMAL POUND EXPENDITURE

The excerpt below shows the expenditure to date on the contracted services offered in respect of the catching roaming animals around town. The total invoices paid since July 2025 amounts to R207 thousand rands.

ANIMAL POUND EXPENDITURE - MARCH 2026

Payment ID	Payment Date	Pay Value	Supplier Name
76517	01-08-2025	R 17 250,00	COW CATCHERS
76792	18-09-2025	R 17 250,00	COW CATCHERS
76443	25-07-2025	R 17 250,00	COW CATCHERS
76447	25-07-2025	R 17 250,00	COW CATCHERS
76448	25-07-2025	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
76489	25-07-2025	R 17 250,00	COW CATCHERS
77429	19-12-2025	R 17 250,00	COW CATCHERS
77573	29-01-2026	R 17 250,00	COW CATCHERS
77633	17-02-2026	R 17 250,00	COW CATCHERS
77876	18-03-2026	R 17 250,00	COW CATCHERS
		R 207 000,00	

2.3. INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS

The investment register reflects investment state of the municipality. Operating and capital expenditure requires that the municipality withdraws from time to time from investments to ensure cashflow suffice hence the withdrawals history of R500 thousand rands. The investment balance increased to R82.2 million rands.

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

INVESTMENT REGISTER- MARCH 2026						
INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	WITHDRAWAL	BANK CHARGES	BALANCE
STANDARD BANK 070	R -	R 23 000 000,00	R -	R -	R -	R 23 000 000,00
NEDBANK (3)	R 1 330,19	R -	R 60,91	R -	R -	R 1 391,10
STANDARD BANK 014	R 7 756,20	R -	R 287,32	R -	R -	R 8 043,52
ABSA (4328)	R 24 857,33	R -	R 1 015,78	R -	R 400,00	R 25 473,11
ABSA (5014)	R 96 511,20	R -	R 4 200,30	R -	R -	R 100 711,50
ABSA (1394) HOUSING A/C	R 2 023 002,85	R -	R 83 879,41	R -	R -	R 2 106 882,26
FNB CALL (1408)	R 10 845 156,72	R -	R 533 019,58	R -	R 1 062,00	R 11 377 114,30
STANDARD BANK 069	R 16 236 626,89	R -	R 855 226,57	R -	R -	R 17 091 853,46
ABSA CALL (5892)	R 16 552 594,49	R 5 680 720,54	R 827 067,69	R 500 000,00	R -	R 22 560 382,72
STANDARD BANK 063	R 27 549 828,32	R -	R 1 435 256,29	R -	R -	R 28 985 084,61
TOTAL	R 73 328 577,80	R 5 680 720,54	R 3 739 665,62	R 500 000,00	R 1 462,00	R 82 247 501,96

Table 2.3.2. Investment growth table

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

The table 2.3.2. shows the movement in the investment balances. The growth on investments is shown through the comparisons of the preceding month balance against the following month balance, thereby providing an average investment growth amount of R989 981,97 to date.

Table 2.3.3. Investment withdrawal table

INVESTMENTS WITHDRAWAL							
DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO		ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
04-Jul-25	ABSA 5892	500 000,00	ABSA 2762		PRIMARY	2 950 471.60	pay for normal operations
		500 000,00					

Withdrawal history is shown in the table below providing a telling picture on withdrawal movement since the start of the financial year. The municipal operational needs resulted in the withdrawal in July amounting to R500 thousand rands, there are no subsequent withdrawals to date.

Table 2.3.2 Bank Balance (Primary account)

Bank balance for primary account reflects the amount of R13.5 million rands for the month under review.

BANK RECONCILIATION (PRIMARY ACCOUNT)	4053562762
Details	Amount
Cash book balance as at 31 March 2026	R 13 516 431,11
Outstanding deposits	R -
Unknown deposits	R -
Bank charges	R -
Outstanding cheques	R -
Transfers	R -
Sundries	R -
Outstanding receipts	R -
	R 13 516 431,11

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 31 March 2026	R 100 711,50
Unknown deposits	R -
Outstanding cheques	R -
Bank charges	R -
Returned cheques	R -
Transfers	R -
Sundries	R -
Outstanding receipts	R -
Bank statement balance as at 31 March 2026	R 100 711,50

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 31 March 2026

Grant register Table 2.4.1

GRANTS REGISTER - MARCH 2026								
	Grant Type	Dora/Prov Allocation for year	Received 2025/26	Spent & transferred to income 2025/26	Balance as at 2025/26	Commitments 2025/26	Available funds/not committed 2025/26	% Spending
National Grants operational	Eletrification(INEP)	-R 20 000 000,00	-R 18 451 000,00	R 21 008 821,11	R 2 557 821,11		R 2 557 821,11	114%
	FMG	-R 1 900 000,00	-R 1 900 000,00	R 1 379 198,00	-R 520 802,00		-R 520 802,00	73%
	EPWP	-R 1 639 008,00	-R 1 936 000,00	R 1 639 008,00	-R 296 992,00		-R 296 992,00	85%
National Grants Capital	MIG	-R 37 961 004,00	-R 37 961 000,00	R 22 545 106,62	-R 15 415 893,38		-R 15 415 893,38	59%
	Disaster relief grant	-R 23 000 000,00	-R 23 000 000,00	R -	-R 23 000 000,00		-R 23 000 000,00	0%
KZN Grants Operational	Cybercadet		-R 554 000,00	R 465 130,21	-R 88 869,79		-R 88 869,79	84%
	Library Modular		-R 1 560 000,00	R 1 560 000,00	R -		R -	100%
	Library Volunteer		-R 124 000,00	R 64 000,00	-R 60 000,00		-R 60 000,00	52%
	Library support	-R 4 493 000,00	-R 2 142 000,00	R 2 142 000,00	-R 0,00		-R 0,00	100%
TOTALS		(88 993 012,00)	(87 628 000,00)	50 803 263,93	(36 824 736,07)	-	(36 824 736,07)	

The grants spending is as follows:

1. INEP is overspent at 114%.
2. MIG grant 59% spent.
3. FMG 73% spent.
4. EPWP spent 85%.
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 R50.8 compared to February spending of R38.9 million rands.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

Employee benefits for the month under reporting amount to R83.7 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 11.4 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 31 March 2026		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R91 550 207,00	R 57 932 868,84
Contributions to pension funds	R11 886 283,00	R 7 987 249,90
Contributions to medical aids	R2 377 963,00	R 2 927 842,70
Contributions to UIF	R626 907,00	R 437 559,61
Contributions to SDL	R964 369,00	R 692 468,05
Travel, motor car	R4 209 576,00	R 3 979 377,18
Salga	R40 066,00	R 32 353,90
Housing benefits and allowances	R749 160,00	R 165 002,43
Cellphone Allowance	R0,00	R0,00
Overtime payments	R1 913 336,00	R 2 114 274,43
Bonuses	R6 321 148,00	R 4 670 972,01
Other leave & long service	R624 578,00	R 862 305,83
Allowances (Standby and Drivers Allowance)	R1 796 316,00	R 1 992 859,39
Totals	R 123 059 909,00	R 83 795 134,27
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R14 129 290,00	R 10 446 058,18
Cellphone/Data Allowance	R2 298 473,00	R 873 353,01
Contributions to SDL	R40 995,00	R 109 192,65
Totals	R16 468 758,00	R 11 428 603,84

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			R 1 079 289,82	
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		MONTHLY TOTALS
		OPERATIONAL	CAPITAL	
		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 31 March 2026

Register for Fruitless and wasteful Expenditure		Financial Year 2025/ 2026	
		Nquthu Local Municipality	
		Month	March
Description	Payment/EFT no.	Amount	
Other- Penalty fees paid in Aug 2024			R86 881,80
Compensation Fund- Sec83(6) Penalty	#79477	71 916,25	
NJMPF-Super Annuation- Interest on salary investigation	#79568	14 564,55	
NJMPF-Super Annuation- Penalty 2023	#79567	30,63	
NJMPF-Penalty 2023-Provident	#79566	370,37	
Other -Driving Licences			R118,36
Penalty on late invoice payment	#81081	R118,36	
Arrears on late payment		R0,00	
TOTAL as @ 31 March 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) - M09 March

Description	Budget Year 2025/26				Variance reasons
	Original Budget	Adjusted Budget	YearTD actual	YTD variance %	
R thousands					
Revenue					
Exchange Revenue					
Sale of Goods and Rendering of Services	236	241	237	31%	The budget is reviewed to cover the remaining months of sale of rendering of the actual interest is higher than the adjusted budget, the management will review the line item
Interest earned from Receivables	1 171	469	576	64%	
Interest from Current and Non Current Assets	8 150	6 720	4 405	-13%	The budget is revised to align actual interest with the budget. The positive investment balance is kept to ensure increase in this line item.
Rental from Fixed Assets	1 043	995	1 068	43%	The actual rental income is higher than the adjusted budget, the management will review the line item
Non-Exchange Revenue					
Property rates	62 160	57 645	55 392	28%	Property rates are billed in 10 equal instalments hence the downward adjustment to align the actuals of the remaining 2 months of billing.
Fines, penalties and forfeits	4 463	1 734	604	-38%	Budget was revised downwards to align with the current trends in fines revenue taking into consideration the magistrate fines write-off impact.
Licence and permits	1 088	775	732	26%	The revised budget is aligned to issued licences and anticipated issuance of permits.
Transfers and subsidies - Operational	215 536	215 423	198 444	21%	The revenue is aligned with operations hence no review is considered.
Expenditure By Type					
Employee related costs	124 644	121 754	77 507	-15%	The employee costs are adjusted in line with the collective agreement ad staff establishment. The actuals are partially captured on the system due to integration
Remuneration of councillors	15 974	15 402	10 086	-13%	Remuneration of councillors is adjusted downward to align with upper limits and actual figures, the actuals are partially captured on the system due to integration
Inventory consumed	2 046	2 201	5 678	265%	Inventory items are classified and moved with a journal since there are items that are allocated to this line items incorrectly owing to configurations in the system.
Debt impairment	-	17 415	-	-100%	The budget is adjusted from zero whereas the actuals are not yet finalised. The figures will be concluded during the preparation of final AFS.
Depreciation and amortisation	37 000	37 000	-	-100%	There is no calculation finalised yet. Figures will be update on finalisation of interim AFS.
Transfers and subsidies	5 454	5 454	2 155	-47%	The transfers and subsidies budget is not changed since the anticipated expenditure is expected to match the provided budget.
Irrecoverable debts written off	15 000	5 241	154	-96%	The figure represents the indigent customers rebate granted, hence the adjustment decrease of the original budget. There are no other debts written off yet.
Operational costs	40 933	40 893	39 959	30%	The operational costs budget is slightly adjusted downward since the anticipated expenditure is expected to match the provided budget.

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 March 2026

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

Name Mr Mpumelelo B. Jiyane

Designation Municipal Manager of Nquthu Municipality (KZN 242)

Signature:  _____

Date 02/04/2026