

# **NQUTHU MUNICIPALITY (KZN 242)**



## **MONTHLY BUDGET STATEMENT FOR MONTH ENDING 31 OCTOBER 2025**

## TABLE OF CONTENTS

### PART 1 – IN YEAR REPORT

1.1	MAYORS' REPORT .....	2
1.2	RESOLUTIONS .....	3
1.3	EXECUTIVE SUMMARY .....	3
1.4	IN-YEAR BUDGET STATEMENT TABLES .....	4

### PART 2 – SUPPORTING DOCUMENTATION

2.1	DEBTOR'S ANALYSIS .....	10
2.2	CREDITOR'S ANALYSIS.....	12
2.3	INVESTMENT PORTFOLIO ANALYSIS .....	15
2.4	ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	17
2.5	COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS.....	18
2.6	SUPPLY CHAIN MANAGEMENT .....	19
2.7	MATERIAL VARIANCES TO SDBIP .....	20
2.8	MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	22

### LIST OF TABLES

Table 1	MBRR Table C1 -Monthly Budget Statement Summary .....	04
Table 2	MBRR Table C2 _ Monthly Financial Performance (standard Classification .....	05
Table 3	MBRR Table C3 -Financial Performance (revenue and expenditure by municipal vote) .....	05
Table 4	MBRR Table C4 -Financial Performance (revenue and expenditure) .....	05
Table 5	MBRR Table C5 -Capital expenditure (municipal vote and funding).....	07
Table 6	MBRR Table C6 -Financial Position .....	08
Table 7	MBRR Table C7 - Cash Flow .....	09

### ACCRONYMS

MBRR – Municipal Budget Reporting Regulations

YTD – Year to Date

RMC – Risk Management Committee

## **1.1. MAYORS' REPORT**

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

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

### **Operational Budget**

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

- Total revenue – the C-schedule generates actual figures compared to budgeted figures. Total revenue amounts to R114 million rands with a variance of 4%.
- Bulk electricity – actual figure amounts to R16.1 million rands.
- Employee costs as contained in Part 2 report contribute notable expenditure for the period under reporting, the C-schedule shows lags on both employee costs and remuneration of councillors hence the R37.9 million rands vs. R28.8 million rands expenditure on employee costs and R5.1 million rands vs. R3.6 million rands for remuneration of councillors.

### **Capital Budget**

Capital expenditure spending for the reporting period amounts to R13.3 million rands. Grant register is affixed to provide further details on capital expenditure.

### **Cash Flow**

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

### **Risk Management – Financial risks**

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

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

### **Mid-year assessment Review – adjustment budget recommendation**

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

### **Other matters**

- **AFS and audit 2024-25**

The AFS were submitted on 31 August 2025, currently the audit is underway with 60 Request for Information (RFI) as on 07 November 2025 and five communications of finding (CoMAFs) issued to date.

- **Electricity losses**

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

## **1.2. RESOLUTIONS**

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

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

## **1.3. EXECUTIVE SUMMARY**

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

*Nquthu Municipality Monthly Budget Statement*

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

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

**PART 1**

**1.4. IN-YEAR BUDGET STATEMENT TABLES**

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

0 - Table C1 Monthly Budget Statement Summary - M04 October

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	57 450	62 160	-	-	18 737	20 720	(1 983)	-10%	62 160
Service charges	34 539	39 560	-	536	10 434	13 187	(2 753)	-21%	39 560
Investment revenue	8 907	8 150	-	200	1 774	2 717	(943)	-35%	8 150
Transfers and subsidies - Operational	215 489	215 536	-	-	80 351	71 845	8 506	0	215 536
Other own revenue	18 424	33 333	-	264	2 926	11 111	(8 185)	-74%	33 333
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>334 809</b>	<b>358 739</b>	<b>-</b>	<b>1 001</b>	<b>114 222</b>	<b>119 580</b>	<b>(5 358)</b>	<b>-4%</b>	<b>358 739</b>
Employee costs	111 037	124 644	-	-	28 867	41 548	(12 681)	-31%	124 644
Remuneration of Councillors	15 731	15 974	-	-	3 624	5 325	(1 701)	-32%	15 974
Depreciation and amortisation	40 486	37 000	-	-	-	12 333	(12 333)	-100%	37 000
Interest	199	0	-	-	-	0	(0)	-100%	0
Inventory consumed and bulk purchases	46 149	42 916	-	3 987	18 341	14 305	4 036	28%	42 916
Transfers and subsidies	4 328	5 454	-	49	339	1 818	(1 479)	-81%	5 454
Other expenditure	119 176	107 080	-	10 185	27 852	35 693	(7 841)	-22%	107 080
<b>Total Expenditure</b>	<b>337 105</b>	<b>333 068</b>	<b>-</b>	<b>14 221</b>	<b>79 022</b>	<b>111 022</b>	<b>(32 000)</b>	<b>-29%</b>	<b>333 068</b>
<b>Surplus/(Deficit)</b>	<b>(2 296)</b>	<b>25 671</b>	<b>-</b>	<b>(13 220)</b>	<b>35 199</b>	<b>8 558</b>	<b>26 642</b>	<b>311%</b>	<b>25 671</b>
Transfers and subsidies - capital (monetary allocations)	53 269	37 961	-	-	5 809	12 654	(6 844)	-54%	37 961
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>50 972</b>	<b>63 632</b>	<b>-</b>	<b>(13 220)</b>	<b>41 009</b>	<b>21 211</b>	<b>19 797</b>	<b>93%</b>	<b>63 632</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>50 972</b>	<b>63 632</b>	<b>-</b>	<b>(13 220)</b>	<b>41 009</b>	<b>21 211</b>	<b>19 797</b>	<b>93%</b>	<b>63 632</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>									
Capital transfers recognised	16 908	32 250	-	892	9 560	10 750	(1 190)	-11%	32 250
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(25 717)	23 342	-	-	3 811	7 780	(3 970)	-51%	23 342
<b>Total sources of capital funds</b>	<b>(8 810)</b>	<b>55 592</b>	<b>-</b>	<b>892</b>	<b>13 371</b>	<b>18 531</b>	<b>(5 160)</b>	<b>-28%</b>	<b>55 592</b>
<b>Financial position</b>									
Total current assets	151 764	202 537	-	-	195 803	-	-	-	202 537
Total non current assets	749 814	799 814	-	-	795 718	-	-	-	799 814
Total current liabilities	72 138	111 751	-	-	88 539	-	-	-	111 751
Total non current liabilities	1 508	875	-	-	1 508	-	-	-	875
Community wealth/Equity	810 579	826 293	-	-	860 465	-	-	-	826 293
<b>Cash flows</b>									
Net cash from (used) operating	(16 438)	81 222	-	(4 346)	24 440	42 652	18 212	43%	81 222
Net cash from (used) investing	-	(101 890)	-	-	-	(33 963)	(33 963)	100%	(101 890)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>76 095</b>	<b>50 727</b>	<b>-</b>	<b>(4 346)</b>	<b>98 670</b>	<b>80 085</b>	<b>(18 586)</b>	<b>-23%</b>	<b>53 562</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	1 879	1 242	1 112	462	327	287	266	15 374	20 948
<b>Creditors Age Analysis</b>									
Total Creditors	3 275	51	232	5	-	44	266	133	4 005

The year-to-date actual revenue (excluding capital transfers and contributions) is R114 million rands.

The operating expenditure year to date is R79 million rands, this figure is slightly under stated due to payroll transactions not captured on the system.

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

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

The table extract from the Cschedule contains no information.

**Table C3: Monthly Budget Statement\_ Financial Performance**

The table extract from the Cschedule contains no information.

**Table C4 Municipality Financial Performance**

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

**0 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October**

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		32 858	37 183	-	536	9 825	12 394	(2 570)	-21%	37 183
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 681	2 377	-	-	609	792	(183)	-23%	2 377
Sale of Goods and Rendering of Services		810	236	-	26	64	79	(15)	-18%	236
Agency services		-	-	-	-	-	-	-	-	-
Interest		19	0	-	-	-	0	(0)	-100%	0
Interest earned from Receivables		778	1 171	-	-	193	390	(198)	-51%	1 171
Interest from Current and Non Current Assets		8 907	8 150	-	200	1 774	2 717	(943)	-35%	8 150
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		860	1 043	-	3	212	348	(136)	-39%	1 043
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		649	25 331	-	67	897	8 444	(7 547)	-89%	25 331
<b>Non-Exchange Revenue</b>										
Property rates		57 450	62 160	-	-	18 737	20 720	(1 983)	-10%	62 160
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 425	4 463	-	83	259	1 488	(1 229)	-83%	4 463
Licence and permits		862	1 088	-	86	299	363	(63)	-18%	1 088
Transfers and subsidies - Operational		215 489	215 536	-	-	80 351	71 845	8 506	12%	215 536
Interest		3 633	0	-	-	1 002	0	1 002	#####	0
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		9 386	0	-	-	-	0	(0)	-100%	0
Other Gains		-	0	-	-	-	0	(0)	-100%	0
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>334 809</b>	<b>358 739</b>	<b>-</b>	<b>1 001</b>	<b>114 222</b>	<b>119 580</b>	<b>(5 358)</b>	<b>-4%</b>	<b>358 739</b>
<b>Expenditure By Type</b>										
Employee related costs		111 037	124 644	-	-	28 867	41 548	(12 681)	-31%	124 644
Remuneration of councillors		15 731	15 974	-	-	3 624	5 325	(1 701)	-32%	15 974
Bulk purchases - electricity		45 257	40 870	-	3 792	16 198	13 623	2 575	19%	40 870
Inventory consumed		891	2 046	-	196	2 143	682	1 461	214%	2 046
Debt impairment		16 949	-	-	-	-	-	-	-	-
Depreciation and amortisation		40 486	37 000	-	-	-	12 333	(12 333)	-100%	37 000
Interest		199	0	-	-	-	0	(0)	-100%	0
Contracted services		59 228	51 147	-	4 716	12 984	17 049	(4 065)	-24%	51 147
Transfers and subsidies		4 328	5 454	-	49	339	1 818	(1 479)	-81%	5 454
Irrecoverable debts written off		1 184	15 000	-	-	150	5 000	(4 850)	-97%	15 000
Operational costs		39 118	40 933	-	5 469	14 718	13 644	1 074	8%	40 933
Losses on Disposal of Assets		2 693	0	-	-	-	0	(0)	-100%	0
Other Losses		5	0	-	-	-	0	(0)	-100%	0
<b>Total Expenditure</b>		<b>337 105</b>	<b>333 068</b>	<b>-</b>	<b>14 221</b>	<b>79 022</b>	<b>111 022</b>	<b>(32 000)</b>	<b>-29%</b>	<b>333 068</b>
<b>Surplus/(Deficit)</b>		<b>(2 296)</b>	<b>25 671</b>	<b>-</b>	<b>(13 220)</b>	<b>35 199</b>	<b>8 558</b>	<b>26 642</b>	<b>0</b>	<b>25 671</b>
Transfers and subsidies - capital (monetary allocations)		53 269	37 961	-	-	5 809	12 654	(6 844)	(0)	37 961
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>50 972</b>	<b>63 632</b>	<b>-</b>	<b>(13 220)</b>	<b>41 009</b>	<b>21 211</b>	<b>19 797</b>	<b>0</b>	<b>63 632</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>50 972</b>	<b>63 632</b>	<b>-</b>	<b>(13 220)</b>	<b>41 009</b>	<b>21 211</b>	<b>19 797</b>	<b>0</b>	<b>63 632</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>50 972</b>	<b>63 632</b>	<b>-</b>	<b>(13 220)</b>	<b>41 009</b>	<b>21 211</b>	<b>19 797</b>	<b>0</b>	<b>63 632</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>50 972</b>	<b>63 632</b>	<b>-</b>	<b>(13 220)</b>	<b>41 009</b>	<b>21 211</b>	<b>19 797</b>	<b>0</b>	<b>63 632</b>

**TABLE C4: REVENUE BY SOURCE**

**Property rates**

Property rates YTD actual for this month stands at R18.7 million rands, the comparison against the original budget of R62 million rands results in the variance of -10%.

**Service charges electricity**

The actual revenue from service charges electricity is R9.8 million rands, the comparison against the original budget of R37 million rands results in the variance of -21%.

**Interest from Current and Non-Current Assets**

The interest from current and non-current assets show the YTD actual figure of R1.7 million rands. The comparison against the original budget of R8.1 million rands results in the variance of -35%.

**Transfers and subsidies**

The transfers and subsidies allocations from the DoRA for the first tranches of the current year are received and reflected in the grant register on Part 2 of this report. The original budget amounts to R215 million rands while the YTD actual figure is R80.3 million rands hence the variance amounts to 12%.

**TABLE C4: EXPENDITURE BY TYPE**

**Employee related costs**

The employee related costs reflects R28.8 million rands as actual figure against the budgeted amount of R124.6 thereby resulting in a variance of -31%.

**Remuneration of Councillor's**

The YTD actual for remuneration of councillors reflect R3.6 million rands. The approved original budget amounts to R 15.4 million rands hence the -32% variance.

**Debt impairment**

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

**Depreciation & asset impairment**

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

## Bulk purchases

The YTD actual for electricity bulk purchase figure amounts to R16 million rands , the municipality pays the bulk account monthly and there are no interest charges on bulk account.

## Monthly Budget Statement\_ Capital Expenditure Table 5

0 - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		-	-	-	-	-	-	-	-	-
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		1 585	0	-	-	-	0	(0)	-100%	0
Executive and council		709	0	-	-	-	0	(0)	-100%	0
Finance and administration		876	0	-	-	-	0	(0)	-100%	0
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		(15 043)	26 372	-	-	625	8 791	(8 166)	-93%	26 372
Community and social services		(20 862)	23 407	-	-	625	7 802	(7 177)	-92%	23 407
Sport and recreation		5 721	2 965	-	-	-	988	(988)	-100%	2 965
Public safety		98	0	-	-	-	0	(0)	-100%	0
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		(1 678)	28 805	-	892	12 746	9 602	3 144	33%	28 805
Planning and development		(8 652)	348	-	-	-	116	(116)	-100%	348
Road transport		6 974	28 457	-	892	12 746	9 486	3 260	34%	28 457
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		6 326	414	-	-	-	138	(138)	-100%	414
Energy sources		575	0	-	-	-	0	(0)	-100%	0
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 752	414	-	-	-	138	(138)	-100%	414
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	(8 810)	55 592	-	892	13 371	18 531	(5 160)	-28%	55 592
<b>Funded by:</b>										
National Government		16 908	32 250	-	892	9 560	10 750	(1 190)	-11%	32 250
Provincial Government		(0)	0	-	-	-	0	(0)	-100%	0
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		16 908	32 250	-	892	9 560	10 750	(1 190)	-11%	32 250
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	(25 717)	23 342	-	-	3 811	7 780	(3 970)	-51%	23 342
<b>Total Capital Funding</b>		(8 810)	55 592	-	892	13 371	18 531	(5 160)	-28%	55 592

The total capital expenditure year to date figure by function classification stands at R13.3 million rands. The original budget shows an amount of R55.5 million rand hence the variance of -28%.

Capital expenditure funded by the national government year to date actual amount to R9.5 million rands, the approved original budget on the C-schedule report amounts to R32.2 million rands thereby producing a variance of -11%.

**Table C6 – Monthly Budget Statement – Financial Position**

**0 - Table C6 Monthly Budget Statement - Financial Position - M04 October**

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		74 230	51 849	-	112 856	51 849
Trade and other receivables from exchange transactions		9 988	10 218	-	8 653	10 218
Receivables from non-exchange transactions		36 308	84 007	-	41 977	84 007
Current portion of non-current receivables		-	-	-	-	-
Inventory		23 272	1 369	-	23 217	1 369
VAT		7 912	55 029	-	9 046	55 029
Other current assets		54	66	-	54	66
<b>Total current assets</b>		<b>151 764</b>	<b>202 537</b>	<b>-</b>	<b>195 803</b>	<b>202 537</b>
<b>Non current assets</b>						
Investments		-	-	-	-	-
Investment property		53 255	39 384	-	53 255	39 384
Property, plant and equipment		696 480	760 348	-	742 384	760 348
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		79	79	-	79	79
Intangible assets		-	3	-	-	3
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	0	-	-	0
<b>Total non current assets</b>		<b>749 814</b>	<b>799 814</b>	<b>-</b>	<b>795 718</b>	<b>799 814</b>
<b>TOTAL ASSETS</b>		<b>901 577</b>	<b>1 002 350</b>	<b>-</b>	<b>991 521</b>	<b>1 002 350</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		20	20	-	20	20
Consumer deposits		2 216	1 803	-	2 221	1 803
Trade and other payables from exchange transactions		55 342	49 725	-	40 453	49 725
Trade and other payables from non-exchange transactions		49	0	-	29 705	0
Provision		13 375	13 054	-	13 375	13 054
VAT		1 136	47 149	-	2 765	47 149
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>72 138</b>	<b>111 751</b>	<b>-</b>	<b>88 539</b>	<b>111 751</b>
<b>Non current liabilities</b>						
Financial liabilities		(20)	(20)	-	(20)	(20)
Provision		1 529	896	-	1 529	896
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	0	-	-	0
<b>Total non current liabilities</b>		<b>1 508</b>	<b>875</b>	<b>-</b>	<b>1 508</b>	<b>875</b>
<b>TOTAL LIABILITIES</b>		<b>73 646</b>	<b>112 626</b>	<b>-</b>	<b>90 047</b>	<b>112 626</b>
<b>NET ASSETS</b>	2	<b>827 931</b>	<b>889 724</b>	<b>-</b>	<b>901 473</b>	<b>889 724</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		810 417	826 141	-	860 303	826 141
Reserves and funds		162	152	-	162	152
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>810 579</b>	<b>826 293</b>	<b>-</b>	<b>860 465</b>	<b>826 293</b>

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

**Table C7 – Monthly Budget Statement – Cash Flow**

**0 - Table C7 Monthly Budget Statement - Cash Flow - M04 October**

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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		-	35 404	-	-	-	11 801	(11 801)	-100%	35 404
Service charges		6 537	33 949	-	-	-	11 316	(11 316)	-100%	33 949
Other revenue		-	31 683	-	-	-	10 561	(10 561)	-100%	31 683
Transfers and Subsidies - Operational		452 602	221 926	-	18 877	163 460	73 975	89 485	121%	221 926
Transfers and Subsidies - Capital		-	75 066	-	-	-	25 022	(25 022)	-100%	75 066
Interest		-	(19 952)	-	-	6 612	(6 651)	13 262	-199%	(19 952)
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(475 577)	(296 855)	-	(23 223)	(145 632)	(83 373)	62 259	-75%	(296 855)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(16 438)</b>	<b>81 222</b>	<b>-</b>	<b>(4 346)</b>	<b>24 440</b>	<b>42 652</b>	<b>18 212</b>	<b>43%</b>	<b>81 222</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		-	(101 890)	-	-	-	(33 963)	(33 963)	100%	(101 890)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(101 890)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33 963)</b>	<b>(33 963)</b>	<b>100%</b>	<b>(101 890)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(16 438)</b>	<b>(20 668)</b>	<b>-</b>	<b>(4 346)</b>	<b>24 440</b>	<b>8 689</b>			<b>(20 668)</b>
Cash/cash equivalents at beginning:		92 533	71 395	-	-	74 230	71 395			74 230
Cash/cash equivalents at month/year end:		76 095	50 727	-	(4 346)	98 670	80 085			53 562

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

**PART 2 – SUPPORTING DOCUMENTATION**

**2.1 DEBTOR’S ANALYSIS**

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

0 - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 507	1 002	867	250	131	107	60	1 030	4 953	1 578	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	193	122	106	110	80	76	77	5 853	6 618	6 196	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	75	62	56	55	53	51	55	1 683	2 088	1 895	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	104	56	82	49	63	54	74	6 808	7 289	7 047	-	-	
<b>Total By Income Source</b>	<b>2000</b>	<b>1 879</b>	<b>1 242</b>	<b>1 112</b>	<b>462</b>	<b>327</b>	<b>287</b>	<b>266</b>	<b>15 374</b>	<b>20 948</b>	<b>16 716</b>	<b>-</b>	<b>-</b>	
<b>2024/25 - totals only</b>		<b>3739856</b>	<b>1071503</b>	<b>1026223</b>	<b>331095</b>	<b>406265</b>	<b>332557</b>	<b>295413</b>	<b>13954251</b>	<b>21 157</b>	<b>15 320</b>	<b>0</b>	<b>0</b>	
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	762	924	866	256	152	111	85	4 275	7 431	4 879	-	-	
Commercial	2300	880	136	75	65	65	64	53	999	2 327	1 236	-	-	
Households	2400	147	103	71	70	45	56	59	2 635	3 190	2 868	-	-	
Other	2500	89	78	100	67	65	56	70	7 476	8 001	7 734	-	-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>1 879</b>	<b>1 242</b>	<b>1 112</b>	<b>462</b>	<b>327</b>	<b>287</b>	<b>266</b>	<b>15 374</b>	<b>20 948</b>	<b>16 716</b>	<b>-</b>	<b>-</b>	

The table 2.1.1 shows the debtors ageing arranged per service type. The balance of debtor’s book amounts to R120 million rands. Collection strategies are implemented by the municipality to encourage customers to settle the bills on time. Monthly statements are emailed to customers and electricity cut-off is implemented.

**DEBTORS AGE ANALYSIS**

**TABLE 2.1.1.**

October 2025 Age Analysis									
Totals per Service Type	Total Balance	Current Amount	30 Days Amount	60 Days Amount	90 Days Amount	120 Days Amount	150 Days Amount	180+ Days Amount	
Advance Payment	R -2 925 292.49	R -2 925 292.49	R -	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 585.49	R 27.64	R -	R -	R -	R -	R -	R -	R 557.85
Deposit: Waste Disposal	R 2 000.00	R -	R -	R -	R -	R -	R -	R -	R 2 000.00
Electricity Basic	R 752 265.03	R 223 507.93	R 40 378.16	R 30 203.70	R 23 082.66	R 27 311.24	R 32 945.03	R 374 836.31	
Electricity Metered	R 5 306 601.74	R 3 030 639.06	R 647 313.94	R 168 330.49	R 132 561.64	R 130 558.48	R 106 651.05	R 1 090 547.08	
Market stalls	R 1 112 913.54	R 39 695.30	R 18 740.99	R 18 050.59	R 17 849.43	R 18 226.46	R 16 416.62	R 983 934.15	
OFFICE RENTAL	R 136 331.58	R 33 804.23	R 16 473.51	R 13 569.84	R 11 965.33	R 11 894.67	R 11 824.00	R 36 800.00	
Plaza Market Stalls	R 266 513.01	R 18 647.96	R 8 770.62	R 8 300.34	R 8 080.70	R 7 861.72	R 7 592.38	R 207 259.29	
Property Rates	R 102 073 868.53	R 10 535 740.15	R 3 158 987.00	R 3 230 574.13	R 463 584.73	R 328 676.63	R 2 866 257.67	R 81 490 048.22	
Rent (M001)	R 592 713.59	R 35 374.70	R 15 465.77	R 15 386.07	R 14 985.25	R 14 905.74	R 14 848.68	R 481 747.38	
Repay: Waste Disposal	R 26 201.44	R -	R -	R -	R -	R -	R -	R 26 201.44	
Signs (M001)	R 1 119.59	R -	R -	R -	R -	R -	R -	R 1 119.59	
Stall rental	R 28 420.99	R 321.12	R 131.22	R 131.22	R 131.22	R 131.22	R 131.22	R 27 443.77	
Sundries (VAT)	R 14 193.93	R 11 418.44	R 2 708.87	R 66.62	R -	R -	R -	R -	
Tampering Fee	R 511 007.89	R 38 311.49	R -	R 1 000.00	R -	R 16 493.00	R 14 885.33	R 440 318.07	
Traffic Fines	R 4 512 821.02	R 65 400.00	R 56 100.00	R 81 200.00	R 49 000.00	R 46 600.00	R 38 700.00	R 4 175 821.02	
Traffic Fines (M001)	R 1 734 180.76	R -	R -	R -	R -	R -	R -	R 1 734 180.76	
Waste Disposal	R 6 774 507.65	R 390 932.20	R 118 713.41	R 105 253.24	R 107 143.77	R 79 962.49	R 75 731.80	R 5 896 770.74	
<b>Total</b>	<b>R 120 920 953.29</b>	<b>R 11 498 527.73</b>	<b>R 4 083 783.49</b>	<b>R 3 672 066.24</b>	<b>R 828 384.73</b>	<b>R 682 621.65</b>	<b>R 3 185 983.78</b>	<b>R 96 969 585.67</b>	

**DEBT COLLECTION RATES**

**Collection Table 2.1.2.**

Cash Collected for each Revenue Source via Billing (October 2025)				
	Cash collection	Ageing - October 2025	Collection rate per BT	Billed revenue - October 2025
Rates	R -8 064 059.82	R 102 073 868.53	-8%	R 6 555 020.64
Electricity	R -3 587 185.41	R 6 058 866.77	-59%	R 2 680 078.83
Refuse	R -205 423.01	R 6 802 709.09	-3%	R 271 506.71
Stalls Rental , Traffic fines &	R -594 768.18	R 7 885 117.14	-8%	R 64 383.54
Other Rentals	R -	R 1 025 098.76	0%	R -
Advance payments	R -476 901.05	R -2 924 707.00	16%	R -
	R 1 010.00			R -
<b>TOTAL CASH RECEIVED (BI</b>	<b>R -12 927 327.47</b>	<b>R 120 920 953.29</b>		<b>R 9 570 989.72</b>
Total Ageing	<b>R 120 920 953.29</b>		September 2025 Billing	R 9 524 104.23
Total debtors' payments	R -12 927 327.47		October 2025 Payments	R -12 927 327.47
	-11%			-136%

Cash collected under the reporting period amounts to R12.9 million rands resulting in collection rate of 11%. The comparison to the previous month billing against current month payments results to 136% collection rate, which is significantly above the norm of 95%.

**DEBTOR'S RATIOS**

**Ratios table 2.1.3.**

OCTOBER 2025 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	133	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) x 365	1890.63	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue ) x 100	0.49	Revenue Growth (%)

Collection rates stand at 133% using the ratios as provided by National Treasury circular 71. Net debtors' days are decreased to 1890.63 from 2019.66 reported in the preceding month meaning that it takes the municipality above 5 years to collect the current debt, the debtors' days signal cash flow challenges to fund certain expenditure items.

## INDIGENT DEBTORS' STATUS

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

## ELECTRICITY LOSSES

The electricity losses for the quarter under review amounts to R2 million rands which translate to 12.88%. The municipality through the management committee considered a decision to engage in a competitive bidding process in sourcing a service provider that will assist with all electricity challenges. Previously the municipality engaged in the RT29 transversal contract process, and unfortunately the application was decline by National Treasury.

ELECTRICITY OPERATION LOSS 25/26 (RAND VALUE)												
Month	Season High/Low	Bulk Purchases Amount 25/26	Total kWh Amount 25/26 (Internal)	Ontec 3rd party sales	Fixed Costs - Basic Charge	SEBATA Billing 25/26	FBE	Own Consumption	Total Electricity	Profit / Loss on sale of electricity	% return from purchases	%Profit/ Loss
July	High	R 5 336 844.32	R 304 992.00	R 595 046.30	R 37 569.00	R 2 540 416.11	R 207 210.74	R 68 262.13	R 3 753 496.28	R 1 583 348.04	R 0.70	R 0.30
August	High	R 3 080 617.17	R 230 201.69	R 602 808.39	R 38 829.00	R 2 419 647.64	R 205 205.48	R 66 412.44	R 3 563 104.64	-R 482 487.47	R 1.16	-R 0.16
September	Both	R 3 988 798.14	R 199 281.36	R 529 742.29	R 39 060.00	R 2 401 917.60	R 185 238.02	R 56 060.33	R 3 411 299.60	R 577 498.54	R 0.86	R 0.14
October	Low	R 3 791 556.82	R 199 928.16	R 569 723.72	R 40 278.00	R 2 330 503.42	R 186 016.74	R 57 874.34	R 3 384 324.38	R 407 232.44	R 0.89	R 0.11
<b>TOTALS</b>		<b>R 16 197 816.45</b>	<b>R 934 403.21</b>	<b>R 2 297 320.70</b>	<b>R 155 736.00</b>	<b>R 9 692 484.77</b>	<b>R 783 670.98</b>	<b>R 248 609.24</b>	<b>R 14 112 224.90</b>	<b>R 2 085 591.55</b>	<b>87.12%</b>	<b>12.88%</b>

The advert was placed on the newspaper on the 25<sup>th</sup> 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.

## 2.2. CREDITOR'S ANALYSIS

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

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

Creditors payment summary: Table 2.2.1

<b>CREDITORS REPORT FOR OCTOBER 2025</b>				
<b>TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF OCTOBER 2025</b>				
<b>No.</b>	<b>VENDOR NAME</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>	
<b>1</b>	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	3 332.50	
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	13 200.53	
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	10 364.86	
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	4 941.49	
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	443 369.31	
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	2 025.47	
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	2 548.48	
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	5 990.01	
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	2 790.59	
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	14 856.75	
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	2 939.85	
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	6 981.51	
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	3 392.01	
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	2 025.47	
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	4 360 290.34	
				<b>4 879 049.17</b>
	<b>2</b>	KUNENE MAKOPO RISK SOLUTIONS	MUNICIPALS ASSETS INSURANCE (01AUG2025 - 31 DEC2025)	1 644 798.74
			<b>1 644 798.74</b>	
<b>3</b>	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2025	88 585.64	
	SIZOWAKHA SECURITY AND CLEANING SERVICE	PROVISION OF SECURITY GUARD TO NEW MUNICIPAL SITES, DAY AND NIGHT SHIFT FOR APRIL 2025	88 585.64	
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO NEW MUNICIPAL SITES, DAY AND NIGHT SHIFT FOR JUNE 2025	88 585.64	
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO NEW MUNICIPAL SITES, DAY AND NIGHT SHIFT FOR OCT 2024	88 585.64	
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO NEW MUNICIPAL SITES, DAY AND NIGHT SHIFT FOR JULY 2025	88 585.64	
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO NEW MUNICIPAL SITES, DAY AND NIGHT SHIFT FOR JANUARY 2025	88 585.64	
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR AUG 2025	380 458.48	
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO NEW MUNICIPAL SITES, DAY AND NIGHT SHIFT FOR AUG 2025	88 585.64	
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR SEPT 2025	380 458.48	
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SLUM CLEARANCE OFFICERS DAY AND NIGHT SHIFT SEPT 2025	100 050.00	
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SLUM CLEARANCE OFFICERS DAY AND NIGHT SHIFT AUG 2025	100 050.00	
				<b>1 581 116.44</b>
	<b>4</b>	NTSHIDI AND ASSOCIATES	INTERNAL AUDIT THIRD AND FOURTH VISIT	1 335 362.50
				<b>1 335 362.50</b>
<b>5</b>	JIBAS RECYCLING	MANAGE AND OPERATE NQUTHU BUY BACK CENTRE FOR A PERIOD OF SIX MONTHS	1 291 881.25	
			<b>1 291 881.25</b>	

*Nquthu Municipality Monthly Budget Statement*

6	ADVENTURE TRAVEL	ATTENDING WORKSHOP IN DURBAN (14-17 SEPT 2025)	R 10 933.05
	ADVENTURE TRAVEL	PROVINCIAL ASSEMBLY IN BALLITO (09-11 SEPT 2025)	R 4 140.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 08 DELEGATES ATTENDING UMKHOSI WOMHLANGA ( 12 -13 SEPT 2025)	R 12 489.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 FINANCE DELEGATES IN DURBAN ( 14 -19 SEPT 2025)	R 40 698.50
	ADVENTURE TRAVEL	ACCOMMODATION OF 08 DELEGATES ATTENDING UMKHOSI WOMHLANGA ( 12 -14 SEPT 2025)	R 35 157.80
	ADVENTURE TRAVEL	BHENGU ATTENDING WORKSHOP IN DURBAN (08-11 SEPT 2025)	R 10 654.75
	ADVENTURE TRAVEL	MAYOR AND THEIR BODYGUARDS IN DURBAN (09-11 SEPT 2025)	R 37 763.70
	ADVENTURE TRAVEL	ACCOMMODATION OF 14 TECHNICAL PORTFOLIO COMMITTEE IN JHB ( 24 -28 NOV2025)	R 132 501.36
	ADVENTURE TRAVEL	ACCOMMODATION OF 07 FINANCE DELEGATES ATTENDING CIGFARO IN DURBAN (06-10 OCT 2025)	R 59 185.21
	ADVENTURE TRAVEL	ACCOMMODATION OF FINANCE INTERNS IN DURBAN ( 19 -24 OCT 2025)	R 61 065.00
	ADVENTURE TRAVEL	ATTENDING LITERACY EVENT IN ROAD LODGE PMB ( 16-19 SEPT 2025)	R 19 095.50
	ADVENTURE TRAVEL	VULINTABA NEWCASTLE ( 28 SEPT 2025-03 OCT 2025)	R 9 642.75
	ADVENTURE TRAVEL	BLACKROCK HOTEL NEWCASTLE ( 13-15 OCT 2025)	R 8 466.30
	ADVENTURE TRAVEL	RESORT VULINTABA NEWCASTLE ( 28 SEPT 2025-03 OCT 2025)	R 46 833.76
	ADVENTURE TRAVEL	ACCOMMODATION OF MB JIYANE ATTENDING LOCAL GOVERNMENT INDABA IN MIDRAND (01-03 OCT 2025)	R 4 380.35
	ADVENTURE TRAVEL	ACCOMMODATION OF SS ZULU ATTENDING TRAINING IN NEWCASTLE (16-19 SEPT 2025)	R 6 417.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 07 DELEGATES ATTENDING UMKHOSI WELEMBE IN DURBAN ( 23 -24 SEPT 2025)	R 14 778.65
	ADVENTURE TRAVEL	ATTENDING LOCAL GOVERNMENT INDABA IN MIDRAND (01-04 OCT 2025)	R 21 350.00
	ADVENTURE TRAVEL	ACCOMMODATION OF TC NYANDENI ATTENDING CLIENT ENGAGEMENT BREAKFAST IN DURBAN (17-18 SEPT 2025)	R 4 013.50
	ADVENTURE TRAVEL	ACCOMMODATION OF S SHOBA AND B MNGUNI IN DURBAN (16-19 SEPT 2025)	R 10 401.75
	ADVENTURE TRAVEL	ACCOMMODATION OF TC NYANDENI AND S SHABALALA ATTENDING ASSUPOL COMMUNITY TRUSTS INDABA IN	R 7 935.00
	ADVENTURE TRAVEL	UMZINYATHI DISCTRICT GOLDEN GAMES IN DURBAN (17-19 SEPT 2025)	R 5 101.40
	ADVENTURE TRAVEL	ACCOMMODATION OF M NTSHANGASE (IT) IN DURBAN (29-30 SEPT 2025)	R 2 109.68
	ADVENTURE TRAVEL	ACCOMMODATION OF NM BUTHELEZI, M MNCUBE AND NP NCENGWA IN DURBAN (30 SEPT 2025-01 OCT 2025)	R 6 233.57
	ADVENTURE TRAVEL	ACCOMMODATION OF NM BUTHELEZI, NS MAPHISA AND NP NCENGWA IN JHB (01-04 OCT 2025)	R 15 297.30
	ADVENTURE TRAVEL	ACCOMMODATION OF SS HLONGWANE AND S MEMELA ATTENDING MBPAC APPRAISAL MEETING IN PMB (29 SEPT	R 7 884.40
			<b>R 594 529.28</b>
7	NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	PREPARATION OF AFS AND PROVISION OF FINANCIAL SUPPORT SEPT - OCT 2025	R 504 694.75
			<b>R 504 694.75</b>
8	AUDITOR GENERAL - SA	AUDIT FEES (SEPT 2025)	R 498 164.91
			<b>R 498 164.91</b>
9	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR SEPT 2025	R 386 254.94
			<b>R 386 254.94</b>
10	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR SEPT 2025	R 375 627.71
			<b>R 375 627.71</b>

**CREDITORS AGE ANALYSIS: TABLE 2.2.2**

<b>Creditor's ageing reconciliation for the month ending 31 October 2025</b>	
<b>CREDITORS ACCOUNT RECONCILIATION REPORT</b>	
<b>MONTH ENDING OCTOBER 2025</b>	
<b>Total Balances as per EMS INVOICE AGE ANALYSIS  </b>	<b>R 3 723 025.51</b>
<b>AGE ANALYSIS TOTAL AMOUNT:</b>	<b>R 3 723 025.51</b>
<b>CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT</b>	<b>R 3 723 025.51</b>
<b>AGED ANALYSIS</b>	<b>R 3 723 025.51</b>
Current (Transactions below 30 days)	R - R -
<30 Days	R - R 3 125 714.16
<60 Days	R - R 51 238.31
<90 Days	R - R 231 929.47
<120 Days	R - R 4 555.00
<150 Days	R - R -
<180 Days	R - R 43 831.65
>180 Days	R - R 265 756.92

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 R3.7 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 indicator being: Section 138(a) of the MFMA - Failure to make payments for amounts more than R1 million which are outstanding for longer than 90 days. The expenditure unit payment schedule and controls are implemented to ensure that only the compliant creditors are paid.

**2.3 INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS**

The investment register reflects investment state of the municipality. Operating and capital expenditure requires that the municipality withdraws from time to time from investments to ensure cashflow suffice hence the withdrawals history of R500 thousand rands. The investment balance amounts to R79 million rands.

**Table 2.3.1 Investment register for the period ending 31 October 2025**

NQUTHU MUNICIPALITY						
INVESTMENT REGISTER- OCTOBER 2025						
INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	WITHDRAWAL	BANK CHARGES	BALANCE
NEDBANK (3)	R 1 330.19	R -	R 23.26	R -	R -	R 1 353.45
ABSA CALL (5892)	R 16 552 594.49	R 5 680 720.54	R 301 501.38	R 500 000.00	R -	R 22 034 816.41
ABSA (1394) HOUSING A/C	R 2 023 002.85	R -	R 35 687.14	R -	R -	R 2 058 689.99
ABSA (4328)	R 24 857.33	R -	R 391.12	R -	R 200.00	R 25 048.45
ABSA (5014)	R 96 511.20	R -	R 1 905.36	R -	R -	R 98 416.56
FNB CALL (1408)	R 10 845 156.72	R -	R 241 846.37	R -	R 338.00	R 11 086 665.09
STANDARD BANK 014	R 7 756.20	R -	R 120.31	R -	R -	R 7 876.51
STANDARD BANK 063	R 27 549 828.32	R -	R 607 436.85	R -	R -	R 28 157 265.17
STANDARD BANK 068	R 16 236 626.89	R -	R 121 441.07	R -	R -	R 16 358 067.96
<b>TOTAL</b>	<b>R 73 337 664.19</b>	<b>R 5 680 720.54</b>	<b>R 1 310 352.86</b>	<b>R 500 000.00</b>	<b>R 538.00</b>	<b>R 79 828 199.59</b>

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

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

**Table 2.3.2 Bank Balance (Primary account)**

The excerpt below shows details of banking transactions extracted from the system. The opening balances from previous month are provided thereby showing R65 million rands and the closing balance of R36 million rands. The extract confirms the transactions from September due to time lag between BTO sitting and final C-schedule, the October transactions will be reported in November.

### Bank Reconciliation Report

CashBook :ABSA Nquthu  
Local Municipality  
Statement Number:3

Processing Month :3  
Statement Date :30/09/2025

**Reconciliation Summary**

<b>Cashbook Opening Balance</b>	65,380,705.81
<b>Payments for Period</b>	-48,401,997.86
<b>Receipts for Period</b>	19,149,572.70
<b>Item/Cashbook</b>	36128280.65
<hr/>	
<b>Uncleared Payments</b>	0.00
<b>Uncleared Receipts</b>	40,285.00
<b>Unknown Items</b>	0.00
<b>Sub Total</b>	36,087,995.65
<hr/>	
<b>Statement Balance</b>	-36,087,995.65
<b>Difference</b>	0.00

Bank balance for primary account reflects the amount of R21.8 million rands for the month under review.

<b>BANK RECONCILIATION (PRIMARY ACCOUNT)</b>		<b>4053562762</b>	
<b>Details</b>	<b>Amount</b>		
<b>Cash book balance as at 31 October 2025</b>	<b>R</b>	<b>21 828 631.27</b>	
Outstanding deposits	R	-	
Unknown deposits	R	-	
Bank charges	R	-	
Outstanding cheques	R	-	
Transfers	R	-	
Sundries	R	-	
Outstanding receipts	R	-	
<b>Bank statement balance as at 31 October 2025</b>	<b>R</b>	<b>21 828 631.27</b>	

Bank balance for grant account reflects the amount of R98 thousand rands for the month under review.

<b>BANK RECONCILIATION (GRANTS ACCOUNT)</b>			
<b>Details</b>	<b>Amount</b>		
<b>Cash book balance as at 31 October 2025</b>	<b>R</b>	<b>98 416.56</b>	
Unknown deposits	R	-	
Outstanding cheques	R	-	
Bank charges	R	-	
Returned cheques	R	-	
Transfers	R	-	
Sundries	R	-	
Outstanding receipts	R	-	
<b>Bank statement balance as at 31 October 2025</b>	<b>R</b>	<b>98 416.56</b>	

## 2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### Grants register for the period ending 31 October 2025

Grant register Table 2.4.1

Summary of Grants received and expenditure to date									
	Grant Type	Pre-Audited	Dora/Prov	Received	Spent &	Balance as at	Commitments	Available funds/not	% spending
		Balance as at	Allocation for		transferred to			committed	
		1-Jul-2025	year	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26
National Grants operational	Eletrification(INEP)		(20 000 000.00)	(9 000 000.00)	-	(9 000 000.00)		(9 000 000.00)	0%
	FMG		(1 900 000.00)	(1 900 000.00)	407 494.62	(1 492 505.38)		(1 492 505.38)	21%
	EPWP		(1 639 008.00)	(410 000.00)	635 208.00	225 208.00		225 208.00	155%
National Grants Capital	MIG		(37 961 004.00)	(22 000 000.00)	10 986 719.97	(11 013 280.03)		(11 013 280.03)	50%
	Disaster relief grant			-	-	-		-	
KZN Grants Operational	Cybercadet			(554 000.00)	219 346.47	(334 653.53)		(334 653.53)	40%
	Library Modular			(1 560 000.00)	1 013 857.33	(546 142.67)		(546 142.67)	65%
	Library Volunteer			(124 000.00)	32 000.00	(92 000.00)		(92 000.00)	26%
	Library support		(4 493 000.00)	(2 142 000.00)	1 088 785.17	(1 053 214.83)		(1 053 214.83)	51%
<b>TOTALS</b>		<b>-</b>	<b>(65 993 012.00)</b>	<b>(37 690 000.00)</b>	<b>14 383 411.56</b>	<b>(23 306 588.44)</b>	<b>-</b>	<b>(23 306 588.44)</b>	

The grants spending is as follows:

1. INEP 0% spent.
2. MIG grant 50% spent.
3. FMG 21% spent.
4. EPWP 155% spent.
5. Library support 51%
6. Cybercadet 40%
7. Library modular 65%
8. Library volunteer 26%

EPWP grant is spent at 155% above the received amount, the expenditure will be offset against the next tranche to be received.

## 2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

### Expenditure on employee benefits

Employee benefits for the month under reporting amount to R37.9 million rands. New staff establishment was adopted by council in the last quarter of the previous financial year which will impact the staff benefits. Councillor allowances expenditure amounts to R 5.1 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 31 October 2025		
<b>Staff Benefits</b>		
<b>Item</b>	<b>Budget</b>	<b>Year to date actuals</b>
Salaries & Wages	R 91 550 207.00	R 25 954 525.29
Contributions to pension funds	R 11 886 283.00	R 3 517 019.30
Contributions to medical aids	R 2 377 963.00	R 1 287 611.50
Contributions to UIF	R 626 907.00	R 196 243.80
Contributions to SDL	R 964 369.00	R 314 746.97
Travel, motor car	R 4 209 576.00	R 1 752 986.05
Salga	R 40 066.00	R 14 507.80
Housing benefits and allowances	R 749 160.00	R 65 532.88
Cellphone Allowance	R -	R -
Overtime payments	R 1 913 336.00	R 1 074 697.77
Bonuses	R 6 321 148.00	R 2 451 027.55
Other leave & long service	R 624 578.00	R 395 322.58
Allowances ( Standby and Drivers Allowance)	R 1 796 316.00	R 898 811.46
<b>Totals</b>	<b>R 123 059 909.00</b>	<b>R 37 923 032.95</b>
<b>Councillors Allowances</b>		
<b>Item</b>	<b>Budget</b>	<b>Year to date actuals</b>
Councillors Allowances	R 14 129 290.00	R 4 753 242.83
Cellphone/Data Allowance	R 2 298 473.00	R 389 287.56
Contributions to SDL	R 40 995.00	R 49 680.14
<b>Totals</b>	<b>R 16 468 758.00</b>	<b>R 5 192 210.53</b>

**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 of R1.0 million rands that is reduced by the issued stock and stock adjustments amounting to R26 thousand rands.

**Table 2.6.1. Inventory reconciliation**

INVENTORY MODULE		
OPENING BALANCE AS PER INVENTORY REPORT		R 1 081 953.78 ▲
ADD: TOTAL RECEIPTS		R 0.00
Inventory purchases for the month		R 0.00
LESS: TOTAL ISSUES		(R 26 923.17) ▲
Inventory issued from stores during the month		(R 26 923.17)
ADJUSTMENTS		R 0.00
Add: stock surplus identified during the month Less: Stock losses identified during the month		R 0.00
CLOSING BALANCE AS PER INVENTORY REPORT		<u>R 1 055 030.61</u>
GENERAL LEDGER VOTE BALANCE:		R 1 055 030.29 ▲
VARIANCE: INVENTORY MODULE VS. GENERAL LEDGER		R 0.32

**IRREGULAR & FRUITLESS EXPENDITURE**

The municipality incurred the irregular expenditure amounting to R9.7 million rands for operational expenditure and R17.6 million rands for the month under reporting, hence the total irregular expenditure amounts to R27 million rands to date.

**Table 2.6.2 Unauthorised and irregular expenditure summary**

NQUTHU MUNICIPALITY YEAR END ( 2025 - 2026 ) IRREGULAR EXPENDITURE TOTAL			
QUARTER 2			
MONTH No.	MONTH NAME	EXPENDITURE	
		OPERATIONAL	CAPITAL
<b>OPENING BALANCE</b>		R 8 040 679.36	R 14 472 835.64
4	October	R 1 728 958.52	R 3 140 625.76
5	November	R -	R -
6	December	R -	R -
<b>CLOSING BALANCE</b>		R 9 769 637.88	R 17 613 461.40
		<b>TOTAL UIFW EXPENDITURE</b>	<b>R27 383 099.28</b>

**FRUITLESS EXPENDITURE**

The municipality under the reporting period incurred a significant fruitless expenditure amounting to R86 881.80 moving from R0 expenditure in the previous month.

<b>Annexure C</b> Demarcation Board Code: KZN242 Register for Fruitless and wasteful Expenditure Year Ended 30 June 2026		<b>Financial Year</b> 2025/ 2026 Nquthu Local Municipality <b>Month</b> Oct-25	
Description	Payment no./EFT no/ Cheque No. / Month		Amount
	Jul-25	R0.00	R0.00
<b>Other- Penalty fees paid in Aug 2024</b>			<b>R86 881.80</b>
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	
<b>Other (Car Licences)</b>			<b>R0.00</b>
Penalty on late license renewal		R0.00	
Arrears on late payment		R0.00	
<b>TOTAL as @ 30 June 2026</b>			<b>R 86 881.80</b>

**DEVIATIONS**

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

**2.7 MATERIAL VARIANCES TO SDBIP**

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

## Nquthu Municipality Monthly Budget Statement


**Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October**

Description	Ref	Budget Year 2025/26			Variance reasons
		Original Budget	YearTD actual	YTD variance %	
<b>R thousands</b>					
<b>Revenue</b>					
<b>Exchange Revenue</b>					
Service charges - Electricity		37 183	9 825	-21%	The charges are billed on accounts, the adjustment where necessary will be made mid year
Service charges - Waste management		2 377	609	-23%	The charges are billed on accounts, the adjustment where necessary will be made mid year
Sale of Goods and Rendering of Services		236	64	-18%	The sale of services is based on the needs by consumer affected by tariff increase and impact of illegal consumption.
Interest		0	-	-100%	There is no budget for this line item, the actuals shows interest is being charged. The adjustment will be made.
Interest earned from Receivables		1 171	193	-51%	The interest is charged on outstanding accounts, the payment of account determine the outcome
Interest from Current and Non Current Assets		8 150	1 774	-35%	The interest is earned on investment premised on the balance invested.
Rental from Fixed Assets		1 043	212	-39%	The rental income is fixed provided the escalation fees, the adjustment if necessary will be made mid-year.
Operational Revenue		25 331	897	-89%	
<b>Non-Exchange Revenue</b>					
Property rates		62 160	18 737	-10%	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.
Fines, penalties and forfeits		4 463	259	-83%	
Licence and permits		1 088	299	-18%	The licences and permits are issued to compliant holders, review will made once the trends are studied
Transfers and subsidies - Operational		215 536	80 351	12%	
Interest		0	1 002	25058650%	There is no budget for this line item, the actuals shows interest is being charged. The adjustment will be made.
Gains on disposal of Assets		0	-	-100%	There are no disposals yet, the budget was not provided for and the review will be mad mid-year
Other Gains		0	-	-100%	There are no gains yet, the budget was not provided for and the review will be mad mid-year
<b>Expenditure By Type</b>					
Employee related costs		124 644	28 867	-31%	The employee costs actuals are partially captured on the system due to integration issues
Remuneration of councillors		15 974	3 624	-32%	The actuals are not yet on the system due to integration issues
Bulk purchases - electricity		40 870	16 198	19%	The bulk services are billed and paid monthly, no arrear payments are incurred.
Inventory consumed		2 046	2 143	214%	The line item include various expenditure items that are not necessarily classified as inventory, journals are made to allocate expenditure accurately.
Depreciation and amortisation		37 000	-	-100%	There is no calculation finalised yet
Contracted services		51 147	12 984	-24%	The services are sourced in line with the contractual agreeement, then payments are processed.
Transfers and subsidies		5 454	339	-81%	
Irrecoverable debts written off		15 000	150	-97%	The figure represents the indigent customers rebale granted. There are no other debts written off yet.
Operational costs		40 933	14 718	8%	The costs are aligned with billed actuals e.g. copier machines
Losses on Disposal of Assets		0	-	-100%	There is no budget for this line item, there are no actuals. The adjustment budget will be done.
Other Losses		0	-	-100%	There is no budget for this line item, there are no actuals. The adjustment budget will be done.

# 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 October 2025**  
has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act,

Name	<u>Mr Mpumelelo B. Jiyane</u>
Designation	<u>Municipal Manager of Nquthu Municipality (KZN 242)</u>
Signature:	 _____
Date	<u>10/11/2025</u>