

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 30 NOVEMBER 2025

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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 November assist to fulfil the mayor's responsibility in oversight and monitoring, the report serves as a detailed monitoring tool that further informs the quarterly financial reporting to council. The emphasis is put on actual expenditure incurred and revenue generated to date with an aim to ensure compliance with budgetary requirements. The council of Nquthu supports clean administration and governance through improved compliance with financial management legislations. The cost-drivers are detailed in Part 2 to highlight the areas that the municipality attends to ensure authorised expenditure. The investment drivers include the sale and development of sites within Nquthu town, a project that is underway.

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 R135 million rands with a variance of -10% based on comparison with approved budget of R358 million rands.
- Bulk electricity – actual figure amounts to R16.1 million rands.
- Employee costs and councillor remuneration contribute a sizeable expenditure for the period under reporting, thereby resulting in expenditure amount R48 million rands and R6 million rands respectively.

Capital Budget

The capital expenditure spending for the reporting period amounts to R17.3 million rands. Grant register is affixed to provide further details on capital expenditure.

Cash Flow

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

Risk Management – Financial risks

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

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

Mid-year assessment Review – adjustment budget recommendation

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

Other matters

- **AFS and audit 2024-25**

The 25-26 audit report was communicated with the management on 26 November. The final management report is yet to be received. The municipality notes the areas of concern as raised in the reports and the audit action plan will be formulated to address the findings raised.

- **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 after tabling in council.

1.3. EXECUTIVE SUMMARY

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

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

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

PART 1

1.4. IN-YEAR BUDGET STATEMENT TABLES

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

Choose name from list - Table C1 Monthly Budget Statement Summary - M05 November

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	62 160	(310)	24 588	25 900	(1 312)	-5%	62 160
Service charges	34 539	39 566	39 566	709	13 778	16 483	(2 706)	-16%	39 566
Investment revenue	8 907	8 150	8 150	161	2 266	3 396	(1 130)	-33%	8 150
Transfers and subsidies - Operational	215 489	215 536	215 423	-	81 314	90 544	(9 229)	(0)	215 423
Other own revenue	18 424	33 333	33 333	651	4 051	13 889	(9 838)	-71%	33 333
Total Revenue (excluding capital transfers and contributions)	334 809	358 739	358 626	1 212	125 996	150 212	(24 215)	-16%	358 626
Employee costs	111 037	124 644	124 644	-	1 451	51 934	(50 484)	-97%	124 644
Remuneration of Councillors	15 731	15 974	15 974	-	6 656	(6 656)	-100%	-	15 974
Depreciation and amortisation	40 486	37 000	37 000	-	-	15 417	(15 417)	-100%	37 000
Interest	199	0	0	-	-	0	(0)	-100%	0
Inventory consumed and bulk purchases	46 149	42 916	42 916	27	18 368	17 882	486	3%	42 916
Transfers and subsidies	4 328	5 454	5 454	260	599	2 273	(1 674)	-74%	5 454
Other expenditure	119 176	107 080	107 080	11 090	39 090	44 617	(5 527)	-12%	107 080
Total Expenditure	337 105	333 068	333 068	11 377	59 507	138 778	(79 270)	-57%	333 068
Surplus/(Deficit)	(2 296)	25 671	25 558	(10 165)	66 489	11 434	55 055	481%	25 558
Transfers and subsidies - capital (monetary allocations)	53 269	37 961	37 961	-	10 994	15 817	(4 823)	-30%	37 961
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	50 972	63 632	63 519	(10 165)	77 483	27 251	50 232	184%	63 519
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	50 972	63 632	63 519	(10 165)	77 483	27 251	50 232	184%	63 519
Capital expenditure & funds sources									
Capital expenditure	(8 810)	55 592	55 592	4 007	17 378	23 163	(5 786)	-25%	55 592
Capital transfers recognised	16 908	32 250	32 250	3 955	13 515	13 438	77	1%	32 250
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(25 717)	23 342	23 342	52	3 863	9 726	(5 862)	-60%	23 342
Total sources of capital funds	(8 810)	55 592	55 592	4 007	17 378	23 163	(5 786)	-25%	55 592
Financial position									
Total current assets	151 764	202 537	151 003	-	170 985	-	-	-	151 003
Total non current assets	749 814	799 814	799 814	-	799 725	-	-	-	799 814
Total current liabilities	72 138	111 751	111 751	-	31 254	-	-	-	111 751
Total non current liabilities	1 508	875	875	-	1 508	-	-	-	875
Community wealth/Equity	810 579	826 293	826 293	-	860 465	-	-	-	826 293
Cash flows									
Net cash from (used) operating	(16 438)	81 222	100 363	(10 507)	8 132	61 291	53 159	87%	100 363
Net cash from (used) investing	-	(101 890)	(101 890)	-	-	(42 454)	(42 454)	100%	(101 890)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	76 095	50 727	(980)	(10 507)	82 362	19 384	(62 978)	-325%	72 703
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1 597	928	781	403	337	322	262	15 009	19 640
Creditors Age Analysis									
Total Creditors	3 727	1 188	11	98	-	-	221	-	5 244

The year-to-date actual revenue (excluding capital transfers and contributions) is R125 million rands.

The operating expenditure year to date is R 59 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.

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M05 November

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		318 055	301 691	301 691	356	118 555	125 705	(7 150)	-6%	301 691
Executive and council		46 128	37 961	37 961	-	10 994	15 817	(4 823)	-30%	37 961
Finance and administration		271 927	263 730	263 730	356	107 561	109 888	(2 327)	-2%	263 730
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 647	2 011	4 249	138	1 898	2 227	(329)	-15%	4 249
Community and social services		4 570	25	2 263	4	1 263	1 399	(136)	-10%	2 263
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 077	1 986	1 986	134	635	828	(193)	-23%	1 986
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		5 338	25 017	25 017	8	742	10 424	(9 682)	-93%	25 017
Planning and development		242	25 017	25 017	8	742	10 424	(9 682)	-93%	25 017
Road transport		5 096	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		58 037	67 980	65 629	709	15 795	27 673	(11 879)	-43%	65 629
Energy sources		55 820	65 245	62 894	709	14 766	26 534	(11 768)	-44%	62 894
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 217	2 735	2 735	-	1 029	1 140	(111)	-10%	2 735
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	388 077	396 700	396 587	1 212	136 990	166 029	(29 039)	-17%	396 587
Expenditure - Functional										
<i>Governance and administration</i>		176 326	173 377	173 377	4 048	25 231	72 240	(47 009)	-65%	173 377
Executive and council		31 410	33 804	33 804	1 146	3 080	14 085	(11 005)	-78%	33 804
Finance and administration		141 634	136 656	136 656	2 902	20 205	56 940	(36 735)	-65%	136 656
Internal audit		3 282	2 917	2 917	-	1 946	1 215	731	60%	2 917
<i>Community and public safety</i>		34 872	39 359	39 359	467	2 632	16 399	(13 768)	-84%	39 359
Community and social services		17 229	22 384	22 384	450	2 391	9 326	(6 935)	-74%	22 384
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		17 643	16 975	16 975	17	240	7 073	(6 833)	-97%	16 975
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		34 052	34 745	34 745	1 168	8 318	14 477	(6 159)	-43%	34 745
Planning and development		18 009	20 433	20 433	534	5 543	8 514	(2 971)	-35%	20 433
Road transport		16 042	14 311	14 311	634	2 775	5 963	(3 188)	-53%	14 311
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		92 942	85 587	85 587	5 694	23 327	35 661	(12 334)	-35%	85 587
Energy sources		76 485	68 757	68 757	5 694	23 322	28 649	(5 326)	-19%	68 757
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 159	1 963	1 963	-	-	818	(818)	-100%	1 963
Waste management		14 298	14 867	14 867	-	4	6 195	(6 190)	-100%	14 867
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	338 192	333 068	333 068	11 377	59 507	138 778	(79 270)	-57%	333 068
Surplus/ (Deficit) for the year		49 885	63 632	63 519	(10 165)	77 483	27 251	50 232	1,8432761	63 519

Table C3: Monthly Budget Statement_ Financial Performance

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05

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	-	10 994	15 817	(4 823)	-30.5%	37 961
Vote 2 - Planning and Economic Development		50	25 274	25 274	2	687	10 531	(9 844)	-93.5%	25 274
Vote 3 - Budget and Treasury		271 755	262 824	262 824	351	107 398	109 510	(2 112)	-1.9%	262 824
Vote 4 - Corporate and Community Service		6 399	7 037	6 924	109	3 099	3 669	(571)	-15.5%	6 924
Vote 5 - Technical Services		63 745	63 604	63 604	750	14 812	26 501	(11 689)	-44.1%	63 604
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	396 587	1 212	136 990	166 029	(29 039)	-17.5%	396 587
Expenditure by Vote	1									
Vote 1 - Office OfThe Municipal Manager		17 811	19 356	19 356	1 022	4 260	8 065	(3 805)	-47.2%	19 356
Vote 2 - Planning and Economic Development		18 009	20 413	20 413	534	5 543	8 505	(2 962)	-34.8%	20 413
Vote 3 - Budget and Treasury		87 160	91 518	91 518	364	2 774	38 132	(35 358)	-92.7%	91 518
Vote 4 - Corporate and Community Service		62 932	71 130	71 130	1 163	12 295	29 637	(17 342)	-58.5%	71 130
Vote 5 - Technical Services		114 326	94 591	94 591	6 856	28 843	39 413	(10 570)	-26.8%	94 591
Vote 6 - Council And General		17 119	17 739	17 739	140	1 099	7 391	(6 292)	-85.1%	17 739
Vote 7 - Community & Social Services		19 185	16 302	16 302	1 298	4 693	6 792	(2 099)	-30.9%	16 302
Vote 8 - Corporate Services		1 650	2 019	2 019	-	-	841	(841)	-100.0%	2 019
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	333 068	11 377	59 507	138 778	(79 270)	-57.1%	333 068
Surplus/ (Deficit) for the year	2	49 885	63 632	63 519	(10 165)	77 483	27 251	50 232	184.3%	63 519

Table C4 Municipality Financial Performance

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

Nquthu Municipality Monthly Budget Statement

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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	37 183	2 873	15 115	15 493	(378)	-2%	37 183
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 681	2 377	2 377	217	1 043	991	52	5%	2 377
Sale of Goods and Rendering of Services		810	236	236	53	121	98	22	23%	236
Agency services		-	-	-	-	-	-	-	-	-
Interest		19	0	0	-	-	0	(0)	-100%	0
Interest earned from Receivables		778	1 171	1 171	68	325	488	(163)	-33%	1 171
Interest from Current and Non Current Assets		8 907	8 150	8 150	161	2 266	3 396	(1 130)	-33%	8 150
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		860	1 043	1 043	447	742	435	307	71%	1 043
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		649	25 331	25 331	118	1 015	10 555	(9 540)	-90%	25 331
Non-Exchange Revenue										
Property rates		57 450	62 160	62 160	5 851	30 749	25 900	4 848	19%	62 160
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 425	4 463	4 463	84	342	1 859	(1 517)	-82%	4 463
Licence and permits		862	1 088	1 088	77	379	453	(74)	-16%	1 088
Transfers and subsidies - Operational		215 489	215 536	215 423	-	81 314	90 544	(9 229)	-10%	215 423
Interest		3 633	0	0	363	1 711	0	1 711	#####	0
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	358 626	10 310	135 120	150 212	(15 091)	-10%	358 626
Expenditure By Type										
Employee related costs		111 037	124 644	124 644	9 027	48 086	51 934	(3 849)	-7%	124 644
Remuneration of councillors		15 731	15 974	15 974	1 236	6 378	6 656	(277)	-4%	15 974
Bulk purchases - electricity		45 257	40 870	40 870	-	16 198	17 029	(831)	-5%	40 870
Inventory consumed		891	2 046	2 046	27	2 170	853	1 318	155%	2 046
Debt impairment		16 949	-	-	-	-	-	-	-	-
Depreciation and amortisation		40 486	37 000	37 000	-	-	15 417	(15 417)	-100%	37 000
Interest		199	0	0	-	-	0	(0)	-100%	0
Contracted services		59 228	51 147	51 219	9 048	22 031	21 327	704	3%	51 219
Transfers and subsidies		4 328	5 454	5 454	260	599	2 273	(1 674)	-74%	5 454
Irrecoverable debts written off		1 184	15 000	15 000	1	154	6 250	(6 096)	-98%	15 000
Operational costs		39 118	40 933	40 861	2 303	18 057	17 039	1 018	6%	40 861
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	333 068	21 901	113 673	138 778	(25 105)	-18%	333 068
Surplus/(Deficit)		(2 296)	25 671	25 558	(11 591)	21 448	11 434	10 013	0	25 558
Transfers and subsidies - capital (monetary allocations)		53 269	37 961	37 961	-	10 994	15 817	(4 823)	(0)	37 961
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		50 972	63 632	63 519	(11 591)	32 442	27 251	5 190	0	63 519
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		50 972	63 632	63 519	(11 591)	32 442	27 251	5 190	0	63 519
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		50 972	63 632	63 519	(11 591)	32 442	27 251	5 190	0	63 519
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		50 972	63 632	63 519	(11 591)	32 442	27 251	5 190	0	63 519

TABLE C4: REVENUE BY SOURCE

Property rates

Property rates YTD actual for this month stands at R30.7 million rands, the comparison against the original budget of R62 million rands results in the variance of 19%.

Service charges electricity

The actual revenue from service charges electricity is R15.5 million rands, the comparison against the original budget of R37 million rands results in the variance of -2%.

Interest from Current and Non-Current Assets

The interest from current and non-current assets show the YTD actual figure of R2.2 million rands. The comparison against the original budget of R8.1 million rands results in the variance of -33%.

Transfers and subsidies (Operational)

The transfers and subsidies allocations from the DoRA for the first tranches of the current year are received and reflected in the grant register on Part 2 of this report. The original budget amounts to R215 million rands while the YTD actual figure is R81.3 million rands hence the variance amounts to -10%.

TABLE C4: EXPENDITURE BY TYPE

Employee related costs

The employee related costs amounts to R48 million rands, further details are entailed in Part 2.

Remuneration of Councillor's

The YTD actual for remuneration of councillors amounts to R6.3 million rands. Details of expenditure is available on Part 2.

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

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 November

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	-	-	0	(0)	-100%	0
Vote 3 - Budget and Treasury		-	348	348	-	-	145	(145)	-100%	348
Vote 4 - Corporate and Community Service		876	0	0	-	-	0	(0)	-100%	0
Vote 5 - Technical Services		(21 574)	50 191	50 191	4 007	17 378	20 913	(3 535)	-17%	50 191
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	50 539	4 007	17 378	21 058	(3 680)	-17%	50 539
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	-	-	145	(145)	-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	4 705	-	-	1 960	(1 960)	-100%	4 705
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	5 053	-	-	2 105	(2 105)	-100%	5 053
Total Capital Expenditure		(8 810)	55 592	55 592	4 007	17 378	23 163	(5 786)	-25%	55 592
Capital Expenditure - Functional Classification										
Governance and administration		1 585	0	0	-	-	0	(0)	-100%	0
Executive and council		709	0	0	-	-	0	(0)	-100%	0
Finance and administration		876	0	0	-	-	0	(0)	-100%	0
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(15 043)	26 372	26 372	1 565	2 190	10 988	(8 798)	-80%	26 372
Community and social services		(20 862)	23 407	23 407	1 565	2 190	9 753	(7 563)	-78%	23 407
Sport and recreation		5 721	2 965	2 965	-	-	1 235	(1 235)	-100%	2 965
Public safety		98	0	0	-	-	0	(0)	-100%	0
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(1 678)	28 805	28 805	2 441	15 187	12 002	3 185	27%	28 805
Planning and development		(8 652)	348	348	-	-	145	(145)	-100%	348
Road transport		6 974	28 457	28 457	2 441	15 187	11 857	3 330	28%	28 457
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		6 326	414	414	-	-	172	(172)	-100%	414
Energy sources		575	0	0	-	-	0	(0)	-100%	0
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 752	414	414	-	-	172	(172)	-100%	414
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(8 810)	55 592	55 592	4 007	17 378	23 163	(5 786)	-25%	55 592
Funded by:										
National Government		16 908	32 250	32 250	3 955	13 515	13 438	77	1%	32 250
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	32 250	3 955	13 515	13 438	77	1%	32 250
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	(25 717)	23 342	23 342	52	3 863	9 726	(5 862)	-60%	23 342
Total Capital Funding		(8 810)	55 592	55 592	4 007	17 378	23 163	(5 786)	-25%	55 592

The total capital expenditure year to date figure by function classification stands at R17.3 million rands. The original budget shows an amount of R55.5 million rand hence the variance of -25%.

Capital expenditure funded by the national government year to date actual amount to R13.5 million rands, the approved original budget on the C-schedule report amounts to R32.2 million rands thereby producing a variance of 1%.

Table C6 – Monthly Budget Statement – Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		74 230	51 849	315	92 168	315
Trade and other receivables from exchange transactions		9 988	10 218	10 218	7 806	10 218
Receivables from non-exchange transactions		36 308	84 007	84 007	39 135	84 007
Current portion of non-current receivables		–	–	–	–	–
Inventory		23 272	1 369	1 369	23 190	1 369
VAT		7 912	55 029	55 029	8 631	55 029
Other current assets		54	66	66	54	66
Total current assets		151 764	202 537	151 003	170 985	151 003
Non current assets						
Investments		–	–	–	–	–
Investment property		53 255	39 384	39 384	53 255	39 384
Property, plant and equipment		696 480	760 348	760 348	746 391	760 348
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		79	79	79	79	79
Intangible assets		–	3	3	–	3
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	799 814	799 725	799 814
TOTAL ASSETS		901 577	1 002 350	950 817	970 710	950 817
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		20	20	20	20	20
Consumer deposits		2 216	1 803	1 803	2 222	1 803
Trade and other payables from exchange transactions		55 342	49 725	49 725	(12 011)	49 725
Trade and other payables from non-exchange transactions		49	0	0	24 295	0
Provision		13 375	13 054	13 054	13 375	13 054
VAT		1 136	47 149	47 149	3 352	47 149
Other current liabilities		–	–	–	–	–
Total current liabilities		72 138	111 751	111 751	31 254	111 751
Non current liabilities						
Financial liabilities		(20)	(20)	(20)	(20)	(20)
Provision		1 529	896	896	1 529	896
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	0	0	–	0
Total non current liabilities		1 508	875	875	1 508	875
TOTAL LIABILITIES		73 646	112 626	112 626	32 762	112 626
NET ASSETS	2	827 931	889 724	838 190	937 948	838 190
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		810 417	826 141	826 141	860 303	826 141
Reserves and funds		162	152	152	162	152
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	810 579	826 293	826 293	860 465	826 293

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

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M05 November

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	35 404	35 404	-	-	14 752	(14 752)	-100%	35 404
Service charges		6 537	33 949	33 949	-	-	14 145	(14 145)	-100%	33 949
Other revenue		-	31 683	31 683	-	-	13 201	(13 201)	-100%	31 683
Transfers and Subsidies - Operational		452 602	221 926	221 926	7 486	171 612	92 469	79 142	86%	221 926
Transfers and Subsidies - Capital		-	75 066	75 066	-	-	31 278	(31 278)	-100%	75 066
Interest		-	(19 952)	(638)	-	6 943	(266)	7 209	-2714%	(638)
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(475 577)	(296 855)	(297 028)	(17 993)	(170 423)	(104 288)	66 134	-63%	(297 028)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(16 438)	81 222	100 363	(10 507)	8 132	61 291	53 159	87%	100 363
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)	(101 890)	-	-	(42 454)	(42 454)	100%	(101 890)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(101 890)	(101 890)	-	-	(42 454)	(42 454)	100%	(101 890)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(16 438)	(20 668)	(1 527)	(10 507)	8 132	18 837			(1 527)
Cash/cash equivalents at beginning:		92 533	71 395	547	-	74 230	547			74 230
Cash/cash equivalents at month/year end:		76 095	50 727	(980)	(10 507)	82 362	19 384			72 703

The table C7 cash flow statement transactions from operating activities with a year to date actual figure of R8.1 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.

Choose name from list - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

Description	NT Code	Budget Year 2025/26								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L.t.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				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 216	713	565	168	133	131	87	1 082	4 094	1 601	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	159	124	106	99	104	77	73	5 886	6 626	6 238	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	70	62	55	53	52	52	50	1 714	2 109	1 922	-	-
Interest on Arrear Debtbr Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	152	29	56	82	49	63	53	6 326	6 811	6 573	-	-
Total By Income Source	2000	1 597	928	781	403	337	322	262	15 009	19 640	16 334	-	-
2024/25 - totals only		3779684	957666	1019225	472505	305885	375467	273520	13807784	20 992	15 235	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	788	699	561	165	137	152	90	4 345	6 938	4 890	-	-
Commercial	2300	262	78	74	72	64	63	63	1 007	1 684	1 270	-	-
Households	2400	433	106	72	67	69	43	53	2 664	3 507	2 896	-	-
Other	2500	114	44	75	99	67	65	55	6 993	7 511	7 278	-	-
Total By Customer Group	2600	1 597	928	781	403	337	322	262	15 009	19 640	16 334	-	-

The table 2.1.1 shows the debtors ageing arranged per service type. The balance of debtor’s book amounts to R127 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.

November 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 -2 484 866.91	R -2 484 866.91	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 585.49	R 27.64	R -	R -	R -	R -	R -	R 557.85
Deposit: Waste Disposal	R 2 000.00	R -	R -	R -	R -	R -	R -	R 2 000.00
Electricity Basic	R 814 273.94	R 258 886.66	R 41 961.23	R 28 429.29	R 30 203.70	R 23 082.66	R 27 311.24	R 404 399.16
Electricity Metered	R 6 302 875.29	R 3 424 552.73	R 713 007.23	R 564 743.39	R 168 330.49	R 132 561.64	R 130 558.48	R 1 169 121.33
Market stalls	R 1 119 891.04	R 39 373.86	R 18 755.13	R 18 288.83	R 17 587.45	R 17 303.48	R 17 471.36	R 991 110.93
OFFICE RENTAL	R 148 371.78	R 34 589.71	R 16 547.08	R 12 714.99	R 12 036.00	R 11 965.33	R 11 894.67	R 48 624.00
Plaza Market Stalls	R 262 756.06	R 18 943.83	R 8 726.55	R 8 125.38	R 8 011.24	R 7 972.18	R 7 718.43	R 203 258.45
Property Rates	R 107 160 469.88	R 11 424 247.31	R 4 455 575.69	R 3 105 684.50	R 3 181 142.86	R 462 021.59	R 327 971.94	R 84 203 825.99
Rent (M001)	R 644 066.52	R 75 423.97	R 15 409.38	R 15 465.77	R 15 386.07	R 14 985.25	R 14 905.74	R 492 490.34
Repay: Waste Disposal	R 26 122.06	R -	R -	R -	R -	R -	R -	R 26 122.06
Signs (M001)	R 1 119.59	R -	R -	R -	R -	R -	R -	R 1 119.59
Stall rental	R 28 553.17	R 322.08	R 131.22	R 131.22	R 131.22	R 131.22	R 131.22	R 27 574.99
Sundries (VAT)	R 14 230.25	R 11 418.91	R 2 709.10	R 102.24	R -	R -	R -	R -
Tampering Fee	R 528 750.89	R 61 371.49	R 6 673.00	R -	R 1 000.00	R -	R 16 493.00	R 443 213.40
Traffic Fines	R 4 547 071.02	R 90 700.00	R 22 400.00	R 56 100.00	R 81 200.00	R 49 000.00	R 46 600.00	R 4 201 071.02
Traffic Fines (M001)	R 1 734 180.76	R -	R -	R -	R -	R -	R -	R 1 734 180.76
Waste Disposal	R 6 851 566.04	R 413 035.27	R 123 657.44	R 105 553.18	R 98 718.86	R 103 529.35	R 76 604.94	R 5 930 467.00
Total	R 127 702 016.87	R 13 368 026.55	R 5 425 553.05	R 3 915 338.79	R 3 613 747.89	R 822 552.70	R 677 661.02	R 99 879 136.87

DEBT COLLECTION RATES

Collection Table 2.1.2.

Cash Collected for each Revenue Source via Billing (November 2025)

	Cash collection	Ageing - November 2025	Collection rate per BT	Billed revenue - November 2025
Rates	R -1 026 363.04	R 107 160 469.88	-1%	R 6 555 020.64
Electricity	R -1 313 670.27	R 7 117 149.23	-18%	R 2 487 655.83
Refuse	R -166 592.92	R 6 879 688.10	-2%	R 271 923.13
Stalls Rental , Traffic fines & Tampring Fee	R -78 310.96	R 7 944 123.96	-1%	R 111 028.94
Other Rentals	R -	R 1 084 867.12	0%	R -
Advance payments	R -96 629.73	R -2 484 281.42	4%	R -
	R 6 500.00			R -
TOTAL CASH RECEIVED (BILLING)	R 2 675 066.92	R 127 702 016.87		R 9 425 628.54

Total Ageing	R 127 702 016.87	October 2025 Billing	R 9 570 989.72
Total debtors' payments	R 2 675 066.92	November 2025 Paym	R 2 675 066.92
	2%		28%

Cash collected under the reporting period amounts to R2.6 million rands resulting in collection rate of 2%. The comparison to the previous month billing against current month payments results to 28% collection rate, which is significantly below the norm of 95%.

DEBTOR'S RATIOS

Ratios table 2.1.3.

NOVEMBER 2025 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	28	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	2182.37	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	-1.52	Revenue Growth (%)

Collection rates stand at 28% using the ratios as provided by National Treasury circular 71. The net debtors' days are increased to 2 182.37 against the days reported in the preceding month. It means that it takes the municipality above 5 years to collect the current debt, the debtors' days signal cash flow challenges to fund certain expenditure items.

INDIGENT DEBTORS' STATUS

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

ELECTRICITY LOSSES

The electricity losses for the quarter under review amounts to R2.6 million rands which translate to 13.11%. 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	70.33%	29.67%
August	High	R 3 080 617.17	R 230 201.69	R 602 808.39	R 38 829.00	R 2 419 647.64	R 205 205.48	R 66 412.44	R 3 563 104.64	-R 482 487.47	115.66%	-15.66%
September	Both	R 3 988 798.14	R 199 281.36	R 529 742.29	R 39 060.00	R 2 401 917.60	R 185 238.02	R 56 060.33	R 3 411 299.60	R 577 498.54	85.52%	14.48%
October	Low	R 3 791 556.82	R 199 928.16	R 569 723.72	R 40 278.00	R 2 330 503.42	R 186 016.74	R 57 874.34	R 3 384 324.38	R 407 232.44	89.26%	10.74%
November	Low	R 3 682 101.41	R 163 571.72	R 547 180.46	R 40 719.00	R 2 163 179.07	R 185 627.38	R 60 404.09	R 3 160 681.72	R 521 419.69	85.84%	14.16%
TOTALS		R 19 879 917.86	R 1 097 974.93	R 2 844 501.16	R 196 455.00	R 11 855 663.84	R 969 298.36	R 309 013.33	R 17 272 906.62	R 2 607 011.24	86.89%	13.11%

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

HALL HIRE REVENUE

The municipality rent outs the halls to public in line with the tariff of charges document approved by the council. The hall booking was budgeted for three thousand and total revenue received to date amounts to R26 thousand rands.

HALL HIRE REVENUE - NOVEMBER 2025			
Type	Revenue description	BudgetOriginal	Credit
Revenue	Exchange Revenue	-R 3 162.00	-R 26 817.29
			-R 26 817.29

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

CREDITORS REPORT FOR NOVEMBER 2025			
TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF NOVEMBER 2025			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ADVENTURE TRAVEL	ACCOMMODATION OF 18 DELEGATES ATTENDING WORKSHOP IN DURBAN (09-14 NOV 2025)	253 673.90
	ADVENTURE TRAVEL	ACCOMMODATION OF FINANCE INTERNS IN DURBAN (16 -21 NOV 2025)	53 475.00
	ADVENTURE TRAVEL	ACCOMMODATION OF N HLATSHWAYO ATTENDING MFMA IN VOLKRUST (28SEPT2025-03 OCT 2025)	10 465.00
	ADVENTURE TRAVEL	ACCOMMODATION OF S NDWANDWE, M NHLEBELA AND M NTSHANGASE ATTENDING TRAINING IN DURBAN (14-16 OCT 2025)	14 778.65
	ADVENTURE TRAVEL	ACCOMMODATION OF TC MBATHA ATTENDING LANFILL SITE MANAGEMENT WORKSHOP IN DURBAN (09-10 OCT 2025)	3 507.50
	ADVENTURE TRAVEL	ACCOMMODATION OF TP NENE, B MAGWAZA, SC NGOBESE AND GM NENE ATTENDING ANNUAL CYBER FORUM IN DURBAN (28-31 OCT 2025)	24 557.10
	ADVENTURE TRAVEL	ACCOMMODATION OF S NGOBESE ATTENDING TRAINING IN PMB (21-23 OCT 2025)	4 089.40
	ADVENTURE TRAVEL	ACCOMMODATION OF M KHANYE, P NTULI AND M SHABALALA ATTENDING CIBD TRAINING IN DURBAN (22-24 OCT 2025)	16 486.40
	ADVENTURE TRAVEL	ACCOMMODATION OF SS ZULU ATTENDING TRAINING IN NEWCASTLE (21-24 OCT 2025)	6 417.00
	ADVENTURE TRAVEL	ACCOMMODATION OF M NKALA AND I DAHILE ATTENDING WORKSHOP IN DBN (06-10 OCT 2025)	16 840.60
	ADVENTURE TRAVEL	ACCOMMODATION OF MAYOR, HIS BODYGUARDS, MM DUBE, KC SHABALALA, SS ZONDI AND S NDLOVU	14 044.95
	ADVENTURE TRAVEL	ACCOMMODATION OF 70 DELEGATES ATTENDING INGOMA PLANNERY IN JHB (29-30 NOV 2025)	82 023.75
	ADVENTURE TRAVEL	ACCOMMODATION OF SPEAKER, COUNCIL WHIP AND THEIR BODYGUARDS IN DURBAN (22-24 OCT 2025)	40 503.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 DELEGATES ATTENDING NERSA TRAINING IN JHB (22-24 OCT 2025)	16 486.40
	ADVENTURE TRAVEL	ACCOMMODATION OF BH BHENGU AND M MNTAMBO IN DURBAN (09 -10 OCT 2025)	4 692.46
	ADVENTURE TRAVEL	ACCOMMODATION OF 20 DELEGATES ATTENDING BUYBACK CENTRE EDUCATIONAL EXCURSION IN DURBAN (23-26 NOV 2025)	201 385.70
	ADVENTURE TRAVEL	ACCOMMODATION OF 15 DELEGATES ATTENDING PROVINCIAL DISABILITY GAMES IN DURBAN (26-28 NOV 2025)	61 318.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 70 DELEGATES ATTENDING INGOMA PLANNERY IN JHB (29-30 NOV 2025)	19 354.50
			844 099.31
2	SPEPIMELELO (PTY) LTD	SUPPLY AND DELIVER SEED AND FERTILIZER	773 117.06
			773 117.06
3	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	437 565.37
			437 565.37
4	ZIME-DU TRADING ENTERPRISE	SUPPLY AND DELIVER OF FIRE-FIGHTING BUNKER GEARS	299 000.03
			299 000.03
5	NQUTHU PIONEER TRANSPORT PRIMARY CO-OPERAT	HIRING MINIBUSES TO TRANSPORT IZINTOMBI ZOMHLANGA FROM NQUTHU TO UPHONGOLO	28 500.00
	NQUTHU PIONEER TRANSPORT PRIMARY CO-OPERAT	HIRING MINIBUSES TO TRANSPORT PEOPLE FROM NQUTHU SURROUNDING AREAS TO NQUTHU STADIUM	263 500.00
			292 000.00

Nquthu Municipality Monthly Budget Statement

6	FEZILE SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR OCT 2025	248 766.39
			248 766.39
7	GARDASA SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR OCT 2025	248 766.39
			248 766.39
8	OCEAN DAWN TRADING	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR OCT 2025	248 766.39
			248 766.39
9	SIPHILE SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR OCT 2025	248 766.39
			248 766.39
10	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR OCT 2025	248 766.39
			248 766.39

CREDITORS AGE ANALYSIS: TABLE 2.2.2

Creditor's ageing reconciliation for the month ending 30 November 2025
CREDITORS ACCOUNT RECONCILIATION REPORT
MONTH ENDING NOVEMBER 2025

Total Balances as per EMS INVOICE AGE ANALYSIS REPOI

R 5 256 824.65

AGE ANALYSIS TOTAL AMOUNT:

R 5 256 824.65

CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT

R 5 256 824.65

AGED ANALYSIS

- Current (Transactions below 30 days)
- <30 Days
- <60 Days
- <90 Days
- <120 Days
- <150 Days
- <180 Days
- >180 Days

R 5 256 824.65

R	-
R	3 727 393.28
R	1 199 178.46
R	11 120.33
R	98 129.65
R	-
R	-
R	221 002.93

EARLY WARNING SIGNALS

The creditors above 90-day threshold pose the risk of creditors being flagged by Provincial Treasury in the Early Warning Signal (EWS) quarterly assessment. The total creditors balance amounts to R5.2 million rands. The municipality's MFMA Section 71 report is assessed by the Provincial Treasury. The assessment performed in the last quarter indicated that there was one criterion which the municipality met to indicate financial problems. The concerns of creditors above a 30-day threshold are attended to and the implementation is underway.

ANIMAL POUND EXPENDITURE

The excerpt below shows the expenditure to date on the contracted services offered in respect of the catching roaming animals around town. The total paid since July 2025 amounts to R69 thousand rands.

ANIMAL POUND EXPENDITURE - NOVEMBER 2025

Vendor/Creditor	Payment Date	Invoice Number	Total Amount	Status
COW CATCHERS	29/07/2025	NQU 07/25	R 17 250.00	Paid
COW CATCHERS	16/09/2025	NQU 08/25	R 17 250.00	Paid
COW CATCHERS	16/10/2025	NQU09/25	R 17 250.00	Paid
COW CATCHERS	04/11/2025	NQU 10/25	R 17 250.00	Paid
			R 69 000.00	

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 amounts to R80.1 million rands.

Table 2.3.1 Investment register for the period ending 30 November 2025

External Investment Report 30 November 2025								
Financial Institution/Bank		Date invested/ Type of Account	Amount invested	Interest rate	Balance	Interest	Maturity date	
ABSA HOUSING A/C	9277851394	CALL A/C	R 2 058 689.99	7.50%	R 2 068 831.15	R 10 141.16	CALL A/C	
ABSA CALL	9307695892	CALL A/C	R 22 034 816.41	6.95%	R 22 145 231.97	R 110 415.56	CALL A/C	
ABSA BANK	9365964328	CALL A/C	R 25 048.45	7.53%	R 25 129.29	R 80.84	CALL A/C	
ABSA BANK NOTICE SELECT	9142845014	CALL A/C	R 98 416.56	7.05%	R 98 879.66	R 463.10	NOTICE SELECT	
NEDBANK 1	037165014039	CALL A/C	R 1 353.45	8.05%	R 1 360.85	R 7.40	CALL A/C	
FIRST NATIONAL BANK	62372311408	CALL A/C	R 11 086 665.09	7.0%	R 11 145 135.86	R 58 470.77	CALL A/C	
STANDARD BANK	308585569	CALL A/C	R 7 876.51	6.25%	R 7 912.76	R 36.25	CALL A/C	
STANDARD BANK	308585569	32 DAYS NOTICE DEPOSIT	R 28 157 265.17	8.20%	R 28 329 448.78	R 172 183.61	32 DAYS NOTICE	
STANDARD BANK	308585569	25-Jul-24	R 16 358 067.96	9.15%	R 16 358 067.96	R -	08-Dec-25	
TOTAL			R 79 828 199.59		R 80 179 998.28	R 351 798.69		

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.

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					

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 showing an opening balance of R36 million rands and the closing balance of R21 million rands. The bank recon extract confirms the transactions from the previous month and not the month under review due to time lag between report compilation timeline and finalisation of the month end procedures, thus the November transactions will be reported in following month.

Bank Reconciliation Report

CashBook :ABSA Nquthu
Local Municipality
Statement Number:4

Processing Month :4

Statement Date :31/10/2025

Reconciliation Summary

Cashbook Opening Balance	36,128,280.65
Payments for Period	-34,000,425.73
Receipts for Period	19,742,236.35
Item/Cashbook	21870091.27
Uncleared Payments	0.00
Uncleared Receipts	41,460.00
Unknown Items	0.00
Sub Total	21,828,631.27
Statement Balance	-21,828,631.27
Difference	0.00

Bank balance for primary account reflects the amount of R5.8 million rands for the month under review.

BANK RECONCILIATION (PRIMARY ACCOUNT) 4053562762

Details	Amount
Cash book balance as at 30 November 2025	R5 844 303.16
Outstanding deposits	R0.00
Unknown deposits	R0.00
Bank charges	R0.00
Outstanding cheques	R0.00
Transfers	R0.00
Sundries	R0.00
Outstanding receipts	R0.00
Bank statement balance as at 30 November 2025	R5 844 303.16

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

BANK RECONCILIATION (GRANTS ACCOUNT)

Details	Amount
Cash book balance as at 30 November 2025	R98 879.66
Unknown deposits	R0
Outstanding cheques	R0
Bank charges	R0
Returned cheques	R0
Transfers	R0
Sundries	R0
Outstanding receipts	R0
Bank statement balance as at 30 November 2025	R98 879.66

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 31 November 2025

Grant register Table 2.4.1

SUMMARY OF GRANTS RECEIVED AND EXPENDITURE - NOVEMBER 2025								
	Grant Type	Pre-Audited	Dora/Prov		Spent &		Available	
		Balance as at 1-Jul-2025	Allocation for year	Received 2025/26	transferred to income 2025/26	Balance as at 2025/26	funds/not committed 2025/26	% Spending
National Grants operational	Eletrification(INEP)		(20 000 000.00)	(9 000 000.00)	6 451 384.08	(2 548 615.92)	(2 548 615.92)	72%
	FMG		(1 900 000.00)	(1 900 000.00)	562 144.25	(1 337 855.75)	(1 337 855.75)	30%
	EPWP		(1 639 008.00)	(1 148 000.00)	635 208.00	(512 792.00)	(512 792.00)	55%
National Grants Capital	MIG		(37 961 004.00)	(22 000 000.00)	15 541 700.08	(6 458 299.92)	(6 458 299.92)	71%
KZN Grants Operational	Cybercadet			(554 000.00)	305 205.12	(248 794.88)	(248 794.88)	55%
	Library Modular			(1 560 000.00)	1 259 653.80	(300 346.20)	(300 346.20)	81%
	Library Volunteer			(124 000.00)	40 000.00	(84 000.00)	(84 000.00)	32%
	Library support		(4 493 000.00)	(2 142 000.00)	1 339 405.15	(802 594.85)	(802 594.85)	63%
TOTALS		-	(65 993 012.00)	(38 428 000.00)	26 134 700.48	(12 293 299.52)	(12 293 299.52)	

The grants spending is as follows:

1. INEP 72% spent.
2. MIG grant 71% spent.
3. FMG 30% spent.
4. EPWP 55% spent.
5. Library support 63%
6. Cybercadet 55%
7. Library modular 81%
8. Library volunteer 32%

The total grant funding received amounts to R38.4 million rands. The total grant expenditure to date amounts to R26 million rand.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

Employee benefits for the month under reporting amount to R47 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 6.4 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 30 November 2025		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R91 550 207.00	R 32 368 287.65
Contributions to pension funds	R11 886 283.00	R 4 413 170.79
Contributions to medical aids	R2 377 963.00	R 1 608 892.50
Contributions to UIF	R626 907.00	R 244 552.17
Contributions to SDL	R964 369.00	R 389 972.18
Travel, motor car	R4 209 576.00	R 2 200 813.45
Salga	R40 066.00	R 18 072.00
Housing benefits and allowances	R749 160.00	R 84 256.56
Cellphone Allowance	R0.00	R0.00
Overtime payments	R1 913 336.00	R 1 302 749.05
Bonuses	R6 321 148.00	R 2 891 214.18
Other leave & long service	R624 578.00	R 395 322.58
Allowances (Standby and Drivers Allowance)	R1 796 316.00	R 1 107 660.37
Totals	R 123 059 909.00	R 47 024 963.48
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R14 129 290.00	R 5 891 805.90
Cellphone/Data Allowance	R2 298 473.00	R 486 609.45
Contributions to SDL	R40 995.00	R 61 587.73
Totals	R16 468 758.00	R 6 440 003.08

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 million rands that is reduced by the issued stock and stock adjustments amounting to R2 874.40.

Table 2.6.1. Inventory reconciliation

Inventory Reconciliation	
INVENTORY MODULE	
OPENING BALANCE AS PER INVENTORY REPORT	R 1 055 030.61
ADD: TOTAL RECEIPTS	R 0.00
Inventory purchases for the month	R 0.00
LESS: TOTAL ISSUES	(R 2 874.40)
Inventory issued from stores during the month	(R 2 874.40)
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 1 052 156.21
GENERAL LEDGER VOTE BALANCE:	R 1 052 155.89

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.

Table 2.6.2 Unauthorised and irregular expenditure summary

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

FRUITLESS EXPENDITURE

The municipality under the reporting period adds R118 to the fruitless expenditure register, thereby the total increase to R87 thousand rands. The expenditure was kept at nil for the entire quarter one.

Demarcation Board Code: KZN242 Register for Fruitless and wasteful Expenditure Year Ended 30 June 2026		Financial Year	2025/ 2026
		Nquthu Local Municipality	
		Month	Nov-25
Description	Payment no./EFT no/ Cheque No. / Month		Amount
Other- Penalty fees paid in Aug 2024			R86 881.80
Compensation Fund- Sec83(6) Penalty	#79477	71 916.25	
NJMFP-Super Annuation- Interest on salary invest	#79568	14 564.55	
NJMFP-Super Annuation- Penalty 2023	#79567	30.63	
NJMFP-Penalty 2023-Provident	#79566	370.37	
Other -Driving Licences			R118.36
Penalty on late invoice payment	#81081	R118.36	
Arrears on late payment		R0.00	
TOTAL as @ 30 Nov 2025			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

Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

Description	Budget Year 2025/26			Variance reasons
	Original Budget	YearTD actual	YTD variance %	
R thousands				
Revenue				
Exchange Revenue				
Interest	0	–	-100%	There is no budget for this line item, the actuals shows interest is being charged. The adjustment will be made.
Operational Revenue	25 331	1 015	-90%	The revenue trends will be reviewed and if need arise an adjustment will be made.
Interest earned from Receivables	1 171	325	-33%	The interest is charged on outstanding accounts, the payment of account determine the outcome
Interest from Current and Non Current Assets	8 150	2 266	-33%	The interest is earned on investment premised on the balance invested.
Sale of Goods and Rendering of Services	236	121	23%	The sale of services is based on the needs by consumer affected by tariff increase and impact of illegal consumption.
Rental from Fixed Assets	1 043	742	71%	The rental income is fixed provided the escalation fees, the adjustment if necessary will be made mid-year.
Non-Exchange Revenue				
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
Fines, penalties and forfeits	4 463	342	-82%	The traffic fines allows offenders to approach court for reduction, hence the reduced collection vs the budget
Licence and permits	1 088	379	-16%	The licences and permits are issued to compliant holders, review will made once the trends are studied
Transfers and subsidies - Operational	215 536	81 314	-10%	Transfers and subsidies are received in tranches through huge receipts against monthly actuals.
Property rates	62 160	30 749	19%	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.
Interest	0	1 711	34216380%	There is no budget for this line item, the actuals shows interest is being charged. The adjustment will be made.
Total Revenue (excluding capital transfers and contributions)				–
Expenditure By Type				
Depreciation and amortisation	37 000	–	-100%	There is no calculation finalised yet.
Irrecoverable debts written off	15 000	154	-98%	The figure represents the indigent customers rebate granted. There are no other debts written off yet.
Inventory consumed	2 046	2 170	155%	The line item include various expenditure items that are not necessarily classified as inventory, journals are made to allocate expenditure accurately.
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.
Total Expenditure				–


MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I Mpumelelo. B. Jiyane, the municipal manager of Nquthu Municipality, hereby certify that the:

Section 71 - for the month ending 30 November 2025
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 10/12/2025