

NQUTHU MUNICIPALITY (KZN 242)



SECTION 52(d) QUARTELY REPORT – Q4 2025/26 FINANCIAL YEAR

TABLE OF CONTENTS

PART 1 – QUARTERLY REPORT

1.1	MAYORS' REPORT	3
1.2	RESOLUTIONS	5
1.3	EXECUTIVE SUMMARY	5
1.4	LEGAL REQUIREMENTS.....	8
1.5	IN-YEAR BUDGET STATEMENT TABLES	8

PART 2 – SUPPORTING DOCUMENTATION

2.1	DEBTOR'S ANALYSIS	16
2.2	CREDITOR'S ANALYSIS.....	18
2.3	INVESTMENT PORTFOLIO ANALYSIS	21
2.4	ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	22
2.5	COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS.....	23
2.6	SUPPLY CHAIN MANAGEMENT	24
2.7	MATERIAL VARIANCES TO SDBIP	26
2.8	MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	27

List of Tables – PART 1

Table 1	MBRR Table C1 -Monthly Budget Statement Summary	8
Table 2	MBRR Table C2 _ Monthly Financial Performance (standard Classification	9
Table 3	MBRR Table C3 -Financial Performance (revenue and expenditure by municipal vote)	10
Table 4	MBRR Table C4 -Financial Performance (revenue and expenditure)	11
Table 5	MBRR Table C5 -Capital expenditure (municipal vote and funding).....	13
Table 6	MBRR Table C6 -Financial Position	14
Table 7	MBRR Table C7 - Cash Flow	15

ACCRONYMS

MBRR	Municipal Budget Reporting Regulations
YTD	Year to Date
RMC.....	Risk Management Committee
IYR	In Year Reporting

PART 1

IN-YEAR REPORT

1.1. Mayors Report

The mayor considered the MFMA Section 52(d) report for the quarter under reporting, and the performance of the municipality against its budget in line with the approved budget adopted by Council. The mayor emphasises stringent and prudent financial management practices to assist the municipality in expending grant funding for capital infrastructure efficiently thereby becoming eligible for additional funding. In this assertion, the municipality received additional allocation pertaining to Municipal Disaster Recovery Grant amounting to R23 million rands, EPWP amounting to 297 thousand rands and Library grant amounting to R1.2 million rands.

In terms of Section 54(1) of the MFMA the Mayor performed all the legislative requirements pertaining to this section to ensure that approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP).

MBRR c-schedule summary

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

Capital Budget

Capital expenditure spending for the reporting period amounts to R60.7 million rands. Grant register is affixed to provide further details on capital expenditure and allocations as per DoRA.

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. Additionally, the

investment register provides more information on the liquidity of the municipality in terms of available investments.

Risk Management – Financial risks

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

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

Mid-year assessment Review – adjustment budget recommendation

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

OTHER MATTERS

AFS and audit 2024-25

The 24-25 audit report was tabled in council on 30 January 2026. The internal audit unit concluded reports on HR & Payroll and SCM the two internal audit reports are issued for the attention and response of the management.

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

MFMA Section 52d quarterly report resolutions for period ending 30 June 2026

The MFMA Section 52d quarterly report is tabled before council for consideration by Council. Hereunder are the resolutions in terms of the Municipal Budget and Reporting Regulations Schedule-C (In Year Reporting) requirements for consideration by council:

- THAT the Council note the quarterly report on implementing of the budget and the financial affairs for the municipality referred to in Section (52d) MFMA.
- THAT the Council note the review by the Honourable Mayor as detailed in Mayors' report and be considered as the financial status of the municipality.
- THAT the Council note the mayor's quarterly report in terms of Section 30 MFMA MBRR Regulations, the report be placed on the municipality's website within five days of tabling of the report in the council.
- THAT the Council note the mayor's quarterly report in terms of Section 31(c) MFMA Regulations, be submitted to the National Treasury and the relevant provincial treasury within five days of tabling of the report in the council.

1.3. Executive Summary

Purpose

The fundamental purpose of this report is to comply with section 52(d) of the Municipal Finance Management Act (MFMA), by submission of a report to the Council on the implementation of the budget. The report provides a quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for Council on the non-financial indicators which is part of the service delivery and budget implementation plan. The report in alignment with each table as extracted from C-Schedule is providing corrective measures taken to ensure that budget is aligned to expenditure and revenue projection.

Municipality consolidated performance

This report provides details of budget implementation and budget monitoring thereof. Charts and tables extracted from the C-schedule are well detailed under monthly budget statement in year reporting thereby providing narration to crucial line items relating to revenue and expenditure. This report compares the actual results of operating income and expenditure as well as capital expenditure against budgeted income and expenditure.

The budget steering committee oversee that all departments, divisions and sections are engaged in the process of reviewing budget allocation.

In terms of S6(a) of MBRR there should be consistency in the base of measurement and accounting policies to ensure that policies underpinning AFS are the same as the policies used in the preparation and reporting during the in-year reporting. Statement of Financial Performance therefore is a consistent base of measurement of financial performance as informed by C-schedule Table C4 for the period under review.

The excerpt from table C4 provide a consolidated municipality's performance in relation to approved annual budget, thereby providing a sound financial management outlook of the municipality at this stage. Critical revenue sources such as property rates show a YTD actual figure of R59.5 million rands compared to adjusted budget of R57.6 million rands. The service charges electricity revenue source year to date actual figure is R33.5 million rands results in -14% variance. The electricity bulk expenditure year to date figure is R45.2 million rands.

The accurate employee related costs expenditure is shown in Part 2 of this document due to incomplete data transfer between the two different systems used by the municipality for financial management and payroll management. Additionally, Table C4 excerpt is shown hereunder to provide users of the report with high level overview of the current state of financial affairs of the municipality. Other revenue and expenditure items are outlined in detail and necessary narrative is provided per each table as extracted from the C-schedule report and additional reasons for variance is provided towards the end of this report.

Remedial steps to align projected expenditure and revenue

The mid-year review and assessment phase in the current financial year as well as the adjustment budget provided a remedial or corrective steps to align projections of revenue to actuals of expenditure and ensuring that revenue and expenditure remain within the municipality's budget.

Potential impact of the national adjustment budget

The municipality received the gazetted allocations for the year 2025-26 in respect of equitable share allocation (funding without conditions) as per the excerpt below.

EQUITABLE SHARE TRANCHES	
DATE	AMOUNT
07-Jul-25	R 78 127 000.00
09-Dec-25	R 62 501 000.00
11-Mar-26	R 46 876 000.00
	<u>R187 504 000.00</u>

The consolidated summary of the financial performance is indicated in Table C4 below:

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

Description		Ref	2024/25	Budget Year 2025/26						
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		32 858	37 183	38 837	745	33 535	38 837	(5 302)	-14%	38 837
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 681	2 377	2 470	-	2 320	2 470	(150)	-6%	2 470
Sale of Goods and Rendering of Services		810	236	241	67	455	241	214	89%	241
Agency services		-	-	-	-	-	-	-	-	-
Interest		19	0	0	-	-	0	(0)	-100%	0
Interest earned from Receivables		778	1 171	469	-	706	469	237	51%	469
Interest from Current and Non Current Assets		8 907	8 150	6 720	20	5 890	6 720	(830)	-12%	6 720
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		860	1 043	995	3	1 244	995	249	25%	995
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		649	25 331	25 689	49	1 250	25 689	(24 439)	-95%	25 689
Non-Exchange Revenue										
Property rates		57 450	62 160	57 645	(2 034)	59 519	57 645	1 874	3%	57 645
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 425	4 463	1 734	-	739	1 734	(995)	-57%	1 734
Licence and permits		862	1 088	775	3	914	775	140	18%	775
Transfers and subsidies - Operational		215 489	215 536	215 423	-	210 461	215 439	(4 978)	-2%	215 423
Interest		3 633	0	4 110	-	4 118	4 110	8	0%	4 110
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		9 386	0	0	-	-	0	(0)	-100%	0
Other Gains		-	0	0	-	-	0	(0)	-100%	0
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		334 809	358 739	355 107	(1 147)	321 151	355 123	(33 972)	-10%	355 107
Expenditure By Type										
Employee related costs		111 037	124 644	122 051	-	105 758	122 051	(16 293)	-13%	122 051
Remuneration of councillors		15 731	15 974	15 402	-	14 299	15 402	(1 103)	-7%	15 402
Bulk purchases - electricity		45 257	40 870	40 870	4 958	45 278	40 870	4 409	11%	40 870
Inventory consumed		891	2 046	2 201	156	827	2 201	(1 374)	-62%	2 201
Debt impairment		16 949	-	17 415	-	-	17 415	(17 415)	-100%	17 415
Depreciation and amortisation		40 486	37 000	37 000	-	-	37 000	(37 000)	-100%	37 000
Interest		199	0	300	-	-	300	(300)	-100%	300
Contracted services		59 228	51 147	52 453	8 599	54 431	52 453	1 979	4%	52 453
Transfers and subsidies		4 328	5 454	5 454	-	2 907	5 454	(2 547)	-47%	5 454
Irrecoverable debts written off		1 184	15 000	5 241	-	166	5 241	(5 075)	-97%	5 241
Operational costs		39 118	40 933	41 293	3 688	49 659	41 293	8 366	20%	41 293
Losses on Disposal of Assets		2 693	0	0	-	-	0	(0)	-100%	0
Other Losses		5	0	0	-	-	0	(0)	-100%	0
Total Expenditure		337 105	333 068	339 679	17 402	273 325	339 679	(66 354)	-20%	339 679
Surplus/(Deficit)		(2 296)	25 671	15 428	(18 549)	47 826	15 444	32 382	0	15 428
Transfers and subsidies - capital (monetary allocations)		53 269	37 961	60 961	-	27 227	60 961	(33 734)	(0)	60 961
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(0)	76 389
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(0)	76 389
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(0)	76 389
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(0)	76 389

1.4. Legal Requirement

In terms of section 52(d) of the MFMA, the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state affairs of the municipality.

1.5. IN-YEAR BUDGET STATEMENT TABLES – TABLE C1

0 - Table C1 Monthly Budget Statement Summary - M12 June

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	57 450	62 160	57 645	(2 034)	59 519	57 645	1 874	3%	57 645
Service charges	34 539	39 560	41 307	745	35 855	41 307	(5 452)	-13%	41 307
Investment revenue	8 907	8 150	6 720	20	5 890	6 720	(830)	-12%	6 720
Transfers and subsidies - Operational	215 489	215 536	215 423	—	210 461	215 439	(4 978)	(0)	215 423
Other own revenue	18 424	33 333	34 012	122	9 425	34 012	(24 587)	-72%	34 012
Total Revenue (excluding capital transfers and contributions)	334 809	358 739	355 107	(1 147)	321 151	355 123	(33 972)	-10%	355 107
Employee costs	111 037	124 644	122 051	—	105 758	122 051	(16 293)	-13%	122 051
Remuneration of Councilors	15 731	15 974	15 402	—	14 299	15 402	(1 103)	-7%	15 402
Depreciation and amortisation	40 486	37 000	37 000	—	—	37 000	(37 000)	-100%	37 000
Interest	199	0	300	—	—	300	(300)	-100%	300
Inventory consumed and bulk purchases	46 149	42 916	43 071	5 115	46 106	43 071	3 035	7%	43 071
Transfers and subsidies	4 328	5 454	5 454	—	2 907	5 454	(2 547)	-47%	5 454
Other expenditure	119 176	107 080	116 401	12 287	104 256	116 401	(12 145)	-10%	116 401
Total Expenditure	337 105	333 068	339 679	17 402	273 325	339 679	(66 354)	-20%	339 679
Surplus/(Deficit)	(2 296)	25 671	15 428	(18 549)	47 826	15 444	32 382	210%	15 428
Transfers and subsidies - capital (monetary allocations)	53 269	37 961	60 961	—	27 227	60 961	##	-55%	60 961
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	-2%	76 389
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	-2%	76 389
Capital expenditure & funds sources									
Capital expenditure	(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%	92 549
Capital transfers recognised	16 908	32 250	53 010	6 236	2 967	53 010	(50 043)	-94%	53 010
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	(25 717)	23 342	39 540	10 407	57 786	39 540	18 247	46%	39 540
Total sources of capital funds	(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%	92 549
Financial position									
Total current assets	151 764	202 537	128 214		161 030				128 214
Total non current assets	749 814	799 814	836 534		878 755				836 534
Total current liabilities	72 138	111 751	92 966		103 172				92 966
Total non current liabilities	1 508	875	1 788		1 508				1 788
Community wealth/Equity	861 552	889 925	888 678		935 517				888 678
Cash flows									
Net cash from (used) operating	(16 438)	81 222	26 789	(23 387)	(53 701)	76 435	130 137	170%	26 789
Net cash from (used) investing	—	(101 890)	(106 812)	—	—	(106 812)	(106 812)	100%	(106 812)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the month/year end	76 095	50 727	(5 793)	(23 387)	20 529	43 853	23 325	53%	(5 793)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1 641	935	669	380	331	292	279	15 818	20 346
Creditors Age Analysis									
Total Creditors	7 554	872	549	—	—	—	0	—	8 974

BUDGET SUMMARY ANALYSIS - TABLE C1

The year-to-date actual revenue (excluding capital transfers and contributions) is R321 million rands. The operating expenditure year to date is R273 million rands.

The total sources of capital combined amount to R60.7 million rands. The amount includes capital transfers from National, Provincial Treasuries and internally generated funding.

The financial position shows that the municipality holds total current assets of R161 million rands, the non-current assets amounts to R878 million rands. The current liabilities totals to R103 million rands and the non-current liabilities totals to R1.5 million rands. The net results shows an equity balance of R935 million rands.

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

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

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		318 055	301 691	320 619	(1 662)	288 207	320 619	(32 412)	-10%	320 619
Executive and council		46 128	37 961	37 961	-	27 227	37 961	(10 734)	-28%	37 961
Finance and administration		271 927	263 730	282 658	(1 662)	260 979	282 658	(21 679)	-8%	282 658
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 647	2 011	3 814	53	3 617	3 830	(214)	-6%	3 814
Community and social services		4 570	25	2 275	1	2 119	2 291	(172)	-8%	2 275
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 077	1 986	1 539	52	1 497	1 539	(42)	-3%	1 539
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		5 338	25 017	24 976	-	864	24 976	(24 113)	-97%	24 976
Planning and development		242	25 017	24 976	-	864	24 976	(24 113)	-97%	24 976
Road transport		5 096	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		58 037	67 980	66 659	745	55 974	66 659	(10 684)	-16%	66 659
Energy sources		55 820	65 245	63 873	745	53 089	63 873	(10 784)	-17%	63 873
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 217	2 735	2 785	-	2 885	2 785	100	4%	2 785
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	388 077	396 700	416 068	(863)	348 661	416 084	(67 423)	-16%	416 068
Expenditure - Functional										
<i>Governance and administration</i>		176 326	173 377	180 442	5 745	122 104	180 442	(58 338)	-32%	180 442
Executive and council		31 410	33 804	33 947	331	31 389	33 947	(2 558)	-8%	33 947
Finance and administration		141 634	136 656	143 432	4 055	86 146	143 432	(57 286)	-40%	143 432
Internal audit		3 282	2 917	3 063	1 359	4 569	3 063	1 506	49%	3 063
<i>Community and public safety</i>		34 872	39 359	39 382	1 772	32 202	39 382	(7 180)	-18%	39 382
Community and social services		17 229	22 384	22 566	1 741	14 925	22 566	(7 642)	-34%	22 566
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		17 643	16 975	16 816	31	17 278	16 816	462	3%	16 816
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		34 052	34 745	34 790	1 870	32 574	34 790	(2 215)	-6%	34 790
Planning and development		18 009	20 433	20 885	1 528	21 182	20 885	297	1%	20 885
Road transport		16 042	14 311	13 905	343	11 393	13 905	(2 512)	-18%	13 905
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		92 942	85 587	85 066	8 014	86 444	85 066	1 378	2%	85 066
Energy sources		76 485	68 757	68 446	7 797	69 485	68 446	1 039	2%	68 446
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 159	1 963	1 959	-	4 021	1 959	2 062	105%	1 959
Waste management		14 298	14 867	14 660	217	12 937	14 660	(1 723)	-12%	14 660
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	338 192	333 068	339 679	17 402	273 325	339 679	(66 354)	-20%	339 679
Surplus/ (Deficit) for the year		49 885	63 632	76 389	(18 265)	75 336	76 405	(1 068)	-0,013984	76 389

Table C3: Monthly Budget Statement_ Financial Performance

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

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Office Of The Municipal Manager		46 128	37 961	37 961	-	27 227	37 961	(10 734)	-28,3%	37 961
Vote 2 - Planning and Economic Development		50	25 274	25 014	-	706	25 014	(24 308)	-97,2%	25 014
Vote 3 - Budget and Treasury		271 755	262 824	258 800	(1 622)	260 527	258 800	1 727	0,7%	258 800
Vote 4 - Corporate and Community Service		6 399	7 037	6 559	12	6 181	6 575	(393)	-6,0%	6 559
Vote 5 - Technical Services		63 745	63 604	87 734	746	54 020	87 734	(33 714)	-38,4%	87 734
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-
Vote 7 - Community & Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	388 077	396 700	416 068	(863)	348 661	416 084	(67 423)	-16,2%	416 068
Expenditure by Vote	1									
Vote 1 - Office Of The Municipal Manager		17 811	19 356	19 780	1 698	20 559	19 780	779	3,9%	19 780
Vote 2 - Planning and Economic Development		18 009	20 413	20 848	1 528	21 182	20 848	334	1,6%	20 848
Vote 3 - Budget and Treasury		87 160	91 518	99 360	676	38 129	99 360	(61 232)	-61,6%	99 360
Vote 4 - Corporate and Community Service		62 932	71 130	71 470	3 087	65 298	71 470	(6 171)	-8,6%	71 470
Vote 5 - Technical Services		114 326	94 591	92 881	8 949	92 440	92 881	(441)	-0,5%	92 881
Vote 6 - Council And General		17 119	17 739	17 167	8	15 634	17 167	(1 533)	-8,9%	17 167
Vote 7 - Community & Social Services		19 185	16 302	16 220	1 456	18 628	16 220	2 409	14,8%	16 220
Vote 8 - Corporate Services		1 650	2 019	1 953	-	1 454	1 953	(499)	-25,5%	1 953
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	338 192	333 068	339 679	17 402	273 325	339 679	(66 354)	-19,5%	339 679
Surplus/ (Deficit) for the year	2	49 885	63 632	76 389	(18 265)	75 336	76 405	(1 068)	-1,4%	76 389

Table C4 Municipality Financial Performance

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

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

Description		Ref	2024/25	Budget Year 2025/26							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue											
Exchange Revenue											
Service charges - Electricity			32 858	37 183	38 837	745	33 535	38 837	(5 302)	-14%	38 837
Service charges - Water			-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management			-	-	-	-	-	-	-	-	-
Service charges - Waste management			1 681	2 377	2 470	-	2 320	2 470	(150)	-6%	2 470
Sale of Goods and Rendering of Services			810	236	241	67	455	241	214	89%	241
Agency services			-	-	-	-	-	-	-	-	-
Interest			19	0	0	-	-	0	(0)	-100%	0
Interest earned from Receivables			778	1 171	469	-	706	469	237	51%	469
Interest from Current and Non Current Assets			8 907	8 150	6 720	20	5 890	6 720	(830)	-12%	6 720
Dividends			-	-	-	-	-	-	-	-	-
Rent on Land			-	-	-	-	-	-	-	-	-
Rental from Fixed Assets			860	1 043	995	3	1 244	995	249	25%	995
Licence and permits			-	-	-	-	-	-	-	-	-
Special rating levies			-	-	-	-	-	-	-	-	-
Operational Revenue			649	25 331	25 689	49	1 250	25 689	(24 439)	-95%	25 689
Non-Exchange Revenue											
Property rates			57 450	62 160	57 645	(2 034)	59 519	57 645	1 874	3%	57 645
Surcharges and Taxes			-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			1 425	4 463	1 734	-	739	1 734	(995)	-57%	1 734
Licence and permits			862	1 088	775	3	914	775	140	18%	775
Transfers and subsidies - Operational			215 489	215 536	215 423	-	210 461	215 439	(4 978)	-2%	215 423
Interest			3 633	0	4 110	-	4 118	4 110	8	0%	4 110
Fuel Levy			-	-	-	-	-	-	-	-	-
Operational Revenue			-	-	-	-	-	-	-	-	-
Gains on disposal of Assets			9 386	0	0	-	-	0	(0)	-100%	0
Other Gains			-	0	0	-	-	0	(0)	-100%	0
Discontinued Operations			-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			334 809	358 739	355 107	(1 147)	321 151	355 123	(33 972)	-10%	355 107
Expenditure By Type											
Employee related costs			111 037	124 644	122 051	-	105 758	122 051	(16 293)	-13%	122 051
Remuneration of councillors			15 731	15 974	15 402	-	14 299	15 402	(1 103)	-7%	15 402
Bulk purchases - electricity			45 257	40 870	40 870	4 958	45 278	40 870	4 409	11%	40 870
Inventory consumed			891	2 046	2 201	156	827	2 201	(1 374)	-62%	2 201
Debt impairment			16 949	-	17 415	-	-	17 415	(17 415)	-100%	17 415
Depreciation and amortisation			40 486	37 000	37 000	-	-	37 000	(37 000)	-100%	37 000
Interest			199	0	300	-	-	300	(300)	-100%	300
Contracted services			59 228	51 147	52 453	8 599	54 431	52 453	1 979	4%	52 453
Transfers and subsidies			4 328	5 454	5 454	-	2 907	5 454	(2 547)	-47%	5 454
Irrecoverable debts written off			1 184	15 000	5 241	-	166	5 241	(5 075)	-97%	5 241
Operational costs			39 118	40 933	41 293	3 688	49 659	41 293	8 366	20%	41 293
Losses on Disposal of Assets			2 693	0	0	-	-	0	(0)	-100%	0
Other Losses			5	0	0	-	-	0	(0)	-100%	0
Total Expenditure			337 105	333 068	339 679	17 402	273 325	339 679	(66 354)	-20%	339 679
Surplus/(Deficit)			(2 296)	25 671	15 428	(18 549)	47 826	15 444	32 382	0	15 428
Transfers and subsidies - capital (monetary allocations)			53 269	37 961	60 961	-	27 227	60 961	(33 734)	(0)	60 961
Transfers and subsidies - capital (in-kind)			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(0)	76 389
Income Tax			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax			50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(0)	76 389
Share of Surplus/Deficit attributable to Joint Venture			-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(0)	76 389
Share of Surplus/Deficit attributable to Associate			-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions			-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year			50 972	63 632	76 389	(18 549)	75 053	76 405	(1 352)	(0)	76 389

TABLE C4: REVENUE BY SOURCE
1. Property rates

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

2. Service charges electricity

The actual revenue from service charges electricity is R33.5 million rands, the comparison against the adjusted budget of R38.8 million rands results in the variance of -14%. The reasons for variances are detailed in Section 2.7 of the Part 2 in this report.

3. Interest from Current and Non-Current Assets

The interest from current and non-current assets show the YTD actual figure of R5.8 million rands. The comparison against the adjusted budget of R6.7 million rands results in the variance of -12%. The reasons for variances are detailed in Section 2.7 of the Part 2 in this report.

4. Transfers and subsidies (Operational)

The transfers and subsidies allocations from the DoRA for three tranches of the current year are received and reflected in the grant register on Part 2 of this report. The original budget amounts to R215 million rands, the YTD actual figure is R210 million rands hence the variance amounts to -2%.

TABLE C4: EXPENDITURE BY TYPE

1. Employee related costs

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

2. Remuneration of Councillor's

The YTD actual for remuneration of councillors amounts to R14.2 million rands compared to adjusted budget amounting to R15.4 million rands, resulting in a variance of -7%. Details of expenditure is available on Part 2.

3. Debt impairment

The YTD actuals reflects R0 amounts, the actuals will be prepared during the compilation of interim AFS. The budget is adjusted to R17.4 million rands from a zero original budget.

4. Depreciation & asset impairment

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

5. Bulk purchases

The YTD actual for electricity bulk purchase figure amounts to R45.2 million rands, the original budget figure is R40.8 million rands hence the variance of 11%. The municipality pays the bulk account monthly and there are no interest charges on bulk account.

Monthly Budget Statement_ Capital Expenditure Table 5

0 - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
Multi-Year expenditure appropriation	2								
Vote 1 - Office Of The Municipal Manager		—	0	0	—	—	0	(0)	-100%
Vote 2 - Planning and Economic Development		—	0	0	—	6 666	0	6 666	###
Vote 3 - Budget and Treasury		—	348	348	—	—	348	(348)	-100%
Vote 4 - Corporate and Community Service		876	0	0	65	337	0	337	175508%
Vote 5 - Technical Services		(21 574)	50 191	66 033	16 578	54 226	66 033	(11 807)	-18%
Vote 6 - Council And General		709	0	0	—	—	0	(0)	-100%
Vote 7 - Community & Social Services		—	—	—	—	—	—	—	—
Vote 8 - Corporate Services		—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—
Total Capital Multi-year expenditure	4.7	(19 989)	50 539	66 382	16 644	61 230	66 382	(5 152)	-8%
Single Year expenditure appropriation	2								
Vote 1 - Office Of The Municipal Manager		—	0	0	—	—	0	(0)	-100%
Vote 2 - Planning and Economic Development		—	348	348	—	—	348	(348)	-100%
Vote 3 - Budget and Treasury		—	0	0	—	—	0	(0)	-100%
Vote 4 - Corporate and Community Service		98	0	0	—	13	0	12	3758%
Vote 5 - Technical Services		11 081	4 705	25 819	—	(880)	25 819	(26 699)	-103%
Vote 6 - Council And General		—	—	—	—	—	—	—	—
Vote 7 - Community & Social Services		—	0	0	—	391	0	391	1630108%
Vote 8 - Corporate Services		—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—
Total Capital single-year expenditure	4	11 179	5 053	26 168	—	(476)	26 168	(26 644)	-102%
Total Capital Expenditure		(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%
Capital Expenditure - Functional Classification									
Governance and administration		1 585	0	0	65	728	0	728	319382%
Executive and council		709	0	0	—	—	0	(0)	-100%
Finance and administration		876	0	0	65	728	0	728	379284%
Internal audit		—	—	—	—	—	—	—	—
Community and public safety		(15 043)	26 372	22 135	8 783	17 200	22 135	(4 935)	-22%
Community and social services		(20 862)	23 407	19 170	8 783	13 896	19 170	(5 274)	-28%
Sport and recreation		5 721	2 965	2 965	—	3 292	2 965	327	11%
Public safety		98	0	0	—	13	0	12	3057%
Housing		—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—
Economic and environmental services		(1 678)	28 805	70 000	7 795	42 825	70 000	(27 175)	-39%
Planning and development		(8 652)	348	348	—	6 666	348	6 319	1817%
Road transport		6 974	28 457	69 652	7 795	36 158	69 652	(33 494)	-48%
Environmental protection		—	—	—	—	—	—	—	—
Trading services		6 326	414	414	—	—	414	(414)	-100%
Energy sources		575	0	0	—	—	0	(0)	-100%
Water management		—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—
Waste management		5 752	414	414	—	—	414	(414)	-100%
Other		—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	3	(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%
Funded by:									
National Government		16 908	32 250	53 010	6 236	2 967	53 010	(50 042)	-94%
Provincial Government		(0)	0	0	—	—	0	(0)	-100%
District Municipality		—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		—	—	—	—	—	—	—	—
Transfers recognised - capital		16 908	32 250	53 010	6 236	2 967	53 010	(50 043)	-94%
Borrowing	6	—	—	—	—	—	—	—	—
Internally generated funds		(25 717)	23 342	39 540	10 407	57 786	39 540	18 247	46%
Total Capital Funding		(8 810)	55 592	92 549	16 644	60 754	92 549	(31 796)	-34%

The total capital expenditure year to date figure by functional classification stands at R60.7 million rands against original budget amount of R55.5 million rand and the variance of -34%. The budget is adjusted

to R92.5 million rands due to additional allocation from Provincial Treasury pertaining to Municipal Disaster Recovery Grant i.e. R23 million rands.

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

Table C6 – Monthly Budget Statement – Financial Position

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

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		74 230	51 849	28 587	61 284	28 587
Trade and other receivables from exchange transactions		9 988	10 218	14 084	8 456	14 084
Receivables from non-exchange transactions		36 308	84 007	29 784	52 604	29 784
Current portion of non-current receivables		—	—	—	—	—
Inventory		23 272	1 369	23 362	23 235	23 362
VAT		7 912	55 029	32 342	15 397	32 342
Other current assets		54	66	55	54	55
Total current assets		151 764	202 537	128 214	161 030	128 214
Non current assets						
Investments		—	—	—	—	—
Investment property		53 255	39 384	52 939	53 255	52 939
Property, plant and equipment		696 480	760 348	784 665	825 421	784 665
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		79	79	79	79	79
Intangible assets		—	3	(1 149)	—	(1 149)
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	0	0	—	0
Total non current assets		749 814	799 814	836 534	878 755	836 534
TOTAL ASSETS		901 577	1 002 350	964 748	1 039 785	964 748
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		20	20	20	20	20
Consumer deposits		2 216	1 803	1 894	2 460	1 894
Trade and other payables from exchange transactions		55 342	49 725	91 511	41 521	91 511
Trade and other payables from non-exchange transactions		49	0	49	38 964	49
Provision		13 375	13 054	13 375	13 375	13 375
VAT		1 136	47 149	(13 883)	6 833	(13 883)
Other current liabilities		—	—	—	—	—
Total current liabilities		72 138	111 751	92 966	103 172	92 966
Non current liabilities						
Financial liabilities		(20)	(20)	(20)	(20)	(20)
Provision		1 529	896	1 808	1 529	1 808
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		—	0	0	—	0
Total non current liabilities		1 508	875	1 788	1 508	1 788
TOTAL LIABILITIES		73 646	112 626	94 755	104 681	94 755
NET ASSETS	2	827 931	889 724	869 993	935 105	869 993
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		861 390	889 773	888 516	935 356	888 516
Reserves and funds		162	152	162	162	162
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	861 552	889 925	888 678	935 517	888 678

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

Table C7 – Monthly Budget Statement – Cash Flow

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

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	35 404	49 987	-	-	49 987	(49 987)	-100%	49 987
Service charges		6 537	33 949	42 292	-	-	42 292	(42 292)	-100%	42 292
Other revenue		-	31 683	61 343	-	-	61 343	(61 343)	-100%	61 343
Transfers and Subsidies - Operational		452 602	221 926	216 862	12 531	418 766	216 862	201 904	93%	216 862
Transfers and Subsidies - Capital		-	75 066	60 961	-	-	60 961	(60 961)	-100%	60 961
Interest		-	(19 952)	(47 300)	-	10 394	(47 300)	57 694	-122%	(47 300)
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(475 577)	(296 855)	(357 356)	(35 918)	(482 862)	(307 710)	175 152	-57%	(357 356)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(16 438)	81 222	26 789	(23 387)	(53 701)	76 435	130 137	170%	26 789
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(101 890)	(106 812)	-	-	(106 812)	(106 812)	100%	(106 812)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(101 890)	(106 812)	-	-	(106 812)	(106 812)	100%	(106 812)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		(16 438)	(20 668)	(80 023)	(23 387)	(53 701)	(30 376)			(80 023)
Cash/cash equivalents at beginning:		92 533	71 395	74 230	-	74 230	74 230			74 230
Cash/cash equivalents at month/year end:		76 095	50 727	(5 793)	(23 387)	20 529	43 853			(5 793)

The table C7 cash flow statement transactions from operating activities with a year to date actual figure of R53.7 million rands. The operating activities represent the amount used by the municipalities for core business operations such as property rates, service charges etc (under receipts) furthermore the operating activities reflects suppliers and employees etc (under payment) over the period under reporting. There are Rnil actual transactions under investing activities and financing activities.

PART 2 – SUPPORTING DOCUMENTATION

2.1 DEBTOR'S ANALYSIS

The table 2.1.1 shows the debtors ageing and the balance of debtor's book amounts to R134.8 million rands. Collection strategies are implemented by the municipality to encourage customers to settle the bills on time. Monthly statements are emailed to customers and electricity cut-off measure is implemented.

DEBTORS AGE ANALYSIS

TABLE 2.1.1.

June 2026 Age Analysis									
Totals per Service Type	Total Balance	Current Amount	30 Days Amount	60 Days Amount	90 Days Amount	120 Days Amount	150 Days Amount	180+ Days Amount	
Advance Payment	R -1 115 120,10	R -1 115 120,10	R -	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 27,64	R -	R -	R -	R -	R -	R -	R -	R 27,64
Deposit: Waste Disposal	R 2 000,00	R -	R -	R -	R -	R -	R -	R -	R 2 000,00
Electricity Basic	R 906 825,96	R 177 385,71	R 68 407,67	R 50 896,18	R 35 037,61	R 34 201,74	R 29 634,71	R 511 262,34	
Electricity Metered	R 6 041 916,70	R 2 585 518,45	R 926 901,31	R 666 218,13	R 417 030,61	R 110 668,79	R 116 555,90	R 1 219 023,51	
Market stalls	R 1 151 614,56	R 20 518,28	R 19 697,38	R 19 254,41	R 18 819,62	R 17 631,08	R 16 983,17	R 1 038 710,62	
OFFICE RENTAL	R 235 674,31	R 18 182,59	R 18 070,29	R 17 994,83	R 14 453,53	R 12 183,63	R 12 108,72	R 142 680,72	
Plaza Market Stalls	R 271 594,42	R 9 649,66	R 8 665,43	R 8 390,58	R 8 123,76	R 7 973,69	R 7 828,20	R 220 963,10	
Property Rates	R 112 167 808,93	R 492 891,78	R 413 399,96	R 4 286 883,14	R 3 685 953,10	R 3 616 001,08	R 3 573 071,34	R 96 099 608,53	
Rent (M001)	R 803 277,18	R 31 880,52	R 30 369,19	R 24 311,81	R 24 215,03	R 24 095,88	R 23 960,84	R 644 443,91	
Repay: Waste Disposal	R 25 963,42	R -	R -	R -	R -	R -	R -	R 25 963,42	
Signs (M001)	R 1 119,59	R -	R -	R -	R -	R -	R -	R 1 119,59	
Stall rental	R 31 302,86	R 2 022,01	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 28 624,75	
Sundries (VAT)	R 17 199,70	R 8 728,85	R 2 728,61	R 2 710,79	R 2 710,54	R 320,91	R -	R -	
Tampering Fee	R 474 350,85	R -	R -	R -	R -	R 27 508,59	R 14 443,79	R 432 398,47	
Traffic Fines	R 4 806 021,02	R 77 450,00	R 61 300,00	R 53 300,00	R 60 400,00	R 66 200,00	R 35 400,00	R 4 451 971,02	
Traffic Fines (M001)	R 1 734 180,76	R -	R -	R -	R -	R -	R -	R 1 734 180,76	
Waste Disposal	R 7 282 627,57	R 256 628,15	R 149 471,98	R 132 065,38	R 123 113,91	R 113 233,30	R 103 994,79	R 6 404 120,06	
Total	R 134 838 385,37	R 2 565 735,90	R 1 699 143,04	R 5 262 156,47	R 4 389 988,93	R 4 030 149,91	R 3 934 112,68	R 112 957 098,44	

Table: 2.1.2

The debtors age decreased by R10.5 million rands in the current month.

Debtors Age Growth Variance - June 2026												
	July	August	September	October	November	December	January	February	March	April	May	June
Month	R121 393 499,67	R 117 853 949,71	R 124 044 995,90	R 120 920 953,29	R 127 702 016,87	R131 742 915,54	R136 071 045,01	R 137 230 390,85	R 140 635 094,32	R 146 410 439,76	R 145 417 795,05	R134 838 385,37
Variance		-R 3 539 549,96	R 6 191 046,19	-R 3 124 042,61	R 6 781 063,58	R 4 040 898,67	R 4 328 129,47	R 1 159 345,84	R 3 404 703,47	R 5 775 345,44	-R 992 644,71	-R 10 579 409,68

DEBT COLLECTION RATES

Collection Table 2.1.3.

Cash Collected for each Revenue Source via Billing (June 2026)				
	Cash collection	Ageing - June 2026	Collection rate per BT	Billed revenue - June 2026
Rates	R -6 739 503,10	R 112 167 808,93	-6%	
Electricity	R -2 470 840,33	R 6 948 742,66	-36%	R 2 874 185,30
Refuse	R -221 631,81	R 7 310 590,99	-3%	R 271 688,97
Stalls Rental , Traffic fines & Tar	R -97 144,44	R 8 183 366,89	-1%	R 81 757,31
Other Rentals	R -	R 1 342 968,36	0%	R -
Advance payments	R -693 033,75	R -1 115 092,46	62%	R -
Unallocated Payments	R 1 000,00			R -
TOTAL CASH RECEIVED	R 10 221 153,43	R 134 838 385,37		R 3 227 631,58
Total Ageing	R 134 838 385,37		May 2026 Billing	R 3 018 522,60
Total debtors' payments	R 10 221 153,43		June 2026 Payments	R 10 221 153,43
		8%		339%

Cash collected under the reporting period amounts to R10.2 million rands resulting in collection rate of 8%. The comparison to the previous month billing against current month payments results to 339% collection rate, which is significantly above the norm of 95%.

DEBTOR'S RATIOS

Ratios table 2.1.4.

June 2026 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	428	Collection Rate
(((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	7180,19	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	6,93	Revenue Growth (%)

Collection rates stand at 428% using the ratios as provided by National Treasury circular 71. The net debtors' days are increased to 7 180.19 against the days reported in the preceding month. It means that it takes the municipality above 10 years to collect the current debt, the debtors' days signal cash flow challenges to fund certain expenditure items.

INDIGENT DEBTORS' STATUS

The indigent debtor registration period for the 2026/27 year started in February and the closed in May 2026. The final register is sent to council for approval.

ELECTRICITY LOSSES

The electricity losses for the period under review amounts to R5.2 million rands which translate to kWh losses of 21.59%. The municipality through the management committee considered a decision to engage in a competitive bidding process in sourcing a service provider that will assist with all electricity challenges. There is no award as yet.

Table 2.1.5. Electricity distribution loss (units)

CREDITORS REPORT FOR JUNE 2026

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

No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDINGS6033862343	FREE BASIC ELECTRICITY (FBE)	R 402 994,19
	ESKOM HOLDINGS6126932137	POTSOANA LIBRARY	R 1 962,18
	ESKOM HOLDINGS6916174790	TOWN BOARD LIBRARY NONDWENI	R 7 916,37
	ESKOM HOLDINGS9253164668	NGOLOKODO LIBRARY	R 5 901,20
	ESKOM HOLDINGSBULK8848733513	BULK ELECTRICITY PURCHASES	R 5 702 116,28
			R 6 120 890,22
2	NTSHIDI AND ASSOCIATES CC	INTERNAL AUDIT FEES (THIRD AND FOURTH VISIT)	R 830 155,10
	NTSHIDI AND ASSOCIATES CC	INTERNAL AUDIT FEES (SECOND VISIT)	R 732 750,10
			R1 562 905,20
3	COMPENSATION FUND	FINAL ASSESSMENT 2025 AND PROVISIONAL ASSESSMENT 2026	R 944 977,90
			R 944 977,90
4	NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	PROVISION OF FINANCIAL SUPPORT AND INTERIM AFS (MARCH-APRIL 2026)	R 700 924,20
			R 700 924,20
5	OCEAN DAWN TRADING	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR APRIL 2026	R 248 766,39
	OCEAN DAWN TRADING	PROVISION OF ARMED AND UNARMED SECURITY GUARDS AT MADULADULA HORSE RACING	R 8 280,00
	OCEAN DAWN TRADING	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MAY 2026	R 248 766,39
			R 505 812,78

6	AROS PROTECTION SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MAY 2026	R 248 766,39
	AROS PROTECTION SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR APRIL 2026	R 248 766,39
			R 497 532,78
7	FEZILE SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MAY 2026	R 248 766,39
	FEZILE SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR APRIL 2026	R 248 766,39
			R 497 532,78
8	GARDASA SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MAY 2026	R 248 766,39
	GARDASA SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR APRIL 2026	R 248 766,39
			R 497 532,78
9	SIPHILE SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MAY 2026	R 248 766,39
	SIPHILE SECURITY SERVICES	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR APRIL 2026	R 248 766,39
			R 497 532,78
10	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MAY 2026	R 248 766,39
	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR APRIL 2026	R 248 766,39
			R 497 532,78

CREDITORS AGE ANALYSIS: TABLE 2.2.2

CREDITORS ACCOUNT RECONCILIATION REPORT MONTH ENDING JUNE 2026	
Total Balances as per EMS INVOICE AGE ANALYSIS REPORT	
	R 5 764 514,77
AGE ANALYSIS TOTAL AMOUNT:	
	R 5 764 514,77
CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT	
	R 5 764 514,77
AGED ANALYSIS Current (Transactions below 30 days) <30 Days <60 Days <90 Days <120 Days <150 Days <180 Days >180 Days R 5 764 514,77 R 0,00 R 5 252 946,00 R 262 502,33 R 249 066,39 R 0,00 R 0,00 R 0,00 R 0,05	

ANIMAL POUND EXPENDITURE

The excerpt below shows the expenditure to date on the contracted services offered in respect of the catching roaming animals around town. The total invoices paid since July 2025 amounts to R276 thousand rands.

ANIMAL POUNDING EXPENDITURE - JUNE 2026			
Payment Date	Pay Value	Supplier Code	Supplier Name
01-08-2025	R 17 250,00	2133	COW CATCHERS
17-02-2026	R 17 250,00	2133	COW CATCHERS
18-03-2026	R 17 250,00	2133	COW CATCHERS
15-04-2026	R 17 250,00	2133	COW CATCHERS
05-06-2026	R 17 250,00	2133	COW CATCHERS
05-06-2026	R 17 250,00	2133	COW CATCHERS
26-06-2026	R 17 250,00	2133	COW CATCHERS
18-09-2025	R 17 250,00	2133	COW CATCHERS
25-07-2025	R 17 250,00	2133	COW CATCHERS
25-07-2025	R 17 250,00	2133	COW CATCHERS
25-07-2025	R 17 250,00	2133	COW CATCHERS
31-10-2025	R 17 250,00	2133	COW CATCHERS
07-11-2025	R 17 250,00	2133	COW CATCHERS
25-07-2025	R 17 250,00	2133	COW CATCHERS
19-12-2025	R 17 250,00	2133	COW CATCHERS
29-01-2026	R 17 250,00	2133	COW CATCHERS
	R 276 000,00		

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 R63.9 million rands to date, thus the investment balance decreased to R43.4 million rands.

Table 2.3.1. Investment register for the period ending 30 June 2026

INVESTMENT REGISTER- JUNE 2026						
INSTITUTION	BALANCE	CURRENT YEAR INVESTMENT	INTEREST RECEIVED	WITHDRAWAL	BANK CHARGES	BALANCE
NEDBANK (3)	R 1 330,19	R -	R 76,19	R -	R -	R 1 406,38
ABSA CALL (5892)	R 16 552 594,49	R 5 680 720,54	R 1 062 160,16	R 23 168 641,64	R -	R 126 833,55
ABSA (1394) HOUSING A/C	R 2 023 002,85	R -	R 113 781,60	R -	R -	R 2 136 784,45
ABSA (4328)	R 24 857,33	R -	R 1 396,55	R -	R 450,00	R 25 803,88
ABSA (5014)	R 96 511,20	R -	R 5 622,56	R -	R -	R 102 133,76
FNB CALL (1408)	R 10 845 156,72	R -	R 713 820,73	R -	R 1 062,00	R 11 557 915,45
STANDARD BANK 014	R 7 756,20	R -	R 389,35	R -	R -	R 8 145,55
STANDARD BANK 063	R 27 549 828,32	R -	R 1 953 573,55	R -	R -	R 29 503 401,87
STANDARD BANK 069	R 16 236 626,89	R -	R 1 173 073,33	R 17 409 700,22	R -	R -
STANDARD BANK 070	R -	R 23 000 000,00	R 421 089,04	R 23 421 089,04	R -	R -
TOTAL	R 73 337 664,19	R 28 680 720,54	R 5 023 894,02	R 63 999 430,90	R 1 512,00	R 43 462 424,89

Table 2.3.2. Investment growth table

Growth variance- investment balances 2026												
	July	August	September	October	November	December	January	February	March	April	May	June
Balance	R73 337 664,19	R 73 480 259,08	R73 816 142,76	R 79 828 199,59	R 80 179 998,28	R80 946 687,89	R81 286 104,25	R81 626 952,99	R 82 247 501,96	R105 605 240,96	R 83 279 655,18	R 43 462 424,89
Variance		R 152 594,89	R 325 883,68	R 6 012 056,83	R 351 798,69	R 766 689,61	R 339 416,36	R 340 848,74	R 620 548,97	R 23 357 739,00	R 22 325 585,78	R 39 817 230,29

The table 2.3.2. shows the movement in the investment balances. The growth on investments is shown through the comparisons of the preceding month balance against the following month balance. In June the variance is R39.8 million rands.

Table 2.3.3. Investment withdrawal table

INVESTMENT WITHDRAWALS - JUNE 2026				
DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO	WITHDRAWAL REASON
04-Jul-25	ABSA 5892	R 500 000,00	ABSA 2762	Insufficient funds to pay for normal operations
17-May-26	ABSA 5892	R 22 668 641,64	ABSA 2762	Insufficient funds to pay for normal operations
10-Jun-26	STD 070	R 23 421 089,04	ABSA 2762	Insufficient funds to pay for normal operations
10-Jun-26	STD 069	R 17 409 700,22	ABSA 2762	Insufficient funds to pay for normal operations
		R 63 999 430,90		

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 withdrawals amounting to R63.9 million rands.

Table 2.3.2 Bank Balance (Primary account)

Bank balance for primary account reflects the amount of R311 thousand rands for the month under review.

BANK RECONCILIATION (PRIMARY ACCOUNT) 4053562762	
Details	Amount
Cash book balance as at 30 June 2026	R311 266,23
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 June 2026	R311 266,23

Bank balance for grant account reflects the amount of R102 thousand rands for the month under review.

BANK RECONCILIATION (GRANTS ACCOUNT)	
Details	Amount
Cash book balance as at 30 June 2026	R102 133,76
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 June 2026	R102 133,76

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 30 June 2026

Grant register Table 2.4.1

SUMMARY OF GRANTS RECEIVED AND EXPENDITURE TO DATE - JUNE 2026							
	Grant Type	Dora/Prov Allocation for year	Received 2025/26	Spent & transferred to income 2025/26	Balance as at 2025/26	Available funds/not committed 2025/26	% spending
National Grants operational	Eletrification(INEP)	(20 000 000,00)	(18 451 000,00)	18 451 000,00	-	-	100%
	FMG	(1 900 000,00)	(1 900 000,00)	1 783 192,40	(116 807,60)	(116 807,60)	94%
	EPWP	(1 639 008,00)	(1 936 000,00)	1 936 000,00	-	-	100%
National Grants Capital	MIG	(37 961 004,00)	(37 961 000,00)	37 961 000,00	0,00	0,00	100%
	Disaster relief grant	(23 000 000,00)	(23 000 000,00)	-	(23 000 000,00)	(23 000 000,00)	0%
KZN Grants Operational	Cybercadet		(554 000,00)	554 000,00	-	-	100%
	Library Modular		(1 560 000,00)	1 560 000,00	-	-	100%
	Library Volunteer		(124 000,00)	96 000,00	(28 000,00)	(28 000,00)	77%
	Library support	(4 493 000,00)	(2 142 000,00)	2 142 000,00	(0,00)	(0,00)	100%
TOTALS		(88 993 012,00)	(87 628 000,00)	64 483 192,39	(23 144 807,61)	(23 144 807,61)	

The grants spending is as follows:

1. INEP is fully spent at 100%.
2. MIG grant 100% spent.
3. FMG 94% spent.
4. EPWP spent 100%.
5. Library support 100%
6. Cybercadet 100%
7. Library modular 100%
8. Library volunteer 77%

The lowest spent grant is the library volunteer at 77% owing to late allocation of the funds that occurred in October 2025 hence the low spending. The municipality received an amount of R1 142 000.00 in respect of library support grant for the maintenance and repairs of two libraries.

The additional Expanded Public Works Programme (EPWP) grant was received amounting to R297 000.00.

The total grant funding received amounts to R87.6 million rands. The total grant expenditure to date amounts to R64.4 million rands.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

The employee benefits figure for the month under reporting amount to R113 million rands. The staff establishment was adopted by council in the last quarter of the previous financial year which will impact the staff benefits. Councillor allowances expenditure amounts to R 15.7 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 June 2026		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R 91 550 207,00	R 79 501 230,62
Contributions to pension funds	R 11 886 283,00	R 10 660 651,63
Contributions to medical aids	R 2 377 963,00	R 3 920 754,45
Contributions to UIF	R 626 907,00	R 581 236,33
Contributions to SDL	R 964 369,00	R 943 511,14
Travel, motor car	R 4 209 576,00	R 5 342 103,07
Salga	R 40 066,00	R 42 958,65
Housing benefits and allowances	R 749 160,00	R 227 024,62
Cellphone Allowance	R -	R -
Overtime payments	R 1 913 336,00	R 2 971 726,77
Bonuses	R 6 321 148,00	R 5 677 225,03
Other leave & long service	R 624 578,00	R 1 185 780,51
Allowances (Standby and Drivers Allowance)	R 1 796 316,00	R 2 695 857,26
Totals	R 123 059 909,00	R 113 750 060,08
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R 14 129 290,00	R 14 420 857,69
Cellphone/Data Allowance	R 2 298 473,00	R 1 157 686,68
Contributions to SDL	R 40 995,00	R 150 393,19
Totals	R 16 468 758,00	R 15 728 937,56

2.6 SCM REPORTS

INVENTORY

The municipality inventory levels are controlled through stock issues at the stores and recons are performed monthly to ensure that all inventory items are accounted for. Monthly reconciliations are performed to ensure that inventory items are accounted for. The inventory reconciliation below shows a balance brought forward of R1.1 million rands. The receipts amounts to R92 thousand rands and there are inventories issued amounting to R198 thousand rands. The inventory closing balance after all movements considered amounts to R1 million rands.

Table 2.6.1. Inventory reconciliation

INVENTORY RECONCILIATION - JUNE 2026	
INVENTORY MODULE	
OPENING BALANCE AS PER INVENTORY REPORT	R 1 163 627,83
ADD: TOTAL RECEIPTS	R 92 850,00
Inventory purchases for the month	R 92 850,00
LESS: TOTAL ISSUES	(R 198 451,36)
Inventory issued from stores during the month Journal : Capitalisation of asset	(R 198 451,36)
ADJUSTMENTS	R 0,00
Add: stock surplus identified during the month Less: Stock losses identified during the month	R 0,00
CLOSING BALANCE AS PER INVENTORY REPORT	R 1 058 026,47
GENERAL LEDGER VOTE BALANCE:	R 1 058 027,20

IRREGULAR & FRUITLESS EXPENDITURE

The municipality incurred the irregular expenditure amounting to R11.2 million rands for operational expenditure and R28.9 million rands for the month under reporting, hence the total irregular expenditure amounts to R40.2 million rands to date.

Table 2.6.2 Unauthorised and irregular expenditure summary

QUARTER 3-4 -MARCH 2026 IRREGULAR EXPENDITURE				
MONTH No.	MONTH NAME	EXPENDITURE TYPE		
OPENING BALANCE		OPERATIONAL	CAPITAL	MONTHLY TOTALS
		R 10 547 259,82	R 23 665 702,37	
7	January	R 166 276,07	R 819 558,03	R 985 834,10
8	February	R 172 676,11	R 2 020 468,00	R 2 193 144,11
9	March	R 361 382,76	R 2 481 248,63	R 2 842 631,39
CLOSING BALANCE		R 11 247 594,76	R 28 986 977,03	R 40 234 571,79
	TOTAL UIFW EXPENDITURE		R 40 234 571,79	

FRUITLESS EXPENDITURE

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

Fruitless expenditure balance for the period ending 30 June 2026

Annexure C Demarcation Board Code: KZN242 Register for Fruitless and wasteful Expenditure Year Ended 30 June 2026		Financial Year 2025/ 2026 Nquthu Local Municipality Month June	
Description	Payment/EFT no.	Amount	
Other- Penalty fees paid in Aug 2024			R86 881,80
Compensation Fund- Sec83(6) Penalty	#79477	71 916,25	
NJMPF-Super Annuation- Interest on salary investigation	#79568	14 564,55	
NJMPF-Super Annuation- Penalty 2023	#79567	30,63	
NJMPF-Penalty 2023-Provident	#79566	370,37	
Other -Driving Licences			R118,36
Penalty on late invoice payment	#81081	R118,36	
Arrears on late payment		R0,00	
TOTAL as @ 30 June 2026			R 87 000,16

DEVIATIONS

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

2.7 MATERIAL VARIANCES TO SDBIP

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

0 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	Variance reasons
R thousands										
Revenue										
Exchange Revenue										
Operational Revenue		649	25 331	25 689	1 250	25 689	(24 439)	-95%	25 689	Budget projections to be reviewed going forward.
Fines, penalties and forfeits		1 425	4 463	1 734	739	1 734	(995)	-57%	1 734	Budget was revised downwards to align with the current trends in fines revenue taking into consideration the magistrate fines write-off impact.
Service charges - Electricity		32 858	37 183	38 837	33 535	38 837	(5 302)	-14%	38 837	The trends in the past supported the original budget and variance is studied to ensure accurate budget projection in the coming year
Interest from Current and Non Current Assets		8 907	8 150	6 720	5 890	6 720	(830)	-12%	6 720	The budget was revised downward to align actual interest with the budget. The investment balance impacts the interest actuals.
Licence and permits		862	1 088	775	914	775	140	18%	775	The revised budget is aligned to issued licences and anticipated issuance of permits.
Interest earned from Receivables		778	1 171	469	706	469	237	51%	469	The interest on outstanding balances was adjusted however the actuals exceeded the adjustment. New trend is considered for future projection.
Sale of Goods and Rendering of Services		810	236	241	455	241	214	89%	241	The service charges are dependent on billable accounts supported by meter readings, the trends in the past supported the original budget and variance is
Expenditure By Type										
Debt impairment		16 949	-	17 415	-	17 415	(17 415)	-100%	17 415	The budget is adjusted from zero whereas the actuals are not yet finalised. The figures will be concluded during the preparation of final AFS.
Depreciation and amortisation		40 486	37 000	37 000	-	37 000	(37 000)	-100%	37 000	There is no calculation finalised yet. Figures will be updated on finalisation of interim AFS.
Irrecoverable debts written off		1 184	15 000	5 241	166	5 241	(5 075)	-97%	5 241	The figure represents the indigent customers rebate granted, hence the adjustment decrease of the original budget. There are debts written off in June.
Inventory consumed		891	2 046	2 201	827	2 201	(1 374)	-62%	2 201	Inventory items are classified and moved with a journal since there are items that are allocated to this line item incorrectly owing to configurations in the system.
Operational costs		39 118	40 933	41 293	49 659	41 293	8 366	20%	41 293	The operational costs budget is slightly adjusted downward since the anticipated expenditure is expected to match the provided budget.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

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

Section 52(d) 4th Quarter Report – 30 June 2026

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

Name : Mr Mpumelelo B. Jiyane

Designation : Municipal Manager of Nquthu Municipality (KZN 242)

Signature: : 

Date : 06/07/2026