NQUTHU MUNICIPALITY (KZN 242)

MONTHLY BUDGET STATEMENT FOR MONTH ENDING

31 MAY 2026

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ACCRONYMS

MBRR – Municipal Budget Reporting Regulations
YTD – Year to Date
RMC – Risk Management Committee
SDBIP - Service Delivery Budget Implementation Plan
MFMA – Municipal Finance Management Act (Act 56 of 2003)
IYR- In Year Reporting

1.1. MAYORS' REPORT

The Section 71 report for the period under review denotes the proximity to the end of the financial year as the following month of June is the final month of the financial year 2025/26. The May monthly budget statement report entails accumulated year to date figures reflecting the performance of expenditure against revenues generated. The report follows through the prescripts of the MBRR thereby detailing all C-schedule tables and additional information that encompasses the detailed reports of actual financial performance. The emphasis is placed on actual expenditure incurred and revenue generated to date with an aim to ensure compliance with budgetary requirements.

The council of Nquthu supports clean administration and governance through improved compliance with financial management legislations. The cost-drivers are detailed in Part 2 to highlight the areas where on the municipality expends significantly. Essentially the municipality ensures that all expenditure is authorised and within appropriated funds in the budget. The investment drivers include the sale and development of sites within Nquthu town, and the attempt to keep the investment balance above R100 million at close of the financial year.

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

Operational Budget

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

- Total revenue – the C4-schedule generates actual figures compared to budgeted figures. Total revenue amounts to R322 million rands with a variance of -1% based on comparison with approved adjustment budget of R355 million rands.
- Bulk electricity – actual figure amounts to R40.3 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

The capital expenditure spending for the reporting period amounts to R42.5 million rands. Grant register is affixed to provide further details on capital expenditure.

Cash Flow

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

Risk Management – Financial risks

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

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

Mid-year assessment Review – adjustment budget recommendation

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

Other matters

- **Audit matter**

The 24-25 audit report was tabled in council on 30 January 2026. The internal audit unit is conducting audit and several internal audit reports are issued for the attention 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, thereby showing a loss of 9.66% in rand value loss and 21.23% in kilowatt loss. The mitigation attempts are underway, including the initiative to appoint a service provider to implement an all-encompassing approach that spans from metering, auditing, tempering to revenue generation.

1.2. RESOLUTIONS

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

a) That council notes the MFMA Section 71 monthly budget monitoring report and the supporting documentation.

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

1.3. EXECUTIVE SUMMARY

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

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

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

PART 1

1.4. IN-YEAR BUDGET STATEMENT TABLES

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

Choose name from list - Table C1 Monthly Budget Statement Summary - M11 May

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	57 450	62 160	57 645	–	61 553	52 899	8 653	16%	57 645
Service charges	34 539	39 560	41 307	3 319	35 110	37 874	(2 764)	-7%	41 307
Investment revenue	8 907	8 150	6 720	386	5 870	6 160	(290)	-5%	6 720
Transfers and subsidies - Operational	215 489	215 536	215 423	1 800	210 461	197 597	12 865	0	215 423
Other own revenue	18 424	33 333	34 012	787	9 304	31 069	(21 765)	-70%	34 012
Total Revenue (excluding capital transfers and contributions)	**334 809**	**358 739**	**355 107**	**6 292**	**322 297**	**325 600**	**(3 302)**	**-1%**	**355 107**
Employee costs	111 037	124 644	122 051	8 981	105 421	111 766	(6 345)	-6%	122 051
Remuneration of Councillors	15 731	15 974	15 402	1 746	14 299	14 118	180	1%	15 402
Depreciation and amortisation	40 486	37 000	37 000	–	–	33 917	(33 917)	-100%	37 000
Interest	199	0	300	–	–	240	(240)	-100%	300
Inventory consumed and bulk purchases	46 149	42 916	43 071	4 012	40 991	39 400	1 591	4%	43 071
Transfers and subsidies	4 328	5 454	5 454	639	2 907	5 000	(2 093)	-42%	5 454
Other expenditure	119 176	107 080	116 401	6 268	91 730	106 290	(14 560)	-14%	116 401
Total Expenditure	**337 105**	**333 068**	**339 679**	**21 646**	**255 347**	**310 730**	**(55 384)**	**-18%**	**339 679**
Surplus/(Deficit)	**(2 296)**	**25 671**	**15 428**	**(15 353)**	**66 951**	**14 869**	**52 081**	**350%**	**15 428**
Transfers and subsidies - capital (monetary allocations)	53 269	37 961	60 961	–	27 227	52 048	###	-48%	60 961
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**50 972**	**63 632**	**76 389**	**(15 353)**	**94 178**	**66 917**	**27 261**	**41%**	**76 389**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**50 972**	**63 632**	**76 389**	**(15 353)**	**94 178**	**66 917**	**27 261**	**41%**	**76 389**
Capital expenditure & funds sources									
Capital expenditure	**(8 810)**	**55 592**	**92 549**	**6 268**	**42 534**	**77 599**	**(35 065)**	**-45%**	**92 549**
Capital transfers recognised	16 908	32 250	53 010	2 397	(3 791)	43 691	(47 482)	-109%	53 010
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**(25 717)**	**23 342**	**39 540**	**3 871**	**46 324**	**33 908**	**12 417**	**37%**	**39 540**
Total sources of capital funds	**(8 810)**	**55 592**	**92 549**	**6 268**	**42 534**	**77 599**	**(35 065)**	**-45%**	**92 549**
Financial position									
Total current assets	151 764	202 537	128 214		205 328				128 214
Total non current assets	749 814	799 814	836 534		860 535				836 534
Total current liabilities	72 138	111 751	92 966		109 713				92 966
Total non current liabilities	1 508	875	1 788		1 508				1 788
Community wealth/Equity	**861 552**	**889 925**	**888 678**		**954 643**				**888 678**
Cash flows									
Net cash from (used) operating	(16 438)	81 222	26 789	(12 435)	(15 079)	62 356	77 435	124%	26 789
Net cash from (used) investing	–	(101 890)	(106 812)	–	–	(86 436)	(86 436)	100%	(106 812)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**76 095**	**50 727**	**(5 793)**	**(12 435)**	**59 151**	**50 150**	**(9 001)**	**-18%**	**(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	3 961	745	444	419	395	381	331	15 738	22 414
Creditors Age Analysis									
Total Creditors	2 512	2 255	1 000	–	–	5	30	–	5 802

BUDGET SUMMARY ANALYSIS - TABLE C1

The year-to-date actual revenue (excluding capital transfers and contributions) is R322 million rands. The operating expenditure year to date is R255 million rands.

The total sources of capital combined amount to R42.5 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 R205 million rands, the non-current assets amounts to R860 million rands. The current liabilities totals to R109 million rands and the non-current liabilities totals to R1.5 million rands. The net results shows an equity balance of R954 million rands.

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

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**318 055**	**301 691**	**320 619**	**946**	**289 868**	**290 017**	(149)	0%	**320 619**
Executive and council		46 128	37 961	37 961	–	27 227	34 798	(7 570)	-22%	37 961
Finance and administration		271 927	263 730	282 658	946	262 641	255 219	7 421	3%	282 658
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**6 647**	**2 011**	**3 814**	**133**	**3 564**	**3 575**	(12)	0%	**3 814**
Community and social services		4 570	25	2 275	5	2 118	2 165	(46)	-2%	2 275
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		2 077	1 986	1 539	128	1 446	1 411	35	2%	1 539
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**5 338**	**25 017**	**24 976**	**20**	**864**	**22 895**	(22 031)	-96%	**24 976**
Planning and development		242	25 017	24 976	20	864	22 895	(22 031)	-96%	24 976
Road transport		5 096	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**58 037**	**67 980**	**66 659**	**5 194**	**55 229**	**61 160**	**(5 931)**	-10%	**66 659**
Energy sources		55 820	65 245	63 873	4 950	52 344	58 597	(6 253)	-11%	63 873
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		2 217	2 735	2 785	244	2 885	2 563	322	13%	2 785
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**388 077**	**396 700**	**416 068**	**6 292**	**349 525**	**377 647**	**(28 122)**	**-7%**	**416 068**
Expenditure - Functional										
Governance and administration		**176 326**	**173 377**	**180 442**	**9 322**	**116 119**	**165 262**	(49 142)	-30%	**180 442**
Executive and council		31 410	33 804	33 947	2 705	31 058	31 115	(57)	0%	33 947
Finance and administration		141 634	136 656	143 432	6 561	81 851	131 339	(49 488)	-38%	143 432
Internal audit		3 282	2 917	3 063	56	3 210	2 808	402	14%	3 063
Community and public safety		**34 872**	**39 359**	**39 382**	**2 670**	**30 406**	**35 636**	(5 229)	-15%	**39 382**
Community and social services		17 229	22 384	22 566	1 110	13 159	20 221	(7 062)	-35%	22 566
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		17 643	16 975	16 816	1 560	17 247	15 415	1 832	12%	16 816
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**34 052**	**34 745**	**34 790**	**2 438**	**30 704**	**31 802**	(1 098)	-3%	**34 790**
Planning and development		18 009	20 433	20 885	1 470	19 654	19 137	517	3%	20 885
Road transport		16 042	14 311	13 905	968	11 050	12 665	(1 616)	-13%	13 905
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**92 942**	**85 587**	**85 066**	**7 215**	**78 117**	**78 031**	**86**	0%	**85 066**
Energy sources		76 485	68 757	68 446	5 688	61 375	62 583	(1 208)	-2%	68 446
Water management		–	–	–	–	–	–	–		–
Waste water management		2 159	1 963	1 959	371	4 021	1 799	2 222	123%	1 959
Waste management		14 298	14 867	14 660	1 156	12 720	13 648	(928)	-7%	14 660
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**338 192**	**333 068**	**339 679**	**21 646**	**255 347**	**310 730**	**(55 384)**	**-18%**	**339 679**
Surplus/ (Deficit) for the year		**49 885**	**63 632**	**76 389**	**(15 353)**	**94 178**	**66 917**	**27 261**	**0,4073877**	**76 389**

Table C3: Monthly Budget Statement_ Financial Performance

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Office Of The Municipal Manager		46 128	37 961	37 961	–	27 227	34 798	(7 570)	-21,8%	37 961
Vote 2 - Planning and Economic Development		50	25 274	25 014	4	706	22 930	(22 224)	-96,9%	25 014
Vote 3 - Budget and Treasury		271 755	262 824	258 800	911	262 149	237 183	24 965	10,5%	258 800
Vote 4 - Corporate and Community Service		6 399	7 037	6 559	178	6 169	6 138	31	0,5%	6 559
Vote 5 - Technical Services		63 745	63 604	87 734	5 199	53 273	76 599	(23 325)	-30,5%	87 734
Vote 6 - Council And General		–	–	–	–	–	–	–		–
Vote 7 - Community & Social Services		–	–	–	–	–	–	–		–
Vote 8 - Corporate Services		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**388 077**	**396 700**	**416 068**	**6 292**	**349 525**	**377 647**	**(28 122)**	**-7,4%**	**416 068**
Expenditure by Vote	1									
Vote 1 - Office Of The Municipal Manager		17 811	19 356	19 780	996	18 861	18 129	732	4,0%	19 780
Vote 2 - Planning and Economic Development		18 009	20 413	20 848	1 470	19 654	19 102	552	2,9%	20 848
Vote 3 - Budget and Treasury		87 160	91 518	99 360	2 810	37 453	91 265	(53 812)	-59,0%	99 360
Vote 4 - Corporate and Community Service		62 932	71 130	71 470	4 738	61 948	65 102	(3 155)	-4,8%	71 470
Vote 5 - Technical Services		114 326	94 591	92 881	7 840	83 178	84 736	(1 559)	-1,8%	92 881
Vote 6 - Council And General		17 119	17 739	17 167	1 775	15 626	15 737	(110)	-0,7%	17 167
Vote 7 - Community & Social Services		19 185	16 302	16 220	1 920	17 173	14 868	2 305	15,5%	16 220
Vote 8 - Corporate Services		1 650	2 019	1 953	96	1 454	1 790	(336)	-18,8%	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**	**21 646**	**255 347**	**310 730**	**(55 384)**	**-17,8%**	**339 679**
Surplus/ (Deficit) for the year	2	**49 885**	**63 632**	**76 389**	**(15 353)**	**94 178**	**66 917**	**27 261**	**40,7%**	**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.

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		32 858	37 183	38 837	3 127	32 790	35 601	(2 811)	-8%	38 837
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		1 681	2 377	2 470	192	2 320	2 274	46	2%	2 470
Sale of Goods and Rendering of Services		810	236	241	44	388	221	167	75%	241
Agency services		–	–	–	–	–	–	–		–
Interest		19	0	0	–	–	0	(0)	-100%	0
Interest earned from Receivables		778	1 171	469	68	706	430	276	64%	469
Interest from Current and Non Current Assets		8 907	8 150	6 720	386	5 870	6 160	(290)	-5%	6 720
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		860	1 043	995	83	1 241	912	329	36%	995
Licence and permits		–	–	–	–	–	–	–		–
Special rating levies		–	–	–	–	–	–	–		–
Operational Revenue		649	25 331	25 689	7	1 201	23 548	(22 347)	-95%	25 689
Non-Exchange Revenue								–		
Property rates		57 450	62 160	57 645	–	61 553	52 899	8 653	16%	57 645
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		1 425	4 463	1 734	61	739	1 481	(742)	-50%	1 734
Licence and permits		862	1 088	775	87	911	710	201	28%	775
Transfers and subsidies - Operational		215 489	215 536	215 423	1 800	210 461	197 597	12 865	7%	215 423
Interest		3 633	0	4 110	438	4 118	3 768	351	9%	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**	**6 292**	**322 297**	**325 600**	**(3 302)**	**-1%**	**355 107**
Expenditure By Type										
Employee related costs		111 037	124 644	122 051	8 981	105 421	111 766	(6 345)	-6%	122 051
Remuneration of councillors		15 731	15 974	15 402	1 746	14 299	14 118	180	1%	15 402
Bulk purchases - electricity		45 257	40 870	40 870	3 771	40 320	37 464	2 856	8%	40 870
Inventory consumed		891	2 046	2 201	240	671	1 936	(1 265)	-65%	2 201
Debt impairment		16 949	–	17 415	–	–	15 964	(15 964)	-100%	17 415
Depreciation and amortisation		40 486	37 000	37 000	–	–	33 917	(33 917)	-100%	37 000
Interest		199	0	300	–	–	240	(240)	-100%	300
Contracted services		59 228	51 147	52 453	4 369	45 833	47 771	(1 938)	-4%	52 453
Transfers and subsidies		4 328	5 454	5 454	639	2 907	5 000	(2 093)	-42%	5 454
Irrecoverable debts written off		1 184	15 000	5 241	12	166	4 804	(4 638)	-97%	5 241
Operational costs		39 118	40 933	41 293	1 887	45 731	37 751	7 980	21%	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**	**21 646**	**255 347**	**310 730**	**(55 384)**	**-18%**	**339 679**
Surplus/(Deficit)		**(2 296)**	**25 671**	**15 428**	**(15 353)**	**66 951**	**14 869**	**52 081**	**0**	**15 428**
Transfers and subsidies - capital (monetary allocations)		53 269	37 961	60 961	–	27 227	52 048	(24 820)	**(0)**	60 961
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**50 972**	**63 632**	**76 389**	**(15 353)**	**94 178**	**66 917**	**27 261**	**0**	**76 389**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**50 972**	**63 632**	**76 389**	**(15 353)**	**94 178**	**66 917**	**27 261**	**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**	**(15 353)**	**94 178**	**66 917**	27 261	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**	**(15 353)**	**94 178**	**66 917**	**27 261**	**0**	**76 389**

TABLE C4: REVENUE BY SOURCE

1. Property rates

Property rates YTD actual for this month stands at R61.5 million rands, the comparison against the adjusted budget of R57.6 million rands results in the variance of 16%. The reasons for variances are detailed in Section 2.7 of the Part 2 in this report.

2. Service charges electricity

The actual revenue from service charges electricity is R32.7 million rands, the comparison against the adjusted budget of R38.8 million rands results in the variance of -8%. The reasons for variances are detailed in Section 2.7 of the Part 2 in this report.

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

The interest from current and non-current assets show the YTD actual figure of R5.8 million rands. The comparison against the adjusted budget of R6.7 million rands results in the variance of -5%. The reasons for variances are detailed in Section 2.7 of the Part 2 in this report.

4. **Transfers and subsidies (Operational)**

The transfers and subsidies allocations from the DoRA for three tranches of the current year are received and reflected in the grant register on Part 2 of this report. The original budget amounts to R215 million rands and it was not adjusted, the YTD actual figure is R210 million rands hence the variance amounts to 7%.

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 -6%.

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 1%. 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 R40.3 million rands, the original budget figure is R40.8 million rands hence the variance of 8%. The municipality pays the bulk account monthly and there are no interest charges on bulk account.

Monthly Budget Statement_ Capital Expenditure Table 5

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
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	–	6 666	0	6 666	########	0
Vote 3 - Budget and Treasury		–	348	348	–	–	319	(319)	-100%	348
Vote 4 - Corporate and Community Service		876	0	0	–	272	0	272	154316%	0
Vote 5 - Technical Services		(21 574)	50 191	66 033	5 911	36 071	57 102	(21 030)	-37%	66 033
Vote 6 - Council And General		709	0	0	–	–	0	(0)	-100%	0
Vote 7 - Community & Social Services		–	–	–	–	–	–	–		–
Vote 8 - Corporate Services		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**(19 989)**	**50 539**	**66 382**	**5 911**	**43 010**	**57 421**	**(14 411)**	**-25%**	**66 382**
Single Year expenditure appropriation	2									
Vote 1 - Office Of The Municipal Manager		–	0	0	–	–	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		–	348	348	–	–	319	(319)	-100%	348
Vote 3 - Budget and Treasury		–	0	0	–	–	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		98	0	0	–	13	0	12	4109%	0
Vote 5 - Technical Services		11 081	4 705	25 819	357	(880)	19 859	(20 739)	-104%	25 819
Vote 6 - Council And General		–	–	–	–	–	–	–		–
Vote 7 - Community & Social Services		–	0	0	–	391	0	391	1778309%	0
Vote 8 - Corporate Services		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	**11 179**	**5 053**	**26 168**	**357**	**(476)**	**20 178**	**(20 654)**	**-102%**	**26 168**
Total Capital Expenditure		**(8 810)**	**55 592**	**92 549**	**6 268**	**42 534**	**77 599**	**(35 065)**	**-45%**	**92 549**
Capital Expenditure - Functional Classification										
Governance and administration		**1 585**	**0**	**0**	**–**	**663**	**0**	663	317136%	**0**
Executive and council		709	0	0	–	–	0	(0)	-100%	0
Finance and administration		876	0	0	–	663	0	663	376618%	0
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(15 043)**	**26 372**	**22 135**	**733**	**8 200**	**18 703**	(10 503)	-56%	**22 135**
Community and social services		(20 862)	23 407	19 170	376	4 895	15 985	(11 090)	-69%	19 170
Sport and recreation		5 721	2 965	2 965	357	3 292	2 718	574	21%	2 965
Public safety		98	0	0	–	13	0	12	3344%	0
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**(1 678)**	**28 805**	**70 000**	**5 535**	**33 671**	**58 517**	(24 845)	-42%	**70 000**
Planning and development		(8 652)	348	348	–	6 666	319	6 348	1991%	348
Road transport		6 974	28 457	69 652	5 535	27 005	58 198	(31 193)	-54%	69 652
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**6 326**	**414**	**414**	**–**	**–**	**379**	(379)	-100%	**414**
Energy sources		575	0	0	–	–	0	(0)	-100%	0
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		5 752	414	414	–	–	379	(379)	-100%	414
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**(8 810)**	**55 592**	**92 549**	**6 268**	**42 534**	**77 599**	**(35 065)**	**-45%**	**92 549**
Funded by:										
National Government		16 908	32 250	53 010	2 397	(3 791)	43 691	(47 482)	-109%	53 010
Provincial Government		(0)	0	0	–	–	0	(0)	-100%	0
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**16 908**	**32 250**	**53 010**	**2 397**	**(3 791)**	**43 691**	**(47 482)**	**-109%**	**53 010**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(25 717)	23 342	39 540	3 871	46 324	33 908	12 417	37%	39 540
Total Capital Funding		**(8 810)**	**55 592**	**92 549**	**6 268**	**42 534**	**77 599**	**(35 065)**	**-45%**	**92 549**

The total capital expenditure year to date figure by functional classification stands at R42.5 million rands. The original budget shows an amount of R55.5 million rand hence the variance of -45%. The budget is adjusted to R92.5 million rands due to additional allocation from Provincial Treasury pertaining to Municipal Disaster Recovery Grant amounting to R23 million rands.

The capital expenditure funded by the national government year to date actual amount is overspent by R3.7 million rands, the approved original budget for transfers recognised (allocation from National Treasury) amounts to R32.2 million rands thereby creating a variance of -109%. Internally generated funding increased budget from original budget of R23.3 million rands to R39.5 million rands to cover variations orders and to fund other infrastructure projects budgeted internally, as a result the year to date figure is R46.3 million rands.

Table C6 – Monthly Budget Statement – Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		74 230	51 849	28 587	96 150	28 587
Trade and other receivables from exchange transactions		9 988	10 218	14 084	10 685	14 084
Receivables from non-exchange transactions		36 308	84 007	29 784	62 383	29 784
Current portion of non-current receivables		–	–	–	–	–
Inventory		23 272	1 369	23 362	23 298	23 362
VAT		7 912	55 029	32 342	12 758	32 342
Other current assets		54	66	55	54	55
Total current assets		**151 764**	**202 537**	**128 214**	**205 328**	**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	807 202	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**	**860 535**	**836 534**
TOTAL ASSETS		**901 577**	**1 002 350**	**964 748**	**1 065 864**	**964 748**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		20	20	20	20	20
Consumer deposits		2 216	1 803	1 894	2 469	1 894
Trade and other payables from exchange transactions		55 342	49 725	91 511	48 182	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)	6 703	(13 883)
Other current liabilities		–	–	–	–	–
Total current liabilities		**72 138**	**111 751**	**92 966**	**109 713**	**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**	**111 221**	**94 755**
NET ASSETS	2	**827 931**	**889 724**	**869 993**	**954 643**	**869 993**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		861 390	889 773	888 516	954 481	888 516
Reserves and funds		162	152	162	162	162
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**861 552**	**889 925**	**888 678**	**954 643**	**888 678**

The table C6 reflects R969 million rands actual accumulated surplus and R954 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 - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	35 404	49 987	–	–	45 822	(45 822)	-100%	49 987
Service charges		6 537	33 949	42 292	–	–	38 767	(38 767)	-100%	42 292
Other revenue		–	31 683	61 343	–	–	52 833	(52 833)	-100%	61 343
Transfers and Subsidies - Operational		452 602	221 926	216 862	9 434	383 566	196 926	186 640	95%	216 862
Transfers and Subsidies - Capital		–	75 066	60 961	–	–	53 198	(53 198)	-100%	60 961
Interest		–	(19 952)	(47 300)	343	33 063	(43 358)	76 421	-176%	(47 300)
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(475 577)	(296 855)	(357 356)	(22 212)	(431 708)	(281 832)	149 877	-53%	(357 356)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(16 438)**	**81 222**	**26 789**	**(12 435)**	**(15 079)**	**62 356**	**77 435**	**124%**	**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)	–	–	(86 436)	(86 436)	100%	(106 812)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(101 890)**	**(106 812)**	**–**	**–**	**(86 436)**	**(86 436)**	**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)**	**(12 435)**	**(15 079)**	**(24 080)**			**(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)	(12 435)	59 151	50 150			(5 793)

The table C7 cash flow statement transactions from operating activities with a year to date actual figure of R15.0 million rands. The operating activities represent the amount used by the municipalities for core business operations such as propery 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 R145.4 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.

May 2026 Age Analysis								
Totals per Service Type	Total Balance	Current Amount	30 Days Amount	60 Days Amount	90 Days Amount	120 Days Amount	150 Days Amount	180+ Days Amount
Advance Payment	R -2 055 131,62	R -2 055 131,62	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 585,49	R -	R -	R -	R -	R -	R -	R 585,49
Deposit: Waste Disposal	R 2 000,00	R -	R -	R -	R -	R -	R -	R 2 000,00
Electricity Basic	R 976 027,60	R 180 716,19	R 79 286,65	R 51 357,63	R 46 665,81	R 44 690,52	R 35 601,72	R 537 709,08
Electricity Metered	R 5 680 651,23	R 2 405 986,63	R 844 792,65	R 480 267,14	R 163 649,48	R 193 673,16	R 151 088,58	R 1 441 193,59
Market stalls	R 1 143 615,96	R 20 398,71	R 19 476,38	R 19 099,83	R 18 161,36	R 17 545,86	R 17 126,06	R 1 031 807,76
OFFICE RENTAL	R 217 491,72	R 18 070,29	R 17 994,83	R 14 453,53	R 12 183,63	R 12 108,72	R 12 033,81	R 130 646,91
Plaza Market Stalls	R 273 058,40	R 9 664,30	R 9 150,37	R 8 494,63	R 8 357,88	R 7 971,40	R 7 640,72	R 221 779,10
Property Rates	R 124 082 822,50	R 437 467,55	R 5 045 079,57	R 4 437 814,50	R 4 357 660,57	R 4 316 582,39	R 4 238 198,23	R 101 250 019,69
Rent (M001)	R 778 655,92	R 31 745,21	R 30 195,05	R 24 215,03	R 24 095,88	R 23 960,84	R 48 015,82	R 596 428,09
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 31 211,61	R 2 061,98	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 28 493,53
Sundries (VAT)	R 23 184,10	R 8 768,61	R 8 710,79	R 2 710,54	R 2 710,30	R 283,86	R -	R -
Tampering Fee	R 484 150,85	R -	R -	R -	R 27 508,59	R 14 443,79	R -	R 442 198,47
Traffic Fines	R 4 767 821,02	R 61 300,00	R 53 300,00	R 60 400,00	R 66 200,00	R 35 400,00	R 51 600,00	R 4 439 621,02
Traffic Fines (M001)	R 1 734 180,76	R -	R -	R -	R -	R -	R -	R 1 734 180,76
Waste Disposal	R 7 250 386,50	R 264 752,11	R 154 515,39	R 135 315,60	R 121 075,74	R 113 061,40	R 106 982,65	R 6 354 683,61
Total	**R145 417 795,05**	**R1 385 799,96**	**R6 262 632,90**	**R5 234 259,65**	**R4 848 400,46**	**R4 779 853,16**	**R4 668 418,81**	**R118 238 430,11**

Table: 2.1.2

The debtors age decreased by R992 thousand rands in the month of May.

Debtors Age Growth Variance - May 2025-26											
	July	August	September	October	November	December	January	February	March	April	May
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
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

DEBT COLLECTION RATES

Collection Table 2.1.3.

Cash Collected for each Revenue Source via Billing (May 2026)				
	Cash collection	Ageing - May 2026	Collection rate per BT	Billed revenue - May 2026
Rates	R -2 082 420,97	R 124 082 822,50	-2%	
Electricity	R -1 919 017,58	R 6 656 678,83	-29%	R 2 665 076,32
Refuse	R -159 663,78	R 7 278 349,92	-2%	R 271 688,97
Stalls Rental , Traffic fines & Ta	R -60 662,99	R 8 152 952,69	-1%	R 81 757,31
Other Rentals	R -	R 1 301 537,24	0%	R -
Advance payments	R -220 264,03	R -2 054 546,13	11%	R -
Unallocated Payments	R -			R -
TOTAL CASH RECEIVED (BILL	**R 4 442 029,35**	**R 145 417 795,05**		**R 3 018 522,60**
Total Ageing	**R 145 417 795,05**		April 2026 Billing	R 9 507 745,76
Total debtors' payments	R 4 442 029,35		May 2026 Paymer	R 4 442 029,35
	3%			47%

Cash collected under the reporting period amounts to R4.4 million rands resulting in collection rate of 3%. The comparison to the previous month billing against current month payments results to 47% collection rate, which is significantly below the norm of 95%.

DEBTOR'S RATIOS

Ratios table 2.1.4.

May 2026 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	133	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	8956,87	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	-68,25	Revenue Growth (%)

Collection rates stand at 133% using the ratios as provided by National Treasury circular 71. The net debtors' days are increased to 8 956.87 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 coming year started in February and the closing date is 31 May 2026. The current year total debtors that qualified for indigent debt relief rebates totals to 207. Physical verification was conducted. The rebates granted to eligible indigent debtors encompasses the 100% rebate on billed rates and services for the current year.

ELECTRICITY LOSSES

The electricity losses for the period under review amounts to R3.9 million rands which translate to 21.23%. The municipality through the management committee considered a decision to engage in a competitive bidding process in sourcing a service provider that will assist with all electricity challenges. There is no award as yet.

Table 2.1.5. Electricity distribution loss (units)

ELECTRICITY DISTRIBUTION LOSS 25/26 (UNITS)										
Month	Season High/Low	Bulk Purchases Units 25/26	Total kWh Units 25/26 (Internal)	Ontec 3rd party sales	SEBATA Billing 25/26	FBE	Own Consumption	Total Electricity	Profit / Loss on sale of electricity	%Profit/ Loss
July	High	1 903 762,80	97 995,90	205 956,00	1 063 321,00	99 250,00	10 499,00	**1 477 021,90**	**426 740,90**	22,42%
August	High	1 960 016,80	77 725,20	206 219,70	980 632,00	98 300,00	9 461,00	**1 372 337,90**	**587 678,90**	29,98%
September	Both	1 709 837,20	71 169,30	197 547,80	981 106,00	96 350,00	6 957,00	**1 353 130,10**	**356 707,10**	20,86%
October	Low	1 781 147,60	70 462,60	210 558,60	1 041 790,00	96 850,00	8 120,00	**1 427 781,20**	**353 366,40**	19,84%
November	Low	1 720 208,20	57 855,20	202 340,10	926 345,00	96 600,00	7 136,00	**1 290 276,30**	**429 931,90**	24,99%
December	Low	1 566 705,60	55 887,20	212 899,20	730 072,00	92 750,00	7 508,00	**1 099 116,40**	**467 589,20**	29,85%
January	Low	1 585 419,80	49 541,40	212 368,00	1 156 761,00	95 350,00	10 487,00	**1 524 507,40**	**60 912,40**	3,84%
February	Low	1 627 312,80	49 689,60	190 236,40	965 027,00	94 400,00	9 963,00	**1 309 316,00**	**317 996,80**	19,54%
March	Low	1 471 144,60	54 446,20	207 829,00	844 329,00	93 800,00	9 368,00	**1 209 772,20**	**261 372,40**	17,77%
April	Low	1 618 706,00	46 816,60	212 665,20	988 554,00	95 200,00	8 689,00	**1 351 924,80**	**266 781,20**	16,48%
May	Low	1 773 644,00	47 279,80	247 211,70	930 798,00	96 000,00	7 902,00	**1 329 191,50**	**444 452,50**	25,06%
		18 717 905,40	**678 869,00**	**2 305 831,70**	**10 608 735,00**	**1 054 850,00**	**96 090,00**	**14 744 375,70**	**3 973 529,70**	**21,23%**

HALL HIRE REVENUE

The municipality rents out the halls to public in line with the tariff of charges document approved by the council. The hall booking was budgeted for three thousand rands and the budget was adjusted to R63.6 thousand rands. The total revenue received to date amounts to R59.3 thousand rands.

Table 2.1.6. Hall hire revenue

HALL HIRE REVENUE - MAY 2026				
Item	**Description**	**Budget Original**	**Budget Adjusted**	**Credit**
IR00200400200100100000000000000000 0000	Revenue:Exchange Revenue:Rental from Fixed Assets:Market Related:Investment Property:Straight-lined Operating	(R 3 162,00)	(R 63 600,00)	(R 59 391,09)

2.2. CREDITOR'S ANALYSIS

The municipality takes into consideration the concerns of the Auditor General (2024-25 audit) in relation to expenditure management. The reconciliation report below shows that the municipality ageing of creditors goes beyond the 30 day threshold contrary to MFMA prescript. The end user departments are encouraged to attend to invoices timely to avoid delays, and to ensure accurate invoices are submitted to ensure the 30 days threshold is met.

The highest cost driver for the month under reporting relate to Eskom for miscellaneous accounts relating to halls and offices. The municipality have no arrear debt with Eskom.

Creditors payment summary: Table 2.2.1

	CREDITORS REPORT FOR MAY 2026		
	TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF MAY 2026		
No.	**VENDOR NAME**	**DESCRIPTION**	**AMOUNT**
1	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	414 854,37
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	1 898,88
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	2 216,84
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	5 636,39
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	5 825,62
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	3 929,79
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	1 898,88
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	3 918 238,16
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	4 337 158,01
			8 691 656,94
2	NQUTHU COMMUNITY TOURISM ORGANISATION	ISANDLWANA COMMEMORATION	330 000,00
			330 000,00
3	MASSTORES	VOUCHERS VALUED AT 30000 EACH	300 000,00
			300 000,00
4	HITECH OPERATORS	REPAIRS AND MAINTENANCE OF NTU 4439	112 970,25
	HITECH OPERATORS	REPAIRS AND MAINTENANCE OF BJ 59 NT ZN	59 164,21
	HITECH OPERATORS	REPAIRS AND MAINTENANCE OF BG 42 JY ZN	9 120,32
			181 254,78
5	ADVENTURE TRAVEL	MAVAVELA AND BIG START BUY-BACK CENTRE IN DURBAN (07 -08 APRIL 2026)	7 700,97
	ADVENTURE TRAVEL	ATTENDING MUNICIPAL ELECTRICITY REVENUE VALUE CHAIN SESSION IN DURBAN (13 -15 APRIL 2026)	12 451,05
	ADVENTURE TRAVEL	ACCOMMODATION OF 02 DEPUTY MAYOR'S BODYGUARDS IN DURBAN (29-30 APRIL 2026)	4 696,60
	ADVENTURE TRAVEL	ATTENDING SELF BUILD SUBSTATION (CHIBIDE SUBSTATION) IN PMB (19-20 APRIL 2026)	3 823,75
	ADVENTURE TRAVEL	ACCOMMODATION OF SS ZULU IN NEWCASTLE (22-24 APRIL 2026)	3 811,10
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 MUNICIPAL OFFICIALS ATTENDING PFMA IN DURBAN (19-24 APRIL 2025)	35 638,50
	ADVENTURE TRAVEL	ATTENDING SPEED TIMING TRAINING IN MIDRAND (22-23 APRIL 2026)	6 545,50
			74 667,47
6	ONTEC SYSTEMS	COMMISSION EXPENSE	54 388,07
			54 388,07
7	ELINEM CONSTRUCTION	REPAIRS AND MAINTENANCE OF NTU 1267	53 800,43
			53 800,43
8	RAFIQ KHAN	LEGAL FEES 31/03/2026	20 020,35
	RAFIQ KHAN	LEGAL FEES 26/03/2026	25 802,55
			45 822,90
9	MXETSHYLWA	HIRE FRAME TENT WITH COUCHES	43 125,00
			43 125,00
10	FIT & GO DUNDEE T/A YTRES TO GO	REPAIRS AND MAINTENANCE BJ 59 RL ZN	38 686,00
			38 686,00

CREDITORS AGE ANALYSIS: TABLE 2.2.2

Creditor's ageing reconciliation for the month ending 31 May 2026		
CREDITORS ACCOUNT RECONCILIATION REPORT		
MONTH ENDING MAY 2026		
Total Balances as per EMS INVOICE AGE ANALYSIS REPORT:		**R 5 453 274,63**
AGE ANALYSIS TOTAL AMOUNT:		**R 5 453 274,63**
CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT		**R 5 453 274,63**
AGED ANALYSIS	**R 5 453 274,63**	
Current (Transactions below 30 days)	R -	**R 0,00**
<30 Days	R -	**R 2 162 875,98**
<60 Days	R -	**R 2 255 498,60**
<90 Days	R -	**R 1 000 000,00**
<120 Days	R -	**R 0,00**
<150 Days	R -	**R 0,00**
<180 Days	R -	**R 5 000,00**
>180 Days	R -	**R 29 900,05**

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 R224 thousand rands.

ANIMAL POUND EXPENDITURE- 31 MAY 2026		
Payment Date	**Pay Value**	**Supplier Name**
01-08-2025	R 17 250,00	COW CATCHERS
17-02-2026	R 17 250,00	COW CATCHERS
18-03-2026	R 17 250,00	COW CATCHERS
15-04-2026	R 17 250,00	COW CATCHERS
18-09-2025	R 17 250,00	COW CATCHERS
25-07-2025	R 17 250,00	COW CATCHERS
25-07-2025	R 17 250,00	COW CATCHERS
25-07-2025	R 17 250,00	COW CATCHERS
31-10-2025	R 17 250,00	COW CATCHERS
07-11-2025	R 17 250,00	COW CATCHERS
25-07-2025	R 17 250,00	COW CATCHERS
19-12-2025	R 17 250,00	COW CATCHERS
29-01-2026	R 17 250,00	COW CATCHERS
	R224 250,00	

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 R23 million rands to date, thus the investment balance decreased to R83.2 million rands.

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

INVESTMENT REGISTER- MAY 2026							
INSTITUTION	BALANCE	ACCRUED INTEREST AS AT 30 JUNE 2022	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	WITHDRAWAL	BANK CHARGES	BALANCE
NEDBANK (3)	R 1 330,19	R -	R -	R 76,19	R -	R -	R 1 406,38
ABSA CALL (5892)	R 16 552 594,49	R 179,55	R 5 680 720,54	R 1 040 596,07	R 23 168 641,64	R -	R 105 269,46
ABSA (1394) HOUSING A/C	R 2 023 002,85	R 4 422,22	R -	R 103 466,77	R -	R -	R 2 126 469,62
ABSA (4328)	R 24 857,33	R 138,00	R -	R 1 267,37	R -	R 450,00	R 25 674,70
ABSA (5014)	R 96 511,20		R -	R 5 137,99	R -	R -	R 101 649,19
FNB CALL (1408)	R 10 845 156,72		R -	R 652 401,09	R -	R 1 062,00	R 11 496 495,81
STANDARD BANK 014	R 7 756,20	R 35,23	R -	R 354,68	R -	R -	R 8 110,88
STANDARD BANK 063	R 27 549 828,32	R 129 613,15	R -	R 1 772 897,36	R -	R -	R 29 322 725,68
STANDARD BANK 069	R 16 236 626,89		R -	R 855 226,57	R -	R -	R 17 091 853,46
STANDARD BANK 070	R -		R 23 000 000,00	R -	R -	R -	R 23 000 000,00
TOTAL	**R 73 337 664,19**	**R 134 388,14**	**R 28 680 720,54**	**R 4 431 424,09**	**R 23 168 641,64**	**R 1 512,00**	**R 83 279 655,18**

Table 2.3.2. Investment growth table

Growth variance - investment balances 2025-26											
	July	August	September	October	November	December	January	February	March	April	May
Balance	R73 337 664,19	R 73 490 259,08	R73 816 142,76	R 79 828 199,59	R 80 179 998,28	R80 946 687,89	R81 286 104,25	R81 626 952,99	R 82 247 501,96	R105 605 240,96	R 83 279 655,18
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

The table 2.3.2. shows the movement in the investment balances. The growth on investments is shown through the comparisons of the preceding month balance against the following month balance, thereby providing an average investment growth amount of R903 817,36 to date.

Table 2.3.3. Investment withdrawal table

Investment withdrawals							
DATE	ACCOUNT FROM		AMOUNT	ACCOUNT TO	ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
04-Jul-25	ABSA 5892		R 500 000,00	ABSA 2762	PRIMARY	R 2 950 471,60	to pay for normal operations
17-May-25	ABSA 5892		R 22 668 641,64	ABSA 2762	PRIMARY	R 3 979 716,71	Insufficient funds to pay for normal
			R 23 168 641,64				

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 R23.1 million rands.

Table 2.3.2 Bank Balance (Primary account)

Bank balance for primary account reflects the amount of R1.3 million rands for the month under review.

BANK RECONCILIATION (PRIMARY ACCOUNT)	**4053562762**
Details	**Amount**
Cash book balance as at 31 May 2026	**R 1 330 221,07**
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 31 May 2026	**R1 330 221,07**

Bank balance for grant account reflects the amount of R101 thousand rands for the month under review.

BANK RECONCILIATION (GRANTS ACCOUNT)	
Details	**Amount**
Cash book balance as at 31 May 2026	**R101 649,19**
Unknown deposits	R0
Outstanding cheques	R0
Bank charges	R0
Returned cheques	R0
Transfers	R0
Sundries	R0
Outstanding receipts	R0
Bank statement balance as at 31 May 2026	**R101 649,19**

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 31 May 2026

Grant register Table 2.4.1

Summary of Grants received and expenditure to date							
	Grant Type	**Dora/Prov Allocation for year**	**Received** **2025/26**	**Spent & transferred to income** **2025/26**	**Balance as at** **2025/26**	**Available funds/not committed** **2025/26**	**% spending**
National Grants operational	Eletrification(INEP)	(20 000 000,00)	(18 451 000,00)	15 530 102,57	(2 920 897,43)	(2 920 897,43)	84%
	FMG	(1 900 000,00)	(1 900 000,00)	1 554 252,70	(345 747,30)	(345 747,30)	82%
	EPWP	(1 639 008,00)	(1 936 000,00)	1 639 008,00	(296 992,00)	(296 992,00)	85%
National Grants Capital	MIG	(37 961 004,00)	(37 961 000,00)	33 372 679,77	(4 588 320,23)	(4 588 320,23)	88%
	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)	514 826,95	(39 173,05)	(39 173,05)	93%
	Library Modular		(1 560 000,00)	1 560 000,00	-	-	100%
	Library Volunteer		(124 000,00)	72 000,00	(52 000,00)	(52 000,00)	58%
	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)**	**56 384 869,98**	**(31 243 130,02)**	**(31 243 130,02)**	

The grants spending is as follows:

1. INEP is overspent at 84%.
2. MIG grant 88% spent.
3. FMG 82% spent.
4. EPWP spent 85%.
5. Library support 100%
6. Cybercadet 93%
7. Library modular 100%
8. Library volunteer 58%

The lowest spent grant is the library volunteer at 58% owing to late allocation of the funds as the receipt of the grant was recognised 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 R56.3 million rands.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

The employee benefits figure for the month under reporting amount to R101 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 14.4 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

Staff Benefits in terms of Section 66 of the MFMA Actual staff benefits and Councillors allowances for the period ending 31 May 2026		
Staff Benefits		
Item	**Budget**	**Year to date actuals**
Salaries & Wages	R91 550 207,00	R 70 540 966,34
Contributions to pension funds	R11 886 283,00	R 9 772 089,31
Contributions to medical aids	R2 377 963,00	R 3 589 398,00
Contributions to UIF	R626 907,00	R 533 179,05
Contributions to SDL	R964 369,00	R 840 274,54
Travel, motor car	R4 209 576,00	R 4 849 540,24
Salga	R40 066,00	R 39 432,10
Housing benefits and allowances	R749 160,00	R 207 130,71
Cellphone Allowance	R0,00	R0,00
Overtime payments	R1 913 336,00	R 2 624 743,07
Bonuses	R6 321 148,00	R 5 184 395,39
Other leave & long service	R624 578,00	R 1 089 253,79
Allowances (Standby and Drivers Allowance)	R1 796 316,00	R 2 480 850,88
Totals	**R 123 059 909,00**	**R 101 751 253,42**
Councillors Allowances		
Item	**Budget**	**Year to date actuals**
Councillors Allowances	R14 129 290,00	R 13 235 614,62
Cellphone/Data Allowance	R2 298 473,00	R 1 062 908,79
Contributions to SDL	R40 995,00	R 138 062,77
Totals	**R16 468 758,00**	**R 14 436 586,18**

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 R1.2 million rands. The receipts amounts to R136 thousand rands and there are inventories issued amounting to R232 thousand rands. The inventory balance after all movements considered amounts to R1.1 million rands.

Table 2.6.1. Inventory reconciliation

Inventory Reconciliation - May 2026		
INVENTORY MODULE		
	OPENING BALANCE AS PER INVENTORY REPORT	**R 1 259 794,83**
	ADD: TOTAL RECEIPTS	**R 136 400,00**
	Inventory purchases for the month	R 136 400,00
	LESS: TOTAL ISSUES	**(R 232 567,00)**
	Inventory issued from stores during the month Journal : Capitalisation of asset	(R 232 567,00)
	ADJUSTMENTS	**R 0,00**
	Add: stock surplus identified during the month Less: Stock losses identied during the month	R 0,00
	CLOSING BALANCE AS PER INVENTORY REPORT	**R 1 163 627,83**
	GENERAL LEDGER VOTE BALANCE:	**R 1 163 628,56**

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 31 May 2026

Annexure C **Demarcation Board Code: KZN242** **Register for Fruitless and wasteful Expenditure** **Year Ended 30 June 2026**			**Financial Yea 2025/ 2026** **Nquthu Local Municipality** **Month May**	
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 investigati	#79568	14 564,55		
NJMPF-Super Annuation- Penalty 2023	#79567	30,63		
NJMPF-Penalty 2023-Provident	#79566	370,37		
Other -Driving Licences				**R118,36**
Penalty on late invoice payment	#81081	R118,36		
Arrears on late payment		R0,00		
TOTAL as @ 31 May 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:

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2024/25	Budget Year 2025/26				
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YTD variance %	Variance Reasons
Revenue							
Exchange Revenue							
Sale of Goods and Rendering of Services		810	236	241	388	75%	The service charges are dependent on billable accounts supported by meter readings, the trends in the past supported the original budget and variance is studied
Interest earned from Receivables		778	1 171	469	706	64%	The budget is revised to align actual interest with the budget. The positive investment balance is kept to ensure increase in this line item.
Rental from Fixed Assets		860	1 043	995	1 241	36%	The actual rental income is higher than the adjusted budget, the management will review the line item
Non-Exchange Revenue							
Property rates		57 450	62 160	57 645	61 553	16%	Property rates are billed in 10 equal instalments hence the downward adjustment to align the actuals of the remaining 2 months of billing.
Fines, penalties and forfeits		1 425	4 463	1 734	739	-50%	Budget was revised downwards to align with the current trends in fines revenue taking into consideration the magistrate fines write-off impact.
Licence and permits		862	1 088	775	911	28%	The revised budget is aligned to issued licences and anticipated issuance of permits.
Total Revenue (excluding capital transfers and contributions)		**62 186**	**70 162**	**61 858**	**65 537**	**16%**	
Expenditure By Type							
Inventory consumed		891	2 046	2 201	671	-65%	Inventory items are classified and moved with a journal since there are items that are allocated to this line items incorrectly owing to configurations in the system.
Debt impairment		16 949	–	17 415	–	-100%	The budget is adjusted from zero whereas the actuals are not yet finalised. The figures will concluded during the preparation of final AFS.
Depreciation and amortisation		40 486	37 000	37 000	–	-100%	There is no calculation finalised yet. Figures will be update on finalisation of interim AFS.
Transfers and subsidies		4 328	5 454	5 454	2 907	-42%	The transfers and subsidies budget is not changed since the anticipated expenditure is expected to match the provided budget.
Irrecoverable debts written off		1 184	15 000	5 241	166	-97%	The figure represents the indigent customers rebate granted, hence the adjustment decrease of the original budget. There are no other debts written off yet.
Operational costs		39 118	40 933	41 293	45 731	21%	The operational costs budget is slightly adjusted downward since the anticipated expenditure is expected to match the provided budget.
Total Expenditure		**102 956**	**100 434**	**108 604**	**49 475**	**-50%**	

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

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

Section 71 - for the month ending 31 May 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 04/06/2026