

2026/27
FINANCIAL
YEAR

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR THE MONTH ENDING 30 SEPTEMBER 2026

SETHEMBE NGENTUTHUKO ENQUTHU

TABLE OF CONTENTS

PART 1 – IN YEAR REPORT

1.1	MAYORS' REPORT	2
1.2	RESOLUTIONS	3
1.3	EXECUTIVE SUMMARY	4
1.4	IN-YEAR BUDGET STATEMENT TABLES	5

PART 2 – SUPPORTING DOCUMENTATION

2.1	DEBTOR'S ANALYSIS	13
2.2	CREDITOR'S ANALYSIS.....	15
2.3	INVESTMENT PORTFOLIO ANALYSIS	17
2.4	ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	19
2.5	COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS.....	19
2.6	SUPPLY CHAIN MANAGEMENT	20
2.7	MATERIAL VARIANCES TO SDBIP	21
2.8	MUNICIPAL MANAGER'S QUALITY CERTIFICATE.....	22

LIST OF TABLES

Table 1	MBRR Table C1 -Monthly Budget Statement Summary	05
Table 2	MBRR Table C2 _ Monthly Financial Performance (standard Classification	06
Table 3	MBRR Table C3 -Financial Performance (revenue and expenditure by municipal vote)	07
Table 4	MBRR Table C4 -Financial Performance (revenue and expenditure)	08
Table 5	MBRR Table C5 -Capital expenditure (municipal vote and funding).....	10
Table 6	MBRR Table C6 -Financial Position	11
Table 7	MBRR Table C7 - Cash Flow	12

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 symbolises the of the start of the financial year. The report complies with the requirements of MFMA section 71 prescript in that the report entails detailed year to date figures reflecting the performance of expenditure and revenues generated against approved budget. Furthermore the report follows through on prescripts of the MBRR thereby detailing all C-schedule tables and additional information that incorporates the details 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 cost-drivers are detailed in Part 2 to highlight the areas where on the municipality expends significantly. In essence the municipality ensures that all expenditure is authorised and is within appropriated funds in the budget. The investment drivers embrace the sale and development of sites within Nquthu town, and the attempt to keep the investment balance above the yearly determined threshold.

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 all adjustment budgets are 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 for the coming year is adopted within the timeline as set by the MFMA.

OPERATIONAL BUDGET

The C-schedule tables show data without budget figures, consequently the comparisons against budget cannot be made. The narrations are detailed under each table; however, the significant features in the 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 R95.5 million rands.
- Bulk electricity – actual figure amounts to R16.8 million rands.
- Employee costs and councillor remuneration contribute a sizeable expenditure for the period under reporting, thereby resulting in expenditure amount R19 million rands and R2.5 million rands respectively.
- Equitable share allocation is expressed in the table below to the amount of R182.8 million rands.

NQUTHU EQUITABLE SHARE 26/27	
Date	Amount
08-Jul-26	R 76 207.00
09-Dec-26	R 60 966.00
10-Mar-26	R 45 724.00
	R 182 897.00

CAPITAL BUDGET

The capital expenditure spending for the reporting period is shown in the grant register affixed on Part to herein.

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 will be reviewed at mid-year.

OTHER MATTERS

- **Audit matters**

The audit by the external auditors (AGSA) is underway as the team from AGSA is onsite. The municipality submitted the AFS on time. The update on the external audit is done via the Kopano digital platform controlled by AGSA.

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 32.57% in rand value loss and 24.7% 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 cannot be in the current c-schedule report to give a clear picture on the gaps noted between the original budget and the actual figures due to budget figures not populating on the report.

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 - M03 September

Description	2025/26	Budget Year 2026/27							
	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	61 801	–	–	–	9 682	–	9 682	#DIV/0!	–
Service charges	38 748	–	–	618	5 000	–	5 000	#DIV/0!	–
Investment revenue	6 980	–	–	125	870	–	870	#DIV/0!	–
Transfers and subsidies - Operational	212 139	–	–	–	78 399	–	78 399	#DIV/0!	–
Other own revenue	11 912	–	–	144	1 561	–	1 561	#DIV/0!	–
Total Revenue (excluding capital transfers and contributions)	331 579	–	–	886	95 512	–	95 512	#DIV/0!	–
Employee costs	119 002	–	–	36	19 074	–	19 074	#DIV/0!	–
Remuneration of Councillors	15 702	–	–	–	2 544	–	2 544	#DIV/0!	–
Depreciation, amortisation and impairment	44 304	–	–	–	–	–	–	–	–
Interest, Dividends and Rent on Land	195	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	46 145	–	–	11 008	16 848	–	16 848	#DIV/0!	–
Transfers and subsidies	2 577	–	–	–	23	–	23	#DIV/0!	–
Other expenditure	131 949	–	–	5 206	15 095	–	15 095	#DIV/0!	–
Total Expenditure	359 875	–	–	16 251	53 583	–	53 583	#DIV/0!	–
Surplus/(Deficit)	(28 297)	–	–	(15 365)	41 929	–	41 929	#DIV/0!	–
Transfers and subsidies - capital (monetary allocations)	37 961	–	–	–	12 208	–	12 208	#DIV/0!	–
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	9 664	–	–	(15 365)	54 137	–	54 137	#DIV/0!	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	9 664	–	–	(15 365)	54 137	–	54 137	#DIV/0!	–
Capital expenditure & funds sources									
Capital expenditure	28 964	–	–	9 266	19 882	–	19 882	#DIV/0!	–
Capital transfers recognised	(11 835)	–	–	9 266	19 882	–	19 882	#DIV/0!	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	40 798	–	–	–	–	–	–	–	–
Total sources of capital funds	28 964	–	–	9 266	19 882	–	19 882	#DIV/0!	–
Financial position									
Total current assets	66 301	–	–	–	48 963	–	–	–	–
Total non current assets	862 066	–	–	–	19 882	–	–	–	–
Total current liabilities	83 717	–	–	–	14 708	–	–	–	–
Total non current liabilities	(20)	–	–	–	–	–	–	–	–
Community wealth/Equity	838 150	–	–	–	–	–	–	–	–
Cash flows									
Net cash from (used) operating	(46 682)	–	–	(9 842)	68 208	–	(68 208)	#DIV/0!	–
Net cash from (used) investing	–	–	–	(10 213)	(21 140)	–	21 140	#DIV/0!	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	27 547	–	–	(20 055)	47 068	–	(47 068)	#DIV/0!	–
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	–	–	–	–	–	–	–	–	–
Debtors Age Analysis									
Total Creditors	6 585	679	17	0	3	0	–	–	7 285

BUDGET SUMMARY ANALYSIS - TABLE C1

The year-to-date actual revenue (excluding capital transfers and contributions) is R95.5 million rands.

The operating expenditure year to date is R53.5 million rands.

The total sources of capital combined amount to R19.8 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 R48.9 million rands, the non-current assets amounts to R19.8 million rands. The current liabilities totals to R14.8 million rands and the non-current liabilities totals to R0 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) - M03 September

Description	Ref	2025/26	Budget Year 2026/27							
		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>		305 124	-	-	265	100 290	-	100 290	#DIV/0!	-
Executive and council		37 961	-	-	-	6 091	-	6 091	#DIV/0!	-
Finance and administration		267 163	-	-	265	94 199	-	94 199	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		3 940	-	-	2	965	-	965	#DIV/0!	-
Community and social services		2 319	-	-	2	659	-	659	#DIV/0!	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 621	-	-	0	306	-	306	#DIV/0!	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		730	-	-	2	25	-	25	#DIV/0!	-
Planning and development		730	-	-	2	25	-	25	#DIV/0!	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		59 745	-	-	618	6 440	-	6 440	#DIV/0!	-
Energy sources		56 591	-	-	618	8 790	-	8 790	#DIV/0!	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3 155	-	-	-	(2 350)	-	(2 350)	#DIV/0!	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	369 540	-	-	886	107 720	-	107 720	#DIV/0!	-
Expenditure - Functional										
<i>Governance and administration</i>		198 915	-	-	3 983	21 833	-	21 833	#DIV/0!	-
Executive and council		34 314	-	-	37	5 554	-	5 554	#DIV/0!	-
Finance and administration		159 976	-	-	3 140	15 330	-	15 330	#DIV/0!	-
Internal audit		4 625	-	-	807	950	-	950	#DIV/0!	-
<i>Community and public safety</i>		33 987	-	-	564	6 330	-	6 330	#DIV/0!	-
Community and social services		15 201	-	-	195	2 812	-	2 812	#DIV/0!	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		18 786	-	-	369	3 517	-	3 517	#DIV/0!	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		36 977	-	-	696	3 900	-	3 900	#DIV/0!	-
Planning and development		24 409	-	-	20	1 519	-	1 519	#DIV/0!	-
Road transport		12 568	-	-	676	2 381	-	2 381	#DIV/0!	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		90 661	-	-	11 008	21 520	-	21 520	#DIV/0!	-
Energy sources		72 138	-	-	11 005	18 425	-	18 425	#DIV/0!	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		4 400	-	-	-	789	-	789	#DIV/0!	-
Waste management		14 123	-	-	3	2 306	-	2 306	#DIV/0!	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	360 541	-	-	16 251	53 583	-	53 583	#DIV/0!	-
Surplus/ (Deficit) for the year		8 999	-	-	(15 365)	54 137	-	54 137	#DIV/0!	-

Table C3: Monthly Budget Statement_ Financial Performance

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03

Vote Description	Ref	2025/26	Budget Year 2026/27							
		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		37 961	-	-	-	6 091	-	6 091	#DIV/0!	-
Vote 2 - Planning and Economic Development		556	-	-	2	3	-	3	#DIV/0!	-
Vote 3 - Budget and Treasury		266 668	-	-	255	88 008	-	88 008	#DIV/0!	-
Vote 4 - Corporate and Community Service		6 554	-	-	10	1 549	-	1 549	#DIV/0!	-
Vote 5 - Technical Services		57 800	-	-	620	12 069	-	12 069	#DIV/0!	-
Vote 6 - Technical Services		-	-	-	-	-	-	-		-
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	369 540	-	-	886	107 720	-	107 720	#DIV/0!	-
Expenditure by Vote	1									
Vote 1 - Office Of The Municipal Manager		21 939	-	-	825	3 819	-	3 819	#DIV/0!	-
Vote 2 - Planning and Economic Development		24 409	-	-	20	1 519	-	1 519	#DIV/0!	-
Vote 3 - Budget and Treasury		108 569	-	-	1 027	4 778	-	4 778	#DIV/0!	-
Vote 4 - Corporate and Community Service		69 335	-	-	1 579	12 949	-	12 949	#DIV/0!	-
Vote 5 - Technical Services		96 899	-	-	11 686	24 360	-	24 360	#DIV/0!	-
Vote 6 - Technical Services		137 603	-	-	147	21 474	-	21 474	#DIV/0!	-
Vote 7 - Community & Social Services		20 639	-	-	1 096	3 244	-	3 244	#DIV/0!	-
Vote 8 - Corporate Services		1 551	-	-	-	228	-	228	#DIV/0!	-
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	480 944	-	-	16 379	72 372	-	72 372	#DIV/0!	-
Surplus/ (Deficit) for the year	2	(111 404)	-	-	(15 493)	35 347	-	35 347	#DIV/0!	-

Table C4 Municipality Financial Performance

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

Nquthu Municipality Monthly Budget Statement

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Financial Performance (Revenue and Expenditure) - 30 September										
Description	Ref	2025/26	Budget Year 2026/27							
		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		36 211	-	-	618	7 370	-	7 370	#DIV/0!	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		2 536	-	-	-	(2 370)	-	(2 370)	#DIV/0!	-
Sale of Goods and Rendering of Services		455	-	-	136	168	-	168	#DIV/0!	-
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		775	-	-	-	91	-	91	#DIV/0!	-
Interest from Current and Non Current Assets		6 980	-	-	125	870	-	870	#DIV/0!	-
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 515	-	-	7	160	-	160	#DIV/0!	-
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Construction Contract Revenue		-	-	-	-	-	-	-	-	-
Development Charges		-	-	-	-	-	-	-	-	-
Operational Revenue		803	-	-	0	38	-	38	#DIV/0!	-
Non-Exchange Revenue										
Property rates		61 801	-	-	-	9 682	-	9 682	#DIV/0!	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		816	-	-	-	171	-	171	#DIV/0!	-
Licence and permits		1 013	-	-	1	162	-	162	#DIV/0!	-
Transfers and subsidies - Operational		212 139	-	-	-	78 399	-	78 399	#DIV/0!	-
Interest		4 306	-	-	-	771	-	771	#DIV/0!	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets		713	-	-	-	-	-	-	-	-
Other Gains		1 515	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		331 579	-	-	886	95 512	-	95 512	#DIV/0!	-
Expenditure By Type										
Employee related costs		119 002	-	-	36	19 074	-	19 074	#DIV/0!	-
Remuneration of councillors		15 702	-	-	-	2 544	-	2 544	#DIV/0!	-
Bulk purchases - electricity		45 278	-	-	11 005	16 844	-	16 844	#DIV/0!	-
Inventory consumed		866	-	-	3	3	-	3	#DIV/0!	-
Debt impairment		20 818	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment		44 304	-	-	-	-	-	-	-	-
Interest, Dividends and Rent on Land		195	-	-	-	-	-	-	-	-
Contracted services		58 801	-	-	3 906	7 596	-	7 596	#DIV/0!	-
Transfers and subsidies		2 577	-	-	-	23	-	23	#DIV/0!	-
Irrecoverable debts written off		1 248	-	-	-	215	-	215	#DIV/0!	-
Operational costs		49 878	-	-	1 300	7 283	-	7 283	#DIV/0!	-
Disposal of Fixed and Intangible Assets		1 197	-	-	-	-	-	-	-	-
Other Losses		7	-	-	-	-	-	-	-	-
Total Expenditure		359 875	-	-	16 251	53 583	-	53 583	#DIV/0!	-
Surplus/(Deficit)		(28 297)	-	-	(15 365)	41 929	-	41 929	#DIV/0!	-
Transfers and subsidies - capital (monetary allocations)		37 961	-	-	-	12 208	-	12 208	#DIV/0!	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		9 664	-	-	(15 365)	54 137	-	54 137	#DIV/0!	-
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		9 664	-	-	(15 365)	54 137	-	54 137	#DIV/0!	-
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		9 664	-	-	(15 365)	54 137	-	54 137	#DIV/0!	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		9 664	-	-	(15 365)	54 137	-	54 137	#DIV/0!	-

TABLE C4: REVENUE BY SOURCE

1. Property rates

Property rates YTD actual for this month stands at R9.6 million rands, the comparison cannot be made because the budget figures are zero.

2. Service charges electricity

The actual revenue from service charges electricity is R7.3 million rands, the comparison cannot be made because the budget figures could not be populated.

3. Interest from Current and Non-Current Assets

The interest from current and non-current assets show the YTD actual figure of R870 thousand rands. The comparison cannot be made because the budget figures could not be populated in the C-schedule 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 is not populated, the YTD actual figure is R78.3 million rands.

TABLE C4: EXPENDITURE BY TYPE

1. Employee related costs

The employee related costs amounts to R19 million rands against the budgeted figure that could not be populated.

2. Remuneration of Councillor's

The YTD actual for remuneration of councillors amounts to R2.5 million rands.

3. Debt impairment

The YTD actuals reflects R0 amounts, the actuals will be prepared during the compilation of interim AFS.

4. Depreciation & asset impairment

The YTD actuals reflects R0 amounts, the actuals will be prepared during the compilation of interim AFS.

5. Bulk purchases

The YTD actual for electricity bulk purchase figure amounts to R16.8 million rands, the original budget figure cannot be retrieved in the Cscheduled thus reflecting a nil amount. 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) - M03 September

Vote Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office Of The Municipal Manager		-	-	-	-	-	-	-		-
Vote 2 - Planning and Economic Development		6 838	-	-	-	-	-	-		-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-		-
Vote 4 - Corporate and Community Service		272	-	-	-	-	-	-		-
Vote 5 - Technical Services		31 110	-	-	9 266	19 882	-	19 882	#DIV/0!	-
Vote 6 - Technical Services		-	-	-	-	-	-	-		-
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	38 220	-	-	9 266	19 882	-	19 882	#DIV/0!	-
Single Year expenditure appropriation	2									
Vote 1 - Office Of The Municipal Manager		-	-	-	-	-	-	-		-
Vote 2 - Planning and Economic Development		-	-	-	-	-	-	-		-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-		-
Vote 4 - Corporate and Community Service		78	-	-	-	-	-	-		-
Vote 5 - Technical Services		(9 725)	-	-	-	-	-	-		-
Vote 6 - Technical Services		-	-	-	-	-	-	-		-
Vote 7 - Community & Social Services		391	-	-	-	-	-	-		-
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	(9 256)	-	-	-	-	-	-		-
Total Capital Expenditure		28 964	-	-	9 266	19 882	-	19 882	#DIV/0!	-
Capital Expenditure - Functional Classification										
Governance and administration		896	-	-	-	-	-	-		-
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		896	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		1 287	-	-	2 424	7 720	-	7 720	#DIV/0!	-
Community and social services		6 995	-	-	2 424	7 720	-	7 720	#DIV/0!	-
Sport and recreation		(5 721)	-	-	-	-	-	-		-
Public safety		13	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		26 781	-	-	6 843	12 162	-	12 162	#DIV/0!	-
Planning and development		6 838	-	-	-	-	-	-		-
Road transport		19 943	-	-	6 843	12 162	-	12 162	#DIV/0!	-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		-	-	-	-	-	-	-		-
Energy sources		-	-	-	-	-	-	-		-
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	28 964	-	-	9 266	19 882	-	19 882	#DIV/0!	-
Funded by:										
National Government		(11 835)	-	-	9 266	19 882	-	19 882	#DIV/0!	-
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-		-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporat		-	-	-	-	-	-	-		-
Higher Educ Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		(11 835)	-	-	9 266	19 882	-	19 882	#DIV/0!	-
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		40 798	-	-	-	-	-	-		-
Total Capital Funding		28 964	-	-	9 266	19 882	-	19 882	#DIV/0!	-

The total capital expenditure year to date figure by functional classification stands at R19.8 million rands.

The capital expenditure funded by the national government YTD actual amount is R19.8 million rands. Internally generated funding year to date actual figure is nil.

Table C6 – Monthly Budget Statement – Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		43 777	–	–	48 822	–
Short term Investments		–	–	–	–	–
Trade and other receivables from exchange transactions		7 556	–	–	(3 632)	–
Receivables from non-exchange transactions		14 017	–	–	467	–
Current portion of non-current receivables		–	–	–	–	–
Inventory		890	–	–	278	–
VAT Receivable		–	–	–	3 027	–
Other current assets		61	–	–	(0)	–
Total current assets		66 301	–	–	48 963	–
Non current assets						
Investments		–	–	–	–	–
Investment property		74 928	–	–	–	–
Property, plant and equipment		787 059	–	–	19 882	–
Biological assets		–	–	–	–	–
Living resources		–	–	–	–	–
Heritage assets		79	–	–	–	–
Intangible assets		–	–	–	–	–
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		862 066	–	–	19 882	–
TOTAL ASSETS		928 367	–	–	68 844	–
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		20	–	–	–	–
Consumer deposits		2 567	–	–	8	–
Trade and other payables from exchange transactions		40 212	–	–	13 067	–
Trade and other payables from non-exchange transactions		24 146	–	–	1 078	–
Provision		16 771	–	–	–	–
VAT Payable		–	–	–	555	–
Other current liabilities		–	–	–	–	–
Total current liabilities		83 717	–	–	14 708	–
Non current liabilities						
Financial liabilities		(20)	–	–	–	–
Provision		–	–	–	–	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		(20)	–	–	–	–
TOTAL LIABILITIES		83 697	–	–	14 708	–
NET ASSETS	2	844 670	–	–	54 137	–
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		837 978	–	–	–	–
Reserves and funds		173	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	838 150	–	–	–	–

The table C6 reflects R837 million rands actual accumulated surplus.

Table C7 – Monthly Budget Statement – Cash Flow

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2025/26	Budget Year 2026/27							
		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		-	-	-	107	8 519	-	8 519	#DIV/0!	-
Service charges		-	-	-	837	9 113	-	9 113	#DIV/0!	-
Other revenue		-	-	-	206	1 724	-	1 724	#DIV/0!	-
Transfers and Subsidies - Operational		460 704	-	-	(14)	85 774	-	85 774	#DIV/0!	-
Transfers and Subsidies - Capital		-	-	-	-	6 000	-	6 000	#DIV/0!	-
Interest		-	-	-	125	1 009	-	1 009	#DIV/0!	-
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(507 386)	-	-	(11 103)	(43 931)	-	43 931	#DIV/0!	-
Finance charges		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(46 682)	-	-	(9 842)	68 208	-	(68 208)	#DIV/0!	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Insurance Refund - Capital		-	-	-	-	-	-	-		-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	-	-	(10 213)	(21 140)	-	21 140	#DIV/0!	-
Retention (Capital)		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	(10 213)	(21 140)	-	21 140	#DIV/0!	-
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		(46 682)	-	-	(20 055)	47 068	-			-
Cash/cash equivalents at beginning:		74 230	-	-	-	-	-			-
Cash/cash equivalents at month/year end:		27 547	-	-	(20 055)	47 068	-			-

The table C7 cash flow statement transactions from operating activities with a year to date actual figure of R68.2 million rands. The operating activities represent the amount used by the municipalities for core business operations such as property rates, service charges etc (under receipts) furthermore the operating activities reflects suppliers and employees etc (under payment) over the period under reporting. The investing activities actual transactions amount to R21.1 million rands and Rnil is recorded under 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 R137 million rands remains constant from previous month balance. 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.

September 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 -1 840 584.54	R -1 840 584.54	R -	R -	R -	R -	R -	R -	-
Adv-Pay Reverse	R 27.64	R -	R -	R -	R -	R -	R -	R -	27.64
Deposit: Waste Disposal	R 2 000.00	R -	R -	R -	R -	R -	R -	R -	2 000.00
Electricity Basic	R 924 511.89	R 155 411.11	R 69 492.35	R 61 264.30	R 50 158.47	R 39 812.58	R 31 792.18	R 516 580.90	
Electricity Metered	R 6 467 104.12	R 2 431 841.09	R 948 479.38	R 827 186.49	R 830 410.75	R 207 069.93	R 110 660.41	R 1 111 456.07	
Market stalls	R 1 157 024.34	R 20 669.48	R 19 270.26	R 18 638.10	R 18 031.58	R 17 712.28	R 17 410.36	R 1 045 292.28	
OFFICE RENTAL	R 268 234.79	R 18 372.12	R 18 333.10	R 15 072.93	R 12 483.25	R 12 408.35	R 12 333.44	R 179 231.60	
Plaza Market Stalls	R 274 274.58	R 9 829.84	R 9 075.40	R 8 579.25	R 8 124.39	R 7 843.73	R 7 762.20	R 223 059.77	
Property Rates	R 117 708 395.73	R 6 659 150.98	R 5 565 216.97	R 5 341 848.78	R 377 636.11	R 393 357.03	R 3 132 510.08	R 96 238 675.78	
Rent (M001)	R 811 973.41	R 34 997.37	R 35 017.40	R 13 016.56	R 20 433.68	R 20 324.11	R 20 214.57	R 667 969.72	
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 35 330.94	R 3 901.97	R 1 885.68	R 131.22	R 131.22	R 131.22	R 131.22	R 29 018.41	
Sundries (VAT)	R 17 510.00	R 8 890.12	R 2 871.23	R 2 889.50	R 2 728.85	R 130.30	R -	R -	
Tampering Fee	R 447 151.09	R -	R 11 444.30	R -	R -	R -	R -	R 435 706.79	
Traffic Fines	R 4 960 871.02	R 44 700.00	R 91 700.00	R 52 800.00	R 77 450.00	R 61 300.00	R 53 300.00	R 4 579 621.02	
Traffic Fines (M001)	R 1 734 180.76	R -	R -	R -	R -	R -	R -	R 1 734 180.76	
Waste Disposal	R 4 042 993.24	R 242 034.62	R 133 515.82	R 112 917.02	R 102 469.79	R 90 506.33	R 82 895.57	R 3 278 654.09	
Total	R 137 038 082.02	R 7 789 214.16	R 6 906 301.89	R 6 454 344.15	R 1 500 058.09	R 850 595.86	R 3 469 010.03	R 110 068 557.84	

Table: 2.1.2

The table below shows the comparison of debtors balances with the prior month balance. The debtors age increased by R5 million rands in the current month.

Growth variance - debtors age balances 2026				
	June	July	August	September
Balance	R 134 838 385.37	R 137 607 690.32	R 132 006 271.42	R 137 038 082.02
Variance	R 2 769 304.95	-R 5 601 418.90	R 5 031 810.60	

DEBT COLLECTION RATE

Collection Table 2.1.3.

Cash Collected for each Revenue Source via Billing (September 2026)				
	Cash collection	Ageing - September 2026	Collection rate per BT	Billed revenue - September 2026
Rates	R 1 713 745.95	R 117 708 395.73	1%	R 6 582 025.63
Electricity	R 1 775 612.43	R 7 391 616.01	24%	R 3 065 293.73
Refuse	R 185 533.07	R 4 070 956.66	5%	R 286 211.05
Stalls Rental , Traffic fines & Tar	R 77 566.67	R 8 316 737.21	1%	R 85 170.07
Other Rentals	R -	R 1 390 933.31	0%	R -
Advance payments	R 1 440 242.21	R -1 840 556.90	-78%	R -
Unallocated Payments	R -			R -
TOTAL CASH RECEIVED (BILL	R 5 192 700.33	R 137 038 082.02		R 10 018 700.48
Total Ageing	R 137 038 082.02		August 2026 Billing	R 9 750 975.25
Total debtors' payments	R 5 192 700.33		September 2026 Payr	R 5 192 700.33
	4%			53%

Cash collected under the reporting period amounts to R5.1 million rands resulting in collection rate of 4%. The comparison to the previous month billing against current month payments results to 53% collection rate, which is significantly above the norm of 95%.

DEBTOR'S RATIOS

Ratios table 2.1.4.

September 2026 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	50	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	2393.32	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	2.75	Revenue Growth (%)

Collection rates stand at 50% using the ratios as provided by National Treasury circular 71. The net debtors' days equals to 2393.32 against the days reported in the preceding month. It means that it takes the municipality above 6 years to collect the current debt, the debtors' days signal cash flow challenges to fund certain expenditure items.

INDIGENT DEBTORS

The indigent debtors' registration period for the current year started in February 2026 and the closing date was 30 April 2026. The total debtors that qualified for indigent debt relief rebates totals to 237. The municipality conducted physical verification. The rebates granted to eligible indigent debtors encompasses the 100% rebate on billed rates and services for the current year. The final register is sent to council for debt write-off approval.

ELECTRICITY LOSSES

The electricity losses for the period under review amounts to 24%. 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.

Table 2.1.5. Electricity distribution loss (units)

ELECTRICITY DISTRIBUTION LOSS 26/27 (UNITS)										
Month	Season High/Low	Bulk Purchases Units 26/27	Total kWh Units 26/27 (Internal)	Ontec 3rd party sales	SEBATA Billing 26/27	FBE	Own Consumption	Total Electricity	Profit / Loss on sale of electricity	%Profit/ Loss
July	High	1 879 423.00	48 191.70	246 015.50	1 001 859.00	96 950.00	15 470.00	1 408 486.20	470 936.80	25.06%
August	High	1 998 558.00	39 080.40	259 409.90	1 034 443.00	96 150.00	14 609.00	1 443 692.30	554 865.70	27.76%
September	Both	1 831 312.20	63 598.40	217 994.20	1 064 385.00	96 050.00	40 624.00	1 482 651.60	348 660.60	19.04%
		5 709 293.20	150 870.50	723 419.60	3 100 687.00	289 150.00	70 703.00	4 334 830.10	1 374 463.10	24.07%

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 budget amounts to R66 thousand rands and the revenue received to date amounts to R15 000.00.

Table 2.1.6. Hall hire revenue

Project Code	Item	Description	Budget Original	Budget Adjusted	Opening Balance	Credit Close Balance
6041	IR00200400200 100100000000 000000000000 0	Revenue:Exchange Revenue:Rental from Fixed Assets:Market Related:Investment Property:Straight-lined Operating	R 0.00	(R 66 780.00)	R 0.00	(R 15 867.29)

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 creditors' reconciliation report hereunder shows that the 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.

The highest cost driver for the month under reporting relate to Eskom for municipal bulk account and other electricity miscellaneous accounts. The Eskom account is without arrear debts.

Creditors payment summary: Table 2.2.1

CREDITORS REPORT FOR SEPTEMBER 2026			
TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF SEPTEMBER 2026			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 441 767.90
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 2 172.15
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	R 7 656.94
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 8 569.87
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	R 7 302 126.65
			R 7 762 293.51
2	NTSHIDI AND ASSOCIATES	INTERNAL AUDIT FORTH VISIT (14/09/2026)	R 927 587.70
			R 927 587.70
3	NKOSINGIPHE INKAZIMULO TRADING AND PROJECTS	PREPARATION OF GRAP COMPLIANT FAR (JULY-AUG 2026)	R 716 363.75
			R 716 363.75
4	OCEAN DAWN TRADING	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2026	R 248 766.39
	OCEAN DAWN TRADING	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR AUGUST 2026	R 248 766.39
			R 497 532.78

5	VEXOSCORE FIRE	REPAIR AND REFURBISH 02 SETS OF TNT JAWS OF LIFE (DISASTER)	R 242 220.57
	VEXOSCORE FIRE	REPAIR ALL 03 SKID UNITS PUMP (DISASTER)	R 165 315.55
			R 407 536.12
6	ADVENTURE TRAVEL	ACCOMMODATION OF M NKALA ATTENDING CHIBIDE SUB-STATION BUDGET QUOTE MEETING IN DURBAN (24-26	R 4 468.90
	ADVENTURE TRAVEL	ACCOMMODATION OF MAYOR HIS 02 BODYGUARDS IN ULUNDI (26-27 AUGUST 2026)	R 7 555.50
	ADVENTURE TRAVEL	ACCOMMODATION OF BP SIBIYA IN VRYHEID (24-25 AUG 2026)	R 2 242.50
	ADVENTURE TRAVEL	ACCOMMODATION OF IDAHILE ATTENDING CHIBIDE SUB-STATION BUDGET QUOTE MEETING IN PMB (24-25 AUG	R 2 179.25
	ADVENTURE TRAVEL	ACCOMMODATION OF MB JIYANE, M NKALA, M HLONGWANE AND BH BHENGU ATTENDING MPAC	R 8 415.71
	ADVENTURE TRAVEL	ACCOMMODATION OF 06 DELEGATES ATTENDING UMKHOSI WOMHLANGA IN OPHONGOLO (11 - 13 SEPT	R 23 236.09
	ADVENTURE TRAVEL	ACCOMMODATION OF M NTSHANGASE ATTENDING PROVINCIAL DIGITAL TRANSFORMATION STRATEGY	R 4 468.90
	ADVENTURE TRAVEL	ACCOMMODATION OF S SOODAT AND B NSINDANE (DEPUTY MAYORS BODYGUARDS) IN DURBAN (09 - 11	R 8 592.80
	ADVENTURE TRAVEL	ACCOMMODATION OF M DUBE ATTENDING PAYROLL GL LINKING IN NEWCASTLE (08-11 SEPT 2026)	R 5 961.60
	ADVENTURE TRAVEL	ACCOMMODATION OF NM BUTHELEZI, MAYOR, SPEAKER AND THEIR BODYGUARDS IN DURBAN (13-15 AUGUST	R 26 926.05
	ADVENTURE TRAVEL	ACCOMMODATION OF IDAHILE AND G BUTHELEZI ATTENDING WORKSHOP ON ELECTRICITY DISTRIBUTION	R 8 188.00
	ADVENTURE TRAVEL	ACCOMMODATION OF 03 FINANCE OFFICIALS ATTENDING CIGFARO TRAINING IN DURBAN (30 AUG - 04	R 16 227.08
	ADVENTURE TRAVEL	ACCOMMODATION OF MB JIYANE ATTENDING STRATEGIC SESSION BY SALGA IN DURBAN (06-08 SEPT 2026)	R 4 988.70
	ADVENTURE TRAVEL	ACCOMMODATION OF 06 MUNICIPAL OFFICIALS AND 13 COUNCILLORS ATTENDING GOLDEN GAMES IN DURBAN	R 84 059.16
	ADVENTURE TRAVEL	ACCOMMODATION OF S MLAMBO AND M MBATHA ATTENDING PAYROLL GL LINKING IN NEWCASTLE (08-11	R 12 261.30
	ADVENTURE TRAVEL	ACCOMMODATION OF 04 MUNICIPAL OFFICIALS ATTENDING TRAFFIC TRAINING IN PORT ELIZABETH (26	R 119 321.70
			R 339 093.24
7	AUDITOR GENERAL - SA	EXTERNAL AUDIT FEES	R 300 871.86
			R 300 871.86
8	GARDASA SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR AUGUST 2026	R 265 350.82
9	FEZILE SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR AUGUST 2026	R 248 766.39
10	SIPHILE SECURITY SERVICES	PROVISION OF SERCURITY SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULY 2026	R 248 766.39
			R 248 766.39

The creditors age balance amount is R8.8 million rands. The creditors above 180 days are reflected and the municipality is working on clearing the figures that exceed the 30 day threshold provided in the MFMA.

TABLE 2.2.2: CREDITORS AGE ANALYSIS

CREDITORS ACCOUNT RECONCILIATION REPORT	
MONTH ENDING SEPTEMBER 2026	
Total Balances - EMS INVOICE AGE ANALYSIS REPORT:	R 8 844 875.53
AGE ANALYSIS TOTAL AMOUNT:	R 8 844 875.53
CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT	R 8 844 875.53
AGED ANALYSIS	R 8 844 875.53 R 6 585 067.18 R 771 302.07 R 1 484 803.00 R 300.00 R 3 103.28 R 300.00 R - </

2.3. INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS

The investment register reflects investment state of the municipality. The municipality ensures that the funds that are not immediately required to account for either operational or capital expenditure are invested in line with investment policy thus the investment balance of R64.5 million rands.

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

Investment Report 30 September 2026								
Financial Institution/Bank		Date invested/ Type of Account	Amount invested	Interest rate	Withdrawal/D eposite/Bank charges	Balance	Interest	Maturity date
ABSA HOUSING A/C	9277851394	CALL A/C	R2 157 546.80	7.50%	R0.00	R2 168 174.93	R10 628.13	CALL A/C
ABSA CALL	9307695892	CALL A/C	R30 289 516.22	6.95%	R20 000 000.00	R10 442 582.01	R153 065.79	CALL A/C
ABSA BANK	9365964328	CALL A/C	R26 019.77	7.53%	R0.00	R26 103.49	R83.72	CALL A/C
ABSA BANK NOTICE SELECT	9142845014	CALL A/C	R103 142.46	7.05%	R0.00	R103 637.69	R495.23	NOTICE SELECT
NEDBANK 1	037165014039	CALL A/C	R1 437.52	8.05%	R0.00	R1 445.68	R8.16	CALL A/C
FIRST NATIONAL BANK	62372311408	CALL A/C	R11 685 879.74	7.0%	R0.00	R11 748 791.40	R62 911.66	CALL A/C
STANDARD BANK	308585569	CALL A/C	R8 218.35	6.25%	R0.00	R8 253.81	R35.46	CALL A/C
STANDARD BANK	308585569	32 DAYS NOTICE DEPOSIT	R29 853 624.89	8.20%	R0.00	R30 036 181.85	R182 556.96	32 DAYS NOTICE
STANDARD BANK	308585569	09-Jul-26	R10 000 000.00	7.65%	R0.00	R10 000 000.00	R0.00	06-Nov-26
TOTAL			R84 125 385.75		R20 000 000.00	R64 535 170.86	R409 785.11	

Table 2.3.2. Investment growth table

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 the current period investment decreased by R20 million rands.

Investment growth/variance report -2026				
	June	July	August	September
Balance	R 43 462 424.89	R 83 716 270.80	84125385.75	R 64 535 170.86
Variance		R 40 253 845.91	R 409 114.95	-R 19 590 214.89

Table 2.3.3. Investment withdrawal table

Withdrawal history shows R20 million rands withdrawn on 21 September 2026.

Withdrawals - September 2026				
DATE	ACCOUNT	AMOUNT	BALANCE BEFORE	WITHDRAWAL REASON
21/09/2026	5892	R 20 000 000.00	R 4 352 622.30	Insufficient funds to pay for normal operations

Table 2.3.2 Bank Balance (Primary account)

Bank balance for primary account reflects the amount of R16.3 million rands for the month under review.

BANK RECONCILIATION (PRIMARY ACCOUNT)	4053562762
Details	Amount
Cash book balance as at 30 September 2026	R 16 353 948.27
Outstanding deposits	R -
Unknown deposits	R -
Bank charges	R -
Outstanding cheques	R -
Transfers	R -
Sundries	R -
Outstanding receipts	R -
Bank statement balance as at 30 September 2026	R 16 353 948.27

Bank balance for grant account reflects the amount of R103 thousand rands for the month under review.

BANK RECONCILIATION (GRANTS ACCOUNT)	
Details	Amount
Cash book balance as at 30 September 2026	R 103 637.69
Unknown deposits	R -
Outstanding cheques	R -
Bank charges	R -
Returned cheques	R -
Transfers	R -
Sundries	R -
Outstanding receipts	R -
Bank statement balance as at 30 September 2026	R 103 637.69

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 30 September 2026

Grant register Table 2.4.1

GRANTS REGISTER - SEPTEMBER 26/27								
	Grant Type	Pre-Audited Balance as at 1-Jul-2026	Dora/Prov Allocation for year	Received 2026/27	Spent & transferred to income 2026/27	Balance as at 2026/27	Available funds/not committed 2026/27	% Spending
National Grants operational	Eletrification(INEP)		17 700 000.00	(7 080 000.00)	977 500.00	(6 102 500.00)	(6 102 500.00)	-14%
	FMG		2 100 000.00	(2 100 000.00)	254 944.05	(1 845 055.95)	(1 845 055.95)	-12%
	EPWP		1 698 000.00	(425 000.00)	328 860.00	(96 140.00)	(96 140.00)	-77%
National Grants Capital	MIG		38 403 000.00	(15 000 000.00)	10 500 531.30	(4 499 468.70)	(4 499 468.70)	-70%
	Disaster relief grant	(23 000 000.00)		-	-	(23 000 000.00)	(23 000 000.00)	
KZN Grants Capital						-	-	
	Sportfield Maintance	(27 118.26)				(27 118.26)	(27 118.26)	
KZN Grants Operational	Cybercadet			-	191 371.59	191 371.59	191 371.59	
	Tourisim grant			-	-	-	-	
	Library Modular	(1 069 574.25)		-	794 697.52	(274 876.73)	(274 876.73)	
	Library Volunteer	(45 333.00)		-	16 008.00	(29 325.00)	(29 325.00)	
	Library support			-	790 201.48	790 201.48	790 201.48	
			4 883 004.00			-	-	
TOTALS		(24 142 025.51)	64 784 004.00	(24 605 000.00)	13 854 113.94	(34 892 911.57)	(34 892 911.57)	

The grants receipt and spending is as follows:

1. INEP allocation received to date amounts to R7 million rands and 14% is spent.
2. MIG grant allocation received to date is R10.5 million rands and 70% is spent.
3. FMG 12% is spent from the allocation of R2.1 million rands.
4. EPWP is 77% spent from the allocation of R425 thousand rands..
5. Library support – no allocation yet.
6. Cybercadet - no allocation yet.
7. Library modular - no allocation yet.
8. Library volunteer no allocation yet.
9. Disaster Relief grant is rolled over amounting to R23 million rands and 0% spending is recorded.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

The employee benefits figure for the month under reporting amount to R29.3 million rands. The staff establishment was adopted by council in the last financial. Councillor allowances expenditure amounts to R3.8 million rands. The 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

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 30 September 2026		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R 92 838 353.00	R 19 775 508.57
Contributions to pension funds	R 13 857 716.00	R 2 803 823.92
Contributions to medical aids	R 3 887 534.00	R 979 436.28
Contributions to UIF	R 611 608.00	R 144 264.72
Contributions to SDL	R 1 374 931.00	R 243 382.06
Travel, motor car	R 4 884 754.00	R 1 520 984.24
Salga	R 38 625.00	R 10 953.95
Housing benefits and allowances	R 561 972.00	R 64 968.46
Cellphone Allowance	R 157 188.00	R -
Overtime payments	R 1 952 412.00	R 1 018 112.08
Bonuses	R 6 397 441.00	R 1 873 975.90
Other leave & long service	R 2 802 594.00	R 110 850.60
Allowances (Standby and Drivers Allowance)	R 1 809 024.00	R 757 316.66
Totals	R 131 174 152.00	R 29 303 577.44
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R 14 376 864.00	R 3 551 207.89
Cellphone/Data Allowance	R 1 723 572.00	R 256 614.83
Contributions to SDL	R 12.00	R 36 668.98
Totals	R 16 100 448.00	R 3 844 491.70

2.6 SCM REPORTS

INVENTORY

The municipality inventory levels are controlled through stock issues at the stores and reconciliations are performed monthly to ensure that all inventory items are accounted for. The inventory reconciliation below shows a balance brought forward of R888 thousand rands. There are no movements hence the closing balance remains R888 thousand rands.

Table 2.6.1. Inventory reconciliation

INVENTORY MODULE - SEPTEMBER 2026	
INVENTORY MODULE	
OPENING BALANCE AS PER INVENTORY REPORT	R 889 919.00
ADD: TOTAL RECEIPTS	R 0.00
Inventory purchases for the month	R 0.00
LESS: TOTAL ISSUES	R 0.00
Inventory issued from stores during the month Journal : Capitalisation of asset	R 0.00
ADJUSTMENTS	R 0.00
Add: stock surplus identified during the month Less: Stock losses identified during the month	R 0.00
CLOSING BALANCE AS PER INVENTORY REPORT	<u>R 889 919.00</u>

IRREGULAR & FRUITLESS EXPENDITURE

The irregular expenditure report is detailed in the SCM report.

FRUITLESS EXPENDITURE

There are nil transactions recorded for period ending September 2026.

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 cannot be recorded due to budget figures not populating on the Cschedule. The variance reasons between actuals vs budget figures will be detailed on the C-schedule once it becomes available.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

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

Section 71 - for the month ending 30 September 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 09/10/2026