KUMKANI MHLONTLO LOCAL MUNICIPALITY

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In-Year Report of the Municipality

Prepared in terms of the Local Government Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009

Monthly Budget Statement

July 2025

2025-2026 Financial Year

TABLE OF C[illegible]TENTS

Glossary

Accrual Account – An accounting method that measures the performance and position of the municipality ecognising events regardless of when cash transactions occur.

Adjustment Budg · Prescribed in section 28 of the MFMA

Allocations – Mor eceived from other Municipalities, Provincial or National Government.

Budget – Financia in of the Municipality.

Budget Related P / – Policy of a municipality affecting or affected by the budget, examples include c t control policy, rates policy, tariff policy and funding and reserves policy.

Capital Expenditu Expenditure on items such as machinery, buildings, land, infrastructure (roads

Cash Flow Statem – Provides aggregate data regarding all cash inflows the municipality receives from both i ngoing operations and external investment sources, as well as all cash outflows that p or municipality's activities and investments during a month.

DORA – Division of enue Act. Annual legislation reflecting total allocations per municipality made by ovincial and national governments.

Equitable Share – A neral grant paid to municipalities predominantly targeted to help with free basic services.

Fruitless and Waste Expenditure – Expenditure made in vain, that would have been avoided had reasona care been exercised.

MBRR – Local Gover ent Municipal Budget and Reporting Regulations.

MIG – Municipal Infra cture Grant

MTREF – Medium Te Revenue and Expenditure Framework.

Operating Expenditu - Day to day expenses of the Municipality such as salaries, repairs and maintenance and eral expenses.

Strategic Objectives he main priorities of the Municipality as set out in the IDP. Budgeted spending m contribute towards achieving those objectives.

Unauthorised Expen re – Spending without budget or in excess of the approved budget

Vote – A department

SECTION 1 – E [illegible] :UTIVE SUMMARY

1.1 Introduction

MFMA Section 5 [illegible]) states that the mayor must within 30 days of the end of each quarter, submit a [illegible] port to council on the implementation of the budget and the financial state of [illegible] irs of the municipality.

Municipal budget [illegible] ulations sub-heading 2.5 requires that this report must be in the Section 71 of the [illegible] MA format, which requires that this report must be prepared in the following man [illegible] :

- Actual Rev [illegible] e per revenue source.
- Actual exp [illegible] iture per vote.
- Actual Cap [illegible] Expenditure per vote.
- The amoun [illegible] any allocations received,
- Actual Exp [illegible] ture on allocations received,
- Actual Exp [illegible] ture on those allocations,
- Where nec [illegible] ary, explanations on:
  - Any mater [illegible] variances from the municipality's projected revenue per source, and from th [illegible] unicipality's expenditure projections per vote.
  - Any mater [illegible] ariances from the SDBIP, and
  - Remedial [illegible] orrective steps taken or to be taken by the municipality

2. The statement n [illegible] include: -

   - Proje [illegible] ns of municipality's revenue and expenditure for the rest of the financ [illegible] year, and any revisions from initial projections.

3. The amounts re [illegible] ed in the statement must in each case be compared with corresponding amo [illegible] budgeted for in the municipality's approved budget.

This report has bee [illegible] epared using the accrual method of accounting. The general idea is that econom [illegible] vents are recognised by matching revenues to expenses (the matching principle) [illegible] e time in which the transaction occurs rather than when payment is received [illegible] made.

This method allows [illegible] current cash inflows/outflows to be combined with future expected cash inflov [illegible] utflows to give a more accurate picture of the municipality's current financial pos [illegible] .

Operating Rev [illegible] **_e_**

In the statement [illegible] inancial performance, revenue accrued is R 143, 5 million out of the projected R2 [illegible] million giving a positive variance of 83%. Variance contributing factors are expla [illegible] d in the subheadings of the revenue items.

Total cash receip [illegible] n operating revenue excluding grants totals to R5,6 million for July 2025 out of [illegible] expected R4, 5 million. The substantial amount received was due to collections [illegible] government property rates and VAT refundable.

Property Rates

The amount accr [illegible] on rates amounts to R45,5 million out of the expected R3, 5 million.

Total actual cash [illegible] ected on rates for July 2025 is R285 thousand against the expected R3, 9 m [illegible] .

Refuse Removal

Amount accrued [illegible] fuse removal is R354 thousand against the expected R157 thousand.

Total actual cash r [illegible] ived on refuse removal since July 2025 is R40 thousand out of the expected colle [illegible] of R157 thousand.

Investment Reven [illegible]

This relates to inte [illegible] received on the call account deposits. Interest received for July 2025 amounts [illegible] R695 thousand out of the expected R1, 1 million.

Other Revenue

Rental of facilities a [illegible] Equipment –R2 thousand has been received since July 2025 instead of the expe [illegible] R4 thousand.

Fines- R2 thousand [illegible] been received so far against the expected R160 thousand.

Licenses and permi [illegible] R104 thousand has been received for July 2025 and the municipality expecte [illegible] receive R114 thousand.

Agency Services- T [illegible] mount collected for July 2025 amounts to R63 thousand and the expected budget [illegible] R125 thousand.

Operating Exp[illegible]iture

On operating ex[illegible]diture, R34, 7 million was spent against the expected budget of R33, 9 million gi[illegible] rise to a negative variance of more than R742 thousand. This is because on non[illegible]h items like depreciation and debt impairment that have not been accounted [illegible]

Employee Costs

R9, 8 million has [illegible]n spent to date on employee related costs against the expected R11, 0 million.

Remuneration of [illegible]ncillors

Amount spent for [illegible] 2025 totals to R1, 8 million against the budgeted R2, 1 million.

Other Expenditur[illegible]perational Costs)

This line item incl[illegible] all the other operating expenses like accommodation, telephone, electric[illegible]tc. Expenditure is R4,8 million against the expected budget of R8, 3 million.

Capital Expendit[illegible]

On Capital Expend[illegible]e the municipality has spent a total of R18, 9 million against the expected R10, [illegible]illion budgets to date. This will be explained more on table C5 where department[illegible]xpenditures are reflected.

Financial Positio[illegible]

The municipality's [illegible]ent assets exceed the current liabilities. The municipality's ability to pay its sho[illegible]erm liabilities is tested by taking the total current assets and dividing them by cu[illegible]t liabilities. This test is mainly used to give an idea of the municipality's ability [illegible] pay back its short-term liabilities using the current assets.

Cash Flows

The municipality en[illegible] the month with a positive cash and cash equivalents balance.

Table C1- Mc ıly Budget Statement Summary

The table below ects on the summary of the total municipality's budget against year-to-date coll ons or expenditures.

EC156 Mhlontlo Tabl Monthly Budget Statement Summary - M01 July

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	43 028	42 177	–	45 528	45 528	3 515	42 013	1195%	42 177
Service charges	4 086	1 879	–	354	354	157	197	126%	1 879
Investment revenue	8 965	13 326	–	695	695	1 111	(416)	-37%	13 326
Transfers and subsidies - Operational	252 384	287 766	–	100 872	100 872	23 980	76 892	0	287 766
Other own revenue	7 352	11 134	–	(3 907)	(3 907)	928	(4 835)	-521%	11 134
Total Revenue (excluding cap transfers and contributions)	**315 815**	**356 282**	**–**	**143 542**	**143 542**	**29 690**	**113 851**	**383%**	**356 282**
Employee costs	121 898	132 570	–	9 782	9 782	11 048	(1 265)	-11%	132 570
Remuneration of Councillors	24 071	25 005	–	1 834	1 834	2 084	(250)	-12%	25 005
Depreciation and amortisatio	29 004	31 653	–	–	–	2 638	(2 638)	-100%	31 653
Interest	–	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	8 322	12 233	–	20	20	1 019	(1 000)	-98%	12 233
Transfers and subsidies	2 740	6 403	–	150	150	534	(384)	-72%	6 403
Other expenditure	146 421	199 267	–	22 884	22 884	16 606	6 278	38%	199 267
Total Expenditure	**332 456**	**407 131**	**–**	**34 670**	**34 670**	**33 928**	**742**	**2%**	**407 131**
Surplus/(Deficit)	**(16 640)**	**(50 849)**	**–**	**108 872**	**108 872**	**(4 237)**	**113 109**	**-2669%**	**(50 849)**
Transfers and subsidies - capi (monetary allocations)	115 274	96 095	–	21 026	21 026	8 008	13 018	163%	96 095
Transfers and subsidies - capit (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**98 633**	**45 247**	**–**	**129 898**	**129 898**	**3 771**	**126 128**	**3345%**	**45 247**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**8 633**	**45 247**	**–**	**129 898**	**129 898**	**3 771**	**126 128**	**3345%**	**45 247**

Table C2: St ment of Financial Performance by vote

This table reflec ıe operating budget in the standard classification which are the
Government Fin ə Statistics Functions and Sub-Functions. These are used by
National Treasuı assist the compilation of national and international accounts for
comparison purp s, regardless of organisational structures used by different
institutions. The ı functions are Governance and administration, Community and
public safety, Eco mic and environmental services, and Trading Services. It is for
this reason that t inancial performance is reported in standard classification, Table
C2 and by munic vote, Table C3.

EC156 Mhlontlo Table onthly Budget Statement - Financial Performance (functional classification) - M01 July

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		**162 124**	**165 277**	**–**	**89 526**	**89 526**	**13 773**	75 753	550%	**165 277**
Executive and council		30 024	30 097	–	12 966	12 966	2 508	10 458	417%	30 097
Finance and administratio		132 100	135 180	–	76 560	76 560	11 265	65 295	580%	135 180
Community and public saf		**51 452**	**38 086**	**–**	**24 107**	**24 107**	**3 174**	20 933	660%	**38 086**
Community and social services		4 218	4 137	–	1	1	345	(344)	-100%	4 137
Public safety		47 234	33 949	–	24 106	24 106	2 829	21 277	752%	33 949
Economic and environmen services		**170 148**	**177 249**	**–**	**46 221**	**46 221**	**14 771**	31 451	213%	**177 249**
Planning and development		168 378	151 093	–	46 034	46 034	12 591	33 443	266%	151 093
Road transport		1 770	26 156	–	187	187	2 180	(1 992)	-91%	26 156
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**47 365**	**71 765**	**–**	**4 714**	**4 714**	**5 980**	**(1 267)**	-21%	**71 765**
Energy sources		8 525	19 400	–	–	–	1 617	(1 617)	-100%	19 400
Waste management		38 841	52 365	–	4 714	4 714	4 364	350	8%	52 365
Total Revenue - Functional	2	**431 089**	**452 378**	**–**	**164 568**	**164 568**	**37 698**	**126 870**	**337%**	**452 378**
Expenditure - Functional										
Governance and administration		**150 641**	**201 926**	**–**	**16 864**	**16 864**	**16 827**	37	0%	**201 926**
Executive and council		62 455	61 893	–	9 980	9 980	5 158	4 822	93%	61 893
Finance and administration		88 150	139 790	–	6 884	6 884	11 649	(4 765)	-41%	139 790
Internal audit		37	243	–	–	–	20	(20)	-100%	243
Community and public safety		**38 991**	**51 663**	**–**	**2 951**	**2 951**	**4 305**	(1 354)	-31%	**51 663**
Community and social services		1 353	1 640	–	–	–	137	(137)	-100%	1 640
Sport and recreation		193	465	–	24	24	39	(15)	-39%	465
Public safety		37 446	49 558	–	2 927	2 927	4 130	(1 203)	-29%	49 558
Economic and environmental services		**122 276**	**123 650**	**–**	**11 388**	**11 388**	**10 304**	1 084	11%	**123 650**
Planning and development		38 236	70 659	–	8 846	8 846	5 888	2 957	50%	70 659
Road transport		84 040	52 990	–	2 542	2 542	4 416	(1 873)	-42%	52 990
Trading services		**20 547**	**30 918**	**–**	**3 515**	**3 515**	**2 576**	**939**	36%	**30 918**
Waste management		20 547	30 918	–	3 515	3 515	2 576	939	36%	30 918
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional		**332 456**	**408 157**	**–**	**34 718**	**34 718**	**34 013**	**705**	**2%**	**408 157**
Surplus/ (Deficit) for the year		**98 633**	**44 220**	**–**	**129 850**	**129 850**	**3 685**	**126 165**	**34,237142**	**44 220**

Table C3: Mo… …ly Financial Performance (Revenue and Expenditure … vote)

Operating budge… the institution is approved by council on municipal vote level. The municipal vo… are Mayor's Office, Council, Municipal Manager, Budget and Treasury Office, … porate Services, Local Economic Development, Community Services, and Inf… ructure and Development.

Unauthorised exp… diture occurs if the total budget in a vote is exceeded by expenditure. The … cutive and council vote is overspending.

The table below r… cts on expenditures per vote. Close monitoring of expenditures is vital.

EC156 MhlontloTable C… …nthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description / R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND C… …IL (11: IE)		33 183	33 264	–	13 963	13 963	2 772	11 191	403,7%	33 264
Vote 2 - FINANCE AND ADM… …IE)		132 143	135 215	–	76 561	76 561	11 268	65 293	579,5%	135 215
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		27 578	61 719	–	11 044	11 044	5 143	5 901	114,7%	61 719
Vote 4 - COMMUNITY AND S… SERVICES (15: IE)		27	26	–	1	1	2	(1)	-60,4%	26
Vote 5 - PUBLIC SAFETY (17…		51 409	66 472	–	24 106	24 106	5 539	18 567	335,2%	66 472
Vote 6 - SPORT AND RECRE… …(18: IE)		–	–	–	–	–	–	–		–
Vote 7 - WASTE MANAGEME… …: IE)		38 814	23 917	–	9 406	9 406	1 993	7 413	371,9%	23 917
Vote 8 - ROAD TRANSPORT …		147 935	131 763	–	34 180	34 180	10 980	23 199	211,3%	131 763
Total Revenue by Vote	2	**431 089**	**452 378**	**–**	**169 261**	**169 261**	**37 698**	**131 563**	**349,0%**	**452 378**
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND CO… …(11: IE)		73 831	76 278	–	10 418	10 418	6 357	4 061	63,9%	76 278
Vote 2 - FINANCE AND ADMIN… …E)		83 677	110 549	–	6 080	6 080	9 212	(3 132)	-34,0%	110 549
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		25 141	33 537	–	1 596	1 596	2 795	(1 199)	-42,9%	33 537
Vote 4 - COMMUNITY AND SC… SERVICES (15: IE)		1 460	2 866	–	648	648	239	409	171,2%	2 866
Vote 5 - PUBLIC SAFETY (17: I…		35 338	40 493	–	2 727	2 727	3 374	(647)	-19,2%	40 493
Vote 6 - SPORT AND RECREA… …18: IE)		193	465	–	24	24	39	(15)	-39,3%	465
Vote 7 - WASTE MANAGEMEN… …E)		22 727	33 676	–	3 007	3 007	2 806	201	7,2%	33 676
Vote 8 - ROAD TRANSPORT (2…		89 069	81 421	–	3 732	3 732	6 785	(3 053)	-45,0%	81 421
Total Expenditure by Vote	2	**331 436**	**379 286**	**–**	**28 232**	**28 232**	**31 607**	**(3 376)**	**-10,7%**	**379 286**
Surplus/ (Deficit) for the year	2	**99 653**	**73 091**	**–**	**141 030**	**141 030**	**6 091**	**134 939**	**2215,4%**	**73 091**

Table C4- St… ment of Financial Performance

EC156 MhlontloTabl… Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Descripti…	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 - Waste m… ment		4 086	1 879		354	354	157	197	126%	1 879
Sale of Goods and Render… Services		126	114		(4 678)	(4 678)	10	(4 687)	-49140%	114
Agency services		1 130	1 496		63	63	125	(62)	-50%	1 496
Interest earned from Recei…		588	886		76	76	74	2	3%	886
Interest from Current and N… rent Assets		8 965	13 326		695	695	1 111	(416)	-37%	13 326
Rental from Fixed Assets		45	49		2	2	4	(2)	-49%	49
Licence and permits		233	265		59	59	22	37	167%	265
Special rating levies		(0)	–		–	–	–	–		–
Property rates		43 028	42 177		45 528	45 528	3 515	42 013	1195%	42 177
Fines, penalties and forfeits		392	1 919		2	2	160	(158)	-99%	1 919
Licence and permits		1 048	1 366		104	104	114	(10)	-9%	1 366
Transfers and subsidies - Op… al		252 384	287 766		100 872	100 872	23 980	76 892	321%	287 766
Interest		3 545	4 837		465	465	403	62	15%	4 837
Gains on disposal of Assets		245	202		–	–	17	(17)	-100%	202
Total Revenue (excluding cap… nsfers and contributions)		**315 815**	**356 282**	**–**	**143 542**	**143 542**	**29 690**	**113 851**	**383%**	**356 282**
Expenditure By Type										
Employee related costs		121 898	132 570		9 782	9 782	11 048	(1 265)	-11%	132 570
Remuneration of councillors		24 071	25 005		1 834	1 834	2 084	(250)	-12%	25 005
Bulk purchases - electricity								–		
Inventory consumed		8 322	12 233		20	20	1 019	(1 000)	-98%	12 233
Debt impairment		–	16 904		–	–	1 409	(1 409)	-100%	16 904
Depreciation and amortisation		29 004	31 653		–	–	2 638	(2 638)	-100%	31 653
Contracted services		42 189	82 833		18 098	18 098	6 903	11 196	162%	82 833
Transfers and subsidies		2 740	6 403		150	150	534	(384)	-72%	6 403
Irrecoverable debts written off		225	–		–	–	–	–		–
Operational costs		104 007	99 530		4 786	4 786	8 294	(3 509)	-42%	99 530
Total Expenditure		**332 456**	**407 131**	**–**	**34 670**	**34 670**	**33 928**	**742**	**2%**	**407 131**
Surplus/(Deficit)		**(16 640)**	**(50 849)**	**–**	**108 872**	**108 872**	**(4 237)**	**113 109**	**(0)**	**(50 849)**
Transfers and subsidies - capit… etary allocations)		115 274	96 095		21 026	21 026	8 008	13 018	0	96 095
Surplus/(Deficit) after capital tra… & contributions		**98 633**	**45 247**	**–**	**129 898**	**129 898**	**3 771**	**126 128**	**0**	**45 247**
Income Tax								–		
Surplus/(Deficit) after income tax		**98 633**	**45 247**	**–**	**129 898**	**129 898**	**3 771**	**126 128**	**0**	**45 247**
Share of Surplus/Deficit attributa… oint Venture								–		
Share of Surplus/Deficit attributa… Minorities								–		
Surplus/(Deficit) attributable to m… ality		**98 633**	**45 247**	**–**	**129 898**	**129 898**	**3 771**	126 128	0	**45 247**
Share of Surplus/Deficit attributa… Associate								–		
Intercompany/Parent subsidiary t… ions								–		
Surplus/ (Deficit) for the year		**98 633**	**45 247**	**–**	**129 898**	**129 898**	**3 771**	**126 128**	**0**	**45 247**

Table C5: Ca al Expenditure (Municipal Vote, standard classificatior nd funding)

Year to date buc is R111, 5 million whilst expenditure is sitting at R119, 7 million.

EC156 MhlontloTable lonthly Budget Statement - C l Expenditure (municip te, functional classificati id funding) - M01 July

Vote Descrip	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 appr on	2									
Total Capital Multi-year expe e	4,7	–	–	–	–	–	–	–		–
Single Year expenditure app ion	2									
Vote 11 - (11: CAPEX)										
Vote 15 - FINANCE AND AD 2: CAPEX)		–	191	–	–	–	16	(16)	-100%	191
Vote 18 - PUBLIC SAFETY (PEX)		5 109	–	–	–	–	–	–		–
Vote 19 - WASTE MANAGE 40: CAPEX)		200	–	–	–	–	–	–		–
Vote 20 - ROAD TRANSPOR CAPEX)		2 022	–	–	–	–	–	–		–
Vote 21 - RATES AND GENE SERVICES (61: CAPEX)		46 442	–	–	–	–	–	–		–
		65 825	129 634	–	18 947	18 947	10 803	8 144	75%	129 634
Total Capital single-year expe	4	119 597	129 825	–	18 947	18 947	10 819	8 128	75%	129 825
Total Capital Expenditure		**119 597**	**129 825**	**–**	**18 947**	**18 947**	**10 819**	**8 128**	**75%**	**129 825**
Capital Expenditure - Function Classification										
Governance and administra		**5 109**	**11 476**	**–**	**–**	**–**	**956**	(956)	-100%	**11 476**
Executive and council		–	1 974		–	–	164	(164)	-100%	1 974
Finance and administration		5 109	9 502		–	–	792	(792)	-100%	9 502
Community and public safet		**2 707**	**15 955**	**–**	**–**	**–**	**1 330**	(1 330)	-100%	**15 955**
Community and social servi		2 507	9 712		–	–	809	(809)	-100%	9 712
Public safety		200	6 243		–	–	520	(520)	-100%	6 243
Economic and environmenta es		**91 573**	**83 285**	**–**	**18 947**	**18 947**	**6 940**	12 006	173%	**83 285**
Planning and development		22 852	14 069		1 045	1 045	1 172	(127)	-11%	14 069
Road transport		68 721	69 216		17 902	17 902	5 768	12 134	210%	69 216
Trading services		**20 360**	**19 109**	**–**	**–**	**–**	**1 592**	(1 592)	-100%	**19 109**
Energy sources		18 338	16 870		–	–	1 406	(1 406)	-100%	16 870
Waste management		2 022	2 239		–	–	187	(187)	-100%	2 239
Total Capital Expenditure - Func Classification	3	**119 748**	**129 825**	**–**	**18 947**	**18 947**	**10 819**	**8 128**	**75%**	**129 825**
Funded by:										
National Government		103 280	88 544		18 947	18 947	7 379	11 568	157%	88 544
Provincial Government		2 575	8 000		–	–	667	(667)	-100%	8 000
Transfers recognised - capital		**105 855**	**96 544**	**–**	**18 947**	**18 947**	**8 045**	**10 901**	**135%**	**96 544**
Internally generated funds		13 894	33 281		–	–	2 773	(2 773)	-100%	33 281
Total Capital Funding		**119 748**	**129 825**	**–**	**18 947**	**18 947**	**10 819**	**8 128**	**75%**	**129 825**

Table C6: Sta nent of Financial Position

EC156 MhlontloTable Monthly Budget Statement - Financial Position - M01 July

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 equivalent		73 792	67 707		143 826	67 707
Trade and other receivable exchange transactions		6 644	4 189		7 046	4 189
Receivables from non-exch ansactions		26 721	16 975		74 296	16 975
Current portion of non-curr eivables						
Inventory		–	(0)		–	(0)
VAT		11 793	(21 515)		4 589	(21 515)
Other current assets		7 795	38 442		14 156	38 442
Total current assets		126 745	105 799	–	243 912	105 799
Non current assets						
Investments						
Investment property		14 251	5 983		14 251	5 983
Property, plant and equipme		610 406	545 283		570 517	545 283
Biological assets						
Living and non-living resourc						
Heritage assets						
Intangible assets		10	44		10	44
Other non-current assets						
Total non current assets		624 666	551 310	–	584 778	551 310
TOTAL ASSETS		751 411	657 109	–	828 690	657 109
LIABILITIES						
Current liabilities						
Bank overdraft	-					
Financial liabilities						
Consumer deposits						
Trade and other payables from ge transactions		25 650	14 882		23 598	14 882
Trade and other payables from change transactions		1 871	5 120		(2 866)	5 120
Provision		28 770	40 778		30 636	40 778
VAT		8 096	5 219		8 180	5 219
Other current liabilities		4 337	3 713		4 337	3 713
Total current liabilities		68 724	69 713	–	63 886	69 713
Non current liabilities						
Long term portion of trade payal						
Other non-current liabilities						
TOTAL LIABILITIES		68 724	69 713	–	63 886	69 713
NET ASSETS	2	682 687	587 396	–	764 804	587 396
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		584 054	629 856		682 690	629 856
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQ	2	584 054	629 856	–	682 690	629 856

Table C7: Ca flow

The table below lects no problems in the cash flows of the institution.

EC156 Mhlontlo Tab Monthly Budget Statement - Cash Flow - M01 July

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 OPER ACTIVITIES										
Receipts										
Property rates		16 899	26 006		268	268	2 167	(1 899)	-88%	–
Service charges		686	1 318		–	–	110	(110)	-100%	–
Other revenue		3 673	21 027		1 016	1 016	1 752	(736)	-42%	13 326
Transfers and Subsidies - onal		254 569	285 970		99 736	99 736	23 831	75 905	319%	–
Transfers and Subsidies -		76 670	96 095		17 400	17 400	8 008	9 392	117%	–
Interest		8 492	–		–	–	–	–		–
Payments										
Suppliers and employees		(337 995)	(346 606)		(38 896)	(38 896)	(28 884)	(10 012)	35%	(348 115)
NET CASH FROM/(USED) OI ING ACTIVITIES		**22 993**	**83 810**	**–**	**79 524**	**79 524**	**6 984**	**(72 540)**	**-1039%**	**(334 788)**
CASH FLOWS FROM INVEST ACTIVITIES										
Receipts										
Payments										
Capital assets		(174 251)	(149 299)		(13 981)	(13 981)	(12 442)	(1 540)	12%	–
NET CASH FROM/(USED) INV G ACTIVITIES		**(174 251)**	**(149 299)**	**–**	**(13 981)**	**(13 981)**	**(12 442)**	**1 540**	**-12%**	**–**
CASH FLOWS FROM FINANCI ACTIVITIES										
Receipts										
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINA ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
NET INCREASE/ (DECREASE) I CASH HELD		**(151 258)**	**(65 489)**	**–**	**65 543**	**65 543**	**(5 457)**			**(334 788)**
Cash/cash equivalents at begir		112 231	124 982		71 601	71 601	10 415	61 185		124 982
Cash/cash equivalents at mont end:		(39 026)	59 493	–	137 144	137 144	4 958			(209 806)

PART 2: SUP… RTING DOCUMENTATION

Table SC3: A… d Debtors

The municipality … being owed a total amount of R186, 7 million of which the biggest portion is on gov… ment department with R90, 9 million being owed by this group of debtors.

The second bigg… is household's debtors that are sitting at R54, 5 million. The business debtors … ing just over R41,2 million.

EC156 Mhlontlo Sup… g Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2025/26											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Ir… Source													
Trade and Other Receivab… from Exchange Transactions … Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivab… from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exch… Transactions - Property Rates	1400	48 469	778	743	1 186	1 176	1 114	112 611	–	166 077	116 087	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Manager…	1600	438	339	333	399	394	392	18 308	–	20 604	19 494	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	–	–	–	–	–
Total By Income Source	**2000**	**48 907**	**1 117**	**1 076**	**1 585**	**1 571**	**1 507**	**130 919**	**–**	**186 681**	**135 581**	**–**	**–**
2024/25 - totals only										–	–		
Debtors Age Analysis By Customer Group													
Organs of State	2200	34 934	15	15	239	238	238	55 318	–	90 997	56 033	–	–
Commercial	2300	7 693	421	401	525	523	466	31 170	–	41 198	32 683	–	–
Households	2400	6 280	681	660	822	810	803	44 430	–	54 485	46 865	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**…600**	**48 907**	**1 117**	**1 076**	**1 585**	**1 571**	**1 507**	**130 919**	**–**	**186 681**	**135 581**	**–**	**–**

Table SC4: A d Creditors

EC156 Mhlontlo Sup ng Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description R thousands	NT Code	Budget Year 2025/26 0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	Prior year totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	(801)	550	(84)	(742)	457	(2)	29	156	(437)	
Bulk Water	0200	–	–	–	–	–	–	–	–	–	
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	
Loan repayments	0600	–	–	–	–	–	–	–	–	–	
Trade Creditors	0700	295	1 802	1 071	18	4	4	37	(16)	3 216	
Auditor General	0800	–	–	–	–	–	–	–	(25)	(25)	
Other	0900	–	(427)	–	–	–	–	–	–	(427)	
Medical Aid deductions	0950	–	–	–	–	–	–	–	–	–	
Total By Customer Type	**1000**	**(506)**	**1 926**	**987**	**(724)**	**461**	**2**	**66**	**116**	**2 328**	**–**

Table SC5: I stment Portfolio Analysis

All the call depc are highly liquid short-term investments and are held for the purpose of mee short-term commitments rather than the purpose of earning a return (interest).

The table below ects on account balances as at the end of the 31 July 2025. Total cash available w R137, 9 million.

EC156 Mhlontlo Sup ng Table SC5 Monthly Budget Statement - investment portfolic 01 July

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months		Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality														
20-FNB:Equitable Share 1 Da		12 (M)		Y	2	5,15	0	0	##########	796	288	129 736	(69 163)	61 656
23-FNB:Electrification Prog		12 (M)		Y	1	6,5	0	0	##########	77	1	–	–	78
24-FNB:Gcunu Lots Project		12 (M)		Y	2	5,5	0	0	##########	557	3	–	(3)	557
25-FNB:LED		12 (M)		Y	2	3,35	0	0	##########	1 197	6	–	(6)	1 197
30-FNB:Municipal IDP		12 (M)		Y	2	4,55	0	0	##########	19	0	–	(0)	19
31-FNB:Revolving Fund		12 (M)		Y	2	5,15	0	0	##########	60 153	346	45 000	(34 096)	71 403
32-FNB:MIG		12 (M)		Y	2	5,5	0	0	##########	46	28	17 397	(16 776)	695
33-FNB:Bulk Housing Mhlontl		12 (M)	3	Y	2	5,15	0	0	##########	11	0	–	(0)	11
34-FNB:MSIG		12 (M)	3	Y	2	5,15	0	0	##########	4 111	13	–	(1 951)	2 173
35-FNB:FMG		12 (M)	3	Y	2	3,25	0	0	##########	64	0	–	(0)	64
36-FNB:Investment Fund		12 (M)	3	Y	1	2,5	0	0	##########	–	–	–	–	–
37-FNB:Public Sector Cheque		12 (M)	3	Y	1	2,5	0	0	##########	8	–	–	–	8
Municipality sub-total										67 041	684	192 133	(121 995)	137 863

Entities Entities sub-total									-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2								67 041	684	192 133	(121 995)	137 863

Table SC6 rants Receipts

The grants that re expected for July 2025 were received. The table below reflects on individual gr ; received.

EC156 Mhlontlo Sup ng Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Descriptic	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
RECEIPTS:	1,2									
-										
Operating Transfers and G										
National Government:		**245 506**	**246 368**	**–**	**100 846**	**100 846**	**20 531**	**80 315**	**391,2%**	**246 368**
Equitable Share		241 156	239 367		99 736	99 736	19 947	79 789	400,0%	239 367
Expanded Public Works mme Integrated Grant		1 770	1 982		187	187	165	22	13,5%	1 982
Local Government Finan Management Grant		2 580	2 300		923	923	192	731	381,4%	2 300
Municipal Infrastructure (		–	2 719		–	–	227	(227)	-100,0%	2 719
	3							–		
Provincial Government:		**5 131**	**39 602**	**–**	**–**	**–**	**3 300**	**(3 300)**	**-100,0%**	**39 602**
Specify (Add grant descrip		5 131	39 602		–	–	3 300	(3 300)	-100,0%	39 602
Other grant providers:		**1 747**	**1 796**	**–**	**26**	**26**	**150**	(124)	-82,6%	**1 796**
Peoples Housing Process ng)		**1 442**	**–**		**–**	**–**	**–**	–		**–**
Transport, Education and SETA		**305**	**1 796**		**26**	**26**	**150**	(124)	-82,6%	**1 796**
Total Operating Transfers and	5	**252 384**	**287 766**	**–**	**100 872**	**100 872**	**23 980**	**76 892**	**320,6%**	**287 766**
Capital Transfers and Grants										
National Government:		115 274	96 095	–	21 026	21 026	8 008	13 018	**162,6%**	96 095
Integrated National Electrific Programme Grant		8 525	19 400		–	–	1 617	(1 617)	-100,0%	19 400
Municipal Disaster Response		55 118	25 037		1 259	1 259	2 086	(828)	-39,7%	25 037
Municipal Infrastructure Gran		51 631	51 658		19 768	19 768	4 305	15 463	359,2%	51 658
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grant	5	**115 274**	**96 095**	**–**	**21 026**	**21 026**	**8 008**	**13 018**	**162,6%**	**96 095**
TOTAL RECEIPTS OF TRANSFER GRANTS	5	367 657	383 861	–	121 899	121 899	31 988	89 910	281,1%	383 861

Table SC7 rants expenditure

The table belov flects on grants' expenditures for July 2025. Also, these amounts are inclusive of T.

Finance manag ent grant's expenditure amounts to R923 thousand. This amount was used on int s' salaries and training. Library grant expenditure amounts to R130 thousand was used in paying the librarians' events and salaries. MIG capital expendit amounts to R19, 8 million. Electrification project expenditure amounts to R0.0 ion. EPWP expenditure amounts to R187 thousand. EPWP(DEDEAT penditure amounts to R0.00 thousand MDRG (Recovery) expenditure amo s to R1,3 million.

0 - Supporting Table) Monthly Budget Statement - transfers and grant expenditure - M01 July

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
EXPENDITURE										
Operating expenditure of Tra and Grants										
National Government:		**304 530**	**358 959**	–	**31 360**	**31 360**	**29 913**	**1 446**	**4,8%**	**358 959**
Equitable Share		299 476	323 876		24 507	24 507	26 990	(2 483)	-9,2%	323 876
Expanded Public Works F me Integrated Grant		–	1 982		60	60	165	(106)	-63,9%	1 982
Local Government Financ agement Grant		1 198	2 082		60	60	173	(114)	-65,4%	2 082
Municipal Infrastructure Gr		2 893	2 719		256	256	227	29	12,8%	2 719
Specify (Add grant descrip		963	28 300		6 478	6 478	2 358	4 119	174,7%	28 300
Provincial Government:		**638**	**27 648**	–	**6 478**	**6 478**	**2 304**	**4 174**	**181,1%**	**27 648**
Specify (Add grant descript		638	27 648		6 478	6 478	2 304	4 174	181,1%	27 648
District Municipality:		**325**	**652**	–	–	–	54	(54)	-100,0%	**652**
Specify (Add grant descripti		**325**	**652**		–	–	**54**	(54)	-100,0%	**652**
Other grant providers:		**325**	**652**	–	–	–	54	(54)	-100,0%	**652**
Specify (Add grant descriptio		**325**	**652**		–	–	**54**	(54)	-100,0%	**652**
Total operating expenditure of rs and Grants:		**305 818**	**387 911**	–	**37 837**	**37 837**	**32 326**	**5 511**	**17,0%**	**387 911**
Capital expenditure of Transfers rants										
National Government:		105 355	96 544	–	117 536	117 536	8 045	109 490	**1360,9%**	96 544
Integrated National Electrifica Programme Grant		18 338	16 870		18 338	18 338	1 406	16 933	1204,5%	16 870
Municipal Disaster Recovery		14 276	23 153		1 734	1 734	1 929	(195)	-10,1%	23 153
Municipal Disaster Response		34 667	–		75 393	75 393	–	75 393	#DIV/0!	–
Municipal Infrastructure Grant		35 998	48 521		22 070	22 070	4 043	18 027	445,8%	48 521
Specify (Add grant description		2 575	8 000		–	–	667	(667)	-100,0%	8 000
Other capital transfers [insert ion]								–		
Provincial Government:		**2 575**	**8 000**	–	–	–	**667**	(667)	-100,0%	**8 000**
Specify (Add grant description		**2 575**	**8 000**		–	–	**667**	(667)	-100,0%	**8 000**
Total capital expenditure of Trans d Grants		**108 430**	**104 544**	–	**117 536**	**117 536**	**8 712**	**108 824**	**1249,1%**	**104 544**
TOTAL EXPENDITURE OF TRANS AND GRANTS		**414 248**	**492 455**	–	**155 373**	**155 373**	**41 038**	**114 335**	**278,6%**	**492 455**

QUA LITY CERTIFICATE

I, MZOBANZI N GABANTU SINEKE (Full Names), the Municipal Manager of **Kumkani Mhlontl ocal Municipality** hereby certify that the **Section 71 Report** for the month ended 29 J 2025 has been prepared in accordance with the Local Government: Municipal Finance agement Act 2003 (Act 56 of 2003) and regulations made under the Act.

Mr M N SINEKE

ACTING MUNICIPA ANAGER

11/08/2025

DATE

R ECEIPT BY THE MAYOR

I, Mbulelo Jara (Full Names), the Mayor of **Kumkani Mhlontlo Local Muni lity**, hereby accept the **Section 71 report** of the municipality for the month ended 29 July 25 as presented by the Municipal Manager in terms of the Local Government: Municipa nance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.

Cllr. M. Jara

MAYOR

12/08/2025

DATE