

KUMKANI MHLONTLO LOCAL MUNICIPALITY



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

September 2025

2025-2026 Financial Year

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Glossary

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

Adjustment Budget – Prescribed in section 28 of the MFMA

Allocations – Money received from other Municipalities, Provincial or National Government.

Budget – Financial Plan of the Municipality.

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

Capital Expenditure – Expenditure on items such as machinery, buildings, land, infrastructure (roads).

Cash Flow Statement – Provides aggregate data regarding all cash inflows the municipality receives from both its ongoing operations and external investment sources, as well as all cash outflows that pay for municipality's activities and investments during a month.

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

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

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

MBRR – Local Government Municipal Budget and Reporting Regulations.

MIG – Municipal Infrastructure Grant

MTREF – Medium Term Revenue and Expenditure Framework.

Operating Expenditure – Day to day expenses of the Municipality such as salaries, repairs and maintenance and general expenses.

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

Unauthorised Expenditure – Spending without budget or in excess of the approved budget

Vote – A department

SECTION 1 – EXECUTIVE SUMMARY

1.1 Introduction

MFMA Section 52(d) states that the mayor must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality.

Municipal budget regulations sub-heading 2.5 requires that this report must be in the Section 71 of the MFMA format, which requires that this report must be prepared in the following manner:

- Actual Revenue per revenue source.
- Actual expenditure per vote.
- Actual Capital Expenditure per vote.
- The amount of any allocations received,
- Actual Expenditure on allocations received,
- Actual Expenditure on those allocations,
- Where necessary, explanations on:
 - Any material variances from the municipality's projected revenue per source, and from the municipality's expenditure projections per vote.
 - Any material variances from the SDBIP, and
 - Remedial or corrective steps taken or to be taken by the municipality

2. The statement must include: -

- Projections of municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections.

3. The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget.

This report has been prepared using the accrual method of accounting. The general idea is that economic events are recognised by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is received or made.

This method allows the current cash inflows/outflows to be combined with future expected cash inflows/outflows to give a more accurate picture of the municipality's current financial position.

Operating Revenue

In the statement of financial performance, revenue accrued is R 155, 3 million out of the projected R 89, 1 million giving a positive variance of 74%. Variance contributing factors are explained in the subheadings of the revenue items.

Total cash receipts on operating revenue excluding grants totals to R7,5 million since July 2025 out of the expected R13, 5 million. The substantial amount received was due to collections on government property rates and VAT refundable.

Property Rates

The amount accrued on rates amounts to R48,2 million out of the expected R10, 5 million.

Total actual cash collected on rates since July 2025 is R1.5 million against the expected R11, 8 million.

Refuse Removal

Amount accrued on refuse removal is R1,1 million against the expected R470 thousand.

Total actual cash received on refuse removal since July 2025 is R81 thousand out of the expected collection of R470 thousand.

Investment Revenue

This relates to interests received on the call account deposits. Interest received since July 2025 amounts to R1,8 million out of the expected R3, 3 million.

Other Revenue

Rental of facilities and Equipment –R11 thousand has been received since July 2025 instead of the expected R12 thousand.

Fines- R31 thousand has been received so far against the expected R480 thousand.

Licenses and permits- R295 thousand has been received since July 2025 and the municipality expected to receive R342 thousand.

Agency Services- The amount collected since July 2025 amounts to R285 thousand, and the expected budget is R374 thousand.

Operating Expenditure

On operating expenditure, R76, 0 million was spent against the expected budget of R102, 0 million giving rise to a negative variance of more than R26,0 million. This is because on non-cash items like depreciation and debt impairment that have not been accounted for.

Employee Costs

R29, 9 million has been spent to date on employee related costs against the expected R33, 4 million.

Remuneration of Councillors

Amount spent for July 2025 totals to R5, 5 million against the budgeted R6, 3 million.

Other Expenditure (Operational Costs)

This line item includes all the other operating expenses like accommodation, telephone, electricity etc. Expenditure is R40,1 million against the expected budget of R49, 8 million.

Capital Expenditure

On Capital Expenditure the municipality has spent a total of R46, 1 million against the expected R32, 5 million budgets to date. This will be explained more on table C5 where departmental expenditures are reflected.

Financial Position

The municipality's current assets exceed the current liabilities. The municipality's ability to pay its short-term liabilities is tested by taking the total current assets and dividing them by current liabilities. This test is mainly used to give an idea of the municipality's ability to pay back its short-term liabilities using the current assets.

Cash Flows

The municipality ended the month with a positive cash and cash equivalents balance.

Table C1- Monthly Budget Statement Summary

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

EC156 Mhlontlo - Table C1 Monthly Budget Statement Summary - M03 September

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	43 028	42 177	–	–	48 244	10 544	37 699	358%	42 177
Service charges	4 086	1 879	–	351	1 057	470	587	125%	1 879
Investment revenue	8 965	13 326	–	530	1 814	3 332	(1 518)	-46%	13 326
Transfers and subsidies - Operational	253 970	287 766	–	1 754	102 891	71 941	30 950	0	287 766
Other own revenue	7 372	11 134	–	272	1 322	2 783	(1 461)	-52%	11 134
	317 421	356 282	–	2 907	155 328	89 071	66 257	74%	356 282
Total Revenue (excluding capital transfers and contributions)									
Employee costs	123 381	133 596	–	10 498	29 881	33 399	(3 518)	-11%	133 596
Remuneration of Councillors	24 071	25 005	–	1 834	5 503	6 251	(749)	-12%	25 005
Depreciation and amortisation	69	31 653	–	–	–	7 913	(7 913)	-100%	31 653
Inventory consumed and bulk purchases	8 322	12 233	–	323	350	3 058	(2 708)	-89%	12 233
Transfers and subsidies	2 740	6 403	–	23	172	1 601	(1 428)	-89%	6 403
Other expenditure	177 297	199 267	–	9 215	40 130	49 817	(9 687)	-19%	199 267
Total Expenditure	335 880	408 157	–	21 893	76 036	102 039	(26 004)	-25%	408 157
Surplus/(Deficit)	(18 458)	(51 875)	–	(18 985)	79 292	(12 969)	92 261	-711%	(51 875)
Transfers and subsidies - capital (monetary allocations)	106 153	96 095	–	9 737	50 115	24 024	26 092	109%	96 095
	87 695	44 220	–	(9 248)	129 407	11 055	118 352	1071%	44 220
Surplus/(Deficit) after capital transfers & contributions									
Surplus/ (Deficit) for the year	87 695	44 220	–	(9 248)	129 407	11 055	118 352	1071%	44 220

Table C2: Statement of Financial Performance by vote

This table reflects the operating budget in the standard classification which are the Government Finance Statistics Functions and Sub-Functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of organisational structures used by different institutions. The main functions are Governance and administration, Community and public safety, Economic and environmental services, and Trading Services. It is for this reason that the financial performance is reported in standard classification, Table C2 and by municipal vote, Table C3.

EC156 Mhlontlo - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		163 534	165 277	–	958	93 847	41 319	52 528	127%	165 277
Executive and council		30 024	30 097	–	–	12 966	7 524	5 441	72%	30 097
Finance and administration		133 510	135 180	–	958	80 882	33 795	47 087	139%	135 180
Community and public safety		51 452	38 086	–	1 377	25 692	9 522	16 170	170%	38 086
Community and social services		4 218	4 137	–	1 138	1 143	1 034	109	11%	4 137
Public safety		47 234	33 949	–	239	24 548	8 487	16 061	189%	33 949
Economic and environmental services		161 224	177 249	–	9 955	67 295	44 312	22 982	52%	177 249
Planning and development		159 258	151 093	–	9 763	66 709	37 773	28 936	77%	151 093
Road transport		1 966	26 156	–	192	585	6 539	(5 954)	-91%	26 156
Trading services		47 365	71 765	–	354	18 609	17 941	668	4%	71 765
Energy sources		8 525	19 400	–	–	8 493	4 850	3 643	75%	19 400
Waste management		38 841	52 365	–	354	10 117	13 091	(2 974)	-23%	52 365
Total Revenue - Functional	2	423 575	452 378	–	12 645	205 443	113 094	92 349	82%	452 378
Expenditure - Functional										
Governance and administration		178 637	201 926	–	11 802	39 410	50 482	(11 072)	-22%	201 926
Executive and council		62 455	61 893	–	4 810	18 736	15 473	3 263	21%	61 893
Finance and administration		116 145	139 790	–	6 961	20 643	34 947	(14 304)	-41%	139 790
Internal audit		37	243	–	31	31	61	(30)	-50%	243
Community and public safety		37 665	51 663	–	3 739	9 508	12 916	(3 408)	-26%	51 663
Community and social services		26	1 640	–	13	13	410	(397)	-97%	1 640
Sport and recreation		193	465	–	23	70	116	(46)	-40%	465
Public safety		37 446	49 558	–	3 704	9 425	12 390	(2 964)	-24%	49 558
Economic and environmental services		99 030	123 650	–	4 758	20 552	30 912	(10 360)	-34%	123 650
Planning and development		38 236	70 659	–	2 753	14 262	17 665	(3 403)	-19%	70 659
Road transport		60 795	52 990	–	2 005	6 290	13 248	(6 958)	-53%	52 990
Trading services		20 547	30 918	–	1 593	6 566	7 729	(1 163)	-15%	30 918
Waste management		20 547	30 918	–	1 593	6 566	7 729	(1 163)	-15%	30 918
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	335 880	408 157	–	21 893	76 036	102 039	(26 004)	-25%	408 157
Surplus/ (Deficit) for the year		87 695	44 220	–	(9 248)	129 407	11 055	118 352	10,705709	44 220

Table C3: Monthly Financial Performance (Revenue and Expenditure by vote)

Operating budget of the institution is approved by council on municipal vote level. The municipal votes are Mayor's Office, Council, Municipal Manager, Budget and Treasury Office, Corporate Services, Local Economic Development, Community Services, and Infrastructure and Development.

Unauthorised expenditure occurs if the total budget in a vote is exceeded by expenditure. The executive and council vote is overspending.

The table below reflects on expenditures per vote. Close monitoring of expenditures is vital.

EC156 Mhlontlo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2024/25	Budget Year 2025/26							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		33 183	33 264	–	–	13 963	8 316	5 647	67,9%	33 264
Vote 2 - FINANCE AND ADMIN (12: IE)		133 553	135 215	–	962	80 891	33 804	47 087	139,3%	135 215
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		27 578	61 719	–	26	11 123	15 430	(4 307)	-27,9%	61 719
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		27	26	–	3	7	7	1	12,0%	26
Vote 5 - PUBLIC SAFETY (17: IE)		51 409	66 472	–	1 373	25 682	16 618	9 064	54,5%	66 472
Vote 7 - WASTE MANAGEMENT (20: IE)		38 814	23 917	–	351	10 110	5 979	4 130	69,1%	23 917
Vote 8 - ROAD TRANSPORT (22: IE)		139 011	131 763	–	9 929	63 667	32 941	30 726	93,3%	131 763
Total Revenue by Vote	2	423 575	452 378	–	12 645	205 443	113 094	92 349	81,7%	452 378
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		73 831	76 278	–	5 643	21 065	19 070	1 995	10,5%	76 278
Vote 2 - FINANCE AND ADMIN (12: IE)		113 420	110 549	–	6 873	19 572	27 637	(8 066)	-29,2%	110 549
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		23 394	33 537	–	1 523	4 315	8 384	(4 069)	-48,5%	33 537
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		133	2 866	–	–	648	717	(69)	-9,6%	2 866
Vote 5 - PUBLIC SAFETY (17: IE)		35 338	40 493	–	3 101	8 497	10 123	(1 626)	-16,1%	40 493
Vote 6 - SPORT AND RECREATION (18: IE)		193	465	–	23	70	116	(46)	-39,9%	465
Vote 7 - WASTE MANAGEMENT (20: IE)		22 727	33 676	–	1 772	6 379	8 419	(2 040)	-24,2%	33 676
Vote 8 - ROAD TRANSPORT (22: IE)		65 824	81 421	–	2 443	8 488	20 355	(11 867)	-58,3%	81 421
		–	–	–	–	–	–	–		–
		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	334 860	379 286	–	21 378	69 034	94 822	(25 788)	-27,2%	379 286
Surplus/ (Deficit) for the year	2	88 714	73 091	–	(8 734)	136 410	18 273	118 137	646,5%	73 091

Table C4- Statement of Financial Performance

EC156 Mhlontlo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Waste management		4 086	1 879		351	1 057	470	587	125%	1 879
Sale of Goods and Rendering of Services		146	114		15	42	29	13	46%	114
Agency services		1 130	1 496		120	285	374	(89)	-24%	1 496
Interest earned from Receivables		588	886		–	76	221	(145)	-66%	886
Interest from Current and Non Current										
Assets		8 965	13 326		530	1 814	3 332	(1 518)	-46%	13 326
Rental from Fixed Assets		45	49		5	11	12	(1)	-10%	49
Licence and permits		233	265		14	118	66	52	78%	265
Special rating levies		(0)	–		–	–	–	–		–
Property rates		43 028	42 177		–	48 244	10 544	37 699	358%	42 177
Fines, penalties and forfeits		392	1 919		15	31	480	(449)	-94%	1 919
Licence and permits		1 048	1 366		103	295	342	(47)	-14%	1 366
Transfers and subsidies - Operational		253 970	287 766		1 754	891	71 941	30 950	43%	287 766
Interest		3 545	4 837		–	465	1 209	(744)	-62%	4 837
Gains on disposal of Assets		245	202		–	–	50	(50)	-100%	202
Total Revenue (excluding capital transfers and contributions)		317 421	356 282	–	2 907	155 328	89 071	66 257	74%	356 282
Expenditure By Type										
Employee related costs		123 381	133 596		10 498	29 881	33 399	(3 518)	-11%	133 596
Remuneration of councillors		24 071	25 005		1 834	5 503	6 251	(749)	-12%	25 005
Inventory consumed		8 322	12 233		323	350	3 058	(2 708)	-89%	12 233
Debt impairment		–	16 904		–	–	4 226	(4 226)	-100%	16 904
Depreciation and amortisation		69	31 653		–	–	7 913	(7 913)	-100%	31 653
Contracted services		42 189	82 833		3 125	23 813	20 708	3 104	15%	82 833
Transfers and subsidies		2 740	6 403		23	172	1 601	(1 428)	-89%	6 403
Irrecoverable debts written off		31 101	–		–	–	–	–		–
Operational costs		104 007	99 530		6 090	16 317	24 882	(8 565)	-34%	99 530
Total Expenditure		335 880	408 157	–	21 893	76 036	102 039	(26 004)	-25%	408 157
Surplus/(Deficit)		(18 458)	(51 875)	–	(18 985)	79 292	(12 969)	92 261	(0)	(51 875)
Transfers and subsidies - capital (monetary allocations)		106 153	96 095		9 737	50 115	24 024	26 092	0	96 095
Surplus/(Deficit) after capital transfers & contributions		87 695	44 220	–	(9 248)	129 407	11 055	118 352	0	44 220
Surplus/(Deficit) after income tax		87 695	44 220	–	(9 248)	407	11 055	118 352	0	44 220
Surplus/(Deficit) attributable to municipality		87 695	44 220	–	(9 248)	129 407	11 055	118 352	0	44 220
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		87 695	44 220	–	(9 248)	129 407	11 055	118 352	0	44 220

Table C5: Capital Expenditure (Municipal Vote, standard classification, and funding)

Year to date budget is R46, 1 million whilst expenditure is sitting at R32, 5 million.

EC156 Mhlontlo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 11 - (11: CAPEX)		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 11 - (11: CAPEX)		-	191	-	-	-	48	(48)	-100%	191
Vote 15 - FINANCE AND ADMIN (32: CAPEX)		5 109	-	-	-	-	-	-		-
Vote 18 - PUBLIC SAFETY (37: CAPEX)		200	-	-	-	-	-	-		-
Vote 19 - WASTE MANAGEMENT (40: CAPEX)		2 022	-	-	-	-	-	-		-
Vote 20 - ROAD TRANSPORT (42: CAPEX)		45 563	-	-	-	-	-	-		-
Vote 21 - RATES AND GENERAL SERVICES (61: CAPEX)		64 974	129 634	-	8 489	46 109	32 408	13 701	42%	129 634
Total Capital single-year expenditure	4	117 867	129 825	-	8 489	46 109	32 456	13 653	42%	129 825
Total Capital Expenditure		117 867	129 825	-	8 489	46 109	32 456	13 653	42%	129 825
Capital Expenditure - Functional Classification										
Governance and administration		5 109	11 476	-	202	1 071	2 869	(1 798)	-63%	11 476
Executive and council		-	1 974	-	-	-	493	(493)	-100%	1 974
Finance and administration		5 109	9 502	-	202	1 071	2 376	(1 304)	-55%	9 502
Community and public safety		1 856	15 955	-	-	-	3 989	(3 989)	-100%	15 955
Community and social services		1 656	9 712	-	-	-	2 428	(2 428)	-100%	9 712
Public safety		200	6 243	-	-	-	1 561	(1 561)	-100%	6 243
Economic and environmental services		90 674	83 285	-	8 287	37 653	20 821	16 832	81%	83 285
Planning and development		22 833	14 069	-	2 991	6 567	3 517	3 050	87%	14 069
Road transport		67 841	69 216	-	5 297	31 086	17 304	13 782	80%	69 216
Trading services		20 360	19 109	-	-	7 385	4 777	2 608	55%	19 109
Energy sources		18 338	16 870	-	-	7 385	4 217	3 167	75%	16 870
Waste management		2 022	2 239	-	-	-	560	(560)	-100%	2 239
Total Capital Expenditure - Functional Classification	3	117 999	129 825	-	8 489	46 109	32 456	13 653	42%	129 825
Funded by:										
National Government		101 550	88 544	-	8 287	45 038	22 136	22 902	103%	88 544
Provincial Government		2 575	8 000	-	-	-	2 000	(2 000)	-100%	8 000
Transfers recognised - capital		104 125	96 544	-	8 287	45 038	24 136	20 902	87%	96 544
Internally generated funds		13 874	33 281	-	202	1 071	8 320	(7 249)	-87%	33 281
Total Capital Funding		117 999	129 825	-	8 489	46 109	32 456	13 653	42%	129 825

Table C6: Statement of Financial Position

EC156 Mhlontlo - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		73 792	67 707		106 403	67 707
Trade and other receivables from exchange transactions		2 616	4 189		3 679	4 189
Receivables from non-exchange transactions		(127)	16 975		48 589	16 975
Current portion of non-current receivables						
Inventory		–	(0)		421	(0)
VAT		11 793	(21 515)		4 162	(21 515)
Other current assets		7 814	38 442		19 413	38 442
Total current assets		95 889	105 799	–	182 666	105 799
Non current assets						
Investments						
Investment property		17 239	5 983		17 239	5 983
Property, plant and equipment		638 816	545 283		567 112	545 283
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		24	44		24	44
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		656 079	551 310	–	584 375	551 310
TOTAL ASSETS		751 968	657 109	–	767 042	657 109
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities						
Consumer deposits						
Trade and other payables from exchange transactions		29 144	14 882		29 940	14 882
Trade and other payables from non-exchange transactions		9 405	5 120		2 684	5 120
Provision		30 253	40 778		35 026	40 778
VAT		8 096	5 219		11 294	5 219
Other current liabilities		4 337	3 713		3 018	3 713
Total current liabilities		81 235	69 713	–	81 963	69 713
Non current liabilities						
Financial liabilities						
Provision						
Long term portion of trade payables						
Other non-current liabilities						
TOTAL LIABILITIES		81 235	69 713	–	81 963	69 713
NET ASSETS	2	670 733	587 396	–	685 079	587 396
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		583 038	629 856		607 685	629 856
Reserves and funds						
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	583 038	629 856	–	607 685	629 856

Table C7: Cash flow

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

EC156 Mhlontlo - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		16 899	26 006		295	1 396	6 501	(5 106)	-79%	26 006
Service charges		686	1 318		–	–	330	(330)	-100%	1 318
Other revenue		3 673	21 027		870	3 948	5 257	(1 309)	-25%	21 027
Transfers and Subsidies - Operational		254 569	285 970		7 631	109 667	71 492	38 175	53%	285 970
Transfers and Subsidies - Capital		76 670	96 095		21 911	39 311	24 024	15 287	64%	96 095
Interest		8 492	–		–	–	–	–		–
Payments										
Suppliers and employees		(337 995)	(346 606)		(22 978)	(90 609)	(86 651)	(3 957)	5%	(346 606)
NET CASH FROM/(USED) OPERATING ACTIVITIES		22 993	83 810	–	7 728	63 713	20 953	(42 760)	-204%	83 810
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(174 251)	(149 299)		(8 536)	(41 421)	(37 325)	(4 096)	11%	(149 299)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(174 251)	(149 299)	–	(8 536)	(41 421)	(37 325)	4 096	-11%	(149 299)
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		(151 258)	(65 489)	–	(808)	22 292	(16 372)			(65 489)
Cash/cash equivalents at beginning:		112 231	124 982		–	71 593	31 246	40 347		124 982
Cash/cash equivalents at month/year end:		(39 026)	59 493	–	(808)	93 885	14 873			59 493

PART 2: SUPPORTING DOCUMENTATION

Table SC3: Aged Debtors

The municipality is being owed a total amount of R186, 2 million of which the biggest portion is on government department with R91, 0 million being owed by this group of debtors.

The second biggest is household's debtors that are sitting at R54, 9 million. The business debtors owing just over R40,3 million.

EC156 Mhlontlo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	45	-	1	-	-	1	114	-	164	117	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	488	798	222	742	732	176	769	-	927	418	-	-
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	19	-	21	20	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	359	350	424	331	328	395	073	-	259	127	-	-
Interest on Arrear Debtor Accounts Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1810	-	-	-	-	-	-	-	-	-	-	-	-
	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	45848	1148	1646	1073	1060	1570	133842	-	186186	137545	-	-
2024/25 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	34708	16	241	13	13	238	55793	-	91022	56057	-	-
Commercial	2300	5901	457	553	408	401	523	32063	-	40308	33396	-	-
Households	2400	5238	674	851	651	646	810	45986	-	54856	48092	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	45848	1148	1646	1073	1060	1570	133842	-	186186	137545	-	-

Table SC4: Aged Creditors

EC156 Mhlontlo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		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	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	(661)	(151)	(760)	514	(84)	(742)	724	(84)	(1 243)	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	46	(215)	17	1 481	29	-	-	21	1 379	
Auditor General	0800	-	-	-	-	-	-	-	(25)	(25)	
Other	0900	-	-	-	-	-	-	-	-	-	
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	(615)	(366)	(742)	1 996	(55)	(742)	724	(88)	111	-

Table SC5: Investment Portfolio Analysis

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

The table below reflects on account balances as at the end of the 30 September 2025. Total cash available was R100, 6 million.

EC156 Mhlontlo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investment s by maturity Name of institution & investment ID	R ef	Period of Invest ment	Type of Invest ment	Capit al Guara ntee (Yes/ No)	Vari able or Fixe d inter est rate	Inte rest Rat e ^a	Comm ission Paid (Rands)	Comm ission Recipie nt	Expiry date of invest ment	Op en ing bala nce	Inter est to be reali sed	Partial / Prema ture Withdr awal (4)	Invest ment Top Up	Clos ing Bala nce
R thousands		Yrs/M onths												
Municipalit y														
20- FNB:Equita ble Share 1		12 (M)	3	Y	2	5,15	0	0	20260 630	796	637	135 736	(120 646)	16 523
23- FNB:Electrifi cation Prog		12 (M)	3	Y	1	6,5	0	0	20260 630	77	1	-	-	79
24- FNB:Gcunu Lots Project		12 (M)	3	Y	2	5,5	0	0	20260 630	557	8	(1)	(8)	556
25- FNB:LED		12 (M)	3	Y	2	3,65	0	0	20260 630	1	17	-	(17)	197
30- FNB:Munici pal IDP		12 (M)	3	Y	2	4,55	0	0	20260 630	19	2	496	(2)	515
31- FNB:Revolvi ng Fund		12 (M)	3	Y	2	5,15	0	0	20260 630	60 153	990	45 000	(34 740)	71 403
32- FNB:MIG		12 (M)	3	Y	2	5,5	0	0	20260 630	46	34	17 397	(16 782)	695
33- FNB:Bulk Housing Mhlontl		12 (M)	3	Y	2	5,15	0	0	20260 630	11	0	-	(0)	11
34- FNB:MSIG		12 (M)	3	Y	2	5,15	0	0	20260 630	4	63	7 511	(4 393)	7
35- FNB:FMG		12 (M)	3	Y	2	3,25	0	0	20260 630	111	12	4 600	(2 312)	293
36- FNB:Invest ment Fund		12 (M)	3	Y	1	2,5	0	0	20260 630	64	-	-	-	2
37- FNB:Public Sector Cheque		12 (M)	3	Y	1	2,5	0	0	20260 630	8	-	-	-	364
Municipalit y sub-total										67 041	1 764	210 739	(178 900)	100 644
Entities														-
Entities sub-total										-	-	-	-	-

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Table SC6: Grants Receipts

The grants that were expected since July 2025 were received. The table below reflects on individual grants received.

EC156 Mhlontlo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		245 422	246 368	–	594	101 679	61 592	40 087	65,1%	246 368
Equitable Share		241 156	239 367		–	99 736	59 842	39 894	66,7%	239 367
Expanded Public Works Programme									18,2%	
Integrated Grant		1 966	1 982		192	585	496	90		1 982
Local Government Financial Management Grant		2 300	2 300		402	1 357	575	782	136,0%	2 300
Municipal Infrastructure Grant		–	2 719		–	–	680	(680)	-100,0%	2 719
Provincial Government:		5 131	39 602	–	1 134	1 134	9 900	(8 766)	-88,5%	39 602
Specify (Add grant description)		5 131	39 602		1 134	1 134	9 900	(8 766)	-88,5%	39 602
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		3 417	1 796	–	26	79	449	(370)	-82,5%	1 796
Peoples Housing Process (Housing)		1 442	–		–	–	–	–		–
Transport, Education and Training SETA		1 975	1 796		26	79	449	(370)	-82,5%	1 796
Total Operating Transfers and Grants	5	253 970	287 766	–	1 754	102 891	71 941	30 950	43,0%	287 766
Capital Transfers and Grants										
National Government:		106 153	96 095	–	9 737	50 115	24 024	26 092	108,6%	96 095
Integrated National Electrification Programme Grant		8 525	19 400		–	8 493	4 850	3 643	75,1%	19 400
Municipal Disaster Response Grant		45 998	25 037		288	2 985	6 259	(3 274)	-52,3%	25 037
Municipal Infrastructure Grant		51 631	51 658		9 450	38 637	12 915	25 723	199,2%	51 658
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–		–
Human Settlement Re-development Programme		–	–		–	–	–	–		–
Total Capital Transfers and Grants	5	106 153	96 095	–	9 737	50 115	24 024	26 092	108,6%	96 095
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	360 123	383 861	–	11 491	153 007	95 965	57 041	59,4%	383 861

Table SC7: Grants expenditure

The table below reflects on grants' expenditures since July 2025. Also, these amounts are inclusive of VAT.

Finance management grant's expenditure amounts to R1,4 million. This amount was used on interns' salaries and training. Library grant expenditure amounts to R751 thousand and was used in paying the librarians' events and salaries. MIG capital expenditure amounts to R38, 6 million. Electrification project expenditure amounts to R8,5 million. EPWP expenditure amounts to R585 thousand. EPWP(DEDEAT) expenditure amounts to R0.00 thousand MDRG (Recovery) expenditure amounts to R2,9 million.

EC156 Mhlontlo - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	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
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		307 954	358 959	–	18 121	67 468	89 740	(22 271)	-24,8%	358 959
Equitable Share		302 900	323 876		17 212	59 040	80 969	(21 929)	-27,1%	323 876
Expanded Public Works Programme		–	1 982		45	157	496	(338)	-68,3%	1 982
Integrated Grant		–	1 982		45	157	496	(338)		
Local Government Financial Management Grant		1 198	2 082		83	486	520	(34)	-6,5%	2 082
Municipal Infrastructure Grant		2 893	2 719		256	767	680	87	12,8%	2 719
Specify (Add grant description)		963	28 300		525	7 018	7 075	(57)	-0,8%	28 300
Provincial Government:		638	27 648	–	522	7 008	6 912	96	1,4%	27 648
Specify (Add grant description)		638	27 648		522	7 008	6 912	96	1,4%	27 648
District Municipality:		325	652	–	4	10	163	(153)	-93,8%	652
Specify (Add grant description)		325	652		4	10	163	(153)	-93,8%	652
Other grant providers:		325	652	–	4	10	163	(153)	-93,8%	652
Specify (Add grant description)		325	652		4	10	163	(153)	-93,8%	652
Total operating expenditure of Transfers and Grants:		309 243	387 911	–	18 650	74 496	96 978	(22 481)	-23,2%	387 911
Capital expenditure of Transfers and Grants										
National Government:		110 213	96 544	–	8 287	45 038	24 136	20 902	86,6%	96 544
Integrated National Electrification Programme Grant		18 338	16 870		–	7 385	4 217	3 167	75,1%	16 870
Municipal Disaster Recovery Grant		13 397	23 153		250	4 806	5 788	(982)	-17,0%	23 153
Municipal Disaster Response Grant		34 667	–		–	0	–	0	#DIV/0!	–
Municipal Infrastructure Grant		41 236	48 521		8 037	32 847	12 130	20 717	170,8%	48 521
Specify (Add grant description)		2 575	8 000		–	–	2 000	(2 000)	-100,0%	8 000
Provincial Government:		2 575	8 000	–	–	–	2 000	(2 000)	-100,0%	8 000
Specify (Add grant description)		2 575	8 000		–	–	2 000	(2 000)	-100,0%	8 000
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		112 788	104 544	–	8 287	45 038	26 136	18 902	72,3%	104 544
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		422 031	492 455	–	26 937	119 534	123 114	(3 580)	-2,9%	492 455

QUALITY CERTIFICATE

I, _____ (Full Names), the Municipal Manager of **Kumkani Mhlontlo Local Municipality** hereby certify that the **Section 71 Report** for the month ended 30 September 2025 has been prepared in accordance with the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.

Mr M N SINEKE

DATE

ACTING MUNICIPAL MANAGER

RECEIPT BY THE MAYOR

I, _____ (Full Names), the Mayor of **Kumkani Mhlontlo Local Municipality**, hereby accept the **Section 71 report** of the municipality for the month ended 30 September 2025 as presented by the Municipal Manager in terms of the Local Government: Municipal Finance Management Act 2003 (Act 56 of 2003) and regulations made under the Act.

Cllr. M. Jara

DATE

MAYOR

