

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

October 2025

2025-2026 Financial Year

TABLE OF CONTENTS

Glossary

Executive Summary

Monthly Budget Statement Summary

Financial Performance (Standard Classification

Financial Performance (revenue and expenditure by municipal vote)

Financial Performance (Revenue and Expenditure)

Capital Expenditure (by Municipal Vote)

Financial Position

Cash Flow

PART 2 – SUPPORTING DOCUMENTATION

Material Variances

Debtors' Analysis

Creditors Analysis

Investment Portfolio Analysis

Allocation of grant receipts and expenditure

Expenditure on councillors, employees and managers

Bank Reconciliation

Municipal Manager's Quality Certification

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 157, 7 million out of the projected R 118, 8 million giving a positive variance of 33%. Variance contributing factors are explained in the subheadings of the revenue items.

Total cash receipts on operating revenue excluding grants totals to R22,2 million since July 2025 out of the expected R22, 8 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 R14, 1 million.

Total actual cash collected on rates since July 2025 is R15.2 million against the expected R14, 0 million.

Refuse Removal

Amount accrued on refuse removal is R1,4 million against the expected R626 thousand.

Total actual cash received on refuse removal since July 2025 is R191 thousand out of the expected collection of R626 thousand.

Investment Revenue

This relates to interests received on the call account deposits. Interest received since July 2025 amounts to R2,6 million out of the expected R4, 4 million.

Other Revenue

Rental of facilities and Equipment –R16 thousand has been received since July 2025 instead of the expected R16 thousand.

Fines- R97 thousand has been received so far against the expected R640 thousand.

Licenses and permits- R372 thousand has been received since July 2025 and the municipality expected to receive R455 thousand.

Agency Services- The amount collected since July 2025 amounts to R377 thousand, and the expected budget is R499 thousand.

Operating Expenditure

On operating expenditure, R98, 9 million was spent against the expected budget of R136, 1 million giving rise to a negative variance of more than R37,1 million. This is because on non-cash items like depreciation and debt impairment that have not been accounted for.

Employee Costs

R40, 1 million has been spent to date on employee related costs against the expected R44, 5 million.

Remuneration of Councillors

Amount spent since July 2025 totals to R7, 3 million against the budgeted R8, 3 million.

Other Expenditure (Operational Costs)

This line item includes all the other operating expenses like accommodation, telephone, electricity etc. Expenditure is R56,6 million against the expected budget of R66, 4 million.

Capital Expenditure

On Capital Expenditure the municipality has spent a total of R55, 5 million against the expected R43, 3 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.

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

[illegible]

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) - M04 October

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	–	1 399	95 247	55 092	40 154	73%	165 277
Executive and council		30 024	30 097	–	–	12 966	10 032	2 933	29%	30 097
Finance and administration		133 510	135 180	–	1 399	82 281	45 060	37 221	83%	135 180
Community and public safety		51 452	38 086	–	240	25 932	12 695	13 236	104%	38 086
Community and social services		4 218	4 137	–	5	1 148	1 379	(231)	-17%	4 137
Public safety		47 234	33 949	–	235	24 784	11 316	13 467	119%	33 949
Economic and environmental services		161 224	177 249	–	2 912	70 207	59 083	11 124	19%	177 249
Planning and development		159 258	151 093	–	2 720	69 429	50 364	19 065	38%	151 093
Road transport		1 966	26 156	–	192	777	8 719	(7 941)	-91%	26 156
Trading services		47 365	71 765	–	433	19 042	23 922	(4 879)	-20%	71 765
Energy sources		8 525	19 400	–	–	8 493	6 467	2 026	31%	19 400
Waste management		38 841	52 365	–	433	10 550	17 455	(6 905)	-40%	52 365
Total Revenue - Functional	2	423 575	452 378	–	4 984	210 427	150 793	59 635	40%	452 378
Expenditure - Functional										
Governance and administration		178 637	201 926	–	13 748	53 158	67 309	(14 150)	-21%	201 926
Executive and council		62 455	61 893	–	5 842	24 578	20 631	3 947	19%	61 893
Finance and administration		116 145	139 790	–	7 907	28 550	46 597	(18 047)	-39%	139 790
Internal audit		37	243	–	–	31	81	(50)	-62%	243
Community and public safety		37 665	51 663	–	2 459	11 967	17 221	(5 255)	-31%	51 663
Community and social services		26	1 640	–	–	13	547	(534)	-98%	1 640
Sport and recreation		193	465	–	38	108	155	(48)	-31%	465
Public safety		37 446	49 558	–	2 421	11 847	16 520	(4 673)	-28%	49 558
Economic and environmental services		99 030	123 650	–	5 023	25 575	41 217	(15 642)	-38%	123 650
Planning and development		38 236	70 659	–	2 856	17 118	23 553	(6 435)	-27%	70 659
Road transport		60 795	52 990	–	2 167	8 457	17 663	(9 206)	-52%	52 990
Trading services		20 547	30 918	–	1 715	8 281	10 306	(2 025)	-20%	30 918
Waste management		20 547	30 918	–	1 715	8 281	10 306	(2 025)	-20%	30 918
Other		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	335 860	408 157	–	22 944	98 980	136 052	(37 072)	-27%	408 157
Surplus/ (Deficit) for the year		87 695	44 220	–	(17 960)	111 447	14 740	96 707	6,5608215	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) - M04 October

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		33 183	33 264	–	–	13 963	11 088	2 875	25,9%	33 264
Vote 2 - FINANCE AND ADMIN (12: IE)		133 553	135 215	–	1 404	82 295	45 072	37 223	82,6%	135 215
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		27 578	61 719	–	91	11 214	20 573	(9 359)	-45,5%	61 719
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		27	26	–	2	9	9	0	3,8%	26
Vote 5 - PUBLIC SAFETY (17: IE)		51 409	66 472	–	235	25 918	22 157	3 760	17,0%	66 472
Vote 6 - SPORT AND RECREATION (18: IE)		–	–	–	–	–	–	–	–	–
Vote 7 - WASTE MANAGEMENT (20: IE)		38 814	23 917	–	431	10 541	7 972	2 568	32,2%	23 917
Vote 8 - ROAD TRANSPORT (22: IE)		139 011	131 763	–	2 821	66 488	43 921	22 566	51,4%	131 763
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	423 575	452 378	–	4 984	210 427	150 793	59 635	39,5%	452 378
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL (11: IE)		73 831	76 278	–	6 954	28 019	25 426	2 592	10,2%	76 278
Vote 2 - FINANCE AND ADMIN (12: IE)		113 420	110 549	–	7 830	27 401	36 850	(9 448)	-25,6%	110 549
Vote 3 - PLANNING AND DEVELOPMENT (13: IE)		23 394	33 537	–	1 327	5 642	11 179	(5 537)	-49,5%	33 537
Vote 4 - COMMUNITY AND SOCIAL SERVICES (15: IE)		133	2 866	–	–	648	955	(308)	-32,2%	2 866
Vote 5 - PUBLIC SAFETY (17: IE)		35 338	40 493	–	2 256	10 753	13 498	(2 745)	-20,3%	40 493
Vote 6 - SPORT AND RECREATION (18: IE)		193	465	–	38	108	155	(48)	-30,7%	465
Vote 7 - WASTE MANAGEMENT (20: IE)		22 727	33 676	–	1 880	8 259	11 225	(2 966)	-26,4%	33 676
Vote 8 - ROAD TRANSPORT (22: IE)		65 824	81 421	–	2 619	11 107	27 140	(16 033)	-59,1%	81 421
Total Expenditure by Vote	2	334 860	379 286	–	22 903	91 937	126 429	(34 492)	-27,3%	379 286
Surplus/ (Deficit) for the year	2	88 714	73 091	–	(17 919)	118 490	24 364	94 127	386,3%	73 091

Table C4- Statement of Financial Performance

EC156 Mhlontlo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description		Ref	2024/25	Budget Year 2025/26						
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
<u>Revenue</u>										
Exchange Revenue										
Service charges - Waste management		4 086	1 879		351	1 408	626	782	125%	1 879
Sale of Goods and Rendering of Services		146	114		10	51	38	13	35%	114
Agency services		1 130	1 496		92	377	499	(122)	-24%	1 496
Interest								—		
Interest earned from Receivables		588	886		78	154	295	(141)	-48%	886
Interest from Current and Non Current Assets		8 965	13 326		787	2 600	4 442	(1 842)	-41%	13 326
Dividends								—		
Rent on Land								—		
Rental from Fixed Assets		45	49		5	16	16	(1)	-3%	49
Licence and permits		233	265		83	201	88	113	128%	265
Special rating levies		(0)	—		—	—	—	—		—
Operational Revenue		(0)	—		—	—	—	—		—
Non-Exchange Revenue										
Property rates		43 028	42 177		—	48 244	14 059	34 185	243%	42 177
Surcharges and Taxes								—		
Fines, penalties and forfeits		392	1 919		66	97	640	(543)	-85%	1 919
Licence and permits		1 048	1 366		77	372	455	(84)	-18%	1 366
						103				
Transfers and subsidies - Operational		253 970	287 766		238	129	95 922	7 207	8%	287 766
Interest		3 545	4 837		568	1 034	1 612	(579)	-36%	4 837
Gains on disposal of Assets		245	202		—	—	67	(67)	-100%	202
Total Revenue (excluding capital transfers and contributions)		317 421	356 282	—	2 355	157 683	118 761	38 922	33%	356 282
<u>Expenditure By Type</u>										
Employee related costs		123 381	133 596		10 248	40 129	44 532	(4 403)	-10%	133 596
Remuneration of councillors		24 071	25 005		1 834	7 337	8 335	(998)	-12%	25 005
Bulk purchases - electricity								—		
Inventory consumed		8 322	12 233		189	539	4 078	(3 539)	-87%	12 233
Debt impairment		—	16 904		—	—	5 635	(5 635)	-100%	16 904
Depreciation and amortisation		69	31 653		—	—	10 551	(10 551)	-100%	31 653
Interest								—		
Contracted services		42 189	82 833		4 034	27 846	27 611	235	1%	82 833
Transfers and subsidies		2 740	6 403		172	344	2 134	(1 790)	-84%	6 403
Irrecoverable debts written off		31 101	—		—	—	—	—		—
Operational costs		104 007	99 530		6 469	22 786	33 177	(10 391)	-31%	99 530
Total Expenditure		335 880	408 157	—	22 944	98 980	136 052	(37 072)	-27%	408 157
Surplus/(Deficit)		(18 458)	(51 875)	—	(20 589)	58 703	(17 292)	75 994	(0)	(51 875)
Transfers and subsidies - capital (monetary allocations)		106 153	96 095		2 629	52 745	32 032	20 713	0	96 095
Surplus/(Deficit) after capital transfers & contributions		87 695	44 220	—	(17 960)	111 447	14 740	96 707	0	44 220
						111				
Surplus/(Deficit) after income tax		87 695	44 220	—	(17 960)	447	14 740	96 707	0	44 220
		87 695	44 220	—	(17 960)	111	14 740			44 220
Surplus/(Deficit) attributable to municipality						447		96 707	0	
						111				
Surplus/ (Deficit) for the year		87 695	44 220	—	(17 960)	447	14 740	96 707	0	44 220

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

Year to date budget is R43, 3 million whilst expenditure is sitting at R55, 3 million.

EC156 Mhlontlo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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	-	-	-	64	(64)	-100%	191
Vote 15 - FINANCE AND ADMIN (32: CAPEX)		5 109	-	-	425	425	-	425	#DIV/0!	-
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	-	8 957	55 067	43 211	11 855	27%	129 634
Total Capital single-year expenditure	4	117 867	129 825	-	9 382	55 492	43 275	12 217	28%	129 825
Total Capital Expenditure		117 867	129 825	-	9 382	55 492	43 275	12 217	28%	129 825
Capital Expenditure - Functional Classification										
Governance and administration		5 109	11 476	-	596	1 667	3 825	(2 158)	-56%	11 476
Executive and council		-	1 974	-	-	-	658	(658)	-100%	1 974
Finance and administration		5 109	9 502	-	596	1 667	3 167	(1 500)	-47%	9 502
Community and public safety		1 856	15 955	-	-	-	5 319	(5 319)	-100%	15 955
Community and social services		1 656	9 712	-	-	-	3 237	(3 237)	-100%	9 712
Public safety		200	6 243	-	-	-	2 081	(2 081)	-100%	6 243
Economic and environmental services		90 674	83 285	-	8 787	46 440	27 762	18 678	67%	83 285
Planning and development		22 833	14 069	-	786	7 353	4 690	2 664	57%	14 069
Road transport		67 841	69 216	-	8 000	39 086	23 072	16 014	69%	69 216
Trading services		20 360	19 109	-	-	7 385	6 370	1 015	16%	19 109
Energy sources		18 338	16 870	-	-	7 385	5 623	1 762	31%	16 870
Waste management		2 022	2 239	-	-	-	746	(746)	-100%	2 239
Total Capital Expenditure - Functional Classification	3	117 999	129 825	-	9 382	55 492	43 275	12 217	28%	129 825
Funded by:										
National Government		101 550	88 544	-	3 111	48 149	29 515	18 634	63%	88 544
Provincial Government		2 575	8 000	-	5 340	5 340	2 667	2 674	100%	8 000
Transfers recognised - capital		104 125	96 544	-	8 451	53 489	32 181	21 308	66%	96 544
Internally generated funds		13 874	33 281	-	931	2 003	11 094	(9 091)	-82%	33 281
Total Capital Funding		117 999	129 825	-	9 382	55 492	43 275	12 217	28%	129 825

Table C6: Statement of Financial Position

EC156 Mhlontlo - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and bank balances		73 792	67 707		91 672	67 707
Trade receivables		2 616	4 189		4 012	4 189
Other receivables		(127)	16 975		35 511	16 975
Current portion of non-current receivables						
Inventory		–	(0)		726	(0)
VAT		11 793	(21 515)		4 599	(21 515)
Other current assets		7 814	38 442		20 858	38 442
Total current assets		95 889	105 799	–	157 379	105 799
Non current assets						
Investments						
Investment property		17 239	5 983		17 239	5 983
Property, plant and equipment		638 816	587 743		629 100	587 743
Biological assets						
Intangible assets		24	44		24	44
Other non-current assets						
Total non current assets		656 079	593 769	–	646 363	593 769
TOTAL ASSETS		751 968	699 568	–	803 742	699 568
LIABILITIES						
Current liabilities						
Bank overdraft						
Consumer deposits						
Provision		29 144	14 882		29 925	14 882
		9 405	5 120		5 985	5 120
		30 253	40 778		35 026	40 778
		8 096	5 219		11 381	5 219
		4 337	3 713		1 700	3 713
Total current liabilities		81 235	69 713	–	84 017	69 713
Non current liabilities						
Other non-current liabilities						
Total non current liabilities		–	–	–	–	–
TOTAL LIABILITIES		81 235	69 713	–	84 017	69 713
NET ASSETS	2	670 733	629 856	–	719 724	629 856
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 - M04 October

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		13 635	15 031	8 669	6 362	73%	26 006
Service charges		686	1 318		–	–	439	(439)	-100%	1 318
Other revenue		3 673	21 027		1 269	5 217	7 009	(1 792)	-26%	21 027
Transfers and Subsidies - Operational		254 569	285 970		21 567	131 234	95 323	35 910	38%	285 970
Transfers and Subsidies - Capital		76 670	96 095		–	39 311	32 032	7 279	23%	96 095
Interest		8 492	–		–	–	–	–		–
Dividends								–		
Payments										
Suppliers and employees		(337 819)	(346 606)		(25 884)	(116 440)	(115 535)	(904)	1%	(346 606)
NET CASH FROM/(USED) OPERATING ACTIVITIES		23 169	83 810	–	10 587	74 353	27 937	(46 416)	-166%	83 810
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Payments										
Capital assets		(174 251)	(149 299)		(7 657)	(49 078)	(49 766)	688	-1%	(149 299)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(174 251)	(149 299)	–	(7 657)	(49 078)	(49 766)	(688)	1%	(149 299)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Payments										
Repayment of borrowing								–		
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		(151 081)	(65 489)	–	2 930	25 275	(21 830)			(65 489)
Cash/cash equivalents at beginning:		112 231	124 982		–	71 593	41 661	29 932		124 982
Cash/cash equivalents at month/year end:		(38 850)	59 493		2 930	96 868	19 831			59 493

PART 2: SUPPORTING DOCUMENTATION

Table SC3: Aged Debtors

The municipality is being owed a total amount of R173, 4 million of which the biggest portion is on government department with R78, 5 million being owed by this group of debtors.

The second biggest is household's debtors that are sitting at R55, 2 million. The business debtors owing just over R39,8 million.

EC156 Mhlontlo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

20150 million - Supporting table SC3 Monthly Budget Statement - aged debtors - M04 October														
Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to 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	11	24	754	183	735	725	111	-	151	114	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	577	979					896	-	849	539	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	440	346	343	417	327	325	19	-	21	20	-	-	-
								392	-	590	461	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	12 017	25 324	1 097	1 601	1 063	1 050	131 288	-	173 439	135 001	-	-	-
2024/25 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 734	23 023	15	220	13	13	52 459	-	78 477	52 705	-	-	-
Commercial	2300	5 023	928	416	539	403	396	32 076	-	39 780	33 413	-	-	-
Households	2400	4 260	1 373	666	841	647	641	46 753	-	55 182	48 882	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	12 017	25 324	1 097	1 601	1 063	1 050	131 288	-	173 439	135 001	-	-	-

Table SC4: Aged Creditors

EC156 Mhlontlo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October											
Description	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	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	(670)	(134)	598	(677)	416	(84)	21	(123)	(651)	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	(854)	(297)	219	-	1 281	29	-	21	398	
Auditor General	0800	-	-	-	-	-	-	-	(25)	(25)	
Other	0900	-	23	-	-	-	-	-	-	23	
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	(1 524)	(408)	817	(677)	1 697	(55)	21	(127)	(255)	-

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 31 October 2025. Total cash available was R84, 1 million.

EC156 Mhlontlo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate ^a	Commission Paid (Rand s)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousand s		Yrs/M onths												
Municipality														
20-FNB:Equitable Share 1		12 (M)	3	Y	2	5,15	0	0	20260 630	16 523	64	21 567	(36 719)	1 434
23-FNB:Electrification Prog		12 (M)	3	Y	1	6,5	0	0	20260 630	79	0	-	-	79
24-FNB:Gcunu Lots Project		12 (M)	3	Y	2	5,5	0	0	20260 630	556	3	(0)	(3)	556
25-FNB:LED		12 (M)	3	Y	2	3,65	0	0	20260 630	1 197	5	-	(5)	1 197
30-FNB:Municipal IDP		12 (M)	3	Y	2	4,55	0	0	20260 630	515	2	-	(2)	515
31-FNB:Revolving Fund		12 (M)	3	Y	2	5,15	0	0	20260 630	71 403	655	-	(327)	71 731
32-FNB:MIG		12 (M)	3	Y	2	5,5	0	0	20260 630	695	3	-	(683)	15
33-FNB:Bulk Housing Mhlontlo		12 (M)	3	Y	2	5,15	0	0	20260 630	11	0	-	(0)	11
34-FNB:MSI		12 (M)	3	Y	2	5,15	0	0	20260 630	7 293	32	-	(1 184)	6 141
35-FNB:FMG		12 (M)	3	Y	2	3,25	0	0	20260 630	2 364	11	-	(11)	2 364
36-FNB:Investment Fund		12 (M)	3	Y	1	2,5	0	0	20260 630	-	-	-	-	-
37-FNB:Public Sector Cheque		12 (M)	3	Y	1	2,5	0	0	20260 630	8	-	-	-	8
Municipality sub-total										100 644	776	21 567	(38 934)	84 052

QUALITY CERTIFICATE

I, XOLA JIKELA (Full Names), the Municipal Manager of Kumkani Mhlontlo Local Municipality hereby certify that the **Section 71 Report** for the month ended 31 October 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 X. Jikela

ACTING MUNICIPAL MANAGER

14/11/2025
DATE

RECEIPT BY THE MAYOR

I, MBULELO JARA (Full Names), the Mayor of Kumkani Mhlontlo Local Municipality hereby accept the **Section 71 report** of the municipality for the month ended 31 October 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

MAYOR

14/11/2025
DATE