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2025/2026 QUARTERLY SECTION 52(D) REPORT

1ST QUARTER ENDED 30 SEPTEMBER 2025

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GLOSSARY

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings – for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

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

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

mSCOA – Municipal Standard Chart of Accounts.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.

Vote – One of the main segments into which a budget is divided.

LEGISLATIVE FRAMEWORK

This report has been prepared in terms of the following enabling legislation:

The municipal Finance Management Act No. 56 of 2003

Section 52(d): Quarterly budget Statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

1.1 RESOLUTIONS

This is the resolution being presented to Council in the quarterly report on the implementation of budget and financial state of affairs of the municipality as required in terms of section 52 of the Municipal Finance Management Act 56 of 2003.

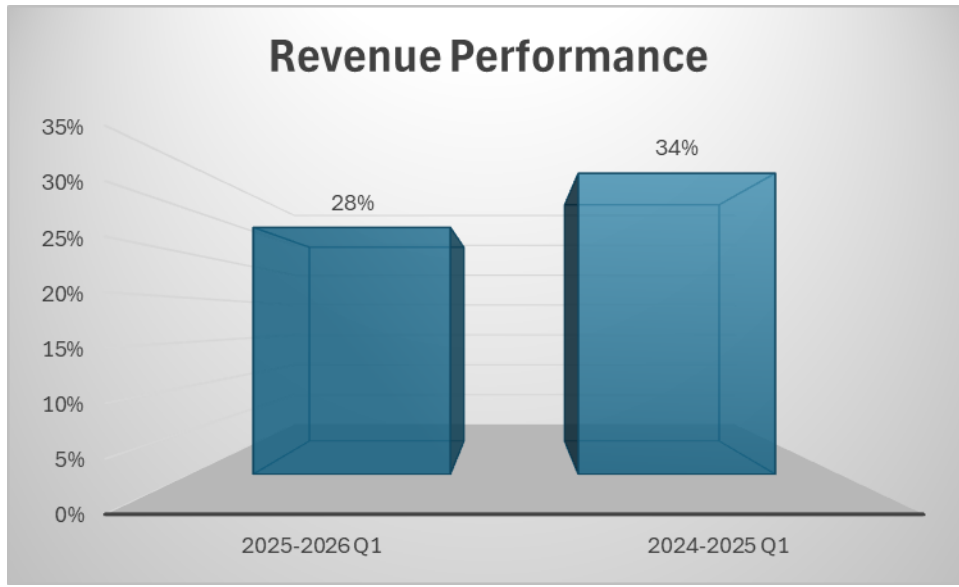
Recommendations:

- That, the report on the implementation of the budget and the financial state of affairs of the municipality for the quarter ended 30th September 2025 be noted by council.
- That, the submission of section 52(d) reports and to Provincial and National Treasuries 30 days after the end of each quarter be noted by Council.

1.2 EXECUTIVE SUMMARY

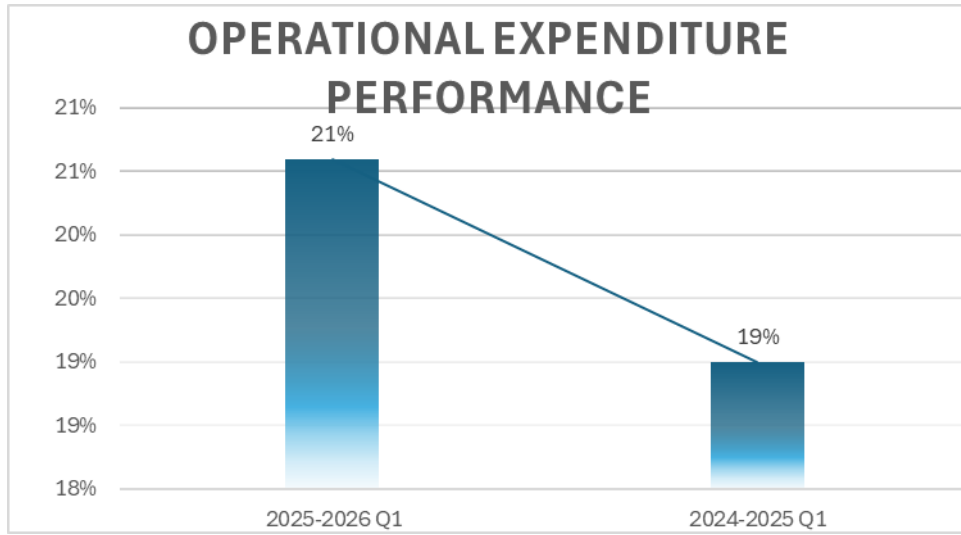
Revenue by source

The total revenue received by source for the 1st quarter amounted to **R155,810,126** against approved budget of **R556,680,281**. This represents **28%** revenue for the first quarter, this is above the expected performance of **25%** for the quarter ended 30 September 2025, due to the first trenches on conditional and unconditional grants received during the quarter.



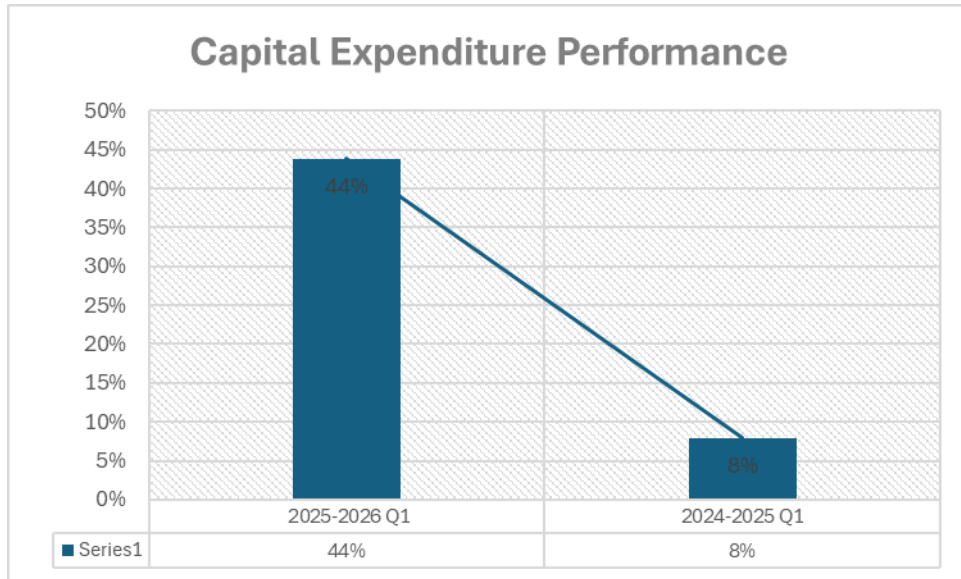
Operating Expenditure by type

Operating expenditure amounted to **R 92,133,636** for the 1st quarter of the financial year against approved budget of **R 447,403,914**. This represents **21%** of the approved operating expenditure budget. The reason for the 4% variance is due to non-cash items that are recognised at the end of financial year and less travelling and accommodation expenditure incurred.



Capital Expenditure

Capital expenditure for the 1st quarter of the financial year amounted to **R 94,247,303** against approved budget of **R215,003,000**. This represents **44%** of the approved capital expenditure budget. Which is above 25% expected performance and it due to implementation of risk adjusted strategy (RAS).



**PART 2 –
IN-YEAR BUDGET STATEMENTS
2.1 Table C1 Monthly Budget Statement Summary**

EC442 Umzimvubu - Table C1 Monthly Budget Statement Summary - M03 - Quarter 1									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	64,665	66,904	-	62,542	62,542	57,780	4,761	8%	66,904
Service charges	1,360	1,483	-	367	367	371	(4)	-1%	1,483
Investment revenue	10,508	10,580	-	2,655	2,655	2,645	10	0%	10,580
Transfers and subsidies - Operational	298,217	297,276	-	123,897	123,897	122,381	1,515	1%	297,276
Other own revenue	78,840	34,694	-	10,403	10,403	8,673	1,729	20%	34,694
Total Revenue (excluding capital transfers and contributions)	453,591	410,936	-	199,863	199,863	191,851	8,013	4%	410,936
Employee costs	98,667	106,006	-	23,006	23,006	26,502	(3,495)	-13%	106,006
Remuneration of Councillors	24,539	25,563	-	5,779	5,779	6,391	(612)	-10%	25,563
Depreciation and amortisation	90,409	89,550	-	15,691	15,691	22,387	(6,697)	-30%	89,550
Interest	2,119	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	6,472	10,494	-	2,383	2,383	2,623	(240)	-9%	10,494
Transfers and subsidies	22,455	17,096	-	6,824	6,824	2,185	4,639	212%	17,096
Other expenditure	220,610	204,113	-	38,451	38,451	54,498	(16,047)	-29%	204,113
Total Expenditure	465,271	452,823	-	92,134	92,134	114,586	(22,453)	-20%	452,823
Surplus/(Deficit)	(11,680)	(41,886)	-	107,730	107,730	77,264	30,465	39%	(41,886)
Transfers and subsidies - capital (monetary allocations)	90,774	145,744	-	22,624	22,624	36,436	(13,812)	-38%	145,744
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	79,094	103,858	-	130,353	130,353	113,700	16,653	15%	103,858
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	79,094	103,858	-	130,353	130,353	113,700	16,653	15%	103,858
Capital expenditure & funds sources									
Capital expenditure	126,310	215,003	-	27,570	27,570	54,122	(26,552)	-49%	215,003
Capital transfers recognised	80,419	145,864	-	20,671	20,671	36,466	(15,795)	-43%	145,864
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	45,532	69,139	-	6,900	6,900	17,656	(10,756)	-61%	69,139
Total sources of capital funds	125,951	215,003	-	27,570	27,570	54,122	(26,552)	-49%	215,003
Financial position									
Total current assets	157,657	155,046	-	-	250,339	-	-	-	155,046
Total non current assets	1,079,875	1,347,271	-	-	1,091,755	-	-	-	1,347,271
Total current liabilities	92,472	102,366	-	-	66,681	-	-	-	102,366
Total non current liabilities	12,430	11,654	-	-	12,430	-	-	-	11,654
Community wealth/Equity	1,132,629	1,388,297	-	-	1,262,983	-	-	-	1,388,297
Cash flows									
Net cash from (used) operating	320,144	237,749	-	91,622	91,622	129,041	37,419	29%	237,749
Net cash from (used) investing	151,250	(215,003)	-	(45,176)	(45,176)	(54,122)	(8,946)	17%	(215,003)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	537,607	143,710	-	-	137,636	195,883	58,247	30%	113,937
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1,752	1,606	51,221	1,256	1,208	1,102	1,069	52,774	111,988
Creditors Age Analysis									
Total Creditors	2,465	86	-	-	-	-	-	0	2,551

2.1.2 Table C2 Monthly Budget Statement –Financial Performance (Functional Class)

EC442 Umzimvubu - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - Quarter 1										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Quarter 1	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
1										
Revenue - Functional										
Governance and administration		378,947	377,800	--	188,288	188,288	183,519	4,769	3%	377,800
Executive and council		--	--	--	--	--	--	--	--	--
Finance and administration		378,947	377,800	--	188,288	188,288	183,519	4,769	3%	377,800
Internal audit		--	--	--	--	--	--	--	--	--
Community and public safety		7,185	9,407	--	1,485	1,485	2,352	(867)	-37%	9,407
Community and social services		294	210	--	84	84	52	32	60%	210
Sport and recreation		4	5	--	1	1	1	(1)	-48%	5
Public safety		6,897	9,192	--	1,400	1,400	2,298	(898)	-39%	9,192
Housing		--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--
Economic and environmental services		150,648	161,401	--	28,650	28,650	40,350	(11,701)	-29%	161,401
Planning and development		114,073	134,553	--	28,650	28,650	33,638	(4,989)	-15%	134,553
Road transport		36,575	26,848	--	--	--	6,712	(6,712)	-100%	26,848
Environmental protection		--	--	--	--	--	--	--	--	--
Trading services		7,575	8,264	--	4,065	4,065	2,068	1,999	97%	8,264
Energy sources		--	--	--	--	--	--	--	--	--
Water management		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		7,575	8,264	--	4,065	4,065	2,066	1,999	97%	8,264
Other	4	--	--	--	--	--	--	--	--	--
Total Revenue - Functional	2	544,385	556,680	--	222,487	222,487	228,287	(5,800)	-3%	556,680
Expenditure - Functional										
Governance and administration		204,383	194,532	--	39,711	39,711	52,103	(12,393)	-24%	194,532
Executive and council		50,724	59,614	--	12,777	12,777	14,904	(2,126)	-14%	59,614
Finance and administration		147,533	127,532	--	26,489	26,489	35,353	(8,864)	-25%	127,532
Internal audit		6,106	7,386	--	444	444	1,847	(1,402)	-76%	7,386
Community and public safety		49,226	56,592	--	9,712	9,712	14,148	(4,436)	-31%	56,592
Community and social services		--	--	--	--	--	--	--	--	--
Sport and recreation		18	0	--	--	--	0	(0)	-100%	0
Public safety		49,209	56,591	--	9,712	9,712	14,148	(4,436)	-31%	56,591
Housing		--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--
Economic and environmental services		79,592	142,450	--	18,631	18,631	33,523	(14,892)	-44%	142,450
Planning and development		93,276	57,107	--	16,394	16,394	12,187	4,207	35%	57,107
Road transport		(13,684)	85,343	--	2,237	2,237	21,336	(19,099)	-90%	85,343
Environmental protection		--	--	--	--	--	--	--	--	--
Trading services		132,089	59,249	--	24,080	24,080	14,812	9,268	63%	59,249
Energy sources		--	--	--	--	--	--	--	--	--
Water management		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		132,089	59,249	--	24,080	24,080	14,812	9,268	63%	59,249
Other		--	--	--	--	--	--	--	--	--
Total Expenditure - Functional	3	465,271	452,823	--	92,134	92,134	114,586	(22,453)	-20%	452,823
Surplus/ (Deficit) for the year		79,094	103,858	--	130,353	130,353	113,700	16,653	15%	103,858

2.1.3 C3 Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote)

EC442 Umzimvubu - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 - September										
Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote	1									
Vote 1 - Executive And Council		189	160	-	0	2	40	(38)	-95.9%	160
Vote 2 - Budget and Treasury Office		378,576	377,034	-	2,319	188,269	183,375	4,894	2.7%	377,034
Vote 3 - Corporate Services		315	400	-	5	14	100	(86)	-86.0%	400
Vote 4 - Infrastructure and Plannind Department		150,275	161,201	-	14,556	28,605	40,300	(11,695)	-29.0%	161,201
Vote 5 - Community Services		298	215	-	24	85	54	31	57.8%	215
Vote 6 - Local Economic Development		223	200	-	19	44	50	(6)	-11.4%	200
Vote 7 - Public Safety		6,914	9,207	-	600	1,403	2,302	(899)	-39.0%	9,207
Vote 8 - Waste Management		7,575	8,264	-	1,682	4,065	2,066	1,999	96.7%	8,264
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	544,365	556,680	-	19,205	222,487	228,287	(5,800)	-2.5%	556,680
Expenditure by Vote	1									
Vote 1 - Executive And Council		80,329	91,783	-	5,214	16,960	23,041	(6,081)	-26.4%	91,783
Vote 2 - Budget and Treasury Office		99,866	68,816	-	5,122	19,248	20,579	(1,331)	-6.5%	68,816
Vote 3 - Corporate Services		25,528	35,335	-	1,956	3,840	8,834	(4,993)	-56.5%	35,335
Vote 4 - Infrastructure and Plannind Department		58,281	119,812	-	4,001	11,862	29,953	(18,091)	-60.4%	119,812
Vote 5 - Community Services		18	0	-	-	-	0	(0)	-100.0%	0
Vote 6 - Local Economic Development		18,646	19,611	-	2,516	6,346	2,813	3,533	125.6%	19,611
Vote 7 - Public Safety		50,514	58,218	-	2,054	9,797	14,554	(4,757)	-32.7%	58,218
Vote 8 - Waste Management		132,089	59,249	-	8,255	24,080	14,812	9,268	62.6%	59,249
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	465,271	452,823	-	29,118	92,134	114,586	(22,453)	-19.6%	452,823
Surplus/ (Deficit) for the year	2	79,094	103,858	-	(9,913)	130,353	113,700	16,653	14.6%	103,858

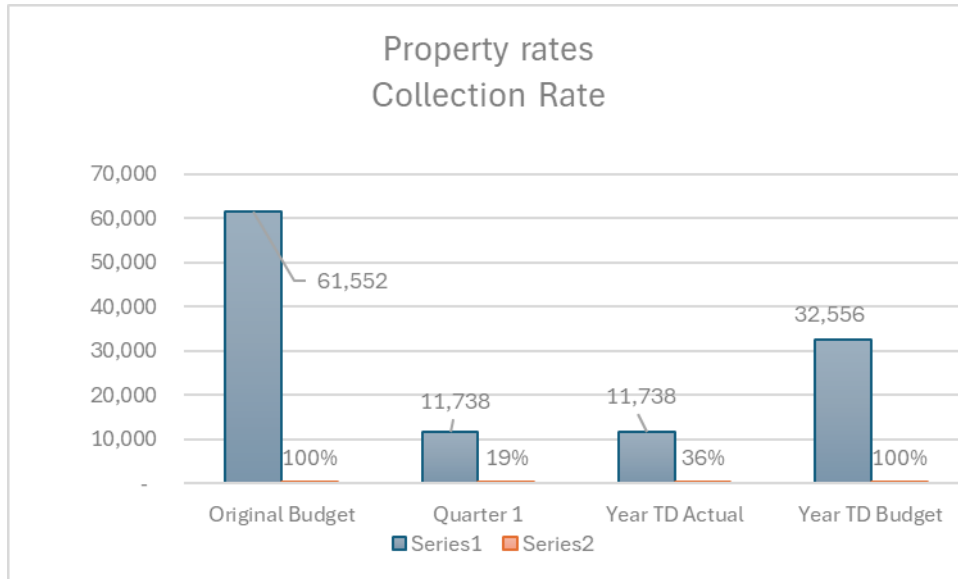
2.1.4 C4 Monthly Budget Statement –Financial Performance (revenue and Expenditure)

EC442 Umzimvubu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - Quarter 1										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1,360	1,483	-	367	367	371	(4)	-1%	1,483
Sale of Goods and Rendering of Services		46,670	13,434	-	5,475	5,475	3,358	2,117	63%	13,434
Agency services		2,364	2,900	-	550	550	725	(175)	-24%	2,900
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		539	-	-	199	199	-	199	#DIV/0!	-
Interest from Current and Non Current Assets		10,508	10,580	-	2,655	2,655	2,645	10	0%	10,580
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		5,426	7,355	-	620	620	1,839	(1,219)	-66%	7,355
Licence and permits		2,164	1,765	-	572	572	441	131	30%	1,765
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		1,127	2,313	-	1,037	1,037	578	459	79%	2,313
Non-Exchange Revenue										
Property rates		64,665	66,904	-	62,542	62,542	57,780	4,761	8%	66,904
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,359	4,527	-	273	273	1,132	(859)	-76%	4,527
Licence and permits		223	200	-	44	44	50	(6)	-11%	200
Transfers and subsidies - Operational		298,217	297,276	-	123,897	123,897	122,381	1,515	1%	297,276
Interest		4,696	2,200	-	1,632	1,632	550	1,082	197%	2,200
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		12,538	-	-	-	-	-	-	-	-
Other Gains		733	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		453,591	410,936	-	199,863	199,863	191,851	8,013	4%	410,936
Expenditure By Type										
Employee related costs		98,667	106,006	-	23,006	23,006	26,502	(3,495)	-13%	106,006
Remuneration of councillors		24,539	25,563	-	5,779	5,779	6,391	(612)	-10%	25,563
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		6,472	10,494	-	2,383	2,383	2,623	(240)	-9%	10,494
Debt impairment		10,025	5,419	-	-	-	1,355	(1,355)	-100%	5,419
Depreciation and amortisation		90,409	89,550	-	15,691	15,691	22,387	(6,697)	-30%	89,550
Interest		2,119	-	-	-	-	-	-	-	-
Contracted services		130,618	115,420	-	28,692	28,692	32,241	(3,549)	-11%	115,420
Transfers and subsidies		22,455	17,096	-	6,824	6,824	2,185	4,639	212%	17,096
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		68,194	83,275	-	9,759	9,759	20,902	(11,144)	-53%	83,275
Losses on Disposal of Assets		11,773	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		465,271	452,823	-	92,134	92,134	114,586	(22,453)	-20%	452,823
Surplus/(Deficit)		(11,680)	(41,886)	-	107,730	107,730	77,264	30,465	39%	(41,886)
Transfers and subsidies - capital (monetary allocations)		90,774	145,744	-	22,624	22,624	36,436	(13,812)	-38%	145,744
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		79,094	103,858	-	130,353	130,353	113,700			103,858
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		79,094	103,858	-	130,353	130,353	113,700			103,858
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		79,094	103,858	-	130,353	130,353	113,700			103,858
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		79,094	103,858	-	130,353	130,353	113,700			103,858

Revenue by Source

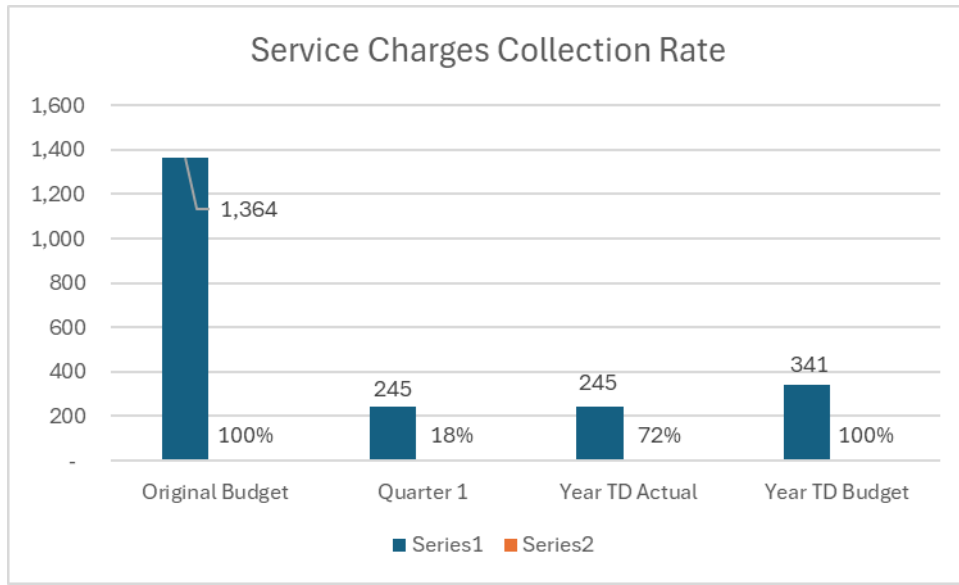
Property Rates

Property Rates is the major part of the municipal own revenue and represents **12%** of total own revenue budget. Billing on Annual property rates is done in July for the financial year. Billing for the quarter amounted to **R 62,541,742**. Revenue received from property rates amounted to **R 11,749,550** for the 1st Quarter ended 30 September 2025 against approved budget of **R 61,551,662** this represents **19%** of received revenue by source which is less than anticipated 25%. Less collection is due to Commercial business, Government Departments and Residential households who fail to make payments on time and are in arrears.



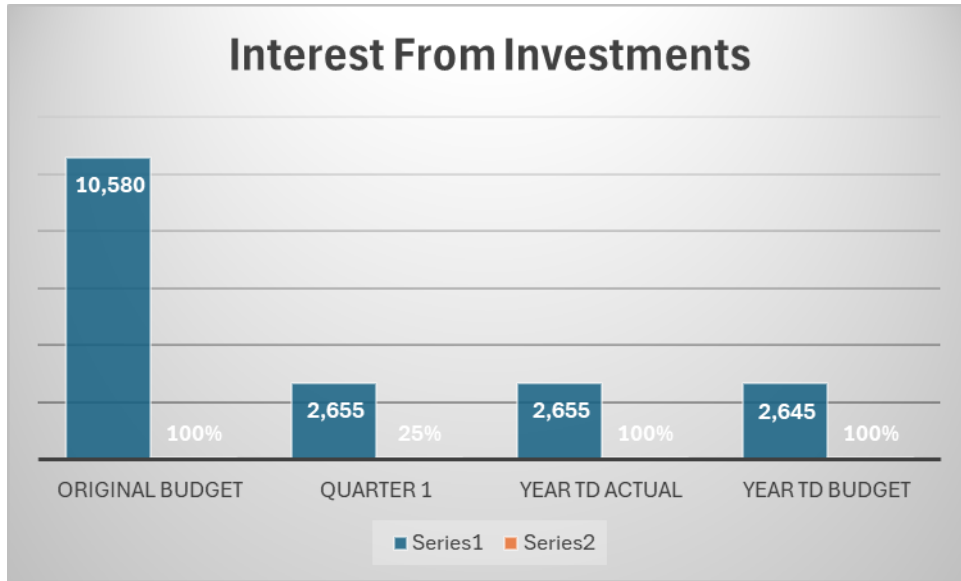
Service Charges

Revenue from Service charges amounted to **R 367,000** for the 1st quarter ended 30 September 2025 against approved budget of **R 1,483,000** this represent **25%** of revenue budget for this source. Revenue collected from service charges amounted to **R245,000** for the 1st Quarter ended 30 September 2025 against approved budget of **R1,364,000** this represents **18%** of collected revenue by source which is less than anticipated 25%.



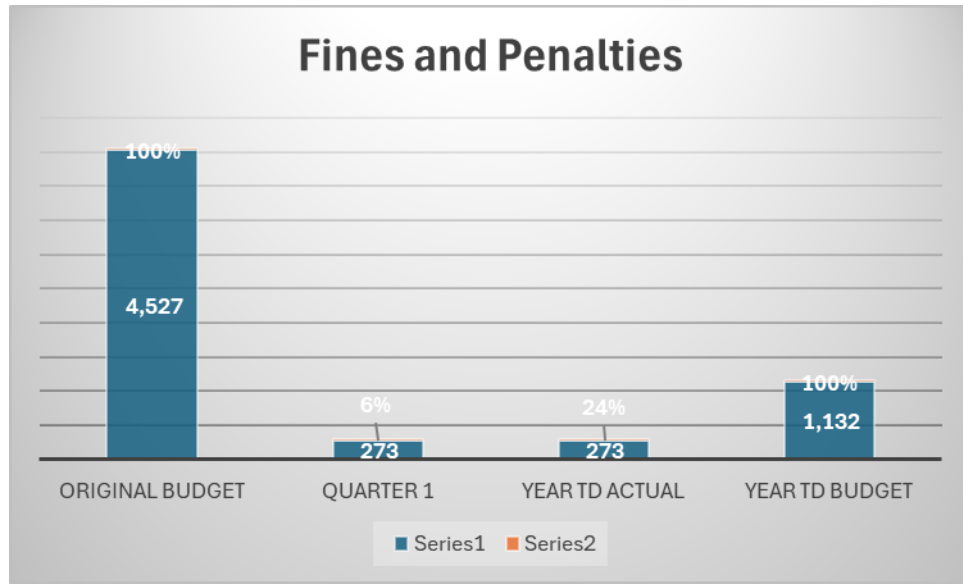
Interest on Investments

Interest earned from conditional and unconditional investments amounted to **R2,655,000** against approved budget **R10,580,000** for the 1st quarter ended 30 September 2025. This represents **25%** of the total budget from this source.



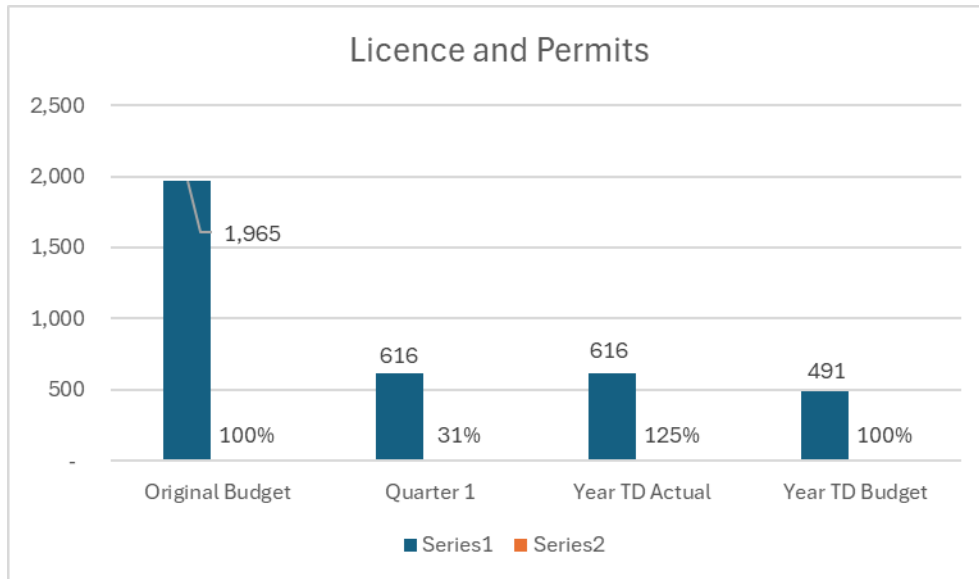
Fines & Penalties

Revenue from fines and penalties amounted to **R273 000** for the 1st quarter ended 30 September 2025 against approved budget of **R 4,527,000** and this reflects **6%** of the revenue budget from fines and penalties, the variance is a result of less payments received for fines issued in the quarter under review.



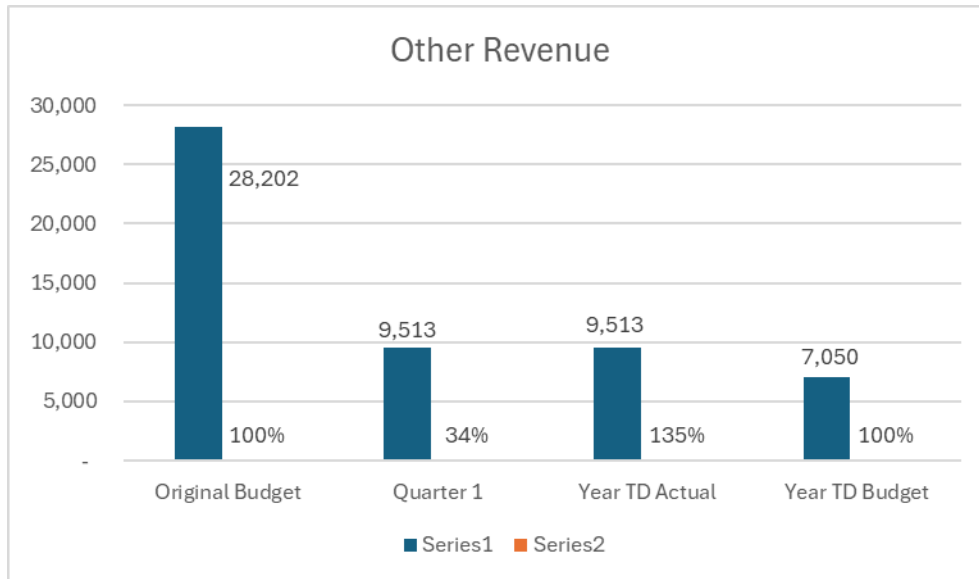
Licenses and Permits

Revenue from licenses and permits amounted to **R 616,000** against approved budget **R 1,965,000** for the 1st quarter ended 30 September 2025. This represents **31%** revenue for the quarter against the budget from this source. This above the expected revenue from this category and due to enforcement business licence by laws.



Other Revenue

Other revenue reflects an amount of **R 9,513,000** for the 1st quarter ended 30 September 2025 against approved budget of **R 28,202,000** this represents **34%** of the budget allocated for this category. The variance is a result implementation risk adjusted strategy on electrification projects.

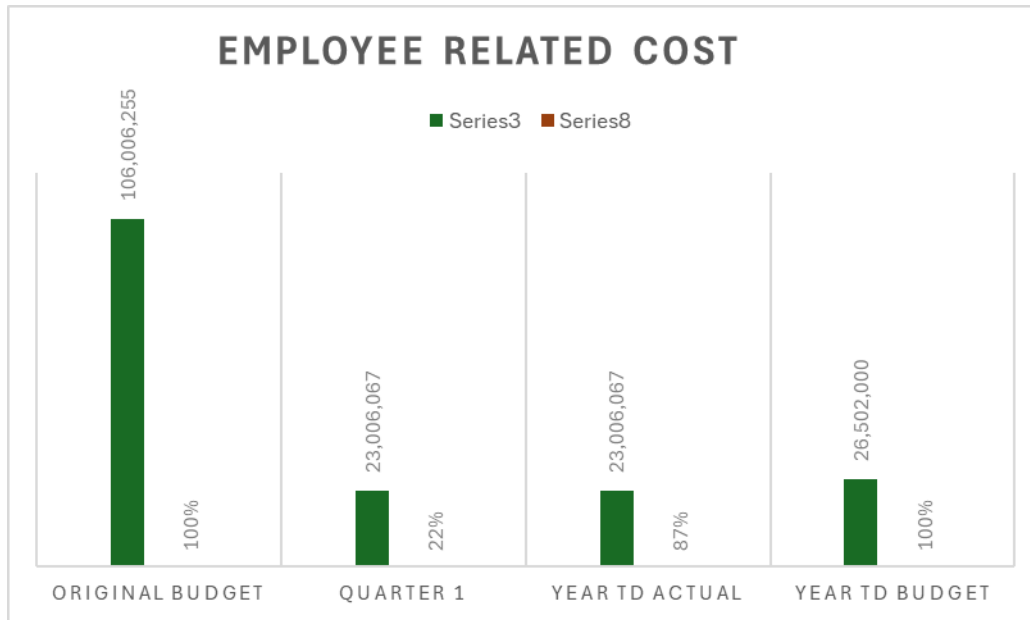


Expenditure by Type

Expenditure by type reflects operational budget per type/category of expenditure

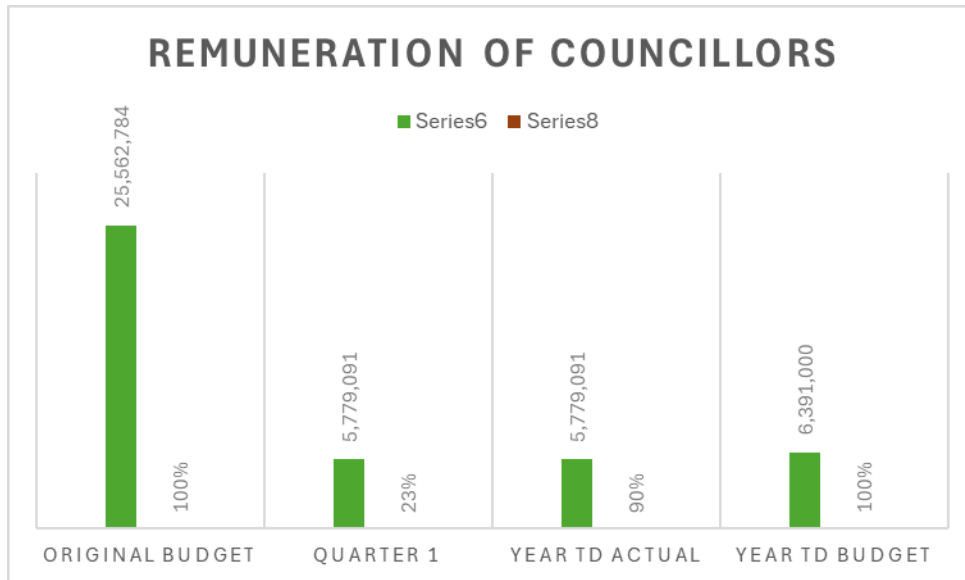
Employee Related Costs

Employee related expenditure for the 1st quarter ending 30 September 2025 amounted to **R 23,006,067** against budget amount of **R 106,006,255** that represents **22%** of the budgeted amount. The variance is due to vacant posts that have not been filled.



Remuneration of Councillors

Expenditure from remuneration of Councillors amounted to **R 5,779,091** for the for-1st quarter ended 30 September 2025 against original budget of **R 25,562,784** this represents **23%** of the budget allocated to this category. This is within the expected performance for the quarter.

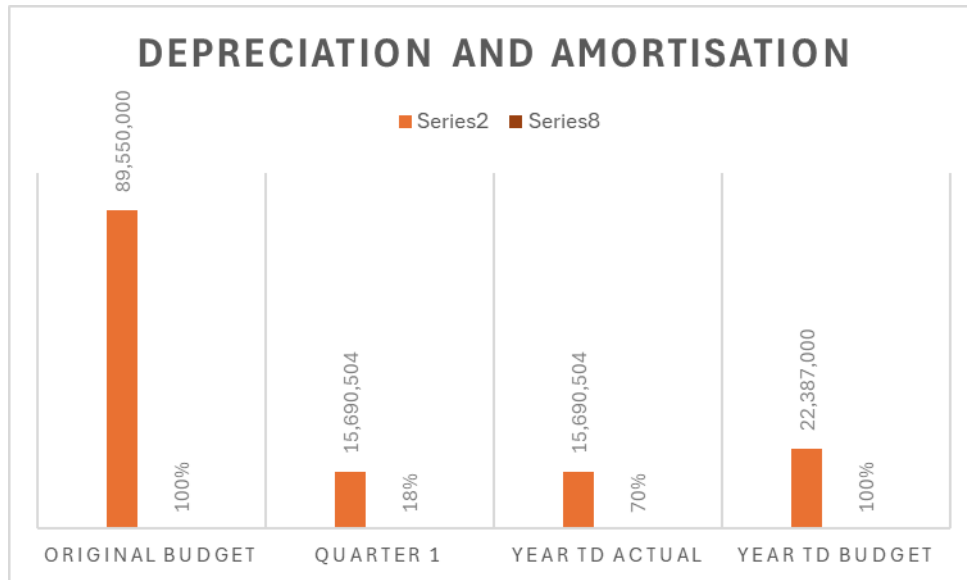


Debt impairment

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for 1st quarter for this category.

Depreciation and Amortisation

Expenditure from Depreciation and Amortisation amounted to **R 15,690,504** for the for-1st quarter ended 30 September 2025 against original budget of **R 89,550,000** this represents **18%** of the budget allocated to this category. The variance is due to not processing depreciation for infrastructure assets it will be processed at mid-term.

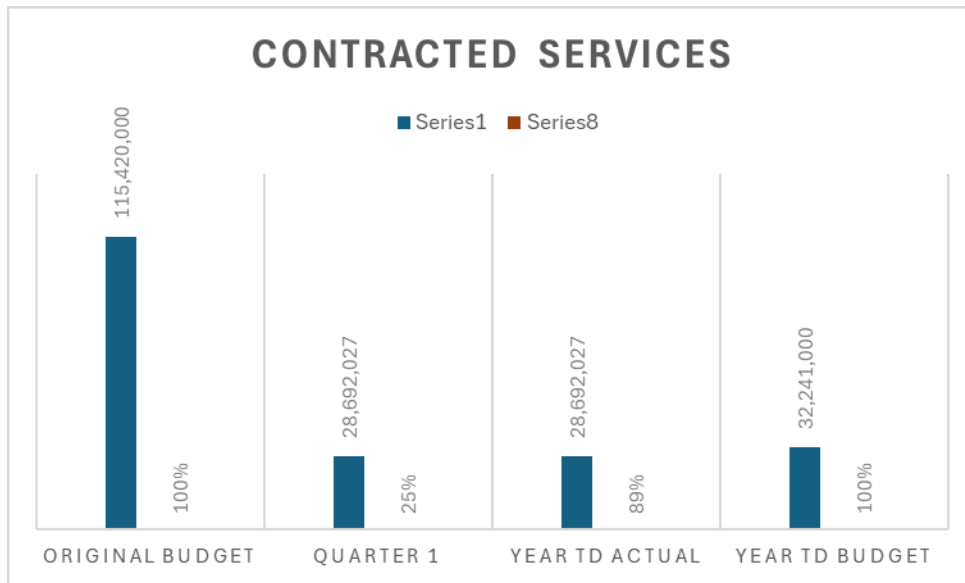


Finance Costs

No expenditure relating to interest charges has been incurred for the quarter.

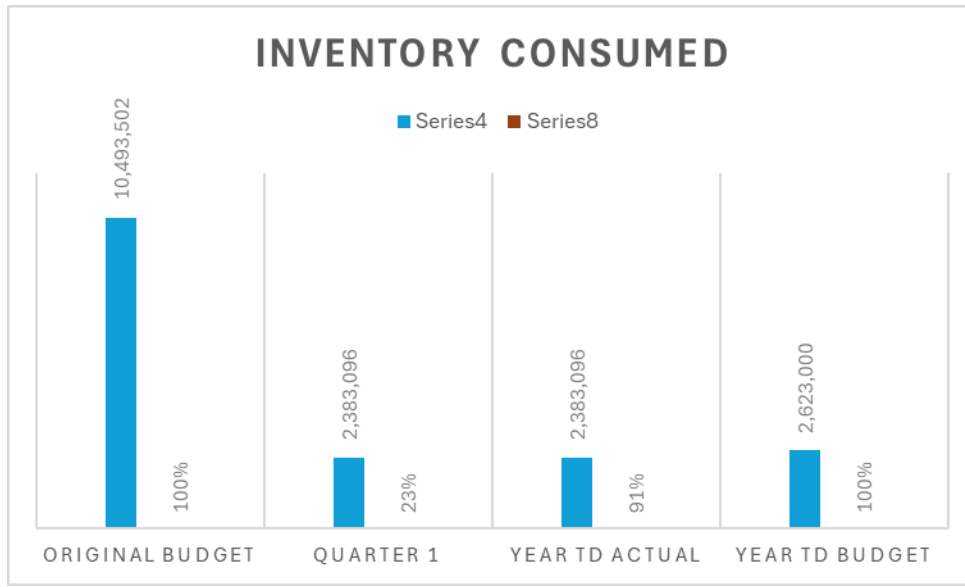
Contracted Services

Expenditure on contracted services amounted to **R 28,692,027** for the 1st quarter ended 30 September 2025 against approved budget of **R 115,420,000** this represents **25%** of the budget for this category and is equal the expected performance for the quarter.



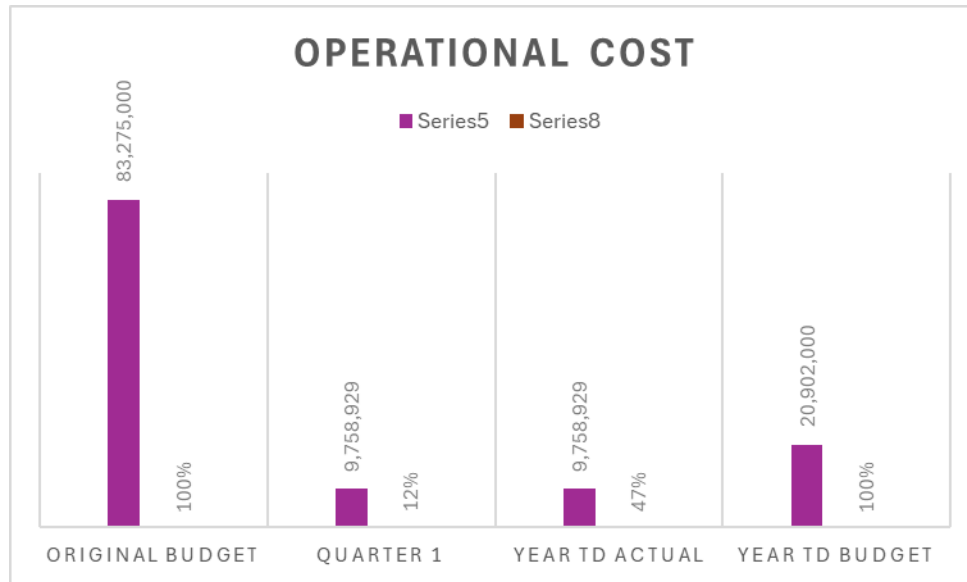
Inventory Consumed

Expenditure on inventory consumed amounted to **R 2,383,096** for the 1st quarter ended 30 September 2025 against approved budget of **R 10,493,502**. This represents **23%** of budget allocation for this category.



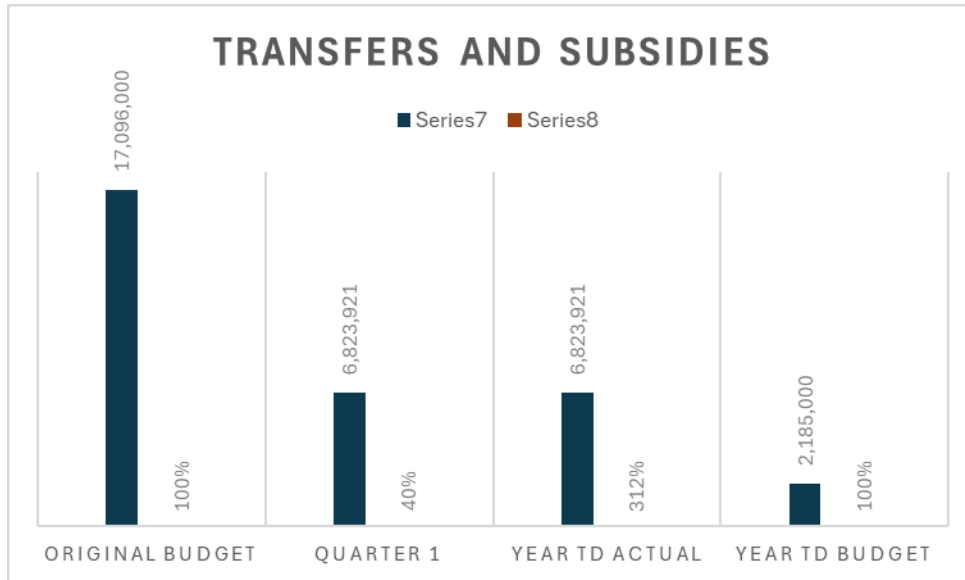
Operational Expenditure

Operational expenditure for the 1st quarter ended 30 September 2025 amounted to **R 9,758, 929** against approved budget of **R 83,275,000** and represents **12%**. The variance results from expenditure from the upcoming Calander events which will be hosted as the year progress.



Transfers and subsidies

Transfers and subsidies expenditure for the 1st quarter ended 30 September 2025 amounted to **R 6,823,921** against approved budget of **R 17,096,000** and represents **40%**. The variance results from expenditure from implementation of ploughing project in this quarter whereas it was budget that it will be implemented in Q2.



2.1.5 C5 Monthly Budget Statement –Capital Expenditure (municipal vote, functional classification and funding)

The approved capital budget amounted to **R 215,003,000** for the financial year and for the 1st quarter ended 30 September 2025 amounted to **R 27,570,000** representing **13%** of the budget. Variance is as results of not having expenditure on disaster funded projects as they were only approved for implementation by the funder at the end of August.

EC442 Umzimvubu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - Quarter 1										
Vote Description	Ref	2024/25			Budget Year 2025/26					
		1	Original	Adjusted	Quarter 1	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Multi-Year expenditure appropriation	2									
Vote 1 - Executive And Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure and Planning Department		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
Vote 6 - Local Economic Development		-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Executive And Council		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		795	5,000	-	-	-	1,250	(1,250)	-100%	5,000
Vote 3 - Corporate Services		1,256	3,500	-	1,332	1,332	875	457	52%	3,500
Vote 4 - Infrastructure and Planning Department		101,974	180,243	-	14,129	14,129	45,432	(31,303)	-59%	180,243
Vote 5 - Community Services		11,307	15,000	-	9,142	9,142	3,900	5,242	134%	15,000
Vote 6 - Local Economic Development		4,940	3,700	-	2,633	2,633	925	1,708	185%	3,700
Vote 7 - Public Safety		5,147	6,240	-	14	14	1,560	(1,546)	-99%	6,240
Vote 8 - Waste Management		889	720	-	320	320	180	140	78%	720
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	126,310	215,003	-	27,570	27,570	54,122	(26,552)	-49%	215,003
Total Capital Expenditure		126,310	215,003	-	27,570	27,570	54,122	(26,552)	-49%	215,003
Capital Expenditure - Functional Classification										
Governance and administration		2,052	8,500	-	1,332	1,332	2,125	(793)	-37%	8,500
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		2,052	8,500	-	1,332	1,332	2,125	(793)	-37%	8,500
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		16,454	21,840	-	9,156	9,156	5,460	3,696	68%	21,840
Community and social services		11,307	15,000	-	9,142	9,142	3,900	5,242	134%	15,000
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5,147	6,240	-	14	14	1,560	(1,546)	-99%	6,240
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		106,914	183,943	-	16,762	16,762	46,357	(29,595)	-54%	183,943
Planning and development		6,507	67,300	-	2,633	2,633	16,875	(14,242)	-84%	67,500
Road transport		100,408	116,443	-	14,129	14,129	29,482	(15,353)	-52%	116,443
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		889	720	-	320	320	180	140	78%	720
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		889	720	-	320	320	180	140	78%	720
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	126,310	215,003	-	27,570	27,570	54,122	(26,552)	-49%	215,003
Funded by:										
National Government		80,114	83,944	-	20,671	20,671	20,986	(315)	-2%	83,944
Provincial Government		305	61,920	-	-	-	15,480	(15,480)	-100%	61,920
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/Prov Deparm Agencies)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		80,419	145,864	-	20,671	20,671	36,466	(15,795)	-43%	145,864
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		45,532	69,139	-	6,900	6,900	17,656	(10,756)	-51%	69,139
Total Capital Funding		125,951	215,003	-	27,570	27,570	54,122	(26,552)	-49%	215,003

C6 Monthly Budget Statement –Financial Position

The table reflects the financial position is recorded at the end of the quarter ending 30 September 2025.

EC442 Umzimvubu - Table C6 Monthly Budget Statement - Financial Position - M03 - Quarter 1						
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		91,190	143,710	--	124,823	143,710
Trade and other receivables from exchange transactions		4,471	416	--	4,255	416
Receivables from non-exchange transactions		14,208	9,807	--	66,394	9,807
Current portion of non-current receivables		--	--	--	--	--
Inventory		15,630	3,899	--	15,939	3,899
VAT		8,339	(25,967)	--	15,110	(25,967)
Other current assets		23,818	23,171	--	23,818	23,171
Total current assets		157,657	155,046	--	250,339	155,046
Non current assets						
Investments		--	--	--	--	--
Investment property		26,825	26,105	--	26,825	26,105
Property, plant and equipment		1,052,820	1,319,068	--	1,064,700	1,319,068
Biological assets		--	--	--	--	--
Living and non-living resources		--	--	--	--	--
Heritage assets		18	18	--	18	18
Intangible assets		213	2,090	--	213	2,090
Trade and other receivables from exchange transactions		--	--	--	--	--
Non-current receivables from non-exchange transactions		--	--	--	--	--
Other non-current assets		--	--	--	--	--
Total non current assets		1,079,875	1,347,271	--	1,091,755	1,347,271
TOTAL ASSETS		1,237,532	1,502,317	--	1,342,094	1,502,317
LIABILITIES						
Current liabilities						
Bank overdraft		--	--	--	--	--
Financial liabilities		--	--	--	--	--
Consumer deposits		217	176	--	234	176
Trade and other payables from exchange transactions		69,539	76,283	--	36,132	76,283
Trade and other payables from non-exchange transactions		491	10,621	--	9,096	10,621
Provision		4,448	3,842	--	3,322	3,842
VAT		17,777	11,444	--	17,897	11,444
Other current liabilities		--	--	--	--	--
Total current liabilities		92,472	102,366	--	66,681	102,366
Non current liabilities						
Financial liabilities		--	--	--	--	--
Provision		12,430	11,654	--	12,430	11,654
Long term portion of trade payables		--	--	--	--	--
Other non-current liabilities		--	--	--	--	--
Total non current liabilities		12,430	11,654	--	12,430	11,654
TOTAL LIABILITIES		104,903	114,020	--	79,112	114,020
NET ASSETS	2	1,132,629	1,388,297	--	1,262,983	1,388,297
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1,092,269	1,351,544	--	1,222,623	1,351,544
Reserves and funds		40,360	36,753	--	40,360	36,753
Other		--	--	--	--	--
TOTAL COMMUNITY WEALTH/EQUITY	2	1,132,629	1,388,297	--	1,262,983	1,388,297

2.1.7 C7 Monthly Budget Statement –Cash Flow

EC442 Umzimvubu - Table C7 Monthly Budget Statement - Cash Flow - M03 - Quarter 1										
Description	Ref	2024/25			Budget Year 2025/26					
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		58,908	61,552	-	11,738	11,738	32,556	(20,818)	-64%	61,552
Service charges		684	1,364	-	245	245	341	(96)	-28%	1,364
Other revenue		26,535	76,888	-	9,445	9,445	19,222	(9,777)	-51%	76,888
Transfers and Subsidies - Operational		339,238	297,276	-	128,949	128,949	123,731	5,218	4%	297,276
Transfers and Subsidies - Capital		103,023	145,744	-	31,489	31,489	40,840	(9,351)	-23%	145,744
Interest		8,537	12,780	-	2,377	2,377	3,195	(818)	-26%	12,780
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(216,781)	(340,757)	-	(92,621)	(92,621)	(88,659)	(3,962)	4%	(340,757)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	(17,097)	-	-	-	(2,185)	2,185	-100%	(17,097)
NET CASH FROM/(US ED) OPERATING ACTIVITIES		320,144	237,749	-	91,622	91,622	129,041	37,419	20%	237,749
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(151,250)	(215,003)	-	(45,176)	(45,176)	(54,122)	8,946	-17%	(215,003)
NET CASH FROM/(US ED) INVESTING ACTIVITIES		151,250	(215,003)	-	(45,176)	(45,176)	(54,122)	(8,946)	17%	(215,003)
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/(US ED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		471,394	22,746	-	46,445	46,445	74,919			22,746
Cash/cash equivalents at beginning:		66,213	120,964	-		91,190	120,964			91,190
Cash/cash equivalents at month/year end:		537,607	143,710	-		137,636	195,883			113,937

PART 3 –SUPPORTING DOCUMENTATION

DEBTORS’ ANALYSIS

Supporting Table SC3 _Monthly Budget statement Aged Debtors _ First quarter

EC442 Umzimvubu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 - Quarter 1

Description	NT Code	Budget Year 2025/26									Total	Total over 90 days	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 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr						
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	878	674	50,789	794	625	627	601	31,495	86,483	34,142	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	128	123	110	133	95	94	92	7,017	7,792	7,431	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debts	1700	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	745	808	322	329	325	381	376	14,162	17,448	15,573	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	0	-	-	163	-	-	100	264	264	-	-	-	-
Total By Income Source	2000	1,732	1,606	51,221	1,256	1,208	1,102	1,089	52,774	111,988	57,410	-	-	-	-
2024/25 - totals only		1,529	3,315	27,746	1,156	1,030	639	563	37,517	73,496	40,905	-	-	-	-
Debtors Age Analysis By Customer Group															
Organs of State	2200	491	352	46,682	71	81	143	142	8,541	59,703	8,978	-	-	-	-
Commercial	2300	871	679	1,079	807	788	622	604	29,348	34,798	32,168	-	-	-	-
Households	2400	389	375	459	378	339	338	324	14,885	17,487	16,264	-	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2000	1,732	1,606	51,221	1,256	1,208	1,102	1,089	52,774	111,988	57,410	-	-	-	-

The total debt book for September 2025 is R 111.988,000.

Residential debt: R17,487,000

Commercial debt: R 37,798,000

Government debt: R59,703,000

CREDITORS’ ANALYSIS

EC442 Umzimvubu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 - Quarter 1											
Description	NT Code	Budget Year 2025/26									Prior year bbbs 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	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	5,080
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	2,465	86	-	-	-	-	-	0	2,551	3,164
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	2,465	86	-	-	-	-	-	0	2,551	8,244

The municipality paid its creditors within 30 days for the 1st quarter ended 30 September 2025

INVESTMENT POTFOLIO ANALYSIS

The municipality has investments into three banks that are registered in terms of the Banks Act No. 94 of 1990 read with section 7 (1) (2) of MFMA Act No. 56 Of 2003.

Investments	System #	Bank Name	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Int Capitalised	Balance
FNB	*000031	Operational Bank Inv	*60029450715	202509	10	22,073.63	-	-	120.65	22,194.28
FNB	*000032	Service Delivery Ban	*62033254723	202509	10	39,557,508.70	-	26,000,000.00	165,299.47	13,722,808.17
NEDBANK	*000034	Nedbank Bank Investm	*7881112786	202509	5.75	40,150,435.92	-	-	227,702.40	40,378,138.32
STD	*000045	STD BANK INVEST 4201	*420111972	202509	7.9	30,345,226.03	-	-	-	30,345,226.03
Total Unconditional Grants						110,075,244.28	-	26,000,000.00	393,122.52	84,468,366.80

Institution	System #	Bank Name	Account #	Month	Interest %	BOQ Amount	Top Up	Withdrawals	Int Capitalised	Balance
FNB	*000033	Mig Bank Investment	*62086036714	202509	10	9,940,534.00	-	9,457,579.43	16,262.37	499,216.94
FNB	*000035	Guarantee Bank Inves	*62068742157	202509	10	177,316.76	-	-	969.17	178,285.93
FNB	*000036	Fmg Bank Investment	*62276187294	202509	10	1,808,384.87	-	-	9,884.19	1,818,269.06
FNB	*000037	Electrification Bank	*62288560925	202509	10	6,607,668.48	-	3,952,376.46	27,540.20	2,682,832.22
FNB	*000038	Housing Bank Investm	*62891519971	202509	10	198.11	-	-	1.09	199.20
FNB	*000044	MD RECOVERY GRANT IN	*63093652965	202509	10	2,628,628.54	8,054,000.00	-	52,519.12	10,735,147.66
Total Conditional Grants						21,162,730.76	8,054,000.00	13,409,955.89	107,176.14	15,913,951.01
GRAND TOTAL						131,237,975.04	8,054,000.00	39,409,955.89	500,298.66	100,382,317.81

For the reporting period, the municipality had a balance of R 15 913 951.01 for conditional investments and R 84 468 366.80 for unconditional investments all totalling to R 100 382 317.81

The above-mentioned investments are made up of money that is not immediately required for use as per section 13 (1) of MFMA Act No. 56 of 2003.

ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

EC442 Umzimvubu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 - Quarter 1										
Description	Ref	2024/25	Budget Year 2023/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		294,286	292,888	-	120,816	120,816	122,629	(1,813)	-1.5%	292,888
Expanded Public Works Programme Integrated Grant		2,656	2,773	-	693	693	693	(0)	0.0%	2,773
Local Government Financial Management Grant	3	1,700	1,800	-	-	-	1,800	(1,800)	-100.0%	1,800
Equitable Share		289,930	288,295	-	120,123	120,123	120,136	(13)	0.0%	288,295
Provincial Government:		2,292	4,008	-	3,017	3,017	1,002	2,015	201.1%	4,008
Specify (Add grant description)		1,434	1,434	-	1,473	1,473	359	1,115	310.9%	1,434
Specify (Add grant description)		858	2,574	-	1,544	1,544	644	901	139.9%	2,574
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		296,578	296,876	-	123,833	123,833	123,631	202	0.2%	296,876
Capital Transfers and Grants										
National Government:		81,047	83,944	-	27,324	27,324	25,390	1,934	7.6%	83,944
Municipal Disaster Relief Grant		-	57,096	-	-	-	18,678	(18,678)	-100.0%	57,096
Municipal Infrastructure Grant		54,199	26,848	-	19,270	19,270	6,712	12,558	187.1%	26,848
Integrated National Electrification Programme Grant		(0)	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		26,848	-	-	8,054	8,054	-	8,054	#DIV/0!	-
Provincial Government:		27,181	-	-	4,387	4,387	-	4,387	#DIV/0!	-
Specify (Add grant description)		-	-	-	222	222	-	222	#DIV/0!	-
Specify (Add grant description)		27,181	-	-	4,165	4,165	-	4,165	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	400	-	-	-	100	(100)	-100.0%	400
Construction, Education and Training SETA		-	400	-	-	-	100	(100)	-100.0%	400
Total Capital Transfers and Grants		108,228	84,344	-	31,711	31,711	25,490	6,221	24.4%	84,344
TOTAL RECEIPTS OF TRANSFERS & GRANTS		404,806	381,220	-	155,544	155,544	149,121	6,423	4.3%	381,220

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of revenues. All trenches allocated to be received in the quarter under review have been received.

Supporting Table C7

EC442 Umzimvubu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 - Quarter 1										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 1	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		4,356	4,573	-	479	479	1,143	(684)	-58.1%	4,573
Expanded Public Works Programme Integrated Grant		2,656	2,773	-	2,153	2,153	693	1,460	210.6%	2,773
Local Government Financial Management Grant	3	1,700	1,800	-	(1,674)	(1,674)	450	(2,124)	-472.0%	1,800
Provincial Government:		3,558	4,008	-	1,404	1,404	1,002	402	40.1%	4,008
Speefy (Add grant description)		2,870	1,434	-	750	750	359	392	109.3%	1,434
Speefy (Add grant description)		688	2,574	-	744	744	644	101	15.6%	2,574
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	400	-	-	-	100	(100)	-100.0%	400
Construction, Education and Training SETA		-	400	-	-	-	100	(100)	-100.0%	400
Total Operating Transfers and Grants		7,914	8,981	-	1,974	1,974	2,245	(272)	-12.1%	8,981
Capital Transfers and Grants										
National Government:		90,774	83,944	-	22,624	22,624	20,988	1,638	7.8%	83,944
Municipal Infrastructure Grant		54,199	57,096	-	22,624	22,624	14,274	8,350	58.5%	57,096
Municipal Disaster Recovery Grant		36,575	26,848	-	-	-	6,712	(6,712)	-100.0%	26,848
Provincial Government:		27,181	(0)	-	2,219	2,219	(0)	2,219	#####	(0)
Speefy (Add grant description)		27,181	61,800	-	2,219	2,219	15,450	(13,231)	-85.6%	61,800
Speefy (Add grant description)		-	(61,800)	-	-	-	(15,450)	15,450	-100.0%	(61,800)
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		117,955	83,944	-	24,842	24,842	20,988	3,896	18.4%	83,944
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		125,869	92,925	-	26,816	26,816	23,231	3,585	15.4%	92,925

Expenditure performance on operational grants to date represents 22% of the approved budget.

Capital expenditure on capital grants to date represents 30% of the original budget on capital grants, expenditure on capital grants is within the expected performance.

EXPENDITURE ON COUNCILLOR AND EMPLOYEE RELATED COSTS

EC442 Umzimvubu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits – Q1 1st Quarter

Expenditure from remuneration of Councillors amounted to **R 5,779,091** for the for-1st quarter ended 30 September 2025 against Original budget of **R 25,562,784** this represents 23% of the budget allocated to this category.

Employee related expenditure for the 1st quarter ending 30 September 2025 amounted to **R 23,006,067** against budget amount of **R 106,006,255** that represents 22% of the budgeted amount.

EC442 Umzimvubu - Supporting Table SCE Monthly Budget Statement - councillor and staff benefits - 1923 - Quarter 1

Summary of Expenses and Council's responsibilities		2022/23	Budget Year 2023/24						
Account	Actual Outcome	Original Budget	Adjusted Budget	Quarter 1	Year to date	Final Budget	VTD variance	VTD variance %	Full Year Forecast
	A	B	C						D
Category: Councillor Office Expenses									
Travel Expenses and Rates	11,970	12,942	--	2,949	2,949	3,171	(222)	-17%	12,942
Pension and LDF Contributions	1,592	1,632	--	363	363	438	(75)	-4%	1,632
Medical Aid Contributions	591	592	--	133	133	141	(8)	-1%	592
Motor Vehicle Expenses	--	--	--	--	--	--	--	--	--
Cellphone Allowance	2,399	229	--	420	420	39	381	172%	229
Housing Allowance	6,779	1,942	--	1,085	1,085	1,312	(227)	-12%	1,942
Other Benefits and Allowances	1,521	2,769	--	417	417	658	(241)	-8%	2,769
Sub Total - Councillors	24,930	20,246	--	5,776	5,776	6,361	(585)	-28%	20,246
% to income	4.2%								4.2%
Category: Senior Managers of the Municipality									
Travel Expenses and Rates	4,994	5,216	--	1,265	1,265	1,394	(129)	-2%	5,216
Pension and LDF Contributions	468	522	--	124	124	134	(10)	-2%	522
Medical Aid Contributions	536	636	--	130	130	152	(22)	-3%	636
Cellphone	--	--	--	--	--	--	--	--	--
Performance Bonus	266	445	--	--	--	121	(121)	-27%	445
Motor Vehicle Expenses	602	1,021	--	201	201	239	(38)	-4%	1,021
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowance	912	684	--	156	156	170	(14)	-2%	684
Other Benefits and Allowances	1	1	--	0	0	0	1	100%	1
Payments in lieu of leave	--	--	--	--	--	--	--	--	--
Long service awards	--	--	--	--	--	--	--	--	--
Post-retirement benefit obligations	--	--	--	--	--	--	--	--	--
Employment	--	--	--	--	--	--	--	--	--
Security	--	--	--	--	--	--	--	--	--
Hiring and post-retired allowance	--	--	--	--	--	--	--	--	--
Sub Total - Senior Managers of Municipality	7,388	8,489	--	1,716	1,716	2,117	(381)	-45%	8,489
% to income		15.6%							15.6%
Category: Other Municipal Staff									
Travel Expenses and Rates	59,962	60,240	--	15,202	15,202	16,212	(1,010)	-1%	60,240
Pension and LDF Contributions	10,742	11,020	--	2,823	2,823	2,821	2	0%	11,020
Medical Aid Contributions	9,182	9,621	--	2,354	2,354	2,428	(74)	-1%	9,621
Cellphone	758	844	--	202	202	236	(34)	-4%	844
Performance Bonus	5,914	5,294	--	1	1	1,313	(1,311)	-25%	5,294
Motor Vehicle Expenses	2,841	3,188	--	662	662	757	(95)	-3%	3,188
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowance	1,538	1,168	--	407	407	362	45	4%	1,168
Other Benefits and Allowances	1,521	1,627	--	406	406	427	(21)	-1%	1,627
Payments in lieu of leave	2,447	1,834	--	10	10	422	(412)	-22%	1,834
Long service awards	408	--	--	--	--	--	--	--	--
Post-retirement benefit obligations	--	--	--	--	--	--	--	--	--
Employment	--	--	--	--	--	--	--	--	--
Security	--	--	--	--	--	--	--	--	--
Hiring and post-retired allowance	--	--	--	--	--	--	--	--	--
Sub Total - Other Municipal Staff	91,971	97,536	--	21,268	21,268	24,042	(2,774)	-28%	97,536
% to income		18.1%							18.1%
Total Councillor, Senior Managers & Staff Expenses									
	120,281	121,788	--	28,762	28,762	32,661	(3,899)	-32%	121,788
% to income		4.8%							4.8%
Category: Councillor Office Expenses									
Travel Expenses and Rates	--	--	--	--	--	--	--	--	--
Pension and LDF Contributions	--	--	--	--	--	--	--	--	--
Medical Aid Contributions	--	--	--	--	--	--	--	--	--
Cellphone	--	--	--	--	--	--	--	--	--
Performance Bonus	--	--	--	--	--	--	--	--	--
Motor Vehicle Expenses	--	--	--	--	--	--	--	--	--
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowance	--	--	--	--	--	--	--	--	--
Other Benefits and Allowances	--	--	--	--	--	--	--	--	--
Sub Total	--	--	--	--	--	--	--	--	--
% to income									
Category: Senior Managers of Council									
Travel Expenses and Rates	--	--	--	--	--	--	--	--	--
Pension and LDF Contributions	--	--	--	--	--	--	--	--	--
Medical Aid Contributions	--	--	--	--	--	--	--	--	--
Cellphone	--	--	--	--	--	--	--	--	--
Performance Bonus	--	--	--	--	--	--	--	--	--
Motor Vehicle Expenses	--	--	--	--	--	--	--	--	--
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowance	--	--	--	--	--	--	--	--	--
Other Benefits and Allowances	--	--	--	--	--	--	--	--	--
Payments in lieu of leave	--	--	--	--	--	--	--	--	--
Long service awards	--	--	--	--	--	--	--	--	--
Post-retirement benefit obligations	--	--	--	--	--	--	--	--	--
Employment	--	--	--	--	--	--	--	--	--
Security	--	--	--	--	--	--	--	--	--
Hiring and post-retired allowance	--	--	--	--	--	--	--	--	--
Sub Total - Senior Managers of Council	--	--	--	--	--	--	--	--	--
% to income									
Category: Other Municipal Staff									
Travel Expenses and Rates	--	--	--	--	--	--	--	--	--
Pension and LDF Contributions	--	--	--	--	--	--	--	--	--
Medical Aid Contributions	--	--	--	--	--	--	--	--	--
Cellphone	--	--	--	--	--	--	--	--	--
Performance Bonus	--	--	--	--	--	--	--	--	--
Motor Vehicle Expenses	--	--	--	--	--	--	--	--	--
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowance	--	--	--	--	--	--	--	--	--
Other Benefits and Allowances	--	--	--	--	--	--	--	--	--
Payments in lieu of leave	--	--	--	--	--	--	--	--	--
Long service awards	--	--	--	--	--	--	--	--	--
Post-retirement benefit obligations	--	--	--	--	--	--	--	--	--
Employment	--	--	--	--	--	--	--	--	--
Security	--	--	--	--	--	--	--	--	--
Hiring and post-retired allowance	--	--	--	--	--	--	--	--	--
Sub Total - Other Staff of Council	--	--	--	--	--	--	--	--	--
% to income									
TOTAL COUNCILLOR, SENIOR MANAGERS & STAFF									
	120,281	121,788	--	28,762	28,762	32,661	(3,899)	-32%	121,788
% to income		4.8%							4.8%
TOTAL MANAGER AND STAFF	96,987	106,968	--	25,996	25,996	29,534	(3,538)	-12%	106,968

SUPPLY CHAIN MANAGEMENT
PURPOSE

To report Supply Chain Management processes and other procurements matters for the reporting Quarter ended **30 September 2025**.

The municipality did not have any deviations for the Quarter of **30 September 2025**.

To report bids invited, evaluated, adjudicated, and awarded for the reporting Quarter ended **30 September 2025**

To report an identified irregular expenditure.

LEGAL REQUIREMENTS AND AUTHORITY OR MANDATE

Local Government: Municipal Finance Management Act, No 56 of 2003, Section 56-66 and Chapter 11 (Part 1).

Local Government: Municipal Systems Act No.32 of 2000.

Construction Industry Development Board Act No 38 of 2000

Preferential Procurement Policy Framework Act No 5 of 2000 and Regulations dated 07 December 2011 as well as new regulations dated **04 November 2022**.

Approved Supply Chain Management Policy.

BACKGROUND AND REASONING

For the Quarter ended **30 September 2025**, the Municipality has operated financially through procurement processes as follows:

DASHBOARD / PERFORMANCE SUMMARY

	1 st Quarter as at 30 September 2025			
BIDS AND QUOTATIONS INVITED	Jul	Aug	Sep	Total
Quotations below 30 000.00	29	46	34	109
Invited Quotations above 30 000.00	11	18	14	43
Invited Bids	1	10	5	16
AWARDED BIDS	Jul	Aug	Sep	Total
Quotations below 30 000.00	32	46	32	110
Awarded Quotations above 30 000.00	9	3	9	21
Awarded Bids	19	2	19	40
Total Summary values of Procurements,	Jul	Aug	Sep	Total
Below R30 000 (SCM Orders)	R243 489.42	R598,489.9 0	R470,51 3.39	R1 312 492.71
R30 001 – R300 000 (Seven days' notice)	R0	R832,757.5 0	R999,36 5.00	R1 832 122.50
Above R300 000	R38 704 784.59	R8,423,985. 48	R25,194, 433.91	R72 323 203.98
Section 32	0	0	0	0
Deviations (Section 36)	0	0	0	0
% of Competitive Bids awarded per area,	July	Aug	Sep	
Local (Mount Frere and Mount Ayliff)	100%	57%	68.42%	
Region (Alfred Nzo)	0%	43%	10.53%	
Province (Eastern Cape)	0%	0%	10.53%	
National (Excluding Mount Ayliff and Mount frere)	0%	0%	10.53%	

Umzimvubu Local Municipality

% of Quotations awarded per area, (R30 001 – R300 000)				
Local (Mount Frere and Mount Ayliff)	0%	100%	76%	
Region (Alfred Nzo)	0%	0%	24%	
Province (Eastern Cape)	0%	0%	0%	
National (Excluding Mount Frere and Mount Ayliff)	0%	0%	0%	
	Sep	Aug	Sep	Total
Number of meetings set successfully				
Bid Specification Committee	1	3	2	6
Bid Evaluation Committee	1	2	5	8
Bid Adjudication Committee	1	2	2	5
Objections received	0	0	7	7
Cancelled bids	1	0	0	1
Irregular expenditure	Nil	Nil	Nil	Nil

1. Bids

The purpose of this report is to report to Council in terms of section 6(2) and 6 (3) of the Supply Chain Management Policy on the implementation of the Supply Chain Management Policy for the quarter ended **30 September2025**.

- **109 Quotations** below 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Quarter ended **SEPTEMBER 2025**.
- **43 Quotations** above 30K were advertised on the notice board and Municipal website for a period of seven days in the reporting Quarter ended **SEPTEMBER 2025**.
- **16 Competitive bids** were advertised on the daily dispatch and E-tender portal, Municipal website Quarter ended **SEPTEMBER 2025**.
- **110 Quotations** below 30k were awarded in the for the Quarter ended **30 September2025**.
- **21 Quotations** above 30k were awarded in the for the Quarter ended **30 September2025**.
- **40 Competitive bids** were awarded in the Quarter ended **30 September2025**.

Procurements

The awards are made in accordance with the provisions of the Supply Chain Management Policy, also the different thresholds are adhered to in terms of procurement ranges.

- Procurement below R30 000 through SCM orders requesting three quotations for the reporting Quarter ended **30 September2025**, amounts to **R1 312 492.71**
- Procurement above **R 30,000.00-R 300,000.00** which is advertised on the Municipal notice board and website for a period of seven days, for the reporting Quarter ended **30 September2025**, amounts to **R1 832 122.50**
- Procurement above R300 000.00 which are done through formal submission of bids advertised and placed at public notices for 14 or more days, for the Quarter ended **30 September2025**, amounts to **R72 323 203.98**
- No Deviations done for the Quarter of **30 September2025**.
- No section 32 awards were made for the reporting quarter ended **30 September2025**.

1.3. SECTION 32 PROCUREMENT

- No section 32 awards were made for the Quarter of September 2025.

1.4. DEVIATIONS (Section 36)

No deviations for the Quarter of September 2025.

DEVIATION ILLUSTRATED BY GRAPH QUARTERLY

No deviations for the Quarter of September 2025.

2. IRREGULAR EXPENDITURE

On review of procurement for the Quarter, 0 non-compliances with SCM prescripts have been identified and as a result no Irregular Expenditure identified to be reported to Council, MEC and Auditor General.

Compliance

An identified irregular expenditure will be reported to all relevant structures. Bid committees have been established and members are expected to converge as per the scheduled and communicated timeframes of meetings. Quarterly reports have been submitted as required by regulation of Supply Chain Management Policy of the Council. Bid committee meetings have been recorded with the statistics of presence and absenteeism of members. Written apologies are recorded in the Quarterly report. The number of bid committee meetings for the agenda items as listed in the report are recorded in the dashboard.

3. OBJECTIONS RECEIVED

As per SCM policy, unsuccessful bidders have a period of 14 calendar days to object and provide reasons of such if feel disgruntled by the award and further allowed to lodge an appeal within that 14 days period then an appeal committee will adjudicate the reasons and conclude on the merits then give a ruling or a judgement based on the facts gathered to both parties If needs be arbitration will take place.

- There is 7 objection received in the reporting Quarter ended **30 September 2025**.

No	Project Name	Objection end date	Status
1.	Thwa Access Road Maintenance	10 September 2025	Handed over to a Law firm-Arbitration scheduled for 8 October 2025
2.	Qhanqu Access Road Maintenance	15 September 2025	Handed over to a Law firm-Arbitration scheduled for 8 October 2025
3.	Luxwesa Access Road Maintenance	10 September 2025	Two Objections closed and awarded
4.	Mpoza Access Road Maintenance	29 September 2025	Handed over to a Law firm
5.	Moyeni-Galali Access Road Maintenance	09 September 2025	Objection closed and awarded
6.	Panel of Ad-hoc for Emergency maintenance	30 September 2025	Handed over to a

	and disaster related		Law firm
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4. CONTRACT MANAGEMENT

The unit received all S116 Reports for active contracts in the reporting Quarter ended 30 September 2025.

5. CANCELLED BIDS

As per the SCM Guide by National Treasury, Bids can be must be cancelled subject to the following conditions, in the event that in the application of the application of the 80/20 preference point system as stipulated in the tender documents, all tenders received exceed the estimated value of R50 000 000.00; in the event that in the application of the application of the 90/10 preference point system as stipulated in the tender documents, all tenders received are equal or below the estimated value of R50 000 000.00;if there is no longer a need for the services; funds are no longer available to cover the total envisaged expenditure; and if no acceptable tenders are received.

- There is 1 cancelled bids in the reporting Quarter ended **30 September2025**.

6. RELATED PARTIES DISCLOSURE

Company name	Appointment date	Description	Amount	Related Employee
Aphola Trading	10-Aug-25	Tree Cutting services for Emaxesibeni and KwaBhaca	R292,675.00	Spouse (Dep of Sport-T Mpurwana)
The Drops RENO Trading	22-Jul-25	Catering and still water for 150 people attending human rights	R5,100.00	Mr. S. Mathontsi-EPWP Data Capturer

7. PROCUREMENT PLAN IMPLEMENTATION STATUS

Procurement plan as approved is being implemented and procurements are done as per plan except for those projects that have to be re-advertised due to various reasons, non-responsiveness etc.

1.1. NON-SUBMISSION AND LATE SUBMISSIONS

None

RISK IMPLICATIONS

The risk implications and risk register will be reported on a Quarterly basis through Quarterly reports.

LABOUR IMPLICATIONS

None

SERVICE DELIVERY IMPLICATIONS

Delays on awards for bids negatively affect the service delivery.

FINANCIAL IMPLICATIONS

None

OTHER PARTIES CONSULTED

All the departments

SALIENT POINTS FOR DELIBERATIONS

None

Annexures

"A" –Updated Implementation of Procurement Plan

"B"- Inventory Reconciliation

"C" – Quotation Register

"D" -Tender Register

"E"- Procured Goods Report as per Thresholds

"F" – SDBIP Report

"G"-Status of Projects

INDIGENT MANAGEMENT

PURPOSE

To report to the Council on Free basic services for the month of September 2025.

LEGAL REQUIREMENTS

Constitution of the Republic of South Africa, 1996.
Local Government: Municipal Systems Act, No 32 of 2000.

STATUTORY

Constitution of the Republic of SA – section 27 (1) (c).
Local Government Municipal systems act- section 73 (1) (c).

BACKGROUND AND REASONING

The municipality's CAAT's verified indigent register is made up of electricity = 3242, solar =1322 and paraffin = 1752 which gives to a total 6316 indigent households for the whole municipality. Indigent beneficiaries are subsidized with monthly maintenance on solar, 50kWh subsidy of electricity supplied by Eskom and paraffin as another means of alternative electricity.

The table below presents indigent beneficiation per type of service: -

Type of service	Number of beneficiaries	Status
Solar	1322 registered indigent households for solar subsidy, we maintain, replace or install solar systems only when there is a need.	Currently the service provider is on-site installing solar home systems to 59 indigent households to 14 wards both mount frere and mount Ayliff. The current contract will be expiring in November 2025, and the Tender Advert is already issued and closed on the 22 September 2025.
Electricity (ESKOM)	1114	It's a monthly subsidy where each registered indigent household receive 50 KWh free basic electricity token on monthly basis , we have submitted 805 new applications to ESKOM which will add the current FBE beneficiaries.
Paraffin	1538 indigent households have benefited from paraffin subsidy where each household receive 20L.	The contract has ended, and we are busy with tender procurement processes.

LABOUR IMPLICATIONS

None

FINANCIAL IMPLICATIONS

Expenditure incurred as of September 2025 amounted to R126 281.91

SERVICE DELIVERY IMPLICATIONS

Provision of free basic services.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

I, **Tobela Nota**, the Municipal Manager of Umzimvubu Local Municipality do hereby certify that-

The quarterly budget statement (Section 52(d) Report) on the implementation of the budget and financial state of affairs of the municipality for the first quarter ended 30 September 2021 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Tobela Nota

Municipal Manager of Umzimvubu Local Municipality

Signature: _____

Date: _____
