

# **NQUTHU MUNICIPALITY (KZN 242)**



## **SECTION 52(d) QUARTELY REPORT – Q4 2024/25 FINANCIAL YEAR**

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# **PART1**

## **IN-YEAR REPORT**

### **1.1. Mayors Report**

The Mayor has considered the MFMA Section 52(d) report for the month under reporting, and the performance of the municipality against its budget in line with the approved budget adopted by Council on 17 May 2024. A detailed consideration by the mayor highlights the crucial areas pertaining to revenue generation capacity of the municipality, the expenditure patterns for both operational and capital funding. The thorough consideration and adoption of the indigent register by council marks the significant element in recognising revenue forgone in accelerating the service delivery through transparent processes.

In terms of Section 54(1) of the MFMA the Mayor performed all the legislative requirements pertaining to this section to ensure that approved budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP).

### **Operational Budget**

The month of June marks the final month of the financial year, therefore reflecting on revenue drivers and cost drivers of the municipality is important. The C-schedule table C4 outlines the following line items as the drivers of revenue:

- Transfers and subsidies – Operational (Revenue) – original budget = R212 million rands
- Property rates – original budget = R52.7 million rands
- Service charges – Electricity - original budget = R32.1 million rands

Furthermore, the following line items are reflected as cost / expenditure drivers on table C4:

- Employee related costs - original budget = R118 million rands
- Remuneration of councillors - original budget = R17 million rands
- Bulk purchases – electricity - original budget = R40.9 million rands
- Contracted services - original budget = R49.9 million rands

The municipality in finalising the newly adopted budget for the coming year, indeed taken into account the effect of cost and investment drivers of the municipality.

### **Capital Budget**

Capital expenditure budget originally and adjusted figures are details under table C5. Capital expenditure original budget figure of R80.2 million rands is increased to R85.5 million rands. A single additional allocation from

amended DORA in March 2025 resulted in the municipality receiving an amount of R5.1 million for the disaster relief from DCOgta.

**Cash Flow**

Budget cash flows are shown in Table C7 below of this report. Quarterly circular 71 calculations are done to ensure that current ratios information is obtained to monitor the liquidity of the municipality.

**Risk Management**

The municipality revised risk registers for the coming financial year. The Risk Management Committee is yet to convened in respect of the fourth quarter. The impact of risk assessments by the municipality through quarterly reporting via risk committee has yielded tangible results on the daily operations of the municipality. Through the municipality’s RMC the municipality adopted a clean audit statement that was translated to a vernacular version to enable councillors and officials to acquaint themselves with the statement in order to instil a disciplined culture with an aim to achieve clean governance.

**Mid-year assessment Review and adjustment budget**

Council noted the Section 72 mid-year assessment report as tabled on 30 January 2025. The recommendations of the Mayor support the need for adjustment budget to be done. The adjustment budget was done to move funds from project items that require less financing to areas that are already overspent and still required more funding. The assessment by the Provincial Treasury confirmed that the municipal budget is funded.

**1.2. Resolutions**

**MFMA Section 52d quarterly report resolutions for period ending 30 June 2025**

The MFMA Section 52d quarterly report is tabled before council for consideration by Council. Hereunder are the resolutions in terms of the Municipal Budget and Reporting Regulations Schedule-C (In Year Reporting) requirements for consideration by council:

- THAT the Council note the quarterly report on implementing of the budget and the financial affairs for the municipality referred to in Section (52d) MFMA.
- THAT the Council note the review by the Honourable Mayor as detailed in Mayors’ report and be considered as the financial status of the municipality.
- THAT the Council note the mayor’s quarterly report in terms of Section 30 MFMA MBRR Regulations, the report be placed on the municipality’s website within five days of tabling of the report in the council.

- THAT the Council note the mayor's quarterly report in terms of Section 31(c) MFMA Regulations, be submitted to the National Treasury and the relevant provincial treasury within five days of tabling of the report in the council.

### **1.3. Executive Summary**

#### **Purpose**

The fundamental purpose of this report is to comply with section 52(d) of the Municipal Finance Management Act (MFMA), by submission of a report to the Council on the implementation of the budget. The report provides a quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for Council on the non-financial indicators which is part of the service delivery and budget implementation plan. The report in alignment with each table as extracted from C-Schedule is providing corrective measures taken to ensure that budget is aligned to expenditure and revenue projection.

#### **Municipality consolidated performance**

This report provides details of budget implementation and budget monitoring thereof. Charts and tables extracted from the C-schedule are well detailed under monthly budget statement in year reporting thereby providing narration to crucial line items relating to revenue and expenditure. This report compares the actual results of operating income and expenditure as well as capital expenditure against budgeted income and expenditure.

The budget steering committee oversee that all departments, divisions and sections are engaged in the process of reviewing budget allocation.

In terms of S6(a) of MBRR there should be consistency in the base of measurement and accounting policies to ensure that policies underpinning AFS are the same as the policies used in the preparation and reporting during the in-year reporting. Statement of Financial Performance therefore is a consistent base of measurement of financial performance as informed by C-schedule Table C4 for the period under review.

Table C4 provide a consolidated municipality's performance in relation to approved annual budget and adjusted budget, thereby providing a sound financial management viewpoint of the municipality at this juncture. Critical revenue sources such as property rates show a YTD actual figure of R58.1 million rands compared to original budget of R52.7 million rands. Electricity revenue source year to date actual figure is R30.8 million rands results in -4% variance whilst the bulk expenditure year to date figure is R45 million rands.

Accurate employee related costs expenditure is shown in Part 2 of this document due to incomplete data transfer between the two different systems used by the municipality for financial management and payroll management. Additionally, Table C4 excerpt is shown hereunder to provide users of the report with high level overview of the current state of financial affairs of the municipality. Other revenue and expenditure items are outlined in detail and necessary narrative is provided per each table as extracted from the C-schedule report and additional reasons for variance is provided towards the end of this report.

**Remedial steps to align projected expenditure and revenue**

The mid-year review and assessment phase for this financial year and adjustment budget provided a remedial or corrective step to align projections of revenue to actuals of expenditure and ensuring that revenue and expenditure remains within the municipality’s budget.

**Potential impact of the national adjustment budget**

National adjustment budget by National Treasury entails the opportunity to make permissible revisions to the national budget, thus additional allocations are made to fund disaster related projects. Furthermore, projects pertaining to reconstructing and rehabilitating of infrastructure damaged by floods within the KwaZulu Natal province and other provinces are given attention. In this assertion the municipality has been impacted harshly by severe weather conditions and has since funded the re-gravelling of access roads through own funding. The municipality received disaster relief allocation of R5.1 million rands in this regard in March.

**The consolidated summary of the financial performance is indicated in Table C4 below:**

**KZN242 Nquthu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June**

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		27 499	32 108	32 108	908	30 860	32 108	(1 248)	-4%	32 108
Service charges - Water		—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—
Service charges - Waste management		1 467	1 962	1 962	—	1 864	1 962	(98)	-5%	1 962
Sale of Goods and Rendering of Services		178	259	259	23	811	259	552	213%	259
Agency services		—	—	—	—	—	—	—	—	—
Interest		69	0	0	—	19	0	19	159375%	0
Interest earned from Receivables		665	681	681	—	711	681	30	4%	681
Interest from Current and Non Current Assets		9 506	5 995	9 095	62	7 335	9 095	(1 760)	-19%	9 095
Dividends		—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		972	871	871	2	784	871	(87)	-10%	871
Licence and permits		—	—	—	—	—	—	—	—	—
Operational Revenue		396	216	1 805	—	648	1 805	(1 157)	-64%	1 805
<b>Non-Exchange Revenue</b>										
Property rates		51 452	52 750	52 750	(56)	58 198	52 750	5 448	10%	52 750
Surcharges and Taxes		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		1 547	1 009	1 009	49	1 452	1 009	442	44%	1 009
Licence and permits		1 010	1 010	1 010	57	849	1 010	(160)	-16%	1 010
Transfers and subsidies - Operational		186 803	212 836	212 836	73	205 036	212 836	(7 800)	-4%	212 836
Interest		2 657	1 335	1 335	0	3 479	1 335	2 145	161%	1 335
Fuel Levy		—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	0	—	1 510	0	1 510	898710%	0
Other Gains		—	—	0	—	—	0	(0)	-100%	0
Discontinued Operations		—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>284 220</b>	<b>311 031</b>	<b>315 720</b>	<b>1 118</b>	<b>313 556</b>	<b>315 720</b>	<b>(2 164)</b>	<b>-1%</b>	<b>315 720</b>
<b>Expenditure By Type</b>										
Employee related costs		100 570	118 969	118 347	32	100 624	118 347	(17 724)	-15%	118 347
Remuneration of councillors		14 046	17 155	17 155	—	14 647	17 155	(2 508)	-15%	17 155
Bulk purchases - electricity		31 026	40 970	44 970	10 080	45 257	44 970	288	1%	44 970
Inventory consumed		2 315	1 618	1 322	175	1 717	1 322	395	30%	1 322
Debt impairment		12 634	—	—	—	—	—	—	—	—
Depreciation and amortisation		35 938	36 000	36 000	—	25 219	36 000	(10 781)	-30%	36 000
Interest		—	0	0	—	—	0	(0)	-100%	0
Contracted services		73 222	49 983	48 910	5 264	47 478	48 910	(1 432)	-3%	48 910
Transfers and subsidies		3 985	2 854	2 510	342	4 516	2 510	2 007	80%	2 510
Irrecoverable debts written off		3 163	12 999	12 999	(24)	621	12 999	(12 378)	-95%	12 999
Operational costs		45 718	41 523	39 911	(481)	37 168	39 911	(2 743)	-7%	39 911
Losses on Disposal of Assets		2 507	—	0	—	330	0	330	229067%	0
Other Losses		—	—	0	—	—	0	(0)	-100%	0
<b>Total Expenditure</b>		<b>325 124</b>	<b>322 072</b>	<b>322 124</b>	<b>15 390</b>	<b>277 577</b>	<b>322 124</b>	<b>(44 547)</b>	<b>-14%</b>	<b>322 124</b>
<b>Surplus/(Deficit)</b>		<b>(40 904)</b>	<b>(11 042)</b>	<b>(6 404)</b>	<b>(14 272)</b>	<b>35 978</b>	<b>(6 404)</b>	<b>42 383</b>	<b>(0)</b>	<b>(6 404)</b>
Transfers and subsidies - capital (monetary allocations)		80 502	46 155	57 343	14 072	45 796	57 343	(11 546)	(0)	57 343
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>0</b>	<b>50 938</b>
Income Tax		—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after income tax</b>		<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>0</b>	<b>50 938</b>
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>0</b>	<b>50 938</b>
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>		<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>0</b>	<b>50 938</b>

#### 1.4. Legal Requirement

In terms of section 52(d) of the MFMA, the Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state affairs of the municipality.

## 1.5. IN-YEAR BUDGET STATEMENT TABLES – TABLE C1

KZN242 Nquthu - Table C1 Monthly Budget Statement Summary - M12 June

Description	2023/24		Budget Year 2024/25						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	51 452	52 750	52 750	(56)	58 198	52 750	5 448	10%	52 750
Service charges	28 965	34 070	34 070	908	32 724	34 070	(1 346)	-4%	34 070
Investment revenue	9 506	5 995	9 095	62	7 335	9 095	(1 760)	-19%	9 095
Transfers and subsidies - Operational	186 803	212 836	212 836	73	205 036	212 836	(7 800)	(0)%	212 836
Other own revenue	7 494	5 380	6 969	131	10 262	6 969	3 293	47%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>284 220</b>	<b>311 031</b>	<b>315 720</b>	<b>1 118</b>	<b>313 556</b>	<b>315 720</b>	<b>(2 164)</b>	<b>-1%</b>	<b>315 720</b>
Employee costs	100 570	118 969	118 347	32	100 624	118 347	(17 724)	-15%	118 347
Remuneration of Councilors	14 046	17 155	17 155	-	14 647	17 155	(2 508)	-15%	17 155
Depreciation and amortisation	35 938	36 000	36 000	-	25 219	36 000	(10 781)	-30%	36 000
Interest	-	0	0	-	-	0	(0)	-100%	0
Inventory consumed and bulk purchases	33 341	42 588	46 292	10 256	46 974	46 292	682	1%	46 292
Transfers and subsidies	3 985	2 654	2 510	342	4 516	2 510	2 007	80%	2 510
Other expenditure	137 243	104 505	101 820	4 760	85 597	101 820	(16 223)	-16%	101 820
<b>Total Expenditure</b>	<b>325 124</b>	<b>322 072</b>	<b>322 124</b>	<b>15 390</b>	<b>277 577</b>	<b>322 124</b>	<b>(44 547)</b>	<b>-14%</b>	<b>322 124</b>
<b>Surplus/(Deficit)</b>	<b>(40 904)</b>	<b>(11 042)</b>	<b>(6 404)</b>	<b>(14 272)</b>	<b>35 978</b>	<b>(6 404)</b>	<b>42 383</b>	<b>-662%</b>	<b>(6 404)</b>
Transfers and subsidies - capital (monetary allocations)	80 502	46 155	57 343	14 072	45 796	57 343	###	-20%	57 343
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>61%</b>	<b>50 938</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>61%</b>	<b>50 938</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>(14 116)</b>	<b>76 322</b>	<b>84 773</b>	<b>2 086</b>	<b>28 422</b>	<b>84 773</b>	<b>(56 351)</b>	<b>-68%</b>	<b>84 773</b>
Capital transfers recognised	36 312	41 272	49 621	238	33 605	49 621	(16 016)	-32%	49 621
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	(67 031)	38 963	39 065	1 848	(5 183)	39 065	(44 248)	-113%	39 065
<b>Total sources of capital funds</b>	<b>(30 719)</b>	<b>80 235</b>	<b>88 686</b>	<b>2 086</b>	<b>28 422</b>	<b>88 686</b>	<b>(60 264)</b>	<b>-68%</b>	<b>88 686</b>
<b>Financial position</b>									
Total current assets	169 788	103 802	183 610		198 147				183 610
Total non current assets	734 296	754 284	822 650		782 950				822 650
Total current liabilities	141 086	103 485	138 251		136 325				138 251
Total non current liabilities	875	3 364	875		875				875
Community wealth/Equity	<b>762 123</b>	<b>807 388</b>	<b>895 646</b>		<b>843 897</b>				<b>895 646</b>
<b>Cash flows</b>									
Net cash from (used) operating	(113 820)	40 886	52 359	(16 782)	(92 309)	99 475	191 784	193%	52 359
Net cash from (used) investing	(72 556)	(90 933)	(96 033)	(1 725)	(72 556)	(96 033)	(23 477)	24%	(96 033)
Net cash from (used) financing	-	-	-	(32)	(100 624)	-	100 624	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>(77 552)</b>	<b>(6 395)</b>	<b>69 547</b>	<b>(18 539)</b>	<b>(172 955)</b>	<b>116 663</b>	<b>289 618</b>	<b>248%</b>	<b>48 860</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	1 658	835	605	346	360	390	287	15 071	19 552
<b>Creditors Age Analysis</b>									
Total Creditors	9 764	616	703	514	153	54	897	176	12 876

The YTD actual revenue (excluding capital transfers and contributions) is R289 million rands compared to R311 million rands approved original budget and this results to 22% variance.

Operating expenditure YTD is R212 million rands compared to R322 million rands approved original budget which results to -12% variance. The line items that have previously shown zero YTD actual figures such as a) debt impairment b) depreciation and amortisation c) and transfers and subsidies have been updated with interim information. Only the interest line item remains with zero YTD actuals even after adjustment budget hence the negative variance impact on the total operating expenditure variance.

YTD expenditure figure for employee costs is supported by PART 2 payroll because the amount on the C-schedule is understated due to information being not fully integrated with the financial system as the

C-schedule have a YTD figure of R73 million rands compared to actual information on PART 2 of this report which shows R79 million rands. Furthermore, an amount of R10 million is shown from C-schedule as per the information available on the financial system instead of the actual figure of R12.3 million in relation to councillor allowances.

Capital expenditure allocation in this quarter has been received as per the grant register attached in Part 2 of this report.

**Table C2 provides the statement of financial performance by standard classification.**

**KZN242 Nquthu - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June**

Description	Ref	2023/24				Budget Year 2024/25				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		285 145	297 997	301 176	14 140	307 120	301 176	5 944	2%	301 176
Executive and council		39 222	46 128	46 128	14 072	44 525	46 128	(1 603)	-3%	46 128
Finance and administration		245 923	251 869	255 048	69	262 595	255 048	7 547	3%	255 048
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 696	6 287	6 287	127	6 521	6 287	234	4%	6 287
Community and social services		4 558	4 454	4 454	34	4 431	4 454	(23)	-1%	4 454
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 138	1 833	1 833	94	2 090	1 833	257	14%	1 833
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		305	185	6 795	13	254	6 795	(6 541)	-96%	6 795
Planning and development		305	185	1 695	13	254	1 695	(1 441)	-85%	1 695
Road transport		-	-	5 100	-	-	5 100	(5 100)	-100%	5 100
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		72 576	52 717	58 804	908	45 456	58 804	(13 348)	-23%	58 804
Energy sources		70 594	50 682	56 769	908	43 105	56 769	(13 664)	-24%	56 769
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 981	2 035	2 035	-	2 351	2 035	316	16%	2 035
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>364 722</b>	<b>357 186</b>	<b>373 062</b>	<b>15 190</b>	<b>359 352</b>	<b>373 062</b>	<b>(13 711)</b>	<b>-4%</b>	<b>373 062</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		167 031	172 773	167 432	(270)	132 297	167 432	(35 135)	-21%	167 432
Executive and council		33 068	36 913	34 458	324	29 686	34 458	(4 772)	-14%	34 458
Finance and administration		129 706	132 533	129 693	(645)	99 399	129 693	(30 294)	-23%	129 693
Internal audit		4 257	3 327	3 281	51	3 211	3 281	(70)	-2%	3 281
<i>Community and public safety</i>		24 121	33 066	35 109	1 119	30 015	35 109	(5 094)	-15%	35 109
Community and social services		5 483	15 470	17 807	1 080	13 504	17 807	(4 303)	-24%	17 807
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		18 638	17 596	17 302	39	16 511	17 302	(791)	-5%	17 302
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		65 385	27 566	26 893	1 443	30 253	26 893	3 360	12%	26 893
Planning and development		17 019	16 443	15 953	959	17 811	15 953	1 858	12%	15 953
Road transport		48 366	11 123	10 940	484	12 443	10 940	1 503	14%	10 940
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		68 588	88 667	92 691	13 098	85 012	92 691	(7 678)	-8%	92 691
Energy sources		53 809	70 871	74 497	12 881	69 914	74 497	(4 584)	-6%	74 497
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 281	1 959	1 926	-	1 984	1 926	58	3%	1 926
Waste management		12 498	15 837	16 267	217	13 115	16 267	(3 152)	-19%	16 267
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>325 124</b>	<b>322 072</b>	<b>322 124</b>	<b>15 390</b>	<b>277 577</b>	<b>322 124</b>	<b>(44 547)</b>	<b>-14%</b>	<b>322 124</b>
<b>Surplus/ (Deficit) for the year</b>		<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>0.6053655</b>	<b>50 938</b>

### Table C3: Monthly Budget Statement\_ Financial Performance

KZN242 Nquthu - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Office of the Municipal Manager		39 222	46 128	46 128	14 072	44 525	46 128	(1 603)	-3,5%	46 128
Vote 2 - Planning and Economic Development		305	551	2 061	1	61	2 061	(2 000)	-97,0%	2 061
Vote 3 - Budget and Treasury		245 886	251 524	254 624	59	260 819	254 624	6 195	2,4%	254 624
Vote 4 - Corporate and Community Service		6 700	6 156	6 235	145	6 368	6 235	133	2,1%	6 235
Vote 5 - Technical Services		72 609	52 827	64 014	913	46 069	64 014	(17 945)	-28,0%	64 014
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>364 722</b>	<b>357 186</b>	<b>373 062</b>	<b>15 190</b>	<b>357 842</b>	<b>373 062</b>	<b>(15 221)</b>	<b>-4,1%</b>	<b>373 062</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Office of the Municipal Manager		21 263	20 068	19 129	356	16 945	19 129	(2 184)	-11,4%	19 129
Vote 2 - Planning and Economic Development		17 019	16 546	16 156	983	17 872	16 156	1 715	10,6%	16 156
Vote 3 - Budget and Treasury		81 170	75 532	74 428	61	49 102	74 428	(25 326)	-34,0%	74 428
Vote 4 - Corporate and Community Service		67 619	81 921	80 868	323	75 235	80 868	(5 633)	-7,0%	80 868
Vote 5 - Technical Services		121 338	92 105	95 261	13 453	87 927	95 261	(7 334)	-7,7%	95 261
Vote 6 - Council And General		16 524	18 412	18 412	19	15 981	18 412	(2 431)	-13,2%	18 412
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>324 932</b>	<b>304 584</b>	<b>304 253</b>	<b>15 194</b>	<b>263 061</b>	<b>304 253</b>	<b>(41 193)</b>	<b>-13,5%</b>	<b>304 253</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>39 790</b>	<b>52 602</b>	<b>68 809</b>	<b>(5)</b>	<b>94 781</b>	<b>68 809</b>	<b>25 972</b>	<b>37,7%</b>	<b>68 809</b>

Table C3 provides information by vote, dividing the overall municipality administration into departments. BTO office reflects much higher revenue by vote allocation with an actual amount of R246 million rands. Expenditure by vote shows that technical unit has the highest expenditure of R61.1 million rands followed by the corporate services with R56.5 million rands.

### Table C4 Municipality Financial Performance

Table C4 provides information on the planned revenue and operational expenditures against the actual results for the period under reporting

This report analyses each major component under following headings.

- Revenue by Source
- Operational Expenditure by Type

KZN242 Nquthu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		27 499	32 108	32 108	908	30 860	32 108	(1 248)	-4%	32 108
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 467	1 962	1 962	-	1 864	1 962	(98)	-5%	1 962
Sale of Goods and Rendering of Services		178	259	259	23	811	259	552	213%	259
Agency services		-	-	-	-	-	-	-	-	-
Interest		69	0	0	-	19	0	19	159375%	0
Interest earned from Receivables		665	681	681	-	711	681	30	4%	681
Interest from Current and Non Current Assets		9 506	5 995	9 095	62	7 335	9 095	(1 760)	-19%	9 095
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		972	871	871	2	784	871	(87)	-10%	871
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		396	216	1 805	-	648	1 805	(1 157)	-64%	1 805
<b>Non-Exchange Revenue</b>										
Property rates		51 452	52 750	52 750	(56)	58 198	52 750	5 448	10%	52 750
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 547	1 009	1 009	49	1 452	1 009	442	44%	1 009
Licence and permits		1 010	1 010	1 010	57	849	1 010	(160)	-16%	1 010
Transfers and subsidies - Operational		186 803	212 836	212 836	73	205 036	212 836	(7 800)	-4%	212 836
Interest		2 657	1 335	1 335	0	3 479	1 335	2 145	161%	1 335
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	0	-	1 510	0	1 510	898710%	0
Other Gains		-	-	0	-	-	0	(0)	-100%	0
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>284 220</b>	<b>311 031</b>	<b>315 720</b>	<b>1 118</b>	<b>313 556</b>	<b>315 720</b>	<b>(2 164)</b>	<b>-1%</b>	<b>315 720</b>
<b>Expenditure By Type</b>										
Employee related costs		100 570	118 969	118 347	32	100 624	118 347	(17 724)	-15%	118 347
Remuneration of councillors		14 046	17 155	17 155	-	14 647	17 155	(2 508)	-15%	17 155
Bulk purchases - electricity		31 026	40 970	44 970	10 080	45 257	44 970	288	1%	44 970
Inventory consumed		2 315	1 618	1 322	175	1 717	1 322	395	30%	1 322
Debt impairment		12 634	-	-	-	-	-	-	-	-
Depreciation and amortisation		35 938	36 000	36 000	-	25 219	36 000	(10 781)	-30%	36 000
Interest		-	0	0	-	-	0	(0)	-100%	0
Contracted services		73 222	49 983	48 910	5 264	47 478	48 910	(1 432)	-3%	48 910
Transfers and subsidies		3 985	2 854	2 510	342	4 516	2 510	2 007	80%	2 510
Irrecoverable debts written off		3 163	12 999	12 999	(24)	621	12 999	(12 378)	-95%	12 999
Operational costs		45 718	41 523	39 911	(481)	37 168	39 911	(2 743)	-7%	39 911
Losses on Disposal of Assets		2 507	-	0	-	330	0	330	229067%	0
Other Losses		-	-	0	-	-	0	(0)	-100%	0
<b>Total Expenditure</b>		<b>325 124</b>	<b>322 072</b>	<b>322 124</b>	<b>15 390</b>	<b>277 577</b>	<b>322 124</b>	<b>(44 547)</b>	<b>-14%</b>	<b>322 124</b>
<b>Surplus/(Deficit)</b>		<b>(40 904)</b>	<b>(11 042)</b>	<b>(6 404)</b>	<b>(14 272)</b>	<b>35 978</b>	<b>(6 404)</b>	<b>42 383</b>	<b>(0)</b>	<b>(6 404)</b>
Transfers and subsidies - capital (monetary allocations)		80 502	46 155	57 343	14 072	45 796	57 343	(11 546)	(0)	57 343
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>0</b>	<b>50 938</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>0</b>	<b>50 938</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>0</b>	<b>50 938</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>39 598</b>	<b>35 113</b>	<b>50 938</b>	<b>(200)</b>	<b>81 774</b>	<b>50 938</b>	<b>30 836</b>	<b>0</b>	<b>50 938</b>

## **TABLE C4: REVENUE BY SOURCE**

### **Property rates**

Property rates YTD Actual for this month stands at R47.3 million rands , the approved original budget is R 52.7 million rands, there is no adjustment in the original budget for this item thus the 20% variance.

### **Service charges electricity**

The actual revenue from Service Charges Electricity is R22.9 million rands . The approved original budget figure is R32.1 million rands , the variance of -5% is noted. The original budget figure was not adjusted.

### **Interest from Current and Non-Current Assets**

Interest from current and non-current assets show the YTD actual figure of R5.6 million rands compared to R5.9 million rands original budget which has been adjusted to R9 million rands , resulting in a variance of -16%.

### **Transfers and subsidies**

Transfers and subsidies as allocated in the DoRA for the current year has been received and reflected in the grant register on Part 2 of this report. Approved budget figure for transfers and subsidies is R212 million rands and the YTD actual figure is R204.7 million rands .

## **TABLE C4: EXPENDITURE BY TYPE**

### **Employment related costs**

The employee related costs reflects budget underspending as per the C schedule report, to date the employee costs data has been partially captured on the system thus the YTD actual figure on the C-schedule amounts to R73.4 million rands whereas the manual report shows R79.5 million rands expenditure at the end of this reporting period. The manual update on monthly payroll is attached on Part 2 hereto, which reflects accurate YTD figures.

### **Remuneration of Councillor's**

The YTD Actual for remuneration of councillors reflect R10.9 million rands on the C-schedule whereas PART 2 of this report shows R12.3 million rands expenditure for councillors. The municipality attempts to keep synergies between the two systems hence the reduction in the noted difference on the figures disclosed.

**Debt impairment**

The YTD actuals and budget reflects R0 amounts, the actuals will be captured once reviewed as final during the interim AFS preparation.

**Depreciation & asset impairment**

Depreciation and Asset impairment YTD Actual based on the monthly update and calculation of depreciation provides a YTD actual figures that amounts to R30.4 million rands compared to budget figure of R36 million which result in the variance of 13%.

**Bulk purchases**

YTD Actual for electricity bulk purchase figure is at R32.4 million rands , the municipality has billed each month for bulk account and has paid in full consistently, no interest has accrued for bulk. The original budget allocated to bulk electricity amounts to R40.9 million, subsequently adjusted to R44.9 million.

## Monthly Budget Statement\_ Capital Expenditure Table 5

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Office of the Municipal Manager		–	0	0	–	–	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		(10 678)	2 609	2 609	–	–	2 391	(2 391)	-100%	2 609
Vote 3 - Budget and Treasury		–	0	0	–	–	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		287	957	957	–	726	877	(151)	-17%	957
Vote 5 - Technical Services		24 343	56 202	60 218	1 499	17 127	55 716	(38 589)	-69%	60 218
Vote 6 - Council And General		608	700	700	–	709	642	67	10%	700
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Capital Multi-year expenditure</b>	4,7	<b>14 560</b>	<b>60 467</b>	<b>64 484</b>	<b>1 499</b>	<b>18 562</b>	<b>59 626</b>	<b>(41 064)</b>	<b>-69%</b>	<b>64 484</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Office of the Municipal Manager		–	0	0	–	–	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		–	0	0	–	–	0	(0)	-100%	0
Vote 3 - Budget and Treasury		–	0	0	–	–	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		(3 287)	0	0	–	76	0	76	19218%	0
Vote 5 - Technical Services		(25 388)	15 854	15 854	–	6 740	14 533	(7 793)	-54%	15 854
Vote 6 - Council And General		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Capital single-year expenditure</b>	4	<b>(28 676)</b>	<b>15 854</b>	<b>15 854</b>	<b>–</b>	<b>6 817</b>	<b>14 533</b>	<b>(7 717)</b>	<b>-53%</b>	<b>15 854</b>
<b>Total Capital Expenditure</b>		<b>(14 116)</b>	<b>76 322</b>	<b>80 338</b>	<b>1 499</b>	<b>25 379</b>	<b>74 159</b>	<b>(48 781)</b>	<b>-66%</b>	<b>80 338</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>895</b>	<b>2 266</b>	<b>2 266</b>	<b>–</b>	<b>1 435</b>	<b>2 077</b>	<b>(642)</b>	<b>-31%</b>	<b>2 266</b>
Executive and council		608	700	700	–	709	642	67	10%	700
Finance and administration		287	1 565	1 565	–	726	1 435	(709)	-49%	1 565
Internal audit		–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		<b>(2 529)</b>	<b>53 516</b>	<b>49 053</b>	<b>518</b>	<b>7 100</b>	<b>44 853</b>	<b>(37 753)</b>	<b>-84%</b>	<b>49 053</b>
Community and social services		758	43 602	39 139	518	1 302	35 766	(34 463)	-96%	39 139
Sport and recreation		(3 413)	8 696	8 696	–	5 721	7 971	(2 250)	-28%	8 696
Public safety		126	1 218	1 218	–	76	1 116	(1 040)	-93%	1 218
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>(55 360)</b>	<b>22 541</b>	<b>25 726</b>	<b>981</b>	<b>8 956</b>	<b>24 211</b>	<b>(15 255)</b>	<b>-63%</b>	<b>25 726</b>
Planning and development		(7 406)	4 696	4 696	–	(8 652)	4 304	(12 956)	-301%	4 696
Road transport		(47 951)	17 845	21 031	981	17 608	19 906	(2 299)	-12%	21 031
Environmental protection		–	–	–	–	–	–	–	–	–
<b>Trading services</b>		<b>26 275</b>	<b>1 913</b>	<b>7 207</b>	<b>–</b>	<b>7 888</b>	<b>6 606</b>	<b>1 282</b>	<b>19%</b>	<b>7 207</b>
Energy sources		18 880	1 478	6 772	–	2 913	6 208	(3 294)	-53%	6 772
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		7 395	435	435	–	4 975	399	4 576	1148%	435
<b>Other</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>(30 719)</b>	<b>80 235</b>	<b>84 251</b>	<b>1 499</b>	<b>25 379</b>	<b>77 746</b>	<b>(52 368)</b>	<b>-67%</b>	<b>84 251</b>
<b>Funded by:</b>										
National Government		19 301	41 245	39 865	981	30 045	37 051	(7 006)	-19%	39 865
Provincial Government		17 012	27	5 321	–	2 249	4 877	(2 629)	-54%	5 321
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		–	–	–	–	–	–	–	–	–
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations,		–	–	–	–	–	–	–	–	–
Higher Educ Institutions)		–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>		<b>36 312</b>	<b>41 272</b>	<b>45 186</b>	<b>981</b>	<b>32 294</b>	<b>41 928</b>	<b>(9 634)</b>	<b>-23%</b>	<b>45 186</b>
<b>Borrowing</b>	6	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Internally generated funds</b>		<b>(67 031)</b>	<b>38 963</b>	<b>39 065</b>	<b>518</b>	<b>(6 915)</b>	<b>35 818</b>	<b>(42 734)</b>	<b>-119%</b>	<b>39 065</b>
<b>Total Capital Funding</b>		<b>(30 719)</b>	<b>80 235</b>	<b>84 251</b>	<b>1 499</b>	<b>25 379</b>	<b>77 746</b>	<b>(52 368)</b>	<b>-67%</b>	<b>84 251</b>

Total YTD capital expenditure by function classification stands at R14.5 million rands, original budget has been adjusted upward to R84.2 million rands from R80.2 million rands. Capital expenditure YTD funded by national

governments amount to R 120.9 with an original budget of R41.2 million rands that has been adjusted downward to R39.8 million rands. 8.5. Capital expenditure funded by the provincial government YTD actual amount to R2.2 million rands, the original budget of R27 thousand rands was adjusted to R5.3 million rands. Internally funded projects are budgeted R38.9 million rands and the adjustment budget increased the original figure to R39.0 million rands. Furthermore, the YTD actual for internally funded projects amounts to -R8.6 million rands.

**Table C6 – Monthly Budget Statement – Financial Position**

**KZN242 Nquthu - Table C6 Monthly Budget Statement - Financial Position - M12 June**

Description	Ref	2023/24		Budget Year 2024/25		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		92 533	(11 820)	53 662	89 236	53 662
Trade and other receivables from exchange transactions		7 424	11 208	10 723	6 945	10 723
Receivables from non-exchange transactions		34 888	44 149	54 352	60 634	54 352
Current portion of non-current receivables		–	–	–	–	–
Inventory		1 279	139	(110)	1 142	(110)
VAT		33 598	60 017	64 918	40 126	64 918
Other current assets		66	108	66	64	66
<b>Total current assets</b>		<b>169 788</b>	<b>103 802</b>	<b>183 610</b>	<b>198 147</b>	<b>183 610</b>
<b>Non current assets</b>						
Investments		–	–	–	–	–
Investment property		41 339	42 923	41 338	40 968	41 338
Property, plant and equipment		692 868	711 266	781 222	741 895	781 222
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		79	79	79	79	79
Intangible assets		11	16	11	8	11
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	0	0	–	0
<b>Total non current assets</b>		<b>734 296</b>	<b>754 284</b>	<b>822 650</b>	<b>782 950</b>	<b>822 650</b>
<b>TOTAL ASSETS</b>		<b>904 084</b>	<b>858 086</b>	<b>1 006 261</b>	<b>981 097</b>	<b>1 006 261</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		20	20	20	20	20
Consumer deposits		2 312	2 170	2 313	2 116	2 313
Trade and other payables from exchange transactions		83 555	64 119	87 556	60 665	87 556
Trade and other payables from non-exchange transactions		10 512	0	3 675	23 743	3 675
Provision		13 034	10 074	13 034	13 034	13 034
VAT		31 653	27 101	31 653	36 746	31 653
Other current liabilities		–	–	–	–	–
<b>Total current liabilities</b>		<b>141 086</b>	<b>103 485</b>	<b>138 251</b>	<b>136 325</b>	<b>138 251</b>
<b>Non current liabilities</b>						
Financial liabilities		(20)	(20)	(20)	(20)	(20)
Provision		896	3 384	896	896	896
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	0	0	–	0
<b>Total non current liabilities</b>		<b>875</b>	<b>3 364</b>	<b>875</b>	<b>875</b>	<b>875</b>
<b>TOTAL LIABILITIES</b>		<b>141 961</b>	<b>106 848</b>	<b>139 127</b>	<b>137 200</b>	<b>139 127</b>
<b>NET ASSETS</b>	2	<b>762 123</b>	<b>751 237</b>	<b>867 134</b>	<b>843 897</b>	<b>867 134</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		761 971	807 247	895 495	843 746	895 495
Reserves and funds		152	141	152	152	152
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>762 123</b>	<b>807 388</b>	<b>895 646</b>	<b>843 897</b>	<b>895 646</b>

The table C6 reflects accumulated surplus R865 million rands YTD actual against the budgeted figure of R807 million rands.

**Table C7 – Monthly Budget Statement – Cash Flow**

**KZN242 Nquthu - Table C7 Monthly Budget Statement - Cash Flow - M12 June**

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		36 245	43 374	43 374	527	35 554	43 374	(7 820)	-18%	43 374
Service charges		31 067	23 338	23 338	2 054	36 236	23 338	12 899	55%	23 338
Other revenue		6 337	2 767	2 767	205	4 993	2 767	2 227	80%	2 767
Transfers and Subsidies - Operational		186 543	212 835	212 835	–	201 462	212 835	(11 373)	-5%	212 835
Transfers and Subsidies - Capital		84 831	46 128	57 316	–	62 602	57 316	5 286	9%	57 316
Interest		3 589	6 054	9 154	0	4 209	9 154	(4 945)	-54%	9 154
Dividends		–	–	–	–	–	–	–	–	–
<b>Payments</b>										
Suppliers and employees		(462 432)	(293 609)	(296 423)	(19 569)	(437 366)	(249 308)	188 058	-75%	(296 423)
Interest		–	–	–	–	–	–	–	–	–
Transfers and Subsidies		–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(113 820)</b>	<b>40 886</b>	<b>52 359</b>	<b>(16 782)</b>	<b>(92 309)</b>	<b>99 475</b>	<b>191 784</b>	<b>193%</b>	<b>52 359</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–
<b>Payments</b>										
Capital assets		(72 556)	(90 933)	(96 033)	(1 725)	(72 556)	(96 033)	(23 477)	24%	(96 033)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(72 556)</b>	<b>(90 933)</b>	<b>(96 033)</b>	<b>(1 725)</b>	<b>(72 556)</b>	<b>(96 033)</b>	<b>(23 477)</b>	<b>24%</b>	<b>(96 033)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	(32)	(100 624)	–	(100 624)	#DIV/0!	–
<b>Payments</b>										
Repayment of borrowing		–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(32)</b>	<b>(100 624)</b>	<b>–</b>	<b>100 624</b>	<b>#DIV/0!</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(186 376)</b>	<b>(50 047)</b>	<b>(43 674)</b>	<b>(18 539)</b>	<b>(265 489)</b>	<b>3 442</b>			<b>(43 674)</b>
Cash/cash equivalents at beginning:		108 825	43 652	113 221	–	92 533	113 221			92 533
Cash/cash equivalents at month/year end:		(77 552)	(6 395)	69 547	(18 539)	(172 955)	116 663			48 860

The tables C7 cash flow statement reflects that cash and cash equivalents has a favourable balance at the end of the this month. Cash flow from operating activities year to date actual amount is R186 million rands . Cash flow from investing activities is channelled to capital expenditure investment with a YTD figure of R21.9 million rands. Only the consumer deposits decrease with an amount of R73 million is reflected under financing activities, the municipality has not financed its activities through short-term or long-term loans since the beginning of the year.

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 DEBTOR'S ANALYSIS

Table SC3 extract shows the debtors age analysis in line with the information on the financial system thereby showing ageing by income source.

KZN242 Nquthu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2024/25									Total over 90 days	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				
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 280	613	367	129	164	77	44	1 017	3 691	1 431	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	186	102	98	87	80	76	73	5 829	6 532	6 146	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	70	63	65	57	56	55	54	1 794	2 215	2 016	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	122	59	74	73	60	181	117	6 431	7 115	6 861	-	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>1 658</b>	<b>835</b>	<b>605</b>	<b>346</b>	<b>360</b>	<b>390</b>	<b>287</b>	<b>15 071</b>	<b>19 552</b>	<b>16 454</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023/24 - totals only</b>		<b>3268969</b>	<b>537621</b>	<b>359981</b>	<b>318632</b>	<b>446698</b>	<b>288111</b>	<b>442055</b>	<b>13564127</b>	<b>19 225</b>	<b>15 060</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	722	572	336	93	104	46	49	4 151	6 074	4 443	-	-	-
Commercial	2300	722	123	122	111	134	103	80	1 188	2 583	1 616	-	-	-
Households	2400	94	79	74	51	44	125	71	2 561	3 097	2 850	-	-	-
Other	2500	119	61	73	91	78	116	87	7 171	7 798	7 544	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>1 658</b>	<b>835</b>	<b>605</b>	<b>346</b>	<b>360</b>	<b>390</b>	<b>287</b>	<b>15 071</b>	<b>19 552</b>	<b>16 454</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 2.1.1 is reflecting debtors balance at the end of June. Debtors below are arranged as per service type showing a slight decrease from R118 million rands in May to R117 rands reported last in June. Collection strategies are implemented by the municipality to encourage customers to settle the bills on time. Monthly billing is emailed to customers and electricity cut-off is implemented.

DEBTORS TABLE 2.1.1.

June 2025 Age Analysis									
Totals per Service Type	Total Balance	Current Amount	30 Days Amount	60 Days Amount	90 Days Amount	120 Days Amount	150 Days Amount	180+ Days Amount	
Advance Payment	R -2 820 837,93	R -2 820 837,93	R -	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 9 340,29	R 8 644,37	R -	R -	R -	R -	R 695,92	R -	R -
Deposit: Waste Disposal	R 2 000,00	R -	R -	R -	R -	R -	R -	R 2 000,00	R -
Electricity Basic	R 858 573,79	R 287 364,70	R 52 609,92	R 31 159,41	R 30 797,29	R 101 260,63	R 26 572,27	R 328 809,57	R -
Electricity Metered	R 5 777 845,31	R 3 369 820,55	R 612 514,25	R 367 211,50	R 129 259,73	R 163 858,35	R 77 233,92	R 1 057 947,01	R -
Market stalls	R 1 112 627,78	R 40 554,79	R 19 118,40	R 18 505,44	R 18 088,24	R 17 425,87	R 16 879,37	R 982 055,67	R -
OFFICE RENTAL	R 306 139,09	R 35 313,21	R 17 543,06	R 20 119,54	R 16 449,49	R 16 438,15	R 16 338,20	R 183 937,44	R -
Plaza Market Stalls	R 269 373,46	R 18 726,45	R 8 600,11	R 8 210,99	R 8 057,15	R 7 723,79	R 7 537,92	R 210 517,05	R -
Property Rates	R 97 471 748,81	R 1 036 068,39	R 3 846 524,91	R 3 670 128,74	R 3 607 945,18	R 3 746 322,61	R 3 291 731,65	R 78 273 027,33	R -
Rent (M001)	R 561 808,59	R 42 636,94	R 14 848,68	R 18 258,63	R 14 216,63	R 14 140,30	R 14 068,28	R 443 639,13	R -
Repay: Waste Disposal	R 26 518,96	R -	R -	R -	R -	R -	R -	R 26 518,96	R -
Signs (M001)	R 1 119,59	R -	R -	R -	R -	R 16,71	R 16,71	R 1 086,17	R -
Stall rental	R 27 892,27	R 317,28	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 26 918,89	R -
Sundries (VAT)	R 13 909,67	R 11 114,07	R 2 556,69	R 238,91	R -	R -	R -	R -	R -
Tampering Fee	R 530 180,68	R 17 316,35	R 19 846,46	R 20 000,00	R -	R 20 000,00	R 81 790,04	R 371 227,83	R -
Traffic Fines	R 4 529 300,00	R 95 600,00	R 38 700,00	R 53 800,00	R 72 800,00	R 40 000,00	R 98 600,00	R 4 129 800,00	R -
Traffic Fines (M001)	R 2 046 171,78	R -	R -	R -	R -	R -	R -	R 2 046 171,78	R -
Waste Disposal	R 6 697 760,98	R 385 514,38	R 101 402,39	R 97 855,16	R 87 081,82	R 80 181,84	R 76 202,27	R 5 869 523,12	R -
<b>Total</b>	<b>R 117 421 473,12</b>	<b>R 2 528 153,55</b>	<b>R 4 734 396,09</b>	<b>R 4 305 619,54</b>	<b>R 3 984 826,75</b>	<b>R 4 207 499,47</b>	<b>R 3 707 797,77</b>	<b>R 93 953 179,95</b>	<b>R -</b>

Debt collection rates  
Collection Table 2.1.2.

<b>Cash Collected for each Revenue Source via Billing (June 2025)</b>				
	<b>Cash collection</b>	<b>Ageing - June 2025</b>	<b>Collection rate per</b>	<b>Billed revenue -</b>
Rates	R -560 318,18	R 97 471 748,81	-1%	R 141 783,40
Electricity	R -1 459 130,69	R 6 636 419,10	-22%	R 2 297 373,96
Refuse	R -119 938,83	R 6 726 279,94	-2%	R 213 266,65
Stalls Rental , Traffic fines &	R -62 125,09	R 8 232 189,91	-1%	R 71 701,92
Other Rentals	R -	R 1 166 333,00	0%	R -
Advance payments	R -67 248,43	R -2 811 497,64	2%	R -
	R -			R -
<b>TOTAL CASH RECEIVED (BI</b>	<b>R 2 268 761,22</b>	<b>R 117 421 473,12</b>		<b>R 2 724 125,93</b>
Total Ageing	<b>R 117 421 473,12</b>		May 2025 billing	R 2 613 018,10
Total debtors' payments	R 2 268 761,22		June 2025 payments	R 2 268 761,22
	2%			87%

Cash collected under the reporting period amounts to R2.2 million rands resulting in collection rate of 2%. The comparison to the previous month billing against current month payments results to 87% collection rate, which is relatively below the norm of 95%. The challenges to collect revenue attribute to low revenue generation capacity of the municipality, hence the municipality initiative to source assistance in revenue enhancement strategy formulation.

Debtor's ratios  
Ratios table 2.1.3.

<b>JUNE 2025 RATIOS</b>		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	67	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	11843,54	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue ) x 100	4,25	Revenue Growth (%)

Collection rates stand at 67% using the ratios as provided by National Treasury circular 71. Net debtors' days are decreased by one year to 11 843.54 from previous quarter meaning that it now takes the municipality about 32 years instead of 33 years to collect the debts billed which signals cash flow challenges to fund certain expenditure items.

## 2.2 CREDITOR'S ANALYSIS

The municipality continues to pay creditors invoices in line with MFMA prescripts as stated that it should be within 30 days, end user departments are encouraged to attend to invoices timely to avoid delays, and to ensure accurate invoices are submitted to ensure the 30 days threshold is met. Purchase orders, payments, and all expenditure transacting are captured in the financial system. The municipality formulate a delay reason documentation that seeks to put emphasis on adherence to 30 days and holding of responsible officials accountable, hence the improvement in adherence to section 65 of the MFMA by all officials.

### Creditors payment summary: Table 2.2.1

<b>TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF JUNE 2025</b>			
<b>No.</b>	<b>VENDOR NAME</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
<b>1</b>	ESKOM HOLDINGS5140422473	JABAVU COMMUNITY HALL	R 4 273,58
	ESKOM HOLDINGS5140422473	JABAVU COMMUNITY HALL	R 4 425,30
	ESKOM HOLDINGS5649601339	NONDVENI OFFICE	R 4 223,89
	ESKOM HOLDINGS5649601339	NONDVENI OFFICE	R 53 225,51
	ESKOM HOLDINGS5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 9 877,98
	ESKOM HOLDINGS5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 4 638,27
	ESKOM HOLDINGS5742571184	LUVSI COMMUNITY HALL	R 3 633,45
	ESKOM HOLDINGS5742571184	LUVSI COMMUNITY HALL	R 5 184,49
	ESKOM HOLDINGS6033862343	FREE BASIC ELECTRICITY (FBE)	R 414 815,58
	ESKOM HOLDINGS6126932137	POTSOANA LIBRARY	R 2 854,85
	ESKOM HOLDINGS6126932137	POTSOANA LIBRARY	R 2 670,67
	ESKOM HOLDINGS6642941367	LEKSAND RURAL COMMUNITY HALL	R 3 866,73
	ESKOM HOLDINGS6642941367	LEKSAND RURAL COMMUNITY HALL	R 3 729,54
	ESKOM HOLDINGS6916174790	TOWN BOARD LIBRARY NONDVENI	R 8 565,97
	ESKOM HOLDINGS6916174790	TOWN BOARD LIBRARY NONDVENI	R 4 347,64
	ESKOM HOLDINGS8505522436	MASOTSHENI HALL	R 4 877,58
	ESKOM HOLDINGS8505522436	MASOTSHENI HALL	R 4 842,88
	ESKOM HOLDINGS8713502790	NKANDE SPORTSFIELD	R 1 614,59
	ESKOM HOLDINGS8713502790	NKANDE SPORTSFIELD	R 1 510,42
	ESKOM HOLDINGS8817457976	NONDVENI URBAN STREETLIGHT	R 9 420,16
	ESKOM HOLDINGS8817457976	NONDVENI URBAN STREETLIGHT	R 17 465,19
	ESKOM HOLDINGS9063390800	NGEDLA COMMUNITY HALL	R 3 757,99
	ESKOM HOLDINGS9063390800	NGEDLA COMMUNITY HALL	R 2 681,51
	ESKOM HOLDINGS9253164668	NGOLOKODO LIBRARY	R 5 478,69
	ESKOM HOLDINGS9253164668	NGOLOKODO LIBRARY	R 8 881,13
	ESKOM HOLDINGS9279445291	SGUBUDU COMMUNITY HALL	R 4 609,03
	ESKOM HOLDINGS9279445291	SGUBUDU COMMUNITY HALL	R 5 810,52
	ESKOM HOLDINGS9426259616	BLOOD RIVER SPORTSFIELD	R 3 567,65
	ESKOM HOLDINGS9426259616	BLOOD RIVER SPORTSFIELD	R 3 448,72
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	R 6 351 197,10
<b>2</b>	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR APRIL 2025	R 386 254,94
	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MAY 2025	R 386 254,94
			<b>R 772 509,88</b>
<b>3</b>	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR APRIL 2025	R 375 627,79
	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR MAY 2025	R 375 627,79
			<b>R 751 255,58</b>
<b>4</b>	NKOSINGIPHE INKAZIMULO TRADING AND PR	APRIL- MAY 2025 FINANCIAL SUPPORT	R 442 488,38
			<b>R 442 488,38</b>

5	ADVENTURE TRAVEL	ACCOMMODATION OF MAYOR, SPEAKER, THEIR BODY GUARDS AND PA's AND KC SHABALALA	R 37 384,20
	ADVENTURE TRAVEL	ACCOMMODATION OF B MAGWAZAIN EMPANGENI (20-23 MAY 2025)	R 8 434,80
	ADVENTURE TRAVEL	ACCOMMODATION OF B MAGWAZA, TSANGWENI AND NC MTHEMBU IN JHB (04 - 05 MAY 2025)	R 5 646,50
	ADVENTURE TRAVEL	ACCOMMODATION OF M NKALA AND M NYATHI IN PMB (12-13 MAY 2025)	R 4 367,70
	ADVENTURE TRAVEL	ACCOMMODATION OF B MAGWAZA IN DURBAN (12-13 JUNE 2025)	R 2 109,68
	ADVENTURE TRAVEL	ACCOMMODATION OF MB JIYANE AND BH BHENGU IN JHB (02-04 JUNE 2025)	R 6 109,58
	ADVENTURE TRAVEL	ACCOMMODATION OF M NKALA AND I DAHILE IN JHB (02-04 JUNE 2025)	R 8 036,20
	ADVENTURE TRAVEL	ACCOMMODATION OF NJ KHOZA IN DURBAN (17-18 JUNE 2025)	R 2 495,50
	ADVENTURE TRAVEL	ACCOMMODATION OF MB JIYANE IN PMB (09-10 JUNE 2025)	R 2 768,74
	ADVENTURE TRAVEL	ACCOMMODATION OF TC NYANDENI IN DURBAN ( 16-17 JUNE 2025)	R 4 171,63
	ADVENTURE TRAVEL	ACCOMMODATION OF KC SHABALALA, M SIBIYA AND M MANQELE IN DURBAN (11-12 JUNE 2025)	R 9 174,70
	ADVENTURE TRAVEL	ACCOMMODATION OF TC NYANDENI IN DURBAN ( 18-20 JUNE 2025)	R 3 887,00
	ADVENTURE TRAVEL	ACCOMMODATION OF INTERNS IN MIDRAND (05-06 JUNE 2025)	R 13 513,65
	ADVENTURE TRAVEL	ACCOMMODATION OF 24 DELEGATES IN DURBAN (29 JUNE 2025-04 JULY 2025)	R 279 850,54
	ADVENTURE TRAVEL	ACCOMMODATION OF MAYOR AND HIS BODY GUARDS IN DURBAN (02-03 JUNE 2025)	R 7 346,78
			<b>R 395 297,20</b>
6	MASSTORES (PTY) LTD GAME STORE	GIFT VOUCHERS OF AMAKHOSI	R 300 000,00
			<b>R 300 000,00</b>
7	XTECKZN	LEASE AND COPIES FOR APRIL 2025	R 94 513,36
	XTECKZN	LEASE AND COPIES FOR MARCH 2025	R 77 789,96
	XTECKZN	LEASE AND COPIES FOR MAY 2025	R 108 516,31
			<b>R 280 819,63</b>
8	SIYANEMUKELA TRADING	LEARNERS & DRIVERS LICENCES FOR 45 BENEFICIARIES	R 259 650,00
			<b>R 259 650,00</b>
9	MASINA ENGINEERING (PTY) LTD	SUPPLY AND INSTALL CABLE FAULT THAT FEED SUBSTATION NEXT TO NTU POLICE STATION	R 232 378,20
			<b>R 232 378,20</b>
10	MOBILE TELEPHONE NETWORKS	CELLPHONE BILLING FOR MAY 2025	R 32 612,77
	MOBILE TELEPHONE NETWORKS	CELLPHONE BILLING FOR APRIL 2025	R 45 126,65
	MOBILE TELEPHONE NETWORKS	CELLPHONE BILLING FOR MARCH 2025	R 76 406,87
	MOBILE TELEPHONE NETWORKS	CELLPHONE BILLING FOR FEBRUARY 2025	R 43 921,91
			<b>R 198 068,20</b>

The report shows in summary the highest paid creditors for the month of under reporting in the descending order. Creditors recons are performed monthly to ensure that the creditors records are in line with the bank statement transactions and all transactions are accounted for.

## Creditors ageing recon: Table 2.2.2

The table below provides details of the outstanding creditors listing in a summary format for the reporting date.  
**Summary of outstanding creditor's listing for the month**

Payroll Invoices	30450.60
Accruals	244874.25
Total Current Invoices	R 4005948.72
GFRN (SCMUNIT)	501733.96
Actual Invoices	3504214.76
<b>TOTAL</b>	<b>4281273.57</b>

## 2.3 INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS

The investment register on 30 June 2025 reflects investment state of the municipality, it must be noted that the level of investment decreased slightly from R113 million rands to R72 million rands. Operating and capital expenditure requires that the municipality withdraws from time to time from investments made to maintain cashflow hence the withdrawals history in the tables below.

**Table 2.3.1 Investment register for the period ending 31 March 2025**

INVESTMENT REGISTER- JUNE 2025							
INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	DEPOSIT	WITHDRAWAL	BANK CHARGES	BALANCE
ABSA (1394) HOUSING A/C	R 1 889 796,08	R -	R 128 856,99		R -	R -	R 2 018 653,07
ABSA (4328)	R 23 517,08	R -	R 1 710,17		R -	R 500,00	R 24 727,25
ABSA (5014)	R 535 810,78	R 22 189 665,04	R 399 442,62		R 23 028 423,25	R -	R 96 495,19
ABSA (6276)	R -	R 12 000 000,00	R 296 653,16		R 12 296 653,16	R -	R -
ABSA (9642)	R 21 261 123,17	R -	R 983 579,84		R 22 244 703,01	R -	R -
ABSA CALL (5892)	R 1 722 180,52	R 14 283 580,90	R 502 329,07		R -	R -	R 16 508 090,49
FNB (0889)	R 8 453 186,16	R -	R 807 286,06		R 9 260 472,22	R -	R -
FNB (2166)	R 5 970 709,50	R -	R 185 460,70		R 6 156 170,20	R -	R 0,00
FNB (2554)	R 9 996 448,72	R -	R 954 668,91		R 10 951 117,63	R -	R 0,00
FNB CALL (1408)	R 10 084 199,41	R -	R 761 279,91		R -	R 322,60	R 10 845 156,72
NEDBANK (000146)	R -	R 12 000 000,00	R 96 016,44		R 12 096 016,44	R -	R -
NEDBANK (3)	R 1 225,39	R -	R 96,80		R -	R -	R 1 330,19
STANDARD BANK 014	R 7 280,65	R -	R 456,01		R -	R -	R 7 736,66
STANDARD BANK 063	R 25 362 238,16	R -	R 2 117 183,73		R -	R -	R 27 479 421,89
STANDARD BANK 064	R -	R 15 000 000,00	R 903 566,98		R -	R -	R 15 903 566,98
<b>TOTAL</b>	<b>R 85 307 715,62</b>	<b>R 75 473 245,94</b>	<b>R 8 138 587,40</b>		<b>R 96 033 555,91</b>	<b>R 822,60</b>	<b>R 72 885 178,45</b>

Withdrawal history is shown in the table below providing a telling picture on withdrawal movement since quarter three. The municipal operation needs resulted in withdrawing twice in May and in June from the invested funds therefore the balance of withdrawal of investments increased from R73 million rands to R96 million rands.

WITHDRAWAL FROM INVESTMENT - 30 JUNE 2025						
DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO	ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
26-Aug-24	NEDBANK (000146)	R 12 096 016,44	ABSA 2762	PRIMARY	R 17 066 127,00	Insufficient funds to pay for normal operations
03-Oct-24	ABSA (9642)	R 22 244 703,01	ABSA 2762	PRIMARY	R 3 904 911,22	Insufficient funds to pay for normal operations
06-Nov-24	ABSA (6276)	R 12 296 653,16	ABSA 2762	PRIMARY	R 3 619 554,48	Insufficient funds to pay for normal operations
08-Nov-24	FNB (2166)	R 6 156 170,20	ABSA 2762	PRIMARY	R 6 156 170,20	Insufficient funds to pay for normal operations
09-May-25	FNB (0889)	R 9 260 472,22	ABSA 2762	PRIMARY	R 4 492 726,74	Insufficient funds to pay for normal operations
09-May-25	FNB (2554)	R 10 951 117,63	ABSA 2762	PRIMARY	R 13 753 198,96	Insufficient funds to pay for normal operations
19-Jun-25	ABSA (5014)	R 10 741 598,00	ABSA 2762	PRIMARY	R 6 366 948,84	Insufficient funds to pay for normal operations
30-Jun-25	ABSA (5014)	R 12 286 825,25	ABSA 2762	PRIMARY	R 1 622 228,23	Insufficient funds to pay for normal operations
<b>Summary</b>		<b>R 96 033 555,91</b>				

**Table 2.3.2 Bank Balance (Primary account)**

**BANK RECONCILIATION (PRIMARY ACCOUNT) 4053562762**

Details	Amount
<b>Cash book balance as at 30 June 2025</b>	<b>R 1 338 818,53</b>
Outstanding deposits	R -
Unknown deposits	R -
Bank charges	R -
Outstanding cheques	R -
Transfers	R -
Sundries	R -
Outstanding receipts	R -
<b>Bank statement balance as at 30 June 2025</b>	<b>R 1 338 818,53</b>

Bank balance for primary account reflects the amount of R1.3 million rands at the end of this reporting period compared to R29.4 million rands in the previous quarter.

**2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE**

**Grants register for the period ending 30 June 2025**

**Grant register Table 2.4.1**

GRANT REGISTER - JUNE 2025								
Grant Type	General Ledger Vote no.	Audited Balance as at 1-Jul-2024	Dora/Prov Allocation for year	Received 2024/25	Spent & transferred to income 2024/25	Balance as at 2024/25	Available funds/not committed 2024/25	percentage
Library support	IL001007002002002008004013008003	-	(2 060 976,00)	(2 060 972,00)	2 060 972,00	-	-	-100%
Massification Electrification	IL001007002001002008004011002003	(6 087 447,25)	-	-	2 566 413,45	(3 521 033,80)	(3 521 033,80)	-73%
Electrification	IL001007002001002005001003	(2 670 000,73)	(16 474 000,00)	(16 474 000,00)	18 411 048,55	(732 952,18)	(732 952,18)	-116%
Small Town rehabilitation	IL001007002001002008004011005003	(1 727 080,78)	-	-	-	(1 727 080,78)	(1 727 080,78)	0%
Cybercadet	IL001007002002002008004013001003	-	(533 083,00)	(533 083,00)	533 083,00	-	-	-100%
MIG	IL001007002001002005002003	-	(46 128 000,00)	(46 128 000,00)	46 128 000,00	0,00	0,00	-100%
Sportfield Maintance	IL001007002001002008004011001003	(27 120,59)	-	-	-	(27 120,59)	(27 120,59)	0%
FMG	IL001007002002002005004003	-	(1 800 000,00)	(1 800 000,00)	1 350 521,26	(449 478,74)	(449 478,74)	-75%
Library Modular	IL001007002002002008004013009003	-	(1 500 612,00)	(1 500 612,00)	1 500 612,00	-	-	-100%
EPWP	IL001007002002002005002003	-	(1 478 004,00)	(1 478 000,00)	1 478 004,00	4,00	4,00	-100%
Library Volunteer	IL001007002002002008004013007003	-	(113 333,00)	(113 333,00)	96 000,00	(17 333,00)	(17 333,00)	-85%
disaster relief grant			(5 100 000,00)	(5 100 000,00)		(5 100 000,00)	(5 100 000,00)	0%
<b>TOTALS</b>		<b>(10 511 649,35)</b>	<b>(75 188 008,00)</b>	<b>(75 188 000,00)</b>	<b>74 124 654,26</b>	<b>(11 574 995,09)</b>	<b>(11 574 995,09)</b>	

The municipality strives to achieve hundred percent spending on grants expenditure thereby aligning quality project performance and prudent expenditure on capital projects. In essence the municipality aims to achieve additional funding annually. The municipality received a disaster relief grant amounting to R5.1 million rands.

The grants are fully spent as follows:

1. Library support grant 100% spent
2. Cybercadet grant 100% spent

3. MIG grant 100% spent
4. Library modular grant 100% spent
5. EPWP grant 100% spent

The status of other grants that are not fully spent reflect expenditure spending as follows:

1. FMG grant shows 75% expenditure
2. Massification electrification grant spent 73%
3. Library Volunteer grant spent 85% spent so far
4. Disaster Relief grant 0% spent to date due to grant being received in March.

## 2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

### Expenditure on employee benefits

Employee benefits as of 30 June 2025 amount to R106 million rands compared to reported R96 million rands in the previous month, there is a notable increase on salaries expense due salary collective agreement increment and filling in of vacant position in the organogram. The municipality is reducing vacancy rate on its staff establishment through filling of posts. Councillor allowances expenditure amounts to R15 million rands.

**Table 2.5.1 Staff benefits in terms of Section 66 of the MFMA**

<i>Staff Benefits in terms of Section 66 of the MFMA</i>		
Actual staff benefits and Councillors allowances for the period ending 30 June 2025		
<b>Staff Benefits</b>		
<b>Item</b>	<b>Budget</b>	<b>Year to date actuals</b>
Salaries & Wages	R90 900 174,00	R 75 412 762,62
Contributions to pension funds	R14 138 419,00	R 9 798 059,04
Contributions to medical aids	R2 285 865,00	R 3 605 018,80
Contributions to UIF	R645 865,00	R 586 801,63
Contributions to SDL	R926 451,00	R 891 216,37
Travel, motor car	R4 115 290,00	R 4 717 542,40
Salga	R42 565,00	R 42 099,85
Housing benefits and allowances	R739 759,00	R 128 156,00
Cellphone Allowance	R0,00	R0,00
Overtime payments	R2 424 094,00	R 2 025 730,81
Bonuses	R6 201 475,00	R 5 531 773,38
Other leave & long service	R2 223 140,00	R 975 629,38
Allowances ( Standby and Drivers Allowance)	R1 122 829,00	R 2 846 065,63
<b>Totals</b>	<b>R 125 765 926,00</b>	<b>R 106 560 855,91</b>
<b>Councillors Allowances</b>		
<b>Item</b>	<b>Budget</b>	<b>Year to date actuals</b>
Councillors Allowances	R16 456 910,00	R 14 192 578,45
Cellphone/Data Allowance	R1 711 057,00	R 1 598 616,61
Contributions to SDL	R40 995,00	R 148 375,90
<b>Totals</b>	<b>R18 208 962,00</b>	<b>R 15 939 570,96</b>

## 2.6 SCM REPORTS

The municipality compiles a monthly SCM report that entails the operating processes around the bid committees seating, deviations, contract management, awarded contracts and other related matters as prescribed by the MFMA SCM Regulations.

### INVENTORY

The municipality inventory levels are controlled through issues at the stores and recons are performed monthly to ensure that all inventory items are accounted for. The reconciliations below reflect inventory balance of R1.2 million rands.

**Table 2.6.1 Inventory reconciliation**

<b>INVENTORY RECONCILIATION - JUNE 2025</b>	
<b>INVENTORY MODULE</b>	
<b>OPENING BALANCE AS PER INVENTORY REPORT</b>	<b>R 1 115 912,24</b>
<b>ADD: TOTAL RECEIPTS</b>	<b>R 332 609,00</b>
Inventory purchases for the month	R 332 609,00
<b>LESS: TOTAL ISSUES</b>	<b>(R 148 715,00)</b>
Inventory issued from stores during the month	(R 148 715,00)
<b>ADJUSTMENTS</b>	<b>R 0,00</b>
Add: stock surplus identified during the month	R 0,00
Less: Stock losses identified during the month	
<b>CLOSING BALANCE AS PER INVENTORY REPORT</b>	<b>R 1 299 806,24</b>
<b>GENERAL LEDGER VOTE BALANCE:</b>	<b>R 1 142 158,80</b>
<b>VARIANCE: INVENTORY MODULE VS. GENERAL LEDGER</b>	<b>R 157 647,44</b>

### IRREGULAR & FRUITLESS EXPENDITURE

Section 32(4) of the MFMA requires that the Accounting Officer “promptly” inform the Mayor, MEC for Local Government, and the Auditor-General of any unauthorized, irregular, and fruitless and wasteful expenditure that the municipality has incurred. Only Council can deal with these matters in the manner prescribed. The summary of Irregular expenditure is shown in the below.

**Table 2.6.2 Unauthorised and irregular expenditure summary**

<b>QUARTER 4 (2024 - 2025) - IRREGULAR EXPENDITURE TOTAL</b>				
<b>MONTH No.</b>	<b>MONTH NAME</b>	<b>EXPENDITURE TYPE</b>		
<b>OPENING BALANCE</b>		<b>OPERATIONAL</b>	<b>CAPITAL</b>	<b>TOTAL UI(F)W</b>
		<b>R11 231 377,95</b>	<b>R56 998 165,17</b>	
10	April	R1 858 002,46	R7 518 150,82	
11	May	R5 027 899,51	R5 020 300,90	
12	June	R6 222 098,60	R1 419 984,03	
<b>CLOSING BALANCE</b>		<b>R24 339 378,52</b>	<b>R70 956 600,92</b>	<b>R95 295 979,44</b>

**Table 2.6.3. Fruitless Expenditure**

<b>Annexure C</b>					<b>Financial Year 2024/ 2025</b>	
<b>Demarcation Board Code: KZN242</b>					<b>Nquthu Local Municipality</b>	
<b>Register for Fruitless and wasteful Expenditure</b>					<b>Month Summary Jul 2024- June 2025</b>	
<b>Year Ended 30 June 2025</b>						
<b>Description</b>	<b>Payment no./EFT no/ Cheque No. / Month</b>					<b>Amount</b>
<b>Telkom</b>						<b>R5,56</b>
Interest on overdue account- #66587	Jul-24	R	5,56			
<b>Eskom #72519</b>						<b>R60,27</b>
Interest on overdue account	Jul-24	R	-			
	Feb-25	R	60,27			
<b>Umzinyathi Municipality</b>						<b>R353,41</b>
Interest on overdue water accounts-Feb 2025	#73374 - 73379	R	184,17			
Interest on overdue water accounts-Apr 2025	#75136-75138	R	169,24			
<b>Other- Penalty fees paid in Aug 2024</b>						<b>R184 514,10</b>
Penalties/interest						
Employment & Labour Sec83(6) Penalty - 2015	#67839	R	27 992,25			
Employment & Labour Sec83(6) Penalty - 2020	#67839	R	50 430,34			
Employment & Labour Sec83(6) Penalty - 2021	#67839	R	49 617,96			
Employment & Labour Sec83(6) Penalty - 2022	#67839	R	56 473,55			
<b>Other (Car Licences)</b>						<b>R4 635,90</b>
Penalty on late license renewal	#75673	R	3 272,40			
Arrears on late payment	#75673	R	1 363,50			
<b>TOTAL as @ 30 June 2025</b>					<b>R</b>	<b>189 569,24</b>

The municipality has incurred fruitless expenditure amounting to R184 thousand rands in respect of labour penalties and interest accumulation. Furthermore, in May additional penalties relating to late vehicle licence renewal were incurred. The previous year balance of the fruitless expenditure amounted to only R386.97.

## **DEVIATIONS**

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to “dispense with the official procurement processes established by the policy and to procure any required goods or service through any convenient process”. This would typically include urgent and emergency cases, single source goods, and any other cases where it is impractical to follow normal SCM processes. In the event of such decision, the Accounting Officer is required to report deviation activities to the next Council meeting.

Deviations and all other matters relating to MFMA Regulations Section 6 are reported as a separate item.

## **2.7 MATERIAL VARIANCES TO SDBIP**

Detailed SDBIP and Performance report is attended through Performance Management unit.

Material variances on Table C4 based on actuals against budget are noted. Since the adjustment budget that was recently implemented the municipality is observing the actual figures vs the budget, and the variance reasons between actuals vs budget figures are detailed below:

**Interest for both exchange revenue and non-exchange revenue** reflect 159375% and 161% respectively. The excessive variance for exchange revenue is caused by the zero-budget compared to actual figure of R19 thousand, there is no adjustment in this line item. Interest for non-exchange revenue budget amounts to R1.3 million rands whereas the actual YTD figure is R3.4 million rands, there is no adjustment in this regard. Essentially the transactions in this line item are informed by the number of customers that are in arrears and account settlements effect.

**Gains on disposal of assets** – the line item entails the revenue received from disposal of land assets. The amount of R1.5 million is reflected for gains on disposal of assets. In the original budgeting process the municipality did not anticipate or project to receive monies to this effect.

**Sale of goods and rendering of service** – this is the revenue from building plans, burial fees, photocopies, advertising, and sale of tender documents. There is 213% variance from original budget. This revenue source dependent significantly on consumer preferences and the tender notices issued by the municipality. A notable hike in YTD actuals was observed in January through the sale of tender documents.

**Property rates** show a 10% variance from a YTD actual that is higher than the YTD budget. The billing of property rates is done monthly; however, challenges exist relating to collection rate which is below the norm. Property rates are billed over ten equal instalments; therefore, April is the last month to levy rates.

**Fines, penalties & forfeits** line-item show variances of 44%. The review of original budget yielded no movement during the adjustment budget hence the YTD actual figure therefore exceeds the original budget for the fines, penalties and forfeits line item.

**Employee related costs** – 15% variance is noted. The payroll data is in the process of being uploaded in the financial system. The comparison between system information and actual information at hand declines each month which proves that the municipality is working tirelessly to ensure data is fully captured before the end of the year.

**Remuneration of councillors** -15% variance is noted. There is a great improvement in updating this line item hence the decrease in the variance. The remaining transactions are continually updated.

The depreciation has been captured to date thus a variance of 30% shows. Debt impairment has no calculations thus far due to conducting of calculation for interim AFS of final AFS purposes. The transfers and subsidies expenditure line item reflect 80% variance because the actual YTD figure is above budgeted figures, furthermore the downward adjustment negatively impacts the variance.

**Irrecoverable debt written off** shows a negative 95% variance – the budget was originally set higher to accommodate the debts to be written off. The amounts reflecting thus far relate to indigent customer debts. The downward adjustment was not effected on this line item.

# MUNICIPAL MANAGER'S QUALITY CERTIFICATE


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

## **Section 52(d) 4<sup>th</sup> Quarter Report – 30 June 2025**

has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act,

Name : Mr Mpumelelo B. Jiyane

Designation : Municipal Manager of Nquthu Municipality (KZN 242)

Signature: : 

Date : 11/07/2025