

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 28 FEBRUARY 2025

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ACCRONYMS

MBRR – Municipal Budget Reporting Regulations

YTD – Year to Date

1.1. MAYORS' REPORT

The Mayor has considered the Section 71 report for the month of January 2025, and the performance of the municipality against its budget in line with the approved budget adopted by Council on 17 May 2024. A detail of all the points highlighted by the Mayor is included in the report. 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 adjustment budget summary (Table B1) incorporates changes to original budget in relation to operational budget. There are two adjustments in relation to revenue operational budget and explanations are detailed under table B4. Various changes to original budget are noted from expenditure operational budget, similarly explanations are available under table B4.

Capital Budget

Capital expenditure budget originally and adjusted figures are details under table B5. Capital expenditure original budget figure of R80.2 million rands is increased to R85.5 million rands. There are no new allocations from amended DORA in February 2025.

Cash Flow

Adjustments to budget cash flows are shown in Table B7 below. Cash and cash equivalents at the end of the year is increased to R69 million rands from original budget of R22 million rands.

Choose name from list - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2024/25									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusta.	Total Adjusta.	Adjusted Budget	+1 2025/26	+2 2026/27
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
NET INCREASE/ (DECREASE) IN CASH HELD		(50 048)	-	-	-	-	-	6 374	6 374	(43 674)	210 834	202 493
Cash/cash equivalents at the year begin:	2	72 488	-	-	-	-	-	40 753	40 753	113 221	69 547	280 381
Cash/cash equivalents at the year end:	2	22 420	-	-	-	-	-	47 127	47 127	69 547	280 381	482 874

Risk Management

The municipality approved risk registers for the current financial year as a result the Risk Management Committee convened in the first quarter. Municipal officials engaged through unit or sectional meetings to address emerging risks elements. The clean administration statement is attached to all council agenda documents to instil the culture of clean administration and conscientize officials and councillors on matters of good governance.

Mid-year assessment Review

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 will assist the municipality to move funds from project items that require less financing to areas that are already overspent and still required more funding. The IDP/Budget steering committee convened meetings in January with user departments to assess and review budget line items and to adequately prepare for the adjustment budget.

1.2. RESOLUTIONS

The resolutions enclosed hereto will be presented to Council when the In-Year Report (IYR) is tabled. Recommendations are detailed hereunder in terms of the Municipal Budget and Reporting Regulations Schedule-C (In Year Reporting) requirements for consideration by council:

- a) That council notes the section 71 monthly budget monitoring report and the supporting documentation.
- b) That Council notes the submission of section 71 monthly budget monitoring report to National Treasury, Provincial Treasury and Auditor General.
- c) That the council authorise the Accounting Officer to sign the quality certificate.
- d) That the council authorise the Accounting Officer to place the report on the municipal website, within five working days of council seating.

1.3. EXECUTIVE SUMMARY

The objective of reporting on the financial results of the municipality is to enhance sound financial management and promote transparency and accountability of officials and councillors. Monthly budget statement report of a municipality must be in the format specified as per Schedule C and include all the required tables, charts and explanatory information.

In terms of S6 of MBRR, the Statement of Financial Performance shown in Table C4 for the current month serves as a consolidated municipality's performance in relation to both approved annual budget and the actual expenditure for the month end. The municipality advocates for prudent financial management thus ensuring sufficient revenue is collected and made available for operational and capital expenditures.

The PART1 of this month's Section 71 report details budget adjustment changes and factors underpinning the adjustments. Due to delays in extracting C-schedule, this report does not include C- schedule tables.

1.4. IN-YEAR BUDGET STATEMENT TABLES **IN-YEAR ADJUSTMENT BUDGET STATEMENT TABLES – TABLE B4**

BUDGET FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE) - TABLE B4

Choose name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	32 108	-	-	-	-	-	-	-	32 108	35 883	40 710
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	1 962	-	-	-	-	-	-	-	1 962	2 071	2 163
Sale of Goods and Rendering of Services		259	-	-	-	-	-	-	-	259	270	275
Agency services		-	-	-	-	-	-	-	-	-	-	-
Interest		0	-	-	-	-	-	-	-	0	-	-
Interest earned from Receivables		681	-	-	-	-	-	-	-	681	708	740
Interest earned from Current and Non Current Assets		5 995	-	-	-	-	-	3 100	3 100	9 095	8 280	4 491
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		871	-	-	-	-	-	(0)	(0)	871	911	952
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		216	-	-	-	-	-	1 589	1 589	1 805	229	242
Non-Exchange Revenue												
Property rates	2	52 750	-	-	-	-	-	-	-	52 750	55 176	57 659
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 009	-	-	-	-	-	-	-	1 009	1 056	1 103
Licences or permits		1 010	-	-	-	-	-	-	-	1 010	1 056	1 104
Transfer and subsidies - Operational		212 836	-	-	-	-	-	-	-	212 836	206 378	195 873
Interest		1 335	-	-	-	-	-	-	-	1 335	1 396	1 459
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	0	0	0	-	0
Other Gains		-	-	-	-	-	-	0	0	0	-	0
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		311 031	-	-	-	-	-	4 689	4 689	315 720	313 414	306 772
Expenditure By Type												
Employee related costs		118 969	-	-	-	-	-	(622)	(622)	118 347	124 972	132 190
Remuneration of councillors		17 155	-	-	-	-	-	-	-	17 155	18 167	19 221
Bulk purchases - electricity		40 970	-	-	-	-	-	4 000	4 000	44 970	38 677	40 920
Inventory consumed		1 618	-	-	-	-	-	(296)	(296)	1 322	1 531	1 792
Debt impairment		-	-	-	-	-	-	0	0	0	-	0
Depreciation and amortisation		36 000	-	-	-	-	-	0	0	36 000	39 000	41 000
Interest		0	-	-	-	-	-	-	-	0	0	0
Contracted services		49 983	-	-	-	-	-	(863)	(863)	49 120	53 542	52 174
Transfers and subsidies		2 854	-	-	-	-	-	(345)	(345)	2 510	2 908	3 023
Irrecoverable debts written off		12 999	-	-	-	-	-	-	-	12 999	13 500	14 150
Operational costs		41 523	-	-	-	-	-	(1 823)	(1 823)	39 701	34 803	36 454
Losses on disposal of Assets		-	-	-	-	-	-	0	0	0	-	0

1.4.1. REVENUE BY SOURCE NARRATION

Property rates – the municipality did not adjust the property rates revenue.

Service charges – (electricity) - the municipality did not adjust the property rates revenue.

Service charges – (refuse) – there are no budget movements made for refuse removal.

Rendering of services - there are no budget movements made for rendering of services.

Interest earned from Current and Non-Current Assets – the original budget in relation to investment was R5.9 million rands, the figure has been adjusted upward to R9 million rands. The addition to investments is attributable to VAT refunds from SARS and the Dept of Public Works debt payments.

Operational Revenue – revenues from miscellaneous sources such as burial fees, tender sales etc, are adjusted upward by R1.5 million rands from original budget of R216 thousand. The actual transactions reflects that the municipality is generating more revenue from the above listed sources.

1.4.2. EXPENDITURE BY TYPE NARRATION

Employee related costs – employee costs have been adjusted downward from the original budget by an amount of R622 thousand, the adjusted budget stands at R118.3 million rands from original budget of R118.9.

Remuneration of councillors – the original budget has not been adjusted, hence the final figure for councillors’ remuneration remains unchanged at R17.1 million rands.

Bulk purchases – electricity – the original budget of R40 million rands is adjusted upward by R4 million rands hence the final budget is R44.9 million rands, this adjustment is caused by the actual Eskom billing for six months.

Inventory consumed – inventory consumed initial budget is dropped by R296 thousand from R1.6 million rands. The adjustment is supported by identified transactions that are not classified as inventory.

Contracted services –review of contracted services done for six months concludes that some contracted services will require less funding e.g. accommodation other contracted services adjusted include security services, plant hire, internal audit, etc., thus the budget has been adjusted down by R863 thousand million rands from R49.9 million rands to R49.1 million rands.

Transfer and subsidies – this line items includes expenditures that relates mostly to the municipal events, hand-outs, poverty alleviation projects, youth excellence awards, youth empowerment programs, etc. The budget for such events has been scaled down to align available funds with planned events. Downward adjustment is made amounting to R345 thousand million rands from R2.8 million rands to R2.5 million rands.

Other expenditure (operational costs) – other expenditure entails general expenses that the municipality incurs, ranging from bank charges, fuel and oil, electricity charges (other than bulk electricity), to telephone, commission etc., these expenditures are projected to decrease based on the assessment of the first half of the year hence the adjustment of R1.8 thereby reducing the original budget from R41.5 million rands to R39.7 million rands.

Surplus/(Deficit) – the surplus is adjusted by R10.7 million rands stemming from transfers and subsidies - capital adjustment of R6 million rands and the surplus / deficit is adjusted by R4.6 million rands.

1.4.3. CAPITAL EXPENDITURE AND FUNDS SOURCES

Table SB17 shows monthly capital expenditure functional classification. The municipality project to spend R7 million rands at minimum for capital expenditure monthly.

Nquthu Municipality Monthly Budget Statement

Choose name from list - Supporting Table SB17 Adjustments Budget - monthly capital expenditure (functional classification) -

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Capital Expenditure - Functional																
Governance and administration		189	189	189	189	189	189	189	189	189	189	189	189	2 266	0	0
Executive and council		58	58	58	58	58	58	58	58	58	58	58	58	700	-	-
Finance and administration		130	130	130	130	130	130	130	130	130	130	130	130	1 565	0	0
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		4 480	4 480	4 480	4 480	4 480	4 480	4 480	4 480	4 480	4 480	4 480	4 480	53 518	19 130	0
Community and social services		3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	3 634	43 602	19 130	0
Sport and recreation		725	725	725	725	725	725	725	725	725	725	725	725	8 696	-	-
Public safety		101	101	101	101	101	101	101	101	101	101	101	101	1 218	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	1 878	22 541	13 701	29 565
Planning and development		391	391	391	391	391	391	391	391	391	391	391	391	4 696	-	-
Road transport		1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	1 487	17 845	13 701	29 565
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		601	601	601	601	601	601	601	601	601	601	601	601	7 207	-	-
Energy sources		564	564	564	564	564	564	564	564	564	564	564	564	6 772	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		36	36	36	36	36	36	36	36	36	36	36	36	435	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional		7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	85 528	32 831	29 565

Capital expenditure original budget figure of R80.2 million rands is increased to R85.5 million rands.

There are no new allocations from amended DORA in February 2025.

Choose name from list - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2024/25										Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
Community and public safety		53 516	5	6					(0)	11	53 516	19 130	0
Community and social services		43 602	-	-	-	-	-	-	(0)	(0)	43 602	19 130	0
Sport and recreation		8 696	-	-	-	-	-	-	-	-	8 696	-	-
Public safety		1 218	-	-	-	-	-	-	-	-	1 218	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		22 541	-	-	-	-	-	-	(0)	(0)	22 541	13 701	29 565
Planning and development		4 696	-	-	-	-	-	-	-	-	4 696	-	-
Road transport		17 845	-	-	-	-	-	-	(0)	(0)	17 845	13 701	29 565
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-
Trading services		1 913	-	-	-	-	-	5 293	5 293	5 293	7 207	-	-
Energy sources		1 478	-	-	-	-	-	5 293	5 293	5 293	6 772	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-
Waste management		435	-	-	-	-	-	-	-	-	435	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	80 235	-	-	-	-	-	5 293	5 293	5 293	85 528	32 831	29 565
Funded by:													
National Government		41 245	-	-	-	-	-	-	(0)	(0)	41 245	32 831	29 565
Provincial Government		27	-	-	-	-	-	-	5 293	5 293	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)		-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	41 272	-	-	-	-	-	5 293	5 293	5 293	46 566	32 831	29 565
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		38 963	-	-	-	-	-	-	(0)	(0)	38 963	0	0
Total Capital Funding		80 235	-	-	-	-	-	5 293	5 293	5 293	85 528	32 831	29 565

There are no borrowings that the municipality has applied or considered in this financial year.

Expenditure funded from internally generated funds covers infrastructural and non-infrastructural projects that are not covered by MIG grant.

1.4.4. FINANCIAL POSITION SUMMARY

Overall, the financial position reflects a surplus figure. The restated balance due to adjusted accumulated surplus opening balance. The surplus and deficit adjusted figure increased to R45 million rands.

Nquthu Municipality Monthly Budget Statement

Choose name from list - Supporting Table SB2 Supporting detail to 'Financial Position Budget' -

Description	Ref	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
		Original Budget	Prior Adjusted 4	Accum. Funds 5	Multi-year capital 6	Unfore. Unavoid. 7	Nat. or Prov. Govt 8	Other Adjusts. 9	Total Adjusts. 10	Adjusted Budget 11	Adjusted Budget	Adjusted Budget
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		634 468	-	-	-	-	-	127 502	127 502	761 971	72 646	76 854
GRAP adjustments		(0)	-	-	-	-	-	-	-	(0)	(0)	(0)
Restated balance		634 468	-	-	-	-	-	127 502	127 502	761 971	72 646	76 854
Surplus/(Deficit)		35 113	-	-	-	-	-	10 725	10 725	45 838	24 071	6 632
Transfers to/from Reserves		(0)	-	-	-	-	-	-	-	(0)	-	-
Depreciation offsets		(0)	-	-	-	-	-	-	-	(0)	-	-
Other adjustments		137 665	-	-	-	-	-	(55 079)	(55 079)	82 586	47 160	88 193
Accumulated Surplus/(Deficit)	1	807 247	-	-	-	-	-	83 148	83 148	890 395	143 877	171 679
Reserves												
Housing Development Fund		141	-	-	-	-	-	10	10	152	14 986	15 855
Capital replacement		-	-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-	-

1.4.5. ADJUSTMENT BUDGET SUMMARY - TABLE B1

Choose name from list - Table B1 Adjustments Budget Summary -

Description	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	52 750	-	-	-	-	-	-	-	52 750	55 176	57 659
Service charges	34 070	-	-	-	-	-	-	-	34 070	37 954	42 873
Investment revenue	5 995	-	-	-	-	-	3 100	3 100	9 095	8 280	4 491
Transfers recognised - operational	212 836	-	-	-	-	-	-	-	212 836	206 378	195 873
Other own revenue	5 380	-	-	-	-	-	1 589	1 589	6 969	5 626	5 875
Total Revenue (excluding capital transfers and contributions)	311 031	-	-	-	-	-	4 689	4 689	315 720	313 414	306 772
Employee costs	118 969	-	-	-	-	-	(622)	(622)	118 347	124 972	132 190
Remuneration of councillors	17 155	-	-	-	-	-	-	-	17 155	18 167	19 221
Depreciation & asset impairment	36 000	-	-	-	-	-	0	0	36 000	39 000	41 000
Finance charges	0	-	-	-	-	-	-	-	0	0	0
Inventory consumed and bulk purchases	42 588	-	-	-	-	-	3 704	3 704	46 292	40 208	42 712
Transfers and subsidies	2 854	-	-	-	-	-	(345)	(345)	2 510	2 908	3 023
Other expenditure	104 505	-	-	-	-	-	(2 685)	(2 685)	101 820	101 844	102 779
Total Expenditure	322 072	-	-	-	-	-	52	52	322 124	327 100	340 925
Surplus/(Deficit)	(11 042)	-	-	-	-	-	4 637	4 637	(6 405)	(13 685)	(34 154)
Transfers and subsidies - capital (monetary allocations)	46 155	-	-	-	-	-	6 087	6 087	52 243	37 756	40 786
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	35 113	-	-	-	-	-	10 725	10 725	45 838	24 071	6 632
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	35 113	-	-	-	-	-	10 725	10 725	45 838	24 071	6 632
Capital expenditure & funds sources											
Capital expenditure	76 322	-	-	-	-	-	5 293	5 293	81 615	32 831	29 565
Transfers recognised - capital	41 272	-	-	-	-	-	5 293	5 293	46 566	32 831	29 565
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	38 963	-	-	-	-	-	(0)	(0)	38 963	0	0
Total sources of capital funds	80 235	-	-	-	-	-	5 293	5 293	85 528	32 831	29 565
Financial position											
Total current assets	132 617	-	-	-	-	-	50 228	50 228	182 845	98 475	102 771
Total non current assets	754 284	-	-	-	-	-	65 209	65 209	819 493	32 831	29 565
Total current liabilities	103 485	-	-	-	-	-	34 766	34 766	138 251	0	0
Total non current liabilities	3 364	-	-	-	-	-	(2 488)	(2 488)	875	-	0
Community wealth/Equity	807 388	-	-	-	-	-	83 158	83 158	890 546	158 862	187 534
Cash flows											
Net cash from (used) operating	40 885	-	-	-	-	-	6 374	6 374	47 259	248 590	236 493
Net cash from (used) investing	(90 933)	-	-	-	-	-	0	0	(90 933)	(37 756)	(34 000)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	22 420	-	-	-	-	-	47 127	47 127	60 547	280 381	482 874

Nquthu Municipality Monthly Budget Statement

Choose name from list - Table B1 Adjustments Budget Summary -

Description	Budget Year 2024/25									Budget Year +1 2025/26	Budget Year +2 2026/27
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
Cash backing/surplus reconciliation											
Cash and investments available	61 145	-	-	-	-	-	46 869	46 869	108 014	100 626	105 084
Application of cash and investments	51 801	-	-	-	-	-	25 154	25 154	76 955	12 946	13 842
Balance - surplus (shortfall)	9 344	-	-	-	-	-	21 715	21 715	31 059	87 680	91 242
Asset Management											
Asset register summary (WDV)	521 232	-	-	-	-	-	104 755	104 755	625 987	0	0
Depreciation	36 000	-	-	-	-	-	-	-	36 000	39 000	41 000
Renewal and Upgrading of Existing Assets	12 000	-	-	-	-	-	-	-	12 000	-	-
Repairs and Maintenance	9 514	-	-	-	-	-	(630)	(630)	8 884	10 877	11 284
Free services											
Cost of Free Basic Services provided	799	-	-	-	-	-	-	-	799	-	-
Revenue cost of free services provided	2 085	-	-	-	-	-	-	-	2 085	-	-
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Only two revenue items were adjusted that is investment revenue and other own revenue. The action to adjust the revenue items is supported by actual revenue recognised from interest on investment as well as revenue from miscellaneous items such as tender documents sales.

In essence four adjustments in relation to expenditure items are noted and details thereto are covered under table B4.

1.4.6. BUDGET FINANCIAL POSITION - TABLE B6

Total current assets budget has been adjusted significantly upward by R50 million rands, from the original budget amount of R132 million rands to a final figure of R182 million rands. The main attributing factors to this increase are the increase cash and cash equivalents and receivables from non-exchange. The municipality invested extra reserves in the month of February, thereby pushing the investment balance to R94 million rands.

Total non-current assets budget has been adjusted upward by R65.2 million rands, to account for accurate audited opening balance, additions to PPPE, intangible assets and long-term receivables.

Total current liabilities – trade and other payables budget is increased by R34.7 million rands from the original budget amount of R103 million rands, the adjustment aims to cover shortfalls noted on trade and other payables from exchange transactions, trade and other payables from non-exchange transactions, provisions and VAT line items. Table B6 below details the adjustments related to financial position of the municipality.

Nquthu Municipality Monthly Budget Statement

Choose name from list - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2024/25									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	+1 2025/26	+2 2026/27
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Current assets												
Cash and cash equivalents		16 996	-	-	-	-	-	36 666	36 666	53 662	90 159	95 384
Trade and other receivables from exchange transactions	1	11 208	-	-	-	-	-	(485)	(485)	10 723	(2 151)	(2 313)
Receivables from non-exchange transactions	1	44 149	-	-	-	-	-	10 203	10 203	54 352	10 467	9 700
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		139	-	-	-	-	-	(249)	(249)	(110)	0	0
VAT		60 017	-	-	-	-	-	4 136	4 136	64 153	-	0
Other current assets		108	-	-	-	-	-	(42)	(42)	66	-	0
Total current assets		132 617	-	-	-	-	-	50 228	50 228	182 845	98 475	102 771
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		42 923	-	-	-	-	-	(1 584)	(1 584)	41 338	-	-
Property, plant and equipment	3	711 266	-	-	-	-	-	66 798	66 798	778 064	32 831	29 565
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		79	-	-	-	-	-	-	-	79	-	-
Intangible assets		16	-	-	-	-	-	(6)	(6)	11	-	(0)
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		0	-	-	-	-	-	-	-	0	-	-
Total non current assets		754 284	-	-	-	-	-	65 209	65 209	819 493	32 831	29 565
TOTAL ASSETS		886 902	-	-	-	-	-	115 436	115 436	1 002 338	131 306	132 337
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		20	-	-	-	-	-	-	-	20	-	-
Consumer deposits		2 170	-	-	-	-	-	144	144	2 314	-	0
Trade and other payables from exchange transactions		64 120	-	-	-	-	-	23 436	23 436	87 556	0	0
Trade and other payables from non-exchange transactions		0	-	-	-	-	-	3 675	3 675	3 675	-	(0)
Provisions		10 074	-	-	-	-	-	2 959	2 959	13 034	-	(0)
VAT		27 101	-	-	-	-	-	4 552	4 552	31 653	-	-
Other current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total current liabilities		103 485	-	-	-	-	-	34 766	34 766	138 251	0	0
Non current liabilities												
Borrowing	1	(20)	-	-	-	-	-	-	-	(20)	-	-
Provisions	1	3 384	-	-	-	-	-	(2 488)	(2 488)	896	-	0
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		0	-	-	-	-	-	-	-	0	-	-
Total non current liabilities		3 364	-	-	-	-	-	(2 488)	(2 488)	875	-	0
TOTAL LIABILITIES		106 848	-	-	-	-	-	32 278	32 278	139 127	0	0

Description	Ref	Budget Year 2024/25									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	+1 2025/26	+2 2026/27
			3	4	5	6	7	8	9	10	Adjusted Budget	Adjusted Budget
NET ASSETS	2	780 053	-	-	-	-	-	83 158	83 158	863 211	131 306	132 337
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		807 247	-	-	-	-	-	83 148	83 148	890 395	143 877	171 679
Funds and Reserves		141	-	-	-	-	-	10	10	152	14 986	15 855
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		807 388	-	-	-	-	-	83 158	83 158	890 546	158 862	187 534

1.4.7. FUNDED POSITION

1.4.7.1. ADJUSTMENT BUDGET CASH FLOW - TABLE B7

The municipal adjustment budget is funded. Original budget for receipts under cash flow from operating activities totals to R334 million rands and only two adjustments are made on transfers and subsidies - capital as well as interest. Payments under cash flow from operating activities totals R296 million rands after an increase in adjustment amounting to R2.8 million rands. Operating activities are covered by R50 million as the receipts exceed payments by the same amount.

Cashflow from investing activities shows an amount of R90 million rands which shows that there was an outflow of cash toward asset expansion/addition which is a good indication of investment by the municipality. There are no receipts under financing activities.

Nquthu Municipality Monthly Budget Statement

Cashflow from investing activities reflects no transactions, this is because the municipality has no borrowings in the current financial year to finance capital expenditure. Table B7 below gives full indication of transactions relating to cash flow of the municipality.

ADJUSTMENT BUDGET CASH FLOW - TABLE B7

Choose name from list - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2024/25									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2025/26	+2 2026/27
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		43 374	-	-	-	-	-	-	-	43 374	46 470	49 714
Service charges		23 338	-	-	-	-	-	-	-	23 338	26 857	30 055
Other revenue		2 767	-	-	-	-	-	-	-	2 767	2 950	3 137
Transfers and Subsidies - Operational	1	212 835	-	-	-	-	-	-	-	212 835	210 778	200 471
Transfers and Subsidies - Capital	1	46 128	-	-	-	-	6 087	6 087	6 087	52 216	75 512	74 786
Interest		6 054	-	-	-	-	3 100	3 100	3 100	9 154	5 348	5 319
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(293 610)	-	-	-	-	-	(2 814)	(2 814)	(296 424)	(119 325)	(126 989)
Finance charges		-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		40 885	-	-	-	-	-	6 374	6 374	47 259	248 590	236 493
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		(90 933)	-	-	-	-	-	0	0	(90 933)	(37 756)	(34 000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(90 933)	-	-	-	-	-	0	0	(90 933)	(37 756)	(34 000)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(50 048)	-	-	-	-	-	6 374	6 374	(43 674)	210 834	202 493
Cash/cash equivalents at the year begin:	2	72 468	-	-	-	-	-	40 753	40 753	113 221	69 547	280 381
Cash/cash equivalents at the year end:	2	22 420	-	-	-	-	-	47 127	47 127	69 547	280 381	482 874

Cash and cash equivalent at the year-end amount shows a final figure of R69.5 million rands which decreased slightly from R72.4 million rands reported in the previous year. As a result of the cash and cash equivalent balance the adjustment budget position is funded.

PART 2 – SUPPORTING DOCUMENTATION

2.1. INVESTMENT PORTFOLIO ANALYSIS

The investment register on 28 February 2025 reflects investment status of the municipality which shows the investment balance moved upward from R84.7 million rands to R94 million rands. Current investment has increase from R47 million rands to R56 million rands. Addition to investment was made possible by VAT SARS refund and Dept. of Public Works payment. Four withdrawal transaction has been made in this current financial year amounting to R52.7 million rands.

Table 1(a) Investment register for the month ending 28 February 2025

INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	WITHDRAWAL	BANK CHARGES	BALANCE
NEDBANK (3)	R 1 225,39	R -	R 65,10	R -	R -	R 1 298,49
NEDBANK (000146)	R -	R 12 000 000,00	R 96 016,44	R 12 096 016,44	R -	R -
ABSA CALL (5892)	R 1 722 180,52	R 13 779 955,22	R 173 082,94	R -	R -	R 15 675 218,68
ABSA (1394) HOUSING A/C	R 1 889 796,08	R -	R 87 837,85	R -	R -	R 1 977 633,93
ABSA (4328)	R 23 517,08	R -	R 1 174,99	R -	R 350,00	R 24 342,07
ABSA (5014)	R 535 810,78	R 3 421 665,04	R 27 527,45	R -	R -	R 3 985 003,27
ABSA (9642)	R 21 261 123,17	R -	R 983 579,84	R 22 244 703,01	R -	R -
ABSA (6276)	R -	R 12 000 000,00	R 296 653,16	R 12 296 653,16	R -	R -
FNB (2554)	R 9 996 448,72	R -	R 666 921,54	R -	R -	R 10 663 370,26
FNB CALL (1408)	R 10 084 199,41	R -	R 513 510,17	R -	R 322,60	R 10 597 386,98
FNB (2166)	R 5 970 709,50	R -	R 185 460,70	R 6 156 170,20	R -	R 0,00
FNB (0889)	R 8 453 186,16	R -	R 563 961,45	R -	R -	R 9 017 147,61
STANDARD BANK 014	R 7 280,65	R -	R 312,81	R -	R -	R 7 593,46
STANDARD BANK 063	R 25 362 238,16	R -	R 1 433 871,17	R -	R -	R 26 796 109,33
STANDARD BANK 064	R -	R 15 000 000,00	R 466 273,97	R -	R -	R 15 466 273,97
TOTAL	R 85 307 715,62	R 56 201 620,26	R 5 029 975,61	R 52 793 542,81	R 672,60	R 94 211 378,05

Table 1(b) withdrawal register for the month ending 28 February 2025

Withdrawals - 28 February 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
		R 52 793 542,81				

The municipality has a primary bank balance of R6.6 million compared to R22.3 million rands reported in the previous month. The grant account shows a balance of R3.6 million rands compared to R557 thousand rands reported in the previous month. Table 1 (c) below show primary bank reconciliation.

Table 1 (c) Bank reconciliation of primary account month ending 28 February 2025

BANK RECONCILIATION (PRIMARY ACCOUNT)	4053562762
Details	Amount
Cash book balance as at 28 February 2025	R6 651 538,02
Outstanding deposits	R0,00
Unknown deposits	R0,00
Bank charges	R0,00
Outstanding cheques	R0,00
Transfers	R0,00
Sundries	R0,00
Outstanding receipts	R0,00
Bank statement balance as at 28 February 2025	R6 651 538,02

Table 1 (d) below show grant account reconciliation

BANK RECONCILIATION (GRANTS ACCOUNT)	
Details	Amount
Cash book balance as at 28 February 2025	R3 985 003,29
Unknown deposits	R0
Outstanding cheques	R0
Bank charges	R0
Returned cheques	R0
Transfers	R0
Sundries	R0
Outstanding receipts	R0
Bank statement balance as at 28 February 2025	R3 985 003,29

2.2. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Nquthu municipality as at the end of the month has incurred employee costs in line with SALGABC collective agreement and the upper limits determinations by the Minister of COGTA. The current month payroll transactions are detailed below, it shows actual costs in comparison with the budget.

Table 2: Staff Benefits and Councillors allowances and employee benefits – 28 February 2025

2.8 Staff Benefits in terms of Section 66 of the MFMA		
Actual staff benefits and Councillors allowances for the period ending 28 February 2025		
Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R90 900 174,00	R 50 405 739,14
Contributions to pension funds	R14 138 419,00	R 6 453 715,85
Contributions to medical aids	R2 285 865,00	R 2 321 227,90
Contributions to UIF	R645 865,00	R 391 681,76
Contributions to SDL	R926 451,00	R 591 818,18
Travel, motor car	R4 115 290,00	R 3 070 901,16
Salga	R42 565,00	R 28 130,30
Housing benefits and allowances	R739 759,00	R 80 236,80
Cellphone Allowance	R0,00	R 0,00
Overtime payments	R2 424 094,00	R 1 239 672,99
Bonuses	R6 201 475,00	R 3 658 983,35
Other leave & long service	R2 223 140,00	R 485 317,09
Allowances (Standby and Drivers Allowance)	R1 122 829,00	R 1 942 812,14
Totals	R 125 765 926,00	R 70 670 236,66
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R16 456 910,00	R 9 815 134,97
Cellphone/Data Allowance	R1 711 057,00	R 1 151 491,72
Contributions to SDL	R40 995,00	R 101 256,39
Totals	R18 208 962,00	R 11 067 883,08

2.3. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Table 3: Grant register – for month ending 31 January 2025

Summary of Grants received and expenditure to date							
Grant Type	Audited Balance as at	Dora/Prov Allocation for year	Received	Spent & transferred to income	Balance as at	Commitments	Available funds/not committed
	1-Jul-2024		2024/25	2024/25	2024/25	2024/25	2024/25
MIG	-	(46 128 000,00)	(32 460 000,00)	19 768 406,29	(12 691 593,72)		(12 691 593,72)
Eletrification	(2 670 000,82)	(16 474 000,00)	(10 089 000,00)	9 225 910,14	(3 533 090,69)		(3 533 090,69)
Library support	-	(2 060 976,00)	(2 060 972,00)	1 634 381,91	(426 590,09)		(426 590,09)
FMG	-	(1 800 000,00)	(1 800 000,00)	874 015,16	(925 984,84)		(925 984,84)
Library Modular	-	(1 500 612,00)	(1 500 612,00)	1 218 004,18	(282 607,82)		(282 607,82)
EPWP	-	(1 478 004,00)	(1 035 000,00)	1 478 004,00	443 004,00		443 004,00
Cybercadet	-	(533 083,00)	(533 083,00)	372 444,85	(160 638,15)		(160 638,15)
Library Volunteer	-	(113 333,00)	(113 333,00)	56 000,00	(57 333,00)		(57 333,00)
Massification Eletrification	(3 797 041,52)	-	-	1 271 273,99	(2 525 767,53)		(2 525 767,53)
Small Town rehabilitation	-	-	-	-	-		-
Sportfield Maintance	(27 120,59)	-	-	-	(27 120,59)		(27 120,59)
Bornem Grant	-	-	-	-	-		-
TOTALS	(6 494 162,93)	(70 088 008,00)	(49 592 000,00)	35 898 440,51	(20 187 722,42)	-	(20 187 722,42)

This report contains same information as reported in January. Grant spending will be reported in the following month, due to delays in finalising this report.

The grant register for the month of show grant allocation and expenditure as per the following:

- a) MIG grant expenditure is allocated R46.1 million rands and 32.4 million rands is received. R20 million rands has been spent to date.
- b) INEP Electrification grant spending is allocated R16.4 million rands and R10 million rands has been received and there is R9.2 million rands expenditure to date.
- c) FMG grant has been allocated R1.8 million rands and it has been received. The expenditure to date is R874 thousand rands.
- d) EPWP has been allocated R1.4 million rands , and R1.03 million has been received in September, the expenditure to date is R1.4 million. The grant is overspent and subsidised internally.
- e) Library volunteer is allocated R113 thousand rands, the amount spent to date is R56 thousand rands.
- f) Library support is allocated R2 million rands , which was received in October the amount spent to date R1.6 million.
- g) Library Modular grant is allocated R1.5 million rands which was received in October, the amount spent to date is R1.2 million rands.
- h) Cybercadet grant is allocated R533 thousand rands and has been received in October. The expenditure amount to R372 thousand rands.

2.4. DEBTOR'S ANALYSIS

Total debtors overall balance is R114 million which reflect a slight increase from R113 million rands reported in January. Property rates holds significant outstanding debt amounting to R102 million. Metered electricity debt amounts to R6.1 million, showing a slight decrease in debt from R6.4 million reported in January.

Nquthu Municipality Monthly Budget Statement

Electricity is disconnected regularly to ensure that debt management policy is fully enforced. Refuse collection debt increase from R6.4 million in January to R6.5 million.

Table 4.1: Debtors' analysis for the month ending 28 February 2025

February 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 -11 325 582,51	-R11 325 582,51	R 0,00	R 0,00	0,00	R 0,00	0,00	R 0,00
Adv-Pay Reverse	R 695,92	R0,00	R 695,92	R 0,00	0,00	R 0,00	0,00	R 0,00
Deposit: Waste Disposal	R2 000,00	R0,00	R0,00	R0,00	0,00	R0,00	0,00	R2 000,00
Electricity Basic	R 934 062,24	R320 100,73	R 73 411,08	R 59 924,93	40011,00	R 39 521,95	28244,53	R 372 848,02
Electricity Metered	R 6 157 965,10	R3 008 391,53	R 612 369,14	R 663 089,44	618434,14	R 113 189,34	93377,80	R1 049 113,71
Market stalls	R 1 104 373,78	R39 884,61	R 19 242,28	R 18 624,66	18312,37	R 18 022,80	17426,55	R 972 860,51
OFFICE RENTAL	R 248 141,65	R32 887,64	R 16 338,20	R 16 267,83	16197,69	R 16 276,46	16176,52	R 133 997,31
Plaza Market Stalls	R 254 560,24	R18 257,07	R 8 485,25	R 7 918,62	7690,63	R 7 592,08	7391,69	R 197 224,90
Property Rates	R 102 824 747,13	R9 436 395,50	R3 925 367,62	R3 868 549,80	3831818,80	R3 781 613,12	3681779,15	R74 299 223,14
Rent (M001)	R 506 243,64	R40 948,23	R 14 068,28	R 14 010,97	13934,63	R 14 044,97	14040,97	R 395 195,59
Repay: Waste Disposal	R 26 836,48	R0,00	R 0,00	R 0,00	0,00	R 0,00	0,00	R 26 836,48
Signs (M001)	R 1 119,59	R16,71	R 16,71	R 16,71	16,71	R 16,71	16,71	R 1 019,33
Stall rental	R 27 735,10	R684,99	R 131,22	R 131,22	131,22	R 131,22	131,22	R 26 394,01
Sundries (VAT)	R 13 767,17	R11 109,25	R 2 555,79	R 102,13	0,00	R 0,00	0,00	R 0,00
Tampering Fee	R 551 411,60	R20 000,00	R 111 423,39	R 56 669,80	48996,45	R 0,00	32901,17	R 281 420,79
Traffic Fines	R 4 341 200,00	R112 800,00	R 98 600,00	R 70 100,00	110100,00	R 105 600,00	111100,00	R3 732 900,00
Traffic Fines (M001)	R 2 066 721,78	R0,00	R 0,00	R 0,00	0,00	R 0,00	0,00	R2 066 721,78
Waste Disposal	R 6 514 673,87	R333 369,74	R 108 752,53	R 94 152,66	86209,66	R 78 435,38	75044,34	R5 738 709,56
Total	R114 250 672,78	R2 049 263,49	R4 991 457,41	R4 869 558,77	R4 791 853,30	R4 174 444,03	R4 077 630,65	R89 296 465,13

Cash collected for the month amounts to R 7.2 million which renders a 6% collection rate.

Cash Collected for each Revenue Source via Billing (February 2025)				
	Cash collection	Ageing - February 2025	Collection rate per BT	Billed revenue - February 2025
Rates	R -3 853 272,10	R 102 824 747,13	-4%	R 5 720 507,95
Electricity	R -2 384 906,30	R 7 092 027,34	-34%	R 2 276 662,27
Refuse	R -150 786,77	R 6 543 510,35	-2%	R 215 060,39
Stalls Rental , Traffic fines &	R -64 543,65	R 8 077 474,33	-1%	R 69 937,71
Other Rentals	R -	R 1 037 800,22	0%	R -
Advance payments	R -769 847,34	R -11 324 886,59	7%	R -
	R -			R -
TOTAL CASH RECEIVED (BI	R -7 223 356,16	R 114 250 672,78		R 8 282 168,32
Total Ageing	R 114 250 672,78		January 2025 billing	R 8 621 464,75
Total debtors' payments	R -7 223 356,16		February 2025 payments	R -7 223 356,16
		-6%		-84%

2.5. CREDITOR'S ANALYSIS

The municipality strive to resolve the bottleneck in finalising payments timely. The municipality continues to pay creditors invoices in line with MFMA Section 65 and has formulated a Section 65 delay reason document for end users to enhance accountability and encourage attendance to invoices timely to avoid delays.

Creditors ageing reconciliation report reflect amounts that span between 30 days and beyond 180 days. The total outstanding balance amounts to R16 million.

Creditor's ageing reconciliation for the month ending 28 February 2025

CREDITORS ACCOUNT RECONCILIATION REPORT

MONTH ENDING FEBRUARY 2025

Total Balances as per EMS INVOICE AGE ANALYSIS REPORT:

R 16 375 081,98

AGE ANALYSIS TOTAL AMOUNT:

R 16 375 081,98

CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT

R 16 375 081,98

AGED ANALYSIS

R 16 375 081,98

Current (Transactions below 30 days)
 <30 Days
 <60 Days
 <90 Days
 <120 Days
 <150 Days
 <180 Days
 >180 Days

R	-
R	11 570 724,62
R	2 281 093,84
R	472 608,84
R	709 034,62
R	1 096 745,81
R	-
R	244 874,25

Table 5: Top Ten creditors report for the month ending 28 February 2025

CREDITORS REPORT FOR 28 FEBRUARY 2025

TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF FEBRUARY 2025

No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL	R 4 341,01
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE	R 10 064,60
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY MULTI-PUPOSE HALL	R 8 630,68
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL	R 3 567,02
	ESKOM HOLDINGS 6033862343	FREE BASIC ELECTRICITY (FBE)	R 201 204,00
	ESKOM HOLDINGS 6126932137	POTSOANA LIBRARY	R 2 670,67
	ESKOM HOLDINGS 6642941367	LEKSAND RURAL COMMUNITY HALL	R 3 980,73
	ESKOM HOLDINGS 6916174790	TOWN BOARD LIBRARY NONDWENI	R 5 120,61
	ESKOM HOLDINGS 8505522436	MASOTSHENI HALL	R 4 819,50
	ESKOM HOLDINGS 8713502790	NKANDE SPORTSFIELD	R 1 534,79
	ESKOM HOLDINGS 8817457976	NONDWENI URBAN STREETLIGHT	R 13 138,34
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL	R 3 867,55
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	R 6 581,59
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL	R 4 592,61
	ESKOM HOLDINGS 9426259616	BLOOD RIVER SPORTSFIELD	R 3 567,65
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	R 3 059 205,62
			R 3 336 886,97
2	ADVENTURE TRAVEL	ACCOMMODATION FOR VM ZUMA IN MIDRAND (28-2	R 2 495,50
	ADVENTURE TRAVEL	ACCOMMODATION FOR DEPUTY MAYOR AND HER BODYGUARDS (04-05 JULY 2024)	R 6 451,50
	ADVENTURE TRAVEL	FLIGHT FOR 09 DELEGATES TRAVELLING TO CAPETOWN 18 SEPT 2024	R 7 701,78
	ADVENTURE TRAVEL	ACCOMMODATION FOR DEPUTY MAYOR AND HER BODYGUARDS (05-06 NOV 2024)	R 6 505,55
	ADVENTURE TRAVEL	ACCOMMODATION FOR DEPUTY MAYORS' BODYGUARD L CEBEKHULU (17-18 JAN 2025)	R 2 495,50
	ADVENTURE TRAVEL	ACCOMMODATION AND CONFERENCE FOR 68 DELEGATES IN DURBAN (16- 21 FEB 2025)	R 849 033,50
	ADVENTURE TRAVEL	ACCOMMODATION FOR FINANCE INTERNS IN PROTEA HOTEL MIDRAND (23-28 FEB 2025)	R 57 270,00
		R 931 953,33	
3	TOYOTA SOUTH AFRICA MOTORS	SUPPLY AND DELIVER NEW DEPUTY MAYORS' VEHICLE (FORTUNER 2.4 GD6 4X4)	R 708 502,72
			R 708 502,72
4	SIZOWAKHA SECURITY AND CLEANING SER	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JAN 2025	R 380 458,48
	SIZOWAKHA SECURITY AND CLEANING SER	PROVISION OF SLUM CLEARANCE OFFICERS DAY AND NIGHT SHIFT JAN 2025	R 100 050,00
		R 480 508,48	
5	SIYEJABULA SECURITY SOLUTION	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JAN 2025	R 386 254,94
			R 386 254,94
6	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT	R 375 627,79
			R 375 627,79
7	MASHEDE MQOTHUKA	DESIGN, PRINT & DELIVER OF CALENDARS AND DIARIES OF 2025 FINANCIAL YEAR	R 298 480,00
			R 298 480,00
8	NKOSINGIPHE INKAZIMULO TRADING AND	AFS CONSULTANTS	R 202 377,58
			R 202 377,58
9	GENIS MOTORS	SERVICE AND REPAIRS FOR BK 87 SB ZN (NTU 3692)	R 121 702,40
			R 121 702,40
10	EMALANGENI TECHNOLOGIES	INTERNET FEES JAN 2025	R 43 067,51
	EMALANGENI TECHNOLOGIES	INTERNET FEES FEB 2025	R 43 067,51
		R 86 135,02	

Creditors listing report on table 6 show an outstanding creditors balance of R12.1 million rands. The creditors for this month increased from R4 million rands as reported in the previous month. There are creditors outstanding between the range of 90- 120 days amounting to R1.1 million rands . The accruals has decreased from R620 thousand rands to R 244 thousand rands.

Table 6: Outstanding creditor’s listing for the month ending 31 January 2025

There are 157 creditors in the listing. The listing report shows that the smallest creditor is owed an amount of R300.00 and the highest creditor of R4.5 million. The summary below excludes the names of creditors and only depict the totals and headings.

Invoice Age Analysis Report February 2025									
Creditor/VendorName	Outstanding Invoice Amount Incl VAT	Interest Amount	Days 0-30	Days 30-60	Days 60-90	Days 90-120	Days 120-150	Days 150-180	Days >180 Yr1
TOTAL	R 16 375 081,98	R .	R 11 570 724,62	R 2 281 093,84	R 472 608,84	R 709 034,62	R 1 096 745,81	R .	R 244 874,25

CREDITORS AGEING SUMMARY

Payroll Invoices	-
Accruals	244 874,25
Total Current Invoices	R 16 130 207,73
GRN (SCM UNIT)	348 551,13
Actual Invoices	15 781 656,60
TOTAL	16 375 081,98

2.6. SUPPLY CHAIN MANAGEMENT

Regulation 6 of the Municipal SCM Regulations of 2005 requires that council of the municipality to maintain oversight over the implementation of supply chain management policy. For the purposes of such oversight the Accounting Officer must submit a report to the Mayor on the implementation of the supply chain management policy within 10 days of the end of each quarter. In summary this report outlines implementation status on deviations, UIFW, inventory management, awarded orders and contract management.

a) **Deviations**

The deviations balance is R 2.6 million rands , all the deviations are approved and the details of the reasons for deviations are included in the in the deviation documents.

The increase in the number of deviations is caused by proper documentation of sole service provider such as car dealership for vehicle repairs services as well as the registrations with professional bodies such as CMAM, CIGFARO and SALGA.

Table 8: Deviation register for the month ending 28 February 2025

Nquthu Municipality Monthly Budget Statement

Date identified	Date reported to Mayor	Description	Supplier	Services Rendered	Amount
19/07/2024	26/07/2024	MAINTENANCE VEHICLE EMERGENCY REPAIR OF BG42PW ZN WHICH ITD STARTER STOP WORKING	NTT TOYOTA VRYHEID	VEHICLE EMERGENCY REPAIR	R 5 893,75
19/07/2024	26/07/2024	REPAIR AND SERVICE FIRE FIGHTING EQUIPMENT FOR RAPID INTERVENTION VEHICLE NTU 4806	VEXOSCORE FIRE	MAINTENANCE VEHICLE EMERGENCY	R 127 650,00
19/07/2024	26/07/2024	REPAIR MAJOR PUMPER FOR NTU 3872 FIRE FIGHTER MACHINERY AND PERIPHERALS	VEXOSCORE FIRE	MAINTENANCE VEHICLE EMERGENCY	R 136 580,00
31/07/2024	08/06/2024	MAINTENANCE VEHICLE CONDITION BASED (CHANGING TYRES) SUPPLY, FITTING, BALANCING AND WHEEL ALIGNMENT OF 02 TYRE FOR BJ59RL-ZN	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	R 2 900,00
31/07/2024	08/07/2024	REPLACEMENT OF BATTERY FOR LAND CRUISER NTU 4677	FARMTRAC DUNDEE	MAINTENANCE VEHICLE EMERGENCY	R 2 046,20
2024/08/08	15/08/2024	SERVICE FOR BJ 59 RL -ZN WHICH IS ON 200 000KM	NTT TOYOTA VRYHEID	MAINTENANCE VEHICLE	R 10 471,80
22/08/2024	22/08/2024	SUPPLY AND FIT 5 TYRES FOR NISSAN NAVARA WITH WHEEL ALGNMENT PLUS BALANCING	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	R 13 999,97
22/08/2024	23/08/2024	REQUEST TO PURCHASE AND FIT 04 TYRES USED AS SPARE WHEELS FOR FIRE ENGINE AND SUPPORT VEHICLE	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	R 12 300,00
22/08/2024	27/08/2024	REQUEST TO PURCHASE 05 TYRES FOR LANDCRUISER NTU 4677	FIT AND GO DUNDEE	MAINTENANCE VEHICLE	R 14 000,00
28/09/2024	29/08/2024	SERVICE AND REPAIRS FOR NTU 7346	KOMATSU SOUTH AFRICA	MAITENANCE VEHICLE	R 62 334,12
28/08/2024	29/08/2024	REQUEST FOR SERVICE AND REPAIRS FOR TNT MINI MAJOR RESCUE SETS	VEXOSCORE FIRE	MECHINERY EQUIPMENT PLANNER	R 99 000,05
22/08/2024	22/08/2024	REGISTRATION FOR S XABA AND S HADEBE	CIGFARO	REGISTRATION	R 19 006,00
2024/01/10	10/01/2024	REPAIRS ON THE WATER TANK BK 28 MR -ZN	AUTOHOUSE VRYHEID	MAINTENANCE VEHICLE	R 148 217,75
2024/10/10	10/10/2024	PURCHASE OF 04 TYRES SIZE 265/R18	BESTDRIVE	MAINTENANCE VEHICLE	R 11 887,00
2024/10/10	10/10/2024	PURCHASE OF 04 TYRES SIZE 245/70 R16	BESTDRIVE	MAINTENANCE VEHICLE	R 9 487,50
2024/10/15	15/10/2024	06 X 315/80 R22.5B TYRES	BESTDRIVE	MAINTENANCE VEHICLE	R 31 050,00
14/10/2024	17/10/2024	PROMO	SABC	ADVERTISING	R 96 048,00
14/10/2024	17/10/2024	HIRE OF 100 MINIBUSES FOR SALGA SELECTION	NQUTHU PIONEER	HIRE OF MINIBUSES	R 263 500,00
17/10/2024	17/10/2024	HIRE OF 19 MINIBUSES FOR SALGA SELECTION	NQUTHU PIONEER	HIRE OF MINIBUSES	R 70 000,00
24/10/2024	24/10/2024	REPAIR ON NTU 3696	NISSAN VRYHEID	MAINTANANCE VEHICLE	R 123 967,00
24/10/2024	24/10/2024	REPAIR ON NTU 4356	NISSAN VRYHEID	MAINTANANCE VEHICLE	R 48 701,53
24/10/2024	24/10/2024	REPAIR ON NTU	MMG TOYOTA	MAINTANANCE VEHICLE	R 15 598,80
29/10/2024	29/10/2024	SERVICE FOR VEHICLE BL56KZ-ZN	NISSAN VRYHEID	MAINTANANCE VEHICLE	R 6 120,83
29/10/2024	29/10/2024	HIRE 17 MINIBUSES FOR DISTRICT SALGA SELECTION	NQUTHU PIONEER	HIRE OF MINIBUSES	R 152 000,00
29/10/2024	29/10/2024	PURCHASE OF ROLLER TYRE	MOLLS RETREADING	MAINTANANCE VEHICLE	R 115 441,02
29/10/2024	29/10/2024	PURCHASE OF 04 ROLLER TYRE	FIT AND GO DUNDEE	MAINTANANCE VEHICLE	R 61 500,00
29/10/2024	29/10/2024	REPAIR ON VEHICLE	MMG TOYOTA	MAINTANANCE VEHICLE	R 9 657,30
2024/06/11	2024/06/11	SUPPLY AND FIT 04 TYRES ON	BESTDRIVE	MAINTANANCE VEHICLE	R 9 850,01
13/11/2024	13/11/2024	REPAIR ON GRADER NTU 1644	BELL EQUIPMENT	MAINTANANCE VEHICLE	R 23 033,94
13/11/2024	13/11/2024	REPAIR ON EXCAVATOR NTU 001	BABCOCK	MAINTANANCE VEHICLE	R 138 755,88
18/11/2024	18/11/2024	REPAIRS ON BI59TS-ZN	MMG TOYOTA	MAINTANANCE VEHICLE	R 18 805,90
18/11/2024	18/11/2024	HIRE OF 36 MINIBUSES ON 19	NQUTHU PIONEER	HIRE OF MINIBUSES	R 104 500,00
18/11/2024	18/11/2024	BRAKE PADS FOR BB59VV-ZN	MMG TOYOTA	MAINTANANCE VEHICLE	R 2 760,10
2024/11/01	2024/11/11	350 FOOD VOUCHRS FOR SENIOR	KWANONGOMA TRADING	SENIOR CITIZEN CHRISTMAS	R 350 000,00
20/11/2024	20/11/2024	REGISTRATION FOR S XABA AND	CIGFARO	TRAINING	R 11 074,00
29/11/2024	29/11/2024	REPAIR ON BJ59PT-ZN	EAST RAND TOYOTA	MAINTANANCE VEHICLE	R 24 504,19
2024/02/12	2024/02/12	HIRE 19 MINIBUSES FOR SENIOR	NQUTHU PIONEER	HIRE OF MINIBUSES	R 52 500,00
2024/05/12	2024/05/12	REPAIRS ON VEHICLE BJ59RL-ZN	MMG TOYOTA	MAINTANANCE VEHICLE	R 27 524,80
2024/08/12	2024/08/12	REPAIRS ON NTU 3882	AUTOHOUSE VRYHEID	MAINTANANCE VEHICLE	R 16 046,96
2024/09/12	2024/09/12	PURCHASE TYRES FOR FIRE	FIT AND GO DUNDEE	MAINTANANCE VEHICLE	R 46 800,01
2024/12/12	2024/12/12	RADIO PROMO	SABC	MAINTANANCE VEHICLE	R 78 727,50
20/01/2025	20/01/2025	SERVICE FOR VEHICLEBJ59RL-ZN	MMG TOYOTA	MAINTENANCE VEHICLE	R 2 309,60
24/01/2025	24/01/2025	REPAIRS ON BL56SG-ZN	AUTOHOUSE VRYHEID	MAINTANANCE VEHICLE	R 6 856,73
29/01/2025	29/01/2025	REPAIRS ON BJ59SK-ZN	MMG TOYOTA	MAINTANANCE VEHICLE	R 4 795,30
30/01/2025	30/01/2025	REPAIRS/SERVICE FOR BJ59TJ-ZN	MMG TOYOTA	MAINTANANCE VEHICLE	R 12 641,50
19/02/2025	19/02/2025	REPAIRS/SERVICE FORBG41VL-ZN	VRYHEID VOLKWAGEN	MAINTANANCE VEHICLE	R 3 541,10
19/02/2025	19/02/2025	SERVICE/REPAIRS NTU6760	AUTOHOUSE VRYHEID	MAINTENANCE VEHICLE	R 18 236,14
25/02/2025	25/02/2025	CUT, REPLACE, AND PROGRAM COROLLA KEYS	NTT TOYOTA VRYHEID	MAINTENANCE VEHICLE	R 17 900,30
25/02/2025	25/02/2025	SERVICE FOR BK87PW-ZN	MMG TOYOTA DUNDEE	MAINTENANCE VEHICLE	R 2 065,10
TOTAL					R 2 642 587,68

b) **Fruitless and Wasteful Expenditure Register**

Fruitless and Wasteful Expenditure Register for the month ending 28 February 2025 reflects balance of R187 thousand rands from Telkom, Eskom, uMzinyathi Municipality and COIDA penalties. Telkom has eventually stopped to bill the municipality.

Table 9: Fruitless and Wasteful Expenditure Register – 28 February 2025

Demarcation Board Code: KZN242 Register for Fruitless and wasteful Expenditure Year Ended 30 June 2025		Financial Year 2024/ 2025 Nquthu Local Municipality Month Jul 2024- June 2025		
Description	EFT no. / Month	Amount		
Telkom				R5,56
Interest on overdue account- #66587	Jul-24	R5,56		
	Feb-25	-		60,27
Eskom				
Interest on overdue account	Jul-24	-		
	Feb-25	60,27		
Umzinyathi Municipality				184,17
Interest on overdue water accounts	#73374 - 73379	184,17		
Other- Penalty fees paid in Aug 2024				R184 514,10
Penalties/interest				
Employment & Labour Sec83(6) Penalty - 2015	#67839	R27 992,25		
Employment & Labour Sec83(6) Penalty - 2020	#67839	R50 430,34		
Employment & Labour Sec83(6) Penalty - 2021	#67839	R49 617,96		
Employment & Labour Sec83(6) Penalty - 2022	#67839	R56 473,55		
Other				
TOTAL 2024/2025				R 184 764,10

c) **Contract management** – The register for all contracts is kept within the contract management unit. Notices are issued to all user departments accordingly to ensure that all contracts are advertised in time to ensure that irregular expenditure is avoided at all times. Where necessary contracts are renewed following the applicable legislation. The contract register is enclosed as **Annexure A**.

d) **IRREGULAR EXPENDITURE (CAPITAL AND OPERATIONAL EXPENDITURE)**

NQUTHU MUNICIPALITY YEAR END (2024 - 2025) IRREGULAR EXPENDITURE TOTAL				
QUARTER 3				
MONTH No.	MONTH NAME	EXPENDITURE TYPE		
OPENING BALANCE		OPERATIONAL	CAPITAL	TOTAL IRREGULAR
		R7 391 418,01	R44 541 880,01	
7	January	R1 342 442,54	R0,00	
8	February	R0,00	R0,00	
9	March	R0,00	R0,00	
CLOSING BALANCE		R8 733 860,55	R44 541 880,01	R53 275 740,56

e) INVENTORY MANAGEMENT

There are no receipts and issues during the month, hence the opening balance remains unchanged.

Inventory Reconciliation -28 February 2025	
INVENTORY MODULE	
OPENING BALANCE AS PER INVENTORY REPORT	R 1 306 503,80
ADD: TOTAL RECEIPTS	R 0,00
Inventory purchases for the month	R 0,00
LESS: TOTAL ISSUES	R 0,00
Inventory issued from stores during the month	R 0,00
ADJUSTMENTS	R 0,00
Add: stock surplus identified during the month	R 0,00
Less: Stock losses identified during the month	
CLOSING BALANCE AS PER INVENTORY REPORT	R 1 306 503,80
GENERAL LEDGER VOTE BALANCE:	R 1 309 404,38

2.7. COST CONTAINMENT MEASURES

MCCR quarterly report will be tabled in council for the second quarter outlining the areas of compliance with Municipal Cost Containment Regulations. The management is committed to improving controls, engage in training and capacity building to avoid re-occurrence of UIFW cases. Accounting Officer will implement consequence management where applicable.

2.8. MATERIAL VARIANCES

Material variances to SDBIP is provided by the PMS unit, after detailed consideration of all POEs and actuals as submitted by officials based on their scorecards.

Variances are explained under each table. In the absence of C-schedule in this report, there are no variances noted.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

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

Section 71 - for the month ending 28 February 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 : 04/03/2025