

NQUTHU MUNICIPALITY (KZN 242)



MONTHLY BUDGET STATEMENT FOR MONTH ENDING 31 MARCH 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 March 2025, and the performance of the municipality against its budget in line with the approved budget adopted by Council. Detailed points of interest highlighted by the Mayor are included in this 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 annual budget and adjustment budget is implemented in accordance with the approved Service Delivery Budget Implementation Plan (SDBIP). In this subject matter, the Mayor further takes cognisance of the budget preparation prescripts thereby ensuring that the draft budget is adopted by 31 March 2025.

Operational Budget

The C-schedule tables show changes incorporated by the adjustment budget. Narrations are detailed under each table; however, it is worth mentioning that from revenue and expenditure perspective the following major or notable adjustments were made as follows:

- Operating revenue – moved from original budget of R216 thousand rands to R1.8 million rands.
- Bulk electricity – adjusted from original budget of R40.9 million rands to R44.9 million rands

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. There are no new allocations from amended DORA in February 2025. However in March the municipality is allocated an amount of R5.1 million for the disaster relief from DCogta.

Cash Flow

Adjustments to 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 approved risk registers for the current financial year. The Risk Management Committee convened in the second quarter. The committee proposed that the municipality adopts a clean audit statement that is translated to a vernacular version to enable councillors and officials to acquaint themselves with the statement.

Mid-year assessment Review – adjustment budget recommendation

The mayors' recommendations in the Section 72 mid-year assessment report as tabled on 30 January 2025 supported the need for adjustment budget to be done. The adjustment budget was tabled to council within the timelines provided for in the MFMA.

The Provincial Treasury assessment of the adjustment budget concluded that the adjustment budget of the municipality is funded. Furthermore, the adjustment budget assessment shows that the municipality budgeted for an operating deficit of R6.4 million.

An operating deficit is indicative that there are financial imbalances that need to be addressed by the municipality. Therefore, the municipality will attend closely to such an operating deficit challenge, thereby investigating possible failures to collect revenues, tariffs setting challenge leading to too low tariffs or expenditures that are too high. The municipality will ensure that the main causes of the deficit are addressed, and appropriate strategies are put in place to address the problem.

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 MFMA Section 71 monthly budget monitoring report and the supporting documentation.
- b) That Council notes the submission of MFMA 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 are 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.

1.4. IN-YEAR BUDGET STATEMENT TABLES

IN-YEAR ADJUSTMENT BUDGET STATEMENT TABLES – BUDGET SUMMARY - TABLE C1

Choose name from list - Table C1 Monthly Budget Statement Summary - M09 March

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
R thousands									
Financial Performance									
Property rates	51452	52750	52750	–	47306	39562	7744	20%	52750
Service charges	28965	34070	34070	740	24303	25552	(1250)	-5%	34070
Investment revenue	9506	5995	9095	97	5699	6821	(1122)	-16%	9095
Transfers and subsidies - Operational	186803	212836	212836	47219	204742	159627	45115	0	212836
Other own revenue	7494	5380	6969	441	7867	5227	2640	51%	–
Total Revenue (excluding capital transfers and contributions)	284220	311031	315720	48497	289917	236790	53127	22%	315720
Employee costs	100570	118969	118347	–	73435	88760	(15325)	-17%	118347
Remuneration of Councillors	14046	17155	17155	–	10967	12866	(1900)	-15%	17155
Depreciation and amortisation	35938	36000	36000	–	30444	27000	3443	13%	36000
Interest	–	0	0	–	–	0	(0)	-100%	0
Inventory consumed and bulk purchases	33341	42588	46292	2630	33550	34719	(1169)	-3%	46292
Transfers and subsidies	3985	2854	2510	3068	3777	1882	1895	101%	2510
Other expenditure	137243	104505	101820	4803	60622	76365	(15743)	-21%	101820
Total Expenditure	325124	322072	322124	10501	212794	241593	(28799)	-12%	322124
Surplus/(Deficit)	(40904)	(11042)	(6405)	37997	77122	(4803)	81926	-1706%	(6405)
Transfers and subsidies - capital (monetary allocations)	80502	46155	52243	–	26636	39182	(12546)	-32%	52243
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	39598	35113	45838	37997	103758	34379	69379	202%	45838
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	39598	35113	45838	37997	103758	34379	69379	202%	45838
Capital expenditure & funds sources									
Capital expenditure	(14116)	76322	80338	2404	14564	61802	(47238)	-76%	80338
Capital transfers recognised	36312	41272	45186	1513	23179	35412	(12234)	-35%	45186
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	(67031)	38963	39065	891	(8614)	29325	(37939)	-129%	39065
Total sources of capital funds	(30719)	80235	84251	2404	14564	64737	(50172)	-78%	84251
Financial position									
Total current assets	169788	103802	182845		254965				182845
Total non current assets	734296	754284	818216		764392				818216
Total current liabilities	141086	103485	138251		152601				138251
Total non current liabilities	875	3364	875		875				875
Community wealth/Equity	762123	807388	890546		865881				890546
Cash flows									
Net cash from (used) operating	(113820)	40886	47259	60819	186200	70781	(115419)	-163%	47259
Net cash from (used) investing	(95168)	(90933)	(90933)	(2716)	(21931)	(68200)	(46269)	68%	(90933)
Net cash from (used) financing	–	–	–	–	(73435)	–	73435	#DIV/0!	–
Cash/cash equivalents at the month/year end	(100164)	(6395)	69547	58103	183367	115802	(67965)	-58%	48860
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1087	871	772	893	854	292	316	14543	19628
Creditors Age Analysis									
Total Creditors	2875	1477	169	47	796	–	245	–	5608

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. 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 in respect of employee costs.

Nquthu Municipality Monthly Budget Statement

Furthermore, an amount of R10 million is shown from C-schedule pertaining to councillor allowances as per the information available on the financial system instead of the actual figure of R12.3 million. 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.

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

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
R thousands	1									
Revenue - Functional										
Governance and administration		285145	297997	301176	47596	272091	225882	46209	20%	301176
Executive and council		39222	46128	46128	-	25364	34596	(9232)	-27%	46128
Finance and administration		245923	251869	255048	47596	246727	191286	55441	29%	255048
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		6696	6287	6287	140	5947	4716	1231	26%	6287
Community and social services		4558	4454	4454	8	4206	3341	866	26%	4454
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2138	1833	1833	132	1740	1375	365	27%	1833
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		305	185	1695	22	1704	1271	433	34%	1695
Planning and development		305	185	1695	22	1704	1271	433	34%	1695
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		72576	52717	58804	740	36811	44103	(7292)	-17%	58804
Energy sources		70594	50682	56769	740	35112	42577	(7465)	-18%	56769
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1981	2035	2035	-	1699	1526	172	11%	2035
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	364722	357186	367962	48497	316552	275972	40581	15%	367962
Expenditure - Functional										
Governance and administration		167031	172773	167432	3000	111802	125574	(13771)	-11%	167432
Executive and council		33068	36913	34458	398	20658	25843	(5185)	-20%	34458
Finance and administration		129706	132533	129693	2062	88228	97270	(9042)	-9%	129693
Internal audit		4257	3327	3281	540	2916	2460	456	19%	3281
Community and public safety		24121	33066	35109	490	21321	26332	(5011)	-19%	35109
Community and social services		5483	15470	17807	317	9451	13355	(3905)	-29%	17807
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		18638	17596	17302	173	11870	12977	(1106)	-9%	17302
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		65385	27566	26893	3687	21952	20170	1782	9%	26893
Planning and development		17019	16443	15953	3185	12470	11965	505	4%	15953
Road transport		48366	11123	10940	502	9482	8205	1277	16%	10940
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		68588	88667	92691	3324	57719	69518	(11799)	-17%	92691
Energy sources		53809	70871	74497	3324	47544	55873	(8329)	-15%	74497
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2281	1959	1926	-	1445	1445	0	0%	1926
Waste management		12498	15837	16267	-	8730	12200	(3470)	-28%	16267
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	325124	322072	322124	10501	212794	241593	(28799)	-12%	322124
Surplus/ (Deficit) for the year		39598	35113	45838	37997	103758	34379	69379	2.0181	45838

Table C3: Monthly Budget Statement_ Financial Performance

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote 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
R thousands										
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		39222	46128	46128	-	25364	34596	(9232)	-26.7%	46128
Vote 2 - Planning and Economic Development		305	551	2061	0	1551	1546	6	0.4%	2061
Vote 3 - Budget and Treasury		245886	251524	254624	47485	246444	190968	55476	29.0%	254624
Vote 4 - Corporate and Community Service		6700	6156	6235	249	5834	4676	1157	24.7%	6235
Vote 5 - Technical Services		72609	52827	58914	763	37359	44186	(6827)	-15.5%	58914
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]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	364722	357186	367962	48497	316552	275972	40581	14.7%	367962
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		21263	20068	19129	820	11697	14347	(2650)	-18.5%	19129
Vote 2 - Planning and Economic Development		17019	16546	16156	3187	12480	12117	363	3.0%	16156
Vote 3 - Budget and Treasury		81170	75532	74428	112	49484	55821	(6337)	-11.4%	74428
Vote 4 - Corporate and Community Service		67619	81921	80868	2352	56594	60651	(4057)	-6.7%	80868
Vote 5 - Technical Services		121338	92105	95261	3839	61172	71445	(10274)	-14.4%	95261
Vote 6 - Council And General		16524	18412	18412	123	11891	13809	(1918)	-13.9%	18412
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]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	324932	304584	304253	10434	203319	228190	(24871)	-10.9%	304253
Surplus/ (Deficit) for the year	2	39790	52602	63709	38064	113233	47782	65452	137.0%	63709

References

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

Nquthu Municipality Monthly Budget Statement

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		27499	32108	32108	740	22947	24081	(1134)	-5%	32108
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1467	1962	1962	-	1356	1472	(115)	-8%	1962
Sale of Goods and Rendering of Services		178	259	259	13	643	194	449	231%	259
Agency services		-	-	-	-	-	-	-	-	-
Interest		69	0	0	-	19	0	19	212533%	0
Interest earned from Receivables		665	681	681	-	505	511	(6)	-1%	681
Interest from Current and Non Current Assets		9506	5995	9095	97	5699	6821	(1122)	-16%	9095
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		972	871	871	10	539	653	(114)	-18%	871
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		396	216	1805	264	1854	1354	500	37%	1805
Non-Exchange Revenue										
Property rates		51452	52750	52750	-	47306	39562	7744	20%	52750
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1547	1009	1009	74	1249	757	492	65%	1009
Licence and permits		1010	1010	1010	80	652	757	(106)	-14%	1010
Transfers and subsidies - Operational		186803	212836	212836	47219	204742	159627	45115	28%	212836
Interest		2657	1335	1335	-	2407	1001	1406	141%	1335
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	0	-	-	0	(0)	-100%	0
Other Gains		-	-	0	-	-	0	(0)	-100%	0
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		284220	311031	315720	48497	289917	236790	53127	22%	315720
Expenditure By Type										
Employee related costs		100570	118969	118347	-	73435	88760	(15325)	-17%	118347
Remuneration of councillors		14046	17155	17155	-	10967	12866	(1900)	-15%	17155
Bulk purchases - electricity		31026	40970	44970	2389	32424	33727	(1303)	-4%	44970
Inventory consumed		2315	1618	1322	241	1126	992	135	14%	1322
Debt impairment		12634	-	0	-	-	0	(0)	-100%	0
Depreciation and amortisation		35938	36000	36000	-	30444	27000	3443	13%	36000
Interest		-	0	0	-	-	0	(0)	-100%	0
Contracted services		73222	49983	49120	3022	29515	36840	(7325)	-20%	49120
Transfers and subsidies		3985	2854	2510	3068	3777	1882	1895	101%	2510
Irrecoverable debts written off		3163	12999	12999	-	642	9749	(9107)	-93%	12999
Operational costs		45718	41523	39701	1780	30464	29776	689	2%	39701
Losses on Disposal of Assets		2507	-	0	-	-	0	(0)	-100%	0
Other Losses		-	-	0	-	-	0	(0)	-100%	0
Total Expenditure		325124	322072	322124	10501	212794	241593	(28799)	-12%	322124
Surplus/(Deficit)		(40904)	(11042)	(6405)	37997	77122	(4803)	81926	(0)	(6405)
Transfers and subsidies - capital (monetary allocations)		80502	46155	52243	-	26636	39182	(12546)	(0)	52243
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		39598	35113	45838	37997	103758	34379	69379	0	45838
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		39598	35113	45838	37997	103758	34379	69379	0	45838
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		39598	35113	45838	37997	103758	34379	69379	0	45838
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		39598	35113	45838	37997	103758	34379	69379	0	45838

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) - M09 March

Vote 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
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	0	0	-	-	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		(10678)	2609	2609	-	-	1957	(1957)	-100%	2609
Vote 3 - Budget and Treasury		-	0	0	-	-	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		287	957	957	71	383	717	(335)	-47%	957
Vote 5 - Technical Services		24343	56202	60218	1669	6717	46712	(39996)	-86%	60218
Vote 6 - Council And General		608	700	700	-	709	525	183	35%	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]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	14560	60467	64484	1739	7808	49911	(42103)	-84%	64484
Single Year expenditure appropriation	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		(3287)	0	0	-	16	0	16	4992%	0
Vote 5 - Technical Services		(25388)	15854	15854	665	6740	11890	(5150)	-43%	15854
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]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	(28676)	15854	15854	665	6757	11891	(5134)	-43%	15854
Total Capital Expenditure		(14116)	76322	80338	2404	14564	61802	(47238)	-76%	80338
Capital Expenditure - Functional Classification										
Governance and administration		895	2266	2266	71	1091	1699	(608)	-36%	2266
Executive and council		608	700	700	-	709	525	183	35%	700
Finance and administration		287	1565	1565	71	383	1174	(791)	-67%	1565
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(2529)	53516	49053	156	4226	36453	(32227)	-88%	49053
Community and social services		758	43602	39139	156	(1512)	29018	(30530)	-105%	39139
Sport and recreation		(3413)	8696	8696	-	5721	6522	(801)	-12%	8696
Public safety		126	1218	1218	-	16	913	(897)	-98%	1218
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		(55360)	22541	25726	1513	2136	21180	(19043)	-90%	25726
Planning and development		(7408)	4696	4696	-	(8652)	3522	(12174)	-346%	4696
Road transport		(47951)	17845	21031	1513	10788	17658	(6870)	-39%	21031
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		26275	1913	7207	665	7111	5405	1706	32%	7207
Energy sources		18880	1478	6772	665	2913	5079	(2165)	-43%	6772
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7395	435	435	-	4197	326	3871	1187%	435
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	(30719)	80235	84251	2404	14564	64737	(50172)	-78%	84251
Funded by:										
National Government		19301	41245	39865	1513	20930	31422	(10492)	-33%	39865
Provincial Government		17012	27	5321	-	2249	3990	(1742)	-44%	5321
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		36312	41272	45186	1513	23179	35412	(12234)	-35%	45186
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		(67031)	38963	39065	891	(8614)	29325	(37939)	-129%	39065
Total Capital Funding		(30719)	80235	84251	2404	14564	64737	(50172)	-78%	84251

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

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M09 March

Description	Ref	Budget Year 2024/25				
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		92533	(11820)	53662	150951	53662
Trade and other receivables from exchange transactions		7424	11208	10723	7209	10723
Receivables from non-exchange transactions		34888	44149	54352	58238	54352
Current portion of non-current receivables		-	-	-	-	-
Inventory		1279	139	(110)	1231	(110)
VAT		33598	60017	64153	37271	64153
Other current assets		66	108	66	66	66
Total current assets		169788	103802	182845	254965	182845
Non current assets						
Investments		-	-	-	-	-
Investment property		41339	42923	41338	41289	41338
Property, plant and equipment		692868	711266	776787	723017	776787
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
Total non current assets		734296	754284	818216	764392	818216
TOTAL ASSETS		904084	858086	1001061	1019357	1001061
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		20	20	20	20	20
Consumer deposits		2312	2170	2313	2344	2313
Trade and other payables from exchange transactions		83555	64119	87556	63648	87556
Trade and other payables from non-exchange transactions		10512	0	3675	38098	3675
Provision		13034	10074	13034	13034	13034
VAT		31653	27101	31653	35457	31653
Other current liabilities		-	-	-	-	-
Total current liabilities		141086	103485	138251	152601	138251
Non current liabilities						
Financial liabilities		(20)	(20)	(20)	(20)	(20)
Provision		896	3384	896	896	896
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	0	0	-	0
Total non current liabilities		875	3364	875	875	875
TOTAL LIABILITIES		141961	106848	139127	153477	139127
NET ASSETS	2	762123	751237	861934	865881	861934
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		761971	807247	890395	865729	890395
Reserves and funds		152	141	152	152	152
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	762123	807388	890546	865881	890546

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

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		36245	43374	43374	1344	25873	32531	(6658)	-20%	43374
Service charges		31067	23338	23338	3107	26878	17503	9375	54%	23338
Other revenue		6337	2767	2767	516	5305	2075	3230	156%	2767
Transfers and Subsidies - Operational		186543	212835	212835	47219	196362	159626	36736	23%	212835
Transfers and Subsidies - Capital		84831	46128	52216	13668	62602	39162	23440	60%	52216
Interest		3589	6054	9154	-	2931	6865	(3934)	-57%	9154
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(462432)	(293609)	(296423)	(5035)	(133751)	(186981)	(53230)	28%	(296423)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(113820)	40886	47259	60819	186200	70781	(115419)	-163%	47259
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		(95168)	(90933)	(90933)	(2716)	(21931)	(68200)	(46269)	68%	(90933)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(95168)	(90933)	(90933)	(2716)	(21931)	(68200)	(46269)	68%	(90933)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	(73435)	-	(73435)	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	(73435)	-	73435	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		(208989)	(50047)	(43674)	58103	90834	2581			(43674)
Cash/cash equivalents at beginning:		108825	43652	113221	58103	92533	113221			92533
Cash/cash equivalents at month/year end:		(100164)	(6395)	69547	58103	183367	115802			48860

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.

Choose name from list - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	746	651	439	627	562	58	51	1044	4181	2342	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	118	99	92	84	79	72	68	5726	6339	6030	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	74	61	57	56	56	56	55	1703	2118	1926	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	147	60	184	125	157	106	143	6070	6991	6601	-	-	
Total By Income Source	2000	1087	871	772	893	854	292	316	14543	19628	16898	-	-	
2023/24 - totals only		3087821	921369	599778	865308	457319	293755	296213	12952819	19474	14865	0	0	
Debtors Age Analysis By Customer Group														
Organs of State	2200	468	583	411	586	529	65	66	4163	6871	5410	-	-	
Commercial	2300	375	142	106	134	105	64	54	1095	2075	1452	-	-	
Households	2400	95	64	137	83	71	39	68	2447	3004	2708	-	-	
Other	2500	149	82	118	89	149	124	129	6838	7678	7328	-	-	
Total By Customer Group	2600	1087	871	772	893	854	292	316	14543	19628	16898	-	-	

The ageing of debtors below is arranged as per service type amounting to R118 million rands. 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

March 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 -11050281.72	-R11050281.72	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 0.00	R 695.92	0.00	R 0.00	0.00	R 0.00
Deposit: Waste Disposal	R2000.00	R0.00	R 0.00	R0.00	0.00	R0.00	0.00	R2000.00
Electricity Basic	R 912516.57	R229856.41	R 125 135.98	R 50 430.24	48903.44	R 29 751.07	29637.17	R 398 802.26
Electricity Metered	R 6046420.70	R2613850.12	R 651 242.80	R 439 306.23	627034.66	R 562 014.21	58469.59	R1 094 503.09
Market stalls	R 1109683.80	R40028.06	R 19 171.30	R 18 816.70	18261.86	R 17 875.47	17656.44	R 977 873.97
OFFICE RENTAL	R 263268.40	R36569.03	R 16 438.15	R 16 338.20	16267.83	R 16 197.69	16276.46	R 145 181.04
Plaza Market Stalls	R 259032.91	R18231.31	R 8 399.97	R 7 892.38	7712.85	R 7 575.89	7432.73	R 201 787.78
Property Rates	R 106484521.81	R9125141.70	R4 319 511.71	R3 860 093.66	3819768.91	R3 775 836.23	3726849.44	R77 857 320.16
Rent (M001)	R 520758.22	R45104.84	R 14 140.30	R 14 068.28	14010.97	R 13 934.63	14044.97	R 405 454.23
Repay: Waste Disposal	R 26757.10	R0.00	R 0.00	R 0.00	0.00	R 0.00	0.00	R 26 757.10
Signs (M001)	R 1119.59	R0.00	R 16.71	R 16.71	16.71	R 16.71	16.71	R 1 036.04
Stall rental	R 27623.57	R442.24	R 131.22	R 131.22	131.22	R 131.22	131.22	R 26 525.23
Sundries (VAT)	R 13801.70	R11109.70	R 2 556.01	R 135.99	0.00	R 0.00	0.00	R 0.00
Tampering Fee	R 528568.60	R20000.00	R 20 000.00	R 84 423.39	54989.80	R 47 273.45	0.00	R 301 881.96
Traffic Fines	R 4395000.00	R126600.00	R 40 000.00	R 98 600.00	70100.00	R 110 100.00	105600.00	R3 844 000.00
Traffic Fines (M001)	R 2066721.78	R0.00	R 0.00	R 0.00	0.00	R 0.00	0.00	R2 066 721.78
Waste Disposal	R 6510103.69	R318816.80	R 99 201.49	R 91 621.09	83265.36	R 79 338.04	71989.71	R5 765 871.20
Total	R118 118 312.64	R1 535 468.49	R5 315 945.64	R4 682 570.01	R4 760 463.61	R4 660 044.61	R4 048 104.44	R93 115 715.84

Debt collection rates

Collection Table 2.1.2.

Cash Collected for each Revenue Source via Billing (March 2025)				
	Cash collection	Ageing - March 2025	Collection rate per BT	Billed revenue - March 2025
Rates	R -1344353.46	R 106484521.81	-1%	R 5720507.95
Electricity	R -2161790.36	R 6958937.27	-31%	R 2071697.66
Refuse	R -204724.48	R 6538860.79	-3%	R 215060.39
Stalls Rental , Traffic fines &	R -87441.76	R 8113775.88	-1%	R 71402.35
Other Rentals	R -	R 1071802.69	0%	R -
Advance payments	R -574588.67	R -11049585.80	5%	R -
	R -			R -
TOTAL CASH RECEIVED (BI	R -4372898.73	R 118118312.64		R 8078668.35
Total Ageing	R 118118312.64		February 2025 billing	R 8282168.32
Total debtors' payments	R -4372898.73		March 2025 payments	R -4372898.73
	-4%			-53%

Cash collected under the reporting period amounts to R4.3 million rands resulting in collection rate of 4%. The comparison to the previous month billing that is February (billing) R8.2 million against March payments of R4.3 million rands results to 53% collection rate, which is relatively below the norm of 95%. The challenges to collate revenue proves that the existence of increasing shortfalls to enhance revenue in this financial year.

Debtor's ratios

Ratios table 2.1.3

MARCH 2025 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	52	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) x 365	4025.12	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	-2.46	Revenue Growth (%)

Collection rates stand at 52% using the ratios as provided by National Treasury circular 71. Net debtors' days are increased to 4 025.12 from 3 3646.74 days in the previous quarter meaning that it takes the municipality about 11 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

CREDITORS REPORT FOR 31 MARCH 2025			
TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF MARCH 2025			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOMHOLDINGS5140422473	JABAVU COMMUNITY HALL	R 3426.08
	ESKOMHOLDINGS5742571184	LUVISI COMMUNITY HALL	R 2153.63
	ESKOMHOLDINGS6033862343	FREE BASIC ELECTRICITY (FBE)	R 89759.34
	ESKOMHOLDINGS6126932137	POTSOANA LIBRARY	R 2628.60
	ESKOMHOLDINGS6642941367	LEKSAND RURAL COMMUNITY HALL	R 2764.93
	ESKOMHOLDINGS6916174790	TOWN BOARD LIBRARY NONDWENI	R 14441.88
	ESKOMHOLDINGS8505522436	MASOTSHENI HALL	R 4188.47
	ESKOMHOLDINGS8713502790	NKANDE SPORTSFIELD	R 1458.34
	ESKOMHOLDINGS9063390800	NGEDLA COMMUNITY HALL	R 2883.28
	ESKOMHOLDINGS9253164668	NGOLOKODO LIBRARY	R 2752.17
	ESKOMHOLDINGS9279445291	SGUBUDU COMMUNITY HALL	R 3720.49
	ESKOMHOLDINGS9426259616	BLOOD RIVER SPORTSFIELD	R 3329.80
	ESKOMHOLDINGSBULK8848733513	BULK ELECTRICITY PURCHASES	R 3171487.61
		R 3304994.62	
2	SPEPIMELELO (PTY) LTD	SUPPLY AND DELIVER FENCING MATERIAL	R 2991848.30
			R 2991848.30
3	GOLI GROUP (PTY) LTD	STATIONERY FOR TRAFFIC DEPARTMENT	R 186250.00
			R 186250.00
4	XTECKZN	PRINTING MACHINERY LEASE (FEB 2025)	R 85453.17
	XTECKZN	PRINTING MACHINERY LEASE (JAN 2025)	R 80765.41
			R 166218.58
5	MOBILE TELEPHONE NETWORKS	CELLULAR CONTRACTS (NOV 2024)	R 52549.54
	MOBILE TELEPHONE NETWORKS	CELLULAR CONTRACTS (DEC 2024)	R 52549.54
	MOBILE TELEPHONE NETWORKS	CELLULAR CONTRACTS (JAN 2025)	R 52549.54
			R 157648.62

Nquthu Municipality Monthly Budget Statement

6	ADVENTURE TRAVEL	ACCOMMODATION OF HBI XULU AND MTZWANE IN DURBAN (18-21 FEB 2025)	R	11957.70
	ADVENTURE TRAVEL	ACCOMMODATION OF MB JIYANE IN PMB (27-28 FEB 2025)	R	1761.80
	ADVENTURE TRAVEL	ACCOMMODATION OF MAYOR AND HIS BODYGUARDS IN PMB (27 - 28 FEB 25)	R	6796.50
	ADVENTURE TRAVEL	ACCOMMODATION OF FINANCE INTERNS IN MIDRAND (30 MARCH 25 - 04 APRIL 25)	R	66378.00
	ADVENTURE TRAVEL	ACCOMMODATION OF L NXUMALO IN DURBAN (24-27 FEB 2025)	R	6796.50
	ADVENTURE TRAVEL	ACCOMMODATION OF KC SHABALALA AND MA ZULU IN JHB (24-26 FEB 2025)	R	7783.20
	ADVENTURE TRAVEL	ACCOMMODATION OF MAYOR AND HIS BODYGUARDS, MB JIYANE, KC SHABALALA AND M DUBE (06-07 FEB 2025)	R	10515.60
	ADVENTURE TRAVEL	ACCOMMODATION OF MTNHLEBELA IN JHB (03-05 MARCH 25)	R	3659.30
	ADVENTURE TRAVEL	ACCOMMODATION OF MAYOR AND HIS BODYGUARDS IN PMB (24-27 FEB 25)	R	39054.00
			R	154702.60
7	SOLLYM SPORTS	MAYORAL CUP PRICES (VOUCHERS)	R	149000.00
			R	149000.00
8	CSZONDI AND ASSOCIATES	LEGAL ADVICE AND LITIGATION	R	117674.25
			R	117674.25
9	BONGA TRADING ENTERPRISE	SUPPLY AND DELIVER 12 SIGNS FOR NO ILLEGAL DUMPING	R	93279.38
			R	93279.38
10	COMCO INTERLECTUAL SOLUTIONS	LAPTOPS OF GRADE 12 LEARNERS FOR EXCELLENCE AWARDS	R	69000.00
			R	69000.00

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

Creditor's ageing reconciliation for the month ending 31 March 2025	
CREDITORS ACCOUNT RECONCILIATION REPORT	
MONTH ENDING MARCH 2025	

Total Balances as per EMS INVOICE AGE ANALYSIS REPORT: **R 4281273.57**

AGE ANALYSIS TOTAL AMOUNT: **R 4281273.57**

CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT **R 4281273.57**

AGED ANALYSIS

	R 4281273.57
Current (Transactions below 30 days)	
<30 Days	R - R -
<60 Days	R - R 1020119.38
<90 Days	R - R 999025.22
<120 Days	R - R 89360.71
<150 Days	R - R 837535.69
<180 Days	R - R -
>180 Days	R - R 1090358.32
	R - R 244874.25

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
GRN (SCMUNIT)	501733.96
Actual Invoices	3504214.76
TOTAL	4281273.57

2.3 INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS

The investment register on 31 March 2025 reflects investment state of the municipality, it must be noted that the level of investment has since increase compared to the previous quarter balance hence the figure of 113 million is reflected under this reporting period. 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- MARCH 2025							
INSTITUTION	BALANCE	INVESTED IN CURRENT YEAR	INTEREST RECEIVED	DEPOSIT	WITHDRAWAL	BANK CHARGES	BALANCE
ABSA (1394) HOUSING A/C	R1889796.08	R0.00	R97395.51		R0.00	R0.00	R1987191.59
ABSA (4328)	R23517.08	R0.00	R1299.17		R0.00	R400.00	R24416.25
ABSA (5014)	R535810.78	R22189665.04	R58755.18		R0.00	R0.00	R22784231.00
ABSA (6276)	R0.00	R12000000.00	R296653.16		R12296653.16	R0.00	R0.00
ABSA (9642)	R21261123.17	R0.00	R983579.84		R22244703.01	R0.00	R0.00
ABSA CALL (5892)	R1722180.52	R14283580.90	R241779.87		R0.00	R0.00	R16247541.29
FNB (0889)	R8453186.16	R0.00	R563961.45		R0.00	R0.00	R9017147.61
FNB (2166)	R5970709.50	R0.00	R185460.70		R6156170.20	R0.00	R0.00
FNB (2554)	R9996448.72	R0.00	R666921.54		R0.00	R0.00	R10663370.26
FNB CALL (1408)	R10084199.41	R0.00	R576513.81		R0.00	R322.60	R10660390.62
NEDBANK (000146)	R0.00	R12000000.00	R96016.44		R12096016.44	R0.00	R0.00
NEDBANK (3)	R1225.39	R0.00	R73.16		R0.00	R0.00	R1306.55
STANDARD BANK 014	R7280.65	R0.00	R346.30		R0.00	R0.00	R7626.95
STANDARD BANK 063	R25362238.16	R0.00	R1592151.75		R0.00	R0.00	R26954389.91
STANDARD BANK 064	-	R15000000.00	R466273.97		R0.00	R0.00	R15466273.97
TOTAL	R85307715.62	R75473245.94	R5827181.86		R52793542.81	R722.60	R113813886.01

Withdrawal history is shown in the table below painting a picture of no movement from the reported withdrawals in the last quarter resulting in the figure of R52.7 million withdrawal balance on 31 March 2025.

Withdrawals summary

DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO		ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
26-Aug-24	NEDBANK (000146)	R 12096016.44	ABSA 2762		PRIMARY	17066127.00	Insufficient funds to pay for normal operations
03-Oct-24	ABSA (9642)	R 22244703.01	ABSA 2762		PRIMARY	3904911.22	Insufficient funds to pay for normal operations
06-Nov-24	ABSA (6276)	R 12296653.16	ABSA 2762		PRIMARY	3619554.48	Insufficient funds to pay for normal operations
08-Nov-24	FNB (2166)	R 6156170.20	ABSA 2762		PRIMARY	6156170.20	Insufficient funds to pay for normal operations
		R 52793542.81					

Table 2.3.2 Bank Balance (Primary account)

BANK RECONCILIATION (PRIMARY ACCOUNT)		4053562762
Details	Amount	
Cash book balance as at 31 March 2025	29 427 593.23	
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 31 March 2025	29 427 593.23	

Bank balance for primary account reflects the amount of R29.4 million rands at the end of this reporting period compared to R36 million rands in the previous on the same reporting period. Third trenches of equitable share and INEP allocations were received in March thus the recent additions to investment balance. The municipality received disaster relief grant allocation in March, thus the need to table a special adjustment budget and the noted increase in the reserves balances and the grant account.

BANK RECONCILIATION (GRANTS ACCOUNT)		
Details	Amount	
Cash book balance as at 31 March 2025	22 784 231.02	
Unknown deposits	R0	
Outstanding cheques	R0	
Bank charges	R0	
Returned cheques	R0	
Transfers	R0	
Sundries	R0	
Outstanding receipts	R0	
Bank statement balance as at 31 March 2025	22 784 231.02	

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Grants register for the period ending 31 March 2025

Grant register Table 2.4.1

March Grant Register - Summary of Grants received and expenditure to date									
Grant Type	General Ledger Vote no.	Audited Balance as at	Dora/Prov Allocation for year	Received	Spent & transferred to income	Balance as at	Commitments	Available funds/not committed	
		R	45474.00	2024/25	2024/25	2024/25	2024/25	2024/25	percent %
Library support	IL001007002002002008004013008003	R -	-R 2060976.00	-R 2060972.00	R 2060972.00	R -		R -	R 0.79
Massification Eletrification	IL001007002001002008004011002003	-R 6087447.25	R -	R -	R 2435808.12	-R 3651639.13		-R 3651639.13	R 0.64
Eletrification	IL001007002001002005001003	-R 2670000.73	R 16474000.00	-R 10089000.00	R 10269267.40	-R 2489733.34		-R 2489733.34	R 0.80
Small Town rehabilitation	IL001007002001002008004011005003	-R 1727080.78	R -	R -	R -	R 1727080.78		-R 1727080.78	
Cybercadet	IL001007002002002008004013001003	R -	-R 533083.00	-R 533083.00	R 466281.25	-R 66801.75		-R 66801.75	R 0.70
MIG	IL001007002001002005002003	R -	-R 46128000.00	-R 46128000.00	R 28179890.75	-R 17948109.25		-R 17948109.25	R 0.87
Sportfield Maintance	IL001007002001002008004011001003	-R 27120.59	R -	R -	R -	-R 27120.59		-R 27120.59	R -
Bornem Grant	IL001007002002002003034001003	R -	R -	R -	R -	R -		R -	
FMG	IL001007002002002005004003	R -	-R 1800000.00	-R 1800000.00	R 1163683.01	-R 636316.99		-R 636316.99	R 0.65
Library Modular	IL001007002002002008004013009003	R -	-R 1500612.00	-R 1500612.00	R 1500612.00	R -		R -	R 1.00
EPWP	IL001007002002002005002003	R -	-R 1478004.00	-R 1035000.00	R 1478004.00	R 443004.00		R 443004.00	R 1.43
Library Volunteer	IL001007002002002008004013007003	R -	-R 113333.00	-R 113333.00	R 72000.00	-R 41333.00		-R 41333.00	R 0.64
disaster relief grant				-R 5100000.00					
TOTALS		-R 10511649.35	-R 70088008.00	-R 68360000.00	R 47626518.53	-R 26145130.82	R -	-R 26145130.82	

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 strives to achieve additional funding annually. There is no additional funding received in this financial year, however it must be noted that the municipality is allocated a disaster relief grant to the amount of R5.1 million rands.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Expenditure on employee benefits

Employee benefits as of 31 March 2025 amount to R79.6 million rands compared to reported 53.4 million rands in the previous quarter, 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. Table 2.5.1 below provide full details on both staff and councillor benefits.

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

Staff Benefits in terms of Section 66 of the MFMA

Actual staff benefits and Councillors allowances for the period ending 31 March 2025

Staff Benefits		
Item	Budget	Year to date actuals
Salaries & Wages	R 90900174.00	R 56674660.81
Contributions to pension funds	R 14138419.00	R 7289129.39
Contributions to medical aids	R 2285865.00	R 2640823.40
Contributions to UIF	R 645865.00	R 439998.76
Contributions to SDL	R 926451.00	R 666030.80
Travel, motor car	R 4115290.00	R 3482561.47
Salga	R 42565.00	R 31619.70
Housing benefits and allowances	R 739759.00	R 91380.80
Cellphone Allowance	R -	R -
Overtime payments	R 2424094.00	R 1343686.32
Bonuses	R 6201475.00	R 4225621.69
Other leave & long service	R 2223140.00	R 510647.81
Allowances (Standby and Drivers Allowance)	R 1122829.00	R 2166867.76
Totals	R 125765926.00	R 79563028.71
Councillors Allowances		
Item	Budget	Year to date actuals
Councillors Allowances	R 16456910.00	R 10925927.98
Cellphone/Data Allowance	R 1711057.00	R 1268092.72
Contributions to SDL	R 40995.00	R 113090.23
Totals	R 18208962.00	R 12307110.93

2.6 SCM REPORTS

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. Monthly reconciliations are performed to ensure that inventory items are accounted for.

Table 2.6.1 Inventory reconciliation

Inventory Reconciliation	
INVENTORY MODULE	
OPENING BALANCE AS PER INVENTORY REPORT	R 1309350.98
ADD: TOTAL RECEIPTS	R -
Inventory purchases for the month	R -
LESS: TOTAL ISSUES	-R 116065.06
Inventory issued from stores during the month	-R 116065.06
ADJUSTMENTS	R -
Add: stock surplus identified during the month	R -
Less: Stock losses identified during the month	R -
CLOSING BALANCE AS PER INVENTORY REPORT	<u>R 1193285.92</u>
GENERAL LEDGER VOTE BALANCE:	R 1193285.92
VARIANCE: INVENTORY MODULE VS. GENERAL LEDGER	R 0.00

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

IRREGULAR EXPENDITURE TOTAL - QUARTER 3				
MONTH No.	MONTH NAME	EXPENDITURE TYPE		TOTAL UI(F)WE
		OPERATIONAL	CAPITAL	
OPENING BALANCE (FROM Q2)		R 7391418.01	R 44541880.01	
7	January	R 1342442.54	R -	
8	February	R 1248758.70	R 6228142.58	
9	March	R 1248758.70	R 6228142.58	
CLOSING BALANCE		R 11231377.95	R 56998165.17	R 68229543.12

Table 2.6.3. Fruitless Expenditure

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				R184514.10
Penalties/interest				
Employment & Labour Sec83(6) Penalty - 2015	#67839	R27992.25		
Employment & Labour Sec83(6) Penalty - 2020	#67839	R50430.34		
Employment & Labour Sec83(6) Penalty - 2021	#67839	R49617.96		
Employment & Labour Sec83(6) Penalty - 2022	#67839	R56473.55		
Other				
TOTAL 2024/2025				R 184764.10

The municipality has incurred fruitless expenditure amounting to R184 thousand in respect of labour penalties and non-compliance compared to R386.97 in the previous year.

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 212533% and 141% 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 R2.4 million rands, there is no adjustment in this regard. Fundamentally the transactions in this line item are informed by the number of customers that are in arrears.

Operational revenue – entails skills development levy refunds and early settlement discounts from organisation that offer such discounts. Variance of 37% is noted from this line item, however the adjustment of budget is made from R217 thousand rands to R1.8 million rands. The jump in respect of YTD actual figure was not expected initially when concluding the budget.

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 231% variance from original budget. This revenue source dependent significantly on consumer preferences and the tender notices issued by the municipality. A notable jump in YTD actuals was observed in January through the sale of tender documents.

Property rates has a 20% variance from a YTD actual that is higher than the YTD budget. The billing of property rates is done monthly; however, challenges exists relating to collection rate which is below the norm. Property rates are billed over ten equal instalments, this signals April as the last month to levy rates.

Fines, penalties and forfeits line item and licences and permits show variances of 65% and -14% respectively. Review of original budget yielded no movement the YTD actual figure therefore exceeds the original budget for the fines, penalties and forfeits line item.

Employee related costs – 17% 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 contracts 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 will be updated.

The negative 100% variance is caused by the items that has zero YTD actual figures as per the following: a) debt impairment b) interest. The depreciation has been captured in Month 09 thus a variance of 13% shows. Debt impairment has no calculations thus far due to conducting of calculation for interim AFS of final AFS purposes. The transfers and subsidies line item reflect a 101% variance because the actual YTD figure is above budgeted figures, furthermore the downward adjustment negatively impact the variance.


Irrecoverable debt written off shows -93% – the budget was originally set higher thus the need for a downward adjustment. However, there is no movement in this line item.

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 31 March 2025

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

Name	<u>Mr Mpumelelo B. Jiyane</u>
Designation	<u>Municipal Manager of Nquthu Municipality (KZN 242)</u>
Signature:	<u></u>
Date	<u>02/04/2025</u>