

# **NQUTHU MUNICIPALITY (KZN 242)**



## **MONTHLY BUDGET STATEMENT FOR MONTH ENDING 30 APRIL 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 April 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 final budget will be adopted by 31 May 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.

### **Other matters**

It must be noted that there are aspects of this report that entail previous month information in relation to creditors ageing, bank balances and investment management information.

## **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 - M10 April

Description	2023/24				Budget Year 2024/25				
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	51 452	52 750	52 750	–	52 780	43 958	8 822	20%	52 750
Service charges	28 965	34 070	34 070	613	26 893	28 391	(1 499)	-5%	34 070
Investment revenue	9 506	5 995	9 095	148	6 178	7 579	(1 401)	-18%	9 095
Transfers and subsidies - Operational	186 803	212 836	212 836	–	204 742	177 363	27 379	0	212 836
Other own revenue	7 494	5 380	6 969	247	8 591	5 808	2 784	48%	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>284 220</b>	<b>311 031</b>	<b>315 720</b>	<b>1 008</b>	<b>299 184</b>	<b>263 100</b>	<b>36 084</b>	<b>14%</b>	<b>315 720</b>
Employee costs	100 570	118 969	118 347	–	81 843	98 623	(16 779)	-17%	118 347
Remuneration of Councillors	14 046	17 155	17 155	–	12 194	14 296	(2 102)	-15%	17 155
Depreciation and amortisation	35 938	36 000	36 000	–	25 219	30 000	(4 781)	-16%	36 000
Interest	–	0	0	–	–	0	(0)	-100%	0
Inventory consumed and bulk purchases	33 341	42 588	46 292	2 753	36 341	38 577	(2 236)	-6%	46 292
Transfers and subsidies	3 985	2 854	2 854	457	4 157	2 091	2 065	99%	2 510
Other expenditure	137 243	104 505	101 820	5 579	67 281	84 754	(17 472)	-21%	101 820
<b>Total Expenditure</b>	<b>325 214</b>	<b>322 072</b>	<b>322 124</b>	<b>8 789</b>	<b>227 036</b>	<b>268 340</b>	<b>(41 304)</b>	<b>-15%</b>	<b>322 124</b>
<b>Surplus/(Deficit)</b>	<b>(40 994)</b>	<b>(11 042)</b>	<b>(6 404)</b>	<b>(7 781)</b>	<b>72 148</b>	<b>(5 241)</b>	<b>77 388</b>	<b>-1477%</b>	<b>(6 404)</b>
Transfers and subsidies - capital (monetary allocations)	80 502	46 155	52 243	–	26 636	43 535	##	-39%	52 243
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39 598</b>	<b>35 113</b>	<b>45 838</b>	<b>(7 781)</b>	<b>98 783</b>	<b>38 295</b>	<b>60 489</b>	<b>158%</b>	<b>45 838</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>39 598</b>	<b>35 113</b>	<b>45 838</b>	<b>(7 781)</b>	<b>98 783</b>	<b>38 295</b>	<b>60 489</b>	<b>158%</b>	<b>45 838</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>(14 116)</b>	<b>76 322</b>	<b>80 338</b>	<b>9 243</b>	<b>23 880</b>	<b>67 981</b>	<b>(44 101)</b>	<b>-65%</b>	<b>80 338</b>
Capital transfers recognised	36 312	41 272	45 186	7 940	31 313	38 670	(7 357)	-19%	45 186
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	(67 031)	38 963	39 065	1 303	(7 433)	32 571	(40 005)	-123%	39 065
<b>Total sources of capital funds</b>	<b>(30 719)</b>	<b>80 235</b>	<b>84 251</b>	<b>9 243</b>	<b>23 880</b>	<b>71 242</b>	<b>(47 362)</b>	<b>-66%</b>	<b>84 251</b>
<b>Financial position</b>									
Total current assets	169 788	103 802	182 845		246 055				182 845
Total non current assets	734 296	754 284	818 216		778 408				818 216
Total current liabilities	141 086	103 485	138 251		162 682				138 251
Total non current liabilities	875	3 364	875		875				875
Community wealth/Equity	762 123	807 388	890 546		860 906				890 546
<b>Cash flows</b>									
Net cash from (used) operating	(113 820)	40 886	47 259	(1 745)	175 124	78 646	(96 478)	-123%	47 259
Net cash from (used) investing	(95 168)	(90 933)	(90 933)	(10 600)	(32 516)	(75 778)	(43 262)	57%	(90 933)
Net cash from (used) financing	–	–	–	–	(81 843)	–	81 843	#DIV/0!	–
<b>Cash/cash equivalents at the month/year end</b>	<b>(100 164)</b>	<b>(6 395)</b>	<b>69 547</b>	<b>(12 346)</b>	<b>153 297</b>	<b>116 089</b>	<b>(37 208)</b>	<b>-32%</b>	<b>48 860</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	1 013	755	861	767	883	851	289	14 784	20 202
<b>Creditors Age Analysis</b>									
Total Creditors	4 624	2 079	95	177	67	813	314	–	8 169

The YTD actual revenue (excluding capital transfers and contributions) is R299 million rands compared to R311 million rands approved original budget and this results to 14% variance.

Operating expenditure YTD is R227 million rands compared to R322 million rands approved original budget which results to -15% variance. The variance increased from previous month -12%. 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 R81.8 million rands.

Furthermore, an amount of R12.1 million is shown from C-schedule pertaining to councillor allowances as per the information available on the financial system.

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) - M10 April

Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>285 145</b>	<b>297 997</b>	<b>301 176</b>	<b>262</b>	<b>280 070</b>	<b>250 980</b>	29 090	12%	<b>301 176</b>
Executive and council		39 222	46 128	46 128	-	25 364	38 440	(13 076)	-34%	46 128
Finance and administration		245 923	251 869	255 048	262	254 706	212 540	42 166	20%	255 048
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		<b>6 696</b>	<b>6 287</b>	<b>6 287</b>	<b>110</b>	<b>6 062</b>	<b>5 240</b>	822	16%	<b>6 287</b>
Community and social services		4 558	4 454	4 454	6	4 213	3 712	501	13%	4 454
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 138	1 833	1 833	104	1 849	1 528	321	21%	1 833
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>305</b>	<b>185</b>	<b>1 695</b>	<b>22</b>	<b>213</b>	<b>1 413</b>	(1 200)	-85%	<b>1 695</b>
Planning and development		305	185	1 695	22	213	1 413	(1 200)	-85%	1 695
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>72 576</b>	<b>52 717</b>	<b>58 804</b>	<b>613</b>	<b>39 475</b>	<b>49 003</b>	<b>(9 528)</b>	-19%	<b>58 804</b>
Energy sources		70 594	50 682	56 769	613	37 559	47 308	(9 749)	-21%	56 769
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 981	2 035	2 035	-	1 916	1 696	220	13%	2 035
<i><b>Other</b></i>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>364 722</b>	<b>357 186</b>	<b>367 962</b>	<b>1 008</b>	<b>325 820</b>	<b>306 635</b>	<b>19 184</b>	<b>6%</b>	<b>367 962</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>167 031</b>	<b>172 773</b>	<b>167 432</b>	<b>4 335</b>	<b>117 084</b>	<b>139 526</b>	(22 442)	-16%	<b>167 432</b>
Executive and council		33 068	36 913	34 458	1 941	24 736	28 715	(3 979)	-14%	34 458
Finance and administration		129 706	132 533	129 693	2 348	89 334	108 078	(18 744)	-17%	129 693
Internal audit		4 257	3 327	3 281	46	3 015	2 734	281	10%	3 281
<i><b>Community and public safety</b></i>		<b>24 121</b>	<b>33 066</b>	<b>35 109</b>	<b>1 008</b>	<b>24 288</b>	<b>29 161</b>	<b>(4 874)</b>	-17%	<b>35 109</b>
Community and social services		5 483	15 470	17 807	792	10 818	14 743	(3 924)	-27%	17 807
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		18 638	17 596	17 302	216	13 469	14 418	(949)	-7%	17 302
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		<b>65 385</b>	<b>27 566</b>	<b>26 893</b>	<b>655</b>	<b>23 816</b>	<b>22 411</b>	1 405	6%	<b>26 893</b>
Planning and development		17 019	16 443	15 953	617	13 783	13 294	489	4%	15 953
Road transport		48 366	11 123	10 940	38	10 033	9 117	916	10%	10 940
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		<b>68 588</b>	<b>88 667</b>	<b>92 691</b>	<b>2 791</b>	<b>61 849</b>	<b>77 242</b>	<b>(15 394)</b>	-20%	<b>92 691</b>
Energy sources		53 809	70 871	74 497	2 791	50 515	62 081	(11 566)	-19%	74 497
Water management		-	-	-	-	-	-	-	-	-
Waste water management		2 281	1 959	1 926	-	1 598	1 605	(7)	0%	1 926
Waste management		12 498	15 837	16 267	-	9 735	13 556	(3 821)	-28%	16 267
<i><b>Other</b></i>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>325 124</b>	<b>322 072</b>	<b>322 124</b>	<b>8 789</b>	<b>227 036</b>	<b>268 340</b>	<b>(41 304)</b>	<b>-15%</b>	<b>322 124</b>
<b>Surplus/ (Deficit) for the year</b>		<b>39 598</b>	<b>35 113</b>	<b>45 838</b>	<b>(7 781)</b>	<b>98 783</b>	<b>38 295</b>	<b>60 489</b>	<b>1,5795511</b>	<b>45 838</b>

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

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Office of the Municipal Manager		39 222	46 128	46 128	-	25 364	38 440	(13 076)	-34,0%	46 128
Vote 2 - Planning and Economic Development		305	551	2 061	6	47	1 717	(1 670)	-97,2%	2 061
Vote 3 - Budget and Treasury		245 886	251 524	254 624	227	252 868	212 187	40 681	19,2%	254 624
Vote 4 - Corporate and Community Service		6 700	6 156	6 235	159	6 004	5 196	808	15,6%	6 235
Vote 5 - Technical Services		72 609	52 827	58 914	616	40 026	49 095	(9 069)	-18,5%	58 914
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>364 722</b>	<b>357 186</b>	<b>367 962</b>	<b>1 008</b>	<b>324 310</b>	<b>306 635</b>	<b>17 674</b>	<b>5,8%</b>	<b>367 962</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Office of the Municipal Manager		21 263	20 068	19 129	1 913	14 389	15 941	(1 552)	-9,7%	19 129
Vote 2 - Planning and Economic Development		17 019	16 546	16 156	643	13 819	13 464	355	2,6%	16 156
Vote 3 - Budget and Treasury		81 170	75 532	74 428	357	45 924	62 023	(16 099)	-26,0%	74 428
Vote 4 - Corporate and Community Service		67 619	81 921	80 868	2 810	63 437	67 294	(3 856)	-5,7%	80 868
Vote 5 - Technical Services		121 338	92 105	95 261	2 836	65 130	79 384	(14 254)	-18,0%	95 261
Vote 6 - Council And General		16 524	18 412	18 412	74	13 370	15 344	(1 973)	-12,9%	18 412
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>324 932</b>	<b>304 584</b>	<b>304 253</b>	<b>8 632</b>	<b>216 069</b>	<b>253 448</b>	<b>(37 379)</b>	<b>-14,7%</b>	<b>304 253</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>39 790</b>	<b>52 602</b>	<b>63 709</b>	<b>(7 624)</b>	<b>108 241</b>	<b>53 187</b>	<b>55 053</b>	<b>103,5%</b>	<b>63 709</b>

Table C3 provides information by vote, dividing the overall municipality administration into departments. BTO office reflects much higher revenue by vote allocation with an actual amount of R252 million rands. Expenditure by vote shows that technical unit has the highest expenditure of R65.1 million rands followed by the corporate services with R63.4 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) - M10 April**

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		27 499	32 108	32 108	613	25 367	26 756	(1 390)	-5%	32 108
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		1 467	1 962	1 962	-	1 526	1 635	(109)	-7%	1 962
Sale of Goods and Rendering of Services		178	259	259	90	732	216	517	240%	259
Agency services		-	-	-	-	-	-	-	-	-
Interest		69	0	0	-	19	0	19	191270%	0
Interest earned from Receivables		665	681	681	-	573	567	6	1%	681
Interest from Current and Non Current Assets		9 506	5 995	9 095	148	6 178	7 579	(1 401)	-18%	9 095
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		972	871	871	4	605	726	(121)	-17%	871
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		396	216	1 805	33	377	1 504	(1 127)	-75%	1 805
<b>Non-Exchange Revenue</b>										
Property rates		51 452	52 750	52 750	-	52 780	43 958	8 822	20%	52 750
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 547	1 009	1 009	39	1 304	841	463	55%	1 009
Licence and permits		1 010	1 010	1 010	81	718	841	(123)	-15%	1 010
Transfers and subsidies - Operational		186 803	212 836	212 836	-	204 742	177 363	27 379	15%	212 836
Interest		2 657	1 335	1 335	-	2 754	1 112	1 642	148%	1 335
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	0	-	1 510	0	1 510	1797519%	0
Other Gains		-	-	0	-	-	0	(0)	-100%	0
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>284 220</b>	<b>311 031</b>	<b>315 720</b>	<b>1 008</b>	<b>299 184</b>	<b>263 100</b>	<b>36 084</b>	<b>14%</b>	<b>315 720</b>
<b>Expenditure By Type</b>										
Employee related costs		100 570	118 969	118 347	-	81 843	98 623	(16 779)	-17%	118 347
Remuneration of councillors		14 046	17 155	17 155	-	12 194	14 296	(2 102)	-15%	17 155
Bulk purchases - electricity		31 026	40 970	44 970	2 753	35 177	37 475	(2 298)	-6%	44 970
Inventory consumed		2 315	1 618	1 322	-	1 164	1 102	62	6%	1 322
Debt impairment		12 634	-	-	-	-	-	-	-	-
Depreciation and amortisation		35 938	36 000	36 000	-	25 219	30 000	(4 781)	-16%	36 000
Interest		-	0	0	-	-	0	(0)	-100%	0
Contracted services		73 222	49 983	48 980	2 618	32 064	40 813	(8 748)	-21%	48 980
Transfers and subsidies		3 985	2 854	2 510	457	4 157	2 091	2 065	99%	2 510
Irrecoverable debts written off		3 163	12 999	12 999	-	643	10 832	(10 189)	-94%	12 999
Operational costs		45 718	41 523	39 841	2 961	34 244	33 108	1 135	3%	39 841
Losses on Disposal of Assets		2 507	-	0	-	330	0	330	458233%	0
Other Losses		-	-	0	-	-	0	(0)	-100%	0
<b>Total Expenditure</b>		<b>325 124</b>	<b>322 072</b>	<b>322 124</b>	<b>8 789</b>	<b>227 036</b>	<b>268 340</b>	<b>(41 304)</b>	<b>-15%</b>	<b>322 124</b>
<b>Surplus/(Deficit)</b>		<b>(40 904)</b>	<b>(11 042)</b>	<b>(6 404)</b>	<b>(7 781)</b>	<b>72 148</b>	<b>(5 241)</b>	<b>77 388</b>	<b>(0)</b>	<b>(6 404)</b>
Transfers and subsidies - capital (monetary allocations)		80 502	46 155	52 243	-	26 636	43 535	(16 900)	(0)	52 243
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>39 598</b>	<b>35 113</b>	<b>45 838</b>	<b>(7 781)</b>	<b>98 783</b>	<b>38 295</b>	<b>60 489</b>	<b>0</b>	<b>45 838</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>39 598</b>	<b>35 113</b>	<b>45 838</b>	<b>(7 781)</b>	<b>98 783</b>	<b>38 295</b>	<b>60 489</b>	<b>0</b>	<b>45 838</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>39 598</b>	<b>35 113</b>	<b>45 838</b>	<b>(7 781)</b>	<b>98 783</b>	<b>38 295</b>	<b>60 489</b>	<b>0</b>	<b>45 838</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>39 598</b>	<b>35 113</b>	<b>45 838</b>	<b>(7 781)</b>	<b>98 783</b>	<b>38 295</b>	<b>60 489</b>	<b>0</b>	<b>45 838</b>

**TABLE C4: REVENUE BY SOURCE**

**Property rates**

Property rates YTD Actual for this month stands at R52.7 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. The property rates are billed in ten equal instalments, therefore April marks the last billing month.

**Service charges electricity**

The actual revenue from Service Charges Electricity is R25.3 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 R6.1 million rands compared to R5.9 million rands original budget which has been adjusted to R9 million rands , resulting in a variance of -18%.

#### **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**

##### **Employee 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 R81.8 million rands.

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

The YTD Actual for remuneration of councillors reflect R12.1 million rands. 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 R25.2 million rands which shows a decrease from R30.4 million rands reported last month. The budget figure is R36 million which result in the variance of -16%.

##### **Bulk purchases**

YTD Actual for electricity bulk purchase figure is at R35.1 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) - M10 April

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Office of the Municipal Manager		-	0	0	-	-	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		(10 678)	2 609	2 609	-	-	2 174	(2 174)	-100%	2 609
Vote 3 - Budget and Treasury		-	0	0	-	-	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		287	957	957	418	726	797	(71)	-9%	957
Vote 5 - Technical Services		24 343	56 202	60 218	8 717	15 628	51 214	(35 586)	-69%	60 218
Vote 6 - Council And General		608	700	700	-	709	583	125	21%	700
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>14 560</b>	<b>60 467</b>	<b>64 484</b>	<b>9 135</b>	<b>17 063</b>	<b>54 769</b>	<b>(37 706)</b>	<b>-69%</b>	<b>64 484</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Office of the Municipal Manager		-	0	0	-	-	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		-	0	0	-	-	0	(0)	-100%	0
Vote 3 - Budget and Treasury		-	0	0	-	-	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		(3 287)	0	0	-	76	0	76	21149%	0
Vote 5 - Technical Services		(25 388)	15 854	15 854	108	6 740	13 212	(6 471)	-49%	15 854
Vote 6 - Council And General		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>(28 676)</b>	<b>15 854</b>	<b>15 854</b>	<b>108</b>	<b>6 817</b>	<b>13 212</b>	<b>(6 395)</b>	<b>-48%</b>	<b>15 854</b>
<b>Total Capital Expenditure</b>		<b>(14 116)</b>	<b>76 322</b>	<b>80 338</b>	<b>9 243</b>	<b>23 880</b>	<b>67 981</b>	<b>(44 101)</b>	<b>-65%</b>	<b>80 338</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>895</b>	<b>2 266</b>	<b>2 266</b>	<b>418</b>	<b>1 435</b>	<b>1 888</b>	<b>(453)</b>	<b>-24%</b>	<b>2 266</b>
Executive and council		608	700	700	-	709	583	125	21%	700
Finance and administration		287	1 565	1 565	418	726	1 305	(578)	-44%	1 565
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>(2 529)</b>	<b>53 516</b>	<b>49 053</b>	<b>2 102</b>	<b>6 582</b>	<b>40 653</b>	<b>(34 071)</b>	<b>-84%</b>	<b>49 053</b>
Community and social services		758	43 602	39 139	2 102	784	32 392	(31 608)	-98%	39 139
Sport and recreation		(3 413)	8 696	8 696	-	5 721	7 246	(1 525)	-21%	8 696
Public safety		126	1 218	1 218	-	76	1 015	(938)	-92%	1 218
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>(55 360)</b>	<b>22 541</b>	<b>25 726</b>	<b>5 839</b>	<b>7 975</b>	<b>22 695</b>	<b>(14 720)</b>	<b>-65%</b>	<b>25 726</b>
Planning and development		(7 408)	4 696	4 696	-	(8 652)	3 913	(12 565)	-321%	4 696
Road transport		(47 951)	17 845	21 031	5 839	16 627	18 782	(2 155)	-11%	21 031
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>26 275</b>	<b>1 913</b>	<b>7 207</b>	<b>885</b>	<b>7 888</b>	<b>6 006</b>	<b>1 883</b>	<b>31%</b>	<b>7 207</b>
Energy sources		18 880	1 478	6 772	108	2 913	5 643	(2 730)	-48%	6 772
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 395	435	435	777	4 975	362	4 612	1273%	435
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>(30 719)</b>	<b>80 235</b>	<b>84 251</b>	<b>9 243</b>	<b>23 880</b>	<b>71 242</b>	<b>(47 362)</b>	<b>-66%</b>	<b>84 251</b>
<b>Funded by:</b>										
National Government		19 301	41 245	39 865	7 940	29 064	34 236	(5 172)	-15%	39 865
Provincial Government		17 012	27	5 321	-	2 249	4 434	(2 185)	-49%	5 321
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>36 312</b>	<b>41 272</b>	<b>45 186</b>	<b>7 940</b>	<b>31 313</b>	<b>38 670</b>	<b>(7 357)</b>	<b>-19%</b>	<b>45 186</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>(67 031)</b>	<b>38 963</b>	<b>39 065</b>	<b>1 303</b>	<b>(7 433)</b>	<b>32 571</b>	<b>(40 005)</b>	<b>-123%</b>	<b>39 065</b>
<b>Total Capital Funding</b>		<b>(30 719)</b>	<b>80 235</b>	<b>84 251</b>	<b>9 243</b>	<b>23 880</b>	<b>71 242</b>	<b>(47 362)</b>	<b>-66%</b>	<b>84 251</b>

Total YTD capital expenditure by function classification stands at R23.8 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 R31.3 with an original budget of R41.2 million rands there is an upward adjusted R45.1 million rands.

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 -R7.4 million rands.

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

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M10 April

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		92 533	(11 820)	53 662	135 221	53 662
Trade and other receivables from exchange transactions		7 424	11 208	10 723	7 808	10 723
Receivables from non-exchange transactions		34 888	44 149	54 352	61 920	54 352
Current portion of non-current receivables		-	-	-	-	-
Inventory		1 279	139	(110)	1 193	(110)
VAT		33 598	60 017	64 153	39 848	64 153
Other current assets		66	108	66	64	66
<b>Total current assets</b>		<b>169 788</b>	<b>103 802</b>	<b>182 845</b>	<b>246 055</b>	<b>182 845</b>
<b>Non current assets</b>						
Investments		-	-	-	-	-
Investment property		41 339	42 923	41 338	40 968	41 338
Property, plant and equipment		692 868	711 266	776 787	737 353	776 787
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		79	79	79	79	79
Intangible assets		11	16	11	8	11
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	0	0	-	0
<b>Total non current assets</b>		<b>734 296</b>	<b>754 284</b>	<b>818 216</b>	<b>778 408</b>	<b>818 216</b>
<b>TOTAL ASSETS</b>		<b>904 084</b>	<b>858 086</b>	<b>1 001 061</b>	<b>1 024 463</b>	<b>1 001 061</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		20	20	20	20	20
Consumer deposits		2 312	2 170	2 313	2 116	2 313
Trade and other payables from exchange transactions		83 555	64 119	87 556	72 326	87 556
Trade and other payables from non-exchange transactions		10 512	0	3 675	38 098	3 675
Provision		13 034	10 074	13 034	13 034	13 034
VAT		31 653	27 101	31 653	37 087	31 653
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>141 086</b>	<b>103 485</b>	<b>138 251</b>	<b>162 682</b>	<b>138 251</b>
<b>Non current liabilities</b>						
Financial liabilities		(20)	(20)	(20)	(20)	(20)
Provision		896	3 384	896	896	896
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	0	0	-	0
<b>Total non current liabilities</b>		<b>875</b>	<b>3 364</b>	<b>875</b>	<b>875</b>	<b>875</b>
<b>TOTAL LIABILITIES</b>		<b>141 961</b>	<b>106 848</b>	<b>139 127</b>	<b>163 558</b>	<b>139 127</b>
<b>NET ASSETS</b>	2	<b>762 123</b>	<b>751 237</b>	<b>861 934</b>	<b>860 905</b>	<b>861 934</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		761 971	807 247	890 395	860 755	890 395
Reserves and funds		152	141	152	152	152
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>762 123</b>	<b>807 388</b>	<b>890 546</b>	<b>860 906</b>	<b>890 546</b>

*Nquthu Municipality Monthly Budget Statement*

The table C6 reflects accumulated surplus R860 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 - M10 April

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		36 245	43 374	43 374	1 355	28 049	36 145	(8 097)	-22%	43 374
Service charges		31 067	23 338	23 338	2 264	29 212	19 448	9 764	50%	23 338
Other revenue		6 337	2 767	2 767	208	4 072	2 305	1 766	77%	2 767
Transfers and Subsidies - Operational		186 543	212 835	212 835	-	196 362	177 362	19 000	11%	212 835
Transfers and Subsidies - Capital		84 831	46 128	52 216	-	62 602	43 513	19 089	44%	52 216
Interest		3 589	6 054	9 154	-	3 346	7 628	(4 283)	-56%	9 154
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(462 432)	(293 609)	(296 423)	(5 572)	(148 518)	(207 757)	(59 239)	29%	(296 423)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(113 820)</b>	<b>40 886</b>	<b>47 259</b>	<b>(1 745)</b>	<b>175 124</b>	<b>78 646</b>	<b>(96 478)</b>	<b>-123%</b>	<b>47 259</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(95 168)	(90 933)	(90 933)	(10 600)	(32 516)	(75 778)	(43 262)	57%	(90 933)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(95 168)</b>	<b>(90 933)</b>	<b>(90 933)</b>	<b>(10 600)</b>	<b>(32 516)</b>	<b>(75 778)</b>	<b>(43 262)</b>	<b>57%</b>	<b>(90 933)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	(81 843)	-	(81 843)	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(81 843)</b>	<b>-</b>	<b>81 843</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(208 989)</b>	<b>(50 047)</b>	<b>(43 674)</b>	<b>(12 346)</b>	<b>60 764</b>	<b>2 868</b>			<b>(43 674)</b>
Cash/cash equivalents at beginning:		108 825	43 652	113 221		92 533	113 221			92 533
Cash/cash equivalents at month/year end:		(100 164)	(6 395)	69 547	(12 346)	153 297	116 089			48 860

The tables C7 cash flow statement reflects that cash and cash equivalents has a favourable balance at the end of the this month. Cash flow from operating activities year to date actual amount is R175 million rands . Cash flow from investing activities is channelled to capital expenditure investment with a YTD figure of R32.5 million rands. Only the consumer deposits decrease with an amount of R81 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 - M10 April

Description	NT Code	Budget Year 2024/25									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	694	517	651	439	627	562	58	1 090	4 639	2 777	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	131	104	93	88	80	77	70	5 748	6 390	6 063	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	75	61	57	56	56	55	55	1 740	2 156	1 962	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	113	73	60	184	121	157	106	6 206	7 018	6 772	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>1 013</b>	<b>755</b>	<b>861</b>	<b>767</b>	<b>883</b>	<b>851</b>	<b>289</b>	<b>14 784</b>	<b>20 202</b>	<b>17 574</b>	<b>-</b>	<b>-</b>
<b>2023/24 - totals only</b>		<b>2885816</b>	<b>336735</b>	<b>455257</b>	<b>296050</b>	<b>454650</b>	<b>389844</b>	<b>290831</b>	<b>13195250</b>	<b>18 304</b>	<b>14 627</b>	<b>0</b>	<b>0</b>
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	498	462	583	411	586	529	65	4 224	7 356	5 814	-	-
Commercial	2300	302	128	139	106	131	105	64	1 123	2 096	1 527	-	-
Households	2400	97	70	60	133	78	69	37	2 482	3 028	2 800	-	-
Other	2500	116	95	79	117	88	148	123	6 955	7 723	7 432	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>1 013</b>	<b>755</b>	<b>861</b>	<b>767</b>	<b>883</b>	<b>851</b>	<b>289</b>	<b>14 784</b>	<b>20 202</b>	<b>17 574</b>	<b>-</b>	<b>-</b>

The table 2.1.1 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.**

April 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 -10 041 876,91	R -10 041 876,91	R -	R -	R -	R -	R -	R -	-
Adv-Pay Reverse	R 695,92	R -	R -	R -	R 695,92	R -	R -	R -	-
Deposit: Waste Disposal	R 2 000,00	R -	R -	R -	R -	R -	R -	R 2 000,00	
Electricity Basic	R 983 428,33	R 243 572,39	R 57 588,22	R 125 135,98	R 50 430,24	R 48 903,44	R 29 751,07	R 428 046,99	
Electricity Metered	R 6 686 674,07	R 2 742 824,51	R 515 496,80	R 651 242,80	R 439 306,23	R 627 034,66	R 562 014,21	R 1 148 754,86	
Market stalls	R 1 114 007,82	R 39 838,52	R 19 240,24	R 18 418,59	R 17 994,35	R 17 576,68	R 17 319,40	R 983 620,04	
OFFICE RENTAL	R 280 811,46	R 37 662,60	R 16 449,49	R 16 438,15	R 16 338,20	R 16 267,83	R 16 197,69	R 161 457,50	
Plaza Market Stalls	R 260 845,21	R 18 480,48	R 8 616,87	R 8 006,37	R 7 667,22	R 7 599,21	R 7 461,04	R 203 014,02	
Property Rates	R 110 211 084,19	R 9 250 325,77	R 4 095 466,60	R 4 291 752,25	R 3 850 329,97	R 3 813 509,91	R 3 768 801,87	R 81 140 897,82	
Rent (M001)	R 535 207,70	R 45 775,42	R 14 216,63	R 14 140,30	R 14 068,28	R 14 010,97	R 13 934,63	R 419 061,47	
Repay: Waste Disposal	R 26 677,72	R -	R -	R -	R -	R -	R -	R 26 677,72	
Signs (M001)	R 1 119,59	R -	R -	R 16,71	R 16,71	R 16,71	R 16,71	R 1 052,75	
Stall rental	R 27 627,91	R 315,36	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 26 656,45	
Sundries (VAT)	R 13 836,46	R 11 110,15	R 2 556,24	R 170,07	R -	R -	R -	R -	
Tampering Fee	R 536 260,24	R 39 846,46	R -	R 20 000,00	R 84 223,39	R 50 412,77	R 46 773,45	R 295 004,17	
Traffic Fines	R 4 433 700,00	R 92 500,00	R 72 800,00	R 40 000,00	R 98 600,00	R 70 100,00	R 110 100,00	R 3 949 600,00	
Traffic Fines (M001)	R 2 066 721,78	R -	R -	R -	R -	R -	R -	R 2 066 721,78	
Waste Disposal	R 6 563 981,00	R 334 087,70	R 103 772,84	R 92 626,53	R 87 478,69	R 79 825,42	R 76 921,05	R 5 789 268,77	
<b>Total</b>	<b>R 123 702 802,49</b>	<b>R 2 814 462,45</b>	<b>R 4 906 335,15</b>	<b>R 5 278 078,97</b>	<b>R 4 667 280,42</b>	<b>R 4 745 388,82</b>	<b>R 4 649 422,34</b>	<b>R 96 641 834,34</b>	

**Debt collection rates**

**Collection Table 2.1.2.**

Cash Collected for each Revenue Source via Billing (April 2025)				
	Cash collection	Ageing - April 2025	Collection rate per BT	Billed revenue - April 2025
Rates	R -1 014 489,96	R 110 211 084,19	-1%	R 5 720 508,63
Electricity	R -1 510 730,20	R 7 670 102,40	-20%	R 2 223 002,26
Refuse	R -149 881,24	R 6 592 658,72	-2%	R 215 060,39
Stalls Rental , Traffic fines &	R -51 819,84	R 8 164 526,30	-1%	R 71 701,92
Other Rentals	R -	R 1 105 611,87	0%	R -
Advance payments	R -157 440,43	R -10 041 180,99	2%	R -
	R -			R -
<b>TOTAL CASH RECEIVED (BI</b>	<b>R 2 884 361,67</b>	<b>R 123 702 802,49</b>		<b>R 8 230 273,20</b>
Total Ageing	<b>R 123 702 802,49</b>		March 2025 billing	R 8 078 668,35
Total debtors' payments	R 2 884 361,67		April 2025 payments	R 2 884 361,67
	2%			36%

Cash collected under the reporting period amounts to R2.8 million rands resulting in collection rate of 2%. The comparison to the previous month billing against current month payments results to 36% 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.**

APRIL 2025 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	32	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	4198,64	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue ) x 100	1,88	Revenue Growth (%)

Collection rates stand at 32% using the ratios as provided by National Treasury circular 71. Net debtors' days are increased to 4 198.64 from previous quarter meaning that it takes the municipality about 12 years to collect the debts billed which signals cash flow challenges to fund certain expenditure items.

## 2.2. CREDITOR'S ANALYSIS

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

### Creditors payment summary: Table 2.2.1

<b>CREDITORS REPORT FOR APRIL 2025</b>			
<b>TOP 10 CREDITOR'S PAYMENTS SUMMARY FOR THE MONTH OF APRIL 2025</b>			
No.	VENDOR NAME	DESCRIPTION	AMOUNT
<b>1</b>	ESKOM HOLDINGS BULK 8848733513	MARCH 25 BULK ELECTRICITY	R 2 746 812,06
	ESKOM HOLDINGS 6033862343	APRIL 2025 FREE BASIC ELECTRICITY	R 337 687,38
	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE ELECTICITY	R 90 018,23
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY HALL ELECTRICITY	R 10 217,78
	ESKOM HOLDINGS 5687352660	NQUTHU COMMUNITY HALL ELECTRICITY	R 9 666,80
	ESKOM HOLDINGS 8817457976	NONDWENI STREETLIGHT ELECTRICITY	R 9 035,98
	ESKOM HOLDINGS 6916174790	NONDWENI LIBRARY ELECTRICITY	R 8 846,42
	ESKOM HOLDINGS 8505522436	MASOTSHENI COMMUNITY HALL ELECTRICITY	R 4 877,58
	ESKOM HOLDINGS 9279445291	SGUBUDU COMMUNITY HALL ELECTRICITY	R 4 609,03
	ESKOM HOLDINGS 5140422473	JABAVU COMMUNITY HALL ELECTRICITY	R 4 273,58
	ESKOM HOLDINGS 6642941367	NONDWENI COMMUNITY HALL ELECTRICITY	R 3 991,85
	ESKOM HOLDINGS 9426259616	BLOODRIVER SPORTSFIELD ELECTRICITY	R 3 805,49
	ESKOM HOLDINGS 9063390800	NGEDLA COMMUNITY HALL ELECTRICITY	R 3 757,99
	ESKOM HOLDINGS 5742571184	LUVISI COMMUNITY HALL ELECTRICITY	R 3 633,45
	ESKOM HOLDINGS 6126932137	PATSOANA LIBRARY ELECTRICITY	R 2 854,85
ESKOM HOLDINGS 8713502790	BLOODRIVER SPORTSFIELD ELECTRICITY	R 1 614,59	
			<b>R 3 245 703,06</b>
<b>2</b>	SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION	2025/2026 MEMBERSHIP LEVY	R 1 350 077,83
			<b>R 1 350 077,83</b>
<b>3</b>	SIYEJABULA SECURITY SOLUTION	MARCH 25 SECURITY FEES DAY AND NIGHT SHIFT TO MUNICIPAL PROPERTIES.	R 386 254,94
	SIYEJABULA SECURITY SOLUTION	FEBRUARY 25 SECURITY FEES, DAY AND NIGHT SHIFT TO MUNICIPAL PROPERTIES.	R 386 254,94
			<b>R 772 509,88</b>
<b>4</b>	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR JULYMARCH 25	R 375 627,79
	FEZILE SECURITY SERVICES	PROVISION OF GUARDING SERVICES TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR FEBRUARY	R 375 627,79
			<b>R 751 255,58</b>
<b>5</b>	CCG SYSTEMS	ANNUAL LICENCE FEE	R 610 743,50
	CCG SYSTEMS	NOVEMBER 24 MONTHLY HOSTING FEE	R 9 500,00
	CCG SYSTEMS	DECEMBER 24 MONTHLY HOSTING FEE	R 9 500,00
	CCG SYSTEMS	JANUARY 25 MONTHLY HOSTING FEE	R 9 500,00
	CCG SYSTEMS	FEBRUARY 25 MONTHLY HOSTING FEE	R 9 500,00
			<b>R 648 743,50</b>
<b>6</b>	NTSHIDI AND ASSOCIATES	INTERNAL AUDIT FEES	R 593 175,75
			<b>R 593 175,75</b>

*Nquthu Municipality Monthly Budget Statement*

7	WORKWEAR DEPOT (PTY) LTD	TECHNICAL UNIFORM AND PROTECTIVE CLOTHING	R	565 994,44
			R	<b>565 994,44</b>
8	KHANYA AFRICA NETWORKS	INSTALLATION OF LOCAL AREA NETWORK FOR TRAFFIC, DISASTER AND COUNCIL CHAMBER OFFICES	R	395 139,58
			R	<b>395 139,58</b>
9	NKOSINGIPHE INKAZIMULO TRADING	PROVISION OF FINANCIALSUPPORT FOR MARCH 25	R	347 041,25
			R	<b>347 041,25</b>
10	SIYANEMUKELA TRADING	PROVISION OF LEARNERS AND DRIVERS LICENCE	R	259 650,00
			R	<b>259 650,00</b>

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

**Creditors ageing recon: Table 2.2.2**

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

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)	R -
<30 Days	R - 1020119.38
<60 Days	R - 999025.22
<90 Days	R - 89360.71
<120 Days	R - 837535.69
<150 Days	R -
<180 Days	R - 1090358.32
>180 Days	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 (SCM UNIT)	501733.96
Actual Invoices	3504214.76
<b>TOTAL</b>	<b>4281273.57</b>

### 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
<b>TOTAL</b>	<b>R85307715.62</b>	<b>R75473245.94</b>	<b>R5827181.86</b>		<b>R52793542.81</b>	<b>R722.60</b>	<b>R113813886.01</b>

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)**

<b>BANK RECONCILIATION (PRIMARY ACCOUNT)</b>		<b>4053562762</b>
Details	Amount	
<b>Cash book balance as at 31 March 2025</b>	<b>29 427 593.23</b>	
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	
<b>Bank statement balance as at 31 March 2025</b>	<b>29 427 593.23</b>	

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.

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

## 2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### Grants register for the period ending 30 April 2025

#### Grant register Table 2.4.1

Summary of Grants received and expenditure to date - April 2025									
Grant Type	General Ledger Vote no.	Audited Balance as at	Dora/Prov Allocation for year	Received	Spent & transferred to income	Balance as at	Commitment	Available funds/not committed	Percentage %
Library support	IL001007002002002008004013008003	-	(2 060 976,00)	(2 060 972,00)	2 060 972,00	-		-	-100%
Massification Eletrification	IL001007002001002008004011002003	(6 087 447,25)	-	-	2 435 808,12	(3 651 639,13)		(3 651 639,13)	no allocation
Eletrification	IL001007002001002005001003	(2 670 000,73)	(16 474 000,00)	(16 474 000,00)	10 269 267,40	(8 874 733,34)		(8 874 733,34)	-116%
Small Town rehabilitation	IL001007002001002008004011005003	(1 727 080,78)	-	-	-	(1 727 080,78)		(1 727 080,78)	no allocation
Cybercadet	IL001007002002002008004013001003	-	(533 083,00)	(533 083,00)	513 523,15	(19 559,85)		(19 559,85)	-96%
MIG	IL001007002001002005002003	-	(46 128 000,00)	(46 128 000,00)	40 048 802,29	(6 079 197,71)		(6 079 197,71)	-87%
Sportfield Maintance	IL001007002001002008004011001003	(27 120,59)	-	-	-	(27 120,59)		(27 120,59)	no allocation
Bornem Grant	IL001007002002002003034001003	-	-	-	-	-		-	no allocation
FMG	IL001007002002002005004003	-	(1 800 000,00)	(1 800 000,00)	1 230 814,21	(569 185,79)		(569 185,79)	-68%
Library Modular	IL001007002002002008004013009003	-	(1 500 612,00)	(1 500 612,00)	1 500 612,00	-		-	-100%
EPWP	IL001007002002002005002003	-	(1 478 004,00)	(1 478 000,00)	1 478 004,00	4,00		4,00	-100%
Library Volunteer	IL001007002002002008004013007003	-	(113 333,00)	(113 333,00)	80 000,00	(33 333,00)		(33 333,00)	-71%
disaster relief grant			(5 100 000,00)	(5 100 000,00)		(5 100 000,00)		(5 100 000,00)	
<b>TOTALS</b>		<b>(10 511 649,35)</b>	<b>(75 188 008,00)</b>	<b>(75 188 000,00)</b>	<b>59 617 803,16</b>	<b>(26 081 846,19)</b>	<b>-</b>	<b>(26 081 846,19)</b>	

The municipality strives to achieve hundred percent spending on grants expenditure thereby aligning quality project performance and prudent expenditure on capital projects. In essence the municipality strives to achieve additional funding annually. There is no additional funding received in respect of MIG 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

<b>Staff Benefits</b>		
<b>Item</b>	<b>Budget</b>	<b>Year to date actuals</b>
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
<b>Totals</b>	<b>R 125765926.00</b>	<b>R 79563028.71</b>
<b>Councillors Allowances</b>		
<b>Item</b>	<b>Budget</b>	<b>Year to date actuals</b>
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
<b>Totals</b>	<b>R 18208962.00</b>	<b>R 12307110.93</b>

## 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**

<b>Inventory Reconciliation</b>	
<b>INVENTORY MODULE</b>	
<b>OPENING BALANCE AS PER INVENTORY REPORT</b>	<b>R 1 193 285,92</b>
<b>ADD: TOTAL RECEIPTS</b>	<b>R 0,00</b>
Inventory purchases for the month	R 0,00
<b>LESS: TOTAL ISSUES</b>	<b>(R 60 896,71)</b>
Inventory issued from stores during the month	(R 60 896,71)
<b>ADJUSTMENTS</b>	<b>R 0,00</b>
Add: stock surplus identified during the month Less: Stock losses identified during the month	R 0,00
<b>CLOSING BALANCE AS PER INVENTORY REPORT</b>	<b><u>R 1 132 389,21</u></b>
<b>GENERAL LEDGER VOTE BALANCE:</b>	<b>R 1 132 389,21</b>

**IRREGULAR & FRUITLESS EXPENDITURE**

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

**Table 2.6.2 Unauthorised and irregular expenditure summary**

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

**Table 2.6.3. Fruitless Expenditure**

Annexure C Demarcation Board Code: KZN242 Register for Fruitless and wasteful Expenditure Year Ended 30 June 2025		Financial Year Nquthu Local Municipality Month			2024/ 2025 Apr-25
Description	Payment no./EFT no/ Cheque No. / Month			Amount	
<b>Telkom</b>				R	5,56
Interest on overdue account- #66587	Jul-24	R	5,56		
	Feb-25	R	-	R	60,27
	Mar-25	R	-		
<b>Eskom #72519</b>					
Interest on overdue account	Jul-24	R	-		
	Feb-25	R	60,27		
<b>Umzinyathi Municipality</b>				R	353,41
Interest on overdue water accounts-Feb 2025	#73374 - 73379	R	184,17		
Interest on overdue water accounts-Apr 2025	#75136-75138	R	169,24		
<b>Other- Penalty fees paid in Aug 2024</b>				R	184 514,10
Penalties/interest					
Employment & Labour Sec83(6) Penalty - 2015	#67839	R	27 992,25		
Employment & Labour Sec83(6) Penalty - 2020	#67839	R	50 430,34		
Employment & Labour Sec83(6) Penalty - 2021	#67839	R	49 617,96		
Employment & Labour Sec83(6) Penalty - 2022	#67839	R	56 473,55		
<b>Other</b>					
<b>TOTAL as @ 30 April 2025</b>				R	184 933,34

The municipality has incurred fruitless expenditure amounting to R184 thousand rands in respect of labour penalties and interest accumulation. The previous year balance amounts to R386.97.

## DEVIATIONS

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

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

## 2.7 MATERIAL VARIANCES TO SDBIP

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

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

**Interest for both exchange revenue and non-exchange revenue** reflect 191270% and 148% 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 R2.7 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 75% 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** have a 20% variance from a YTD actual that is higher than the YTD budget. The billing of property rates is done monthly; however, challenges exist relating to collection rate which is below the norm. Property rates are billed over ten equal instalments; therefore April is the last month to levy rates.

**Fines, penalties & forfeits and licences and permits** line item and licences and permits show variances of 55% and -15% 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 to date thus a variance of 1% shows. Debt impairment has no calculations thus far due to conducting of calculation for interim AFS of final AFS purposes. The transfers and subsidies expenditure line item reflect a 99% variance because the actual YTD figure is above budgeted figures, furthermore the downward adjustment negatively impacts the variance.

**Irrecoverable debt written off** shows -94% – 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 30 April 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 02/05/2025