NQUTHU MUNICIPALITY (KZN 242)

MONTHLY BUDGET STATEMENT FOR MONTH ENDING

31 MAY 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 May 2025, and the performance of the municipality against its budget in line with the approved budget adopted by Council. Detailed points of interest as noted 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 funded budget is adopted by 28 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:

- Total revenue – moved from original budget of R311 thousand rands to R316 million rands.
- Bulk electricity – adjusted from original budget of R40.9 million rands to R44.9 million rands.
- The highest cost driver is the employee costs amounting to R118 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

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 is yet to convened in the third 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

The draft budget adopted by the council was assessed by the Provincial Treasury and the findings of the assessment revealed that the draft budget was unfunded. The municipality corrected the errors and areas that were indicated by findings of the assessment to be attributing to unfunded draft budget. The budget was resubmitted for preliminary assessment.

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 - M11 May

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	51 452	52 750	52 750	–	58 254	48 354	9 900	20%	52 750
Service charges	28 965	34 070	34 070	2 764	31 802	31 231	571	2%	34 070
Investment revenue	9 506	5 995	9 095	72	6 529	8 337	(1 808)	-22%	9 095
Transfers and subsidies - Operational	186 803	212 836	212 836	(275)	204 964	195 100	9 864	0	212 836
Other own revenue	7 494	5 380	6 969	821	9 928	6 388	3 540	55%	–
Total Revenue (excluding capital transfers and contributions)	**284 220**	**311 031**	**315 720**	**3 382**	**311 477**	**289 410**	**22 067**	**8%**	**315 720**
Employee costs	100 570	118 969	118 347	–	90 967	108 485	(17 518)	-16%	118 347
Remuneration of Councillors	14 046	17 155	17 155	–	13 420	15 726	(2 306)	-15%	17 155
Depreciation and amortisation	35 938	36 000	36 000	–	25 219	33 000	(7 781)	-24%	36 000
Interest	–	0	0	–	–	0	(0)	-100%	0
Inventory consumed and bulk purchases	33 341	42 588	46 292	213	36 615	42 434	(5 819)	-14%	46 292
Transfers and subsidies	3 985	2 854	2 510	180	4 174	2 300	1 873	81%	2 510
Other expenditure	137 243	104 505	101 820	12 239	80 086	93 287	(13 201)	-14%	101 820
Total Expenditure	**325 124**	**322 072**	**322 124**	**12 633**	**250 481**	**295 232**	**(44 752)**	**-15%**	**322 124**
Surplus/(Deficit)	**(40 904)**	**(11 042)**	**(6 404)**	**(9 251)**	**60 996**	**(5 823)**	**66 819**	**-1148%**	**(6 404)**
Transfers and subsidies - capital (monetary allocations)	80 502	46 155	52 243	–	31 724	47 889	###	-34%	52 243
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**39 598**	**35 113**	**45 838**	**(9 251)**	**92 721**	**42 066**	**50 654**	**120%**	**45 838**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**39 598**	**35 113**	**45 838**	**(9 251)**	**92 721**	**42 066**	**50 654**	**120%**	**45 838**
Capital expenditure & funds sources									
Capital expenditure	**(14 116)**	**76 322**	**80 338**	**1 499**	**25 379**	**74 159**	**(48 781)**	**-66%**	**80 338**
Capital transfers recognised	36 312	41 272	45 186	981	32 294	41 928	(9 634)	-23%	45 186
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**(67 031)**	**38 963**	**39 065**	**518**	**(6 915)**	**35 818**	**(42 734)**	**-119%**	**39 065**
Total sources of capital funds	**(30 719)**	**80 235**	**84 251**	**1 499**	**25 379**	**77 746**	**(52 368)**	**-67%**	**84 251**
Financial position									
Total current assets	169 788	103 802	182 845		228 570				182 845
Total non current assets	734 296	754 284	818 216		779 906				818 216
Total current liabilities	141 086	103 485	138 251		152 757				138 251
Total non current liabilities	875	3 364	875		875				875
Community wealth/Equity	**762 123**	**807 388**	**890 546**		**854 844**				**890 546**
Cash flows									
Net cash from (used) operating	(113 820)	40 886	47 259	(4 165)	(50 882)	86 510	137 392	159%	47 259
Net cash from (used) investing	(70 635)	(90 933)	(90 933)	(1 594)	(70 635)	(83 355)	(12 720)	15%	(90 933)
Net cash from (used) financing	–	–	–	–	(90 967)	–	90 967	#DIV/0!	–
Cash/cash equivalents at the month/year end	**(75 631)**	**(6 395)**	**69 547**	**(5 758)**	**(119 951)**	**116 376**	**236 327**	**203%**	**48 860**
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	3 693	627	364	378	435	341	366	14 829	21 035
Creditors Age Analysis									
Total Creditors	1 850	902	1 318	232	43	758	388	52	5 544

The YTD actual revenue (excluding capital transfers and contributions) is R311 million rands almost equivalent to R311 million rands approved original budget and this results to 8% variance. The slight variance translates to appropriate realistic budgeting in terms of revenue budget.

Operating expenditure YTD is R295 million rands compared to R322 million rands approved original budget which results to -15% variance. The variance is static from previous month.

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 R108.4 million rands.

Furthermore, an amount of R15.7 million rands 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) - M11 May

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**285 145**	**297 997**	**301 176**	**657**	**292 188**	**276 078**	16 110	6%	**301 176**
Executive and council		39 222	46 128	46 128	–	30 453	42 284	(11 831)	-28%	46 128
Finance and administration		245 923	251 869	255 048	657	261 735	233 794	27 941	12%	255 048
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**6 696**	**6 287**	**6 287**	**(136)**	**6 241**	**5 763**	477	8%	**6 287**
Community and social services		4 558	4 454	4 454	(266)	4 241	4 083	158	4%	4 454
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		2 138	1 833	1 833	130	2 000	1 681	319	19%	1 833
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**305**	**185**	**1 695**	**26**	**238**	**1 554**	(1 316)	-85%	**1 695**
Planning and development		305	185	1 695	26	238	1 554	(1 316)	-85%	1 695
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**72 576**	**52 717**	**58 804**	**2 836**	**44 535**	**53 904**	**(9 369)**	-17%	**58 804**
Energy sources		70 594	50 682	56 769	2 619	42 184	52 038	(9 855)	-19%	56 769
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		1 981	2 035	2 035	217	2 351	1 865	486	26%	2 035
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**364 722**	**357 186**	**367 962**	**3 382**	**343 201**	**337 299**	**5 903**	**2%**	**367 962**
Expenditure - Functional										
Governance and administration		**167 031**	**172 773**	**167 432**	**4 622**	**126 960**	**153 479**	(26 518)	-17%	**167 432**
Executive and council		33 068	36 913	34 458	816	27 353	31 586	(4 234)	-13%	34 458
Finance and administration		129 706	132 533	129 693	3 767	96 501	118 885	(22 385)	-19%	129 693
Internal audit		4 257	3 327	3 281	39	3 107	3 007	100	3%	3 281
Community and public safety		**24 121**	**33 066**	**35 109**	**362**	**26 674**	**32 135**	(5 462)	-17%	**35 109**
Community and social services		5 483	15 470	17 807	193	11 605	16 275	(4 670)	-29%	17 807
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		18 638	17 596	17 302	169	15 069	15 860	(791)	-5%	17 302
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**65 385**	**27 566**	**26 893**	**2 105**	**27 482**	**24 652**	2 830	11%	**26 893**
Planning and development		17 019	16 443	15 953	1 632	16 135	14 623	1 512	10%	15 953
Road transport		48 366	11 123	10 940	473	11 346	10 028	1 318	13%	10 940
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**68 588**	**88 667**	**92 691**	**5 544**	**69 365**	**84 966**	**(15 602)**	-18%	**92 691**
Energy sources		53 809	70 871	74 497	5 403	56 476	68 289	(11 813)	-17%	74 497
Water management		–	–	–	–	–	–	–		–
Waste water management		2 281	1 959	1 926	6	1 790	1 766	25	1%	1 926
Waste management		12 498	15 837	16 267	135	11 099	14 912	(3 813)	-26%	16 267
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Expenditure - Functional	3	**325 124**	**322 072**	**322 124**	**12 633**	**250 481**	**295 232**	**(44 752)**	**-15%**	**322 124**
Surplus/ (Deficit) for the year		**39 598**	**35 113**	**45 838**	**(9 251)**	**92 721**	**42 066**	**50 654**	**1,2041516**	**45 838**

Table C3: Monthly Budget Statement_ Financial Performance

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Office of the Municipal Manager		39 222	46 128	46 128	–	30 453	42 284	(11 831)	-28,0%	46 128
Vote 2 - Planning and Economic Development		305	551	2 061	10	57	1 889	(1 832)	-97,0%	2 061
Vote 3 - Budget and Treasury		245 886	251 524	254 624	631	259 860	233 406	26 454	11,3%	254 624
Vote 4 - Corporate and Community Service		6 700	6 156	6 235	(132)	6 179	5 715	463	8,1%	6 235
Vote 5 - Technical Services		72 609	52 827	58 914	2 873	45 143	54 005	(8 862)	-16,4%	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]		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**364 722**	**357 186**	**367 962**	**3 382**	**341 691**	**337 299**	**4 393**	**1,3%**	**367 962**
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		21 263	20 068	19 129	791	15 770	17 535	(1 765)	-10,1%	19 129
Vote 2 - Planning and Economic Development		17 019	16 546	16 156	1 633	16 172	14 810	1 362	9,2%	16 156
Vote 3 - Budget and Treasury		81 170	75 532	74 428	524	47 780	68 225	(20 445)	-30,0%	74 428
Vote 4 - Corporate and Community Service		67 619	81 921	80 868	3 435	70 668	74 081	(3 413)	-4,6%	80 868
Vote 5 - Technical Services		121 338	92 105	95 261	5 883	72 853	87 322	(14 469)	-16,6%	95 261
Vote 6 - Council And General		16 524	18 412	18 412	64	14 693	16 878	(2 185)	-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]		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**324 932**	**304 584**	**304 253**	**12 331**	**237 936**	**278 851**	**(40 915)**	**-14,7%**	**304 253**
Surplus/ (Deficit) for the year	2	**39 790**	**52 602**	**63 709**	**(8 949)**	**103 756**	**58 448**	**45 308**	**77,5%**	**63 709**

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 R259 million rands. Expenditure by vote shows that technical unit has the highest expenditure of R72.8 million rands followed by the corporate services with R70.6 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

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		27 499	32 108	32 108	2 595	29 938	29 432	506	2%	32 108
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		1 467	1 962	1 962	168	1 864	1 799	65	4%	1 962
Sale of Goods and Rendering of Services		178	259	259	56	788	237	551	232%	259
Agency services		–	–	–	–	–	–	–		–
Interest		69	0	0	–	19	0	19	173873%	0
Interest earned from Receivables		665	681	681	66	711	624	86	14%	681
Interest from Current and Non Current Assets		9 506	5 995	9 095	72	6 529	8 337	(1 808)	-22%	9 095
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		972	871	871	67	734	798	(64)	-8%	871
Licence and permits		–	–	–	–	–	–	–		–
Operational Revenue		396	216	1 805	116	492	1 655	(1 162)	-70%	1 805
Non-Exchange Revenue								–		
Property rates		51 452	52 750	52 750	–	58 254	48 354	9 900	20%	52 750
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		1 547	1 009	1 009	79	1 403	925	477	52%	1 009
Licence and permits		1 010	1 010	1 010	74	792	926	(133)	-14%	1 010
Transfers and subsidies - Operational		186 803	212 836	212 836	(275)	204 964	195 100	9 864	5%	212 836
Interest		2 657	1 335	1 335	364	3 479	1 223	2 256	184%	1 335
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	0	–	1 510	0	1 510	1198313%	0
Other Gains		–	–	0	–	–	0	(0)	-100%	0
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**284 220**	**311 031**	**315 720**	**3 382**	**311 477**	**289 410**	**22 067**	**8%**	**315 720**
Expenditure By Type										
Employee related costs		100 570	118 969	118 347	–	90 967	108 485	(17 518)	-16%	118 347
Remuneration of councillors		14 046	17 155	17 155	–	13 420	15 726	(2 306)	-15%	17 155
Bulk purchases - electricity		31 026	40 970	44 970	–	35 177	41 222	(6 045)	-15%	44 970
Inventory consumed		2 315	1 618	1 322	213	1 438	1 212	226	19%	1 322
Debt impairment		12 634	–	–	–	–	–	–		–
Depreciation and amortisation		35 938	36 000	36 000	–	25 219	33 000	(7 781)	-24%	36 000
Interest		–	0	0	–	–	0	(0)	-100%	0
Contracted services		73 222	49 983	48 980	9 856	41 844	44 897	(3 053)	-7%	48 980
Transfers and subsidies		3 985	2 854	2 510	180	4 174	2 300	1 873	81%	2 510
Irrecoverable debts written off		3 163	12 999	12 999	0	644	11 916	(11 271)	-95%	12 999
Operational costs		45 718	41 523	39 841	2 383	37 268	36 474	793	2%	39 841
Losses on Disposal of Assets		2 507	–	0	–	330	0	330	305456%	0
Other Losses		–	–	0	–	–	0	(0)	-100%	0
Total Expenditure		**325 124**	**322 072**	**322 124**	**12 633**	**250 481**	**295 232**	**(44 752)**	**-15%**	**322 124**
Surplus/(Deficit)		**(40 904)**	**(11 042)**	**(6 404)**	**(9 251)**	**60 996**	**(5 823)**	**66 819**	**(0)**	**(6 404)**
Transfers and subsidies - capital (monetary allocations)		80 502	46 155	52 243	–	31 724	47 889	(16 165)	**(0)**	52 243
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**39 598**	**35 113**	**45 838**	**(9 251)**	**92 721**	**42 066**	**50 654**	**0**	**45 838**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**39 598**	**35 113**	**45 838**	**(9 251)**	**92 721**	**42 066**	**50 654**	**0**	**45 838**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**39 598**	**35 113**	**45 838**	**(9 251)**	**92 721**	**42 066**	50 654	0	**45 838**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**39 598**	**35 113**	**45 838**	**(9 251)**	**92 721**	**42 066**	**50 654**	**0**	**45 838**

TABLE C4: REVENUE BY SOURCE

Property rates

Property rates YTD actual for this month stands at R58.2 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. The journals will be processed where necessary to correct identified rates billing errors or ommissions.

Service charges electricity

The actual revenue from Service Charges Electricity is R29.9 million rands . The approved original budget figure is R32.1 million rands, the variance of 2% 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 R6.5 million rands compared to R5.9 million rands original budget which has been adjusted to R9 million rands, resulting in a variance of -22%.

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 R204.9 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 R108 million rands.

Remuneration of Councillor's

The YTD Actual for remuneration of councillors reflect R15.7 million rands. The municipality attempts to retain 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 -24%.

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) - M11 May

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		–	0	0	–	–	0	(0)	-100%	0
Vote 2 - Planning and Economic Development		(10 678)	2 609	2 609	–	–	2 391	(2 391)	-100%	2 609
Vote 3 - Budget and Treasury		–	0	0	–	–	0	(0)	-100%	0
Vote 4 - Corporate and Community Service		287	957	957	–	726	877	(151)	-17%	957
Vote 5 - Technical Services		24 343	56 202	60 218	1 499	17 127	55 716	(38 589)	-69%	60 218
Vote 6 - Council And General		608	700	700	–	709	642	67	10%	700
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**14 560**	**60 467**	**64 484**	**1 499**	**18 562**	**59 626**	**(41 064)**	**-69%**	**64 484**
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		(3 287)	0	0	–	76	0	76	19218%	0
Vote 5 - Technical Services		(25 388)	15 854	15 854	–	6 740	14 533	(7 793)	-54%	15 854
Vote 6 - Council And General		–	–	–	–	–	–	–		–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–		–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–		–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–		–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–		–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–		–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–		–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–		–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–		–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	(28 676)	15 854	15 854	–	6 817	14 533	**(7 717)**	**-53%**	15 854
Total Capital Expenditure		**(14 116)**	**76 322**	**80 338**	**1 499**	**25 379**	**74 159**	**(48 781)**	**-66%**	**80 338**
Capital Expenditure - Functional Classification										
Governance and administration		**895**	**2 266**	**2 266**	**–**	**1 435**	**2 077**	(642)	-31%	**2 266**
Executive and council		608	700	700	–	709	642	67	10%	700
Finance and administration		287	1 565	1 565	–	726	1 435	(709)	-49%	1 565
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**(2 529)**	**53 516**	**49 053**	**518**	**7 100**	**44 853**	(37 753)	-84%	**49 053**
Community and social services		758	43 602	39 139	518	1 302	35 766	(34 463)	-96%	39 139
Sport and recreation		(3 413)	8 696	8 696	–	5 721	7 971	(2 250)	-28%	8 696
Public safety		126	1 218	1 218	–	76	1 116	(1 040)	-93%	1 218
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**(55 360)**	**22 541**	**25 726**	**981**	**8 956**	**24 211**	(15 255)	-63%	**25 726**
Planning and development		(7 408)	4 696	4 696	–	(8 652)	4 304	(12 956)	-301%	4 696
Road transport		(47 951)	17 845	21 031	981	17 608	19 906	(2 299)	-12%	21 031
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**26 275**	**1 913**	**7 207**	**–**	**7 888**	**6 606**	1 282	19%	**7 207**
Energy sources		18 880	1 478	6 772	–	2 913	6 208	(3 294)	-53%	6 772
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		7 395	435	435	–	4 975	399	4 576	1148%	435
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**(30 719)**	**80 235**	**84 251**	**1 499**	**25 379**	**77 746**	**(52 368)**	**-67%**	**84 251**
Funded by:										
National Government		19 301	41 245	39 865	981	30 045	37 051	(7 006)	-19%	39 865
Provincial Government		17 012	27	5 321	–	2 249	4 877	(2 629)	-54%	5 321
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**36 312**	**41 272**	**45 186**	**981**	**32 294**	**41 928**	**(9 634)**	**-23%**	**45 186**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		(67 031)	38 963	39 065	518	(6 915)	35 818	(42 734)	-119%	39 065
Total Capital Funding		**(30 719)**	**80 235**	**84 251**	**1 499**	**25 379**	**77 746**	**(52 368)**	**-67%**	**84 251**

Total YTD capital expenditure by function classification stands at R25.3 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 R32.2 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 amount for internally funded projects amounts to -R6.9 million rands thereby denoting an overspending.

Table C6 – Monthly Budget Statement – Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2023/24	Budget Year 2024/25			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		92 533	(11 820)	53 662	118 814	53 662
Trade and other receivables from exchange transactions		7 424	11 208	10 723	8 153	10 723
Receivables from non-exchange transactions		34 888	44 149	54 352	61 167	54 352
Current portion of non-current receivables		–	–	–	–	–
Inventory		1 279	139	(110)	1 133	(110)
VAT		33 598	60 017	64 153	39 239	64 153
Other current assets		66	108	66	64	66
Total current assets		**169 788**	**103 802**	**182 845**	**228 570**	**182 845**
Non current assets						
Investments		–	–	–	–	–
Investment property		41 339	42 923	41 338	40 968	41 338
Property, plant and equipment		692 868	711 266	776 787	738 852	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
Total non current assets		**734 296**	**754 284**	**818 216**	**779 906**	**818 216**
TOTAL ASSETS		**904 084**	**858 086**	**1 001 061**	**1 008 476**	**1 001 061**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		20	20	20	20	20
Consumer deposits		2 312	2 170	2 313	2 115	2 313
Trade and other payables from exchange transactions		83 555	64 119	87 556	63 099	87 556
Trade and other payables from non-exchange transactions		10 512	0	3 675	37 888	3 675
Provision		13 034	10 074	13 034	13 034	13 034
VAT		31 653	27 101	31 653	36 602	31 653
Other current liabilities		–	–	–	–	–
Total current liabilities		**141 086**	**103 485**	**138 251**	**152 757**	**138 251**
Non current liabilities						
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
Total non current liabilities		**875**	**3 364**	**875**	**875**	**875**
TOTAL LIABILITIES		**141 961**	**106 848**	**139 127**	**153 633**	**139 127**
NET ASSETS	2	**762 123**	**751 237**	**861 934**	**854 844**	**861 934**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		761 971	807 247	890 395	854 692	890 395
Reserves and funds		152	141	152	152	152
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**762 123**	**807 388**	**890 546**	**854 844**	**890 546**

The table C6 reflects accumulated surplus R854 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 - M11 May

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		36 245	43 374	43 374	6 230	35 027	39 760	(4 733)	-12%	43 374
Service charges		31 067	23 338	23 338	4 886	34 169	21 393	12 776	60%	23 338
Other revenue		6 337	2 767	2 767	425	4 585	2 536	2 049	81%	2 767
Transfers and Subsidies - Operational		186 543	212 835	212 835	5 100	201 462	195 098	6 364	3%	212 835
Transfers and Subsidies - Capital		84 831	46 128	52 216	–	62 602	47 864	14 738	31%	52 216
Interest		3 589	6 054	9 154	430	4 209	8 391	(4 182)	-50%	9 154
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(462 432)	(293 609)	(296 423)	(21 237)	(392 935)	(228 532)	164 403	-72%	(296 423)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(113 820)**	**40 886**	**47 259**	**(4 165)**	**(50 882)**	**86 510**	**137 392**	**159%**	**47 259**
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		(70 635)	(90 933)	(90 933)	(1 594)	(70 635)	(83 355)	(12 720)	15%	(90 933)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(70 635)**	**(90 933)**	**(90 933)**	**(1 594)**	**(70 635)**	**(83 355)**	**(12 720)**	**15%**	**(90 933)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	(90 967)	–	(90 967)	#DIV/0!	–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**(90 967)**	**–**	**90 967**	**#DIV/0!**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(184 456)**	**(50 047)**	**(43 674)**	**(5 758)**	**(212 484)**	**3 155**			**(43 674)**
Cash/cash equivalents at beginning:		108 825	43 652	113 221	–	92 533	113 221			92 533
Cash/cash equivalents at month/year end:		(75 631)	(6 395)	69 547	(5 758)	(119 951)	116 376			48 860

The tables C7 cash flow statement reflects that cash and cash equivalents has an ufavourable balance at the end of the this month amounting to R119 million rands. Cash flow from operating activities year to date actual amount is R50 million rands. Expenditure of R392 million rands exceeds the receipts of R342 million rands hence the negative cash flow from operating activities. Cash flow from investing activities is channelled to capital expenditure investment with a YTD figure of R70.6 million rands. Only the consumer deposits decrease with an amount of R90.9 million rands 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 - M11 May

Description R thousands	NT Code	Budget Year 2024/25											
		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 098	378	140	176	115	93	82	979	5 062	1 446	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	315	107	94	85	82	76	75	5 796	6 630	6 114	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	148	69	58	57	56	55	54	1 768	2 265	1 990	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	131	74	73	60	183	118	155	6 285	7 078	6 801	–	–
Total By Income Source	**2000**	**3 693**	**627**	**364**	**378**	**435**	**341**	**366**	**14 829**	**21 035**	**16 350**	**–**	**–**
2023/24 - totals only		3635588	514781	326419	449631	292119	448022	384134	13284948	19 336	**14 859**	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 360	336	93	108	85	50	49	4 112	6 192	4 403	–	–
Commercial	2300	2 003	125	113	135	104	130	103	1 148	3 862	1 620	–	–
Households	2400	195	89	65	56	129	74	66	2 526	3 201	2 852	–	–
Other	2500	135	77	92	79	117	88	148	7 044	7 779	7 475	–	–
Total By Customer Group	**2600**	**3 693**	**627**	**364**	**378**	**435**	**341**	**366**	**14 829**	**21 035**	**16 350**	**–**	**–**

The table 2.1.1 of debtors below is arranged as per service type showing a slightly decrease balance from R118 million rands reported last month to R116 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.

May 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 -9 655 345,65	R -9 655 345,65	R -	R -	R -	R -	R -	R -
Adv-Pay Reverse	R 9 340,29	R 8 644,37	R -	R -	R -	R 695,92	R -	R -
Deposit: Waste Disposal	R 2 000,00	R -	R -	R -	R -	R -	R -	R 2 000,00
Electricity Basic	R 787 408,97	R 254 019,10	R 32 472,26	R 32 127,53	R 101 260,63	R 29 180,59	R 26 410,97	R 311 937,89
Electricity Metered	R 5 061 780,99	R 3 098 157,77	R 377 702,67	R 139 971,25	R 176 093,50	R 115 329,74	R 92 707,99	R 1 061 818,07
Market stalls	R 1 116 026,04	R 40 628,57	R 19 182,16	R 18 803,48	R 18 063,98	R 17 541,54	R 16 970,66	R 984 835,65
OFFICE RENTAL	R 293 437,49	R 35 161,88	R 20 119,54	R 16 449,49	R 16 438,15	R 16 338,20	R 16 267,83	R 172 662,40
Plaza Market Stalls	R 265 881,70	R 18 689,15	R 8 645,29	R 8 213,30	R 7 788,99	R 7 537,92	R 7 485,21	R 207 521,84
Property Rates	R 104 345 631,26	R 4 385 300,14	R 3 851 914,98	R 3 781 820,55	R 4 024 101,57	R 3 587 450,75	R 3 554 613,35	R 81 160 429,92
Rent (M001)	R 546 784,29	R 42 461,32	R 18 258,63	R 14 216,63	R 14 140,30	R 14 068,28	R 14 010,97	R 429 628,16
Repay: Waste Disposal	R 26 598,34	R -	R -	R -	R -	R -	R -	R 26 598,34
Signs (M001)	R 1 119,59	R -	R -	R -	R 16,71	R 16,71	R 16,71	R 1 069,46
Stall rental	R 27 760,09	R 316,32	R 131,22	R 131,22	R 131,22	R 131,22	R 131,22	R 26 787,67
Sundries (VAT)	R 13 874,45	R 11 113,61	R 2 556,46	R 204,38	R -	R -	R -	R -
Tampering Fee	R 541 653,59	R 37 162,81	R 20 000,00	R -	R 20 000,00	R 83 223,39	R 48 012,77	R 333 254,62
Traffic Fines	R 4 480 300,00	R 85 300,00	R 53 800,00	R 72 800,00	R 40 000,00	R 98 600,00	R 70 100,00	R 4 059 700,00
Traffic Fines (M001)	R 2 046 971,78	R -	R -	R -	R -	R -	R -	R 2 046 971,78
Waste Disposal	R 6 601 076,88	R 315 188,95	R 106 808,88	R 93 689,62	R 85 484,98	R 81 794,77	R 75 701,38	R 5 842 408,30
Total	**R116 512 300,10**	**(R1 323 201,66)**	**R4 511 592,09**	**R4 178 427,45**	**R4 503 520,03**	**R4 051 909,03**	**R3 922 429,06**	**R96 667 624,10**

Debt collection rates

Collection Table 2.1.2.

Cash Collected for each Revenue Source via Billing (May 2025)								
	Cash collection		Ageing - May 2025		Collection rate per BT	Billed revenue - May 2025		
Rates	R	-6 214 867,75	R	104 345 631,26	-6%	R		-
Electricity	R	-3 586 097,09	R	5 849 189,96	-61%	R		2 327 703,40
Refuse	R	-158 109,52	R	6 629 675,22	-2%	R		213 612,78
Stalls Rental , Traffic fines & T	R	-69 160,35	R	8 198 825,86	-1%	R		71 701,92
Other Rentals	R	-	R	1 134 983,16	0%	R		-
Advance payments	R	-156 219,83	R	-9 646 005,36	2%	R		-
	R	-				R		-
TOTAL CASH RECEIVED (BI	**R**	**10 184 454,54**	**R**	**116 512 300,10**		**R**		**2 613 018,10**
Total Ageing	**R**	**116 512 300,10**			April 2025 billing	R		8 230 273,20
Total debtors' payments	R	10 184 454,54			May 2025 payments	R		10 184 454,54
		9%						124%

Cash collected under the reporting period amounts to R10.1 million rands resulting in collection rate of 9%. The comparison to the previous month billing against current month payments results to 124% 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.

MAY 2025 RATIOS		
(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100	375	Collection Rate
((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) × 365	12220,14	Net Debtors Days
(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	-68,25	Revenue Growth (%)

Collection rates stand at 375% using the ratios as provided by National Treasury circular 71. Net debtors' days are increased to 12 220.14 from previous quarter meaning that it takes the municipality about 33 years to collect the debts billed which signals cash flow challenges to fund certain expenditure items.

2.2. CREDITOR'S ANALYSIS

The municipality continues to pay creditors invoices in line with MFMA prescripts as stated that it should be within 30 days, end user departments are encouraged to attend to invoices timely to avoid delays, and to ensure accurate invoices are submitted to ensure the 30 days threshold is met. Purchase orders, payments, and all

expenditure transacting are captured in the financial system. The municipality formulate a delay reason documentation that seeks to put emphasis on adherence to 30 days and holding of responsible officials accountable, hence the improvement in adherence to section 65 of the MFMA by all officials.

Creditors payment summary: Table 2.2.1

CREDITORS REPORT FOR 31 MAY 2025

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

No.	VENDOR NAME	DESCRIPTION	AMOUNT
1	ESKOM HOLDINGS 5649601339	NONDWENI OFFICE ELECTICITY	34 417,44
	ESKOM HOLDINGS 6033862343	APRIL 2025 FREE BASIC ELECTRICITY	425 770,02
	ESKOM HOLDINGS 9253164668	NGOLOKODO LIBRARY	4 948,58
	ESKOM HOLDINGS BULK 8848733513	BULK ELECTRICITY PURCHASES	3 166 212,63
			3 631 348,67
2	JIBAS RECYCLING	MANAGE AND OPERATE NQUTHU BUY BACK CENTRE FOR A PERIOD OF SIX MONTHS	1 669 267,55
			1 669 267,55
3	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SECURITY GUARD TO MUNICIPAL PROPERTIES DAY AND NIGHT SHIFT FOR FEB 25	380 458,48
	SIZOWAKHA SECURITY AND CLEANING SERVICES	PROVISION OF SLUM CLEARANCE OFFICERS DAY AND NIGHT SHIFT FEB 25	100 050,00
			480 508,48
4	IZINGODLA ENGINEERS	REPAIR OF TRAFFIC LIGHT	435 735,00
			435 735,00
5	KWANONGOMA TRADING	180 SPAR SHOPPING VOUCHERS AT R1000.00 EACH	180 000,00
			180 000,00
6	NQUTHU PIONEER TRANSPORT PRIMARY CO-OPERATIVE LI	TRANSPORT FOR MAYORAL CUP GAMES	180 000,00
			180 000,00
7	UD TRUCKS NEWCASTLE	SERVICE OF BH 46 HM ZN	99 172,96
	UD TRUCKS NEWCASTLE	SERVICE OF BH 46 JC ZN	51 883,41
			151 056,37
8	ILANGA (MANDLA - MATLA PUBLISHING)	ADVERTISEMENT OF VACANT SITES	124 523,20
			124 523,20
9	MMG TOYOTA DUNDEE	SERVICE OF BJ 59 RL ZN	12 394,90
	MMG TOYOTA DUNDEE	SERVICE AND REPAIRS OF DISASTER LAND CRUISER BAKKIE	26 964,38
	MMG TOYOTA DUNDEE	REPAIRS OF BG 42 PW ZN	15 398,60
	MMG TOYOTA DUNDEE	SERVICE OF BJ 59 PT ZN	13 771,57
	MMG TOYOTA DUNDEE	SERVICE OF BJ 59 TJ ZN	37 341,00
	MMG TOYOTA DUNDEE	REPAIRS OF BB 59 VV ZN	10 644,57
			116 515,02
10	RAFIQ KHAN	APPLICATIONS FOR LOST DEEDS (NQUTHU MUNICIPALITY)	107 472,87
			107 472,87

The report shows in summary the highest paid creditors for the month of under reporting in the descending order by the highest paid invoice. 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 May 2025	
CREDITORS ACCOUNT RECONCILIATION REPORT MONTH ENDING MAY 2025	
Total Balances as per EMS INVOICE AGE ANALYSIS REPORT:	R 4 772 646,22
AGE ANALYSIS TOTAL AMOUNT:	R 4 772 646,22
CLOSING BALANCE FOR UNPAID CREDITORS AS PER AGE ANALYSIS REPORT	R 4 772 646,22

AGED ANALYSIS		R 4 772 646,22
Current (Transactions below 30 days)	R -	R 0,00
<30 Days	R -	R 1 121 633,08
<60 Days	R -	R 968 349,28
<90 Days	R -	R 1 318 496,41
<120 Days	R -	R 232 161,95
<150 Days	R -	R 42 506,71
<180 Days	R -	R 758 374,54
>180 Days	R -	R 331 124,25

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

SUMMARY OF CREDITORS' LISTING - MAY 2025	
Payroll Invoices	85 596,00
Accruals	244 874,25
Total Current Invoices	R 4 442 175,97
GRN (SCM UNIT)	537 648,49
Actual Invoices	3 904 527,48

2.3 INVESTMENT PORTFOLIO, BANK BALANCE ANALYSIS

The investment register on 31 May 2025 reflects investment state of the municipality, it must be noted that the level of investment decreased slightly from R113 million rands to R95 million rands. Operating and capital expenditure requires that the municipality withdraws from time to time from investments made to maintain cashflow hence the withdrawals history in the tables below.

Table 2.3.1 Investment register for the period ending 31 May 2025

INVESTMENT REGISTER- MAY 2025												
INSTITUTION	BALANCE		INVESTED IN CURRENT YEAR		INTEREST RECEIVED		WITHDRAWAL		BANK CHARGES		BALANCE	
ABSA (1394) HOUSING A/C	R	1 889 796,08	R	-	R	118 373,25	R	-	R	-	R	2 008 169,33
ABSA (4328)	R	23 517,08	R	-	R	1 571,31	R	-	R	450,00	R	24 638,39
ABSA (5014)	R	535 810,78	R	22 189 665,04	R	302 947,41	R	-	R	-	R	23 028 423,23
ABSA (6276)	R	-	R	12 000 000,00	R	296 653,16	R	12 296 653,16	R	-	R	-
ABSA (9642)	R	21 261 123,17	R	-	R	983 579,84	R	22 244 703,01	R	-	R	-
ABSA CALL (5892)	R	1 722 180,52	R	14 283 580,90	R	414 872,32	R	-	R	-	R	16 420 633,74
FNB (0889)	R	8 453 186,16	R	-	R	807 286,06	R	9 260 472,22	R	-	R	-
FNB (2166)	R	5 970 709,50	R	-	R	185 460,70	R	6 156 170,20	R	-	R	0,00
FNB (2554)	R	9 996 448,72	R	-	R	954 668,91	R	10 951 117,63	R	-	-R	0,00
FNB CALL (1408)	R	10 084 199,41	R	-	R	701 443,54	R	-	R	322,60	R	10 785 320,35
NEDBANK (000146)	R	-	R	12 000 000,00	R	96 016,44	R	12 096 016,44	R	-	R	-
NEDBANK (3)	R	1 225,39	R	-	R	89,00	R	-	R	-	R	1 322,39
STANDARD BANK 014	R	7 280,65	R	-	R	418,57	R	-	R	-	R	7 699,22
STANDARD BANK 063	R	25 362 238,16	R	-	R	1 940 129,74	R	-	R	-	R	27 302 367,90
STANDARD BANK 064	R	-	R	15 000 000,00	R	903 566,98	R	-	R	-	R	15 903 566,98
TOTAL	**R**	**85 307 715,62**	**R**	**75 473 245,94**	**R**	**7 707 077,24**	**R**	**73 005 132,66**	**R**	**772,60**	**R**	**95 482 141,54**

Withdrawal history is shown in the table below painting a picture of zero withdrawal movement since quarter two. The need to run municipal operations resulted in withdrawing twice in May from the invested funds therefore the balance of withdrawal of investments increased from R52.7 million rands to R73 million rands.

Withdrawals history 31 M ay 2025

DATE	ACCOUNT FROM	AMOUNT	ACCOUNT TO	ACCOUNT TYPE	BALANCE BEFORE	WITHDRAWAL REASON
26-Aug-24	NEDBANK (000146)	R 12 096 016,44	ABSA 2762	PRIMARY	17 066 127,00	Insufficient funds to pay for
03-Oct-24	ABSA (9642)	R 22 244 703,01	ABSA 2762	PRIMARY	3 904 911,22	Insufficient funds to pay for normal operations
06-Nov-24	ABSA (6276)	R 12 296 653,16	ABSA 2762	PRIMARY	3 619 554,48	Insufficient funds to pay for normal operations
08-Nov-24	FNB (2166)	R 6 156 170,20	ABSA 2762	PRIMARY	6 156 170,20	Insufficient funds to pay for normal operations
09-May-25	FNB (0889)	R 9 260 472,22	ABSA 2762	PRIMARY	4 492 726,74	Insufficient funds to pay for normal operations
09-May-25	FNB (2554)	R 10 951 117,63	ABSA 2762	PRIMARY	13 753 198,96	Insufficient funds to pay for normal operations
		R 73 005 132,66				

Table 2.3.2 Bank Balance (Primary account)

BANK RECONCILIATION (PRIMARY ACCOUNT)	4053562762
Details	**Amount**
	R 9 587 518,59
Cash book balance as at 31 May 2025	
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 May 2025	**R 9 587 518,59**

Bank balance for primary account reflects the amount of R9.5 million rands at the end of this reporting period compared to R29 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.

BANK RECONCILIATION (GRANTS ACCOUNT)	
Details	**Amount**
Cash book balance as at 31 May 2025	**R 23 028 423,23**
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 May 2025	**R 23 028 423,23**

2.4 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE
Grants register for the period ending 31 May 2025

Grant register Table 2.4.1

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	Available funds/not committed	% Variance
		1-Jul-2024		2024/25	2024/25	2024/25	2024/25	
Library support	IL001007002002002008004013008003	-	(2 060 976,00)	(2 060 972,00)	R 2 060 972,00	-	-	-100%
Massification Eletrification	IL001007002001002008004011002003	(6 087 447,25)	-	-	R 2 566 413,45	(3 521 033,80)	(3 521 033,80)	
Eletrification	IL00100700200100200500100 3	(2 670 000,73)	(16 474 000,00)	(16 474 000,00)	R 15 479 208,68	(3 664 792,05)	(3 664 792,05)	-124%
Small Town rehabilitation	IL001007002001002008004011005003	(1 727 080,78)	-	-	R -	(1 727 080,78)	(1 727 080,78)	
Cybercadet	IL001007002002002008004013001003	-	(533 083,00)	(533 083,00)	R 533 083,00	-	-	-100%
MIG	IL00100700200100200500 2003	-	(46 128 000,00)	(46 128 000,00)	R 46 128 000,00	0,00	0,00	-100%
Sportfield Maintance	IL001007002001002008004011001003	(27 120,59)	-	-	R -	(27 120,59)	(27 120,59)	
Bornem Grant	IL001007002002002003034001003	-	-	-	R -	-	-	
FMG	IL00100700200200200 5004003	-	(1 800 000,00)	(1 800 000,00)	R 1 275 952,66	(524 047,34)	(524 047,34)	-71%
Library Modular	IL001007002002002008004013009003	-	(1 500 612,00)	(1 500 612,00)	R 1 500 612,00	-	-	-100%
EPWP	IL00100700200200200 5002003	-	(1 478 004,00)	(1 478 000,00)	R 1 478 004,00	4,00	4,00	-100%
Library Volunteer	IL001007002002002008004013007003	-	(113 333,00)	(113 333,00)	R 88 000,00	(25 333,00)	(25 333,00)	-78%
disaster relief grant			(5 100 000,00)	(5 100 000,00)		(5 100 000,00)	(5 100 000,00)	0%
TOTALS		**(10 511 649,35)**	**(75 188 008,00)**	**(75 188 000,00)**	**71 110 245,80**	**(14 589 403,56)**	**(14 589 403,56)**	

All grants have been fully spent except for FMG grant as it shows 71% expenditure, Library Volunteer grant spent 78% so far and one grant that has zero expenditure is the Disaster Relief grant due to grant being received in March. 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.

2.5 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS
Expenditure on employee benefits

Employee benefits as of 31 May 2025 amount to R96 million rands compared to reported R79.6 million rands in the previous month, there is a notable increase on salaries expense due salary collective agreement increment and filling in of vacant position in the organogram. The municipality is reducing vacancy rate on its staff establishment through filling of posts. Councillor allowances expenditure amounts to R14 million rands.

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 May 2025

Staff Benefits		
Item	**Budget**	**Year to date actuals**
Salaries & Wages	R90 900 174,00	R 69 159 675,23
Contributions to pension funds	R14 138 419,00	R 8 962 245,38
Contributions to medical aids	R2 285 865,00	R 3 282 642,40
Contributions to UIF	R645 865,00	R 537 561,45
Contributions to SDL	R926 451,00	R 810 254,24
Travel, motor car	R4 115 290,00	R 4 305 882,09
Salga	R42 565,00	R 38 610,45
Housing benefits and allowances	R739 759,00	R 115 897,60
Cellphone Allowance	R0,00	R0,00
Overtime payments	R2 424 094,00	R 1 731 692,00
Bonuses	R6 201 475,00	R 4 794 399,08
Other leave & long service	R2 223 140,00	R 643 191,07
Allowances (Standby and Drivers Allowance)	R1 122 829,00	R 2 602 782,35
Totals	**R 125 765 926,00**	**R 96 984 833,34**
Councillors Allowances		
Item	**Budget**	**Year to date actuals**
Councillors Allowances	R16 456 910,00	R 13 082 425,44
Cellphone/Data Allowance	R1 711 057,00	R 1 501 294,72
Contributions to SDL	R40 995,00	R 136 739,96
Totals	**R18 208 962,00**	**R 14 720 460,12**

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 - MAY 2025	
OPENING BALANCE AS PER INVENTORY REPORT	**R 1 132 389,21**
ADD: TOTAL RECEIPTS	**R 132 213,04**
Inventory purchases for the month	R 132 213,04
LESS: TOTAL ISSUES	**(R 182 887,07)**
Inventory issued from stores during the month	(R 182 887,07)
ADJUSTMENTS	**R 0,00**
Add: stock surplus identified during the month	R 0,00
Less: Stock losses identied during the month	
CLOSING BALANCE AS PER INVENTORY REPORT	**R 1 081 715,18**

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

NQUTHU MUNICIPALITY YEAR END (2024 - 2025) IRREGULAR EXPENDITURE TOTAL				
QUARTER 4				
MONTH No.	**MONTH NAME**	**EXPENDITURE**		
OPENING BALANCE		**OPERATIONAL**	**CAPITAL**	**TOTAL UI(F)W**
		R 11 231 377,95	**R 56 998 165,17**	
10	April	R 1 824 821,21	R 711 739,32	
11	May	R 5 027 899,51	R 5 020 300,90	
12	June	R -	R -	
CLOSING BALANCE		**R 18 084 098,67**	**R 62 730 205,39**	**R80 814 304,06**

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 2024/ 2025** **Nquthu Local Municipality** **Month Summary Jul 2024- June 2025**
Description	**Payment no./EFT no/ Cheque No. / Month**	**Amount**
Telkom		**R5,56**
Interest on overdue account- #66587	Jul-24	R 5,56
Eskom #72519		**R60,27**
Interest on overdue account	Jul-24	R -
	Feb-25	R 60,27
Umzinyathi Municipality		**R353,41**
Interest on overdue water accounts-Feb 2025	#73374 - 73379	R 184,17
Interest on overdue water accounts-Apr 2025	#75136-75138	R 169,24
Other- Penalty fees paid in Aug 2024		**R184 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
Other (Car Licences)		**R4 635,90**
Penalty on late license renewal	#75673	R 3 272,40
Arrears on late payment	#75673	R 1 363,50
TOTAL as @ 31 May 2025		**R 189 569,24**

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

DEVIATIONS

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

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

2.7 MATERIAL VARIANCES TO SDBIP

Detailed SDBIP and Performance report is attended and reported by the Performance Management unit.

Material variances on Table C4 based on actuals against budget are noted. The variance reasons between actuals vs budget figures are detailed below:

Interest for both exchange revenue and non-exchange revenue reflect 173873% and 184% respectively. The excessive variance for exchange revenue is caused by the zero-budget compared to actual figure of R19 thousand, there is no adjustment in this line item. Interest for non-exchange revenue budget amounts to R1.3 million rands whereas the actual YTD figure is R3.4 million rands, there is no adjustment in this regard. Essentially the transactions in this line item are informed by the number of customers that are in arrears and account settlements effect.

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

Sale of goods and rendering of service – this is the revenue from building plans, burial fees, photocopies, advertising, and sale of tender documents. There is 232% variance from original budget. This revenue source dependent significantly on consumer preferences and the tender notices issued by the municipality. A notable hike in YTD actuals was observed in January through the sale of tender documents.

Property rates show a 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 52% 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. Licences and permits line item is underperforming at R792 thousand rands against R1 million rands budget.

Employee related costs – 18% 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 depreciation has been captured to date thus a variance of 24% 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 81% variance because the actual YTD figure is above budgeted figures, furthermore the downward adjustment negatively impacts the variance.

Irrecoverable debt written off shows a negative 95% variance – the budget was originally set higher 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 May 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: pp

Date 05/06/2025