

REPORT TO THE MSUNDUZI MUNICIPAL COUNCIL



File Reference:
Report Number:

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NOT CONFIDENTIAL

CONSIDERATION

16 / 1 / 24
4.7 | PIETERMARITZBURG
CITY HALL
INFO - CENTRE R47

1st Level: TMC: (16 January 2025)
2nd Level: PORTFOLIO COMMITTEE N/A
3rd Level: AUDIT COMMITTEE (21 January 2025)
4th Level: EXCO (TBC)
5th Level: COUNCIL (TBC)

SUBJECT: MFMA SECTION 72 – MID YEAR PERFORMANCE ASSESSMENT REPORT

DATE: 15 JANUARY 2025

1. PURPOSE

1.1 The Purpose of this report is to present the 2024/2025 MFMA Section 72 Mid-Year Performance Assessment report in line with the MFMA to council for consideration.

2. BACKGROUND

2.1 The Mid-Year budget and performance assessment review 2024/2025 financial year is prepared in accordance to the Municipal Finance Management Act 56 of 2003.

2.2 The Performance Management unit is responsible for the coalition of the report, the information is solicited from the Budget and Treasury office as well as the Municipal Entity Safe City.

2.3 Included in the report is the Auditor General findings from the previous financial year.

3. LEGISLATIVE PROVISIONS / POLICIES

3.1 Section 72 of the Municipal Finance Management Act the Municipal Finance Management Act-56 of 2003: Mid-Year Budget and Performance Assessment.

(1) The accounting officer of a municipality must be by 25 January of each year—

(a) Assess the performance of the municipality during the first half of the financial year, taking into account—

(i) The monthly statements referred to in section 71 for the first half of the financial year.

(ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan:

- (iii) The past year's annual report, and progress on resolving problems identified in the annual report and
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- (b) Submit a report on such assessment to—
 - (i) The mayor of the municipality.
 - (ii) The National Treasury; and
 - (iii) The relevant provincial treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (10) of this section.
- (3) The accounting officer must, as part of the review—
 - (a) Make recommendations as to whether an adjustments budget is necessary; and
 - (b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

4. MOTIVATION/DISCUSSION

4.1 The contents of this report are presented in accordance with all legislative requirements. The report is consolidated as per section 72 and will include the following:

4.1.1 The monthly statements referred to in Section 71 for the first half of the financial year.

Revenue: The year-to-date actual revenue generated for the month of December amounted to R4,402 billion while the projected year-to-date budget amounted to R4,482 billion (excluding capital transfers and contribution). This means that the municipality generated a little less revenue at the end of December than projected. The municipality should continue to monitor closely the revenue collection.

The year-to-date actual service charges contributed R 2,530 billion towards the total municipal revenue basket, which is 57% of the total revenue basket and Transfers and subsidies contributed R 673.300 million which is 15% of the total revenue basket.

Revenue from Rental from Fixed Assets; Electricity Revenue and Operational Revenue generated the following variances when comparing year to date actual and year to date budget, -73%; -18% and -55% respectively. The revenue collection from these sources is a less than what was projected for the month of December 2024.

Overall, in the sixth month of the 2024/2025 financial year, the municipality generated total revenue of R 4,580 billion including capital transfers and contributions against the year-to-date budget of R 4,710 billion. However, the municipality must closely monitor the levels of revenue generated and expenditure incurred to mitigate the risk of expenditure exceeding revenue, which could lead to cash flow problems in a long run or unwarranted deficit.

Operating Expenditure: The total actual year-to-date operating expenditure for the month of December 2024 amounted to R3,823 billion while the year-to-date budget Operating Expenditure amounted to R4,190 billion.

The operational expenditure is largely attributed to bulk purchases of electricity and employee related costs both accounting 65% of the total operating expenditure incurred for the period ending 31 December 2024. Considering the operating expenditure analysis above, the municipality has re-emphasised the cost-cutting measures and improvise cost-effective ways of doing business. The municipality must continue with these measures to monitor expenditure.

Overall, the municipality has recorded a surplus of R756,499 million which is inclusive of capital transfers amounting to R177,947 million as of 31 December 2024. Though the surplus is a combination of billing and actual cash but somehow it is within the projections as per the original budget.

Capital Expenditure: The year-to-date actual capital expenditure for the month of December 2024 amounted to R 285,721 million, the year-to-date budgeted capital expenditure was R413,382 million resulting in a variance of -31% when comparing year to date actual and year to date budget.

Underspending in both national and provincial grants funded projects, and borrowings funded projects is a serious cause of concern because under-expenditure on capital projects directly results in a negative impact on service delivery. The municipality has put measures in place to ensure the acceleration of expenditure on capital projects thereby improving on service delivery.

Grants Receipts: The total year to date operational and capital grant receipts for the month of December 2024 amounted to R914,063 million that is inclusive of equitable share of R616,554 million, other operating grant of R90,762 million and Capital transfers of R206,747 million.

Consumer Debt: The total year-to-date consumer debt at the end of December 2024 amounted to R7,904 billion. The municipality's debt is continuously increasing which may results into serious threat to the municipality's future sustainability. The municipality must introduce measures to ensure acceptable levels of debt collections and thereby mitigating the risk of cash flow problems in future.

Parent Municipality (Only) Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance of the Municipality and is unpacked in the sections that follow.

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2023/24		Budget Year 2024/25					Full Year Forecast
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
Financial Performance								
Property rates	1 359 087	1 649 353	152 995	890 942	824 676	66 266	8%	1 649 353
Service charges	3 696 100	5 683 701	381 475	2 529 764	2 841 850	(312 087)	-11%	5 683 701
Investment revenue	106 873	59 562	-	-	29 781	(29 781)	-100%	59 562
Transfers and subsidies - Operational	824 536	946 343	293 963	673 300	473 172	200 129	0	946 343
Other own revenue	579 738	624 944	55 157	308 033	312 472	(4 439)	-1%	-
Total Revenue (excluding capital transfers and contributions)	6 566 335	8 963 903	883 590	4 402 040	4 481 952	(79 912)	-2%	8 963 903
Employee costs	1 612 918	1 847 016	124 626	828 331	923 508	(95 177)	-10%	1 847 016
Remuneration of Councilors	63 542	66 462	4 771	28 619	33 231	(4 612)	-14%	66 462
Depreciation and amortisation	361 848	362 179	33 310	196 552	181 089	15 462	9%	362 179
Interest	84 787	42 825	1 597	9 922	21 412	(11 490)	-54%	42 825
Inventory consumed and bulk purchases	3 592 058	4 138 528	327 708	2 229 534	2 069 264	160 270	8%	4 138 528
Transfers and subsidies	28 450	69 670	7 104	26 081	34 835	(8 754)	-25%	69 670
Other expenditure	2 357 170	1 853 590	129 462	504 449	926 795	(422 347)	-46%	1 853 590
Total Expenditure	8 100 773	8 380 270	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/(Deficit)	(1 534 439)	583 633	255 010	578 553	291 817	286 736	98%	583 633
Transfers and subsidies - capital (monetary allocations)	428 105	456 975	44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Capital expenditure & funds sources								
Capital expenditure	726 310	824 011	73 217	285 721	412 005	(126 285)	-31%	824 011
Capital transfers recognised	395 582	456 975	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	72 310	234 316	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds	258 418	132 720	24 973	96 128	66 360	29 768	45%	132 720
Total sources of capital funds	726 310	824 011	73 217	285 721	412 005	(126 285)	-31%	824 011
Financial position								
Total current assets	2 040 911	4 114 508		2 345 505				4 114 508
Total non current assets	8 604 430	10 127 020		8 437 560				10 127 020
Total current liabilities	3 853 354	2 372 667		3 119 672				2 372 667
Total non current liabilities	733 130	1 223 486		1 096 833				1 223 486
Community wealth/Equity	6 058 857	10 645 376		6 566 560				10 645 376
Cash flows								
Net cash from (used) operating	611 952	595 510	-	-	297 755	297 755	100%	595 510
Net cash from (used) investing	(674 404)	(824 011)	-	-	(412 005)	(412 005)	100%	(824 011)
Net cash from (used) financing	42 005	144 316	-	-	72 158	72 158	100%	144 316
Cash/cash equivalents at the month/year end	490 955	459 343	-	-	501 435	501 435	100%	459 343
Debtors & creditors analysis	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	806 853	141 270	165 399	145 485	154 046	716 502	5 637 781	7 904 367
Creditors Age Analysis								
Total Creditors	416 012	702 575	37 615	1 663 988	-	-	-	3 117 963

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Functional								
<i>Governance and administration</i>	2 042 708	2 688 151	323 067	1 335 187	1 344 075	(8 888)	-1%	2 688 151
Executive and council	4 701	-	115	1 471	-	1 471	#DIV/0!	-
Finance and administration	2 038 007	2 688 151	322 952	1 333 716	1 344 075	(10 359)	-1%	2 688 151
Internal audit	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	225 252	525 429	20 577	70 436	262 715	(192 278)	-73%	525 429
Community and social services	63 389	307 323	4 726	11 581	153 662	(142 081)	-92%	307 323
Sport and recreation	4 912	23 527	2 757	8 197	11 763	(3 566)	-30%	23 527
Public safety	25 017	9 173	373	3 119	4 586	(1 468)	-32%	9 173
Housing	131 933	185 406	12 720	47 540	92 703	(45 164)	-49%	185 406
Health	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	167 412	86 692	13 815	52 190	43 346	8 844	20%	86 692
Planning and development	118 230	31 697	3 420	19 456	15 849	3 607	23%	31 697
Road transport	48 423	50 000	10 369	32 428	25 000	7 428	30%	50 000
Environmental protection	758	4 994	26	306	2 497	(2 191)	-88%	4 994
<i>Trading services</i>	4 506 712	5 997 734	567 600	3 101 132	2 998 867	102 265	3%	5 997 734
Energy sources	2 671 690	4 347 604	281 976	1 819 647	2 173 802	(354 155)	-16%	4 347 604
Water management	1 308 245	1 219 122	224 351	975 108	609 561	365 547	60%	1 219 122
Waste water management	332 250	262 027	38 651	207 073	131 014	76 059	58%	262 027
Waste management	194 527	168 980	22 622	99 304	84 490	14 814	18%	168 980
Other	52 357	122 873	3 335	21 041	61 436	(40 395)	-66%	122 873
Total Revenue - Functional	6 994 440	9 420 878	928 394	4 579 986	4 710 439	(130 453)	-3%	9 420 878
Expenditure - Functional								
<i>Governance and administration</i>	1 394 784	1 659 708	90 156	512 313	829 854	(317 541)	-38%	1 659 708
Executive and council	154 336	165 981	10 554	67 170	82 990	(15 820)	-19%	165 981
Finance and administration	1 215 285	1 465 568	76 732	426 586	732 784	(306 198)	-42%	1 465 568
Internal audit	25 163	28 159	2 870	18 557	14 080	4 477	32%	28 159
<i>Community and public safety</i>	639 573	706 899	55 783	300 331	353 450	(53 119)	-15%	706 899
Community and social services	154 233	250 699	13 856	81 572	125 350	(43 778)	-35%	250 699
Sport and recreation	152 619	121 147	11 637	64 520	60 574	3 947	7%	121 147
Public safety	221 231	244 183	18 702	110 463	122 092	(11 628)	-10%	244 183
Housing	101 531	81 137	10 941	39 389	40 568	(1 179)	-3%	81 137
Health	9 958	9 734	646	4 386	4 867	(480)	-10%	9 734
<i>Economic and environmental services</i>	478 065	640 339	52 943	235 825	320 169	(84 344)	-26%	640 339
Planning and development	97 778	161 556	7 593	48 395	80 778	(32 383)	-40%	161 556
Road transport	354 437	449 622	43 353	173 008	224 811	(51 803)	-23%	449 622
Environmental protection	25 850	29 161	1 998	14 422	14 580	(159)	-1%	29 161
<i>Trading services</i>	5 510 615	5 278 294	418 928	2 725 292	2 639 147	86 145	3%	5 278 294
Energy sources	3 380 460	3 749 119	246 511	1 882 067	1 874 559	7 508	0%	3 749 119
Water management	1 504 796	1 010 945	122 982	604 563	505 472	99 091	20%	1 010 945
Waste water management	434 826	369 521	38 977	177 577	184 761	(7 184)	-4%	369 521
Waste management	190 532	148 709	10 457	61 085	74 354	(13 270)	-18%	148 709
Other	77 737	95 029	10 769	49 726	47 515	2 212	5%	95 029
Total Expenditure - Functional	8 100 773	8 380 270	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	0,453955861	1 040 608

Table C3 presents the same information as table C2 above, the difference being that it's by Municipal vote.

KZN225 Msunduzi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2

Vote Description	Budget Year 2024/25							
	2023/24 Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - City Manager	-	-	-	-	-	-		-
Vote 2 - City Finance	2 025 042	2 675 603	319 157	1 324 041	1 337 801	(13 761)	-1,0%	2 675 603
Vote 3 - Corporate Services	2 110	3 166	561	1 509	1 583	(74)	-4,7%	3 166
Vote 4 - Community Services and Social Equity	292 947	492 478	30 411	123 648	246 239	(122 591)	-49,8%	492 478
Vote 5 - Infrastructure Services	1 696 701	1 540 531	274 269	1 220 263	770 266	449 997	58,4%	1 540 531
Vote 6 - Sustainable Development and City Enterprises	304 119	366 567	19 740	88 583	183 284	(94 701)	-51,7%	366 567
Vote 7 - Electricity	2 673 986	4 342 533	284 255	1 821 943	2 171 266	(349 323)	-16,1%	4 342 533
Total Revenue by Vote	6 994 905	9 420 878	928 394	4 579 986	4 710 439	(130 453)	-2,8%	9 420 878
Expenditure by Vote								
Vote 1 - City Manager	195 836	191 820	13 820	89 954	95 910	(5 956)	-6,2%	191 820
Vote 2 - City Finance	722 564	1 166 932	48 261	217 329	583 466	(366 137)	-62,8%	1 166 932
Vote 3 - Corporate Services	201 261	198 304	12 558	76 578	99 152	(22 574)	-22,8%	198 304
Vote 4 - Community Services and Social Equity	970 678	859 070	67 315	438 205	429 535	8 670	2,0%	859 070
Vote 5 - Infrastructure Services	2 321 845	1 881 447	205 531	964 805	940 723	24 082	2,6%	1 881 447
Vote 6 - Sustainable Development and City Enterprises	308 983	331 869	34 584	154 647	165 934	(11 287)	-6,6%	331 869
Vote 7 - Electricity	3 380 072	3 750 828	246 511	1 881 968	1 875 414	6 554	0,3%	3 750 828
Total Expenditure by Vote	8 101 239	8 380 270	628 580	3 823 487	4 190 135	(366 648)	-8,8%	8 380 270
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45,4%	1 040 608

STATEMENT OF FINANCIAL PERFORMANCE

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 December 2024.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue								
Exchange Revenue								
Service charges - Electricity	2 630 641	4 297 825	266 518	1 763 911	2 148 913	(385 002)	-18%	4 297 825
Service charges - Water	740 741	1 009 760	84 418	570 360	504 880	65 480	13%	1 009 760
Service charges - Waste Water Management	198 015	220 725	18 559	122 774	110 362	12 411	11%	220 725
Service charges - Waste management	126 704	155 391	11 980	72 720	77 695	(4 975)	-6%	155 391
Sale of Goods and Rendering of Services	14 947	42 043	-	-	21 021	(21 021)	-100%	42 043
Agency services	2 667	765	130	1 494	382	1 112	291%	765
Interest	-	-	-	-	-	-	-	-
Interest earned from Receivables	325 984	230 682	44 426	223 347	115 341	108 006	94%	230 682
Interest from Current and Non Current Assets	106 873	59 562	-	-	29 781	(29 781)	-100%	59 562
Dividends	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-
Rental from Fixed Assets	33 590	113 962	2 875	15 375	56 981	(41 605)	-73%	113 962
Licence and permits	2 021	2 547	136	1 116	1 273	(157)	-12%	2 547
Operational Revenue	53 620	204 124	4 962	45 475	102 062	(56 587)	-55%	204 124
Non-Exchange Revenue								
Property rates	1 359 087	1 649 353	152 995	890 942	824 676	66 266	8%	1 649 353
Surcharges and Taxes	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	34 278	11 687	654	7 350	5 844	1 506	26%	11 687
Licence and permits	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	824 536	946 343	293 963	673 300	473 172	200 129	42%	946 343
Interest	44 118	19 135	1 712	13 604	9 568	4 036	42%	19 135
Fuel Levy	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-
Other Gains	68 514	-	263	273	-	273	-	-
Discontinued Operations	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	6 566 335	8 963 903	883 590	4 402 040	4 481 952	(79 912)	-2%	8 963 903
Expenditure By Type								
Employee related costs	1 612 918	1 847 016	124 626	828 331	923 508	(95 177)	-10%	1 847 016
Remuneration of councillors	63 542	66 462	4 771	28 619	33 231	(4 612)	-14%	66 462
Bulk purchases - electricity	2 714 396	3 145 119	211 148	1 666 651	1 572 559	94 092	6%	3 145 119
Inventory consumed	877 662	993 409	116 561	562 882	496 705	66 178	13%	993 409
Debt impairment	1 143 098	636 000	366	5 409	318 000	(312 591)	-98%	636 000
Depreciation and amortisation	361 848	362 179	33 310	196 552	181 089	15 462	9%	362 179
Interest	84 787	42 825	1 597	9 922	21 412	(11 490)	-54%	42 825
Contracted services	918 493	1 023 282	107 775	380 689	511 641	(130 952)	-26%	1 023 282
Transfers and subsidies	28 450	69 670	7 104	26 081	34 835	(8 754)	-25%	69 670
Irrecoverable debts written off	22 524	-	-	-	-	-	-	-
Operational costs	229 249	194 308	21 321	118 351	97 154	21 197	22%	194 308
Losses on Disposal of Assets	14 049	-	-	-	-	-	-	-
Other Losses	29 757	-	-	-	-	-	-	-
Total Expenditure	8 100 773	8 380 270	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/(Deficit)								
Transfers and subsidies - capital (monetary allocations)	428 105	456 975	44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Income Tax	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608

Capital Expenditure

Table C5 below reports on the capital expenditure by department (municipal vote) for single year as well as multiyear capital appropriations. The bottom part of the schedule looks at the funding sources of the capital projects.

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - City Manager	-	37 445	-	-	18 723	(18 723)	-100%	37 445
Vote 2 - City Finance	10 485	25 000	11 586	12 221	12 500	(279)	-2%	25 000
Vote 3 - Corporate Services	5 072	6 575	(2 473)	(2 439)	3 288	(5 726)	-174%	6 575
Vote 4 - Community Services and Social Equity	70 000	42 153	4 753	16 478	21 076	(4 599)	-22%	42 153
Vote 5 - Infrastructure Services	291 474	284 464	35 436	158 388	142 232	16 156	11%	284 464
Vote 6 - Sustainable Development and City Enterprises	168 625	153 599	12 673	48 335	76 799	(28 465)	-37%	153 599
Vote 7 - Electricity	116 639	237 331	11 242	35 745	118 666	(82 921)	-70%	237 331
Total Capital Multi-year expenditure	662 496	786 566	73 217	268 727	393 283	(124 556)	-32%	786 566
Single Year expenditure appropriation								
Vote 1 - City Manager	6 003	5 000	-	-	2 500	(2 500)	-100%	5 000
Vote 2 - City Finance	5 571	-	-	-	-	-	-	-
Vote 3 - Corporate Services	15 256	7 525	-	13 944	3 763	10 182	271%	7 525
Vote 4 - Community Services and Social Equity	8 052	6 780	-	-	4 390	(4 390)	-100%	8 780
Vote 5 - Infrastructure Services	15 179	10 000	-	3 050	5 000	(1 950)	-39%	10 000
Vote 6 - Sustainable Development and City Enterprises	843	2 140	-	-	1 070	(1 070)	-100%	2 140
Vote 7 - Electricity	12 909	4 000	-	-	2 000	(2 000)	-100%	4 000
Total Capital single-year expenditure	63 814	37 445	-	16 994	18 723	(1 729)	-9%	37 445
Total Capital Expenditure	726 310	824 011	73 217	285 721	412 005	(126 285)	-31%	824 011
Capital Expenditure - Functional Classification								
Governance and administration	43 055	45 300	9 113	23 726	22 650	1 076	5%	45 300
Executive and council	6 003	5 100	-	-	2 550	(2 550)	-100%	5 100
Finance and administration	37 052	40 200	9 113	23 726	20 100	3 626	18%	40 200
Internal audit	-	-	-	-	-	-	-	-
Community and public safety	117 916	168 351	15 743	45 768	84 176	(38 407)	-46%	168 351
Community and social services	39 760	24 745	2 600	2 671	12 373	(9 702)	-79%	24 745
Sport and recreation	5 256	11 933	2 393	6 867	5 966	901	15%	11 933
Public safety	724	2 100	-	-	1 050	(1 050)	-100%	2 100
Housing	72 176	129 574	10 750	36 230	64 787	(28 557)	-44%	129 574
Health	-	-	-	-	-	-	-	-
Economic and environmental services	247 500	139 974	26 570	97 490	69 987	27 503	39%	139 974
Planning and development	92 996	23 150	1 683	11 865	11 575	290	3%	23 150
Road transport	154 504	116 824	24 887	85 626	58 412	27 213	47%	116 824
Environmental protection	-	-	-	-	-	-	-	-
Trading services	314 321	467 535	21 791	118 736	233 768	(115 032)	-49%	467 535
Energy sources	129 749	260 054	11 242	35 745	130 027	(94 282)	-73%	260 054
Water management	78 803	100 375	7 341	40 927	50 188	(9 260)	-18%	100 375
Waste water management	78 088	97 047	3 207	34 884	48 523	(13 639)	-28%	97 047
Waste management	27 681	10 060	-	7 179	5 030	2 149	43%	10 060
Other	3 518	2 850	-	-	1 425	(1 425)	-100%	2 850
Total Capital Expenditure - Functional Classification	726 310	824 011	73 217	285 721	412 005	(126 285)	-31%	824 011
Funded by:								
National Government	302 791	325 817	29 329	124 701	162 908	(38 207)	-23%	325 817
Provincial Government	92 791	131 158	10 990	35 698	65 579	(29 881)	-46%	131 158
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	395 582	456 975	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	72 310	234 316	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds	258 418	132 720	24 973	96 128	86 360	29 768	45%	132 720
Total Capital Funding	726 310	824 011	73 217	285 721	412 005	(126 285)	-31%	824 011

Table C6 displays the financial position of the municipality as of 31st December 2024.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Q2 Second

Description	2023/24	Budget Year 2024/25		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands				
ASSETS				
Current assets				
Cash and cash equivalents	490 955	211 783	(14 137)	211 783
Trade and other receivables from exchange transactions	728 825	2 649 262	1 636 023	2 649 262
Receivables from non-exchange transactions		811 010	-	811 010
Current portion of non-current receivables		-	-	-
Inventory	498 281	442 453	508 080	442 453
VAT		-	-	-
Other current assets	322 851	-	215 539	-
Total current assets	2 040 911	4 114 508	2 345 505	4 114 508
Non current assets				
Investments		-	-	-
Investment property	922 392	974 256	922 392	974 256
Property, plant and equipment	7 250 531	8 754 770	7 495 443	8 754 770
Biological assets		80 958	510	80 958
Living and non-living resources	534	-	-	-
Heritage assets	323 520	291 270	-	291 270
Intangible assets	24 753	25 766	21 488	25 766
Trade and other receivables from exchange transactions		-	-	-
Non-current receivables from non-exchange transactions		-	-	-
Other non-current assets	82 700	-	(2 272)	-
Total non current assets	8 604 430	10 127 020	8 437 560	10 127 020
TOTAL ASSETS	10 645 342	14 241 528	10 783 065	14 241 528
LIABILITIES				
Current liabilities				
Bank overdraft		-	-	-
Financial liabilities	50 311	(11 273)	13 762	(11 273)
Consumer deposits	152 248	150 719	159 276	150 719
Trade and other payables from exchange transactions	3 221 548	1 713 734	2 893 545	1 713 734
Trade and other payables from non-exchange transactions	12 567	-	-	-
Provision	6 108	61 739	53 089	61 739
VAT	174 005	457 747	-	457 747
Other current liabilities	236 567	-	-	-
Total current liabilities	3 853 354	2 372 667	3 119 672	2 372 667
Non current liabilities				
Financial liabilities	116 275	559 919	-	559 919
Provision	44 650	80 111	-	80 111
Long term portion of trade payables		-	116 275	-
Other non-current liabilities	572 205	583 456	980 558	583 456
Total non current liabilities	733 130	1 223 486	1 096 833	1 223 486
TOTAL LIABILITIES	4 586 484	3 596 153	4 216 505	3 596 153
NET ASSETS	6 058 857	10 645 376	6 566 560	10 645 376
COMMUNITY WEALTH/EQUITY				
Accumulated surplus/(deficit)	5 833 209	10 645 376	6 339 919	10 645 376
Reserves and funds	104 699		226 642	-
Other	120 950		-	-
TOTAL COMMUNITY WEALTH/EQUITY	6 058 857	10 645 376	6 566 560	10 645 376

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - Q2 Second Quarter

Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	1 359 087	1 649 353	152 995	890 942	824 676	66 266	8%	1 649 353
Service charges	3 696 100	5 683 701	381 475	2 529 764	2 841 850	(312 087)	-11%	5 683 701
Investment revenue	106 873	59 562	-	-	29 781	(29 781)	-100%	59 562
Transfers and subsidies - Operational	824 536	946 343	293 963	673 300	473 172	200 129	0	946 343
Other own revenue	579 738	624 944	55 157	308 033	312 472	(4 439)	-1%	-
Total Revenue (excluding capital transfers and contributions)	6 566 335	8 953 903	883 590	4 402 040	4 481 952	(79 912)	-2%	8 963 903
Employee costs	1 612 918	1 860 538	126 392	835 335	930 269	(94 934)	-10%	1 860 538
Remuneration of Councilors	63 542	66 462	4 771	28 619	33 231	(4 612)	-14%	66 462
Depreciation and amortisation	361 848	363 041	33 368	196 888	181 520	15 368	8%	363 041
Interest	84 787	42 825	1 597	9 922	21 412	(11 490)	-54%	42 825
Inventory consumed and bulk purchases	3 592 058	4 138 528	327 708	2 229 534	2 069 264	160 270	8%	4 138 528
Transfers and subsidies	28 450	52 376	4 918	17 507	26 188	(8 681)	-33%	52 376
Other expenditure	2 357 170	1 856 500	129 825	505 681	928 250	(422 569)	-46%	1 856 500
Total Expenditure	8 100 773	8 380 270	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/(Deficit)	(1 534 439)	583 633	255 010	578 553	291 817	286 736	98%	583 633
Transfers and subsidies - capital (monetary allocations)	428 105	456 975	44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Capital expenditure & funds sources								
Capital expenditure	726 310	826 764	73 217	285 721	413 382	(127 661)	-31%	826 764
Capital transfers recognised	395 582	456 975	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	72 310	234 316	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds	258 418	135 473	24 973	96 128	67 737	28 392	42%	135 473
Total sources of capital funds	726 310	826 764	73 217	285 721	413 382	(127 661)	-31%	826 764
Financial position								
Total current assets	2 040 911	4 114 508		2 350 617				4 114 508
Total non current assets	8 604 430	10 127 020		8 444 102				10 127 020
Total current liabilities	3 853 354	2 372 667		3 121 178				2 372 667
Total non current liabilities	733 130	1 223 486		1 096 833				1 223 486
Community wealth/Equity	6 058 857	10 645 376		6 576 709				10 645 376
Cash flows								
Net cash from (used) operating	611 952	596 372	-	-	298 186	298 186	100%	596 372
Net cash from (used) investing	(674 404)	(826 764)	-	-	(413 382)	(413 382)	100%	(826 764)
Net cash from (used) financing	42 005	144 316	-	-	72 158	72 158	100%	144 316
Cash/cash equivalents at the month/year end	490 955	457 452	-	-	500 490	500 490	100%	457 452
Debtors & creditors analysis								
	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	806 853	141 270	165 399	145 485	154 046	716 502	5 637 781	7 904 367
Creditors Age Analysis								
Total Creditors	416 012	702 575	37 615	1 663 988	-	-	-	3 117 963

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second

Description	Ref	Budget Year 2024/25							
		2023/24 Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
Governance and administration		2 042 708	2 688 151	323 067	1 335 187	1 344 075	(8 888)	-1%	2 688 151
Executive and council		4 701	-	115	1 471	-	1 471		-
Finance and administration		2 038 007	2 688 151	322 952	1 333 716	1 344 075	(10 359)	-1%	2 688 151
Internal audit		-	-	-	-	-	-		-
Community and public safety		225 252	525 429	20 577	70 436	262 715	(192 278)	-73%	525 429
Community and social services		63 389	307 323	4 726	11 581	153 662	(142 081)	-92%	307 323
Sport and recreation		4 912	23 527	2 757	8 197	11 763	(3 566)	-30%	23 527
Public safety		25 017	9 173	373	3 119	4 586	(1 468)	-32%	9 173
Housing		131 933	185 406	12 720	47 540	92 703	(45 164)	-49%	185 406
Health		-	-	-	-	-	-		-
Economic and environmental services		167 412	86 692	13 815	52 190	43 346	8 844	20%	86 692
Planning and development		118 230	31 697	3 420	19 456	15 849	3 607	23%	31 697
Road transport		48 423	50 000	10 369	32 428	25 000	7 428	30%	50 000
Environmental protection		758	4 994	26	306	2 497	(2 191)	-88%	4 994
Trading services		4 506 712	5 997 734	567 600	3 101 132	2 998 867	102 265	3%	5 997 734
Energy sources		2 671 690	4 347 604	281 976	1 819 647	2 173 802	(354 155)	-16%	4 347 604
Water management		1 308 245	1 219 122	224 351	975 108	609 561	365 547	60%	1 219 122
Waste water management		332 250	262 027	38 651	207 073	131 014	76 059	58%	262 027
Waste management		194 527	168 980	22 622	99 304	84 490	14 814	18%	168 980
Other	4	52 357	122 873	3 335	21 041	61 436	(40 395)	-66%	122 873
Total Revenue - Functional	2	6 994 440	9 420 878	928 394	4 579 986	4 710 439	(130 453)	-3%	9 420 878
Expenditure - Functional									
Governance and administration		1 394 784	1 659 708	90 156	512 313	829 854	(317 541)	-36%	1 659 708
Executive and council		154 336	165 981	10 554	67 170	82 990	(15 820)	-19%	165 981
Finance and administration		1 215 285	1 465 568	76 732	426 586	732 784	(306 198)	-42%	1 465 568
Internal audit		25 163	28 159	2 870	18 557	14 080	4 477	32%	28 159
Community and public safety		639 573	706 899	55 783	300 331	353 450	(53 119)	-15%	706 899
Community and social services		154 233	250 699	13 856	81 572	125 350	(43 778)	-35%	250 699
Sport and recreation		152 619	121 147	11 637	64 520	60 574	3 947	7%	121 147
Public safety		221 231	244 183	18 702	110 463	122 092	(11 628)	-10%	244 183
Housing		101 531	81 137	10 941	39 389	40 568	(1 179)	-3%	81 137
Health		9 958	9 734	646	4 386	4 867	(480)	-10%	9 734
Economic and environmental services		478 065	640 339	52 943	235 825	320 169	(84 344)	-26%	640 339
Planning and development		97 778	161 556	7 593	48 395	80 778	(32 383)	-40%	161 556
Road transport		354 437	449 622	43 353	173 008	224 811	(51 803)	-23%	449 622
Environmental protection		25 850	29 161	1 998	14 422	14 580	(159)	-1%	29 161
Trading services		5 510 615	5 278 294	418 928	2 725 292	2 639 147	86 145	3%	5 278 294
Energy sources		3 380 460	3 749 119	246 511	1 882 067	1 874 559	7 508	0%	3 749 119
Water management		1 504 796	1 010 945	122 982	604 563	505 472	99 091	20%	1 010 945
Waste water management		434 826	369 521	38 977	177 577	184 761	(7 184)	-4%	369 521
Waste management		190 532	148 709	10 457	61 085	74 354	(13 270)	-18%	148 709
Other		77 737	95 029	10 769	49 726	47 515	2 212	5%	95 029
Total Expenditure - Functional	3	8 100 773	8 380 270	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/ (Deficit) for the year		(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	Budget Year 2024/25							
	2023/24 Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - City Manager	-	-	-	-	-	-		-
Vote 2 - City Finance	2 025 042	2 675 603	319 157	1 324 041	1 337 801	(13 761)	-1,0%	2 675 603
Vote 3 - Corporate Services	2 110	3 166	561	1 509	1 583	(74)	-4,7%	3 166
Vote 4 - Community Services and Social Equity	292 947	492 478	30 411	123 648	246 239	(122 591)	-49,8%	492 478
Vote 5 - Infrastructure Services	1 696 701	1 540 531	274 269	1 220 263	770 266	449 997	58,4%	1 540 531
Vote 6 - Sustainable Development and City Enterprises	304 119	366 567	19 740	88 583	183 284	(94 701)	-51,7%	366 567
Vote 7 - Electricity	2 673 966	4 342 533	284 255	1 821 943	2 171 266	(349 323)	-16,1%	4 342 533
Total Revenue by Vote	6 994 905	9 420 878	928 394	4 579 986	4 710 439	(130 453)	-2,8%	9 420 878
Expenditure by Vote								
Vote 1 - City Manager	195 836	191 820	13 820	89 954	95 910	(5 956)	-6,2%	191 820
Vote 2 - City Finance	722 564	1 166 932	48 261	217 329	583 466	(366 137)	-62,8%	1 166 932
Vote 3 - Corporate Services	201 261	198 304	12 558	76 578	99 152	(22 574)	-22,8%	198 304
Vote 4 - Community Services and Social Equity	970 678	859 070	67 315	438 205	429 535	8 670	2,0%	859 070
Vote 5 - Infrastructure Services	2 321 845	1 881 447	205 531	954 805	940 723	24 082	2,6%	1 881 447
Vote 6 - Sustainable Development and City Enterprises	308 983	331 869	34 584	154 647	165 934	(11 287)	-6,8%	331 869
Vote 7 - Electricity	3 380 072	3 750 828	246 511	1 881 968	1 875 414	6 554	0,3%	3 750 828
Total Expenditure by Vote	8 101 239	8 380 270	628 580	3 823 487	4 190 135	(366 648)	-8,8%	8 380 270
Surplus/ (Deficit) for the year	(1 105 334)	1 040 608	299 814	756 499	520 304	236 195	45,4%	1 040 608

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second

Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue								
Exchange Revenue								
Service charges - Electricity	2 630 641	4 297 825	266 518	1 763 911	2 148 913	(385 002)	-18%	4 297 825
Service charges - Water	740 741	1 009 760	84 418	570 360	504 880	65 480	13%	1 009 760
Service charges - Waste Water Management	198 015	220 725	18 559	122 774	110 362	12 411	11%	220 725
Service charges - Waste management	126 704	155 391	11 980	72 720	77 695	(4 975)	-6%	155 391
Sale of Goods and Rendering of Services	14 947	42 043	-	-	21 021	(21 021)	-100%	42 043
Agency services	2 667	765	130	1 494	382	1 112	291%	765
Interest	-	-	-	-	-	-	-	-
Interest earned from Receivables	325 984	230 682	44 426	223 347	115 341	108 006	94%	230 682
Interest from Current and Non Current Assets	106 873	59 562	-	-	29 781	(29 781)	-100%	59 562
Dividends	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-
Rental from Fixed Assets	33 590	113 962	2 875	15 375	56 981	(41 605)	-73%	113 962
Licence and permits	2 021	2 547	136	1 116	1 273	(157)	-12%	2 547
Operational Revenue	53 620	204 124	4 962	45 475	102 052	(56 587)	-55%	204 124
Non-Exchange Revenue								
Property rates	1 359 087	1 649 353	152 995	890 942	824 676	66 266	8%	1 649 353
Surcharges and Taxes	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	34 278	11 687	654	7 350	5 844	1 506	26%	11 687
Licence and permits	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	824 536	946 343	293 663	673 300	473 172	200 129	42%	946 343
Interest	44 118	19 135	1 712	13 604	9 568	4 036	42%	19 135
Fuel Levy	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-
Other Gains	68 514	-	263	273	-	273	-	-
Discontinued Operations	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	6 566 335	8 963 903	883 590	4 402 040	4 481 952	(79 912)	-2%	8 963 903
Expenditure By Type								
Employee related costs	1 612 918	1 860 538	126 392	835 335	930 269	(94 934)	-10%	1 860 538
Remuneration of councillors	63 542	66 462	4 771	28 619	33 231	(4 612)	-14%	66 462
Bulk purchases - electricity	2 714 396	3 145 119	211 148	1 666 651	1 572 559	94 092	6%	3 145 119
Inventory consumed	877 662	993 409	116 561	562 882	496 705	66 178	13%	993 409
Debt impairment	1 143 098	636 000	366	5 409	318 000	(312 591)	-98%	636 000
Depreciation and amortisation	361 848	363 041	33 368	196 888	181 520	15 368	8%	363 041
Interest	84 787	42 825	1 597	9 922	21 412	(11 490)	-54%	42 825
Contracted services	918 493	1 024 663	107 806	380 846	512 332	(131 486)	-26%	1 024 663
Transfers and subsidies	28 450	52 376	4 918	17 507	26 188	(8 681)	-33%	52 376
Irrecoverable debts written off	22 524	-	-	-	-	-	-	-
Operational costs	229 249	195 837	21 653	119 427	97 918	21 509	22%	195 837
Losses on Disposal of Assets	14 049	-	-	-	-	-	-	-
Other Losses	29 757	-	-	-	-	-	-	-
Total Expenditure	8 100 773	8 380 270	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/(Deficit)								
Transfers and subsidies - capital (monetary allocations)	428 105	456 975	44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Income Tax	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	299 814	756 499	520 304	236 195	45%	1 040 608

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q2 Second Quarter

Vote Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - City Manager	-	37 445	-	-	18 723	(18 723)	-100%	37 445
Vote 2 - City Finance	10 485	25 000	11 586	12 221	12 500	(279)	-2%	25 000
Vote 3 - Corporate Services	5 072	6 575	(2 473)	(2 439)	3 288	(5 726)	-174%	6 575
Vote 4 - Community Services and Social Equity	70 000	42 153	4 753	16 478	21 076	(4 599)	-22%	42 153
Vote 5 - Infrastructure Services	291 474	284 464	35 436	158 388	142 232	16 156	11%	284 464
Vote 6 - Sustainable Development and City Enterprises	168 625	153 599	12 673	48 335	76 799	(28 465)	-37%	153 599
Vote 7 - Electricity	116 839	237 331	11 242	35 745	118 666	(82 921)	-70%	237 331
Total Capital Multi-year expenditure	662 496	786 566	73 217	268 727	393 283	(124 556)	-32%	786 566
Single Year expenditure appropriation								
Vote 1 - City Manager	6 003	5 000	-	-	2 500	(2 500)	-100%	5 000
Vote 2 - City Finance	5 571	-	-	-	-	-	-	-
Vote 3 - Corporate Services	15 256	7 525	-	13 944	3 763	10 182	271%	7 525
Vote 4 - Community Services and Social Equity	8 052	8 780	-	-	4 390	(4 390)	-100%	8 780
Vote 5 - Infrastructure Services	15 179	10 000	-	3 050	5 000	(1 950)	-39%	10 000
Vote 6 - Sustainable Development and City Enterprises	843	4 893	-	-	2 447	(2 447)	-100%	4 893
Vote 7 - Electricity	12 909	4 000	-	-	2 000	(2 000)	-100%	4 000
Total Capital single-year expenditure	63 814	40 198	-	16 994	20 099	(3 105)	-15%	40 198
Total Capital Expenditure	726 310	826 764	73 217	285 721	413 382	(127 661)	-31%	826 764
Capital Expenditure - Functional Classification								
Governance and administration								
Executive and council	6 003	5 100	-	-	2 550	(2 550)	-100%	5 100
Finance and administration	37 052	40 200	9 113	23 726	20 100	3 626	18%	40 200
Internal audit	-	-	-	-	-	-	-	-
Community and public safety								
Community and social services	39 760	24 745	2 600	2 671	12 373	(9 702)	-78%	24 745
Sport and recreation	5 256	11 933	2 393	6 867	5 966	901	15%	11 933
Public safety	724	4 853	-	-	2 427	(2 427)	-100%	4 853
Housing	72 176	129 574	10 750	36 230	64 787	(28 557)	-44%	129 574
Health	-	-	-	-	-	-	-	-
Economic and environmental services								
Planning and development	92 996	23 150	1 683	11 865	11 675	290	3%	23 150
Road transport	154 504	116 824	24 887	85 626	58 412	27 213	47%	116 824
Environmental protection	-	-	-	-	-	-	-	-
Trading services								
Energy sources	129 749	260 054	11 242	35 745	130 027	(94 282)	-73%	260 054
Water management	78 803	100 375	7 341	40 827	50 188	(9 260)	-18%	100 375
Waste water management	78 088	97 047	3 207	34 884	48 523	(13 639)	-28%	97 047
Waste management	27 681	10 060	-	7 179	5 030	2 149	43%	10 060
Other	3 518	2 850	-	-	1 425	(1 425)	-100%	2 850
Total Capital Expenditure - Functional Classification	726 310	826 764	73 217	285 721	413 382	(127 661)	-31%	826 764
Funded by:								
National Government	302 791	325 817	29 329	124 701	162 908	(38 207)	-23%	325 817
Provincial Government	92 791	131 158	10 990	35 698	65 579	(29 881)	-46%	131 158
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	395 582	456 975	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	72 310	234 316	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds	258 418	135 473	24 973	96 128	67 737	28 392	42%	135 473
Total Capital Funding	726 310	826 764	73 217	285 721	413 382	(127 661)	-31%	826 764

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position -

Description	2023/24	Budget Year 2024/25		
	Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands				
ASSETS				
Current assets				
Cash and cash equivalents	490 955	211 783	(9 028)	211 783
Trade and other receivables from exchange transactions	728 825	2 649 262	1 636 023	2 649 262
Receivables from non-exchange transactions		811 010	–	811 010
Current portion of non-current receivables		–	–	–
Inventory	498 281	442 453	508 080	442 453
VAT		–	–	–
Other current assets	322 851	–	215 542	–
Total current assets	2 040 911	4 114 508	2 350 617	4 114 508
Non current assets				
Investments		–	–	–
Investment property	922 392	974 256	922 392	974 256
Property, plant and equipment	7 250 531	8 754 770	7 501 984	8 754 770
Biological assets		80 958	510	80 958
Living and non-living resources	534	–	–	–
Heritage assets	323 520	291 270	–	291 270
Intangible assets	24 753	25 766	21 488	25 766
Trade and other receivables from exchange transactions		–	–	–
Non-current receivables from non-exchange transactions		–	–	–
Other non-current assets	82 700	–	(2 272)	–
Total non current assets	8 604 430	10 127 020	8 444 102	10 127 020
TOTAL ASSETS	10 645 342	14 241 528	10 794 719	14 241 528
LIABILITIES				
Current liabilities				
Bank overdraft		–	–	–
Financial liabilities	50 311	(11 273)	13 762	(11 273)
Consumer deposits	152 248	150 719	159 276	150 719
Trade and other payables from exchange transactions	3 221 548	1 713 734	2 893 545	1 713 734
Trade and other payables from non-exchange transactions	12 567	–	–	–
Provision	6 108	61 739	54 114	61 739
VAT	174 005	457 747	480	457 747
Other current liabilities	236 567	–	–	–
Total current liabilities	3 853 354	2 372 667	3 121 178	2 372 667
Non current liabilities				
Financial liabilities	116 275	559 919	–	559 919
Provision	44 650	80 111	–	80 111
Long term portion of trade payables		–	116 275	–
Other non-current liabilities	572 205	583 456	980 558	583 456
Total non current liabilities	733 130	1 223 486	1 096 833	1 223 486
TOTAL LIABILITIES	4 586 484	3 596 153	4 218 010	3 596 153
NET ASSETS	6 058 857	10 645 376	6 576 709	10 645 376
COMMUNITY WEALTH/EQUITY				
Accumulated surplus/(deficit)	5 833 209	10 645 376	6 350 067	10 645 376
Reserves and funds	104 699		226 642	
Other	120 950		–	
TOTAL COMMUNITY WEALTH/EQUITY	6 058 857	10 645 376	6 576 709	10 645 376

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q2 Second Quarter

Vote Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - City Manager	-	37 445	-	-	18 723	(18 723)	-100%	37 445
Vote 2 - City Finance	10 485	25 000	11 586	12 221	12 500	(279)	-2%	25 000
Vote 3 - Corporate Services	5 072	6 575	(2 473)	(2 439)	3 288	(5 726)	-174%	6 575
Vote 4 - Community Services and Social Equity	70 000	42 153	4 753	16 478	21 076	(4 699)	-22%	42 153
Vote 5 - Infrastructure Services	291 474	284 464	35 435	158 388	142 232	16 156	11%	284 464
Vote 6 - Sustainable Development and City Enterprises	168 625	153 599	12 673	48 335	76 799	(28 465)	-37%	153 599
Vote 7 - Electricity	116 839	237 331	11 242	35 745	118 666	(82 921)	-70%	237 331
Total Capital Multi-year expenditure	662 496	786 566	73 217	268 727	393 283	(124 556)	-32%	786 566
Single Year expenditure appropriation								
Vote 1 - City Manager	6 003	5 000	-	-	2 500	(2 500)	-100%	5 000
Vote 2 - City Finance	5 571	-	-	-	-	-	-	-
Vote 3 - Corporate Services	15 256	7 525	-	13 944	3 763	10 182	271%	7 525
Vote 4 - Community Services and Social Equity	8 052	8 780	-	-	4 390	(4 390)	-100%	8 780
Vote 5 - Infrastructure Services	15 179	10 000	-	3 050	5 000	(1 950)	-39%	10 000
Vote 6 - Sustainable Development and City Enterprises	843	4 893	-	-	2 447	(2 447)	-100%	4 893
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Total Capital single-year expenditure	63 814	40 198	-	16 994	20 099	(3 105)	-15%	40 198
Total Capital Expenditure	726 310	826 764	73 217	285 721	413 382	(127 661)	-31%	826 764

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q2 Second Quarter

Vote Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital Expenditure - Functional Classification								
Governance and administration	43 055	45 300	9 113	23 726	22 650	1 076	5%	45 300
Executive and council	6 003	5 100	-	-	2 550	(2 550)	-100%	5 100
Finance and administration	37 052	40 200	9 113	23 726	20 100	3 626	18%	40 200
Internal audit	-	-	-	-	-	-	-	-
Community and public safety	117 916	171 104	15 743	45 768	85 552	(39 784)	-47%	171 104
Community and social services	39 760	24 745	2 600	2 671	12 373	(9 702)	-78%	24 745
Sport and recreation	5 250	11 933	2 393	6 867	5 966	901	15%	11 933
Public safety	724	4 853	-	-	2 427	(2 427)	-100%	4 853
Housing	72 176	129 574	10 750	36 230	64 787	(28 557)	-44%	129 574
Health	-	-	-	-	-	-	-	-
Economic and environmental services	247 500	139 974	26 570	97 490	69 987	27 503	39%	139 974
Planning and development	92 996	23 150	1 683	11 855	11 575	290	3%	23 150
Road transport	154 504	116 824	24 887	85 626	58 412	27 213	47%	116 824
Environmental protection	-	-	-	-	-	-	-	-
Trading services	314 321	467 535	21 791	118 738	233 768	(115 032)	-49%	467 535
Energy sources	129 749	260 054	11 242	35 745	130 027	(94 282)	-73%	260 054
Water management	78 803	100 375	7 341	40 927	50 188	(9 260)	-18%	100 375
Waste water management	78 088	97 047	3 207	34 884	48 523	(13 639)	-28%	97 047
Waste management	27 681	10 060	-	7 179	5 030	2 149	43%	10 060
Other	3 518	2 850	-	-	1 425	(1 425)	-100%	2 850
Total Capital Expenditure - Functional Classification	726 310	826 764	73 217	285 721	413 382	(127 661)	-31%	826 764

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q2 Second Quarter

Vote Description	2023/24	Budget Year 2024/25						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Funded by:								
National Government	302 791	325 817	29 329	124 701	162 908	(38 207)	-23%	325 817
Provincial Government	92 791	131 158	10 990	35 698	65 579	(29 881)	-46%	131 158
District Municipality	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatns, Higher Educ Institutions)	-	-	-	-	-	-	-	-
Transfers recognised - capital	395 582	456 975	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	72 310	234 316	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds	258 418	135 473	24 973	96 128	67 737	28 392	42%	135 473
Total Capital Funding	726 310	826 764	73 217	285 721	413 382	(127 661)	-31%	826 764

4.1.2 The municipality's service delivery performance during the first half of the financial year, the past year's annual report, and progress on resolving problems identified in the annual report –

TOP LAYER MID TERM SERVICE DELIVERY PERFORMANCE REPORT 2024/2025						
ACHIEVEMENT AS PER NKPA						
INDICATOR ACHIEVEMENT	MUNICIPAL TRANSFORMATION	BASIC SERVICE DELIVERY	LOCAL ECONOMIC DEVELOPMENT	FINANCIAL VIABILITY	GOOD GOVERNANCE AND PUBLIC PARTICIAPTION	CROSS CUTTING
TOTAL NUMBER OF INDICATORS	17	34	9	21	2	5
ACHIEVED	4	6	7	3	0	2
NOT ACHIEVED	11	19	0	14	2	2
NOT APPLICABLE	2	9	2	4	0	1
PERCENTAGE	24%	18%	78%	14%	0%	40%

The Following are the reasons for poor performance in relation to the 2024/2025 Top Layer Achievements.

- Delay in advertising the posts, none have been filled, delay in advertising the posts
- No budget available
- Slow progress on site, due to theft of material.
- Non reporting on OPEX & CAPEX by Business units
- Non submission of POEs & Progress reports leading to downgrading of achievement
- Slow progress on contractors
- Termination of contract due to non-performance of contractors
- Delay in appointment of contractors due to Poor planning
- Non-Alignment with Capital Works Plan
- Poor Performance of contractors
- Lack of funds to finish the project – poor planning
- No attention to Audit Findings by Management this role is expected to be kept by PMS
- Technical Indicator Description not clear leading to findings

TOP LAYER MID TERM SERVICE DELIVERY PERFORMANCE REPORT 2023/2024						
INDICATOR ACHIEVEMENT	MUNICIPAL TRANSFORMATION	BASIC SERVICE DELIVERY	LOCAL ECONOMIC DEVELOPMENT	FINANCIAL VIABILITY	GOOD GOVERNANCE AND PUBLIC PARTICIAPTION	CROSS CUTTING
TOTAL NUMBER OF INDICATORS	23	28	14	19	11	12
ACHIEVED	5	19	9	4	6	8
NOT ACHIEVED	16	9	4	13	4	3
NOT APPLICABLE	2	0	1	2	1	1
PERCENTAGE	22,72%	67.85%	69.23%	23, 52%	60.00%	72, 72%

The Following are the reasons for poor performance in relation to the 2023/2024 Top Layer Achievements.

- AG issues need to be addressed, listings for Waste Collection, Registers for Water & Sanitation, POE for Roads and Transportation
- POE submission is still not valid
- Landfill site Contractor is still not appointed target was end of September
- No indicator for new meters to be installed
- Indicators for Electricity need to be amended for overhead lines maintained
- Registers for waste management for refuse collection
- Registers for LED Initiatives need to be kept and submitted to PMS unit as per AG findings
- Review of indicator descriptions for all indicators
- Strategic Indicators need to be added to the SDBIP for LED
- Indicators that are not applicable to be removed at adjustment period
- Vacancy rate for Top management Positions is progressing
- Slightly behind the target for training of employees
- Reporting on Vacancy rate for each business unit to be submitted regularly
- SPLUMA Applications TID needs to be developed
- Register and POE for sites bated and visited needs to be developed along with TID information
- 81 x new housing units constructed, far behind the required actual, the annual target is 988, it does not seem possible that this indicator will be achieved, reasons for deviation state there is slow progress on site with contractors

Matters Raised in the Annual Performance Report

The following indicators were a result of the finds on the Annual Performance Report for the 2023/2024 Financial Year, there was a significant drop in findings from the 2022/2023 Findings from 22 findings to 8 findings in the 2023/2024 Financial year;

- Number of traffic signals repaired - **Reported target is not consistent to planned target**
- Percentage of water leaks/ bursts repaired - **No supporting schedule for the reported achievement**
- Kilometers of Gravel roads maintained - **Differences between register and APR**
- 100% compliance notices issued for contravention of Waste Management bylaw contraventions - **Indicator not well defined**
- Square meters of Pedestrian walkways Maintained - **Reported achievement is not accurate**
- Percentage's sewerage blockages resolved - **Reported achievement not accurate**
- % of Community Facilities (Parks & Sports & recreation Facilities) maintained - **Reported achievement not accurate**
- Meters of road marking completed - **Differences between register and APR**

Measures to Improve Performance in the 2024/2025 Financial year

- Timeous submission of Information by Business Units to PMS on a monthly and Quarterly basis
- Implement Consequence Management for continues poor performance
- Introduce performance rewards as per new staffing regulation for employees not regarded as Senior Managers as per regulation 40
- IDP scorecard and SDBIP alignment as per MEC Letter
- Implement Internal Controls as per Internal Audit recommendations
- Always Maintain a proper POE along with registers and listings (Soft copy and hard copy)
- Physical verification of projects to ensure completion as per reported achievements
- DMMs to perform verification of POE as the first line of Quality Assurance and sign the top sheet
- Cascade Indicators as per IPMS Policy in place and ensure that assessments are held timeously
- Sessions to go through the indicators and performance agreements prior to approval and signing
- Filling of vacancies to reduce use of consultants and overtime
- Ensure appointments of contractors are done prior to the beginning of the Financial Year

- 4.1.3 The performance of every municipal entity under the sole or shared control of the Municipality taking into account reports in terms of section 88 From any such entity –

Street Surveillance:

Safe City have 73 street CCTV cameras which are located in the following areas and monitored 24/7. These cameras monitor and detect crime, monitor the safety of people and also monitor and detect municipal bylaw infringements.

Area	Number of CCTV cameras
Alan Paton Drive	1
Northdale	4
CBD	58
Freedom Square Taxi	10

Primary Substation Surveillance:

Safe City has 98 CCTV cameras located at the following sub stations and monitored 24/7.

Sub Station	Number of CCTV cameras
Riverside	19
Relief Street	17
Prince Alfred	13
Mkodeni	15
Hesketh	7
Woodburn	8
Northdale	8
Pine Street	11

Operational Results for July 2024 to December 2024

General Incidents Detected by Street Surveillance

Description	July 2024 to December 2024
Total Incidents Detected	7753
Total Incidents Dispatched	5888
Total Responded	3635
Total not Responded	2253

Comment: Total response for the period July 2024 to December 2024 is 63%.

Comment: Total response for the period July 2024 to December 2024 is 63%.

Street Surveillance: Crime and General Incidents

Description	July 2024 to December 2024
Crime Incidents Detected	128
General Incidents Detected	300
SAPS Dispatched Required	393
SAPS Response	361
SAPS No Response	32
SAPS Average Response Time	3.1 min
No. of arrests made	69
No. of Dockets send to court	52

Comment: From July 2024 to December 2024 the SAPS responded 93% of response requested.

**Municipal Bylaw Detection by Street Surveillance
Traffic (Road Traffic Ordinance)**

Description	July 2024 to December 2024
Road Traffic Ordinance	4384
Traffic Dept. Dispatch Required	4384
Traffic Dept. Response	2575
Traffic Dept. No. Response	1809
Traffic Dept. Ave Response Time	80 min

Comment: For the period July 2024 to December 2024 The Traffic Department responded to 60% of requested

Automatic Number Plate Recognition (ANPR) Operations

2024/25	No. of Ops	No. of Warrants Identified	No. of Vehicles Checked
Year to Date	13	591	8525

Comment: There were 13 ANPR operations conducted between July 2024 to December 2024. These operations were done in conjunction with the trial run of the ANPR vehicle on test with Msunduzi Traffic.

Bylaws (General Bylaws)

Description	July 2024 to December 2024
Bylaw Infringements	872
Security Dept. Dispatch Required	872
Security Dept. Response	460
Security Dept. No Response	412
Security Dept. Ave. Response Time	132.0 min

Comment: For the period July 2024 to December 2024 the Security Department responded to 52% of requests.

Other Responses Required:

Description	July 2024 to December 2024
Fire	33
Ave Response Time	11.2 min
Water	9

Comment: All incidents detected received the necessary attention by the relative municipal units.

Primary Sub Station Surveillance

Sub Station	Incidents Detected	PA System Used
Riverside	0	0
Retief Street	0	0
Prince Alfred	0	0
Mkodeni	0	0
Hesketh	0	0
Woodburn	0	0
Northdale	0	0
Pine Street	0	0

Comment: Safe City successfully prevented any incidents from taking place at the primary sub stations. There were no intrusions at any primary sub stations.

CBD Regeneration: Waste Collection:

	July 2024 to December 2024
Waste Dept. Required	117
Waste Dept. Response	117

Comment: There was a 100% response from the Waste Department.

Public Announcement System

	July 2024 to December 2024
General Announcements	1747

Comment: The PA System is utilized to warn the public if suspicious suspects are detected near ATM's, pension pay points or banks in order to prevent criminal activities from occurring.

Maintenance of Equipment:

	July 2024 to December 2024	YTD: Target
Number of Maintenance Schedules conducted	124	120
Camera Downtime	1.40%	<10%

Comment: Major power outages and broken optic caused by MVA's in the CBD contributed to the camera downtime, however the downtime was well within the 10% downtime target.

5. COMMENTS FROM THE RELEVANT BUSINESS UNIT OR COMPONENT OF THE BUSINESS UNIT

5.1 N/A

6. IMPLICATIONS:

6.1 FINANCIAL

6.1.1 On conclusion of original budget in May 2024 for 2024/25 budget period cash collection projections for both property rates and services charges was 90% and 84% respectively. However, the actual cash collection trajectory for first six months of the budget year is below the projections. The 37% increase of creditors balance from R2 278 billion for June 2024 to R3 118 billion in December 2024 serve as clear signal for cash flow challenges. For a while municipal cash coverage is below the accepted norm therefore Council must curtail the expenditure on the same wavelength extensively improve the cash collection and thus improve municipal cash reserves.

6.1.2 Comment: There is a positive variance of **R37 503.91**. This variance will be utilized throughout the 2024/25 financial year. Please see Addendum B for detailed expenditure

Type	July 2024 to December 2024
Operational Cost	R1 249 256.38
Employee Related Cost	R7 004 438.12
Total	R8 253 694.50

6.2 LEGAL

The Report must be tabled in Council by no later than 25 January as per legislation

6.3 COMMUNICATION

6.3.1 Submit a report on such assessment to—

- (i) The mayor of the municipality.
- (ii) The National Treasury; and
- (iii) The relevant provincial treasury.

6.3.2 The s72 Mid-Year performance assessment review will also be posted on the Municipal website and made public on the newspaper

6.4 SERVICE DELIVERY IMPLICATIONS

6.4.1 – The delays in appointment of contractors due to poor planning will result in service delivery delays. Business units must ensure that service providers are appointed, and Capital and Grant funding is spent.

7. RECOMMENDATIONS

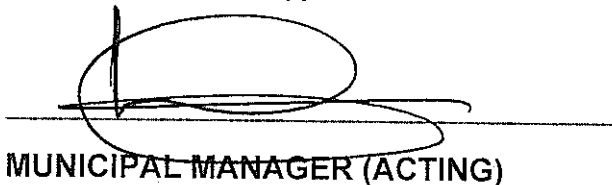
IT IS RECOMMENDED THAT:

- 7.1 MFMA Section 72 mid-year budget and performance assessment review for 2024/25 period be approved
- 7.2 In line with MFMA Section 72(3)(a) adjustment budget is necessary wherein Expenditure is adjusted downwards since the cash collection is below projections being informed by MFMA Section 17(1)(a) of realistically anticipated revenue.
- 7.3 Council to institutionalize operation Qoqimali in terms of the organizational structure to improve cash collections.
- 7.4 Departments be afforded an opportunity to review respective expenditure in line with recommendation budget as per 7.1 to serve as input for adjustment budget in terms of S28 of MFMA
- 7.5 The compliance emanating from the municipality's debt relief self-assessment and overall performance since 1 December 2023, as well as the National Treasury's independent assessment set out. Please refer to the compliance report and compliance certificate for November 2024.
- 7.5.1 The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
 - a) Monthly settle the current accounts for Umgeni and Eskom.
 - b) Settling of the debt repayment instalment. This needs to be improved as the municipality defaulted in November/December Umgeni statement.
 - c) Ensure that bulk invoices are captured timeously on the system, prior to month-end closure.
 - d) Achieving the desired collection rate of 95% and application of the Credit Control Policy.
 - e) Restricting or interrupting of water supply of defaulting customers and indigents.
 - f) Improving indigent management, especially considering the audit findings raised.
 - g) Installation of smart prepaid meters. The involvement of Engineers for Water and Electricity is critically needed in this regard.
 - h) Debtors Management to do an assessment of actual debt owed and the number of registered indigents compared to total number of households.
 - i) Ring-fencing actual cash received for Electricity and Water in order pay for Eskom & Umgeni accounts.

RECOMMENDATIONS CONTINUED

- 7.6 The municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan be noted
- 7.7 The Changes to the Service Delivery performance Report be affected in line with Internal Audit and Auditor General findings after the adjustment Budget
- 7.8 The Operational and Financial assessment undertaken in terms of Sec 88 of Act 56 of 2003 for Safe City Msunduzi NPC for the period July 2024 to December 2024 dated 15 January 2025

8. **SUBMITTED BY:**



A handwritten signature in black ink, consisting of a large, stylized loop and a horizontal stroke, is written over a solid horizontal line.

MUNICIPAL MANAGER (ACTING)

N NGCOBO

DATE: 16 JANUARY 2025

ANNEXURES:

ANNEXURE A: MFMA S71, S72 & S52 (D) S72 & S52 (D) MONTHLY, MID-YEAR & QUARTERLY REPORTS

ANNEXURE B: MID TERM TOP LAYER SDBIP PERFORMANCE REPORT

ANNEXURE C: SAFE CITY: MID YEAR BUDGET ADJUSTMENT: 2024/25 SUMMARY

ANNEXURE A



Msunduzi Municipality

MFMA s71, s72 & s52 (d) s72 & s52 (d) Monthly, Mid-Year & Quarterly Reports

December 2024 Report
Budget & Treasury Office

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PART 1 – IN YEAR REPORT

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Legislative Requirements

In terms of Section 72 of the MFMA, the Accounting Officer of the Municipality is required to submit a report in the prescribed format to the Mayor by the 25 January of each year, reviewing the financial performance of the municipality for the first six months of the year.

This mid-year report is a critical stage in the in year reporting cycle of the municipality as it allows the municipality to review any circumstances that may have changed since the preparation of the annual budget.

As part of the review, in terms of Section 72(3), the accounting officer needs to make recommendations as to whether the SDBIP and Annual budget, i.e. Both Operational & Capital, needs to be adjusted. Furthermore, Section 54(f) of the MFMA requires the Mayor to consider and submit a report to Council by 31 January.

FINANCIAL PERFORMANCE

Revenue: The Year to Date (YTD) actual revenue generated for the month of December amounted to R4,402 billion while the projected (YTD) budget amounted to R4,482 billion (excluding capital transfers and contribution). This means that the municipality generated a little less revenue at the end of December than projected. The municipality should continue to monitor closely the revenue collection.

The Year to Date (YTD) actual service charges contributed R 2,530 billion towards the total municipal revenue basket; which is 57% of the total revenue basket and Transfers and subsidies contributed R 673,300 million which is 15% of the total revenue basket.

Revenue from Rental from Fixed Assets; Electricity Revenue and Operational Revenue generated the following variances when comparing year to date actual and year to date budget, -73%; -18% and -55% respectively. The revenue collection from these sources is a less than what was projected for the month of December 2024.

Overall, in the sixth month of the 2024/2025 financial year, the municipality generated total revenue of R 4,580 billion including capital transfers and contributions against the year to date

budget of R 4,710 billion. However, the municipality must closely monitor the levels of revenue generated and expenditure incurred to mitigate the risk of expenditure exceeding revenue, which create cash flow problems in a long run.

Operating Expenditure: The total actual YTD operating expenditure for the month of December amounted to R3,823 billion while the YTD budget Operating Expenditure amounted to R4,190 billion.

The operational expenditure is largely defined by bulk purchases (electricity) and employee related costs both accounting 65% of the total operating expenditure incurred for the period ending 31 December 2024. In light of the operating expenditure analysis above, the municipality has introduced cost-cutting measures and invented cost-effective ways of doing business. The municipality must continue with these measures to monitor expenditure.

Overall, the municipality recorded a surplus of R756,499 million which includes capital transfers of R177,947 million as at 31 December 2024.

Capital Expenditure: The YTD actual capital expenditure for the month of December amounted to R 285,721 million, the YTD budgeted capital expenditure was R 413,382 million resulting in a variance of -31% when comparing year to date actual and year to date budget.

Underspending in both national and provincial grants funded projects, and borrowings funded projects is a serious cause of concern because under-expenditure on capital projects directly results in a negative impact on service delivery. The municipality has put measures in place to ensure the acceleration of expenditure on capital projects thereby improving on service delivery.

Grants Receipts: The total year to date operational and capital grant receipts for the month of December amounted to R914,063 million that is inclusive of equitable share of R616,554 million, other operating grant of R90.762 million and Capital transfers of R206,747 million.

Consumer Debt: The total YTD consumer debt at the end of December 2024 amounted to R7,904 billion. The municipality's debt is continually increasing which poses a serious threat to the municipality's future sustainability. The municipality must introduce measures to ensure acceptable levels of debt collections and thereby mitigating the risk of cash flow problems in future.

1.4 In-year Budget Statement Tables

Parent Municipality (Msunduzi Municipality Only) Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance of the Municipality and is unpacked in the sections that follow.

KZN225 Msunduzi - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	1 359 087	1 649 353	-	152 995	890 942	824 675	66 266	8%	1 649 353
Service charges	3 696 100	5 683 701	-	381 475	2 529 764	2 841 850	(312 087)	-11%	5 683 701
Investment revenue	106 873	69 562	-	-	-	29 781	(29 781)	-100%	59 562
Transfers and subsidies - Operational	824 536	946 343	-	293 953	673 300	473 172	200 129	0	946 343
Other own revenue	579 738	624 944	-	55 157	308 033	312 472	(4 439)	-1%	-
Total Revenue (excluding capital transfers and contributions)	6 566 335	8 963 903	-	883 590	4 402 040	4 481 952	(79 912)	-2%	8 963 903
Employee costs	1 612 918	1 847 016	-	124 626	828 331	923 508	(95 177)	-10%	1 847 016
Remuneration of Councilors	63 542	66 462	-	4 771	28 619	33 231	(4 612)	-14%	66 462
Depreciation and amortisation	361 848	362 179	-	33 310	196 552	181 089	15 462	9%	362 179
Interest	84 787	42 825	-	1 597	9 922	21 412	(11 490)	-54%	42 825
Inventory consumed and bulk purchases	3 592 058	4 138 528	-	327 708	2 229 534	2 059 264	160 270	8%	4 138 528
Transfers and subsidies	28 450	69 670	-	7 104	26 081	34 835	(8 754)	-25%	69 670
Other expenditure	2 357 170	1 853 590	-	129 462	504 449	926 795	(422 347)	-46%	1 853 590
Total Expenditure	8 100 773	8 380 270	-	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/(Deficit)	(1 534 439)	583 633	-	255 010	578 553	291 817	286 736	98%	583 633
Transfers and subsidies - capital (monetary)	428 105	456 975	-	44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Capital expenditure & funds sources									
Capital expenditure	726 310	824 011	-	73 217	285 721	412 005	(126 285)	-31%	824 011
Capital transfers: recognised	395 582	456 975	-	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	72 310	234 316	-	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds	258 418	132 720	-	24 973	96 128	66 360	29 768	45%	132 720
Total sources of capital funds	726 310	824 011	-	73 217	285 721	412 005	(126 285)	-31%	824 011
Financial position									
Total current assets	2 040 911	4 114 598	-	-	2 345 505	-	-	-	4 114 598
Total non current assets	8 604 430	10 127 020	-	-	8 437 560	-	-	-	10 127 020
Total current liabilities	3 853 354	2 372 667	-	-	3 119 672	-	-	-	2 372 667
Total non current liabilities	733 130	1 223 486	-	-	1 095 833	-	-	-	1 223 486
Community wealth/Equity	6 058 857	10 645 376	-	-	6 566 560	-	-	-	10 645 376
Cash flows									
Net cash from (used) operating	611 952	595 510	-	-	-	297 755	297 755	100%	595 510
Net cash from (used) investing	(674 404)	(824 011)	-	-	-	(412 005)	(412 005)	100%	(824 011)
Net cash from (used) financing	42 005	144 316	-	-	-	72 158	72 158	100%	144 316
Cash/cash equivalents at the month/year end	490 955	459 343	-	-	-	501 435	501 435	100%	459 343
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	806 853	141 270	137 031	165 399	145 485	154 046	716 502	5 637 781	7 904 367
Creditors Age Analysis									
Total Creditors	416 012	702 575	297 774	37 615	1 653 988	-	-	-	3 117 963

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Functional										
<i>Governance and administration</i>		2 042 708	2 688 151	-	323 067	1 335 187	1 344 075	(8 888)	-1%	2 688 151
Executive and council		4 701	-	-	115	1 471	-	1 471	-	-
Finance and administration		2 038 007	2 688 151	-	322 952	1 333 716	1 344 075	(10 359)	-1%	2 688 151
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		225 252	525 429	-	20 577	70 436	262 715	(192 278)	-73%	525 429
Community and social services		63 389	307 323	-	4 726	11 581	153 662	(142 081)	-92%	307 323
Sport and recreation		4 912	23 527	-	2 757	8 197	11 763	(3 566)	-30%	23 527
Public safety		25 017	9 173	-	373	3 119	4 586	(1 468)	-32%	9 173
Housing		131 933	185 406	-	12 720	47 540	92 703	(45 164)	-49%	185 406
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		167 412	86 692	-	13 815	52 190	43 346	8 844	20%	86 692
Planning and development		118 230	31 697	-	3 420	19 456	15 849	3 607	23%	31 697
Road transport		48 423	50 000	-	10 369	32 428	25 000	7 428	30%	50 000
Environmental protection		758	4 994	-	26	306	2 497	(2 191)	-86%	4 994
<i>Trading services</i>		4 506 712	5 997 734	-	567 600	3 101 132	2 998 867	102 265	3%	5 997 734
Energy sources		2 671 690	4 347 604	-	281 976	1 819 647	2 173 802	(354 155)	-16%	4 347 604
Water management		1 308 245	1 219 122	-	224 351	975 108	609 561	365 547	60%	1 219 122
Waste water management		332 250	262 027	-	38 651	207 073	131 014	76 059	58%	262 027
Waste management		194 527	168 980	-	22 622	99 304	84 490	14 814	18%	168 980
<i>Other</i>	4	52 357	122 873	-	3 335	21 041	61 436	(40 395)	-66%	122 873
Total Revenue - Functional	2	6 994 440	9 420 878	-	928 394	4 579 986	4 710 439	(130 453)	-3%	9 420 878
Expenditure - Functional										
<i>Governance and administration</i>		1 394 784	1 659 708	-	90 156	512 313	829 854	(317 541)	-38%	1 659 708
Executive and council		154 336	165 981	-	10 554	67 170	82 990	(15 820)	-19%	165 981
Finance and administration		1 215 285	1 465 568	-	76 732	426 586	732 784	(306 198)	-42%	1 465 568
Internal audit		25 163	28 159	-	2 870	18 557	14 080	4 477	32%	28 159
<i>Community and public safety</i>		639 573	706 899	-	55 783	300 331	353 450	(53 119)	-15%	706 899
Community and social services		154 233	250 699	-	13 856	81 572	125 350	(43 778)	-35%	250 699
Sport and recreation		152 619	121 147	-	11 637	64 520	60 574	3 947	7%	121 147
Public safety		221 231	244 183	-	18 702	110 463	122 092	(11 628)	-10%	244 183
Housing		101 531	81 137	-	10 941	39 389	40 568	(1 179)	-3%	81 137
Health		9 958	9 734	-	646	4 386	4 867	(480)	-10%	9 734
<i>Economic and environmental services</i>		478 065	640 339	-	52 943	235 825	320 169	(84 344)	-26%	640 339
Planning and development		97 778	161 556	-	7 593	48 395	80 778	(32 383)	-40%	161 556
Road transport		354 437	449 622	-	43 353	173 008	224 811	(51 803)	-23%	449 622
Environmental protection		25 850	29 161	-	1 998	14 422	14 580	(159)	-1%	29 161
<i>Trading services</i>		5 510 615	5 278 294	-	418 928	2 725 292	2 639 147	86 145	3%	5 278 294
Energy sources		3 380 460	3 749 119	-	246 511	1 882 067	1 874 559	7 508	0%	3 749 119
Water management		1 504 796	1 010 945	-	122 982	604 563	505 472	99 091	20%	1 010 945
Waste water management		434 826	369 521	-	38 977	177 577	184 761	(7 184)	-4%	369 521
Waste management		190 532	148 709	-	10 457	61 085	74 354	(13 270)	-18%	148 709
<i>Other</i>		77 737	95 029	-	10 769	49 726	47 515	2 212	5%	95 029
Total Expenditure - Functional	3	8 100 773	8 380 270	-	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/ (Deficit) for the year		(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608

Table C3 presents the same information as table C2 above, the difference being that it's by Municipal vote.

KZN225 Msunduzi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - City Manager		-	-	-	-	-	-	-	-	-
Vote 2 - City Finance		2 025 042	2 675 603	-	319 157	1 324 041	1 337 801	(13 761)	-1,0%	2 675 603
Vote 3 - Corporate Services		2 110	3 166	-	561	1 509	1 583	(74)	-4,7%	3 166
Vote 4 - Community Services and Social Equity		292 947	492 478	-	30 411	123 648	246 239	(122 591)	-49,8%	492 478
Vote 5 - Infrastructure Services		1 696 701	1 540 531	-	274 269	1 220 263	770 266	449 997	58,4%	1 540 531
Vote 6 - Sustainable Development and City Enterprises		304 119	366 567	-	19 740	88 683	183 284	(94 701)	-51,7%	366 567
Vote 7 - Electricity		2 673 986	4 342 533	-	284 255	1 821 943	2 171 266	(349 323)	-16,1%	4 342 533
Total Revenue by Vote	2	6 994 905	9 420 878	-	928 394	4 579 986	4 710 439	(130 453)	-2,8%	9 420 878
Expenditure by Vote	1									
Vote 1 - City Manager		196 636	191 820	-	13 820	89 954	95 910	(5 956)	-6,2%	191 820
Vote 2 - City Finance		722 564	1 166 932	-	48 261	217 329	583 466	(366 137)	-62,8%	1 166 932
Vote 3 - Corporate Services		201 261	198 304	-	12 558	76 578	99 152	(22 574)	-22,8%	198 304
Vote 4 - Community Services and Social Equity		970 678	859 070	-	67 315	438 205	429 535	8 670	2,0%	859 070
Vote 5 - Infrastructure Services		2 321 845	1 881 447	-	205 531	964 805	940 723	24 082	2,6%	1 881 447
Vote 6 - Sustainable Development and City Enterprises		308 983	331 869	-	34 584	154 647	165 934	(11 287)	-6,8%	331 869
Vote 7 - Electricity		3 380 072	3 750 828	-	246 511	1 881 968	1 875 414	6 554	0,3%	3 750 828
Total Expenditure by Vote	2	8 101 239	8 380 270	-	628 580	3 823 487	4 190 135	(366 648)	-8,8%	8 380 270
Surplus/ (Deficit) for the year	2	(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45,4%	1 040 608

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 31 December 2024.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	Budget Year 2024/25								Full Year Forecast
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		2 630 641	4 297 825		266 518	1 763 911	2 148 913	(385 002)	-18%	4 297 825
Service charges - Water		740 741	1 009 760		84 418	570 360	504 880	65 480	13%	1 009 760
Service charges - Waste Water Management		198 015	220 725		18 559	122 774	110 362	12 411	11%	220 725
Service charges - Waste management		126 704	155 391		11 980	72 720	77 695	(4 975)	-6%	155 391
Sale of Goods and Rendering of Services		14 947	42 043		-	-	21 021	(21 021)	-100%	42 043
Agency services		2 667	765		130	1 494	382	1 112	291%	765
Interest		-	-		-	-	-	-	-	-
Interest earned from Receivables		325 984	230 682		44 426	223 347	115 341	108 006	94%	230 682
Interest from Current and Non Current Assets		106 873	59 562		-	-	29 781	(29 781)	-100%	59 562
Dividends		-	-		-	-	-	-	-	-
Rent on Land		-	-		-	-	-	-	-	-
Rental from Fixed Assets		33 590	113 962		2 875	15 375	56 981	(41 605)	-73%	113 962
Licence and permits		2 021	2 547		136	1 116	1 273	(157)	-12%	2 547
Operational Revenue		53 620	204 124		4 962	45 475	102 062	(56 587)	-55%	204 124
Non-Exchange Revenue										
Property rates		1 359 087	1 649 353		152 995	890 942	824 676	66 266	8%	1 649 353
Surcharges and Taxes		-	-		-	-	-	-	-	-
Fines, penalties and forfeits		34 278	11 687		654	7 350	5 844	1 506	26%	11 687
Licence and permits		-	-		-	-	-	-	-	-
Transfers and subsidies - Operational		824 536	946 343		293 963	673 300	473 172	200 129	42%	946 343
Interest		44 118	19 135		1 712	13 604	9 568	4 036	42%	19 135
Fuel Levy		-	-		-	-	-	-	-	-
Operational Revenue		-	-		-	-	-	-	-	-
Gains on disposal of Assets		-	-		-	-	-	-	-	-
Other Gains		68 514	-		263	273	-	273	-	-
Discontinued Operations		-	-		-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		6 566 335	8 963 903		883 590	4 402 040	4 481 952	(79 912)	-2%	8 963 903
Expenditure By Type										
Employee related costs		1 612 918	1 847 016		124 626	828 331	923 508	(95 177)	-10%	1 847 016
Remuneration of councillors		63 542	66 462		4 771	28 519	33 231	(4 612)	-14%	66 462
Bulk purchases - electricity		2 714 395	3 145 119		211 148	1 666 651	1 572 559	94 092	6%	3 145 119
Inventory consumed		877 662	993 409		116 561	562 882	496 705	66 178	13%	993 409
Debt impairment		1 143 098	636 000		366	5 409	318 000	(312 591)	-98%	636 000
Depreciation and amortisation		361 848	362 179		33 310	196 552	181 089	15 462	9%	362 179
Interest		84 787	42 825		1 597	9 922	21 412	(11 490)	-54%	42 825
Contracted services		918 493	1 023 282		107 775	380 689	511 641	(130 952)	-26%	1 023 282
Transfers and subsidies		28 450	69 670		7 104	26 081	34 835	(8 754)	-25%	69 670
Irrecoverable debts written off		22 524	-		-	-	-	-	-	-
Operational costs		229 249	194 308		21 321	118 351	97 154	21 197	22%	194 308
Losses on Disposal of Assets		14 049	-		-	-	-	-	-	-
Other Losses		29 757	-		-	-	-	-	-	-
Total Expenditure		8 100 773	8 380 270		628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		428 105	456 975		44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)		-	-		-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1 106 334)	1 040 608		299 814	756 499	520 304	236 195	45%	1 040 608
Income Tax		-	-		-	-	-	-	-	-
Surplus/(Deficit) after income tax		(1 106 334)	1 040 608		299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Joint Venture		-	-		-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minontes		-	-		-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(1 106 334)	1 040 608		299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Associate		-	-		-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-		-	-	-	-	-	-
Surplus/ (Deficit) for the year		(1 106 334)	1 040 608		299 814	756 499	520 304	236 195	45%	1 040 608

Capital Expenditure

Table C5 below reports on the capital expenditure by department (municipal vote) for single year as well as multiyear capital appropriations. The bottom part of the schedule looks at the functional classification of the capital projects.

KZN225 Msunduzi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		-	37 445	-	-	-	18 723	(18 723)	-100%	37 445
Vote 2 - City Finance		10 485	25 000	-	11 586	12 221	12 500	(279)	-2%	25 000
Vote 3 - Corporate Services		5 072	6 575	-	(2 473)	(2 439)	3 288	(5 726)	-174%	6 575
Vote 4 - Community Services and Social Equity		70 000	42 153	-	4 753	15 478	21 076	(4 599)	-22%	42 153
Vote 5 - Infrastructure Services		291 474	284 464	-	35 436	158 388	142 232	16 156	11%	284 464
Vote 6 - Sustainable Development and City Enterprises		168 625	153 599	-	12 673	48 335	76 789	(28 465)	-37%	153 599
Vote 7 - Electricity		116 839	237 331	-	11 242	35 745	118 666	(82 921)	-70%	237 331
Total Capital Multi-year expenditure	4.7	662 496	786 566	-	73 217	268 727	393 283	(124 556)	-32%	786 566
Single Year expenditure appropriation	2									
Vote 1 - City Manager		6 003	5 000	-	-	-	2 500	(2 500)	-100%	5 000
Vote 2 - City Finance		5 571	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		15 256	7 525	-	-	13 944	3 783	10 182	271%	7 525
Vote 4 - Community Services and Social Equity		8 052	8 780	-	-	-	4 390	(4 390)	-100%	8 780
Vote 5 - Infrastructure Services		15 179	10 000	-	-	3 050	5 000	(1 950)	-39%	10 000
Vote 6 - Sustainable Development and City Enterprises		843	2 140	-	-	-	1 070	(1 070)	-100%	2 140
Vote 7 - Electricity		12 999	4 000	-	-	-	2 000	(2 000)	-100%	4 000
Total Capital single-year expenditure	4	63 814	37 445	-	-	16 934	18 723	(1 729)	-9%	37 445
Total Capital Expenditure		726 310	824 011	-	73 217	285 721	412 005	(126 285)	-31%	824 011
Capital Expenditure - Functional Classification										
Governance and administration		43 055	45 300	-	9 113	23 726	22 650	1 076	5%	45 300
Executive and council		6 003	5 100	-	-	-	2 550	(2 550)	-100%	5 100
Finance and administration		37 052	40 200	-	9 113	23 726	20 100	3 626	18%	40 200
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		117 916	168 351	-	15 743	45 768	84 176	(38 407)	-46%	168 351
Community and social services		39 760	24 745	-	2 600	2 671	12 373	(9 702)	-78%	24 745
Sport and recreation		5 256	11 933	-	2 393	6 867	5 966	901	15%	11 933
Public safety		724	2 100	-	-	-	1 050	(1 050)	-100%	2 100
Housing		72 175	129 574	-	10 750	35 230	64 787	(28 557)	-44%	129 574
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		247 500	139 974	-	26 570	97 490	69 987	27 503	39%	139 974
Planning and development		92 996	23 150	-	1 683	11 855	11 575	290	3%	23 150
Road transport		154 604	116 824	-	24 887	85 626	58 412	27 213	47%	116 824
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		314 321	467 535	-	21 791	118 736	233 768	(115 032)	-49%	467 535
Energy sources		129 749	260 054	-	11 242	35 745	130 027	(94 282)	-73%	260 054
Water management		78 803	160 375	-	7 341	40 927	60 188	(9 260)	-18%	160 375
Waste water management		78 068	97 047	-	3 207	34 884	48 523	(13 639)	-28%	97 047
Waste management		27 681	10 060	-	-	7 179	5 030	2 149	43%	10 060
Other		3 518	2 850	-	-	-	1 425	(1 425)	-100%	2 850
Total Capital Expenditure - Functional Classification	3	726 310	824 011	-	73 217	285 721	412 005	(126 285)	-31%	824 011
Funded by:										
National Government		302 791	325 817	-	29 329	124 701	162 908	(38 207)	-23%	325 817
Provincial Government		92 791	131 158	-	10 990	35 698	65 579	(29 881)	-46%	131 158
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		395 582	456 975	-	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	6	72 310	234 316	-	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds		258 418	132 720	-	24 973	96 128	66 360	29 768	45%	132 720
Total Capital Funding		726 310	824 011	-	73 217	285 721	412 005	(126 285)	-31%	824 011

A detailed analysis of the capital expenditure programme is provided in section 2.7 "Capital Expenditure Programme".

Table C6 displays the financial position of the municipality as at 31 December 2024.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		490 955	211 783		(14 137)	211 783
Trade and other receivables from exchange transactions		728 825	2 649 262		1 636 023	2 649 262
Receivables from non-exchange transactions			811 010		-	811 010
Current portion of non-current receivables			-		-	-
Inventory		498 281	442 453		508 080	442 453
VAT			-		-	-
Other current assets		322 851	-		215 539	-
Total current assets		2 040 911	4 114 508	-	2 345 505	4 114 508
Non current assets						
Investments			-		-	-
Investment property		922 392	974 256		922 392	974 256
Property, plant and equipment		7 250 531	8 754 770		7 495 443	8 754 770
Biological assets			80 958		510	80 958
Living and non-living resources		534	-		-	-
Heritage assets		323 520	291 270		-	291 270
Intangible assets		24 753	25 766		21 488	25 766
Trade and other receivables from exchange transactions			-		-	-
Non-current receivables from non-exchange transactions			-		-	-
Other non-current assets		82 700	-		(2 272)	-
Total non current assets		8 604 430	10 127 020	-	8 437 560	10 127 020
TOTAL ASSETS		10 645 342	14 241 528	-	10 783 065	14 241 528
LIABILITIES						
Current liabilities						
Bank overdraft			-		-	-
Financial liabilities		50 311	(11 273)		13 762	(11 273)
Consumer deposits		152 248	150 719		159 276	150 719
Trade and other payables from exchange transactions		3 221 548	1 713 734		2 893 545	1 713 734
Trade and other payables from non-exchange transactions		12 567	-		-	-
Provision		6 108	61 739		53 089	61 739
VAT		174 005	457 747		-	457 747
Other current liabilities		236 567	-		-	-
Total current liabilities		3 853 354	2 372 667	-	3 119 672	2 372 667
Non current liabilities						
Financial liabilities		116 275	559 919		-	559 919
Provision		44 650	80 111		-	80 111
Long term portion of trade payables			-		116 275	-
Other non-current liabilities		572 205	583 456		980 558	583 456
Total non current liabilities		733 130	1 223 486	-	1 096 833	1 223 486
TOTAL LIABILITIES		4 586 484	3 596 153	-	4 216 505	3 596 153
NET ASSETS	2	6 058 857	10 645 376	-	6 566 560	10 645 376
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 833 209	10 645 376		6 339 919	10 645 376
Reserves and funds		104 699			226 642	-
Other		120 950			-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	6 058 857	10 645 376	-	6 566 560	10 645 376

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN25 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - Q2 Second Quarter

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	1 359 087	1 649 353	-	152 995	890 942	624 676	66 266	8%	1 649 353
Service charges	3 696 100	5 683 701	-	381 475	2 529 764	2 841 850	(312 087)	-11%	5 683 701
Investment revenue	106 873	59 562	-	-	-	29 781	(29 781)	-100%	59 562
Transfers and subsidies - Operational	824 536	946 343	-	293 963	673 300	473 172	200 129	0	946 343
Other own revenue	579 738	624 944	-	55 157	308 033	312 472	(4 439)	-1%	-
Total Revenue (excluding capital transfers and contributions)	6 566 335	8 963 903	-	883 590	4 402 040	4 481 952	(79 912)	-2%	8 963 903
Employee costs	1 612 918	1 860 538	-	126 392	835 335	930 269	(94 934)	-10%	1 860 538
Remuneration of Councillors	63 542	66 462	-	4 771	28 619	33 231	(4 612)	-14%	66 462
Depreciation and amortisation	361 848	363 041	-	33 368	196 888	181 520	15 368	8%	363 041
Interest	84 787	42 825	-	1 597	9 922	21 412	(11 490)	-54%	42 825
Inventory consumed and bulk purchases	3 592 058	4 138 528	-	327 708	2 229 534	2 069 264	160 270	8%	4 138 528
Transfers and subsidies	28 450	52 376	-	4 918	17 507	26 188	(8 681)	-33%	52 376
Other expenditure	2 357 170	1 856 500	-	129 825	505 681	928 250	(422 569)	-46%	1 856 500
Total Expenditure	8 100 773	8 380 270	-	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/(Deficit)	(1 534 439)	583 633	-	255 010	578 553	291 817	286 736	98%	583 633
Transfers and subsidies - capital (monetary)	428 105	456 975	-	44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Capital expenditure & funds sources									
Capital expenditure	726 310	826 764	-	73 217	285 721	413 382	(127 661)	-31%	826 764
Capital transfers recognised	395 582	456 975	-	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	72 310	234 316	-	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds	258 418	135 473	-	24 973	96 128	67 737	28 392	42%	135 473
Total sources of capital funds	726 310	826 764	-	73 217	285 721	413 382	(127 661)	-31%	826 764
Financial position									
Total current assets	2 040 911	4 114 508	-	-	2 350 617	-	-	-	4 114 508
Total non current assets	8 604 430	10 127 020	-	-	8 444 102	-	-	-	10 127 020
Total current liabilities	3 853 354	2 372 667	-	-	3 121 178	-	-	-	2 372 667
Total non current liabilities	733 130	1 223 486	-	-	1 096 633	-	-	-	1 223 486
Community wealth/Equity	6 058 857	10 645 376	-	-	6 576 709	-	-	-	10 645 376
Cash flows									
Net cash from (used) operating	611 952	596 372	-	-	-	298 186	298 186	100%	596 372
Net cash from (used) investing	(674 404)	(826 764)	-	-	-	(413 382)	(413 382)	100%	(826 764)
Net cash from (used) financing	42 005	144 316	-	-	-	72 158	72 158	100%	144 316
Cash/cash equivalents at the month/year end	490 955	457 452	-	-	-	500 490	500 490	100%	457 452
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	806 853	141 270	137 031	165 399	145 485	154 046	716 502	5 637 781	7 904 367
Creditors Age Analysis									
Total Creditors	416 012	702 575	297 774	37 615	1 663 988	-	-	-	3 117 963

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		2 042 708	2 688 151	-	323 067	1 335 187	1 344 075	(8 888)	-1%	2 688 151
Executive and council		4 701	-	-	115	1 471	-	1 471	-	-
Finance and administration		2 038 007	2 688 151	-	322 952	1 333 716	1 344 075	(10 359)	-1%	2 688 151
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		225 252	525 429	-	20 577	70 436	262 715	(192 278)	-73%	525 429
Community and social services		63 389	307 323	-	4 726	11 581	153 662	(142 081)	-92%	307 323
Sport and recreation		4 912	23 527	-	2 757	8 197	11 763	(3 566)	-30%	23 527
Public safety		25 017	9 173	-	373	3 119	4 586	(1 468)	-32%	9 173
Housing		131 933	185 406	-	12 720	47 540	92 703	(45 164)	-49%	185 406
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		167 412	86 692	-	13 815	52 190	43 346	8 844	20%	86 692
Planning and development		118 230	31 697	-	3 420	19 456	15 849	3 607	23%	31 697
Road transport		48 423	50 000	-	10 369	32 428	25 000	7 428	30%	50 000
Environmental protection		758	4 994	-	26	306	2 497	(2 191)	-88%	4 994
<i>Trading services</i>		4 506 712	5 997 734	-	567 600	3 101 132	2 996 867	102 265	3%	5 997 734
Energy sources		2 671 690	4 347 604	-	281 976	1 819 647	2 173 802	(354 155)	-16%	4 347 604
Water management		1 308 245	1 219 122	-	224 351	975 108	609 561	365 547	60%	1 219 122
Waste water management		332 250	262 027	-	38 651	207 073	131 014	76 059	58%	262 027
Waste management		194 527	168 980	-	22 622	99 304	84 490	14 814	18%	168 980
<i>Other</i>	4	52 357	122 873	-	3 335	21 041	61 436	(40 395)	-66%	122 873
Total Revenue - Functional	2	6 994 440	9 420 878	-	928 394	4 579 986	4 710 439	(130 453)	-3%	9 420 878
Expenditure - Functional										
<i>Governance and administration</i>		1 394 784	1 659 708	-	90 156	512 313	829 854	(317 541)	-38%	1 659 708
Executive and council		154 336	165 981	-	10 554	67 170	82 990	(15 820)	-19%	165 981
Finance and administration		1 215 285	1 465 568	-	76 732	426 586	732 784	(306 198)	-42%	1 465 568
Internal audit		25 163	28 159	-	2 870	18 557	14 080	4 477	32%	28 159
<i>Community and public safety</i>		639 573	706 899	-	55 783	300 331	353 450	(53 119)	-15%	706 899
Community and social services		154 233	250 699	-	13 856	81 572	125 350	(43 778)	-35%	250 699
Sport and recreation		152 619	121 147	-	11 637	64 520	60 574	3 947	7%	121 147
Public safety		221 231	244 183	-	18 702	110 463	122 092	(11 628)	-10%	244 183
Housing		101 531	81 137	-	10 941	39 389	40 568	(1 179)	-3%	81 137
Health		9 958	9 734	-	646	4 386	4 867	(480)	-10%	9 734
<i>Economic and environmental services</i>		478 065	640 339	-	52 943	235 825	320 169	(84 344)	-26%	640 339
Planning and development		97 778	161 556	-	7 593	48 395	80 778	(32 383)	-40%	161 556
Road transport		354 437	449 622	-	43 353	173 008	224 811	(51 803)	-23%	449 622
Environmental protection		25 850	29 161	-	1 998	14 422	14 580	(159)	-1%	29 161
<i>Trading services</i>		5 510 615	5 278 294	-	418 928	2 725 292	2 639 147	86 145	3%	5 278 294
Energy sources		3 380 460	3 749 119	-	246 511	1 882 067	1 874 559	7 508	0%	3 749 119
Water management		1 504 796	1 010 945	-	122 982	604 563	505 472	99 091	20%	1 010 945
Waste water management		434 826	369 521	-	38 977	177 577	184 761	(7 184)	-4%	369 521
Waste management		190 532	148 709	-	10 457	61 085	74 354	(13 270)	-18%	148 709
<i>Other</i>		77 737	95 029	-	10 769	49 726	47 515	2 212	5%	95 029
Total Expenditure - Functional	3	8 100 773	8 380 270	-	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/ (Deficit) for the year		(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2
Second Quarter

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - City Manager		-	-	-	-	-	-	-		-
Vote 2 - City Finance		2 025 042	2 675 603	-	319 157	1 324 041	1 337 801	(13 761)	-1,0%	2 675 603
Vote 3 - Corporate Services		2 110	3 166	-	561	1 509	1 583	(74)	-4,7%	3 166
Vote 4 - Community Services and Social Equity		292 947	492 478	-	30 411	123 648	246 239	(122 591)	-49,8%	492 478
Vote 5 - Infrastructure Services		1 696 701	1 540 531	-	274 269	1 220 263	770 266	449 997	58,4%	1 540 531
Vote 6 - Sustainable Development and City Enterprises		304 119	366 567	-	19 740	88 583	183 284	(94 701)	-51,7%	366 567
Vote 7 - Electricity		2 673 986	4 342 533	-	284 255	1 821 943	2 171 266	(349 323)	-16,1%	4 342 533
Total Revenue by Vote	2	6 994 905	9 420 878	-	928 394	4 579 986	4 710 439	(130 453)	-2,8%	9 420 878
Expenditure by Vote	1									
Vote 1 - City Manager		195 836	191 820	-	13 820	69 954	95 910	(5 956)	-6,2%	191 820
Vote 2 - City Finance		722 564	1 166 932	-	48 261	217 329	583 466	(366 137)	-62,8%	1 166 932
Vote 3 - Corporate Services		201 261	198 304	-	12 558	76 578	99 152	(22 574)	-22,8%	198 304
Vote 4 - Community Services and Social Equity		970 678	859 070	-	67 315	438 205	429 535	8 670	2,0%	859 070
Vote 5 - Infrastructure Services		2 321 845	1 881 447	-	205 531	964 805	940 723	24 082	2,6%	1 881 447
Vote 6 - Sustainable Development and City Enterprises		308 983	331 869	-	34 584	154 647	165 934	(11 287)	-6,8%	331 869
Vote 7 - Electricity		3 380 072	3 750 828	-	246 511	1 881 968	1 875 414	6 554	0,3%	3 750 828
Total Expenditure by Vote	2	8 101 239	8 380 270	-	628 580	3 823 487	4 190 135	(366 648)	-8,8%	8 380 270
Surplus/ (Deficit) for the year	2	(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45,4%	1 040 608

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		2 630 641	4 297 825		266 518	1 763 911	2 148 913	(385 002)	-18%	4 297 825
Service charges - Water		740 741	1 009 760		84 418	570 360	504 880	65 480	13%	1 009 760
Service charges - Waste Water Management		198 015	220 725		18 559	122 774	110 362	12 411	11%	220 725
Service charges - Waste management		126 704	155 391		11 980	72 720	77 695	(4 975)	-6%	155 391
Sale of Goods and Rendering of Services		14 947	42 043		-	-	21 021	(21 021)	-100%	42 043
Agency services		2 667	765		130	1 494	382	1 112	291%	765
Interest		-	-		-	-	-	-	-	-
Interest earned from Receivables		325 984	230 682		44 426	223 347	115 341	108 006	94%	230 682
Interest from Current and Non Current Assets		106 873	59 562		-	-	29 781	(29 781)	-100%	59 562
Dividends		-	-		-	-	-	-	-	-
Rent on Land		-	-		-	-	-	-	-	-
Rental from Fixed Assets		33 590	113 962		2 875	15 375	56 981	(41 605)	-73%	113 962
Licence and permits		2 021	2 547		136	1 116	1 273	(157)	-12%	2 547
Operational Revenue		53 620	204 124		4 962	45 475	102 062	(56 587)	-55%	204 124
Non-Exchange Revenue										
Property rates		1 359 087	1 649 353		152 995	890 942	824 676	66 266	8%	1 649 353
Surcharges and Taxes		-	-		-	-	-	-	-	-
Fines, penalties and forfeits		34 278	11 687		654	7 350	5 844	1 506	26%	11 687
Licence and permits		-	-		-	-	-	-	-	-
Transfers and subsidies - Operational		824 536	946 343		293 963	673 300	473 172	200 129	42%	946 343
Interest		44 118	19 135		1 712	13 604	9 568	4 036	42%	19 135
Fuel Levy		-	-		-	-	-	-	-	-
Operational Revenue		-	-		-	-	-	-	-	-
Gains on disposal of Assets		-	-		-	-	-	-	-	-
Other Gains		68 514	-		263	273	-	273	-	-
Discontinued Operations		-	-		-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		6 566 335	8 963 903	-	883 590	4 402 040	4 481 952	(79 912)	-2%	8 963 903
Expenditure By Type										
Employee related costs		1 612 918	1 860 538		126 392	835 335	930 269	(94 934)	-10%	1 860 538
Remuneration of councillors		63 542	66 462		4 771	28 619	33 231	(4 612)	-14%	66 462
Bulk purchases - electricity		2 714 396	3 145 119		211 148	1 666 651	1 572 559	94 092	6%	3 145 119
Inventory consumed		877 662	993 409		116 561	562 882	496 705	66 178	13%	993 409
Debt impairment		1 143 098	636 000		366	5 409	318 000	(312 591)	-98%	636 000
Depreciation and amortisation		361 848	363 041		33 368	196 888	181 520	15 368	8%	363 041
Interest		84 787	42 825		1 597	9 922	21 412	(11 490)	-54%	42 825
Contracted services		918 493	1 024 663		107 806	380 846	512 332	(131 486)	-26%	1 024 663
Transfers and subsidies		28 450	52 376		4 918	17 507	26 188	(8 681)	-33%	52 376
Irrecoverable debts written off		22 524	-		-	-	-	-	-	-
Operational costs		229 249	195 837		21 653	119 427	97 918	21 509	22%	195 837
Losses on Disposal of Assets		14 049	-		-	-	-	-	-	-
Other Losses		29 757	-		-	-	-	-	-	-
Total Expenditure		8 100 773	8 380 270	-	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/(Deficit)		(1 534 439)	583 633	-	255 010	578 553	291 817	286 736	98%	583 633
Transfers and subsidies - capital (monetary allocations)		428 105	456 975		44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)		-	-		-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Income Tax		-	-		-	-	-	-	-	-
Surplus/(Deficit) after income tax		(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Joint Venture		-	-		-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minontes		-	-		-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Associate		-	-		-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-		-	-	-	-	-	-
Surplus/ (Deficit) for the year		(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608

KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q2 Second Quarter

Vote Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		–	37 445	–	–	–	18 723	(18 723)	-100%	37 445
Vote 2 - City Finance		10 485	25 000	–	11 586	12 221	12 500	(279)	-2%	25 000
Vote 3 - Corporate Services		5 072	6 575	–	(2 473)	(2 439)	3 288	(5 726)	-174%	6 575
Vote 4 - Community Services and Social Equity		70 000	42 153	–	4 753	16 478	21 076	(4 599)	-22%	42 153
Vote 5 - Infrastructure Services		291 474	284 464	–	35 436	158 388	142 232	16 156	11%	284 464
Vote 6 - Sustainable Development and City Enterprises		168 625	153 599	–	12 673	48 335	76 799	(28 465)	-37%	153 599
Vote 7 - Electricity		116 839	237 331	–	11 242	35 745	118 666	(82 921)	-70%	237 331
Total Capital Multi-year expenditure	4,7	662 496	786 566	–	73 217	268 727	393 283	(124 556)	-32%	786 566
Single Year expenditure appropriation	2									
Vote 1 - City Manager		6 003	5 000	–	–	–	2 500	(2 500)	-100%	5 000
Vote 2 - City Finance		5 571	–	–	–	–	–	–	–	–
Vote 3 - Corporate Services		15 256	7 525	–	–	13 944	3 763	10 182	271%	7 525
Vote 4 - Community Services and Social Equity		8 052	8 780	–	–	–	4 390	(4 390)	-100%	8 780
Vote 5 - Infrastructure Services		15 179	10 000	–	–	3 050	5 000	(1 950)	-39%	10 000
Vote 6 - Sustainable Development and City Enterprises		843	4 893	–	–	–	2 447	(2 447)	-100%	4 893
Vote 7 - Electricity		12 909	4 000	–	–	–	2 000	(2 000)	-100%	4 000
Total Capital single-year expenditure	4	63 814	40 198	–	–	16 994	20 099	(3 105)	-15%	40 198
Total Capital Expenditure		726 310	826 764	–	73 217	285 721	413 382	(127 661)	-31%	826 764
Capital Expenditure - Functional Classification										
Governance and administration		43 055	45 300	–	9 113	23 726	22 650	1 076	5%	45 300
Executive and council		6 003	5 100	–	–	–	2 550	(2 550)	-100%	5 100
Finance and administration		37 052	40 200	–	9 113	23 726	20 100	3 626	18%	40 200
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		117 916	171 104	–	15 743	45 768	85 552	(39 784)	-47%	171 104
Community and social services		39 760	24 745	–	2 600	2 671	12 373	(9 702)	-78%	24 745
Sport and recreation		5 255	11 933	–	2 393	6 867	5 966	901	15%	11 933
Public safety		724	4 853	–	–	–	2 427	(2 427)	-100%	4 853
Housing		72 176	129 574	–	10 750	36 230	64 787	(28 557)	-44%	129 574
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		247 500	139 974	–	26 570	97 490	69 987	27 503	35%	139 974
Planning and development		92 996	23 150	–	1 683	11 865	11 575	290	3%	23 150
Road transport		154 504	116 824	–	24 887	85 626	58 412	27 213	47%	116 824
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		314 321	467 535	–	21 791	118 736	233 768	(115 032)	-49%	467 535
Energy sources		129 749	260 054	–	11 242	35 745	130 027	(94 282)	-73%	260 054
Water management		78 803	100 375	–	7 341	40 927	50 188	(9 260)	-18%	100 375
Waste water management		78 088	97 047	–	3 207	34 884	48 523	(13 639)	-28%	97 047
Waste management		27 681	10 060	–	–	7 179	5 030	2 149	43%	10 060
Other		3 518	2 850	–	–	–	1 425	(1 425)	-100%	2 850
Total Capital Expenditure - Functional Classification	3	726 310	826 764	–	73 217	285 721	413 382	(127 661)	-31%	826 764
Funded by:										
National Government		302 791	325 817	–	29 329	124 701	162 908	(38 207)	-23%	325 817
Provincial Government		92 791	131 158	–	10 990	35 698	65 579	(29 881)	-46%	131 158
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		395 582	456 975	–	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	6	72 310	234 316	–	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds		258 418	135 473	–	24 973	96 128	67 737	28 392	42%	135 473
Total Capital Funding		726 310	826 764	–	73 217	285 721	413 382	(127 661)	-31%	826 764

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - Q2 Second

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		490 955	211 783		(9 028)	211 783
Trade and other receivables from exchange transactions		728 825	2 649 262		1 636 023	2 649 262
Receivables from non-exchange transactions			811 010		-	811 010
Current portion of non-current receivables			-		-	-
Inventory		498 281	442 453		508 080	442 453
VAT			-		-	-
Other current assets		322 851	-		215 542	-
Total current assets		2 040 911	4 114 508	-	2 350 617	4 114 508
Non current assets						
Investments			-		-	-
Investment property		922 392	974 256		922 392	974 256
Property, plant and equipment		7 250 531	8 754 770		7 501 984	8 754 770
Biological assets			80 958		510	80 958
Living and non-living resources		534	-		-	-
Heritage assets		323 520	291 270		-	291 270
Intangible assets		24 753	25 766		21 488	25 766
Trade and other receivables from exchange transactions			-		-	-
Non-current receivables from non-exchange transactions			-		-	-
Other non-current assets		82 700	-		(2 272)	-
Total non current assets		8 604 430	10 127 020	-	8 444 102	10 127 020
TOTAL ASSETS		10 645 342	14 241 528	-	10 794 719	14 241 528
LIABILITIES						
Current liabilities						
Bank overdraft			-		-	-
Financial liabilities		50 311	(11 273)		13 762	(11 273)
Consumer deposits		152 248	150 719		159 276	150 719
Trade and other payables from exchange transactions		3 221 548	1 713 734		2 893 545	1 713 734
Trade and other payables from non-exchange transactions		12 567	-		-	-
Provision		6 108	61 739		54 114	61 739
VAT		174 005	457 747		480	457 747
Other current liabilities		236 567	-		-	-
Total current liabilities		3 853 354	2 372 667	-	3 121 178	2 372 667
Non current liabilities						
Financial liabilities		116 275	559 919		-	559 919
Provision		44 650	80 111		-	80 111
Long term portion of trade payables			-		116 275	-
Other non-current liabilities		572 205	583 456		980 558	583 456
Total non current liabilities		733 130	1 223 486	-	1 096 833	1 223 486
TOTAL LIABILITIES		4 586 484	3 596 153	-	4 218 010	3 596 153
NET ASSETS	2	6 058 857	10 645 376	-	6 576 709	10 645 376
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 833 209	10 645 376		6 350 067	10 645 376
Reserves and funds		104 699			226 642	
Other		120 950			-	
TOTAL COMMUNITY WEALTH/EQUITY	2	6 058 857	10 645 376	-	6 576 709	10 645 376

PART 2 – SUPPORTING DOCUMENTATION

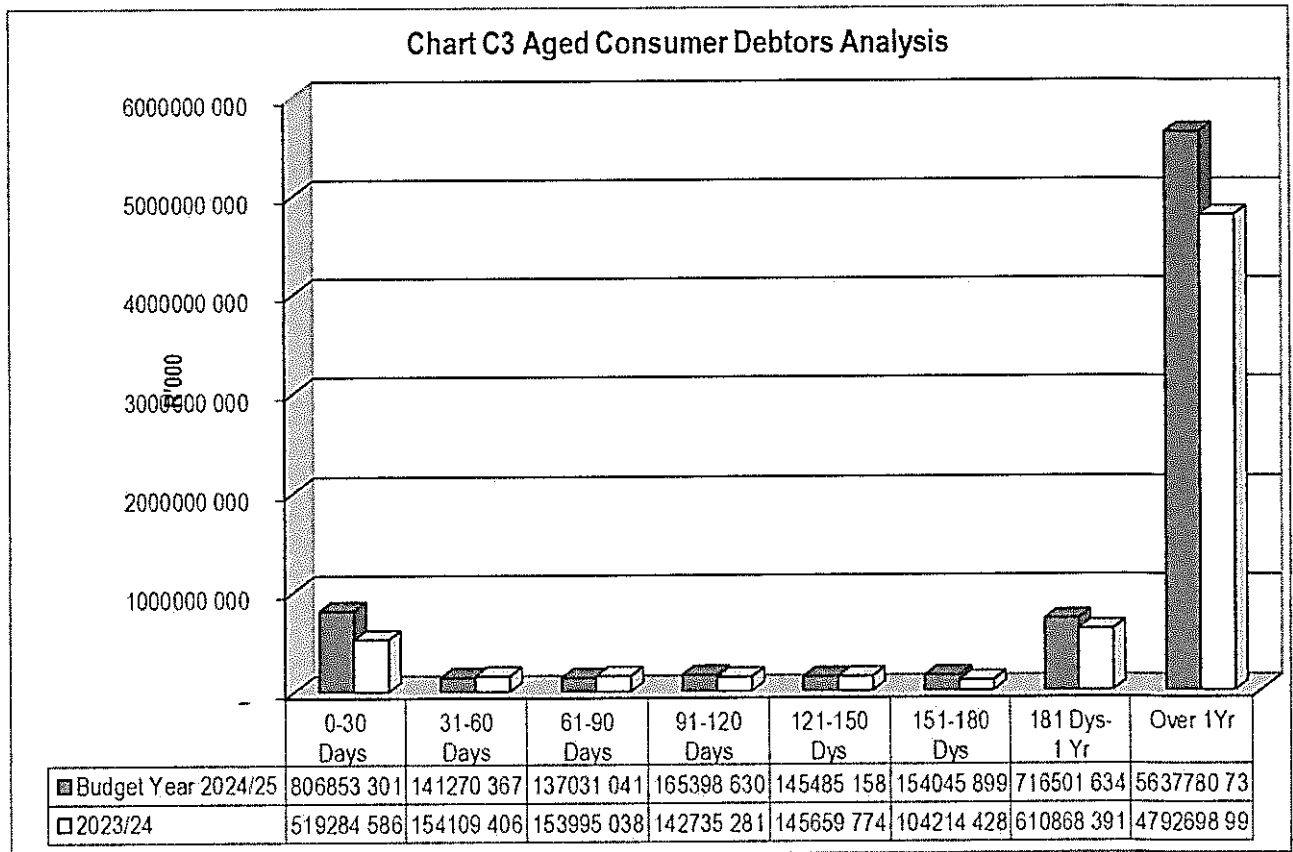
2.1 Debtors Analysis

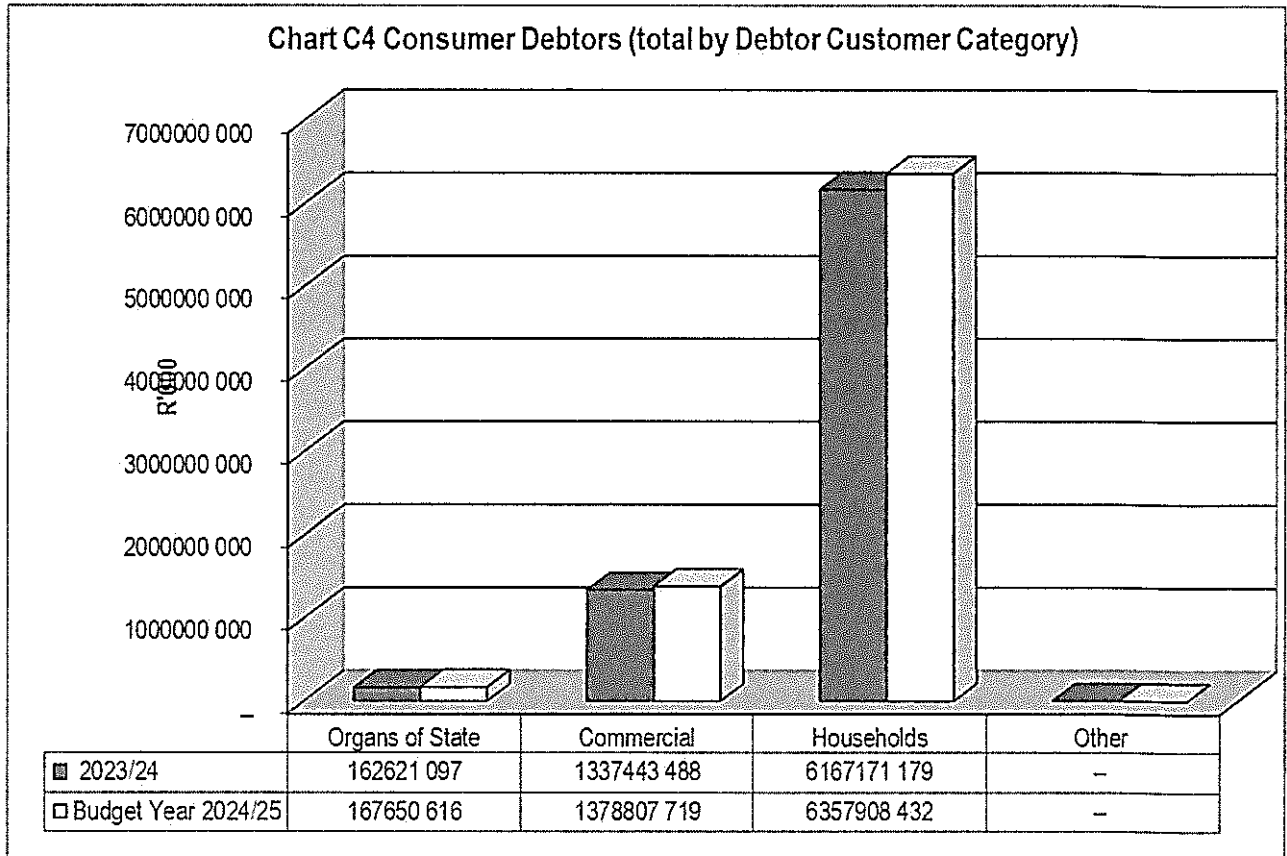
The table presented below summarises the Debtors Age Analysis as at 31 December 2024

KZN25 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2024/25										Total	Over 1Yr	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									
Debtors Age Analysis By Income Source																	
Trade and Other Receivables from Exchange Transactions - Water	1200	150 093	52 324	55 400	51 448	51 001	49 932	235 221	2 458 852	3 104 269	2 846 452	2 026 832					
Trade and Other Receivables from Exchange Transactions - Electricity	1300	345 149	(5 055)	(7 797)	21 155	14 116	14 604	86 516	292 014	760 702	428 404	143 408					
Receivables from Non-exchange Transactions - Property Rates	1400	169 398	33 778	31 539	35 905	29 760	27 748	117 694	914 783	1 360 605	1 125 891	718 954					
Receivables from Exchange Transactions - Waste Water Management	1500	30 329	7 522	7 718	7 460	7 246	6 531	35 912	350 497	454 215	408 647	285 730					
Receivables from Exchange Transactions - Waste Management	1600	16 947	6 193	4 554	4 548	3 995	3 586	18 641	187 959	246 423	218 728	156 228					
Receivables from Exchange Transactions - Property Rental Debtors	1700	3 156	1 105	950	934	893	858	4 493	53 462	65 891	60 639	44 911					
Interest on Arrear Debtor Accounts	1810	91 212	45 203	44 550	43 739	38 332	50 686	216 285	1 219 055	1 749 062	1 658 096	907 433					
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	529	200	116	208	142	103	741	161 160	163 199	162 354	159 919					
Other	1900	806 853	141 270	137 031	165 399	145 485	154 046	716 502	5 637 781	7 904 367	6 819 212	4 443 415					
Total By Income Source	2000	519 285	154 109	153 995	142 735	145 660	104 214	610 858	4 782 699	6 623 566	5 796 177	3 696 689					
2023/24 - totals only																	
Debtors Age Analysis By Customer Group																	
Organs of State	2200	69 955	(10 701)	(15 751)	8 308	6 646	7 724	19 415	82 103	167 651	124 197	62 784					
Commercial	2300	371 490	31 187	27 919	32 111	25 133	31 227	127 761	731 979	1 378 808	948 212	521 679					
Households	2400	365 458	120 764	124 863	124 979	113 706	115 095	569 325	4 823 698	6 357 908	5 746 803	3 858 952					
Other	2500	806 853	141 270	137 031	165 399	145 485	154 046	716 502	5 637 781	7 904 367	6 819 212	4 443 415					
Total By Customer Group	2600	806 853	141 270	137 031	165 399	145 485	154 046	716 502	5 637 781	7 904 367	6 819 212	4 443 415					

Chart 1: Debtors Age Analysis by Customer Group





The information presented in the chart above reflects an increase in the outstanding debtor's balances when compared to the prior month balance bringing the total outstanding debtors balance to R 7.904 billion.

Total debt owed to the municipality ranked from highest to lowest for current budget year reflects that households owe 80% of the total municipal debt as detailed below:

- ✓ Households 80%
- ✓ Commercial 18%
- ✓ Organs of State 2%

2.2 Creditors Analysis

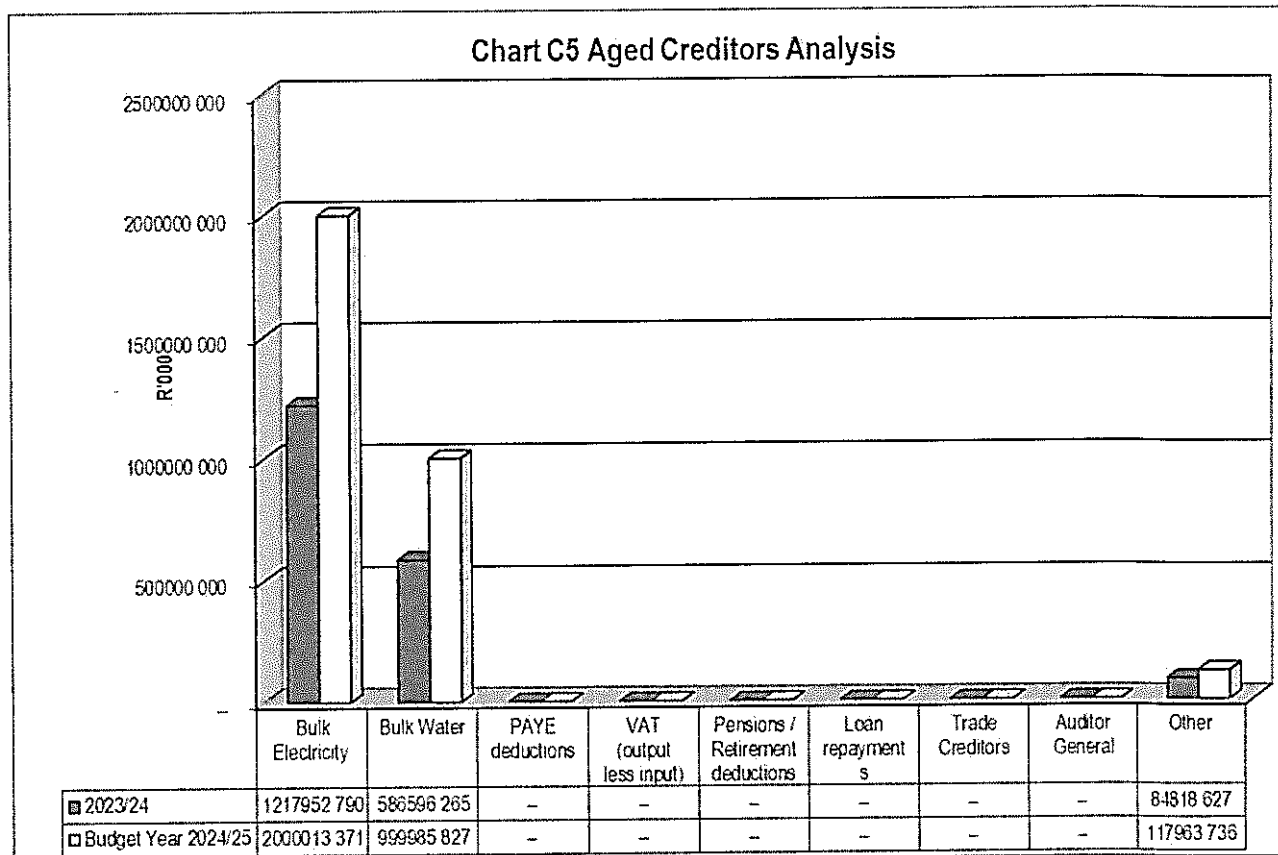
Table SC 4 below presents the aged creditors as at 31 December 2024

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Description	NT Code	Budget Year 2024/25									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	269 500	637 619	236 052	(20 741)	877 583					2 000 013	1 217 953
Bulk Water	0200	125 288	50 288	43 271	50 490	730 648					999 986	586 596
PAYE deductions	0300										-	-
VAT (output less input)	0400										-	-
Pensions / Retirement deductons	0500										-	-
Loan repayments	0600										-	-
Trade Creditors	0700										-	-
Auditor General	0800										-	-
Other	0900	21 224	14 667	18 451	7 866	55 756					117 964	84 819
Medical Aid deductons											-	-
Total By Customer Type	1000	416 012	702 575	297 774	37 615	1 663 988	-	-	-	-	3 117 963	1 889 368

The chart below presents the creditors per their cost driver for the month ending 31 December 2024.

Chart 3: Creditors Analysis



2.3 Investment Portfolio Analysis

The following information presents the short-term investments balances broken down per investment type as at 31 December 2024.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q2 Second Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of investment	Type of Investment	Capital Guarantee (Year/No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Year/Months												
R thousands														
Municipality														
Municipal Infrastructure Grant										70 099		(37 878)	33 100	70 323
Unspent Conditional Grant										102 232	215	(174 853)	83 153	12 797
Housing Accreditation										10 071	75	(54)	2 301	12 383
Municipal Housing Account										50 875	34	(20 255)	15 262	45 916
Housing Projects - Principal Agent										11 397		(335)	24	11 086
Compensation Fund (COF)1131010020										919	6			925
Compensation Fund (COF)										23 585				23 585
Airport Development Fund										29	0			30
Insurance Fund										8 125	52			8 178
Val Recovery on Prov Grants										1 059	7			1 066
Val Refunds										5 187	1 741			6 923
Call - General Reserves										29 145		(286 325)	297 150	-
7 Day Notice - General Reserves										52	0			52
1 Day Notice - General Reserves										125	1			126
Call Account/Loan										19 725	91	(9 734)		10 082
Standard													1 714	1 714
Municipality sub-total										392 656	2 222	(529 453)	399 735	205 190
Entities														
										-	-	-	-	-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									392 656	2 222	(529 453)	399 735	205 190

The total consolidated investment balances as at 31 December 2024 amounted to R205.190 million

2.4 Allocation and Grant receipts and Expenditure

Grant Receipts: The total year to date operational and capital grant receipts for the month of December amounted to R 914.063 million that is inclusive of equitable share of R616.554 million, Operating transfers of R90.762 million and Capital transfers of R 206.747 million.

KZN225 Msunduzi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		795 277	895 184	-	275 352	653 881	447 592	206 289	46,1%	895 184
Local Government Equitable Share		767 222	822 072		274 024	616 554	411 036	205 518	50,0%	822 072
Finance Management		1 807	1 900			1 900	950	950	100,0%	1 900
Municipal Systems Improvement Operating		-	-			-	-	-		-
EPWP Incentive		4 701	2 092			1 046	1 046	418	40,0%	2 092
Municipal Water Infrastructure Grant		13 948	30 000			11 500	15 000	(3 500)	-23,3%	30 000
Public Transport Infrastructure		-	30 000			17 000	15 000	2 000	13,3%	30 000
Energy Efficiency and Demand Management		-	-			50	-	50		-
Operating costs-MIG		7 589	9 120		1 328	5 413	4 560	853	18,7%	9 120
Provincial Government:		29 259	61 696	-	11 996	53 435	30 848	22 587	73,2%	61 696
PMB Airport- OPERATING		-	-			500	-	500		-
Housing Accreditation-OPERATING		6 418	8 060		2 301	7 718	4 000	3 718	92,9%	8 060
Human Settlements - Accredited Municipal RO		-	-			-	-	-		-
Housing Projects -OPERATING		1 181	38 536			-	19 268	(19 268)	-100,0%	38 536
Community Library Service and Provincialisation Library-OPERATING		14 821	-			14 693	-	14 693		-
Arts and Culture-Museum Subsidies		-	-			-	-	-		-
Tatham Art Gallery-OPERATING		205	14 660			431	7 330	(6 899)	-94,1%	14 660
Greater Edendale Development Initiative-OPERATING		2 081	500			-	250	(250)	-100,0%	500
Operaton Dilusumlando-OPERATING		-	-			-	-	-		-
SETA- Bursaries for Non Employees- OPERATING		1 863	-		216	1 291	-	1 291		-
Arts and Culture-Museum Subsidies - Tatham Art Gallery		-	-			-	-	-		-
Municipal Employment Initiative - OPERATING		2 800	-			-	-	-		-
Regional Bulk Infrastructure Grant/BFI- OPERATING		-	-		9 479	28 802	-	28 802		-
COGTA		-	-			-	-	-		-
District Municipality:		-	-		-	-	-	-		-
[insert description]		-	-		-	-	-	-		-
Other grant providers:		-	-		-	-	-	-		-
[insert description]		-	-		-	-	-	-		-
Total Operating Transfers and Grants	5	824 536	956 880	-	287 348	707 316	478 440	228 876	47,8%	956 880
Capital Transfers and Grants										
National Government:		259 763	312 603	-	39 772	107 317	158 301	41 015	26,2%	312 603
Municipal Infrastructure Grant (MIG)		204 367	222 682		36 772	149 896	111 341	38 555	34,6%	222 682
Public Transport Infrastructure		-	20 000			10 000	10 000	-		20 000
Neighbourhood Development Partnership		12 973	20 000			15 000	10 000	5 000	50,0%	20 000
Dept of Mineral/Electricity		-	-			-	-	-		-
Integrated National Electrification Programme		12 219	4 971			4 971	2 486	2 486	100,0%	4 971
Municipal Systems Improvement Capital		-	-			-	-	-		-
Water Services Infrastructure Grant (WSIG)-CAPITAL		25 204	40 000			13 500	20 000	(6 500)	-32,5%	40 000
Energy Efficiency and Demand Management		5 000	4 950		3 000	3 950	2 475	1 475	59,6%	4 950
Provincial Government:		168 342	133 836	-	258	9 430	66 918	(57 487)	-85,9%	133 836
PMB Airport- CAPITAL		3 201	-			-	-	-		-
COGTA		3 039	-			-	-	-		-
Housing Accreditation-CAPITAL		734	700			-	350	(350)	-100,0%	700
Capital Provincial KZN Treasury		-	-			-	-	-		-
Economic development Tourism		-	-			-	-	-		-
Eastwood Primary Substation-CAPITAL		379	-			-	-	-		-
Jika Joo Community Residential Units-CAPITAL		-	-			-	-	-		-
Greater Edendale Development Initiative-CAPITAL		77 553	-		258	258	-	258		-
Youth Enterprise Park-CAPITAL		-	-			-	-	-		-
Informal Economy Infrastructure Development-CAPITAL		-	1 000			-	500	(500)	-100,0%	1 000
Comidar Development- CAPITAL		-	-			-	-	-		-
Municipal Disaster Relief Grant-CAPITAL		6 203	13 214			6 607	6 607	-		13 214
Community Library Service and Provincialisation Library-CAPITAL		6 377	-			1 400	-	1 400		-
Provincial Government		-	-			-	-	-		-
Arts and Culture-Museum Subsidies - Tatham Art Gallery		171	1 865			165	933	(769)	-82,3%	1 865
Ematsheni-CAPITAL		-	-			1 000	-	1 000		-
Housing Projects -CAPITAL		68 685	117 056			-	58 528	(58 528)	-100,0%	117 056
District Municipality:		-	-		-	-	-	-		-
[insert description]		-	-		-	-	-	-		-
Other grant providers:		-	-		-	-	-	-		-
[insert description]		-	-		-	-	-	-		-
Total Capital Transfers and Grants	5	428 105	446 438	-	40 030	206 747	223 219	(16 472)	-7,4%	446 438
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 252 641	1 403 318	-	327 378	914 063	701 659	212 404	30,3%	1 403 318

Grants Expenditure: The YTD actual grant expenditure for the month of December 2024 amounted to R701.659 million, and YTD budget was R851.247 million.

KZN225 Msunduzi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		795 277	895 184	-	290 243	642 978	447 592	195 386	43,7%	895 184
Local Government Equitable Share		767 222	822 072		274 024	616 554	411 036	205 518	50,0%	822 072
Finance Management		1 807	1 900		84	647	950	(303)	-31,9%	1 900
Municipal Systems Improvement Operating		-	-		-	-	-	-	-	-
EPWP Incentive		4 701	2 092		115	1 471	1 046	425	40,6%	2 092
Municipal Water Infrastructure Grant		13 948	30 000		16 974	16 974	15 000	1 974	13,2%	30 000
Public Transport Infrastructure		-	30 000		(1 852)	1 665	15 000	(13 335)	-88,9%	30 000
Energy Efficiency and Demand Management		-	-		-	15	-	15	-	-
Operating costs-MIG		7 599	9 120		898	5 652	4 560	1 092	24,0%	9 120
Provincial Government:		29 259	61 696	-	3 720	30 322	30 848	(526)	-1,7%	61 696
Housing Accreditation-OPERATING		6 418	8 000		235	2 258	4 000	(1 742)	-43,6%	8 000
Housing Projects -OPERATING		1 181	38 536		-	-	19 268	(19 268)	-100,0%	38 536
Community Library Service and Provincialisation Library-OPERATING		14 821	-		1 378	6 298	-	6 298	-	-
Arts and Culture-Museum Subsidies		-	-		-	-	-	-	-	-
Tatham Art Gallery-OPERATING		205	14 650		-	-	7 330	(7 330)	-100,0%	14 650
Greater Edendale Development Initiative-OPERATING		2 081	500		62	207	250	(43)	-17,3%	500
Operation Dlusumlando-OPERATING		-	-		-	-	-	-	-	-
SETA- Bursaries for Non Employees - OPERATING		1 663	-		561	753	-	753	-	-
Arts and Culture-Museum Subsidies - Tatham Art Gallery		-	-		-	-	-	-	-	-
Regional Bulk Infrastructure Grant/VBFI- OPERATING		-	-		1 484	20 807	-	20 807	-	-
Municipal Employment Initiative - OPERATING		2 890	-		-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		824 536	956 880	-	293 963	673 300	478 440	194 860	40,7%	956 880
Capital expenditure of Transfers and Grants										
National Government:		259 763	312 603	-	33 480	123 151	156 301	(33 151)	-21,2%	312 603
Municipal Infrastructure Grant (MIG)		204 367	222 682		26 705	90 628	111 341	(20 713)	-18,6%	222 682
Public Transport Infrastructure		-	20 000		-	-	10 000	(10 000)	-100,0%	20 000
Neighbourhood Development Partnership		12 973	20 000		2 356	13 415	10 000	3 415	34,1%	20 000
Dept of Mineral/Electricity		-	-		-	-	-	-	-	-
Integrated National Electrification Programme		12 219	4 971		1 650	3 478	2 486	992	39,9%	4 971
Municipal Systems Improvement Capital		-	-		-	-	-	-	-	-
Water Services Infrastructure Grant (WSIG)-CAPITAL		25 204	40 000		2 378	11 854	20 000	(8 146)	-40,7%	40 000
Energy Efficiency and Demand Management		5 600	4 950		390	3 776	2 475	1 301	52,5%	4 950
Provincial Government:		168 342	133 835	-	11 324	54 796	66 918	(12 121)	-18,1%	133 835
PMB Airport- CAPITAL		3 201	-		-	-	-	-	-	-
COGTA		3 039	-		-	-	-	-	-	-
Housing Accreditation-CAPITAL		734	700		64	64	350	(286)	-81,7%	700
Eastwood Primary Substation-CAPITAL		379	-		-	-	-	-	-	-
Greater Edendale Development Initiative-CAPITAL		77 553	-		-	18	-	18	-	-
Youth Enterprise Park-CAPITAL		-	-		-	-	-	-	-	-
Informal Economy Infrastructure Development-CAPITAL		-	1 000		-	-	500	(500)	-100,0%	1 000
Corridor Development- CAPITAL		-	-		-	-	-	-	-	-
Municipal Disaster Relief Grant-CAPITAL		8 203	13 214		334	19 098	6 607	12 491	189,1%	13 214
Community Library Service and Provincialisation Library-CAPITAL		6 377	-		-	-	-	-	-	-
Arts and Culture-Museum Subsidies - Tatham Art Gallery		171	1 865		240	240	933	(693)	-74,3%	1 865
Operation Dlusumlando-Capital		-	-		-	-	-	-	-	-
KZN-Military Veterans		-	-		-	-	-	-	-	-
Housing Projects -CAPITAL		68 685	117 056		10 686	35 376	58 528	(23 152)	-39,6%	117 056
District Municipality:		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants:		428 105	446 438	-	44 804	177 947	223 219	(45 272)	-20,3%	446 438
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 252 641	1 403 318	-	338 767	851 247	701 659	149 588	21,3%	1 403 318

Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter

Summary of Employee and Councillor remuneration	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		50 824	3 835		3 742	22 462	1 917	20 544	1072%	3 835
Pension and UIF Contributions		3 374	3 493		259	1 563	1 746	(183)	-10%	3 493
Medical Aid Contributions		2 066	8 481		175	1 073	4 240	(3 168)	-75%	8 481
Motor Vehicle Allowance		2 872	41 629		235	1 404	20 815	(19 411)	-93%	41 629
Cellphone Allowance		4 240	792		306	1 864	396	1 469	371%	792
Housing Allowances		98	8 233		17	95	4 116	(4 022)	-98%	8 233
Other benefits and allowances		48	-		2	10	-	10		-
Sub Total - Councillors		63 542	66 462	-	4 736	28 470	33 231	(4 761)	-14%	66 462
% increase	4		4,6%							4,6%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		6 465	12 200		577	3 346	6 100	(2 754)	-45%	12 200
Pension and UIF Contributions		1 021	918		80	524	459	65	14%	918
Medical Aid Contributions		170	272		15	99	136	(36)	-27%	272
Performance Bonus		511	-		-	212	-	212		-
Motor Vehicle Allowance		893	1 032		71	445	516	(71)	-14%	1 032
Cellphone Allowance		109	124		7	50	62	(12)	-20%	124
Housing Allowances		207	217		16	103	108	(6)	-5%	217
Other benefits and allowances		136	-		-	69	-	69		-
Sub Total - Senior Managers of Municipality		9 512	14 763	-	766	4 848	7 381	(2 534)	-34%	14 763
% increase	4		55,2%							55,2%
Other Municipal Staff										
Basic Salaries and Wages		980 231	1 376 357		82 945	503 492	688 179	(184 687)	-27%	1 376 357
Pension and UIF Contributions		187 273	144 586		15 934	96 021	72 293	23 728	33%	144 586
Medical Aid Contributions		137 670	122 981		6 811	40 967	61 491	(20 524)	-33%	122 981
Overtime		123 315	107 181		10 552	64 388	53 591	10 798	20%	107 181
Performance Bonus		73 993	-		131	75 622	-	75 622		-
Motor Vehicle Allowance		32 028	44 228		2 779	16 234	22 114	(5 880)	-27%	44 228
Cellphone Allowance		5 415	6 355		482	2 829	3 178	(349)	-11%	6 355
Housing Allowances		4 715	7 306		393	2 384	3 653	(1 269)	-35%	7 306
Other benefits and allowances		31 491	8 423		1 409	9 852	4 212	5 641	134%	8 423
Payments in lieu of leave		-	-		-	-	-	-		-
Long service awards		27 274	14 835		2 424	11 695	7 417	4 278	58%	14 835
Post retirement benefit obligations		-	-		-	-	-	-		-
Sub Total - Other Municipal Staff		1 603 406	1 832 253	-	123 861	823 483	916 127	(92 643)	-10%	1 832 253
% Increase	4		14,3%							14,3%
Total Parent Municipality		1 676 460	1 913 478	-	129 362	856 801	956 739	(99 937)	-10%	1 913 478
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	381		80	150	191	(41)	-21%	381
Sub Total - Executive members Board		-	381	-	80	150	191	(41)	-21%	381
% Increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		-	858		131	479	429	50	12%	858
Pension and UIF Contributions		-	35		3	19	18	1	5%	35
Medical Aid Contributions		-	-		-	-	-	-		-
Overtime		-	-		-	-	-	-		-
Performance Bonus		-	-		-	-	-	-		-
Motor Vehicle Allowance		-	32		3	16	16	2	14%	32
Cellphone Allowance		-	11		1	6	6	0	5%	11
Sub Total - Senior Managers of Entities		-	936	-	138	521	468	54	11%	936
% Increase	4									
Other Staff of Entities										
Basic Salaries and Wages		-	9 727		1 346	5 148	4 864	284	6%	9 727
Pension and UIF Contributions		-	646		52	304	323	(19)	-6%	646
Medical Aid Contributions		-	1 149		100	613	575	38	7%	1 149
Overtime		-	463		30	154	231	(77)	-33%	463
Performance Bonus		-	-		-	-	-	-		-
Motor Vehicle Allowance		-	108		9	53	54	(1)	-1%	108
Cellphone Allowance		-	112		10	62	66	6	10%	112
Sub Total - Other Staff of Entities		-	12 205	-	1 547	6 333	6 103	230	4%	12 205
% Increase	4									
Total Municipal Entities		-	13 522	-	1 765	7 004	6 761	243	4%	13 522
TOTAL SALARY, ALLOWANCES & BENEFITS		1 676 460	1 927 000	-	131 128	863 806	953 500	(99 694)	-10%	1 927 000
% Increase	4		14,9%							14,9%
TOTAL MANAGERS AND STAFF		1 612 918	1 860 538	-	126 392	835 335	930 259	(94 934)	-10%	1 860 538

Councillor Allowances

The expenditure on councillor allowances year to date actual for month of December 2024 amounted to R28.470 million. The year to date budgeted councillor's allowance amounted to R33.231 million.

Employee Benefits

The total consolidated year to date actual salaries expenditure as at 31 December 2024 amounted to R835.335 million, against the year to date budget of R930.269 million.

The detailed staff benefits report is contained in the s66 report

2.5 Parent Municipality Financial Performance

REVENUE AND EXPENDITURE ANALYSIS

The financial performance section analyses material variances between the actual targets as at year to date and the budget for the same period. This report analyses each major component under following headings;

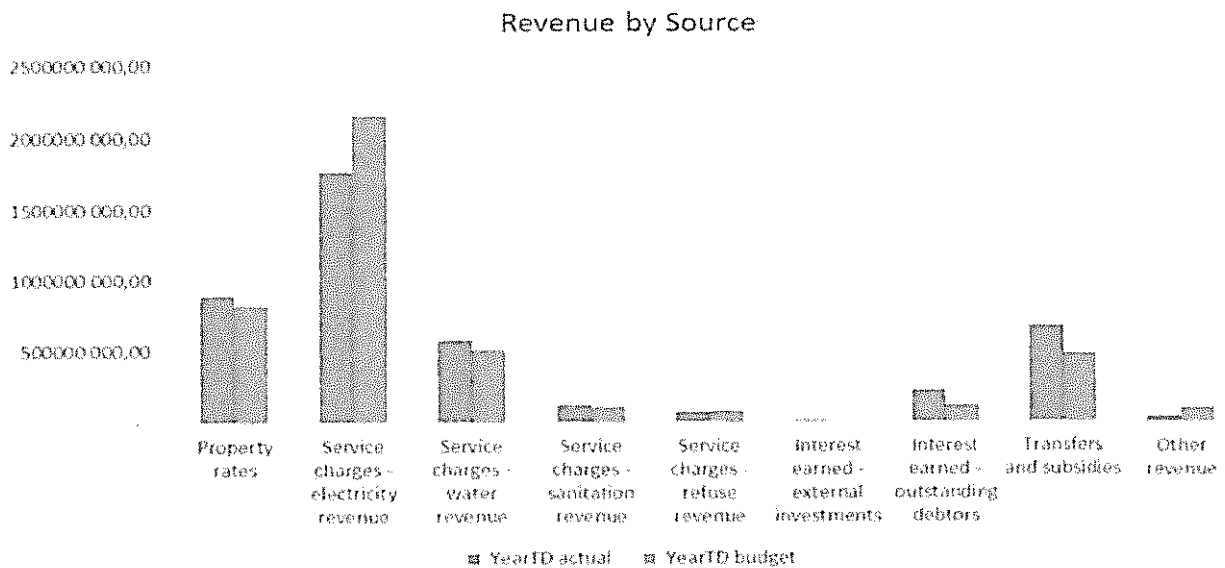
- ✓ Revenue by Source and
- ✓ Operational Expenditure by Type

2.5.1 FINANCIAL PERFORMANCE

REVENUE ANALYSIS

Chart 4: Revenue Analysis

The chart below presents the eighth month’s year to date actual revenue movements against the year to date budgets movements by source of revenue.



Service Charges – Electricity Revenue: This is a major revenue source of the Municipality; contributing 40% of the total operating revenue basket as at 31 December 2024. The year to date actual revenue earned from electricity service charges amounted to R1.763 billion and the year to date budget amounted to R2.149 billion.

Property Rates: This is the second largest revenue source of the Municipality; contributing 20% of the total operating revenue basket as at 31 December 2024. The year to date actual revenue earned from property rates slightly over performed by 8% when compared to the Year to Date (YTD) Budget.

Service Charges - Water revenue: The revenue earned from Water charges shared 13% of the YTD actual revenue, there is an over performance of 13% when comparing YTD actual to YTD Budget.

Service charges - Waste Water Management: The revenue earned from Waste Water Management service charges shared 3% of the YTD actual revenue, and reflects an over performance of 11% when comparing the YTD actual revenue to the YTD budget.

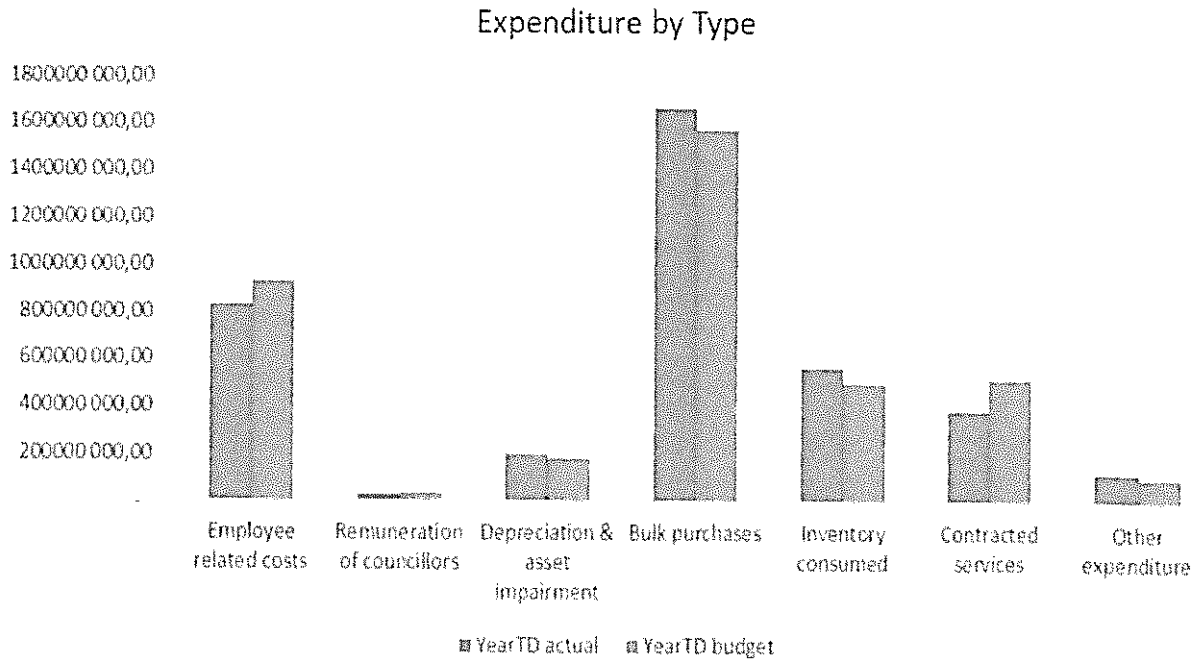
Service charges - Waste management: The revenue earned from refuse service charges shared 2% of the YTD actual revenue, reflects a variance of -6% when comparing the YTD actual revenue to the YTD budget.

Transfers recognised – Operational is made up of all operational grants funding mainly from the National & Provincial Government Departments, the largest of these being the equitable share.

OPERATIONAL EXPENDITURE ANALYSIS

The chart below presents the sixth month's year to date operational expenditure movements against the year to date budget movements by type

Chart 5: Expenditure by Type



Employee Related Costs: There is variance of -10% in respect of actual YTD expenditure on employee related costs against the YTD budget. This is due to post that are vacant and yet to be filled. A detailed line item and business unit analysis of the employee related cost is contained in the MFMA S66 report on staff benefits.

Operational costs: The YTD actual amounted to R118.351 million while the year to date budget was to R97.154 million resulting in an over expenditure of R21.197 million when comparing year to date actual against year to date budget.

Interest: The Finance charges have -54% variance when comparing the YTD actual and YTD budget.

Contracted Services: YTD actual for contracted services amounted to R380.689 million, whilst the budgeted year to date was R511.641 million, resulting in a variance of -26%

Bulk purchases - electricity: This is a major cost driver of the Municipality contributing 44% of the total actual YTD operating expenditure basket. There was a variance of 6% for this expenditure driver when comparing year to date actual and year to date budget.

Inventory Consumed: YTD actual figure for inventory consumed for the sixth month amounted to R562.882 million, which is inclusive of water bulk purchases of R496.291 million.

2.6 Municipal Entity Financial Performance

Safe City Msunduzi NPC - Table F1 Monthly Budget Statement Summary - M06 December

Description	2023/24	Current Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	230 930,	125 000,	-	7 838,	113 509,	62 500,	51 009,,	82%	-
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	14 336 826,	16 434 381,	-	4 108 095,	8 216 265,	8 217 191,	(925,,)	0%	-
Total Revenue (excluding capital transfers and contributions)	14 567 756,	16 559 381,	-	4 115 934,	8 329 774,	8 279 691,	50 083,	1%	-
Employee costs	11 940 412,	13 587 398,	-	1 765 970,	7 004 438,	6 793 699,	210 739,	3%	-
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	736 255,	861 997,	-	57 799,	336 418,	430 999,	(94 580,)	-22%	-
Interest	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	1 705 638,	2 909 984,	-	362 898,	1 232 856,	1 139 548,	93 309,	8%	-
Total Expenditure	14 382 305,	17 359 379,	-	2 186 666,	8 573 713,	8 364 245,	209 468,	3%	-
Surplus/(Deficit)	185 451,	(799 997,)	-	1 929 267,	(243 939,)	(84 554,)	(159 385,)	188%	-
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	185 451,	(799 997,)	-	1 929 267,	(243 939,)	(84 554,)	(159 385,)	188%	-
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	185 451,	(799 997,)	-	1 929 267,	(243 939,)	(84 554,)	(159 385,)	188%	-
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	2 753 050,	-	-	-	1 147 104,	(1 147 104,)	-100%	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	2 753 050,	-	-	-	1 147 104,	(1 147 104,)	-100%	-
Financial position									
Total current assets	5 040 436,	1 359 482,	-	-	5 112 081,	-	-	-	5 069 253,
Total non current assets	6 872 873,	7 165 616,	-	-	6 541 607,	-	-	-	6 522 939,
Total current liabilities	1 497 759,	-	-	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	10 415 550,	6 791 972,	-	-	10 148 490,	-	-	-	9 911 020,
Cash flows									
Net cash from (used) operating	722 284,	986 997,	-	1 986 701,	76 079,	63 500,	12 579,	20%	-
Net cash from (used) investing	9 298,	(850 000,)	-	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	5 037 936,	5 174 933,	-	1 986 701,	76 079,	5 101 436,	(5 025 357,)	-99%	4 306 354,
Debtors & creditors analysis	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	0%	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	0%	-

2.7 Capital Programme Performance

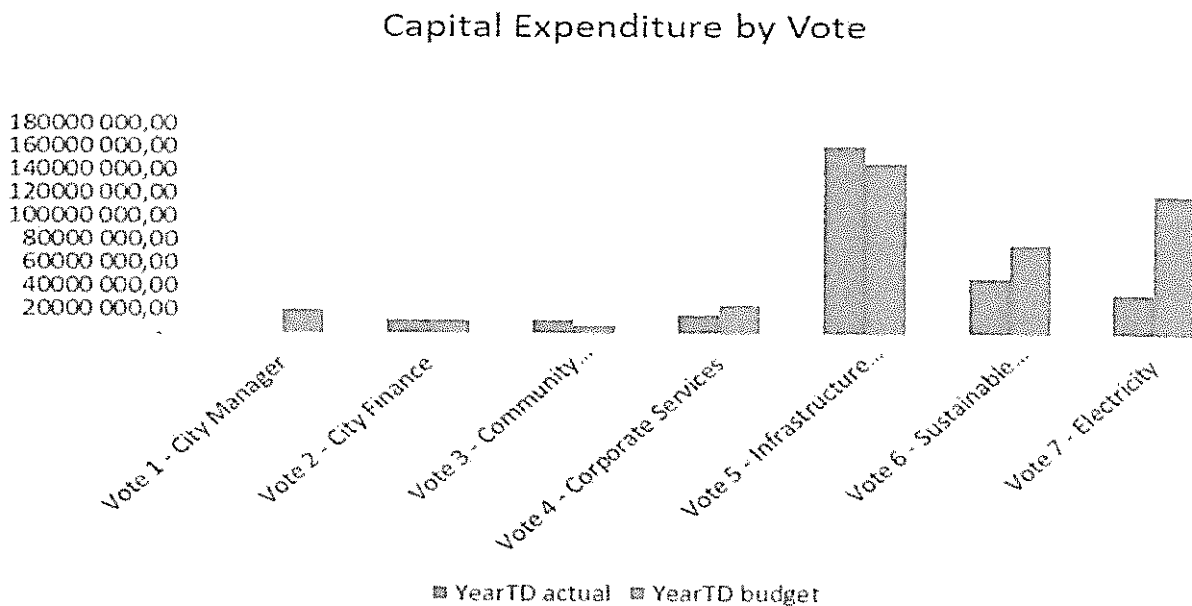
This next section looks at the performance of the capital expenditure programme. This performance is illustrated in the table that follow.

KZN225 Msunduzi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q2 Second Quarter

Month	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	60 526	68 668		5 549	5 549	68 668	63 118	91,9%	1%
August	60 526	68 668		51 359	56 908	137 335	80 427	58,6%	7%
September	60 526	68 668		35 534	92 442	206 003	113 561	55,1%	11%
October	60 526	68 668		45 655	138 097	274 670	136 573	49,7%	17%
November	60 526	68 668		74 407	212 504	343 338	130 834	38,1%	26%
December	60 526	68 668		73 217	285 721	412 005	126 285	30,7%	35%
January	60 526	68 668				480 673	-		
February	60 526	68 668				549 341	-		
March	60 526	68 668				618 008	-		
April	60 526	68 668				686 676	-		
May	60 526	68 668				755 343	-		
June	60 526	68 668				824 011	-		
Total Capital expenditure	726 310	824 011	-	285 721					

The Total Year to Date Actual Capital Expenditure as at the end of December 2024 amounted to R285.721 million.

Chart 5: Capital Expenditure by Vote



KZN225 Msunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Q2 Second Quarter

Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R. thousands										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		105 401	321 997	-	7 441	49 495	160 998	111 503	69,3%	321 997
Roads Infrastructure		748	35 420	-	-	236	17 710	17 474	98,7%	35 420
Roads		748	35 420	-	-	236	17 710	17 474	98,7%	35 420
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		62 042	203 033	-	4 248	10 059	101 516	91 458	90,1%	203 033
Power Plants		62 042	203 033	-	4 248	10 059	101 516	91 458	90,1%	203 033
HV Substations		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		16 017	5 320	-	3 193	18 411	2 660	(15 751)	-592,1%	5 320
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		16 017	5 320	-	3 193	18 411	2 660	(15 751)	-592,1%	5 320
Sanitation Infrastructure		26 594	78 224	-	-	20 790	39 112	18 322	46,8%	78 224
Pump Station		-	-	-	-	-	-	-	-	-
Retreatment		26 594	78 224	-	-	20 790	39 112	18 322	46,8%	78 224
Community Assets		14 776	17 642	-	2 360	2 431	8 821	6 390	72,4%	17 642
Community Facilities		14 776	17 642	-	2 360	2 431	8 821	6 390	72,4%	17 642
Police		1 064	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		72 440	69 017	-	10 926	36 406	34 509	(1 897)	-5,5%	69 017
Operational Buildings		20 693	4 499	-	3 404	15 952	2 250	(13 702)	-609,1%	4 499
Municipal Offices		20 693	4 499	-	3 404	15 952	2 250	(13 702)	-609,1%	4 499
Housing		51 747	64 518	-	7 522	20 454	32 259	11 805	36,6%	64 518
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		51 747	64 518	-	7 522	20 454	32 259	11 805	36,6%	64 518
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		5 920	25 900	-	11 586	12 221	12 950	729	5,6%	25 900
Services		5 920	25 000	-	11 586	12 221	12 500	279	2,2%	25 000
Licences and Rights		-	900	-	-	-	450	450	100,0%	900
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	900	-	-	-	450	450	100,0%	900
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		21 419	77 516	-	-	13 944	38 758	24 814	64,0%	77 516
Furniture and Office Equipment		21 419	77 516	-	-	13 944	38 758	24 814	64,0%	77 516
Machinery and Equipment		46 679	41 470	-	1 267	16 811	20 735	3 924	18,9%	41 470
Machinery and Equipment		46 679	41 470	-	1 267	16 811	20 735	3 924	18,9%	41 470
Transport Assets		39 608	18 800	-	-	3 050	9 400	6 350	67,6%	18 800
Transport Assets		39 608	18 800	-	-	3 050	9 400	6 350	67,6%	18 800
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	306 242	572 342	-	33 580	134 357	286 171	151 813	53,0%	572 342

KZN225 Msunduzi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - Q2

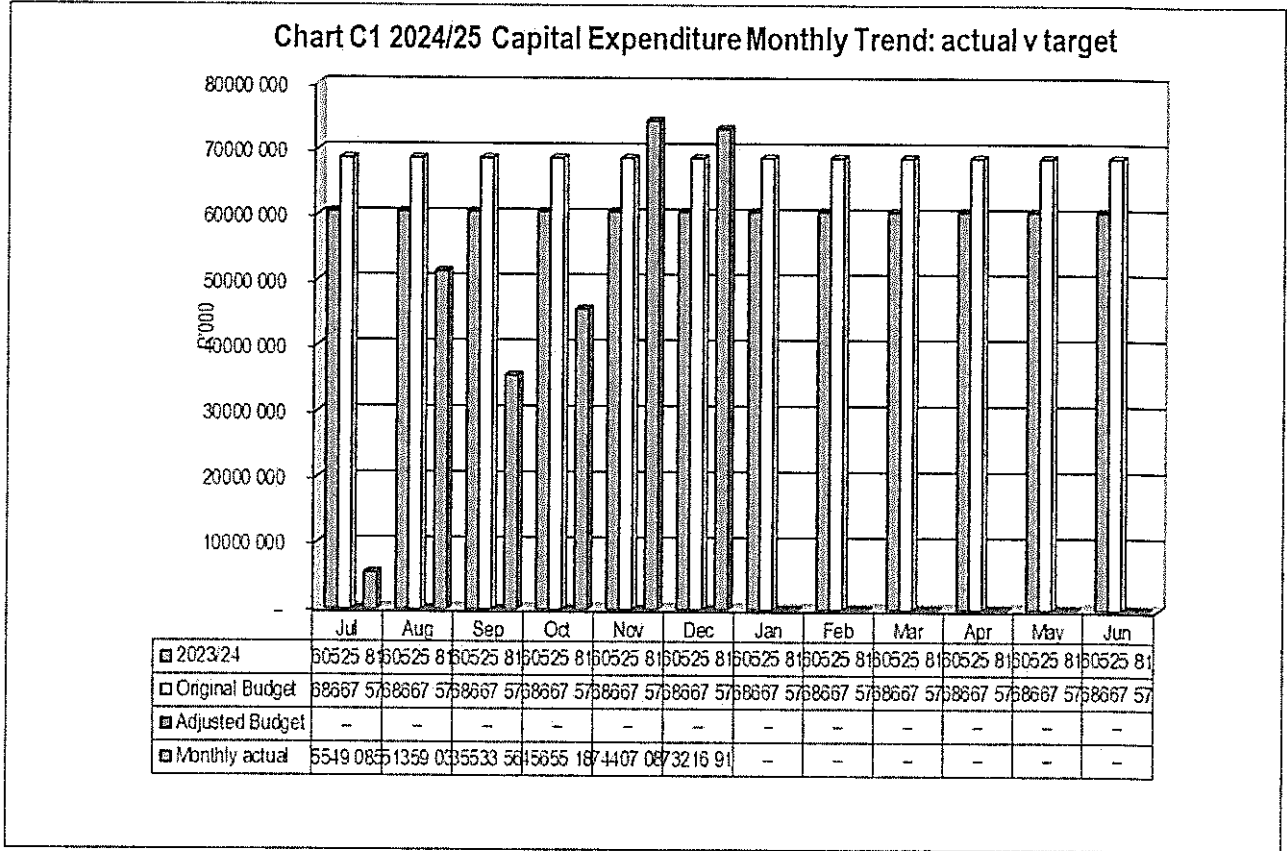
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		107 513	34 231	-	13 470	70 344	17 116	(53 229)	-311,0%	34 231
Roads Infrastructure		102 701	29 231	-	13 144	66 237	14 616	(51 621)	-353,2%	29 231
Roads		102 701	29 231	-	13 144	66 237	14 616	(51 621)	-353,2%	29 231
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	295	-	(295)		-
Power Plants						295		(295)		-
HV Substations										
Water Supply Infrastructure		4 813	5 000	-	325	3 812	2 500	(1 312)	-52,5%	5 000
Dams and Weirs										
Boreholes										
Reservoirs		4 813	5 000	-	325	3 812	2 500	(1 312)	-52,5%	5 000
Pump Stations										
Unimproved Property										
Other assets		11 253	3 300	-	-	-	1 650	1 650	100,0%	3 300
Operational Buildings		11 253	3 300	-	-	-	1 650	1 650	100,0%	3 300
Municipal Offices		11 253	3 300	-	-	-	1 650	1 650	100,0%	3 300
Pay/Enquiry Points										
Housing		-	-	-	-	-	-	-		-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Biological or Cultivated Assets										
Intangible Assets		-	-	-	-	-	-	-		-
Servitudes										
Licences and Rights										
Water Rights										
Computer Equipment		-	-	-	-	-	-	-		-
Computer Equipment										
Furniture and Office Equipment		-	-	-	-	-	-	-		-
Furniture and Office Equipment										
Machinery and Equipment		-	-	-	-	-	-	-		-
Machinery and Equipment										
Transport Assets		-	-	-	-	-	-	-		-
Transport Assets										
Land		-	-	-	-	-	-	-		-
Land										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-		-
Total Capital Expenditure on renewal of existing ass	1	118 767	37 531	-	13 470	70 344	18 766	(51 579)	-274,5%	37 531

KZN225 Maunduzi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - Q2

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		253 054	171 902	--	23 775	74 152	85 951	11 799	13,7%	171 902
Roads Infrastructure		106 255	96 854	--	12 550	29 411	46 427	19 016	39,3%	96 854
Roads		106 255	96 854	--	12 550	29 411	46 427	19 016	39,3%	96 854
Road Structures		--	--	--	--	--	--	--	--	--
Road Furniture		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Drainage Collection		--	--	--	--	--	--	--	--	--
Storm water Conveyance		--	--	--	--	--	--	--	--	--
Attenuation		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		29 431	10 421	--	3 318	6 501	5 211	(1 290)	-24,8%	10 421
Power Plants		29 431	10 421	--	3 318	6 501	5 211	(1 290)	-24,8%	10 421
HV Substations		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		64 607	35 805	--	4 699	19 285	17 903	(1 382)	-7,7%	35 805
Distribution		64 607	35 805	--	4 699	19 285	17 903	(1 382)	-7,7%	35 805
Distribution Points		--	--	--	--	--	--	--	--	--
PRV Stations		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Sanitation Infrastructure		33 450	18 823	--	3 207	11 776	9 411	(2 365)	-25,1%	18 823
Pump Station		--	--	--	--	--	--	--	--	--
Retreatment		33 450	18 823	--	3 207	11 776	9 411	(2 365)	-25,1%	18 823
Waste Water Treatment Works		--	--	--	--	--	--	--	--	--
Outfall Sewers		--	--	--	--	--	--	--	--	--
Toilet Facilities		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		19 312	10 000	--	--	7 179	5 000	(2 179)	-43,6%	10 000
Landfill Sites		19 312	10 000	--	--	7 179	5 000	(2 179)	-43,6%	10 000
Waste Transfer Stations		--	--	--	--	--	--	--	--	--
Community Assets		3 766	6 953	--	2 393	6 867	3 476	(3 391)	-97,6%	6 953
Community Facilities		--	--	--	--	--	--	--	--	--
Halls		--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities		3 766	6 953	--	2 393	6 867	3 476	(3 391)	-97,6%	6 953
Indoor Facilities		--	--	--	--	--	--	--	--	--
Outdoor Facilities		3 766	6 953	--	2 393	6 867	3 476	(3 391)	-97,6%	6 953
Capital Spares		--	--	--	--	--	--	--	--	--
Heritage assets		--	--	--	--	--	--	--	--	--
Monuments		--	--	--	--	--	--	--	--	--
Historic Buildings		--	--	--	--	--	--	--	--	--
Works of Art		--	--	--	--	--	--	--	--	--
Conservation Areas		--	--	--	--	--	--	--	--	--
Other Heritage		--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Revenue Generating		--	--	--	--	--	--	--	--	--
Improved Property		--	--	--	--	--	--	--	--	--
Unimproved Property		--	--	--	--	--	--	--	--	--
Non-revenue Generating		--	--	--	--	--	--	--	--	--
Improved Property		--	--	--	--	--	--	--	--	--
Unimproved Property		--	--	--	--	--	--	--	--	--
Other assets		41 300	35 283	--	--	--	17 642	17 642	100,0%	35 283
Operational Buildings		41 300	22 000	--	--	--	11 000	11 000	100,0%	22 000
Municipal Offices		41 300	22 000	--	--	--	11 000	11 000	100,0%	22 000
Pay/Enquiry Points		--	--	--	--	--	--	--	--	--
Housing		--	13 283	--	--	--	6 641	6 641	100,0%	13 283
Staff Housing		--	--	--	--	--	--	--	--	--
Social Housing		--	13 283	--	--	--	6 641	6 641	100,0%	13 283
Capital Spares		--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets		--	--	--	--	--	--	--	--	--
Intangible Assets		--	--	--	--	--	--	--	--	--
Servitudes		--	--	--	--	--	--	--	--	--
Computer Equipment		--	--	--	--	--	--	--	--	--
Computer Equipment		--	--	--	--	--	--	--	--	--
Furniture and Office Equipment		--	--	--	--	--	--	--	--	--
Furniture and Office Equipment		--	--	--	--	--	--	--	--	--
Machinery and Equipment		--	--	--	--	--	--	--	--	--
Machinery and Equipment		--	--	--	--	--	--	--	--	--
Transport Assets		3 180	--	--	--	--	--	--	--	--
Transport Assets		3 180	--	--	--	--	--	--	--	--
Land		--	--	--	--	--	--	--	--	--
Land		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals		--	--	--	--	--	--	--	--	--
Living resources		--	--	--	--	--	--	--	--	--
Mature		--	--	--	--	--	--	--	--	--
Raising and Protection		--	--	--	--	--	--	--	--	--
Zoological plants and animals		--	--	--	--	--	--	--	--	--
Immature		--	--	--	--	--	--	--	--	--
Raising and Protection		--	--	--	--	--	--	--	--	--
Zoological plants and animals		--	--	--	--	--	--	--	--	--
Total Capital Expenditure on upgrading of existing	1	301 301	214 138	--	26 167	81 019	107 069	26 050	24,3%	214 138

The chart below displays monthly trends of the Capital Expenditure and targets.

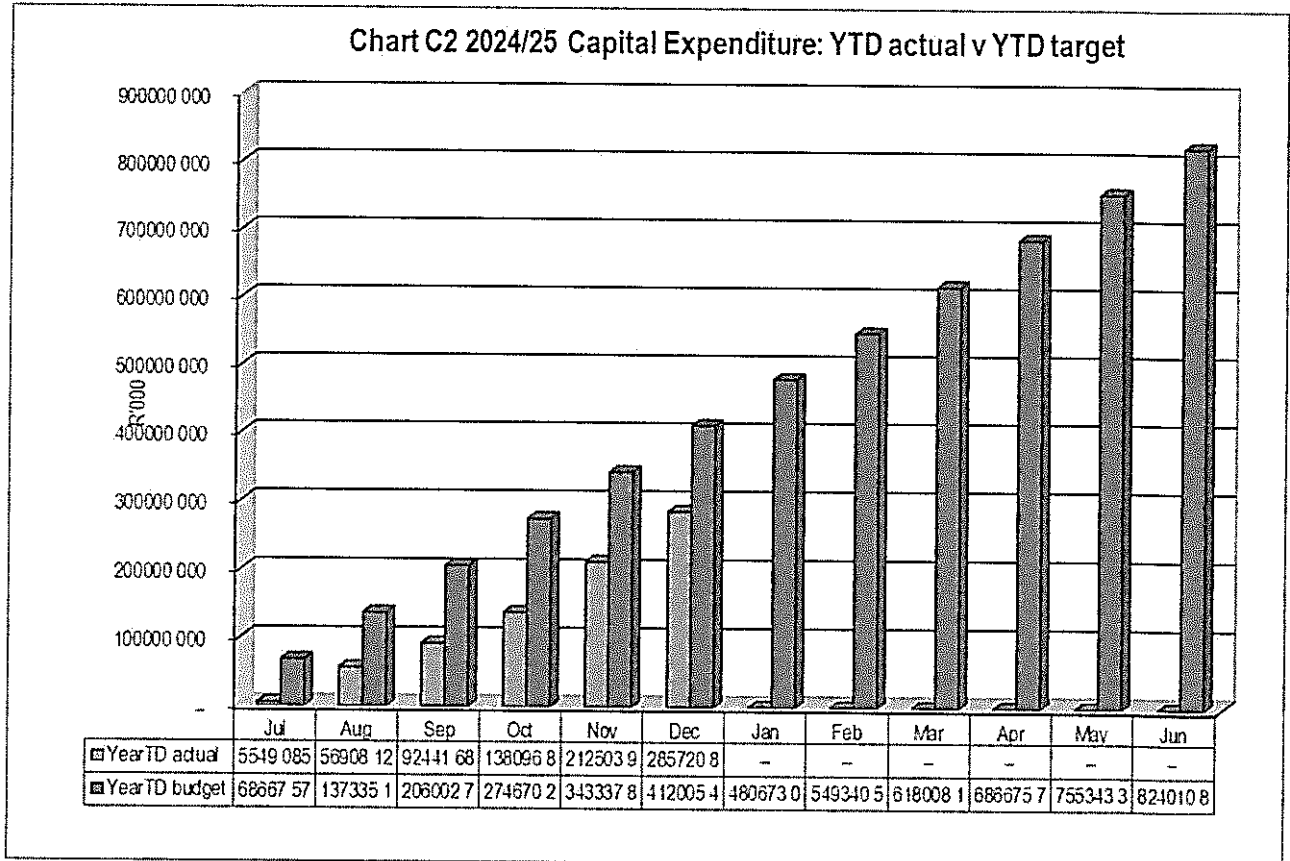
Chart 6: Capital Expenditure Monthly Trend



The Original Budget stipulates the budget for the year. The monthly actual figures stipulate a monthly trend.

The chart below, on the other hand, tracks the capital expenditure's cumulative balances budget versus actual.

Chart 7: Capital Expenditure: YTD Actual vs. YTD Target



In Year report of Municipal Entities is attached to the Municipality's in-year report

The municipal entity's report for the month ending 31 December 2024 is attached.

2.8 Annexure B: Compliance with the conditions for Municipal Debt Relief

2.8.1 MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure A2 - Monthly

Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Kwa-Zulu Natal Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period: Dec 24

National Financial Year: 2024/25

Demarcation Code of Municipality being assessed: 460024

District: uMgungundlovu

Demarcation Description: Msunduzi

MFMA Circular No. 124 and that the Provincial Treasury is satisfied and declares that the said municipality fully complies with the conditions set out in the table below.

Municipal Debt Relief Conditions (Monthly reporting)

Condition No.	Description	Response	Notes/Comments
12.1	Has the municipality paid its bulk water current account within 30 days of receiving the invoice (this applies to all municipalities, including metros)?	Yes	
12.2	Has the municipality submitted the supporting details of the bulk water current account payment to the National Treasury, the Water Board and/or Water Trading Entity within 1 day of making any such payment (or POF formed via the Gukuni Upload Portal) to the relevant authority?	Yes	
12.3	Does the amount of the bulk water current account payment to the credit of account receivable in the amount recorded on the financial system as per the MCOA data string and the section 41(2) verbal statement of the Water Board and/or Water Trading Entity?	Yes	
12.4	Has the municipality paid its bulk water current account within 30 days of receiving the invoice (this applies to all municipalities, including metros)?	Yes	
12.5	Has the municipality submitted the supporting details of the bulk water current account payment to the National Treasury, the Water Board and/or Water Trading Entity within 1 day of making any such payment (or POF formed via the Gukuni Upload Portal) to the relevant authority?	Yes	
12.6	Does the amount as per the period of payment reconcile to the amount recorded on the financial system as per the MCOA data string and the section 41(2) MFAA statement of account?	Yes	
12.7	Is the municipality's MTRF funded and aligned to the National Treasury's Budget Funding Guidelines (see the notes on the MTRF funding page)?	Yes	
12.8	Has the municipality budgeted for its operating and/or capital on the A1 Schedule Table A1 - Budgeted Financial Performance of the Municipal Budget and Reporting Regulations?	Yes	
12.9	Has the municipality made adequate provision for asset impairment (consisting of the total of allowance for doubtful and obsolete items during the 12 months immediately preceding the tabling of the Budget) on the A1 Schedule Table A1 - Budgeted Financial Performance of the Municipal Budget and Reporting Regulations?	Yes	
12.10	Has the municipality made adequate provision for depreciation (consisting of the total of depreciation and obsolete items during the 12 months immediately preceding the tabling of the Budget) on the A1 Schedule Table A1 - Budgeted Financial Performance of the Municipal Budget and Reporting Regulations?	Yes	
12.11	If the municipality's MTRF is not funded, has it tabled and a budget a suitable Budget Funding Plan as part of the MTRF budget for the year 2024/25 of MFMA Budget Circular No. 122/24 December 2023?	N/A	The MTRF is funded.
12.12	If the municipality's MTRF is not funded and it has an RFP per the legislative framework, does the ending RFP incorporate a suitable Budget Funding Plan with the RFP given effect to a funded MTRF over the period of the RFP, in line with the principle of a budget funding plan as envisaged in para 9.3 of MFMA Budget Circular No. 122/24 December 2023?	N/A	
12.13	Does the municipality's annual and monthly cashflow projections as tabled on the A1 Schedule Table A1 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows of the Municipal Budget and Reporting Regulations agree with and give effect to the municipality's Budget Funding Plan, in line with the RFP strategy and related financial trends, if applicable (e.g. water, electricity, sewer, refuse, water supply, sewer supply, water supply, sewer supply, etc.)?	Yes	
12.14	Cost reflective tariffs (excluding network): Has the municipality included its completed tariff bid (per MFMA Circular no. 39 and Para 5.2 of MFMA Budget Circular no. 123) as part of the municipality's annual budget and attached MTRF submissions with effect from the tabling of the 2024/25 MTRF?	Yes	

Notes/Comments

MFMA Circular No. 124 and that the Provincial Treasury is satisfied and declares that the said municipality fully complies with the conditions set out in the table below.

MFMA Circular No. 124 and that the Provincial Treasury is satisfied and declares that the said municipality fully complies with the conditions set out in the table below.

4.13 Further details of the Bank or Debt Relief for better project management to continue		
6.12.1	Has the municipality apportioned and ring fenced in a sub-account (i.e. ordinary bank account – local electricity, water and sanitation revenue the municipality collects in its municipalities, and (b) the component of the local Government Transfer Vote 8.02 of the municipality is marked to provide the basic electricity water and sanitation?	<p>The municipality does not have a ring fenced Treasury account - sub account</p> <p>Yes</p>
6.12.2	Has the municipality during the month first applied the revenue of the sub-account (created per paragraph 6.12.1) to discharge its current liability and then secondly its bulk water current account before it applied the revenue of the sub account for any other purpose?	<p>However, there is no separate ring fenced bank account. The municipality currently has a payment plan in place for bulk water and E&S and is complying with plan</p> <p>Yes</p>
Note 1: If you are in the process of applying for a loan or other form of financing, please provide the following information:		
6.13	Supporting evidence Has the municipality submitted a copy of the monthly bank statement of its ring fenced bank account to the National Treasury and provincial treasury along with MSA 4.11 payments collected monthly?	<p>Yes</p> <p>Not yet because the municipality is not yet applicable to qualify for the vote of. The municipalities account started on the 01 of September 2021</p>
6.14	Accounting Treatment Has the municipality fully accounted for and correctly reported on the accounts of its local government debt (existing as on 31 March 2021) as per any written instruction of the National Treasury Office of the Accountant General and the Municipal Debt Relief to date?	<p>Yes</p> <p>The 12 months suspended interest is in accordance with Finance department agreement</p>
6.14	6.14.1. Account Has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	<p>Yes</p> <p>The municipality has failed to comply with the payment arrangement with Eskom but has however failed to pay on time and it is still working on setting the amount</p>

PT: HOD/NT/ MM Name: _____ **Mrs Ndlovu Ngwenya (Acting)**

Signature of HOD/NT/ MM: _____

Date: _____

*Note 1 - If the official stamp of head of the Provincial Treasury (HOD - Municipal Manager) the written instruction of the HOD/NT/ MM must be attached as an Annexure to the Certificate of Compliance

*Note 2 - The Signed Certificate to be uploaded on GeSI user must not include comments (e.g. - comments need to be incorporated into the related PT report)

2.8.2 Municipal Debt Relief Performance across the period of debt relief participation

The table below shows the municipality's overall relief compliance across the months of its debt relief participation since the National Treasury debt relief approval effective date of 1 December 2023:

Municipal Details		Part A Norm And Ord water current account		Part B Compliance with a funded MTREF		Part C Municipal Finance Management Act No. 56 of 2003		Part D Electricity and water as collection tools		Part E Quarterly collection of property rates and services charges		Part F Compliance Status		Month approved
Month	Code Descr	Code	Y	N	Y	N	Y	N	Y	N	Y	N	Score	
1 July	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Yes
2 August	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Yes
3 September	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	83%	Yes
4 October	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	85%	Yes
5 November	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Yes
6 December	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Yes
7 January	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Yes
8 February	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Yes
9 March	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Yes
10 April	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Yes
11 May	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Yes
12 June	Msunduzi	K2025	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	87%	Yes

Monthly Performance Report

Province: KZN

Code: K2025

Elect: Msunduzi

Code Description: Msunduzi

HOD Name: Mrs Nelliswa Ngcobo (Acting)

Signature of HOD:

Date:

** Note - The official signing on behalf of the Head of the Provincial Treasury (HPT) is the responsibility of the HOD. The HOD must be allowed as an Addressee to the Certificate of Compliance.

The municipality's performance, declined in settling the current account for Eskom and Water. The municipality has not fulfilled the payment arrangement with Umngeni and there will be meeting on the 17 January 2025. The municipality has however paid an amount of R 64 million on the 3rd January 2025. The Eskom account was paid an amount of R363,2 million. It is imperative that the non-compliance issues as raised by National Treasury is addressed as matter of urgency with a decisive implementation strategy and stringent monitoring thereof. Achieving 100% compliance is possible, provided that all parties come to the table and work as a collective to achieve this. Revenue collection must remain a key focus point, whilst a tangible solution must be sought for the interrupting or restricting of water supply.

2.8.3 The National Treasury Debt Relief Compliance Assessment

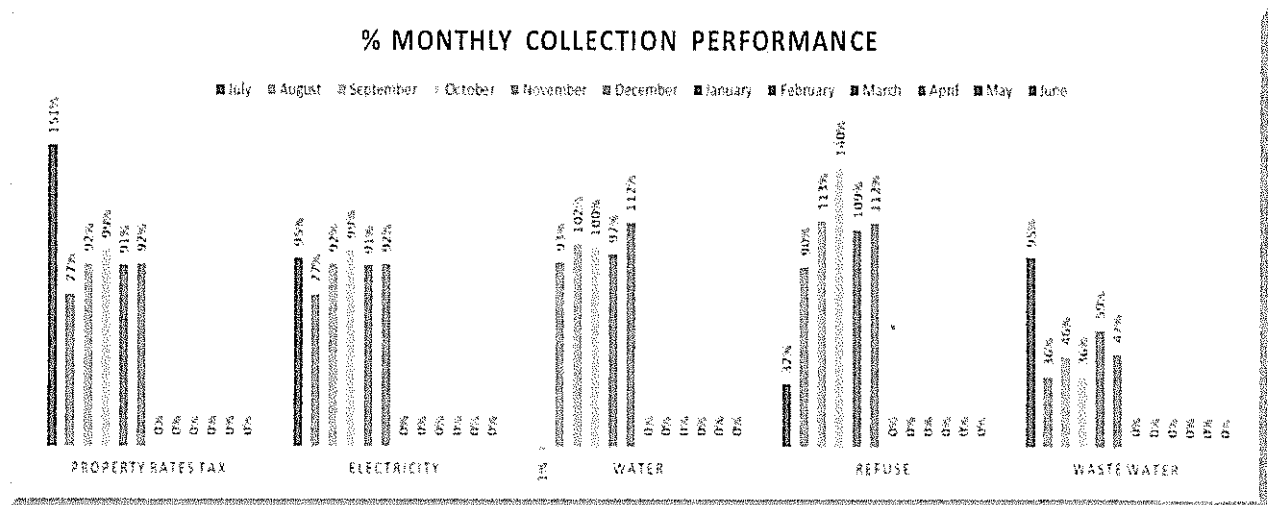
The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of September 2024 is attached to this S71 report. Here are the specific conditions that were not fully met in October 2024 according to the monitoring tool:

- Condition 6.2 – Application-based supported by Council's resolution
- Condition 6.3 – Maintaining the Eskom current account
- Condition 6.4 – A funded MTREF
- Condition 6.5 – Cost reflective tariffs
- Condition 6.6 – Electricity and water as collection tools
- Conditions 6.7 – Maintain a minimum average quarterly collection of property rates and services charges
- Condition 6.8 – Completeness of the revenue base

- Condition 6.9 – Monitor and report on compliance
- Condition 6.10 – National Treasury certification of municipal compliance
- Condition 6.11 -Limitation on Municipal borrowing powers
- Condition 6.12 – Proper management of resources and Condition 6.13 Accounting Treatment

2.8.4 MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7 (Maintain a minimum of average quarterly collection of property rates and services charges)

2.8.4.1 Monthly / Quarterly collection per ward



National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 55 of 2003

Municipal Details				
Code	Date	Municipality	Fiscal Year/Period	No of Wards
12023		Musunduzi	December	1

Account Category	Summary Quarter 1				Summary Quarter 2				Summary Quarter 3				Summary Quarter 4				
	Rating	Collection	% Billing and collection	% Collection	Rating	Collection	% Billing and collection	% Collection	Rating	Collection	% Billing and collection	% Collection	Rating	Collection	% Billing and collection	% Collection	
Collection of waste disposal	1 073 017,90	1 073 017,90	279 472,89%	81%	81%	1 171 883,20	1 171 883,20	158 899,82%	94%	94%							
Collection of Ejectment charges	1 271 951,20	1 271 951,20	219 173,81%	34%	81%	1 781 955,00	1 781 955,00	189 205,82%	84%	84%							
Collection Property Rates	38 074 584	38 088 982	122 071,22%	10%	82%	437 895,82	43 596,82	125 814,12%	100%	82%							
Average collection Electricity Municipalities	1 075 023,20	1 075 077,00	11 482,93%	8%	81%	969 371,20	122 224,00	127 963,82%	12%	81%							
Average collection Water	329 712,82	36 239,41	110 117,24%	2%	71%	271 714,00	138 336,00	50 900,28%	47%	71%							
Average collection Waste Water	30 028 071	43 970 017	146 450,72%	7%	71%	96 822 000	10 760 077	111 071,21%	12%	71%							
Average collection Refuse	14 824 127	17 702 120	119 467,11%	8%	81%	21 309 100	20 448 300	111 910,81%	12%	71%							
Average collection Interest	174 244 120	175 278 208	100 825,91%	2%	71%	159 121 200	7 057 000	114 088,50%	8%	71%							

2.8.4.2 Monthly – Restriction of Free Basic Services to Indigent Households



Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))

Instruction - complete only with information of the current household registered as indigent with the municipality (Do NOT provide the information of all households unless explicitly stated otherwise)

Description	No of	Application														
		Current Year - 2024/2025				2024/2025 - Monthly Monitoring										
		Baseline	Adopted Budget	Adjusted Budget	FY25 Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11
Indigent Households - Water Services																
Water (Include All Indigent households who are in the unregulated areas)																
Indigent HHs with piped water service																
Indigent HHs with piped water service part (bulk in Durban)																
Indigent HHs with piped water service (bulk in Durban)																
Indigent HHs with other water supply (all other service areas)																
Total no. of indigent HHs receiving Minimum Service Level and Above each total																
Indigent HHs with other water supply (all other service areas)																
Indigent HHs with no water supply																
Total no. of indigent HHs receiving - Below Minimum Service Level sub-total																
Total number of registered indigent households																
Status of Water supply																
Number of indigent HHs with piped water																
Number of indigent HHs with non-regulated water					1 274	4 036	9 328	5 858	8 075	6 216						
Number of indigent HHs with no water supply - No supply																
Total number of registered indigent households					2 311	4 036	9 326	5 858	8 075	6 216						
Status of un-limited supply of Water																
Number of indigent HHs with un-limited supply of Water - where the municipality is NOT providing un-limited supply of Water to the area (in the case of Durban only)																
Number of indigent HHs with un-limited supply of Water - where the municipality is NOT providing un-limited supply of Water to the area (in the case of Durban only)																
Total number of registered indigent households receiving un-limited supply - Water																
Of the Total Number of registered indigent households receiving un-limited supply - State the Number of HHs who did not receive water above the 20 litres																
Indigent Households - Electricity Services																
Electricity (Include All indigent households who are in the unregulated areas)																
Indigent HHs with Electricity (unregulated service areas)																
Indigent HHs with Electricity (regulated service areas)																
Total no. of indigent HHs receiving Minimum Service Level and Above each total																
Indigent HHs with Electricity (unregulated service areas)																
Indigent HHs with other electricity services																
Total no. of indigent HHs receiving - Below Minimum Service Level sub-total																
Total number of registered indigent households																
Status of Electricity supply																
Number of indigent HHs with piped Electricity					1 959	3 532	2 755	2 811	2 808	2 374						
Number of indigent HHs with non-regulated Electricity					869	2 565	2 796	3 465	3 934	3 337						
Number of indigent HHs with no electricity - Electricity																
Total number of registered indigent households					2 828	6 097	5 551	6 276	6 742	5 711						
Status of un-limited supply of Electricity																
Number of indigent HHs with un-limited supply of Electricity - where the municipality is NOT providing un-limited supply of Electricity to the area (in the case of Durban only)																
Number of indigent HHs with un-limited supply of Electricity - where the municipality is NOT providing un-limited supply of Electricity to the area (in the case of Durban only)																
Total number of registered indigent households receiving un-limited supply - Electricity																
Of the Total Number of registered indigent households receiving un-limited supply of Electricity - State the Number of HHs who did not receive electricity above the 20 kWh																
Revenue and Cost of Free Basic Services provided to All Households (in R '000)																
Revenue																
Water (in excess of 20 litres per household per month)					3 421	4 095	6 535	5 983	5 931	5 847						
Electricity (in excess of 20 kWh per household per month)					2 454	5 118	5 527	5 568	5 022	3 281						
Total revenue from free basic services provided to All Households					5 875	9 213	12 062	11 551	10 953	9 128						
Cost																
Water (in excess of 20 litres per household per month)					127	117	117	117	117	127						
Electricity (in excess of 20 kWh per household per month)					114	114	114	114	114	114						
Total cost of free basic services provided to All Households					241	231	231	231	231	241						
Revenue and Cost of Free Basic Services provided to Indigent Households (in R '000)																
Water (in excess of 20 litres per household per month)					6	6	6	6	6	6						
Electricity (in excess of 20 kWh per household per month)					258	370	265	258	258	246						
Total revenue and cost of free basic services provided to Indigent Households					264	376	271	264	264	252						
Revenue and Cost of Free Basic Services provided to Indigent Households (in R '000)																
Revenue Category	Property rates (tariff adjustments)	Impersonal rates	Other rates	Other rates												
Property rates (tariff adjustments)																
Impersonal rates																
Other rates																
Total revenue and cost of free basic services provided to Indigent Households					20	20	20	20	20	20						

2.8.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base)

Property Rates Reconciliation						
Province	KZN					
District	Msunduzi					
Type	LM					
Municipal Name	Msunduzi					
GV Period	01/07/2020 - 30/06/2025					
Financial Year	2024/2025					
Reconciliation Period	Quarter 2					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	No. of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	71525	71108	417	R 57 359 337 751	R 57 229 004 251	R 130 333 500
Industrial	1161	1151	10	R 5 343 171 611	R 5 303 144 611	R 40 027 000
Business and Comm	3425	3376	49	R 20 052 778 740	R 19 932 549 199	R 120 229 541
Agricultural	153	149	4	R 720 472 000	R 702 681 000	R 17 791 000
Mining	3	3	0	R 24 716 000	R 24 716 000	-
State Owned for Public	462	423	39	R 4 908 383 000	R 5 478 781 000	R 570 398 000
PSI	51	43	8	R 95 923 000	R 94 882 000	R 1 041 000
PBO	122	110	12	R 1 068 921 000	R 1 027 648 000	R 41 273 000
Multi Use	0	0	0	-	-	-
Vacant	4359	4346	13	R 1 985 850 909	R 1 989 011 909	R 16 839 000
POW	0	0	0	-	-	-
Municipal	7441	7798	-357	R 3 829 502 000	R 3 889 542 000	R 39 040 000
Other	644	1374	-730	R 1 081 807 050	R 1 058 097 050	R 23 710 000
	89346	89881	-535	R 96 470 863 061	R 96 689 057 020	R 218 193 959

2.8.6 MFMA Circular 124 – Conditions 6.3 (Maintaining the Eskom bulk current account) and Conditions 6.12 (Proper management of resources)

i) Indicated below is the Eskom Bulk current account invoice for September 2024 due payable during the month of on or before 2 December 2024.



ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

MSUNDUZI MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PO BOX 399
PIETERMARITZBURG
3200

EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3530

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



CUSTOMER SELF SERVICE WEBSITE
Provincial email listed below

EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3530

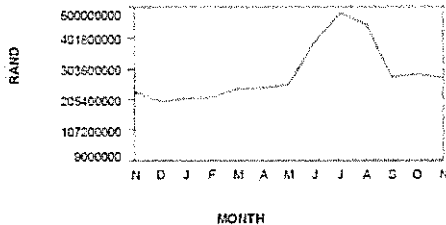
DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 50850143295

YOUR ACCOUNT NO	9455522022
SECURITY HELD	1.65
BILLING DATE	2024-12-04
TAX INVOICE NO	945127407896
ACCOUNT MONTH	NOVEMBER 2024
CURRENT DUE DATE	2025-01-03
VAT REG NO	4669107834

TAX INVOICE

E-MAIL: Skhanda.dhambal@msunduzi.gov.za

ACCOUNT TRANSACTION SUMMARY			
ADMINISTRATION CHARGE	R		15,106.20
TRANSMISSION NETWORK CAPACITY	R		5,849,700.00
DIST. NETWORK CAPACITY CHARGE	R		4,273,500.00
NETWORK DEMAND CHARGE	R		5,978,408.93
URBAN LOW VOLTAGE SUBSIDY	R		10,457,300.00
ANCILLARY SERVICE (ALL)	R		993,749.32
ENERGY CHARGE (STD)	58,470,301.00	R	77,364,312.37
ENERGY CHARGE (PEAK)	23,318,991.00	R	48,425,779.19
ENERGY CHARGE (OFF)	57,025,683.00	R	49,535,318.53
ELECTRIFICATION AND RURAL SUBS (ALL)		R	21,438,908.58
SERVICE CHARGE		R	236,515.50
TOTAL CHARGES FOR BILLING PERIOD			R 222,603,686.66
ACCOUNT SUMMARY FOR NOVEMBER 2024			
BALANCE BROUGHT FORWARD	(Due Date 2024-12-05)	R	927,214,972.80
PAYMENT(S) RECEIVED	Electronic Payments - 2024-11-29	R	-20,797,404.79
PAYMENT(S) RECEIVED	Electronic Payments - 2024-12-02	R	-267,095,749.02
TOTAL CHARGES FOR BILLING PERIOD			R 222,603,686.66
ADJUSTMENT	Interest on overdue account	R	754,224.29
ADJUSTMENT	Interest on overdue account	R	512,525.08
ADJUSTMENT	WHEELING 3RD PARTY WHEELING CHARGES	R	-901,277.70
ADJUSTMENT	Interest on overdue account	R	1,857,016.02
ADJUSTMENT	Interest on overdue account	R	2,190,771.57
PAYMENT ARRANGEMENT	9451423259 (Balance o/s R 540,732,523.18)	R	20,797,404.79
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	33,255,361.35
CURRENT		TOTAL DUE	
282,106,781.40		R	920,392,131.03
ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS
64,606,279.00	280,273,059.83	0.00	293,105,980.80
Account OVERDUE - Subject to Disconnection			



ACCOUNT NO / REFERENCE NO
9455522022

NAME
MSUNDUZI MUNICIPALITY

FAX NUMBER

pay 7100 1945 5522 0222

272457001 94555220224



>>>>>>>>> 9207 2945 5522 0227



TOTAL AMOUNT DUE
920,392,131.03

PAYMENT ARRANGEMENT

INSTALMENT
20,797,404.79

ARREARS (Due immediately)
638,255,349.63

DUE DATE (For Current Amount)
2025-01-03

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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MSUNDUZI MUNICIPALITY
 ATT CHIEF FINANCIAL OFFICER
 PO BOX 399
 PIETERMARITZBURG
 3200

EASTERN REGION
 PRIVATE BAG X18 WESTVILLE 3630

CONTACT CENTRE: (0860) 057566
 FAX NO: 0862 437 566
 E-MAIL: customerservices@eskom.co.za
 WEB: WWW.ESKOM.CO.ZA

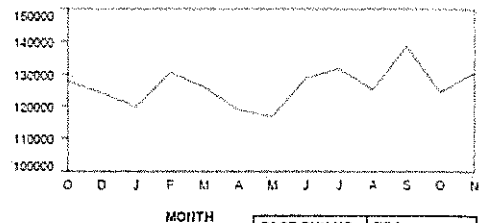
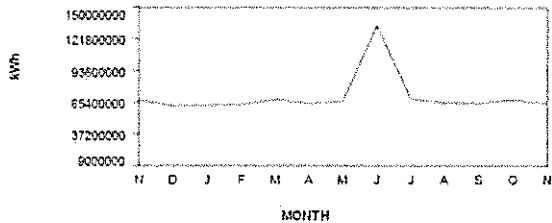
YOUR ACCOUNT NO	9455522022
BILLING DATE	2024-12-04
TAX INVOICE NO	945427497006
ACCOUNT MONTH	NOVEMBER 2024
CURRENT DUE DATE	2025-01-03
VAT REG NO	4600107835
NOTIFIED MAX DEMAND	190.000.00
UTILISED CAPACITY	190.000.00

CONSUMPTION DETAILS (2024-11-01 - 2024-11-30)	
ENERGY CONSUMPTION OFF PEAK KWH	27,924,772.80
ENERGY CONSUMPTION STD KWH	26,529,898.80
ENERGY CONSUMPTION PEAK KWH	10,821,746.40
ENERGY CONSUMPTION ALL KWH	65,276,404.60
DEMAND CONSUMPTION - OFF PEAK	111,038.55
DEMAND CONSUMPTION - STD	130,458.25
DEMAND CONSUMPTION - PEAK	127,192.73
DEMAND READING - KW/KVA	130,458.25
REACTIVE ENERGY - OFF PEAK	7,541,301.80
REACTIVE ENERGY - STD	7,074,463.20
REACTIVE ENERGY - PEAK	2,662,355.20
LOAD FACTOR	73.00

PREMISE ID NUMBER	9455522035	TARIFF NAME: Megaflex
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600R24 INTERVAL 1500VA MEGAFLEX MSUNDUZI SUB PIKETT & MASON'S

Administration Charge @ R261.77 per day for 30 days	R	7,553.10
TX Network Capacity Charge 190,000 kVA @ R15.81 = R15.81/kVA	R	3,003,900.00
Network Capacity Charge 190,000 kVA @ R11.55 = R11.55/kVA	R	2,194,500.00
Network Demand Charge 130,458.25 kVA @ R21.37 = R21.37/kVA	R	2,787,892.80
Urban Low Voltage Subsidy 190,000 kVA @ R28.29 = R28.29/kVA	R	5,375,100.00
Auxiliary Service Charge 65,276,405 kWh @ R0.0073 /kWh	R	476,517.76
Low Season Standard Energy Charge 26,529,898 kWh @ R1.37 /kWh	R	36,346,943.82
Low Season Peak Energy Charge 10,821,746 kWh @ R1.9509 /kWh	R	21,545,014.11
Low Season Off Peak Energy Charge 27,924,773 kWh @ R0.869 /kWh	R	24,256,827.74
Electrification and Rural Subsidy 65,276,405 kWh @ R0.1567 /kWh	R	10,223,812.66
SERVICE CHARGE	R	238,515.50
TOTAL CHARGES	R	106,468,377.49



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EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: 408601037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA

MSUNDUZI MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PO BOX 399
PIETERMARITZBURG
3200

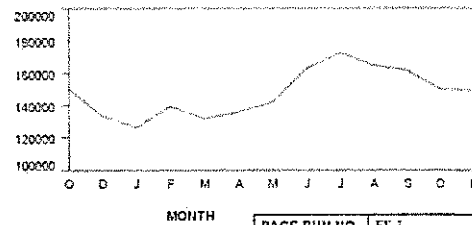
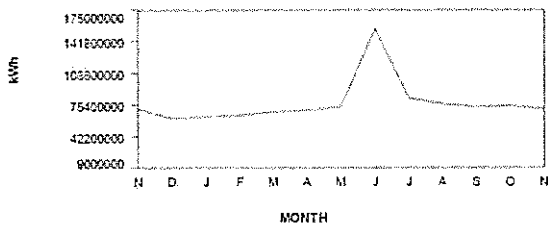
YOUR ACCOUNT NO	9455522022
BILLING DATE	2024-12-04
TAX INVOICE NO	915427407006
ACCOUNT MONTH	NOVEMBER 2024
CURRENT DUE DATE	2025-01-03
VAT REG NO	4600107835
NOTIFIED MAX DEMAND	180,000 00
UTILISED CAPACITY	180,000 00

CONSUMPTION DETAILS (2024-11-01 - 2024-11-30)	
ENERGY CONSUMPTION OFF PEAK KWH	29,100,909 00
ENERGY CONSUMPTION STD KWH	29,940,415 25
ENERGY CONSUMPTION PEAK KWH	12,497,245 20
ENERGY CONSUMPTION ALL KWH	71,538,570 05
DEMAND CONSUMPTION - OFF PEAK	121,348 00
DEMAND CONSUMPTION - STD	144,911 87
DEMAND CONSUMPTION - PEAK	149,303 05
DEMAND READING - KW/KVA	149,303 05
REACTIVE ENERGY - OFF PEAK	2,948,299 20
REACTIVE ENERGY - STD	8,072,933 80
REACTIVE ENERGY - PEAK	2,580,548 40
LOAD FACTOR	83 00

PREMISE ID NUMBER: 9455522022 TARIFF NAME: Megaflex

003605 14587VA INTERVAL 152KV 1ERSEY MSUNDUZI

Administration Charge @ R251.77 per day for 30 days	R	7,553 10
TX Network Capacity Charge 180,000 kVa @ R15 81 : = R15 81/KVA	R	2,845 800 00
Network Capacity Charge 180,000 kVA @ R11.55 : = R11.55/KVA	R	2,079 000 00
Network Demand Charge 149,303 05 kVA @ R21.37 : = R21.37 /KVA	R	3,190,606 18
Urban Low Voltage Subsidy 180,000 kVa @ R28.29 : = R28.29/KVA	R	5,092,200 00
Ancillary Service Charge 71,538,570 kWh @ R0 0073 /kWh	R	522,231 58
Low Season Standard Energy Charge 29,940,415 kWh @ R1 37 /kWh	R	41,018,363 65
Low Season Peak Energy Charge 12,497,245 kWh @ R1 9909 /kWh	R	24,890,765 07
Low Season Off Peak Energy Charge 29,100,910 kWh @ R0 869 /kWh	R	25,283,690 79
Electrification and Rural Subsidy 71,538,570 kWh @ R0 1567 /kWh	R	11,210,093 92
TOTAL CHARGES	R	116,135,309 17



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ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

MSUNDUZI MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PO BOX 399
PIETERMARITZBURG
3200

EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 937 566
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WEB: WWW.ESKOM.CO.ZA



CUSTOMER SELF SERVICE WEBSITE
Provincial email listed below

EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 333626
BANK ACC NO: 50850143295

YOUR ACCOUNT NO	9455522022
SECURITY HELD	1.65
BILLING DATE	2025-01-06
TAX INVOICE NO	945793050109
ACCOUNT MONTH	DECEMBER 2024
CURRENT DUE DATE	2025-02-03
VAT REG NO	4660107833

TAX INVOICE

E-MAIL: Shomala.dlamini@msunduzi.gov.za

ACCOUNT TRANSACTION SUMMARY			
ADMINISTRATION CHARGE	R	15,509.74	
TRANSMISSION NETWORK CAPACITY	R	5,849,700.00	
DIST. NETWORK CAPACITY CHARGE	R	4,273,500.00	
NETWORK DEMAND CHARGE	R	5,439,338.66	
URBAN LOW VOLTAGE SUBSIDY	R	10,457,300.00	
ANCILLARY SERVICE (ALL)	R	501,656.20	
ENERGY CHARGE (STD)	48,105,677.00	R 63,164,777.43	
ENERGY CHARGE (PEAK)	18,418,221.00	R 35,658,836.19	
ENERGY CHARGE (OFF)	59,930,652.00	R 51,262,876.53	
ELECTRIFICATION AND RURAL SUBS (ALL)		R 19,354,729.67	
SERVICE CHARGE		R 244,339.35	
TOTAL CHARGES FOR BILLING PERIOD	R	197,643,323.89	
ACCOUNT SUMMARY FOR DECEMBER 2024			
BALANCE BROUGHT FORWARD	(Due Date 2025-01-03)	R 920,392,131.03	
PAYMENT(S) RECEIVED	Electronic Payments - 2024-12-09	R -122,354,774.00	
PAYMENT(S) RECEIVED	Electronic Payments - 2024-12-13	R -200,000,500.00	
PAYMENT(S) RECEIVED	Electronic Payments - 2024-12-19	R -20,000,500.00	
PAYMENT(S) RECEIVED	Electronic Payments - 2024-12-31	R -20,797,404.79	
PAYMENT(S) RECEIVED	Electronic Payments - 2025-01-03	R -35,843,511.82	
TOTAL CHARGES FOR BILLING PERIOD		R 197,643,323.89	
ADJUSTMENT	Interest on overdue account	R 2,351,553.04	
ADJUSTMENT	Interest on overdue account	R 538,212.72	
ADJUSTMENT	WHEELING 3RD PARTY WHEELING CHARGES	R -950,563.29	
ADJUSTMENT	Interest on overdue account	R 4,240,247.95	
PAYMENT ARRANGEMENT	9451423253 (Balance o/s R 519,935,118.37)	R 20,797,404.79	
VAT RAISED ON ITEMS AT 14%		R 0.00	
VAT RAISED ON ITEMS AT 15%		R 29,503,953.34	
CURRENT	TOTAL DUE	R 774,515,624.89	
255,217,553.00			
ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	15-30 DAYS
0.00	237,191,290.49	282,106,781.40	0.00
Total outstanding debt must be settled immediately, subject to disconnection without further notice			

ACCOUNT NO / REFERENCE NO
9455522022
NAME
MSUNDUZI MUNICIPALITY
FAX NUMBER
pay 7100 1945 5522 0222

27215700194555220224



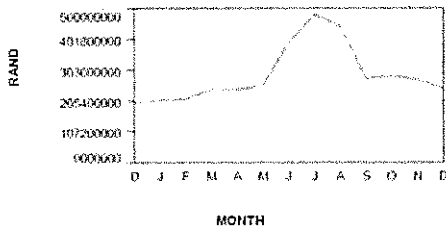
9207 2945 5522 0227



TOTAL AMOUNT DUE
774,515,624.89

PAYMENT ARRANGEMENT
INSTALMENT
20,797,404.79
ARREARS (Due immediately)
519,298,071.89
DUE DATE (For Current Amount)
2025-02-05
AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT



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MSUNDUZI MUNICIPALITY
 ATT CHIEF FINANCIAL OFFICER
 PO BOX 399
 PIETERMARITZBURG
 3200

EASTERN REGION
 PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0366) 017566
 FAX NO: 0362 437 566
 E-MAIL: customerservices@eskom.co.za
 WEB: WWW.ESKOM.CO.ZA

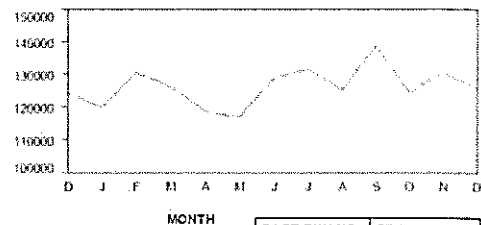
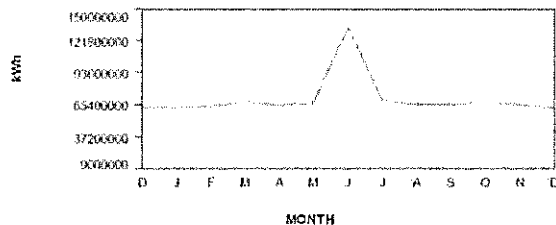
YOUR ACCOUNT NO	9455522022
BILLING DATE	2025-01-06
TAX INVOICE NO	945793050409
ACCOUNT MONTH	DECEMBER 2024
CURRENT DUE DATE	2025-02-05
VAT REG NO	4608107833
NOTIFIED MAX DEMAND	190,000,00
UTILISED CAPACITY	190,000,00

CONSUMPTION DETAILS (2024-12-01 - 2024-12-31)	
ENERGY CONSUMPTION OFF PEAK KWH	30,347,157.60
ENERGY CONSUMPTION STD KWH	22,982,613.60
ENERGY CONSUMPTION PEAK KWH	9,030,424.80
ENERGY CONSUMPTION ALL KWH	62,360,196.00
DEMAND CONSUMPTION - OFF PEAK	107,743.69
DEMAND CONSUMPTION - STD	125,844.87
DEMAND CONSUMPTION - PEAK	120,633.96
DEMAND READING - KW/KVA	125,844.87
REACTIVE ENERGY - OFF PEAK	8,322,705.60
REACTIVE ENERGY - STD	6,305,376.00
REACTIVE ENERGY - PEAK	2,472,156.00
LOAD FACTOR	70.00

PREMISE ID NUMBER	9455522022	TARIFF NAME: Megaflex
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0000164 INTERVAL 190MVA MEGAFLEX MSUNDUZI SUBTRUITY & MASON'S

Administration Charge @ R251.77 per day for 31 days	R	7,804.87
TX Network Capacity Charge 190,000 kVA @ R15.81 : = R15.81/KVA	R	3,003,900.00
Network Capacity Charge 190,000 KVA @ R11.55 : = R11.55/KVA	R	2,194,500.00
Network Demand Charge 125,844.88 kVA @ R21.37 : = R21.37 /KVA	R	2,693,305.09
Urban Low Voltage Subsidy 190,000 kVA @ R28.29 : = R28.29/kVA	R	5,375,100.00
Ancillary Service Charge 62,360,196 kWh @ R0.0073 /kWh	R	455,223.43
Low Season Standard Energy Charge 22,982,614 kWh @ R1.37 /kWh	R	31,486,181.18
Low Season Peak Energy Charge 9,030,425 kWh @ R1.9909 /kWh	R	17,978,673.13
Low Season Off Peak Energy Charge 30,347,158 kWh @ R0.869 /kWh	R	26,371,630.30
Electrification and Rural Subsidy 62,360,196 kWh @ R0.1587 /kWh	R	9,771,842.71
SERVICE CHARGE	R	244,399.35
TOTAL CHARGES	R	99,578,616.06



PAGE RUN NO	EE 2
BILL GROUP	0115562880
BILL PAGE	2 OF 3



MSUNDUZI MUNICIPALITY
 ATT CHIEF FINANCIAL OFFICER
 PO BOX 399
 PIETERMARITZBURG
 3200

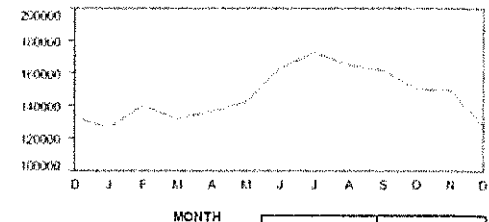
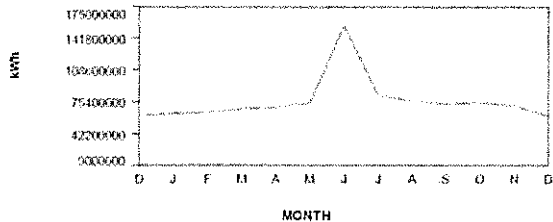
EASTERN REGION
 PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 937366
 FAX NO: 0862 437 566
 E-MAIL: customerservice@eskom.co.za
 WEB: WWW.ESKOM.CO.ZA

YOUR ACCOUNT NO	9455522022
BILLING DATE	2024-01-06
TAX INVOICE NO	945793050409
ACCOUNT MONTH	DECEMBER 2023
CURRENT DUE DATE	2024-01-06
VAT REG NO	4000197815
NOTIFIED MAX DEMAND	180,000 00
UTILISED CAPACITY	180,000 00

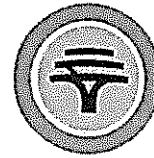
CONSUMPTION DETAILS (2024-12-01 - 2024-12-31)	
ENERGY CONSUMPTION OFF PEAK KWH	23,643,493.60
ENERGY CONSUMPTION STD KWH	23,123,062.80
ENERGY CONSUMPTION PEAK KWH	9,387,795.60
ENERGY CONSUMPTION ALL KWH	61,154,352.00
DEMAND CONSUMPTION - OFF PEAK	102,349.14
DEMAND CONSUMPTION - STD	125,542.38
DEMAND CONSUMPTION - PEAK	129,714.71
DEMAND READING - KW/KVA	129,714.71
REACTIVE ENERGY - OFF PEAK	1,718,636.40
REACTIVE ENERGY - STD	3,487,316.40
REACTIVE ENERGY - PEAK	1,435,662.00
LOAD FACTOR	65.00

PREMISE ID NUMBER	9455522022	TARIFF NAME: Megaflex
06900/05 145 MVA INTERVAL 132KV MERSEY MSUNDUZI		
Administration Charge @ R251.77 per day for 31 days	R	7,804.87
TX Network Capacity Charge 180,000 kVA @ R15.81 = R15.81/kVA	R	2,845,800.00
Network Capacity Charge 180,000 kVA @ R11.55 = R11.55/kVA	R	2,079,000.00
Network Demand Charge 128,714.72 kVA @ R21.37 = R21.37/kVA	R	2,750,633.57
Urban Low Voltage Subsidy 180,000 kVA @ R28.29 = R28.29/kVA	R	5,092,300.00
Ancillary Service Charge 61,154,352 kWh @ R0.6073 /kWh	R	448,426.77
Low Season Standard Energy Charge 23,123,063 kWh @ R1.97 /kWh	R	31,578,595.31
Low Season Peak Energy Charge 9,387,796 kWh @ R1.9909 /kWh	R	18,690,163.06
Low Season Off Peak Energy Charge 28,843,494 kWh @ R0.869 /kWh	R	24,931,196.29
Electrification and Rural Subsidy 61,154,352 kWh @ R0.1567 /kWh	R	9,532,895.96
TOTAL CHARGES	R	98,064,707.83



PAGE RUN NO	EE 3
BILL GROUP	0145868360
BILL PAGE	3 OF 3

- i) Indicated below is the municipality's proof of payment of the Eskom Bulk current account



NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned : 2024/12/09
Time Actioned : 15:25:45
Trace ID : C55FC5YM

Payer Details

Payment From : The Msunduzi Municipality
Cur/Amount : 122.354.774 00

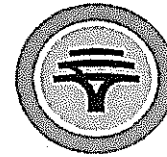
Payee Details

Recipient/Account No : 143295
Name : Eskom Holdings
Bank : FNB/RMB
Branch Code : 255005
Reference : RN171224F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data



NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned : 2024/12/13
Time Actioned : 15:07:52
Trace ID : 5Y3Q1P2M

Payer Details

Payment From : The Msunduzi Municipality
Cur/Amount : 200,000,000.00

Payee Details

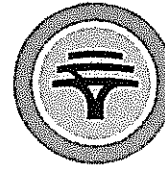
Recipient/Account No : 143295
Name : Eskom Holdings
Bank : FNB/RMB
Branch Code : 255005
Reference : RN391224F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

First National Bank - A Division of FirstRand Bank Limited, An Authorised Financial Services and Credit Provider (NCRCP20)



NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned : 2024/12/19
Time Actioned : 15:19:20
Trace ID : 2QHCVF1M

Payer Details

Payment From : The Msunduzi Municipality
Cur/Amount : 20,000,000 00

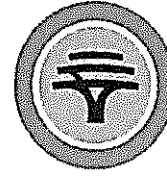
Payee Details

Recipient/Account No : 143295
Name : Eskom Holdings
Bank : FNB/RMB
Branch Code : 255005
Reference : RN551224F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data



NOTIFICATION OF PAYMENT

To Whom It May Concern:

First National Bank hereby confirms that the following payment instruction has been received.

Date Actioned : 2024/12/31
Time Actioned : 09:24:55
Trace ID : ZWPBKS2M

Payer Details

Payment From : The Msunduzi Municipality
Curr/Amount : 20.797.404.79

Payee Details

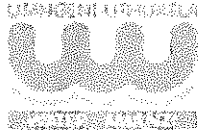
Recipient/Account No : 143295
Name : Eskom Holdings
Bank : FNB/RMB
Branch Code : 255005
Reference : RN741224F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

Our customer (the payer) has requested First National Bank Limited to send this notification of payment to you. Should you have any queries regarding the contents of this notice, please contact the payer. First National Bank Limited does not guarantee or warrant the accuracy and integrity of the information and data transmitted electronically and we accept no liability whatsoever for any loss, expense, claim or damage, whether direct, indirect or consequential, arising from the transmission of the information and data.

ii) Below is the invoice for Umngeni



Improving Quality of Life and Enhancing Sustainable Economic Development

CONSOLIDATED INVOICE

MSUNDUZI MUNICIPALITY
3RD FLOOR, PROFESSOR NYEMBEZI CENTRE
CHURCH STREET 341
PIETERMARITZBURG
3200

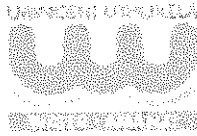
VAT Registration No. 4960102673
Physical Address 310 Burger Street
Pietermaritzburg
3201
Postal Address P.O. Box 9
Pietermaritzburg
3200

Consolidated Invoice Number 300057385
Customer Vat Reg. Number 4600107835
Invoice Date 31/10/2024
Payment Due Date 30/11/2024

Contact Person Mfundo Buthelezi
Phone 0333411199
Fax 0333411292
Email customerservices@umngeni.co.za
Website www.umngeni.co.za

Account Number	Document Number	Meter Number	Description	Volumes(Kl)	Tariff(R)	Amount(R)
----------------	-----------------	--------------	-------------	-------------	-----------	-----------

Izintaba East -IE						
Account Number	Document Number	Meter Number	Description	Volumes(Kl)	Tariff(R)	Amount(R)
10016001	300057183	10020467	Meter, Msunduzi Mun	6 038	9,8910	59 721,86
10016001	300057183	10020469	Meter, Msunduzi - O	149 170	9,8910	1 475 440,47
10016001	300057183	10020563	Meter, Hd Hill Bisl	734 209	9,8910	7 262 061,22
10016001	300057183	10020565	Meter, Hd Hill Hayt	263 394	9,8910	2 605 230,05
10016001	300057183	10020567	Meter, Hd Hill Symo	150 877	9,8910	1 492 924,41
10016001	300057183	10020569	Meter, Hd Hill Maso	259 516	9,8910	2 566 872,76
10016001	300057183	10020579	Meter, Msunduzi - T	4 616	9,8910	45 656,86
10016001	300057183	10020581	Meter, Msunduzi - L	55 320	9,8910	547 170,12
10016001	300057183	10020583	Meter, Dvh Outlet T	44 948	9,8910	444 580,67
10016001	300057183	10020585	Meter, Dvh Outlet T	1 684 404	9,8910	16 660 439,96
10016001	300057183	10020595	Meter, Clarendon Re	832 795	9,8910	8 237 175,35
10016001	300057183	10020603	Meter, Blackridge o	34 573	9,8910	341 961,54
10016001	300057183	10020605	Meter, Hd Hill Maso	0	9,8910	0,00
10016001	300057183	10020607	Meter, Imbali	2 622	9,8910	25 934,20
10016001	300057183	10024916	Meter, Msunduzi - C	501 000	9,8910	4 955 391,00
			MBWS	3 300 426	0,1980	653 484,35
			WRC LEVY	3 300 426	0,0773	255 122,93
			Sub Total: 10016001	3 300 426		33 553 120,85
10012020	300057182	10020587	Meter, Ashburton Re	904	9,8910	8 941,46
10012020	300057182	10020589	Meter, Ashburton Re	48 265	9,8910	477 389,12
10012020	300057182	10024589	IBHUBESI Park	9 879	9,8910	97 713,19
			MBWS	59 048	0,1980	11 691,50
			WRC LEVY	59 048	0,0773	4 564,41
			Sub Total: 10012020	59 048		600 299,68
10016116	300057185	10020593	Meter, The City Eng	0	9,8910	0,00
			MBWS	0	0,1980	0,00
			WRC LEVY	0	0,0773	0,00
			Sub Total: 10016116	0		0,00
11000276	300057186	10020575	Meter, Msunduzi Mun	117 360	9,8910	1 160 807,76



improving Quality of Life and Enhancing Sustainable Economic Development

CONSOLIDATED INVOICE

MSUNDUZI MUNICIPALITY
3RD FLOOR, PROFESSOR NYEMBEZI CENTRE
CHURCH STREET 341
PIETERMARITZBURG
3200

VAT Registration No. 4960102673
Physical Address 310 Burger Street
Pietermaritzburg
3201
Postal Address P.O. Box 9
Pietermaritzburg
3200
Contact Person Mfundo Buthelezi
Phone 0333411199
Fax 0333411292
Email customerservices@umgeni.co.za
Website www.umgeni.co.za

Consolidated Invoice Number 300057385
Customer Vat Reg. Number 4600107835
Invoice Date 31/10/2024
Payment Due Date 30/11/2024

Account Number	Document Number	Meter Number	Description	Volumes(Kl)	Tariff(R)	Amount(R)
			MBWS	117 360	0,1980	23 237,28
			WRC LEVY	117 360	0,0773	9 071,93
			Sub Total: 11000276	117 360		1 193 116,97
11038957	300057188	10020599	Meter, Ephayiphini	65 985	9,8910	652 657,64
			MBWS	65 985	0,1980	13 065,03
			WRC LEVY	65 985	0,0773	5 100,64
			Sub Total: 11038957	65 985		670 823,31
11038958	300057189	10020561	Meter, Sweetwaters	71 226	9,8910	704 496,37
11038958	300057189	10021247	Meter, Msunduzi Sweet	65 985	9,8910	652 657,64
			MBWS	137 211	0,1980	27 167,78
			WRC LEVY	137 211	0,0773	10 606,41
			Sub Total: 11038958	137 211		1 394 928,20
11042973	300057190	10020559	Meter, Foxhill	0	9,8910	0,00
			MBWS	0	0,1980	0,00
			WRC LEVY	0	0,0773	0,00
			Sub Total: 11042973	0		0,00
11047712	300057200	10020539	Meter, ED4 (ED4)	351 085	9,8910	3 472 581,74
			MBWS	351 085	0,1980	69 514,83
			WRC LEVY	351 085	0,0773	27 138,87
			Sub Total: 11047712	351 085		3 569 235,44
11048242	300057201	10020619	Meter, Almond Bank	2 300	9,8910	22 749,30
			MBWS	2 300	0,1980	455,40
			WRC LEVY	2 300	0,0773	177,79
			Sub Total: 11048242	2 300		23 382,49
11050505	300057202	10020617	Meter, Foxhill/Bist	368 190	9,8910	3 641 767,29
			MBWS	368 190	0,1980	72 901,62
			WRC LEVY	368 190	0,0773	28 461,09
			Sub Total: 11050505	368 190		3 743 130,00
			Total: Izintaba East -IE	4 401 605		44 748 036,94

Izintaba West -IW

Page 3 of 6



Improving Quality of Life and Encouraging Sustainable Economic Development

CONSOLIDATED INVOICE

MSUNDUZI MUNICIPALITY
3RD FLOOR, PROFESSOR NYEMBEZI CENTRE
CHURCH STREET 341
PIETERMARITZBURG
3200

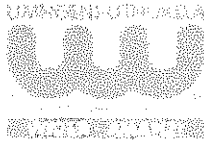
VAT Registration No. 4960102673
Physical Address 310 Burger Street
Pietermaritzburg
3201
Postal Address P.O. Box 9
Pietermaritzburg
3200

Consolidated Invoice Number 300057385
Customer Vat Reg. Number 4600107835
Invoice Date 31/10/2024
Payment Due Date 30/11/2024

Contact Person Mfundo Buthelezi
Phone 0333411199
Fax 0333411292
Email customerservices@umgeni.co.za
Website www.umgeni.co.za

Account Number	Document Number	Meter Number	Description	Volumes(Kl)	Tariff(R)	Amount(R)
11043391	300057196	10020545	Meter, Vul Retic.4	1 110	9,8910	10 979,01
			MBWS	1 110	0,1980	219,78
			WRC LEVY	1 110	0,0773	85,80
			Sub Total: 11043391	1 110		11 284,59
11043392	300057197	10020543	Meter, Vulindlela B	52 153	9,8910	515 845,32
			MBWS	52 153	0,1980	10 326,29
			WRC LEVY	52 153	0,0773	4 031,43
			Sub Total: 11043392	52 153		530 203,04
11043393	300057198	10020541	Meter, Vulindlela Re	39 185	9,8910	387 578,84
			MBWS	39 185	0,1980	7 758,63
			WRC LEVY	39 185	0,0773	3 029,00
			Sub Total: 11043393	39 185		398 366,47
11044382	300057199	10020597	Meter, Sweetwaters	16 988	9,8910	168 028,31
			MBWS	16 988	0,1980	3 363,62
			WRC LEVY	16 988	0,0773	1 313,17
			Sub Total: 11044382	16 988		172 705,10
Total:izintaba West -IW				2 122 976		21 582 810,90
MCUC Portion						
CUC CHARGE				6 524 581	2,1390	13 956 078,76
Sub Total: 20001897				0		13 956 078,76
Total:MCUC Portion				0		13 956 078,76

Page 4 of 5



Improving Quality of Life and Sustaining Sustainable Economic Development

CONSOLIDATED INVOICE

MSUNDUZI MUNICIPALITY
 3RD FLOOR, PROFESSOR NYEMBEZI CENTRE
 CHURCH STREET 341
 PIETERMARITZBURG
 3200

VAT Registration No. 4960102673
 Physical Address 310 Burger Street
 Pietermaritzburg
 3201
 Postal Address P.O. Box 9
 Pietermaritzburg
 3200

Contact Person Mfundo Buthelezi
 Phone 0333411199
 Fax 0333411292
 Email customerservices@umgeni.co.za
 Website www.umgeni.co.za

Consolidated Invoice Number 300057385
 Customer Vat Reg. Number 4600107835
 Invoice Date 31/10/2024
 Payment Due Date 30/11/2024

Account Number	Document Number	Meter Number	Description	Volumes(Kl)	Tariff(R)	Amount(R)
----------------	-----------------	--------------	-------------	-------------	-----------	-----------

Total Sales - WATER	6 524 581	9,8910	64 534 630,69			
Total - CUC Charge	6 524 581		2,1390			13 956 078,76
Total - MBWS	6 524 581		0,1980			1 291 867,03
Total(Vatable)						79 782 576,48
Vat (15%)						11 967 386,47
WRC Levy - Exempt VAT	6 524 581		0,0773			504 350,12
TOTAL DUE						92 254 313,07

Interest Note: Please pay the account by the payment due date. Interest will be charged on overdue accounts in terms of the Prescribed Rate of Interest Act (No. 55 of 1975), and will be compounded monthly with effect from the date of invoice.

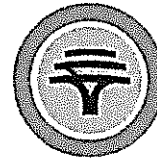
Payment Note: Please use your account number as the reference when making direct deposits, or EFT payments.

Payment Terms: 30 Days from Invoice date

Bank Payment Details	
Bank:	NEDBANK
Branch Code:	198765
Account No:	11-9636-6594

iii) Below is proof of payment for Umngeni

The municipality has not fulfilled the payment arrangement with Umngeni and there will be meeting on the 17 January 2025. The municipality has however paid an amount of R 64 million on the 3rd of January 2025.



NOTIFICATION OF PAYMENT

To Whom It May Concern,

First National Bank hereby confirms that the following payment instruction has been received:

Date Actioned : 2025/01/03
Time Actioned : 14:32:08
Trace ID : T19PF62M

Payer Details

Payment From : The Msunduzi Municipality
Cur/Amount : 64,000.000 00

Payee Details

Recipient/Account No : 366594
Name : umgeni water
Bank : Nedbank Limited
Branch Code : 198765
Reference : RN040125F11001

END OF NOTIFICATION

To authenticate this Payment Notification, please visit the First National Bank website at fnb.co.za, select the "Verify Payments" link and follow the on-screen instructions.

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First National Bank Division of FirstRand Bank Limited. An Authorised Financial Services and Credit Provider (NCRCP20)

2.8.7 Municipal Debt Relief monitoring Plan – Progress Report

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month’s consumption)	6.3.1 The municipality must monthly pay and maintain its Eskom bulk current account and bulk water current account - Umngeni, within 30 days of receiving the relevant invoice	Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice	Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)	<p>Non-Compliant - Umngeni The municipality has not paid Umngeni for the month of December 2024 due to low cash inflows, and the municipality will be meeting Umngeni in order to address the non-compliance. The meeting has been scheduled for 17 January 2025.</p> <p>Compliant – Eskom The Municipality has paid an amount of R389,5 million to Eskom in the month of December. The municipality was not 100% Up To Date as at end of December 2024 but managed to bring the account up to date on 3 January 2025 in order to stay on debt relief.</p>
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and Umngeni, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	<p>Compliant Email was sent within one day of payment to ESKOM</p> <p>Non-Compliant The municipality has not paid Umngeni for the month of December 2024 but will be paying the payment arrangement amount by the 17 December 2024.</p>

single month's consumption)				
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant Proof of Payments made in December 2024 was uploaded onto GoMuni
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	Compliant Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and Umngeni are posted to the same bulk control votes. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount
6.6 Electricity and Water Collection (<i>Demonstration through by-laws and budget related policies</i>)	6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	Compliant Priority of order of allocations was correct on the system.

<p>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</p>	<p>6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	<p>Monthly</p>	<p>Number of disconnected / blocked meters</p>	<p>Compliant Disconnections = 2275</p>
<p>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</p>	<p>6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	<p>Monthly</p>	<p>Number of restricted / interrupted supply</p>	<p>Compliant. Restrictions performed= 1431</p>
<p>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</p>	<p>6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	<p>Monthly</p>	<p>No of indigent consumers</p>	<p>Non-compliant Due to the financial constraints currently faced by many of our Indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.</p>
<p>6.7 Maintain a minimum average quarterly collection of property rates and services charges</p>	<p>6.7.1 The municipality must strictly enforce its credit control and debt management related policies and</p>	<p>Monthly (Internal) and Quarterly (Debt Relief)</p>	<p>Annexure D</p>	<p>Compliant Property rates 112% Service Charges 311%</p>

	<p>achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm</p>			
<p>6.7 Maintain a minimum average quarterly collection of property rates and services charges</p>	<p>6.7.2 If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or</p>	<p>Quarterly</p>	<p>Monthly S71 Revenue Collection Ward Template</p>	<p>Compliant Average collection rate = 94%</p>

	<p>limit of supply of water is due to Technical Engineering reason(s)</p> <p>6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure</p>			
<p>6.8 Completeness of the revenue base</p>	<p>6.8.1 The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and</p>	<p>Quarterly</p>	<p>GRV REPORT</p>	<p>The GRV is included under 2.8.5 Condition 6.8</p>
<p>6.8 Completeness of the revenue base</p>	<p>6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1</p>	<p>Quarterly</p>	<p>GRV REPORT</p>	<p>The GRV is included under 2.8.5 Condition 6.8</p>

	to the National Treasury			
6.9 Monitor and report on implementation	6.9.1 MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality’s funded budget?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	Compliant Report included in the monthly S71 report for December 2024
6.9 Monitor and report on implementation	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality’s monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	Compliant Report included in the monthly S71 report for December 2024
6.9 Monitor and report on implementation	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's	6.10 Provincial Treasury			

<p>Certification of municipal compliance</p>	<p>certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT</p>			
	<p>Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action</p>	<p>Monthly, within 1 days after issue</p>	<p>NT: LGBA Compliance Certification</p>	<p>The municipality received the compliance certificates for November 2024. Management must take remedial actions as per the recommendations made by National Treasury</p>
<p>6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</p>	<p>6.12.1 Open a separate investment account to serve as a sub-account</p>			
<p>6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</p>	<p>6.12.1 must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic</p>			

	electricity, water and sanitation			
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then sixthly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.	Monthly		The Eskom and Umngeni accounts were paid directly from the Primary bank account. Municipality has a backlog in terms of built-up reserves. Salaries and third party salary payments including commitments to other creditors make this requirement difficult to maintain.
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	The municipality monthly submit a copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	Compliant Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement is uploaded on GoMuni. Payments made directly from Primary bank account.

2.9 Recommendations

It is recommended that that the Mayoral Committee take note of –

1. MFMA Section 72 mid-year budget and performance and performance assessment review for 2024/25 period be approved
 2. In line with MFMA Section 72(3)(a) adjustment budget is necessary wherein Expenditure is adjusted downwards since the cash collection is below projections being informed by MFMA Section 17(1)(a) of realistically anticipated revenue
 3. Council to institutionalize operation Qoqimali in terms of the organizational structure to improve cash collections.
 4. Departments be afforded an opportunity to review respective expenditure in line with recommendation budget as per above recommendation to serve as input for adjustment budget in terms of S28 of MFMA
 5. The compliance emanating from the municipality's debt relief self-assessment and overall performance since 1 December 2023, as well as the National Treasury's independent assessment set out. Please refer to the compliance report and compliance certificate for November 2024.
- 5.1 The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
- a) Monthly settle the current accounts for Umgeni and Eskom.
 - b) Settling of the debt repayment instalment. This needs to be improved as the municipality defaulted on November/December Umgeni statement.
 - c) Ensure that bulk invoices are captured timeously on the system, prior to month-end closure.
 - d) Achieving the desired collection rate of 95% and application of the Credit Control Policy.
 - e) Restricting or interrupting of water supply of defaulting customers and indigents.
 - f) Improving on indigent management, especially considering the audit findings raised.
 - g) Installation of smart prepaid meters. The involvement of Engineers for Water and Electricity is critically needed in this regard.
 - h) Debtors Management to do an assessment of actual debt owed and the number of registered indigents compared to total number of households.
 - i) Ring-fencing actual cash received for Electricity and Water in order pay for Eskom & Umgeni accounts.

Mr Sadesh Ramjathan
Director: Revenue Management
National Treasury
Private Bag X 115
PRETORIA
0001

Mrs Nelisiwe Ngcobo
Acting Municipal Manager
Msunduzi Municipality
P.O BOX 321
Pitermartizburg
XXXX

Email: Sadesh.ramjathan@treasury.gov.za ; Nelisiwe.ngcobo@msunduzi.gov.za

Dear Messrs Ramjathan and Msunduzi Municipality MM

**MFMA CIRCULAR NO.124 – MUNICIPAL DEBT RELIEF NATIONAL TREASURY
CERTIFICATION OF MUNICIPAL COMPLIANCE OF KZN225 MSUNDUZI MUNICIPALITY
DURING NOVEMBER 2024**

The National Treasury approved Msunduzi Municipality's debt relief application, effective November 1, 2023, and conducted a comprehensive assessment by November 2024, marking the conclusion of the first compliance cycle. This evaluation covered critical areas, including financial management, expenditure control, revenue collection, and service delivery enhancements. Employing a robust methodology—comprising on-site inspections, interviews with municipal officials, and in-depth analysis of financial and operational reports—National Treasury gained detailed insights into Msunduzi's adherence to the stipulated debt relief conditions.

The assessment revealed a mixed trajectory of compliance. On the positive side, significant progress was noted in financial management, particularly in budgeting and revenue collection. The municipality aligned its budget with realistic financial projections and implemented measures that bolstered revenue collection, laying a foundation for financial stability. However, persistent challenges were identified in areas such as cost management and debt servicing, underscoring the need for strengthened financial discipline and enhanced debt management strategies.

One critical issue highlighted during the assessment was Msunduzi Municipality's inability to maintain a fully funded current account in the last few months. This shortfall poses a significant risk to the municipality's financial health and its ability to meet the debt relief conditions. In response, the National Treasury has provided strategic recommendations to address these challenges. Key actions include strengthening internal controls, intensifying revenue collection efforts, and improving cost management practices. These measures are essential for sustaining the municipality's progress and ensuring long-term financial stability.

Moving forward, Msunduzi Municipality must demonstrate unwavering commitment to financial discipline, robust revenue generation, and efficient service delivery. These efforts are vital to achieving lasting stability and improving services for residents. The National Treasury will

continue to play a critical oversight and support role, guiding the municipality toward achieving its objectives and ensuring compliance with the debt relief framework.

- **Condition 6.1 – Municipality non-compliance**

The National Treasury has established a comprehensive set of compliance requirements, detailed in sections 6.1 to 6.14 of MFMA Circular 124, further reinforced by specific conditions outlined in Msunduzi Municipality's debt relief approval letter. These stringent benchmarks are critical to unlocking the full benefits of the debt relief program and ensuring the municipality's financial recovery.

The recent assessment's performance sheet provides an in-depth analysis of Msunduzi's adherence to these requirements throughout the debt relief cycle. While the municipality has demonstrated commendable progress—most notably maintaining consistent payments to Eskom since the program's inception on October 1, 2023—several pressing concerns have emerged. Chief among these is the municipality's inability to sustain a fully funded current account with Eskom in recent months. This deficiency poses a significant risk to its financial stability and undermines its capacity to meet the stringent debt relief conditions.

Another pivotal issue raised by Treasury pertains to the current scoring methodology employed in the compliance assessment. The equal weighting of each compliance condition may inadvertently downplay the municipality's tangible achievements in areas such as financial management and revenue collection.

In light of these challenges, it is imperative that Msunduzi Municipality takes decisive action to stabilize its Eskom current account while maintaining its momentum in meeting all stipulated conditions. Key priorities must include bolstering financial discipline, intensifying revenue collection efforts, and enhancing internal controls to mitigate future risks. Failure to implement these corrective measures could jeopardize the municipality's eligibility for substantial financial relief and derail its long-term recovery trajectory.

National Treasury remains unwavering in its commitment to providing oversight and support throughout this process. However, the onus now rests squarely on Msunduzi Municipality to rise to the occasion, address the highlighted shortcomings, and achieve full compliance within the remaining timeframe. Success in this endeavor will not only secure the immediate debt relief benefits but also lay a solid foundation for sustainable financial governance and improved service delivery for its residents.



National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Province		
KZN		
Code	District	Code Description
KZN225	uMgungundlovu	Manduzi

Monthly Performance Report																																												
Municipal Details			Part A						Part B						Part C				Part D				Part C						Part E						Part F									
			Eskom And Bulk water current account						Compliance with a funded MTRF						FRP/BP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges						Maximization of Revenue Base						Oversight						Compliance Status			
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	Score	Compliance Status
1.July	Manduzi	KZN225	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	71%	Not Applicable
2.August	Manduzi	KZN225	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	80%	Not Applicable
3.September	Manduzi	KZN225	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	78%	Not Applicable
4.October	Manduzi	KZN225	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	83%	Not Applicable
5.November	Manduzi	KZN225	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	83%	Not Applicable
6.December	Manduzi	KZN225																																									0%	Not Applicable
7.January	Manduzi	KZN225																																									0%	Not Applicable
8.February	Manduzi	KZN225																																									0%	Not Applicable
9.March	Manduzi	KZN225																																									0%	Not Applicable
10.April	Manduzi	KZN225																																									0%	Not Applicable
11.May	Manduzi	KZN225																																									0%	Not Applicable
12.June	Manduzi	KZN225																																									0%	Not Applicable

• **Condition 6.2 – Application-based supported by Council’s resolution**

The municipality’s decision to participate in the debt relief program marked a significant turning point, receiving unanimous council approval alongside a pivotal, yet conditional, endorsement from the National Treasury. This crucial endorsement was contingent upon the municipality addressing specific deficiencies highlighted during the initial review process. In response, the municipality acted with precision and urgency, implementing targeted measures to rectify these shortcomings and demonstrating a results-oriented approach toward achieving full compliance with Treasury’s stringent requirements.

This unwavering commitment to meeting the program’s rigorous criteria highlighted the municipality’s resolve to uphold responsible financial management. By systematically addressing each identified issue, the municipality not only secured final approval from the National Treasury but also solidified its position as a financially accountable and proactive institution.

Reaching this milestone signifies a transformative step forward, laying the groundwork for enduring financial stability and growth. Through the debt relief program, the municipality is now better positioned to manage its financial obligations while advancing sustainable development priorities. The final approval from National Treasury is a testament to the municipality’s dedication to fiscal accountability, progressive governance, and long-term resilience, paving the way for sustainable progress and improved service delivery for its residents in the years ahead.

• **Condition 6.3 – Maintaining the Eskom current account**

Clearing outstanding arrears with Eskom is paramount for Msunduzi Municipality to qualify for the anticipated debt relief write-off. This requirement, mandated by the National Treasury, is a cornerstone of the compliance framework designed to promote long-term financial recovery and sustainability. Full settlement of these arrears not only fulfills a critical fiscal obligation but also

signals the municipality's commitment to achieving the stringent eligibility criteria required for the debt write-off—a pivotal step toward financial stability and growth.

The municipality has demonstrated commendable financial discipline by prioritizing its payments to Eskom. This strategic focus has ensured the continuation of partial payments, preserving a cooperative relationship with Eskom and securing uninterrupted power supply for residents, businesses, and public services. This uninterrupted service has had a positive impact on the local economy, fostering confidence in the municipality's operational capacity. However, the municipality acknowledges that achieving full settlement of arrears is essential to comply with the debt relief conditions. Following the September 2024 payment, Eskom issued a formal notice emphasizing the urgency of resolving the outstanding balance. This notice underscores the importance of honoring financial commitments as a reflection of fiscal integrity and compliance.

In its ongoing efforts to address arrears, the municipality has engaged in discussions with Eskom and continues to work diligently to clear outstanding invoices. These efforts include managing cash flow challenges to meet obligations under the payment arrangement with Umgeni Water. However, a reconciliation of financial records has uncovered discrepancies between the amounts indicated in the submitted proof of payment and the amounts reflected in the financial data strings within the Municipal Standard Chart of Accounts (mSCOA). These discrepancies reveal that the amounts recorded in the mSCOA system are significantly lower than the actual payments made, raising concerns about the accuracy of financial reporting.

These discrepancies highlight the critical need for meticulous alignment between proof of payment and financial reporting systems. Adhering to mSCOA standards is essential to ensuring accurate financial records, compliance with Eskom's Section 41(2) Municipal Finance Management Act (MFMA) requirements, and maintaining transparency and accountability. The municipality has applied similar diligence in reconciling payments to the Water Board and Water Trading Entity, ensuring that all figures align with mSCOA data and adhere to Section 41(2) MFMA obligations.

Addressing these discrepancies is imperative to safeguard the integrity of financial records and uphold public confidence in the municipality's financial management. Resolving these issues will strengthen the municipality's commitment to sound financial practices, which is critical for maintaining credibility with creditors, stakeholders, and oversight bodies.

Clearing outstanding arrears extends beyond mere compliance; it positions the municipality to significantly enhance its financial standing and reputation. Demonstrating responsible debt management boosts the municipality's credibility with lenders, government agencies, and private sector partners, creating opportunities for more favorable financing terms. Furthermore, consistently meeting financial obligations sets a benchmark for other municipalities, promoting higher standards of fiscal responsibility and accountability across the public sector.

The municipality's resolve to address its financial challenges forms a vital component of its broader financial stability strategy. By actively clearing arrears, reconciling discrepancies, and

improving cash flow management, the municipality is laying a solid foundation for future growth, operational efficiency, and resilience. With the continued support of the National Treasury and a steadfast focus on achieving compliance, Msunduzi Municipality is on track to secure the debt relief write-off and advance toward long-term development and enhanced service delivery for its residents.

- **Condition 6.4 – A funded MTREF**

Securing funding for the municipality's 2024/2025 fiscal year budget marks a pivotal achievement, enabling the advancement of key projects and essential expenditures. This financial support is crucial in guaranteeing the sustained delivery of critical services and the implementation of new initiatives aimed at improving infrastructure and enhancing the quality of life for residents. With the budget firmly in place, the municipality is now well-positioned to execute strategies that promote sustainable development while addressing the community's most pressing needs.

The budget's approval underscores the municipality's commitment to sound financial management, building confidence among residents, stakeholders, and potential investors. It reflects a forward-thinking approach to fiscal planning, ensuring that the municipality is prepared to navigate current and future challenges. This proactive financial stewardship not only fosters community well-being but also drives economic growth, reinforcing the municipality's dedication to its citizens and their long-term prosperity.

- **Condition 6.5 – Cost reflective tariffs**

The absence of a cost-reflective tariff tool in the 2024/2025 budget poses a significant threat to the financial sustainability of municipalities. This essential tool ensures that tariffs are accurately aligned with the full cost of service delivery, including operational expenses, maintenance, and future infrastructure investments. Without it, municipalities risk setting tariffs that fail to cover essential costs, potentially leading to underfunded services, financial shortfalls, and compromised service delivery.

Given that tariff adjustments occur only once a year, the lack of a cost-reflective approach heightens the danger of revenue deficits that can destabilize municipal finances. These shortfalls could erode the quality and reliability of critical services, undermining public confidence in municipal governance. Therefore, integrating this tool into the budgeting process is essential to ensure that tariffs are accurately adjusted to reflect real costs.

By adopting a cost-reflective tariff model, municipalities can avoid financial gaps, ensure sustainable service provision, and support long-term financial stability. This proactive approach not only safeguards municipal operations but also strengthens trust and transparency between the municipality and its stakeholders. Ultimately, incorporating the cost-reflective tariff tool will create a stable financial framework that enhances fiscal resilience and secures reliable service delivery for the community.

- **Condition 6.6 – Electricity and water as collection tools**

The municipality's adoption of a robust credit control and debt collection policy, combined with an accurate billing system, highlights its commitment to strengthening financial operations and improving revenue management. By ensuring that each bill accurately reflects individual consumption, the municipality minimizes confusion and eliminates account discrepancies. This clarity enhances transparency, empowers consumers with a clear understanding of their charges, and encourages timely payments, thereby improving overall debt collection efforts.

Beyond improving billing accuracy, the municipality has strategically leveraged electricity payments as a vital revenue management tool. This approach ensures that funds are allocated according to clearly defined priorities, promoting transparency in how resources are utilized. By channeling revenue efficiently to critical areas, the municipality reinforces sound financial governance and maximizes the impact of available funds.

These targeted initiatives position the municipality on a promising path toward enhanced financial stability and operational efficiency. By maintaining and refining these strategies, the municipality is well-equipped to strengthen its fiscal health while improving service delivery to the community. This proactive and transparent management approach forms a cornerstone of long-term financial responsibility, ensuring the municipality remains resilient, responsive to current needs, and prepared for future growth opportunities.

- **Conditions 6.7 – Maintain a minimum average quarterly collection of property rates and services charges**

The summary of aggregate collection for Quarter 1 reveals a concerning trend, with the municipality's collection rates falling significantly below the 85% benchmark. This shortfall underscores an urgent need to strengthen financial management and enhance revenue collection strategies to safeguard the municipality's fiscal health.

Across key revenue streams, actual collections fell short of billed amounts, creating substantial revenue gaps that pose serious risks to the municipality's ability to sustain its financial operations. The overall collection rate for the entire demarcation during Quarter 1 was well below the required condition, with a large portion of billed revenue remaining uncollected. This persistent underperformance necessitates immediate corrective action to prevent further financial strain.

In areas where the municipality directly supplied services, the collection rates were similarly underwhelming, highlighting systemic challenges in revenue recovery. Property rates, while performing slightly better than other categories, still failed to meet the target benchmark, indicating room for improvement in this critical revenue stream. Electricity collections, despite being among the higher-performing categories, remained below the standard, emphasizing the need for more robust and targeted collection strategies even in relatively better-performing areas.

Water revenue collection emerged as a critical area of concern, with an alarmingly low percentage of billed amounts being recovered. This inefficiency presents a significant threat to the municipality's financial stability and demands immediate intervention to rectify the shortfall. Similarly, wastewater services reflected underperformance, with collection rates falling well below the expected target. These gaps further highlight the pressing need for comprehensive reforms in revenue collection practices.

Refuse collection rates, while marginally better than other service categories, still fell short of the benchmark, demonstrating persistent challenges in managing revenue from essential services. Interest collection exhibited critically low performance, pointing to weak revenue management and the necessity for urgent remedial measures in this category.

Encouragingly, early data from the second quarter points to notable improvements in collection rates across several key categories. These advancements reflect the municipality's focused efforts to enhance billing accuracy, enforce effective payment policies, and strengthen revenue recovery processes. In several areas, overall collection rates are now approaching or exceeding the 85% benchmark, signalling positive momentum toward achieving fiscal targets.

While these improvements are commendable, sustained focus and ongoing refinement of collection strategies are essential to solidify these gains. Priority attention must be directed toward underperforming areas such as water and interest collections to ensure the municipality achieves comprehensive financial stability. Immediate action is required to bridge remaining gaps, align revenue collection with fiscal targets, and fortify the municipality's long-term sustainability and service delivery capabilities.

- **Condition 6.8 – Completeness of the revenue base**

Property Rates Reconciliation						
Province:	KZN					
District:	Msunduzi					
Type:	LM					
Municipal Name:	Msunduzi					
GV Period:	01/07/2020 - 30/06/2025					
Financial Year:	2021/2022					
Reconciliation Period:	Quarter 1					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	No. of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	70990	70084	926	57 571 360 751,00	57 413 807 751,00	157 553 000,00
Industrial	162	1148	14	5 365 359 611,00	5 484 823 611,00	119 464 000,00
Business and Commercial	3426	3382	44	20 177 244 740,00	20 066 256 199,00	110 988 541,00
Agricultural	148	148	0	700 733 000,00	702 576 000,00	1843 000,00
Mining	3	3	0	24 716 000,00	24 716 000,00	-
State Owned for Public Purpose	462	424	38	4 918 070 000,00	4 791 781 000,00	126 289 000,00
PSI	50	45	5	95 922 000,00	94 882 000,00	1040 000,00
PBO	112	110	2	1031948 000,00	1027 648 000,00	4 300 000,00
Multi Use	34	33	1	-	-	-
Vacant	4360	4257	103	2 403 976 909,00	2 061 388 000,00	42 587 909,00
POW	0	0	0	-	-	-
Municipal	7426	7799	-373	3 761 326 000,00	3 880 087 000,00	118 761 000,00
Other	160	2440	-1280	1092 032 050,00	1094 305 050,00	2 273 000,00
	89333	89853	-520	96 842 688 061,00	96 642 270 611,00	200 417 450,00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	78 662 319	67 884 339	10 777 979	235 986 955,81	203 653 017,35	32 333 938,46
Industrial	13 055 708	12 838 376	217 332	39 167 125,76	38 515 129,02	651 996,74
Business and Commercial	49 097 962	47 093 811	2 004 151	147 293 896,60	141 281 434,05	6 012 462,55
Agricultural	233 578	223 482	10 096	700 733,00	670 386,66	30 346,34
Mining	60 142	58 083	2 059	180 426,80	174 247,80	6 179,00
State Owned for Public Purpose	11967 304	11236 946	730 358	35 901 911,00	33 710 836,95	2 191 074,05
PSI	22 382	21 586	796	67 145,40	64 757,07	2 388,33
PBO	343 983	-	343 983	1031948,00	-	1031948,00
Multi Use	-	-	-	-	-	-
Vacant	5 277 473	5 001 487	275 986	15 832 418,72	15 004 461,30	827 957,42
POW	-	-	-	-	-	-
Municipal	9 152 560	4 725 096	4 427 464	27 457 679,80	14 175 288,18	13 282 391,62
Other	-	374 312	-374 312	-	1 122 934,71	1 122 934,71
Total	#####	R149 457 497,70	R18 415 912,40	503 620 230,29	448 372 493,09	55 247 737,20

The municipality has identified significant discrepancies in the categorization of properties, which have adversely impacted its ability to accurately assess property taxes and provide essential services. These misclassifications have created inequities in tax assessments, resulting in an uneven distribution of municipal services. Such inconsistencies not only undermine the municipality's financial stability but also erode public trust in its governance. Addressing this issue is a vital step toward ensuring fairness in taxation and fostering equitable service delivery across the community.

To address these challenges, the municipality has developed a comprehensive plan to rectify property classification and valuation errors. This initiative forms a critical component of the municipality's broader financial recovery strategy, aimed not only at correcting current discrepancies but also at preventing similar issues from arising in the future. By aligning property classifications with actual usage and market values, the municipality seeks to create a more transparent and equitable taxation system.

Central to this strategy is the standardization of property assessments. By employing a consistent methodology for categorizing and valuing properties, the municipality aims to improve billing accuracy and reduce the potential for errors. This will ensure that property owners are taxed according to the true value and correct classification of their properties, resulting in a fairer distribution of the tax burden. Additionally, the municipality is committed to enhancing transparency in the assessment process by providing property owners with a clear understanding of how their tax obligations are determined. This transparency is expected to foster trust and cooperation between residents and the municipality.

To support these efforts, the municipality plans to leverage advanced technologies such as Geographic Information Systems (GIS) and data analytics. These tools will enable the municipality to accurately map properties, cross-verify data, and automate elements of the assessment process. By integrating updated and verified property data into its financial systems, the municipality will establish a reliable foundation for future property tax assessments. This approach will not only improve efficiency but also provide the municipality with a clearer picture of its revenue potential.

Accurate property categorization is also expected to enhance the municipality's overall revenue management. With a more predictable and sustainable revenue stream, the municipality will be better equipped to allocate resources effectively. This will ensure that services are distributed equitably and targeted to areas of greatest need. Furthermore, the increased revenue base will strengthen the municipality's financial position, enabling it to plan and execute community development initiatives with greater precision.

Governance and oversight are integral to this plan. The municipality will establish robust mechanisms to monitor and maintain the integrity of the property categorization process. Dedicated oversight teams will ensure that reclassifications are conducted transparently and consistently, while regular audits and database updates will help prevent discrepancies from recurring. This focus on accountability will reinforce public confidence in the municipality's financial management practices.

Community engagement is another critical element of the municipality's plan. Through workshops, consultations, and public information campaigns, the municipality aims to keep property owners informed about the reclassification process, its objectives, and the anticipated benefits. Open communication will help address concerns, dispel misunderstandings, and foster collaboration between residents and municipal officials. This inclusive approach is essential for ensuring the successful implementation of the plan and maintaining community support.

Aligning property categories and valuations will yield significant benefits for both the municipality and its residents. By improving tax collection processes and ensuring equitable taxation, the municipality will enhance its ability to manage resources effectively, deliver essential services, and support local economic growth. Accurate property classification will also enable more targeted service delivery, contributing to an improved quality of life for the community. Through these efforts, the municipality is laying the foundation for long-term financial stability and sustainable development.

- **Condition 6.9 – Monitor and report on compliance**

MFMA S71 Statement component		Compliance (Yes / No)
1.	The Budget Performance Overview (paragraph 4) of the MFMA S71 statement explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) – where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	The conclusion (paragraph 14) of the MFMA S71 statement explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting - i. Any risk associated; and ii. The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	Yes
3.	Annexure B of the MFMA S71 statement included the following debt relief reporting components-	
3.1.1	The municipality's MFMA Circular 124 self-assessment	Yes
3.1.2	The self-assessment (refer 3.1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	Yes
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes/ Incomplete
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D) .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C) .	Yes
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	No
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes

3.7.2	The municipality's proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	Yes
3.7.3	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strings upload.	Yes
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the mayor and / or Mayoral Committee meeting	Yes

The recent Section 71 (S71) statement marks a significant achievement in the municipality's financial management, meeting all required standards and serving as a model for compliance and transparency. This statement provides an in-depth and detailed account of the municipality's budget implementation progress, addressing challenges encountered during the reporting period and detailing corrective measures to ensure continued alignment with its financial objectives.

Fully aligned with the requirements of MFMA Circular 124, the improved S71 statement offers not only a comprehensive overview of revenue and expenditure but also a critical analysis of financial risks and the corresponding mitigation strategies. This detailed and transparent reporting enhances the municipality's ability to safeguard its financial health and fosters accountability. The inclusion of forward-looking strategies demonstrates a proactive approach to addressing underperformance, ensuring long-term financial sustainability.

A key highlight of the statement is the inclusion of Annexure B, which reflects essential elements of debt relief reporting and underscores the municipality's commitment to meeting its debt relief conditions. The annexure provides a detailed analysis of revenue collection performance, identifying areas of success and underperformance. It highlights efforts to improve collection rates, such as strengthening billing systems, enforcing payment policies, and engaging with the community to encourage timely payments. These initiatives are instrumental in closing the revenue gap and ensuring financial stability. Additionally, the report includes a comprehensive review of indigent management practices, ensuring the equitable distribution of subsidies and services. The reconciliation of property rates further demonstrates the municipality's focus on ensuring that properties are accurately assessed and taxed according to their classifications and valuations, reinforcing fairness and transparency in financial practices.

Annexure B also incorporates proof of payment for bulk utility accounts, including electricity and water, to validate compliance with payment arrangements. By maintaining current accounts with service providers such as Eskom and Water Boards, the municipality demonstrates financial discipline and a commitment to sustaining essential service delivery. These actions collectively reflect the municipality's focus on financial responsibility and operational integrity.

These enhancements to the S71 statement and Annexure B reinforce the municipality's dedication to sound financial governance and transparency. By addressing all aspects of debt relief reporting thoroughly, the municipality has strengthened its credibility and positioned itself to achieve financial stability while meeting compliance obligations. The transparent and accountable approach reflected in the statement builds confidence among creditors, oversight

bodies, and the local community, laying the foundation for sustainable financial practices and ensuring effective resource allocation for improved service delivery to residents.

- **Condition 6.10 – National Treasury certification of municipal compliance**

The National Treasury plays a crucial role in administering the Municipal Debt Relief Programme, ensuring that municipalities meet the necessary conditions to effectively manage and reduce their debt burdens. This letter serves as formal confirmation that the municipality has successfully achieved compliance with these requirements, reflecting the National Treasury's ongoing commitment to facilitating a transparent and accountable fiscal recovery process. Reaching this milestone marks a significant step in the municipality's journey toward financial stability and responsible budget management.

The Treasury's oversight is pivotal in promoting financial discipline and accountability within local governments. By certifying compliance, the National Treasury reinforces its dedication to supporting municipalities in maintaining sound fiscal health—a fundamental pillar for the sustainable operation of local government structures. This certification strengthens financial governance frameworks and establishes a solid foundation for long-term stability and improved service delivery, ensuring that municipalities are better prepared to meet the evolving needs of their communities.

Achieving this certification also reflects the municipality's determination to uphold responsible financial practices, enhance public trust, and create a resilient financial environment that supports both current operations and future growth. The collaboration between the municipality and the National Treasury in this process demonstrates a shared commitment to building sustainable, well-governed communities that prioritize the well-being of their residents.

- **Condition 6.11 -Limitation on Municipal borrowing powers**

The regulatory framework that governs municipal borrowing and imposes restrictions on new debt during specified periods of debt relief is designed to promote fiscal responsibility and financial discipline. By enforcing strict oversight of all borrowing activities, this framework ensures that municipalities operate within established limits and adhere to the conditions of the debt relief program. These measures are essential for fostering responsible debt management and reinforcing financial stability by preventing unsustainable borrowing practices.

The restrictions on borrowing during the debt relief period help alleviate short-term financial pressures, allowing municipalities to focus on meeting their existing obligations without compromising long-term fiscal health. This approach ensures that municipalities prioritize financial sustainability and avoid the risks associated with excessive debt accumulation.

Since the launch of its debt relief program on November 1, 2023, the municipality has consistently adhered to these regulations, which has been instrumental in preserving its creditworthiness and financial standing. By complying with these financial and regulatory guidelines, the municipality not only safeguards its current fiscal stability but also enhances its prospects for future financial

opportunities and partnerships. This adherence to sound financial practices strengthens the trust of stakeholders, including residents, investors, and government authorities.

The municipality's commitment to responsible financial management ensures sustainable growth and supports the delivery of essential services to the community. By proactively managing its debt within the regulatory framework, the municipality is building a resilient financial foundation that benefits both current and future generations. This approach underscores the importance of balancing immediate financial needs with long-term fiscal sustainability, ultimately contributing to the municipality's ongoing success and community development.

- **Condition 6.12 – Proper management of resources**

Municipalities are mandated to explicitly report and identify debt relief funds within their monthly financial reports submitted through the mSCOA system. This requirement plays a crucial role in promoting transparency and accountability by ensuring that debt relief funds are accurately tracked and monitored as part of the broader financial management framework.

By embedding this information directly into the mSCOA reporting process, the National Treasury can efficiently oversee the allocation and utilization of these funds without requiring separate bank accounts. This integrated approach streamlines reporting procedures while maintaining rigorous oversight standards, ensuring that debt relief funds are managed responsibly and in alignment with fiscal policies. Ultimately, this system enhances the municipality's ability to demonstrate financial accountability and compliance, reinforcing stakeholder confidence in its financial practices.

- **Condition 13: Proper Allocation and Use of Debt Relief Funds**

Municipalities are mandated to explicitly report and identify debt relief funds within their monthly financial reports submitted through the mSCOA system. This requirement plays a crucial role in promoting transparency and accountability by ensuring that debt relief funds are accurately tracked and monitored as part of the broader financial management framework.

By embedding this information directly into the mSCOA reporting process, the National Treasury can efficiently oversee the allocation and utilization of these funds without requiring separate bank accounts. This integrated approach streamlines reporting procedures while maintaining rigorous oversight standards, ensuring that debt relief funds are managed responsibly and in alignment with fiscal policies. Ultimately, this system enhances the municipality's ability to demonstrate financial accountability and compliance, reinforcing stakeholder confidence in its financial practices.

Debt relief funds must be exclusively allocated for their intended purposes, with municipalities remaining accountable for the proper use of these resources. Condition 13 emphasizes that,

while financial reporting has been simplified by removing the requirement for separate bank accounts, the responsibility to ensure appropriate use of debt relief funds remains paramount. This condition underscores the importance of fiscal responsibility and transparency in managing public resources, ensuring that these funds are not diverted to unintended purposes and that municipalities continue to meet the objectives of the debt relief program.

- **Condition 6.14 – NERSA Licence**

Participation in the Municipal Debt Relief Programme is subject to strict conditions, including a provision that requires municipalities failing to comply with the program's requirements to formally request the National Energy Regulator of South Africa (NERSA) to revoke their electricity supply license under Section 17 of the Electricity Regulation Act of 2006. This stipulation acts as a powerful incentive for municipalities to adhere to the programme's standards and uphold responsible fiscal management.

The revocation of an electricity license is initiated only if a municipality's participation in the programme is terminated due to non-compliance. This requirement underscores the gravity of the commitment expected from municipalities, ensuring they prioritize operational efficiency and financial stability while safeguarding the integrity of public services.

Recommendations:

1. Implement Comprehensive Internal Controls and Risk Management

Strengthen internal control mechanisms to ensure compliance with the conditions of the debt relief programme. Regularly monitor financial operations, reconcile accounts, and implement risk management strategies to prevent discrepancies and financial mismanagement.

2. Prioritize Revenue Collection and Debt Reduction

Focus on improving revenue collection by enhancing billing accuracy, reducing arrears, and increasing collections for property rates, water, and electricity services. Utilize electricity and water supply as effective collection tools to ensure consistent cash flow and reduce outstanding debt with service providers like Eskom.

3. Establish Cost-Reflective Tariffs

Develop and implement a cost-reflective tariff model to ensure tariffs cover the full cost of service delivery. This will help avoid revenue shortfalls, maintain financial stability, and improve the municipality's ability to invest in infrastructure and service improvements.

4. Leverage Technology for Financial Accuracy

Adopt advanced technologies such as Geographic Information Systems (GIS) and data analytics to improve property categorization, billing systems, and financial reporting accuracy. Automate reconciliation processes to ensure alignment with mSCOA standards and reduce manual errors.

5. Enhance Transparency and Accountability

Ensure transparency in the allocation and utilization of debt relief funds through regular reporting and audits. Engage stakeholders, including residents and investors, through clear communication on the municipality's financial performance, progress on debt relief conditions, and corrective measures.

6. Strengthen Governance and Compliance Monitoring

Establish a dedicated compliance task force to oversee adherence to all conditions outlined in MFMA Circular 124. This team should be responsible for tracking performance, preparing compliance reports, and ensuring timely corrective actions to maintain eligibility for debt relief benefits and sustain financial stability.

By implementing these recommendations, the municipality can address its immediate compliance challenges, strengthen financial governance, and ensure the sustainable delivery of essential services.

For enquiries, please feel free to contact Mrs Kgomotso Baloyi on Kgomotso.Baloyi@treasury.gov.za

Kind regards,

KGOMOTSO BALOYI
DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS
DATE:

CC: Mrs Marli van der Woude, MFIP Revenue Advisor – marli@mfip.gov.za

Annexures (November 2024 Compliance Certificates)

NATIONAL TREASURY COMPLIANCE CERTIFICATION:

Annexure A2 - Monthly

Municipal Debt Relief
 MFMA Circular No. 124
 Municipal Finance Management Act No. 56 of 2003

National Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Period: 1 Apr 24 - 30 Apr 24
 National Financial Year: 2024/25
 Demarcation Code of Municipality being assessed: 620426
 District: uMgungundlovu
 Demarcation Description: Msunduzi

I, **[Signature]** hereby certify that the provincial Treasury monitored the compliance against the conditions of Municipal Debt Relief as set out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set out in the table below.

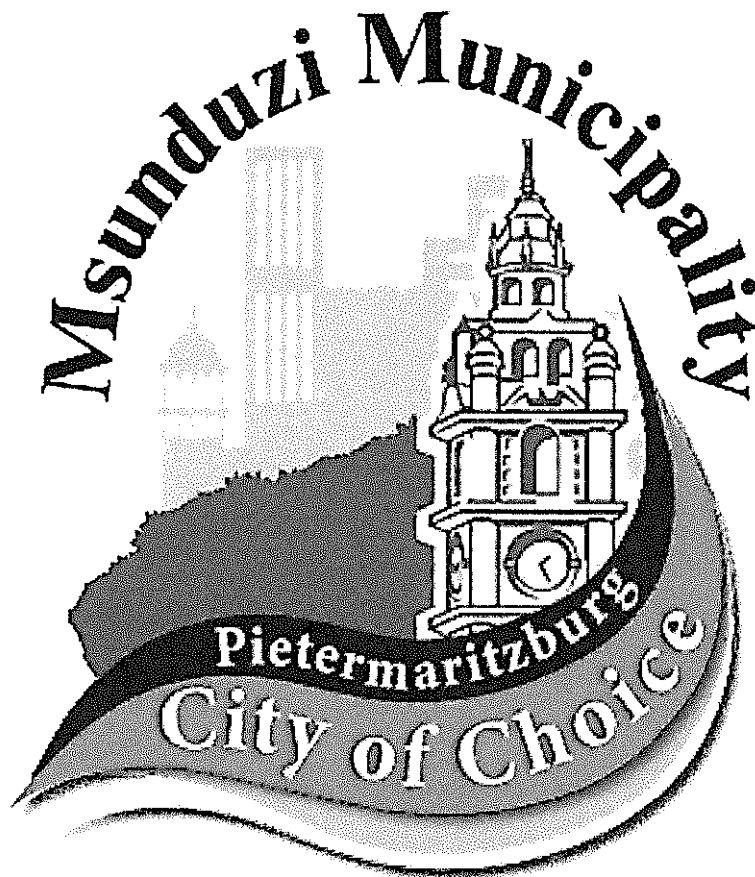
Notes/Comments

Municipal Debt Relief Conditions (Monthly reporting) Choose from drop down

Condition No.	Description	Response	Notes/Comments
6.12.1	Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice and applied to all municipalities, including metros? <i>Note: refer condition 6.12.2</i>	Yes	
6.12.2	Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and the Water Trading Entity within 1 day of making any such payment to the relevant bulk water supplier? <i>Note: refer condition 6.12.1</i>	Yes	
6.12.3	Does the amount of the bulk water current account payment as per the credit of payment on invoice to the amount recorded on the financial system as per the M2024 data filing and the section 41(2) MFMA statement of the Water Board and/or Water Trading Entity?	Yes	
6.13.1	Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note: Account debited in terms of successful debit of account means the total dollar charges for the billing period plus all other components that may be due or terms of a payment arrangement of "new amount" (March 2023 and 2) or subsequent debit and account up to the date of first approval of the condition.</i>	Yes	
6.13.2	Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury and Capem within 1 day of making any such payment to the relevant bulk water supplier, including metros?	Yes	
6.13.3	Does the amount as per the credit of payment on invoice to the amount recorded on the financial system as per the M2024 data filing and the section 41(2) MFMA statement of the Board?	Yes	
6.4.1	Is the municipality's MTRF funded and aligned to the National Treasury's Budget Funding Guidelines? <i>Note: Refer to condition 6.4.2 below for more details.</i>	Yes	
6.4.2	Has the municipality budgeted for any opening's position in the A1 Schedule Table A4 - Budgeted Financial Performance of the Municipal Budget and Reporting Regulations?	Yes	
6.4.3	Has the municipality made adequate provision for debt impairment considering the actual collection of revenue and arrears during the 12 month period(s) covering the taking up of the budget (in the A1 Schedule Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
6.4.4	Has the municipality made adequate provision for expected out-of-balance impairment resulting in debt revenue and opening's position in the A1 Schedule Table A4 - Budgeted Financial Performance of the Municipal Budget and Reporting Regulations?	Yes	
6.4.5	If the municipality's MTRF is not funded, has it raised and allocated a credible Budget Funding Plan as part of the MTRF Budget (refer item 9.1 of MFMA Budget Circular no. 122/20 December 2022)? <i>Note: Refer to condition 6.4.2 below for more details.</i>	Yes	
6.4.6	If the municipality's MTRF is not funded and it has an FRP per the legislative framework, does the existing FRP also contain a credible Budget Funding Plan and the FRP give effect to a funded MTRF over the period of the FRP? (aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122/20 December 2022)? <i>Note: Refer to condition 6.4.2 below for more details.</i>	Yes	
6.4.7	Does the municipality's annual and monthly cashflow projections included in the A1 Schedule Table A4 Budgeted Financial Performance and Supporting Table A4.30 - Budgeted Monthly Cash Flows of the Municipal Budget and Reporting Regulations align with the given offer to the municipality's Budget Funding Plan and FRP (the FRP strategy) and raised (basic or funds (for example higher sector, down tariff, down arrears, reduction rates, etc.)?	Yes	
6.5	Cost reflective tariffs - (including metros) has the municipality included its costed tariff (not refer MFMA Circular no. 39 and item 3.2 of MFMA Budget Circular no. 122) as part of the municipality's annual table and adopted MTRF values (not refer effective taking of the 2023/24 MTRF)?	Yes	
6.6.1	Does the municipality issue a 30-day notice to all consumer property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and sports facilities?	Yes	
6.6.2	Does the municipality determine if electricity service and/or block the purchasing of pre-paid electricity of any defaulting consumer (customer) unless the default is already registered as an indigent consumer with the municipality?	Yes	
6.6.3	Does the municipality restrict and/or interrupting the supply of water of any defaulting consumer property owner unless the default is already registered as an indigent consumer with the municipality? (not refer to the 2023/24 MTRF or the 2024/25 MTRF, but refer to the 2023/24 MTRF or the 2024/25 MTRF, where the MTRF is a condition of a consumer's payment plan).	Yes	
6.6.4	If the defaulting consumer property owners registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer property owner physically restricted to the monthly national basic free electricity and water limit of 50 kilowatt electricity and 6 litres per water respectively? <i>Note: The municipality should submit a report with supporting data to the provincial Treasury on the implementation of the condition.</i>	Yes	

ANNEXURE B

ANNEXURE B
MSUNDUZI MUNICIPALITY
SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2024/2025
FINANCIAL YEAR



SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN MID TERM 2024/2025
PROGRESS REPORT

ANNEXURE A: MONTHLY PROJECTIONS OF REVENUE BY EACH SOURCE - BUDGET YEAR 2024/2025

DESCRIPTION	QUARTER 2 2024 TARGET PROJECTED	QUARTER 2 2024 ACTUAL	REASON FOR DEVIATION	CORRECTIVE MEASURE	SOURCE DOCUMENT
Service charges - Electricity	2 148 913	1 763 911			S71
Service charges - Water	504 880	570 360			S71
Service charges - Waste Water Management	110 362	122 774			S71
Service charges - Waste Management	77 695	72 720			S71
Sale of Goods and Rendering of Services	21 021	0			S71
Agency services	382	1 494			S71
Interest earned from Receivables	115 341	--			S71
Interest earned from Current and Non Current	9 568	223 347			S71
Rental from Fixed Assets	56 981	0			S71
Licence and permits	1 273	15 375			S71
Operational Revenue	102 062	1 116			S71
Non-Exchange Revenue	-	45 475			S71
Property rates	824 676	890 942			S71
Fines, penalties and forfeits	5 844	7 350			S71
Transfer and subsidies - Operational	473 172	673 300			S71
Interest	29 781	13 604			S71
Other Gains	--	273			S71
Total Revenue (excluding capital transfers and contributions)	4 481 952	4 402 040	-		

ANNEXURE B: MONTHLY PROJECTION OF REVENUE COLLECTED BY EACH VOTE - BUDGET YEAR 2024/2025

DESCRIPTION	QUARTER 2 2024 TARGET	QUARTER 2 2024 ACTUAL	REASON FOR DEVIATION	CORRECTIVE MEASURE	SOURCE DOCUMENT
Revenue by Vote					
City Manager	-	-			
City Finance	1 337 801	1 324 041			s71
Corporate Services	2 629	1 509			s71
Community Services and Social Equity	245 193	123 648			s71
Infrastructure Services	770 266	1 220 263			s71
Sustainable Development and City Enterprises	183 284	88 583			s71
Electricity	2 171 266	1 821 943			s71
Total Revenue	4 710 439	4 579 986			

ANNEXURE C: MONTHLY PROJECTION OF OPERATIONAL EXPENDITURE BY VOTE - BUDGET YEAR 2024/2025

DESCRIPTION	QUARTER 2 2024 TARGET PROJECTED	QUARTER 2 2024 ACTUAL	REASON FOR DEVIATION	CORRECTIVE MEASURE	SOURCE DOCUMENT
Employee related costs	923 508	828 331			s71
Remuneration of councillors	33 231	28 619			s71
Bulk purchases - electricity	1 572 559	1 666 651			s71
Inventory consumed	496 705	562 882			s71
Debt impairment	318 000	5 409			s71
Depreciation and amortisation	181 089	196 552			s71
Interest	21 412	9 922			s71
Contracted services	511 641	380 689			s71
Transfers and subsidies	34 835	26 081			s71
Operational costs	97 154	118 351			s71
Total Expenditure	4 190 135	3 823 487			

ANNEXURE D: MONTHLY PROJECTION OF CAPITAL EXPENDITURES BY VOTE - BUDGET YEAR 2024/2025

DESCRIPTION	QUARTER 2 2024 TARGET PROJECTED	QUARTER 2 2024 ACTUAL	REASON FOR DEVIATION	CORRECTIVE MEASURE	SOURCE DOCUMENT
Multi-year expenditure to be					
City Manager	2 500	-			
City Finance	12 500	12 221			s71
Corporate Services	7 100	(2 439)			s71
Community Services and Social Equity	25 416	16 478			s71
Infrastructure Services	156 593	158 388			s71
Sustainable Development and City	77 869	48 335			s71
Electricity	130 027	35 745			s71
Total Capital Expenditure	412 005	268 727			

MSUNDUZI MUNICIPALITY
SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2024/2025 FINANCIAL YEAR

ANNEXURE E



TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2024/2025 -
2024 PROGRESS REPORT

DEPARTMENTAL SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN FOR THE 2024/2025 FINANCIAL YEAR

BUSINESS UNIT: SUSTAINABLE DEVELOPMENT & CITY ENTERPRISES

SD&CE REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT						
						QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT						
						QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5 Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
SD&CE 01	NKPA 3 - LOCAL ECONOMIC DEVELOPMENT	Kilometres of Old Edendale Road upgraded	1,5km of Old Edendale Road upgraded by the 30th June 2025	Kilometres	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
SD&CE 02		Number of work opportunities created through LED development initiatives	1000 x work opportunities created by the 30th of June 2025	Number	N/A	500	500	3 (100% - 129%)	N/A	N/A	N/A	A copy of a CWP narrative report
SD&CE 03		Number of Businesses registered in the Business database	720 x Businesses registered by the 30th of June 2025	Number	N/A	419	360	4 (130% - 149%)	N/A	N/A	N/A	Schedule of Business Registration
SD&CE 04		Number of Businesses inspected for valid Business licences	900 x Businesses inspected by the 30th of June 2025	Number	N/A	722	450	4 (130% - 149%)	Target exceeded due to weekly blitz with internal and external stakeholders	N/A	N/A	Schedule of Businesses visited for compliance, Compliance Notices and Prosecutions issued

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
SD&CE 05		Number of Hectares of land acquired via expropriation	5 x Hectares of land acquired by the 30th of June 2025	Number	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
SD&CE 06		Number of Msunduzi Tourism events participated in as per the approved tourism events calendar	7 x Msunduzi Tourism events participated in by the 30th of June 2025	Number	3 096 246	4	4	3 (100% - 129%)	n/a	n/a	n/a	Events pictures
SD&CE 07		Number of Quarterly Msunduzi Training Workshops for Tourism SMIMES	4 x Quarterly Msunduzi Training Workshops facilitated by the 30th of June 2025	Number	N/A	2	2	3 (100% - 129%)	n/a	n/a	n/a	Invite & Attendance Register
SD&CE 08		Number of Business opportunities created for registered Local Businesses	20 x Business opportunities created by the 30th of June 2025	Number	N/A	10	10	3 (100% - 129%)	N/A	N/A	N/A	A signed client satisfaction form from the supported businesses
SD&CE 09		Number of Cooperatives and SMIMES visited and supported	60 x Cooperatives and SMIMES visited and supported by the 30th of June 2025	Number	N/A	30	30	3 (100% - 129%)	N/A	N/A	N/A	A signed satisfaction form from visited businesses.

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
SD&CE 10	NKPA 6 - CROSS CUTTING	Percentage of Safe City activities completed within Msunduzi Municipality	100% of Safe City activities completed by the 30th of June 2025	Percentage	R 4 553 581.62	100%	100%	3 (100% - 129%)	N/A	N/A	N/A	Sec 87 Report
SD&CE 11		Number of sites baited and/or treated for Vector Control	17 000 sites baited and/or treated by the 30th of June 2025	Number	Please provide the budget information	6 000	8 140	2 (70% - 99%)	AWAITING PO for PR0110010854	To resume program on delivery	ANNUAL TARGET TO BE CORRECTED TO 17 000 (8400 for QTR 2). Two weeks expected	Vector control file
SD&CE 12		Number of water samples taken & analysed for Water Quality Control	1 820 water samples taken & analysed by the 31st of June 2025	Number	WBS O/604347 JAH.000 GL 4000000000	910	1044	3 (100% - 129%)				Register of laboratory results / Listing
SD&CE 13		Number of Final Housing Sector Plan submitted to TMC for onward approval by Council	1 x Final Housing Sector Plan submitted by the 31st of March 2025	Number	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
SD&CE 14		Number of Housing Units constructed	280 x New Housing Units constructed by the 30th of June 2025	Number	N/A	140	91	1 (65% & below)	Slow progress on site due to budget cut	Facilitate with Dohs and seek for guidance in terms of budget.	31-Jan-25	D6 Certificates, Minutes for the Budget cut
SD&CE 15	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Capital Expenditure spent for the Sustainable Development & City Enterprises BU	100% of Capital Expenditure spent by the 30th of June 2025	Percentage	{62,582,019,63 / 155,163,334,12}	50%	40%	1 (65% & below)	The capital expenditure relating to the land acquisition is pending the final of the appropriation	Need to speed up the implementation	30-Jun-25	Capex report

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1, 2, 3, 4, 5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
SD&CE 16		Percentage of Operational Expenditure spent for the Sustainable Development & City Enterprises BU	100% of Operational Expenditure spent by the 30th of June 2025	Percentage	{108,981,526,86 / 302,883,106,38}	50%	35,98%	1 (69% & below)	Cash flow challenges, Funds received late from the sector departments	Need to speed up the implementation	30-Jun-25	Opex report
SD&CE 17	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Posts Filled within the Sustainable Development & City Enterprises unit	75 % of Posts Filled by the 30th June 2025	Percentage	N/A	25%	12,5% (2 posts have been filled)	1 (69% & below)	Shortage of staff in the recruitment section and none appointment of a service provider to capture matrix, caused delays in the filling of the posts	HR support will assist with the capturing of the matrix whilst the process of appointing the service provider is underway	30-Jun-25	HR reports

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1-2,3 & 5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CSE 01	NRP A 2-BASIC SERVICE DELIVERY	Number of households provided with access to weekly Refuse Removal by 30th June 2025	116 000 x households provided with access to weekly Refuse Removal by 30th June 2025	Number	N/A	59182	116000	1 (69% & below)	The domestic refuse household register provided by our billing department has discrepancies in terms of the total/actual number of households reported, noting that the register includes Industrial areas & Eskom areas.	As a result of the finding, the waste management department seeks to appoint a service provider to assist with the reconciliation of households in the billing system with the the number of households that are actually being serviced. The Waste Manager is also manually checking and	The supply chain process has begun to appoint a service provider, time frame will be made possible once service provider is appointed	Pictures and co-ordinates of the skip sites within these wards.Vehicle Ewcop movement report, indigent registers, customer statements, waste collection schedules, waste collection checklists signed by Manager and foreman Domestic waste.
CSE 02		Number of CBD Clean up Campaigns conducted	12 x CBD Clean up Campaigns conducted by the 30th of June 2025	Number	N/A	6	6	3 (100% - 129%)	N/A	N/A	N/A	N/A
CSE 03	NRP A 2-BASIC SERVICE DELIVERY	% of compliance notices Issued	100% compliance notices of Waste Management bylaw contraventions by the 30th of June 2025	Percentage	N/A	100%	100%	3 (100% - 129%)	Thirty five (35) compliance notices were issued for Quarter 2.	N/A	N/A	Copies of compliance notices
CSE 04		Number of swimming pools upgraded (pumps & filtration system in Alex & Olympic)	2 x swimming pools upgraded by 30th June 2025	Number	1				1 (69% & below)	No submission by the sub-unit		

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5/Not-Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CSE 05		Number of community facilities (parks & sports recreation facilities) maintained	6 x community facilities maintained by 30th June 2025	Number	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
CSE 07		Number Disaster Management Plan Reviewed	1 x Disaster Management Plan Reviewed by the 30th June 2025	Date	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
CSE 09		Number of fire & rescue public awareness presentations conducted	120 x awareness presentations conducted by 30th June 2025	Number	N/A	60	60	3 (100% - 125%)	N/A	N/A	N/A	Checklist and attendance register
CSE 11	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	100% of Capital Expenditure spent for the Community Services BU	100% of Capital Expenditure spent by 30th June 2025	Percentage		40%	0%	1 (65% & below)	Information not submitted by the unit			
CSE 12		100% of Operational Expenditure spent for the Community Services BU	100% of Operational Expenditure spent by 30th June 2025	Percentage		40%	0%	1 (65% & below)	Information not submitted by the unit			

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1.2, 3, 4, 5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CSE 13	ORGAANIZATIONAL DEVELOPMENT & TRANSFORMATION	75% of critical posts filled Community Services Unit	70% of posts filled by 30th June 2025	Percentage	26131419.02	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
CSE 14	NKPA 1 - MUNICIPAL TRANSFORMATION & DELIVERY	Number of Integrated Waste Management Plan submitted for Council adoption	1 x Integrated Waste Management Plan submitted by Council by 30th June 2025	Date	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
CSE 15	NKPA 2-BASIC SERVICE DELIVERY	Percentage of construction of New England Road Landfill Site achieved	100% (practical) completion by 30th of June 2025	Percentage		75%	0%	1 (65% & below)	Information not submitted by the unit			
CSE 16	NKPA 2-BASIC SERVICE DELIVERY	Number of non-households with access to weekly refuse removal services	27 500 non-households receiving refuse removal service by 30th of June 2025	Number	N/A	27900	5100	1 (65% & below)	Target not aligned with the billing section's non household refuse register	Mid term adjustment of the target to align it with the billing section non household register.	End December 2024	SAP Non household refuse register, weekly schedules, EW COP, customer statements

TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2024/2025
INFRASTRUCTURE SERVICES

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
IFS 01	NKPA 2 - BASIC SERVICE DELIVERY	% of all water meter applications installed (application based)	90% of all water meter applications installed by the 30th of June 2025	Percentage connection	N/A	90% of all water meter applications installed by 31 December 2024	100% of all water meter applications installed by the 30th of September 2024 21 applications vs 21 connections	2 (70% - 99%)	Mid term Data not updated	Mid term Data not updated	Mid term Data not updated	Mid term Data not updated
IFS 02		% of all new sewer connections completed in various wards as per applications based	100% of all new sewer connections completed by the 30th of June 2025	Percentage connection	N/A	100% of all new sewer connections completed by 31 December 2024	100% of all new sewer connections completed by the 30th of September 2024 5 applications vs 5 connections	2 (70% - 99%)	Mid term Data not updated	Mid term Data not updated	Mid term Data not updated	Mid term Data not updated
IFS 03		Number of VIP Toilets installed.	3000 VIP toilets installed by 30th June 2025.	Number of VIP	18 808 817,25	1750 VIP toilets installed by 31 December 2024	0 VIP toilets installed by 31st December 2024	1 (89% & below)	Award letters issued on 22 November 2024 following which SPs procured material and commenced with deliveries	Commencement of deliveries in Dec 2024. Installations to commence in Jan 2025.	28-Feb-25	Invoices showing purchase of materials and delivery.
IFS 03		KM of water pipeline installed cumulatively	16 KM of water pipes installed cumulatively by the 30th of June 2025	Total No. Of Kilometers	41 039 929,68	13.8km of water pipes installed cumulatively by 31 December 2024	41,286km of water pipes installed cumulatively by 31 December 2024	5 (150% - 167%)	Contractor purchased all pipe at the beginning of the contract thus reducing the waiting period for delivery of pipeline	N/A	N/A	Progress Reports

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT						
						QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
IFS 04		Number of Reservoirs Constructed	1 x 750kl Reservoirs constructed by the 30th of June 2025	Number	0	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
IFS 05		km of sewer pipelines installed	3.5km of new sewer pipeline installed by the 30th of June 2025	Total No of Kilometers	13 542 916,53	1700m of new sewer pipeline installed (Practical Completion) in Ward 21 by 31st October 2024	2 (70% - 99%)	Contractor has achieved practical completion with actual length of pipe laid as 1.7km noting that the contract is remeasurable	N/A	N/A	N/A	Practical completion certificate
IFS 06		% of water leaks/ bursts repaired	80% of mainline bursts repaired by the 30th of June 2025.	Percentage	N/A	99.9% of mainline bursts repaired by 31 December 2024 883 bursts repaired vs 884 reported.	4 (100% - 149%)	N/A	N/A	N/A	N/A	Heat Extract from July 24 to Dec 24 & Monthly Service Delivery Report (awaiting signature of SM). Due to the volume of time
IFS 09		% of sewer blockages resolved	60% of sewer blockages resolved by the 30th of June 2025.	Percentage	N/A	0% of sewer blockages resolved by 31 December 2024. 1355 sewer blockages resolved vs 2051 reported	1 (69% & below)	N/A	N/A	N/A	N/A	Heat Extract from July 24 to Dec 24 & Monthly Service Delivery Report (awaiting signature of
IFS 09		Water Losses reduced to below 30% within the norms and standards	Water Losses reduced to below 30% within the norms and standards of Circular 72 by the 30th of June 2025.	Percentage	N/A	Total Water Losses below 22.4% (YTD) by the 30th of September 2024	4 (130% - 149%)	N/A	N/A	N/A	N/A	IWA Water Balance and supporting documents

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT						
						QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
IFS 10		Number of traffic calming measures constructed annually	18 traffic calming measure installed by the 30th of June 2025	Number of traffic calming measures	0	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
IFS 11		Number of gravel roads upgraded	3.5km of gravel roads upgraded by 30th June 2025 (practically completed).	Kilometers of roads		N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
IFS 12		Number of meters of road marking lines completed	4800 Meters of road marking lines completed by the 30th of June 2025.	Meters of road lines	54008.83	2400Meters of road marking lines completed by 31 December 2024	28 793, 40 Meters of road marking lines completed by 31 December 2024	1 (69% & below)	2 road marking machines were repaired, therefore more meters of centre lines were painted.	N/A	N/A	Job cards
IFS 13		No. of stormwater catchpits maintained	480 x stormwater catchpits maintained by the 30th of June 2025	Number		220 x stormwater catchpits maintained by 31 December 2024	524 x stormwater catchpits maintained by 31 December 2024	1 (69% & below)	more jetting trucks were hired in preparation of the rainy season.	N/A	N/A	Job cards
IFS 14		Squaremeters of pedestrian walkways maintained	2000 squaremeters of pedestrian walkways maintained by the 30th of June 2025	squaremeters of pedestrian walkways		750m ² of pedestrian walkways maintained by 31 December 2024	0m ² of pedestrian walkways maintained by 31 December 2024	1 (69% & below)	Late appointment of contractors	Work will commence in January 2025.	30-Mar-25	Progress reports

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5 (Not Applicable))	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
						16 km of gravel roads maintained by 31 December 2024	1.7 km of gravel roads maintained by 31 December 2024	1 (69% & below)	Citrs requested that gravel roads maintenance budget be capitalised for upgrading of gravel roads to Concrete, N/A	Budget will be capitalised during the mid term review and program commence in N/A	28 February 2025.	Job cards
IFS 16	KM of gravel roads maintained	30 km of gravel roads maintained by the 30th June 2025	100% of Capital Budget spent 30th June 2025	Kilometers of roads		16 km of gravel roads maintained by 31 December 2024	1.7 km of gravel roads maintained by 31 December 2024	1 (69% & below)	Citrs requested that gravel roads maintenance budget be capitalised for upgrading of gravel roads to Concrete, N/A	Budget will be capitalised during the mid term review and program commence in N/A	28 February 2025.	Job cards
IFS 17		12 x major traffic signal repairs by 30th June 2025	100% of Capital Budget spent 30th June 2025	Number of signal repairs	587 489.63	4 x major traffic signal repairs by 31 December 2024	Target met. 4 x major traffic signal repairs by 31 December 2024	1 (69% & below)	N/A	N/A	N/A	Completion certificates
IFS 18	Number of community halls constructed	3 x community halls constructed by 30th June 2025	100% of Capital Budget spent 30th June 2025	Number		N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
IFS 18		1 x sport complex constructed (practically completed) by 30th June 2025	100% of Capital Budget spent 30th June 2025	Number		N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A
IFS 19	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	% of Capital Expenditure spent for the Infrastructure Services Business Unit	100% of Capital Budget spent 30th June 2025	Percentage		40% of Capital Budget spent 31 December 2024	Target not met. % of Capital Budget spent 31 December 2024	1 (69% & below)	Late appointment of contractors	Contractors commenced, programs and cashflows have been submitted and SDBIP will revised in line	30-Mar-25	Finance reports
IFS 20		% of Operational Budget spent for the Infrastructure Services Business Unit	100% of Operational Budget spent by 30th of September 2024	Percentage		40% of Operational Budget spent by 31 December 2024	Target met. 46% of Operational Budget spent by 31 December 2024	1 (69% & below)	N/A	N/A	N/A	N/A

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5; Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
IFS 21	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	50 % of Posts Filled in Infrastructure Services business unit	50 % of Posts Filled in Infrastructure Services business unit by the 30th of June 2025	Percentage		N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A

TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024
ELECTRICITY SUPPLY SERVICES

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT		QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT										
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (12.3.4.5. Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
						15	20	4 (130% - 148%)	More resources were made available at Municipal Stores and more teams were allocated to attend to substation maintenance.	N/A	N/A	
ESS 01	NKPA 2 - BASIC SERVICE DELIVERY	Number of Substations Maintained	30 x Substations Maintained by the 30th of June 2025	Number		15	20	4 (130% - 148%)	More resources were made available at Municipal Stores and more teams were allocated to attend to substation maintenance.	N/A	N/A	Job card or Checklist
ESS 02		Number of households with access to Electricity	300 x new household electricity connections completed by the 30th of June 2025	Number		160	153	2 (70% - 89%)	Delays of receiving material (Cables)	More staff/teams will be allocated to electricity connections	Feb-25	Delivery note
ESS 03		Number of Street lights maintained	15000 x Street lights maintained by the 30th of June 2025	Number		9000	4584	1 (69% - 3160%)	Unavailability of cables led to the delays on the planned maintenance of streetlights.	Follow up with the service provider on the manufacturing and delivery of required cable.	31-Mar-25	Job card and register
ESS 04		Percentage of electricity connections completed as per works order	100% electricity connections completed by the 30th of June 2025	Percentage		1	78.75% (15/19)	2 (70% - 99%)	Challenges with the availability of services cables	SCM to keep enough stock levels of cable	31-Mar-25	Job Cards and Memos

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5: Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
ESS 05		Number of High Mast lights erected	15 X High Mast lights erected by the 30th of June 2025	Number		N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
ESS 06		Percentage of faulty/defective meters	100% of faulty/defective meters Attended/ replaced/ rectified by the 30th of June 2025	Percentage	1	1	99% (768/774)	2 (70% - 99%)	ESS has received the estimated list from Revenue that has meters which are not faulty (disconnected for non payment, meters working correctly, no access etc). 455 faulty meters were	Request Revenue to send a clean list to ESS. ESS to serve relevant notices to properties without access	30-Jun-25	Memos and Register
ESS 07	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Total Percentage of electricity losses reduced to 17%	Total Electricity losses reduced by the 30th of June 2025	Percentage		0,19	0,2367	1 (69% - 8,69%)	Billing figures fluctuate monthly	Auditing of the billing figures is required	31-Mar-25	Quarterly Losses report
ESS 08	NKPA 2 - BASIC SERVICE DELIVERY	Percentage of electricity disconnections attended for non-payment	100% of Electricity disconnections attended by the 30th of June 2025	Percentage		1	100% (31.444/31444)	3 (100% - 129%)	N/A	N/A	N/A	Debt list and Register

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
ESS 09		Percentage reconnections attended for non-payment	100% of Electricity reconnections attended by the 30th of June 2025	Percentage		1	100% (3 186/3 186)	3 (100% - 129%)	N/A	N/A	N/A	Faxes and Register
ESS 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of Capital Expenditure spent for the Electricity Supply Services Business Unit	100% of Capital Expenditure spent by the 30th of June 2025	Percentage		0,6	0,26	1 (69% & below)	The Bid Specification report and SCM processes took longer to finalise	The service providers will be requested to implement the accelerations plans to complete the project by 30 June 2025	Feb-25	Appointment letter
ESS 11		Percentage of Operational Expenditure spent for the Electricity Supply Services Business Unit	100% of Operational Expenditure spent by the 30th of June 2025	Percentage		0,55	0,22	1 (68% & below)	Unavailability of materials	Purchase order for cable and poles has been created and sent to the service provider.	Feb-25	Purchase order
ESS 12	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Critical Posts Filled within the Electricity Supply Services Business Unit	100% of Critical Posts Filled by the 30th of June 2025	Percentage		0,5	0%	1 (60% & below)	Delay shortlisting process POE not submitted	ESS to provide administrative support for fast tracking of shortlisting process.	01/11/2024	NO INFORMATION RECEIVED

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
NATIONAL KEY PERFORMANCE AREA	SDBIP REFERENCE	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5) (Not applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	BTO 01	% of Monthly collection rate of current debt	90% Monthly collection rate of current debt by the 30th June 2025	Percentage	N/A	90%	95%	3 (100% - 123%)	N/A	N/A	N/A	Monthly debtors management report, and resolution
	BTO 02	% of Monthly collection rate of arrear debt	10% Monthly collection rate of arrear debt achieved for the 21/22 FY by the 30th June 2025	Percentage	N/A	10%	0%	3 (65% & below)	There is lack of payment including the appetite for making payments by consumers. Most of the consumers are struggling to make payments towards their current debt.	Revenue Enhancement Team that sits weekly and chaired by the City Manager. Weekly Revenue Collection meetings chaired by Chief Financial Officer. Increased Water Restrictions and Electricity Disconnections. Weekly Monitoring of the Debt Collectors Progress Made. Operation Qoqmail is	30-Jun-25	Monthly age analysis report, SMC report
	BTO 03	% of all electricity and water meters read on a monthly basis	75% of all electricity and water meters read 24/25 FY by the 30th of June 2025	Percentage	N/A	75%	81%	3 (100% - 129%)				

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
NATIONAL KEY PERFORMANCE AREA	SDBIP REFERENCE	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT						
						QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1.2.3.4.5 Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
NKPA 1 - MUNICIPAL TRANSFORMATIO N & ORGANIZATIONAL DEVELOPMENT	BTO 06	Number of Msunduzi Municipality Annual Financial Statement prepared & submitted to the AG	1 x Msunduzi Municipality Annual Financial Statement to the AG by the 31 August 2024	Number	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
	BTO 07	Number of Msunduzi Municipality Consolidated Annual Financial Statement prepared & submitted to the AG	1 x Msunduzi Consolidated Annual Financial Statement submitted to AG by the 30th September 2024	Number	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
	BTO 08	Number of Procurement Plan for the 2024/2025 financial year prepared	1 x Procurement Plan for the 2025/2025 financial year prepared and submitted to SMC for approval by Council by the 30th of June 2025	Number	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	BTO 09	Number of Vehicles Purchased and Delivered for Msunduzi Municipality	10 x Vehicles Purchased and Delivered for Msunduzi Municipality for the 31st of May 2025	Number	5	0	1 (69% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED
	BTO 10	All creditors over 60 days must be paid within 30 days	All creditors must be paid within 30 days from date of receipt of invoice by Expenditure Management unit from suppliers by the 30th of June 2025	Percentage	N/A	1	1 (69% & below)	Degraded- pending POE adjustment	N/A	N/A	N/A	N/A

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
NATIONAL KEY PERFORMANCE AREA	SDBIP REFERENCE	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5 Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
	BTO11	Number of indigent customers registered to receive the free basic services	6 000 indigent customers registered to receive the free basic services by the 30th June 2025	Number	N/A	1500	6079	3 (100% - 129%)	N/A	N/A	N/A	Indigent register, report and resolution.
	BTO12	Number of Draft budget for 2024/25 FY & two outer years prepared & submitted to TMC	1 x Final Draft & Original budget for 2025/26 FY & two outer years prepared & submitted to TMC by the 15th of May 2025	Number	N/A	N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
	BTO13	100% of Capital Expenditure spent for the Budget & Treasury BU	100% of Capital Expenditure spent for the Budget & Treasury BU by the 30th of June 2025	Percentage	N/A	1	45%	1 (59% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED
NKPA 1 - MUNICIPAL TRANSFORMATIO N & ORGANIZATIONAL DEVELOPMENT	BTO 14	75 % of Critical Posts Filled for the Budget & Treasury BU	75 % of Critical Posts Filled Budget & Treasury BU by the 30th of June 2025	Percentage	N/A	25%	0	1 (59% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED

TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN FOR THE 2024/2025 FINANCIAL YEAR

BUSINESS UNIT: CORPORATE SERVICES

		PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT										
		QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT										
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CS 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	Percentage of Legal Services provided within Msunduzi Municipality in line with the SOP	100% of Legal Services provided by the 30th of June 2025	Percentage		100%	100%	3 (100% - 125%)	N/A	N/A	N/A	Legal services POE
CS 02		Percentage of employees trained based on PDPs received from BU's and in accordance to the approved 24/25 Workplace Skills Plan	100% Training of all employees based on PDPs by the 30th of June 2025	Percentage		20%	A total of 156 employees were trained according to PDPs received from Business Units and in accordance to	4 (130% - 145%)	N/A	N/A	N/A	Training Registers of 156 Employees Trained.
CS 03		Number of Top Management Positions filled	1 x Top Management Position filled by the 30th of June 2025	Number		N/A	N/A	NOT APPLICABLE	N/A	N/A	N/A	N/A
CS 04		Number of Employment Equity Implementation Plan Monitoring Report prepared and submitted to TMC for onwards transmission to Council for approval	2 x Reports prepared and submitted to TMC by the 30th of June 2025	Number		1	NO INFORMATION RECEIVED	1 (69% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED
CS 05		Number of Reports on the budget spent for the implementation of the 24/25 FY Workplace Skills Plan	12 x Reports prepared & submitted to TMC by the 30th of June 2025	Number		6	6 x WSP Implementation Reports prepared & submitted to TMC by the 31	3 (100% - 125%)	N/A	N/A	N/A	WSP Implementation Reports for June 2024, July 2024, August 2024, September 2024.
CS 06		Number of Monitoring reports on the 100% filling of critical posts in the Msunduzi Municipality	2 x Monitoring Reports submitted to TMC by the 30th of June 2025	Number		1	NO INFORMATION RECEIVED	1 (69% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED

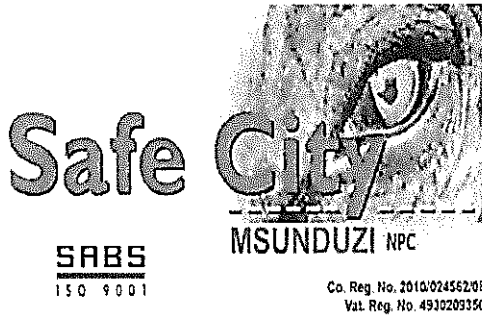
PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT												
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1,2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
CS 07		Percentage of Critical Posts Filled within the Corporate Services unit	100% of Critical Posts filled by the 30th of June 2025	Percentage		20%	NO INFORMATION RECEIVED	1 (69% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED
CS 08	NKPA 5 - GOOD GOVERNANCE & PUBLIC PARTICIPATION	Percentage of Secretariat & Auxiliary Services provided within Msunduzi Municipality in line with the SOP	100% of Secretariat & Auxiliary Services provided by the 30th of June 2025	Percentage	N/A	100%	NO INFORMATION RECEIVED	1 (69% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED
CS 09		Percentage of uptime of all information and communication Technology Solutions	95% uptime by the 30th of June 2025	Percentage		95%	NO INFORMATION RECEIVED	1 (69% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED
CS 10	NKPA 4 - FINANCIAL VIABILITY & MANAGEMENT	Percentage of allocated budget spent on Servers, Data Storage, Network and Routers	100% of allocated budget spent by the 30th of June 2025	Percentage		30%	NO INFORMATION RECEIVED	1 (69% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED
CS 11		Percentage of Capital Expenditure spent for the Corporate Services BU	100% of Capital Expenditure spent by the 30th of June 2025	Percentage		20%	NO INFORMATION RECEIVED	1 (69% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED
CS 12		Percentage of Operational Expenditure spent for the Corporate Services BU	100% of Operational Expenditure spent by the 30th of June 2025	Percentage		20%	NO INFORMATION RECEIVED	1 (69% & below)	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED	NO INFORMATION RECEIVED

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT													
QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT													
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	ANNUAL BUDGET	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (4.2.3-4.5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
MMO 04		100% (5) of CDS Activities completed as per Operational Plan	100% (6) of CDS Activities completed by 30th of June 2025	Percentage	N/A	N/A	100%	60%	1 (69% & below)	The reports for June, July and August 2024 was only finalised & consolidated into 1 report in September 2024, due to delays on the Business Units submissions regarding CBD Regeneration Implementation Plan.	Business Units were advised to ensure attendance at the Regeneration meeting and submit monthly information timetously.	30-Jun-25	1. Missing TMC agenda & Resolution for FRP October report 2. Missing TMC Agenda, Resolution & November 24 FRP report 3. Missing email submission to TMC for November 24 report

TOP LAYER SERVICE DELIVERY & BUDGET IMPLEMENTATION PLAN 2023/2024
OFFICE OF THE MUNICIPAL MANAGER

PERFORMANCE REPORTING 2024/2025 FY - QUARTER 2 (OCTOBER-DECEMBER) 2024 SDBIP REPORT													
SDBIP REFERENCE	NATIONAL KEY PERFORMANCE AREA	INDICATOR	ANNUAL TARGET	UNIT OF MEASURE	ANNUAL BUDGET	BUDGET SPENT AS AT QUARTER 2 2024	QUARTER 2 TARGET	QUARTER 2 ACTUAL	ACTUAL (1.2,3,4,5, Not Applicable)	REASON FOR DEVIATION	CORRECTIVE MEASURE	TIMEFRAME TO IMPLEMENT CORRECTIVE MEASURES	SOURCE DOCUMENT
							100%	100%	3 (100% - 129%)	N/A	N/A	N/A	N/A
MMO 01	NKPA 1 - MUNICIPAL TRANSFORMATION & ORGANIZATIONAL DEVELOPMENT	100% (5) of IDP Activities completed as per Operational Plan	100% (5) of IDP Activities by the 30th of June 2025	Percentage	N/A	N/A	100%	100%	3 (100% - 129%)	N/A	N/A	N/A	All POE in Order
MMO 02		100% (13) of PMS Activities completed as per Operational Plan	100% (13) of PMS Activities completed by 30th of June 2025	Percentage	TBC	N/A	0%	0%	1 (59% & below)	1. The Annual SDBIP 23 24 report was submitted after the July 2024 deadline in August 2024 due to late/non submission of information from Departments	1. DMMs/SMs ensure SDBIP reporting information is submitted per PMS request,	1. 2025/06/30 2. 2025/01/15	1. Draft annual report 23 24 FY, Submission to Ag & Ag confirmation of Submission 2. Missing Submission to Committee officer for Annual 23 24. SDBIP report and Q1 SDBIP report for 24 25
MMO 03		100% (5) of PURP Activities completed as per Operational Plan	100% (5) of PURP Activities completed by 30th of June 2025	Percentage	N/A	N/A	75%	75%	2 (70% - 99%)	2. Draft Annual Report 2023/2024 NOT submitted to AG by the 31st of October 2024	2. In the event of non submission PMS to ensure reports are finalized without some responses to meet the deadline of the KPI	30-Jun-25	1. Missing email to KZN CoGTA and November 24 MSIP report 2. Missing CBD TMC Agenda & Resolution for November 24

ANNEXURE C



The General Manager, P.O. Box 3110, Pietermaritzburg, 3200
Phone/Fax: 033-345 8726/394 0101 Email: lucas@safecity.co.za

Annexure C

15th January 2025

The Municipal Manager
Msunduzi Municipality
Pietermaritzburg

The Chief Financial Officer
Msunduzi Municipality
Pietermaritzburg

SAFE CITY: MID YEAR BUDGET ADJUSTMENT: 2024/25 SUMMARY

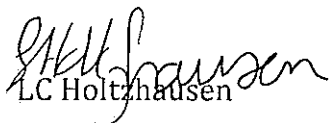
Herewith Safe City's Mid-Year Budget Adjustment summary:

Description	Budget Year +1 2024/25								Budget Year +2 2025/26	Annual target 2023/24
	Original Budget	Prior Adjusted 1	Downward adjusts 2	Parent muni. 3	Unfore. Unavoid. 4	Other Adjusts. 5	Total Adjusts. 6	Adjusted Budget 7	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G		
Financial Performance										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	-	-	-	-	-	-	-	-
Other own revenue	17 421	-	-	-	-	-	-	17 421	18 258	19 125
Total Revenue (excluding capital transfers and contributions)	17 421	-	-	-	-	-	-	17 421	18 258	19 125
Employee costs	13 522	-	-	-	-	-	-	13 522	14 199	14 908
Remuneration of Board Members	-	-	-	-	-	-	-	-	-	-
Depreciation and debt impairment	862	-	-	-	-	-	-	862	881	910
Finance charges	-	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	2 910	-	-	-	-	-	-	2 910	3 024	3 238
Total Expenditure	17 294	-	-	-	-	-	-	17 294	18 104	19 057
Surplus/(Deficit)	127	-	-	-	-	-	-	127	154	68
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-
contributions	127	-	-	-	-	-	-	127	154	68
Income Tax	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	127	-	-	-	-	-	-	127	154	68
Capital expenditure & funds sources										
Capital expenditure	2 753	-	(2 753)	-	-	-	(2 753)	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-	-
Financial position										
Total current assets	1 359	-	-	-	-	-	-	1 359	1 803	1 805
Total non current assets	7 166	-	-	-	-	-	-	7 166	6 806	8 074
Total current liabilities	1 733	-	-	-	-	-	-	1 733	1 807	1 590
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
Community wealth/Equity	6 792	-	-	-	-	-	-	6 792	6 802	8 289
Cash flows										
Net cash from (used) operating	987	-	-	-	-	-	-	987	1 033	1 070
Net cash from (used) investing	(850)	-	-	-	-	-	-	(850)	(84)	(84)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	1 357	-	-	-	-	-	-	1 357	949	986

References

1. Only complete if a previous adjusted budget has been approved in the same financial year. Add an additional column for each previously approved Adjustments Budget
2. Revisions approved in accordance with MFMA section 87(6a)
3. Expenditure of additional allocations from the Parent Municipality in accordance with MFMA section 87(6b)
4. Revisions approved in accordance approved in accordance with MFMA section 87(6c)
5. Revisions approved in accordance approved in accordance with MFMA section 87(6d)
6. $F = B + C + D + E$
7. Adjusted Budget $G = (A \text{ or } A1/2 \text{ etc}) + F$

Yours Faithfully


LC Holtzhausen