

ITEM:



REPORT TO THE MSUNDUZI MUNICIPAL COUNCIL

File Reference: 3.7.P
Report Number: 12

Author: Sifiso Khoza

Designation: SNR MANAGER: BUDGET
PLANNING, IMPLE & MONIT PLAN

CONFIDENTIAL / NOT CONFIDENTIAL

FOR NOTING

1st Level: TMC: 21/07/2025
2nd Level: PORTFOLIO COMMITTEE: 22/07/2025
3rd Level: EXCO: 23/07/2025
4th Level: COUNCIL: 30/07/2025
5th Level: MPAC: 04/08/2025

SUBJECT: SECTION 71/ SECTION 52 (D) OF MFMA NO.56 OF 2003 – MONTHLY BUDGET STATEMENTS AS AT THE END OF JUNE 2025

DATE: 14 JULY 2025

1. PURPOSE

The purpose of the report is to appraise Council concerning Section 71 of the MFMA No. 56 of 2003 regarding monthly budget statements for the period ending 30 June 2025, report is submitted for noting.

2. BACKGROUND

2.1 In terms of Section 71 of MFMA, the Accounting Officer of the Municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month.

- a) Actual revenue, per revenue source;
- b) Actual expenditure, per vote;
- c) Actual capital expenditure, per vote;
- d) The amount of any allocations received and actual expenditure on grant allocations excluding expenditure on the equitable share.
- e) when necessary, an explanation of—

- i. any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - ii. any material variances from the service delivery and budget implementation plan; and
- f) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality has approved budget.

2.2 In addition to the MFMA Section 71 stated above, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

2.3 In addition to the MFMA Section 71 stated above, Section 52(d) further requires the Mayor to, within 30 days of the end of each quarter; submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

3. LEGISLATIVE PROVISIONS / POLICIES

3.1 Section 71/52(d) of the Municipal Finance Management Act No. 56 of 2003

4. MOTIVATION/DISCUSSION

4.1 The MFMA section 71/52(d)

4.2 The Municipal Budget and Reporting Regulation (MBRR) requires that municipality prepare a report to Council on monthly budget statements.

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

N/A

5. IMPLICATIONS:

6.1 FINANCIAL

N/A

6.2 LEGAL

N/A

6.3 COMMUNICATION

N/A

6.4 SERVICE DELIVERY IMPLICATIONS

7. RECOMMENDATIONS

IT IS RECOMMENDED THAT:

- 7.1** Council note Section 71/52(d) report as per MFMA No. 56 of 2003 as at the end of June 2025

8. SUBMITTED BY:



CHIEF FINANCIAL OFFICER (ACTING)

ODWA LANGA

DATE: 14/07/2025.

ANNEXURES:

MFMA No.56 of 2003 Section 71 report.



Msunduzi Municipality
MFMA s71 & s52 (d) Monthly & Quarterly Report

June 2025 Report
Budget & Treasury Office

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PART 1 – IN YEAR REPORT

1.1 Executive Summary

Legislative Requirements

In terms of Section 71 of the MFMA, the Accounting Officer of the Municipality must by no later than 10 working days after the end of each month submit to the Juneor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month.

- ✓ Actual revenue, per revenue source;
- ✓ Actual expenditure, per vote;
- ✓ Actual capital expenditure, per vote;
- ✓ The amount of any allocations received and actual expenditure on grant allocations excluding expenditure on the equitable share.
- ✓ when necessary, an explanation of—
 - any material variances from the municipality's projected revenue by Source, and from the municipality's expenditure projections per vote;
 - any material variances from the service delivery and budget implementation plan; and
- ✓ Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

In terms of Section 52 (d) of the MFMA, The Mayor of the Municipality must within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

FINANCIAL PERFORMANCE

Revenue: The Year to Date (YTD) actual revenue generated as at the end of June amounted to R7.588 billion while the projected (YTD) budget amounted to R8.970 billion (excluding capital transfers and contribution). This means that the municipality generated less revenue as at the end of June than projected. The municipality should continue to monitor closely the revenue collection.

The Year to Date (YTD) actual service charges contributed R4.411 billion towards the total municipal revenue basket; which is 58% of the total revenue basket and Transfers and subsidies contributed R927.483 million which is 13% of the total revenue basket.

Revenue from Rental from Fixed Assets; Electricity Revenue, Interest and Operational Revenue generated the following variances when comparing year to date actual and year to date budget, -73%; -25%, -46% and -67% respectively. The revenue collection from these sources is a less than what was projected for the month of June 2025.

Overall, as at the end of the eleventh month of the 2024/2025 financial year, the municipality generated total revenue of R7.982 billion including capital transfers and contributions against the year-to-date budget of R9.448 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 as at the end of June amounted to R7.162 billion while the YTD budget Operating Expenditure amounted to R7.870 billion.

The operational expenditure is largely defined by bulk purchases (electricity) and employee related costs both accounting 60% of the total operating expenditure incurred for the period ending 30 June 2025. Considering 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 R820.314 Million which includes capital transfers of R394.231 million as at 30 June 2025.

Capital Expenditure: The YTD actual capital expenditure as at the end of June amounted to R786.850 million, the YTD budgeted capital expenditure was R797.049 million resulting in a variance of -1% 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 June amounted to R1.309 billion that is inclusive of equitable share of R822.072 million, other operating grant of R178.566 million and Capital transfers of R307.885 million.

Consumer Debt: The total YTD consumer debt at the end of June 2025 amounted to R8.678 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 - Q4 Fourth 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	1 649 352	122 654	1 565 969	1 649 352	(83 383)	-5%	1 649 352
Service charges	3 696 100	5 683 701	5 610 234	447 326	4 410 507	5 610 234	(1 199 727)	-21%	5 610 234
Investment revenue	106 873	19 135	19 135	-	-	19 135	(19 135)	-100%	19 135
Transfers and subsidies - Operational	824 536	946 343	1 026 395	52 611	980 094	1 026 395	(46 301)	(0)	1 026 395
Other own revenue	579 738	665 372	665 372	63 015	631 441	665 372	(33 930)	-5%	-
Total Revenue (excluding capital transfers and contributions)	6 566 335	8 963 903	8 970 488	685 606	7 588 011	8 970 488	(1 382 477)	-15%	8 970 488
Employee costs	1 612 918	1 860 538	1 786 363	128 040	1 597 480	1 786 363	(188 883)	-11%	1 786 363
Remuneration of Councillors	63 542	66 462	66 462	4 851	58 365	66 462	(8 097)	-12%	66 462
Depreciation and amortisation	361 848	363 041	363 041	(38 631)	329 607	363 041	(33 434)	-9%	363 041
Interest	84 787	42 825	37 825	9 571	59 316	37 825	21 491	57%	37 825
Inventory consumed and bulk purchases	3 592 058	4 138 528	3 900 504	146 206	3 879 069	3 900 504	(21 435)	-1%	3 900 504
Transfers and subsidies	28 450	52 376	52 376	3 203	53 589	52 376	1 213	2%	52 376
Other expenditure	2 357 170	1 856 500	1 663 869	234 709	1 184 502	1 663 869	(479 367)	-29%	1 663 869
Total Expenditure	8 100 773	8 380 270	7 870 440	487 948	7 161 928	7 870 440	(708 512)	-9%	7 870 440
Surplus/(Deficit)	(1 534 439)	583 633	1 100 048	197 658	426 084	1 100 048	(673 965)	-61%	1 100 048
Transfers and subsidies - capital (monetary)	428 105	456 975	477 926	128 604	394 231	477 926	(83 695)	-18%	477 926
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974
Capital expenditure & funds sources									
Capital expenditure	726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049
Capital transfers recognised	395 582	456 975	477 926	104 701	355 709	477 926	(122 217)	-26%	477 926
Borrowing	72 310	234 316	206 616	13 642	84 491	206 616	(122 125)	-59%	206 616
Internally generated funds	258 418	135 473	112 507	165 451	346 650	112 507	234 143	208%	112 507
Total sources of capital funds	726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049
Financial position									
Total current assets	2 040 911	4 114 508	4 347 195		3 535 765				4 347 195
Total non current assets	8 604 430	10 127 020	10 134 952		8 288 328				10 134 952
Total current liabilities	3 853 354	2 372 667	1 887 153		3 397 029				1 887 153
Total non current liabilities	733 130	1 223 486	1 223 486		844 059				1 223 486
Community wealth/Equity	6 058 857	10 645 376	11 371 509		7 583 005				11 371 509
Cash flows									
Net cash from (used) operating	611 952	596 372	777 302	-	-	777 302	777 302	100%	777 302
Net cash from (used) investing	(674 404)	(826 764)	(797 049)	-	-	(797 049)	(797 049)	100%	(797 049)
Net cash from (used) financing	42 005	144 316	184 316	-	-	184 316	184 316	100%	184 316
Cash/cash equivalents at the month/year end	490 955	457 452	660 562	-	-	660 562	660 562	100%	660 562
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	888 919	146 489	149 799	139 493	151 690	137 882	856 273	6 207 485	8 678 029
Creditors Age Analysis									
Total Creditors	780 609	284 300	149 555	243 028	1 890 923	-	-	-	3 348 415

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

KZN225 Msunduzi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q4 Fourth 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	2 687 713	175 833	2 271 943	2 687 713	(415 770)	-15%	2 687 713
Executive and council		4 701	-	-	4	2 092	-	2 092		-
Finance and administration		2 038 007	2 688 151	2 687 713	175 828	2 269 851	2 687 713	(417 861)	-16%	2 687 713
Internal audit		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		225 252	525 429	322 789	59 099	183 058	322 789	(139 732)	-43%	322 789
Community and social services		63 389	307 323	106 951	10 158	29 366	106 951	(77 584)	-73%	106 951
Sport and recreation		4 912	23 527	30 479	2 110	12 978	30 479	(17 501)	-57%	30 479
Public safety		25 017	9 173	9 173	474	16 670	9 173	7 497	82%	9 173
Housing		131 933	185 406	176 187	46 357	124 043	176 187	(52 143)	-30%	176 187
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		167 412	86 692	150 008	39 995	141 609	150 008	(8 399)	-6%	150 008
Planning and development		118 230	31 697	44 121	12 480	52 142	44 121	8 021	18%	44 121
Road transport		48 423	50 000	100 893	27 269	88 588	100 893	(12 305)	-12%	100 893
Environmental protection		758	4 994	4 994	245	880	4 994	(4 115)	-82%	4 994
<i>Trading services</i>		4 506 712	5 997 734	6 164 112	536 373	5 342 785	6 164 112	(821 327)	-13%	6 164 112
Energy sources		2 671 690	4 347 604	4 275 322	285 852	3 179 846	4 275 322	(1 095 476)	-26%	4 275 322
Water management		1 308 245	1 219 122	1 282 859	170 480	1 556 298	1 282 859	273 439	21%	1 282 859
Waste water management		332 250	262 027	436 950	60 817	424 102	436 950	(12 848)	-3%	436 950
Waste management		194 527	168 980	168 980	19 223	182 539	168 980	13 559	8%	168 980
<i>Other</i>	4	52 357	122 873	123 792	2 912	42 846	123 792	(80 946)	-65%	123 792
Total Revenue - Functional	2	6 994 440	9 420 878	9 448 414	814 210	7 982 242	9 448 414	(1 466 172)	-16%	9 448 414
Expenditure - Functional										
<i>Governance and administration</i>		1 394 784	1 659 708	2 298 235	139 915	1 126 080	2 298 235	(1 172 155)	-51%	2 298 235
Executive and council		154 336	165 981	146 477	10 518	134 409	146 477	(12 068)	-8%	146 477
Finance and administration		1 215 285	1 465 568	2 137 732	124 353	956 832	2 137 732	(1 180 900)	-55%	2 137 732
Internal audit		25 163	28 159	14 026	5 045	34 838	14 026	20 812	148%	14 026
<i>Community and public safety</i>		639 573	706 899	544 341	47 374	578 173	544 341	33 833	6%	544 341
Community and social services		154 233	250 699	139 956	14 243	155 000	139 956	15 044	11%	139 956
Sport and recreation		152 619	121 147	111 321	10 311	131 039	111 321	19 718	18%	111 321
Public safety		221 231	244 183	182 050	15 094	214 739	182 050	32 689	18%	182 050
Housing		101 531	81 137	102 330	7 061	69 151	102 330	(33 179)	-32%	102 330
Health		9 958	9 734	8 683	665	8 244	8 683	(438)	-5%	8 683
<i>Economic and environmental services</i>		478 065	640 339	504 260	65 884	482 768	504 260	(21 492)	-4%	504 260
Planning and development		97 778	161 556	135 355	11 336	97 787	135 355	(37 568)	-28%	135 355
Road transport		354 437	449 622	337 085	51 302	356 448	337 085	19 363	6%	337 085
Environmental protection		25 850	29 161	31 820	3 246	28 534	31 820	(3 286)	-10%	31 820
<i>Trading services</i>		5 510 615	5 278 294	4 462 720	230 124	4 882 926	4 462 720	420 206	9%	4 462 720
Energy sources		3 380 460	3 749 119	3 151 352	34 434	3 136 703	3 151 352	(14 649)	0%	3 151 352
Water management		1 504 796	1 010 945	862 093	131 659	1 225 981	862 093	363 888	42%	862 093
Waste water management		434 826	369 521	334 845	44 665	388 980	334 845	54 135	16%	334 845
Waste management		190 532	148 709	114 430	19 367	131 262	114 430	16 833	15%	114 430
<i>Other</i>		77 737	95 029	60 884	4 651	91 981	60 884	31 096	51%	60 884
Total Expenditure - Functional	3	8 100 773	8 380 270	7 870 440	487 948	7 161 928	7 870 440	(708 512)	-9%	7 870 440
Surplus/ (Deficit) for the year		(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974

References

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) - Q4 Fourth 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		-	-	-	-	(0)	-	(0)		-
Vote 2 - City Finance		2 025 042	2 675 603	2 675 603	172 577	2 256 090	2 675 603	(419 513)	-15,7%	2 675 603
Vote 3 - Corporate Services		2 110	3 166	2 578	1 143	2 918	2 578	340	13,2%	2 578
Vote 4 - Community Services and Social Equity		292 947	492 478	323 834	31 519	243 130	323 834	(80 704)	-24,9%	323 834
Vote 5 - Infrastructure Services		1 696 701	1 540 531	2 048 154	258 307	2 077 113	2 048 154	28 959	1,4%	2 048 154
Vote 6 - Sustainable Development and City Enterprises		304 119	366 567	354 076	62 532	220 850	354 076	(133 227)	-37,6%	354 076
Vote 7 - Electricity		2 673 986	4 342 533	4 044 169	288 131	3 182 142	4 044 169	(862 027)	-21,3%	4 044 169
Total Revenue by Vote	2	6 994 905	9 420 878	9 448 414	814 210	7 982 242	9 448 414	(1 466 172)	-15,5%	9 448 414
Expenditure by Vote	1									
Vote 1 - City Manager		195 836	191 820	157 226	17 195	177 996	157 226	20 770	13,2%	157 226
Vote 2 - City Finance		722 564	1 166 932	1 110 450	66 092	469 313	1 110 450	(641 136)	-57,7%	1 110 450
Vote 3 - Corporate Services		201 261	198 304	185 426	22 493	194 742	185 426	9 316	5,0%	185 426
Vote 4 - Community Services and Social Equity		970 678	859 070	796 597	96 308	902 638	796 597	106 041	13,3%	796 597
Vote 5 - Infrastructure Services		2 321 845	1 881 447	1 926 440	225 991	1 987 613	1 926 440	61 174	3,2%	1 926 440
Vote 6 - Sustainable Development and City Enterprises		308 983	331 869	342 802	25 437	293 024	342 802	(49 777)	-14,5%	342 802
Vote 7 - Electricity		3 380 072	3 750 828	3 351 501	34 433	3 136 600	3 351 501	(214 900)	-6,4%	3 351 501
Total Expenditure by Vote	2	8 101 239	8 380 270	7 870 440	487 948	7 161 928	7 870 440	(708 512)	-9,0%	7 870 440
Surplus/ (Deficit) for the year	2	(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48,0%	1 577 974

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 June 2025.

KZN225 Msunduzi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth 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											
Revenue											
Exchange Revenue											
Service charges - Electricity			2 630 641	4 297 825	4 224 358	328 974	3 153 677	4 224 358	(1 070 681)	-25%	4 224 358
Service charges - Water			740 741	1 009 760	1 009 760	81 850	891 663	1 009 760	(118 097)	-12%	1 009 760
Service charges - Waste Water Management			198 015	220 725	220 725	22 784	225 697	220 725	4 972	2%	220 725
Service charges - Waste management			126 704	155 391	155 391	13 718	139 470	155 391	(15 921)	-10%	155 391
Sale of Goods and Rendering of Services			14 947	42 043	42 043	-	-	42 043	(42 043)	-100%	42 043
Agency services			2 667	765	765	(548)	3 014	765	2 249	294%	765
Interest			-	-	-	-	-	-	-	-	-
Interest earned from Receivables			325 984	230 682	230 682	56 144	461 529	230 682	230 847	100%	230 682
Interest from Current and Non Current Assets			106 873	19 135	19 135	-	-	19 135	(19 135)	-100%	19 135
Dividends			-	-	-	-	-	-	-	-	-
Renton Land			-	-	-	-	-	-	-	-	-
Rental from Fixed Assets			33 590	113 962	113 962	2 993	30 698	113 962	(83 264)	-73%	113 962
Licence and permits			2 021	2 547	2 547	134	1 932	2 547	(615)	-24%	2 547
Operational Revenue			53 620	204 124	204 124	(13 276)	67 950	204 124	(136 174)	-67%	204 124
Non-Exchange Revenue											
Property rates			1 359 087	1 649 353	1 649 352	122 654	1 565 969	1 649 352	(83 383)	-5%	1 649 352
Surcharges and Taxes			-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			34 278	11 687	11 687	1 905	19 505	11 687	7 818	67%	11 687
Licence and permits			-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational			824 536	946 343	1 026 395	52 611	980 094	1 026 395	(46 301)	-5%	1 026 395
Interest			44 118	59 562	59 562	4 713	32 221	59 562	(27 342)	-46%	59 562
Fuel Levy			-	-	-	-	-	-	-	-	-
Operational Revenue			-	-	-	-	-	-	-	-	-
Gains on disposal of Assets			-	-	-	-	-	-	-	-	-
Other Gains			68 514	-	-	10 951	14 593	-	14 593	-	-
Discontinued Operations			-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			6 566 335	8 963 903	8 970 488	685 606	7 588 011	8 970 488	(1 382 477)	-15%	8 970 488
Expenditure By Type											
Employee related costs			1 612 918	1 860 538	1 786 363	128 040	1 597 480	1 786 363	(188 883)	-11%	1 786 363
Remuneration of councillors			63 542	66 462	66 462	4 851	58 365	66 462	(8 097)	-12%	66 462
Bulk purchases - electricity			2 714 396	3 145 119	3 145 119	12 066	2 710 967	3 145 119	(434 151)	-14%	3 145 119
Inventory consumed			877 662	993 409	755 385	134 140	1 168 102	755 385	412 716	55%	755 385
Debtimpairment			1 143 098	636 000	636 000	471	15 911	636 000	(620 089)	-97%	636 000
Depreciation and amortisation			361 848	363 041	363 041	(38 631)	329 607	363 041	(33 434)	-9%	363 041
Interest			84 787	42 825	37 825	9 571	59 316	37 825	21 491	57%	37 825
Contracted services			918 493	1 024 663	818 471	221 382	972 633	818 471	154 161	19%	818 471
Transfers and subsidies			28 450	52 376	52 376	3 203	53 589	52 376	1 213	2%	52 376
Irrecoverable debts written off			22 524	-	-	-	-	-	-	-	-
Operational costs			229 249	195 837	209 398	12 050	194 956	209 398	(14 442)	-7%	209 398
Losses on Disposal of Assets			14 049	-	-	-	-	-	-	-	-
Other Losses			29 757	-	-	805	1 002	-	1 002	-	-
Total Expenditure			8 100 773	8 380 270	7 870 440	487 948	7 161 928	7 870 440	(708 512)	-9%	7 870 440
Surplus/(Deficit)			(1 534 439)	583 633	1 100 048	197 658	426 084	1 100 048	(673 965)	-61%	1 100 048
Transfers and subsidies - capital (monetary allocations)			428 105	456 975	477 926	128 604	394 231	477 926	(83 695)	-18%	477 926
Transfers and subsidies - capital (in-kind)			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974
Income Tax			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax			(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974
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	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974
Share of Surplus/Deficit attributable to Associate			-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions			-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year			(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974

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) - Q4 Fourth 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	850	157	157	850	(693)	-82%	850
Vote 2 - City Finance		10 485	25 000	25 000	306	16 019	25 000	(8 981)	-36%	25 000
Vote 3 - Corporate Services		5 072	6 575	6 835	211	759	6 835	(6 076)	-89%	6 835
Vote 4 - Community Services and Social Equity		70 000	42 153	34 601	23 614	49 599	34 601	14 998	43%	34 601
Vote 5 - Infrastructure Services		291 474	284 464	349 088	171 206	432 996	349 088	83 909	24%	349 088
Vote 6 - Sustainable Development and City Enterprises		168 625	153 599	155 162	31 207	125 603	155 162	(29 559)	-19%	155 162
Vote 7 - Electricity		116 839	237 331	178 658	34 557	111 135	178 658	(67 523)	-38%	178 658
Total Capital Multi-year expenditure	4,7	662 496	786 566	750 193	261 257	736 268	750 193	(13 925)	-2%	750 193
Single Year expenditure appropriation	2									
Vote 1 - City Manager		6 003	5 000	6 400	474	1 663	6 400	(4 737)	-74%	6 400
Vote 2 - City Finance		5 571	–	1 300	1 943	1 943	1 300	643	49%	1 300
Vote 3 - Corporate Services		15 256	7 525	11 871	908	15 375	11 871	3 504	30%	11 871
Vote 4 - Community Services and Social Equity		8 052	8 780	9 090	7 424	7 789	9 090	(1 301)	-14%	9 090
Vote 5 - Infrastructure Services		15 179	10 000	10 092	9 173	16 231	10 092	6 138	61%	10 092
Vote 6 - Sustainable Development and City Enterprises		843	4 893	2 502	2 615	3 605	2 502	1 103	44%	2 502
Vote 7 - Electricity		12 909	4 000	5 600	–	3 977	5 600	(1 623)	-29%	5 600
Total Capital single-year expenditure	4	63 814	40 198	46 856	22 537	50 582	46 856	3 726	8%	46 856
Total Capital Expenditure		726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049
Capital Expenditure - Functional Classification										
Governance and administration		43 055	45 300	32 448	7 629	39 658	32 448	7 210	22%	32 448
Executive and council		6 003	5 100	7 650	631	1 819	7 650	(5 831)	-76%	7 650
Finance and administration		37 052	40 200	24 798	6 998	37 839	24 798	13 041	53%	24 798
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		117 916	171 104	149 294	36 254	121 331	149 294	(27 963)	-19%	149 294
Community and social services		39 760	24 745	16 970	7 441	10 456	16 970	(6 515)	-38%	16 970
Sport and recreation		5 256	11 933	12 166	6 973	15 930	12 166	3 764	31%	12 166
Public safety		724	4 853	2 100	1 739	2 100	2 100	(361)	-17%	2 100
Housing		72 176	129 574	118 058	20 100	93 207	118 058	(24 851)	-21%	118 058
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		247 500	139 974	183 682	136 308	335 205	183 682	151 522	82%	183 682
Planning and development		92 996	23 150	36 591	11 175	32 313	36 591	(4 278)	-12%	36 591
Road transport		154 504	116 824	147 091	125 134	302 892	147 091	155 801	106%	147 091
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		314 321	467 535	428 774	101 573	287 723	428 774	(141 051)	-33%	428 774
Energy sources		129 749	260 054	238 758	34 557	115 112	238 758	(123 646)	-52%	238 758
Water management		78 803	100 375	80 258	31 219	78 162	80 258	(2 096)	-3%	80 258
Waste water management		78 088	97 047	102 698	22 084	66 142	102 698	(36 557)	-36%	102 698
Waste management		27 681	10 060	7 060	13 713	28 307	7 060	21 247	301%	7 060
Other		3 518	2 850	2 850	2 031	2 933	2 850	83	3%	2 850
Total Capital Expenditure - Functional Classification	3	726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049
Funded by:										
National Government		302 791	325 817	345 980	72 562	247 897	345 980	(98 083)	-28%	345 980
Provincial Government		92 791	131 158	131 946	32 139	107 812	131 946	(24 134)	-18%	131 946
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions)		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		395 582	456 975	477 926	104 701	355 709	477 926	(122 217)	-26%	477 926
Borrowing	6	72 310	234 316	206 616	13 642	84 491	206 616	(122 125)	-59%	206 616
Internally generated funds		258 418	135 473	112 507	165 451	346 650	112 507	234 143	208%	112 507
Total Capital Funding		726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049

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 30 June 2025.

KZN225 Msunduzi - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth 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	374 181	(2 589)	374 181
Trade and other receivables from exchange transactions		728 825	2 649 262	2 649 262	2 400 135	2 649 262
Receivables from non-exchange transactions			811 010	811 010	–	811 010
Current portion of non-current receivables			–	–	–	–
Inventory		498 281	442 453	512 740	504 817	512 740
VAT			–	–	–	–
Other current assets		322 851	–	3	633 402	3
Total current assets		2 040 911	4 114 508	4 347 195	3 535 765	4 347 195
Non current assets						
Investments			–	–	–	–
Investment property		922 392	974 256	974 256	928 408	974 256
Property, plant and equipment		7 250 531	8 754 770	8 761 902	7 339 601	8 761 902
Biological assets			80 958	80 958	446	80 958
Living and non-living resources		534	–	–	–	–
Heritage assets		323 520	291 270	291 270	–	291 270
Intangible assets		24 753	25 766	26 566	19 873	26 566
Trade and other receivables from exchange transactions			–	–	–	–
Non-current receivables from non-exchange transactions			–	–	–	–
Other non-current assets		82 700	–	–	–	–
Total non current assets		8 604 430	10 127 020	10 134 952	8 288 328	10 134 952
TOTAL ASSETS		10 645 342	14 241 528	14 482 148	11 824 093	14 482 148
LIABILITIES						
Current liabilities						
Bank overdraft			–	–	–	–
Financial liabilities		50 311	(11 273)	28 727	35 059	28 727
Consumer deposits		152 248	150 719	150 719	166 883	150 719
Trade and other payables from exchange transactions		3 221 548	1 713 734	1 644 770	3 142 163	1 644 770
Trade and other payables from non-exchange transactions		12 567	–	–	–	–
Provision		6 108	61 739	62 937	52 923	62 937
VAT		174 005	457 747	–	–	–
Other current liabilities		236 567	–	–	–	–
Total current liabilities		3 853 354	2 372 667	1 887 153	3 397 029	1 887 153
Non current liabilities						
Financial liabilities		116 275	559 919	559 919	–	559 919
Provision		44 650	80 111	80 111	–	80 111
Long term portion of trade payables			–	–	315 532	–
Other non-current liabilities		572 205	583 456	583 456	528 528	583 456
Total non current liabilities		733 130	1 223 486	1 223 486	844 059	1 223 486
TOTAL LIABILITIES		4 586 484	3 596 153	3 110 639	4 241 088	3 110 639
NET ASSETS	2	6 058 857	10 645 376	11 371 509	7 583 005	11 371 509
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 833 209	10 645 376	11 301 222	7 251 928	11 301 222
Reserves and funds		104 699			331 077	
Other		120 950		70 287	–	70 287
TOTAL COMMUNITY WEALTH/EQUITY	2	6 058 857	10 645 376	11 371 509	7 583 005	11 371 509

Consolidated Budget Tables (With Municipal Entity: Safe City)

KZN225 Msunduzi - Table C1 Consolidated Monthly Budget Statement Summary - Q4 Fourth 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	1 649 352	122 654	1 565 969	1 649 352	(83 383)	-5%	1 649 352
Service charges	3 696 100	5 683 701	5 610 234	447 326	4 410 507	5 610 234	(1 199 727)	-21%	5 610 234
Investment revenue	106 873	19 135	19 135	-	-	19 135	(19 135)	-100%	19 135
Transfers and subsidies - Operational	824 536	946 343	1 026 395	52 611	980 094	1 026 395	(46 301)	(0)	1 026 395
Other own revenue	579 738	665 372	665 372	63 015	631 441	665 372	(33 930)	-5%	-
Total Revenue (excluding capital transfers and contributions)	6 566 335	8 963 903	8 970 488	685 606	7 588 011	8 970 488	(1 382 477)	-15%	8 970 488
Employee costs	1 612 918	1 860 538	1 786 363	129 043	1 610 414	1 786 363	(175 949)	-10%	1 786 363
Remuneration of Councillors	63 542	66 462	66 462	4 851	58 365	66 462	(8 097)	-12%	66 462
Depreciation and amortisation	361 848	363 041	363 041	(38 576)	330 280	363 041	(32 761)	-9%	363 041
Interest	84 787	42 825	37 825	9 571	59 316	37 825	21 491	57%	37 825
Inventory consumed and bulk purchases	3 592 058	4 138 528	3 900 504	146 206	3 879 069	3 900 504	(21 435)	-1%	3 900 504
Transfers and subsidies	28 450	52 376	52 376	2 042	38 099	52 376	(14 276)	-27%	52 376
Other expenditure	2 357 170	1 856 500	1 663 869	234 811	1 186 385	1 663 869	(477 484)	-29%	1 663 869
Total Expenditure	8 100 773	8 380 270	7 870 440	487 948	7 161 928	7 870 440	(708 512)	-9%	7 870 440
Surplus/(Deficit)	(1 534 439)	583 633	1 100 048	197 658	426 084	1 100 048	(673 965)	-61%	1 100 048
Transfers and subsidies - capital (monetary)	428 105	456 975	477 926	128 604	394 231	477 926	(83 695)	-18%	477 926
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974
Capital expenditure & funds sources									
Capital expenditure	726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049
Capital transfers recognised	395 582	456 975	477 926	104 701	355 709	477 926	(122 217)	-26%	477 926
Borrowing	72 310	234 316	206 616	13 642	84 491	206 616	(122 125)	-59%	206 616
Internally generated funds	258 418	135 473	112 507	165 451	346 650	112 507	234 143	208%	112 507
Total sources of capital funds	726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049
Financial position									
Total current assets	2 040 911	4 114 508	4 347 195		3 537 949				4 347 195
Total non current assets	8 604 430	10 127 020	10 134 952		8 294 495				10 134 952
Total current liabilities	3 853 354	2 372 667	1 887 153		3 398 054				1 887 153
Total non current liabilities	733 130	1 223 486	1 223 486		844 059				1 223 486
Community wealth/Equity	6 058 857	10 645 376	11 371 509		7 590 330				11 371 509
Cash flows									
Net cash from (used) operating	611 952	596 372	777 302	-	-	777 302	777 302	100%	777 302
Net cash from (used) investing	(674 404)	(826 764)	(797 049)	-	-	(797 049)	(797 049)	100%	(797 049)
Net cash from (used) financing	42 005	144 316	184 316	-	-	184 316	184 316	100%	184 316
Cash/cash equivalents at the month/year end	490 955	457 452	660 562	-	-	660 562	660 562	100%	660 562
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	888 919	146 489	149 799	139 493	151 690	137 882	856 273	6 207 485	8 678 029
Creditors Age Analysis									
Total Creditors	780 609	284 300	149 555	243 028	1 890 923	-	-	-	3 348 415

KZN225 Msunduzi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - Q4 Fourth Quarter

Description	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		2 042 708	2 688 151	2 687 713	175 833	2 271 943	2 687 713	(415 770)	-15%	2 687 713
Executive and council		4 701	—	—	4	2 092	—	2 092		—
Finance and administration		2 038 007	2 688 151	2 687 713	175 828	2 269 851	2 687 713	(417 861)	-16%	2 687 713
Internal audit		—	—	—	—	—	—	—		—
<i>Community and public safety</i>		225 252	525 429	322 789	59 099	183 058	322 789	(139 732)	-43%	322 789
Community and social services		63 389	307 323	106 951	10 158	29 366	106 951	(77 584)	-73%	106 951
Sport and recreation		4 912	23 527	30 479	2 110	12 978	30 479	(17 501)	-57%	30 479
Public safety		25 017	9 173	9 173	474	16 670	9 173	7 497	82%	9 173
Housing		131 933	185 406	176 187	46 357	124 043	176 187	(52 143)	-30%	176 187
Health		—	—	—	—	—	—	—		—
<i>Economic and environmental services</i>		167 412	86 692	150 008	39 995	141 609	150 008	(8 399)	-6%	150 008
Planning and development		118 230	31 697	44 121	12 480	52 142	44 121	8 021	18%	44 121
Road transport		48 423	50 000	100 893	27 269	88 588	100 893	(12 305)	-12%	100 893
Environmental protection		758	4 994	4 994	245	880	4 994	(4 115)	-82%	4 994
<i>Trading services</i>		4 506 712	5 997 734	6 164 112	536 373	5 342 785	6 164 112	(821 327)	-13%	6 164 112
Energy sources		2 671 690	4 347 604	4 275 322	285 852	3 179 846	4 275 322	(1 095 476)	-26%	4 275 322
Water management		1 308 245	1 219 122	1 282 859	170 480	1 556 298	1 282 859	273 439	21%	1 282 859
Waste water management		332 250	262 027	436 950	60 817	424 102	436 950	(12 848)	-3%	436 950
Waste management		194 527	168 980	168 980	19 223	182 539	168 980	13 559	8%	168 980
<i>Other</i>	4	52 357	122 873	123 792	2 912	42 846	123 792	(80 946)	-65%	123 792
Total Revenue - Functional	2	6 994 440	9 420 878	9 448 414	814 210	7 982 242	9 448 414	(1 466 172)	-16%	9 448 414
Expenditure - Functional										
<i>Governance and administration</i>		1 394 784	1 659 708	2 298 235	139 915	1 126 080	2 298 235	(1 172 155)	-51%	2 298 235
Executive and council		154 336	165 981	146 477	10 518	134 409	146 477	(12 068)	-8%	146 477
Finance and administration		1 215 285	1 465 568	2 137 732	124 353	956 832	2 137 732	(1 180 900)	-55%	2 137 732
Internal audit		25 163	28 159	14 026	5 045	34 838	14 026	20 812	148%	14 026
<i>Community and public safety</i>		639 573	706 899	544 341	47 374	578 173	544 341	33 833	6%	544 341
Community and social services		154 233	250 699	139 956	14 243	155 000	139 956	15 044	11%	139 956
Sport and recreation		152 619	121 147	111 321	10 311	131 039	111 321	19 718	18%	111 321
Public safety		221 231	244 183	182 050	15 094	214 739	182 050	32 689	18%	182 050
Housing		101 531	81 137	102 330	7 061	69 151	102 330	(33 179)	-32%	102 330
Health		9 958	9 734	8 683	665	8 244	8 683	(438)	-5%	8 683
<i>Economic and environmental services</i>		478 065	640 339	504 260	65 884	482 768	504 260	(21 492)	-4%	504 260
Planning and development		97 778	161 556	135 355	11 336	97 787	135 355	(37 568)	-28%	135 355
Road transport		354 437	449 622	337 085	51 302	356 448	337 085	19 363	6%	337 085
Environmental protection		25 850	29 161	31 820	3 246	28 534	31 820	(3 286)	-10%	31 820
<i>Trading services</i>		5 510 615	5 278 294	4 462 720	230 124	4 882 926	4 462 720	420 206	9%	4 462 720
Energy sources		3 380 460	3 749 119	3 151 352	34 434	3 136 703	3 151 352	(14 649)	0%	3 151 352
Water management		1 504 796	1 010 945	862 093	131 659	1 225 981	862 093	363 888	42%	862 093
Waste water management		434 826	369 521	334 845	44 665	388 980	334 845	54 135	16%	334 845
Waste management		190 532	148 709	114 430	19 367	131 262	114 430	16 833	15%	114 430
<i>Other</i>		77 737	95 029	60 884	4 651	91 981	60 884	31 096	51%	60 884
Total Expenditure - Functional	3	8 100 773	8 380 270	7 870 440	487 948	7 161 928	7 870 440	(708 512)	-9%	7 870 440
Surplus/ (Deficit) for the year		(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48%	1 577 974

KZN225 Msunduzi - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4

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		-	-	-	-	(0)	-	(0)		-
Vote 2 - City Finance		2 025 042	2 675 603	2 675 603	172 577	2 256 090	2 675 603	(419 513)	-15,7%	2 675 603
Vote 3 - Corporate Services		2 110	3 166	2 578	1 143	2 918	2 578	340	13,2%	2 578
Vote 4 - Community Services and Social Equity		292 947	492 478	323 834	31 519	243 130	323 834	(80 704)	-24,9%	323 834
Vote 5 - Infrastructure Services		1 696 701	1 540 531	2 048 154	258 307	2 077 113	2 048 154	28 959	1,4%	2 048 154
Vote 6 - Sustainable Development and City Enterprises		304 119	366 567	354 076	62 532	220 850	354 076	(133 227)	-37,6%	354 076
Vote 7 - Electricity		2 673 986	4 342 533	4 044 169	288 131	3 182 142	4 044 169	(862 027)	-21,3%	4 044 169
Total Revenue by Vote	2	6 994 905	9 420 878	9 448 414	814 210	7 982 242	9 448 414	(1 466 172)	-15,5%	9 448 414
Expenditure by Vote	1									
Vote 1 - City Manager		195 836	191 820	157 226	17 195	177 996	157 226	20 770	13,2%	157 226
Vote 2 - City Finance		722 564	1 166 932	1 110 450	66 092	469 313	1 110 450	(641 136)	-57,7%	1 110 450
Vote 3 - Corporate Services		201 261	198 304	185 426	22 493	194 742	185 426	9 316	5,0%	185 426
Vote 4 - Community Services and Social Equity		970 678	859 070	796 597	96 308	902 638	796 597	106 041	13,3%	796 597
Vote 5 - Infrastructure Services		2 321 845	1 881 447	1 926 440	225 991	1 987 613	1 926 440	61 174	3,2%	1 926 440
Vote 6 - Sustainable Development and City Enterprises		308 983	331 869	342 802	25 437	293 024	342 802	(49 777)	-14,5%	342 802
Vote 7 - Electricity		3 380 072	3 750 828	3 351 501	34 433	3 136 600	3 351 501	(214 900)	-6,4%	3 351 501
Total Expenditure by Vote	2	8 101 239	8 380 270	7 870 440	487 948	7 161 928	7 870 440	(708 512)	-9,0%	7 870 440
Surplus/ (Deficit) for the year	2	(1 106 334)	1 040 608	1 577 974	326 262	820 314	1 577 974	(757 660)	-48,0%	1 577 974

KZN225 Msunduzi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

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KZN225 Msunduzi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - Q4 Fourth 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	850	157	157	850	(693)	-82%	850
Vote 2 - City Finance		10 485	25 000	25 000	306	16 019	25 000	(8 981)	-36%	25 000
Vote 3 - Corporate Services		5 072	6 575	6 835	211	759	6 835	(6 076)	-89%	6 835
Vote 4 - Community Services and Social Equity		70 000	42 153	34 601	23 614	49 599	34 601	14 998	43%	34 601
Vote 5 - Infrastructure Services		291 474	284 464	349 088	171 205	432 996	349 088	83 909	24%	349 088
Vote 6 - Sustainable Development and City Enterprises		168 625	153 599	155 162	31 207	125 603	155 162	(29 559)	-19%	155 162
Vote 7 - Electricity		116 839	237 331	178 658	34 557	111 135	178 658	(67 523)	-38%	178 658
Total Capital Multi-year expenditure	4,7	662 496	786 566	750 193	261 257	736 268	750 193	(13 925)	-2%	750 193
Single Year expenditure appropriation	2									
Vote 1 - City Manager		6 003	5 000	6 400	474	1 663	6 400	(4 737)	-74%	6 400
Vote 2 - City Finance		5 571	–	1 300	1 943	1 943	1 300	643	49%	1 300
Vote 3 - Corporate Services		15 256	7 525	11 871	908	15 375	11 871	3 504	30%	11 871
Vote 4 - Community Services and Social Equity		8 052	8 780	9 090	7 424	7 789	9 090	(1 301)	-14%	9 090
Vote 5 - Infrastructure Services		15 179	10 000	10 092	9 173	16 231	10 092	6 138	61%	10 092
Vote 6 - Sustainable Development and City Enterprises		843	4 893	2 502	2 615	3 605	2 502	1 103	44%	2 502
Vote 7 - Electricity		12 909	4 000	5 600	–	3 977	5 600	(1 623)	-29%	5 600
Total Capital single-year expenditure	4	63 814	40 198	46 856	22 537	50 582	46 856	3 726	8%	46 856
Total Capital Expenditure		726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049
Capital Expenditure - Functional Classification										
Governance and administration		43 055	45 300	32 448	7 629	39 658	32 448	7 210	22%	32 448
Executive and council		6 003	5 100	7 650	631	1 819	7 650	(5 831)	-76%	7 650
Finance and administration		37 052	40 200	24 798	6 998	37 839	24 798	13 041	53%	24 798
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		117 916	171 104	149 294	36 254	121 331	149 294	(27 963)	-19%	149 294
Community and social services		39 760	24 745	16 970	7 441	10 456	16 970	(6 515)	-38%	16 970
Sport and recreation		5 256	11 933	12 166	6 973	15 930	12 166	3 764	31%	12 166
Public safety		724	4 853	2 100	1 739	1 739	2 100	(361)	-17%	2 100
Housing		72 176	129 574	118 058	20 100	93 207	118 058	(24 851)	-21%	118 058
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		247 500	139 974	183 682	136 308	335 205	183 682	151 522	82%	183 682
Planning and development		92 996	23 150	36 591	11 175	32 313	36 591	(4 278)	-12%	36 591
Road transport		154 504	116 824	147 091	125 134	302 892	147 091	155 801	106%	147 091
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		314 321	467 535	428 774	101 573	287 723	428 774	(141 051)	-33%	428 774
Energy sources		129 749	260 054	238 758	34 557	115 112	238 758	(123 646)	-52%	238 758
Water management		78 803	100 375	80 258	31 219	78 162	80 258	(2 096)	-3%	80 258
Waste water management		78 088	97 047	102 698	22 084	66 142	102 698	(36 557)	-36%	102 698
Waste management		27 681	10 060	7 060	13 713	28 307	7 060	21 247	301%	7 060
Other		3 518	2 850	2 850	2 031	2 933	2 850	83	3%	2 850
Total Capital Expenditure - Functional Classification	3	726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049
Funded by:										
National Government		302 791	325 817	345 980	72 562	247 897	345 980	(98 083)	-28%	345 980
Provincial Government		92 791	131 158	131 946	32 139	107 812	131 946	(24 134)	-18%	131 946
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	6	395 582	456 975	477 926	104 701	355 709	477 926	(122 217)	-26%	477 926
Borrowing		72 310	234 316	206 616	13 642	84 491	206 616	(122 125)	-59%	206 616
Internally generated funds		258 418	135 473	112 507	165 451	346 650	112 507	234 143	208%	112 507
Total Capital Funding		726 310	826 764	797 049	283 794	786 850	797 049	(10 199)	-1%	797 049

KZN225 Msunduzi - Table C6 Consolidated Monthly Budget Statement - Financial Position - Q4 Fourth

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	374 181	(485)	374 181
Trade and other receivables from exchange transactions		728 825	2 649 262	2 649 262	2 400 135	2 649 262
Receivables from non-exchange transactions			811 010	811 010	-	811 010
Current portion of non-current receivables			-	-	-	-
Inventory		498 281	442 453	512 740	504 817	512 740
VAT			-	-	77	-
Other current assets		322 851	-	3	633 405	3
Total current assets		2 040 911	4 114 508	4 347 195	3 537 949	4 347 195
Non current assets						
Investments			-	-	-	-
Investment property		922 392	974 256	974 256	928 408	974 256
Property, plant and equipment		7 250 531	8 754 770	8 761 902	7 345 767	8 761 902
Biological assets			80 958	80 958	446	80 958
Living and non-living resources		534	-	-	-	-
Heritage assets		323 520	291 270	291 270	-	291 270
Intangible assets		24 753	25 766	26 566	19 873	26 566
Trade and other receivables from exchange transactions			-	-	-	-
Non-current receivables from non-exchange transactions			-	-	-	-
Other non-current assets		82 700	-	-	-	-
Total non current assets		8 604 430	10 127 020	10 134 952	8 294 495	10 134 952
TOTAL ASSETS		10 645 342	14 241 528	14 482 148	11 832 443	14 482 148
LIABILITIES						
Current liabilities						
Bank overdraft			-	-	-	-
Financial liabilities		50 311	(11 273)	28 727	35 059	28 727
Consumer deposits		152 248	150 719	150 719	166 883	150 719
Trade and other payables from exchange transactions		3 221 548	1 713 734	1 644 770	3 142 163	1 644 770
Trade and other payables from non-exchange transactions		12 567	-	-	-	-
Provision		6 108	61 739	62 937	53 949	62 937
VAT		174 005	457 747	-	-	-
Other current liabilities		236 567	-	-	-	-
Total current liabilities		3 853 354	2 372 667	1 887 153	3 398 054	1 887 153
Non current liabilities						
Financial liabilities		116 275	559 919	559 919	-	559 919
Provision		44 650	80 111	80 111	-	80 111
Long term portion of trade payables			-	-	315 532	-
Other non-current liabilities		572 205	583 456	583 456	528 528	583 456
Total non current liabilities		733 130	1 223 486	1 223 486	844 059	1 223 486
TOTAL LIABILITIES		4 586 484	3 596 153	3 110 639	4 242 114	3 110 639
NET ASSETS	2	6 058 857	10 645 376	11 371 509	7 590 330	11 371 509
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 833 209	10 645 376	11 301 222	7 259 253	11 301 222
Reserves and funds		104 699			331 077	
Other		120 950		70 287	-	70 287
TOTAL COMMUNITY WEALTH/EQUITY	2	6 058 857	10 645 376	11 371 509	7 590 330	11 371 509

PART 2 – SUPPORTING DOCUMENTATION

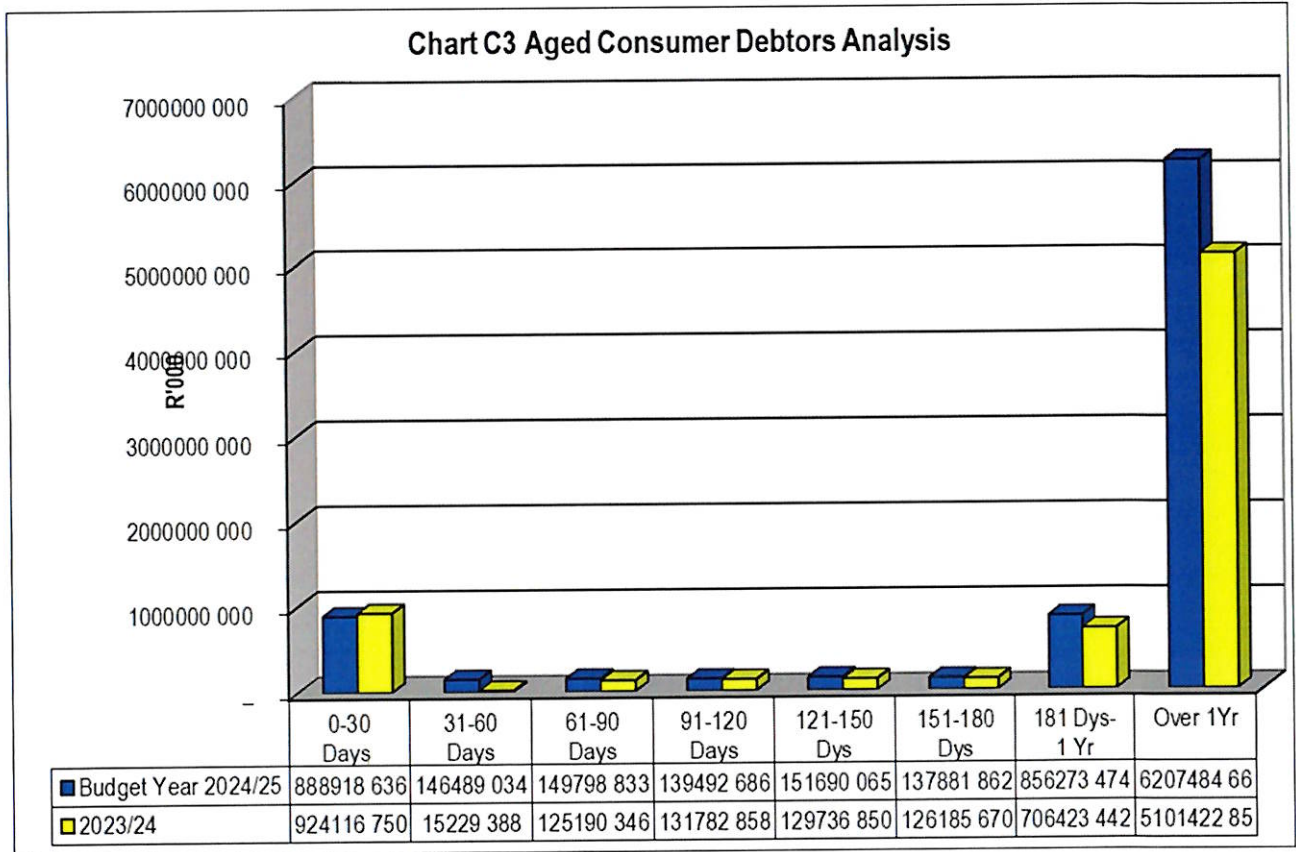
2.1 Debtors Analysis

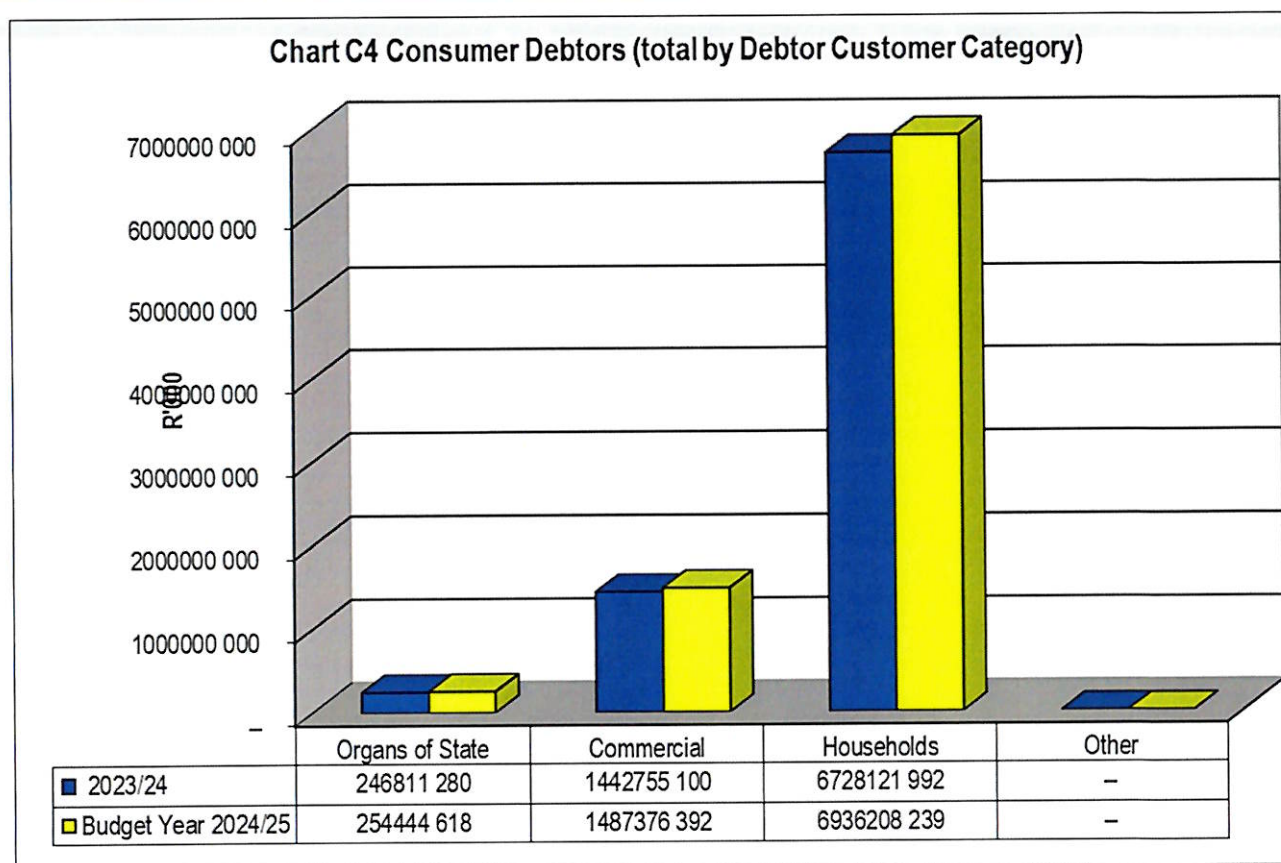
The table presented below summarises the Debtors Age Analysis as at 30 June 2025

KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.e. Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	155 327	47 873	48 922	49 585	49 047	44 406	292 565	2 664 076	3 351 800	3 099 678		2 216 356
Trade and Other Receivables from Exchange Transactions - Electricity	1300	397 667	13 273	12 683	2 174	18 665	12 772	85 709	350 156	893 098	469 475		187 153
Receivables from Non-exchange Transactions - Property Rates	1400	169 617	31 301	31 195	26 304	26 636	25 818	148 472	989 289	1 448 632	1 216 520		786 786
Receivables from Exchange Transactions - Waste Water Management	1500	32 410	7 410	7 409	7 208	6 996	6 865	40 268	380 735	489 301	442 072		311 101
Receivables from Exchange Transactions - Waste Management	1600	18 518	4 680	4 569	4 815	4 405	4 164	24 951	202 843	268 945	241 177		168 921
Receivables from Exchange Transactions - Property Rental Debtors	1700	3 796	1 020	1 116	911	989	886	4 966	56 717	70 400	64 468		48 865
Interest on Arrear Debtor Accounts	1810	110 962	40 802	43 681	48 212	44 837	42 853	258 637	1 402 577	1 992 561	1 797 115		1 015 315
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820												
Other	1900	621	130	223	283	116	118	707	161 093	163 292	162 318		159 800
Total By Income Source	2000	888 919	146 489	149 799	139 493	151 690	137 882	856 273	6 207 485	8 678 029	7 492 823	-	4 894 297
2023/24 - totals only		924 117	15 229	125 190	131 783	129 737	126 186	706 423	5 101 423	7 260 088	6 195 552		3 934 571
Debtors Age Analysis By Customer Group													
Organs of State	2200	97 597	7 124	7 781	5 683	4 816	4 989	26 638	99 817	254 445	141 942		75 989
Commercial	2300	393 388	27 631	29 282	12 589	28 057	24 001	153 999	818 430	1 487 376	1 037 075		585 190
Households	2400	397 933	111 734	112 735	121 221	118 818	108 892	675 636	5 289 238	6 936 208	6 313 805		4 233 119
Other	2500												
Total By Customer Group	2600	888 919	146 489	149 799	139 493	151 690	137 882	856 273	6 207 485	8 678 029	7 492 823	-	4 894 297

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 8.678 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 17%
- ✓ Organs of State 3%

2.2 Creditors Analysis

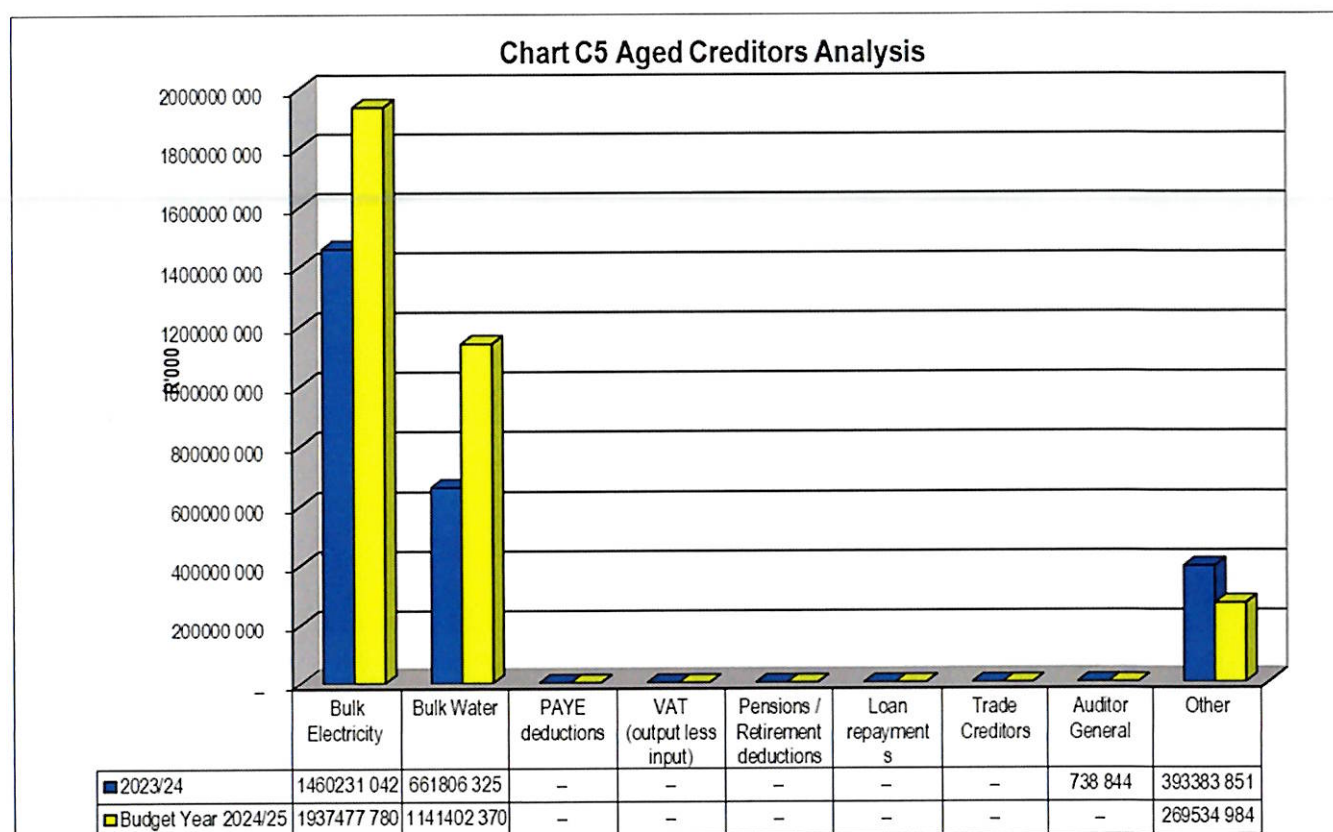
Table SC 4 below presents the aged creditors as at 30 June 2025

KZN225 Msunduzi - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

KZN225 Insunduzi - Supporting Table 04 - monthly Budget Statement - aged creditors - 1st Quarter											
Description R thousands	NT Code	Budget Year 2024/25									Prior year
		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	Total	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	526 948	150 895	156 604	227 469	875 562				1 937 478	1 460 231
Bulk Water	0200	100 395	110 735	(25 575)	2 293	953 554				1 141 402	661 806
PAYE deductions	0300									-	-
VAT (output less input)	0400									-	-
Pensions / Retirement deductions	0500									-	-
Loan repayments	0600									-	-
Trade Creditors	0700									-	-
Auditor General	0800	(24)	3	3	3	16				-	739
Other	0900	153 290	22 668	18 523	13 264	61 790				269 535	393 384
Medical Aid deductions										-	
Total By Customer Type	1000	780 609	284 300	149 555	243 028	1 890 923	-	-	-	3 348 415	2 516 160

The chart below presents the creditors per their cost driver for the month ending 30 June 2025.

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 30 June 2025.

KZN225 Msunduzi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q4 Fourth Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ 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
R thousands														
Municipality														
Municipal Infrastructure Grant										109 130		(57 364)		51 766
Unspent Conditional Grant										138 464	115	(64 160)	38 297	112 716
Housing Accreditation										12 714	3	(2 455)	67	10 330
Municipal Housing Account										140 155	9	(667)	816	140 112
Housing Projects Principal Agent										9 670	21			9 692
Compensation Fund (CQID) 1131010020										953	6			959
Compensation Fund (CQID)										24 094				24 094
Airport Development Fund										30	0			31
Insurance Fund										8 431	49			8 480
Vat Recovery on Prov. Grants										1 099	6			1 105
Vat Refunds										7 215	42			7 257
Call - General Reserves										42 800		(4 000)	10 000	48 800
7 Day Notice - General Reserves										54	0			54
1 Day Notice - General Reserves										130	1			131
Call Account Loan										197 403	1 266			198 668
Standard										1 778	11		544	2 332
Municipality sub-total										694 119	1 529	(128 845)	49 724	616 526
Entities														
														-
														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									694 119	1 529	(128 845)	49 724	616 526

The total consolidated investment balances as at 30 June 2025 amounted to R616.526 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 June amounted to R 1.309 billion that is inclusive of equitable share of R822.072 million, Operating transfers of R178.566 million and Capital transfers of R307.885 million.

KZN225 Msunduzi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth 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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		795 277	895 184	953 644	38 297	940 946	953 644	(12 697)	-1,3%	953 644
Local Government Equitable Share		767 222	822 072	822 072		822 072	822 072	-		822 072
Finance Management		1 807	1 900	1 900		1 900	1 900	-		1 900
EPWP Incentive		4 701	2 092	2 092		2 092	2 092	-		2 092
Municipal Water Infrastructure Grant		13 948	30 000	60 000		38 500	60 000	(21 500)	-35,8%	60 000
Public Transport Infrastructure		-	30 000	30 000		30 000	30 000	-		30 000
Energy Efficiency and Demand Management		-	-	700		50	700	(650)	-92,9%	700
Regional Bulk Infrastructure Grant		-	-	28 802	38 297	38 297	28 802	9 495	33,0%	28 802
Operating costs-MIG		7 599	9 120	8 077		8 036	8 077	(42)	-0,5%	8 077
Provincial Government:		29 259	61 696	55 108	4 723	59 692	55 108	4 584	8,3%	55 108
PMB Airport- OPERATING		-	-	919		500	919	(419)	-45,6%	919
Housing Accreditation-OPERATING		6 418	8 000	9 343	4 723	12 440	9 343	3 097	33,2%	9 343
Human Settlements - Accredited Municipal RO		-	-	-		-	-	-		-
Housing Projects -OPERATING		1 181	38 536	27 999		27 999	27 999	(27 999)	-100,0%	27 999
Arts and Culture- Community Library Services		-	14 660	14 693		14 693	14 693	(14 693)	-100,0%	14 693
Community Library Service and Provincialisation Library-OPERATING		14 821	-	-		14 693	14 693	-		-
Arts and Culture-Museum Subsidies		-	-	-		-	-	-		-
Tatham Art Gallery -OPERATING		205	-	296		296	296	(296)	-100,0%	296
Greater Edendale Development Initiative-OPERATING		2 081	500	343		431	343	88	25,7%	343
Operation Dlusumlando-OPERATING		-	-	-		-	-	-		-
SETA- Bursaries for Non Employees- OPERATING		1 663	-	2 200		2 825	2 200	625	28,4%	2 200
Arts and Culture-Museum Subsidies - Tatham Art Gallery		-	-	-		-	-	-		-
Municipal Employment Initiative - OPERATING		2 890	-	-		-	-	-		-
Regional Bulk Infrastructure Grant/BFI- OPERATING		-	-	(685)		28 802	(685)	29 488	-4301,7%	(685)
COGTA		-	-	-		-	-	-		-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	824 536	956 880	1 008 752	43 019	1 000 638	1 008 752	(8 113)	-0,8%	1 008 752
Capital Transfers and Grants										
National Government:		259 763	312 603	345 980	-	288 939	345 980	(57 041)	-16,5%	345 980
Municipal Infrastructure Grant (MIG)		204 367	222 682	225 609		222 518	225 609	(3 091)	-1,4%	225 609
Public Transport Infrastructure		-	20 000	20 000		20 000	20 000	-		20 000
Neighbourhood Development Partnership		12 973	20 000	20 000		20 000	20 000	-		20 000
Dept of Mineral/Electricity		-	-	-		-	-	-		-
Integrated National Electrification Programme		12 219	4 971	4 971		4 971	4 971	-		4 971
Municipal Systems Improvement Capital		-	-	46 592		46 592	46 592	(46 592)	-100,0%	46 592
Water Services Infrastructure Grant (WSIG)-CAPITAL		25 204	40 000	24 507		16 500	24 507	(8 007)	-32,7%	24 507
Energy Efficiency and Demand Management		5 000	4 950	4 300		4 950	4 300	650	15,1%	4 300
Provincial Government:		168 342	133 835	131 946	-	18 946	131 946	(113 000)	-85,6%	131 946
PMB Airport- CAPITAL		3 201	-	-		-	-	-		-
Arts and Culture-Museum Subsidies		-	-	-		-	-	-		-
COGTA		3 039	-	-		-	-	-		-
Housing Development Fund		-	-	16 958		-	16 958	(16 958)	-100,0%	16 958
Human Settlement - Housing Accreditation		-	-	-		-	-	-		-
Housing Accreditation-CAPITAL		734	700	3 200		2 450	3 200	(750)	-23,4%	3 200
Eastwood Primary Substation-CAPITAL		379	-	-		-	-	-		-
Jika Joe Community Residential Units-CAPITAL		-	-	-		-	-	-		-
Greater Edendale Development Initiative-CAPITAL		77 553	-	12 519		717	12 519	(11 802)	-94,3%	12 519
Informal Economy Infrastructure Development-CAPITAL		-	1 000	1 062		-	1 062	(1 062)	-100,0%	1 062
Corridor Development- CAPITAL		-	-	-		-	-	-		-
Municipal Disaster Relief Grant-CAPITAL		8 203	13 214	-		13 214	-	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	1 565		165	1 565	(1 400)	-89,5%	1 565
Operation Dlusumlando-Capital		-	-	-		-	-	-		-
KZN-Military Veterans		-	-	-		-	-	-		-
Ematsheni-CAPITAL		-	-	-		1 000	-	1 000	-	-
Housing Projects -CAPITAL		68 685	117 056	96 642		-	96 642	(96 642)	-100,0%	96 642
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	428 105	446 438	477 926	-	307 885	477 926	(170 040)	-35,6%	477 926
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 252 641	1 403 318	1 486 678	43 019	1 308 524	1 486 678	(178 154)	-12,0%	1 486 678

Grants Expenditure: The YTD actual grant expenditure as at the end of June 2025 amounted to R1.374 billion, and YTD budget was R1.487 billion resulting in an under expenditure of R113.039 Million

KZN225 Msunduzi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q4 Fourth 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	953 644	7 790	888 643	953 644	(65 001)	-6,8%	953 644
Local Government Equitable Share		767 222	822 072	822 072	–	822 072	822 072	–	–	822 072
Finance Management		1 807	1 900	1 900	499	1 900	1 900	–	–	1 900
EPWP Incentive		4 701	2 092	2 092	4	2 092	2 092	(0)	0,0%	2 092
Municipal Water Infrastructure Grant		13 948	30 000	60 000	7 696	50 391	60 000	(9 609)	-16,0%	60 000
Public Transport Infrastructure		–	30 000	30 000	362	4 565	30 000	(25 435)	-84,8%	30 000
Energy Efficiency and Demand Management		–	–	700	438	584	700	(116)	-16,5%	700
Regional Bulk Infrastructure Grant		–	–	28 802	–	–	28 802	(28 802)	-100,0%	28 802
Operating costs-MIG		7 599	9 120	8 077	(1 209)	7 039	8 077	(1 039)	-12,9%	8 077
Provincial Government:		29 259	61 696	55 108	44 821	91 451	55 108	35 658	64,7%	55 108
PMB Airport- OPERATING		–	–	919	500	500	919	(419)	-45,6%	919
Housing Accreditation-OPERATING		6 418	8 000	9 343	1 023	5 734	9 343	(3 609)	-38,6%	9 343
Human Settlements - Accredited Municipal RO		–	–	–	–	–	–	–	–	–
Housing Projects -OPERATING		1 181	38 536	27 999	–	–	27 999	(27 999)	-100,0%	27 999
Arts and Culture- Community Library Services		–	14 660	14 693	3 061	14 715	14 693	22	0,2%	14 693
Community Library Service and Provincialisation Library-OPERATING		14 821	–	–	–	–	–	–	–	–
Tatham Art Gallery-OPERATING		205	–	296	22	182	296	(114)	-38,4%	296
Greater Edendale Development Initiative-OPERATING		2 081	500	343	371	656	343	313	91,3%	343
SETA- Bursaries for Non Employees- OPERATING		1 663	–	2 200	1 143	2 162	2 200	(39)	-1,8%	2 200
Regional Bulk Infrastructure Grant(BFI)- OPERATING		–	–	–	38 297	67 099	–	67 099	–	–
COGTA		–	–	(685)	–	–	(685)	–	–	(685)
Municipal Employment Initiative - OPERATING		2 890	–	–	403	403	–	403	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		824 536	956 880	1 008 752	52 611	980 094	1 008 752	(29 344)	-2,9%	1 008 752
Capital expenditure of Transfers and Grants										
National Government:		259 763	312 603	345 980	74 358	242 858	345 980	(103 122)	-29,8%	345 980
Municipal Infrastructure Grant (MIG)		204 367	222 682	225 609	70 804	194 605	225 609	(31 005)	-13,7%	225 609
Public Transport Infrastructure		–	20 000	20 000	–	–	20 000	(20 000)	-100,0%	20 000
Neighbourhood Development Partnership		12 973	20 000	20 000	463	19 968	20 000	(32)	-0,2%	20 000
Dept of Mineral/Electricity		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme		12 219	4 971	4 971	44	5 026	4 971	55	1,1%	4 971
Municipal Systems Improvement Capital		–	–	46 592	–	–	46 592	(46 592)	-100,0%	46 592
Water Services Infrastructure Grant (WSIG)-CAPITAL		25 204	40 000	24 507	3 011	18 962	24 507	(5 545)	-22,6%	24 507
Energy Efficiency and Demand Management		5 000	4 950	4 300	36	4 297	4 300	(3)	-0,1%	4 300
Provincial Government:		168 342	133 835	131 946	54 246	151 372	131 946	19 426	14,7%	131 946
Capital Provincial KZN Treasury		–	–	–	–	–	–	–	–	–
Sport and Recreation		–	–	–	722	1 150	–	1 150	–	–
Ematsheni-CAPITAL		–	–	–	–	148	–	148	–	–
PMB Airport- CAPITAL		3 201	–	–	–	–	–	–	–	–
Arts and Culture-Museum Subsidies		–	–	–	–	–	–	–	–	–
COGTA		3 039	–	–	–	–	–	–	–	–
Housing Development Fund		–	–	16 958	–	–	16 958	(16 958)	-100,0%	16 958
Housing Accreditation-CAPITAL		734	700	3 200	2 082	2 245	3 200	(955)	-29,9%	3 200
Eastwood Primary Substation-CAPITAL		379	–	–	–	–	–	–	–	–
Jika Joe Community Residential Units-CAPITAL		–	–	–	–	–	–	–	–	–
Greater Edendale Development Initiative-CAPITAL		77 553	–	12 519	9 748	12 035	12 519	(484)	-3,9%	12 519
Youth Enterprise Park-CAPITAL		–	–	–	–	–	–	–	–	–
Informal Economy Infrastructure Development-CAPITAL		–	1 000	1 062	–	–	1 062	(1 062)	-100,0%	1 062
Corridor Development- CAPITAL		–	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant-CAPITAL		8 203	13 214	–	9 827	42 076	–	42 076	–	–
Community Library Service and Provincialisation Library-CAPITAL		6 377	–	–	1 052	1 306	–	1 306	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Arts and Culture-Museum Subsidies - Tatham Art Gallery		171	1 865	1 565	516	756	1 565	(809)	-51,7%	1 565
Operation Dlusumlando-Capital		–	–	–	–	–	–	–	–	–
KZN-Military Veterans		–	–	–	–	–	–	–	–	–
Housing Projects -CAPITAL		68 655	117 056	96 642	30 499	91 657	96 642	(4 985)	-5,2%	96 642
District Municipality:		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		428 105	446 438	477 926	128 604	394 231	477 926	(83 695)	-17,5%	477 926
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 252 641	1 403 318	1 486 678	181 215	1 374 324	1 486 678	(113 039)	-7,6%	1 486 678

Councillor and Board Member and Employee Benefits

KZN225 Msunduzi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth 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	3 835	3 796	45 811	3 835	41 977	1095%	3 835
Pension and UIF Contributions		3 374	3 493	3 493	266	3 186	3 493	(307)	-9%	3 493
Medical Aid Contributions		2 086	8 481	8 481	188	2 209	8 481	(6 272)	-74%	8 481
Motor Vehicle Allowance		2 872	41 629	41 629	250	3 002	41 629	(38 627)	-93%	41 629
Cellphone Allowance		4 240	792	792	309	3 725	792	2 933	371%	792
Housing Allowances		98	8 233	8 233	18	202	8 233	(8 031)	-98%	8 233
Other benefits and allowances		48	-	-	2	19	-	19		-
Sub Total - Councillors		63 542	66 462	66 462	4 828	58 155	66 462	(8 307)	-12%	66 462
% increase	4		4,6%	4,6%						4,6%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		6 465	12 200	167 771	635	6 621	167 771	(161 149)	-96%	167 771
Pension and UIF Contributions		1 021	918	1 116	102	1 049	1 116	(67)	-6%	1 116
Medical Aid Contributions		170	272	247	17	192	247	(55)	-22%	247
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		511	-	-	-	272	-	272		-
Motor Vehicle Allowance		893	1 032	2 086	71	870	2 086	(1 217)	-58%	2 086
Cellphone Allowance		109	124	140	9	96	140	(44)	-32%	140
Housing Allowances		207	217	219	16	199	219	(20)	-9%	219
Other benefits and allowances		136	-	323	0	1 968	323	1 645	510%	323
Sub Total - Senior Managers of Municipality		9 512	14 763	171 902	850	11 266	171 902	(160 636)	-93%	171 902
% increase	4		55,2%	1707,2%						1707,2%
Other Municipal Staff										
Basic Salaries and Wages		980 231	1 376 357	962 412	84 181	1 008 940	962 412	46 529	5%	962 412
Pension and UIF Contributions		187 273	144 586	214 211	16 002	192 560	214 211	(21 651)	-10%	214 211
Medical Aid Contributions		137 670	122 981	23 034	7 664	86 147	23 034	63 113	274%	23 034
Overtime		123 315	107 181	141 538	12 388	134 436	141 538	(7 102)	-5%	141 538
Performance Bonus		73 993	-	86 086	157	76 286	86 086	(9 800)	-11%	86 086
Motor Vehicle Allowance		32 028	44 228	62 172	2 856	33 347	62 172	(28 824)	-46%	62 172
Cellphone Allowance		5 415	6 355	7 215	403	5 689	7 215	(1 526)	-21%	7 215
Housing Allowances		4 715	7 306	5 730	346	4 551	5 730	(1 179)	-21%	5 730
Other benefits and allowances		31 491	8 423	72 070	1 471	22 134	72 070	(49 935)	-69%	72 070
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		27 274	14 835	26 853	1 722	22 123	26 853	(4 730)	-18%	26 853
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		1 603 406	1 832 253	1 601 320	127 190	1 586 214	1 601 320	(15 106)	-1%	1 601 320
% increase	4		14,3%	-0,1%						-0,1%
Total Parent Municipality		1 676 460	1 913 478	1 839 684	132 868	1 655 635	1 839 684	(184 049)	-10%	1 839 684
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		-	381	381	66	294	381	(87)	-23%	381
Sub Total - Executive members Board		-	381	381	66	294	381	(87)	-23%	381
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		-	858	858	66	874	858	16	2%	858
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	35	35	3	38	35	3	9%	35
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		-	32	32	3	36	32	4	14%	32
Cellphone Allowance		-	11	11	1	12	11	1	5%	11
Sub Total - Senior Managers of Entities		-	936	936	73	960	936	24	3%	936
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		-	9 727	9 727	677	9 165	9 727	(562)	-6%	9 727
Pension and UIF Contributions		-	646	646	35	602	646	(44)	-7%	646
Medical Aid Contributions		-	1 149	1 149	107	1 249	1 149	100	9%	1 149
Overtime		-	463	463	26	369	463	(93)	-20%	463
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		-	108	108	9	104	108	(4)	-3%	108
Cellphone Allowance		-	112	112	10	121	112	9	8%	112
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	69	-	69		-
Sub Total - Other Staff of Entities		-	12 205	12 205	864	11 679	12 205	(526)	-4%	12 205
% increase	4									
Total Municipal Entities		-	13 522	13 522	1 003	12 933	13 522	(589)	-4%	13 522
TOTAL SALARY, ALLOWANCES & BENEFITS		1 676 460	1 927 000	1 853 206	133 871	1 668 568	1 853 206	(184 638)	-10%	1 853 206
% increase	4		14,9%	10,5%						10,5%
TOTAL MANAGERS AND STAFF		1 612 918	1 860 538	1 786 745	129 043	1 610 414	1 786 745	(176 331)	-10%	1 786 745

Councillor Allowances

The expenditure on councillor allowances year to date actual as at the end of June 2025 amounted to R58.155 million. The year to date budgeted councillor's allowance amounted to R66.462 million.

Employee Benefits

The total consolidated year to date actual salaries expenditure as at 30 June 2025 amounted to R1.610 billion, against the year to date budget of R1.787 billion.

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;

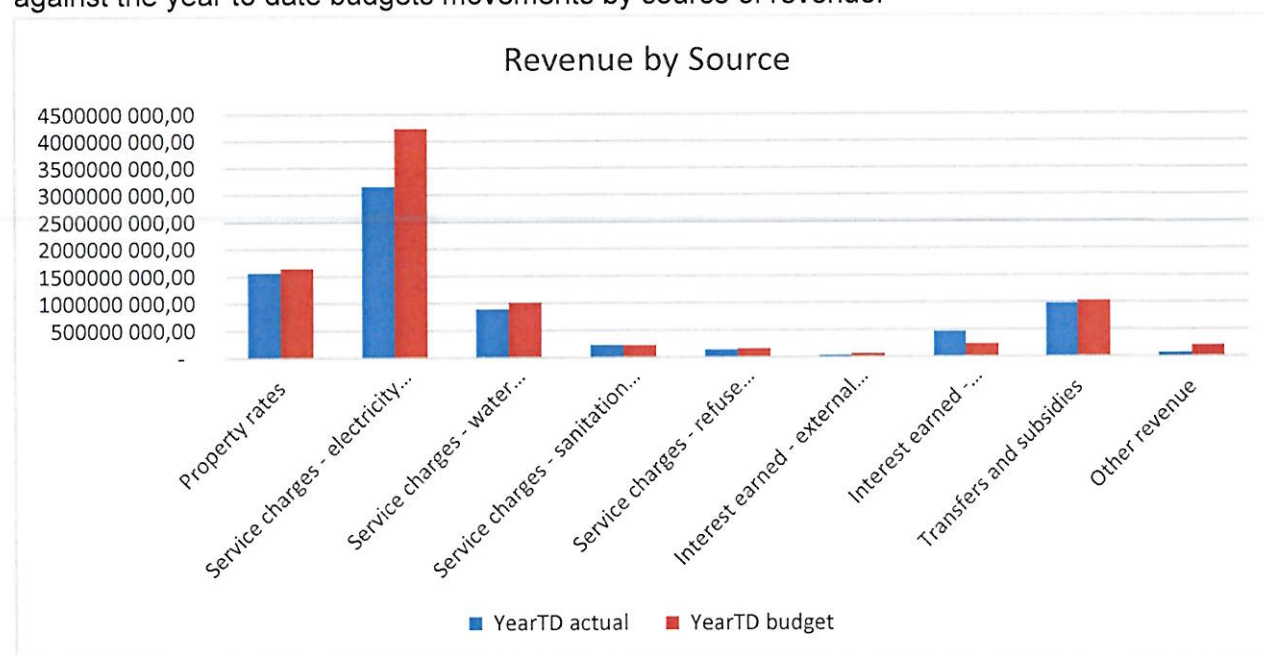
- ✓ Revenue by Source and
- ✓ Operational Expenditure by Type

2.5.1 FINANCIAL PERFORMANCE

REVENUE ANALYSIS

Chart 4: Revenue Analysis

The chart below presents the twelfth 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 42% of the total operating revenue basket as at 30 June 2025. The year to date actual revenue earned from electricity service charges amounted to R3.154 billion and the year to date budget amounted to R4.224 billion.

Property Rates: This is the second largest revenue source of the Municipality; contributing 21% of the total operating revenue basket as at 30 June 2025. The year to date actual revenue earned from property rates slightly under performed by -5% when compared to the Year to Date (YTD) Budget.

Service Charges - Water revenue: The revenue earned from Water charges shared 12% of the YTD actual revenue, there is an under-performance of -12% 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 2% when comparing the YTD actual revenue to the YTD budget.

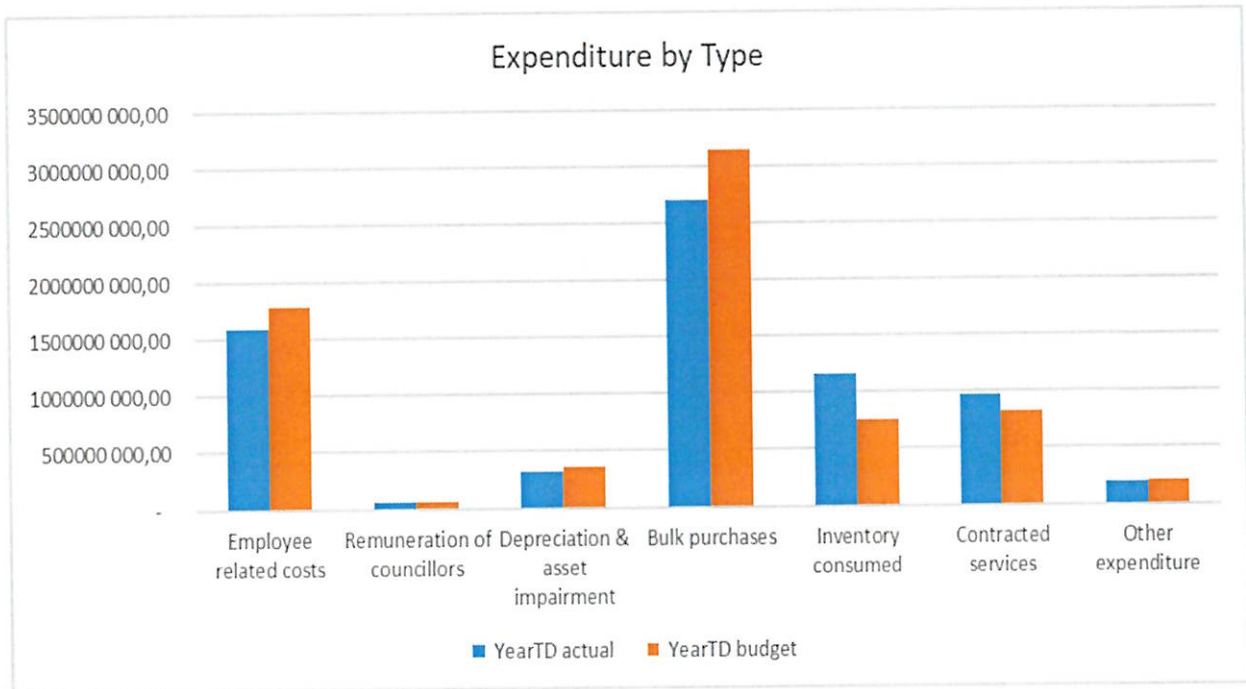
Service charges - Waste management: The revenue earned from refuse service charges shared 2% of the YTD actual revenue, reflects a variance of -10% when comparing the YTD actual revenue to the YTD budget.

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 tenth 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 -11% 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 R194.956 million while the year to date budget was to R209.398 million resulting in an under expenditure of R14.442 million when comparing year to date actual against year to date budget.

Interest: The Finance charges have 57% variance when comparing the YTD actual and YTD budget.

Contracted Services: YTD actual for contracted services amounted to R972.633 million, whilst the budgeted year to date was R818.471 million, resulting in a variance of R154.161 millions

Bulk purchases - electricity: This is a major cost driver of the Municipality contributing 38% of the total actual YTD operating expenditure basket. There was a variance of -14% million 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 eleventh month amounted to R1.168 billion, which is inclusive of water bulk purchases of R1.021 billion.

2.6 Municipal Entity Financial Performance

Safe City Msunduzi NPC - Table F1 Monthly Budget Statement Summary - M12 June

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,	-	14 185,	232 549,	125 000,	107 549,,	86%	-
Transfers recognised - operational	-	-	-	-	-	-	-	-	-
Other own revenue	14 336 826,	16 434 381,	-	-	12 324 500,	16 434 381,	(4 109 882,,)	-25%	-
Total Revenue (excluding capital transfers and contributions)	14 567 756,	16 559 381,	-	14 185,	12 557 049,	16 559 381,	(4 002 332,,)	-24%	-
Employee costs	11 940 412,	13 587 398,	-	1 002 827,	12 933 342,	13 587 398,	(654 056,,)	-5%	-
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	736 255,	861 997,	-	55 495,	673 077,	861 997,	(188 920,,)	-22%	-
Interest	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	1 705 638,	2 909 984,	-	102 427,	1 883 248,	2 279 095,	(395 847,,)	-17%	-
Total Expenditure	14 382 305,	17 359 379,	-	1 160 749,	15 489 666,	16 728 490,	(1 238 823,,)	-7%	-
Surplus/(Deficit)	185 451,	(799 997,,)	-	(1 146 564,,)	(2 932 617,,)	(169 108,,)	(2 763 509,,)	1634%	-
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	185 451,	(799 997,,)	-	(1 146 564,,)	(2 932 617,,)	(169 108,,)	(2 763 509,,)	1634%	-
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	185 451,	(799 997,,)	-	(1 146 564,,)	(2 932 617,,)	(169 108,,)	(2 763 509,,)	1634%	-
Capital expenditure & funds sources									
Capital expenditure	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	2 753 050,	2 753 050,	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	2 753 050,	2 753 050,	-	-	-	-	-	-
Financial position									
Total current assets	5 040 436,	1 359 482,	-		2 183 950,				5 069 253,
Total non current assets	6 872 873,	7 165 616,	-		6 166 093,				6 522 939,
Total current liabilities	1 497 759,	-	-		-				-
Total non current liabilities	-	-	-		-				-
Community wealth/Equity	10 415 550,	6 791 972,	-		7 324 653,				9 911 020,
Cash flows									
Net cash from (used) operating	722 284,	986 997,	-	(1 091 750,,)	(2 335 264,,)	127 000,	(2 462 264,,)	-1939%	-
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,	-	(1 091 750,,)	(2 335 264,,)	5 164 936,	(7 500 200,,)	-145%	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	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

2.7 Capital Programme Performance

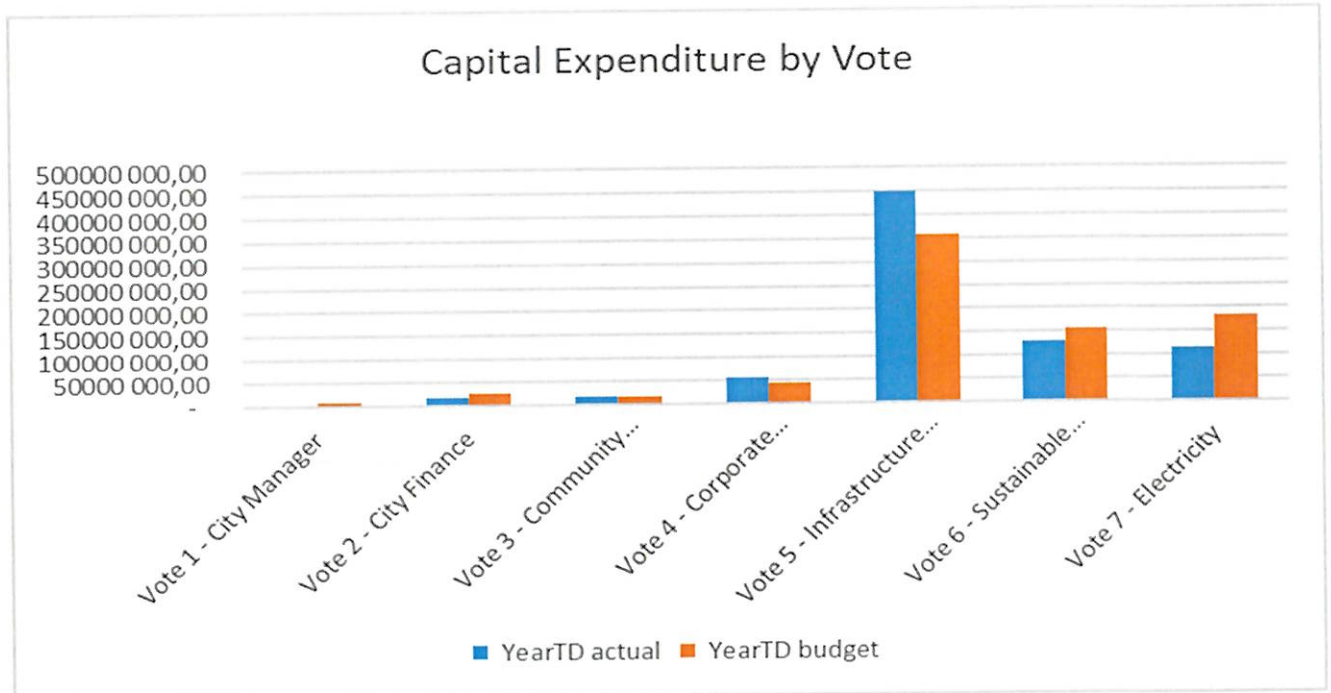
This next section looks at the performance of the capital expenditure programme. This performance is illustrated in the table that follow.

KZN225 Msunduzi - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - Q4 Fourth 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	68 897	66 421	5 549	5 549	66 421	60 872	91,6%	1%
August	60 526	68 897	66 421	51 359	56 908	132 841	75 933	57,2%	7%
September	60 526	68 897	66 421	35 534	92 442	199 262	106 821	53,6%	11%
October	60 526	68 897	66 421	45 655	138 097	265 683	127 586	48,0%	17%
November	60 526	68 897	66 421	74 407	212 504	332 104	119 600	36,0%	26%
December	60 526	68 897	66 421	73 217	285 721	398 524	112 804	28,3%	35%
January	60 526	68 897	66 421	49 566	335 286	464 945	129 659	27,9%	41%
February	60 526	68 897	66 421	32 730	368 017	531 366	163 349	30,7%	45%
March	60 526	68 897	66 421	27 798	395 815	597 787	201 972	33,8%	48%
April	60 526	68 897	66 421	35 835	431 650	664 207	232 558	35,0%	0
May	60 526	68 897	66 421	71 407	503 056	730 628	227 572	31,1%	0
June	60 526	68 897	66 421	283 794	786 850	797 049	10 199	1,3%	0
Total Capital expenditure	726 310	826 764	797 049	786 850					

The Total Year to Date Actual Capital Expenditure as at the end of June 2025 amounted to R786.850 million.

Chart 5: Capital Expenditure by Vote



KZN225 Msunduzi - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - Q4 Fourth

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 new assets by Asset Class/Sub-class										
Infrastructure		105 401	321 997	312 760	32 736	115 039	312 760	197 722	63,2%	312 760
Roads Infrastructure		748	35 420	33 747	1 771	2 294	33 747	31 454	93,2%	33 747
Roads		748	35 420	33 747	1 771	2 294	33 747	31 454	93,2%	33 747
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		62 042	203 033	165 063	9 235	44 243	165 063	120 820	73,2%	165 063
Power Plants		62 042	203 033	165 063	9 235	44 243	165 063	120 820	73,2%	165 063
Water Supply Infrastructure		16 017	5 320	30 772	1 086	20 727	30 772	10 045	32,6%	30 772
Dams and Weirs										
Boreholes										
Reservoirs		16 017	5 320	30 772	1 086	20 727	30 772	10 045	32,6%	30 772
Pump Stations										
Sanitation Infrastructure		26 594	78 224	83 178	20 643	47 775	83 178	35 403	42,6%	83 178
Pump Station										
Reticulation		26 594	78 224	83 178	20 643	47 775	83 178	35 403	42,6%	83 178
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Community Assets		14 776	17 642	17 723	1 387	3 818	17 723	13 905	78,5%	17 723
Community Facilities		14 776	17 642	17 723	1 387	3 818	17 723	13 905	78,5%	17 723
Halls		13 711	17 642	17 723	1 387	3 818	17 723	13 905	78,5%	17 723
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police		1 064								
Parks										
Other assets		72 440	69 017	112 797	18 225	91 724	112 797	21 072	18,7%	112 797
Operational Buildings		20 693	4 499	34 408	243	26 710	34 408	7 698	22,4%	34 408
Municipal Offices		20 693	4 499	34 408	243	26 710	34 408	7 698	22,4%	34 408
Housing		51 747	64 518	78 389	17 982	65 015	78 389	13 374	17,1%	78 389
Staff Housing										
Social Housing		51 747	64 518	78 389	17 982	65 015	78 389	13 374	17,1%	78 389
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets		5 920	25 900	25 650	141	12 362	25 650	13 288	51,8%	25 650
Services		5 920	25 000	25 650	141	12 362	25 650	13 288	51,8%	25 650
Licences and Rights			900							
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications			900							
Local Settlement Software Applications										
Unspecified										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment		21 419	77 516	30 849	3 961	20 916	30 849	9 933	32,2%	30 849
Furniture and Office Equipment		21 419	77 516	30 849	3 961	20 916	30 849	9 933	32,2%	30 849
Machinery and Equipment		46 679	44 223	74 524	25 852	62 131	74 524	12 394	16,6%	74 524
Machinery and Equipment		46 679	44 223	74 524	25 852	62 131	74 524	12 394	16,6%	74 524
Transport Assets		39 608	18 800	17 600	18 443	25 470	17 600	(7 870)	-44,7%	17 600
Transport Assets		39 608	18 800	17 600	18 443	25 470	17 600	(7 870)	-44,7%	17 600
Land										
Land										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Living resources										
Mature										
Policing and Protection										
Zoological plants and animals										
Immature										
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on new assets	1	306 242	575 095	591 904	100 745	331 460	591 904	260 444	44,0%	591 904

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

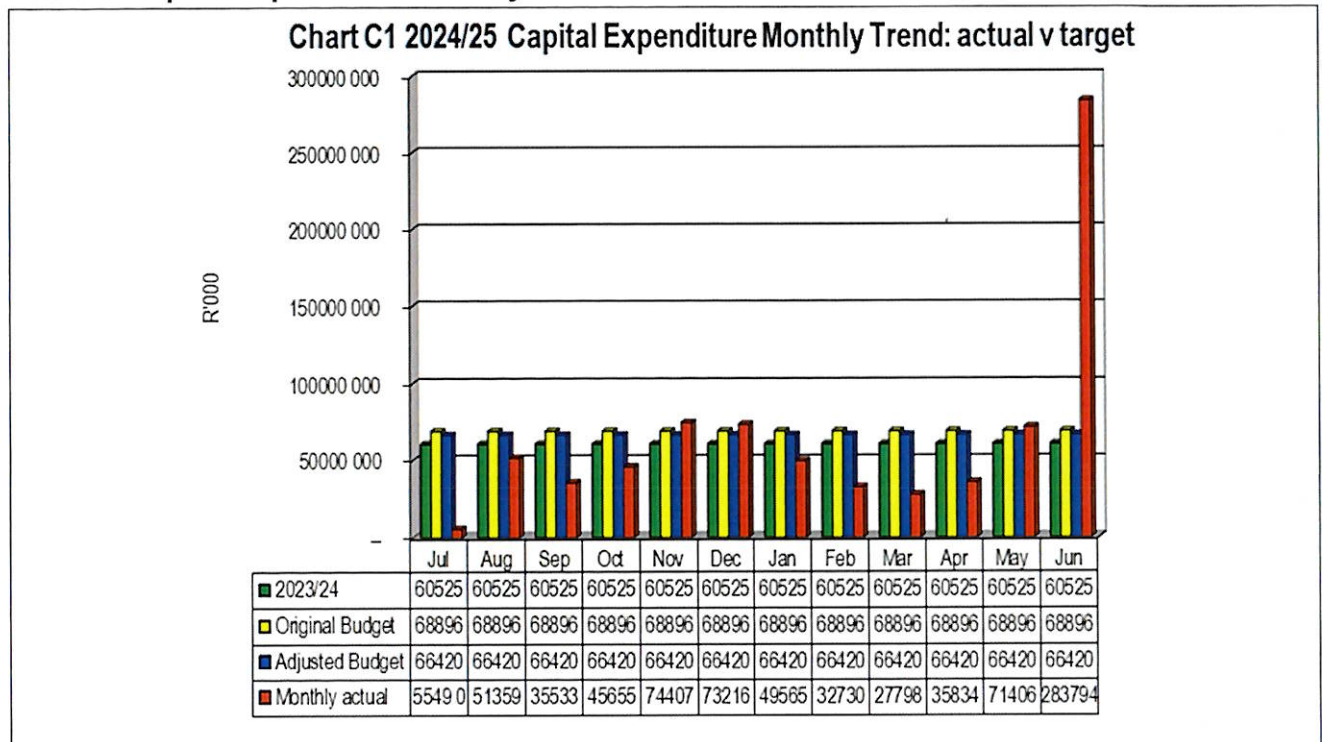
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		107 513	34 231	36 196	25 647	155 356	36 196	(119 160)	-329,2%	36 196
Roads Infrastructure		102 701	29 231	26 296	20 572	149 076	26 296	(122 780)	-466,9%	26 296
Roads		102 701	29 231	26 296	20 572	149 076	26 296	(122 780)	-466,9%	26 296
Road Structures								-		
Road Furniture								-		
Capital Spares								-		
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection								-		
Storm water Conveyance								-		
Attenuation								-		
Electrical Infrastructure		-	-	4 900	1 652	2 857	4 900	2 043	41,7%	4 900
Power Plants				4 900	1 652	2 857	4 900	2 043	41,7%	4 900
HV Substations								-		
HV Switching Station								-		
HV Transmission Conductors								-		
MV Substations								-		
MV Switching Stations								-		
MV Networks								-		
LV Networks								-		
Capital Spares								-		
Water Supply Infrastructure		4 813	5 000	5 000	3 423	3 423	5 000	1 577	31,5%	5 000
Dams and Weirs								-		
Boreholes								-		
Reservoirs		4 813	5 000	5 000	3 423	3 423	5 000	1 577	31,5%	5 000
Pump Stations								-		
Water Treatment Works								-		
Bulk Mains								-		
Distribution								-		
Distribution Points								-		
PRV Stations								-		
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		11 253	3 300	3 760	2 208	2 765	3 760	995	26,5%	3 760
Operational Buildings		11 253	3 300	3 760	2 208	2 765	3 760	995	26,5%	3 760
Municipal Offices		11 253	3 300	3 750	2 208	2 765	3 750	985	26,3%	3 750
Pay/Enquiry Points								-		
Building Plan Offices				10			10	10	100,0%	10
Workshops								-		
Yards								-		
Stores								-		
Laboratories								-		
Training Centres								-		
Manufacturing Plant								-		
Depots								-		
Capital Spares								-		
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		-	-	-	-	-	-	-		-
Mature		-	-	-	-	-	-	-		-
Policing and Protection								-		
Zoological plants and animals								-		
Immature		-	-	-	-	-	-	-		-
Policing and Protection								-		
Zoological plants and animals								-		
Total Capital Expenditure on renewal of existing assets	1	118 767	37 531	39 956	27 855	158 120	39 956	(118 164)	-295,7%	39 956

KZN225 Msunduzi - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - Q4

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 upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		253 054	171 902	147 841	152 341	281 201	147 841	(133 360)	-90,2%	147 841
Roads Infrastructure		106 255	96 854	31 934	32 436	95 334	31 934	(63 400)	-198,5%	31 934
Roads		106 255	96 854	31 934	32 436	95 334	31 934	(63 400)	-198,5%	31 934
Road Structures								-		
Road Furniture								-		
Capital Spares								-		
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection								-		
Storm water Conveyance								-		
Attenuation								-		
Electrical Infrastructure		29 431	10 421	19 078	4 253	13 239	19 078	5 839	30,6%	19 078
Power Plants		29 431	10 421	19 078	4 253	13 239	19 078	5 839	30,6%	19 078
HV Substations								-		
HV Switching Station								-		
HV Transmission Conductors								-		
MV Substations								-		
MV Switching Stations								-		
MV Networks								-		
LV Networks								-		
Capital Spares								-		
Water Supply Infrastructure		64 607	35 805	73 036	100 499	128 382	73 036	(55 347)	-75,8%	73 036
Dams and Weirs								-		
Boreholes								-		
Reservoirs								-		
Pump Stations								-		
Water Treatment Works								-		
Bulk Mains								-		
Distribution		64 607	35 805	73 036	100 499	128 382	73 036	(55 347)	-75,8%	73 036
Distribution Points								-		
PRV Stations								-		
Capital Spares								-		
Sanitation Infrastructure		33 450	18 823	13 793	1 441	15 995	13 793	(2 202)	-16,0%	13 793
Pump Station								-		
Reticulation		33 450	18 823	13 793	1 441	15 995	13 793	(2 202)	-16,0%	13 793
Waste Water Treatment Works								-		
Outfall Sewers								-		
Toilet Facilities								-		
Capital Spares								-		
Solid Waste Infrastructure		19 312	10 000	10 000	13 713	28 251	10 000	(18 251)	-182,5%	10 000
Landfill Sites		19 312	10 000	10 000	13 713	28 251	10 000	(18 251)	-182,5%	10 000
Waste Transfer Stations								-		
Waste Processing Facilities								-		
Waste Drop-off Points								-		
Waste Separation Facilities								-		
Electricity Generation Facilities								-		
Capital Spares								-		
Community Assets		3 766	6 953	10 086	1 795	10 525	10 086	(439)	-4,4%	10 086
Community Facilities		-	-	-	-	-	-	-		-
Sport and Recreation Facilities		3 766	6 953	10 086	1 795	10 525	10 086	(439)	-4,4%	10 086
Indoor Facilities								-		
Outdoor Facilities		3 766	6 953	10 086	1 795	10 525	10 086	(439)	-4,4%	10 086
Capital Spares								-		
Other assets		41 300	35 283	6 862	906	1 334	6 862	5 529	80,6%	6 862
Operational Buildings		41 300	22 000	2 062	906	1 334	2 062	729	35,3%	2 062
Municipal Offices		41 300	22 000	2 062	906	1 334	2 062	729	35,3%	2 062
Housing		-	13 283	4 800	-	-	4 800	4 800	100,0%	4 800
Staff Housing								-		
Social Housing			13 283	4 800			4 800	4 800	100,0%	4 800
Capital Spares								-		
Computer Equipment		-	-	-	152	316	-	(316)	#DIV/0!	-
Computer Equipment					152	316		(316)	#DIV/0!	
Furniture and Office Equipment		-	-	400	-	-	400	400	100,0%	400
Furniture and Office Equipment				400			400	400	100,0%	400
Machinery and Equipment		-	-	-	-	-	-	-		-
Machinery and Equipment								-		
Transport Assets		3 180	-	-	-	3 895	-	(3 895)	#DIV/0!	-
Transport Assets		3 180				3 895		(3 895)	#DIV/0!	
Land		-	-	-	-	-	-	-		-
Land								-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
Living resources		-	-	-	-	-	-	-		-
Mature		-	-	-	-	-	-	-		-
Policing and Protection								-		
Zoological plants and animals								-		
Immature		-	-	-	-	-	-	-		-
Policing and Protection								-		
Zoological plants and animals								-		
Total Capital Expenditure on upgrading of existing assets	1	301 301	214 138	165 189	155 194	297 270	165 189	(132 081)	-80,0%	165 189

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

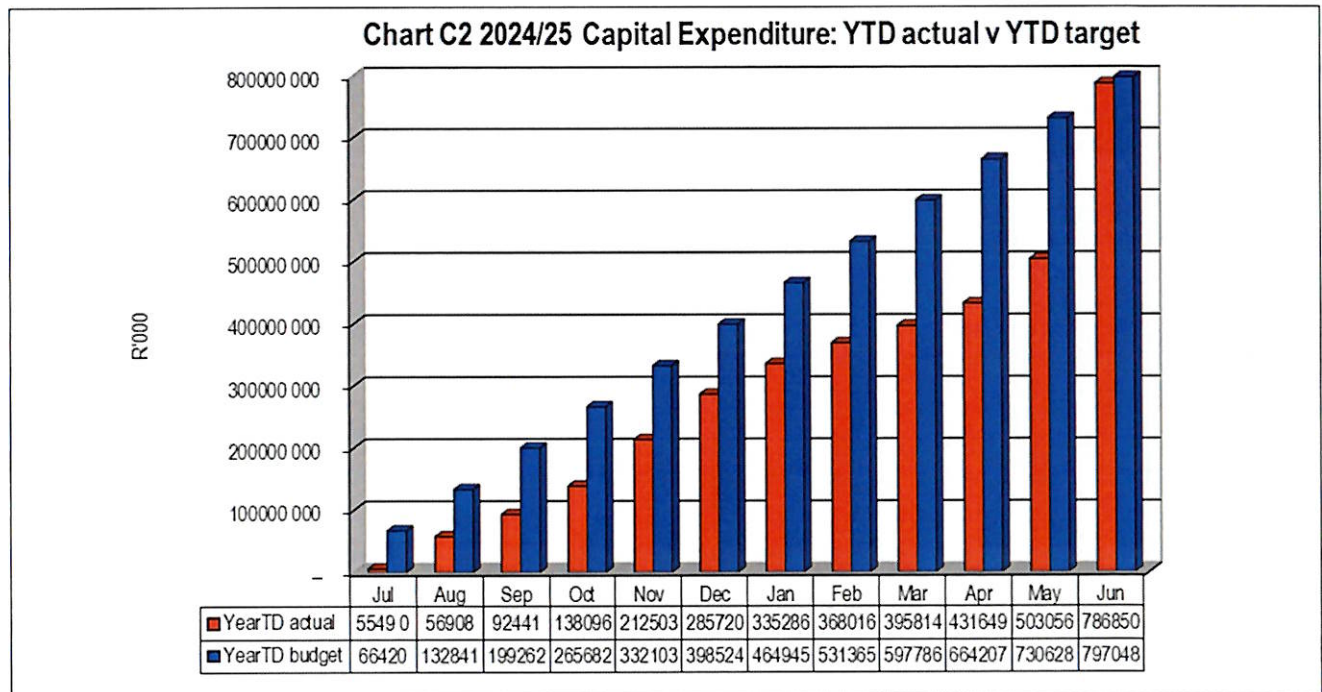
Chart 6: Capital Expenditure Monthly Trend



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 30 June 2025 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			
 National Treasury Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003			
Certificate of Compliance: Municipal Debt Relief Conditions for Application Period: Apr 20 2020 2020 National Financial Year: 2020 Demarcation Code of Municipality being assessed: 42000 District: uMgungundlovu Demarcation Description: Msunduzi			
I, <u>Carla Coetzee</u>, 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:			
Municipal Debt Relief Conditions (Monthly reporting)			
6.0 • Maintaining this E-Edom and Bulk water current account – Condition 6.1.1 <i>Under account to the account of the current water to be subject to a single credit account (SCA).</i>			
6.1.1.1	Has the municipality paid to E-Edom and Bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note: refer condition 6.1.2.2</i>	☒ Yes	The municipality has paid an amount of R 100 million in June 2020
6.1.1.2	Has the municipality submitted the supporting evidence 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 (in PDF format) via the eGMS system or Portals/Email/Handwritten to the relevant authority?	☒ Yes	E-Edom and Bulk water current account
6.1.1.3	Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the Financial system as per the eGMS data string and the section 43(2) MFMA statement of the Water Board and/or Water Trading Entity?	☒ Yes	The municipality has a payment arrangement with Unigreen to the financial system and PDF does not match address
6.1.1.4	Has the municipality paid to E-Edom and Bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note: current account in terms of municipal debt relief agreement means the total amount charged for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of the previous 12 months and/or subsequent component amounting up to the date of the payment of the agreement.</i>	☒ Yes	The municipality has paid an amount of R 90.78 million in June 2020 and has a payment plan with E-Edom
6.1.1.5	Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury and E-Edom within 1 day of making any such payment (in PDF format) via the eGMS system or Portals/Email/Handwritten to the relevant authority?	☒ Yes	E-Edom and Bulk water current account
6.1.1.6	Does the amount as per the proof of payment reconcile to the amount recorded on the Financial system as per the eGMS data string and the section 43(2) MFMA statement of E-Edom?	☒ Yes	The municipality has a payment plan in place with E-Edom
6.1.2	Compliance with a funded MTREF – <i>(funded/semi-funded/loan for the MTREF account)</i>	☒ Yes	2020 Non-Compliance MTREF
6.1.2.1	Is the municipality's MTREF funded and aligned to the National Treasury's Budget Funding Guidelines – <i>May 2016</i> (https://www.gov.za/sites/default/files/gov-za-content/mtref-guidelines-2016.pdf)?	☒ Yes	Compliance with a funded MTREF
6.1.2.2	Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A1 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	☒ Yes	Compliance with a funded MTREF
6.1.2.3	Has the municipality made adequate provision for debt impairment considering the actual collection of revenue and property rates during the 12 months immediately preceding the ending of the budget on the A1 Schedule (Table A1 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	☒ Yes	Compliance with a funded MTREF
6.1.2.4	<i>Note: The maximum 12 months immediately preceding the ending of the budget is subject to the actual collection of revenue and property rates during the 12 months immediately preceding the ending of the budget on the A1 Schedule (Table A1 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations.</i>	☒ Yes	Compliance with a funded MTREF
6.1.2.5	Has the municipality made adequate provision for debt impairment considering its own register and financial state of affairs on the A1 Schedule (Table A1 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	☒ Yes	Compliance with a funded MTREF
6.1.2.6	<i>Note: If the municipality makes and the department has not made provision for the budget and there is no debt impairment provision in the department's register and financial state of affairs on the A1 Schedule (Table A1 – Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations, the department will not be able to fund the MTREF.</i>	☒ Yes	Compliance with a funded MTREF
6.1.2.7	Is the municipality's MTREF not funded, has it failed and adopted a Creditor Funding Plan as part of the MTREF budget under item 3.3 of MFMA Budget Circular no. 122/09 December 2009?	☒ No – the MTREF is funded	Creditor Funding Plan
6.1.2.8	<i>Note: If the municipality has an FPP, a separate budget funding plan is required. However, the FPP is not an account under the existing MFMA provisions – https://www.gov.za/sites/default/files/gov-za-content/mtref-guidelines-2016.pdf (link for FPP required separately).</i>	☒ No	FPP
6.1.2.9	If the municipality's MTREF is not funded and it has an FPP per the legislation (Interim) – does the existing FPP incorporate a Creditor Funding Plan as part of the FPP due effect to a funded MTREF over the period of the FPP, aligned with the principles of a budget funding plan as envisaged in item 3.3 of MFMA Budget Circular no. 122/09 December 2009?	☒ No	FPP
6.1.2.10	<i>Note: Once the municipality does not have an FPP, the FPP may be updated from the inception date.</i>	☒ No	FPP
6.1.2.11	Does the municipality's annual and monthly credit and debit obligations included on the A1 Schedule (Table A1 – Budgeted Financial Performance) and Supporting Table (A1.20 – Budgeted Monthly Cash Flow) of the Municipal Budget and Reporting Regulations align with and give effect to the municipality's Budget Funding Plan items (or the FPP strategy) and related seasonal trends (for example higher water board tariffs, water supply constraints, etc.)?	☒ Yes	FPP Funding Plans
6.1.3	Cost reflective tariffs – (including metros) has the municipality included to completed tariff (refer MFMA Circular no. 58 and item 3.2 of MFMA Budget Circular no. 122) as part of the municipality's annual budget and adopted MTREF submissions with effect from the ending of the 2020/21 MTREF?	☒ Yes	Cost Reflective Tariffs
6.1.4	Electricity and water as collection book – Has the municipality, with effect from the ending of the 2020/21 MTREF, demonstrated, through its by-laws and budget control policies that:		
6.1.4.1	the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all payments received are allocated in the following order of priority: firstly, to property rates, then to water, wastewater, refuse removal and lastly to electricity?	☒ Yes	Electricity and water as collection book
6.1.4.2	the municipality disconnects electricity services and/or block the purchasing of prepaid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	☒ Yes	Electricity and water as collection book
6.1.4.3	the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of the condition the municipality must undertake such restriction/interruption of water supply with the municipality registered in advance and must supply of water to the municipality.</i>	☒ Yes	Electricity and water as collection book
6.1.4.4	if the defaulting consumer/property owner is 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 limits of 50 kilowatt electricity and 6 kilolitres water respectively? <i>Note: the municipality's monthly MFMA 124 compliance must include as part of the conditions the indigent submission on the required MTREF.</i>	☒ Yes	Electricity and water as collection book

6.6 Supporting evidence - The National Treasury and/or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and/or has demonstrated compliance with paragraph 6.6.			
6.7 Maintain a minimum average quarterly collection of property rates and services charges -			
6.7.1	- Has the municipality achieved 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 - demonstrated in the MFMA s 71 monthly and quarterly statements) and mCOCA data strings uploaded via the GoMun Upload Portal?	Yes	
<i>Note: although the score and standard for collection (MFMA Circular no. 78) is a 90 per cent threshold, municipalities under the debt relief scheme will be exempted for the first two years from returning to the norm.</i>			
6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:		
6.7.2.1	- the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set out in paragraph 6.7.1	6.7.1 = Yes	
6.7.2.2	- the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied areas?	6.7.1 = Yes	
6.7.2.3	- the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the (Eskom supplied areas) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reasons for the failure?	6.7.1 = Yes	
6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes	
6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect from 2023/24 MTREF with a smart pre-paid meter?	Yes	
6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 voted and adopted capital budgets and MFMA section 71 statements reflected the approach set out in 6.7.3 and 6.7.4?	Yes	
6.8 Municipality's Compliance of the revenue base -			
6.8.1	- Has the municipality demonstrated through 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?	Yes	
6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified?	No	
<i>Note: monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the Annex A.7.2 statement</i>			
6.8.2	- For the latest ending Quarter - has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 96, 107 and 108) to the upload portal on https://gms.natortreasury.gov.za?	Yes	
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 and Budget Funding Plan where relevant?	Yes	
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 mCOCA data string?	6.9.1 = Yes	
<i>Note: condition 6.9.2 has a tying error and must refer to 6.9.1</i>			
6.9.3	- Municipalities with financial recovery plans (FRP) - If the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	Yes	
6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury Municipal Financial Recovery Service (MFRS) timely via the GoMun Upload Portal https://gms.natortreasury.gov.za?	Yes	
<i>Note: a municipality with a FRP may only benefit from the Municipal Debt Relief programme if the FRP progress report is submitted to both the Provincial Executive and the National Treasury</i>			
6.10 Provincial Treasury contribution of municipal compliance - in terms of section 3 and 24 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief Scheme			
6.10.1	- Has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
6.10.2	- Has the head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timely uploaded the compliance certificate via the GoMun Upload Portal https://gms.natortreasury.gov.za?	Yes	
<i>Note: in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>			
6.10.3	- Has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) within one month of the non-compliance occurring?	No	
<i>Note: if the PT has failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries, the municipality will be considered as non-compliant by the municipality's internal compliance officer.</i>			
6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No	
<i>Note: there is a prohibition on municipal borrowing for three consecutive financial years from the date of the municipality's initial or any subsequent benefit in terms of its municipal debt support programme. All financial and debt relief Circulars No. 124 condition 6.11 (limitation on municipality borrowing powers) will only be enforced in relation to any long term loans obtained after the effective date of debt relief occurred or envisaged or before written off. Short term borrowing including raising cash for working capital for year budgetary purposes is not considered within the ambit of this condition.</i>			
6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
6.12.1	- Has the municipality apportioned and ring-fenced 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 (LES) the municipality earned to provide free basic electricity, water and sanitation?	No	
6.12.2	- Has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it topped the revenue in the sub-account for any other purpose?	Yes	
<i>Note: Only if relevant in the specific circumstances, will it be required to be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s 72.</i>			
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 aligning to its MFMA s 71 statement collected revenue.			
6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrears debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury Office of the Accountant General (issued for Municipal Debt Relief) to date?	No	
<i>Note: to include accounting for any related benefit (e.g. interest suspension, etc.) and alignment with mCOCA</i>			
6.14	NERA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes	
<i>Note: By applying for Municipal Debt Relief as set out in paragraph 3.1 of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme, fails to comply with any condition of the fund, agrees to apply to NERA to make the municipality's license in terms of section 12 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be provided by the relevant province for supporting an external application as envisaged in Chapter 6 of the Municipal Systems Act, 2000, within the necessary period before application aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's water support to Eskom, Eskom will agree upon how to enforce its credit control and debt collection policies and in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>			

PT, HOD/ NT / MM Name:

Mrs Neliswa Ngongolo (Acting)

Signature of HOD/ NT/ MM:

Date:

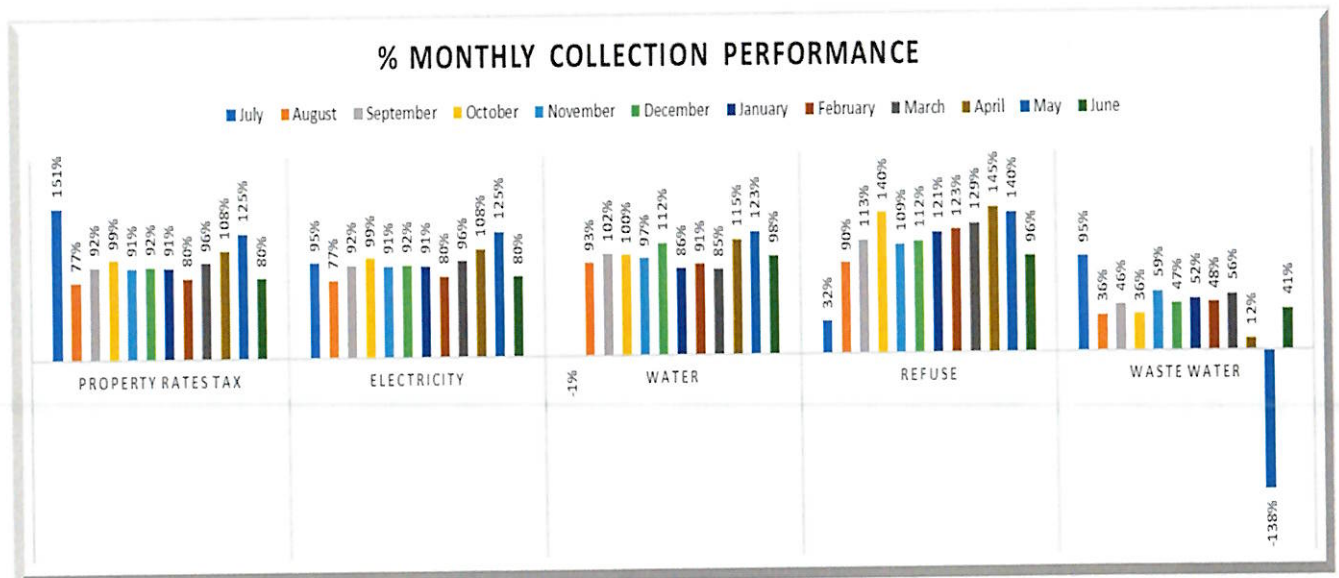
***Note: - If the official is signing on behalf of the head of the Provincial Treasury (HOD) / Municipal Manager, the written procuration of the HOD / MM must be attached as an Annexure to the Certificate of Compliance*

***Note: - The Signed Certificate to be uploaded on Osiwum must not include comments column - comments need to be incorporated into the related PT report*

- 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. 56 of 2003

Municipal Details				
KwaZulu Natal				
Date	District	Municipality	Period Monitored	No. Of Wards
12/2023		Msunduzi	June	3

Collection Rate Assessment																				
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2	Summary - Quarter 3				Q3	Summary - Quarter 4				Q4
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1 Collection for whole municipality	1 973 121 240	1 683 000 362	290 471 881	84%	84%	1 781 965 782	1 574 965 202	206 986 580	88%	88%	1 781 854 188	1 574 111 372	207 742 816	88%	88%	1 572 026 026	1 526 221 458	25 301 301	122%	122%
2 Collection excl Eskom supplied areas	1 973 121 240	1 683 000 362	290 471 881	84%	84%	1 781 965 782	1 574 965 202	206 986 580	88%	88%	1 781 854 188	1 574 111 372	207 742 816	88%	88%	1 572 026 026	1 526 221 458	25 301 301	122%	122%
3 Collection Property Rates	369 674 854	361 586 180	22 115 128	100%	100%	427 816 890	420 586 852	7 219 762	100%	100%	426 078 421	375 823 900	54 475 021	97%	97%	422 822 878	448 278 423	48 389 547	112%	112%
4 Total average collection (Electricity (Municipal supplied areas))	1 172 682 728	1 253 977 832	19 882 633	98%	98%	848 971 628	1 027 800 468	177 962 039	125%	125%	828 527 421	1 106 864 327	278 336 906	103%	103%	782 886 193	867 551 122	254 085 038	125%	125%
5 Total average collection Water	263 876 363	85 588 647	178 287 716	32%	32%	273 718 698	126 768 625	146 950 073	47%	47%	271 388 390	142 022 198	129 366 192	52%	52%	144 822 723	49 471 942	96 171 881	34%	34%
6 Total average collection Wastewater	58 638 078	42 878 417	15 765 662	73%	73%	58 362 428	42 581 113	15 781 315	73%	73%	58 354 873	42 862 232	15 492 641	82%	82%	61 787 223	47 146 185	25 788 038	88%	88%
7 Total average collection Refuse	44 854 227	37 722 568	7 131 659	84%	84%	38 588 182	25 488 362	13 099 820	75%	75%	43 854 762	32 773 718	11 081 044	75%	75%	42 782 411	47 006 213	6 245 802	159%	159%
8 Total average collection Interest	175 448 022	27 026 319	122 882 213	30%	30%	125 112 202	7 626 362	117 485 840	6%	6%	128 592 291	51 187 224	77 405 067	39%	39%	128 389 261	22 122 363	106 266 907	24%	24%

2.8.4.2 Monthly – Restriction of Free Basic Services to Indigent Households

Msunduzi Municipality

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

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

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

Description	Ref	As Per Debt Relief Application		2024/2025 - Monthly Monitoring																
		Current Year - 2024/2025																		
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12			
Indigent Household service targets	1																			
Water (Include ALL indigent households also in Eskom supplied areas)																				
Indigent HH's with piped water inside dwelling																				
Indigent HH's with piped water inside yard (but not in dwelling)																				
Indigent HH's using public tap (at least min service level)	2																			
Indigent HH's with other water supply (at least min service level)	4																			
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Indigent HH's using public tap (< min service level)	3																			
Indigent HH's with other water supply (< min service level)	4																			
Indigent HH's with No water supply	4																			
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Status of Water meters																				
Number of indigent HH's with prepaid Water																				
Number of indigent HH's with conventional metered Water																				
Number of indigent HH's NOT metered currently - Water																				
Number of indigent HH's with NO Water supply - No metering																				
Total number of registered indigent households	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Status of unlimited supply of Water:																				
Number of indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month																				
Number of indigent HH's NOT metered currently receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total number of registered indigent households receiving unlimited supply - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11																			
Energy (Include ALL indigent households also in Eskom supplied areas)																				
Indigent HH's with Electricity (at least min service level)																				
Indigent HH's with Electricity - prepaid (min service level)																				
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Indigent HH's with Electricity (< min service level)																				
Indigent HH's with Electricity - prepaid (< min service level)																				
Indigent HH's with other energy sources																				
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total number of registered indigent households	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Status of Electricity meters:																				
Number of indigent HH's with prepaid Electricity																				
Number of indigent HH's with conventional metered Electricity																				
Number of indigent HH's NOT metered currently - Electricity																				
Number of indigent HH's with other energy sources - No metering																				
Total number of registered indigent households	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Status of unlimited supply of Electricity:																				
Number of indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month																				
Number of indigent HH's NOT metered currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13																			
Number of ALL Households receiving Free Basic Service (including registered indigent Households)	7																			
Water (6 kilolitres per household per month)																				
Electricity/other energy (50kwh per household per month)																				
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)																				
Water (6 kilolitres per household per month)																				
Electricity/other energy (50kwh per household per month)																				
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)																				
Water (6 kilolitres per household per month)																				
Electricity/other energy (50kwh per household per month)																				
Total cost of FBS Water and Electricity provided to ALL Households	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Highest level of free service provided per household (ALL Households)																				
Property rates (R value threshold)																				
Water (kilolitres per household per month)																				
Sanitation (kilolitres per household per month)																				
Sanitation (Rand per household per month)																				
Electricity (kwh per household per month)																				
Rubbish (average litres per week)																				
Revenue cost of subsidised services provided for ALL Households (R'000)	9																			
Residential Category Property rates (tariff adjustment) (impermissible values per section 17 of MFPA)	14(a)																			
PSI Category Property rates (tariff adjustment) (impermissible values per section 17 of MFPA)	14(b)																			
Additional Subsidies Property rates exemptions, reductions and rebates in excess of section 17 of MFPA																				
Water (in excess of 6 kilolitres per indigent household per month)	15																			
Sanitation (in excess of free sanitation service to indigent households)	16																			
Electricity/other energy (in excess of 50 kwh per indigent household per month)																				
Rubbish (in excess of one removal a week for indigent households)																				
Municipal Housing - rental rebates																				
Housing - top structure subsidies																				
Other	8																			
Total revenue cost of subsidised services provided		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

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

Property Rates Reconciliation

Province	KZN
District	Msunduzi
Type	LM
MunicipalName	Msunduzi
GVPeriod	01/07/2020 - 30/06/2025
Financial Year	2021/2022
Reconciliation Period	Quarter 3

Reconciliation Overview

High Level Reconciliation

Property Categories	No. of Properties			Market Values		
Property Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	71402	70547	855	57 032 000 791,00	56 857 655 751,00	174 345 040,00
Industrial	1149	1150	-1	5 119 276 611,00	5 240 314 611,00	-121 038 000,00
Business and Commercial	3407	3377	30	19 293 624 059,00	19 266 773 399,00	26 850 660,00
Agricultural	162	157	5	722 805 000,00	705 924 000,00	16 881 000,00
Mining	3	3	0	24 716 000,00	24 716 000,00	-
State Owned for Public Purpose	438	424	14	5 584 969 000,00	5 483 866 000,00	101 103 000,00
PSI	110	106	4	100 209 000,00	99 489 000,00	720 000,00
PBO	120	120	0	1052 519 000,00	1064 621 000,00	-12 102 000,00
Multi Use	36	35	1	-	-	-
Vacant	5334	4293	1041	1873 513 709,00	1881 177 909,00	-7 664 200,00
POW	0	0	0	-	-	-
Municipal	9102	7793	1309	4 139 945 000,00	3 859 854 000,00	280 091 000,00
Other	1136	1913	-777	1122 163 050,00	1104 258 050,00	17 905 000,00
	92401	89946	2455	96 065 741 220,00	95 588 549 720,00	477 191 500,00

Detailed Reconciliation

Property Categories	Monthly Billing			Quarterly		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	77 900 499	66 273 738	11 626 761	233 701 498,35	198 821 214,75	34 880 283,60
Industrial	12 456 906	12 314 739	142 167	37 370 719,26	36 944 218,02	426 501,24
Business and Commercial	46 947 619	45 182 418	1 765 200	140 843 455,63	135 547 254,69	5 296 200,94
Agricultural	240 935	227 854	13 081	722 805,00	683 561,94	39 243,06
Mining	60 142	58 083	2 059	180 426,80	174 247,80	6 179,00
State Owned for Public Purpose	13 590 091	12 887 085	703 006	40 770 273,70	38 661 255,30	2 109 018,40
PSI	23 382	22 634	748	70 146,30	67 901,79	2 244,51
PBO	350 840	-	350 840	1052 519,00	-	1052 519,00
Multi Use	-	11 686	-11 686	-	35 057,79	-35 057,79
Vacant	4 699 397	4 571 217	128 180	14 098 190,66	13 713 649,92	384 540,74
POW	-	-	-	-	-	-
Municipal	10 073 866	4 696 960	5 376 906	30 221 598,50	14 090 879,97	16 130 718,53
Other	-	316 798	-316 798	-	950 395,14	-950 395,14
Total	R166 343 878	R146 563 212	R19 780 665	R499 031 633	R439 689 637	R59 341 996

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 reconciliation statement & Eskom Bulk current account invoices

Msunduzi Municipality		
Creditors reconciliation		
Date	30.06.2025	
Financial Year	2024/2025	
Prepared by	MANISHA NAIDOO	
Vendor name	ESKOM HOLDINGS	
Statement	Jun-25	
GL ACCOUNT	1600000000	
BALANCE AS PER VENDOR STATEMENT		
		1,196,622,559.56
Less : Payments made to supplier but not reflected on vendor statement		
		(90,797,404.79)
Date	Payment Reference number	Amount
11.06.2025		30,000,000.00
26.05.2025		40,000,000.00
30.06.2025		20,797,404.79
Less : Invoices that appear on vendor statement but not captured on SAP system		
		0.00
Date	Invoice number	Amount
Less : Credit note/s submitted and captured but not reflected on vendor statement		
		0.00
Date	Credit Note number	Amount
Add : Invoices submitted and captured on SAP system but not reflected on vendor statement		
		11,833,035.27
Date	Invoice	Amount
	AS PER ATTACHED	3,449,372.90
	JUNE 25 INTEREST	8,383,662.37
Add / Less : Other (eg. Unallocated payment; adjustments reflected on vendor statement)		
		819,819,590.08
Date	Description	Amount
	ACCRUAL	403,871,495.66
	BALANCE OF PAYMENT ARRANGEMENT	415,948,094.42
BALANCE INPUT CALCULATED BY PERFORMING THE RECONCILIATION		
		1,937,477,780.12
BALANCE AS PER CREDITORS LEDGER/AGE ANALYSIS		
		1,937,477,780.12
DIFFERENCE		
		0.00
Signature by preparer:		
	MANISHA NAIDOO	
Date:	11-Jul-25	
Checked by: Supervisor		
Date :	11-Jul-25	
Comments		
Checked by: Creditors manager		
Date :		
Comments		



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) 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 3630

DIRECT DEPOSIT DETAIL

BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 50850143295

YOUR ACCOUNT NO	9455522022
SECURITY HELD	1.65
BILLING DATE	2025-01-06
TAX INVOICE NO	945793050409
ACCOUNT MONTH	DECEMBER 2024
CURRENT DUE DATE	2025-02-05
VAT REG NO	4600107835

TAX INVOICE

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

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	R	15,609.74
TRANSMISSION NETWORK CAPACITY	R	5,849,700.00
DIST. NETWORK CAPACITY CHARGE	R	4,273,500.00
NETWORK DEMAND CHARGE	R	5,439,938.66
URBAN LOW VOLTAGE SUBSIDY	R	10,467,300.00
ANCILLARY SERVICE (ALL)	R	901,656.20
ENERGY CHARGE (STD)	46,105,677.00	R 63,164,777.49
ENERGY CHARGE (PEAK)	18,418,221.00	R 36,668,836.19
ENERGY CHARGE (OFF)	58,990,652.00	R 51,262,876.59
ELECTRIFICATION AND RURAL SUBS (ALL)	R	19,354,729.67
SERVICE CHARGE	R	244,399.35

TOTAL CHARGES FOR BILLING PERIOD R **197,643,323.89**

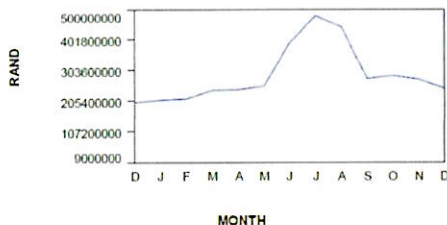
ACCOUNT SUMMARY FOR DECEMBER 2024

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	-200,000,000.00
PAYMENT(S) RECEIVED	Electronic Payments - 2024-12-19	R	-20,000,000.00
PAYMENT(S) RECEIVED	Electronic Payments - 2024-12-31	R	-20,797,404.79
PAYMENT(S) RECEIVED	Electronic Payments - 2025-01-03	R	-36,848,611.82
TOTAL CHARGES FOR BILLING PERIOD		R	197,643,323.89
ADJUSTMENT	Interest on overdue account	R	2,351,855.04
ADJUSTMENT	Interest on overdue account	R	538,212.72
ADJUSTMENT	WHEELING 3RD PARTY WHEELING CHARGES	R	-950,668.29
ADJUSTMENT	Interest on overdue account	R	4,240,247.98
PAYMENT ARRANGEMENT	9451423259 (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	29,503,898.34

CURRENT		
255,217,553.00	TOTAL DUE	R 774,515,624.89

ARREARS			
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 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



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ACCOUNT NO / REFERENCE NO

9455522022

NAME

MSUNDUZI MUNICIPALITY

FAX NUMBER

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



MSUNDUZI MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PO BOX 399
PIETERMARITZBURG
3200

EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 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	2024-02-05
VAT REG NO	4600107835
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	120,638.96
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

9455522085

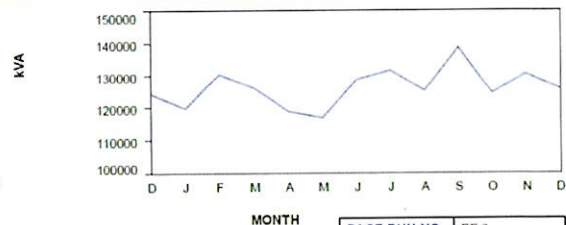
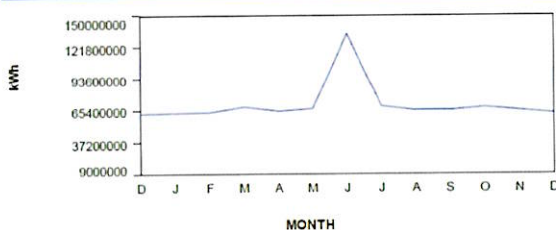
TARIFF NAME: Megaflex

06808 64 INTERVAL 190MVA MEGAFLX MSUNDUZI SUB HULETT & 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	2,689,305.09
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	455,229.43
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	26,371,680.30
Electrification and Rural Subsidy 62,360,196 kWh @ R0.1567 /kWh	R	9,771,842.71
SERVICE CHARGE	R	244,399.35

TOTAL CHARGES

R 99,578,616.06



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MSUNDUZI MUNICIPALITY
ATT CHIEF FINANCIAL OFFICER
PO BOX 399
PIETERMARITZBURG
3200

EASTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 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	4600107835
NOTIFIED MAX DEMAND	180,000.00
UTILISED CAPACITY	180,000.00

CONSUMPTION DETAILS (2024-12-01 - 2024-12-31)

ENERGY CONSUMPTION OFF PEAK kWh	28,643,493.60
ENERGY CONSUMPTION STD kWh	23,123,062.80
ENERGY CONSUMPTION PEAK kWh	9,387,796.60
ENERGY CONSUMPTION ALL kWh	61,154,352.00
DEMAND CONSUMPTION - OFF PEAK	102,349.14
DEMAND CONSUMPTION - STD	125,542.38
DEMAND CONSUMPTION - PEAK	128,714.71
DEMAND READING - kW/KVA	128,714.71
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

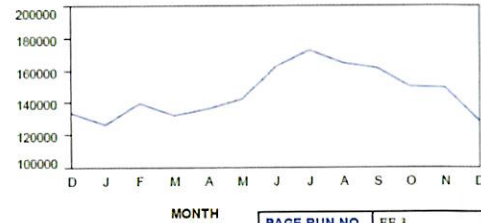
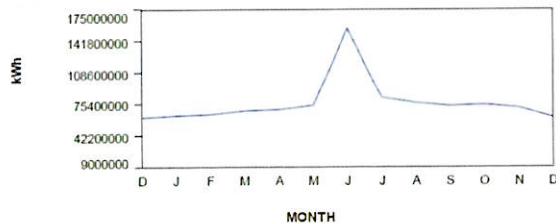
PREMISE ID NUMBER

9455522227

TARIFF NAME: Megaflex

06808 65 145 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	5,092,200.00
Ancillary Service Charge 61,154,352 kWh @ R0.0073 /kWh	R	446,426.77
Low Season Standard Energy Charge 23,123,063 kWh @ R1.37 /kWh	R	31,678,596.31
Low Season Peak Energy Charge 9,387,796 kWh @ R1.9909 /kWh	R	18,690,163.06
Low Season Off Peak Energy Charge 28,643,494 kWh @ R0.869 /kWh	R	24,891,196.29
Electrification and Rural Subsidy 61,154,352 kWh @ R0.1567 /kWh	R	9,582,886.96
TOTAL CHARGES	R	98,064,707.83



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- 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 : 2025/06/11
Time Actioned : 15:26:50
Trace ID : KXKCV3QN

Payer Details

Payment From : The Msunduzi Municipality
Cur/Amount : 30,000,000.00

Payee Details

Recipient/Account No : 143295
Name : Eskom Holdings
Bank : FNB/RMB
Branch Code : 255005
Reference : RN250625F11001

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	: 2025/02/11
Time Actioned	: 12:32:52
Trace ID	: CTD4TW7M

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	: RN170225F11001

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).

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

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)
Izintaba East -IE						
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	1 492 324,41
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

Page 1 of 5



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/Bisl	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

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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
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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)
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

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iii) Below is proof of payment for Umgeni

The municipality has paid an amount of R 105 million in June 2025.



NOTIFICATION OF PAYMENT

To Whom It May Concern:

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

Date Actioned : 2025/06/06
Time Actioned : 15:37:31
Trace ID : 8NN4GKQN

Payer Details

Payment From : The Msunduzi Municipality
Cur/Amount : 25,000,000.00

Payee Details

Recipient/Account No : . . 366594
Name : umgeni water
Bank : Nedbank Limited
Branch Code : 198765
Reference : RN110625F11001

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).

Msunduzi Municipality		
Creditors reconciliation		
Date	30/06/2025	
Financial Year	2024/2025	
Prepared by	SIYABONGA NDLOVU	
Vendor name	UMGENI WATER	
GL ACCOUNT	1600010000	
BALANCE AS PER VENDOR STATEMENT		
		1 141 402 369,82
Less : Payments made to supplier but not reflected on vendor statement		
Date	Payment Reference number	Amount
Less : Invoices that appear on vendor statement but not captured on SAP system		
		0,00
Date	Invoice number	Amount
Less : Credit note/s submitted and captured but not reflected on vendor statement		
		0,00
Date	Credit Note number	Amount
Add : Invoices submitted and captured on SAP system but not reflected on vendor statement		
		0,00
Date	Invoice	Amount
Add / Less : Other (eg. Unallocated payment; adjustments reflected on vendor statement)		
		0,30
Date	Description	
	ROUNDING DIFFERENCE	0,30
BALANCE INPUT CALCULATED BY PERFORMING THE RECONCILIATION		
		1 141 402 370,12
BALANCE AS PER CREDITORS LEDGER/AGE ANALYSIS		
		1 141 402 370,12
DIFFERENCE		
		0,00
Signature by preparer:		
Checked by: Supervisor		
DATE :		
Comments		
Checked by: Creditors manager		
DATE :		
Comments		

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)	Non-Compliant - Umngeni The municipality managed to pay Umngeni R 105 million in the month of June 2025 Non-Compliant – Eskom The municipality managed to pay an amount of R 90,78 million in the month of June 2025. The municipality is in talks with Eskom as the needs to be journals done to correct a few issues the municipality has with Eskom.
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)	6.3.2 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	
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means	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 June 2025 was uploaded onto GoMuni

the account for a 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)	6.3.4 - 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 (Demonstration through by-laws and budget related policies)	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.
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Compliant Disconnections = 2089
6.6 Electricity and	6.6.3 The municipality is	Monthly	Number of restricted	Compliant.

Water Collection (Demonstration through by-laws and budget related policies)	restricting and/or interrupting the supply of water of any defaulting consumer/property owner		/ interrupted supply	Restrictions performed= 3
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	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.	Monthly	No of indigent consumers	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.
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.1 The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 June 2023 and 85 per cent average quarterly collection with effect from 01 June 2024 during any quarter. Although the norm	Monthly (Internal) and Quarterly (Debt Relief)	Annexure D	Compliant 102%

	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			
6.7 Maintain a minimum average quarterly collection of property rates and services charges	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 limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure	Quarterly	Monthly S71 Revenue Collection Ward Template	Compliant 102%

6.8 Completeness of the revenue base	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	Quarterly	GRV REPORT	Non Compliant The GRV report was not ready at the time the report was submitted.
6.8 Completeness of the revenue base	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 to the National Treasury	Quarterly	GRV REPORT	Non Compliant The GRV report was not ready at the time the report was submitted.
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	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 June 2025

	budget?			
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 June 2025
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 Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to be performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT:	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificates for May 2025. Management must take remedial actions as per the recommendations made by National Treasury

	LGBA) compliance certification for the prior month and take immediate remedial action			
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account			
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	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 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	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

	account before it June apply the revenue in the sub-account for any other purpose.			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 Juneoral Committee take note of –

1. The compliance emanating from the municipality's debt relief self-assessment and overall performance since 1 November 2023, as well as the National Treasury's independent assessment set out. Please refer to the compliance report and compliance certificate for May 2025.
2. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Debt Relief Conditions:
 - Monthly settle the current accounts for Umngeni and ESKOM.
 - Settling of the debt repayment instalment. This needs to be improved as the municipality defaulted on November/June Umngeni statement.
 - Ensure that bulk invoices are captured timeously on the system, prior to month-end closure.
 - Restricting or interrupting of water supply of defaulting customers and indigents.
 - Improving on indigent management, especially considering the audit findings raised.
 - Installation of smart prepaid meters. The involvement of Engineers for Water and Electricity is critically needed in this regard.
 - Debtors Management to do an assessment of actual debt owed and the number of registered indigents compared to total number of households.
 - Ring-fencing actual cash received for Electricity and Water in order pay for Eskom & Umngeni accounts.

I, Mrs N. Ngcobo, the acting municipal manager of MSUNDUZI LOCAL MUNICIPALITY, hereby certify that –

- For the month of **JUNE 2025 SECTION 71/52(D)** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Date: 7/14/2025

[illegible]

Date of receipt: 14/07/2025.



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 • 40 Church Square, PRETORIA, 0002 • Tel: +27 12 315 5111 Fax: +27 12 406 9055 • www.treasury.gov.za

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

Mrs Nelisiwe Ngcobo
Acting Municipal Manager
Msunduzi Municipality
P O Box 321
PIETERMARITZBURG
3200

Email: Sadesb.ramjathan@treasury.gov.za; nelisiwe.ngcobo@msunduzi.gov.za

Dear Mr Ramjathan and Msunduzi Municipality

MFMA CIRCULAR NO.124 – NATIONAL TREASURY'S MUNICIPAL DEBT RELIEF COMPLIANCE CERTIFICATE OF KZN225 MSUNDUZI MUNICIPALITY DURING MAY 2025

The May 2025 compliance assessment of Msunduzi Municipality, conducted under the framework of the Municipal Debt Relief Programme (MDRP) as outlined in MFMA Circular No. 124, indicates measurable progress in several areas, alongside persistent weaknesses that require urgent attention. Encouragingly, the municipality has taken positive steps forward, including the adoption of a funded adjustment budget, improved management of its Eskom account, and partial compliance with mandatory reporting requirements through the municipal Standard Chart of Accounts (mSCOA). These developments reflect an increasing institutional commitment to aligning with national financial standards and fulfilling the conditions of the debt relief programme.

However, despite these improvements, a number of critical challenges remain unresolved, directly impacting the municipality's financial sustainability and compliance status. A particular concern is the municipality's ongoing practice of making only partial payments to Eskom on a regular basis, even though a formal payment arrangement has been established between the two parties. While this agreement outlines a structured repayment plan for both current and historical liabilities, adherence to the terms remains inconsistent. This partial payment pattern not only undermines the municipality's credibility with Eskom but also jeopardises its eligibility for future debt relief benefits under the MDRP, which requires strict compliance with agreed payment obligations to essential service providers.

In addition to this, the full implementation of cost-reflective tariffs remains incomplete, limiting the municipality's ability to recover service delivery costs and maintain financial viability. Revenue collection efforts continue to be inconsistent, affecting cash flow predictability and overall fiscal performance. There is also a persistent misalignment between the General Valuation Roll (GV) and the Municipal Financial System (MFS), which compromises billing accuracy and undermines

Nkqama wa Tiko • Gwama la Muvhuso • Nasionale Tesourie • Lefapha la Bosetihaba la Matlotlo • uMnyango wezezimali • Litiko leTetimali taVelonkhe • Tirelo ya Matlotlo a Bosetihaba
Tshebetlo ya Matlotlo a Naha • UMnyango weziMali • Ishebe leNgxowa Mali yeLizwe

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2 of 17

revenue integrity. Deficiencies in indigent management and consolidated billing further exacerbate inefficiencies, negatively affecting equitable service access and the reliability of the municipality's financial systems.

Given that ongoing compliance with MDRP conditions is essential for continued eligibility for debt write-offs and participation in the programme, it is imperative that the municipality adopts a focused, results-driven approach to address these systemic issues. Strategic interventions must be implemented to strengthen financial governance, improve revenue management, ensure full adherence to the Eskom and Umgeni payment arrangement, and align internal systems with regulatory and programme requirements. By taking decisive action to close existing compliance gaps, Msunduzi Municipality can consolidate its progress, demonstrate sustained fiscal discipline, and lay a solid foundation for long-term financial recovery and improved service delivery.

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

In accordance with the Eskom Municipal Debt Relief Programme, the National Treasury through MFMA Circular No. 124, has established a set of mandatory compliance conditions (Sections 6.1 to 6.14) that all participating municipalities are required to meet. In addition to these standard requirements, Msunduzi Municipality is subject to a tailored set of conditions outlined in its individual debt relief approval letter. These criteria serve as key performance indicators for assessing the municipality's eligibility and ongoing progress within the programme.

The attached performance scorecard provides a detailed evaluation of Msunduzi Municipality's compliance against each of these requirements for the 2024/25 financial year. While the municipality has made some progress in certain areas, overall performance has been inconsistent—particularly during the winter months. The implementation of Eskom's seasonal winter tariffs significantly affected revenue collection levels, further straining an already fragile cash flow position, which has resulted in short payments to current account. Similar concerns have recently emerged regarding non-compliance with agreed payment arrangements to Umgeni Water, raising additional red flags around the municipality's ability to meet essential service provider obligations.

It is important to note that while the performance assessment tool applies equal weighting to each compliance condition, it may not fully reflect partial progress or remedial actions taken in response to areas of underperformance. Nevertheless, the first compliance cycle has now concluded, and work is underway to determine whether Msunduzi qualifies for the first tranche of debt write-off, which is equivalent to one-third of its historical Eskom arrears.

Nkwenkwe wa Tiko • Gwama la Mofutsi • National Treasury • Lefapha la Bonetifubano la Matlotlo • uMnyango wezizimali • Litiko leTetradli taVidorikhe • Tiroko ya Matlotlo • Bonetifubano
Tshebetso ya Matlotlo • Naha • UMnyango weziMali • Ishebe leNgoswa Mali yelizwe

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National Treasury
Municipal Debt Relief
MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Province		
KZN		
Code	District	Code Description
KZN225	eMgungundlovu	Msunduzi

[illegible]

Msunduzi Municipality's inclusion in the Eskom Municipal Debt Relief Programme represents a critical milestone in its broader strategy to achieve financial rehabilitation and institutional reform. The process gained formal momentum following endorsement by the Municipal Council and the issuance of a conditional approval by the National Treasury. This provisional approval was explicitly contingent upon the municipality addressing key deficiencies identified during the initial assessment phase.

In response, Msunduzi demonstrated a proactive and solution-oriented approach, swiftly implementing a series of targeted corrective actions aligned with the National Treasury's requirements. These interventions were designed to address specific areas of concern, including financial management weaknesses, governance gaps, and operational inefficiencies. The municipality's coordinated efforts underscored a clear commitment to strengthening internal controls, improving accountability, and reinforcing responsible financial stewardship.

Through consistent and structured remediation, Msunduzi successfully demonstrated measurable progress and institutional maturity. These reforms not only restored confidence in the municipality's capacity to manage its fiscal obligations but also established a foundation for sustained performance improvement. As a result, the National Treasury granted final approval for participation in the programme and the validation of the municipality's efforts and a pivotal step toward achieving long-term fiscal consolidation and financial resilience.

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

Nkwama wa Tiko • Gwama la Mafaniso • Nankwale Tsonorir • Lefapha la Bosetibubha la Matlotlo • uMnyango wecezimani • Litiko leFetisisi la Vohorikho • Tseko ya Matlotlo a Bosetibubha
Tshebetiso la Matlotlo a Naha • UMwango waziMali • Inebe leNzovo Mali velizwe



In May 2025, Msunduzi Municipality continued its engagement with the Eskom Municipal Debt Relief Programme under MFMA Circular No. 124, demonstrating notable progress in certain areas while facing ongoing challenges that require urgent attention. The municipality made a significant payment of R215 million to Eskom current and an additional R20.8 million towards payment arrangement, reflecting a sustained commitment to meeting its obligations. These payments were made within the required 30-day period following receipt of invoices, indicating compliance with current account payment conditions. However, there is an arrear due to short payment from prior month that needs to be remedied for this second cycle before experiencing further challenges of winter tariff billing. Furthermore, challenges persist regarding compliance with the bulk water account managed through Umgeni Water. The municipality made a payment of R75 million during the month as part of its structured payment plan.

It is noted that the nature of these payment arrangement for Eskom and uMgeni, there remains a mismatch between the proof of payment and the entries in the municipal financial system. This misalignment continues to affect reconciliation accuracy and full compliance with reporting standards. Although the municipality is actively working to address these inconsistencies, full alignment has not yet been achieved.

- **Condition 6.4 – A funded MTREF**

Msunduzi Municipality has revised its previously unfunded adjustment budget by reducing both operating expenditure and capital projects funded from own revenue sources. This has resulted in the adoption of a funded second Adjustment Budget for the 2024/2025 financial year. However, despite this improvement, key financial indicators continue to reflect underlying challenges, pointing to the municipality's ongoing vulnerability and long-term fiscal unsustainability.

In response, the municipality has initiated the implementation of enhanced revenue management strategies aimed at improving financial viability and promoting sustainable service delivery. These efforts are intended to address structural inefficiencies in the municipality's revenue base and ensure more reliable cash flow to support critical operations.

The National Treasury's endorsement of the funded budget remains a vital factor in reinforcing Msunduzi's fiscal credibility. It underpins the municipality's capacity to deliver on its strategic objectives as set out in the Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP). These strategic frameworks serve as the cornerstone for addressing infrastructure backlogs, advancing developmental priorities, and fulfilling essential service delivery mandates.

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Tshebetso ya Matlotlo a Naha • UMnyango weziMali • Ishebe leNqanawa Mali yeLizwe

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Going forward, it is strongly recommended that the municipality ensures that adequate, realistic, and seasonally responsive budget allocations are made specifically for Eskom payments. This includes incorporating historical consumption patterns and accounting for winter tariff fluctuations in its financial planning processes. Enhanced cash flow forecasting will be critical in securing the municipality's ability to meet its obligations to both Eskom and Umgeni Water in full and on time.

As the municipality prepares for the 2025/2026 budget cycle, it is imperative that these improvements in financial planning and forecasting are institutionalised, refined, and embedded into long-term fiscal strategies. Doing so will support sustained recovery, strengthens stakeholder confidence, and lay the foundation for enduring financial stability.

- **Condition 6.5 – Cost reflective tariffs**

The exclusion of the cost-reflective tariff tool from Msunduzi Municipality's 2024/2025 budget poses a significant risk to long-term financial sustainability. This tool plays a critical role in ensuring that tariffs are set at levels that fully recover the costs associated with service delivery, including operational expenditures, routine maintenance, and planned infrastructure investments. In the absence of a structured, data-driven approach, the municipality risks approving tariffs that fall below cost-recovery thresholds. Given that tariffs are typically reviewed only once per year, this oversight may lead to persistent underfunding, recurring revenue shortfalls, and increased financial pressure.

Incorporating the cost-reflective tariff tool into the municipality's annual budgeting and tariff-setting processes is not discretionary. It is a fundamental element of prudent financial management. The proper application of this tool ensures that trading service tariffs accurately reflect the true cost of service provision. This reduces the risk of revenue deficits, promotes financial stability, and reinforces the municipality's capacity to operate on a sustainable basis. It also enhances institutional credibility, signalling a commitment to transparent, evidence-based governance and responsible fiscal planning. In this regard, the municipality is supported by Development Bank of Southern Africa (DBSA) to advance the integration of cost-reflective tariff methodologies into the 2025/2026 budget cycle.

In preparation of the 2025/2026 budget, it becomes essential that proposed tariffs demonstrate material improvement over the prior cycle. The application of cost-reflective tariff principles must be prioritised to safeguard the municipality's financial viability, uphold service delivery standards, and maintain the trust of residents and stakeholders. At the same time, the municipality must remain sensitive to affordability constraints within the community. Where full cost-recovery tariffs may impose undue hardship, a phased implementation approach should be considered.



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

The adoption of a Credit Control and Debt Collection Policy, along with efforts to improve billing accuracy, demonstrates Msunduzi Municipality's commitment to strengthening its financial management systems. However, these initiatives remain inadequate without consistent enforcement and concerted efforts from all departments. Accurate billing must be elevated to a core operational priority, supported by standardised processes across departments to reduce errors, limit disputes, and rebuild public trust in the fairness and reliability of the revenue system.

Despite technical support from the Revenue Value Chain Project implemented in collaboration with the DBSA, the municipality continues to face major challenges in revenue collection. Data cleansing exercises and related interventions have been undertaken but have not produced the expected improvements. The municipality is still performing below acceptable benchmarks, highlighting systemic weaknesses in converting billed amounts into actual cash inflows. This underperformance directly hampers financial recovery and places compliance with the Municipal Debt Relief Programme at significant risk.

Concerns also persist regarding the administration of the indigent support programme. The submitted indigent register remains incomplete and reflects appetite or low registration. To address these pressing issues, immediate corrective actions are required. These include the consistent enforcement of credit control and disconnection policies across all customer categories, transitioning indigent consumers to prepaid metering, finalising the indigent register with complete financial and demographic information, implementing consolidated billing, and introducing water restrictions where appropriate. These measures are critical to improving revenue performance, promoting sustainable service delivery, and ensuring full compliance with the Eskom Municipal Debt Relief Programme.

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

Msunduzi Municipality's revenue collection performance for the 2024/25 financial year, as reflected in the Annexure D data submitted up to May 2025, reveals a mixed trend across service lines. The municipality's revenue collection performance for the first three quarters of the 2024/2025 financial year reflects a declining trend that poses a significant risk to financial sustainability. While Quarter 1 and Quarter 2 reflected relatively declining collection levels, averaging 84 per cent and 77 per cent respectively. However, the average year to date collection rate has shown a slight improvement to 89 in Quarter 3, as per S71 submitted on GoMuni as at the end of March 2025, which is still below the norm of 95 per cent.

The incomplete submission of Annexure D, particularly the absence of ward-level revenue breakdowns, further limits the ability to assess performance at a granular level and implement



targeted interventions. Without complete and timely data, transparency and accountability are compromised, making it difficult to identify specific problem areas or track progress effectively.

To address these challenges, Msunduzi Municipality must prioritise strengthening its billing and enforcement mechanisms, improving data capture and reporting, expanding prepaid metering for indigent consumers, and conducting a comprehensive review of wastewater and water billing systems. Immediate corrective actions are essential to improve cash flow, restore public confidence, and ensure compliance with the Eskom Municipal Debt Relief Programme. Without sustained intervention, the municipality risks jeopardising its eligibility for future debt relief benefits and undermining long-term financial sustainability.

• 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	2022/2022					
Reconciliation Period	Quarter 3					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	No. of Properties			Market Values		
Property Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	71402	70547	855	57 032 000 791.00	56 857 650 751.00	174 345 040.00
Industrial	1149	1150	-1	5 119 276 611.00	5 240 314 611.00	-12 038 000.00
Business and Commercial	3497	3377	30	19 293 624 059.00	19 266 773 399.00	26 850 660.00
Agricultural	162	157	5	722 805 000.00	705 924 000.00	16 881 000.00
Mining	3	3	0	24 716 000.00	24 716 000.00	-
State Owned for Public Purpose	438	424	14	5 584 969 000.00	5 463 866 000.00	121 103 000.00
PSI	10	10	0	100 209 000.00	99 489 000.00	720 000.00
PBO	120	120	0	1052 519 000.00	1064 621 000.00	-12 102 000.00
Multi Use	38	35	3	-	-	-
Vacant	5334	4293	1041	1873 513 709.00	1881 177 909.00	-7 664 200.00
POW	0	0	0	-	-	-
Municipal	9102	7793	1309	4 139 945 000.00	3 859 854 000.00	280 091 000.00
Other	1116	1913	-777	1 122 163 050.00	1 104 258 050.00	17 905 000.00
	92401	89332	2463	96 055 741 220.00	95 588 649 720.00	477 091 500.00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	77 900 499	66 273 738	11 626 761	233 701 498.35	198 821 244.75	34 880 253.60
Industrial	12 456 906	12 314 739	142 167	37 370 719.26	36 944 218.02	426 501.24
Business and Commercial	46 947 819	45 182 418	1 765 400	140 843 455.63	135 547 254.69	5 296 200.94
Agricultural	240 935	227 854	13 081	722 805.00	683 561.94	39 243.06
Mining	60 142	58 083	2 059	180 426.80	174 247.60	6 179.20
State Owned for Public Purpose	13 590 091	12 887 085	703 006	40 770 273.70	38 661 255.30	2 109 018.40
PSI	23 382	22 634	748	70 146.30	67 901.79	2 244.51
PBO	350 840	-	350 840	1052 519.00	-	1052 519.00
Multi Use	-	11686	-11686	-	35 057.79	-35 057.79
Vacant	4 699 397	4 571 217	128 180	14 098 190.66	13 713 649.92	384 540.74
POW	-	-	-	-	-	-
Municipal	10 073 866	4 696 960	5 376 906	30 221 598.50	14 090 879.97	16 130 718.53
Other	-	3 16 798	-3 16 798	-	950 335.14	-950 335.14
Total	R168 343 877.73	R146 563 212.37	R19 780 665.36	499 031 633.20	439 689 637.11	59 341 996.09

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The property categorisation data provides vital insight into the degree of alignment between the General Valuation Roll (GV) and the Municipal Financial System (MFS) across different property types. Categories such as Industrial, State-Owned for Public Purpose, Agricultural, and Mining show relatively stable valuations and consistent billing patterns, reflecting adequate integration between the two systems in these areas.

However, several other categories continue to show material discrepancies that remain unresolved, raising serious concerns. Notably, the Residential, Business and Commercial, and Municipal category displays significant valuation misalignments, with GV values exceeding those recorded in the MFS. This has resulted in misalignment of the migrated data to MFR. It is concerning that, after several months have passed, the municipality has failed to address these discrepancies or align property categories as required. We note the follow up of exception reports and corrective action taken but the recorded information needs to gradually improve over time.

• **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

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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 was 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.	Yes
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

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

The National Treasury plays a pivotal role in the oversight and administration of the Municipal Debt Relief Programme, which is designed to assist municipalities in addressing long-standing financial weaknesses, reducing arrears, particularly to Eskom and uMgeni enhancing overall fiscal discipline. This programme is not merely a financial intervention, but a structured framework aimed at promoting sustainable financial recovery, responsible governance, and improved service delivery outcomes. Municipalities participating in the programme are required to demonstrate consistent and full



compliance with a defined set of conditions in order to maintain their eligibility and access the full range of benefits, including phased debt write-offs and technical support.

In this context, it is critical that the municipality moves beyond a reactive posture and adopts a proactive, solutions-oriented approach to financial management. This includes instituting robust internal processes to ensure the timeous payment of major creditors, particularly those classified as Section 41 creditors under the Municipal Finance Management Act (MFMA). Delayed payments to key service providers such as Eskom and Umgeni Water not only breach the terms of the debt relief programme but also jeopardise service continuity and public trust.

Furthermore, when instances of non-compliance are identified whether through monitoring by the National Treasury, Provincial Treasury, or internal assessments, the municipality must act without delay to implement targeted corrective actions. This entails not only resolving the immediate issue but also addressing the root causes of the transgression, whether related to cash flow constraints, revenue collection inefficiencies, or weak internal controls. Corrective actions must be clearly documented, time-bound, and communicated through appropriate governance structures to ensure transparency and accountability. Continuous engagement with National Treasury and relevant stakeholders is essential to clarify expectations, report progress, and receive technical guidance where necessary.

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

The prohibition on new borrowing and the restriction on incurring additional debt during the designated relief period are central pillars of the Municipal Debt Relief Programme. These regulatory measures are designed to enforce fiscal discipline by requiring participating municipalities to focus on reducing existing liabilities and restoring long-term financial sustainability. Effective compliance with these restrictions is essential not only for maintaining the integrity of the programme but also for reinforcing principles of responsible financial governance.

Since formally entering the debt relief programme on 1 November 2023, Msunduzi Municipality has demonstrated full compliance with all borrowing restrictions set forth under the initiative. This adherence underscores the municipality's commitment to fulfilling its obligations under the debt relief framework and reflects a strategic effort to stabilise its financial position without resorting to new debt accumulation.

It is important to note that during the 2023/24 financial year prior to the commencement of the relief period, the municipality undertook borrowing activities aimed at financing critical infrastructure upgrades in its electricity and water systems. These investments were strategically directed toward reducing both electricity technical and non-technical losses and improving service delivery efficiency.



The municipality's ongoing compliance with the borrowing restrictions demonstrates a clear intent to meet its debt relief obligations while laying a foundation for lasting financial stability.

- **Condition 6.12 – Accounting Treatment**

In February 2024, the National Treasury's Office of the Accountant-General issued a significant amendment through the Supplementary Guide to MFMA Circular No. 124. This update introduced a key policy shift by removing the prior requirement for municipalities to maintain separate bank accounts specifically for debt relief purposes. Instead, municipalities are now required to distinctly account for these funds through their monthly mSCOA data string submissions. This change reflects a move toward streamlined financial reporting while maintaining strict oversight on the use of funds related to debt relief. It underscores the critical importance of transparent and accurate financial tracking without the administrative burden of managing multiple bank accounts.

In line with this revised guidance, the municipality must ensure that all electricity-related revenue and corresponding payments to Eskom are properly recorded, reconciled, and clearly reflected in the monthly mSCOA data submissions. This is essential not only for regulatory compliance but also for demonstrating accountability in the utilisation of revenue collected from trading services.

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

Municipalities are required to accurately record and report all debt relief transactions as part of their monthly financial submissions through the municipal Standard Chart of Accounts (mSCOA) system. This requirement serves as a key accountability mechanism, promoting transparency and ensuring that the allocation and utilisation of debt relief funds are fully integrated into the municipality's broader financial reporting structure.

By embedding debt relief reporting within the mSCOA framework, the National Treasury is able to maintain effective oversight of fund usage without the need for separate banking arrangements. This streamlined approach minimises administrative burden while upholding rigorous financial controls. It also reinforces fiscal discipline by incorporating debt relief tracking into regular financial reporting cycles, ensuring ongoing alignment with national financial policies and regulatory standards.

This reporting obligation underscores the importance of strong financial governance and reflects the programme's commitment to transparency, accountability, and compliance in municipal financial management.



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- **Condition 6.14 – NERSA Licence**

Participation in the Municipal Debt Relief Programme entails a clear and binding commitment for municipalities to comply with a comprehensive set of regulatory conditions. Failure to meet these obligations carries serious repercussions, the most significant of which is the requirement to submit a formal application to the National Energy Regulator of South Africa (NERSA) for the potential revocation of the municipality's electricity distribution licence, as mandated under Section 17 of the Electricity Regulation Act, 2006. This provision serves as a critical enforcement mechanism, reinforcing the importance of fiscal discipline and responsible governance of municipal energy services.

By fulfilling these compliance requirements, municipalities not only preserve their eligibility for continued debt relief support but also reinforce their institutional credibility and accountability in the delivery of essential public services. Compliance with the programme's conditions demonstrates a clear commitment to sound financial management, adherence to statutory frameworks, and the broader goal of fostering long-term socio-economic stability and development within local communities.

Recommendations:

In light of the ongoing compliance assessment and performance review under the Eskom Municipal Debt Relief Programme, the following six high-level recommendations are proposed to strengthen institutional capacity, ensure full adherence to programme conditions, and secure long-term financial sustainability:

1. Finalise and Implement Fully Cost-Reflective Tariffs

The municipality must urgently complete the adoption and enforcement of cost-reflective tariffs across all service lines—particularly water, wastewater, and electricity. This is critical to ensuring sustainable revenue generation and covering the true cost of service delivery. A phased implementation approach should be considered where affordability constraints exist, balancing financial sustainability with social equity.

2. Strengthen Revenue Collection and Billing Accuracy

Immediate action is required to improve collection performance, particularly in water and wastewater services, which remain significantly below acceptable benchmarks. The municipality should reinforce credit control measures, enhance enforcement mechanisms (including disconnection policies), and resolve discrepancies between the General Valuation Roll (GV) and the Municipal Financial System (MFS) to improve billing accuracy and reduce disputes.

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3. Institutionalise Governance and Internal Controls

To sustain recent improvements, governance structures must be strengthened through consistent Council oversight, regular reporting, and accountability mechanisms. Key reforms—including internal audit functions, procurement controls, and asset management practices—should be embedded into daily operations to promote transparency, reduce fraud risk, and support long-term institutional credibility.

4. Enhance Data Management and Reporting Systems

The persistent data gaps, including incomplete Annexure D submissions and misalignment between proof of payment and financial records, must be addressed. Investment in system integration, staff training, and automated reconciliation tools will improve real-time monitoring, support accurate reporting to the National Treasury, and enable targeted interventions at ward level.

5. Expand Prepaid Metering and Consolidated Billing for Indigent Consumers

To improve payment discipline and service access equity, the municipality should accelerate the rollout of prepaid metering systems for indigent households. In addition, consolidated billing frameworks must be fully implemented to ensure transparent and uniform application of indigent support policies, enhancing both service delivery and revenue integrity.

6. Maintain Strict Adherence to Payment Arrangements with Eskom and Bulk Water Suppliers

The municipality must uphold its formal payment agreements with Eskom and Umgeni Water without delay or deviation. Ongoing partial payments place eligibility for future debt relief at risk and may trigger regulatory consequences, including potential referral to NERSA for licence revocation. Continued engagement with creditors and strict cash flow forecasting are essential to maintaining compliance and avoiding further financial distress.

Regards,

Pp

KGOMOTSO BALOYI
DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS
DATE: 01 July 2025

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

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Notes/Comments



6.6 Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, demonstrated, through its by-laws and budget related policies, that:		
15	6.6.1 - the municipality issues a consolidated monthly bill to all consumers/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 lastly to electricity?	Yes
16	6.6.2 - the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3 - the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: in terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	Yes
18	6.6.4 - If the defaulting consumer/property owner is 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 limits of 50 KiloWatt electricity and 6 KiloLitres water, respectively? <i>Note – the municipality's monthly MTMA s.71 statement must include as part of the narratives the indigent information in the required MT format</i>	Yes
6.6 Supporting statements (the consumer/property owner) or provincial treasury's related budget assessment confirm the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.		
6.7 Maintain a minimum average quarterly collection of property rates and services charges –		
19	6.7.1 - Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and services charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MTMA s.71 monthly and quarterly statement(s) and mSODA data strings uploaded via the GoMun Upload Portal? <i>Note – although the rates and services charges collection (MTMA Circular No. 72) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	Not yet end of quarter
6.7.2 - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:		
20	6.7.2.1 - the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.	not yet the end of a quarter
21	6.7.2.2 - the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	not yet the end of a quarter
22	6.7.2.3 - the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?	not yet the end of a quarter
23	6.7.3 - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	Yes
24	6.7.4 - Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5 - Has the municipality's 2023/24, 2024/25 and 2025/26 tabling and adopted capital budgets and MTMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –		
26	6.8.1 - Has the municipality demonstrated through 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?	No
27	6.8.1 - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note – monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MTMA s.72 statement</i>	Yes
28	6.8.2 - For the latest ending Quarter: Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MTMA Circulars no. 93, 96, 107 and 108) to the upload portal on https://app.budgetportal.treasury.gov.za/ ?	Yes

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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 and Budget Funding Plan where relevant?	Yes
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? <i>Note: condition 6.9.2 has a lapse error and must refer to 6.9.1</i>	6.9.1 = Yes
6.9.3	Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	Yes
6.9.4	If the municipality has an FRP with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury, Municipal Financial Recovery Service (MFRS) timeliness via the GoMuni Upload Portal https://go.muniportal.treasury.gov.za/ ? <i>Note: a municipality with a FRP may only benefit from the Municipal Debt Relief programme if the FRP progress report was submitted in both the Provincial Executive and MFRS.</i>	No
6.10	Provincial Treasury Note – Provincial Treasury confirmation of municipal compliance – in terms of section 5 and 14 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:	
6.10.1	has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
6.10.2	has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeliness uploaded the compliance certificate via the GoMuni Upload Portal https://go.muniportal.treasury.gov.za/ ? <i>Note: in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
6.10.3	has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <i>Note: if the FRP fails to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.9.4.</i>	No
6.11	Limitation on municipality borrowing powers – has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <i>Note: there is a prohibition on municipal borrowing for their own financial management from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme, for condition that MFMA Circular No. 124 condition 6.22 (Limitation on municipality borrowing powers) will only be applied in relation to new long term loans (issued into after the effective date of debt relief approval) as envisaged in MFMA Circular no. 124. Short term borrowing, including rolling over of an existing loan in order to bridge payments are not considered within the scope of this condition.</i>	No
6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):	
6.12.1	has the municipality apportioned and ring-fenced in a sub-account in 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 electricity, water and sanitation?	Yes
6.12.2	has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? <i>Note: City of Grahamstown, will a request be made to the Minister of Finance upon the municipality's request to enrol for municipality debt relief.</i>	Yes
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 aligning to its MFMA s 71 statement collected revenues.	Yes
6.14	Accounting Treatment – has the municipality fully accounted for and correctly reported on the write off of its Eskom arrears debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note: to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i>	No
6.15	NERA License – has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? <i>Note: By working for Municipal Debt Relief as set out in paragraph 5 of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme shall comply with any condition of the Relief, upon a copy to MTRD to enable the municipality's access to terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be provided by the relevant province for enabling an external mechanism as envisaged in Chapter 9 of the Municipal Systems Act, 2001, including the necessary order for delivery operations in line with the Municipal Systems Act, 2001 and Electricity Regulation Act, 2006. In terms of the conditions of government's tender request to Eskom, Eskom will also require the municipality to comply with its credit control and debt collection policies in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i>	Yes

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