

ITEM:

15/01/2025  
PIETERMARITZBURG  
CITY HALL  
INFO - CENTRE

3.7.P

R45



## REPORT TO THE MSUNDUZI MUNICIPAL COUNCIL

File Reference: 3.7.P  
Report Number: 6

Author: S KHOZA  
Designation: SNR MANAGER: BUDGET  
PLANNING, IMPLE & MONIT PLAN

CONFIDENTIAL / NOT CONFIDENTIAL

FOR NOTING

1<sup>st</sup> Level: TMC: 20/01/2025  
2<sup>nd</sup> Level: PORTFOLIO COMMITTEE: 22/01/2025  
3<sup>rd</sup> Level: EXCO: 23/01/2025  
4<sup>th</sup> Level: COUNCIL: 29/01/2025  
5<sup>th</sup> Level: MPAC: 06/02/2025

**SUBJECT: SECTION 71/SECTION 72/SECTION 52 (D) OF MFMA NO.56 OF 2003 –  
MONTHLY BUDGET STATEMENTS AS AT THE END OF DECEMEBR 2024**

**DATE: 15 JANUARY 2025**

### 1. PURPOSE

The purpose of the report is to appraise Council concerning Section 71 /Section 72/ Section 52 (D) of the MFMA No. 56 of 2003 regarding monthly budget statements for the period ending 31 December 2024, 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.
- 2.4 In terms of Section 72 of the MFMA, the Accounting Officer of the Municipality is required to submit a report in the prescribed format to the Mayor by the 25 January of each year, reviewing the financial performance of the municipality for the first six months of the year. This mid-year report is a critical stage in the year reporting cycle of the municipality as it allows the municipality to review any circumstances that may have changed since the preparation of the annual budget. As part of the review, in terms of Section 72(3), the accounting officer needs to make recommendations as to whether the SDBIP and Annual budget, i.e. Both Operational & Capital, needs to be adjusted. Furthermore, Section 54(f) of the MFMA requires the Mayor to consider and submit a report to Council by 31 January.

3. **LEGISLATIVE PROVISIONS / POLICIES**

- 3.1 Section 71 of the Municipal Finance Management Act No. 56 of 2003
- 3.2 Municipal Finance Management Act No. 56 of 2003, Section 52 (d) Monthly Budget Statements
- 3.3 Municipal Finance Management Act No 56 of 2003, section 72 Mid-year report.

4. **MOTIVATION/DISCUSSION**

- 4.1 The MFMA section 71 / section 72/ section 52 (d) report as per annexure
- 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

6. **IMPLICATIONS:**

6.1 **FINANCIAL**  
N/A

6.2 **LEGAL**  
N/A

**6.3 COMMUNICATION**

N/A

**6.4 SERVICE DELIVERY IMPLICATIONS**

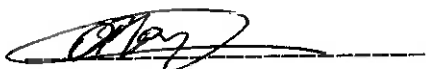
N/A

**7. RECOMMENDATIONS**

**IT IS RECOMMENDED THAT:**

- 7.1** Council note Section 71 / Section 72/ Section 52 (d) report as per MFMA No. 56 of 2003 as at the end of December 2024

**8. SUBMITTED BY:**



**CHIEF FINANCIAL OFFICER (ACTING)**

**ODWA LANGA**

**DATE:** .....2025/01/15.....

**ANNEXURES:**

MFMA No.56 of 2003 Section 71 / Section 72/ Section 52 (d) report.



Msunduzi Municipality

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

December 2024 Report  
Budget & Treasury Office

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## **PART 1 – IN YEAR REPORT**

### **1.1 Mayors Report**

### **1.2 Resolution**

### **1.3 Executive Summary**

#### **Legislative Requirements**

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

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

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

#### **FINANCIAL PERFORMANCE**

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

The Year to Date (YTD) actual service charges contributed R 2.530 billion towards the total municipal revenue basket; which is 57% of the total revenue basket and Transfers and subsidies contributed R 673.300 million which is 15% of the total revenue basket.

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

Overall, in the sixth month of the 2024/2025 financial year, the municipality generated total revenue of R 4.580 billion including capital transfers and contributions against the year to date budget of R 4.710 billion. However, the municipality must closely monitor the levels of revenue generated and expenditure incurred to mitigate the risk of expenditure exceeding revenue, which create cash flow problems in a long run.

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

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

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

**Capital Expenditure:** The YTD actual capital expenditure for the month of December amounted to R 285.721 million, the YTD budgeted capital expenditure was R 413.382 million resulting in a variance of -31% when comparing year to date actual and year to date budget.

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

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

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



## 1.4 In-year Budget Statement Tables

### Parent Municipality (Msunduzi Municipality Only) Monthly Budget Statements Summary

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

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

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	1 359 087	1 649 353	-	152 995	890 942	824 676	66 266	8%	1 649 353
Service charges	3 696 100	5 683 701	-	381 475	2 529 764	2 841 850	(312 087)	-11%	5 683 701
Investment revenue	106 873	59 562	-	-	-	29 781	(29 781)	-100%	59 562
Transfers and subsidies - Operational	824 536	946 343	-	293 963	673 300	473 172	200 129	0	946 343
Other own revenue	579 738	624 944	-	55 157	308 033	312 472	(4 439)	-1%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>6 566 335</b>	<b>8 963 903</b>	<b>-</b>	<b>883 590</b>	<b>4 402 040</b>	<b>4 481 952</b>	<b>(79 912)</b>	<b>-2%</b>	<b>8 963 903</b>
Employee costs	1 612 918	1 847 016	-	124 626	828 331	923 508	(95 177)	-10%	1 847 016
Remuneration of Councillors	63 542	66 462	-	4 771	28 619	33 231	(4 612)	-14%	66 462
Depreciation and amortisation	361 848	362 179	-	33 310	196 552	181 089	15 462	9%	362 179
Interest	84 787	42 825	-	1 597	9 922	21 412	(11 490)	-54%	42 825
Inventory consumed and bulk purchases	3 592 058	4 138 528	-	327 708	2 229 534	2 069 264	160 270	8%	4 138 528
Transfers and subsidies	28 450	69 670	-	7 104	26 081	34 835	(8 754)	-25%	69 670
Other expenditure	2 357 170	1 853 590	-	129 462	504 449	926 795	(422 347)	-46%	1 853 590
<b>Total Expenditure</b>	<b>8 100 773</b>	<b>8 380 270</b>	<b>-</b>	<b>628 580</b>	<b>3 823 487</b>	<b>4 190 135</b>	<b>(366 648)</b>	<b>-9%</b>	<b>8 380 270</b>
<b>Surplus/(Deficit)</b>	<b>(1 534 439)</b>	<b>583 633</b>	<b>-</b>	<b>255 010</b>	<b>578 553</b>	<b>291 817</b>	<b>286 736</b>	<b>98%</b>	<b>583 633</b>
Transfers and subsidies - capital (monetary)	428 105	456 975	-	44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1 106 334)</b>	<b>1 040 608</b>	<b>-</b>	<b>299 814</b>	<b>756 499</b>	<b>520 304</b>	<b>236 195</b>	<b>45%</b>	<b>1 040 608</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(1 106 334)</b>	<b>1 040 608</b>	<b>-</b>	<b>299 814</b>	<b>756 499</b>	<b>520 304</b>	<b>236 195</b>	<b>45%</b>	<b>1 040 608</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>726 310</b>	<b>824 011</b>	<b>-</b>	<b>73 217</b>	<b>285 721</b>	<b>412 005</b>	<b>(126 285)</b>	<b>-31%</b>	<b>824 011</b>
Capital transfers recognised	395 582	456 975	-	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	72 310	234 316	-	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds	258 418	132 720	-	24 973	96 128	66 360	29 768	45%	132 720
<b>Total sources of capital funds</b>	<b>726 310</b>	<b>824 011</b>	<b>-</b>	<b>73 217</b>	<b>285 721</b>	<b>412 005</b>	<b>(126 285)</b>	<b>-31%</b>	<b>824 011</b>
<b>Financial position</b>									
Total current assets	2 040 911	4 114 508	-	-	2 345 505	-	-	-	4 114 508
Total non current assets	8 604 430	10 127 020	-	-	8 437 560	-	-	-	10 127 020
Total current liabilities	3 853 354	2 372 667	-	-	3 119 672	-	-	-	2 372 667
Total non current liabilities	733 130	1 223 486	-	-	1 096 833	-	-	-	1 223 486
Community wealth/Equity	6 058 857	10 645 376	-	-	6 566 560	-	-	-	10 645 376
<b>Cash flows</b>									
Net cash from (used) operating	611 952	595 510	-	-	-	297 755	297 755	100%	595 510
Net cash from (used) investing	(674 404)	(824 011)	-	-	-	(412 005)	(412 005)	100%	(824 011)
Net cash from (used) financing	42 005	144 316	-	-	-	72 158	72 158	100%	144 316
<b>Cash/cash equivalents at the month/year end</b>	<b>490 955</b>	<b>459 343</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501 435</b>	<b>501 435</b>	<b>100%</b>	<b>459 343</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	806 853	141 270	137 031	165 399	145 485	154 046	716 502	5 637 781	7 904 367
<b>Creditors Age Analysis</b>									
Total Creditors	416 012	702 575	297 774	37 615	1 663 988	-	-	-	3 117 963



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

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

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

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

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

Vote Description	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue by Vote</b>	<b>1</b>									
Vote 1 - City Manager		-	-	-	-	-	-	-	-	-
Vote 2 - City Finance		2 025 042	2 675 603	-	319 157	1 324 041	1 337 801	(13 761)	-1,0%	2 675 603
Vote 3 - Corporate Services		2 110	3 166	-	561	1 509	1 583	(74)	-4,7%	3 166
Vote 4 - Community Services and Social Equity		292 947	492 478	-	30 411	123 648	246 239	(122 591)	-49,8%	492 478
Vote 5 - Infrastructure Services		1 696 701	1 540 531	-	274 269	1 220 263	770 266	449 997	58,4%	1 540 531
Vote 6 - Sustainable Development and City Enterprises		304 119	366 567	-	19 740	88 583	183 284	(94 701)	-51,7%	366 567
Vote 7 - Electricity		2 673 986	4 342 533	-	284 255	1 821 943	2 171 266	(349 323)	-18,1%	4 342 533
<b>Total Revenue by Vote</b>	<b>2</b>	<b>6 994 905</b>	<b>9 420 878</b>	<b>-</b>	<b>928 394</b>	<b>4 579 986</b>	<b>4 710 439</b>	<b>(130 453)</b>	<b>-2,8%</b>	<b>9 420 878</b>
<b>Expenditure by Vote</b>	<b>1</b>									
Vote 1 - City Manager		195 836	191 820	-	13 820	89 954	95 940	(5 956)	-6,2%	191 820
Vote 2 - City Finance		722 564	1 166 932	-	48 261	217 329	583 466	(366 137)	-62,8%	1 166 932
Vote 3 - Corporate Services		201 261	198 304	-	12 558	76 578	99 152	(22 574)	-22,8%	198 304
Vote 4 - Community Services and Social Equity		970 678	859 070	-	67 315	438 205	429 535	8 670	2,0%	859 070
Vote 5 - Infrastructure Services		2 321 845	1 881 447	-	205 531	964 805	940 723	24 082	2,6%	1 881 447
Vote 6 - Sustainable Development and City Enterprises		308 983	331 869	-	34 584	154 647	165 934	(11 287)	-6,8%	331 869
Vote 7 - Electricity		3 380 072	3 750 828	-	246 511	1 881 958	1 875 414	6 554	0,3%	3 750 828
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>8 101 239</b>	<b>8 380 270</b>	<b>-</b>	<b>628 580</b>	<b>3 823 487</b>	<b>4 190 135</b>	<b>(366 648)</b>	<b>-8,8%</b>	<b>8 380 270</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(1 106 334)</b>	<b>1 040 608</b>	<b>-</b>	<b>299 814</b>	<b>756 499</b>	<b>520 304</b>	<b>236 195</b>	<b>45,4%</b>	<b>1 040 608</b>

**Statement of financial Performance**

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

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

Description		Ref	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		266 518	1 763 911	2 148 913	(385 002)	-18%	4 297 825
Service charges - Water			740 741	1 009 760		84 418	570 360	504 880	65 480	13%	1 009 760
Service charges - Waste Water Management			198 015	220 725		18 559	122 774	110 362	12 411	11%	220 725
Service charges - Waste management			126 704	155 391		11 980	72 720	77 695	(4 975)	-6%	155 391
Sale of Goods and Rendering of Services			14 947	42 043		-	-	21 021	(21 021)	-100%	42 043
Agency services			2 667	765		130	1 494	382	1 112	291%	765
Interest			-	-		-	-	-	-	-	-
Interest earned from Receivables			325 984	230 682		44 426	223 347	115 341	108 006	94%	230 682
Interest from Current and Non Current Assets			106 873	59 562		-	-	29 781	(29 781)	-100%	59 562
Dividends			-	-		-	-	-	-	-	-
Rent on Land			-	-		-	-	-	-	-	-
Rental from Fixed Assets			33 590	113 962		2 875	15 375	56 981	(41 605)	-73%	113 962
Licence and permits			2 021	2 547		136	1 116	1 273	(157)	-12%	2 547
Operational Revenue			53 620	204 124		4 962	45 475	102 062	(56 587)	-55%	204 124
			-	-		-	-	-	-	-	-
Non-Exchange Revenue											
Property rates			1 359 087	1 649 353		152 995	890 942	824 676	66 266	8%	1 649 353
Surcharges and Taxes			-	-		-	-	-	-	-	-
Fines, penalties and forfeits			34 278	11 687		654	7 350	5 844	1 506	26%	11 687
Licence and permits			-	-		-	-	-	-	-	-
Transfers and subsidies - Operational			824 536	946 343		293 963	673 300	473 172	200 129	42%	946 343
Interest			44 118	19 135		1 712	13 604	9 568	4 036	42%	19 135
Fuel Levy			-	-		-	-	-	-	-	-
Operational Revenue			-	-		-	-	-	-	-	-
Gains on disposal of Assets			-	-		-	-	-	-	-	-
Other Gains			68 514	-		263	273	-	273	-	-
			-	-		-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)			6 566 335	8 963 903	-	883 590	4 402 040	4 481 952	(79 912)	-2%	8 963 903
Expenditure By Type											
Employee related costs			1 612 918	1 847 016		124 625	828 331	923 508	(95 177)	-10%	1 847 016
Remuneration of councillors			63 542	66 462		4 771	28 619	33 231	(4 612)	-14%	66 462
Bulk purchases - electricity			2 714 396	3 145 119		211 148	1 666 651	1 572 559	94 092	6%	3 145 119
Inventory consumed			877 662	993 409		116 561	562 882	496 705	66 178	13%	993 409
Debt impairment			1 143 098	636 000		366	5 409	318 000	(312 591)	-98%	636 000
Depreciation and amortisation			361 848	362 179		33 310	196 552	181 089	15 462	9%	362 179
Interest			84 787	42 825		1 597	9 922	21 412	(11 490)	-54%	42 825
Contracted services			918 493	1 023 282		107 775	380 689	511 641	(130 952)	-26%	1 023 282
Transfers and subsidies			28 450	69 670		7 104	26 081	34 835	(8 754)	-25%	69 670
Irrecoverable debts written off			22 524	-		-	-	-	-	-	-
Operational costs			229 249	194 308		21 321	118 351	97 154	21 197	22%	194 308
Losses on Disposal of Assets			14 049	-		-	-	-	-	-	-
Other Losses			29 757	-		-	-	-	-	-	-
Total Expenditure			8 100 773	8 380 270	-	628 580	3 823 487	4 190 135	(366 648)	-9%	8 380 270
Surplus/(Deficit)			(1 534 439)	583 633	-	255 010	578 553	291 817	286 736	98%	583 633
Transfers and subsidies - capital (monetary allocations)			428 105	456 975		44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)			-	-		-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Income Tax			-	-		-	-	-	-	-	-
Surplus/(Deficit) after income tax			(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Joint Venture			-	-		-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities			-	-		-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608
Share of Surplus/Deficit attributable to Associate			-	-		-	-	-	-	-	-
Intercompany/Parent subsidiary transactions			-	-		-	-	-	-	-	-
Surplus/ (Deficit) for the year			(1 106 334)	1 040 608	-	299 814	756 499	520 304	236 195	45%	1 040 608

## Capital Expenditure

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

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

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - City Manager		-	37 445	-	-	-	18 723	(18 723)	-100%	37 445
Vote 2 - City Finance		10 485	25 000	-	11 586	12 221	12 500	(279)	-2%	25 000
Vote 3 - Corporate Services		5 072	6 575	-	(2 473)	(2 439)	3 288	(5 726)	-174%	6 575
Vote 4 - Community Services and Social Equity		70 000	42 153	-	4 753	16 478	21 076	(4 599)	-22%	42 153
Vote 5 - Infrastructure Services		291 474	284 464	-	35 436	158 388	142 232	16 156	11%	284 464
Vote 6 - Sustainable Development and City Enterprises		168 625	153 599	-	12 673	48 335	76 799	(28 465)	-37%	153 599
Vote 7 - Electricity		116 839	237 331	-	11 242	35 745	118 666	(82 921)	-70%	237 331
Total Capital Multi-year expenditure	4,7	662 496	786 566	-	73 217	268 727	393 283	(124 556)	-32%	786 566
Single Year expenditure appropriation	2									
Vote 1 - City Manager		6 003	5 000	-	-	-	2 500	(2 500)	-100%	5 000
Vote 2 - City Finance		5 571	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		15 256	7 525	-	-	13 944	3 763	10 182	271%	7 525
Vote 4 - Community Services and Social Equity		8 052	8 780	-	-	-	4 390	(4 390)	-100%	8 780
Vote 5 - Infrastructure Services		15 179	10 000	-	-	3 050	5 000	(1 950)	-39%	10 000
Vote 6 - Sustainable Development and City Enterprises		843	2 140	-	-	-	1 070	(1 070)	-100%	2 140
Vote 7 - Electricity		12 909	4 000	-	-	-	2 000	(2 000)	-100%	4 000
Total Capital single-year expenditure	4	63 814	37 445	-	-	16 994	18 723	(1 729)	-9%	37 445
Total Capital Expenditure		726 310	824 011	-	73 217	285 721	412 005	(126 285)	-31%	824 011
Capital Expenditure - Functional Classification										
Governance and administration		43 055	45 300	-	9 113	23 726	22 650	1 076	5%	45 300
Executive and council		6 003	5 100	-	-	-	2 550	(2 550)	-100%	5 100
Finance and administration		37 052	40 200	-	9 113	23 726	20 100	3 626	18%	40 200
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		117 916	168 351	-	15 743	45 768	84 176	(38 407)	-46%	168 351
Community and social services		39 760	24 745	-	2 600	2 671	12 373	(9 702)	-78%	24 745
Sport and recreation		5 256	11 933	-	2 393	6 867	5 966	901	15%	11 933
Public safety		724	2 100	-	-	-	1 050	(1 050)	-100%	2 100
Housing		72 176	129 574	-	10 750	36 230	64 787	(28 557)	-44%	129 574
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		247 500	139 974	-	26 570	97 490	69 987	27 503	39%	139 974
Planning and development		92 996	23 150	-	1 683	11 865	11 575	290	3%	23 150
Road transport		154 504	116 824	-	24 887	85 626	58 412	27 213	47%	116 824
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		314 321	467 535	-	21 791	118 736	233 768	(115 032)	-49%	467 535
Energy sources		129 749	260 054	-	11 242	35 745	130 027	(94 282)	-73%	260 054
Water management		78 803	100 375	-	7 341	40 927	50 188	(9 260)	-18%	100 375
Waste water management		78 088	97 047	-	3 207	34 884	48 523	(13 639)	-28%	97 047
Waste management		27 681	10 060	-	-	7 179	5 030	2 149	43%	10 060
Other		3 518	2 850	-	-	-	1 425	(1 425)	-100%	2 850
Total Capital Expenditure - Functional Classification	3	726 310	824 011	-	73 217	285 721	412 005	(126 285)	-31%	824 011
Funded by:										
National Government		302 791	325 817	-	29 329	124 701	162 908	(38 207)	-23%	325 817
Provincial Government		92 791	131 158	-	10 990	35 698	65 579	(29 881)	-46%	131 158
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public		-	-	-	-	-	-	-	-	-
Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		395 582	456 975	-	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	6	72 310	234 316	-	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds		258 418	132 720	-	24 973	96 128	66 360	29 768	45%	132 720
Total Capital Funding		726 310	824 011	-	73 217	285 721	412 005	(126 285)	-31%	824 011

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



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

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

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

**Consolidated Budget Tables (With Municipal Entity: Safe City)**

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

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	1 359 087	1 649 353	-	152 995	890 942	824 676	66 266	8%	1 649 353
Service charges	3 696 100	5 683 701	-	381 475	2 529 764	2 841 850	(312 087)	-11%	5 683 701
Investment revenue	106 873	59 562	-	-	-	29 781	(29 781)	-100%	59 562
Transfers and subsidies - Operational	824 536	946 343	-	293 963	673 300	473 172	200 129	0	946 343
Other own revenue	579 738	624 944	-	55 157	308 033	312 472	(4 439)	-1%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>6 566 335</b>	<b>8 963 903</b>	<b>-</b>	<b>883 590</b>	<b>4 402 040</b>	<b>4 481 952</b>	<b>(79 912)</b>	<b>-2%</b>	<b>8 963 903</b>
Employee costs	1 612 918	1 860 538	-	126 392	835 335	930 269	(94 934)	-10%	1 860 538
Remuneration of Councillors	63 542	66 462	-	4 771	28 619	33 231	(4 612)	-14%	66 462
Depreciation and amortisation	361 848	363 041	-	33 368	196 888	181 520	15 368	8%	363 041
Interest	84 787	42 825	-	1 597	9 922	21 412	(11 490)	-54%	42 825
Inventory consumed and bulk purchases	3 592 058	4 138 528	-	327 708	2 229 534	2 069 264	160 270	8%	4 138 528
Transfers and subsidies	28 450	52 376	-	4 918	17 507	26 188	(8 681)	-33%	52 376
Other expenditure	2 357 170	1 856 500	-	129 825	505 681	928 250	(422 569)	-46%	1 856 500
<b>Total Expenditure</b>	<b>8 100 773</b>	<b>8 380 270</b>	<b>-</b>	<b>628 580</b>	<b>3 823 487</b>	<b>4 190 135</b>	<b>(366 648)</b>	<b>-9%</b>	<b>8 380 270</b>
<b>Surplus/(Deficit)</b>	<b>(1 534 439)</b>	<b>583 633</b>	<b>-</b>	<b>255 010</b>	<b>578 553</b>	<b>291 817</b>	<b>286 736</b>	<b>98%</b>	<b>583 633</b>
Transfers and subsidies - capital (monetary)	428 105	456 975	-	44 804	177 947	228 487	(50 541)	-22%	456 975
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(1 106 334)</b>	<b>1 040 608</b>	<b>-</b>	<b>299 814</b>	<b>756 499</b>	<b>520 304</b>	<b>236 195</b>	<b>45%</b>	<b>1 040 608</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(1 106 334)</b>	<b>1 040 608</b>	<b>-</b>	<b>299 814</b>	<b>756 499</b>	<b>520 304</b>	<b>236 195</b>	<b>45%</b>	<b>1 040 608</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>726 310</b>	<b>826 764</b>	<b>-</b>	<b>73 217</b>	<b>285 721</b>	<b>413 382</b>	<b>(127 661)</b>	<b>-31%</b>	<b>826 764</b>
Capital transfers recognised	395 582	456 975	-	40 319	160 399	228 487	(68 089)	-30%	456 975
Borrowing	72 310	234 316	-	7 924	29 194	117 158	(87 964)	-75%	234 316
Internally generated funds	258 418	135 473	-	24 973	96 128	67 737	28 392	42%	135 473
<b>Total sources of capital funds</b>	<b>726 310</b>	<b>826 764</b>	<b>-</b>	<b>73 217</b>	<b>285 721</b>	<b>413 382</b>	<b>(127 661)</b>	<b>-31%</b>	<b>826 764</b>
<b>Financial position</b>									
Total current assets	2 040 911	4 114 508	-		2 350 617				4 114 508
Total non current assets	8 604 430	10 127 020	-		8 444 102				10 127 020
Total current liabilities	3 853 354	2 372 667	-		3 121 178				2 372 667
Total non current liabilities	733 130	1 223 486	-		1 096 833				1 223 486
Community wealth/Equity	6 058 857	10 645 376	-		6 576 709				10 645 376
<b>Cash flows</b>									
Net cash from (used) operating	611 952	596 372	-	-	-	298 186	298 186	100%	596 372
Net cash from (used) investing	(674 404)	(826 764)	-	-	-	(413 382)	(413 382)	100%	(826 764)
Net cash from (used) financing	42 005	144 316	-	-	-	72 158	72 158	100%	144 316
<b>Cash/cash equivalents at the month/year end</b>	<b>490 955</b>	<b>457 452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500 490</b>	<b>500 490</b>	<b>100%</b>	<b>457 452</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	806 853	141 270	137 031	165 399	145 485	154 046	716 502	5 637 781	7 904 367
<b>Creditors Age Analysis</b>									
Total Creditors	416 012	702 575	297 774	37 615	1 663 988	-	-	-	3 117 963



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

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

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

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

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

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

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

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



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

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

## PART 2 – SUPPORTING DOCUMENTATION

## 2.1 Debtors Analysis

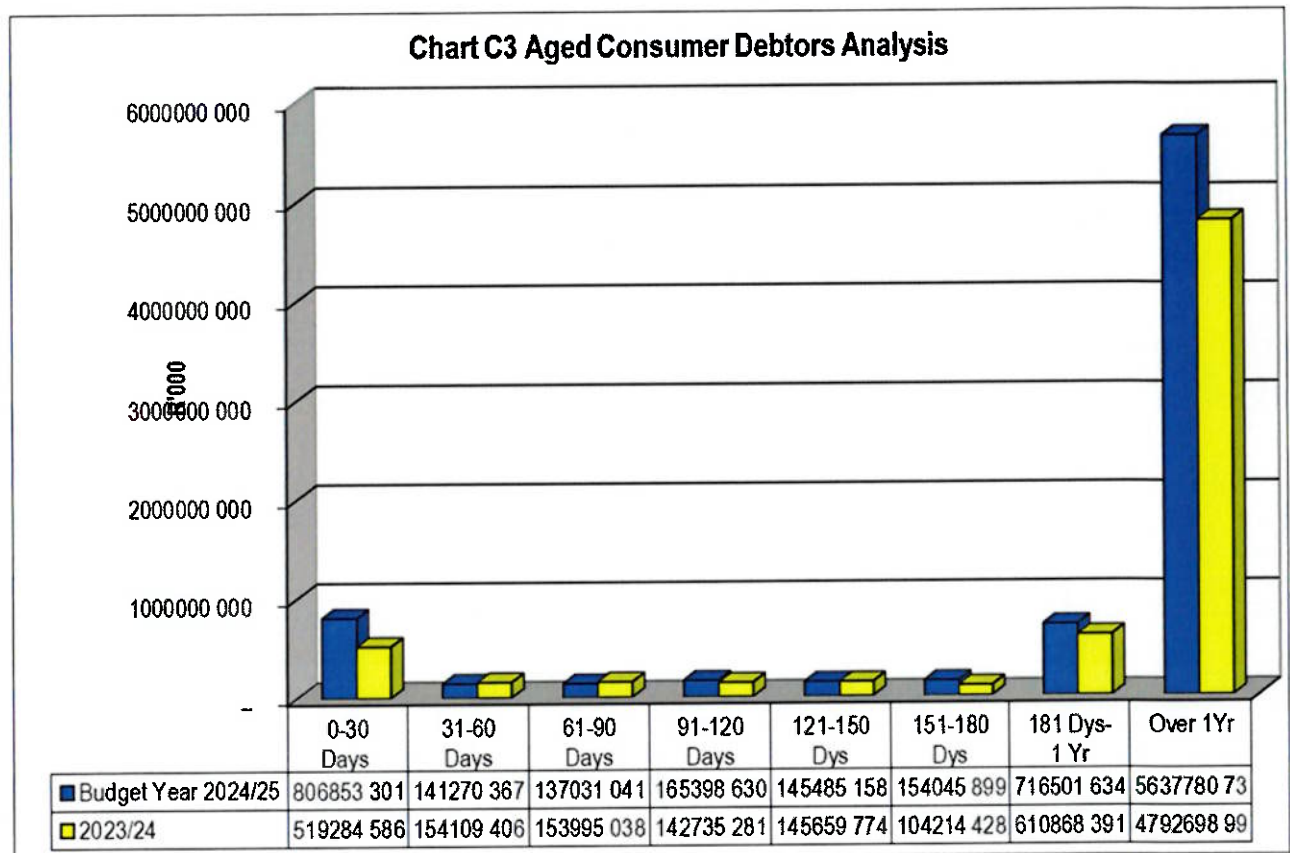
The table presented below summarises the Debtors Age Analysis as at 31 December 2024

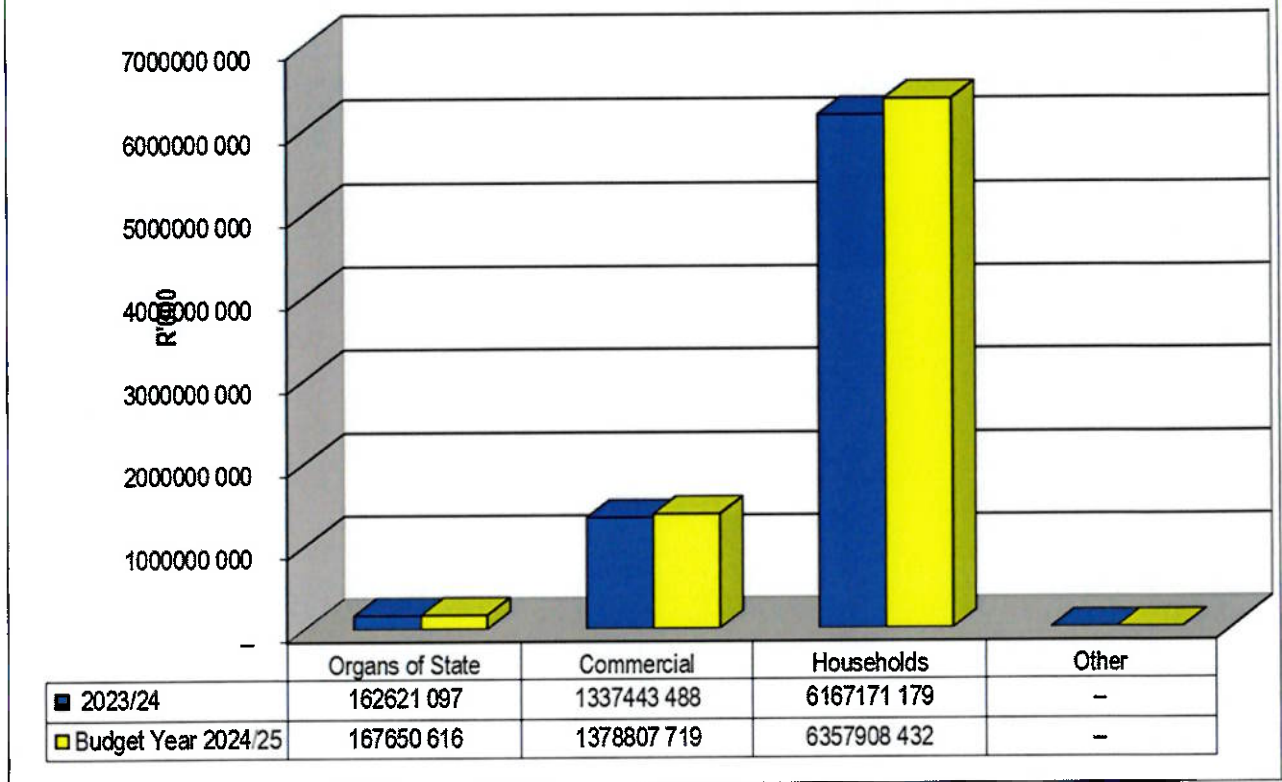
KZN225 Msunduzi - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Total over 90 days		
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	150 093	52 324	55 400	51 448	51 001	49 932	235 221	2 458 852	3 104 269	2 846 452		2 026 832
Trade and Other Receivables from Exchange Transactions - Electricity	1300	345 149	(5 055)	(7 797)	21 155	14 116	14 604	86 516	292 014	760 702	428 404		143 408
Receivables from Non-exchange Transactions - Property Rates	1400	169 398	33 778	31 539	35 906	29 760	27 748	117 694	914 783	1 360 606	1 125 891		718 954
Receivables from Exchange Transactions - Waste Water Management	1500	30 329	7 522	7 718	7 460	7 246	6 531	36 912	350 497	454 215	408 647		285 730
Receivables from Exchange Transactions - Waste Management	1600	16 947	6 183	4 554	4 548	3 995	3 686	18 641	187 959	246 423	218 728		156 228
Receivables from Exchange Transactions - Property Rental Debtors	1700	3 196	1 105	950	934	893	858	4 493	53 462	65 891	60 639		44 911
Interest on Arrear Debtor Accounts	1810	91 212	45 203	44 550	43 739	38 332	50 686	216 285	1 219 055	1 749 062	1 568 096		907 433
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820												
Other	1900	529	200	116	208	142	103	741	161 160	163 354			159 919
<b>Total By Income Source</b>	<b>2000</b>	<b>806 853</b>	<b>141 270</b>	<b>137 031</b>	<b>165 399</b>	<b>145 485</b>	<b>154 046</b>	<b>716 502</b>	<b>5 637 781</b>	<b>7 904 367</b>	<b>6 819 212</b>	<b>-</b>	<b>4 443 415</b>
<b>2023/24 - total's only</b>		519 285	154 109	153 995	142 735	145 680	104 214	610 868	4 792 699	6 623 566	5 796 177		3 696 689
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	69 905	(10 701)	(15 751)	8 308	6 646	7 724	19 415	82 103	167 651	124 197		62 784
Commercial	2300	371 490	31 187	27 919	32 111	25 133	31 227	127 761	731 979	1 378 808	948 212		521 679
Households	2400	365 458	120 784	124 863	124 979	113 706	115 095	569 325	4 823 698	6 357 908	5 746 803		3 858 952
Other	2500												
<b>Total By Customer Group</b>	<b>2600</b>	<b>806 853</b>	<b>141 270</b>	<b>137 031</b>	<b>165 399</b>	<b>145 485</b>	<b>154 046</b>	<b>716 502</b>	<b>5 637 781</b>	<b>7 904 367</b>	<b>6 819 212</b>	<b>-</b>	<b>4 443 415</b>



Chart 1: Debtors Age Analysis by Customer Group



**Chart C4 Consumer Debtors (total by Debtor Customer Category)**

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

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

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

## 2.2 Creditors Analysis

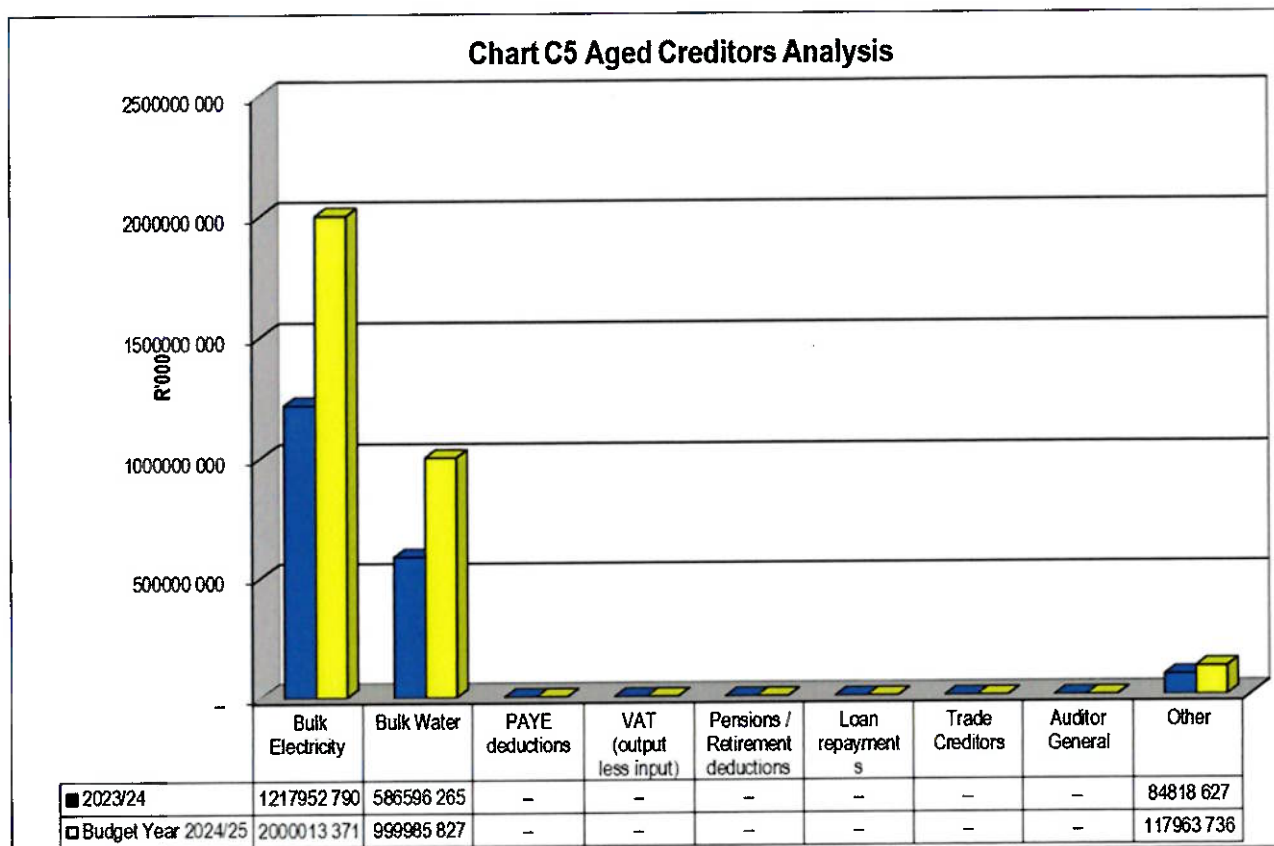
Table SC 4 below presents the aged creditors as at 31 December 2024

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

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

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

Chart 3: Creditors Analysis



### 2.3 Investment Portfolio Analysis

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

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commissio n Paid (Rends)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
<b>Municipality</b>														
Municipal Infrastructure Grant										70 089		(37 876)	38 100	70 323
Unspent Conditional Grant										102 292	215	(174 863)	85 153	12 797
Housing Accreditation										10 071	75	(64)	2 301	12 383
Municipal Housing Account										50 875	34	(20 255)	15 262	45 916
Housing Projects Principal-Agent										11 397		(335)	24	11 066
Compensation Fund (COID)1131010020										919	6			925
Compensation Fund (COID)										23 585				23 585
Airport Development Fund										29	0			30
Insurance Fund										8 125	52			8 178
Vat Recovery on Prov. Grants										1 059	7			1 066
Vat Refunds										5 187	1 741			6 928
Call - General Reserves										29 145		(286 325)	257 180	-
7 Day Notice - General Reserves										52	0			52
1 Day Notice - General Reserves										125	1			126
Call Account/Loan										19 725	91	(9 734)		10 082
Standard													1 714	1 714
<b>Municipality sub-total</b>										332 686	2 222	(529 453)	399 735	205 190
<b>Entities</b>														-
<b>Entities sub-total</b>										-	-	-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2									332 686	2 222	(529 453)	399 735	205 190

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

## 2.4 Allocation and Grant receipts and Expenditure

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

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

Description		Ref	Budget Year 2024/25								
			2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
RECEIPTS:		1,2									
Operating Transfers and Grants											
National Government:			795 277	895 184	—	275 352	653 881	447 592	206 289	46,1%	895 184
Local Government Equitable Share			767 222	822 072		274 024	616 554	411 036	205 518	50,0%	822 072
Finance Management			1 807	1 900			1 900	950	950	100,0%	1 900
Municipal Systems Improvement Operating			—	—			—	—	—		—
EPWP Incentive			4 701	2 092			1 464	1 046	418	40,0%	2 092
Municipal Water Infrastructure Grant			13 948	30 000			11 500	15 000	(3 500)	-23,3%	30 000
Public Transport Infrastructure			—	30 000			17 000	15 000	2 000	13,3%	30 000
Energy Efficiency and Demand Management			—	—			50	—	50		—
Operating costs-MIG			7 599	9 120		1 328	5 413	4 560	853	18,7%	9 120
Provincial Government:			29 259	61 696	—	11 996	53 435	30 848	22 587	73,2%	61 696
PMB Airport- OPERATING			—	—			500	—	500		—
Housing Accreditation-OPERATING			6 418	8 000		2 301	7 718	4 000	3 718	92,9%	8 000
Human Settlements - Accredited Municipal RO			—	—			—	—	—		—
Housing Projects -OPERATING			1 181	38 536				19 268	(19 268)	-100,0%	38 536
Community Library Service and Provincialisation Library-OPERATING			14 821	—			14 693	—	14 693		—
Arts and Culture-Museum Subsidies			—	—			—	—	—		—
Tatham Art Gallery-OPERATING			205	14 660			431	7 330	(6 899)	-94,1%	14 660
Greater Edendale Development Initiative-OPERATING			2 081	500			—	250	(250)	-100,0%	500
Operation Dlulisumlando-OPERATING			—	—			—	—	—		—
SETA- Bursaries for Non Employees- OPERATING			1 663	—		216	1 291	—	1 291		—
Arts and Culture-Museum Subsidies - Tatham Art Gallery			—	—			—	—	—		—
Municipal Employment Initiative - OPERATING			2 890	—			—	—	—		—
Regional Bulk Infrastructure Grant/BFI- OPERATING			—	—		9 479	28 802	—	28 802		—
COGTA			—	—		—	—	—	—		—
District Municipality:			—	—	—	—	—	—	—		—
[insert description]			—	—	—	—	—	—	—		—
Other grant providers:			—	—	—	—	—	—	—		—
[insert description]			—	—	—	—	—	—	—		—
Total Operating Transfers and Grants		5	824 536	956 880	—	287 348	707 316	478 440	228 876	47,8%	956 880
Capital Transfers and Grants											
National Government:			259 763	312 603	—	39 772	197 317	156 301	41 015	26,2%	312 603
Municipal Infrastructure Grant (MIG)			204 367	222 682		36 772	149 896	111 341	38 555	34,6%	222 682
Public Transport Infrastructure			—	20 000			10 000	10 000	—		20 000
Neighbourhood Development Partnership			12 973	20 000			15 000	10 000	5 000	50,0%	20 000
Dept of Mineral/Electricity			—	—			—	—	—		—
Integrated National Electrification Programme			12 219	4 971			4 971	2 486	2 486	100,0%	4 971
Municipal Systems Improvement Capital			—	—			—	—	—		—
Water Services Infrastructure Grant (WSIG)-CAPITAL			25 204	40 000			13 500	20 000	(6 500)	-32,5%	40 000
Energy Efficiency and Demand Management			5 000	4 950		3 000	3 950	2 475	1 475	59,6%	4 950
Provincial Government:			168 342	133 835	—	258	9 430	66 918	(57 487)	-85,9%	133 835
PMB Airport- CAPITAL			3 201	—			—	—	—		—
Arts and Culture-Museum Subsidies			—	—			—	—	—		—
COGTA			3 039	—			—	—	—		—
Housing Accreditation-CAPITAL			734	700			—	350	(350)	-100,0%	700
Capital Provincial KZN Treasury			—	—			—	—	—		—
Economic development tourism			—	—			—	—	—		—
Eastwood Primary Substation-CAPITAL			379	—			—	—	—		—
Jika Joe Community Residential Units-CAPITAL			—	—			—	—	—		—
Greater Edendale Development Initiative-CAPITAL			77 553	—		258	258	—	258		—
Youth Enterprise Park-CAPITAL			—	—			—	—	—		—
Informal Economy Infrastructure Development-CAPITAL			—	1 000			—	500	(500)	-100,0%	1 000
Corridor Development- CAPITAL			—	—			—	—	—		—
Municipal Disaster Relief Grant-CAPITAL			8 203	13 214			6 607	6 607	—		13 214
Community Library Service and Provincialisation Library-CAPITAL			6 377	—			1 400	—	1 400		—
Provincial Government:			—	—			—	—	—		—
Arts and Culture-Museum Subsidies - Tatham Art Gallery			171	1 865			165	933	(768)	-82,3%	1 865
Ematsheni-CAPITAL			—	—			1 000	—	1 000		—
Housing Projects -CAPITAL			68 685	117 056			—	58 528	(58 528)	-100,0%	117 056
District Municipality:			—	—	—	—	—	—	—		—
[insert description]			—	—	—	—	—	—	—		—
Other grant providers:			—	—	—	—	—	—	—		—
[insert description]			—	—	—	—	—	—	—		—
Total Capital Transfers and Grants		5	428 105	446 438	—	40 030	206 747	223 219	(16 472)	-7,4%	446 438
TOTAL RECEIPTS OF TRANSFERS & GRANTS		5	1 252 641	1 403 318	—	327 378	914 063	701 659	212 404	30,3%	1 403 318



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

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

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		795 277	895 184	-	290 243	642 978	447 592	195 386	43,7%	895 184
Local Government Equitable Share		767 222	822 072		274 024	616 554	411 036	205 518	50,0%	822 072
Finance Management		1 807	1 900		84	647	950	(303)	-31,9%	1 900
Municipal Systems Improvement Operating		-	-		-	-	-	-		
EPWP Incentive		4 701	2 092		115	1 471	1 046	425	40,6%	2 092
Municipal Water Infrastructure Grant		13 948	30 000		16 974	16 974	15 000	1 974	13,2%	30 000
Public Transport Infrastructure		-	30 000		(1 852)	1 665	15 000	(13 335)	-88,9%	30 000
Energy Efficiency and Demand Management		-	-		-	15	-	15		
Operating costs-MIG		7 599	9 120		898	5 652	4 560	1 092	24,0%	9 120
Provincial Government:		29 259	61 696	-	3 720	30 322	30 848	(526)	-1,7%	61 696
Housing Accreditation-OPERATING		6 418	8 000		235	2 258	4 000	(1 742)	-43,6%	8 000
Housing Projects -OPERATING		1 181	38 536				19 268	(19 268)	-100,0%	38 536
Community Library Service and Provincialisation Library-OPERATING		14 821			1 378	6 298		6 298		
Arts and Culture-Museum Subsidies								-		
Tatham Art Gallery-OPERATING		205	14 660				7 330	(7 330)	-100,0%	14 660
Greater Edendale Development Initiative-OPERATING		2 081	500		62	207	250	(43)	-17,3%	500
Operation Dluhlumlando-OPERATING		-						-		
SETA- Bursaries for Non Employees- OPERATING		1 663			561	753		753		
Arts and Culture-Museum Subsidies - Tatham Art Gallery		-						-		
Regional Bulk Infrastructure Grant/BFI- OPERATING		-			1 484	20 807		20 807		
Municipal Employment Initiative - OPERATING		2 890						-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:		824 536	956 880	-	293 963	673 300	478 440	194 860	40,7%	956 880
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		259 763	312 603	-	33 480	123 151	156 301	(33 151)	-21,2%	312 603
Municipal Infrastructure Grant (MIG)		204 367	222 682		26 705	90 628	111 341	(20 713)	-18,6%	222 682
Public Transport Infrastructure		-	20 000		-	-	10 000	(10 000)	-100,0%	20 000
Neighbourhood Development Partnership		12 973	20 000		2 356	13 415	10 000	3 415	34,1%	20 000
Dept of Mineral/Electricity		-	-		-	-	-	-		-
Integrated National Electrification Programme		12 219	4 971		1 650	3 478	2 486	992	39,9%	4 971
Municipal Systems Improvement Capital		-			-	-	-	-		-
Water Services Infrastructure Grant (WSIG)-CAPITAL		25 204	40 000		2 378	11 854	20 000	(8 146)	-40,7%	40 000
Energy Efficiency and Demand Management		5 000	4 950		390	3 776	2 475	1 301	52,5%	4 950
Provincial Government:		168 342	133 835	-	11 324	54 796	66 918	(12 121)	-18,1%	133 835
PMB Airport- CAPITAL		3 201						-		
COGTA		3 039						-		
Housing Accreditation-CAPITAL		734	700		64	64	350	(286)	-81,7%	700
Eastwood Primary Substation-CAPITAL		379						-		
Greater Edendale Development Initiative-CAPITAL		77 553				18		18		
Youth Enterprise Park-CAPITAL		-						-		
Informal Economy Infrastructure Development-CAPITAL		-	1 000				500	(500)	-100,0%	1 000
Corridor Development- CAPITAL		-						-		
Municipal Disaster Relief Grant-CAPITAL		8 203	13 214		334	19 098	6 607	12 491	189,1%	13 214
Community Library Service and Provincialisation Library-CAPITAL		6 377						-		
Arts and Culture-Museum Subsidies - Tatham Art Gallery		171	1 865		240	240	933	(693)	-74,3%	1 865
Operation Dluhlumlando-Capital		-						-		
KZN-Military Veterans		-						-		
Housing Projects -CAPITAL		68 685	117 056		10 686	35 376	58 528	(23 152)	-39,6%	117 056
District Municipality:		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		428 105	446 438	-	44 804	177 947	223 219	(45 272)	-20,3%	446 438
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 252 641	1 403 318	-	338 767	851 247	701 659	149 588	21,3%	1 403 318



## Councillor and Board Member and Employee Benefits

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

Summary of Employee and Councillor remuneration	Ref	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands		A	B	C					
	1								
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		50 824	3 835		3 742	22 462	1 917	20 544	1072%
Pension and UIF Contributions		3 374	3 493		259	1 563	1 746	(183)	-10%
Medical Aid Contributions		2 086	8 481		175	1 073	4 240	(3 168)	-75%
Motor Vehicle Allowance		2 872	41 629		235	1 404	20 815	(19 411)	-93%
Cellphone Allowance		4 240	792		306	1 864	396	1 469	371%
Housing Allowances		98	8 233		17	95	4 116	(4 022)	-98%
Other benefits and allowances		48	-		2	10	-	10	-
<b>Sub Total - Councillors</b>		<b>63 542</b>	<b>66 462</b>	<b>-</b>	<b>4 736</b>	<b>28 470</b>	<b>33 231</b>	<b>(4 761)</b>	<b>-14%</b>
<b>% increase</b>	4		<b>4,6%</b>						
<b>Senior Managers of the Municipality</b>	3								
Basic Salaries and Wages		6 465	12 200		577	3 346	6 100	(2 754)	-45%
Pension and UIF Contributions		1 021	918		80	524	459	65	14%
Medical Aid Contributions		170	272		15	99	136	(36)	-27%
Performance Bonus		511	-		-	212	-	212	-
Motor Vehicle Allowance		893	1 032		71	445	516	(71)	-14%
Cellphone Allowance		109	124		7	50	62	(12)	-20%
Housing Allowances		207	217		16	103	108	(6)	-5%
Other benefits and allowances		136	-		-	69	-	69	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>9 512</b>	<b>14 763</b>	<b>-</b>	<b>766</b>	<b>4 848</b>	<b>7 381</b>	<b>(2 534)</b>	<b>-34%</b>
<b>% increase</b>	4		<b>55,2%</b>						
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		980 231	1 376 357		82 945	503 492	688 179	(184 687)	-27%
Pension and UIF Contributions		187 273	144 586		15 934	96 021	72 293	23 728	33%
Medical Aid Contributions		137 670	122 981		6 811	40 967	61 491	(20 524)	-33%
Overtime		123 315	107 181		10 552	64 388	53 591	10 796	20%
Performance Bonus		73 993	-		131	75 622	-	75 622	-
Motor Vehicle Allowance		32 028	44 228		2 779	16 234	22 114	(5 880)	-27%
Cellphone Allowance		5 415	6 355		482	2 829	3 178	(349)	-11%
Housing Allowances		4 715	7 306		393	2 384	3 653	(1 269)	-35%
Other benefits and allowances		31 491	8 423		1 409	9 852	4 212	5 641	134%
Payments in lieu of leave		-	-		-	-	-	-	-
Long service awards		27 274	14 835		2 424	11 695	7 417	4 278	58%
Post-retirement benefit obligations		-	-		-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>1 603 406</b>	<b>1 832 253</b>	<b>-</b>	<b>123 861</b>	<b>823 483</b>	<b>916 127</b>	<b>(92 643)</b>	<b>-10%</b>
<b>% increase</b>	4		<b>14,3%</b>						
<b>Total Parent Municipality</b>		<b>1 676 460</b>	<b>1 913 478</b>	<b>-</b>	<b>129 362</b>	<b>856 801</b>	<b>956 739</b>	<b>(99 937)</b>	<b>-10%</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages		-	381		80	150	191	(41)	-21%
<b>Sub Total - Executive members Board</b>	2	<b>-</b>	<b>381</b>	<b>-</b>	<b>80</b>	<b>150</b>	<b>191</b>	<b>(41)</b>	<b>-21%</b>
<b>% increase</b>	4								
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages		-	858		131	479	429	50	12%
Pension and UIF Contributions		-	35		3	19	18	1	5%
Medical Aid Contributions		-	-		-	-	-	-	-
Overtime		-	-		-	-	-	-	-
Performance Bonus		-	-		-	-	-	-	-
Motor Vehicle Allowance		-	32		3	18	16	2	14%
Cellphone Allowance		-	11		1	6	6	0	5%
<b>Sub Total - Senior Managers of Entities</b>		<b>-</b>	<b>936</b>	<b>-</b>	<b>138</b>	<b>521</b>	<b>468</b>	<b>54</b>	<b>11%</b>
<b>% increase</b>	4								
<b>Other Staff of Entities</b>									
Basic Salaries and Wages		-	9 727		1 346	5 148	4 864	284	6%
Pension and UIF Contributions		-	646		52	304	323	(19)	-6%
Medical Aid Contributions		-	1 149		100	613	575	38	7%
Overtime		-	463		30	154	231	(77)	-33%
Performance Bonus		-	-		-	-	-	-	-
Motor Vehicle Allowance		-	108		9	53	54	(1)	-1%
Cellphone Allowance		-	112		10	62	56	6	10%
<b>Sub Total - Other Staff of Entities</b>		<b>-</b>	<b>12 205</b>	<b>-</b>	<b>1 547</b>	<b>6 333</b>	<b>6 103</b>	<b>230</b>	<b>4%</b>
<b>% increase</b>	4								
<b>Total Municipal Entities</b>		<b>-</b>	<b>13 522</b>	<b>-</b>	<b>1 766</b>	<b>7 004</b>	<b>6 761</b>	<b>243</b>	<b>4%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>1 676 460</b>	<b>1 927 000</b>	<b>-</b>	<b>131 128</b>	<b>863 806</b>	<b>963 500</b>	<b>(99 694)</b>	<b>-10%</b>
<b>% increase</b>	4		<b>14,9%</b>						
<b>TOTAL MANAGERS AND STAFF</b>		<b>1 612 918</b>	<b>1 860 538</b>	<b>-</b>	<b>126 392</b>	<b>835 335</b>	<b>930 269</b>	<b>(94 934)</b>	<b>-10%</b>

### **Councillor Allowances**

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

### **Employee Benefits**

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

The detailed staff benefits report is contained in the s66 report

## 2.5 Parent Municipality Financial Performance

### REVENUE AND EXPENDITURE ANALYSIS

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

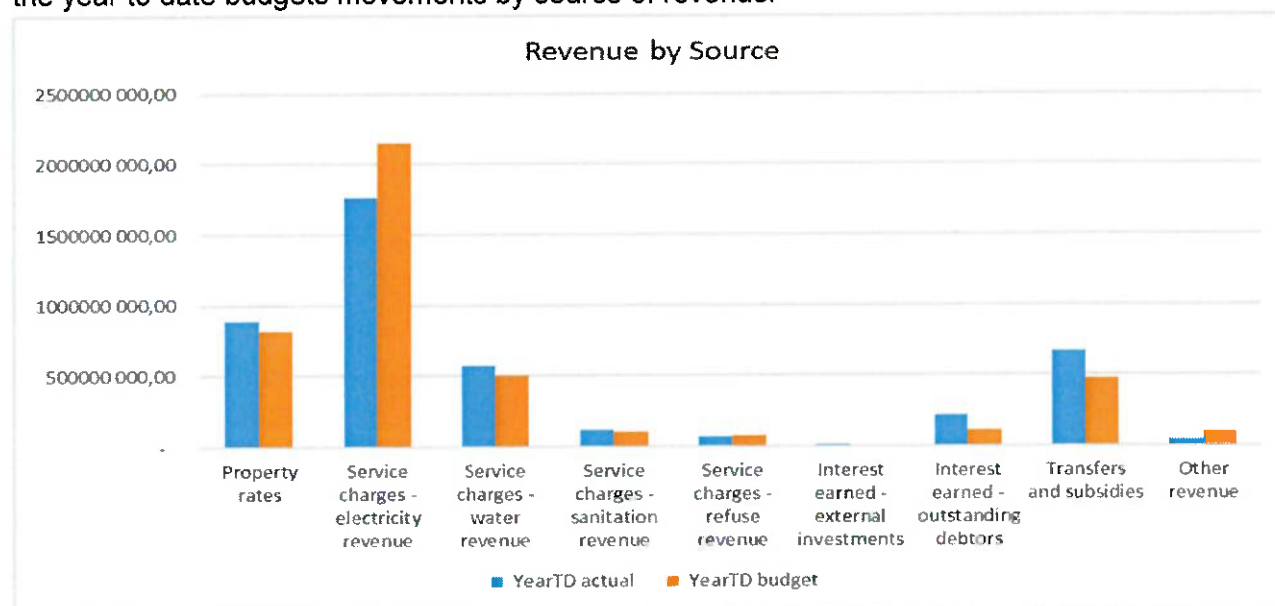
- ✓ Revenue by Source and
- ✓ Operational Expenditure by Type

#### 2.5.1 FINANCIAL PERFORMANCE

### REVENUE ANALYSIS

**Chart 4: Revenue Analysis**

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



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

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

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

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

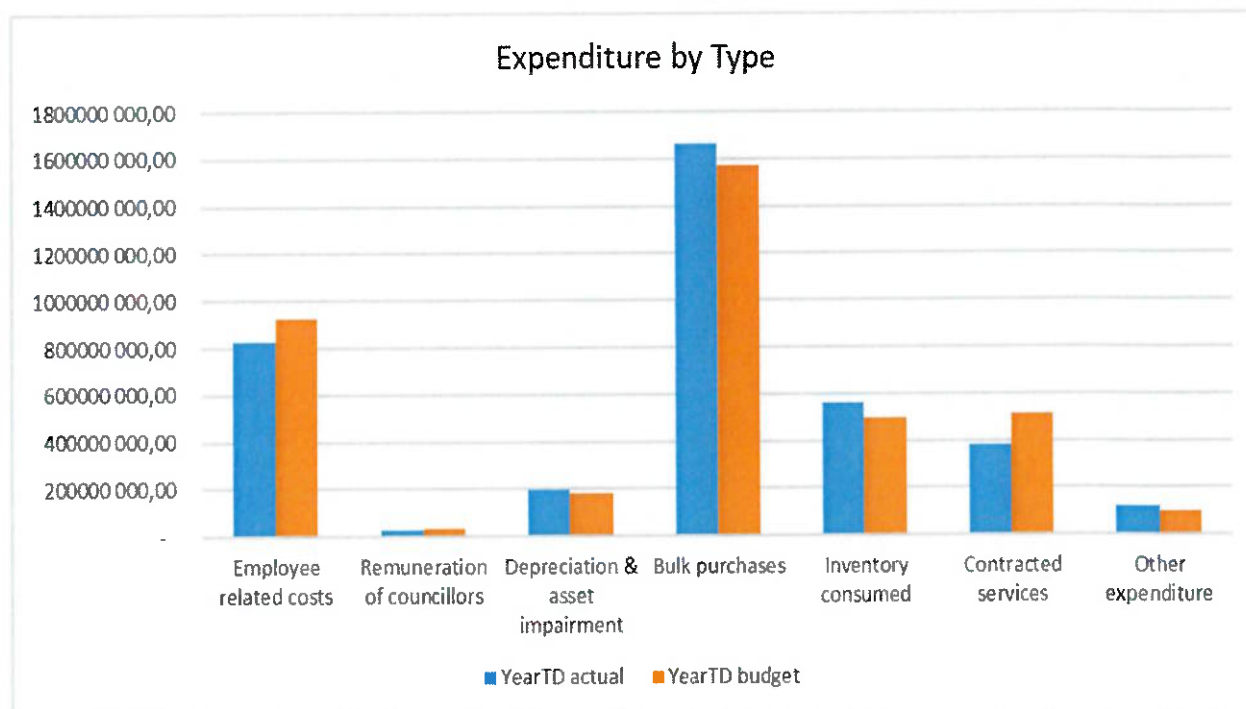
**Service charges - Waste management:** The revenue earned from refuse service charges shared 2% of the YTD actual revenue, reflects a variance of -6% when comparing the YTD actual revenue to the YTD budget.

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

## OPERATIONAL EXPENDITURE ANALYSIS

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

**Chart 5: Expenditure by Type**



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

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

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

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

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

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



## 2.6 Municipal Entity Financial Performance

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

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

## 2.7 Capital Programme Performance

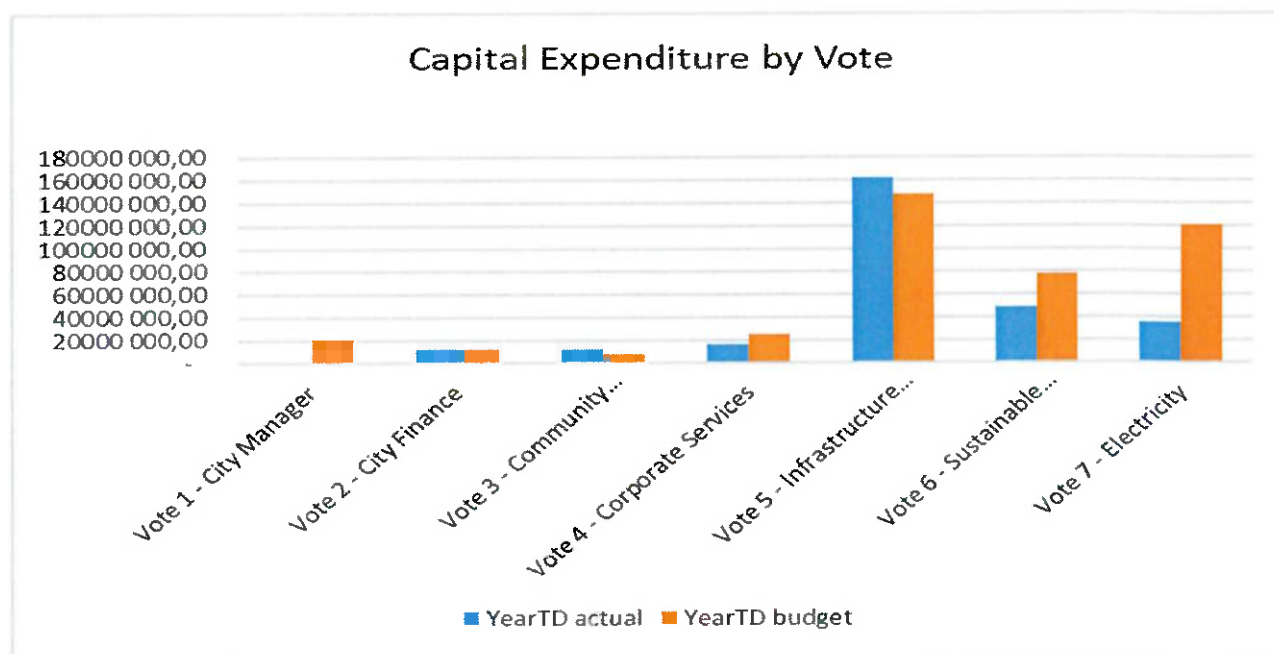
This next section looks at the performance of the capital expenditure programme. This performance is illustrated in the table that follow.

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

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

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

**Chart 5: Capital Expenditure by Vote**



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

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

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

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		107 513	34 231	-	13 470	70 344	17 116	(53 229)	-311,0%	34 231
Roads Infrastructure		102 701	29 231	-	13 144	66 237	14 616	(51 621)	-353,2%	29 231
Roads		102 701	29 231	-	13 144	66 237	14 616	(51 621)	-353,2%	29 231
Road Structures								-		
Road Furniture								-		
Capital Spares								-		
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection								-		
Storm water Conveyance								-		
Attenuation								-		
Electrical Infrastructure		-	-	-	-	295	-	(295)		-
Power Plants						295		(295)		
HV Substations								-		
Water Supply Infrastructure		4 813	5 000	-	325	3 812	2 500	(1 312)	-52,5%	5 000
Dams and Weirs								-		
Boreholes								-		
Reservoirs		4 813	5 000	-	325	3 812	2 500	(1 312)	-52,5%	5 000
Pump Stations								-		
Unimproved Property								-		
<b>Other assets</b>		11 253	3 300	-	-	-	1 650	1 650	100,0%	3 300
Operational Buildings		11 253	3 300	-	-	-	1 650	1 650	100,0%	3 300
Municipal Offices		11 253	3 300	-	-	-	1 650	1 650	100,0%	3 300
Pay/Enquiry Points								-		
Housing		-	-	-	-	-	-	-		-
Staff Housing								-		
Social Housing								-		
Capital Spares								-		
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-		-
Biological or Cultivated Assets								-		
<b>Intangible Assets</b>		-	-	-	-	-	-	-		-
Servitudes								-		
Licences and Rights		-	-	-	-	-	-	-		-
Water Rights								-		
<b>Computer Equipment</b>		-	-	-	-	-	-	-		-
Computer Equipment								-		
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-		-
Furniture and Office Equipment								-		
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-		-
Machinery and Equipment								-		
<b>Transport Assets</b>		-	-	-	-	-	-	-		-
Transport Assets								-		
<b>Land</b>		-	-	-	-	-	-	-		-
Land								-		
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
<b>Living resources</b>		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1</b>	<b>118 767</b>	<b>37 531</b>	<b>-</b>	<b>13 470</b>	<b>70 344</b>	<b>18 766</b>	<b>(51 579)</b>	<b>-274,9%</b>	<b>37 531</b>

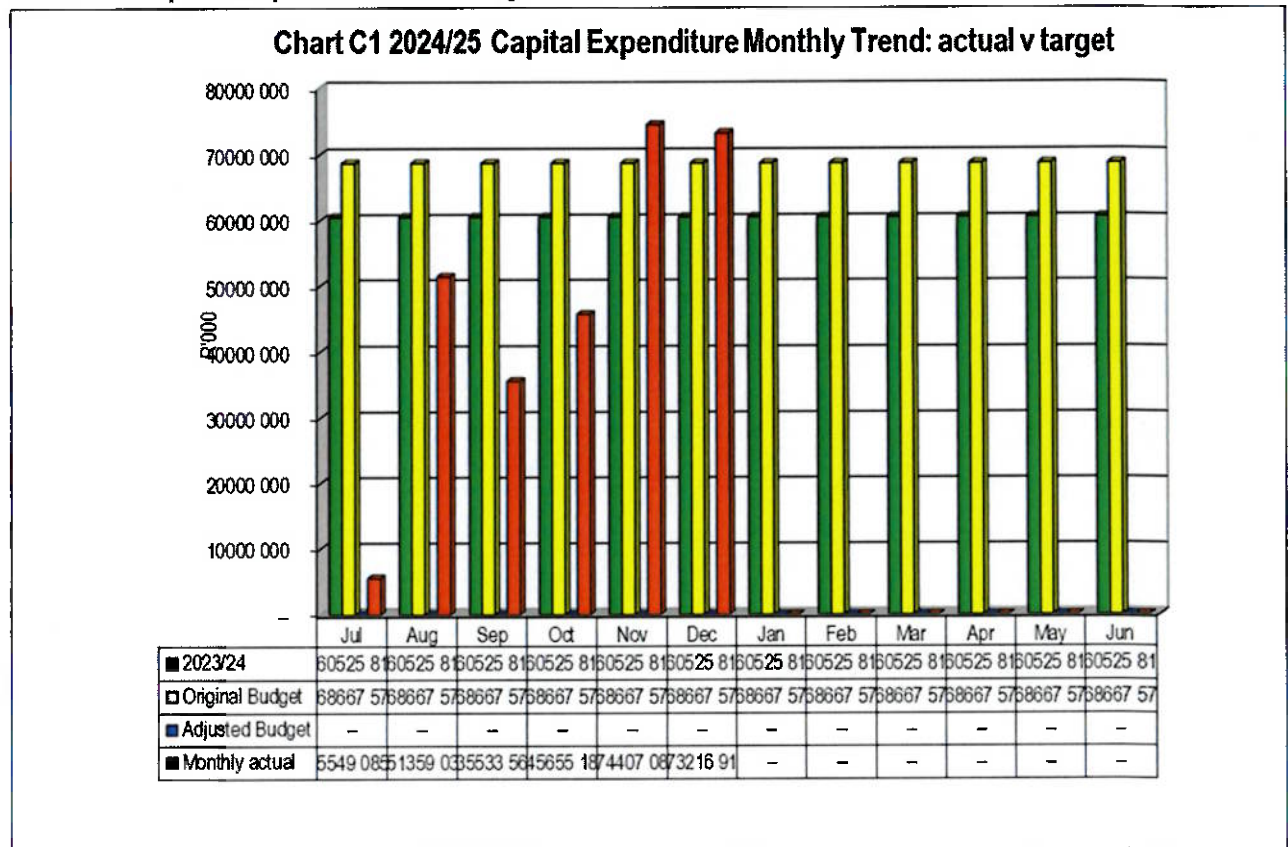
KZN225 Msunduzi - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - Q2

Description	Ref	2023/24	Original Budget	Adjusted Budget	Budget Year 2024/25					
		Audited Outcome			Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		253 054	171 902	—	23 775	74 152	85 951	11 799	13,7%	171 902
Roads Infrastructure		106 255	96 854	—	12 550	29 411	48 427	19 016	39,3%	96 854
Roads		106 255	96 854	—	12 550	29 411	48 427	19 016	39,3%	96 854
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		—	—	—	—	—	—	—		—
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		29 431	10 421	—	3 318	6 501	5 211	(1 290)	-24,8%	10 421
Power Plants		29 431	10 421	—	3 318	6 501	5 211	(1 290)	-24,8%	10 421
HV Substations										
Water Supply Infrastructure		64 607	35 805	—	4 699	19 285	17 903	(1 382)	-7,7%	35 805
Distribution		64 607	35 805	—	4 699	19 285	17 903	(1 382)	-7,7%	35 805
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		33 450	18 823	—	3 207	11 776	9 411	(2 365)	-25,1%	18 823
Pump Station										
Reticulation		33 450	18 823	—	3 207	11 776	9 411	(2 365)	-25,1%	18 823
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		19 312	10 000	—	—	7 179	5 000	(2 179)	-43,6%	10 000
Landfill Sites		19 312	10 000	—	—	7 179	5 000	(2 179)	-43,6%	10 000
Waste Transfer Stations										
<b>Community Assets</b>		3 766	6 953	—	2 393	6 867	3 476	(3 391)	-97,6%	6 953
Community Facilities		—	—	—	—	—	—	—		—
Halls										
Sport and Recreation Facilities		3 766	6 953	—	2 393	6 867	3 476	(3 391)	-97,6%	6 953
Indoor Facilities										
Outdoor Facilities		3 766	6 953	—	2 393	6 867	3 476	(3 391)	-97,6%	6 953
Capital Spares										
<b>Heritage assets</b>		—	—	—	—	—	—	—		—
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>		—	—	—	—	—	—	—		—
Revenue Generating		—	—	—	—	—	—	—		—
Improved Property										
Unimproved Property										
Non-revenue Generating		—	—	—	—	—	—	—		—
Improved Property										
Unimproved Property										
<b>Other assets</b>		41 300	35 283	—	—	—	17 642	17 642	100,0%	35 283
Operational Buildings		41 300	22 000	—	—	—	11 000	11 000	100,0%	22 000
Municipal Offices		41 300	22 000	—	—	—	11 000	11 000	100,0%	22 000
Pay/Enquiry Points										
Housing		—	13 283	—	—	—	6 641	6 641	100,0%	13 283
Staff Housing										
Social Housing			13 283	—	—	—	6 641	6 641	100,0%	13 283
Capital Spares										
<b>Biological or Cultivated Assets</b>		—	—	—	—	—	—	—		—
Biological or Cultivated Assets										
<b>Intangible Assets</b>		—	—	—	—	—	—	—		—
Services										
<b>Computer Equipment</b>		—	—	—	—	—	—	—		—
Computer Equipment										
<b>Furniture and Office Equipment</b>		—	—	—	—	—	—	—		—
Furniture and Office Equipment										
<b>Machinery and Equipment</b>		—	—	—	—	—	—	—		—
Machinery and Equipment										
<b>Transport Assets</b>		3 180	—	—	—	—	—	—		—
Transport Assets		3 180	—	—	—	—	—	—		—
<b>Land</b>		—	—	—	—	—	—	—		—
Land										
<b>Zoo's, Marine and Non-biological Animals</b>		—	—	—	—	—	—	—		—
Zoo's, Marine and Non-biological Animals										
<b>Living resources</b>		—	—	—	—	—	—	—		—
Mature		—	—	—	—	—	—	—		—
Policing and Protection										
Zoological plants and animals										
Immature		—	—	—	—	—	—	—		—
Policing and Protection										
Zoological plants and animals										
<b>Total Capital Expenditure on upgrading of existing</b>	1	301 301	214 138	—	26 167	81 019	107 069	26 050	24,3%	214 138



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

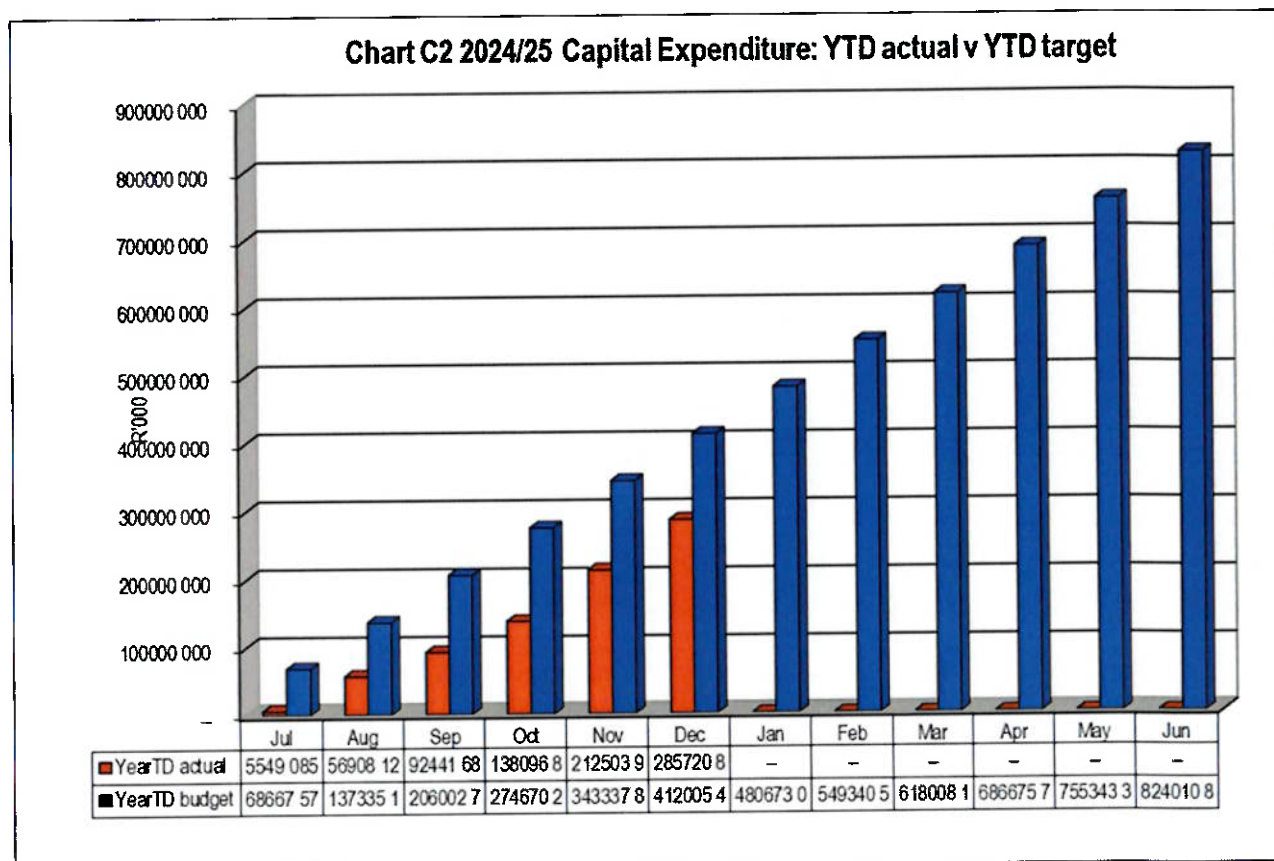
**Chart 6: Capital Expenditure Monthly Trend**



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

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

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




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

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

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

### 2.8.1 MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure A2 - Monthly			
 <b>National Treasury</b> <b>Municipal Debt Relief</b> <b>MFMA Circular No. 124</b> <b>Municipal Finance Management Act No. 56 of 2003</b>			
Kwa-Zulu Natal Provincial Treasury			
<b>Certificate of Compliance: Municipal Debt Relief Conditions for Application</b> <b>Period</b> Dec'23 <b>National Financial Year</b> 2024/25 <b>Demarcation Code of Municipality being assessed</b> KZN225 <b>District</b> uMgungundlovu <b>Demarcation Description</b> Msunduzi			
<p>I, Mrs N Ngweni (A), 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</p>			
<b>Municipal Debt Relief Conditions (Monthly reporting)</b> <span style="float: right;">Close from drop down list</span>			
<p>4.1.1 Maintaining the Eskom and bulk water current account – (current account for the purpose of the condition must be closed if it is not used)</p>			
6.1.2.1	Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.1.2.2</i>	No	The municipality has not fulfilled the payment arrangement with Umgungundlovu and there will be meeting on the 17 January 2025. The municipality has however paid an amount of R1.04 million on the 3rd January 2025
6.1.2.2	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 GUMS Upload Portal <a href="https://gumsonline.treasury.gov.za">https://gumsonline.treasury.gov.za</a> ?	Yes	
6.1.2.3	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 mSCOA data string and the section 43(2) MFRMA statement of the Water Board and/or Water Trading Entity?	No	The invoice was short paid due to low creditline and also because the municipality is behind with its payments to Umgungundlovu
6.1.1	Has the municipality paid its Eskom bulk 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 approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement (if "New account" through 2022) and/or subsequent current account (if) up to the date of RT approval of the application.</i>	Yes	
6.1.2	Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GUMS Upload Portal <a href="https://gumsonline.treasury.gov.za">https://gumsonline.treasury.gov.za</a> ?	Yes	
6.1.4	Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 43(2) MFRMA statement of Eskom?	No	The municipality has a payment plan in place with Eskom
<p>4.4 Compliance with a funded MTREF – (reference from drop down list the MTREF assessment)</p>			
6.4.1	Is the municipality's MTREF funded and aligned to the National Treasury's Budget Funding Guidelines - <a href="http://treasury.gov.za/links/mtref/budget_funding_guidelines">http://treasury.gov.za/links/mtref/budget_funding_guidelines</a> ?	Yes	
6.4.1	Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
6.4.1	Has the municipality made adequate provision for debt repayment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
<p><i>Note - For example, if the municipality during the preceding 12 months, only managed to collect 80 per cent of its assessed rates revenue, the amount for debt repayment should be 20 per cent of the total debt. If the municipality during the preceding 12 months, only managed to collect 80 per cent of its assessed rates revenue, the amount for debt repayment should be 20 per cent of the total debt. If the municipality during the preceding 12 months, only managed to collect 80 per cent of its assessed rates revenue, the amount for debt repayment should be 20 per cent of the total debt.</i></p>			
6.4.1	Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	
<p><i>Note - If the municipality does not have an asset register and asset impairment is not included in the budget, the amount for depreciation and asset impairment should be 0. If the municipality does not have an asset register and asset impairment is not included in the budget, the amount for depreciation and asset impairment should be 0.</i></p>			
6.4.2	If the municipality's MTREF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 5.3 of MFRMA Budget Circular no. 122, 09 December 2022)?	N/A - the MTREF is funded	
<p><i>Note - If the municipality has an MTREF, it is not necessary to table a Budget Funding Plan. However, the MTREF must include a credible Budget Funding Plan (with the FFP) as part of the MTREF budget.</i></p>			
6.4.2	If the municipality's MTREF is not funded and it has an FFP per the legislative framework, does the existing FFP incorporate a credible Budget Funding Plan (with the FFP) as part of a funded MTREF over the period of the MTREF, aligned with the principles of a budget funding plan as envisaged in item 5.3 of MFRMA Budget Circular no. 122, 09 December 2022?	N/A	
<p><i>Note - If the municipality does not have an FFP, it is not necessary to table a Budget Funding Plan.</i></p>			
6.4.2	Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 - Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations align with and give effect to the municipality's Budget Funding Plan strategy (or the FFP strategy) and related seasonal trends (for example higher winter Eskom costs, lower January collection rates, etc.)?	Yes	
6.5	Cost reflective tariffs - (including metros) has the municipality included its completed tariff tool (refer MFRMA Circular no. 96 and item 5.2 of MFRMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect from the tabling of the 2023/24 MTREF?	Yes	

Notes/Comments

6.0	Electricity and water collection back - has the municipality, with effect from the start of the 2023/24 MTRM, demonstrated, through its by-laws and budget related policies that:		
6.0.1	the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which partial payments required are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes	
6.0.2	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	
6.0.3	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 continuous interruption of water together with the municipal engineer(s) to ensure a minimum supply of water.</i>	Yes	
6.0.4	- 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 base free electricity and water limits of 50 kilowatt electricity and 6 kilolitres water respectively? <i>Note - the municipality's monthly MTRM s 71 statement must include in part of the narrative the indigent information as the required MTRM.</i>	Yes	However, the municipality's indigent policy allocated 70 kw and 6 kl
6.1	Revenue performance - The municipality and its provincial treasury's related budget statement provides the municipality's relevant MTRM's related budget policies and by-laws demonstrate compliance with paragraph 6.0.		
6.1.1	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 MTRM's 71 monthly and quarterly statements and MDCSA data strings uploaded via the GoMun Upload Portal?	Yes	
6.1.2	<i>Note - although the above and stated by relevant MTRM Circulars No. 70 &amp; 63 per cent threshold, municipalities under the revenue and billing system should be able to demonstrate to achieve the minimum</i>		
6.1.3	average quarterly collection as per paragraph 6.1.1, has the municipality demonstrated to the satisfaction of National Treasury the following:		
6.1.3.1	* 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 6.1.1	6.1.3.1 = Yes	
6.1.3.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied areas?	6.1.3.2 = Yes	
6.1.3.3	* 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 reason(s) for the failure?	6.1.3.3 = Yes	
6.1.4	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	
6.1.5	Has the municipality adopted a policy to install any new electric pre-payment in the demarcated area with effect the 2023/24 MTRM with a smart pre-paid meter?	Yes	
6.1.6	Has the municipality's 2023/24, 2024/25 and 2025/26 related and adopted capital budgets and MTRM section 71 statements reflected the approach set out in 6.1.3 and 6.1.4?	Yes	
6.2	Municipality's Compliance of the revenue base-		
6.2.1	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	The reconciliation between the GVR and the billing system (SAP) is performed monthly and are aligned. The variances identified are caused by the section 78 amendments of the GVR that are processed during that specific month as supplementary note. These amendments are sent to the billing system for the billing file to be updated with the changes. The reconciliations are therefore received monthly.
6.2.2	If the response to 6.2.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified?	Yes	
6.2.3	<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 MTRM s 71 statement</i>		
6.2.4	For the latest ending Quarter has the municipality submitted its completed billing system, GVR and/or register GVR reconciliations required in terms of paragraph 6.2.1 to the National Treasury quarterly (refer MTRM Circulars no. 93, 96, 127 and 128) to the upload portal (https://goportal.nationaltreasury.gov.za)?	Yes	
6.3	Monitor and report on implementation-		
6.3.1	MTRM 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	
6.3.2	If progress is slow in terms of paragraph 6.3.1, is the active intervention evident from the narratives supporting the municipality's monthly MTRM section 71 reporting and recorded on the Financial system as per the MDCSA data string?	6.3.2 = Yes	
6.3.3	<i>Note - condition 6.3.2 has a typing error and must refer to 6.3.1</i>		
6.3.4	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 financial executive?	Yes	The FRP is submitted to Provincial Treasury quarterly
6.3.5	If the municipality has an FRP with effect from 01 April 2023, is it not submitting its monthly FRP progress report to the Provincial Treasury? Has the municipality also submitted the FRP progress report to the National Treasury Municipal Financial Recovery Service (MFRS) through the GoMun Upload Portal (https://goportal.nationaltreasury.gov.za)?	Yes	
6.4	Provincial Treasury Note - Provincial Treasury compliance of financial compliance in terms of Section 71 and 74 of the MTRM, with effect from 01 April 2023, a designated municipality may not benefit from Municipal Debt Relief (MDR).		
6.4.1	Has the relevant Provincial Treasury (designated) / National Treasury (non-designated) monthly monitored the municipality's compliance in terms of these conditions?	Yes	
6.4.2	Has the head of the relevant Provincial Treasury (designated) 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 MTRM Circular no. 124) and uploaded the compliance certificate via the GoMun Upload Portal (https://goportal.nationaltreasury.gov.za)? <i>Note - in the case of a non-designated municipality the National Treasury to issue the compliance certificate</i>	Yes	
6.4.3	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 MTRM Circular no. 124) within one month of the non-compliance occurring?	No	
6.5	Limitation on municipality borrowing powers - has the municipality borrowed since 1c until or any subsequent benefits in terms of this municipal debt support programme?	No	



6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources)		
37	6.12.1 has the municipality appointed and ring-fenced in a sub-account for its primary bank account – (a) an electricity, water and sanitation revenue the municipality collects – any month and (b) the component of the Local Government Easement Fund (LGEF) the municipality earmarked to provide free basic electricity, water and sanitation?	No
38	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?	Yes
<p><i>Note: Only if relevant to the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.71.</i></p>		
39	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?	No
40	6.13 Accounting Treatment: Has the municipality fully accounted for and correctly reported on the write-off of its Eskom smart debt (debt existing as on 31 March 2023) as per any written instructions of the National Treasury (Office of the Accountant General) issued for Municipal Debt Relief to date?	Yes
<p><i>Note: 1.2 include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with MDCSA.</i></p>		
41	6.14 NERSA License: Has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes
<p><i>Note: In applying for Municipal Debt Relief as set out in paragraph 5.1 of MFMA Circulars 136, the identified municipality that during the duration of the Municipal Debt Relief programme (not to comply with any condition of the Relief) agree to notify to NERSA to ensure the municipality's license in terms of section 57 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be provided by the relevant province for approval on internal memorandum as envisaged in Chapter 3 of the Municipal Systems Act, 2000, including the necessary service delivery agreement signed with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006, in terms of the conditions of government's wider support to Eskom, Eskom will send again have to adhere to each control and debt collection policies set in relation to the municipality's license that are the subject of municipal debt relief, etc.</i></p>		

The municipality does not have a ring fenced Primary account - sub account

However, there is no separate ring fenced bank account. The municipality currently has a payment plan in place for bulk water and Eskom and is compliant with plan

Not yet because the municipality is not yet applicable or qualifying for the write off. The municipalities debt relief started on the 01 of November 2023  
The 12 months suppressed interest is in accordance with Eskom repayment agreement

The municipality has failed to comply with the payment arrangement with Eskom but has however failed to pay on time but is just one month behind in settling the arrears

PT: HOD/ NT / MM Name:

Mrs Ndlovu Nkomo (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 procurement of the HOD / MM must be attached as an Annexure to the Certificate of Compliance*

*\*\*Note - The Signed Certificate to be uploaded on eSukuma must not include overpayment details - overpayments need to be incorporated into the revised PT report*



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

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

National Treasury		Province													
Municipal Debt Relief MFMA Circular No. 124		KZN													
Municipal Finance Management Act No. 56 of 2003		Code	District												
		KZN225	uMgungundlovu												
		Manduzi													
Monthly Performance Report															
Municipal Details		Part A		Part B		Part C		Part D		Part E		Part F		Month applicable to	
Month	Code	Code	Code	Code	Code	Code	Code	Code	Code	Code	Code	Code	Code	Code	Code
1. July	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2. August	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. September	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. October	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5. November	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6. December	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7. January	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8. February	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9. March	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10. April	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11. May	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
12. June	Manduzi	KZN225	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
HOD Name:		Mre Nelsaie Ngcobo (Acting)													
Signature of HOD:															
Date:															

**Note:** - If the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written pronouncement of the HOD must be attached as an Annexure to this Certificate of Compliance

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

## 2.8.3 The National Treasury Debt Relief Compliance Assessment

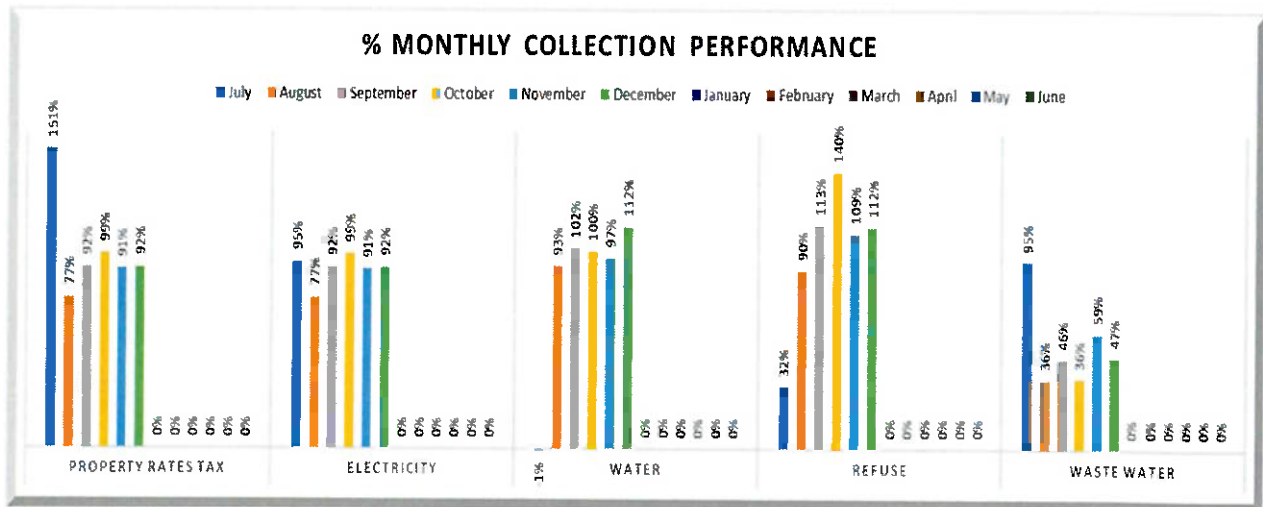
The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of September 2024 is attached to this S71 report. Here are the specific conditions that were not fully met in October 2024 according to the monitoring tool:

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

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

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

### 2.8.4.1 Monthly / Quarterly collection per ward



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

Municipal Details				
Kusuzulu Natal				
Code	District	Municipality	Period Reported	No. Of Wards
K2426		Msunduzi	December	5

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	1 072 031 240	1 062 030 382	215 419 861	94%	94%	1 281 051 080	1 124 655 101	156 395 980	84%	84%	-	-	-	-	80%	-	-	-	80%	
2 Collection excl Eskom supplied areas	1 973 181 240	1 652 030 382	210 419 861	84%	84%	1 791 056 080	1 674 655 200	106 395 880	84%	84%	-	-	-	-	80%	-	-	-	80%	
3 Collection Property Rates	261 574 456	261 566 483	(22 112 103)	100%	100%	437 015 888	459 395 862	(12 419 162)	100%	100%	-	-	-	-	100%	-	-	-	100%	
4 Total average collection Electricity (Municipal supplied areas)	1 172 080 728	1 053 677 960	12 402 908	89%	89%	840 373 523	1 109 390 486	(17 382 838)	130%	130%	-	-	-	-	100%	-	-	-	100%	
5 Total average collection Water	261 574 456	85 294 917	176 279 540	33%	33%	272 719 846	128 754 465	144 065 381	47%	47%	-	-	-	-	100%	-	-	-	100%	
6 Total average collection Wastewater	56 538 076	42 578 477	12 360 592	75%	75%	56 302 430	42 380 115	14 112 315	75%	75%	-	-	-	-	100%	-	-	-	100%	
7 Total average collection Refuse	14 304 327	13 782 586	7 261 821	94%	94%	26 599 182	23 466 382	11 112 801	73%	73%	-	-	-	-	100%	-	-	-	100%	
8 Total average collection Interest	178 448 532	157 535 388	122 839 213	88%	88%	139 112 332	7 825 382	121 486 950	6%	6%	-	-	-	-	100%	-	-	-	100%	





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

Property Rates Reconciliation							
Province	KZN						
District	Msunduzi						
Type	LM						
Municipal Name	Msunduzi						
GV Period	01/07/2020 - 30/06/2025						
Financial Year	2024/2025						
Reconciliation Period	Quarter 2						
Reconciliation Overview							
High Level Reconciliation							
	No. of Properties				Market Values		
Property Categories	GV	MFS	Variance		GV Market Values	MFS Market Values	Variance
Residential	71525	71108	417		R 57 359 337 751	R 57 229 004 251	R 130 333 500
Industrial	1161	1151	10		R 5 343 171 611	R 5 303 144 611	R 40 027 000
Business and Commerce	3425	3376	49		R 20 052 778 740	R 19 932 549 199	R 120 229 541
Agricultural	153	149	4		R 720 472 000	R 702 681 000	R 17 791 000
Mining	3	3	0		R 24 716 000	R 24 716 000	-
State Owned for Public	462	423	39		R 4 908 383 000	R 5 478 781 000	-R 570 398 000
PSI	51	43	8		R 95 923 000	R 94 882 000	R 1 041 000
PBO	122	110	12		R 1 068 921 000	R 1 027 648 000	R 41 273 000
Multi Use	0	0	0		-	-	-
Vacant	4359	4346	13		R 1 985 850 909	R 1 969 011 909	R 16 839 000
POW	0	0	0		-	-	-
Municipal	7441	7798	-357		R 3 829 502 000	R 3 868 542 000	-R 39 040 000
Other	644	1374	-730		R 1 081 807 050	R 1 058 097 050	R 23 710 000
	89346	89881	-535		R 96 470 863 061	R 96 689 057 020	-R 218 193 959

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

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

MSUNDUZI MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
PO BOX 399  
PIETERMARITZBURG  
3200

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



EASTERN REGION  
PRIVATE BAG X18 WESTVILLE 3630

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

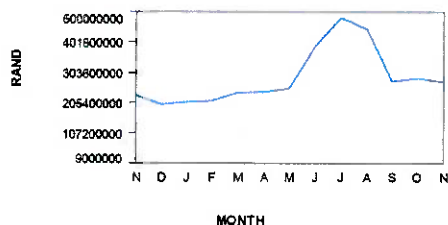
E-MAIL: Shomala.dhanilal@msupdzu.gov.za

ADMINISTRATION CHARGE		R	15,108.20
TRANSMISSION NETWORK CAPACITY		R	5,849,700.00
DIST. NETWORK CAPACITY CHARGE		R	4,273,500.00
NETWORK DEMAND CHARGE		R	5,978,498.98
URBAN LOW VOLTAGE SUBSIDY		R	10,487,300.00
ANCILLARY SERVICE (ALL)		R	998,749.32
ENERGY CHARGE (STD)	56,470,301.00	R	77,364,312.37
ENERGY CHARGE (PEAK)	23,318,891.00	R	46,425,779.18
ENERGY CHARGE (OFF)	57,025,683.00	R	49,555,318.53
ELECTRIFICATION AND RURAL SUBS (ALL)		R	21,438,908.58
SERVICE CHARGE		R	238,515.50

R	222.603.686.66
---	----------------

BALANCE BROUGHT FORWARD	(Due Date 2024-12-06)	R	927,214,972.80
PAYMENT(S) RECEIVED	Electronic Payments - 2024-11-29	R	-20,797,404.79
PAYMENT(S) RECEIVED	Electronic Payments - 2024-12-02	R	-287,095,749.02
TOTAL CHARGES FOR BILLING PERIOD		R	222,803,686.86
ADJUSTMENT	Interest on overdue account	R	754,224.29
ADJUSTMENT	Interest on overdue account	R	512,525.08
ADJUSTMENT	WHEELING/3RD PARTY WHEELING CHARGES	R	-901,277.70
ADJUSTMENT	Interest on overdue account	R	1,857,616.02
ADJUSTMENT	Interest on overdue account	R	2,190,771.57
PAYMENT ARRANGEMENT	945142325\$ (Balance o/s R 540,732,523.18)	R	20,797,404.79
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	33,255,361.35

CURRENT		TOTAL DUE		R	920,392,131.03
282,106,781.40					
ARREARS					
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS		
64,606,279.00	280,273,089.83	0.00	293,405,980.80		
Account OVERDUE - Subject to Disconnection					



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9455522022

NAME

MSUNDUZI MUNICIPALITY

FAX NUMBER

 7100 1945 5522 0222

2721570019455220224



>>>>>> 9207 2945 5522 0227



a better way to pay

920.392.131.03

<b>INSTALMENT</b>	
	20,797,404.79
<b>ARREARS</b>	(Due Immediately)
	638,285,349.63
<b>DUE DATE</b>	(For Current Amount)
2025-01-03	
<b>AMOUNT PAID</b>	

LATE PAYMENT CHARGES WILL BE  
ADDED TO OVERDUE ACCOUNT





MSUNDUZI MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
PO BOX 399  
PIETERMARITZBURG  
3200

EASTERN REGION  
PRIVATE BAG X18 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	2024-12-04
TAX INVOICE NO	945427407006
ACCOUNT MONTH	NOVEMBER 2024
CURRENT DUE DATE	2025-01-03
VAT REG NO	4600107835
NOTIFIED MAX DEMAND	190,000.00
UTILISED CAPACITY	190,000.00

#### CONSUMPTION DETAILS (2024-11-01 - 2024-11-30)

ENERGY CONSUMPTION OFF PEAK kWh	27,924,772.80
ENERGY CONSUMPTION STD kWh	26,529,885.80
ENERGY CONSUMPTION PEAK kWh	10,821,746.40
ENERGY CONSUMPTION ALL kWh	65,276,404.80
DEMAND CONSUMPTION - OFF PEAK	111,038.55
DEMAND CONSUMPTION - STD	130,458.25
DEMAND CONSUMPTION - PEAK	127,192.73
DEMAND READING - kW/KVA	130,458.25
REACTIVE ENERGY - OFF PEAK	7,541,301.80
REACTIVE ENERGY - STD	7,074,463.20
REACTIVE ENERGY - PEAK	2,882,355.20
LOAD FACTOR	73.00

#### PREMISE ID NUMBER

9455522085

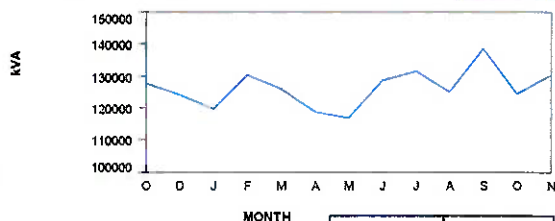
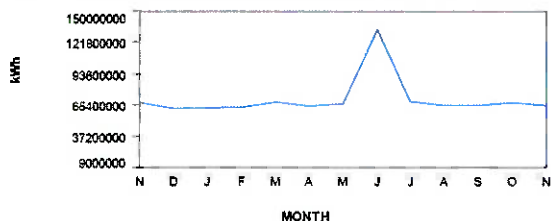
TARIFF NAME: Megaflex

06808 64 INTERVAL 190MVA MEGAFLX MSUNDUZI SUB HULETT &amp; MASON'S

Administration Charge @ R251.77 per day for 30 days	R	7,553.10
TX Network Capacity Charge 190,000 kVA @ R15.81 : = R15.81/kVA	R	3,003,900.00
Network Capacity Charge 190,000 kVA @ R11.55 : = R11.55/kVA	R	2,194,500.00
Network Demand Charge 130,458.25 kVA @ R21.37 : = R21.37 /kVA	R	2,787,892.80
Urban Low Voltage Subsidy 190,000 kVA @ R28.29 : = R28.29/kVA	R	5,375,100.00
Ancillary Service Charge 65,276.405 kWh @ R0.0073 /kWh	R	476,517.78
Low Season Standard Energy Charge 26,529,886 kWh @ R1.37 /kWh	R	36,345,943.82
Low Season Peak Energy Charge 10,821,746 kWh @ R1.9909 /kWh	R	21,545,014.11
Low Season Off Peak Energy Charge 27,924,773 kWh @ R0.869 /kWh	R	24,266,827.74
Electrification and Rural Subsidy 65,276.405 kWh @ R0.1567 /kWh	R	10,228,812.86

SERVICE CHARGE	R	236,515.50
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<b>TOTAL CHARGES</b>	<b>R</b>	<b>106,468,377.49</b>
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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	2024-12-04
TAX INVOICE NO	945427407006
ACCOUNT MONTH	NOVEMBER 2024
CURRENT DUE DATE	2025-01-03
VAT REG NO	4600107835
NOTIFIED MAX DEMAND	180,000.00
UTILISED CAPACITY	180,000.00

#### CONSUMPTION DETAILS (2024-11-01 - 2024-11-30)

ENERGY CONSUMPTION OFF PEAK kWh	29,100,909.80
ENERGY CONSUMPTION STD kWh	29,940,415.25
ENERGY CONSUMPTION PEAK kWh	12,497,245.20
ENERGY CONSUMPTION ALL kWh	71,538,570.05
DEMAND CONSUMPTION - OFF PEAK	121,348.50
DEMAND CONSUMPTION - STD	144,911.87
DEMAND CONSUMPTION - PEAK	149,303.85
DEMAND READING - kW/KVA	149,303.05
REACTIVE ENERGY - OFF PEAK	2,948,299.20
REACTIVE ENERGY - STD	8,072,833.80
REACTIVE ENERGY - PEAK	2,580,548.40
LOAD FACTOR	88.00

PREMISE ID NUMBER

9455522227

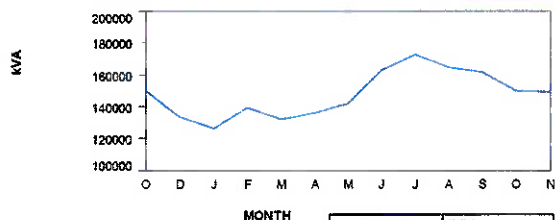
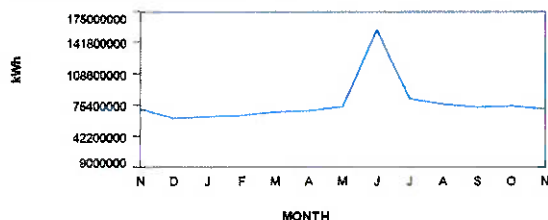
TARIFF NAME: Megaflex

06800 65 145 MVA INTER/JAL 132KV MERSEY MSUNDUZI

Administration Charge @ R251.77 per day for 30 days	R	7,553.10
TX Network Capacity Charge 180,000 kVA @ R15.81 : = R15.81/kVA	R	2,845,800.00
Network Capacity Charge 180,000 kVA @ R11.55 : = R11.55/kVA	R	2,079,000.00
Network Demand Charge 149,303.05 kVA @ R21.37 : = R21.37 /kVA	R	3,190,806.18
Urban Low Voltage Subsidy 180,000 kVA @ R28.29 : = R28.29/kVA	R	5,082,200.00
Ancillary Service Charge 71,538,570 kWh @ R0.0073 /kWh	R	522,231.58
Low Season Standard Energy Charge 29,940,415 kWh @ R1.37 /kWh	R	41,018,368.55
Low Season Peak Energy Charge 12,497,245 kWh @ R1.9909 /kWh	R	24,880,785.07
Low Season Off Peak Energy Charge 29,100,910 kWh @ R0.869 /kWh	R	25,288,890.79
Electrification and Rural Subsidy 71,538,570 kWh @ R0.1567 /kWh	R	11,210,093.92

#### TOTAL CHARGES

R 116,135,309.17



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

MSUNDUZI MUNICIPALITY  
ATT CHIEF FINANCIAL OFFICER  
PO BOX 399  
PIETERMARITZBURG  
3200

EASTERN REGION  
PRIVATE BAG X16 WESTVILLE 3630

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



**CUSTOMER SELF SERVICE WEBSITE**  
Provincial email listed below

EASTERN REGION  
PRIVATE BAG X18 WESTVILLE 3530

## DIRECT DEPOSIT DETAIL

<b>BANK:</b>	First National Bank
<b>BRANCH CODE:</b>	223616
<b>BANK ACC NO:</b>	50850143285

<b>YOUR ACCOUNT NO</b>	<b>8455522022</b>
<b>SECURITY HELD</b>	<b>1.63</b>
<b>BILLING DATE</b>	<b>2025-01-06</b>
<b>TAX INVOICE NO</b>	<b>945793050409</b>
<b>ACCOUNT MONTH</b>	<b>DECEMBER 2024</b>
<b>CURRENT DUE DATE</b>	<b>2025-02-05</b>
<b>VAT REG NO</b>	<b>4600107835</b>

## TAX INVOICE

**E-MAIL:** Shomala.dhanu@insunduzi.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)	R	46,105,677.00
ENERGY CHARGE (PEAK)	R	18,418,221.00
ENERGY CHARGE (OFF)	R	58,990,652.00
ELECTRIFICATION AND RURAL SUBS (ALL)	R	19,354,729.67
SERVICE CHARGE	R	244,399.35

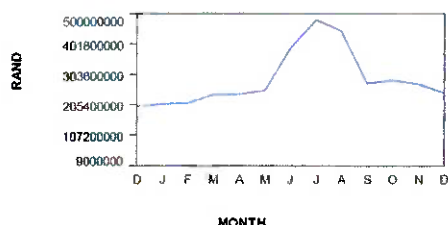
**TOTAL CHARGES FOR BILLING PERIOD**

## ACCOUNT SUMMARY FOR DECEMBER 2024

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	-35,848,611.82
TOTAL CHARGES FOR BILLING PERIOD		R	197,643,323.85
ADJUSTMENT	Interest on overdue account	R	2,351,865.04
ADJUSTMENT	Interest on overdue account	R	538,212.72
ADJUSTMENT	WHEELING 3RD PARTY WHEELING CHARGES	R	-950,668.25
ADJUSTMENT	Interest on overdue account	R	4,240,247.98
PAYMENT ARRANGEMENT	9451423259 (Balance of R 519,935,118.37)	R	20,797,404.79
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 19%		R	29,503,898.34

CURRENT		TOTAL DUE	R	774,515,624.89
255,217,553.00				
ARREARS				
>90 DAYS	61-90 DAYS	31-60 DAYS	15-30 DAYS	
0.00	237,191,290.49	282,106,781.40	0.00	

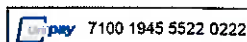
Total outstanding debt must be settled immediately, subject to disconnection without further notice



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## ACCOUNT NO / REFERENCE NO

9455522022
NAME
MSUNDUZI MUNICIPALITY
FAX NUMBER



2721570019455220224



>>>>>> 9207 2945 5522 0227

**TOTAL AMOUNT DUE**774,515,624.89

### PAYMENT ARRANGEMENT

<b>INSTALMENT</b>	
	20,797,404.7
<b>ARREARS</b>	(Due Immediately)
	519,298,0*1.8
<b>DUE DATE</b>	(For Current Amount)
2025-02-05	
<b>AMOUNT PAID</b>	

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	2025-02-05
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

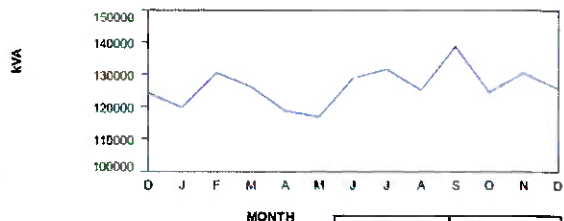
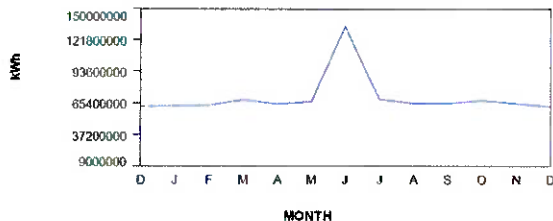
TARIFF NAME: Megaflex

06806 64 INTERVAL 190MVA MEGAFLEX 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 @ R0.868 /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
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<b>TOTAL CHARGES</b>	<b>R</b>	<b>99,578,616.06</b>
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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	2023-01-06
TAX INVOICE NO	945793050409
ACCOUNT MONTH	DECEMBER 2023
CURRENT DUE DATE	2023-02-05
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	125,842.38
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

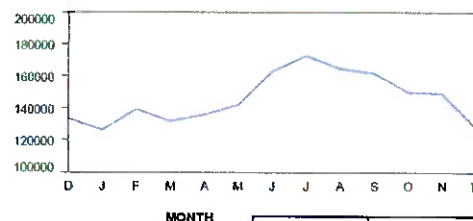
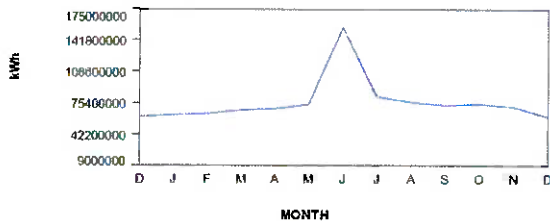
TARIFF NAME: Megaflex

06808 65 146 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	: 2024/12/09
Time Actioned	: 15:25:45
Trace ID	: C55FC5YM

#### **Payer Details**

Payment From	: The Msunduzi Municipality
Curl/Amount	: 122,354,774.00

#### **Payee Details**

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

#### **END OF NOTIFICATION**

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

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



## NOTIFICATION OF PAYMENT

To Whom It May Concern:

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

---

Date Actioned	: 2024/12/13
Time Actioned	: 15:07:52
Trace ID	: 5Y3Q1PZM

### Payer Details

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

### Payee Details

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

END OF NOTIFICATION

---

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

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## NOTIFICATION OF PAYMENT

To Whom It May Concern:

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

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

### Payer Details

Payment From	: The Msunduzi Municipality
Cur/Amount	: 20,000,000.00

### Payee Details

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

### END OF NOTIFICATION

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

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

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



## NOTIFICATION OF PAYMENT

To Whom It May Concern:

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

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

### Payer Details

Payment From : The Msunduzi Municipality  
Cur/Amount : 20,797,404.79

### Payee Details

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

### END OF NOTIFICATION

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

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

ii) Below is the invoice for Umngeni



Improving Quality of Life and Enhancing Sustainable Economic Development

CONSOLIDATED INVOICE

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

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

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

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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  
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 Swab	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  
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)
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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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)
----------------	-----------------	--------------	-------------	-------------	-----------	-----------

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

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

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

Payment Terms: 30 Days from Invoice date

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

Page 5 of 5

iii) Below is proof of payment for Umngeni

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

**NOTIFICATION OF PAYMENT**

To Whom It May Concern:

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

---

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

**Payer Details**

Payment From	: The Msunduzi Municipality
Curr/Amount	: 64,000,000.00

**Payee Details**

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

**END OF NOTIFICATION**

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

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## 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)	<b>6.3.1</b> The municipality must monthly pay and maintain its <b>Eskom bulk current account and bulk water current account - Umngeni</b> , 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)	<b>Non-Compliant - Umngeni</b> The municipality has not paid Umngeni for the month of December 2024 due to low cash inflows, and the municipality will be meeting Umngeni in order to address the non-compliance. The meeting has been scheduled for 17 January 2025. <b>Compliant – Eskom</b> The Municipality has paid and amount of R389,5 million to Eskom in the month of December. The municipality was not 100% Up To Date as at end of December 2024 but managed to bring the account up to date on 3 January 2025 in order to stay on debt relief.
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a	<b>6.3.2</b> 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	<b>Compliant</b> Email was sent within one day of payment to ESKOM  <b>Non-Compliant</b>  The municipality has not paid Umngeni for the month of December 2024 but will be paying the payment arrangement amount by the 17 December 2024.

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

<b>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</b>	<b>6.6.2</b> 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	<b>Compliant</b>  Disconnections = 2275
<b>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</b>	<b>6.6.3</b> The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner	Monthly	Number of restricted / interrupted supply	<b>Compliant.</b>  Restrictions performed= 1431
<b>6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)</b>	<b>6.6.4</b> 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	<b>Non-compliant</b> 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.
<b>6.7 Maintain a minimum average quarterly collection of property rates and services charges</b>	<b>6.7.1</b> The municipality must strictly enforce its credit control and debt management related policies and	Monthly (Internal) and Quarterly (Debt Relief)	Annexure D	<b>Compliant</b>  Property rates 112% Service Charges 311%

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

	<p>limit of supply of water is due to Technical Engineering reason(s)</p> <p>6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure</p>			
<b>6.8 Completeness of the revenue base</b>	<p><b>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</b></p>	Quarterly	GRV REPORT	The GRV is included under 2.8.5 Condition 6.8
<b>6.8 Completeness of the revenue base</b>	<p><b>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</b></p>	Quarterly	GRV REPORT	The GRV is included under 2.8.5 Condition 6.8



	<b>to the National Treasury</b>			
<b>6.9 Monitor and report on implementation</b>	<b>6.9.1 MFMA section 71 reporting</b> – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	<b>Compliant</b> Report included in the monthly S71 report for December 2024
<b>6.9 Monitor and report on implementation</b>	<b>6.9.2</b> If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> 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	<b>Compliant</b> Report included in the monthly S71 report for December 2024
<b>6.9 Monitor and report on implementation</b>	<b>6.9.3 Municipalities with financial recovery plans (FRP)</b> – 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			
<b>6.10 Provincial Treasury's</b>	<b>6.10 Provincial Treasury</b>			

<b>Certification of municipal compliance</b>	<b>certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT</b>			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificates for November 2024. Management must take remedial actions as per the recommendations made by National Treasury
<b>6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</b>	<b>6.12.1</b> Open a separate investment account to serve as a sub-account			
<b>6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</b>	<b>6.12.1</b> 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			
<b>6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</b>	<b>6.12.2</b> must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then sixthly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.	Monthly		The Eskom and Umngeni accounts were paid directly from the Primary bank account. Municipality has a backlog in terms of built-up reserves. Salaries and third party salary payments including commitments to other creditors make this requirement difficult to maintain.
<b>6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)</b>	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	<b>Compliant</b> Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement is uploaded on GoMuni. Payments made directly from Primary bank account.

## 2.9 Recommendations

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

1. MFMA Section 72 mid-year budget and performance and performance assessment review for 2024/25 period be approved
2. In line with MFMA Section 72(3)(a) adjustment budget is necessary wherein Expenditure is adjusted downwards since the cash collection is below projections being informed by MFMA Section 17(1)(a) of realistically anticipated revenue.
3. The monthly budget statement (S71 & S52 (d) Report) for the month of December 2024.
4. The compliance emanating from the municipality's debt relief self-assessment and overall performance since 1 December 2023, as well as the National Treasury's independent assessment set out. Please refer to the compliance report and compliance certificate for November 2024.
1. 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/December Umngeni statement.
  - Ensure that bulk invoices are captured timeously on the system, prior to month-end closure.
  - Achieving the desired collection rate of 95% and application of the Credit Control Policy.
  - 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.





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

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

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

Dear Messrs Ramjathan and Msunduzi Municipality MM

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

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

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

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

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

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

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

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

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

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

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

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



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

Province		
KZN		
Code	District	Code Description
KZN225	uMgungundlovu	Mbunduzi

Monthly Performance Report																																															
Municipal Details			Part A					Part B					Part C		Part D					Part C					Maximization of Revenue Base			Part E										Part F									
			Eskom And Bulk water current account					Compliance with a funded MTRF					FRP/BFP & Tariff Assessment		Electricity and water as collection tools					Quarterly collection of property rates and services charges								Oversight										Compliance Status									
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score			
1.July	Mbunduzi	KZN225	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	Yes	N/A	N/A	No	No	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	No	Yes	No	N/A	Yes	Yes	N/A	No	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	71%	New Compliance		
2.August	Mbunduzi	KZN225	Yes	No	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	No	Yes	No	Yes	No	N/A	Yes	Yes	N/A	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	90%	Not Applicable	
3.September	Mbunduzi	KZN225	Yes	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	No	N/A	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	Yes	No	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	78%	Not Applicable	
4.October	Mbunduzi	KZN225	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	No	N/A	N/A	N/A	Yes	Yes	No	Yes	Yes	Yes	No	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	83%	Not Applicable
5.November	Mbunduzi	KZN225	No	Yes	No	No	Yes	No	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No	83%	Not Applicable
6.December	Mbunduzi	KZN225																																											0%	Not Applicable	
7.January	Mbunduzi	KZN225																																											0%	Not Applicable	
8.February	Mbunduzi	KZN225																																											0%	Not Applicable	
9.March	Mbunduzi	KZN225																																											0%	Not Applicable	
10.April	Mbunduzi	KZN225																																											0%	Not Applicable	
11.May	Mbunduzi	KZN225																																											0%	Not Applicable	
12.June	Mbunduzi	KZN225																																											0%	Not Applicable	

### • Condition 6.2 – Application-based supported by Council's resolution

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

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

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

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

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

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

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

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

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

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

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

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



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

- **Condition 6.4 – A funded MTREF**

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

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

- **Condition 6.5 – Cost reflective tariffs**

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

Property Rates Reconciliation						
Province	KZN					
District	Msunduzi					
Type	LM					
Municipal Name	Msunduzi					
GV Period	01/07/2020 - 30/06/2025					
Financial Year	2021/2022					
Reconciliation Period	Quarter 1					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	No. of Properties			Market Values		
Property Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	70990	70064	926	57 571 360 751,00	57 413 807 751,00	157 553 000,00
Industrial	162	1148	14	5 365 359 611,00	5 484 823 611,00	119 464 000,00
Business and Commercial	3426	3382	44	20 177 244 740,00	20 086 256 199,00	110 988 541,00
Agricultural	148	148	0	700 733 000,00	702 576 000,00	1843 000,00
Mining	3	3	0	24 716 000,00	24 716 000,00	-
State Owned for Public Purpose	462	424	38	4 918 070 000,00	4 791 781 000,00	126 289 000,00
PSI	50	45	5	95 922 000,00	94 882 000,00	1040 000,00
PBO	112	110	2	1031948 000,00	1027 648 000,00	4 300 000,00
Multi Use	34	33	1	-	-	-
Vacant	4360	4257	103	2 103 975 909,00	2 061 388 000,00	42 587 909,00
POW	0	0	0	-	-	-
Municipal	7426	7799	-373	3 761 326 000,00	3 880 087 000,00	118 761 000,00
Other	1160	2440	-1280	1092 032 050,00	1094 305 050,00	2 273 000,00
	89333	89853	-520	96 842 688 061,00	96 642 270 611,00	200 417 450,00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	78 662 319	67 884 339	10 777 979	235 986 955,81	203 653 017,35	32 333 938,46
Industrial	13 055 708	12 838 376	217 332	39 167 125,16	38 515 129,02	651 996,14
Business and Commercial	49 097 962	47 093 811	2 004 151	147 293 886,60	141 281 434,05	6 012 452,55
Agricultural	233 578	223 462	10 115	700 733,00	670 386,66	30 346,34
Mining	60 142	58 083	2 060	180 426,80	174 247,80	6 179,00
State Owned for Public Purpose	11967 304	11236 946	730 358	35 901 911,00	33 710 836,95	2 191 074,05
PSI	22 382	21586	796	67 145,40	64 757,07	2 388,33
PBO	343 983	-	343 983	1031948,00	-	1031948,00
Multi Use	-	-	-	-	-	-
Vacant	5 277 473	5 001 487	275 986	15 832 418,72	15 004 461,30	827 957,42
POW	-	-	-	-	-	-
Municipal	9 152 560	4 725 096	4 427 464	27 457 679,80	14 175 288,18	13 282 391,62
Other	-	374 312	-374 312	-	1 122 934,71	1 122 934,71
Total	#####	R149 457 497,70	R18 415 912,40	503 620 230,29	448 372 493,09	55 247 737,20

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

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

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

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

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

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

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

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



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

<b>MFMA S71 Statement component</b>		<b>Compliance (Yes / No)</b>
1.	<b>The Budget Performance Overview (paragraph 4) of the MFMA S71 statement</b> 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.	<b>The conclusion (paragraph 14) of the MFMA S71 statement</b> 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.	<b>Annexure B of the MFMA S71 statement included the following debt relief reporting components-</b>	
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 <b>MFMA Budget Circular 128 (Annexure B)</b>	Yes
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	Yes
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes
3.4.1	The municipality's revenue collection performance i. the overall performance graph; ii. Summary worksheet; and iii. Collection per ward indicating who supplies electricity in the ward	Yes/ Incomplete
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of <b>MFMA Budget Circular 128 (Annexure D)</b> .	Yes
3.5.1	The indigent management information	Yes
3.5.2	The indigent management information was included in the format of <b>MFMA Budget Circular 128 (Annexure C)</b> .	Yes
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	No
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	Yes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

- **Condition 6.14 – NERSA Licence**

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

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

### **Recommendations:**

1. **Implement Comprehensive Internal Controls and Risk Management**

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

2. **Prioritize Revenue Collection and Debt Reduction**

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

3. **Establish Cost-Reflective Tariffs**

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

4. **Leverage Technology for Financial Accuracy**

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

**5. Enhance Transparency and Accountability**

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

**6. Strengthen Governance and Compliance Monitoring**

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

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

For enquiries, please feel free to contact Mrs Kgomoitso Baloyi on [Kgomoitso.Baloyi@treasury.gov.za](mailto:Kgomoitso.Baloyi@treasury.gov.za)

Kind regards,

**KGOMOTSO BALOYI**

**DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS**

**DATE:**

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**Annexures (November 2024 Compliance Certificates)**

**NATIONAL TREASURY COMPLIANCE CERTIFICATION:**

Choose from drop down list

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PT: HOD/ NT / MIM Names:

Signature of HOD/ NT/ MM:

Date:

<sup>10</sup>Note: If the official is signing on behalf of the Head of the Provincial Treasury (HCT) or Municipal Manager, the written procedures of the HCT or MM must be attached as an Annexure to this Certificate of Compliance.

**\*Note:** The Signed Certificate to be uploaded on [www.ft.com](http://www.ft.com) must include consumer column - consumer data need to be incorporated into the related FT report