








**17810**  
**FINANCIAL REPORT AS AT 28 FEBRUARY 2025**

***This report is submitted simultaneously to the Financial Services Portfolio Committee, Executive Committee and Council.***

**PURPOSE**

To submit for noting the financial position of the uMhlathuze Municipality as at 28 February 2025 as required in terms of the Municipal Finance Management Act, 2003 (Act No 56 of 2003).

**IDP STRATEGIES, GOALS AND OBJECTIVES**

NATIONAL KPA 5 : MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT		
SUSTAINABLE DEVELOPMENT GOALS:       		
STRATEGIES	OBJECTIVES	STRATEGIES
<b>5.1 Sound Financial And Supply Chain Management</b>	5.1.1 Compliance with financial legislation and policies	5.1.1.1 GRAP compliant
		5.1.1.2 mSCOA compliant
		5.1.1.3 Review of all financial related policies
		5.1.1.4 Compliance with all MFMA and relevant local government financial legislation
	5.2.1 Sustainable Financial management (Expenditure and Revenue)	5.2.1.1 Provide continuous Internal Communication and support on Budget and Financial Management matters
		5.2.1.2 Asset Accounting Management
		5.2.1.3 Accurate and timeous billing and receipting of revenue
		5.2.1.4 Apply Adequate Internal controls
		5.2.1.5 Accurate and timeous payments of creditors
		5.2.1.6 Apply adequate financial management methodologies
	5.3.1 Supply Chain Management	5.3.1.1 Demand and acquisition management
		5.3.1.2 Accurate contracts and logistics management
		5.3.1.3 Apply adequate financial management methodologies

**BACKGROUND**

**Section 71** of the Municipal Finance Management Act (MFMA), (Act 56 of 2003) prescribes certain conditions that need to be complied with, in terms of the mentioned Act.

The Accounting Officer of the Municipality must report by no later than ten (10) working days after the end of each month to the Mayor and the relevant Provincial Treasury, a statement in the **prescribed format** on the state of the Municipality's budget.

**Section 66** of the Municipal Finance Management Act further prescribes that all expenditure incurred by the Municipality on staff salaries, allowances and benefits be reported upon in a format and for the prescribed period. It is considered appropriate to report on this section of the Act on a monthly basis to coincide with the reporting requirements of Section 71(1) of the Act.

As mentioned above, the MFMA Section 71(1) refers to a prescribed format according to which the annual budget is required to be prepared. The National Treasury issued MFMA Circular No 51 (**DMS 633560**) in which this prescribed format was set out.

Furthermore, the National Treasury issued Municipal Budget and Reporting Regulations in terms of Government Gazette Number 32141 dated 17 November 2009. These regulations set out the manner in which Municipalities are required to prepare the 2010/2011 Budget as well as the in-year reporting effective from November 2010.

The objectives of the budget format reforms in terms of these regulations are:

- ❖ To ensure that the Municipal budget and financial reporting formats support the other financial management reforms introduced by the Municipal Finance Management Act (MFMA).
- ❖ To formalise the norms and standards governing Municipal Budget and Financial Reporting formats, so as to improve the credibility, sustainability, transparency, accuracy and reliability of budgets and in-year reports of Municipalities.
- ❖ To improve Council's ability to deliver basic services to all by addressing issues of financial sustainability.
- ❖ To facilitate informed policy choices by Council and medium term planning of service delivery by aligning targets to achieve backlog elimination.

The Minister of Finance has, in terms of Section 168 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) and acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs issued the Municipal Regulations on Standard Chart of Accounts as set out in Government Gazette No 37577 (**DMS 974357**) dated 22 November 2014.

These Regulations apply to all Municipalities and Municipal entities and indicate its applicability and relevance to each specific Municipal environment while accommodating organisational uniqueness and structural differences. These regulations took effect from 1 November 2017.

The objective of these regulations is to provide for a national standard, uniform recording and classification of municipal budget and financial information at transactional level by prescribing a standard chart of accounts for municipalities.

Once these regulations are effective, the financial reporting will be aligned (budget reporting and financial statements reporting). The regulations require that the financial system used by Municipalities must be compliant with the Standard Chart of Accounts. This means that the financial systems of Municipalities must be capable to accurately record all financial transactions in terms of the required segments. The current financial system used by the Municipality does not provide for the recording of financial transactions as required by the regulations.

The implementation of these regulations requires that the Municipality must proactively procure a financial system solution that will be compliant with the Standard Chart of Accounts. Of similar importance is the provision for training of responsible officials to ensure that they attend the trainings and workshops to be provided by the National Treasury.

In terms of Council Resolution 8901 dated 26 November 2013, Council was selected as a Pilot Site for the mSCOA implementation.

**Section 1** of the MFMA defines the Service Delivery and Budget Implementation Plan (SDBIP) as:

*“A detailed plan approved by the Mayor of a municipality in terms of Section 53(l)(c)(ii) for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate:*

- (a) *Projections for each month of-*

- (i) *Revenue to be collected, by source; and*
- (ii) *Operational and capital expenditure, by vote.”*

Component 1, comprised of actual revenue collected by source and Component 2, comprised of actual operational and capital expenditure by vote for the month of February 2025 is included under **Annexures AA and AB (DMS 1729696)**.

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## **PART 1 - IN-YEAR REPORTING**

### **1. MAYOR'S REPORT FOR THE MONTH OF FEBRUARY 2025**

In terms of the Budget Regulations, Part 1 in-year reporting, the Mayor is required to provide a report / comments on:

- “(a) **a summary of whether the Municipality's budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;**

The Mayor has considered the Section 71 report for the month of February 2025, and the performance of the Municipality against its budget in line with the Adjusted Budget approved by Council on 27 February 2025. A detail of all the points highlighted by the Mayor is included in the report.

### **Operational Budget**

The monthly budget statement summary (Table C1) for the month of February 2025 (year to date actual) shows a deficit of R203 million. The performance in this area is **Not Acceptable**.

### **Capital Budget**

Council is in the third quarter first month for the current financial year and capital expenditure is R333,2 million (53,05%). This is based on the Adjusted Budget of R627 million. The performance in this area is **Acceptable**.

## Cash Flow

In terms of Council's Adopted Working Capital Policy, the objective is for Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 1,20 :1 (Working Capital Cash in Bank against average monthly liabilities – R458 518/R381 872). The performance in this area is **Not acceptable**.

## 2. **RESOLUTIONS**

Refer to the recommendations contained in this report.

## 3. **EXECUTIVE SUMMARY**

This section deals with the financial status of the Municipality at an executive level and highlights matters that are of particular importance from the Chief Financial Officer's perspective.

### 3.1 **Operating Budget**

The following table represents an executive summary for the financial period ended 28 February 2025:

DESCRIPTION	ADJUSTED BUDGET 2024/2025	PRO-RATA ADJUSTED BUDGET (YTD)	ACTUAL FEBRUARY 2025 (YTD)	% PRO-RATA ADJUSTED BUDGET SPENT
	R	R	R	%
Revenue (excl capital grants)	5 338 039 747	3 569 046 275	3 576 246 088	100,20%
Expenditure	5 623 917 106	3 663 396 402	3 732 858 275	101,90%
<b>Operating Surplus/(Deficit)</b>	<b>(285 877 359)</b>	<b>(94 350 126)</b>	<b>(156 612 186)</b>	
<b>Less:</b>				
Equitable Share Received in Advance	-	-	(46 354 000)	
<b>Net Operating Surplus/(Deficit)</b>	<b>(285 877 359)</b>	<b>(94 350 126)</b>	<b>(202 966 186)</b>	

Revenue excludes capital grants which are shown under 3.4 Capital Budget Summary source of funding.

Below is the financial performance dashboard extracted from **SAP Reports and Dashboard Module**. It depicts the results as at the end of the month of February 2025 (year to date).

**NB: Management is encouraged to make use of the dashboard for ease of reference on the financial performance and capital expenditure. Departments to liaise with the Budget Office and ICT for assistance with reports and dashboard.**



## COU - FINANCIAL PERFORMANCE DASHBOARD FOR: FEBRUARY, 2025



### Operating Revenue (R '000)

5,599,452	Original Budget
0	Adjusted Budget
373,943	Monthly Actual
3,576,246	YTD Actual
3,764,661	YTD Budget
5,599,452	System Budget

### Operating Expenditure (R '000)

5,589,918	Original Budget
0	Adjusted Budget
419,984	Monthly Actual
3,732,858	YTD Actual
3,259,480	YTD Budget
5,589,918	System Budget

### Capital Transfers & Subsidies (R '000)

219,003	Original Budget
0	Adjusted Budget
4,123	Monthly Actual
138,034	YTD Actual
148,826	YTD Budget
219,003	System Budget

### Surplus/(Deficit) for the year excluding Transfers & Subsidies (R '000)

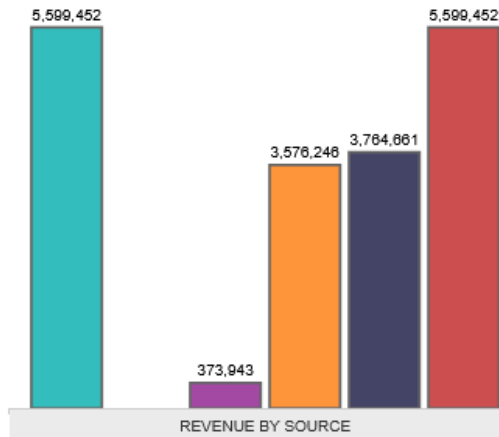
9,534	Original Budget
0	Adjusted Budget
-46,041	Monthly Actual
-156,612	YTD Actual
505,181	YTD Budget
9,534	System Budget

Overview

Revenue & Expenditure Analysis

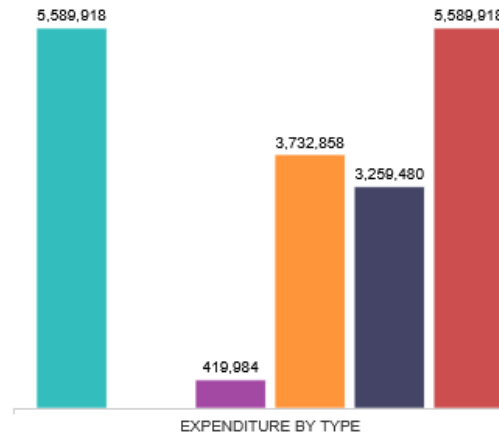
- ☒ Original Budget
- ☐ Adjusted Budget
- ☐ Monthly Actual
- ☐ YTD Actual
- ☐ YTD Budget
- ☐ System Budget

#### Operating Revenue (R '000)



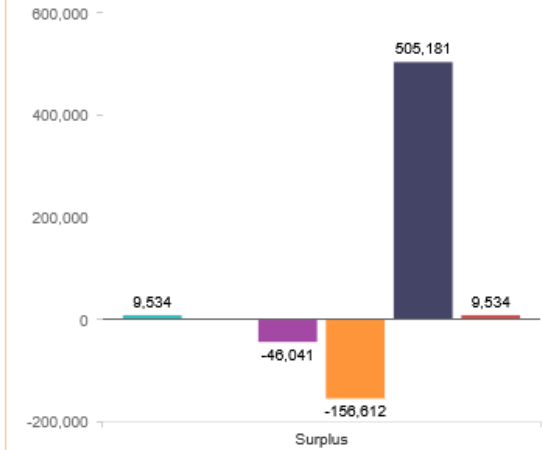
Original Budget  
Adjusted Budget  
Monthly Actuals  
Year to Date Actuals  
Year to Date Budget  
Full Year Forecast

#### Operating Expenditure (R '000)



Original Budget  
Adjusted Budget  
Monthly Actuals  
Year to Date Actuals  
Year to Date Budget  
Full Year Forecast

#### Surplus (R '000)



Original Budget  
Adjusted Budget  
Monthly Actuals  
Year to Date Actuals  
Year to Date Budget  
Full Year Forecast

NOTES:

OFFICIAL FINAL VERSION

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### **3.2 Cash Flow Situation**

#### **Council's Working Capital Policy:**

In terms of Council's Adopted Working Capital Policy, the objective is for the Working Capital to be two (2) times the average monthly creditors of the municipality. This ratio currently sits at 1,20:1 (458 518/381 872).

It is absolutely important that readers of the report know that "Working Capital" does not address the real amount of funds that Council should have in place when taking into account all statutory requirements as per Council Cash, Investments and Reserves Policy (DMS 1647921). As at 28 February 2025 that figure should be R1 381 million and not R458 million.

### 3.3 Grants Balances

DESCRIPTION OF GRANT	ADOPTED GRANTS BUDGET 2024/25	AMOUNT RECEIVED AS AT 28/02/2025	ACTUAL EXPENDITURE AS AT 28/02/2025	% EXPENDITURE TO AMOUNT RECEIVED	% EXPENDITURE TO TOTAL	COMMENTS
<b>NATIONAL TREASURY</b>						
Equitable Share	556 251 000	417 188 000	370 834 000	89%	67%	In terms of the Constitution, this allocation is to provide for an equitable sharing of National Revenue. It is primarily for the provision of Basic Services.
Integrated Urban Development Grant-IUDG	151 498 000	121 198 000	87 345 758	72%	58%	IUDG aims to provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for investment in economic infrastructure.
Financial Management Grant	2 500 000	2 500 000	1 293 587	52%	52%	The purpose of this grant is to promote and support reforms in financial management by building capacity in municipalities to implement Finance Management Act (MFMA).
Water services infrastructure grant	60 000 000	38 600 000	38 600 000	100%	64%	To facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a basic water supply service.
Extended Public Works Programme	2 674 000	1 871 000	1 238 538	66%	46%	The grant is for the operational expenditure for EPWP. Expenditure shown has been incurred in the period under review.
Integrated National Electrification Programme Grant	9 850 000	3 940 000		0%	0%	The department could not spend due to scope change control that had to be done and submitted to DMRE. However, the service provider has been appointed and the designs is 90% completed.
Energy Efficiency and Demand Management	5 500 000	5 500 000	479 426	9%	9%	To provide subsidies to municipalities to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency. No capital expenditure has been incurred in the period under review.
<b>TOTAL NATIONAL TREASURY GRANTS</b>	<b>788 273 000</b>	<b>590 797 000</b>	<b>499 791 308</b>	<b>85%</b>	<b>63%</b>	

DESCRIPTION OF GRANT	ADOPTED GRANTS BUDGET 2024/25	AMOUNT RECEIVED AS AT 28/02/2025	ACTUAL EXPENDITURE AS AT 28/02/2025	% EXPENDITURE TO AMOUNT RECEIVED	% EXPENDITURE TO TOTAL	COMMENTS
<b>PROVINCIAL TREASURY</b>						
Provincialisation of Libraries	10 016 000	10 016 000	25 208 144	252%	252%	Expenditure shown is the total actual operating costs of the Libraries for the period under review.
Community Library Services Grant (Cyber cadets)	2 124 000	2 124 000	1 328 975	63%	63%	Expenditure shown is the total actual operating costs of the Cyber cadets for the period under review.
Housing Operating Account	4 429 000	2 422 697	15 116 372	624%	341%	Expenditure shown is the total actual operating cost of the Human Settlements Section excluding Hostel Operating costs for the period under review.
Museum Subsidy	260 000	-	2 439 095	0%	938%	Expenditure shown is the total actual operating costs of the Museum for the period under review. The MOA has been signed and submitted to KZN DSAC payment for the subsidy will be done this Month.
<b>TOTAL PROVINCIAL TREASURY GRANTS</b>	<b>16 829 000</b>	<b>14 562 697</b>	<b>44 092 587</b>	<b>303%</b>	<b>262%</b>	
<b>TOTAL GRANTS AND SUBSIDIES</b>	<b>805 102 000</b>	<b>605 359 697</b>	<b>543 883 895</b>	<b>90%</b>	<b>68%</b>	



### 3.4 Capital Budget Summary

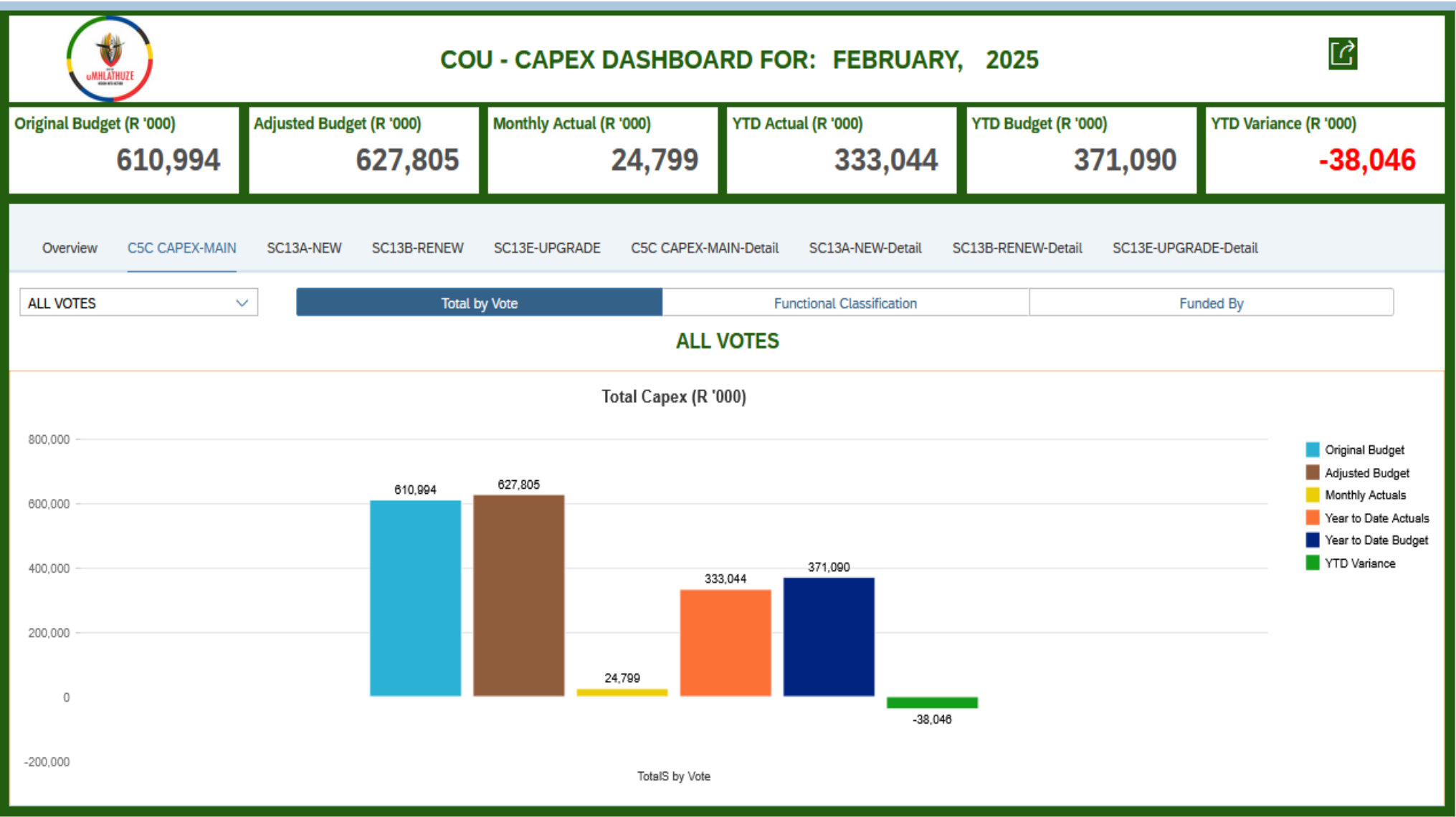
The table below represents Capital Expenditure incurred as at 28 February 2025:

<b>FUNCTION</b>	<b>ADJUSTED BUDGET 2024/2025</b>	<b>ACTUAL FEBRUARY 2025 (YTD)</b>	<b>% OF ADOPTED BUDGET SPENT</b>
	<b>R</b>	<b>R</b>	<b>%</b>
Executive and Council	52 000	15 072	28,98%
Finance and Administration	65 842 700	15 156 745	23,02%
Community and Social Services	11 135 700	279 203	2,51%
Sport and Recreation	31 117 700	23 203 622	74,57%
Public Safety	675 000	-	0,00%
Housing	3 198 000	-	0,00%
Planning and Development	49 075 000	12 370 406	25,21%
Road Transport	94 418 400	75 429 130	79,89%
Environmental Protection	78 000	-	0,00%
Air Transport - Air port	12 399 000	7 820 274	63,07%
Energy Sources	76 690 300	6 705 166	8,74%
Water Management	202 882 200	128 726 622	63,45%
Waste Water Management	68 425 200	63 338 229	92,57%
Waste Management	11 816 000	-	0,00%
	<b>627 805 200</b>	<b>333 044 469</b>	<b>53,05%</b>

#### Capital Expenditure by Source of Funding

<b>SOURCE OF FUNDING</b>	<b>ADJUSTED BUDGET 2024/2025</b>	<b>ACTUAL FEBRUARY 2025 (YTD)</b>	<b>% OF ADJUSTED BUDGET SPENT</b>
	<b>R</b>	<b>R</b>	<b>%</b>
Borrowing	380 157 400	186 886 935	49,16%
Capital Replacement Reserve	18 074 400	2 043 056	11,30%
Integrated Urban Development Grant	144 863 000	75 448 390	52,08%
Government Grants - National	81 512 600	67 746 760	83,11%
Government Grants - Provincial	632 500	224 750	35,53%
Self Insurance Reserves	2 565 300	694 578	27,08%
<b>TOTAL</b>	<b>627 805 200</b>	<b>333 044 469</b>	<b>53,05%</b>

Capital Expenditure by Vote (Departments)



### 3.5 Expenditure per Category

The table below represents operating expenditure per category incurred as at 28 February 2025:

EXPENDITURE BY TYPE	ADJUSTED BUDGET 2024/2025	PRO-RATA ADJUSTED BUDGET (YTD)	ACTUAL FEBRUARY 2025 (YTD)	% PRO-RATA ADJUSTED BUDGET SPENT
	R	R	R	%
Employee related costs	1 197 348 600	798 545 130	761 983 899	95,42%
Remuneration of Councillors	38 433 400	25 468 400	22 652 320	88,94%
Bulk Purchases - Electricity	1 802 030 900	1 204 715 900	1 218 218 012	101,12%
Inventory consumed - Water	320 816 181	141 189 422	196 304 313	139,04%
Inventory consumed - Materials	165 164 619	110 109 746	114 617 898	104,09%
Debt Impairment	202 711 600	135 141 067	153 088 174	113,28%
Depreciation and asset impairment	352 759 106	235 172 737	232 316 421	98,79%
Finance Charges	184 846 100	123 230 733	126 685 723	102,80%
Contracted Services	584 436 100	373 196 800	334 979 342	89,76%
Transfers and Subsidies	6 432 000	4 000 800	1 093 761	27,34%
Irrecoverable debts written off	-	-	7 007 277	0,00%
Operational costs	398 934 100	265 956 067	241 431 444	90,78%
Losses - Water Inventory (note 1)	370 004 400	246 669 600	322 479 693	130,73%
<b>TOTAL</b>	<b>5 623 917 106</b>	<b>3 663 396 402</b>	<b>3 732 858 275</b>	<b>101,90%</b>

The above table represents operating expenditure per category as at 28 February 2025.

## **WATER LOSS OR NON REVENUE WATER BROKEN DOWN**

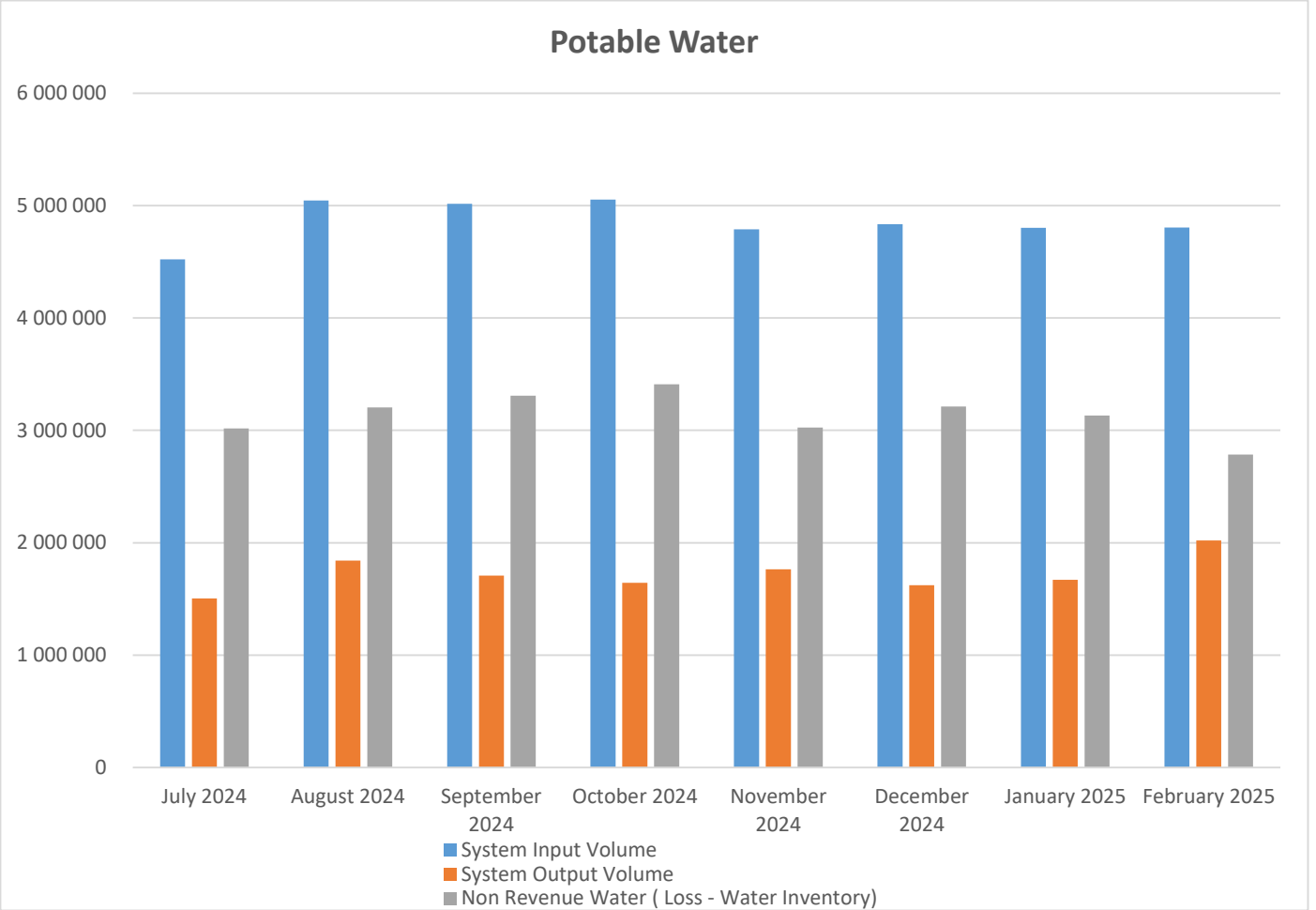
In terms of Version 6.5 of the mSCOA Chart it is required that municipalities account for their water purchases, water production as well their losses in accordance with the water balance model. In financial terms water is referred to as water inventory. This model is derived from the Internal Water Associations Water Balance Model adopted by the Department of Water and Sanitation (DWS) and the National Treasury. It ensures that this very scarce resource is accounted for both in kilolitres and in rands.

### **NON REVENUE WATER (WATER LOSS) PER CATEGORY:**

Water Inventory - in Rands									
Water Inventory	Adopted Budget			Year to Date Actuals			Full Year Forecast		
	Total	Potable	Clarified	Total	Potable	Clarified	Total	Potable	Clarified
	R	R	R	R	R	R	R	R	R
<b>Output</b>									
Inventory consumed - Water Billed (Authorised)	318 387 100	298 002 400	20 384 700	194 360 707	178 552 866	15 807 841	318 387 100	298 002 400	20 384 700
Inventory consumed - Water Unbilled (Authorised)	6 952 900	6 725 400	227 500	1 943 607	1 785 529	158 078	6 952 900	6 725 400	227 500
Total - Inventory consumed - Water	325 340 000	304 727 800	20 612 200	196 304 314	180 338 395	15 965 919	325 340 000	304 727 800	20 612 200
Non Revenue Water ( Loss - Water Inventory)	369 949 800	367 816 800	2 133 000	322 370 871	320 068 490	2 302 381	369 949 800	367 816 800	2 133 000
<b>Total Water Inventory (Consumed plus losses)</b>	<b>695 289 800</b>	<b>672 544 600</b>	<b>22 745 200</b>	<b>518 675 185</b>	<b>500 406 885</b>	<b>18 268 300</b>	<b>695 289 800</b>	<b>672 544 600</b>	<b>22 745 200</b>

Water Inventory - in Units (kl)						
Water Inventory	Adopted Budget			Year to Date Actuals		
	Total	Potable	Clarified	Total	Potable	Clarified
	kl	kl	kl	kl	kl	kl
<b>Output</b>						
Inventory consumed - Water Billed (Authorised)	29 777 318	25 027 318	4 750 000	15 948 664	13 774 879	2 173 785
Inventory consumed - Water Unbilled (Authorised)	617 827	564 827	53 000	159 487	137 749	21 738
Total - Inventory consumed - Water	30 395 145	25 592 145	4 803 000	16 108 151	13 912 628	2 195 523
Non Revenue Water ( Loss - Water Inventory)	31 387 591	30 890 591	497 000	25 099 775	24 759 680	340 095
Non Revenue Water (% Loss - Water Inventory)	50,8%	54,7%	9,4%	60,9%	64,0%	13,4%
<b>Total Water Inventory (Consumed plus losses)</b>	<b>61 782 736</b>	<b>56 482 736</b>	<b>5 300 000</b>	<b>41 207 926</b>	<b>38 672 307</b>	<b>2 535 618</b>

Potable Water Inventory - in Units (kl)								
Water Inventory	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025
System Input Volume	4 522 239	5 044 436	5 016 592	5 053 885	4 788 885	4 835 422	4 802 090	4 806 008
System Output Volume	1 504 562	1 840 172	1 707 798	1 644 168	1 764 576	1 623 215	1 669 220	2 021 167
Non Revenue Water ( Loss - Water Inventory)	3 017 677	3 204 264	3 308 794	3 409 717	3 024 309	3 212 207	3 132 870	2 784 841



## NON-REVENUE WATER (WATER LOSS PER WATER SUPPLY ZONE):

	Feb-25				YTD AS AT 28 FEBRUARY 2025			
	Zone 1 (Richards Bay , Nseleni, Khoza, Mandlanzini, Meerensee , Mzingazi)	Zone 2 (Empangeni, Ngwelezane, Zungu)	Zone 3 (Esikhaleni, Felixton, Vulindlela, Mkwanzazi North & South)	Zone 4 (Richards Bay - Clarified Water)	Zone 1 (Richards Bay , Nseleni, Khoza, Mandlanzini, Meerensee , Mzingazi)	Zone 2 (Empangeni, Ngwelezane, Zungu)	Zone 3 (Esikhaleni, Felixton, Vulindlela, Mkwanzazi North & South)	Zone 4 (Richards Bay - Clarified Water)
	KL	KL	KL	KL	KL	KL	KL	KL
<b>System Input (Purchased and Produced)</b>	<b>1 841 477</b>	<b>1 860 248</b>	<b>907 033</b>	<b>346 680</b>	<b>14 621 923</b>	<b>16 384 168</b>	<b>7 666 216</b>	<b>2 535 618</b>
Kl/Day	65 767	66 437	32 394	12 381	481 981	539 522	252 463	83 775
<b>System Out Put - Inventory Consumed</b>	<b>1 260 316</b>	<b>590 905</b>	<b>190 157</b>	<b>346 680</b>	<b>8 327 566</b>	<b>4 190 857</b>	<b>1 394 204</b>	<b>2 195 523</b>
Kl/Day	45 011	21 104	6 791	12 381	275 317	138 332	45 972	72 661
Inventory consumed - Water Billed (Authorised)	1 247 838	585 055	188 274	343 248	8 245 115	4 149 364	1 380 400	2 173 785
Inventory consumed - Water Unbilled (Authorised)	12 478	5 851	1 883	3 432	82 451	41 494	13 804	21 738
<b>Non Revenue Water (Water Loss)</b>	<b>581 161</b>	<b>1 269 343</b>	<b>716 876</b>	<b>-</b>	<b>6 294 357</b>	<b>12 193 311</b>	<b>6 272 012</b>	<b>340 095</b>
Kl/Day	20 040	43 770	24 720	-	205 949	399 627	205 608	11 113
Water Losses: Apparent Losses: Customer Meter Inaccuracies	52 304	114 241	64 519	-	566 492	1 097 398	564 481	30 609
Water Losses: Apparent Losses: Unauthorized Consumption (Theft)	29 058	63 467	35 844	-	314 718	609 666	313 601	192
Water Losses: Real Losses: Leakage and Overflows at Storage Tanks/Reservoirs	23 537	51 408	29 033	-	254 921	493 829	254 016	14 614
Water Losses: Real Losses: Leakage on Service Connections up to the point of Customer Meter	134 161	293 028	165 491	-	1 453 052	2 814 826	1 447 894	83 303
Water Losses: Real Losses: Leakage on Transmission and Distribution Mains	313 042	683 731	386 145	-	3 390 455	6 567 927	3 378 419	194 373
Water Losses: Data Transfer and Management Errors	29 058	63 467	35 844	-	314 718	609 666	313 601	17 005
<b>Non Revenue Water (% Loss - Water Inventory)</b>	<b>31,6%</b>	<b>68,2%</b>	<b>79,0%</b>	<b>0,0%</b>	<b>43,0%</b>	<b>74,4%</b>	<b>81,8%</b>	<b>13,4%</b>
<b>Total Water Inventory (Consumed plus losses)</b>	<b>1 841 477</b>	<b>1 860 248</b>	<b>907 033</b>	<b>346 680</b>	<b>14 621 923</b>	<b>16 384 168</b>	<b>7 666 216</b>	<b>2 535 618</b>

### 3.6 Revenue per Category

The source of funding for the below comprises the following revenue categories:

REVENUE BY SOURCE	ADJUSTED BUDGET 2024/2025	PRO-RATA ADJUSTED BUDGET (YTD)	ACTUAL FEBRUARY 2025 (YTD)	% PRO-RATA ADJUSTED BUDGET SPENT
	R	R	R	%
<b>Exchange Revenue</b>				
Service Charges – Electricity revenue	2 348 456 700	1 577 711 516	1 563 301 844	99,09%
Service Charges – Water revenue	572 907 000	367 500 852	373 346 958	101,59%
Service charges - Waste Water Management	132 281 600	90 608 659	89 706 845	99,00%
Service charges - Waste management	120 401 900	82 526 963	82 953 693	100,52%
Sale of Goods and Rendering of Services	76 627 247	51 238 800	21 410 176	41,79%
Agency services	8 364 800	5 576 500	6 911 896	123,95%
Interest earned from Receivables	29 400	19 600	2 132	10,88%
Interest from Current and Non Current Assets	45 000 000	30 000 000	23 790 839	79,30%
Rent on Land	2 811 700	1 874 467	1 187 257	63,34%
Rental from Fixed Assets	16 264 500	10 843 000	7 990 442	73,69%
Operational Revenue	15 736 400	10 490 933	12 223 926	116,52%
<b>Non-Exchange Revenue</b>				
Property rates	778 223 600	526 420 222	522 587 506	99,27%
Surcharges and Taxes	7 832 900	5 218 600	5 195 527	99,56%
Fines, penalties and forfeits	5 313 500	3 552 600	4 491 784	126,44%
Licence and permits	3 631 700	2 421 130	2 475 981	102,27%
Transfers and subsidies - Operational	592 697 200	395 413 300	435 828 849	110,22%
Interest	1 870 000	1 246 600	1 301 974	104,44%
Other Gains	27 840 801	18 550 000	18 623 710	100,40%
Gains on disposal of Assets	-	-	10 792 174	0,00%
Gains - Water Inventory	581 748 799	387 832 533	392 122 578	101,11%
<b>TOTAL OPERATING REVENUE</b>	<b>5 338 039 747</b>	<b>3 569 046 275</b>	<b>3 576 246 088</b>	<b>100,20%</b>
<b>LESS: EQUITABLE SHARE</b>				
Equitable Share Received in Advance	-	-	(46 354 000)	0,00%
<b>TOTAL REVENUE</b>	<b>5 338 039 747</b>	<b>3 569 046 275</b>	<b>3 529 892 088</b>	<b>98,90%</b>

The above table represents operating revenue per category as at 28 February 2025.

### 3.7 Surplus and Deficit by Function

FUNCTION	ADJUSTED BUDGET 2024/25			ACTUAL AS AT 28 FEBRUARY 2025		
	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)	REVENUE	EXPENDITURE	SURPLUS/ (DEFICIT)
	R'000	R'000	R'000	R'000	R'000	R'000
Executive and Council	806 000	59 087 425	(58 281 425)	1 400 772	28 576 150	(27 175 378)
Finance and Administration	1 073 971 300	273 939 079	800 032 221	714 729 014	162 950 387	551 778 627
Internal Audit	27 500	191 500	(164 000)	18 200	(2 766 212)	2 784 412
Community and Social Services	18 094 400	149 164 405	(131 070 005)	15 754 942	96 413 189	(80 658 247)
Sport and Recreation	13 277 400	225 880 856	(212 603 456)	7 508 283	142 097 936	(134 589 652)
Public Safety	8 048 600	226 593 428	(218 544 828)	4 539 722	121 877 828	(117 338 106)
Housing	72 744 000	96 379 953	(23 635 953)	16 308 771	32 633 145	(16 324 374)
Health	-	7 063 100	(7 063 100)	-	4 788 499	(4 788 499)
Planning and Development	15 812 800	103 750 433	(87 937 633)	15 119 971	63 877 816	(48 757 845)
Road Transport	15 899 900	296 594 036	(280 694 136)	11 585 877	200 939 097	(189 353 220)
Environmental Protection	65 900	13 825 583	(13 759 683)	212 512	4 992 513	(4 780 001)
Air Transport and other	5 315 300	35 612 791	(30 297 491)	2 872 445	22 466 968	(19 594 523)
Energy sources	2 408 520 900	2 309 105 195	99 415 705	1 604 436 569	1 575 496 585	28 939 985
Water management	1 217 070 800	1 270 749 340	(53 678 540)	806 797 347	912 433 928	(105 636 581)
Waste water management	256 423 300	351 521 682	(95 098 382)	172 465 978	234 529 976	(62 063 998)
Waste management	231 961 600	204 458 299	27 503 301	156 141 686	131 550 470	24 591 217
<b>Total</b>	<b>5 338 039 700</b>	<b>5 623 917 106</b>	<b>(285 877 406)</b>	<b>3 529 892 088</b>	<b>3 732 858 275</b>	<b>(202 966 186)</b>



### **Exceptional Observations**

The table above sets out the surplus and deficit for each function. It is important to note that although the trading services namely Energy Sources, Water Management, Waste Water Management and Waste Management are expected to be profitable, only Energy Sources is making profit which is a huge concern (please see comments on 3.6 above).

### **3.8 Exception Sub Function Budget Summary**

The following tables illustrate the total budget performance per function (budget vs actuals). This will enable monitoring of revenue, expenditure and capital spending on a monthly basis. Fleet management and Air Transport (Airport) has been identified at this stage.

FLEET MANAGEMENT				
	ADJUSTED BUDGET 2024/25	PRO-RATA ADJUSTED BUDGET (YTD)	ACTUAL FEBRUARY 2025 (YTD)	% PRO-RATA ADJUSTED BUDGET SPENT
Revenue	3 215 000	2 143 333	263 867	12%
Expenditure	33 703 367	22 468 912	69 006 646	307%
<b>Surplus/(Deficit)</b>	<b>(30 488 367)</b>	<b>(20 325 578)</b>	<b>(68 742 780)</b>	
Capital	9 955 500	3 523 478	9 782 510	278%

Fleet expenditure is high in the month of February 2025; this is as a result of the backlog on Fleet maintenance notable waste removal trucks which requires urgent maintenance to avoid disruption in waste removal.

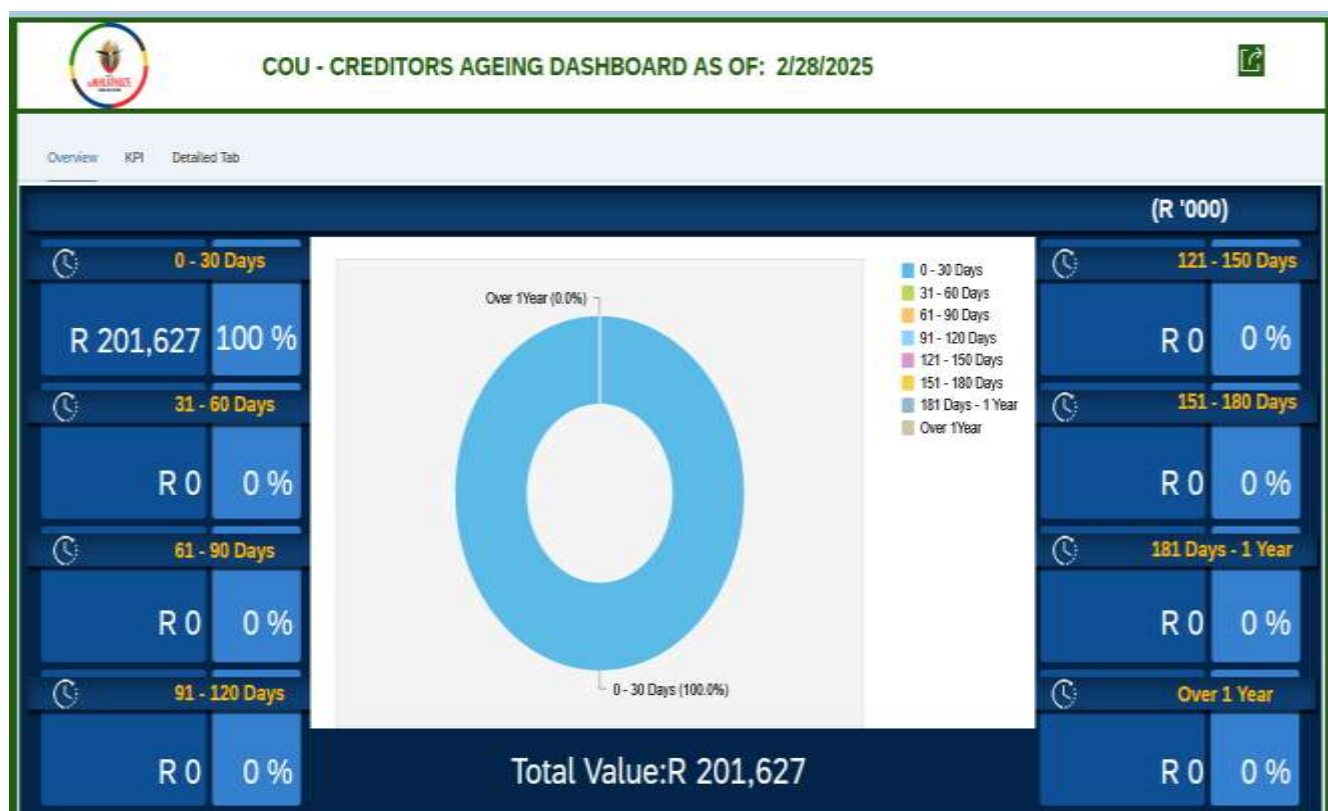
AIR TRANSPORT (AIRPORT)				
	ADJUSTED BUDGET 2024/25	PRO-RATA ADJUSTED BUDGET (YTD)	ACTUAL FEBRUARY 2025 (YTD)	% PRO-RATA ADJUSTED BUDGET SPENT
Revenue	5 616 500	3 744 333	2 879 199	77%
Expenditure	30 625 991	20 278 515	19 288 995	95%
<b>Surplus/(Deficit)</b>	<b>(25 009 491)</b>	<b>(16 534 181)</b>	<b>(16 409 795)</b>	
Capital	3 999 000	2 666 000	123 750	5%

Take note that the Airport as a function should be breaking even at minimum, but ideally making a surplus. Given that, the Municipality has only been in control of the function since May 2021 as per RPT 170822 it is understandable that it may take some time for the facility to increase its revenue to the extent that it does break even. It is expected to pick up as the year progresses and this is due to the lease agreement Council reached with most service providers for rental Council property.

### 3.9 Creditors Age Analysis

Creditors age analysis by customer type:

Creditors Age Analysis By Customer Type	0 - 30 Days
	R
Bulk Electricity	149 298 786
PAYE deductions	16 276 516
Pensions / Retirement deductions	14 200 578
Trade Creditors	21 851 141
<b>Total By Customer Type</b>	<b>201 627 021</b>



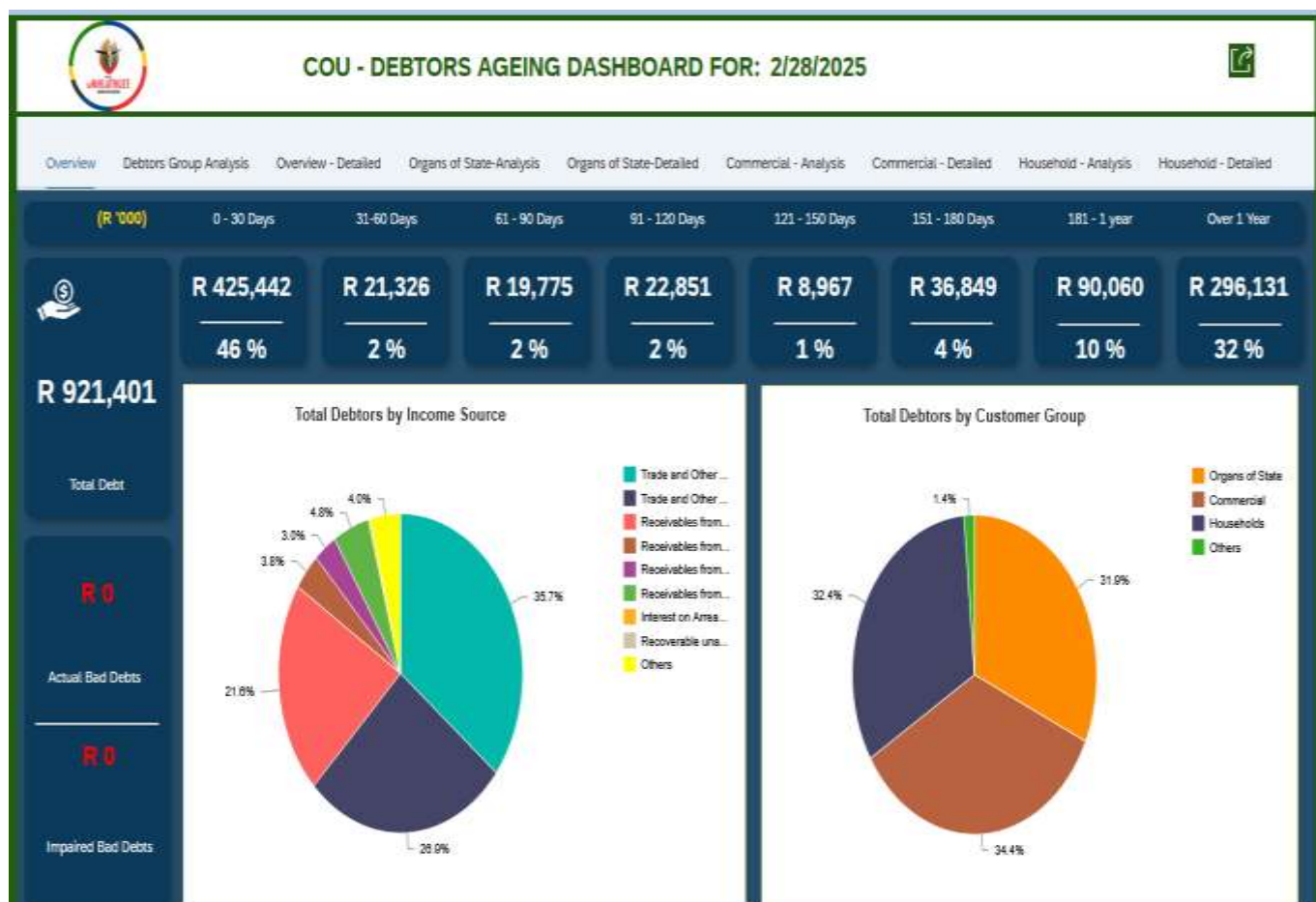
The above table represents the ageing of creditors outstanding as at 28 February 2025. As per the National Treasury Circular 71 uniform ratios the formula to calculate the creditors payment period is as follows - *Trade creditors outstanding/credit purchases (operating and capital) x 365*. Based on the formula, the creditors payment period as at end of January 2025 is **27 days**. It must be noted that amounts over 90 days are invoices that were accrued due to year-end cut-off. However, the final signoff and verification still needs to be done by the User Departments.

### 3.10 Debtors Report

#### FINANCIAL REPORTING ON INCOME / DEBT

DEBTORS AGE ANALYSIS BY CATEGORY	0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	TOTAL
Organs of State	168 272 509	3 702 140	3 707 507	117 964 960	293 647 116
Business	184 759 419	6 631 195	5 409 672	119 893 873	316 694 159
Households	71 239 434	10 477 704	10 150 900	206 549 395	298 417 433
Other	1 170 291	515 109	506 546	10 450 194	12 642 139
<b>Total</b>	<b>425 441 652</b>	<b>21 326 148</b>	<b>19 774 625</b>	<b>454 858 422</b>	<b>921 400 847</b>
<b>%</b>	<b>46,17%</b>	<b>2,31%</b>	<b>2,15%</b>	<b>49,37%</b>	

Section 216 (1)(c) of the Constitution and Section 2 of the Municipal Finance Management Act (MFMA) enable the National Treasury to introduce uniform Treasury norms and standards to ensure sound and sustainable management of fiscal and financial affairs of municipalities and municipal entities. The National Treasury determined the formulas for every financial ratio in terms of Circular 71. These formulas will, therefore be used in the reporting.



## Debt Collection Rate

The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. The following formula and norm is included in the Circular:

<b>Formula (As per circular 71)</b>	<b>Norm</b>
Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	The norm is <b>95%</b>

PAYMENT RATIO								
RATIO		FORMULA	NORM / RANGE	INPUT DESCRIPTION	12 Month Rolling %	Current Financial Year-to-date %	Month-to-Month %	INTERPRETATION
1	Collection Rate - Rolling 12 Months	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x100	95%		97%	100%	97%	Please refer to page 5 of MFMA Circular No. 71
				Gross Debtors closing balance end Feb 2025	726 233 154	726 233 154	726 233 154	
				Gross Debtors opening balance Mar 2024	649 833 377	614 250 181	717 294 584	
				Bad debts written Off Mar 2024 to Feb 2025	49 300 034	-	-	
				Billed Revenue March 2024 - Feb 2025	3 813 468 617	25 799 402 436	356 646 854	

## Net Debtors Days

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality or Municipal Entity to receive payment from its consumers for bills / invoices issued to them for services. The Ratio excludes balances for Debtors, which the Municipality or Municipal Entity has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality as well as the extent to which the Municipality has provided for doubtful Debts:

<b>Formula (As per circular 71)</b>	<b>Norm</b>
(Gross Debtors - Bad Debt Provision) / Billed Revenue) x 365	The norm is <b>30 Days</b>

NETT DEBTORS IN DAYS						
RATIO		FORMULA	NORM / RANGE	INPUT DESCRIPTION	12 Month Rolling %	INTERPRETATION
2	Net Debtors Days	((Gross Debtors - Bad Debt Provision) / Actual Billed Revenue)) x 365	30 days		43 days	Please refer to page 6 of MFMA Circular No. 71
				Gross Debtors closing balance end Feb 2025	726 233 154	
				Bad debts Provision / Impairment 2024 / 2025	274 732 500	
				Billed Revenue Mar 2024 - Feb 2025	3 813 468 617	

## Top Ten Debtors

TOP 10 DEBTORS							
Contract Account	Consumer Type	0-30 days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
000000188345	STATE OWNED ENTITIES	4 304 691	1 746 653	2 169 347	4 331 610	23 726 589	36 278 890
000001854904	PRIVATE BUSINESS	-	-	-	-	22 377 590	22 377 590
000000531788	STATE OWNED ENTITIES	-	-	137	-	21 328 793	21 328 930
000030000543	SUNDRIES AND OTHER	580 710	290 355	290 355	580 710	7 963 009	9 705 139
000001153881	PRIVATE BUSINESS	34 547	34 547	35 295	141 628	7 453 015	7 699 031
000000416383	PRIVATE BUSINESS	170 688	85 344	85 344	170 688	6 971 109	7 483 172
000002328365	STATE OWNED ENTITIES	-	-	-	-	6 496 650	6 496 650
000002369555	STATE AGRI INGONYAM	440 240	221 261	221 306	221 306	6 381 465	7 485 578
000001610626	PRIVATE BUSINESS	69 723	-	-	-	6 185 169	6 254 892
000000501543	STATE OWNED ENTITIES	239 019	171 252	88 941	131 289	5 498 522	6 129 023
		5 839 617	2 549 412	2 890 724	5 577 231	114 381 910	131 238 894

Payments from Government Departments & SOE's Feb 2025	
DEPARTMENT OF AGRICULTURE	17 617,00
DEPARTMENT OF EDUCATION	462 896,91
DEPARTMENT OF HEALTH	7 977 424,80
DEPARTMENT OF PUBLIC WORKS	217 755,40
DEPARTMENT OF PUBLIC WORKS (ULUNDI)	16 353,06
DEPARTMENT OF PUBLIC WORKS NATIONAL SERV	2 198 908,29
DEPARTMENT OF TRANSPORT	222 483,33
ESKOM	360 611,10
FOSKOR (PTY) LTD	27 405 696,39
KING CET SHWAYO DISTRICT MUNICIPALITY	9 040 623,02
KWAZULU-NATAL DEPARTMENT OF HOUSING	65 108,24
MHLATUZE WATER BOARD	5 830 973,07
NATIONAL PORTS AUTHORITY OF SA	15 404 716,97
RICHARDS BAY INDUSTRIAL DEVELOPMENT ZONE	3 159 771,19
SAREVENUE SERVICES	29 041,12
SCHOOLS	1 326 796,56
TELKOM SALTD	714 692,99
TRANSNET FREIGHT	1 659 823,46
TRANSNET HOUSING	262 520,43
TRANSNET LIMITED	2 204 304,21
TVET COLLEGES	9 318 233,22
<b>Grand Total</b>	<b>87 896 350,76</b>

## Government Debt

Government debtors shown as follows:

Government Departments - Summary of ALL Debt							
Government Departments	Current	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121 days plus	Total
National	4 785 334	2 581 747	356 167	294 800	289 431	2 772 938	11 080 418
Provincial	7 787 765	2 974 550	2 614 625	2 849 953	5 011 355	49 706 460	70 944 706
Government accounts in Dispute	6 298	6 298	6 298	6 298	6 298	767 344	798 834
<b>National Departments</b>	<b>Current</b>	<b>1-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121 days plus</b>	<b>Total</b>
National Public Works	4 510 140	2 354 481	138 572	89 821	84 907	1 160 566	8 338 486
SA Revenue Services	12 543	8 285	13 403	8 634	8 784	56 362	108 011
Stats SA	18 216	21 065	6 413	-	-	-	45 694
Dept of Agriculture and Rural Development & land Reform	43 167	22 310	22 254	22 219	22 303	749 217	881 470
Department of Water Affairs and Sanitation	201 269	175 606	175 525	174 126	173 437	806 793	1 706 757
	<b>4 785 334</b>	<b>2 581 747</b>	<b>356 167</b>	<b>294 800</b>	<b>289 431</b>	<b>2 772 938</b>	<b>11 080 418</b>
<b>Provincial Departments</b>	<b>Current</b>	<b>1-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121 days plus</b>	<b>Total</b>
Public Works	29 146	26 447	27 310	25 840	25 992	9 897 375	10 032 109
Education	1 828 673	284 726	358 588	191 682	347 028	6 133 703	9 144 402
Tvet Colleges	2 804 016	2 219 572	2 081 736	2 504 640	4 462 633	28 749 381	42 821 978
Human Settlement	70 384	60 438	27 639	28 196	23 255	911 134	1 121 046
Department of Transport	202 464	156 161	15 333	14 538	13 156	199 803	601 454
Department of Health	2 688 328	103 341	26 651	17 169	98 361	3 815 064	6 748 914
COGTA	-	-	-	-	-	-0	-0
Department of Social Welfare	164 754	123 864	77 368	67 888	40 929	-	474 803
SANRAL	-	-	-	-	-	-0	-0
	<b>7 787 765</b>	<b>2 974 550</b>	<b>2 614 625</b>	<b>2 849 953</b>	<b>5 011 355</b>	<b>49 706 459</b>	<b>70 944 706</b>
<b>Other Organs of State</b>	<b>Current</b>	<b>1-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121 days plus</b>	<b>Total</b>
Transnet	4 485 769	6 153 379	70 465	37 722	7 208	1 634 110	12 388 652
ESKOM	213 399	118 282	53 934	35 875	15 991	112 109	549 590
Telkom	644 548	-505	3 528	849	1 754	-143 045	507 128
Foskor	1 124 914	42 665 216	17 554	-	-	-	43 807 685
SA Post Office	28 038	13 827	3 877	1 415	2 211	45 762	95 129
Richards Bay IDZ	3 643 931	0	-	-	-	-	3 643 931
Mhlathuze Water Board	5 558 081	233 264	236 928	233 400	233 054	23 189 030	29 683 756
King Cetshwayo District Municipality	8 860 721	133 938	171 252	88 941	131 289	5 498 522	14 884 664
	<b>24 559 400</b>	<b>49 317 401</b>	<b>557 538</b>	<b>398 201</b>	<b>391 507</b>	<b>30 336 488</b>	<b>105 560 536</b>
<b>Grand Total</b>	<b>37 138 797</b>	<b>54 879 996</b>	<b>3 534 628</b>	<b>3 549 252</b>	<b>5 698 591</b>	<b>83 583 230</b>	<b>188 384 494</b>
<b>Ingonyama Trust Board</b>	<b>434 979</b>	<b>430 916</b>	<b>435 068</b>	<b>435 157</b>	<b>435 157</b>	<b>28 575 048</b>	<b>30 746 325</b>

NOTES:

OFFICIAL FINAL VERSION

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## Government Debt Comments

The main issues on Government Debt remain the lack of available budget to the relevant Government Departments. The debt owing by the Government Departments appear to be a long term issue that will require constant monitoring and intervention.

A dedicated team of officials are working on the Government debt to ensure that the debt remain as low as practically possible.

### 3.11 Employee Debt / Councillor Debt

Section 124(1)(b) of the MFMA: Disclosures concerning councillors, directors and officials stipulates:

*“The notes to the annual financial statements of a municipality must include particulars of - any arrears owed by individual councillors to the municipality, or a municipal entity under its sole or shared control, for rates or services and which at any time during the relevant financial year were outstanding for more than 90 days including the names of those councillors;”*

At the previous Financial Services Portfolio Committee meeting, Councillors requested that Officials’ and Councillors’ debt be submitted to Council.

- Employees’ debt amounts to R177 986,14 as per **Annexure AD - DMS 1729696**.
- Councillors’ debt amounts to R49 683,04 as per **Annexure AC - DMS 1729696**.

### 3.12 MFMA Circular No 71 Uniform Financial Ratios

The MFMA Circular 71 contained on **DMS 928606** sets out requirements for financial ratios and norms. This Circular covers various aspects of a municipality’s finances, such as financial position, financial performance and budget implementation. These ratios also aid in long-term financial planning and can be used to track progress over a number of years. Norms or standards have been assigned to each financial ratio.

This template is included as **Annexure AF on DMS 1729696**.

#### 4. **IN-YEAR BUDGET STATEMENT TABLES**

The following monthly budget statement tables (**DMS 1730469**) respectively have been prepared in accordance with the Municipal Budgeting and Reporting Regulations:

TABLE NUMBER	DESCRIPTION	ANNEXURE
Table C1	Monthly Budget Statement Summary	A
Table C2	Monthly Budget Financial Performance (Standard Classification)	B
Table C2C	Monthly Budget Financial Performance (Detail) (Standard Classification)	C
Table C3	Monthly Budget Financial Performance (Revenue and Expenditure by Municipal Vote)	D
Table C3C	Monthly Budget Financial Performance (Detail) (Revenue and Expenditure by Municipal Vote)	E
Table C4	Monthly Budget Financial Performance (Revenue by source and Expenditure by Item)	F
Table C5	Monthly Budgeted Capital Expenditure Budget By Vote, Standard Classification and Funding	G
Table C5C	Monthly Budgeted Capital Expenditure Budget by Vote, Standard Classification and Funding	H
Table C6	Monthly Budgeted Financial Position	I
Table C7	Monthly Budgeted Cash Flows	J
Table SC1	Material Variance Explanations	K
Table SC2	Monthly Performance Indicators	L
Table SC3	Aged Debtors	M
Table SC4	Aged Creditors	N
Table SC5	Investment Portfolio	O
Table SC6	Transfers and Grant Receipts	P
Table SC7(1)	Transfers and Grant Expenditure	Q
Table SC7(2)	Expenditure Against Approved Rollovers	R
Table SC8	Councillor and Staff Benefits	S
Table SC9	Monthly Actuals and Revised Targets for Cash Receipts (Cash Flow)	T
Table SC12	Monthly Capital Expenditure Trend	U
Table SC13a	Monthly Capital Expenditure on New Assets by Asset Class	V
Table SC13b	Monthly Capital Expenditure on the Renewal of Existing Assets by Asset Class	W
Table SC13c	Monthly Repairs and Maintenance Expenditure by Asset Class	X
Table SC13d	Monthly Depreciation by Asset Class	Y
Table SC13e	Monthly Capital Expenditure on Upgrading of Existing Assets by Assets Class	Z



## **PART 2 - SUPPORTING DOCUMENTATION**

### **5. DEBTORS ANALYSIS**

Refer to supporting table SC3 - Aged Debtors (**Annexure M - DMS 1730469**) for the month ended 28 February 2025.

### **6. CREDITORS ANALYSIS**

Refer to supporting table SC4 - Aged Creditors (**Annexure N - DMS 1730469**) for the month ended 28 February 2025.

### **7. INVESTMENT PORTFOLIO ANALYSIS**

Refer to supporting table SC5 - Investment Portfolio (**Annexure O - DMS 1730469**) for the month ended 28 February 2025.

### **8. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE**

Refer to supporting table SC6 - Transfers and grant receipts (**Annexure P - DMS 1730469**) and supporting table SC7 - transfers and grant expenditure (**Annexure Q - DMS 1730469**) for the month ended 28 February 2025.

### **9. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS**

Refer to supporting table SC8 - Councillor and staff benefits (**Annexure R - DMS 1730469**) for the month ended 28 February 2025.

### **10. CAPITAL PROGRAMME PERFORMANCE**

Refer to the following tables for the month ended 28 February 2025:

- ❑ Table C5 - Monthly Budgeted Capital Expenditure Budget by Vote, standard classification and funding (**Annexure G - DMS 1730469**).
- ❑ Table C5C - Monthly Budgeted Capital Expenditure Budget by Vote, standard classification and funding (**Annexure H - DMS 1730469**).
- ❑ Table SC12 - Monthly capital expenditure trend (**Annexure U - DMS 1730469**).
- ❑ Table SC13a - Monthly capital expenditure on new assets by asset class (**Annexure V - DMS 1730469**).
- ❑ Table SC13b - Monthly capital expenditure on the renewal of existing assets by asset class (**Annexure W - DMS 1730469**).
- ❑ Table SC13c - Monthly repairs and maintenance expenditure by asset class (**Annexure X - DMS 1730469**).
- ❑ Table SC13d - Monthly depreciation by asset class (**Annexure Y - DMS 1730469**).
- ❑ Table SC13e - Monthly capital expenditure on upgrading of existing assets by assets class (**Annexure Z - DMS 1730469**).

### **11. MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

Refer to **DMS 1731273 - Annexure AE**.

## **ENVIRONMENTAL IMPLICATIONS**

None

## **FINANCIAL IMPLICATIONS**

This has been covered in details throughout the report.

## **LEGAL IMPLICATIONS**

The monthly financial report is prepared in terms of Section 71 of the Municipal Finance Management Act, 2003 (MFMA), (Act 56 of 2003).

## **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

Refer to the Executive Summary contained in this report for comments.

## **COMMENTS OF THE ACTING CITY MANAGER**

The report is noted by the Office of the Acting City Manager.

## **RECOMMENDED THAT:**

the financial position of the uMhlathuze Municipality as at 28 February 2025, as required in terms of Section 71 and Section 66 of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and as set out in the monthly budget statement tables **(DMS 1730469)**, be noted.