

# **FINANCIAL SERVICES**

## **SECTION 71**



**JANUARY 2024**

**COUNCIL**

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# **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2023/2024 BUDGET FOR THE PERIOD ENDING 31 JANUARY 2024**

## **1. PURPOSE**

The purpose of the report is to submit to the mayor the statement of financial performance and implementation of the 2023/24 Budget of the Abaqulusi Local Municipality for the period ending 31 January 2024 in line with the statutory requirements of S71 of the Municipal Finance Management Act (2003).

## **2. AUTHORITY**

- Honourable Mayor
- Executive Committee
- Council

## **3. LEGAL / STATUTORY REQUIREMENTS**

Municipal Finance Management Act No 56 of 2003.

## **4. BACKGROUND**

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a 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 on the financial performance of that municipality.

## **5. EXECUTIVE SUMMARY**

The monthly budget statement in terms of section 71 of the Municipal Finance Management Act for the period ended 31 January 2024 is detailed below. The monthly budget statement is divided into the following:

- 5.1 Statement of Financial Performance
- 5.2 Revenue by Source
- 5.3 Expenditure by Type
- 5.4 Debtors Age Analysis
- 5.5 Creditors
- 5.6 Grants Register
- 5.7 Investment Register

## 5. EXECUTIVE SUMMARY

### 5.1 Statement of Financial Performance

Monthly Budget Statement of Financial Performance This table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and expenditure by type. The above revenue by source and expenditure by type can be explained in details as per tables below

KZN263 Abaqulusi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 - January										
Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		213 962	266 529	–	20 397	132 334	155 475	(23 142)	-15%	266 529
Service charges - Water		43 331	62 253	–	5 367	37 042	36 051	990	3%	62 253
Service charges - Waste Water Management		36 295	36 734	–	3 231	22 601	21 428	1 173	5%	36 734
Service charges - Waste management		22 127	28 588	–	2 216	16 819	16 676	143	1%	28 588
Sale of Goods and Rendering of Services		591	513	–	240	1 121	299	822	275%	513
Agency services		–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		11 175	35 088	–	1 208	8 611	20 468	(11 858)	-58%	35 088
Interest from Current and Non Current Assets		1 704	1 706	–	178	1 705	995	710	71%	1 706
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 124	1 667	–	186	656	973	(317)	-33%	1 667
Licence and permits		5 797	2 643	–	8	2 727	1 542	1 185	77%	2 643
Operational Revenue		854	–	–	217	6 018	–	6 018	–	–
<b>Non-Exchange Revenue</b>										
Property rates		99 002	120 645	–	9 972	69 944	70 234	(291)	0%	120 645
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		18 016	5 531	–	1 952	19 009	3 227	15 783	489%	5 531
Licence and permits		–	4 844	–	–	–	2 826	(2 826)	-100%	4 844
Transfers and subsidies - Operational		215 280	219 671	–	–	161 675	146 530	15 145	10%	219 671
Interest		–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		2 983	–	–	–	–	–	–	–	–
Other Gains		16 794	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and</b>		<b>689 034</b>	<b>786 412</b>	<b>–</b>	<b>45 172</b>	<b>480 262</b>	<b>476 724</b>	<b>3 537</b>	<b>1%</b>	<b>786 412</b>
<b>Expenditure By Type</b>										
Employee related costs		180 462	188 376	–	15 637	120 840	109 063	11 777	11%	188 376
Remuneration of councillors		17 265	19 305	–	1 979	10 477	11 262	(785)	-7%	19 305
Bulk purchases - electricity		215 218	263 142	–	19 593	142 474	153 500	(11 026)	-7%	263 142
Inventory consumed		47 174	40 210	–	2 869	30 602	26 734	3 868	14%	40 210
Debt impairment		3 636	7 363	–	–	–	4 295	(4 295)	-100%	7 363
Depreciation and amortisation		133 438	42 503	–	9 259	64 223	24 794	39 429	159%	42 503
Interest		5 475	–	–	1 016	4 399	–	4 399	–	–
Contracted services		117 485	95 641	–	10 726	61 755	55 502	6 253	11%	95 641
Transfers and subsidies		(0)	–	–	–	–	–	–	–	–
Irrecoverable debts written off		73 664	–	–	–	(59)	–	(59)	–	–
Operational costs		53 260	63 954	–	5 058	37 501	37 910	(409)	-1%	63 954
Losses on Disposal of Assets		–	–	–	–	–	–	–	–	–
Other Losses		17 909	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>864 984</b>	<b>720 495</b>	<b>–</b>	<b>66 139</b>	<b>472 212</b>	<b>423 059</b>	<b>49 153</b>	<b>12%</b>	<b>720 495</b>
<b>Surplus/(Deficit)</b>		<b>(175 950)</b>	<b>65 917</b>	<b>–</b>	<b>(20 967)</b>	<b>8 050</b>	<b>53 665</b>	<b>(45 615)</b>	<b>-85%</b>	<b>65 917</b>
Transfers and subsidies - capital (monetary allocations)		43 990	76 440	–	–	9 695	51 293	(41 598)	-81%	76 440
Transfers and subsidies - capital (in-kind)		620	–	–	–	0	–	0	–	–
<b>Surplus/(Deficit) after capital transfers &amp;</b>		<b>(131 340)</b>	<b>142 357</b>	<b>–</b>	<b>(20 967)</b>	<b>17 745</b>	<b>104 959</b>			<b>142 357</b>
Income Tax		–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after income tax</b>		<b>(131 340)</b>	<b>142 357</b>	<b>–</b>	<b>(20 967)</b>	<b>17 745</b>	<b>104 959</b>			<b>142 357</b>
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(131 340)</b>	<b>142 357</b>	<b>–</b>	<b>(20 967)</b>	<b>17 745</b>	<b>104 959</b>			<b>142 357</b>
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>		<b>(131 340)</b>	<b>142 357</b>	<b>–</b>	<b>(20 967)</b>	<b>17 745</b>	<b>104 959</b>			<b>142 357</b>

## 5.2 Financial Performance -Revenue by Source

### Revenue by Source

This table provides an overview of the monthly actual, year to date actual and year to date Budget of revenue by Source and details explained below.

KZN263 Abaqulusi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 - January										
Description	Ref	Budget Year 2023/24								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
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Service charges - Water		43 331	62 253	–	5 367	37 042	36 051	990	3%	62 253
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Service charges - Waste management		22 127	28 588	–	2 216	16 819	16 676	143	1%	28 588
Sale of Goods and Rendering of Services		591	513	–	240	1 121	299	822	275%	513
Agency services		–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		11 175	35 088	–	1 208	8 611	20 468	(11 858)	-58%	35 088
Interest from Current and Non Current Assets		1 704	1 706	–	178	1 705	995	710	71%	1 706
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 124	1 667	–	186	656	973	(317)	-33%	1 667
Licence and permits		5 797	2 643	–	8	2 727	1 542	1 185	77%	2 643
Operational Revenue		854	–	–	217	6 018	–	6 018	–	–
<b>Non-Exchange Revenue</b>										
Property rates		99 002	120 645	–	9 972	69 944	70 234	(291)	0%	120 645
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		18 016	5 531	–	1 952	19 009	3 227	15 783	489%	5 531
Licence and permits		–	4 844	–	–	–	2 826	(2 826)	-100%	4 844
Transfers and subsidies - Operational		215 280	219 671	–	–	161 675	146 530	15 145	10%	219 671
Interest		–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		2 983	–	–	–	–	–	–	–	–
Other Gains		16 794	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and</b>		<b>689 034</b>	<b>786 412</b>	<b>–</b>	<b>45 172</b>	<b>480 262</b>	<b>476 724</b>	<b>3 537</b>	<b>1%</b>	<b>786 412</b>

### Exchange Revenue

#### **Electricity Revenue**

The Electricity revenue monthly actual billed for electricity revenue in January 2024 is R20,3 million. The YTD Actual billed is R132,3 million which is R23,1 million less than the YTD Budget of R155,4 million for the period ended 31 January 2024. Only R15,3 million was receipted from consumers which is R5 million less than the amount billed.

#### **Water Revenue**

The Water revenue monthly actual billed for January 2024 is R5,3 million. The YTD Actual billed is R37 million which is R990 thousand more than the YTD Budget amount of R36 million. The payment amount received from consumers of R2,7 million is R2,6 million less than the amount billed.

#### **Sanitation Revenue**

The Sanitation revenue monthly actual billed for January 2024 is R3, 2 million. The YTD Actual billed is R22,6 million which is R1,1 million more than the YTD Budget amount of R18,3 million for the period ended 31 January 2024, the payment from consumers' amounts to R1,9 million which is R2,3 million less than the amount billed.

## **Refuse Revenue**

The Refuse revenue monthly actual billed for January 2024 is R2,2 million. The YTD Actual billed is R14,6 million which is R309 thousand more than the YTD Budget amount of R14,2 for the period ended 31 January 2024 The payment from consumers amounts to R2,1 million which is R100 thousand less than the amount billed.

## **Sale of goods and rendering of Services**

An amount of R240 thousand was received in respect of Sale of Goods and services for the month of January 2024.

## **Interest earned from receivables**

An amount of R1,2 million is interest earned from outstanding debtors, YTD Budget is R17,5 million and the YTD Actual billed is R7,4 million only R135 thousand was received from customers.

## **Interest from current and non- current assets**

The interest earned on available funds on Municipal current account in January 2024 is R178 thousand. The YTD Actual is R1,7 million which is more than the YTD budget of R995 thousand as per the statement of financial performance.

## **Rental from fixed assets**

The monthly actual revenue for Rental of fixed assets in January 2024 is R186 thousand.

## **Licenses and Permits**

The monthly actual for Licenses and permits amounts to R8 thousand, the YTD actual on licenses and permits is R2,7 million.

## **Operational revenue**

The monthly actual on other revenue billed in January is R217 thousand. Other revenue is made up of numerous miscellaneous items (e.g., town planning fees, tender documents, valuation of land, cemetery fees, subsidies, etc.) and gains on disposal of assets are included.

## **Non- Exchange Revenue Property Rates**

### **Property Rates**

The Property Rates monthly actual billed for property rates in January 2024 is R9,9 million, the YTD Actual billed is R69,9 million which is R291 thousand less than the YTD Budget amount of R70 million for property rates, yet R7,1 million was receipted from consumers in January 2024 which is R2,8 million less than the amount billed.

### **Fines, penalties and forfeits**

The actual on fines, penalties and forfeits for January 2024 is R1,9 million and YTD is R19 million.

## **Overall revenue YTD budget**

The revenue for the month of January 2024 is R45,1 million. The YTD Actual is R480, 2 million and the YTD Budget is R476,6 million. Included in the Actual revenue includes first and second tranches of Equitable Share R152,7 million, R25 million for MIG, R10 million for INEP and R3 million for FMG and R1,6 million for EPWP

## BILLING VERSUS PAYMENT

As per table below the amount billed on the month of January is R40 million while actual cash received is R35 million. The collection rate for the month of January was 87% and year to date collection is 82%

Type of Service	Total Settlements	Billing	Payment Rate (Movement)
RATES GENERAL	-7,130,385.88	9,899,868.14	72%
ELECTRICITY	-11,279,814.15	9,958,404.01	113%
DEMAND/BASIC CHARGES	-5,233,272.74	3,800,475.35	138%
WATER CONSUMP	-1,919,010.35	3,683,619.01	52%
AVAIL WATER	-877,919.61	1,807,144.94	49%
AVAIL SEWER	-1,413,169.83	2,077,699.83	68%
ADD SEWERAGE	-520,458.76	503,916.08	103%
REFUSE	-2,132,746.93	2,859,423.77	75%
INTEREST	-153,752.85	1,945,645.86	8%
ADJUSTMENTS	-1,071.16		
V.A.T.	-3,147,186.24	3,487,962.25	90%
DEPOSIT ELEC	-51,294.56		
DEPOSIT WATER	-4,724.66		
OLD DEBT			
PENALTIES LATE PAYMENT	-317,661.78		
COLL. FEES	-		
LEGAL FEES	-2,824.35		
SUNDRY CHARGE	-72,078.17	500.00	
INDIGENT SUPPOR	-29,394.22	74,968.66	39%
PAYMENT ADVANCED	-724,469.97		
<b>Total</b>	<b>-35,011,236.21</b>	<b>40,099,627.90</b>	<b>87%</b>

### Billing vs Payment Summary

Electricity basic charges – 113% was received for electricity consumption for the month of January and 138% on basic electricity.

Water basic charges - 49% of basic water received was received for the month of January 2024 and 52% of water consumption.

Refuse – 75% of the refuse removal billed to consumers was paid

Sanitation – 68% of basic sanitation billed to consumers was paid and 103% for consumption

Rates – 82% of the rates billed to consumers was paid

The overall collection rate for all services is 87 % for the month of January 2024 and the year-to-date collection rate is 82%

ELECTRICITY REPORT FOR THE MONTH OF JANUARY 2024					
ESKOM PURCHASES PER AREA					
AREA	PURCHASES	BILLING /CONVENTION	PREPAID	RECEIVED/COLLECT	PERCENTAGE
VRYHEID ,BHEKUZULU,LAKESIDE	12,265,105.45	9,591,015.43	5,570,038.67	15,161,054.10	123.61
EMONDLO	4,136,921.74	735,438.26	1,542,293.46	2,277,731.72	55.06
CORONATION	448,553.85	13,059.26	110,685.18	123,744.44	27.59
HLOBANE	798,014.27	151,800.07	56,077.78	207,877.85	26.05
<b>TOTAL</b>	<b>17,648,595.31</b>	<b>10,491,313.02</b>	<b>7,279,095.09</b>	<b>17,770,408.11</b>	<b>100.69</b>

### 5.3 Expenditure by Type

KZN263 Abaqulusi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 - January

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		180 462	188 376	–	15 637	120 840	109 063	11 777	11%	188 376
Remuneration of councillors		17 265	19 305	–	1 979	10 477	11 262	(785)	-7%	19 305
Bulk purchases - electricity		215 218	263 142	–	19 593	142 474	153 500	(11 026)	-7%	263 142
Inventory consumed		47 174	40 210	–	2 869	30 602	26 734	3 868	14%	40 210
Debt impairment		3 636	7 363	–	–	–	4 295	(4 295)	-100%	7 363
Depreciation and amortisation		133 438	42 503	–	9 259	64 223	24 794	39 429	159%	42 503
Interest		5 475	–	–	1 016	4 399	–	4 399	–	–
Contracted services		117 485	95 641	–	10 726	61 755	55 502	6 253	11%	95 641
Transfers and subsidies		(0)	–	–	–	–	–	–	–	–
Irrecoverable debts written off		73 664	–	–	–	(59)	–	(59)	–	–
Operational costs		53 260	63 954	–	5 058	37 501	37 910	(409)	-1%	63 954
Losses on Disposal of Assets		–	–	–	–	–	–	–	–	–
Other Losses		17 909	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>864 984</b>	<b>720 495</b>	<b>–</b>	<b>66 139</b>	<b>472 212</b>	<b>423 059</b>	<b>49 153</b>	<b>12%</b>	<b>720 495</b>

#### Employee related costs

The monthly actual incurred expenditure for Employee costs is R15,6 million for the month of January 2024.

#### Remuneration of Councillors

The monthly actual incurred expenditure for the remuneration of Councillor is R1,9 million for the month of January 2024.

#### Bulk Purchases

An amount of R19,5 million was paid to Eskom during January 2024.

#### Other Materials (Inventory Consumed)

The monthly actual incurred expenditure for Other Materials (Inventory Consumed) amounts to R2,8 million in January 2024. This is expenditure for repairs and maintenance.



### **Debt impairment**

The monthly actual incurred expenditure for Debt impairment is R0 thousand for the month of January.

### **Depreciation and Asset impairment**

There expenditure for depreciation and asset impairment for the month of January is R9,2 million.

### **Interest**

The monthly actual incurred for interest amount to R1 million in January 2024

### **Contracted Services**

The monthly actual incurred expenditure for Contracted services amounts to R10,7 million in January 2024

### **Transfers and Subsidies**

The expenditure for free basic services off sets against the Revenue therefore there is no expenditure.

### **Operational expenditure**

The monthly expenditure incurred on other expenditure amounts to R5 million in January 2024.

### **Overall expenditure**

The expenditure for the month of January 2024 is R66,1 million.

### **Surplus/ (Deficit)**

The Deficit for the month of January 2024 is R20 million.

### **Cash on Hand**

During the month of January 2024, the following revenue and expenditure was processed through the bank accounts of the municipality:

#### **CASH ON HAND**

	<b>OPENING BALANCE 1 JANUARY 2024</b>	<b>REVENUE</b>	<b>EXPENDITURE</b>	<b>BANK BALANCE 31 JANUARY 2024</b>
ABSA	8,019,890.37	61,616,406.39	67,480,645.62	2,155,651.14
NEDBANK	2,769,111.37	10,503,655.68	11,030,608.81	2,242,158.24
<b>TOTAL BANK BALANCE</b>	<b>10,789,001.74</b>	<b>72,120,062.07</b>	<b>78,511,254.43</b>	<b>4,397,809.38</b>

As at 31 January 2024 the municipality has R4,3 million cash available in the bank accounts for operating purposes.

### **Capital Expenditure**

The capital budget for the 2023/24 financial year is R83,4 million. The capital is broken down between Grant funding (R76,4 million) and own funding (R7 million)

To date R25 million has been received for MIG and R10 million for INEP.

The expenditure for January is R2 million for MIG projects funded from grant funding. The total to date spent on MIG is R11,7 million.

KZN263 Abaqulusi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 - January										
Vote Description	Ref	Budget Year 2023/24								
		2022/23 Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
<b>R thousands</b>	1									
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		7 333	1 000	-	-	835	500	335	67%	1 000
Executive and council		(479)	-	-	-	-	-	-	-	-
Finance and administration		7 812	1 000	-	-	835	500	335	67%	1 000
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1 195	32 417	-	742	2 958	21 611	(18 653)	-86%	32 417
Community and social services		1 195	15 917	-	742	2 958	10 611	(7 653)	-72%	15 917
Sport and recreation		-	16 500	-	-	-	11 000	(11 000)	-100%	16 500
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		53 716	32 343	-	1 215	10 793	21 895	(11 102)	-51%	32 343
Planning and development		333	2 000	-	-	-	2 000	(2 000)	-100%	2 000
Road transport		53 383	30 343	-	1 215	10 793	19 895	(9 102)	-46%	30 343
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		4 858	17 680	-	0	3 966	11 620	(7 654)	-66%	17 680
Energy sources		4 858	17 680	-	0	3 966	11 620	(7 654)	-66%	17 680
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	67 102	83 440	-	1 958	18 552	55 627	(37 075)	-67%	83 440
<b>Funded by:</b>										
National Government		31 208	65 940	-	1 958	15 219	43 960	(28 741)	-65%	65 940
Provincial Government		333	10 500	-	-	-	7 667	(7 667)	-100%	10 500
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	6	31 540	76 440	-	1 958	15 219	51 627	(36 408)	-71%	76 440
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		27 555	7 000	-	-	3 333	4 000	(667)	-17%	7 000
<b>Total Capital Funding</b>		59 095	83 440	-	1 958	18 552	55 627	(37 075)	-67%	83 440

## 5.4 Debtors

The amount of R397,1 million YTD is still owing to the municipality by the debtors. Debtor's age analysis is attached as Annexure 3.

## 5.5 Creditors

The total amount owing to creditors as per the Creditors age analysis as at the end of January 2024 amounts to R90,4 million as detailed in the supporting Annexure 4.

<b>TOP TWENTY CREDITORS</b>		
<b>CREDITOR NAME</b>	<b>AMOUNT</b>	<b>SERVICES</b>
Eskom Holdings SOC Ltd - KwaZulu Natal	22,351,181.28	BULK PURCHASES
MELA OKUHLE TRADING ENTERPRISE	2,532,072.70	UPGRADING OF SASCO WARD 8
Qomkufa Security	2,079,081.97	SECURITY SERVICES
EKAYA PROMOTIONS	1,849,657.70	EPWP UNIFORM & REFURBISHMENT OF MINI SUBSATION
YIMPIE PROJECTS CC	1,233,262.09	LOUWSBURG SPORTSFIELD
SIYAKHONA HOLDINGS	894,700.00	PIPES WORKS
MSUFTU TRANSPORT (PTY)LTD	862,500.00	VERGE MAINTAINENCE
Thokomela Engineering (Pty) Ltd	834,250.25	LEGAL SERVICES
MZOLO CONSULTING	738,012.40	PMU
DESTRO TRADING	650,773.50	REPAIRS TO BURST PIPES
LIANA CONSULTING (PTY) LTD	640,082.95	REFUSE REMOVAL
ZITAPI CORPORATION (PTY)LTD	601,000.00	MAYORAL CUP
AQUA TRANSPORT AND HIRE (PTY)L	520,651.00	LEASE OF YELLOW EQUIPMENT
UNITED AS THE BEST TRADING AND PROJECTS	496,340.00	SUPPLY OF CHEMICALS
BLUE EXACT HOLDINGS	477,000.00	SUPPLY AND DELIVERY OF CHEMICALS
AMAHLUBI AMAHLE PROJECTS	441,859.00	SUPPLY AND DELIVERY OF SEWER PANEL
EMANXULUMENI TRADING	390,022.50	SUPPLY OF WATER TANKERS
PRO AFRICA SAFETY WEAR (PTY) LTD	343,152.12	SUPPLY OF REFUSE BAGS
SPHUMNATHI LOGISTICS AND TRADE	331,298.00	CLEARING OF SIDES OF THE ROAD AND REPAIRS TO OFFICES
V THREE TRADING	273,700.00	SUPPLY OF WHITE PHOTOSTAT PAPER
<b>TOTAL</b>	<b>38,540,597.46</b>	

## 5.6 Grants Register

The total grants received to date for current financial period amounts to R32,6 million this amount excludes the Equitable share, YTD spent is R29,8 million

Abaqulusi Local Municipality						
Grant Register for the period 1 July 2023 to 30 June 2024						
TYPE OF GRANT RECEIVED	Opening balance per AFS/GL	Received in the bank	Expenditure Incl VAT	Salaries and other	TOTAL Expenditure incl VAT	Consolidated Closing balance
Integrated National Electrification Programme Grant	256.84	10,000,256.84	5,016,329.70		5,016,329.70	4,984,183.98
Provincial housing	107,393.00		-		-	107,393.00
Provincial housing	3,630,437.51	195,719.60	-		-	3,826,157.11
old years housing grants	60,000.00		-		-	60,000.00
Library	-	4,763,000.00	-	3,769,955.29	3,769,955.29	993,044.71
MIG	-	10,000,000.00	11,792,423.27		11,792,423.27	(1,792,423.27)
FMG	-	3,000,000.00	-	2,402,676.38	2,402,676.38	597,323.62
Museum	-	249,000.00	-	362,410.14	362,410.14	(113,410.14)
EPWP	-	1,645,000.00	-	2,989,105.08	2,989,105.08	(1,344,105.08)
Sports And Recreation (Library grant)	26,241.64	2,833,333.33	-	3,506,176.83	3,506,176.83	(646,601.86)
LED Market Stalls Grant	1,617,545.97	-	-	-	-	1,617,545.97
	<b>5,441,874.96</b>	<b>32,686,309.77</b>	<b>16,808,752.97</b>	<b>13,030,323.72</b>	<b>29,839,076.69</b>	<b>8,289,108.04</b>

## **Grant's expenditure**

### **Finance Management Grant (FMG)**

This grant is used to pay for the finance management interns, acquisition, upgrading and maintenance of financial management system and other training programs related to municipal finance. The FMG grant allocated and gazetted in terms of DORA amounts to R3 million which was received in September, the municipality spent R46 thousand in the month of January 2024 and the YTD expenditure is R2,4 million.

### **Municipal Infrastructure Grant (MIG)**

This is the conditional grant that funds the capital projects. The MIG grant gazetted in terms of DORA amounts to R51,8 million and the current allocation received to date amounts to R25 million to date.

The actual expenditure amount for the month of January is R2 million and the YTD expenditure is R11,7 million.

### **Art and Culture Grants**

The library grant funds the operational costs of libraries and the current allocation is R4,7 million and received in November. The grant funds its operational costs. There is expenditure for the month January amounting to R484 thousand paid and YTD R3,7 million.

Museum grant current allocation is R249 thousand and has been received in October. There is expenditure for the month of January amounting to R thousand paid YTD is R362 thousand.

Sports and Recreation grant has an amount of R8,5 million that is allocated for this financial year, to date R5,6 million funding has been received. The expenditure for the month of January 2024 is R1,2 million and YTD is R3,5 million.

### **EPWP GRANT**

The EPWP grant gazetted in terms of DORA amounts to R2,3 million and the current allocation has been received in October R587 thousand and R1 million in November.

The expenditure is R506 thousand for the month of January and the YTD is R2,9 million.

### **INEP GRANT**

INEP grant current allocation is R16,6 million, an amount of R4 million and R6 million has been received as the 1<sup>st</sup> and 2<sup>nd</sup> tranche in the current financial year respectively. There is no expenditure for the month of January 2024 YTD is R5 million.

### **LED GRANT**

There is no expenditure for the month of January 2024 and to date the grant has not been received.

### **Small Town Rehabilitation programme**

Small town Rehabilitation allocation is R3 million for the year, no expenditure is incurred in the month of January 2024

### **Other Grants from various government departments rollover from the previous year**

Other grants from various government departments rollover from the previous year are reflected on the grant register.

## 5.7 Investment Register

Abaqulusi Municipality Investment Register											
INVESTMENT REGISTER 1 July 2023 to 31 June 2024											
MAIN SUMMARY											
INSTITUTION	BALANCE AT	MOVEMENTS	BALANCE AT	INTEREST							
	7/1/2023		2024/01/31	EARNED	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY
Bank											
NEDBANK	3,697,779.83	0.00	3,876,724.31	178,944.48	25,281.74	25,454.41	24,801.90	25,798.20	25,136.70	26,146.33	26,325.20
ABSA CALL	2,348.83	0.00	2,422.10	73.27	10.14	10.52	10.57	10.27	10.66	10.36	10.75
ABSA CALL	243.11	0.00	243.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NEDBANK	4,111.15	0.00	4,310.18	199.03	28.21	28.21	27.60	28.83	27.90	29.14	29.14
STANDARD BANK	74,828.42	0.00	74,828.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NEDBANK	4,470.61	0.00	4,687.15	216.54	30.69	30.69	30.00	31.31	30.30	31.62	31.93
NEDBANK	802,257.39	0.00	841,080.86	38,823.47	5,485.14	5,522.65	5,380.80	5,597.05	5,453.70	5,672.69	5,711.44
STANDARD BANK	4,799.67	0.00	4,799.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NEDBANK	7,872,082.11	0.00	8,253,030.44	380,948.33	53,821.27	54,189.24	52,799.70	54,920.84	53,512.50	55,662.05	56,042.73
ABSA LIQUIDITY PLUS	2,867,757.30	16,183,598.19	19,624,469.56	573,114.07	29,646.63	155,709.87	149,336.86	63,947.71	101,127.83	38,336.47	35,008.70
	15,330,678.42	16,183,598.19	32,686,595.80	1,172,319.19	114,303.82	240,945.59	232,387.43	150,334.21	185,299.59	125,888.66	123,159.89

Interest earned on the above interest register relates to amounts invested with various financial institutions registered with South African Banking Council. Municipal investments are done as per the approved Investment policy of the council. The interest earned on investment accounts for January 2024 amounts to R123 thousand and for the year-to-date R1,1 million has been received.

This amount is not part of the statement of financial performance as it is capitalised monthly to the principal amount invested.

The municipality has a total of R32,6 million in investments, this is for the cash backing of unspent grants and Eskom guarantees

# Annexure



## OVERTIME REPORT PER DEPARTMENT

ABAQULUSI MUNICIPALITY - O/T REPORT JANUARY 2024								
DEPT	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	TOTAL TO DATE
CORPORATE	97,302.43	67,776.43	61,866.46	60,125.55	93,262.00	55,947.62	61,885.74	498,166.23
HR	5,903.21	5,891.10	16,656.36	18,531.47	16,979.16	15,487.38	21,964.12	101,412.80
MUN MGR	-	-	-	-	-	-	-	-
MAYOR & COUNCIL	-	2,087.16	2,471.70	-	-	-	-	4,558.86
FINANCE	64,498.15	12,733.99	13,127.04	14,482.32	12,459.68	11,397.12	3,634.55	132,332.85
MUSEUM	-	-	-	-	-	-	2,352.98	2,352.98
SPORT & REC	-	33,457.05	32,519.85	-	-	6,799.11	-	72,776.01
HALLS & REC	-	-	-	-	-	-	-	-
CEMETERY	36,300.00	-	-	34,415.14	15,244.68	27,898.42	28,791.95	142,650.19
SOLID WASTE	70,952.93	72,756.71	80,891.45	87,615.26	42,014.16	75,947.48	71,321.62	501,499.61
LIBRARY	-	-	-	-	-	-	-	-
P/SAFETY	156,241.95	166,451.13	162,089.11	207,771.68	86,503.28	187,891.47	198,993.80	1,165,942.42
HOUSING	-	-	-	-	-	-	-	-
FLEET	-	-	-	-	-	-	-	-
ROADS	203,784.95	173,594.28	169,188.45	172,108.87	86,233.94	182,631.01	29,455.25	1,016,996.75
MOTOR LIC	-	-	-	-	-	-	-	-
SANITATION	277,578.73	287,102.14	290,367.30	305,996.75	232,408.95	281,717.22	3,325,263.63	5,000,434.72
WATER	243,858.10	238,282.06	245,694.06	257,483.36	169,780.49	227,903.69	272,819.52	1,655,821.28
ELECTRICITY	212,873.96	281,726.09	277,719.39	291,325.77	86,122.70	286,777.62	-	1,436,545.53
BACK PAY OVERTIME	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,369,294.41</b>	<b>1,341,858.14</b>	<b>1,352,591.17</b>	<b>1,449,856.17</b>	<b>841,009.04</b>	<b>1,360,398.14</b>	<b>4,016,483.16</b>	<b>11,731,490.23</b>

ABAQULUSI MUNICIPALITY - STAND BY REPORT JANUARY 2024								
DEPT	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	TOTAL TO DATE
CORPORATE	-	-	-	-	-	-	-	-
HR	-	-	-	-	-	-	-	-
MUN MGR	-	-	-	-	-	-	-	-
MAYOR & COUNCIL	-	-	-	-	-	-	-	-
FINANCE	25,073.46	26,986.17	30,459.45	25,115.17	27,251.13	24,909.54	32,228.49	192,023.41
MUSEUM	-	-	-	-	-	-	-	-
SPORT & REC	-	-	-	-	-	-	-	-
HALLS & REC	-	-	-	-	-	-	-	-
CEMETERY	-	-	-	-	-	-	-	-
SOLID WASTE	1,582.89	1,249.65	6,469.75	1,416.27	416.55	-	-	11,135.11
LIBRARY	-	-	-	-	-	-	-	-
P/SAFETY	77,641.52	77,353.00	51,126.92	79,938.21	70,822.19	72,543.37	78,712.96	508,138.17
HOUSING	-	-	-	-	-	-	-	-
FLEET	-	-	-	-	-	-	-	-
ROADS	1,918.28	2,369.64	4,367.06	3,228.56	3,567.08	4,088.80	4,187.04	23,726.46
MOTOR LIC	-	-	-	-	-	-	-	-
SANITATION	54,461.23	52,561.97	49,345.82	61,392.26	60,313.45	53,399.59	66,808.69	398,283.01
WATER	47,095.72	41,132.31	57,110.12	42,260.29	45,084.41	39,039.06	-	271,721.91
ELECTRICITY	91,208.91	104,281.60	120,753.55	105,627.73	104,791.88	102,172.02	15,951.07	644,786.76
BACK PAY OVERTIME	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>298,982.01</b>	<b>305,934.34</b>	<b>319,632.67</b>	<b>318,978.49</b>	<b>312,246.69</b>	<b>296,152.38</b>	<b>197,888.25</b>	<b>2,049,814.83</b>

**ANNEXURE 2**

<b>S&amp;T JANUARY 2024</b>								
NO.	SUBSISTANCE & TRAVEL	TOLL GATE	NON TAXABLE @ R4.64	TAXABLE ABOVE R4.64	REFRESHMENTS	TOTAL	TRIP DETAILS	
MASUKU BT	R 3,060.50		R 2,320.00	R 418.50	R 322.00	R 3,060.50	PROV SDF FORUM	
MTHEMBU TSW	R 3,564.40	R 107.00	R 3,248.00	R 209.40	R -	R 3,564.40	MTSHALI ARBITRATION	
CELE NP	R 1,784.18		R 1,206.40	R 416.78	R 161.00	R 1,784.18	DISTRICT PUBLIC PARTICIPATION FORUM	
<b>Total</b>	<b>R 8,409.08</b>	<b>R 107.00</b>	<b>R 6,774.40</b>	<b>R 1,044.68</b>	<b>R 483.00</b>	<b>R 8,409.08</b>		

### Annexure3

### Debtors Age analysis

KZN263 Abaqulusi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 - January													
Description	NT Code	Budget Year 2023/24										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	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	5,961	4,207	3,750	3,582	3,326	3,539	3,028	36,972	64,366	50,447	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	13,461	5,013	3,473	2,776	4,258	2,231	1,626	16,870	49,708	27,761	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	6,892	3,042	2,542	2,265	1,946	1,852	2,042	84,027	104,609	92,133	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	3,087	1,993	1,730	1,598	1,500	1,432	1,350	42,504	55,195	48,385	-	-
Receivables from Exchange Transactions - Waste Management	1600	3,023	1,891	1,699	1,571	1,463	1,384	1,317	30,758	43,106	36,493	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	1,979	1,892	1,844	1,803	1,763	1,767	1,855	42,991	55,893	50,179	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	503	376	1,999	1,740	1,760	1,655	1,643	14,565	24,240	21,363	2	-
<b>Total By Income Source</b>	<b>2000</b>	<b>34,906</b>	<b>18,415</b>	<b>17,037</b>	<b>15,334</b>	<b>16,015</b>	<b>13,861</b>	<b>12,862</b>	<b>268,687</b>	<b>397,118</b>	<b>326,760</b>	<b>2</b>	<b>-</b>
<b>2022/23 - totals only</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	5,360	3,148	2,295	1,987	1,988	2,340	1,577	62,128	80,824	70,020	-	-
Commercial	2300	14,368	5,230	5,833	4,872	6,067	4,091	3,961	31,047	75,469	50,039	-	-
Households	2400	15,178	10,036	8,909	8,475	7,960	7,430	7,324	175,511	240,824	206,701	2	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>34,906</b>	<b>18,415</b>	<b>17,037</b>	<b>15,334</b>	<b>16,015</b>	<b>13,861</b>	<b>12,862</b>	<b>268,687</b>	<b>397,118</b>	<b>326,760</b>	<b>2</b>	<b>-</b>

**ANNEXURE 4**  
**CREDITORS AGE ANALYSIS**

**KZN263 Abaqulusi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 - January**

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
<b>R thousands</b>												
<b>Creditors Age Analysis By</b>												
Bulk Electricity	0100	22,328	–	–	38,522	–	8,914	–	6,498	<b>76,263</b>	–	
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–	
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–	
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–	
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–	
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–	
Trade Creditors	0700	6,069	4,516	2,259	277	90	–	62	871	<b>14,144</b>	–	
Auditor General	0800	–	–	–	–	–	–	–	–	–	–	
Other	0900	–	–	–	–	–	–	–	–	–	–	
<b>Total By Customer Type</b>	<b>1000</b>	<b>28,398</b>	<b>4,516</b>	<b>2,259</b>	<b>38,800</b>	<b>90</b>	<b>8,914</b>	<b>62</b>	<b>7,369</b>	<b>90,407</b>	–	



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### CONFIRMATION CERTIFICATE

I, **MPE Mthembu** Chief Financial Officer of (**ABAQULUSI MUNICIPALITY**,) have checked the Report and done the Review Session with my Department. (*Mark as appropriate*)

The January 2024 Monthly Report

Quarterly Report on the implementation of the  
Financial State of Affairs to the Municipality

Mid-year Performance Assessment

Medium Term Report

I hereby confirm that the above is a true reflection of the Finance Section and in full compliance with Schedule 2 of the Municipal Systems Act.

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**MPE MTHEMBU**

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**DATE**

**CHIEF FINANCIAL OFFICER**

**ABAQULUSI MUNICIPALITY KZN263**



### QUALITY CERTIFICATE

I, **SP Dlamini**, Acting Municipal Manager of **ABAQULUSI MUNICIPALITY**, hereby certify that I have read the document and certify that I agree and understand the contents contained herein: (mark as appropriate)

- The January 2024 Monthly Report
- Quarterly report on the implementation of the budget and financial State of Affairs to the municipality
- In – year report

For the month of January 2024 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

\_\_\_\_\_  
**ACTING MUNICIPAL MANAGER**  
**ABAQULUSI MUNICIPALITY, KZN263**

DATE: \_\_\_\_\_





### QUALITY CERTIFICATE

I, SE MKHWANAZI, Mayor of ABAQULUSI MUNICIPALITY, hereby certify that I have read the document and certify that I agree and understand the contents contained herein: (mark as appropriate)

The January 2024 Monthly Report

Quarterly report on the implementation of the budget and financial State of Affairs to the municipality

In – year report

For the month of January 2024 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

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**HONOURABLE MAYOR**

**ABAQULUSI MUNICIPALITY, KZN263**

DATE: \_\_\_\_\_