

UTHUKELA
UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

2024/25
MID TERM BUDGET
ASSESSMENT REPORT

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GLOSSARY

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality’s balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings – for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

mSCOA – Municipal Standard Chart of Accounts.

MTREF – Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years’ budget allocations. Also includes details of the previous and current years’ financial position.

Vote – One of the main segments into which a budget is divided.

MIG- Municipal Infrastructure Grant

WSIG- Water Services Infrastructure grant

PURPOSE & LEGISLATIVE REQUIREMENT

The purpose of the report is to inform council of the municipality's mid-year actual performance for the Mid-year financial year against the approved budget in compliance with section 72 of the Municipal Finance Management Act, 56 of 2003.

As instructed by the Local Government: Municipal Finance Management Act No.56 of 2009, Chapter 8 on roles of municipal officials, section 72, the Accounting Officer must assess the half yearly performance of the municipality and this is required to be done by 25th January every year to be submitted to the Mayor, National and Provincial Treasuries.

The strategic objective of this report is to ensure good governance, financial viability and management of optimal organisational development and transformation to execute its mandate.

In terms of Section 72 of the Municipal Finance Management Act, 56 of 2003

1. "The accounting officer of the municipality must by 25 January of each year-
 - (a) Assess the performance of the municipality during the first half of the financial year, taking into account-
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report.
 - b) Submit a report on such assessment to-
 - i) The mayor of the municipality
 - ii) The National Treasury and
 - iii) The relevant provincial treasury
2. The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

The accounting officer must, as part of the review-

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) Recommend revised projections for the revenue and expenditure to the extent that this may be necessary.

PART 1 - EXECUTIVE SUMMARY

1.1 Introduction

The figures presented in this report are for the first six months ended 31 December 2024.

1.2 Consolidated Performance

Revenue by source

The municipality's approved revenue budget amounts to **R 1 030 billion**. The mid-year revenue recognised for the first six months ended 31 December 2024 is **R 635 million** (excluding capital transfers). This results in a variance of **23%** of the approved revenue budget. This is due to the transfers and grants received in the first six months and water and waste that is billed in the first six months of the financial year.

As at 31 December 2024 the municipality recognised revenue above the 50% performance that is expected for the first six month of the financial year.

Operating and Capital Expenditure by type

The municipality's approved operational expenditure budget of **R 967 232 million** and approved capital expenditure budget is **R308 529 million**. The mid-year actual expenditure as at 31 December 2024 on operational expenditure is **R 360 578 million**, this results in a **-25%** variance of the approved operating budget. The performance is variance at mid-term mainly due to vacant positions not filled, contracted services that have not been committed as planned and slow spending on other general expenditure items. Major variance reasons will be detailed further on the report on contracted services and other expenditure.

The mid-year actual expenditure as at 31 December 2024 on capital expenditure is R115 403 million resulting a variance of **-25%** variance. However capital projects are proceeding well under strict supervision. There were delays in some of the projects due to critical posts in the Technical Department not being filled and delays in capital grant transfers

- The MIG capital funding for the financial year is **R191 529 million**. At mid-year an amount of R136 071 million had been transferred. The spending at the end of 31 December 2024 is **R 87 497 million (incl. VAT)** which represents **64%** of allocation received and expenditure to date.

- The WSIG of **R 100 000** million was allocated at mid-year R50 000 million had been received. The grant reflects **R 46,992 million** spending at the end of 31 December 2024 which represent **94% of allocation received and spent to date**

1.3 Material variances from SDBIP (Service Delivery and Budget Implementation Plan).

The Service Delivery and Budget Implementation Plan (SDBIP) performance of the municipality will be explained in a report prepared by the performance unit, situated in the Office of the Municipal Manager.

The variances on the SDBIP will also be part of this report on non-financial information for the period started 1 July 2024 to 31 December 2024.

1.4 Annual Report

The draft annual report for the 2024/25 financial year will be tabled to Council on the 24th of January 2025.

1.5 Remedial or corrective steps

After assessing the performance of the municipality for the six months, an adjustments budget will be tabled to Council in February on the operational revenue and expenditure to address major variances that have been noted at midterm. Together with the adjustments budget a report on the revised Service Delivery and Budget implementation Plan will also be taken to council for approval.

PART 2- IN YEAR BUDGET STATEMENT TABLES

Table C2

reflects the financial performance per standard classification, the majority of This is due to the equitable recognized under the Finance Department and the grants received under Technical Department.

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 - December

Description	Ref	Budget Year 2024/25								
		2023/24 Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		798,363	691,476	-	154,317	425,926	345,738	80,189	23%	691,476
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		798,363	691,476	-	154,317	425,926	345,738	80,189	23%	691,476
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		42	60	-	17	27	30	(3)	-10%	60
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		42	60	-	17	27	30	(3)	-10%	60
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		453,327	630,984	-	150,905	256,687	315,492	(58,805)	-19%	630,984
Energy sources		-	-	-	-	-	-	-	-	-
Water management		453,327	630,984	-	150,905	256,687	315,492	(58,805)	-19%	630,984
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,251,732	1,322,520	-	305,238	682,640	661,260	21,380	3%	1,322,520

Table C3

Reflects operating revenue and expenditure performance per municipal vote. The Operating expenditure per municipal vote reflects more budget under finance and other departments.

DC23 Uthukela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 - December										
Vote Description	Ref	2023/24			Budget Year 2024/25					
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote	1									
Vote 1 - MAYOR AND MM		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		98	-	-	-	78	-	78	#DIV/0!	-
Vote 3 - BUDGET AND TREASURY		798,264	691,476	-	154,317	425,848	345,738	80,110	23.2%	691,476
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WSA& HEALTH SERVICES		42	60	-	17	27	30	(3)	-10.3%	60
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		453,327	630,984	-	150,905	256,687	315,492	(58,805)	-18.6%	630,984
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,251,732	1,322,520	-	305,238	682,640	661,260	21,380	3.2%	1,322,520
Expenditure by Vote	1									
Vote 1 - MAYOR AND MM		50,748	51,120	-	5,450	23,499	25,560	(2,061)	-8.1%	51,120
Vote 2 - CORPORATE SERVICES		141,115	135,003	-	9,332	36,642	67,501	(30,860)	-45.7%	135,003
Vote 3 - BUDGET AND TREASURY		358,556	242,304	-	11,169	50,127	121,152	(71,025)	-58.6%	242,304
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		30,194	33,857	-	3,917	16,804	16,928	(125)	-0.7%	33,857
Vote 5 - WSA& HEALTH SERVICES		39,535	51,896	-	4,396	20,748	25,948	(5,200)	-20.0%	51,896
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		578,781	453,052	-	51,281	212,759	226,526	(13,766)	-6.1%	453,052
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,198,929	967,232	-	85,545	360,578	483,616	(123,037)	-25.4%	967,232
Surplus/ (Deficit) for the year	2	52,802	355,288	-	219,694	322,062	177,644	144,418	81.3%	355,288

2.1 Monthly budget statements

2.1.1 Table C4: Monthly Budget Statement Summary

ANALYSIS OF OPERATING REVENUE (JULY 2024 – DECEMBER 2024) EXCLUDING CAPITAL TRANSFERS:

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - December										
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		-	-	-	-	-	-	-	-	-
Service charges - Water		267,541	316,389	-	14,733	84,184	158,194	(74,011)	-47%	316,389
Service charges - Waste Water Management		17,928	18,189	-	1,586	9,573	9,095	479	5%	18,189
Service charges - Waste management		-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		838	632	-	28	254	316	(62)	-20%	632
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		64,901	64,535	-	6,287	34,158	32,267	1,891	6%	64,535
Interest from Current and Non Current Assets		8,557	10,482	-	37	3,084	5,241	(2,157)	-41%	10,482
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		275	203	-	-	7,973	102	7,872	7742%	203
Non-Exchange Revenue										
Property rates		-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		125	60	-	17	365	30	335	1116%	60
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		586,406	620,501	-	235,558	496,056	310,251	185,806	60%	620,501
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		5,832	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		8,000	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		960,403	1,030,991	-	258,246	635,648	515,495	120,152	23%	1,030,991

Service Charges

The budgeted service charges for water amounted to R316 389 million of which R84 million was billed at mid-year. This resulted in a -47% variance. The municipality had included prepaid water sales as part of the budget, which were not realised as at mid-year. The municipality is still working on the contractual obligations to recover the prepaid services back to the municipality from the previous service provider.

The budgeted amount for wastewater was set at R18 189 million. The municipality had billed R9 095 million at mid-year resulting a positive variance of 5%, this impact positively on the municipal adjustments budget. The necessary adjustment will be effected in the adjustments budget.

Sale of Goods and services and Other Operating Revenue

The combined budget for these services was R1 467 million the combine revenue realised at mid-year was R8 227 million. This results in a combined positive variance of 57%. This will impact positively on the revenue realised. The municipality is also further investigating the accuracy of data strings on these line items and the appropriate allocation for these budget items.

Interest earned on receivables

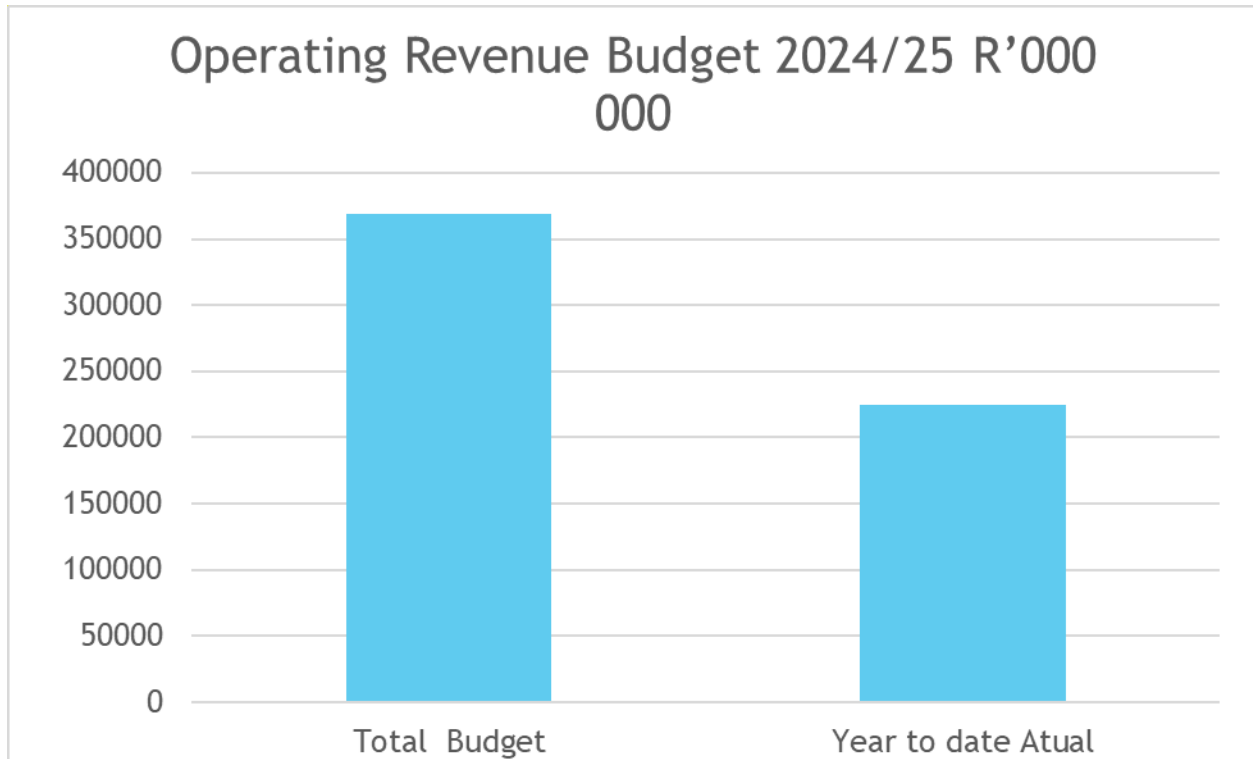
The budgeted amount on this line item was R64 535 million, the actual billing at mid-year was R32 627 million this resulted in a 6% positive variance. The variance is minor but does indicate a drop in the budgeted collection rate. The municipality has been struggling to collect old debts in the past, however new focused operations such as the Vala- Vula operation are aimed at addressing this issue. Improvement has been noted in recovering of old debts.

Fines and Penalties

The total budget was R60 thousand, the municipality managed to collect fines to the value of R365 thousand at mid-year, this has resulted in a positive variance of above 100%. This will impact positively on the adjustment budget. The municipality often struggles to budget accurately for this line item due to inconsistencies in the issuing of fines and penalties. However further investigations are being made and constant consulting with the issuing department.

Transfers and Subsidies - Operational

The budget for operating grants was set at R620 501 million. At mid-year R496 056 resulting in a positive variance of 60%. This is due to the receipt of two tranches of the equitable share totalling R409 349 million at mid-year



1.2 Table C4: Monthly Budget Statement – Operating expenditure (standard classification)

ANALYSIS OF OPERATING EXPENDITURE (JULY 2024 – DECEMBER 2024)

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - December

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		361,224	363,137	-	47,179	221,520	181,568	39,951	22%	363,137
Remuneration of councillors		6,154	6,155	-	495	3,022	3,078	(55)	-2%	6,155
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		97,299	51,060	-	3,419	14,899	25,530	(10,631)	-42%	51,060
Debt impairment		237,174	164,658	-	-	-	82,329	(82,329)	-100%	164,658
Depreciation and amortisation		86,484	73,910	-	7,093	42,209	36,955	5,254	14%	73,910
Interest		16,352	-	-	161	184	-	184	#DIV/0!	-
Contracted services		175,330	171,931	-	15,889	45,839	85,965	(40,127)	-47%	171,931
Transfers and subsidies		3,285	5,830	-	-	-	2,915	(2,915)	-100%	5,830
Irrecoverable debts written off		3,124	-	-	-	-	-	-	-	-
Operational costs		212,504	130,551	-	11,308	32,906	65,276	(32,370)	-50%	130,551
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		1,198,929	967,232	-	85,545	360,578	483,616	(123,037)	-25%	967,232

Expenditure by Type

Employee related cost & Remuneration of councillors

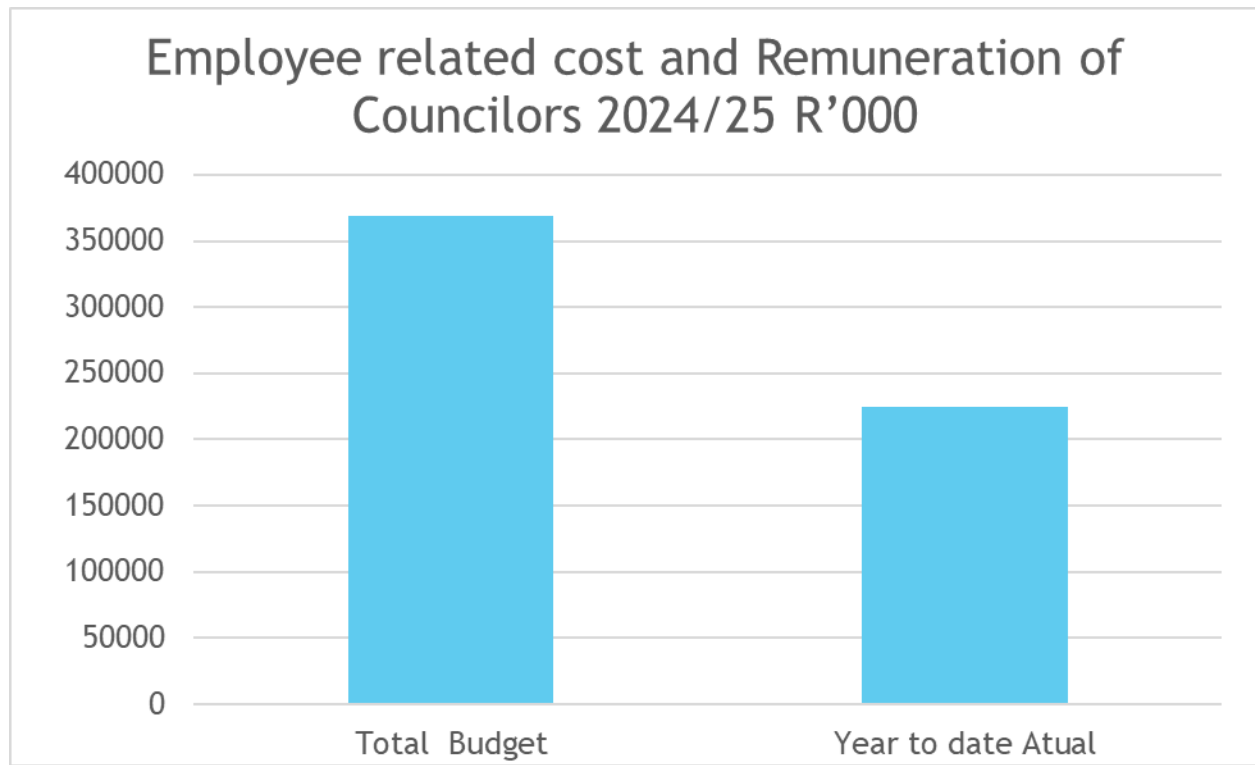
As part of the mid-year assessment, it can be noted the that, as at 31 December 2024 the following budgeted expenditure lines items are showing under performance

Employee related expenditure

For the six months ended 31 December 202 employee costs amounted to **R 221 520 million** against budget amount of **R 363 137 million** this results in a 22% negative variance of the budgeted amount. The variance is due to the fact that the municipality did not budget for employee salary increments, due to financial constraints It must be noted that application was failed by SALGA. The municipality must effect the increment in the next adjustment budget. Overtime also remains a problem faced by the municipality however strict regulations on the approval and qualification of employees who are getting a salary above the threshold has been revisited and reviewed.

Remuneration of Councillors

Remuneration of Councillors amounted to **R 3 022 million** for the period ended 31st December 2024 against budget of **R 6 155 million**, this represents **-2%**. This is below the expected performance and has resulted in cost savings which will impact the adjustments budget positively.



Debt impairment

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for the period of six months.

It must be noted that debt impairment testing, and calculation is done at the financial year end and only at the time are journal entries processed onto the financial system and this journal only accrue in the 13th period on the financial system, therefore no expenditure will reflect for under for this category and Bad debts are written off upon Council's approval.

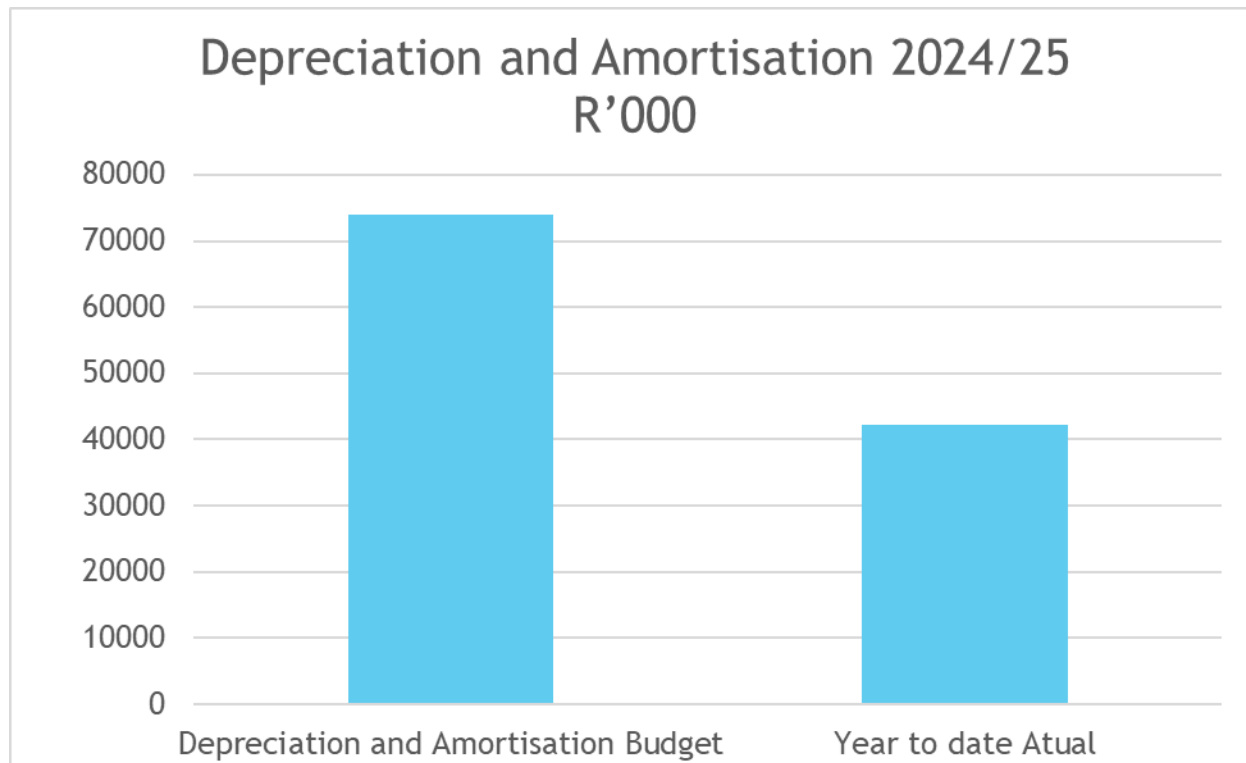
The council to note that the above non-cash provisions are required in terms of GRAP which are normally calculated at year end.

The municipality will however attach a calculated report which will be used for the mid-year AFS.

Depreciation and asset impairment

Expenditure on depreciation and asset Impairment amounted to **R 42 209 million** as at 31 December 2024, which reflects a variance of **14%** which is above the performance for the mid-term period.

It must be noted asset impairment which is undertaken towards the year end of the financial year and the approved budget of **R 73 910 million** has been provided for assets impairment and the journal for this category will be processed in the period 13th once the impairment testing has been finalised.

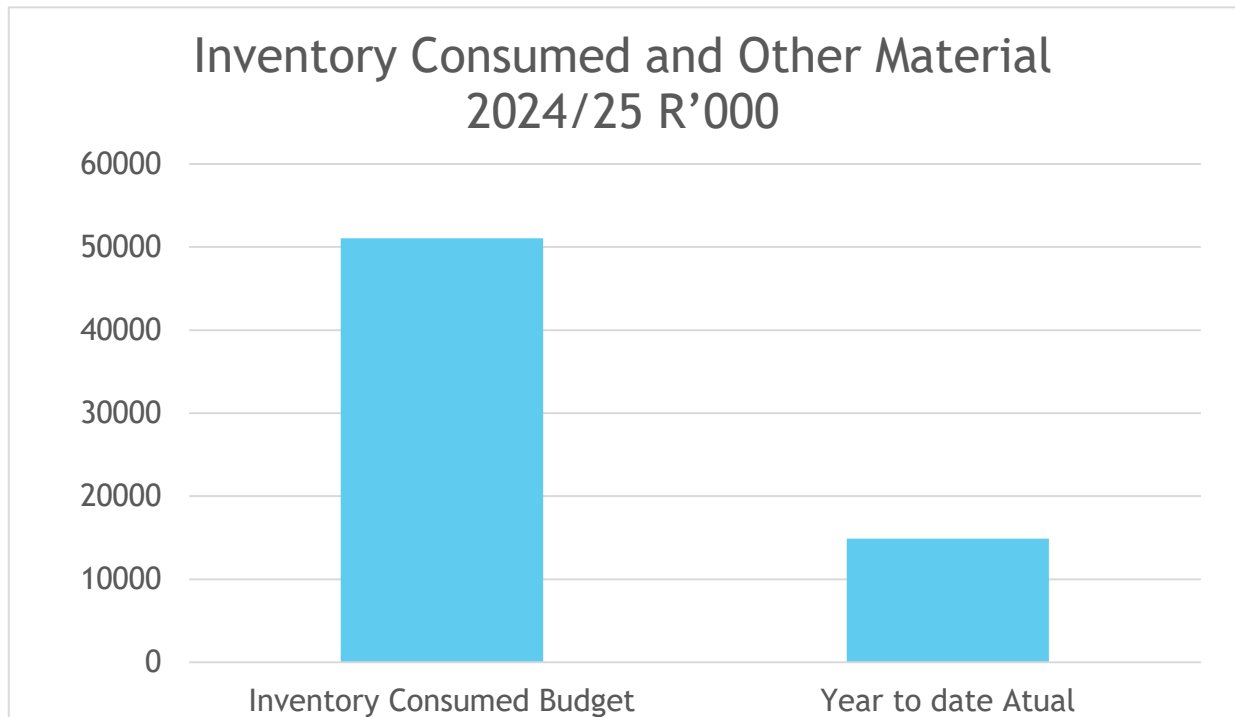


Finance charges

The expenditure relating to interest charges has been incurred for the period of R184 thousand. The municipality did not budget for Interest on the adopted budget as per the MFMA. However, an adjustment budget will be effected to accounts on which interests were incurred the municipality has been financially strained and some creditors were not paid within 30 days. The municipality has adopted a budget funding plan which includes a provision for the payment of old creditors.

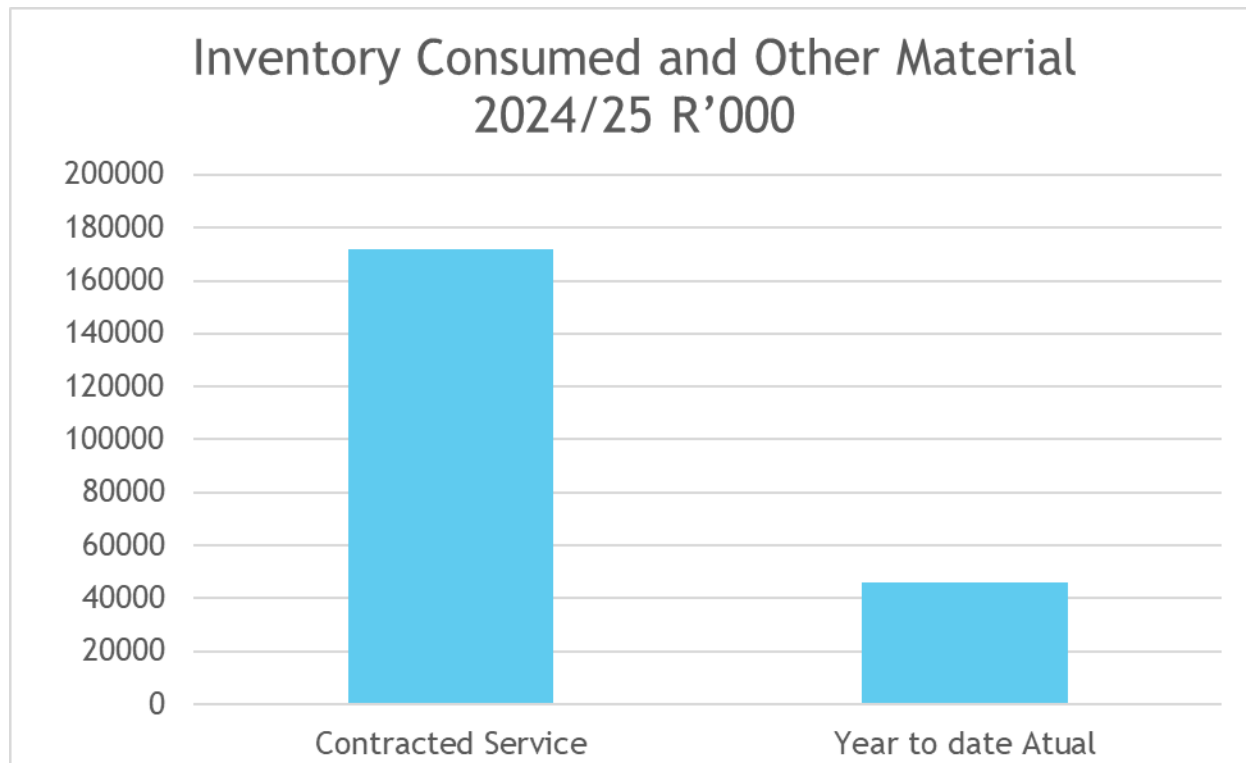
Inventory Consumed and Other Material

Expenditure on inventory consumed which includes our bulk purchases amounted to **R 14 899 million** for the midterm period ended December 2024 against approved budget of **R 51 060 million** this represents a negative variance of **-42%** and below the expected performance for the midterm. This can be attributed to the non-submission of invoices by DWS. The municipality continues to monitor bulk expenditure to consult with DWS on the matter



Contracted Services

Expenditure on contracted services amounted to **R 45 839 million** for the period ended 31 December 2024 against approved budget of **R 171 931 million** this represents **-47%** of the budget for this category and is less than the expected performance for the period necessary adjustment will be made if necessary. It reflects under spending at mid-year due to timing of projects. There are also certain annual projects for which the expenditure will only be considered closer to year end. Low spending electrical maintenance, and indigent management system.



Other Expenditure

Operational expenditure for the six months' period ended 31 December 2024 amounted to **R 32 906 million** against approved budget of **R 130 55 million** and represents **50%** of the budget

The other expenditure reflects an under spending of **R 32 307 million** as at December 2024 based on the 6 months' projection. This also results on unexpected circumstances, contributions to provision that are normally recognised towards the end of the financial year and those line items that are technically undertaken upon the finalization of annual financial statements remain the main contributors in this variance, another factor to this variance is the Workmen's Compensation Fund and Uniform and Protective Clothing, the expenditure generally is below as anticipated and will improve in the last two quarters of financial year.

2.1.5 Table C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - December										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MAYOR AND MM		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WSA & HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - MAYOR AND MM		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	2,000	-	39	39	1,000	(961)	-96%	2,000
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WSA & HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		0	306,529	-	8,259	115,365	153,265	(37,900)	-25%	306,529
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	0	308,529	-	8,297	115,403	154,265	(38,861)	-25%	308,529
Total Capital Expenditure		0	308,529	-	8,297	115,403	154,265	(38,861)	-25%	308,529
Capital Expenditure - Functional Classification										
Governance and administration		-	2,000	-	39	39	1,000	(961)	-96%	2,000
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	2,000	-	39	39	1,000	(961)	-96%	2,000
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		0	306,529	-	8,259	115,365	153,265	(37,900)	-25%	306,529
Energy sources		-	-	-	-	-	-	-	-	-
Water management		0	306,529	-	8,259	115,365	153,265	(37,900)	-25%	306,529
Waste water management		0	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	0	308,529	-	8,297	115,403	154,265	(38,861)	-25%	308,529
Funded by:										
National Government		0	291,529	-	8,259	114,837	145,765	(30,928)	-21%	291,529
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		0	291,529	-	8,259	114,837	145,765	(30,928)	-21%	291,529
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	17,000	-	39	39	8,500	(8,461)	-100%	17,000
Total Capital Funding		0	308,529	-	8,297	114,876	154,265	(39,389)	-26%	308,529
<i>References</i>										

The municipality’s approved capital expenditure budget amounts **R 308 529 million** and the expenditure incurred as at 31 December 2024 amounted to **R 115 403 million** this represents a negative variance of **-25%** of the budget. The variance of a result of delayed expenditure on capital projects but this will improve during the financial year end.

The appointment for some projects has been made and other service provider waiting for the letter of award to be issued to successful contractors, the expenditure is expected to improve in quarter 3 and 4.

2.1.6 Table C6: Monthly Budget Statement – Financial Position

Table C6 reflects on the financial position of the municipality.

DC23 Uthukela - Table C6 Monthly Budget Statement - Financial Position - M06 - December						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		5,810	(107,356)	–	154,313	(107,356)
Trade and other receivables from exchange transactions		58,858	73,257	–	133,665	73,257
Receivables from non-exchange transactions		79	7,102	–	79	7,102
Current portion of non-current receivables		10,695	–	–	10,695	–
Inventory		18,081	5,207	–	19,738	5,207
VAT		231,159	43,337	–	182,973	43,337
Other current assets		4,575	48,332	–	4,109	48,332
Total current assets		329,258	69,879	–	505,572	69,879
Non current assets						
Investments		–	–	–	–	–
Investment property		–	–	–	–	–
Property, plant and equipment		3,400,395	2,620,048	–	3,478,254	2,620,048
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		5,163	–	–	5,154	–
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		3,405,558	2,620,048	–	3,483,408	2,620,048
TOTAL ASSETS		3,734,816	2,689,926	–	3,988,981	2,689,926
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		2,416	–	–	2,416	–
Consumer deposits		20,029	20,735	–	20,461	20,735
Trade and other payables from exchange transactions		696,797	479,154	–	628,002	479,154
Trade and other payables from non-exchange transactions		(19,455)	10,431	–	42,951	10,431
Provision		26,917	50,117	–	35,252	50,117
VAT		301,592	58,116	–	272,187	58,116
Other current liabilities		8,336	11,337	–	–	11,337
Total current liabilities		1,036,631	629,890	–	1,001,269	629,890
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		18,116	35,360	–	18,116	35,360
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		22,660	–	–	22,660	–
Total non current liabilities		40,776	35,360	–	40,776	35,360
TOTAL LIABILITIES		1,077,407	665,249	–	1,042,046	665,249
NET ASSETS	2	2,657,408	2,024,677	–	2,946,935	2,024,677
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,657,651	2,024,677	–	2,946,935	2,024,677
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2,657,651	2,024,677	–	2,946,935	2,024,677

2.1.7 Table C7: Monthly Budget Statement – Cash flow

DC23 Uthukela - Table C7 Monthly Budget Statement - Cash Flow - M06 - December										
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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		125,921	129,153	-	8,697	64,231	64,576	(345)	-1%	129,153
Other revenue		26,473	69,392	-	516	7,088	34,896	(27,608)	-80%	69,392
Transfers and Subsidies - Operational		579,544	620,501	-	153,524	412,547	310,251	102,297	33%	620,501
Transfers and Subsidies - Capital		281,538	291,529	-	45,291	206,071	145,764	60,307	41%	291,529
Interest		9,124	10,482	-	37	3,744	5,241	(1,496)	-29%	10,482
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(266,036)	(846,752)	-	(13,388)	(55,956)	(423,376)	367,420	-87%	(846,752)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	(5,830)	-	-	-	(2,915)	2,915	-100%	(5,830)
NET CASH FROM/(USED) OPERATING ACTIVITIES		756,563	268,474	-	194,677	637,725	134,237	(503,488)	-375%	268,474
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		222,994	(308,529)	-	(546)	(113,573)	(154,265)	40,692	-26%	(308,529)
NET CASH FROM/(USED) INVESTING ACTIVITIES		222,994	(308,529)	-	(546)	(113,573)	(154,265)	(40,692)	26%	(308,529)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		1,467	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1,467	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		981,024	(40,055)	-	194,131	524,153	(20,027)			(40,055)
Cash/cash equivalents at beginning:		13,689	(67,302)	-	-	5,810	(67,302)			5,810
Cash/cash equivalents at month/year end:		994,713	(107,356)	-	-	529,963	(87,329)			(34,245)

The Total Cash held reflects bank balances at 31 December 2024 is consist of the following bank balances as at 2024.

- Standard Bank R8 thousand
- ABSA R6 thousand
- FNB R 458 thousand
- Nedbank R 60,3 million
- FNB Main Bank Accountant R2,66 million

Therefore, the total cash and cash equivalents amounts to **R 534,96 million**.

PART 3- SUPPORTING DOCUMENTATION

3.1 Debtor's analysis

Supporting Table SC3

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - December

Description	NT Code	Budget Year 2024/25									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	20,684	18,571	17,629	15,547	15,556	15,281	18,321	809,607	931,196	874,312	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	1,874	1,498	1,188	1,236	933	916	855	47,659	56,160	51,600	
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	6,313	6,498	6,116	6,017	6,141	5,780	5,808	260,860	303,533	284,606	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	45	102	56	163	221	58	88	14,628	15,361	15,157	
Total By Income Source	2000	28,916	26,669	24,988	22,963	22,851	22,035	25,072	1,132,754	1,306,249	1,225,675	
2023/24 - totals only		38,562	26,086	21,447	22,045	22,452	21,845	21,018	750,842	924,296	838,201	
Debtors Age Analysis By Customer Group												
Organs of State	2200	3,068	1,763	905	1,053	1,425	903	1,960	49,675	60,752	55,016	
Commercial	2300	4,167	3,528	3,459	1,568	906	1,170	3,026	58,214	76,039	64,884	
Households	2400	21,681	21,378	20,624	20,342	20,520	19,962	20,086	1,024,865	1,169,458	1,105,775	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	28,916	26,669	24,988	22,963	22,851	22,035	25,072	1,132,754	1,306,249	1,225,675	

The total debt book as at 31 December 2024 amounted to R 1.2 billion. The debts exceeding 120 days exceed R67,8 million.

The total debt book for December 2024 has decreased by from the previous month closing balance of years. The municipality has been struggling to collect debts on overdue account. Debt is made up of the following The municipality implements the credit control collection policy and debt which is aimed at zero tolerance of unpaid accounts from businesses.

Residential debt:

R 1.1 billion

Commercial debt

R 76,3 million

Government debt

R 60.7 million

Other nil

TOP 10 DEBTORS AS AT 31 DECEMBER 2024	
ACCOUNT HOLDER NAME	OUTSTANDING TOTAL BALANCE
ALFRED DUMA LOCAL MUNICIPALITY	40,474,465.10
YENDE E N	8,028,540.04
LIEBENBERG LC	5,687,853.48
NTOKOZWENI COMMUNITY LAND TRUS	3,576,406.53
MADUNA D/P 781 GZ	2,268,785.52
NORTHERN NATAL ABATTOIR	2,201,637.92
THE I&SGHADIA FAMILY TRUST	2,167,878.07
GANGAT E.M	1,600,885.03
MCITSHENI PRIMARY SCHOOL	1,585,719.62
COLLEGE OF EDUCATION A SECTION	1,557,160.84

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 DECEMBER 2024				
MONTH	BILLING	MONTHS	RECIPTS	RECOVERY RATE %
June 2024	35,297,566.92	July 2024	9,454,483.35	26.79%
July 2024	28,855,142.74	Aug 2024	12,880,102.19	44.64%
August 2024	30,683,291.09	September 2024	10,624,899.94	34.63%
September 2024	27,208,969.97	October 2024	14,734,306.68	54.15%
October 2024	28,513,577.62	November 2024	15,905,218.44	55.78%
November 2024	29,244,759.07	November 2024	9,633,647.30	32.94%
TOTAL	179,803,307.41		73,232,657.90	41%

The attached table has been attached to show the fluctuations in our collection rate, it must be noted that the average collection rate stood at 41% in December 2024. The original collection rate on the adopted budget was 38%. This will positively impact the adjustment budget and in the first two quarters the municipality able to achieve a collection rate above 50%. The collection rate is expected to continue to improve.

3.2 Creditors analysis


Supporting Table SC4

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December										
Description	NT Code	Budget Year 2024/25								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	8,873	19,518	7,690	18,340	125,056				179,477
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	8,873	19,518	7,690	18,340	125,056	-	-	-	179,477

The municipality paid its was not able to pay some creditors within 30 days for the midterm period ended 31st December 2024. The municipality making an extra effort that creditors are paid within 30 days as per MFMA.

The SC4 of the attached report is pulled directly from the system and does not reflect a true reflection of the creditors. The municipality has not been able to fully utilise the creditors record module on Munsoft. The concerned incumbents could not be sent for training on the system. The municipality when faced with financial constraints was unable to fully fund all Mscoa training. However top management has re directed the focus on trainings realising the impact financial report. To correct the credibility of reporting the municipality has been submitting the full creditors listing to Provincial Treasury. The same document is attached as an annexure to this report for the end of December 2024.

3.3 Investment Management

		SHORT TERM DEPOSIT				
		Opening balance as at	Closing balance as at			
INVESTMENT ACCOUNT		OPENING BALANCE 01/12/2024	INTEREST ACCRUED 01/12/2024 TO 31/12/2024	DATE	CHARGES PAID 01/12/2024 TO 31/12/2024	CLOSING BALANCE 31/12/2024
GRANTS	MONEY MARKET INVESTMENT					
FNB 62283176644	FNB	428,174.34	2,181.93	01/01/2025	0.00	430,356.27
INTEREST RATE	6.65%					
FLEET AUCTION	CALL DEPOSIT ACCOUNT					
FNB 63081036759	FNB	11,964.88	77.23	31/12/2024	0.00	12,042.11
INTEREST RATE	FLEET AUCTION					
MIG GRANT	CALL DEPOSIT ACCOUNT					
FNB 63081030496	FNB	15,214.66	98.21	31/12/2024	0.00	15,312.87
INTEREST RATE	UNSPENT MIG					
GRANTS	CALL DEPOSIT ACCOUNT					
037881184698/000001	NEDBANK	7,952.72	52.08	31/12/2024	0.00	8,004.80
INTEREST RATE						
EPWP GRANT	CALL DEPOSIT ACCOUNT					
1100433766501	INVESTEC	0.00	0.00		0.00	0.00
INTEREST RATE						
GRANTS	INVESTMENT TRACKER					
9361819521	ABSA	0.00	0.00		0.00	0.00
INTEREST RATE						
SALARIES	INVESTMENT TRACKER					
9387051602	ABSA	5,700.13	40.67	01/01/2025	0.00	5,740.80
INTEREST RATE	SALARIES					
FMG GRANT	LIQUIDITY PLUS					
9349109796	ABSA	666.60	0.00		0.00	666.60
INTEREST RATE	UNSPENT FMG					
FMG GRANT	48 HOUR NOTICE ACCOUNT					
068455364-006	STANDARD	0.00	340,587.99	31/12/2024	4,931.51	60,335,656.48
INTEREST RATE	SALARIES					
		469,673.33	343,038.11	0.00	4,931.51	60,807,779.93

The municipality had total investments amounting to **R 60 807 million** as at 31 December 2024.

The municipality invests surplus funds in order to maximize the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy.

3.4 Grant receipts and expenditure

3.4.1 Supporting Table Grant Register

UTHUKELA DISTRICT MUNICIPALITY							
GRANT REGISTER - 2024/25							
Summary of Grants received, expenditure & Funds available as at 31 DECEMBER 2024							
		Audited Balance as at	Budget Amount	Received	Spent & transferred to income		Closing Balance/ Unspent
Name of Grant owner	Grant Type	01/07/2024	2024/25	2024/25	2024/25	% Spent on received amount	2024/25
EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	191,529,000.00	136,071,000.00	80,118,512.32	59%	55,952,487.68
EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100,000,000.00	50,000,000.00	46,992,675.86	94%	3,007,324.14
EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	99,112.92	2,792,000.00	1,954,000.00	600,552.80	29%	1,452,560.12
EX Mthembu	EPWP INTERGRATED GRANT	0.00	1,685,000.00	1,180,000.00	567,446.40	48%	612,553.60
BB Sithole	FINANCE MANAGEMENT GRANT	0.00	2,000,000.00	2,000,000.00	661,613.98	33%	1,338,386.02
O Mnguni	LG SETA	0.00	0.00	245,907.92	103,416.00	42%	142,491.92
		99,112.92	298,006,000.00	191,450,907.92	129,044,217.36	67%	62,505,803.49

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of revenues. Other trenches allocated to be received during the midterm have been received.

3.4.2 Supporting Table Grant Income

GRANTS REGISTER							
NATIONAL AND PROVINCIAL GRANTS RECEIVED							
JULY 2024 TO JUNE 2025							
SCHEDULED PAYMENT DATE	DESCRIPTION	AMOUNT BUDGETED	AMOUNT AS PER NT PAYMENT SCHEDULES	AMOUNT RECEIVED	DATE RECEIPTED	RECEIPT NUMBER	NOT YET RECEIVED
12/07/2024	MUNICIPAL INFRASTRUCTURE GRANT	191,529,000.00	64,214,000.00	64,214,000.00	23/07/2024	1658631	
27/09/2024	MUNICIPAL INFRASTRUCTURE GRANT		26,566,000.00	26,566,000.00	21/10/2024	1677964	
06/12/2024	MUNICIPAL INFRASTRUCTURE GRANT		45,291,000.00	45,291,000.00	20/12/2024	1691657	
21/03/2025	MUNICIPAL INFRASTRUCTURE GRANT		55,458,000.00	0.00			
		191,529,000.00	191,529,000.00	136,071,000.00			55,458,000.00
05/08/2024	RURAL ROAD ASSET MANAGEMENT SYSTEM	2,792,000.00	1,954,000.00	1,954,000.00	13/08/2024	1662883	
18/02/2024	RURAL ROAD ASSET MANAGEMENT SYSTEM		838,000.00	0.00			
		2,792,000.00	2,792,000.00	1,954,000.00			838,000.00
03/07/2024	EQUITY SHARE	614,024,000.00	255,843,000.00	255,843,000.00	23/07/2024	1658630	
04/12/2024	EQUITY SHARE		153,506,000.00	153,506,000.00	06/12/2024	1688901	
12/03/2025	EQUITY SHARE		204,675,000.00	0.00			
		614,024,000.00	614,024,000.00	409,349,000.00			204,675,000.00
25/07/2024	WSIG	100,000,000.00	30,000,000.00	30,000,000.00	25/07/2024	1659308	
31/10/2024	WSIG		20,000,000.00	20,000,000.00	01/11/2024	1681110	
06/03/2025	WSIG		50,000,000.00	0.00			
		100,000,000.00	100,000,000.00	50,000,000.00			50,000,000.00
26/08/2024	LOCAL GOVERNMENT FINANCE MANAGEMENT	2,000,000.00	2,000,000.00	2,000,000.00	02/09/2024	1667339	
		2,000,000.00	2,000,000.00	2,000,000.00			0.00
02/08/2024	EXPANDED PUBLIC WORKS GRANT	1,685,000.00	422,000.00	422,000.00	13/08/2024	1662900	
01/11/2024	EXPANDED PUBLIC WORKS GRANT		758,000.00	758,000.00	14/11/2024	1683754	
07/02/2025	EXPANDED PUBLIC WORKS GRANT		505,000.00	0.00			
		1,685,000.00	1,685,000.00	1,180,000.00			505,000.00

Grant Income is reflected above the municipality has been transferred a total of R1180 billion at the end of December 2024.

3.5 Expenditure on councilor and staff related expenditure

Supporting Table SC8

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - December										
Summary of Employee and Councillor remuneration	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
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5,397	4,525	-	443	2,688	2,262	426	19%	4,525
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		38	1,140	-	-	6	570	(564)	-99%	1,140
Cellphone Allowance		719	490	-	52	327	245	82	34%	490
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		6,154	6,155	-	495	3,022	3,078	(55)	-2%	6,155
% increase	4		0.0%							0.0%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	3,579	13,514	-	323	2,405	6,757	(4,353)	-64%	13,514
Pension and UIF Contributions		7	53	-	1	3	27	(23)	-88%	53
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		255	-	-	42	246	-	246	#DIV/0!	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	1,384	-	-	-	692	(692)	-100%	1,384
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		157	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		3,997	14,952	-	365	2,654	7,476	(4,822)	-65%	14,952
% increase	4		274.0%							274.0%
Other Municipal Staff										
Basic Salaries and Wages		240,516	235,864	-	20,654	127,007	117,932	9,075	8%	235,864
Pension and UIF Contributions		39,981	44,335	-	3,436	20,701	22,168	(1,467)	-7%	44,335
Medical Aid Contributions		10,215	9,969	-	907	5,401	4,984	417	8%	9,969
Overtime		17,535	14,903	-	523	10,514	7,451	3,063	41%	14,903
Performance Bonus		20,131	12,668	-	19,469	39,198	6,334	32,863	519%	12,668
Motor Vehicle Allowance		17,983	13,022	-	1,503	9,040	6,511	2,530	39%	13,022
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		1,053	3,374	-	88	534	1,687	(1,153)	-68%	3,374
Other benefits and allowances		9,061	10,034	-	9	3,500	5,017	(1,517)	-30%	10,034
Payments in lieu of leave		3,922	2,256	-	48	1,891	1,128	763	68%	2,256
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		1,861	1,761	-	178	1,080	880	200	23%	1,761
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		362,258	348,185	-	46,814	218,866	174,092	44,773	26%	348,185
% increase	4		-3.9%							-3.9%
Total Parent Municipality		372,409	369,292	-	47,674	224,542	184,646	39,896	22%	369,292
Unpaid salary, allowances & benefits in arrears:										

Employee Related costs and Remuneration of Councillors total budget is R 369 million; expenditure of R 224 542 million was incurred for the six months' period ended 31 December 2024.

Remuneration of Councillors reflects a variance of **20%** expenditure performance the slight variance is due to vacant positions that have not been filled and the variance will decrease as vacancies are filled.

INDIGENT MANAGEMENT

The total budget for the 2024/25 financial year was R3,8 million. The indigent register for the 2024/2 has 1524 beneficiaries registered to date the municipality updates this register on an ongoing basis. A total of R 790 thousand adjustments has been incurred as expenditure for indigent benefits as follows for the month ended 31 December 2024: The indigent register will be attached to this document as an annexure.

3.6 Material variances to the service delivery and budget implementation plan

The performance on implementation of the service delivery and budget implementation plan is dealt with separately on the non-financial performance report.

3.7 Recommendations

It is recommended that.

1. Council takes note of the mid-year budget performance report in terms of section 72 of the Municipal Finance Management Act.
2. Council takes note that an adjustments budget will be tabled for consideration, taking into account the midterm performance.

3.9 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Langelihle Jili** Municipal Manager of uThukela District Municipality, hereby certify that the Mid-term Performance Assessment report and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Performance Assessment has been done properly to ensure that is a true reflection of what has taken place with effect from 01 July 2024 to 31 December 2024 and is consistent with the Integrated Development Plan, Budget and SDBIP of the municipality.

This report will be submitted to the Mayor by the 25/01/2024 as required by the Municipal Finance Management Act, Section 72 and acknowledges receipt as signed below.

Print Name **Langelihle Jili**

Municipal Manager of uThukela District Municipality DC23

Signature: _____

Date: _____

Mayor's Acknowledgement of Submission

Print Name **Ntandoyenkosi Shabalala** _____

Mayor of uThukela District Municipality DC23

Signature: _____

Date: _____

4. ANNEXURES

4.1. C SCHEDULE_MIDTERM 2024

4.2 Creditors listing December 2024

4.3. Bank Recon December 2024

4.4. Grant Register December 2024

4.5. Budget Funding Plan Progress report December 2024

4.6. SDBIP Progress Report Dember 2024

4.7. Indigent Register

4.8. Irregular Expenditure Register

4.9. SCM Report