

Mid-year Budget and Performance

Assessment

2024/2025 FINANCIAL YEAR



MKHAMBATHINI
Municipality
For the community

MKHAMBATHINI
MUNICIPALITY

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INTRODUCTION

REPORT OF THE MAYOR

In my capacity as the Mayor, it is an honor to present the 2nd quarter budget report for the six months ended 31 December 2024. Primarily let me take this opportunity to thank the community of Mkhambathini Municipality for the unstinting support they have given to the Councilors and Administration of our municipality under different political and economic situations.

Purpose

The purpose of this report is to comply with Sections 72 (1) (a) and 52 (d) of the Municipal Finance Management Act (MFMA) and the requirements as promulgated in the Government Gazette No. 32141 of 17 April 2009 regarding Municipal Budget and Reporting Regulations, which requires that specific financial particulars be reported on and in the formats prescribed.

Background

Section 52 (d) of the Municipal Finance Management Act (MFMA) states that:

“The Mayor of a municipality must within 30 days of the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of the municipality.

.

Recommendation by the Mayor

- **THAT** this report which is submitted in compliance with Section 72 (1) (a) and 52 (d) of the MFMA and in terms of Government Gazette 32141 dated 17 April 2009, relating to the “Local Government: Municipal Finance Management Act, Municipal Budget and Reporting Regulations”, and the financial results and supporting documentation (Schedule C) as at 31 December 2024 be considered by the Council.
- **THAT** in the light of the financial assessment and forecasting of figures on the annual budget based on the first three months of the financial year an adjustment budget for the 2024/2025 financial year is required.

I thank you.

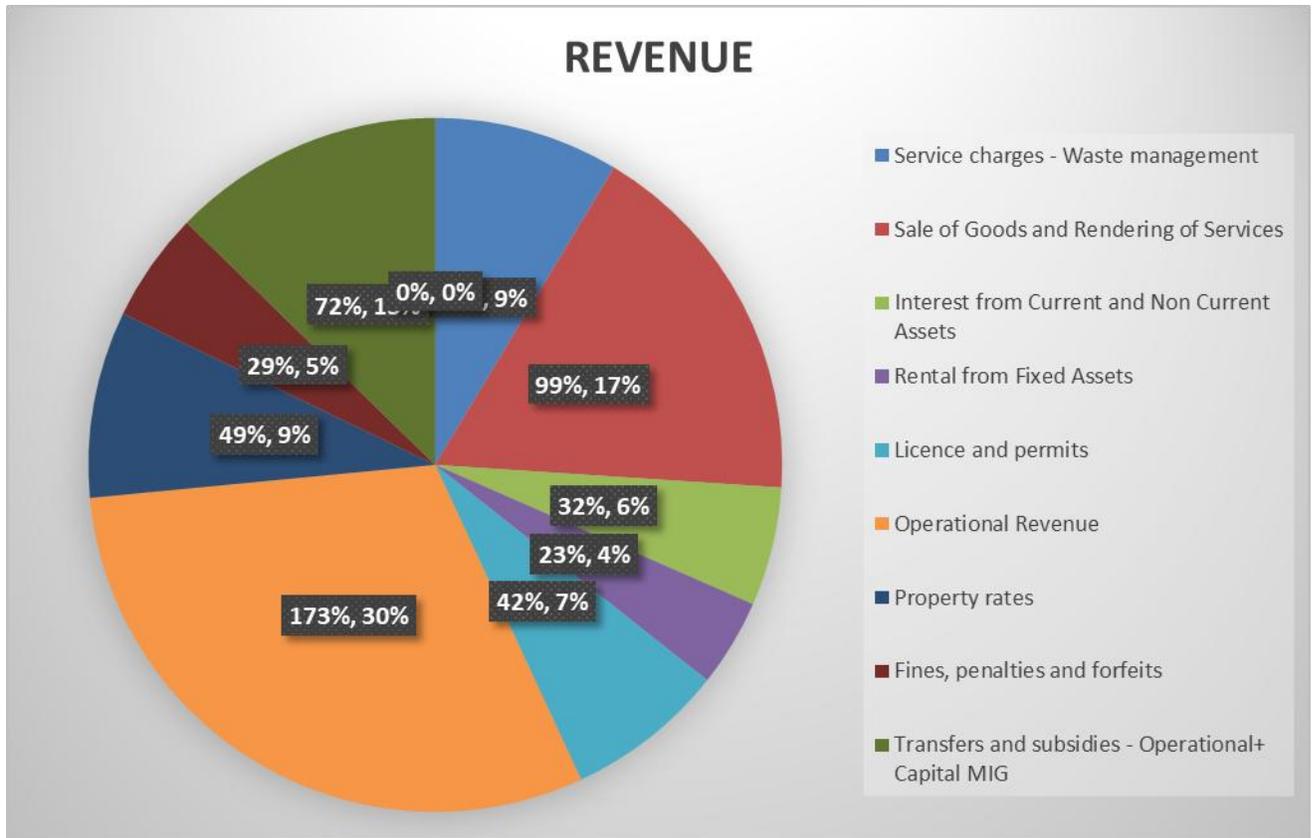
Part 1

Table 1: Summary of operating revenue for the period ended 31 December 2024

Revenue	Original Budget	Monthly	YearTD actual	Available	%
Service charges - Waste management	685,460.00	56,029.00	336,176.00	349,284.00	49%
Sale of Goods and Rendering of Services	560,887.00	10,218.00	556,295.00	4,592.00	99%
Interest from Current and Non Current A	3,224,000.00	125,730.00	1,016,152.00	2,207,848.00	32%
Rental from Fixed Assets	316,249.00	9,554.00	73,427.00	242,822.00	23%
Licence and permits	8,350,855.00	497,157.00	3,533,768.00	4,817,087.00	42%
Operational Revenue	384,202.00	224,820.00	664,471.00	(280,269.00)	173%
Property rates	31,877,217.00	2,629,529.00	15,777,176.00	16,100,041.00	49%
Fines, penalties and forfeits	2,209.00	87.00	644.00	1,565.00	29%
Transfers and subsidies - Operational+ C	124,158,000.00	83,483,434.00	89,779,995.00	34,378,005.00	72%
			600.00		0%
Total Revenue (excluding capital transf	169,559,079.00	87,036,558.00	111,738,704.00	57,820,975.00	66%

The table above summarizes the income for the 2nd quarter. The Municipality received 111.7 million on revenue which is equivalent to 66% of the budget revenue , This income includes income from the transfer of capital grants (MIG).

Figure 1: Operating income for the 2nd quarter



Transfers and Subsidies shows 72% contribution to what was budgeted for, while from operational revenue we have receive 173% of what we have budgeted which is made up of SDL refund. Property Rates income comprises 49%. service charges also show 49% and Investment contributed 32%. As the municipality we intend to fix all this differences during the adjustment budget.

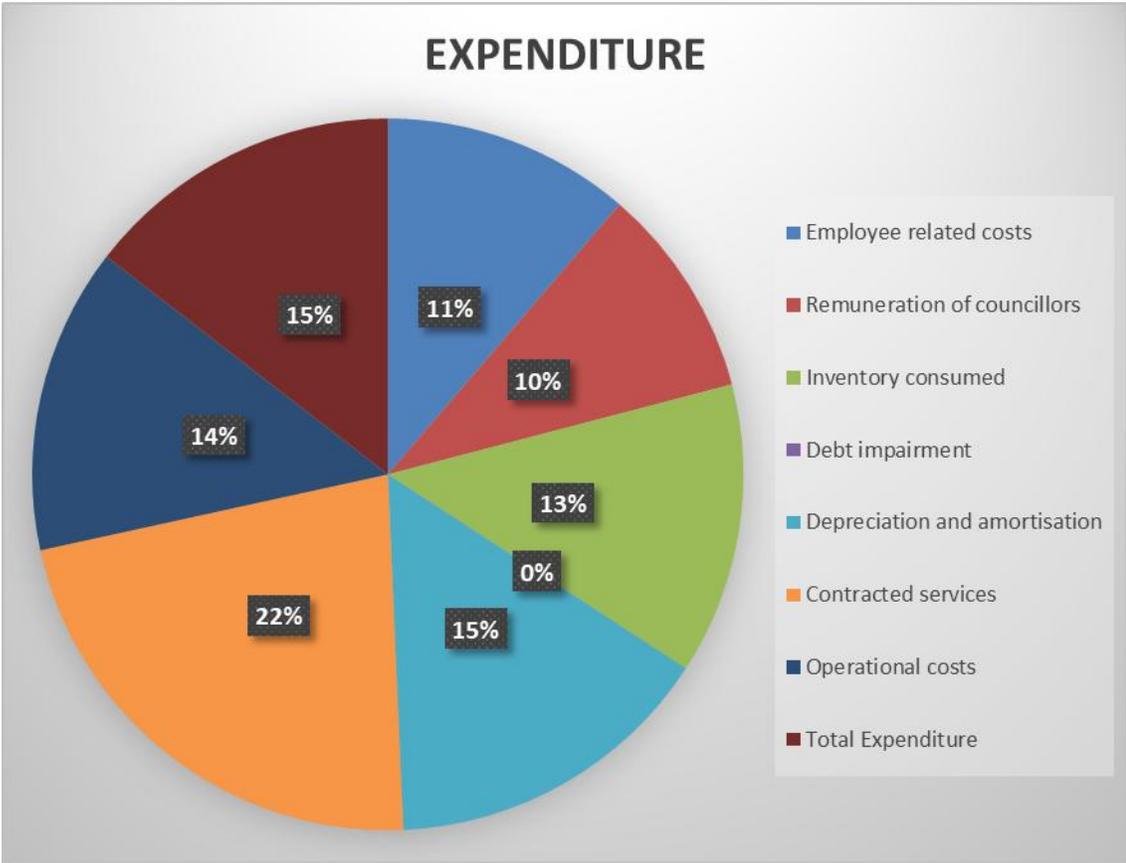
2.2 Expenditure:

Table below represent operational expenditure as at 31 December 2024

Expenditure	Original Budget	Monthly	YearTD actual	Available	%
Employee related costs	59,634,882.00	7,287,248.00	29,773,546.00	29,861,336.00	50%
Remuneration of councillors	7,622,383.00	539,533.00	3,244,052.00	4,378,331.00	43%
Inventory consumed	6,037,912.00	721,352.00	3,534,321.00	2,503,591.00	59%
Debt impairment	4,700,000.00	-	-	4,700,000.00	0%
Depreciation and amortisation	11,830,346.00	1,129,063.00	7,909,551.00	3,920,795.00	67%
Contracted services	40,725,712.00	5,040,600.00	40,078,435.00	647,277.00	98%
Operational costs	27,429,868.00	4,310,256.00	16,848,461.00	10,581,407.00	61%
Total Expenditure	157,981,103.00	19,028,052.00	101,388,366.00	56,592,737.00	64%

Diagrammatically, the expenditure for the quarter is shown below:

Figure 2: Summary of Expenditure for the 2nd quarter



The table above summarizes the expenditure for the 2nd quarter. As it can be seen above, we are sitting at R 101 million. Which is equal to 64% of budgeted expenditure.

The actual expenditure as of 31 December 2024 as stated on the above shows that the salaries represent 50% of the budget expenditure, actual Remuneration of Councilors is 43%. The actual contracted service is 98% of the contracted expenditure budget which due to maintenance.

2.3 Capital Expenditure

Capital expenditure as at 31 December 2024

Table B: Capital Revenue and Expenditure

Revenue					
Descriptions	Annual budget	Rec to date	Expenditure	Available/Still to receive	%
MIG	18 159 000.00	12 711 000.00	8 127 764.44	5 448 000.00	
TOTAL CAPITAL REVENUE	18 159 000.00	12 711 000.00	8 127 764.44	5 448 000.00	70.00
EXPENDITURE					
Grant: MIG					
Thimoni Community Hall	7 922 264.94				-
Makholweni Access Road	1 931 795.06		1 667 869.91		-
Mboyi Community Hall	8 304 940.00		5 826 606.97		-
Maqongqo Taxi Rank			429 713.12		
Jilafohlo Access Road			203 574.44		
TOTAL CAPITAL EXPENDITURE	18 159 000.00	-	8 127 764.44	-	44.76
Total uspent grant		10 031 235.56			-

Capital Expenditure (Own Reserves)	Annual budget	Month Actual	YTD Actual	%
New Computers and Printers	200,000.00		212,206.64	
Municipal Vehicles	1,400,000.00		-	
Generator/Sola	500,000.00		-	
Server: Finance	1,200,000.00		-	
Fire arm	150,000.00		86,500.00	
Furniture	250,000.00	8,000.00	162,350.80	
Fencing			467,443.33	
Makhokhoba Access Road	-	1,376,894.90	2,956,144.51	
	3,700,000.00	1,384,894.90	3,884,645.28	104.99

The table above summarizes the capital revenue and expenditure for the 2nd Quarter. We have received 70% of the total allocation of 18.1 million. The expenditure consists of grant funded (MIG) and own funded capital expenditure, Grant funded expenditure is equal to 8.1 million which is equal to 45% of the budgeted grant (MIG) of R18.1 million. Internal funded expenditure is equal to R3.9 million which is 105% of budgeted Internal funded capital projects of R3.7 million.

Electrification

	Annual budget	Rec to date	Available/Still to receive	%
Electrification Grant				
Revenue	11 643 000.00	9 000 000.00	2 643 000.00	77.30
	Annual budget	Expenditure		%
Expenditure				
Maqomgqo Phase 3	5 368 000.00	3 100 192.89		
Gwenya Gulube		484 495.00		
Njobokazi Phase 5	4 900 000.00	3 611 523.48		
Nkanyezini Mboyi		3 180 277.94		
Makholweni Phase 2	1 375 000.00			
Total Expenditure	11 643 000.00	10 376 489.31	-	89.12

The municipality has received R9 million which is equal to 77% of the total allocation of R11.6 million. Expenditure on electrification grant is R 10 million equivalent to 89% of the total allocation of 11,6 million in the first quarter.

Municipality Vote assessments

The municipality perform the assessment for each vote and identify that we need to do the adjustment budget to the votes attached in annexure A

1. In-Year Budget Tables

Table 2: C1 Monthly Budget Statement Summary

KZN226 Mkhambathini - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	25,117	31,877	-	2,630	15,777	15,939	(161)	-1%	31,877
Service charges	630	685	-	56	336	343	(7)	-2%	685
Investment revenue	4,665	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	4,665	3,224	-	126	1,016	1,612	(596)	-37%	3,224
Other own revenue	192,698	115,613	-	32,784	86,481	57,807	28,675	50%	-
Total Revenue (excluding capital transfers and contributions)	227,774	151,400	-	35,596	103,611	75,700	27,911	37%	151,400
Employee costs	54,265	59,635	-	7,287	29,774	29,817	(44)	-	59,635
Remuneration of Councillors	6,820	7,622	-	540	3,244	3,811	(567)	-	7,622
Depreciation and amortisation	13,597	11,830	-	1,129	7,910	5,915	1,994	-	11,830
Interest	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	5,638	6,038	-	721	3,534	3,019	515	-	6,038
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	166,531	72,856	-	9,351	56,927	36,428	20,499	56%	72,856
Total Expenditure	246,851	157,981	-	19,028	101,388	78,991	22,398	28%	157,981
Surplus/(Deficit)	(19,077)	(6,581)	-	16,568	2,223	(3,291)	5,513	-168%	(6,581)
Transfers and subsidies - capital (monetary allocations)	17,162	18,159	-	1,831	8,128	9,080	(952)	-10%	18,159
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1,915)	11,578	-	18,399	10,350	5,789	4,561	79%	11,578
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(1,915)	11,578	-	18,399	10,350	5,789	4,561	79%	11,578
Capital expenditure & funds sources									
Capital expenditure	28,968	21,709	-	2,977	10,492	10,855	(362)	-3%	21,709
Capital transfers recognised	(5,298)	18,159	-	1,592	7,068	9,080	(2,012)	-22%	18,159
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	30,742	3,700	-	1,385	3,885	1,850	2,035	110%	3,700
Total sources of capital funds	25,444	21,859	-	2,977	10,952	10,930	23	0%	21,859
Financial position									
Total current assets	36,606	68,791	-	-	47,395	-	-	-	68,791
Total non current assets	269,283	281,307	-	-	272,503	-	-	-	281,307
Total current liabilities	18,149	(3,740)	-	-	21,808	-	-	-	(3,740)
Total non current liabilities	5,057	(6,823)	-	-	5,057	-	-	-	(6,823)
Community wealth/Equity	282,683	360,661	-	-	293,033	-	-	-	360,661
Cash flows									
Net cash from (used) operating	166,150	20,037	-	39,641	(160,966)	17,641	178,607	1012%	20,037
Net cash from (used) investing	364,097	(25,138)	-	(2,977)	10,952	(12,569)	(23,521)	187%	(25,138)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	537,252	(53,012)	-	-	(113,143)	(42,839)	70,304	-164%	-
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	2,217	1,694	1,041	(832)	935	926	2,640	33,470	42,091
Creditors Age Analysis									
Total Creditors	(6)	1,245	(1,136)	(0)	7	23	-	-	132

Table 3: C2 Monthly Budget Statement – Financial Performance (Standard Classification)

KZN226 Mkhambathini - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		135 288	146 320	-	5 152	51 564	36 580	14 984	41%	146 320
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration	135 288	146 320	146 320	-	5 152	51 564	36 580	14 984	41%	146 320
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 032	2 140	-	307	899	535	364	68%	2 140
Community and social services	2 032	2 140	2 140	-	307	899	535	364	68%	2 140
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		54 814	420	-	142	220	105	115	110%	420
Planning and development	1 121	420	420	-	142	220	105	115	110%	420
Road transport	53 693	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		44 745	12 328	-	56	168	3 082	(2 914)	-95%	12 328
Energy sources	44 115	11 643	11 643	-	-	-	2 911	(2 911)	-100%	11 643
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management	630	685	685	-	56	168	171	(3)	-2%	685
<i>Other</i>	4	8 056	8 351	-	721	1 615	2 088	(472)	-23%	8 351
Total Revenue - Functional	2	244 936	169 559	-	6 379	54 467	42 390	12 077	28%	169 559
Expenditure - Functional										
<i>Governance and administration</i>		93 145	98 986	-	7 117	20 399	24 746	(4 348)	-18%	98 986
Executive and council	22 720	26 178	26 178	-	2 067	5 578	6 545	(966)	-15%	26 178
Finance and administration	70 426	72 808	72 808	-	5 050	14 820	18 202	(3 381)	-19%	72 808
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		28 928	27 630	-	3 199	6 919	6 907	12	0%	27 630
Community and social services	27 236	24 255	24 255	-	2 631	6 248	6 064	184	3%	24 255
Sport and recreation	1 602	3 066	3 066	-	562	583	767	(183)	-24%	3 066
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health	90	309	309	-	6	88	77	10	13%	309
<i>Economic and environmental services</i>		77 310	19 656	-	4 114	20 187	4 914	15 273	311%	19 656
Planning and development	70	1 392	1 392	-	-	-	348	(348)	-100%	1 392
Road transport	77 240	18 264	18 264	-	4 114	20 187	4 566	15 621	342%	18 264
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		45 766	11 165	-	136	326	2 791	(2 466)	-88%	11 165
Energy sources	44 871	10 124	10 124	-	-	-	2 531	(2 531)	-100%	10 124
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management	894	1 041	1 041	-	136	326	260	65	25%	1 041
<i>Other</i>		484	544	-	44	93	136	(44)	-32%	544
Total Expenditure - Functional	3	245 633	157 981	-	14 610	47 923	39 495	8 428	21%	157 981
Surplus/ (Deficit) for the year		(697)	11 578	-	(8 231)	6 544	2 894	3 650	126%	11 578

Table 4: C3 Monthly Budget Statement – Financial Performance (Revenue and Expenditure by Vote)

KZN226 Mkhambathini - 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 Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Finance and Administration	1	135,288	146,320	-	34,117	95,224	73,160	22,064	30.2%	146,320
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2,024	2,127	-	423	1,797	1,064	733	68.9%	2,127
Vote 5 - Community and Social Services2		8	13	-	-	16	6	10	155.8%	13
Vote 6 - Energy Sources		44,115	11,643	-	2,328	10,376	5,822	4,555	78.2%	11,643
Vote 7 - Road Transport		53,693	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		1,121	420	-	5	455	210	245	116.8%	420
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 11 - Other		8,056	8,351	-	497	3,534	4,175	(642)	-15.4%	8,351
Vote 12 - Waste Management		630	685	-	56	336	343	(7)	-1.9%	685
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	244,936	169,559	-	37,427	111,739	84,780	26,959	31.8%	169,559
Expenditure by Vote										
Vote 1 - Finance and Administration	1	69,492	72,512	-	7,320	35,387	36,256	(869)	-2.4%	72,512
Vote 2 - Finance and Administration2		322	296	-	2	68	148	(80)	-53.9%	296
Vote 3 - Executive and Council		22,720	26,178	-	3,392	13,497	13,089	408	3.1%	26,178
Vote 4 - Community and Social Services		9,331	12,903	-	1,662	6,624	6,451	173	2.7%	12,903
Vote 5 - Community and Social Services2		17,905	11,353	-	1,531	7,401	5,676	1,724	30.4%	11,353
Vote 6 - Energy Sources		44,871	10,124	-	2,025	9,023	5,062	3,961	78.2%	10,124
Vote 7 - Road Transport		79,070	18,264	-	2,254	26,119	9,132	16,987	186.0%	18,264
Vote 8 - Planning and Development		70	1,392	-	-	6	696	(690)	-99.1%	1,392
Vote 9 - Sport and Recreation		1,602	3,066	-	708	2,449	1,533	916	59.7%	3,066
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 11 - Other		484	544	-	39	225	272	(47)	-17.2%	544
Vote 12 - Waste Management		894	1,041	-	24	350	520	(171)	-32.8%	1,041
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Health		90	309	-	72	239	154	85	54.7%	309
Total Expenditure by Vote	2	246,851	157,981	-	19,028	101,388	78,991	22,398	28.4%	157,981
Surplus/ (Deficit) for the year	2	(1,915)	11,578	-	18,399	10,350	5,789	4,561	78.8%	11,578
<i>References</i>										
1. Insert 'Vote'; e.g. Department, if different to standard classification structure										
2. Must reconcile to Monthly Budget Statement - Financial Performance Statement (standard classification)										

Table 5: C4 Monthly Budget Statement – Financial Performance (Revenue and Expenditure)

KZN226 Mkhambathini - 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		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		630	685	-	56	336	343	(7)	-2%	685
Sale of Goods and Rendering of Services		1,217	561	-	10	556	280	276	98%	561
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-
Interest from Current and Non Current Assets		4,665	3,224	-	126	1,016	1,612	-	-	3,224
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		292	316	-	10	73	158	(85)	-54%	316
Licence and permits		8,056	8,351	-	497	3,534	4,175	(642)	-15%	8,351
Operational Revenue		316	384	-	225	664	192	472	246%	384
Non-Exchange Revenue										
Property rates		25,117	31,877	-	2,630	15,777	15,939	(161)	-1%	31,877
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1	2	-	0	1	1	(0)	-	2
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		187,480	105,999	-	32,042	81,652	53,000	28,653	-	105,999
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	1	-	1	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		227,774	151,400	-	35,596	103,611	75,700	27,911	37%	151,400
Expenditure By Type										
Employee related costs		54,265	59,635	-	7,287	29,774	29,817	(44)	0%	59,635
Remuneration of councillors		6,820	7,622	-	540	3,244	3,811	(567)	-15%	7,622
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		5,638	6,038	-	721	3,534	3,019	515	-	6,038
Debt impairment		-	4,700	-	-	-	2,350	(2,350)	-100%	4,700
Depreciation and amortisation		13,597	11,830	-	1,129	7,910	5,915	1,994	34%	11,830
Interest		-	-	-	-	-	-	-	-	-
Contracted services		134,254	40,726	-	5,041	40,078	20,363	19,716	97%	40,726
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		3,069	-	-	-	-	-	-	-	-
Operational costs		29,208	27,430	-	4,310	16,848	13,715	3,133	23%	27,430
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		246,851	157,981	-	19,028	101,388	78,991	22,398	28%	157,981
Surplus/(Deficit)		(19,077)	(6,581)	-	16,568	2,223	(3,291)	5,513	(0)	(6,581)
Transfers and subsidies - capital (monetary allocations)		17,162	18,159	-	1,831	8,128	9,080	(952)	(0)	18,159
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1,915)	11,578	-	18,399	10,350	5,789			11,578
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(1,915)	11,578	-	18,399	10,350	5,789			11,578
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(1,915)	11,578	-	18,399	10,350	5,789			11,578
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(1,915)	11,578	-	18,399	10,350	5,789			11,578
References										
1. Material variances to be explained on Table SC1										
Total Revenue (excluding capital transfers and contributions) including capi		244,936	169,559		37,427	111,739	84,780			169,559

Table 6: C5 Monthly Budget Statement Capital Expenditure

KZN226 Mkhambathini - 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 Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Multi-Year expenditure appropriation	2									
Vote 1 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services2		-	-	-	-	-	-	-	-	-
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Finance and Administration		2,906	3,550	-	8	842	1,775	(933)	-53%	3,550
Vote 2 - Finance and Administration2		-	-	-	-	-	-	-	-	-
Vote 3 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services2		551	16,227	-	1,273	5,067	8,114	(3,047)	-38%	16,227
Vote 6 - Energy Sources		-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		15,801	1,932	-	1,697	4,583	966	3,618	375%	1,932
Vote 8 - Planning and Development		26,566	-	-	-	-	-	-	-	-
Vote 9 - Sport and Recreation		(16,856)	-	-	-	-	-	-	-	-
Vote 10 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 13 - Housing		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 15 - Health		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	28,968	21,709	-	2,977	10,492	10,855	(362)	-3%	21,709
Total Capital Expenditure		28,968	21,709	-	2,977	10,492	10,855	(362)	-3%	21,709
Capital Expenditure - Functional Classification										
Governance and administration		2,906	3,550	-	8	842	1,775	(933)	-53%	3,550
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		2,906	3,550	-	8	842	1,775	(933)	-53%	3,550
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		(16,306)	16,377	-	1,273	5,153	8,189	(3,035)	-37%	16,377
Community and social services		551	16,227	-	1,273	5,067	8,114	(3,047)	-38%	16,227
Sport and recreation		(16,856)	-	-	-	-	-	-	-	-
Public safety		-	150	-	-	87	75	12	15%	150
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		41,400	1,932	-	1,697	4,957	966	3,991	413%	1,932
Planning and development		26,566	-	-	-	-	-	-	-	-
Road transport		14,834	1,932	-	1,697	4,957	966	3,991	413%	1,932
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		(2,556)	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	25,444	21,859	-	2,977	10,952	10,930	23	0%	21,859
Funded by:										
National Government		(5,298)	18,159	-	1,592	7,068	9,080	(2,012)	-22%	18,159
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (n-kind)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		(5,298)	18,159	-	1,592	7,068	9,080	(2,012)	-22%	18,159
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		30,742	3,700	-	1,385	3,885	1,850	2,035	110%	3,700
Total Capital Funding		25,444	21,859	-	2,977	10,952	10,930	23	0%	21,859
References										
1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).										
2. Include capital component of PPP unitary payment										
3. Capital expenditure by functional classification must reconcile to the total of multi-year and single year appropriations										
4. Include expenditure on investment property, intangible and biological assets										
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17										
7. Total Capital Funding must balance with Total Capital Expenditure										

Table 7: C6 Monthly Budget Statement Financial Position

KZN226 Mkhambathini - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2023/24	Budget Year 2024/25			Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		36,793	46,518	-	44,756	46,518
Trade and other receivables from exchange transactions		1,076	2,728	-	1,052	2,728
Receivables from non-exchange transactions		1,929	(1,313)	-	5,521	(1,313)
Current portion of non-current receivables		-	-	-	-	-
Inventory		73	38	-	73	38
VAT		(3,960)	20,821	-	(4,579)	20,821
Other current assets		695	-	-	572	-
Total current assets		36,606	68,791	-	47,395	68,791
Non current assets						
Investments		-	-	-	-	-
Investment property		3,800	14,765	-	3,800	14,765
Property, plant and equipment		265,412	265,247	-	268,657	265,247
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		71	1,294	-	46	1,294
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		269,283	281,307	-	272,503	281,307
TOTAL ASSETS		305,889	350,098	-	319,898	350,098
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		72	-	-	72	-
Trade and other payables from exchange transactions		11,830	(427)	-	10,504	(427)
Trade and other payables from non-exchange transactions		2,549	(444)	-	6,861	(444)
Provision		(577)	(3,600)	-	(577)	(3,600)
VAT		4,275	732	-	4,947	732
Other current liabilities		-	-	-	-	-
Total current liabilities		18,149	(3,740)	-	21,808	(3,740)
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		5,057	(6,823)	-	5,057	(6,823)
Total non current liabilities		5,057	(6,823)	-	5,057	(6,823)
TOTAL LIABILITIES		23,206	(10,563)	-	26,865	(10,563)
NET ASSETS	2	282,683	360,661	-	293,033	360,661
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		281,430	360,661	-	291,780	360,661
Reserves and funds		1,253	-	-	1,253	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	282,683	360,661	-	293,033	360,661
References						
1. Material variances to be explained in Table SC1						
2. Net assets must balance with Total Community Wealth/Equity						

Table 8: C7 Monthly Budget Statement Cash Flow

KZN226 Mkhambathini - 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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(26,730)	30,283	-	1,515	14,763	15,142	(379)	-3%	30,283
Service charges		(635)	749	-	46	316	374	(58)	-16%	749
Other revenue		8,349	9,585	-	507	3,608	4,792	(1,184)	-25%	9,585
Transfers and Subsidies - Operational		94,812	105,999	-	29,930	(70,846)	53,000	(123,846)	-234%	105,999
Transfers and Subsidies - Capital		86,265	18,159	-	4,540	(98,887)	9,080	(107,967)	-1189%	18,159
Interest		4,665	-	-	126	1,016	-	1,016	#DIV/0!	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(577)	(144,738)	-	2,977	(10,936)	(64,746)	(53,811)	83%	(144,738)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		166,150	20,037	-	39,641	(160,966)	17,641	178,607	1012%	20,037
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		364,097	(25,138)	-	(2,977)	10,952	(12,569)	(23,521)	187%	(25,138)
NET CASH FROM/(USED) INVESTING ACTIVITIES		364,097	(25,138)	-	(2,977)	10,952	(12,569)	(23,521)	187%	(25,138)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		530,247	(5,101)	-	36,663	(150,013)	5,072			-
Cash/cash equivalents at beginning:		7,006	(47,911)	-	-	36,871	(47,911)			36,871
Cash/cash equivalents at month/year end:		537,252	(53,012)	-		(113,143)	(42,839)			-
<u>References</u>										
1. Material variances to be explained in Table SC1										

Part 2 – Supporting Documents

1. Debtors Analysis

The gross outstanding debt from consumers amounts to R42.09 million as at 31 December 2024. This is depicted as follows:

Figure 3: Outstanding Debtors as at 31 December 2024

The table above details the outstanding debt as at 31 December 2024.

Service	180 Days	150 Days	120 days	90 Days	60 Days	30 Days	Current	Balance
Interest	5,190,920.67	0.00	0.00	0.00	0.00	0.00	0.00	5,190,920.67
Property Rates	30,514,237.84	916,798.61	928,037.61	-1,088,487.64	1,038,383.17	1,718,224.48	2,488,491.40	36,515,685.47
OTHER	-107,183.14	-9,507.60	-13,637.52	-63,977.19	-24,028.38	-53,022.70	-58,070.07	-329,426.60
Refuse	561,566.71	16,241.03	16,025.40	17,806.06	21,016.30	28,235.85	52,748.53	713,639.88
Grand Total	36,159,542.08	923,532.04	930,425.49	-1,134,658.77	1,035,371.09	1,693,437.63	2,483,169.86	42,090,819.42

2 Investment Portfolio Analysis

The investments of the municipality as at 31 December 2024, were as follows:

Table 9: Investments as at 31 December 2024

Investments and Cash		
Institution	Account Number	Balance
FNB (Primary Account)	62829533000	R 1 858 802.76
FNB (Call Account)	62831920766	R 13 315 456.98
ABSA (Fixed Deposit)	20-8121-9002	R 30 000 000.0
		R45 174 259.74

Interest rates from other financial institutions are also being sourced to ensure that the maximum amount of interest is realized on these investments. All Municipal grants are cashed-back

3 Allocation and grant receipts and expenditure

Grants for the period end 31 December 2024 are as follows:

Table 10: Outstanding conditional grants

Register as at 31 December 2024					
Account Number	Account Name	Opening Balance	RECIPT	EXPENDTURE	CLOSING BALANCE
/IL07048/F0791/	MIG	-	12,711,000.00	8,127,764.44	4,583,235.56
/IL08801/F1169/	EPWP GRANT	-	1,079,000.00	1,541,000.00	(462,000.00)
/IL08834/F1177/	FMG	-	3,000,000.00	2,163,143.65	836,856.35
1645/02/0201	Library Grant	-	2,518,000.00	1,787,597.76	730,402.24
/IL07028/F0786/ - IL07029	Electrification Grant	-	9,000,000.00	10,376,489.31	(1,376,489.31)
/IL07024/F0785/	Electrification Grant (COGTA)	22,633.13	-	-	22,633.13
/IL093085/F13641/X116/	Transport Grant (Roads)	2,082,131.01	-	2,632,484.72	(550,353.71)
/IL093092/F13639/	Housing	444,067.74	-	-	444,067.74
	TOTAL	2,548,831.88	28,308,000.00	26,628,479.88	4,228,352.00

From the table above R28.3 million of conditional grant including capital grants has been received from the anticipated annual grants of R124 million. We have spent R 26.6 million. The reconciliation of expenditure is checked by the General Manager for Technical Services and General Manager for Finance department to ensure that amounts outstanding on projects are correct.

TABLE 13: table SC7(1) Monthly Budget Statement

Capital Grants Unspent

KZN226 Mkhambathini - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant 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										
Operating expenditure of Transfers and Grants										
National Government:		17,050	3,000	-	2,384	(39,217)	1,500	(40,717)	-2714.5%	3,000
Expanded Public Works Programme Integrated Grant	-	3,000	-	-	-	(3,655)	-	(3,655)	#DIV/0!	-
Integrated National Electrification Programme Grant	-	-	-	-	2,328	(20,675)	-	(20,675)	#DIV/0!	-
Local Government Financial Management Grant	-	5,850	3,000	-	55	(6,687)	1,500	(8,187)	-545.8%	3,000
Municipal Disaster Relief Grant	-	8,200	-	-	-	(8,200)	-	(8,200)	#DIV/0!	-
Municipal Disaster Recovery Grant	-	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Other Transfers Public Corporations	-	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		17,050	3,000	-	2,384	(39,217)	1,500	(40,717)	-2714.5%	3,000
Capital expenditure of Transfers and Grants										
National Government:		94,436	19,700	-	1,831	(102,731)	9,850	(112,581)	-1142.9%	19,700
Integrated City Development Grant	-	14,000	-	-	-	(14,000)	-	(14,000)	#DIV/0!	-
Integrated National Electrification Programme Grant	-	20,800	1,541	-	-	(20,060)	771	(20,831)	-2703.5%	1,541
Municipal Infrastructure Grant	-	59,636	18,159	-	1,831	(68,670)	9,080	(77,750)	-856.3%	18,159
Other capital transfers [insert description]	-	-	-	-	-	-	-	-	-	-
Provincial Government:		500	-	-	-	(500)	-	(500)	#DIV/0!	-
KwaZulu-Natal	-	500	-	-	-	(500)	-	(500)	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		94,936	19,700	-	1,831	(103,231)	9,850	(113,081)	-1148.0%	19,700
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		111,986	22,700	-	4,215	(142,447)	11,350	(153,797)	-1355.0%	22,700

4. Employee Benefits and Councilors remuneration

TABLE 14: SC8 Monthly Budget Statement

KZN226 Mkhambathini - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Summary of Employee and Councillor remuneration	Ref	2023/24			Budget Year 2024/25					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		6,579	6,879	-	518	3,114	3,440	(326)	-9%	6,879
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		240	743	-	22	130	372	(241)	-65%	743
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		6,820	7,622	-	540	3,244	3,811	(567)	-15%	7,622
% increase	4		11.8%							11.8%
Senior Managers of the Municipality										
Basic Salaries and Wages		4,314	4,664	-	59	1,328	2,332	(1,004)	-43%	4,664
Pension and UIF Contributions		-	-	-	-	20	-	20	#DIV/0!	-
Medical Aid Contributions		120	-	-	10	60	-	60	#DIV/0!	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	120	-	10	60	60	-	-	120
Cellphone Allowance		18	320	-	5	80	160	(80)	-50%	320
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		494	360	-	-	15	180	(165)	-92%	360
Payments in lieu of leave		-	-	-	-	15	-	15	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4,946	5,464	-	83	1,578	2,732	(1,154)	-42%	5,464
% increase	4		10.5%							10.5%
Other Municipal Staff										
Basic Salaries and Wages		33,508	38,076	-	3,575	19,291	19,038	253	1%	38,076
Pension and UIF Contributions		6,038	6,847	-	610	3,424	3,423	1	0%	6,847
Medical Aid Contributions		2,532	2,581	-	234	1,317	1,290	27	2%	2,581
Overtime		895	946	-	33	242	473	(231)	-49%	946
Performance Bonus		3,337	3,389	-	2,449	2,490	1,695	795	47%	3,389
Motor Vehicle Allowance		634	360	-	59	302	180	122	68%	360
Cellphone Allowance		305	-	-	-	-	-	-	-	-
Housing Allowances		236	148	-	153	712	74	638	861%	148
Other benefits and allowances		18	20	-	15	23	10	13	126%	20
Payments in lieu of leave		1,511	1,249	-	-	201	625	(424)	-68%	1,249
Long service awards		301	554	-	-	-	277	(277)	-100%	554
Post-retirement benefit obligations		5	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		(0)	-	-	76	193	-	193	#DIV/0!	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		49,319	54,171	-	7,204	28,196	27,085	1,110	4%	54,171
% increase	4		9.8%							9.8%
Total Parent Municipality		61,085	67,257	-	7,827	33,018	33,629	(611)	-2%	67,257

5. Financial Performance

The financial performance for the first quarter is highlighted in the executive summary above and detailed in Table C4 above. It has been reported that the financial performance of the municipality has been favorable for the past six months. This is summarized in the table below. The table includes capital transfers.

Table 13: Summary of

KZN226 Mkhambathini - 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		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		630	685	-	56	336	343	(7)	-2%	685
Sale of Goods and Rendering of Services		1,217	561	-	10	556	280	276	98%	561
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-
Interest from Current and Non Current Assets		4,665	3,224	-	126	1,016	1,612	-	-	3,224
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		292	316	-	10	73	158	(85)	-54%	316
Licence and permits		8,056	8,351	-	497	3,534	4,175	(642)	-15%	8,351
Operational Revenue		316	384	-	225	664	192	472	246%	384
Non-Exchange Revenue										
Property rates		25,117	31,877	-	2,630	15,777	15,939	(161)	-1%	31,877
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1	2	-	0	1	1	(0)	-	2
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		187,480	105,999	-	32,042	81,652	53,000	28,653	-	105,999
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	1	-	1	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		227,774	151,400	-	35,596	103,611	75,700	27,911	37%	151,400
Expenditure By Type										
Employee related costs		54,265	59,635	-	7,287	29,774	29,817	(44)	0%	59,635
Remuneration of councillors		6,820	7,622	-	540	3,244	3,811	(567)	-15%	7,622
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		5,638	6,038	-	721	3,534	3,019	515	-	6,038
Debt impairment		-	4,700	-	-	-	2,350	(2,350)	-100%	4,700
Depreciation and amortisation		13,597	11,830	-	1,129	7,910	5,915	1,994	34%	11,830
Interest		-	-	-	-	-	-	-	-	-
Contracted services		134,254	40,726	-	5,041	40,078	20,363	19,716	97%	40,726
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		3,069	-	-	-	-	-	-	-	-
Operational costs		29,208	27,430	-	4,310	16,848	13,715	3,133	23%	27,430
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		246,851	157,981	-	19,028	101,388	78,991	22,398	28%	157,981
Surplus/(Deficit)		(19,077)	(6,581)	-	16,568	2,223	(3,291)	5,513	(0)	(6,581)
Transfers and subsidies - capital (monetary allocations)		17,162	18,159	-	1,831	8,128	9,080	(952)	(0)	18,159
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(1,915)	11,578	-	18,399	10,350	5,789			11,578
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(1,915)	11,578	-	18,399	10,350	5,789			11,578
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(1,915)	11,578	-	18,399	10,350	5,789			11,578
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(1,915)	11,578	-	18,399	10,350	5,789			11,578

7. FINANCIAL RATIOS

7.1 Personnel costs to total expenditure = employee related costs/ total expenditure x 100

$$= R 29 773 544.43 / R 101 388 366 \times 100$$

$$= 29\%$$

This ratio measures the extent of Remuneration to Total Operating Expenditure. If the ratio exceeds the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-service delivery related expenditure. The norm ranges between 25% and 40%.

7.2 Cost coverage ratio = Cash and Cash Equivalent – unspent grant / Current liabilities

$$= R45 174 259.74 - R4 228 352.01 / R21 807 514$$

$$= 2 \text{ months}$$

The ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month. The norm ranges between 1 month to 3 months.

7.3 Creditors payment period = Trade creditors outstanding / Trade creditors Purchases X 365

$$= R 132 110.45 / R 10 504 000 \times 365$$

$$= 5 \text{ Days}$$

Creditors Payment Period (Trade Creditors)

This ratio indicates the average number of days taken for trade creditors to be paid and the norm is 30 days.

A period of longer than 30 days to settle creditors is normally an indication that the municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc.

7.4 Net Debtors Days = ((Gross Debtors- Bad Debt Provision)/Billed Revenue)) X 365
 = R 42 090 819- 8 250 000/2 693 964 X 365
 = 546 Days

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality to receive payment from its consumers for bills issued to them for services rendered.

7.5 Collection Rate= Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance- Bad Debts Written Off)/Billed Revenue x 100
 = R 40 388 642+ 2 693 964 – R 42 090 819 /R 2 693 964 x 100
 = 78 %

The ratio indicates the collection rate; i.e. level of payments. It measures increases or decreases in debtors relative to annual billed revenue. In order to determine the real collection rate bad debts written-off is taken into consideration.

7.6 Current Ratio = Current Assets /Current Liabilities
 = R 47 394 896/ R 21 807 514
 = 1: 2

The ratio is used to assess the municipality's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). The norm ranges between 1.5 to 2.1. The higher the current ratio, the more capable the municipality will be able to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired level.

7.7 Capital Expenditure to Total Expenditure = Total Capital Expenditure/Total Expenditure x 100
 = R 10 952 266/ R 101 388 366X 100
 = 11%

The norm ranges between 10% and 20%. A ratio less than 10% reflects lower spending by the municipality in infrastructure and holds potential risks to service delivery. A ratio of more than 20% reflects higher spending on infrastructure and acceleration in service delivery, but could also hold financial sustainability risks if the infrastructure does not include both economic (revenue generating) and social type infrastructure.

7.8 Capital Expenditure Budget Implementation Indicator= Actual Capital Expenditure/Budget Capital Expenditure x 100
 = R 10 952 266 / 21 859 000X 100

= 50%

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality’s ability to implement capital projects and monitor the risks associated with non-implementation. The ratio also assesses whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget.

7.11 Operating Expenditure Budget Implementation Indicator= Actual Operating Expenditure/Budgeted Operating Expenditure X 100

= R 101 388 366 / R 157 981 103 X 100

= 64%

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assesses whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget. The norm ranges between 95% and 100%.

7.12 Operating Revenue Budget Implementation Indicator= Actual Operating Revenue/Budgeted Operating Revenue x 100

= R 103 610 940 / R 151 400 079 X 100

= 68%

This ratio measures the extent of Actual Operating Revenue (excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year, under review. The norm ranges between 95% and 100%.

The ratio measures the extent to which Total Capital Expenditure of the Municipality is funded through Internally Generated Funds. No norm at this stage. The funding mix for capital expenditure is dependent on the municipal policy and ability to raise revenue from different sources. Increased capacity for internally generated funding is required in some circumstances, which could also improve the balance in funding sources.

7. Municipal Manager's Quality Certificate

I, Mr. S Mngwengwe, Municipal Manager of Mkhambathini Municipality, hereby certify that the Mid-Year Budget Performance Assessment report on the implementation of the budget and financial state of affairs of the municipality for the Six Months/Mid-Year Budget Performance assessment of the financial year ending 31 December 2024 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Mr. S Mngwengwe

MUNICIPAL MANAGER: MKHAMBATHINI MUNICIPALITY, KZN226

SIGNATURE _____

DATE _____