



UBUHLEBEZWE MUNICIPALITY  
MID-YEAR BUDGET AND PERFORMANCE  
ASSESSMENT REPORT  
SECTION 72 OF THE MFMA

25 JANUARY 2024

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# **REPORT BY THE MAYOR OF UBUHLEBEZWE MUNICIPALITY**

**Honourable Speaker, Councillor SNM Chiya**

**Deputy Mayor, Councillor ZL Miya**

Executive Committee Members, Whip of Council, Councillor MC Nkontwana,, Honourable Councillors, Amakhosi who are present in this meeting, UBuhlebezwe administration led by the Municipal Manager, Mr ME Mkhize and All distinguished guests...I greet you all.

The current council that is gathered today has just finished its two-year term of office. This council is still working tirelessly on the ground trying to change the lives of the people as the main focus in our rural communities. Despite the Festive Season that we are from, I understand all Councillors are fresh and even recharged for a great start of the year 2024. Councillors were on the ground making sure that our community facilities are in good and ready state especially for the Sports programs that always takes place during the festive Season. However, I would also like to touch in the continuous rainfall that has become a big challenge and putting so many strains in our roads infrastructure and to our Sports facilities which led in most of our wards not being able to finish their planned tournaments during the Festive Season.

The road maintenance team and others from infrastructure had to work tirelessly to quantify the damage caused by the floods. I cannot mention Disaster Team who were always on the ground assisting in rescuing our communities that were affected and victimised by these floods. Since 2021, we have dedicated ourselves in ensuring that we respond prompt to all areas related to service delivery. When we begin this current year, in July 2023, we committed ourselves, not only to accelerate service delivery in our communities, but also to respond to all challenges and constrains.

This Council of today Honourable members is constituted in terms of the Municipal Financial Management Act (MFMA), Act 56 of 2003, Section 72b which is to review reports from the Accounting Officer assessing the performance of the Municipality during the first half of the Financial Year. Besides being mandated by MFMA, as public representatives' commitments, we have made to electorate and on continuous based we have a responsibility to account to council as a body representing communities. It is my pleasure and honour to get this opportunity to present the midyear assessment to this house with the aim of determining whether there is a need for adjusting our current budget or not.

Honourable Speaker of the council, I must also indicate that according to the cumulative MFMA Section 71 report, the MIG expenditure is sitting at 70% with the overall capital expenditure sitting at 56%. This is an outstanding achievement on MIG expenditure that we have done in years. Our Operational budget is sitting at 52%. There was a lot of improvement on property rate and refuse collection, which our rates in December are sitting at 55%, and the service charges (refuse and fire) at 96%. We are glad that we have catches up on interest on investment which is sitting at 78%. Honourable Speaker, I am also thrilled to report that, our electrification expenditure is sitting at 80% which translates that the electrification rollout is on high speed, sooner we will be reporting 100% coverage on electrification.

Accordingly, life expectancy has progressively improved. This improvement is related to advances we made in, among others, the building of new Sportsfield in ward 03&09 (Nonkwenkwana and Bayempini Mzizi) with the rehabilitation of Morningside Stadium in ward 04. Bhakaneni road, Little Flower to Fairview Road, Greens and Groove, Hawthorne workshop roads, Shiyabanye and Nhlawukeni Hall.

We have also managed to install two High mast lights at Mashakeni and Sangcwaba ward 03 and 5, with Amazabeko still in bid committees including the new robot on the corner of Margaret and High Street in Ixopo Town.

We have been able to energise Esigcakini/ Thafeni ward 8 Mandilini infills in ward 04, Chibini / Mashakeni ward 2/3 Nokweja infills in ward 11 with Highflats starting on the third quarter.

The report tabled below details the actual expenditure and actual revenue for the six months ending 31<sup>st</sup> of December 2023 against the projected budget. The report reflects a rather satisfactory expenditure trend as well as the revenue collecting generally. We still commit ourselves as the leadership and management to ensure we improve current level of revenue collection. It is with this reason that we are busy reviewing our revenue enhancement strategies to improve our collection rates.

I also wish to thank this Council for enthusiasm in ensuring that the legislative mandate is carried out for the benefit of our people. To the administration led by the accounting officer.

NGIYABONGA

## **RESOLUTION**

### **MID TERM BUDGET REVIEW RESOLUTIONS**

Section 72(1) of the Municipal Finance management Act no 56 of 2003 (MFMA) requires that the Accounting Officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year. The Municipal Budget and Reporting Regulations states that a mid – year budget and performance assessment must be in a format specified in Schedule C and include all required schedules.

The following resolutions were tabled by the Accounting Officer before the Mayor and Council for adoption and approval on the 25<sup>th</sup> January 2024.

a. That:-

The Mid – year budget and performance assessment for the period 01 July 2023 to 31 December 2023 be approved as set out in the tables:

- Table C1 – Monthly Budget Statement Summary
  - Table C2 – Monthly Budget Statement- Financial Performance (Revenue and Expenditure by standard classification)
  - Table C3 – Monthly Budget Statement - Financial Performance (Revenue and Expenditure by municipal vote)
  - Table C4 –Monthly Budget Statement - Financial Performance (Revenue by Source and Expenditure by type)
  - Table C5 – multi-year and single year capital appropriations (Capital expenditure by vote, standard classification and funding source)
  - Table C6 – Budgeted Financial Position
  - Table C7 – Budgeted Cash flow
  - Supporting Documents
- SC (1-13)**

b. Budget resolution attached.

## **EXECUTIVE SUMMARY**

As instructed by the Local Government: Municipal Finance Management Act No.56 of 2003, 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 25<sup>th</sup> January every year to be submitted to the Mayor, National and Provincial Treasury.

The following were considered as instruments to define the actual performance of Ubuhlebezwe Municipality for the period of July 2023 to December 2023,

- Approved Budget for 2023/2024,
- Service Delivery Budget and Implementation Plan
- Council approved Procurement Plan
- Budget versus actual on approved 2023/2024 budget
- Investments and Cash and Cash equivalents
- Analysis of billed revenue versus collected revenue
- Analysis of budgeted expenditure versus actual expenditure for six months ending December 2023
- Monthly MFMA Section 71 reports
- Mid – term performance report, considering targets versus actuals for both the first and the second quarter.
- Audited Annual Financial Statements for the previous year.
- Auditor General’s audit report for the previous year
- Risk Register

During this process it became noticeable that the municipality must adjust its current budget (2023/2024) accordingly. The Accounting Officer will therefore ensure that the adjusted budget document is approved by Council on the 25 February 2024 as prescribed by the MFMA regulations.

**The report below details the final mid-year budget and performance assessment.**

## **2023/2024 BUDGET GUIDELINES AND ASSUMPTIONS**

The 2023/2024 mid-term budget has been prepared in accordance with guidelines and assumptions as outlined in Circular 58, taking into consideration the following aspects:

- National budget assumptions, guidelines, and projections.
- Alignment with national and provincial priorities.
- Headline inflation and gross domestic products forecasts; and
- Revenue assumptions regarding grants allocation in terms of DORA.

### **Municipal budget underlying assumptions, guidelines, and projections.**

- Anticipated own revenue from rates and services charges, sundry charges and other revenues and affordability of ratepayers and consumers services.
- The ability of municipality to collect revenue (payment level).
- Operating expenditure cost drivers and growth thereof.
- Capital budget funding model.
- Protecting the poor by ensuring access to basic services.

## 2023/2024 FINANCIAL YEAR OVERVIEW

- 1.1 The 2023/2024 annual budget, Integrated Development Plan and service delivery and budget implementation plan was adopted on the 1<sup>st</sup> of May 2023.
- 1.2 The municipality submitted its Annual Financial Statements for 2022/2023 financial year on the 31 August 2023 to Auditor General.
- 1.3 Ubuhlebezwe municipality received an unqualified with matters of emphasis audit opinion from the AG.
- 1.4 The budget has been monitored through section 71 reports monthly.
- 1.5 Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

KZN434 Ubuhlebezwe - Table C1 Monthly Budget Statement Summary - M06 December

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	23 611	52 764	–	4 366	26 128	26 382	(254)	-1%	52 764
Service charges	3 237	3 507	–	303	1 731	1 753	(23)	-1%	3 507
Investment revenue	14 673	12 500	–	1 621	9 767	6 250	3 517	56%	12 500
Transfers and subsidies - Operational	137 372	150 333	–	41 029	119 991	75 167	44 824	60%	150 333
Other own revenue	15 083	7 985	–	3 556	14 888	3 993	10 895	273%	7 985
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>193 976</b>	<b>227 089</b>	<b>–</b>	<b>50 875</b>	<b>172 504</b>	<b>113 545</b>	<b>58 960</b>	<b>52%</b>	<b>227 089</b>
Employee costs	81 519	94 410	–	8 863	48 206	47 205	1 001	2%	94 410
Remuneration of Councillors	11 233	10 960	–	950	6 109	5 480	630	11%	10 960
Depreciation and amortisation	41 417	36 000	–	2 441	14 379	18 000	(3 621)	-20%	36 000
Interest	6	5	–	–	0	3	(2)	-89%	5
Inventory consumed and bulk purchases	1 369	1 535	–	41	343	768	(425)	-55%	1 535
Transfers and subsidies	5 042	9 826	–	756	3 891	4 913	(1 022)	-21%	9 826
Other expenditure	66 782	60 844	–	500	38 621	30 422	8 199	27%	60 844
<b>Total Expenditure</b>	<b>207 368</b>	<b>213 580</b>	<b>–</b>	<b>13 552</b>	<b>111 549</b>	<b>106 790</b>	<b>4 759</b>	<b>4%</b>	<b>213 580</b>
<b>Surplus/(Deficit)</b>	<b>(13 392)</b>	<b>13 509</b>	<b>–</b>	<b>37 323</b>	<b>60 955</b>	<b>6 754</b>	<b>54 201</b>	<b>802%</b>	<b>13 509</b>
Transfers and subsidies - capital (monetary)	32 640	41 499	–	5 092	28 966	20 750	8 216	40%	41 499
Transfers and subsidies - capital (in-kind)	4 121	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>23 369</b>	<b>55 008</b>	<b>–</b>	<b>42 416</b>	<b>89 921</b>	<b>27 504</b>	<b>62 417</b>	<b>227%</b>	<b>55 008</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>23 369</b>	<b>55 008</b>	<b>–</b>	<b>42 416</b>	<b>89 921</b>	<b>27 504</b>	<b>62 417</b>	<b>227%</b>	<b>55 008</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>36 481</b>	<b>59 605</b>	<b>–</b>	<b>5 550</b>	<b>29 508</b>	<b>29 802</b>	<b>(295)</b>	<b>-1%</b>	<b>59 605</b>
Capital transfers recognised	28 285	41 499	–	4 264	25 236	20 750	4 487	22%	41 499
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	8 196	18 106	–	1 286	4 272	9 053	(4 781)	-53%	18 106
<b>Total sources of capital funds</b>	<b>36 481</b>	<b>59 605</b>	<b>–</b>	<b>5 550</b>	<b>29 508</b>	<b>29 802</b>	<b>(295)</b>	<b>-1%</b>	<b>59 605</b>
<b>Financial position</b>									
Total current assets	235 166	306 322	–		299 600				306 322
Total non current assets	365 569	389 573	–		380 698				389 573
Total current liabilities	39 652	40 886	–		29 178				40 886
Total non current liabilities	8 626	11 306	–		8 626				11 306
Community wealth/Equity	529 088	643 703	–		552 573				643 703
<b>Cash flows</b>									
Net cash from (used) operating	82 796	77 578	–	47 960	76 726	38 789	(37 937)	-98%	77 578
Net cash from (used) investing	(31 019)	(67 200)	–	(5 587)	(32 430)	(33 600)	(1 170)	3%	(67 200)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the month/year end</b>	<b>825 519</b>	<b>239 009</b>	<b>–</b>	<b>44 296</b>	<b>44 296</b>	<b>24 241</b>	<b>(20 055)</b>	<b>-83%</b>	<b>239 009</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	4 411	4 525	4 430	4 263	4 211	4 019	7 920	63 752	97 531
<b>Creditors Age Analysis</b>									
Total Creditors	542	530	1 273	792	171	59	1 135	3 035	7 537

- 1.6 For the first six months period ending December 2023, Capital expenditure is at 50% against an approved budget which is exactly the set target of 50% articulated at the beginning of the financial year, MIG spending is at 61%, and internally funded projects sitting at 24%. The municipality anticipates capital expenditure to be 100% at the end of June 2024. The municipality has a history of spending 100% of capital grant funding; being MIG and other capital grants.
- 1.7 Operating expenditure is at 52% as at 31 December 2023.
- 1.8 Cash and Cash equivalents is **R 231 874 960.71** as at 31 December 2023 while unspent conditional grants amounted to **R4 269 530.78** (Difference between grant funding received and actual expenditure on those grants). All the unspent monies are invested in different call deposit accounts to generate interest.


## REVENUE FROM RATES

Budgeted revenue for property rates is R52 764 000 and the Municipality has billed R26 128 000. Revenue billed from rates is 50% against approved budget as at the end of December 2023 which is exactly as per estimate at the beginning of the Financial Year and the collection rate is 54.07%. We are still on target for the budgeted revenue therefore no adjustment needed, the municipality needs to improve collection rate.

### 2023/24 Billed Property Rates

KZN434 Ubuhlebezwe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Non-Exchange Revenue		-	-	-	-	-	-	-	-	-
Property rates		23 611	52 764	-	4 366	26 128	26 382	(254)	-1%	52 764

### 2023/24 Property Rates - Collection Rate

2023-2024 Collection Rate				 <b>THE UBULEBEZWE MUNICIPALITY</b>			
	M T D						Y T D
	July	August	September	October	November	December	Total
Receipts	2 782 941.27	988 926.00	1 729 737.02	1 401 284.19	2 853 043.58	2 390 498.23	12 146 430.29
Rates	4 385 336.74	4 385 336.74	4 378 236.23	4 375 384.62	4 365 923.44	4 365 923.44	26 256 141.21
Collection Rate	63.46%	22.55%	39.51%	32.03%	65.35%	54.75%	46.26%


## REVENUE FROM SERVICE CHARGES

The budget for waste management is R3 507 000 and the total amount billed for the six months ending 31 December 2023 is R1 731 000, which is 50% against approved budget. Therefore, no adjustments will be done since the municipality is confident that the forecasted amount will be achieved by 30 June 2024. Collection rate as at 31 December 2023 is 96.76% and there is great improvement compared to the previous Financial Years which was 61%.

## 2023/24 Billed Service Charges

KZN434 Ubuhebezwe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	22/23	Budget Year 2023/24							
		Audited Income	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Service charges - Waste management		3 237	3 507	–	303	1 731	1 753	(23)	-1%	3 507

## 2023/24 Service Charges - Collection Rate

2023-2024 Collection Rate				 <b>THE UBUHLEBEZWE MUNICIPALITY</b>			
	M T D						Y T D
	July	August	September	October	November	December	Total
Receipts	392 885.83	139 613.06	244 198.17	197 828.35	402 782.62	337 482.10	1 714 790.13
Refuse	347 009.56	343 824.39	344 090.35	348 601.68	348 786.06	348 786.06	2 081 098.10
Collection Rate	113.22%	40.61%	70.97%	56.75%	115.48%	96.76%	82.40%

## REVENUE

### Remarks

KZN434 Ubuhebezwe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December								
Description	Ref	2022/23	Budget Year 2023/24					% of generated revenue against budget
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	
R thousands								
Revenue								
Exchange Revenue								
Service charges - Electricity		-	-	-	-	-	-	0%
Service charges - Water		-	-	-	-	-	-	0%
Service charges - Waste Water Management		-	-	-	-	-	-	0%
Service charges - Waste management		3 237	3 507	-	303	1 731	1 753	49%
Sale of Goods and Rendering of Services		6 245	168	-	2 143	5 233	84	3115%
Agency services		1 133	1 300	-	117	674	650	52%
Interest		-	-	-	-	-	-	0%
Interest earned from Receivables		-	-	-	68	388	-	0%
Interest from Current and Non Current Assets		14 673	12 500	-	1 621	9 767	6 250	78%
Dividends		-	-	-	-	-	-	0%
Rent on Land		-	-	-	-	-	-	0%
Rental from Fixed Assets		2 897	1 859	-	229	1 560	929	84%
Licence and permits		124	371	-	3	17	186	4%
Operational Revenue		1 325	1 225	-	(7)	1 162	613	95%
Non-Exchange Revenue		-	-	-	-	-	-	0%
Property rates		23 611	52 764	-	4 366	26 128	26 382	50%
Surcharges and Taxes		-	-	-	-	-	-	0%
Fines, penalties and forfeits		821	871	-	67	313	435	36%
Licence and permits		2 539	2 081	-	225	1 653	1 041	79%
Transfers and subsidies - Operational		137 372	150 333	-	41 029	119 991	75 167	80%
Interest		-	110	-	713	3 888	55	3534%
Fuel Levy		-	-	-	-	-	-	0%
Operational Revenue		-	-	-	-	-	-	0%
Gains on disposal of Assets		-	-	-	-	-	-	0%
Other Gains		-	-	-	-	-	-	0%
Discontinued Operations		-	-	-	-	-	-	0%
Total Revenue (excluding capital transfers and contributions)		193 976	227 089	-	50 875	172 504	113 545	76%

The overall total revenue generated is sitting at 76% of the approved budget as at 31 December 2023.

**Property Rates-** Property rates are at 50% of budgeted amount. As a result, no adjustment will be needed during the preparation of Adjusted Budget 2023/24.

**Service Charges (Refuse and Fire Service)** – Refuse and Fire is 49% of the budgeted amount at mid-year. The performance of this revenue item will be reviewed during the adjustment budget, a downwards adjustments may be necessary.

**Sales of Goods and Rendering of Services** – Sales of Goods and Rendering of Services is 3115% and this is due to the change of Accounting Treatment for INEP as per guide that was issued after budget had been approved for 2023/24 Financial Year. The guide states that revenue for INEP must be recognised as Contract Revenue (Grap 11) under sales of goods and rendering of services (mSCOA). An upwards adjustment will be made implemented to cater for this change.

**Agency Fees** – Agency Services as at 31 December 2023 is sitting at 52% compared to approved budget for 2023/24 Financial Year. This is slightly above the anticipated 50% projection, performance of this revenue item closely monitored and upwards adjustment maybe implemented.

**Interest Earned** – Interest Earned on investments is sitting at 78% of the budget as at the end of December 2023. Interest revenue is more than anticipated due to the gradual improvement in the markets. An upwards adjustment will be implemented during the Adjusted Budget 2023/24.

**Rental income** – Rental of municipal facilities and equipment is at 84% of the budget. This because of increased usage of rental facilities in comparison with the previous year, there is a need for an upwards adjustment for this revenue item during the Adjusted Budget 2023/24.

**Licence and Permits – Exchange Revenue.** This item refers revenue from (Market Porters and Taxi Rank) as at 31 December 2023 is sitting at 4%, which is drastically lower than the anticipated collection of 50%. A downwards adjustment will be affected during adjusted budget.

**Law enforcement- Non-Exchange Revenue** - Traffic fines are at 79% of the approved budget. The municipality will adjust upwards during adjustment budget.

**Other revenue** –Other revenue is at 95% of the budget. This suggest that revenue should be adjusted upwards must be implemented during adjustment budget in February 2024.

**Fines, Penalties and Forfeits**– Fines are at 36% as at 31 December 2023 of the approved budget. The performance of this revenue item will be reviewed during the adjustment budget, a downwards adjustment may be necessary. Online licence renewals may pose a threat to this revenue line item as customers may prefer this route.

**Interest on outstanding debtors** – Interest on outstanding debtors is sitting at 3534% as at the end of December 2023. This is due to estimates that were not clear at the begging on the year. Upwards adjustment will be implemented taking into account historical data of the first 6 months as this was the first-year municipality implemented interest charge on outstanding debtors.

**Transfers and subsidies** – Transfers and subsidies are sitting at 80% compared to approved budget. Payment schedules for grants were only issued after approval of budget, hence budget was split evenly between 12 months financial year period. Correct allocations will be applied during adjustment budget.

## EXPENDITURE

KZN434 Ubuhlebezwe - Table C4 Monthly Budget Statement Performance (revenue and expenditure) - M06 December							
Description	Ref	Budget Year 2023/24					
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% of generated revenue against budget
R thousands							
Expenditure By Type							
Employee related costs		94 410	–	8 863	48 206	47 205	51%
Remuneration of councillors		10 960	–	950	6 109	5 480	56%
Bulk purchases - electricity		–	–	–	–	–	
Inventory consumed		1 535	–	41	343	768	22%
Debt impairment		1 700	–	–	–	850	0%
Depreciation and amortisation		36 000	–	2 441	14 379	18 000	40%
Interest		5	–	–	0	3	6%
Contracted services		25 438	–	(2 451)	25 787	12 724	101%
Transfers and subsidies		9 826	–	756	3 891	4 913	40%
Irrecoverable debts written off		2 378	–	–	–	1 189	0%
Operational costs		31 327	–	2 951	12 834	15 660	41%
Losses on Disposal of Assets		–	–	–	–	–	
Other Losses		–	–	–	–	–	
Total Expenditure		213 580	–	13 552	111 549	106 790	52%

The operating annual budget approved by the Council is R213 580 000 and the year-to-date actual expenditure for the period ending 31 December 2023 is sitting at R111 549 000 which is 52% expenditure against an approved budget at the reporting date. This is still within the range and the set target will be achieved.

**Employee Related Costs** – Employee Related costs are at 51% of the budget, which is reasonable and within range and there is no need for adjustment.

**Remuneration of councillors** - Remuneration of councillors is at 56% of the budget, which is due to implementation of upper limits. An upwards adjustment should be made effected to cater for the approved upper limit %.

**Other materials (Inventory Consumed)** - The expenditure to other material is 22% of the budget. Majority of this budget with tools that are used as offices supplies and material used for repairs and maintenance of municipal assets. Some projects that have direct impact on these items will be implemented in Q3 and 4 as per procurement plan.

**Contracted Services** - In this category of expenditure, the municipality has spent 101%, this is due to change of Accounting Treatment for INEP expenditure to be classified as contracted services. The guide for this change was only received in August 2023 after budget had been approved. An upwards adjustment must be implemented to cater for this change.

**Other Expenditure** - The spending in these items is reasonable and adjustment is not required. We have spent 41% and this is similar to the Inventory Consumed where programmes under this line item predominantly falls within the last two quarters of the Financial Year.

**Depreciation and amortisation** - Depreciation is budgeted in line with Fixed Asset Register and procurement of capital assets budgeted in the 2023/24 financial year. Expenditure is sitting at 40% at mid-year, we expect to reach 100% at year end.

**Transfers and subsidies – Expenditure.** Transfers and subsidies are sitting at 40% as at 31 December 2023 of the approved budget. Some programmes under this line item predominantly falls within the last two quarters of the Financial Year. The budget will be met during the year.

### Capital expenditure report:(Table C5 and detailed Capital Budget).

The Capital expenditure report shown in Table C5 has been prepared on the basis of the format required to be lodged electronically with National Treasury, and is categorised into municipal vote, standard classification and funding.

The status of year-to date capital expenditure compared to departmental Service Delivery Budget Implementation Plan (SDBIP) targets for key infrastructure items as indicated in Table C5.

### Capital Expenditure Report

	DEPART MENT	SOURCE OF FUNDING	FINAL BUDGET 2023/24	MTD ACTUAL	RETENTION 2023- 24 VAT EXCL	Year To Date 2022 23 VAT EXCL	Year To Date 2023- 24 VAT INCL	Percentage Spent VAT EXCL	Percentage Spent VAT INCL
<b>Infrastructure INT</b>			<b>3 650 000.00</b>	<b>358 683.84</b>	<b>39 853.76</b>	<b>1 953 049.10</b>	<b>2 246 006.47</b>	<b>54%</b>	<b>62%</b>
<b>Infrastructure MIG</b>			<b>11 721 945.16</b>	<b>764 366.36</b>	<b>37 250.16</b>	<b>8 694 748.04</b>	<b>9 998 960.25</b>	<b>74%</b>	<b>85%</b>
Ithubalethu Internal Roads	IPD	Int	2 520 000.00	358 683.84	39 853.76	1 953 049.10	2 246 006.47	78%	89%
Ithubalethu Internal Roads - Indirect Cost	IPD	Int	480 000.00	-	-	-	-	0%	0%
Barleda Road	IPD	Int	30 000.00	-	-	-	-	0%	0%
Mbhoshongweni/Phuthini Road	IPD	Int	30 000.00	-	-	-	-	0%	0%
Ntambama Road	IPD	Int	30 000.00	-	-	-	-	0%	0%
Chibini Hall Accessing Regravelling	IPD	Int	30 000.00	-	-	-	-	0%	0%
Townland Road	IPD	Int	30 000.00	-	-	-	-	0%	0%
Ntabankunzi Road Regravelling	IPD	Int	30 000.00	-	-	-	-	0%	0%
Sobantu Road	IPD	Int	20 000.00	-	-	-	-	0%	0%
Scotchville Road	IPD	Int	30 000.00	-	-	-	-	0%	0%
Roman Road	IPD	Int	30 000.00	-	-	-	-	0%	0%
Madungeni Hall Accessing Regravelling	IPD	Int	20 000.00	-	-	-	-	0%	0%
Hardware	IPD	Int	20 000.00	-	-	-	-	0%	0%
Jili Road	IPD	Int	20 000.00	-	-	-	-	0%	0%
Hlengwa Road	IPD	Int	20 000.00	-	-	-	-	0%	0%
Bhengu Road	IPD	Int	30 000.00	-	-	-	-	0%	0%
Black/Mfeka	IPD	Int	30 000.00	-	-	-	-	0%	0%
Fana Nyathi and St Nicholas Road	IPD	Int	20 000.00	-	-	-	-	0%	0%
Mcasimbana Road ward 03	IPD	Int	30 000.00	-	-	-	-	0%	0%
Bhakaneni Ward 08	IPD	MIG	2 533 440.00	-	-	2 056 522.35	2 365 000.70	81%	93%
Bhakaneni Ward 08 - Indirect Cost	IPD	MIG	482 560.00	-	-	387 116.46	445 183.93	80%	92%
Mngunyathi Road 1 km Ward 05	IPD	MIG	1 050 000.00	-	-	-	-	0%	0%
Mngunyathi Road 1 km Ward 05 - Indirect Cost	IPD	MIG	200 000.00	-	-	51 080.07	58 742.08	26%	29%
Greers and Grove, Hawthorne Roads, Wards 10 & 11	IPD	MIG	4 410 000.00	-	-	1 609 520.70	1 850 948.81	36%	42%
Greers and Grove, Hawthorne Roads, Wards 10 & 11 - Indirect Cost	IPD	MIG	840 000.00	-	-	1 031 725.08	1 186 483.84	123%	141%
Little Flower to Fairview Road (Direct)	IPD	MIG	1 852 993.93	708 846.36	37 250.16	3 333 192.80	3 833 171.72	180%	207%
Little Flower to Fairview Road (Indirect Cost)	IPD	MIG	352 951.23	55 520.00	-	225 590.58	259 429.17	64%	74%
Municipal exit point ( construction)	IPD	int	200 000.00	-	-	-	-	0%	0%
<b>Community Assets INT</b>			<b>300 000.00</b>	<b>-</b>	<b>-</b>	<b>193 338.69</b>	<b>222 339.49</b>	<b>64%</b>	<b>74%</b>
<b>Community Assets MIG</b>			<b>14 380 000.00</b>	<b>1 276 932.00</b>	<b>-</b>	<b>6 484 923.41</b>	<b>7 457 661.92</b>	<b>45%</b>	<b>52%</b>
Bayempini Sportfield W9		MIG	5 359 200.00	1 276 932.00	-	5 055 982.98	5 814 380.43	94%	108%
Bayempini Sportfield W9 -Indirect Cost		MIG	1 020 800.00	-	-	781 251.38	898 439.09	77%	88%
Nkweletsheni Kick-about Sportfield W5		Int	300 000.00	-	-	193 338.69	222 339.49	64%	74%
rehabilitation of morningside (ring fence mig)	IPD	MIG	6 720 000.00	-	-	545 119.36	626 887.26	8%	9%
rehabilitation of morningside (ring fence int)	IPD	MIG	1 280 000.00	-	-	102 569.69	117 955.14	8%	9%
<b>Community Halls INT</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Community Halls MIG</b>			<b>8 657 054.84</b>	<b>1 472 459.48</b>	<b>192 774.98</b>	<b>7 062 496.73</b>	<b>8 121 871.24</b>	<b>82%</b>	<b>94%</b>
Skhunyane Hall W14		MIG	3 103 823.03	997 583.56	92 853.38	2 492 688.71	2 866 592.02	80%	92%
Skhunyane Hall W14 - Indirect Cost		MIG	591 204.39	28 751.42	-	294 702.05	338 907.36	50%	57%
Phambuka Hall W9		MIG	1 064 280.00	-	-	-	-	0%	0%
Phambuka Hall W9 - Indirect Cost		MIG	202 720.00	-	-	95 601.71	109 941.97	47%	54%
Nhlewukeni hall W13		MIG	3 103 823.03	446 124.50	99 921.60	3 687 324.08	4 240 422.69	119%	137%
Nhlewukeni hall W13 - Indirect Cost		MIG	591 204.39	-	-	492 180.18	566 007.21	83%	96%
<b>Buildings LED INTERNAL</b>			<b>1 000 000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>0%</b>
<b>Buildings LED</b>			<b>2 000 000.00</b>	<b>309 949.05</b>	<b>4 750.91</b>	<b>988 747.32</b>	<b>1 137 059.42</b>	<b>49%</b>	<b>57%</b>
Construction of market stalls		INT	840 000.00	-	-	-	-	0%	0%
Construction of market stalls - Indirect Cost		INT	160 000.00	-	-	-	-	0%	0%
Construction of market stalls		LED	1 680 000.00	-	-	-	-	0%	0%
Light Industrial Park	LED	LED	-	174 174.71	4 750.91	688 809.05	792 130.41		
Construction of market stalls - Indirect Cost		LED	320 000.00	135 774.34	-	299 938.27	344 929.01	94%	108%

<b>Electrification MIG</b>			<b>4 740 000.00</b>	<b>184 881.60</b>	<b>20 542.40</b>	<b>1 838 571.29</b>	<b>2 114 356.98</b>	<b>39%</b>	<b>45%</b>
<b>Electrification INT</b>			<b>1 860 000.00</b>	-	-	-	-	<b>0%</b>	<b>0%</b>
Golf Course Electrification	IPD	Int	5 000.00	-	-	-	-	0%	0%
CRU Electrification	IPD	Int	5 000.00	-	-	-	-	0%	0%
Amazabeko Highmast W12		MIG	1 327 200.00	-	-	-	-	0%	0%
Amazabeko Highmast W12 - Indirect Cost			252 800.00	-	-	84 956.78	97 700.30	34%	39%
Mashakeni Highmast W3		MIG	1 327 200.00	-	-	862 235.00	991 570.25	65%	75%
Mashakeni Highmast W3 - Indirect Cost		MIG	252 800.00	-	-	97 654.61	112 302.80	39%	44%
Sangcwaba Highmast W5		MIG	1 327 200.00	184 881.60	20 542.40	705 355.00	811 158.25	53%	61%
Sangcwaba Highmast W5 - Indirect Cost		MIG	252 800.00	-	-	88 369.90	101 625.39	35%	40%
Solar for main office building	IPD	INT	1 450 000.00	-	-	-	-	0%	0%
StreetLights/ Solar	IPD	INT	400 000.00	-	-	-	-	0%	0%
<b>VEHICLES</b>			<b>1 810 000.00</b>	<b>768 530.00</b>	-	<b>768 530.00</b>	<b>883 809.50</b>	<b>42%</b>	<b>49%</b>
Mayoral car		Int	700 000.00	768 530.00	-	768 530.00	883 809.50	110%	126%
Fire engine truck			10 000.00	-	-	-	-	0%	0%
Double Cab -Corporate	Corporat	Int	550 000.00	-	-	-	-	0%	0%
Double Cab -Traffic	Corporat	Int	550 000.00	-	-	-	-	0%	0%
<b>Other Equipment</b>			<b>4 092 000.00</b>	<b>20 000.00</b>	-	<b>255 362.04</b>	<b>293 666.35</b>	<b>6%</b>	<b>7%</b>
Brush cutters *6			100 000.00	-	-	-	-	0%	0%
Podium	SD	Int	20 000.00	20 000.00	-	20 000.00	23 000.00	100%	115%
Fire suppression	Corporat	Int	200 000.00	-	-	-	-	0%	0%
portable Generator 7.5KVA	SD	Int	150 000.00	-	-	-	-	0%	0%
Jaws of Life	fire	Int	1 250 000.00	-	-	-	-	0%	0%
Brake testing machine	law		220 000.00	-	-	173 400.00	199 410.00	79%	91%
Fire Equipment	fire	Int	150 000.00	-	-	-	-	0%	0%
CCTV Camaras Installation	Corporat	Int	-	-	-	61 962.04	71 256.35		
3x Municipal Kitchens	Corporat	Int	50 000.00	-	-	-	-	0%	0%
3x Guard Houses	Corporat	Int	150 000.00	-	-	-	-	0%	0%
UPS systems for new server room	Corporat	Int	250 000.00	-	-	-	-	0%	0%
Access gate Traffic	law	int	50 000.00	-	-	-	-	0%	0%
Movable filing cabinet x3	Corporat	Int	150 000.00	-	-	-	-	0%	0%
steel cabinet x3	Corporat	Int	30 000.00	-	-	-	-	0%	0%
Fencing and access gate for municipal properties	corporat	Int	1 252 000.00	-	-	-	-	0%	0%
Fencing of Mariathal cemetery		Int	20 000.00	-	-	-	-	0%	0%
restoration of rail way	SD	INT	50 000.00	-	-	-	-	0%	0%
<b>Computer and IT Equipment INT</b>			<b>1 114 000.00</b>	<b>49 109.00</b>	-	<b>126 459.00</b>	<b>145 427.85</b>	<b>11%</b>	<b>13%</b>
<b>Computer and IT Equipment MIG</b>			-	-	-	-	-	<b>0%</b>	<b>0%</b>
Laptops	Corporat	Int	600 000.00	22 119.00	-	22 119.00	25 436.85	4%	4%
GIS Laptops *2	Corporat	Int	150 000.00	-	-	-	-	0%	0%
Other IT Equipment	Corporat	Int	130 000.00	26 990.00	-	43 990.00	50 588.50	34%	39%
Sound System	SD		50 000.00	-	-	-	-	0%	0%
Portable speaker With 2 mics	SD		12 000.00	-	-	10 500.00	12 075.00	88%	101%
Camera	SD	Int	30 000.00	-	-	-	-	0%	0%
Communication equipment	MM	Int	50 000.00	-	-	49 850.00	57 327.50	100%	115%
Biometric Scan	Corporat	Int	42 000.00	-	-	-	-	0%	0%
Technical Equipment for new boardroom	Corporat	Int	50 000.00	-	-	-	-	0%	0%
<b>Office Furniture</b>			<b>522 000.00</b>	<b>49 500.00</b>	-	<b>214 600.00</b>	<b>246 790.00</b>	<b>41%</b>	<b>47%</b>
Plastic Chairs Hall	SD	Int	70 000.00	-	-	-	-	0%	0%
Tender/Application/suggestion box	Corporat		20 000.00	-	-	-	-	0%	0%
5x Microwave Ovens	Corporat	Int	25 000.00	22 500.00	-	22 500.00	25 875.00	90%	104%
3x Fridges	Corporat	Int	30 000.00	-	-	3 000.00	3 450.00	10%	12%
Aircondition unit	Corporat	Int	200 000.00	27 000.00	-	189 100.00	217 465.00	95%	109%
cutlery	Corporat	Int	30 000.00	-	-	-	-	0%	0%
Building Furniture (Housing)	IPD		100 000.00	-	-	-	-	0%	0%
Municipal boardroom furniture	Corporat	Int	22 000.00	-	-	-	-	0%	0%
Cleaning Equipment (Office &Fleet)	Corporat	Int	25 000.00	-	-	-	-	0%	0%
<b>Intangible</b>		<b>Int</b>	<b>907 600.00</b>	-	-	<b>2 900.00</b>	<b>3 335.00</b>	<b>0%</b>	<b>0%</b>
GPS software	IPD	Int	70 000.00	-	-	-	-	0%	0%
Software licenses	Corporat	Int	837 600.00	-	-	2 900.00	3 335.00	0%	0%
<b>Land</b>		<b>Int</b>	<b>2 850 000.00</b>	-	-	<b>721 530.59</b>	<b>777 260.18</b>	<b>25%</b>	<b>27%</b>
Land Acquisition(Mariathal cemetery)	IPD	Int	350 000.00	-	-	350 000.00	350 000.00	100%	100%
Golf Course ReFurb	IPD	Int	500 000.00	-	-	-	-	0%	0%
Statistics Building Refurb	IPD	Int	1 000 000.00	-	-	-	-	0%	0%
Thusong / Traffic Refurb			1 000 000.00	-	-	371 530.59	427 260.18	37%	43%
<b>Total Expenditure</b>			<b>59 604 600.00</b>	<b>5 254 411.33</b>	<b>295 172.21</b>	<b>29 305 256.21</b>	<b>33 648 544.64</b>	<b>50%</b>	<b>58%</b>
MIG Expenditure			39 499 000.00	3 698 639.44	250 567.54	24 080 739.47	27 692 850.39	61%	70%
Led Grant			2 000 000.00	309 949.05	4 750.91	988 747.32	1 137 059.42	49%	57%
Internal Expenditure			18 105 600.00	1 245 822.84	39 853.76	4 235 769.42	4 818 634.83	23%	27%
<b>Total Expenditure</b>			<b>59 604 600.00</b>	<b>5 254 411.33</b>	<b>295 172.21</b>	<b>29 305 256.21</b>	<b>33 648 544.64</b>	<b>50%</b>	<b>58%</b>

The expenditure on MIG is sitting at 61% excluding Vat against the budget against allocations received as at 31 December 2023 which is more slightly above the municipality's set target of 60% and there is improvement compared to last Financial Year's outcome. All projects are anticipated to be completed by end of June 2024. MIG expenditure is expected to be at 100% by 30 June 2024.

## Capital Expenditure

The overall capital expenditure for the first six months period ending December 2023 is sitting at 50% against an approved budget which is exactly the set target of 50% articulated at the beginning of the financial year against the budget as at 31 December 2023, the performance of capital projects will be reviewed during the adjustment budget process.

## PART – 2

### DEBTORS AGE ANALYSIS

#### Indigent Register

The Council approved an indigent register which is currently being implemented. Indigents are paid for by the municipality through equitable share.

#### Outstanding Debtors

KZN434 Ubuhlebezwe - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December										
Description	NT Code	Budget Year 2023/24								
		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
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	3 127	3 518	3 488	3 377	3 337	3 190	6 633	40 335	67 003
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	334	267	238	217	212	206	1 147	5 659	8 280
Receivables from Exchange Transactions - Property Rental Debtors	1700	190	12	8	8	16	-	68	173	474
Interest on Arrear Debtor Accounts	1810	780	754	716	682	655	644	-	-	4 231
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	(20)	(25)	(20)	(21)	(8)	(22)	73	17 585	17 542
Total By Income Source	2000	4 411	4 525	4 430	4 263	4 211	4 019	7 920	63 752	97 531
2022/23 - totals only										-
Debtors Age Analysis By Customer Group										
Organs of State	2200	934	993	1 221	1 201	1 191	1 162	1 654	12 193	20 549
Commercial	2300	705	603	503	475	463	454	988	12 959	17 150
Households	2400	1 290	1 272	1 208	1 167	1 132	1 103	3 627	27 714	38 513
Other	2500	1 482	1 657	1 499	1 420	1 425	1 299	1 651	10 886	21 319
Total By Customer Group	2600	4 411	4 525	4 430	4 263	4 211	4 019	7 920	63 752	97 531

The total debtor's amount as at 31 December 2023 equalled to R97 531 000 categorised as follows:

Government	R 20 549 000
Business	R 17 150 000
Households	R 38 513 000
Other	R 21 319 000
<b>Total</b>	<b><u>R 97 531 000</u></b>

## Debt Collection Strategy

Revenue enhancement strategy has been implemented, and a new debt collector has been appointed in the last financial year. We have seen some improvement in the revenue collection for outstanding balances within a year, however we are still challenged with old debt of more than one year. As a means of addressing old debt and to boost our revenue collection the Council of Ubuhlebezwe has introduced a debt amnesty period for Ubuhlebezwe household and we expect an improvement in our debt collection rate in the next six months of the financial year.

## CREDITORS AGE ANALYSIS


KZN434 Ubuhlebezwe - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December										
Description	NT Code	Budget Year 2023/24								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	(11)	-	-	-	-	-	-	-	(11)
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	15	24	1	(0)	0	0	(2)	(9)	29
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	537	506	1 272	792	171	59	1 138	3 044	7 518
<b>Total By Customer Type</b>	<b>1000</b>	<b>542</b>	<b>530</b>	<b>1 273</b>	<b>792</b>	<b>171</b>	<b>59</b>	<b>1 135</b>	<b>3 035</b>	<b>7 537</b>

The creditor's age analysis reflected an amount of R 7 537 000 as outstanding, please note this amount only reflects retention raised against capital and electrification suppliers.

The municipality pays its creditors twice in a month (Within 30 days) to comply with the MFMA, and to ensure that SMME's are not financially disadvantaged.


## INVESTMENT PORTFOLIO ANALYSIS

The municipality does not have long term investments. The municipality invests available funds not needed in short term investments. Funds are invested using the municipality's investment policy.

Investment Register											
 <b>THE UBUEBEZWE MUNICIPALITY</b>											
Institution	Acc No	Acc Type	Maturity Date	Interest Rate (% pa)	Balance Per Statement Sunday, 31 December 2023	Month End Interest Accrued	Interest Accrued To date	Received Interest To date	Balance Per General Ledger 31-Dec	Difference	Current Month Interest income Earned
ABSA Bank - 21M	2080309987	4 Month - Fixed Deposit	02-Feb	8.94	23 681 090.19	168 207.11	348 014.70	735 237.20	23 681 090.19	-	168 207.11
ABSA BANK	2080845799	4 Month - Fixed Deposit	12-Jan	9.05	21 177 436.83	152 274.47	588 094.51	371 878.14	21 177 436.83	-	152 274.47
ABSA BANK	2081163724	4 Month - Fixed Deposit	11-Mar	9.51	30 961 421.92	223 609.33	408 665.32	961 421.92	30 961 421.92	-	223 609.33
ABSA BANK	2081163499	92 Days - Fixed Deposit	10-Oct	9.34	-	-	0.00	470 838.36	-	-	-
ABSA BANK	2081347409	91 Days - Fixed Deposit	08-Mar	9.38	20 000 000.00	128 493.15	128 493.15	0.00	20 000 000.00	-	128 493.15
ABSA BANK	2081347417	125 Days - Fixed Deposit	11-Apr	9.5	23 000 000.00	149 657.53	149 657.53	0.00	23 000 000.00	-	149 657.53
First National Bank - Equit. Share	62 1438 9598.8	Call Account		2.40	315 439.36	-	-	10 384.86	315 439.36	-	1 714.75
First National Bank - Equit. Share	62 24816621.8	Sangwaba Housing		2.40	814 631.15	-	-	26 640.16	814 631.15	-	4 428.37
First National Bank - Equit. Share	76200672890	2 Month - Fixed Deposit	01-Feb	8.61	27 750 564.91	202 928.85	216 021.04	978 214.21	27 750 564.91	-	202 928.85
First National Bank - Equit. Share	62893356113	Titile deeds	30-Jun	2.40	111 652.78	-	-	3 670.85	111 652.78	-	627.07
First National Bank - Equit. Share	62873993060	Call Account housing	02-Apr	3.85	32 790.53	-	-	1 307.61	32 790.53	-	224.04
NED Bank	7881076763/118	Notice Account		7.75	8 637 674.25	-	-	521 655.02	8 637 674.25	-	98 671.13
Ned Bank	7781076763/174	91 Days - fixed deposit	13-Sep	8.95	-	-	-	409 757.64	-	-	-
Ned Bank	7781076763/175	63 Days - fixed Deposit	21-Aug	9.00	-	-	-	281 942.23	-	-	-
NED Bank	7781076763/176	88 days-fixed Deposit	17-Nov	8.80	-	-	-	483 067.00	-	-	-
NED Bank	7781076763/177	91 days-fixed Deposit	13-Dec	8.66	0.00	-	-	405 327.52	0.00	-	53 449.78
NED Bank	7881076763/178	121 Days - fixed Deposit	12-Apr	9.09	19 178 586.53	90 748.87	90 748.87	-	19 178 586.53	-	90 748.87
STD Bank - Equit. Share	068730276 - 001	Retail/Wholesale Call Deposit	25-Nov	1.30	139 297.31	571.88	571.88	3 254.72	139 297.31	-	677.30
STD Bank - Equit. Share	068730276 - 008	3 Months - Fixed Deposit	15-Nov	2.00	17 826.87	63.49	63.49	511.36	17 826.87	-	101.38
STD Bank - Equit.share	068730276-047	59 Days - Notice Deposit	08-Jan	8.15	21 446 178.86	168 279.06	462 767.41	517 489.91	21 446 178.86	-	168 279.06
STD Bank - Equit.share	068730276-050	122 Days - Notice Deposit	22-Apr	9.33	29 154 782.02	81 932.93	81 932.93	1 221 506.05	29 154 782.02	-	230 465.31
					226 419 373.51	1 366 766.67	2 475 030.83	7 404 104.76	226 419 373.51	-	1 674 557.50
NEDBANK	1214909418	Current Account	31-Dec		5 455 587.20			-	5 455 587.20	-	-
											-
Cash and Cash Equivalent					231 874 960.71	1 366 766.67	2 475 030.83	7 404 104.76	231 874 960.71	-	1 674 557.50

## ALLOCATIONS AND GRANT RECEIPTS AND EXPENDITURE

All grant liabilities are cash backed. All grant funds are spent in accordance with the stipulated conditions as articulated in the Division of Revenue Act and their respective business plans in conjunctions with Memorandum of Agreements. The following table reflects the allocations received as well as expenditure on such allocations.

S 71(1) (f) ALLOCATION RECEIVED AND ACTUAL EXPENDITURE ON THOSE ALLOCATIONS				 <b>THE UBUEBEZWE MUNICIPALITY</b>		
Allocations	Original Budget 2023/2024	Actual Received YTD	Actual Expenditure - December 2023	Expenditure YTD- 2024	Unspent Y T D	% Expenditure Against allocation
Financial Management Grant	1 950 000.00	1 950 000.00	60 453.75	418 750.03	1 531 249.97	21%
Electrification - DOE	21 863 000.00	16 363 000.00	2 461 117.05	17 487 406.84	(1 124 406.84)	80%
Library Grant and Library Grant - Cybe	254 000.00	254 000.00	40 663.92	218 384.11	35 615.89	86%
Community Library Services Grant	981 000.00	981 000.00	134 658.68	731 839.50	249 160.50	75%
MIG	39 499 000.00	24 000 000.00	4 541 588.03	27 692 850.00	(3 692 850.00)	70%
EPWP	7 831 000.00	5 482 000.00	713 571.60	3 689 455.66	1 792 544.34	47%
Title Deeds Restoration Programme	100 000.00	100 000.00	-	-	100 000.00	0%
Infrastructure Economic Development	1 855 110.58	3 855 110.58	156 140.49	344 929.01	3 510 181.57	19%
Small Town Rehabilitation Programme	2 796 255.00	2 796 255.00	205 764.46	928 219.65	1 868 035.35	33%
<b>TOTAL</b>	<b>77 129 365.58</b>	<b>55 781 365.58</b>	<b>8 313 957.98</b>	<b>51 511 834.80</b>	<b>4 269 530.78</b>	<b>67%</b>

The above spread sheet shows actual grants received as at end of 31 December 2023 as per DORA allocation. The municipality have a record of spending 100% of it grants received from various spheres of government.

## **MATERIAL VARIANCES ON THE SDBIP**

Ubuhlebezwe Municipality's Service Delivery & Budget Implementation Plan (SDBIP), as legislated, is aligned to the municipality's Integrated Development Plan (IDP) as well as the Annual Budget. All adjustments made to the budget during the Mid-Year assessments, are effected to the IDP & SDBIP.

## **MID YEAR PERFORMANCE REVIEW**

In terms of Section 72(1) (a) of the Municipal Finance Management Act, 2003 (No. 56 of 2003), that the accounting officer of a municipality must by the 25th of January each year, assess the performance of the municipality during the first half of the financial year.

Based on explanations mentioned above, in terms of Municipal Finance Management Act section 72(3) a, it is recommended that the municipality undertake Adjustment Budget for 2023/2024 Approved Budget.

The 2023/2024 Mid-Year budget and Performance Assessment report has been finalised and will therefore be tabled at a council meeting of the 25 January 2024.