



MID YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT 2024/25

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PART 1

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

1. BACKGROUND AND EXECUTIVE SUMMARY

1.1 PURPOSE

The purpose of this report is to comply with section 72 (1) (a) of the Municipal Finance Management Act 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.

1.2 LEGAL/STATUTORY REQUIREMENT

Section 72 of the MFMA 56 of 2003 states that the Accounting Officer must by the 25 January of each year assess the performance of the municipality during the first half of the financial year and submit a report on assessment to the Honourable Mayor, the relevant Provincial Treasury and National Treasury. The mid-year budget and performance assessment review must make recommendations as to whether an adjustments budget is necessary.

1.3 BACKGROUND

The Mid-Year Budget and Performance Report is a valuable resource that assists the municipality, and the public to assess the impact of government policies and the resources allocated to implement them. The Accounting Officer shall in terms of section 72 of the MFMA 56 of 2003 consider: -

- the monthly statements referred to in section 71 for the first half of the year.
- the municipality's service delivery performance during the first half of the financial year, and the service delivery targets & performance indicators set in the Service Delivery Budget Implementation Plan.
- the past year's annual report, and progress on resolving problems identified in the annual report.

Section 72 (3) states that the Accounting Officer as part of the review must make recommendations as to whether an Adjustment Budget is necessary and recommend revised projections for revenue and expenditure. The report of such assessment must then be submitted to the Mayor, National Treasury and relevant Provincial Treasury.

1.4 EXECUTIVE MAYORS REPORT SUMMARY

The Service Delivery and Budget Implementation Plan sets the scene for the implementation of proposals that were put forward in the approved Integrated Development Plan (IDP) and Budget by the Council in May 2023. The Mid-Year Budget & Performance Assessment Report supports the council in assessing the progress that is made in implementing government programmes. It also assists political office bearers in evaluating future plans for the municipality's critical services. The report serves as both an accountability and future planning document. The municipality approved an unfunded budget in May 2023. National Treasury therefore issued a notice for noncompliance with section 18 of the Municipal Finance Management Act (MFMA) due to the unfunded budget status. The municipality is therefore given an opportunity to self-correct this during the adjustment budget in February 2024; and persistent failure to correct this; then the National Treasury will invoke section 216 (2) of the constitution of the Republic of South Africa ("stopping of equitable share") together with section 171 of the Municipal Finance Management Act (MFMA) ("financial misconduct"). The consolidated summary of performance at mid-year is reflected below:

Description	Original Budget	Adjusted Budget	YTD Budget	Actual Results
Operating Revenue	R240 449 034	R240 449 034	R120 224 517	R154 465 951
Operating Expenditure	R305 538 054	R305 788 054	R152 894 027	R123 898 153
Capital Transfers	R31 327 200	R36 027 200	R18 013 600	R16 841 120

The operating revenue at mid-year was R154m which is more than 50% of the annual budget. The operating expenditure is R123m which is 40% of annual budget. The revenue recognised on capital transfers is R16m which is 52% of the annual budget.

1.5 RESOLUTIONS

It is recommended that:

1. The Mayor **CONSIDERS** and **NOTES** the 2023/24 Mid-Year Budget and Performance Assessment Report of Amahlathi Local Municipality for the 2023/24 financial year in terms of Section 72 of the MFMA including supporting documentation attached as Annexure.
2. That it **BE NOTED** that An Adjustments Budget for the financial year 2023/24 is necessary.
3. That it **BE NOTED** that the projections for revenue and expenditure be revised.

PART 2

2. MID YEAR PERFORMANCE RESULTS

EC124 Amahlathi - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment									
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	24 169	26 746	-	1 824	11 066	13 373	(2 307)	-17%	26 746
Service charges	57 850	62 935	-	6 220	40 002	31 467	8 535	27%	62 935
Investment revenue	3 456	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	3 456	3 892	-	-	1 449	1 946	(497)	-26%	3 892
Other own revenue	176 511	172 600	-	48 356	119 772	86 300	33 472	39%	-
Total Revenue (excluding capital transfers and contributions)	265 440	266 172	-	56 400	172 288	133 086	39 202	29%	266 172
Employee costs	136 206	141 493	-	590	58 382	70 747	(12 364)	-	141 493
Remuneration of Councillors	13 595	15 031	-	-	5 806	7 515	(1 709)	-	15 031
Depreciation and amortisation	25 940	24 186	-	-	-	12 093	(12 093)	-	24 186
Interest	15 524	3 000	-	0	(964)	1 500	(2 464)	-	3 000
Inventory consumed and bulk purchases	51 988	58 418	-	8	27 984	29 209	(1 225)	-	58 418
Transfers and subsidies	10	-	-	-	-	-	-	-	-
Other expenditure	62 844	66 449	-	689	17 183	33 225	(16 042)	-48%	66 449
Total Expenditure	306 107	308 577	-	1 287	108 392	154 289	(45 897)	-30%	308 577
Surplus/(Deficit)	(40 666)	(42 405)	-	55 113	63 897	(21 202)	85 099	-401%	(42 405)
Transfers and subsidies - capital (monetary allocations)	46 187	59 538	-	6 800	31 788	29 769	2 019	7%	59 538
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	5 520	17 133	-	61 913	95 685	8 566	87 118	1017%	17 133
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	5 520	17 133	-	61 913	95 685	8 566	87 118	1017%	17 133
Capital expenditure & funds sources									
Capital expenditure	47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148
Capital transfers recognised	39 152	59 538	-	7 989	39 322	29 769	9 553	32%	59 538
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	8 785	2 610	-	-	291	1 305	(1 014)	-78%	2 610
Total sources of capital funds	47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148

- The summary report above indicates that as at the end of the first half of the financial year, operating expenditure should be R154 million, which is 50% of the total operational budget of R305 million. As at end of 31 December 2024, the actual operating expenditure is R108 million which is less than the projected operating expenditure.
- The report indicates that revenue should be R133 million based on the anticipated billing, collection and the revenue recognised from operational grants. The revenue raised (including revenue recognised from operational grants) is R172 million, which is more than the anticipated revenue due to full recognition of the equitable share received during December 2024.
- The report indicates that the capital expenditure was projected to be R31 million based on the anticipated capital expenditure. The actual capital expenditure as at 31 December 2024 is R39 million.

2.1 SUMMARY OF STATEMENT OF FINANCIAL PERFORMANCE

The municipality should in terms of section 71(1) (g) of the MFMA, when necessary, provide an explanation of any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote, and any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

EC124 Amahlathi - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		22 827	21 092	–	43 952	21 092
Trade and other receivables from exchange transactions		27 527	20 492	–	47 459	20 492
Receivables from non-exchange transactions		29 522	17 192	–	35 642	17 192
Current portion of non-current receivables		–	–	–	–	–
Inventory		3	74	–	74	74
VAT		47 272	24 882	–	51 443	24 882
Other current assets		1 160	–	–	1 277	–
Total current assets		128 311	83 733	–	179 848	83 733
Non current assets						
Investments		–	–	–	–	–
Investment property		11 679	11 687	–	11 679	11 687
Property, plant and equipment		421 113	434 745	–	460 726	434 745
Biological assets		4 470	6 214	–	4 470	6 214
Living and non-living resources		–	–	–	–	–
Heritage assets		610	610	–	610	610
Intangible assets		20	30	–	20	30
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		437 893	453 285	–	477 506	453 285
TOTAL ASSETS		566 203	537 018	–	657 353	537 018
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		222	228	–	222	228
Consumer deposits		1 737	1 844	–	1 737	1 844
Trade and other payables from exchange transactions		183 801	207 406	–	164 038	207 406
Trade and other payables from non-exchange transactions		15 783	15 500	–	45 113	15 500
Provision		17 036	18 394	–	17 036	18 394
VAT		46 694	10 118	–	53 163	10 118
Other current liabilities		–	–	–	–	–
Total current liabilities		265 272	253 489	–	281 309	253 489
Non current liabilities						
Financial liabilities		–	222	–	–	222
Provision		16 068	7 862	–	16 068	7 862
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		29 540	31 728	–	29 540	31 728
Total non current liabilities		45 608	39 813	–	45 608	39 813
TOTAL LIABILITIES		310 880	293 302	–	326 917	293 302
NET ASSETS	2	255 324	243 716	–	330 437	243 716
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		255 320	243 716	–	330 437	243 716
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	255 320	243 716	–	330 437	243 716

2.1.1 Explanation of variances to Statement of Financial Performance

- Rental of facilities and equipment indicates an underperformance of 59% when compared to the budgeted estimate. This shows a decrease in the demand for municipal facilities by the community.
- Interest on investments is reflecting an underperformance of 16% when compared to the budgeted estimate, this is due to financial constraints that the municipality continue to experience which then means that there is limited amount of money invested which then translates to lower interest earned.
- Electricity reflects a favourable variance of 38%, this is attributable to a steady increase over the last two period in Commercial and industrial billing. This will however be monitored to identify if the estimated electricity was understated.
- Waste management reflects an unfavourable variance of 13%, this is attributed to the accumulation of overstated monthly projections of approximately R140,000. The reason for the overstatement will be identified, underlying assumptions adjusted and the projections adjusted during the adjustments budget.
- Property rates reflect an unfavourable variance of 17% due to certain customers requesting to be billed annually at various months during the financial year.
- Interest from receivables from non-exchange transactions reflects a favourable variance of 16%, This is attributed to the collection rate being less than projected.
- Operational revenue reflects a favourable variance of 997%, this is attributable to the municipality receiving two insurance refunds amount to R730,115 during the year.
- Agency Services; Licences and permits; and Fines, penalties and forfeits reflects unfavourable variances of 96%, 99% and 84% for the period, respectively. This is attributed to the Cashier vacancy in the Stutterheim Traffic Services Office, which resulted in a decreased demand for Traffic related services. This component requires closer attention as it is poorly performing over the years.
- Interest on overdue accounts reflect a credit balance and variance of 164%. This is as result of an Eskom interest reversal of R3.4 million during August 2024.
- Depreciation and Debt Impairment reflect a variance of 100% respectively and these will be calculated at year end.
- Contracted services reflect a favourable variance of 16%, this is attributable to the high volume of maintenance undertaken on vehicles and equipment.
- Operational costs reflect an unfavourable variance of 41%. This is due to the implementation of cost containment measures and the management of the municipality's cash flow.

2.2 CAPITAL EXPENDITURE PERFORMANCE

The following table provides a summary of the expenditure trends based on planned capital projects and actual spending. The total capital expenditure budgeted estimate as at 31 December 2024 amounts to R31 million which is 50% of the budgeted R62 million for the 2024/25 financial year. The percentage spending on capital projects as at 31 December 2024 amounts to 52% of the total capital budget; MIG expenditure at 50% and Disaster Grant 59%. The table below reflects the capital expenditure performance by vote and function.

EC124 Amahlathi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment										
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	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		91	400	-	-	-	200	(200)	-100%	400
Vote 2 - Finance and Admin		(1 554)	950	-	-	181	475	(294)	-62%	950
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2 154	-	-	-	-	-	-	-	-
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Planning & Development		15 609	54 678	-	7 989	36 881	27 339	9 542	35%	54 678
Vote 9 - Road Transport		23 575	-	-	-	-	-	-	-	-
Vote 10 - Energy Sources		173	5 560	-	-	1 116	2 780	(1 664)	-60%	5 560
Vote 11 - Waste Management		7 889	560	-	-	1 434	280	1 154	412%	560
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148
Total Capital Expenditure		47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148
Capital Expenditure - Functional Classification										
Governance and administration		(1 462)	1 350	-	-	181	675	(494)	-73%	1 350
Executive and council		91	400	-	-	-	200	(200)	-100%	400
Finance and administration		(1 554)	950	-	-	181	475	(294)	-62%	950
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2 154	-	-	-	-	-	-	-	-
Community and social services		2 154	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		39 183	54 678	-	7 989	36 881	27 339	9 542	35%	54 678
Planning and development		15 609	54 678	-	7 989	36 881	27 339	9 542	35%	54 678
Road transport		23 575	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		8 062	6 120	-	-	2 550	3 060	(510)	-17%	6 120
Energy sources		173	5 560	-	-	1 116	2 780	(1 664)	-60%	5 560
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 889	560	-	-	1 434	280	1 154	412%	560
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148
Funded by:										
National Government		39 152	59 538	-	7 989	37 888	29 769	8 119	27%	59 538
Provincial Government		-	-	-	-	1 434	-	1 434	#DIV/0!	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		39 152	59 538	-	7 989	39 322	29 769	9 553	32%	59 538
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		8 785	2 610	-	-	291	1 305	(1 014)	-78%	2 610
Total Capital Funding		47 937	62 148	-	7 989	39 613	31 074	8 539	27%	62 148

Below is a summary of the detailed Grant funded Capital Expenditure per project

Grant	Project Name	Budget	Actual
Municipal Infrastructure Grant	KKH recreation Centre	4 600 000,00	1 577 085,05
Municipal Infrastructure Grant	Mbaxa Community Hall	2 300 000,00	3 009 167,11
Municipal Infrastructure Grant	Mlungisi Sportfield	5 400 000,00	1 136 632,65
Municipal Infrastructure Grant	Paving of Xholorha Internal Roads	13 232 850,00	8 725 750,49
Municipal Infrastructure Grant	Phumlani Community Hall	2 000 000,00	183 054,54
Municipal Infrastructure Grant	Municipal Offices	8 000 000,00	3 202 181,45
Rolled - over Disaster Recover Grant	Amabele Roads	1 868 166,69	556 281,40
Rolled - over Disaster Recover Grant	Bridge Rhawini and Bongweni	811 569,88	697 881,13
Rolled - over Disaster Recover Grant	Kubusie Roads	2 853 740,99	2 823 502,33
Rolled - over Disaster Recover Grant	Mandlakapheli Village Roads	2 742 092,19	2 510 104,31
Rolled - over Disaster Recover Grant	Mlungisi Township Roads	2 549 862,60	1 326 436,73
Rolled - over Disaster Recover Grant	Sutterheim - Landfill Site Road	935 513,65	1 267 840,86
Rolled - over Disaster Recover Grant	Upper	2 471 253,00	2 111 041,41
Disaster Recover Grant	Disaster Recovery Grant	19 145 000,00	8 613 140,39
INEP	Upgrade Carthcart Substation	1 860 000,00	1 143 030,42
EEDSM	Electricity Project	3 000 000,00	126 000,00
Total		73 770 049,00	39 009 130,27

Commented [BN1]: The actual balance vs withdrawal differs , im not sure maybe it's the vat portion?

Commented [CS2R1]: This report relates to the GL CFO. It seems like the Withdrawal report also include retention payments made. For example, there are no MIG projects for Frankfort internal roads, Izidenge or Lower Khologa.

2.3 SUMMARY OF STATEMENT OF FINANCIAL POSITION

The financial position reflects the position of Amahlathi Local Municipality having considered the assets; liabilities and equity as at 31 December 2024.

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 position									
Total current assets	128 311	83 733	–		179 848				83 733
Total non current assets	437 893	453 285	–		477 506				453 285
Total current liabilities	265 272	253 489	–		281 309				253 489
Total non current liabilities	45 608	39 813	–		45 608				39 813
Community wealth/Equity	255 320	243 716	–		330 437				243 716

- The report indicates that the current liabilities of the municipality are significantly growing due to cash flow difficulties.
- The cash balance as at 31 December 2024 amounts to R1.2 million which comprises of the cashbook balance for the main primary bank account.
- Call investment deposits comprises of investments of call deposits made with various financial institutions when there is surplus cash available in the main account. These monies are invested in line with municipal investment policy. The table below details the Cash Balance in the Main Account and Call Deposits made by the Municipality for the period ending 31 December 2024.

Date	Type	Account Description	Balance
31 December 2024	Cash	Main Account	2 261 044.76
31 December 2024	Call Investment Deposit	Disaster Account	23 145.48
31 December 2024	Call Investment Deposit	MIG Account	342 793.25
31 December 2024	Call Investment Deposit	Insurance Account	72 806.99
31 December 2024	Call Investment Deposit	FNB Guarantee	4 944 113.86
31 December 2024	Call Investment Deposit	Retention Account	310 824.21
31 December 2024	Call Investment Deposit	FMG Account	2 104.54
31 December 2024	Call Investment Deposit	INEP Account	43 133.68
31 December 2024	Call Investment Deposit	LGSETA Account	2 479.26
31 December 2024	Call Investment Deposit	Savings and sundry Accounts	9 647 263.07
31 December 2024	Call Investment Deposit	Waste Management	188 753.49
31 December 2024	Call Investment Deposit	Payroll Accounts	27 126 000.00
			42 703 417.83

- The total cash available as at 31 December 2024 indicates a total balance of **R43 951 613.06**.

- The trade and other payables are currently at R164 million which is considerably very high due to the Eskom debt that is a biggest contributor. It is worth noting that this is a R20 million decrease from the 31 December 2023. Indicating that the municipality is working on reducing its creditors.
- **Unspent Grant** – The unspent grants amounts to R17 million as at 31 December 2024.

Commented [BN3]: Why this balances are not the same and also the withdrawal report is reflecting R50m please double check.

Commented [CS4R3]: I will double check with Asanda. Attached please find the investment register, I have highlighted the accounts which do not agree to that per the Withdrawal report. It relates to the December Savings account. I was able to obtain statements as at 31 December for all accounts expect the highlighted and Payroll Accounts

2.4 AGE DEBTORS ANALYSIS

The debtors report below provides the total amount owed to the municipality by income source and by debtor type. Total outstanding debt as at 31 December 2024 amount to R223 million, a R60 million increase from 31 December 2023. Government Departments owe the municipality R42 million (18%), Businesses owe R29 million (13%) and Households owe R150 million (67%). The biggest contributor being the households that owe R150 million followed by government departments owing R42 million.

EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

EC124 Annual Plan - Supporting Table 303 Monthly Budget Statement - aged debtors - mid-year Assessment													
Description	NT Code	Budget Year 2024/25									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.e Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
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	4 407	2 391	1 742	1 875	2 070	1 718	4 674	3 844	22 721	14 181	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 529	1 107	6 802	397	970	892	5 006	50 295	66 968	57 560	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 088	921	854	860	854	876	4 898	49 765	60 118	57 254	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	6	6	6	6	6	6	34	456	527	508	-	-
Interest on Arrear Debtor Accounts	1810	1 474	1 438	1 392	1 374	1 377	1 327	7 656	41 377	57 416	53 112	-	-
Recoverable unauthorised, irregular, fullless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	464	425	24	410	428	414	2 230	11 493	15 887	14 974	-	-
Total By Income Source	2000	8 968	6 288	10 821	4 922	5 705	5 234	24 498	157 230	223 666	197 589	-	-
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 118	2 212	7 722	1 692	2 408	2 089	7 353	16 626	42 221	30 169	-	-
Commercial	2300	3 812	1 320	313	617	619	533	2 657	19 614	29 484	24 039	-	-
Households	2400	2 992	2 713	2 736	2 564	2 629	2 563	14 226	119 973	150 396	141 955	-	-
Other	2500	46	42	50	49	49	49	262	1 016	1 564	1 426	-	-
Total By Customer Group	2600	8 968	6 288	10 821	4 922	5 705	5 234	24 498	157 230	223 666	197 589	-	-

2.5 AGE CREDITORS ANALYSIS

Council attempts to process and settle invoices within 30 days of receiving them in line with the Municipal Finance Management Act where possible, however delays are experienced due to cash flow challenges the municipality is faced with. Below are the creditor's balances as at 31 December 2024. The detail of aging of creditors is reflected below.

EC124 Amahlathi - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter										
Description	NT Code	Budget Year 2024/25								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	502	481	475	416	601	3 088	111 357	116 919
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	819	-	9	-	11	3 960	12 983	17 782
Auditor General	0800	-	1 184	301	-	-	-	-	-	1 486
Other	0900	5 674	24	(831)	72	-	-	601	20 341	25 881
Total By Customer Type	1000	5 674	2 529	(49)	556	416	611	7 650	144 681	162 068

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Eskom Bulk	4 585 507,84	973 227,39	-	714 238,65	1 384 489,23	5 452 848,03	43 548 977,33	63 714 275,53	120 373 564,00
Special Investigating Unit	-	-	-	-	-	-	2 027 679,51	8 509 752,82	10 537 432,33
Workmans Compensation	-	-	-	-	-	-	5 740 182,73	4 436 473,48	10 176 656,21
Amathole DM	-	702 188,34	-	318 801,84	582 143,81	489 243,16	3 585 322,55	4 467 206,96	10 144 906,66
SALGA	-	-	-	-	-	-	1 178 720,38	3 734 833,88	4 913 554,26
3rd Party Pensions	2 005 648,09	-	-	-	-	-	-	-	2 005 648,09
3rd Party Medical Aids	925 215,25	-	-	-	-	-	-	-	925 215,25
EC Department of Transport	-	-	-	-	-	-	-	892 043,80	892 043,80
3rd Party Garnishee	734 814,79	-	-	-	-	-	-	-	734 814,79
All other suppliers	- 254 935,36	465 215,63	-	371 892,64	-	-	46 605,01	692 443,71	1 321 221,63
Total	7 996 250,61	2 140 631,36	-	1 404 933,13	1 966 633,04	5 942 091,19	56 127 487,51	86 447 030,18	162 025 057,02

Commented [BN5]: Is Eskom inclusive of interest and also portion that will be written off through debt relief.R76m?

Commented [CS6R5]: Yes CFO

Commented [BN7]: ADM invoices for Dec not yet received ? Im worried with Adm interest for this quarter its not reflecting o the fruitless report.

Commented [CS8R7]: I have not seen the fruitless and waste full report, Will request it from Mr Mash. I however do not see any interest captured on the GL relating to the ADM debt

Commented [BN9]: The Bulk account for Eskom was processed in Dec , why is still reflecting ?

Commented [CS10R9]: I will request the monthly creditors recon for ESKOM and compare to the age analysis and update this age analysis where relevant before submitting to Treasury

2.6 GRANTS AND SUBSIDIES

The conditional and unconditional grants allocation gazette for 2024/25 reflected an amount of R205 million. An amount of R146 million has been received for period ending 31 December 2024. The expenditure on grants and subsidies is R142 million as at 31 December 2024.

EC124 Amahlathi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment										
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:		492 045	143 651	–	47 103	110 235	71 826	38 410	53,5%	5 281
Expanded Public Works Programme Integrated Grant	–	4 718	1 211	–	624	4 395	606	3 789	625,8%	1 211
Local Government Financial Management Grant	–	8 735	2 200	–	299	567	1 100	(533)	-48,4%	2 200
Metro Informal Settlements Partnership Grant	–	477 996	–	–	–	–	–	–	–	–
Municipal Disaster Relief Grant	–	596	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant	–	–	1 870	–	57	1 496	935	561	60,0%	1 870
Equitable Share	–	–	138 370	–	46 123	103 777	69 185	34 592	50,0%	–
Other transfers and grants [insert description]	–	–	–	–	–	–	–	–	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]	–	–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]	–	–	–	–	–	–	–	–	–	–
Other grant providers:		1 153	–	–	–	1 003	–	1 003	#DIV/0!	–
Unspecified-Specify (Replace with the name of the Entity)-Transfer	–	1 153	–	–	–	1 003	–	1 003	#DIV/0!	–
Unspecified_Specify (Replace with the name of the Entity)_Receipts	–	–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		493 198	143 651	–	47 103	111 238	71 826	39 413	54,9%	5 281
Capital expenditure of Transfers and Grants										
National Government:		122 390	59 538	14 420	5 712	29 049	41 062	(12 013)	-29,3%	59 538
Energy Efficiency and Demand Side Management Grant	–	–	3 000	–	42	126	1 500	(1 374)	-91,6%	3 000
Integrated National Electrification Programme Grant	–	–	1 860	–	550	1 143	930	213	22,9%	1 860
Municipal Disaster Relief Grant	–	–	19 145	–	2 369	8 613	9 573	(959)	-10,0%	19 145
Municipal Infrastructure Grant	–	122 390	35 533	–	2 751	17 834	17 766	67	0,4%	35 533
Municipal disaster recovery grant	–	–	–	14 420	–	1 333	11 293	(9 960)	-88,2%	–
Other capital transfers [insert description]	–	–	–	–	–	–	–	–	–	–
Provincial Government:		4 800	–	–	–	1 792	–	1 792	#DIV/0!	–
Eastern Cape	–	4 800	–	–	–	1 792	–	1 792	#DIV/0!	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:	–	–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		127 190	59 538	14 420	5 712	30 841	41 062	(10 221)	-24,9%	59 538
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		620 388	203 189	14 420	52 815	142 080	112 888	29 192	25,9%	64 819

3. AREAS TO BE CONSIDERED FOR ADJUSTMENT

- Services charges projections
- Rental of facilities and Equipment due to new rentals.
- Interest on overdue accounts due to escalating interest on Eskom debt.
- Evaluate operating expenditure in order to identify expenditure items which should be reduces in order to improve the financial position of the municipality.
- Evaluate the accuracy of the Depreciation and Debt Impairment estimated.
- Waste Grant unspent balance which was not part of the budget.
- 2023/24 Disaster Grant unspent balance roll-over approved
- MIG Projects.

4. MUNICIPAL MANAGERS QUALITY CERTIFICATE

QUALITY CERTIFICATE

I, **Dr. Z Shasha** Acting Municipal Manager of **Amahlathi Municipality**, hereby certify that -

(Mark as appropriate)

☐

the monthly budget statement

☐

Quarterly report on the implementation of the budget and financial state of affairs of the municipality

☒

Mid-year budget and performance assessment

for the month of December 2024 of 2024/2025 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Dr. Z Shasha

Municipal Manager of Amahlathi Municipality (EC124)

Signature _____

Date: 08 January 2025

5. ANNEXURES

- Schedule C Main Tables
- Service Delivery Performance will be submitted as a separate report