

KING SABATA DALINDYEBO LOCAL MUNICIPALITY

Re 15/15  
MM



**MID YEAR ASSESSMENT (MFMA SECTION 72) REPORT TO THE COUNCIL FOR  
THE PERIOD ENDED 31<sup>st</sup> DECEMBER 2023**

## **KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

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### 1. PURPOSE OF THIS REPORT

The purpose of this report is to submit the outcome of the assessment carried out in terms of section 72 of the MFMA to the Executive Mayor of the KSD Local Municipality with a view to:-

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

### 2. LEGISLATIVE REQUIREMENTS

Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates that -

- (1) The accounting officer of a municipality must by 25 January of each year—
  - (a) assess the performance of the municipality during the first half of the financial year, taking into account—
    - (i) the monthly statements referred to in section 71 for the first half of the financial year;
    - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
    - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
    - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
  - (b) submit a report on such assessment to—
    - (i) the mayor of the municipality;
    - (ii) the National Treasury; and
    - (iii) the relevant provincial treasury.
- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.
- (3) The accounting officer must, as part of the review—
  - (a) make recommendations as to whether an adjustments budget is necessary; and
  - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

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Section 54 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates that –

- (1) On receipt of a statement or report submitted by the accounting officer of the Municipality in terms of section 71 or 72, the mayor must-
  - (a) consider the statement or report;
  - (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
  - (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
  - (d) issue any appropriate instructions to the accounting officer to ensure-
    - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
    - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
  - (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
  - (f) in the case of a section 72 report, submit the report to the council by 25<sup>th</sup> January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must-
  - (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include-
    - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
    - (ii) the tabling of an adjustments budget; or
    - (iii) steps in terms of Chapter 13; and
  - (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Section 28 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

- (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments budget-
  - (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
  - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
  - (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
  - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;

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- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework.

Section 23 of the Municipal budget and reporting regulations 393 of 2009 stipulates as follows:-

23. (1) An adjustments budget referred to in section 28 (2) (b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

### 3. BACKGROUND

A high-level assessment of the actual results for the period 1<sup>st</sup> July 2023 to 31<sup>st</sup> December 2023 was conducted. The purpose of this review was to enable the Accounting Officer to make recommendations as to whether an adjustments budget for the 2023/24 financial year is necessary.

To ensure successful outcome only a high-level review of the Total Council Summary was undertaken. It should therefore be noted that this report does not provide for an assessment of each individual line item / vote number contained in the approved budget of the KSD Municipality for the 2023/2024 financial year.

This report merely highlights the status quo of key revenue and expenditure vote numbers that may require the revision of the approved annual budget through an adjustments budget in terms of section 28 of the MFMA. In addition, this report does not necessarily provide the detail on how revised projections for revenue and expenditure will be achieved. Such exercise by the management team of the municipality will be a natural outflow of this report being dealt with by the Executive Mayor in terms of section 54 (2) of the MFMA.

### MIDYEAR ASSESSMENT OUTCOMES

#### **COMMENTS ON OVERALL BUDGET OF THE MUNICIPALITY FOR THE MIDYEAR TERM AS PER TABLE BELOW.**

##### **Revenue**

Variances on midyear revenue are favourable sitting at 28% of year to date budget attempts should be made to increase our revenue collection.

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### Expenditure

Variances on midyear expenditure is sitting at 3 % more than year-to-date budget attempts should be made to reduce our spending especially on non-service delivery items.

### Capital expenditure

Variances on midyear expenditure is sitting at 25% of year to date budget attempts should be made to improve spending on grants to avoid having to pay back the remaining grants to National Treasury.

#### 4. SUMMARY / SNAPSHOT

**TABLE 1 BUDGET SUMMARY**

EC157 King Sabata Dalindyebo - 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
R thousands									
Total Revenue (excluding capital transfers and contributions)	1,161,176	1,671,030	1,670,368	202,247	1,056,563	828,237	228,325	28%	1,670,368
Total Expenditure	1,627,381	1,585,196	1,584,579	102,147	825,135	802,866	22,269	3%	1,584,579
Surplus/(Deficit)	(466,205)	85,834	85,789	100,100	231,427	25,371	206,056	812%	85,789
Transfers and subsidies - capital (monetary)	134,014	196,106	245,329	18,821	96,040	122,665	(26,625)	-22%	245,329
Surplus/(Deficit) after capital transfers & contributions	(332,191)	281,940	331,118	118,321	327,467	148,036	179,432	121%	331,118
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	143,563	222,426	271,950	22,171	101,813	135,975	(34,162)	-25%	271,950
Capital transfers recognised	143,303	196,106	245,329	19,697	95,255	122,665	(27,409)	-22%	245,329
Internally generated funds	2,149	26,071	26,371	2,473	6,436	13,185	(6,750)	-51%	26,371
Total sources of capital funds	145,452	222,176	271,700	22,171	101,691	135,850	(34,159)	-25%	271,700

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**5. OPERATING REVENUE  
TABLE 2 OPERATING REVENUE**

**EC157 King Sabata Dalindyebo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December**

Vote Description R thousands	Ref	Budget Year 2023/24										Full Year Forecast	
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Actual Q1	Actual Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %			
<b>Revenue</b>													
<b>Expenditure By Type</b>													
Employee related costs		555,487	570,608	569,928	140,133	147,235	287,368	284,964	2,404	1%	569,928		
Remuneration of councillors		29,657	35,149	35,149	7,312	9,044	16,357	17,575	(1,218)	-7%	35,149		
Bulk purchases - electricity		398,822	479,989	479,989	171,259	98,265	269,523	239,995	29,529	12%	479,989		
Inventory consumed		28,467	29,161	31,911	8,364	6,755	15,119	15,955	(837)	-5%	31,911		
Debt impairment		-	21,153	21,153	-	-	-	10,577	(10,577)	-100%	21,153		
Depreciation and amortisation		262,144	157,347	157,347	66,262	44,339	110,600	78,674	31,927	41%	157,347		
Interest		13,584	16,000	16,000	4,856	(3,059)	1,797	8,000	(6,203)	-78%	16,000		
Contracted services		121,660	121,709	117,762	20,780	29,501	50,280	56,881	(6,601)	-15%	117,762		
Transfers and subsidies		32,619	-	-	-	-	-	-	-	-	-		
Irrecoverable debts written off		27,361	-	-	855	1,243	2,098	-	2,098	-	-		
Operational costs		157,077	154,079	155,339	33,965	39,039	73,004	77,670	(4,665)	-6%	155,339		
Other Losses		503	-	-	(1,012)	-	(1,012)	-	(1,012)	-	-		
<b>Total Expenditure</b>		<b>1,627,381</b>	<b>1,585,196</b>	<b>1,584,579</b>	<b>452,773</b>	<b>372,362</b>	<b>825,135</b>	<b>792,290</b>	<b>32,846</b>	<b>4%</b>	<b>1,584,579</b>		
<b>Surplus/(Deficit)</b>		<b>(332,191)</b>	<b>281,940</b>	<b>331,118</b>	<b>309,994</b>	<b>17,473</b>	<b>327,467</b>	<b>473,008</b>	<b>(145,540)</b>	<b>-31%</b>	<b>331,118</b>		

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**TABLE 3: CONSOLIDATED RECEIPTS VERSUS BILLING REPORT**

	202122 Financial Year			202223 Financial Year			202324 Financial Year		
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	334,598,462	50,346,950	50,346,950	373,857,058	45,990,833	45,990,833	391,205,004	40,882,274	40,882,274
August	38,508,309	42,783,050	93,130,000	37,172,692	57,257,087	103,247,920	40,210,494	55,520,126	96,402,400
September	27,723,129	80,931,005	174,061,005	43,565,663	114,977,478	218,225,398	30,341,380	103,211,913	199,614,313
October	41,036,127	60,268,019	234,329,025	2,755,633	49,560,171	267,785,569	34,072,903	85,667,658	285,281,971
November	27,074,527	42,653,234	276,982,259	30,981,364	62,255,879	330,041,448	32,988,511	73,755,050	359,037,021
December	23,125,218	46,867,371	323,849,629	31,324,387	72,557,686	402,599,133	30,116,853	62,469,003	421,506,024
January	31,142,838	35,546,218	359,395,847	29,644,845	37,342,095	439,941,228			
February	46,223,310	55,097,631	414,493,478	29,611,605	44,110,424	484,051,653			
March	23,375,581	59,739,787	474,233,265	30,314,115	62,205,707	546,257,360			
April	31,205,386	66,066,199	540,299,464	37,038,333	36,127,742	582,385,102			
May	29,402,050	52,697,051	592,996,515	36,551,387	61,957,176	644,342,277			
June	24,166,767	37,003,295	629,999,810	39,294,064	64,714,891	709,057,168			
<b>677,581,704</b>	<b>629,999,810</b>	<b>-</b>	<b>-</b>	<b>722,111,147</b>	<b>709,057,168</b>	<b>-</b>	<b>558,935,146</b>	<b>421,506,024</b>	<b>-</b>
<b>YTD comparison</b>	<b>59%</b>			<b>68%</b>			<b>75%</b>		



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### 6. DISCUSSION OF REVENUE BY SOURCE

#### 6.1. Material Variances on Revenue as at 31 December 2023

1. Property Rates reflects a shortfall of thirty-seven million three hundred and ninety-four thousand (R37 million). Budget on property rates was also based on removal of secondary property rates exemption limited to R60 000 per residential property as advised by National COGTA, but that was not approved by leadership.

**Adjustment down is recommended.**

2. Electricity Sales show a shortfall of thirty-six million six hundred and ninety-one thousand (R36 million).

Other factors that might reduce the electricity revenue below expected levels are:

- Theft of electricity through foreign meters, meter bypasses and tempering and illegal connections.
- Eskom Load shedding results to communities and businesses using less units of energy.

**Adjustment is not recommended.**

3. Refuse removal shows a shortfall of six million five hundred thousand (R6.5 million), therefore

**Adjustment is not recommended.**

4. Rental of facilities and equipment shows a surplus of one million two hundred thousand (R1.2 million).

**Adjustment upwards is recommended.**

5. Interest from investments surplus of one million seven hundred thousand (R1.7 million)

**Adjustment upwards is recommended.**

6. Interest on outstanding debtors reflect a surplus of nineteen million (R19 million). This is due to increases in arrear debt and low collection rates. Collection levels needs to be improved.

**Adjustment upwards is recommended**

7. Fine, penalties and forfeits reflect a shortfall of twenty million (R20 million).

**Adjustment downwards is recommended**

8. Licences and permits reflect a shortfall amounting to R0,727 million.

**Adjustment downwards is recommended.**

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9. Agency fees show a shortfall of three million one hundred thousand rands (R3.1 million).

**An adjustment downwards is recommended.**

10. Other Revenue show a shortfall of ten million (R10 million).

**An adjustment downwards is recommended.**

11. Grants and subsidies

11.1 Operational grants show a surplus of two million (R2 million).

LEDGER DESCRIPTION	TOTAL BUDGET	TOTAL ACTUAL	YTD BUDGET	VARIANCE
Grant Income- Expanded Public Works (EPWP)	4,001,030	6,956,997	2,000,515	-4,956,482
Grant income Library	1,750,000	0	875,000	875,000
Grant Income- SETA	0	578,818	0	-578,818
Grant Inc H/S Graduates	0	91,118	0	-91,118
Grant - Prov. Equitable Share	434,856,000	324,965,000	324,965,000	0
Neighbourhood Grant Income	100,000	0	50,000	50,000
Grant - Prov. MIG	4,818,100	1,986,959	2,409,050	422,091
Grant - State: Financial Manag	2,850,000	957,043	1,425,000	467,957
Grant Income- Infrastructure	5,420,000	2,976,416	2,710,000	-266,416
Grant income- Electricity demand side management	4,000,000	0	2,000,000	2,000,000
	<b>457,795,130</b>	<b>338,512,352</b>	<b>336,434,565</b>	<b>-2,077,787</b>

Due to non-movement on the following grants:

Non – spending on the following Grants

- Electrification INEP Grant
- Library Grant
- Neighbourhood Grant

The following grants are already overspent:

- Overspending in EPWP of an amount of R4 956 482.
- SETA was not budgeted for; we have spent an amount of R578 818.

**Adjustment up is recommended.**

11.2 Capital Grants Spending income reflects underspending of R96 million as follows

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LEDGER DESCRIPTION	TOTAL BUDGET	TOTAL ACTUAL	YTD BUDGET	VARIANCE
Grant income - Prov- Human Settlements	68 000 000,00	16 123 378,59	34 000 000,00	17 876 621,41
Small Town Revitalisation	30 000 000,00	19 926 896,44	15 000 000,00	-4 926 896,44
Vat component - Capital grants	0,00	689 702,03	-	-689 702,03
Grant - Prov. MIG	91 543 900,00	53 269 840,68	45 771 950,00	-7 497 890,68
Grant Income-Municipal Disaster Response	45 575 000,00	4 598 013,50	22 787 500,00	18 189 486,50
Grant Inc. Small Business Development	10 210 130,00	1 431 937,63	5 105 065,00	3 673 127,37
Vat component - Capital grants	0,00	0,00	-	0,00
	<b>245 329 030,00</b>	<b>96 039 768,87</b>	<b>122 664 515,00</b>	<b>26 624 746,13</b>

- Capital Grants show a shortfall of twenty-six million six hundred thousand (R26 million) exclusive of VAT. This is summarised as follows considering the VAT component.
- Human Settlement is reflecting an under performance of seventeen million eight hundred thousand (R17 million).
- MIG project spending is progressing well, however there is an overspending of R7.4 million on YTD budget but the spending is within the total budget.
- Small Town Revitalisation is reflecting an under- performance four million nine hundred thousand (R4.9 million).

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6.2 RECEIPTS VERSUS BILLING FOR THE SIX MONTHS PERIOD

TABLE 4 RECEIPTS REPORT FOR PROPERTY RATES

	Property Rates History and Fire Brigade Fees											
	2021/22 Financial Year			2022/23 Financial Year			2023/24 Financial Year			Cumulative		
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	250,666,634	19,683,330	19,683,330	285,012,535	10,446,644	10,446,644	307,240,368	11,383,133	11,383,133	307,240,368	11,383,133	11,383,133
August	11,479,611	17,122,148	36,805,478	3,273,888	15,806,026	26,252,670	(1,753,423)	25,330,062	36,713,196	(1,753,423)	25,330,062	36,713,196
September	(190,175)	52,989,083	89,794,561	271,395	70,338,893	96,591,563	(462,063)	61,918,287	98,631,482	(462,063)	61,918,287	98,631,482
October	13,566,958	32,916,148	122,710,709	5,611,113	15,144,179	111,735,741	(409,482)	36,600,263	135,231,746	(409,482)	36,600,263	135,231,746
November	(77,424)	12,336,867	135,047,576	926,919	25,446,806	137,182,547	(231,926)	25,972,005	161,203,751	(231,926)	25,972,005	161,203,751
December	(3,782,267)	15,783,984	150,831,559	367,470	34,435,226	171,617,774	(2,252,175)	24,628,812	185,832,563	(2,252,175)	24,628,812	185,832,563
January	3,589,025	11,143,587	161,975,146	376,189	11,127,740	182,745,514						
February	18,585,839	29,542,464	191,517,610	138,016	15,907,535	198,653,049						
March	(3,867,805)	26,519,279	218,036,889	618,560	24,046,240	222,699,290						
April	1,238,967	32,533,745	250,570,634	745,850	11,868,732	234,568,021						
May	(598,425)	13,056,849	263,627,483	1,085,601	19,457,558	254,025,580						
June	(6,025,839)	13,721,376	277,348,860	(191,332)	12,852,118	266,877,698						
<b>YTD comparison</b>	<b>284,585,099</b>	<b>277,348,860</b>	<b>-</b>	<b>298,236,204</b>	<b>266,877,698</b>	<b>-</b>	<b>302,131,298</b>	<b>185,832,563</b>	<b>-</b>	<b>302,131,298</b>	<b>185,832,563</b>	<b>-</b>
			<b>56%</b>			<b>58%</b>						<b>62%</b>

The overall collection rate for rates and fire brigade fees is sitting at 62% of the property rates billed in July 2023.

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**TABLE 5 RECEIPTS REPORT FOR ELECTRICITY BILLED SALES**

Electricity Sales History									
	2021/22 Financial Year			2022/23 Financial Year			2023/24 Financial Year		
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative
July	28,730,484	27,170,947	27,170,947	30,408,426	32,727,925	32,727,925	24,399,218	26,260,201	26,260,201
August	24,903,463	22,993,450	50,164,397	31,678,668	37,734,798	70,462,723	39,054,372	26,687,645	52,947,846
September	25,998,263	24,217,974	74,382,371	40,830,284	38,283,689	108,746,412	28,362,635	37,167,753	90,115,599
October	26,322,959	22,853,990	97,236,361	165,462	30,676,669	139,423,081	31,924,780	40,208,984	130,324,583
November	25,225,739	26,998,610	124,234,971	27,835,550	32,804,058	172,227,139	30,488,813	42,731,400	173,055,984
December	24,903,955	28,981,207	153,216,178	29,137,079	33,378,739	205,605,879	30,096,862	34,902,949	207,958,932
January	25,516,334	21,773,126	174,989,305	25,756,174	23,379,014	228,984,892			
February	26,060,723	21,773,126	196,762,431	27,146,339	24,832,842	253,817,735			
March	24,969,289	30,367,375	227,129,807	30,030,826	33,193,175	287,010,910			
April	93,151	31,165,360	258,295,167	33,896,955	21,378,362	308,389,271			
May	45,750,546	36,228,833	294,523,999	33,014,610	38,501,544	346,890,815			
June	27,772,617	19,442,626	313,966,625	36,556,760	48,260,182	395,150,997			
<b>YTD comparison</b>	<b>306,247,523</b>	<b>313,966,625</b>	<b>98%</b>	<b>346,457,132</b>	<b>395,150,997</b>	<b>128%</b>	<b>184,326,680</b>	<b>207,958,932</b>	<b>113%</b>

Of the total billed income for electricity amounting to R184 million, R207 million has been collected representing 113% of total billed income.

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**TABLE 6. RECEIPTS REPORT FOR REFUSE REMOVAL CHARGES**

Refuse Removal History											
	2021/22 Financial Year			2022/23 Financial Year			2023/24 Financial Year				
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Receipts	Cumulative
July	53,740,408	2,830,963	2,830,963	57,082,666	2,394,436	2,394,436	58,985,494	2,594,310	2,594,310	2,594,310	2,594,310
August	418,653	2,177,208	5,008,171	1,046,122	3,193,963	5,588,399	45,927	3,194,835	5,789,145	3,194,835	5,789,145
September	394,671	3,208,241	8,216,412	511,536	5,216,677	10,805,076	721,809	3,493,252	9,282,396	3,493,252	9,282,396
October	363,464	3,980,619	12,197,031	(5,513,478)	2,611,345	13,416,421	525,999	8,447,459	17,729,856	8,447,459	17,729,856
November	386,501	2,522,429	14,719,460	466,143	3,571,458	16,987,879	256,770	4,268,860	21,998,715	4,268,860	21,998,715
December	500,448	1,610,709	16,330,169	895,351	3,469,568	20,457,448	485,839	2,496,577	24,495,292	485,839	24,495,292
January	521,258	2,093,852	18,424,020	322,042	2,224,982	22,682,429					
February	228,060	3,246,388	21,670,408	525,577	2,672,322	25,354,752					
March	454,616	2,353,047	24,023,455	(2,042,856)	4,440,121	29,794,872					
April	9,834	1,912,950	25,936,405	564,851	2,422,419	32,217,291					
May	920,297	2,728,508	28,664,914	750,798	3,485,567	35,702,859					
June	994,612	2,697,081	31,361,994	771,621	2,991,250	38,694,108					
<b>YTD comparison</b>	<b>58,932,821</b>	<b>31,361,994</b>	<b>-</b>	<b>55,380,372</b>	<b>38,694,108</b>	<b>38%</b>	<b>61,021,838</b>	<b>24,495,292</b>	<b>40%</b>	<b>24,495,292</b>	<b>40%</b>

Of the total billed income for refuse amounting to R61 million, R24 million has been collected representing 40% of total billed income.

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

**TABLE 7. RECEIPTS REPORT FOR BILLED RENTAL INCOME.**

	Rental Income History									
	2021/22 Financial Year			2022/23 Financial Year			2023/24 Financial Year			Cumulative
	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	Billing	Receipts	Cumulative	
July	1,460,936	661,710	661,710	1,353,431	421,828	421,828	579,924	644,630	644,630	
August	1,706,582	490,244	1,151,954	1,174,014	522,300	944,128	2,863,617	307,584	952,214	
September	1,520,370	515,707	1,667,661	1,952,449	1,138,219	2,082,347	1,719,000	632,621	1,584,835	
October	782,745	517,262	2,184,924	2,492,537	1,127,978	3,210,325	2,031,606	410,951	1,995,786	
November	1,539,711	795,328	2,980,252	1,752,752	433,556	3,643,882	2,474,854	782,784	2,778,571	
December	1,503,082	491,471	3,471,723	924,488	1,274,152	4,918,033	1,786,328	440,666	3,219,237	
January	1,516,221	535,653	4,007,376	3,190,440	610,360	5,528,393				
February	1,348,688	535,653	4,543,028	1,801,672	697,724	6,226,117				
March	1,819,481	500,085	5,043,113	1,707,585	526,171	6,752,288				
April	(25,548)	454,143	5,497,256	1,830,677	458,229	7,210,518				
May	2,471,925	682,861	6,180,118	1,700,378	512,506	7,723,024				
June	1,794,774	1,142,212	7,322,330	2,157,016	611,341	8,334,364				
<b>YTD comparison</b>	<b>17,438,968</b>	<b>7,322,330</b>	<b>41%</b>	<b>22,037,438</b>	<b>8,334,364</b>	<b>51%</b>	<b>11,455,329</b>	<b>3,219,237</b>	<b>28%</b>	

Of the total billed income for refuse amounting to R11 million, R3,2 million has been collected representing 28% of total billed income.

KING SABATA DALINDYEBO LOCAL MUNICIPALITY

7. OPERATING EXPENDITURE  
TABLE .8. OPERATING EXPENDITURE REPORT

Vote Description	Ref	Budget Year 2023/24										Full Year Forecast	
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Actual Q1	Actual Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %			
<b>Revenue</b>													
<b>Expenditure By Type</b>													
Employee related costs		555,487	570,608	569,928	140,133	147,235	287,368	284,964	2,404	1%	569,928		
Remuneration of councillors		29,657	35,149	35,149	7,312	9,044	16,357	17,575	(1,218)	-7%	35,149		
Bulk purchases - electricity		398,822	479,989	479,989	171,259	98,265	269,523	239,995	29,529	12%	479,989		
Inventory consumed		28,467	29,161	31,911	8,364	6,755	15,119	15,955	(837)	-5%	31,911		
Debt impairment		-	21,153	21,153	-	-	-	10,577	(10,577)	-100%	21,153		
Depreciation and amortisation		262,144	157,347	157,347	66,262	44,339	110,600	78,674	31,927	41%	157,347		
Interest		13,584	16,000	16,000	4,856	(3,059)	1,797	8,000	(6,203)	-78%	16,000		
Contracted services		121,660	121,709	117,762	20,780	29,501	50,280	58,881	(8,601)	-15%	117,762		
Transfers and subsidies		32,619	-	-	-	-	-	-	-	-	-		
Irrecoverable debts written off		27,361	-	-	855	1,243	2,098	-	2,098	-	-		
Operational costs		157,077	154,079	155,339	33,965	39,039	73,004	77,670	(4,665)	-6%	155,339		
Other Losses		503	-	-	(1,012)	-	(1,012)	-	(1,012)	-	-		
<b>Total Expenditure</b>		<b>1,627,381</b>	<b>1,585,196</b>	<b>1,584,579</b>	<b>452,773</b>	<b>372,362</b>	<b>825,135</b>	<b>792,290</b>	<b>32,846</b>	<b>4%</b>	<b>1,584,579</b>		
<b>Surplus/(Deficit)</b>		<b>(332,191)</b>	<b>281,940</b>	<b>331,118</b>	<b>309,994</b>	<b>17,473</b>	<b>327,467</b>	<b>473,008</b>	<b>(145,540)</b>	<b>-31%</b>	<b>331,118</b>		



## KING SABATA DALINDYEBO LOCAL MUNICIPALITY

### 8. DISCUSSION OF EXPENDITURE BY TYPE

The following significant variances were noted.

- 8.1. Employee related costs and remuneration of councillors reflect overspending of two million five hundred thousand (R2 million), and savings of one million two hundred thousand (R1.2 million) respectively.

**A upward adjustment and no adjustment is recommended respectively.**

- 8.2. Bulk purchases overspending twenty-nine million five hundred thousand (R29.5 million).

- This is due to increased demand in winter
- Actual expenditure will be increase in winter months therefore

**Upwards adjustment is recommended.**

- 8.3. Depreciation

reflects overspending of thirty-two million (R32 million). This is due to underbudgeting for the item.

**Upwards adjustment is recommended**

- 8.4. Debt impairment

shows a savings of ten million five hundred thousand (R10.5 million). This will be dealt with at the end of the financial year.

- 8.5. Finance Charges

savings of six million two hundred thousand (R6.2 million)

**No adjustment is recommended.**

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

- 8.6. Contracted services savings of Eight million six hundred thousand (R8.6 million) due to the following material variances and savings in certain line items: significant variances are as follows.

LEDGER DESCRIPTION	TOTAL BUDGET	TOTAL ACTUAL	YTD BUDGET	VARIANCE
Consultants Professional Fee	13 068 813,00	800 568,30	6 534 406,50	5 733 838,20
Roads, Str Repair / Resealing	6 000 000,00	-	3 000 000,00	3 000 000,00
Debtors Database Cleansing	4 500 000,00	1 709,60	2 250 000,00	2 248 290,40
Confrences Seminars	4 838 141,00	1 140 900,00	2 419 070,50	1 278 170,50
LED Project - SMME Development	2 500 000,00	71 508,41	1 250 000,00	1 178 491,59
Community Cleaning Project	4 450 000,00	3 908 834,26	2 225 000,00	- 1 683 834,26
Electr Infrastr, Mains Cable	35 000 000,00	19 266 233,31	17 500 000,00	- 1 766 233,31
Traffic Lights	1 500 000,00	2 677 121,00	750 000,00	- 1 927 121,00
Agency Payments- Security Serv	6 728 790,00	7 867 483,81	3 364 395,00	- 4 503 088,81
Other individual items	39 176 314,00	14 546 032,56	19 588 157,00	5 042 124,44
	<b>117 762 058,00</b>	<b>50 280 391,25</b>	<b>58 881 029,00</b>	<b>8 600 637,75</b>

Adjustments will be made per individual item.

**An adjustment up is recommended.**

- 8.7. Other expenditure savings of four million (R4,6 million).

LEDGER DESCRIPTION	TOTAL BUDGET	TOTAL ACTUAL	YTD BUDGET	VARIANCE
Hire Charges - Transport Extnl	12 759 396,00	1 596 009,71	6 379 698,00	4 783 688,29
Insurance	7 167 200,00	-	3 583 600,00	3 583 600,00
Workmens Compensation	4 350 000,00	-	2 175 000,00	2 175 000,00
Levy - Skills Development SETA	5 478 270,00	735 423,98	2 739 135,00	2 003 711,02
Greenest Ward Competition	3 000 000,00	-	1 500 000,00	1 500 000,00
Rural Roads Maintenance	4 000 000,00	519 409,80	2 000 000,00	1 480 590,20
Municipal Service Charges	12 886 572,00	4 965 947,74	6 443 286,00	1 477 338,26
Vehicles, Machinery Plant	10 000 000,00	6 624 120,28	5 000 000,00	- 1 624 120,28
Levy - Skills Development SETA	-	2 504 071,52	-	- 2 504 071,52
Audit Fee - External	9 914 726,00	7 655 697,33	4 957 363,00	- 2 698 334,33
Levy - SALGA Membership	6 463 798,00	6 308 254,52	3 231 899,00	- 3 076 355,52
Council Ward Committees	2 737 000,00	6 101 841,15	1 368 500,00	- 4 733 341,15
Electr Infrastr, Mains Cable	2 500 000,00	8 743 308,45	1 250 000,00	- 7 493 308,45
Other individual items	74 082 272,00	27 250 385,52	37 041 136,00	9 790 750,48
	<b>155 339 234,00</b>	<b>73 004 470,00</b>	<b>77 669 617,00</b>	<b>4 665 147,00</b>

Adjustment will be done per line item.

**Adjustment is recommended.**

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

**9. EMPLOYEE RELATED COSTS REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2022 IN TERMS OF S66 OF THE MFMA**

**TABLE 9 EMPLOYEE RELATED COSTS REPORT**

**EC157 King Sabata Dalindyebo - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December**

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C					%	D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		24,477	30,061	30,061	2,102	13,588	15,031	(1,443)	-10%	30,061
Cellphone Allowance		3,464	4,875	4,875	286	1,911	2,438	(526)	-22%	4,875
Other benefits and allowances		1,716	213	213	143	858	106	752	706%	213
<b>Sub Total - Councillors</b>		<b>29,657</b>	<b>35,149</b>	<b>35,149</b>	<b>2,531</b>	<b>16,357</b>	<b>17,575</b>	<b>(1,218)</b>	<b>-7%</b>	<b>35,149</b>
% increase	4		18.5%	18.5%						18.5%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		9,084	10,931	10,805	557	3,788	5,417	(1,629)	-30%	10,805
Pension and UIF Contributions		46	61	61	4	27	31	(4)	-14%	61
Performance Bonus		-	2,690	2,690	-	-	1,345	(1,345)	-100%	2,690
Motor Vehicle Allowance		-	-	-	18	35	-	35	100%	-
Cellphone Allowance		50	46	46	3	16	23	(7)	-29%	46
<b>Sub Total - Senior Managers of Municipality</b>		<b>9,159</b>	<b>13,729</b>	<b>13,603</b>	<b>582</b>	<b>3,866</b>	<b>6,815</b>	<b>(2,949)</b>	<b>-43%</b>	<b>13,603</b>
% increase	4		49.9%	48.5%						48.5%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		341,246	360,609	359,107	30,477	179,932	180,139	(207)	0%	359,107
Pension and UIF Contributions		56,031	59,725	59,708	5,035	29,838	29,854	(16)	0%	59,708
Medical Aid Contributions		28,826	31,262	31,255	2,430	14,578	15,628	(1,050)	-7%	31,255
Overtime		34,672	17,319	18,232	2,800	16,955	8,722	8,233	94%	18,232
Performance Bonus		25,051	23,145	23,120	1,376	10,459	11,560	(1,101)	-10%	23,120
Motor Vehicle Allowance		15,206	15,881	16,227	2,111	9,444	7,931	1,513	19%	16,227
Cellphone Allowance		2,581	2,236	2,314	477	2,177	1,148	1,029	90%	2,314
Housing Allowances		23,963	28,629	28,528	2,517	12,441	14,293	(1,852)	-13%	28,528
<b>Sub Total - Other Municipal Staff</b>		<b>527,577</b>	<b>538,806</b>	<b>538,489</b>	<b>47,221</b>	<b>275,824</b>	<b>269,275</b>	<b>6,549</b>	<b>2%</b>	<b>538,489</b>
% increase	4		2.1%	2.1%						2.1%
<b>Total Parent Municipality</b>		<b>566,394</b>	<b>587,684</b>	<b>587,241</b>	<b>50,335</b>	<b>296,046</b>	<b>293,665</b>	<b>2,382</b>	<b>1%</b>	<b>587,241</b>

## KING SABATA DALINDYEBO LOCAL MUNICIPALITY

### 9.1 COMMENTS ON SIGNIFICANT VARIANCES

The following line items reflects material variances as at 31 DECEMBER 2023

#### Employee Related Costs and Remuneration of councilors:

**Overall overspending of two million (R2.3 million).**

- Basic salaries for councilors reflect savings of one million (R1.4 million) and savings of five hundred thousand (R0.5 million) on cellphone allowance.
- Senior managers reflect savings on basic salaries of one million six hundred thousand and performance bonuses of one million three hundred thousand.
- Other municipal officials the following variances are noted;
  - Medical aid savings of one million (R1 million).
  - Overtime overspent by eight million (R8 million).
  - Bonuses reflect savings of one million one hundred thousand (R1.1 million).
  - Motor vehicle allowance overspent by one million five hundred thousand (R1.5 million).
  - Cellphone allowance overspent by one million (R1 million).
  - Housing allowances reflect savings of one million eight hundred thousand (R1.8 million).
- Adjustment will be done per line item

**Adjustment up is recommended.**

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

**9.2. DEPARTMENTAL REVENUE AND EXPENDITURE REPORT**

**Executive and Council**

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
<b>AREA: 11 - Executive &amp; Council</b>							
<b>Revenue</b>							
Rent of Facilities and Equipment	26,500	31,823	- 5,323	-20%	13,250	- 18,573	-140%
Fines	103,832	40,228	63,604	61%	51,916	11,688	23%
Licenses and Permits	2,185,648	591,817	1,593,831	73%	1,092,824	501,007	46%
Other Revenue	28,306	4,174	24,132	85%	14,153	9,979	71%
<b>Total Revenue</b>	<b>2,344,286</b>	<b>668,042</b>	<b>1,676,244</b>	<b>72%</b>	<b>1,172,143</b>	<b>504,101</b>	<b>43%</b>
<b>Expenditure</b>							
Employee Related Costs	64,996,228	29,779,902	35,216,326	54%	32,498,112	2,718,210	8%
Remuneration Of Councillors	35,344,962	16,356,780	18,988,182	54%	17,672,472	1,315,692	7%
General Expenses - Other	36,979,819	17,180,350	19,799,469	54%	18,489,930	1,309,580	7%
Repairs & Maintenance - Municipal Assets	80,000	-	80,000	100%	40,002	40,002	100%
<b>Total Expenditure</b>	<b>137,401,009</b>	<b>63,317,032</b>	<b>74,083,977</b>	<b>54%</b>	<b>68,700,516</b>	<b>5,383,484</b>	<b>8%</b>
<b>Net Surplus/(Deficit)</b>	<b>- 135,056,723</b>	<b>- 62,648,990</b>	<b>- 72,407,733</b>	<b>54%</b>	<b>- 67,528,373</b>	<b>- 4,879,383</b>	<b>7%</b>

**Corporate Services**

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
<b>AREA: 12 - Corporate Services</b>							
<b>Revenue</b>							
Rent of Facilities and Equipment	671,736	295,787	375,949	56%	335,862	40,075	12%
Grants & Subsidies Received - Operating	-	578,818	- 578,818	-100%	-	- 578,818	-100%
<b>Total Revenue</b>	<b>671,736</b>	<b>874,605</b>	<b>- 202,869</b>	<b>-30%</b>	<b>335,862</b>	<b>- 538,743</b>	<b>-160%</b>
<b>Expenditure</b>							
Employee Related Costs	69,124,169	25,473,383	43,650,786	63%	34,562,136	9,088,753	26%
General Expenses - Other	15,487,447	6,929,007	8,558,440	55%	7,743,756	814,749	11%
Depreciation - Property, Plant & Equip	216,116	196,225	19,891	9%	108,060	- 88,165	-82%
<b>Total expenditure</b>	<b>84,827,732</b>	<b>32,598,615</b>	<b>52,229,117</b>	<b>62%</b>	<b>42,413,952</b>	<b>9,815,337</b>	<b>23%</b>
<b>Net Surplus/(Deficit)</b>	<b>- 84,155,996</b>	<b>- 31,724,010</b>	<b>- 52,431,986</b>	<b>62%</b>	<b>- 42,078,090</b>	<b>- 10,354,080</b>	<b>25%</b>

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

**Finance and Asset Management**

DESCRIPTION	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
<b>AREA: 13 - Finance &amp; Asset Management</b>							
<b>Revenue</b>							
Property Rates	341,121,951	302,942,019	38,179,932	11%	341,121,951	38,179,932	11%
Rent of Facilities and Equipment	17,587,144	10,017,097	7,570,047	43%	7,781,172	- 2,235,925	-29%
Interest Earned - External Investments	1,379,635	2,466,214	- 1,086,579	-79%	689,820	- 1,776,394	-258%
Interest Earned - Outstanding Debtors	38,861,721	38,528,222	333,499	1%	19,430,862	- 19,097,360	-98%
Grants & Subsidies Received - Operating	437,706,000	326,004,758	111,701,242	26%	218,853,000	- 107,151,758	-49%
Grants & Subsidies Received - Capital	-	4,824,840	- 4,824,840	-100%	-	- 4,824,840	-100%
Other Revenue	3,861,352	450,738	3,410,614	88%	1,930,674	1,479,936	77%
Gains \Losses on Disposal Of Property, P	-	9,371	- 9,371	-100%	-	- 9,371	-100%
<b>Total revenue</b>	<b>840,517,803</b>	<b>685,243,259</b>	<b>155,274,544</b>	<b>18%</b>	<b>589,807,479</b>	<b>- 95,435,780</b>	<b>-16%</b>
<b>Expenditure</b>							
Employee Related Costs	59,778,867	30,747,356	29,031,511	49%	29,889,450	- 857,906	-3%
General Expenses - Contracted Services	11,803,231	3,579,199	8,224,032	70%	5,901,618	2,322,419	39%
General Expenses - Grants & Subsidies Pa	-	89,411	89,411	100%	-	89,411	100%
General Expenses - Other	79,213,324	37,793,501	41,419,823	52%	39,606,708	1,813,207	5%
General Expenses: Grants & Subs - Operat	2,600,000	834,912	1,765,088	68%	1,300,002	465,090	36%
Repairs & Maintenance - Municipal Assets	10,007,000	6,630,372	3,376,628	34%	5,003,496	- 1,626,876	-33%
Depreciation - Property, Plant & Equip	32,455,146	10,524,569	21,930,577	68%	16,227,576	5,703,007	35%
Impairment Gain\Lost	21,153,025	-	21,153,025	100%	21,153,025	21,153,025	100%
Interest Expense - External Borrowings	16,000,000	201,450	15,798,550	99%	7,999,998	7,798,548	97%
Contributions To/ From Provisions & Res	-	2,097,554	- 2,097,554	-100%	-	- 2,097,554	-100%
<b>Total expenditure</b>	<b>233,010,593</b>	<b>92,319,502</b>	<b>140,691,091</b>	<b>60%</b>	<b>127,081,873</b>	<b>34,762,371</b>	<b>27%</b>
<b>Net Surplus/(Deficit)</b>	<b>607,507,210</b>	<b>592,923,757</b>	<b>14,583,453</b>	<b>2%</b>	<b>462,725,606</b>	<b>- 130,198,151</b>	<b>-28%</b>

**Rural and Economic Development**

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
<b>AREA: 14 - Planning Social &amp; Ec Dev</b>							
<b>Revenue</b>							
Rent of Facilities and Equipment	290,425	17,659	272,766	94%	145,212	127,553	88%
Licenses and Permits	2,461,347	491,335	1,970,012	80%	1,230,678	739,343	60%
Grants & Subsidies Received - Capital	10,210,130	1,431,938	8,778,192	86%	5,105,064	3,673,126	72%
Other Revenue	172,473	17,255	155,218	90%	86,238	68,983	80%
<b>Total revenue</b>	<b>13,134,375</b>	<b>1,958,187</b>	<b>11,176,188</b>	<b>85%</b>	<b>6,567,192</b>	<b>4,609,005</b>	<b>70%</b>
<b>Expenditure</b>							
Employee Related Costs	9,361,224	9,031,300	329,924	4%	4,680,606	- 4,350,694	-93%
General Expenses - Other	10,839,026	3,404,766	7,434,260	69%	5,419,536	2,014,770	37%
<b>Total expenditure</b>	<b>20,200,250</b>	<b>12,436,066</b>	<b>7,764,184</b>	<b>38%</b>	<b>10,100,142</b>	<b>- 2,335,924</b>	<b>-23%</b>
<b>Net Surplus/(Deficit)</b>	<b>- 7,065,875</b>	<b>- 10,477,879</b>	<b>3,412,004</b>	<b>-48%</b>	<b>- 3,532,950</b>	<b>6,944,929</b>	<b>-197%</b>

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

**Human Settlement**

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
<b>AREA: 15 - Human Settlement</b>							
<b>Revenue</b>							
Service Charges	137,800	263,127	- 125,327	-91%	68,900	- 194,227	-282%
Grants & Subsidies Received - Operating	-	91,118	- 91,118	-100%	-	- 91,118	-100%
Grants & Subsidies Received - Capital	68,000,000	16,123,379	51,876,621	76%	34,000,000	17,876,621	53%
Other Revenue	1,965,424	2,305,605	- 340,181	-17%	982,712	- 1,322,893	-135%
<b>Total revenue</b>	<b>70,103,224</b>	<b>18,783,229</b>	<b>51,319,995</b>	<b>73%</b>	<b>35,051,612</b>	<b>16,268,383</b>	<b>46%</b>
<b>Expenditure</b>							
Employee Related Costs	16,952,569	15,035,480	1,917,089	11%	8,476,285	- 6,559,196	-77%
General Expenses - Other	10,845,526	1,330,772	9,514,754	88%	5,422,763	4,091,991	75%
General Expenses: Grants & Subs - Operat	-	132,381	- 132,381	-100%	-	- 132,381	-100%
Repairs & Maintenance - Municipal Assets	20,000	-	20,000	100%	10,000	10,000	100%
<b>Total expenditure</b>	<b>27,818,095</b>	<b>16,498,633</b>	<b>11,319,462</b>	<b>41%</b>	<b>13,909,048</b>	<b>- 2,589,586</b>	<b>-19%</b>
<b>Net Surplus/(Deficit)</b>	<b>42,285,129</b>	<b>2,284,596</b>	<b>40,000,533</b>	<b>95%</b>	<b>21,142,565</b>	<b>18,857,969</b>	<b>89%</b>

**Community Services**

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF%	BUDGET	DIFFERENCE	DIFF%
<b>AREA: 16 - Community Services</b>							
<b>Revenue</b>							
Service Charges	68,512,052	61,349,311	7,162,741	10%	68,512,052	7,162,741	10%
Rent of Facilities and Equipment	2,093,678	1,188,724	904,954	43%	902,484	- 286,240	-32%
Grants & Subsidies Received - Operating	7,453,350	4,428,961	3,024,389	41%	3,726,672	- 702,289	-19%
Other Revenue	21,200	-	21,200	100%	10,602	10,602	100%
<b>Total revenue</b>	<b>78,080,280</b>	<b>66,966,996</b>	<b>11,113,284</b>	<b>14%</b>	<b>73,151,810</b>	<b>6,184,814</b>	<b>8%</b>
<b>Expenditure</b>							
Employee Related Costs	94,773,923	46,874,064	47,899,859	51%	47,386,974	512,910	1%
General Expenses - Contracted Services	300,000	110,000	190,000	63%	150,000	40,000	27%
General Expenses - Other	20,806,868	9,490,902	11,315,966	54%	10,403,418	912,516	9%
General Expenses: Grants & Subs - Operat	5,703,350	2,503,733	3,199,617	56%	2,851,674	347,941	12%
Repairs & Maintenance - Municipal Assets	270,000	46,287	223,713	83%	135,000	88,713	66%
Depreciation - Property, Plant & Equip	19,262,760	18,329,888	932,872	5%	9,631,380	- 8,698,508	-90%
<b>Total expenditure</b>	<b>141,116,901</b>	<b>77,354,874</b>	<b>63,762,027</b>	<b>45%</b>	<b>70,558,446</b>	<b>- 6,796,428</b>	<b>-10%</b>
<b>Net Surplus/(Deficit)</b>	<b>- 63,036,621</b>	<b>- 10,387,878</b>	<b>- 52,648,743</b>	<b>84%</b>	<b>2,593,364</b>	<b>12,981,242</b>	<b>501%</b>

**KING SABATA DALINDYEBO LOCAL MUNICIPALITY**

**Public Safety**

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF %	BUDGET	DIFFERENCE	DIFF %
<b>AREA: 17 - Public Safety</b>							
<b>Revenue</b>							
Service Charges	12,914,392	7,970,208	4,944,184	38%	6,457,200	- 1,513,008	-23%
Fines	42,000,000	1,486,482	40,513,518	96%	21,000,000	19,513,518	93%
Licenses and Permits	18,158,416	6,446,928	11,711,488	64%	9,079,206	2,632,278	29%
Grants & Subsidies Received - Operating	652,000	-	652,000	100%	325,998	325,998	100%
Other Revenue	307,750	131,298	176,452	57%	153,876	22,578	15%
<b>Total revenue</b>	<b>74,032,558</b>	<b>16,034,916</b>	<b>57,997,642</b>	<b>78%</b>	<b>37,016,280</b>	<b>20,981,364</b>	<b>57%</b>
<b>Expenditure</b>							
Employee Related Costs	139,855,878	74,217,717	65,638,161	47%	69,927,996	- 4,289,721	-6%
General Expenses - Contracted Services	6,000,000	7,561,805	- 1,561,805	-26%	3,000,000	- 4,561,805	-152%
General Expenses - Other	7,055,871	3,566,952	3,488,919	49%	3,527,946	- 39,006	-1%
General Expenses: Grants & Subs - Operat	652,000	215,424	436,576	67%	325,998	110,574	34%
Repairs & Maintenance - Municipal Assets	680,000	81,141	598,859	88%	339,996	258,855	76%
<b>Total expenditure</b>	<b>154,243,749</b>	<b>85,643,039</b>	<b>68,600,710</b>	<b>44%</b>	<b>77,121,936</b>	<b>- 8,521,103</b>	<b>-11%</b>
<b>Net Surplus/(Deficit)</b>	<b>- 80,211,191</b>	<b>- 69,608,123</b>	<b>- 10,603,068</b>	<b>13%</b>	<b>- 40,105,656</b>	<b>29,502,467</b>	<b>-74%</b>

**Infrastructure**

DESCRIPTION	ANNUAL				YTD		
	BUDGET	AMOUNT	DIFFERENCE	DIFF %	BUDGET	DIFFERENCE	DIFF %
<b>AREA: 18 - Infrastructure</b>							
<b>Revenue</b>							
Service Charges	648,297,247	283,855,920	364,441,327	56%	324,148,626	40,292,706	12%
Grants & Subsidies Received - Operating	11,983,780	7,491,412	4,492,368	37%	5,991,888	- 1,499,524	-25%
Grants & Subsidies Received - Capital	167,118,900	77,794,751	89,324,149	53%	83,559,450	5,764,699	7%
Other Revenue	27,384,946	2,007,974	25,376,972	93%	13,692,474	11,684,500	85%
<b>Total revenue</b>	<b>854,784,873</b>	<b>371,150,057</b>	<b>483,634,816</b>	<b>57%</b>	<b>427,392,438</b>	<b>56,242,381</b>	<b>13%</b>
<b>Expenditure</b>							
Employee Related Costs	105,150,722	49,819,359	55,331,363	53%	52,575,354	2,755,995	5%
General Expenses - Bulk Purchases	479,989,276	269,523,322	210,465,954	44%	239,994,636	- 29,528,686	-12%
General Expenses - Other	29,298,081	5,579,983	23,718,098	81%	14,649,036	9,069,053	62%
General Expenses: Grants & Subs - Operat	7,165,650	5,332,779	1,832,871	26%	3,582,828	- 1,749,951	-49%
Repairs & Maintenance - Municipal Assets	76,915,877	42,212,079	34,703,798	45%	38,457,936	- 3,754,143	-10%
Depreciation - Property, Plant & Equip	105,413,206	81,549,757	23,863,449	23%	52,706,604	- 28,843,153	-55%
<b>Total expenditure</b>	<b>803,932,812</b>	<b>454,017,279</b>	<b>349,915,533</b>	<b>44%</b>	<b>401,966,394</b>	<b>- 52,050,885</b>	<b>-13%</b>
<b>Net Surplus/(Deficit)</b>	<b>50,852,061</b>	<b>- 82,867,222</b>	<b>133,719,283</b>	<b>263%</b>	<b>25,426,044</b>	<b>108,293,266</b>	<b>426%</b>



## KING SABATA DALINDYEBO LOCAL MUNICIPALITY

### 10. CAPITAL EXPENDITURE EXCLUDING CONTRIBUTIONS TO CAPITAL OUTLAY

**TABLE 10 CAPITAL EXPENDITURE REPORT ROADS**

EC157 King Sabata Dalindyebo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2022/23		Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Actual Q1	Actual Q2	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1										
<b>Capital Expenditure - Functional Classification</b>											
<i>Governance and administration</i>		2,149	7,971	8,871	474	2,008	2,482	4,435	(1,954)	-44%	8,871
Executive and council		-	1,200	1,200	-	-	-	600	(600)	-100%	1,200
Finance and administration		2,149	6,741	7,641	474	2,008	2,482	3,820	(1,339)	-35%	7,641
Internal audit		-	30	30	-	-	-	15	(15)	-100%	30
<i>Community and public safety</i>		49,629	75,761	75,038	7,327	7,735	15,062	37,519	(22,457)	-60%	75,038
Community and social services		-	311	188	76	-	76	94	(18)	-19%	188
Sport and recreation		-	1,000	1,000	-	-	-	500	(500)	-100%	1,000
Public safety		-	6,450	5,850	-	-	-	2,925	(2,925)	-100%	5,850
Housing		49,629	68,000	68,000	7,251	7,735	14,985	34,000	(19,015)	-58%	68,000
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		86,917	129,694	179,041	37,184	44,361	81,545	89,521	(7,976)	-9%	179,041
Planning and development		7,512	5,217	12,963	8,150	(275)	7,876	6,482	1,394	22%	12,963
Road transport		79,405	124,478	166,078	29,034	44,635	73,669	83,039	(9,370)	-11%	166,078
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		7,017	9,000	9,000	-	2,725	2,725	4,500	(1,775)	-39%	9,000
Energy sources		7,017	5,000	5,000	-	2,346	2,346	2,500	(154)	-6%	5,000
Waste management		-	4,000	4,000	-	379	379	2,000	(1,621)	-81%	4,000
<b>Total Capital Expenditure - Functional Classification</b>	3	145,712	222,426	271,950	44,985	56,828	101,813	135,975	(34,162)	-25%	271,950
<b>Funded by:</b>											
National Government		57,373	98,106	137,119	27,982	29,376	57,358	68,559	(11,201)	-16%	137,119
Provincial Government		80,462	98,000	98,000	10,999	21,803	32,802	49,000	(16,198)	-33%	98,000
District Municipality		3,978	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		1,480	-	10,210	5,530	(435)	5,095	5,105	(10)	100%	10,210
<b>Transfers recognised - capital</b>		143,303	196,106	245,329	44,511	50,744	95,255	122,665	(27,409)	-22%	245,329
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		2,149	26,071	26,371	474	5,962	6,436	13,185	(6,750)	-51%	26,371
<b>Total Capital Funding</b>		145,452	222,176	271,700	44,985	56,706	101,691	135,850	(34,159)	-25%	271,700

#### 10.1. COMMENTS ON CAPITAL SPENDING

- MIG -The spending on MIG exceeded in the mid-term YTD budget by 9 million.
- Human Settlement Projects- The spending was at 14 million at mid-term, reflecting an underspending of 19 million on YTD budget.

#### .11. ROLLOVERS

Rollover was approved by National Treasury for Municipal disaster response grant.

## KING SABATA DALINDYEBO LOCAL MUNICIPALITY

### 12. STAFF IMPLICATIONS

Own staff

### 13. FINANCIAL IMPLICATIONS

Non normal operating budget

### 14. RECOMMENDATIONS

14.1. That the Report of the Municipal Manager to the Executive Mayor of the KSD Local Municipality on the assessment carried out in terms of section 72 of the MFMA be noted.

14.2. That the Executive Mayor considers the report in terms of section 54 (1) of the MFMA.

14.3. That the Executive Mayor in terms of section 54(1)(f) of the MFMA, submits the report to the Council by 25 January 2024.

14.4. That the Executive Mayor, in terms of section 54(2)(a)(ii) of the MFMA, tables an adjustments budget before the end of February 2024 as contemplated in section 28(a), (b), (d) and (f) of the MFMA.

14.5. That the adjustments budget, in terms of section 23 of the Municipal budget and reporting regulations 393 of 2009, be considered and tabled in the municipal council not later than 28 February 2024.

14.6. That departments develop / revise turnaround plan for the municipality.

14.7. That the council notes Midyear performance report and considers whether amendments are necessary in the Integrated development plan and related Service Delivery and Budget Implementation Plan.

  

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**N Pakade**

**Municipal Manager**