



LIM344: MID-YEAR BUDGET ASSESSMENT

2024/25 FINANCIAL YEAR

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1. INTRODUCTION

FINANCE : MID-YEAR BUDGET ASSESSMENT – 2024/25 FINANCIAL YEAR REPORT OF THE MUNICIPAL MANAGER

In terms of section 72 of the Municipal Finance Management Act (MFMA), Act no 56 of 2003 the Accounting Officer of the municipality must by 25 January each year-

- 1.1** Assess the performance of the municipality during the first half of the financial year, taking into account-
 - a) The monthly budget statement referred to as section 71 for the first half of the financial year
 - b) 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,
 - c) The past years annual report, and progress on resolving problems identified in the annual report.
- 1.2** The Accounting Officer of the municipality must submit a report on such assessment to –
 - 1.2.1 The mayor of the municipality,
 - 1.2.2 The National and the relevant provincial treasury.
- 1.3** The Accounting Officer must, as part of the review-
- 1.4** Make recommendations as to whether an adjustment budget is necessary, and
- 1.5** Recommend revised projections for revenue and expenditure to the extent that this may be necessary

2. HALF-YEAR BUDGET STATEMENT: 31 DECEMBER 2024
(JULY 2024 – DECEMBER 2024 YEAR TO DATE PERFORMANCE)

MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY			
Summary of first half quarter SDBIP (July to December 2024) Municipal financial management and viability			
Key Performance Indicators	Mid-Term Performance Remarks	Mid-term Target	Actual achieved Mid-term
Number of Household earning less than per month with access to free electricity	Achieved	3700	4224
Prepared and Submitted Annual financial statements for 2023/2024 Financial year	Not Achieved	2023/24 AFS Prepared and submitted by 31 August 2024	AFS Submitted on 01 September 2024 due to the fact that the assets component was submitted late
Approved budget process plan by 31 August 2024	Achieved	Process plan approved by Council by the 31 August 2024	Process plan approved by Council on the 31 st July 2024
Approved 2025/26 Budget by 31 May 2025	Achieved	Send request to departments for proposed budget by 31 December 2024	The request to departments for proposed budget was sent on the 09th December 2024
Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 30 September 2024 and by 31 December 2024	Achieved	6	6

Percentage Expenditure of Financial Management Grant by 30 September 2024 and by 31 December 2024	Achieved	50%	55%
Percentage of Tenders processed within 90 days by 30 September 2024 and 31 December 2024 (From closing date in the advert)	Achieved	95%	100%
Percentage of Electricity Distribution loss by 30 Sept 2024 and 31 December 2024	Not Achieved	10%	16%
To achieve improved Unqualified audit opinion by 30 November 2024	Achieved	Improved Unqualified audit Opinion	Improved Unqualified audit Opinion, performance information it moved from qualified to unqualified

3. ANALYSIS OF MID TERM SDBIP KEY PERFORMANCE INDICATORS AND ACHIEVEMENT ENDING 31 DECEMBER 2024

3.1 Number of Household earning less than per month with access to free electricity.

The target was for the municipality to register 3700 by mid-term. The municipality achieved the target by registering 4224 by mid-term.

3.2 Prepared and submitted Annual Financial Statements for the year ended 30 June 2024.

The target was for the municipality to prepare and submit AFS for the 2023/24 financial year on or before 31 August 2024 during mid- term. The target was not achieved. Due to the fact that the Asset component was submitted late

3.3 Approved budget process plan by 31 August 2024.

The target was for the municipality to approve the budget process plan by 31 August 2024 during the mid-term. The municipality achieved the target as the budget process plan was approved by council on 31 July 2024.

3.4 Approved 2025/26 budget by 31 May 2025.

The target was for finance department to issue a circular notifying other departments about the deadline for submission of the budget input for the preparation of 2025/26 financial year Budget. The notice was issued on 09th December 2024 and the target was achieved.

3.5 Number of section 71 reports submitted to Treasury within 10 days after the end of the mid -term (six months)

The target was for the municipality to submit section 71 reports to provincial and national treasury within ten working days after the end of each month during mid-term. The target was achieved and six section 71 reports were submitted to both national and provincial Treasury during mid-term.

3.6 Percentage Expenditure of Financial Management Grant by mid-term.

The target was to spend 50% of financial management grant by mid-term. The municipality achieved this target by spending 55% of the budget.

3.7 Percentage of Tenders processed within 90 days by mid-term (From closing date in the advert).

The target was for the municipality to process 95% advertised Tenders within 90 days from the closing date in the advert by mid-term. The municipality did achieve this target and 100% of the tenders were awarded within 90 days validity period from the closing date during mid-term.

3.8 Percentage of Electricity Distribution loss by mid-term.

The target for the municipality was to achieve less than 10% on distribution loss for the mid- term ending 31 December 2024. The target was not achieved and the municipality's distribution losses was 16% for the mid-term

3.9 Percentage of Billed revenue collected per month during 2024/25 for mid- term Financial Year.

The target was for the municipality to achieve 90% collection rate for the mid-term. The target was achieved and the municipality's collection rate was 91% for the mid-term.

4. ANALYSIS OF INCOME AND EXPENDITURE FOR THE MID TERM ENDING 31 DECEMBER 2024

The municipality's total approved budget amounts to R 1 248 345 000.00 Income and Expenditure (Operating Budget) R 1 188 957 000.00 and Capital expenditure of R 319 919 million

Summary overall budgeted and actual expenditure

Types of Budget	Approved Budget	Budget Spent	Balance	% Spent
Operational	R 1 188 billion	R 681 million	R 507 million	57%
Capital	R 319 million	R 160 million	R 160 million	50%
Total	R 1 507 billion	R 841 million	R 666 million	55.%

Summary Budget and overall current expenditure

The municipality had operational expenditure budget of R 1 188 billion and capital budget of R 319 million and the amount of R 681 million and R 158 million was spent respectively. This represents 57% spending on operational budget as well as 50% spending on capital budget. Overall spending is R836 million against the approved budget of R 1.507 billion and this represent 55.% spending of the budget

5. OPERATING REVENUE.

Total Operating revenue during first half of 2024/25 was R 808 396 818.96 compared to the related budget of R 624 172 500.00 resulting in a positive variance 15% .The revenue received already constitute 50% of the approved original budget.

Description	Budget Year 2024/25									
	Original Budget	Mid-year Projections	Q1 Sept 2024	Q2 Dec 2024	YTD todate	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
R thousands										
<u>Revenue By Source</u>										
Property rates	123 715 000,00	61 857 500,00	31 597 806,14	31 317 710,82	62 915 516,96	1 058 016,96	2%	51%	102%	123 715 000,00
Service charges - electricity revenue	466 929 000,00	233 464 500,00	122 475 619,00	100 108 966,06	222 584 585,06	-10 879 914,94	-5%	48%	95%	466 929 000,00
Service charges - refuse revenue	15 340 000,00	7 670 000,00	4 023 686,69	4 158 443,62	8 182 130,31	512 130,31	6%	53%	107%	15 340 000,00
Rental of facilities and equipment	348 000,00	174 000,00	70 696,43	77 320,96	148 017,39	-25 982,61	-18%	43%	85%	348 000,00
Interest earned - external investments	7 583 000,00	3 791 500,00	1 404 450,78	919 838,74	2 324 289,52	-1 467 210,48	-63%	31%	61%	7 583 000,00
Interest earned - outstanding debtors	47 627 000,00	23 813 500,00	8 823 489,21	4 729 587,51	13 553 076,72	-10 260 423,28	-76%	28%	57%	47 627 000,00
Fines, penalties and forfeits	4 786 000,00	2 393 000,00	517 090,20	589 302,70	1 106 392,90	-1 286 607,10	-116%	23%	46%	4 786 000,00
Licences and permits	3 779 000,00	1 889 500,00	917 370,53	1 030 931,26	1 948 301,79	58 801,79	3%	52%	103%	3 779 000,00
Transfers and subsidies	520 303 000,00	260 151 500,00	257 466 321,78	227 669 885,76	485 136 207,54	224 984 707,54	46%	93%	186%	520 303 000,00
Operational Revenue	57 935 000,00	28 967 500,00	4 367 898,00	6 130 402,77	10 498 300,77	-18 469 199,23	-176%	18%	36%	57 935 000,00
Total Revenue	1 248 345 000,00	624 172 500,00	431 664 428,76	376 732 390,20	808 396 818,96	184 224 318,96	30%	65%	130%	1 248 345 000,00

5.1 ANALYSIS OF REVENUE

5.1.1 Property Rates

The Actual billing on property rate for mid-term is R 62.915 million compared to the projections R 61.857 million which results to 2% positive variance between actual collected and projections. There is a need to adjust property rate upward by 2% during budget adjustment based on the six months performance.

5.1.2 Service charges Electricity revenue

The actual Billing on Electricity revenue for the mid-term is R 225.584 million compared to the Mid-term projections of R 233.464 million. There is a need to adjust the service charges downward by 5% based on the six-month performance.

5.1.3 Service charges Refuse removal

The actual revenue billed on Refuse removal revenue for mid-term is R 8.182 million compared to the projections of R 7 670 million. There is a need to adjust service charges refuse removal upwards by 7% based on six-month performance.

5.1.4 Rental

The actual rental revenue collected for mid-term 2024 is R 148 thousand compared to the mid-year projection of R 174 thousand. There is a need to adjust rental revenue downwards by 15% based on six months' performance.

5.1.5 Interest earned from financial institutions

The actual billing for interest earned from financial institutions as at 31 December 2024 is R 2 324 million compared to the projections of R 3 791 million which results to an under collection by 39%. There is a need to adjust Interest earned on investment and primary account downwards based on the six-month performance.

5.1.6 Fines, Penalties and forfeits

Fines, penalties and forfeits for the mid-term is R 1 106 million compared with R 2 393 million projections which results to under collection by 54%. There is a need to adjust this revenue based on the six months performance this revenue should be adjusted downwards by 54%.

5.1.7 Licenses and Permits

The actual licenses and permits collected in the midterm is R 1 948 million compared with the R 1 889 million projections which results to over collection by 3% .The revenue is collected on a cash basis and there's a need to adjust upwards by 3% this revenue based on the six month performance.

5.1.8 Other Revenue

The actual collection as at 31 December 2024 is R 10 498 million compared with the projected revenue of R 28 967 million. The results is the under collection by 64% with regard to this service. The projected revenue include the amount projected to be received from sales of stands and auctioned was done and municipality which still to be received the money after the transfer from conveyances is completed.

The revenue is collected on a cash basis and there's a need to adjust downwards this revenue and remain with actual amount to be received from Conveyance with regard sales of south Pretorius.

Description	Budget Year 2024/25									
	Original Budget	Mid-year Projections	Q1 Sept 2024	Q2 Dec 2024	YTD todate	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
<u>Expenditure By Source</u>										
Employee related costs	329 105 000,00	164 552 500,00	84 761 765,52	105 358 116,10	190 119 881,62	25 567 381,62	16%	58%	116%	329 105 000,00
Remuneration of councillors	33 568 000,00	16 784 000,00	7 430 337,75	8 403 287,84	15 833 625,59	-950 374,41	-6%	47%	94%	33 568 000,00
Debt impairment	77 287 000,00	38 643 500,00	18 679 081,90	9 009 758,01	27 688 839,91	-10 954 660,09	-28%	36%	72%	77 287 000,00
Depreciation & asset impairment	159 889 000,00	79 944 500,00	38 045 202,62	37 950 004,90	75 995 207,52	-3 949 292,48	-5%	48%	95%	159 889 000,00
Finance charges	20 731 000,00	10 365 500,00	3 273 852,85	6 133 647,35	9 407 500,20	-957 999,80	-9%	45%	91%	20 731 000,00
Bulk purchases	330 000 000,00	165 000 000,00	107 865 845,00	90 568 086,85	198 433 931,85	33 433 931,85	20%	60%	120%	330 000 000,00
Other materials	29 415 000,00	14 707 500,00	11 032 617,40	9 858 235,64	20 890 853,04	6 183 353,04	42%	71%	142%	29 415 000,00
Contracted services	155 156 000,00	77 578 000,00	50 468 328,59	72 548 321,42	123 016 650,01	45 438 650,01	59%	79%	159%	155 156 000,00
Operational costs	53 806 000,00	26 903 000,00	11 838 987,56	8 688 482,39	20 527 469,95	-6 375 530,05	-24%	38%	76%	53 806 000,00
Total Expenditure	1 188 957 000,00	594 478 500,00	333 396 019,19	348 517 940,50	681 913 959,69	87 435 459,69	15%	57%	115%	1 188 957 000,00

6. OPERATING EXPENDITURE

Total actual expenditure incurred during the first half of 2024/25 is R 681 913 959.69 compared to the projected amount of R 624 172 500.00 .The expenditure incurred to date is amounting R 681 913 959.69 or 57 % of the original approved budget.

6.1 SIGNIFICANT VARIANCES ANALYSIS OF EXPENDITURE

6.1.1.1 Employee related Cost

The actual expenditure as at 31 December 2024 is sitting at R190 119 million compared to the projections of R 164 552 million which results in over spending by 16%.

There is a need to adjust employee cost upwards by 16%, however it must be emphasized that departments should try by all means to reduce overtime.

6.1.1.2 Councilors Remuneration

The actual expenditure as at 31 December 2024 is sitting at R15 833 million compared to the projections of R 16 784 million which results in underspending by 6%. There is a need to adjust councilors remuneration downwards by 6%.

6.1.1.3 Debt Impairment

This is non- cash item and expenditure is R 27 688 million compared to the projection of R 38 643 million. This is mainly because debtors are normally assessed for impairment during each quarter. There is a need to improve the collection rate so that the municipality remain within the allocated budget.

6.1.1.4 Depreciation & asset impairment

This is non- cash item and expenditure is R 75 995 million compared to the projection of R 79 944 million. There is a need to adjust the budget upwards to cover the whole year depreciation.

6.1.1.5 Bulk purchases

The bulk purchases expenditure for the first half is R 198 433 million and compared to projected expenditure of R 165 000 million which results to overspending of 20%. There is a need to adjust the budget upwards during budget adjustment based on the six-month performance.

6.1.1.6 Finance charges

The actual expenditure for finance charge is R 9 407 million compared to projected expenditure of R 10 365 million which result to underspending by 9%. There is a need to adjust finance charges during the adjustment budget by 9 % to cover the whole year especially year end journals for leases and employee benefit accruals.

6.1.1.7 Contracted Services

The contracted services expenditure is R 123 016 million compared to projected expenditure of R 77 578 million which results to overspending by variance of 59%. There is a need to adjust the budget upwards during budget adjustment based on the six month performance, however repairs and maintenance of roads and electricity infrastructure need to be prioritized, E.g Patching of potholes , roads storm water , and electricity maintenance in the municipal area.

6.1.1.8 General Expenditure

The other expenditure is R 41 418 million compared to the projected expenditure of R41 610 million which results to under spending by 1% on the general expenditure for the six months

7. ANALYSIS OF CAPITAL BUDGET EXPENDITURE PER DEPARTMENT

7.1 CAPITAL EXPENDITURE.

The Capital Budget expenditure is R 160.018 million of the full budgeted figure of R 319 919 million which is equal to 50 % spending. Total actual expenditure incurred for Capital budget during the first half of 2024/25 is R 160.018 million compared to the projected amount of R 159.959 million. The expenditure incurred to date is amounting to 50% of the approved capital budget

CODE	DEPARTMENT	BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE
SC	Technical Services	R 295 993,000.00	R 152, 209,861.93	R 144 478 650.01	51%
SC	Community Services	R 6 300 000.00	R 2 ,664 ,163.00	R 3 635 837.00	42%
SC	Budget and Treasury	R 8 300 000.00	R 178 109.14	R 8 ,121,890.86	2%
SC	Corporate Services	R 6 640 000.00	R 4 849 183.75	R 1 790 816.25	73%
SC	Regional Offices	R 2 686 000.00	R 116 ,933.90	R 2 569 066.10	4%
	TOTAL	R 319 919 000.00	R 160 018 251.72	R 160 596 260.22	50%

PLANS TO IMPROVE SPENDING TO THE NEXT TWO QUARTERS

- The all departments are committing that, all projects that were due for completion during second quarter will be completed during 3rd quarter as per the revised approved extension of time.
- All other projects that are under construction planned to be completed by end of financial year will be completed.
- All Projects that are on evaluation stage will be adjudicated by end of January 2025 and those that are pending specification, the specification will also be submitted by end of January 2025.
- The procurement plan will be a standing item in a monthly management meeting to monitor the progress from each department.
- The departments are committing that there will be improvement in expenditure in third quarter and fourth quarter so that at the end of financial year the municipality achieve 90% to 100% spending of its capital projects.

7.1.1 Technical Services Department

The expenditure incurred for the first half represents 51% of approved budget for 2024/2025 financial year. The major spending of the department is mainly derived from MIG, INEP and own funding projects that are progressing well.

CAPITAL EXPENDITURE REPORT FOR THE MONTH ENDING 31 DECEMBER 2024 TECHNICAL SERVICES DEPARTMENT										
ELECTRICAL ENGINEERING										
COD	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING OR	VARIANCE	PERCENTAGE	COMMENTS
SC	at: Mara , Sinthumule, Kutama, Mudimeli / Tshiendeulu, Tshipise & Ward 37, Levubu 2, Levubu East, Levubu Central, Levubu west (Beaufort), Bandelierkop, Mashau, mountain , Tshifhire.	INCOME	9,800,500.00	-	9,800,500.00	8,440,760.04	939,186.57	1,359,739.96	86%	Appointed
SC	Upgrading Emmarentia Sub Station	INCOME	5,000,000.00		5,000,000.00	-		5,000,000.00	0%	On advert
SC	Upgrading Boom Park sub station	INCOME	2,000,000.00	-	2,000,000.00	-		2,000,000.00	0%	In specification
SC	Upgrading Eltvillas East substation in town	INCOME	1,000,000.00	-	1,000,000.00	-		1,000,000.00	0%	funding to implement the project as of mid-year
SC	Develop GIS System (Farms)	INCOME	300,000.00	-	300,000.00	-		300,000.00	0%	funding to implement the project as of mid-year
SC	Develop GIS system (Underground network in Town)	INCOME	300,000.00	-	300,000.00	-		300,000.00	0%	funding to implement the project as of mid-year
SC	Upgrading Roodewal substation	INCOME	1,100,000.00		1,100,000.00	-		1,100,000.00	0%	Appointed
SC	Electrification of South of Pretorius residential development	INCOME	1,000,000.00	(1,000,000.00)	-	-		-	#DIV/0!	funding to implement the project as of mid-year
SC	Upgrading South of Pretorius substation (2 x 5MVA)	INCOME	7,000,000.00	-	7,000,000.00	3,119,899.16		3,880,100.84	45%	Appointed
SC	Upgrading 66kv and 22kv breakers in Luvubu and Beaufort substation	INCOME	2,000,000.00	-	2,000,000.00	-		2,000,000.00	0%	Appointed
SC	Installation of Solar system	INCOME	2,000,000.00	(1,000,000.00)	1,000,000.00	-		1,000,000.00	0%	funding to implement the project as of mid-year
SC	Main substation upgrade Phase 3 - (line breakers & line control panels)	INCOME	2,800,000.00	(1,000,000.00)	1,800,000.00	-		1,800,000.00	0%	funding to implement the project as of mid-year
SC	Upgrading 66kv transmission line (Mpheni)	INCOME	3,200,000.00	-	3,200,000.00	-		3,200,000.00	0%	funding to implement the project as of mid-year
SC	Installing SCADA system in five substations	INCOME	1,000,000.00	(1,000,000.00)	-	-		-	#DIV/0!	funding to implement the project as of mid-year
SC	Construction of a new substation East of Bergview (2 x 5MVA)	INCOME	500,000.00	-	500,000.00	-		500,000.00	0%	funding to implement the project as of mid-year
SC	Post connections at Municipal area	INCOME	300,000.00	-	300,000.00	-		300,000.00	0%	Appointed
SC	Installation of 15m hybrid High masts in All substations	INCOME	1,000,000.00	(1,000,000.00)	-	-		-	#DIV/0!	funding to implement the project as of mid-year
SC	Construction of Mara feeder split	INCOME	1,000,000.00		1,000,000.00	-		1,000,000.00	0%	Waiting for allocation
SC	Construction of Local Control Centre	INCOME	1,000,000.00	(1,000,000.00)	-	-		-	#DIV/0!	funding to implement the project as of mid-year
SC	Procurement of Power Transformer and Current Transformer Testing instruments	INCOME	1,000,000.00	(1,000,000.00)	-	-		-	#DIV/0!	funding to implement the project as of mid-year

CIVIL ENGINEERING SECTION										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING OR	VARIANCE	PERCENTAGE	
SC	Rehabilitation of Kort/Krogh street	INCOME	2,000,000.00		2,000,000.00	449,393.00		1,550,607.00	22%	Appointed
SC	Rehabilitation of surfaced landing strips and roads at Makhado Airport	INCOME	3,000,000.00		3,000,000.00			3,000,000.00	0%	Consultant allocated
SC	Fencing of cemeteries at: Maduwa and Tshituni Tsha Fhasi, Ramantsha, Maguvhur	INCOME	2,000,000.00	2,983,257.00	4,983,257.00	2,103,883.20		2,879,373.80	42%	Appointed
SC	Procurement of Boom lifter for working at height for use at Community facilities	INCOME	1,000,000.00	(700,000.00)	300,000.00			300,000.00	0%	On advert
SC	Procurement of Plate compactor for road maintenace	INCOME	200,000.00		200,000.00			200,000.00	0%	In evaluation
SC	Procurement of Culverts for stormwater	INCOME	900,000.00		900,000.00			900,000.00	0%	Appointed
SC	Pavement at Civic Centre Phase 3	INCOME	2,000,000.00		2,000,000.00			2,000,000.00	0%	Contractor allocated
SC	Rehabilitation of Netshisaulu street	INCOME	2,000,000.00		2,000,000.00	443,963.25		1,556,036.75	22%	Consultant allocated
SC	Rehabilitation of Celier street	INCOME	2,000,000.00	(1,959,513.00)	40,487.00			40,487.00	0%	RAL
SC	Rehabilitation of Nngweni street	INCOME	2,000,000.00	-	2,000,000.00			2,000,000.00	0%	Cosultant allocated
SC	Rehabilitation of Second street	INCOME	2,000,000.00	-	2,000,000.00			2,000,000.00	0%	Consultant allocated
SC	Reehabilitation of Bauhinia street	INCOME	2,000,000.00	1,959,513.00	3,959,513.00			3,959,513.00	0%	Contractor allocated
SC	Rehabilitation of Douthwait street	INCOME	2,000,000.00		2,000,000.00			2,000,000.00	0%	Waiting for allocation
SC	Construction of Extension of Library building	INCOME	1,000,000.00		1,000,000.00			1,000,000.00	0%	to implement the project as of mid-year
SC	Construction of Pay Points, Guardrooms and Septic tanks	INCOME	1,000,000.00		1,000,000.00			1,000,000.00	0%	to implement the project as of mid-year
SC	Refurbishment of Town Swimming pool	INCOME	2,000,000.00	(800,000.00)	1,200,000.00			1,200,000.00	0%	Consultant allocated

SC	Fencing of Civil Engineering stock piling area	INCOME	1,000,000.00	(800,000.00)	200,000.00			200,000.00	0%	There was no enough funding to implement the project as of mid-year
SC	Refurbishment of Ha-Mutsha community Hall	INCOME	1,200,000.00		1,200,000.00			1,200,000.00	0%	In evaluation
SC	Refurbishment of Muduluni community Hall	INCOME	1,000,000.00		1,000,000.00			1,000,000.00	0%	In evaluation
SC	Refurbishment of Waterval community Hall	INCOME	1,000,000.00	(700,000.00)	300,000.00			300,000.00	0%	In evaluation
SC	Rehabilitation of Jasmyn street	INCOME	1,000,000.00		1,000,000.00			1,000,000.00	0%	RAL
SC	Refurbishment of Vleifontein Satalite office	INCOME	1,000,000.00		1,000,000.00			1,000,000.00	0%	In evaluation
SC	Fencing Musekwa Multi-purpose	INCOME	1,000,000.00	(700,000.00)	300,000.00			300,000.00	0%	On advert
SC	Fencing of Muwaweni Community Hall	INCOME	1,000,000.00		1,000,000.00			1,000,000.00	0%	On advert
SC	Palisade fence for Waterval Stores office	INCOME	1,000,000.00	716,743.00	1,716,743.00			1,716,743.00	0%	There was no enough funding to implement the project as of mid-year
SC	Refurbishment of Dzanani Regional Office building	INCOME	800,000.00		800,000.00			800,000.00	0%	In evaluation
SC	Construction of Makhado Weighbrige	INCOME	1,000,000.00		1,000,000.00			1,000,000.00	0%	In specification
SC	Refurbishment of Elivillas sports Facility (Change Room)	INCOME	1,500,000.00		1,500,000.00			1,500,000.00	0%	In evaluation
	TOTAL		39,600,000.00	-	39,600,000.00	2,997,239.45	-	36,602,760.55	8%	

CODE	DESCRIPTION	PMU INCOME				EXPENDITURE	PENDING OR	VARIANCE	PERCENTAGE	
		SOURCES	BUDGET	VIREMENT	FINAL BUDGET					
SC	construction of Dzanani Taxi Rank and Market Stalls	INCOME	10,000,000.00		10,000,000.00	2,365,721.42		7,634,278.58	24%	Appointed
SC	Development of roads and stormwater at Tshikota 164 new stands	INCOME	15,000,000.00	(3,000,000.00)	12,000,000.00	3,998,855.59		8,001,144.41	33%	Appointed
SC	Development of roads and stormwater at South of Pretorius 700 new stands	INCOME	20,000,000.00	(2,500,000.00)	17,500,000.00	8,329,620.45		9,170,379.55	48%	Appointed
SC	Development of Potgiter Park	INCOME	5,000,000.00	7,000,000.00	12,000,000.00	10,935,355.18		1,064,644.82	91%	Appointed
SC	Construction of Mbavala Bridge	INCOME	500,000.00		500,000.00			500,000.00	0%	Consultant Allocated
SC	Upgrading of Sivananda street	INCOME	2,000,000.00		2,000,000.00	1,630,128.11		369,871.89	82%	Appointed
SC	Upgrading of road leading to Mavhoyi FET College	INCOME	1,000,000.00	(500,000.00)	500,000.00			500,000.00	0%	Consultant Allocated
SC	Construction of Bronne street	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Construction f the `STATE OF THE ARTS' Hall	INCOME	300,000.00		300,000.00	299,853.14		146.86	100%	Appointed
SC	Construction and upgrade of proposed road from Songozwi (Tourism Park) to Eras	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Dambuwo to Mathuga Access Road	INCOME	300,000.00		300,000.00	300,000.00		-	100%	Appointed
SC	construction of Admin Block for Traffic station at Waterval Region & DLTC	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of roads from gravel to surface at Extension 13	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Tshino Access Road	INCOME	1,000,000.00	(500,000.00)	500,000.00			500,000.00	0%	Consultant Allocated
SC	Upgrading of Madombidzha (50/50), Ramantsha to Ravele Access Road	INCOME	1,000,000.00		1,000,000.00	668,437.50		331,562.50	67%	Appointed
SC	Upgrading of Rathidili Ring Road	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Road from Tshiozwi Mufhandani to T-Junction at Madombidzha Rav	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Tshivhuyuni Access Road	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Rabali to Divhani Access Road	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	construction of Admin Block and Traffic station & DLTC at Luvuvhu Region	INCOME	300,000.00		300,000.00	299,488.38		511.62	100%	Appointed
SC	Construction of Verreyne street	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Ring Road from Nwaxinyamani to Tshivhade, Mavhina to bungeni	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Construction of Makhado Stadium (Sports facility)	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated

SC	Upgrading of Matshume to Dombeni (Mboka school via Marimani Secondary school)	INCOME	300,000.00	300,000.00	600,000.00	574,024.54		25,975.46	96%	Appointed
SC	Upgrading of road Tshikumbu to Tshivhangani	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Masiza and Phandlula busy corner to Chabane graveyard	INCOME	300,000.00		300,000.00	300,000.00		-	100%	Appointed
SC	Upgrading of road from Mpheni Block A (Mabidi) to Block C (Butchery)	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of road from Jabu to Mulweli primary school at Mpheni (Makhakhi)	INCOME	300,000.00		300,000.00	299,995.80		4.20	100%	Appointed
SC	Upgrading of ring road from Phadzima Tshitavha Mudzulathungo	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of road from Tribal Muila to graveyard Muila	INCOME	300,000.00		300,000.00	299,489.66		510.34	100%	Appointed
SC	Upgrading of Roads at Nthabalala village	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of ring road from Tshirolwe Extension 2 to Extension 3	INCOME	300,000.00		300,000.00	260,329.25		39,670.75	87%	Appointed
SC	Upgrading of Tshikwarani road from Main road to Tribal	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Road at Tsianda office to graveyard	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of road from Mugwena (Valdezia) to T-Junction	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of road from Mandiwana, Mamuhoyi, Pfumbada and Tshituni to Musekwa Road	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Maname access road and Bridge from Tshivhamboni to R 523	INCOME	300,000.00		300,000.00	299,901.62		98.38	100%	Appointed
SC	Upgrading of access road at Ndouvhada from Dolidoli to Khomela	INCOME	300,000.00		300,000.00	299,802.08		197.92	100%	Appointed
SC	Upgrading of Mavhunga Thavhani, Makungwi, Mphaila to R523 access road	INCOME	300,000.00		300,000.00	300,000.00		-	100%	Appointed
SC	Upgrading of Muromani and Maluta School Access roads (Madombidzha)	INCOME	300,000.00		300,000.00	299,972.33		27.67	100%	Appointed
SC	Upgrading of road from Thanngani to Damuni (Madombizha)	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Construction of Arts & Centre in town	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Access road from Matshavhawe to Khunda	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Road from Vleifontein Clinic to Chris Hani via Pentecostal Church	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Upgrading of Road to Vleifontein Cemetery	INCOME	300,000.00		300,000.00	299,902.47		97.53	100%	Appointed
SC	Construction of Van der Lith street	INCOME	300,000.00		300,000.00			300,000.00	0%	Consultant Allocated
SC	Construction of Waterval Sports Facility	INCOME	4,000,000.00	(300,000.00)	3,700,000.00	1,851,765.76		1,848,234.24	50%	Appointed

HIGH MASTS INSTALLATION IN VILLAGES & PARKS (Ward 1 to ward 38)									
COD	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE
SC	Mbavala, Njhakanjaka, Tsianda, Thondoni, Tshiendeulu, Tshikota, Matshavhawe ,Madombidzha 3, Tshituni A, Tshivhangani, Funguvhu, Kachabani, Tshivhade, Mpheni, Mauluma Zone 1, Pfananani, Maila, Mudimeli, Muumoni, Luvhalani,Ha-Ravele, Madombidzha, Gogobole, Makhitha, Matidza, Magangeni, Bysdorp (Thalani), Tshidzivhani, Tshitavhadulu, Luvhalani, Slanger, Vuvha A, Maelula, Funyufunyu, Dzanani, Thembaluvhilo, B, Musekwa ngundu ,Mavhunga		12,000,000.00	-	12,000,000.00	-	-	12,000,000.00	0%
TOTAL			12,000,000.00	-	12,000,000.00	-	-	12,000,000.00	0%
TOTAL TECHNICAL SERVICES BUDGET			295,993,000.00	-	295,993,000.00	152,209,861.93	-	144,478,650.01	51%

Waiting for allocation

7.1.2 Department of Community services

The actual expenditure for the midterm is R 2 664 million compared to the projection of R 3 150 million which result in a negative variance of 18%. The expenditure incurred for the first half represent 42% of approved budget for 2024/25 financial year. The department is expected to improve in the second half of the financial year to ensure that it reach 100% spending.

CAPITAL EXPENDITURE REPORT FOR THE MONTH ENDING 31 DECEMBER 2024 COMMUNITY SERVICES DEPARTMENT

LIBRARY SERVICES										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PENDING	PERCENTAGE	COMMENT
SC	Musekwa and Main library CFX library Security system (3M Machine)	INCOME	800,000.00		800,000.00		800,000.00		0%	To be re-advertised
SC	Thermal binding Machine (main,musekwa, levubu)	INCOME	40,000.00		40,000.00		40,000.00		0%	In evaluation
SC	Air conditions for main Library, Musekwa Library and Ha-Mutsha Library	INCOME	60,000.00		60,000.00		60,000.00		0%	Specification not yet received
SC	Purchasing of Study carrels for Luvuvhu Library	INCOME	100,000.00	-	100,000.00	-	100,000.00		0%	Evaluated pending order
TOTAL			1,000,000.00	-	1,000,000.00	-	1,000,000.00		0%	

PARKS AND RECREATION SECTION										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDG	EXPENDITURE	VARIANCE	PENDING	PERCENTAGE	COMMENT
SC	Purchasing of Heavy Duty Lawn mower machines and Brushcutter machines	INCOME	500,000.00	(200,000.00)	300,000.00		300,000.00		0%	In evaluation
SC	Purchasing of Tractors Slashers	INCOME	300,000.00	(200,000.00)	100,000.00		100,000.00		0%	In evaluation
SC	3x Trailer for Heavy Duty Lawn mower machine	INCOME	50,000.00		50,000.00		50,000.00		0%	In evaluation
SC	1x Potable/mobile woodchipper machine	INCOME	200,000.00		200,000.00		200,000.00		0%	In evaluation
TOTAL			1,050,000.00	(400,000.00)	650,000.00	-	650,000.00		0%	

MAKHADO REGION WASTE MANAGEMENT										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PENDING	PERCENTAGE	COMMENT
SC	Purchasing of 40 Skip Bins	INCOME	500,000.00	800,000.00	1,300,000.00	1,300,000.00	-		100%	Appointed
SC	Development of Carcas Decomposing Facility	INCOME	500,000.00	-	500,000.00	-	500,000.00		0%	Withdrawn
SC	Paving of refuse skip bin dropping areas	INCOME	500,000.00	(500,000.00)	-		-		0%	On advert
SC	Large Round concrete refuse bins	INCOME	500,000.00	(300,000.00)	200,000.00		200,000.00		0%	On re-advert
TOTAL			2,000,000.00	-	2,000,000.00	1,300,000.00	700,000.00		65%	

MAKHADO TRAFFIC STATION										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PENDING	PERCENTAGE	COMMENT
SC	Mobile Roadblock Equipment with a Trailer (Makhado and Dzanani)	INCOME	70,000.00	-	70,000.00	-	70,000.00	-	0%	In specification
SC	3 phase diesel Generator 50 Kva and installation	INCOME	80,000.00		80,000.00		80,000.00		0%	Waiting for allocation
SC	Procurement of Laser Camera X 2	INCOME	200,000.00	(175,000.00)	25,000.00	-	25,000.00		0%	In evaluation
SC	Speed Measuring Machine	INCOME		175,000.00	175,000.00	-	175,000.00		0%	Appointed
SC	installation of camera	INCOME		1,400,000.00	1,400,000.00	1,364,163.00	35,837.00			
TOTAL			350,000.00	1,400,000.00	1,750,000.00	1,364,163.00	385,837.00	-	0%	

MAKHADO (REGISTERING AUTHORITY) LICENSING										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PENDING	PERCENTAGE	COMMENT
SC	Construction of steel struture Filing space and installation of shelves for licensing (Makhado and Dzanani Traffic Stations)	INCOME	1,000,000.00	(500,000.00)	500,000.00	-	500,000.00		0%	There was no enough funding to implement the project as of mid-year
TOTAL			1,000,000.00	(500,000.00)	500,000.00	-	500,000.00		0%	

MAKHADO SPORTS, ARTS AND CULTURE										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PENDING	PERCENTAGE	COMMENT
SC	Planting Kikuyi (Grass) at Showground	INCOME	100,000.00		100,000.00		100,000.00		0%	There was no enough funding to implement the project as of mid-year
SC	Installation of boxing ring, voley ball, netball and gymnastic equipments at LTT squashclub hall	INCOME	800,000.00	(500,000.00)	300,000.00	-	300,000.00		0%	There was no enough funding to implement the project as of mid-year
TOTAL			900,000.00	(500,000.00)	400,000.00	-	400,000.00		0%	

7.1.3 Department of Budget and Treasury Office

The actual expenditure for the first half is R 178 thousands compared with the projection of R 3 150 million which result to a negative variance of 94%.The

expenditure incurred for the first half represent 2% of approved budget for 2024/25 financial year. The major expenditure will be incurred after the delivery of Vehicles that are already procured waiting for the delivery. The department is committed that spending of 100% will be achieved at the end of the financial year.

CAPITAL EXPENDITURE REPORT FOR THE MONTH ENDING 31 DECEMBER 2024
BUDGET & TREASURY OFFICE

ASSETS										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING ORDER	VARIANCE	PERCENTAGE	COMMENT
SC	1x LDV Double Cab (Makhado Special Programme)	INCOME	700,000.00	-	700,000.00		637,347.08	700,000.00	0%	Order issued waiting for delivery
SC	Procurement of 4x4 vehicles for electrical (Electrical department) x 2 per year	INCOME	2,000,000.00	-	2,000,000.00		1,885,562.29	2,000,000.00	0%	Order issued waiting for delivery
SC	Procurement of vehicle fitted Auger drill for electrical trucks (Electrical department)	INCOME	1,200,000.00	-	1,200,000.00		-	1,200,000.00	0%	Waiting for spec from Tech
SC	2 X Double Cab (Makhado Pool Registry)	INCOME	1,000,000.00	-	1,000,000.00	-	-	1,000,000.00	0%	Order still to be issued
SC	1 X LDV Double Cab (Disaster)	INCOME	700,000.00		700,000.00		637,347.08	700,000.00	0%	Order still to be issued
SC	1x LDV Single Cab (Corporate services)	INCOME	500,000.00		500,000.00		413,763.40	500,000.00	0%	Order issued waiting for delivery
SC	1x LDV Single Cab (Luvuvhu region)	INCOME	700,000.00		700,000.00		359,794.26	700,000.00	0%	Order issued waiting for delivery
	OFFICE FURNITURE AND EQUIPMENT									
SC	Furniture for whole Municipality	INCOME	1,500,000.00		1,500,000.00	178,109.14	90,415.12	1,321,890.86	12%	There was no enough funding to implement project as of mid-year
TOTAL BUDGET AND TREASURY BUDGET			8,300,000.00	-	8,300,000.00	178,109.14	4,024,229.23	8,121,890.86	2%	

7.1.4 Department of Corporate Services

The actual expenditure for the first half is R 4 849 million compared with the projection of R 3 320 million. This spending represents positive 46% of the Mid-term projection. The expenditure incurred for the first half represent 73% of approved budget for 2024/25 financial year.

CAPITAL EXPENDITURE REPORT FOR THE MONTH ENDING 31 DECEMBER 2024
CORPORATE SERVICES DEPARTMENT

UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	COMMENT
SC	Procure, install, maintain and support Network infrastructure refresher	INCOME	1,000,000.00	-	1,000,000.00	998,150.00		1,850.00	100%	Appointed
SC	Procure, maintain, support and licensing Wireless connectivity extended to all offices Civic Centre	INCOME	350,000.00	(300,000.00)	50,000.00	-		50,000.00	0%	Cancelled due to current network refresher project
SC	Procure, Install, Maintain,Support and Licensing for Implementation Of Disaster Recovery Architecture	INCOME	500,000.00	(450,000.00)	50,000.00	-	50,000.00	50,000.00	0%	intrustructure not being ready in the regional offices
SC	Procure, Install, Maintain and Support Uninterrupted Power Supply and Batteries	INCOME	500,000.00	(415,000.00)	85,000.00	-		85,000.00	0%	In specification
SC	Procure and Implement Municipal Laptop Tracking Solution for a period of 3 years	INCOME	550,000.00	(500,000.00)	50,000.00	-	-	50,000.00	0%	On advert
SC	Microsoft Office 365 Business Standard Licence 350	INCOME		2,965,000.00	2,965,000.00	2,961,530.00		3,470.00	100%	Appointed
TOTAL			2,900,000.00	1,300,000.00	4,200,000.00	3,959,680.00	50,000.00	240,320.00	94%	

ICT EQUIPMENT FOR ALL DEPARTMENT										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	COMMENTS
SC	ICT equipment for all departments - laptops, desktops, printer/scanners	INCOME	1,000,000.00	-	1,000,000.00	889,503.75	-	110,496.25	89%	Appointed
TOTAL			1,000,000.00	-	1,000,000.00	889,503.75	-	110,496.25	0%	

COMMUNICATIONS DIVISION										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	COMMENT
SC	Procure and Install Digital Welcome sign at the entrance of Civic Centre	INCOME	300,000.00		300,000.00	-		300,000.00	0%	In evaluation
SC	Camera	INCOME	50,000.00	-	50,000.00	-		50,000.00	0%	Specification not yet received
TOTAL			350,000.00	-	350,000.00	-	-	350,000.00	0%	

COUNILLORS SUPPORT AND COMMITTEES										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	COMMENT
SC	Procure, install, maintain and support Sound & Recording system for Executive Committee Chamber	INCOME-ROLLOVER	500,000.00	(450,000.00)	50,000.00	-		50,000.00	0%	In evaluation
SC	Video Conferencing Facility (IdeaHub) for Virtual Meetings	INCOME	500,000.00	(400,000.00)	100,000.00	-	150,620.00	100,000.00	0%	In evaluation
TOTAL			1,000,000.00	(850,000.00)	150,000.00	-	150,620.00	150,000.00	0%	

HUMAN RESOURCE DIVISION										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	COMMENT
SC	Procure, Maintain, Support and Licensing for PMDS Software – Performance Management for all staff	INCOME	500,000.00	(450,000.00)	50,000.00	-		50,000.00	0%	To be re-advertised
TOTAL			500,000.00	(450,000.00)	50,000.00	-	-	50,000.00	0%	

RECORDS AND AUXILIARY SERVICES										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	COMMENT
SC	Update, maintain, support and licensing of Document Management System in line with Electronic Records Management File Plan.		500,000.00		500,000.00			500,000.00		Specification not yet received as its an upgrade
SC	Procure, install, maintain, support and licensing for Electronic Business Process and Electronic Signature system	INCOME	350,000.00	-	350,000.00	-		350,000.00	0%	To be re-advertised
	Procure and install Television set for Call Centre		20,000.00		20,000.00			20,000.00		Specification not yet received
SC	Procure and install Television set for MPAC Office	INCOME	20,000.00		20,000.00	-		20,000.00	0%	Specification not yet received
TOTAL			890,000.00	-	890,000.00	-	-	890,000.00	0%	

TOTAL CORPORATE SERVICES BUDGET	6,640,000.00	-	6,640,000.00	4,849,183.75	200,620.00	1,790,816.25	73%
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7.1.5 Regional Offices

The actual expenditure for the first half is R 117 thousand compared with the projection of R 1 343 million which result to a negative variance of 91%.The expenditure incurred for the first half represent 4% of approved budget for 2024/25 financial year. The major part of the capital budget for this department is in Dzanani regional office , Waterval Regional office and Luvuvhu regional office with an approved budget of R 1 195 Million ,R 400 thousand and R 1 091 thousands respectively. Spending is expected to be accelerated in the second midterm.

CAPITAL EXPENDITURE REPORT FOR THE MONTH ENDING 31 DECEMBER 2024
REGIONAL OFFICES

LUVUVHU REGIONAL OFFICE										
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE	COMMENTS
SC	6x Carports	INCOME	60,000.00	-	60,000.00			60,000.00	0%	In specification
SC	1x Projector	INCOME	25,000.00		25,000.00			25,000.00	0%	Referred to IT for allocation
SC	1x Bomag Roller	INCOME	500,000.00	-	500,000.00	-		500,000.00	0%	Appointed
SC	1x 500 litres diesel tank with its trailer	INCOME	60,000.00		60,000.00			60,000.00	0%	In evaluation
SC	1x Generator (3 Phases)	INCOME	40,000.00		40,000.00	29,730.00		10,270.00	74%	Appointed
SC	1x Industrial vacuum cleaner	INCOME	20,000.00	-	20,000.00	-		20,000.00	0%	Appointed
SC	1x Drilling machine	INCOME	16,000.00		16,000.00			16,000.00	0%	Appointed
SC	1x Trailer	INCOME	50,000.00		50,000.00			50,000.00	0%	In evaluation
SC	1x Tar cutter	INCOME	100,000.00		100,000.00		24,063.75	100,000.00	0%	Appointed
SC	2x Industrial Pressure car washer gun	INCOME	50,000.00		50,000.00		19,435.00	50,000.00	0%	Appointed
SC	18x Brush cutters	INCOME	85,000.00		85,000.00	60,453.90		24,546.10	71%	Appointed
SC	Purchasing of 30 X Heavy Duty Brush Cutter	INCOME	85,000.00		85,000.00			85,000.00	0%	To be cancelled
TOTAL			1,091,000.00	-	1,091,000.00	90,183.90	43,498.75	1,000,816.10	8%	

DZANANI REGIONAL OFFICE									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE
SC	Construction of Steel Structure Filling Space and installation of steel shelves	INCOME	1,000,000.00	-	1,000,000.00			1,000,000.00	0% On advert
SC	Brush Cutter	INCOME	60,000.00		60,000.00			60,000.00	0% In specification
SC	Purchasing of 1 X Walk behind Grass Cutting machine	INCOME	100,000.00	-	100,000.00	-		100,000.00	0% In specification
SC	Purchasing of 2 X Chainsaw	INCOME	35,000.00		35,000.00			35,000.00	0% In specification
TOTAL			1,195,000.00	-	1,195,000.00	-	-	1,195,000.00	0%

WATERVAL REGIONAL OFFICE									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	PENDING	VARIANCE	PERCENTAGE
SC	Brush Cutter & lawnmowers Machines	INCOME	300,000.00		300,000.00			300,000.00	0% In evaluation
SC	Chainsaw	INCOME	40,000.00		40,000.00	26,750.00	-	13,250.00	67% Appointed
SC	Tar Cutter	INCOME	60,000.00		60,000.00			60,000.00	0% Appointed
TOTAL			400,000.00	-	400,000.00	26,750.00	-	373,250.00	7%

TOTAL REGIONAL OFFICES BUDGET	2,686,000.00	-	2,686,000.00	116,933.90	43,498.75	2,569,066.10	4%
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8. SOURCES OF FINANCE - CAPITAL REVENUE

It should be noted that Capital Revenue represents the sources of finances of capital expenditure Section 71 Report in terms of the MFMA.

SUMMARISED MID YEAR CAPITAL EXPENDITURE FUNDING AS 31 DECEMBER 2023

DEPARTMENT	Amount
Technical Services	159 209 861.93
Community Services	2 644 163.00
Budget and Treasury	178 109.14
Corporate Services	4 849 183.75
Regional Office	116 933.90
TOTAL	160 018 251.72
FUNDING	Amount
INCOME	70 126 149.55
MIG & INEP	89 892 102.17
TOTAL	160 018 251.72

9. CONDITIONAL GRANT SUMMARY

The grant funding gazetted by both National and Provincial Treasury and approved in Makhado Municipality's 2024/25 budget. (Excludes equitable share as it is not conditional).

Details of Grants allocated ,Grants Performance as at 31 DECEMBER 2024										
	Budget Year 2024/25									
Description	APPROVED BUDGET	Grants Received YTD R '000	Actual Received Q1 R '000	Actual Received Q2	Actual Q1 Expenditure R'000	Actual Q2 Expenditure R'000	Actual to date Expenditure R'000	% Spent on received	BUDGET VS ACTUAL %	Full Year Forecast
APPROVED CONDITIONAL GRANT										
Funded by:										
MIG	105,490	95,490	95,490	15,000	41,352	44,094	85,446	89%	81%	105,490
INEP	12,506	7,500	2,500	5,000	260	7,494	7,753	103%	62%	12,506
FMG	1,900	1,900	1,900		527	518	1,045	55%	55%	1,900
EPWP	2,560	1,791	733		733	547	1,280	71%	50%	2,560
Disaster Grants- Rollover	4,558	4,558			3,340	1,218	4,558	100%	100%	4,558
Disaster Grants	6,006	3,003	1,201	1,802		2,573	2,573	86%	43%	6,006
Total Grants	133,020	114,242	101,824	21,802	46,212	56,444	102,655	90%	77%	133,020

9.1 Municipal infrastructure Grant (MIG)

The actual amount received for the first half is R 95 490 million and actual expenditure is R 85 446 million representing 81% of expenditure against approved allocation of R 105 490 million.

The spending pattern of MIG is commendable and 100% spending of the grant by the end of the financial year will be achieved.

9.2 Integrated National Electricity Programme (INEP)

The actual amount received for the first half is R 7 500 million and actual expenditure is R 7 753 million which represent 62% of expenditure against approved allocation of R 12 506 million. The spending pattern of INEP grant is commendable and 100% spending of the grant by the end of the financial year will be achieved.

9.3 Financial Management Grant (FMG)

The actual amount received as at 31 December 2024 Mid-term is R 1 950 Million and actual expenditure incurred is R 1 045 million that represents 55% against the approved allocation of R 1 950 million.

9.4 Expanded Public Works Programme (EPWP)

The actual amount received as at 31 December 2024 Med-Term is R 1 791 and actual expenditure incurred is R 1 280 million that represent 50% against the approved allocation of R 2 560 million.

10. DEBTORS AGE ANALYSIS

The amount outstanding from debtors as at 31 December 2023 is R 535 879 506.54

Aged Debtors - DECEMBER 2024								
Description	Budget Year 2024/25							Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	180 Days and Over	Total	
R thousands								
Debtors Age Analysis By Income Source								
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	31,122	1,205	749	742	650	48,046	82,515	49,438
Receivables from Non-exchange Transactions - Property Rates	12,509	3,513	9,626	5,125	3,312	168,766	202,852	177,204
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1,746	529	474	434	418	29,369	32,970	30,221
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	6,945	5,310	3,355	3,363	3,328	150,075	172,376	156,767
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-
Other	9,386	1,225	6,546	1,129	1,010	25,872	45,167	28,011
Total By Income Source	61,708	11,782	20,750	10,793	8,719	422,128	535,879	441,640
Debtors Age Analysis By Customer Group								
Organs of State	4,867	1,355	2,533	989	970	51,520	62,233	53,478
Commercial	24,842	1,517	3,662	1,443	1,564	47,273	80,301	50,280
Households	14,921	5,684	5,452	4,266	3,581	218,038	251,942	225,886
Other	17,078	3,226	9,103	4,095	2,604	105,297	141,403	111,996
Total By Customer Group	61,708	11,782	20,750	10,793	8,719	422,128	535,879	441,640

MAKHADO LOCAL MUNICIPALITY

Quarter 2 Debt Breakdown Analysis - 31 December 2024

		Towns							
Account Type	Total Amount	Farm	Ha-Tshikota (Vleifontein)	Louis Trichardt	Makhado A (Dzanani)	Tshikota	Villages	Vuwani	Waterval
Agriculture	148,383,164.97	147,493,458.50	0	852,849.61	0	-443.2	37,300.03	0	0
Businesses/ Industrial	80,301,382.60	35,500,007.83	1,622,623.35	33,565,645.50	6,856,095.75	375,588.14	791,614.82	0	1,589,807.17
Churches	719,373.08	99,884.15	177,278.16	162,769.89	42,698.37	21,058.12	81,440.30	0	134,244.09
Government (SOP)	38,402,329.20	35,361,752.57	0.00	1,716,280.10	327,720.09	365,538.02	394,303.41	0	236,734.98
Municipal	1,732,216.17	71,625.71	43,735.61	1,385,085.85	44,623.84	13,291.38	8,740.21	0	165,113.57
Public Benefit Organisation (PBO)	46,599.38	43,567.98	0	4,841.95	-1,810.55	0	0	0	0
Public Service Infrastructure (PSI)	798,775.94	612,726.51	0	186,047.60	0	0	0	0	1.83
Residential	243,397,303.37	2,900,691.78	46,592,303.38	53,356,939.27	20,877,061.58	10,304,464.89	17,639,790.25	0.00	91,726,052.22
Public Service Purpose (PSP)	22,098,362.23	16,146,348.08	1,935,977.87	-135,108.03	1,760,600.97	504,341.43	1,231,638.92	0.00	654,562.99
GRAND - TOTAL	535,879,506.54	238,230,063.11	50,371,918.37	91,095,351.74	29,906,990.05	11,583,838.78	20,184,827.94	0.00	94,506,516.85

Summary of Debt Impairment Narration

Allowance for debt impairment for the second quarter ending 31 December 2024 equals R437.737 million.

The Total Consumer Debtors as at the 31st December 2024 equals R535.879 million.

The Net Debt Collectible as at 31st of December 2024 equals R98.143 million.

The table below reflects both the collection rate and the distribution loss for the second quarter ending 31 December 2024

Collection Rate Table							
Quarter - 1		Quarter - 2		Quarter – 3		Quarter - 4	
Month	<u>Percentage</u>	Month	<u>Percentage</u>	Month	<u>Percentage</u>	Month	<u>Percentage</u>
July – 2024	86	Oct-24	107	January – 2025		Apr-25	
August – 2024	74	Nov-24	97	Feb-25		May-25	
Sep-24	102	Dec-24	81	Mar-25		Jun-25	
Total	262	Total					
Average percentage for the Quarter - 1	87	Average percentage for the Quarter - 2	95%	Average percentage for the Quarter - 3		Average Percentage for Fourth quarter	

The second quarter average collection rate is 95%.

The mid-year average collection rate is 91%.

Distribution Rate Table							
Quarter - 1		Quarter - 2		Quarter – 3		Quarter - 4	
Month	<u>Percentage</u>	Month	<u>Percentage</u>	Month	<u>Percentage</u>	Month	<u>Percentage</u>
July – 2024	20%	Oct-24	17%	January – 2025		Apr-25	
August – 2024	17%	Nov-24	30%	Feb-25		May-25	
Sep-24	7%	Dec-24	5%	Mar-25		Jun-25	
Total	44%	Total	52%				
Average percentage for the Quarter - 1	15%	Average percentage for the Quarter - 2	17%	Average percentage for the Quarter - 3		Average Percentage for Fourth quarter	

The 2nd Quarter average Distribution Loss is 17%, while the mid-year average Distribution Loss is 16%.

- **CHALLENGES**
- The non-existent of electricity in R293 Towns such as Dzanani, Waterval, Vleifontein, excluding Tshikota still exists as a challenge towards collection.
- Illegal connections

STRATEGIES TO IMPROVE COLLECTION

- The meters are physically checked to the those customers that are not buying or buying electricity that is unreasonably or too low because they raise a suspicion of illegal connection by Technical and finance.
- Credit Control will be applied to Government and business to be implemented without compromise.
- Municipality has handed over debts that is older and which cannot be collected using internal credit control measures to appointed debt collectors who are currently working on the data provided and are monitored on the monthly basis.
- Installation of prepaid meter and replacement of conventional meters those who are no longer accurate.
- Cancellation of Madombidzha Eskom intake point and Madodonga Eskom intake point.
- Disconnection of illegal connections.
- Implementation of Revenue Protection Committee.

11. TRADE PAYABLES

11.1 CREDITORS AGE ANALYSIS

In terms of MFMA all creditors should be paid within 30 days of receiving the invoice or statement, as at the end of December 2024. 100 % of operational and capital creditors were paid within 30 days of receiving the relevant invoice or statement as prescribed in terms of Section 65(e) of the MFMA.

12. STATEMENT OF CASH FLOW POSITION

This statement indicates the financial position as at 31 December 2024 is R 48 807 064.21. The municipality continues to keep a favourable balance on a monthly basis and this cash flow statement reflects positive balance of R 48 807 064.21 as at 31 December 2024.

Primary Account R 48 807 064.21
Closing balance as at 31 December 2024 R 48 807 064.21

13. SCM PROCESS

13.1 COMPETITIVE BIDDING PROCESSES ACTIVITY

ACTIVITY	Bids Advertised	Evaluated	Adjudicated	Awarded	BBB-EE	Cancelled
Balance B/F	04	-	-	-	-	-
1 st Quarter	09	1	1	1	-	-
2 nd Quarter	07	5	5	3	-	-
TOTAL	20	6	6	4	0	0
ANNEXURE	A	B	C	D	E	F

All requests for adverts were processed. As at 31 December 2024, the following 12 bids were not awarded:

NO	BID NO	DESCRIPTION	CLOSING DATE	COMMENTS
01	28 of 2024	Panel of civil contractors for Supply and delivery, Installation of culverts pipes and maintenance of existing stormwater drainage ,pipes and V-drains for the period of three (03) years as and when required	21 October 2024	In Evaluation
02	30 of 2024	Panel of service provider for supply and delivery of stationary for the period of three years as and when required	21 October 2024	In Evaluation
03	32 of 2024	Refurbishment of Ha-Mutsha Community Hall	15 November 2024	In Evaluation
04	33 of 2024	Refurbishment of Waterval Community Hall	15 November 2024	In Evaluation
05	34 of 2024	Refurbishment of Ha-Muduluni Community Hall	15 November 2024	In Evaluation
06	35 of 2024	Refurbishment of Dzanani regional office	15 November 2024	In Evaluation
07	36 of 2024	Refurbishment of Vleifontein satellite office	15 November 2024	In Evaluation
08	37 of 2024	Supply and delivery of tablets and Mac OS laptop for the period of three years	27 November 2024	In Evaluation
09	38 of 2024	Laptop tracking and recovery solution for the period of three years	27 November 2024	In Evaluation
10	39 of 2024	Supply and delivery of laser camera for Makhado traffic law enforcement	25 November 2024	In Evaluation
11	40 of 2024	Supply ,delivery of materials and labour for tilling of Municipal offices	18 November 2024	In Evaluation
12	41 of 2024	Construction of guardroom septic tank and water	18 November 2024	In Evaluation

		tank at Eastberg view		
13	42 of 2024	Refurbishment of Eltivillas sport facility	18 November 2024	In Evaluation
14	46 of 2024	Supply and delivery of hardware materials for a period of three years	27 November 2024	In Evaluation

FORMAL WRITTEN QUOTATION ABOVE R30 000.00 AS AT 31 DECEMBER 2024

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded	BALANCE
^{1st} QUARTER	39	10	10	29
^{2nd} QUARTER	29	25	25	33

FORMAL WRITTEN QUOTATION BELOW R30 000.00 AS AT 31 DECEMBER 2024

ACTIVITY	Quotations Requested	Quotations Evaluated	Quotations Awarded	BALANCE
^{1st} QUARTER	21	21	21	0
^{2nd} QUARTER	61	61	61	0

PROCUREMENT DEVIATION FOR MID- TERM REPORT

1. The number of awards made in terms of SCM regulation 36

$$= 07 + 13 = 20$$

2. Reason(s) for deviation in terms of SCM Regulations 36

Reason: Sole service providers and impractical to follow normal SCM process

3. Total value of deviations under R200 000.00

$$= \text{R } 197\,492.99 + \text{R}143\,328.41 = \text{R } 340\,821.40$$

4. Total value of deviations over R200 000

$$= \text{R}0$$

5. Total number of deviations under R 200 000 is 07

6. Total number of deviation over R 200 000 is 0

7. Total value of deviations awarded through SCM Regulation 36

$$= \text{R } 340\,821.40$$

14. REASONS FOR THE ADJUSTMENT BUDGET

- Possible upward rates, and other revenue adjustment on budgeted income
- Possible upward/down wards on the bulk purchases expenditure, finance charges, debt impairment and depreciation and other expenditure.

15. RECOMMENDATION

- That the mid-year budget and performance assessment as tabled be considered by Council.
- That the 2024/25 annual budget be adjusted in February 2025 in terms of Section 28 of the MFMA
- That the mid-year budget and performance assessment report be submitted to the Honourable Mayor and the National and Provincial Treasuries.
- That the mid-year budget and performance report be placed on the municipal website within five working days after it is tabled to the Honourable Mayor and approved.

15.1 Recommendations by Administrative Management

- That the Council note that the adjustment budget for the income and expenditure projections for the financial year ending 30 June 2025 will be made in terms of the section 28 of the Municipal Finance Management Act no 56 of 2003.