



UMDONI MUNICIPALITY

The **J.E.W.E.L.** of the South Coast

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT

2025/2026 FINANCIAL YEAR

JANUARY 2026





UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

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1. Background

As required in terms of Section 72 of the Municipal Finance Management Act, No.56 of 2003, the accounting officer of a municipality must by the 25th 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 presented to Council, in terms of Section 71 of the Act and 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; and
 - iii. The past year's annual report, and progress on resolving problems identified in the annual report.
- b) Submit a report on such assessment to the Mayor of the municipality, the National Treasury, and the relevant Provincial Treasury.

The aforementioned review is conducted to further include recommendations after ascertaining whether an adjustment budget is necessary, and recommend revised projections for revenue and expenditure to the extent that this may be necessary.

- 2.1.1 Council further notes that the Mid- Term Capital and Operating budget reports of the municipality for the financial year 2025/2026 be adopted as set out in the following C schedule (Month 06)



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MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

- a) Monthly Budget Statement Summary – Annexure Table C1;
 - b) Monthly Budget Statement: Financial Performance – Annexure Table C2;
 - c) Monthly Budget Statement: Financial Performance (Revenue and Expenditure by Municipal Vote) – Annexure Table C3;
 - d) Monthly Budget Statement: Financial Performance (Revenue and Expenditure) – Annexure Table C4;
 - e) Monthly Budget Statement: Capital Expenditure (Municipal Vote: Functional Classification and Funding) – Annexure Table C5
 - f) Monthly Budget Statement: Financial Position – Annexure Table C6
 - g) Monthly Budget Statement: Cash Flow – Annexure Table C7
- 2.1.2 Council grants authority for the Mid-Year Budget and Performance Assessment Report of 2025/2026 to be submitted to National Treasury and Provincial Treasury, in accordance with Section 72 of the MFMA.
- 2.1.3 Council grants authority to management to adjust 2025/2026 IDP & SDBIP.
- 2.1.4 Council grants authority to management to adjust 2025/2026 budget.

2. MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT OF THE 2025/2026 BUDGET

2.1 VISION, MISSION AND OBJECTIVES OF THE UMDONI MUNICIPALITY



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

VISION

MISSION STATEMENT

PRINCIPLES OF UMDONI MUNICIPALITY

“BY 2030 UMDONI WILL BE THE **JEWEL OF THE SOUTH COAST”**

• JOB CREATION

“WORKING TOGETHER IN CONTRIBUTING TO **JOB CREATION**, **ECONOMIC VIABILITY** THROUGH **SUSTAINED LOCAL ECONOMIC DEVELOPMENT** TO ENSURE THE **WELBEING** OF OUR COMMUNITY IN **ECO FRIENDLY ENVIRONMENT.**”

- **ECONOMIC VIABILITY**
- **WELBEING OF THE COMMUNITY**
- **ENVIRONMENTALLY FRIENDLY ENVIRONMENT**
- **LOCAL ECONOMIC DEVELOPMENT**



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

2.2 EXECUTIVE SUMMARY

In terms of the financial performance, as illustrated in the table below, the overall performance looks good as the municipality has generated more revenue and spent less on the operating expenditure. Total revenue excluding capital grants is R257.5 million and the operating expenditure is sitting at R202.4 million, thus leaving a surplus from operations of R55.060 million. The overall surplus after taking into account the capital grant amounts to R75.4 million.

There is a positive variance on the revenue side (28%) which emanates from property rates, operational grants and service charges. The causes for these variances are annual billing, and the result of a second trench of equitable share. There is also a negative variance of -10% on the expenditure side which is caused by the under-spending and the projected savings to be realized where cost containment measures were implemented.

In terms of Capital Spending, Umdoni Municipality is below the average and sitting at R29.5 million, which is 37% of the total budget.



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MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

ANNEXURE 1

KZN212 Umdoni - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

R thousands	Description	Budget Year 2025/26									
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast	
Financial Performance											
Property rates	129 634	137 803	137 803	9 893	77 019	68 901	8 118	12%	137 803		
Service charges	12 431	14 136	14 136	1 078	9 465	7 068	2 397	34%	14 136		
Investment revenue	14 037	13 000	13 000	624	4 975	6 500	(1 525)	-23%	13 000		
Transfers and subsidies - Operational	203 943	200 570	200 570	60 617	145 988	100 285	45 683	46%	200 570		
Other own revenue	43 862	37 532	37 532	4 389	20 122	18 766	1 356	7%	37 532		
Total Revenue (excluding capital transfers and	403 906	403 041	403 041	76 602	257 549	201 521	56 028	28%	403 041		
Employment costs	162 243	177 968	177 968	14 907	96 556	88 984	7 572	9%	177 968		
Remuneration of Councilors	16 853	18 539	18 539	1 419	8 866	9 270	(404)	-4%	18 539		
Depreciation and amortisation	49 764	42 917	42 917	3 524	21 103	21 458	(355)	-2%	42 917		
Interest	1 178	2 367	2 367	-	2	1 184	(1 181)	-100%	2 367		
Inventory consumed and bulk purchases	6 145	7 500	7 500	277	2 955	3 750	(795)	-21%	7 500		
Transfers and subsidies	3 309	4 769	4 769	100	1 148	2 364	(1 237)	-52%	4 769		
Other expenditure	190 323	194 882	194 882	11 118	71 859	97 441	(25 582)	-26%	194 882		
Total Expenditure	429 815	448 943	448 943	31 344	202 488	224 471	(21 982)	-10%	448 943		
Surplus/(Deficit)	(25 909)	(45 901)	(45 901)	45 258	55 060	(22 951)	78 011	-340%	(45 901)		
Transfers and subsidies - capital (In-kind)	43 519	36 462	36 462	-	20 343	18 231	2 112	12%	36 462		
Share of surplus/ (deficit) of associate	85	-	-	-	-	-	-	-	-		
Surplus/(Deficit) after capital transfers & contributions	17 696	(9 440)	(9 440)	45 258	75 403	(4 720)	80 123	-1698%	(9 440)		
Share of surplus/ (deficit) for the year	17 696	(9 440)	(9 440)	45 258	75 403	(4 720)	80 123	-1698%	(9 440)		
Capital expenditure & funds sources											
Capital expenditure	51 540	80 919	80 919	110	29 554	40 459	(10 905)	-27%	80 919		
Capital transfers recognised	37 921	31 706	31 706	-	17 689	15 853	1 837	12%	31 706		
Borrowing	-	-	-	-	-	-	-	-	-		
Internally generated funds	13 620	49 213	49 213	110	11 865	24 607	(12 742)	-52%	49 213		
Total sources of capital funds	51 540	80 919	80 919	110	29 554	40 459	(10 905)	-27%	80 919		
Financial position											
Total current assets	254 100	317 804	317 804	57 158	322 045	40 459	(10 905)	-27%	317 804		
Total non current assets	645 766	725 484	725 484	(2 467)	674 240	15 853	1 837	12%	725 484		
Total current liabilities	76 785	189 199	189 199	-	78 694	80 123	1 837	12%	189 199		
Total non current liabilities	47 798	58 145	58 145	-	46 866	58 145	11 279	24%	58 145		
Community wealth/Equity	795 283	795 944	795 944	-	825 465	181 643	(643 822)	-78%	795 944		
Cash flows											
Net cash from (used) operating	54 520	15 124	15 124	57 158	92 758	7 562	(85 197)	-1127%	15 124		
Net cash from (used) investing	(51 540)	(88 057)	(88 057)	(2 467)	(46 818)	(44 028)	2 790	-6%	(88 057)		
Net cash from (used) financing	-	-	-	-	-	-	-	-	-		
Cash/cash equivalents at the month/year end	149 379	145 177	145 177	-	195 339	181 643	(13 696)	-8%	145 177		
Debtors & creditors analysis											
Debtors	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total		
Total By Income Source	10 916	13 162	4 754	4 443	4 319	4 921	18 560	173 691	234 766		
Debtors Age Analysis	-	-	-	-	-	-	-	-	-		
Debtors Age Analysis	-	-	-	-	-	-	-	-	-		



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ANNEXURE 2

R thousands	Description	Ref	KZN212 Umdoni - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment									
			2024/25			Budget Year 2025/26			YTD			
			Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast	
Revenue - Functional												
	<i>Governance and administration</i>		351 029	357 087	357 087	74 634	232 549	178 544	54 005	30%	357 087	
	Executive and council		182 907	182 785	182 785	60 623	136 784	91 393	45 392	50%	182 785	
	Finance and administration		168 122	174 302	174 302	14 012	95 764	87 151	8 613	10%	174 302	
	Internal audit		-	-	-	-	-	-	-	-	-	
	<i>Community and public safety</i>		16 233	12 328	12 328	198	7 656	6 164	1 492	24%	12 328	
	Community and social services		15 805	11 777	11 777	19	7 285	5 889	1 396	24%	11 777	
	Sport and recreation		391	513	513	176	353	257	96	37%	513	
	Public safety		-	-	-	-	-	-	-	-	-	
	Housing		37	38	38	3	19	19	0	0%	38	
	Health		-	-	-	-	-	-	-	-	-	
	<i>Economic and environmental services</i>		65 764	54 114	54 114	513	27 188	27 057	131	0%	54 114	
	Planning and development		3 878	3 931	3 931	28	1 579	1 965	(387)	-20%	3 931	
	Road transport		61 885	50 184	50 184	485	25 610	25 092	518	2%	50 184	
	Environmental protection		-	-	-	-	-	-	-	-	-	
	<i>Trading services</i>		14 486	15 973	15 973	1 257	10 499	7 986	2 512	31%	15 973	
	Energy sources		-	-	-	-	-	-	-	-	-	
	Water management		-	-	-	-	-	-	-	-	-	
	Waste water management		-	-	-	-	-	-	-	-	-	
	Waste management		14 486	15 973	15 973	1 257	10 499	7 986	2 512	31%	15 973	
	<i>Other</i>	4	-	-	-	-	-	-	-	-	-	
	Total Revenue - Functional	2	447 512	439 503	439 503	76 602	277 892	219 751	58 141	26%	439 503	
Expenditure - Functional												
	<i>Governance and administration</i>		208 386	211 029	211 029	13 520	97 117	105 515	(8 398)	-8%	211 029	
	Executive and council		42 240	48 130	48 130	5 361	26 085	24 065	2 019	8%	48 130	
	Finance and administration		162 862	160 719	160 719	8 046	70 365	80 360	(9 994)	-12%	160 719	
	Internal audit		1 293	2 180	2 180	110	667	1 090	(423)	-39%	2 180	
	<i>Community and public safety</i>		64 584	76 515	76 515	5 680	37 418	38 257	(840)	-2%	76 515	
	Community and social services		26 339	30 189	30 189	2 375	14 390	15 094	(705)	-5%	30 189	
	Sport and recreation		27 923	36 601	36 601	2 548	18 096	18 300	(205)	-1%	36 601	
	Public safety		7 528	6 512	6 512	589	3 498	3 256	242	7%	6 512	
	Housing		2 792	3 213	3 213	166	1 434	1 607	(173)	-11%	3 213	
	Health		-	-	-	-	-	-	-	-	-	
	<i>Economic and environmental services</i>		128 589	119 226	119 226	10 049	51 989	59 613	(7 624)	-13%	119 226	
	Planning and development		15 279	21 855	21 855	2 014	10 200	10 928	(728)	-7%	21 855	
	Road transport		113 310	97 371	97 371	8 035	41 789	48 685	(6 896)	-14%	97 371	
	Environmental protection		-	-	-	-	-	-	-	-	-	
	<i>Trading services</i>		30 247	42 172	42 172	2 095	15 966	21 086	(5 120)	-24%	42 172	
	Energy sources		3 984	3 400	3 400	-	-	1 700	(1 700)	-100%	3 400	
	Water management		-	-	-	-	-	-	-	-	-	
	Waste water management		645	-	-	-	26	-	26	-	-	
	Waste management		25 618	38 772	38 772	2 095	15 940	19 386	(3 446)	-18%	38 772	
	<i>Other</i>	3	-	-	-	-	-	-	-	-	-	
	Total Expenditure - Functional	3	429 815	448 943	448 943	31 344	202 499	224 471	(21 982)	-10%	448 943	
	Surplus (Deficit) for the year		17 696	(9 440)	(9 440)	45 258	75 403	(4 720)	80 123	-1695%	(9 440)	



**UMDONI MUNICIPALITY
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ANNEXURE 3

KZN212 Umdoni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year

Vote Description	Ref	2024/25		Budget Year 2025/26						YTD Variance	YTD Variance %	Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YearTD Budget					
Revenue by Vote	1												
Vote 1 - COUNCIL GENERAL		182 907	182 012	182 012	60 623	136 784	91 006	45 778	50.3%	182 012			
Vote 2 - FINANCIAL SERVICES		160 447	166 371	166 371	13 382	91 907	83 186	8 721	10.5%	166 371			
Vote 3 - TECHNICAL SERVICES		68 292	58 562	58 562	1 260	32 232	29 281	2 951	10.1%	58 562			
Vote 4 - CORPORATE SERVICES		7 674	7 931	7 931	630	3 858	3 965	(108)	-2.7%	7 931			
Vote 5 - COMMUNITY SERVICES		24 312	20 695	20 695	680	11 533	10 348	1 185	11.5%	20 695			
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		3 878	3 931	3 931	28	1 579	1 965	(387)	-19.7%	3 931			
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-			
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-			
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-			
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-			
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-			
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-			
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-			
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-			
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-			
Total Revenue by Vote	2	447 512	439 503	439 503	78 602	277 892	219 751	58 141	26.5%	439 503			
Expenditure by Vote	1												
Vote 1 - COUNCIL GENERAL		44 125	51 924	51 924	5 472	26 751	25 962	789	3.0%	51 924			
Vote 2 - FINANCIAL SERVICES		69 451	52 799	52 799	2 062	17 520	26 400	(8 880)	-33.6%	52 799			
Vote 3 - TECHNICAL SERVICES		130 773	122 239	122 239	8 848	49 914	61 120	(11 206)	-18.3%	122 239			
Vote 4 - CORPORATE SERVICES		69 445	81 545	81 545	3 874	39 974	40 773	(799)	-2.0%	81 545			
Vote 5 - COMMUNITY SERVICES		101 278	121 220	121 220	9 176	58 421	60 610	(2 188)	-3.6%	121 220			
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT		14 743	19 214	19 214	1 912	9 909	9 607	301	3.1%	19 214			
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-			
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-			
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-			
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-			
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-			
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-			
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-			
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-			
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-			
Total Expenditure by Vote	2	429 815	448 943	448 943	31 344	202 489	224 471	(21 982)	-9.8%	448 943			
Surplus/ (Deficit) for the year	2	17 696	(9 440)	(9 440)	45 258	75 403	(4 720)	80 123	-1697.6%	(9 440)			



UMDONI MUNICIPALITY
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ANNEXURE 4

KZN212 Umdoni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

R thousands	Description	Ref	2024/25		Original Budget	Adjusted Budget	Monthly Actual	Budget Year 2025/26		YTD Variance	YTD Variance %	Full Year Forecast
			Audited Outcome	Budget				YearTD Actual	YearTD Budget			
	Revenue											
	Exchange Revenue		1	-	-	-	-	1	-	1	-	-
	Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
	Service charges - Water		12 430	14 136	14 136	1 076	9 464	7 068	2 396	34%	14 136	
	Service charges - Waste Management		13 664	7 761	7 761	350	2 811	3 881	(970)	(25%)	7 761	
	Service charges - Waste Rendering of Services		2 339	2 247	2 247	-	938	1 124	(185)	(16%)	2 247	
	Agency services		-	-	-	-	-	-	-	-	-	-
	Interest		2 056	1 837	1 837	179	1 036	918	117	13%	1 837	
	Interest earned from Receivables		14 037	13 000	13 000	624	4 875	6 500	(1 525)	(23%)	13 000	
	Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	-	-
	Dividends		-	-	-	-	-	-	-	-	-	-
	Rent on Land		7 340	7 644	7 644	636	3 836	3 822	14	0%	7 644	
	Rental from Fixed Assets		7	10	10	-	10	5	5	106%	10	
	Licence and permits		-	-	-	-	-	-	-	-	-	-
	Special rating levies		-	-	-	-	-	-	-	-	-	-
	Operational Revenue		484	501	501	1 574	1 715	250	1 465	585%	501	
	Non-Exchange Revenue											
	Property rates		129 634	137 803	137 803	9 893	77 019	68 901	8 118	12%	137 803	
	Surcharges and Taxes		1 330	1 603	1 603	0	524	801	(277)	(35%)	1 603	
	Fines, penalties and forfeits		3 104	3 272	3 272	383	1 805	1 936	169	10%	3 272	
	Licence and permits		203 843	200 570	200 570	60 817	145 988	100 285	45 693	46%	200 570	
	Transfer and subsidies - Operational		14 458	12 658	12 658	1 265	7 347	8 329	1 018	16%	12 658	
	Interest		-	-	-	-	-	-	-	-	-	-
	Fuel Levy		-	-	-	-	-	-	-	-	-	-
	Operational Revenue		(108)	-	-	-	-	-	-	-	-	-
	Gains on disposal of Assets		(808)	-	-	-	-	-	-	-	-	-
	Other Gains		-	-	-	-	-	-	-	-	-	-
	Discontinued Operations											
	Total Revenue (excluding capital transfers and		403 908	403 041	403 041	76 602	257 549	201 521	7 572	9%	403 041	
	Expenditure By Type											
	Employee related costs		182 243	177 968	177 968	14 907	96 556	88 984	7 572	9%	177 968	
	Remuneration of councillors		18 853	18 539	18 539	1 418	8 866	9 270	(404)	4%	18 539	
	Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-
	Inventory consumed		6 145	7 500	7 500	277	2 955	3 750	(785)	(21%)	7 500	
	Debt impairment		(263)	7 280	7 280	-	(8 440)	3 640	(3320)	(39%)	7 280	
	Depreciation and amortisation		49 784	42 917	42 917	3 524	21 103	21 458	(355)	(2%)	42 917	
	Interest		1 178	2 367	2 367	100	39 318	1 184	(1 181)	(100%)	2 367	
	Contracted services		107 543	120 985	120 985	9 013	39 318	80 483	(21 165)	(53%)	120 985	
	Transfers and subsidies		3 309	4 789	4 789	-	1 148	2 384	(1 237)	(52%)	4 789	
	Irrecoverable debts written off		26 419	-	-	-	8 418	-	8 418	-	-	-
	Operational costs		56 497	66 637	66 637	2 105	32 562	33 318	(756)	(2%)	66 637	
	Losses on Disposal of Assets		127	-	-	-	-	-	-	-	-	-
	Other Losses											
	Total Expenditure		439 815	448 943	448 943	31 344	202 489	224 471	(21 982)	(10%)	448 943	
	Surplus/(Deficit)		(23 908)	(45 901)	(45 901)	45 258	55 060	(22 951)	21 982	9	(45 901)	
	Transfers and subsidies - capital (in-hand)		43 519	36 462	36 462	-	20 943	18 231	2 112		36 462	
	Surplus/(Deficit) after capital transfers & contributions		17 610	(9 440)	(9 440)	45 258	75 403	(47 20)	-		(9 440)	
	Income tax		17 696	(9 440)	(9 440)	45 258	75 403	(47 20)	-		(9 440)	
	Surplus/(Deficit) after income tax		-	-	-	-	-	-	-		-	
	Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-		-	
	Share of Surplus/Deficit attributable to Minorities		17 696	(9 440)	(9 440)	45 258	75 403	(47 20)	-		(9 440)	
	Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-		-	
	Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-		-	
	Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-		-	
	Surplus/(Deficit) for the year		17 696	(9 440)	(9 440)	45 258	75 403	(47 20)	-		(9 440)	



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ANNEXURE 5

KEN212 Umdoni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment													
Vote Description	Ref	2024/25		Original Budget		Adjusted Budget		Monthly Actual		Budget Year 2025/26			
		Outcomes	Budget	Budget	Budget	Actual	YearTD Actual	Budget	Variance	YTD Variance %	Full Year Forecast		
Multi-Year expenditure appropriation	2												
Vote 1 - COUNCIL GENERAL SERVICES			1 647	1 647	1 647					623	(823)	-100%	1 647
Vote 2 - FINANCIAL SERVICES			3 063	3 063	3 063	68	68	1 541	(1 474)	435	-86%	3 063	
Vote 3 - CORPORATE SERVICES			870	870	870			860	425		98%	870	
Vote 4 - COMMUNITY SERVICES													
Vote 5 - COMMUNITY SERVICES													
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT													
Vote 7 - (NAME OF VOTE 7)													
Vote 8 - (NAME OF VOTE 8)													
Vote 9 - (NAME OF VOTE 9)													
Vote 10 - (NAME OF VOTE 10)													
Vote 11 - (NAME OF VOTE 11)													
Vote 12 - (NAME OF VOTE 12)													
Vote 13 - (NAME OF VOTE 13)													
Vote 14 - (NAME OF VOTE 14)													
Vote 15 - (NAME OF VOTE 15)													
Total Capital Multi-year expenditure	4,7		5 599	5 599	5 599	68	68	926	(1 573)	2 799	(1 573)	-87%	5 599
Single Year expenditure appropriation	2												
Vote 1 - COUNCIL GENERAL SERVICES			87	87	87					43	(43)	-100%	87
Vote 2 - FINANCIAL SERVICES			15	15	15					18	(3)	-18%	15
Vote 3 - CORPORATE SERVICES			39 833	55 277	55 277	18	19 048	19 048	(8 215)	27 638	(8 580)	-31%	55 277
Vote 4 - COMMUNITY SERVICES			5 007	18 652	18 652	25	6 554	6 554	228	9 326	(2 772)	-29%	18 652
Vote 5 - COMMUNITY SERVICES			4 522	1 087	1 087	25	25	25	(519)	543	(43)	-8%	1 087
Vote 6 - STRATEGIC PLANNING AND DEVELOPMENT			1 933	87	87					43	(43)	-100%	87
Vote 7 - (NAME OF VOTE 7)													
Vote 8 - (NAME OF VOTE 8)													
Vote 9 - (NAME OF VOTE 9)													
Vote 10 - (NAME OF VOTE 10)													
Vote 11 - (NAME OF VOTE 11)													
Vote 12 - (NAME OF VOTE 12)													
Vote 13 - (NAME OF VOTE 13)													
Vote 14 - (NAME OF VOTE 14)													
Vote 15 - (NAME OF VOTE 15)													
Total Capital single-year expenditure	3		51 240	76 320	76 320	42	26 926	26 926	(8 034)	37 660	(8 034)	-23%	76 320
Total Capital Expenditure	7		51 540	80 919	80 919	110	28 954	28 954	(10 508)	40 459	(10 508)	-27%	80 919
Capital Expenditure - Functional Classification													
Corporate administration			5 352	18 900	18 900	18	9 554	9 554	104	9 450	(94)	-1%	18 900
Executive and council			87	87	87				(43)	43	(43)	-100%	87
Finance and administration			5 152	18 813	18 813	18	9 564	9 564	147	9 407	(157)	-2%	18 813
Internal audit													
Community and public safety			18 119	18 674	18 674	92	4 970	4 970	(4 487)	9 337	(4 487)	-48%	18 674
Community and social services			1 532	15 935	15 935	92	4 777	4 777	(3 245)	1 506	(1 741)	-40%	15 935
Public safety			3 976	2 729	2 729					1 300	(1 300)	-95%	2 729
Housing													
Health			28 188	40 739	40 739					20 368	(7 469)	-37%	40 739
Economic and environmental services			24 533	38 770	38 770					19 860	(7 327)	-38%	38 770
Planning and development			26 836	2 609	2 609					1 304	(1 304)	-100%	2 609
Environmental protection			101										
Trading services													
Energy services													
Water management													
Waste management			101	2 609	2 609					1 304	(1 304)	-100%	2 609
Other													
Total Capital Expenditure - Functional Classification	3		51 540	80 919	80 919	110	28 954	28 954	(10 508)	40 459	(10 508)	-27%	80 919
Funded by:													
Provincial Government			34 036	30 836	30 836					15 418	1 411	9%	30 836
District Municipality			1 884	870	870					425	(425)	98%	870
Transfers and subsidies - capital (monetary allocations) (Nat/Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)			37 831	31 708	31 708					18 853	1 837	13%	31 708
Transfers and subsidies - capital (monetary allocations) (Nat/Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)			13 920	48 213	48 213	110	11 895	11 895	(1 742)	24 907	(1 742)	-5%	48 213
Transfers and subsidies - capital (monetary allocations) (Nat/Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)			51 540	80 919	80 919	110	28 954	28 954	(10 508)	40 459	(10 508)	-27%	80 919
Total Capital Expenditure	7		51 540	80 919	80 919	110	28 954	28 954	(10 508)	40 459	(10 508)	-27%	80 919



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ANNEXURE 6

R thousands	Description	Ref	Budget Year Assessment						
			2024/25 Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast		
ASSETS									
	Current assets	1							
	Cash and cash equivalents		149 379	144 813	144 813	195 339	144 813		
	Trade and other receivables from exchange transactions		30 643	29 758	29 758	19 718	29 758		
	Receivables from non-exchange transactions		73 931	115 639	115 639	86 093	115 639		
	Current portion of non-current receivables								
	Inventory								
	VAT		147	26 806	26 806	20 747	26 806		
	Other current assets			789	789	147	789		
	Total current assets		254 100	317 804	317 804	322 045	317 804		
	Non current assets								
	Investments								
	Investment property		7 118	6 815	6 815	6 922	6 815		
	Property, plant and equipment		638 350	718 427	718 427	667 039	718 427		
	Biological assets								
	Living and non-living resources		261	261	261	261	261		
	Heritage assets		36	(19)	(19)	19	(19)		
	Intangible assets								
	Trade and other receivables from exchange transactions								
	Non-current receivables from non-exchange transactions								
	Other non-current assets								
	Total non current assets		645 766	725 484	725 484	674 240	725 484		
	TOTAL ASSETS		899 866	1 043 289	1 043 289	996 285	1 043 289		
LIABILITIES									
	Current liabilities								
	Bank overdraft		33	301	301	344	301		
	Financial liabilities		2 540	2 526	2 526	2 527	2 526		
	Consumer deposits		60 129	171 470	171 470	31 700	171 470		
	Trade and other payables from exchange transactions		11 528	3 255	3 255	33 407	3 255		
	Provision			3 339	3 339	6 166	3 339		
	VAT		2 556	8 307	8 307	4 549	8 307		
	Other current liabilities								
	Total current liabilities		76 785	189 199	189 199	78 694	189 199		
	Non current liabilities								
	Financial liabilities		12 623	175	175	89	175		
	Provision			26 763	26 763	19 148	26 763		
	Long term portion of trade payables		35 175	31 207	31 207	27 631	31 207		
	Other non-current liabilities		47 798	58 145	58 145	46 868	58 145		
	Total non current liabilities		124 593	247 345	247 345	125 563	247 345		
	TOTAL LIABILITIES		775 283	795 944	795 944	870 723	795 944		
	NET ASSETS	2							
	COMMUNITY WEALTH/EQUITY								
	Accumulated Surplus/(Deficit)		791 696	792 581	792 581	821 878	792 581		
	Reserves and funds		3 587	3 363	3 363	3 587	3 363		
	Other								
	TOTAL COMMUNITY WEALTH/EQUITY	2	795 283	795 944	795 944	825 465	795 944		



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ANNEXURE 7

KZN212 Umdoni - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment	Description	Ret	2024/25		Budget Year 2025/26		Budget Year 2025/26		YTD Variance	YTD Variance %	Full Year Forecast
			Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget			
CASH FLOW FROM OPERATING ACTIVITIES		1									
Receipts											
Property rates			110 050	117 132	117 132	8 038	75 059	58 566	16 493	28%	117 132
Service charges			9 595	13 818	13 818	827	7 049	6 909	140	2%	13 818
Other revenue			23 240	60 655	60 655	9 329	21 697	30 328	(8 631)	-28%	60 655
Transfers and Subsidies - Operational			251 597	200 570	200 570	61 240	152 629	100 285	52 344	52%	200 570
Transfers and Subsidies - Capital			-	35 462	35 462	11 952	40 644	17 731	22 914	129%	35 462
Interest			16 090	13 000	13 000	624	4 975	6 500	(1 525)	-23%	13 000
Dividends			-	-	-	-	-	-	-		-
Payments											
Suppliers and employees			(351 564)	(419 365)	(419 365)	(34 853)	(208 164)	(209 683)	(1 519)	1%	(419 365)
Interest			(1 178)	-	-	-	(1 132)	-	-		-
Transfers and Subsidies			(3 309)	(6 149)	(6 149)	-	(3 074)	(3 074)	(1 943)	63%	(6 149)
NET CASH FROM/USED) OPERATING ACTIVITIES			54 520	15 124	15 124	57 158	92 758	7 562	(85 197)	-1127%	15 124
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			1	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables			-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments			-	-	-	-	-	-	-		-
Payments											
Capital assets			(51 540)	(88 057)	(88 057)	(2 467)	(46 818)	(44 028)	2 790	-6%	(88 057)
NET CASH FROM/USED) INVESTING ACTIVITIES			(51 540)	(88 057)	(88 057)	(2 467)	(46 818)	(44 028)	2 790	-6%	(88 057)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short-term loans			-	-	-	-	-	-	-		-
Borrowing long term/renhancing			-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits			-	-	-	-	-	-	-		-
Payments											
Repayment of borrowing			-	-	-	-	-	-	-		-
NET CASH FROM/USED) FINANCING ACTIVITIES			-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD			2 981	(72 933)	(72 933)	54 691	45 941	(36 467)			(72 933)
Cash/cash equivalents at beginning:			146 398	218 110	218 110	149 398	195 339	218 110			149 398
Cash/cash equivalents at month/year end:			149 379	145 177	145 177	204 089	241 280	181 643			76 465

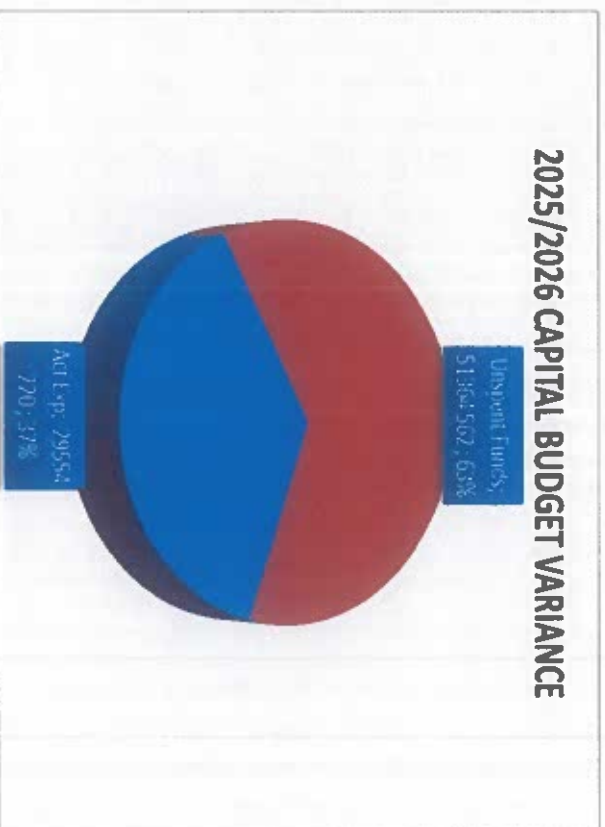
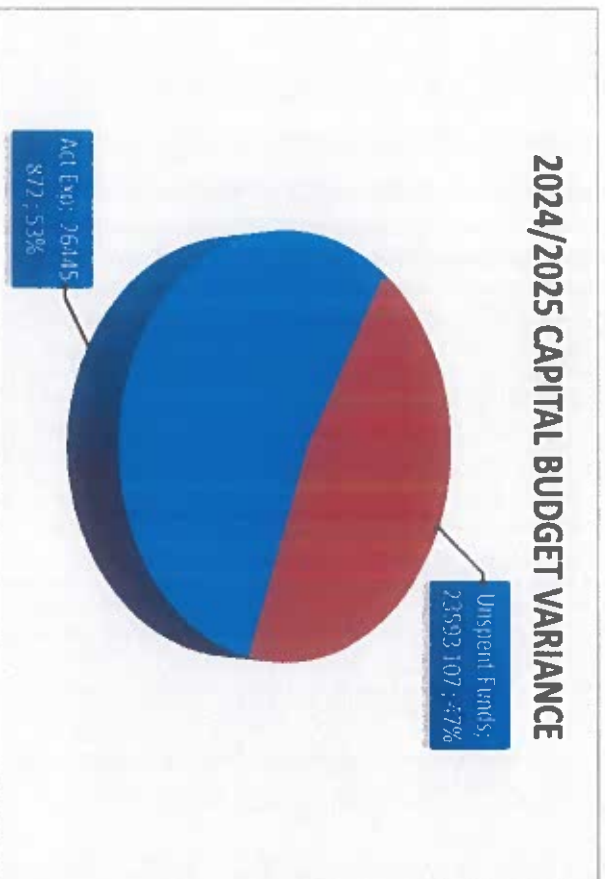


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2.3 2025/2026 CAPITAL BUDGET ASSESSMENT

The approved capital budget for the 2025/2026 financial year is R 106 070 420,00 (including vat); and R 80 918 782,00 (excluding vat). Actual expenditure as at 31 December 2025 is R 29 554 220,12 excluding vat which represents 37% of the approved budget.

A comparison of the spending percentage against the same stage in the prior year can be illustrated as below:



As depicted above, the percentage of actual expenditure has decreased from 53% to 37% in the current year as at December 2025. This expenditure rate does not take into account the commitments. When taking into account the commitments (orders) which are disclosed in the table below, the percentage spent is the same.



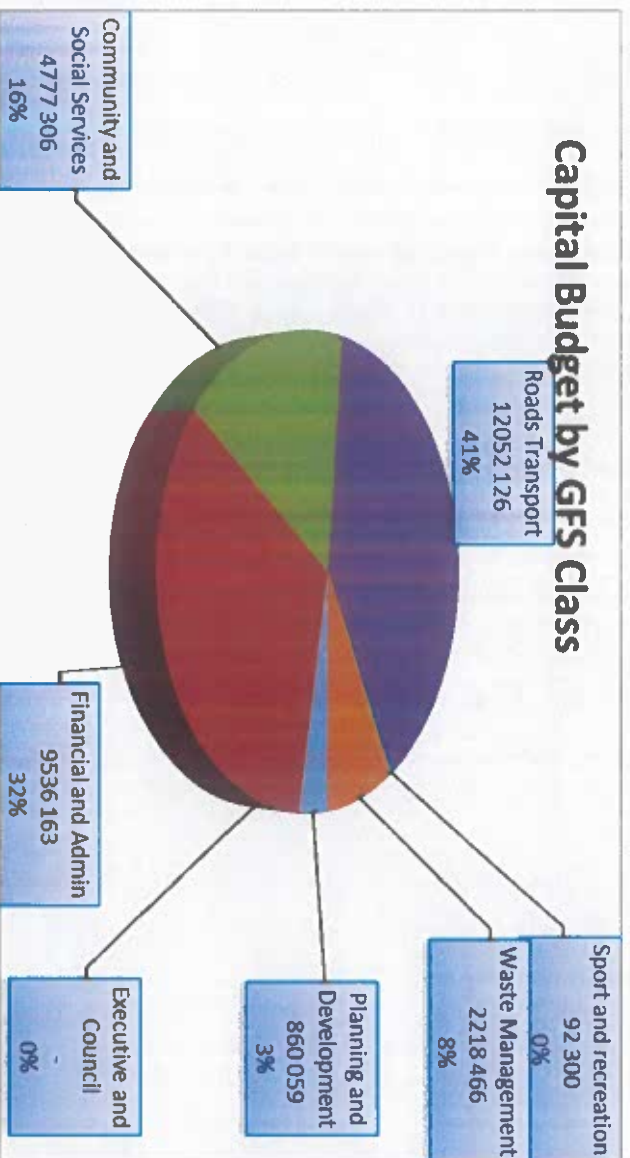
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2.3.1 Current Year Trend Analysis

Row Labels	APPROVED BUDGET		ACTUAL SPENT		Sum of Actual		Percentage
	Sum of Original Budget	Balance exc Orders	Sum of Orders	Balance Inc Orders			
Community Services	4 169 565,00	92 300,00	901 962,20	994 262,20		2%	
Corporate Services	18 652 173,00	9 553 963,11	122 200,00	9 676 163,11		51%	
FINANCIAL SERVICES	130 435,00	-	-	-			
MUNICIPAL MANAGER	86 957,00	-	-	-			
Planning And Development	956 522,00	860 058,93	14 800,00	874 858,93		90%	
Technical Services	56 923 130,00	19 047 898,08	-	19 047 898,08		33%	
Grand Total	80 918 782,00	29 554 220,12	1 038 962,20	30 593 182,32		37%	

2.3.2 Capital Budget Performance based on Functional Classification

The graph below depicts the approved budget in comparison with the mid year actual spending pattern according to the functional classification (as stipulated by National Treasury)



Finance and Admin - R9.5 million actual spent in comparison to a budget of R18.8 million. The significant portion of the unspent budget is allocated to the Corporate Services Department for the procurement of fleet.

Community and Social Services - R4.7 million has been incurred to date in comparison to a budget of R15.5 million. The budget under this category is mostly for community halls funded through MIG and own revenue. The level of spending is below the average as most of the projects were awarded in January 2026 expenditure will reflect in the coming months.

Road transport – A budget of R39,7 million was approved for expenditure on this function. Spending under this function amounts to R12,052 million (30%). This includes MIG projects budgeted under this function.



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Sport and Recreation – R92 300 has been spent against a total budget of R2,7 million. The funding allocated under this function is mostly for the beaches. The funding is internal funding. The spending is below the norm and most of the projects in this function are undergoing SCM processes.

Planning & Development - 860 058,93 spending has been incurred to date in comparison to a budget of R 869 565,00. Funding under this function had been allocated for the Mechanical Workshop. The Project is in progress, almost complete. This project is funded by the grant from KZN EDTEA.

Waste Management – 2,2 million has been incurred to date in comparison to a budget of R 2,6 million Funding under this function had been allocated for the procurement of Skiploader. The Project is in progress, almost complete. This project is funded by the municipal own funding.

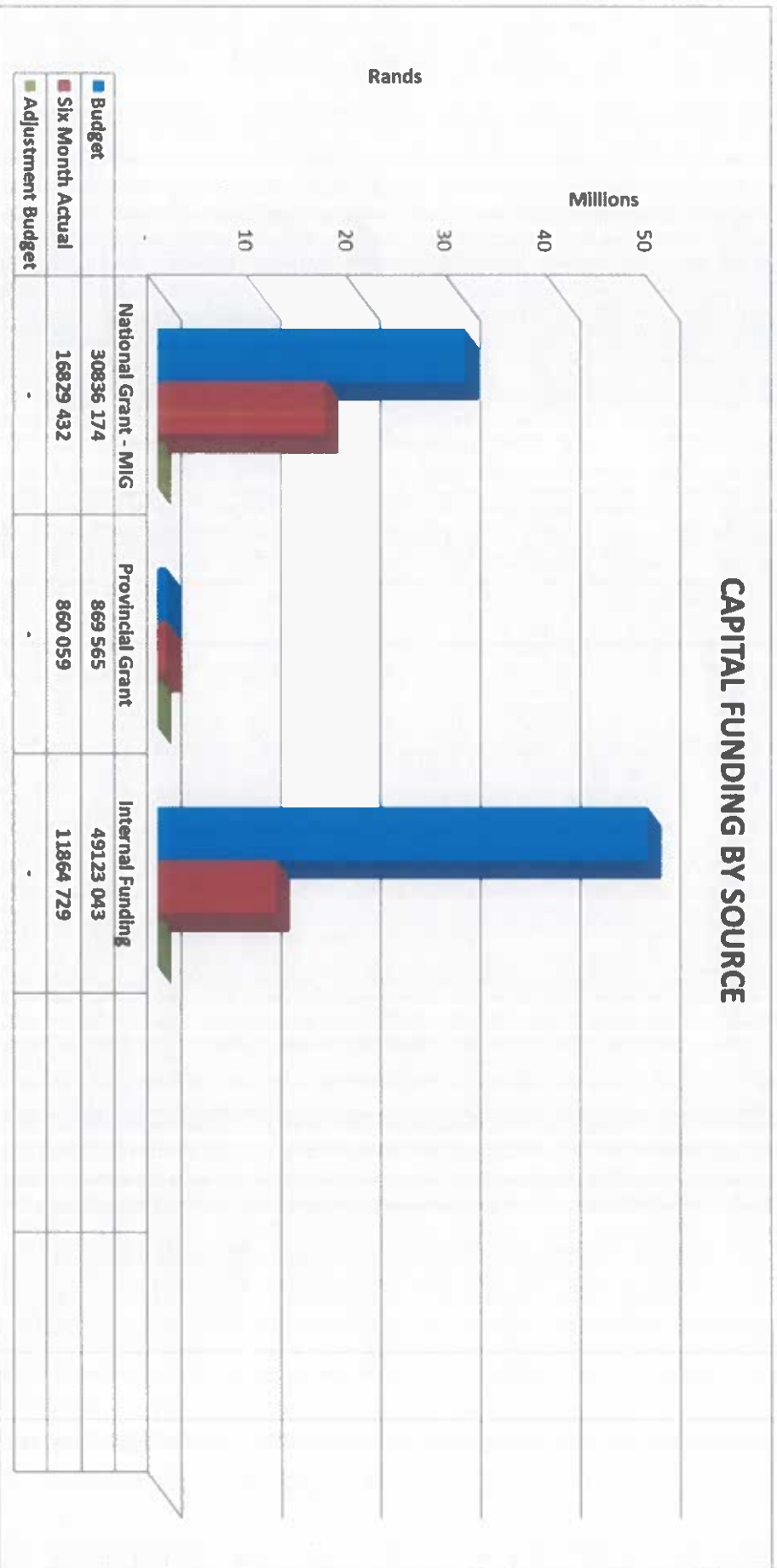
Total capital expenditure rate is 37% for the half year ended 31 December 2025. Spending is expected to heighten significantly in the next coming two quarters.

2.3.3 Analysis of Capital Budget Funding

The graph below depicts the funding mix of the municipality and the level of spending against the funding.



CAPITAL FUNDING BY SOURCE



As indicated in the graph above, the major source of funding for the capital budget is internal funding. The level of spending as a whole is low. The overall utilisation of the capital funding is sitting at 37%. The funding utilisation is as follows; MIG Capital funding is sitting at 55%, Provincial Grant Capital Funding is



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sitting at 99% and the internal funding sitting at 24% as shown in the graph above. This correlate with the overall capital spending which is below the norm of 50%.

2.4 2025/2026 OPERATIONAL BUDGET ASSESSMENT

2.4.1 OPERATING REVENUE

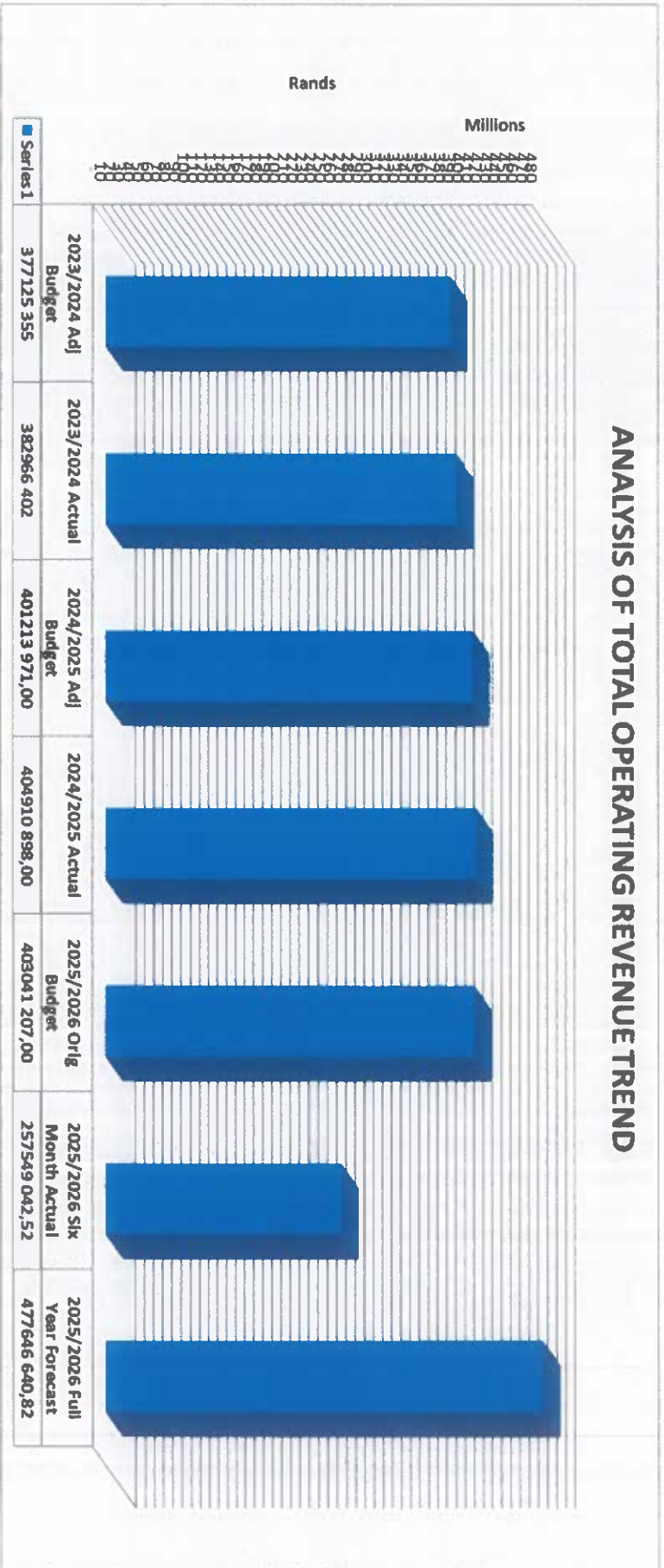
The total approved operating revenue budget for the 2025/2026 financial year is R 403,041 million. The actual income accrued as at the 31 December 2025 is R 257.5 million which represents 64% of the total operating revenue budget. At the same stage last year, revenue recognized amounted to R238,8 million (59%). There is a 5% increase when comparing with prior year.

2.4.1.1. Year on Year Trend Analysis

Graphical representation of actual performance compared to the approved budget as well as prior years audited actual follows:



ANALYSIS OF TOTAL OPERATING REVENUE TREND



An analysis of the above-mentioned graph indicates a steady trend in the budgeted income up until 2023/2024 financial year as the actual revenue increased and from there 2024/25 financial year approved budget increased. All of this is depicted by the graph. In overall, there has been a steady but moderate increase in the operating revenue over the trend period.



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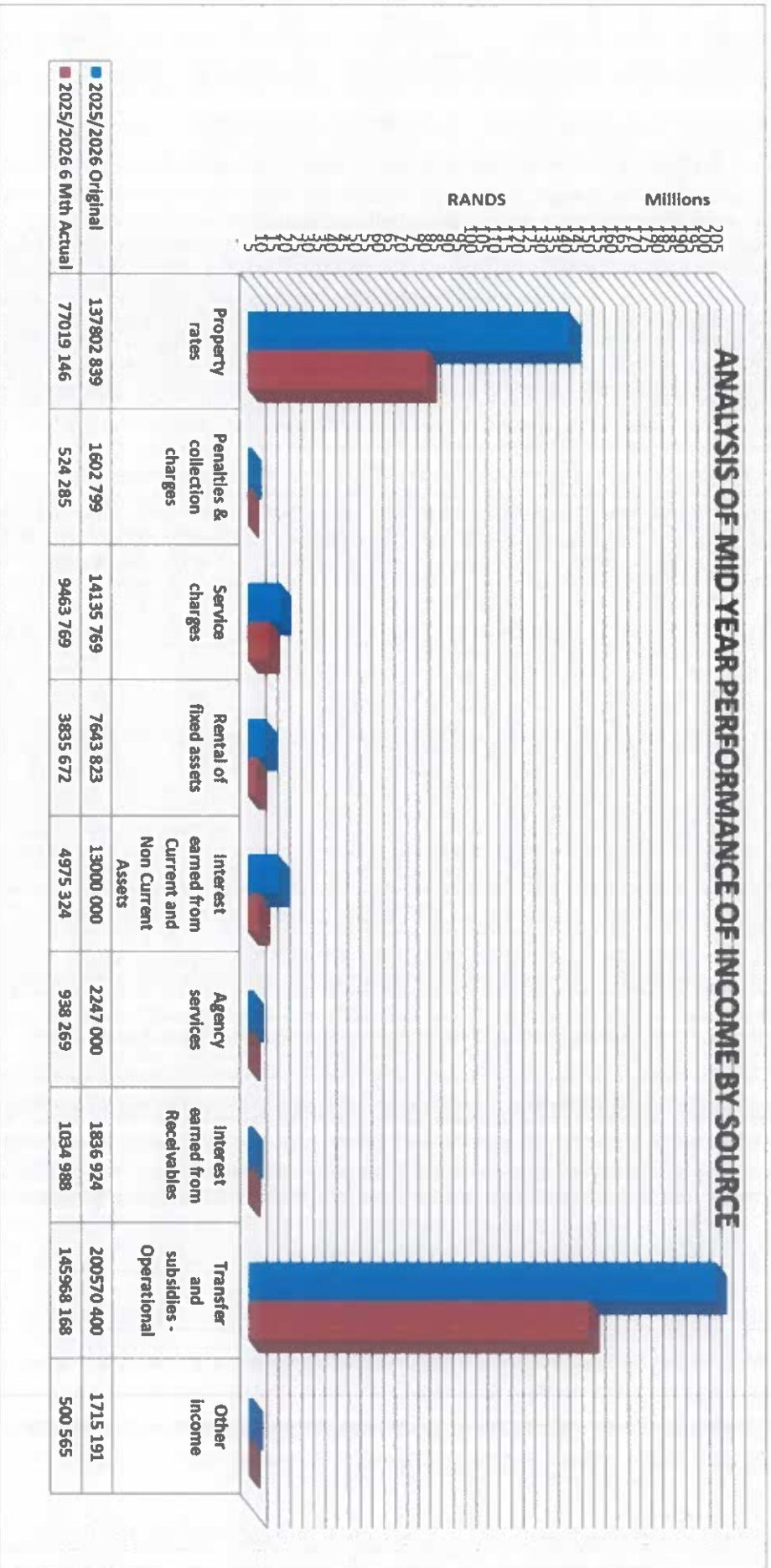
As at 31 December 2025 a total revenue of R257.5 million had been raised. At the same stage last year, a total of R238.8 million was raised. The six months' actual is above the average norm of 50%, which is good. The weak economic growth impacted negatively on the revenue generation, but still maintained positive performance. There's a slight increase of 5% as indicated above when comparing it to previous year.



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2.4.1.2 Analysis of Performance by Source of Income

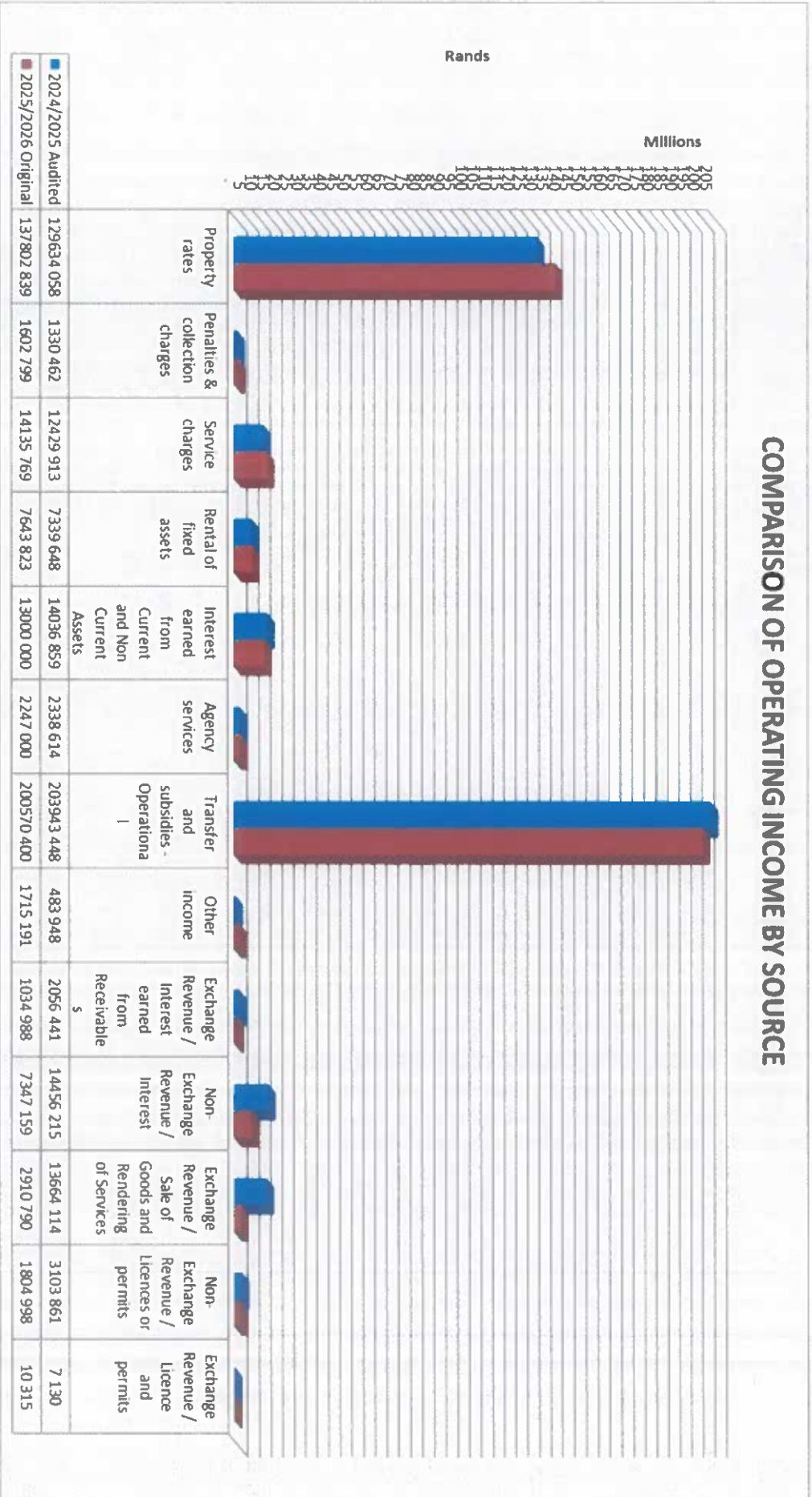
The graph below reflects the actual performance of income by source in comparison with the budget over the current financial year:





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COMPARISON OF OPERATING INCOME BY SOURCE





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Property Rates Income The total income raised as at 31 December 2025 is R77,019 million which represents 56% of the total budget of R137,8 million and 112% against a year to date budget of R68,9 million. This income has been raised on the system but may not necessarily be collected. This amount is the net of the rebates in terms of relief applied to debtors as approved by Council. The amount budgeted and raised has also increased when compared to previous year due to tariff increase. It should also be noted that some ratepayers opted for the annual billing hence the high income generated. In addition to that, there are new properties as a result of the new development (Umdoni Point Development and Renishaw Hills Development). Adjustment is necessary.

Service Charges Total income raised as at 31 December 2025 is R 9,4 million which represents 67% of the total budget of R14,1 million and 134% against a year to date budget of R7,068 million. This includes income from dumping at the landfill, which is received on a cash basis. The performance on this particular revenue source is satisfactory. Also, some customers opted for annual billing. Furthermore, the billing of the new properties as a result of the new developments in the area has also resulted in an increased income generated. Adjustment is necessary.

Rental from fixed assets consists mainly of the rental of the Scottsburg Caravan Park, beach rental income, housing income and hall hire and various leases. Actual income generated to date is R 3,8 million which represents 50% against a total budget of R 7,6 million; and 100% against the total year to date budget of R3,8 million. The rental recognized is the billing and not necessarily paid by tenants. The actuals are within the norm which is good. Adjustment is not necessary.

Interest earned from Current and Non-Current Assets R4,9 million (38%) has been recognized to date, against the total budget of R13 million; and 77% against year to date budget of R6,5 million. The performance on this revenue source is below the average of 50%. Adjustment is necessary.

Fines and penalty income actual income raised as at 31 December 2025 is R524 285,14 which represents 33% of the total budget of R1,6 million and 65% against a year to date budget of R 801 399,50. The performance on this item is below average. Also, it should be noted that income recognized under this source is not necessarily received but fines issued to transgressors. The reason for low performance is because of the technical glitches on the system as a result of the data hasn't been loaded into the financial system. The technical issue is being attended to by the service provider. The recognition is done in compliance with IGRAP Standard. Adjustment may not be necessary.

Interest earned from Receivables & non-exchange interest actual income raised as at 31 December 2025 is R8,3 million which represents 58% of the total budget of R 14,4 million and 116% against a year to date budget of R7,2 million. Interest is expected to increase more in the next two quarters as the interest on annual rate payers is now being levied. Adjustment is necessary.

License and permit income recognized as at 31 December 2025 is R1,8 million which represents 55% of the total budget of R3,2 million and 110% against a year to date budget of R1,6 million. This is one of the major revenue streams. The actual revenue recognized is above the norm of 50%, therefore it's satisfactory.



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Grants and subsidy income received and recognized for the first six months of this year is R 145,9 million (73%) in comparison with a budget of R 200,5 million. Equitable Share income is generally received in tranches throughout the year, and therefore a portion of equitable share is still outstanding. The performance on the grants is satisfactory as all the grants are within the spending patterns as per the plans. The only grant which hasn't started spending is the Municipal Employment Initiative Grant, of which the SMME's to be supported had to be selected after following the due processes and the grant was transferred late by the KZN EDTEA. The grant register is depicted in page 43 for further details.

Agency Services actual income raised as at 31 December 2025 is R938 268,71 which represents 42% of the total budget of R2,2 million and 84% against a year to date budget of R1,1 million. The performance is below the norm. The Department of Transport changed the modus operandi of the service. All the monies collected are paid over to the department and then, the department refunds back the municipality the commission due. The revenue office is maintaining the reconciliation of the amounts due and the necessary follow ups are done. No adjustment necessary.

Operational Revenue has been budgeted at R500 656 with (343%) being raised as at the 31 December 2025 and 685% against a year to date budget of R. 250 282,50 The performance under this category is above the 50% and is a result of an insurance refund received in December 2025. Adjustment is necessary.

Sale of Goods has been budgeted at R7,7 million (38%) being raised as at the 31 December 2025 and 75% against a year to date budget of R3,8 million. This category has performed below the average norm due to activities that were less anticipated because of the less spending on the INEP grant which is expected to improve in the coming two quarters. Adjustment is not necessary.

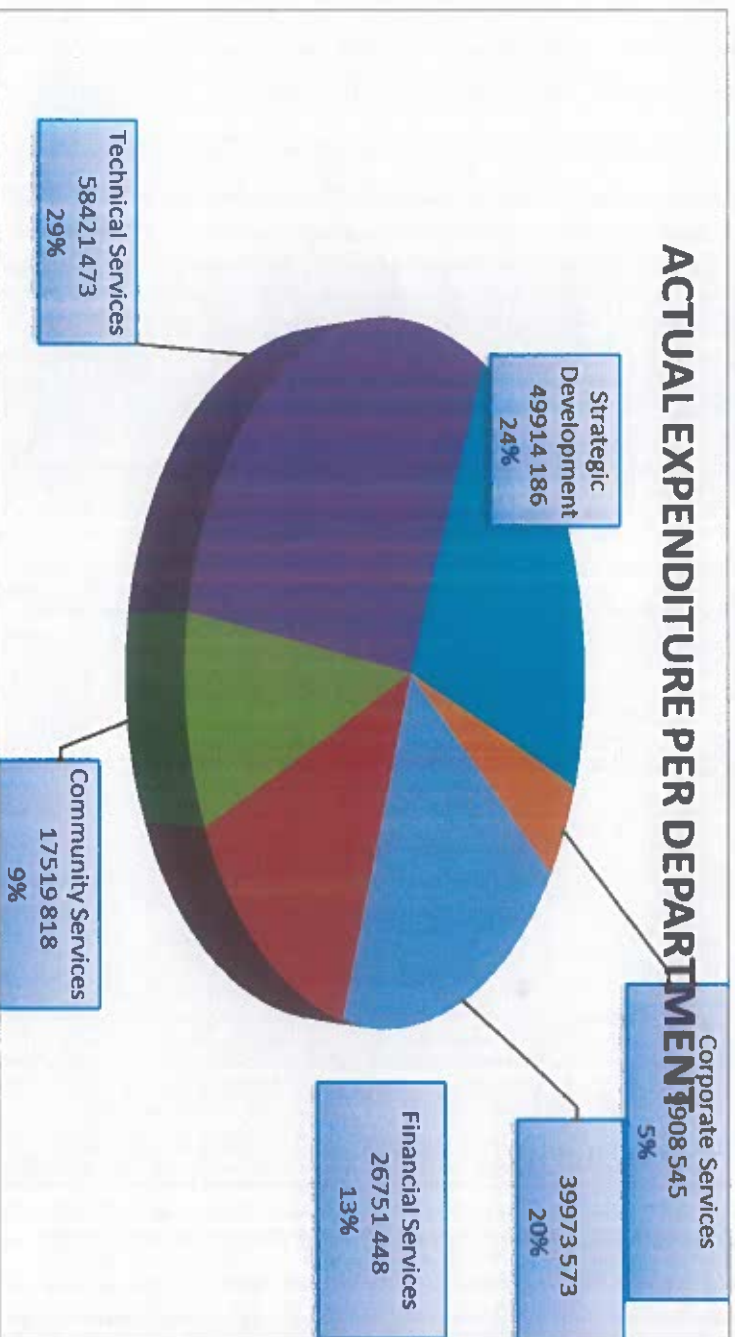
The above analysis of the mid-year performance of revenue has resulted in the need for an adjustments budget.



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MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR**

2.4.2 OPERATING EXPENDITURE

Total Operating Expenditure has been budgeted at R448.9 million for the 2025/2026 financial year. The actual expenditure incurred as at the 31 December 2025 is R 202,4 million which represents 45% of the total expenditure budget.

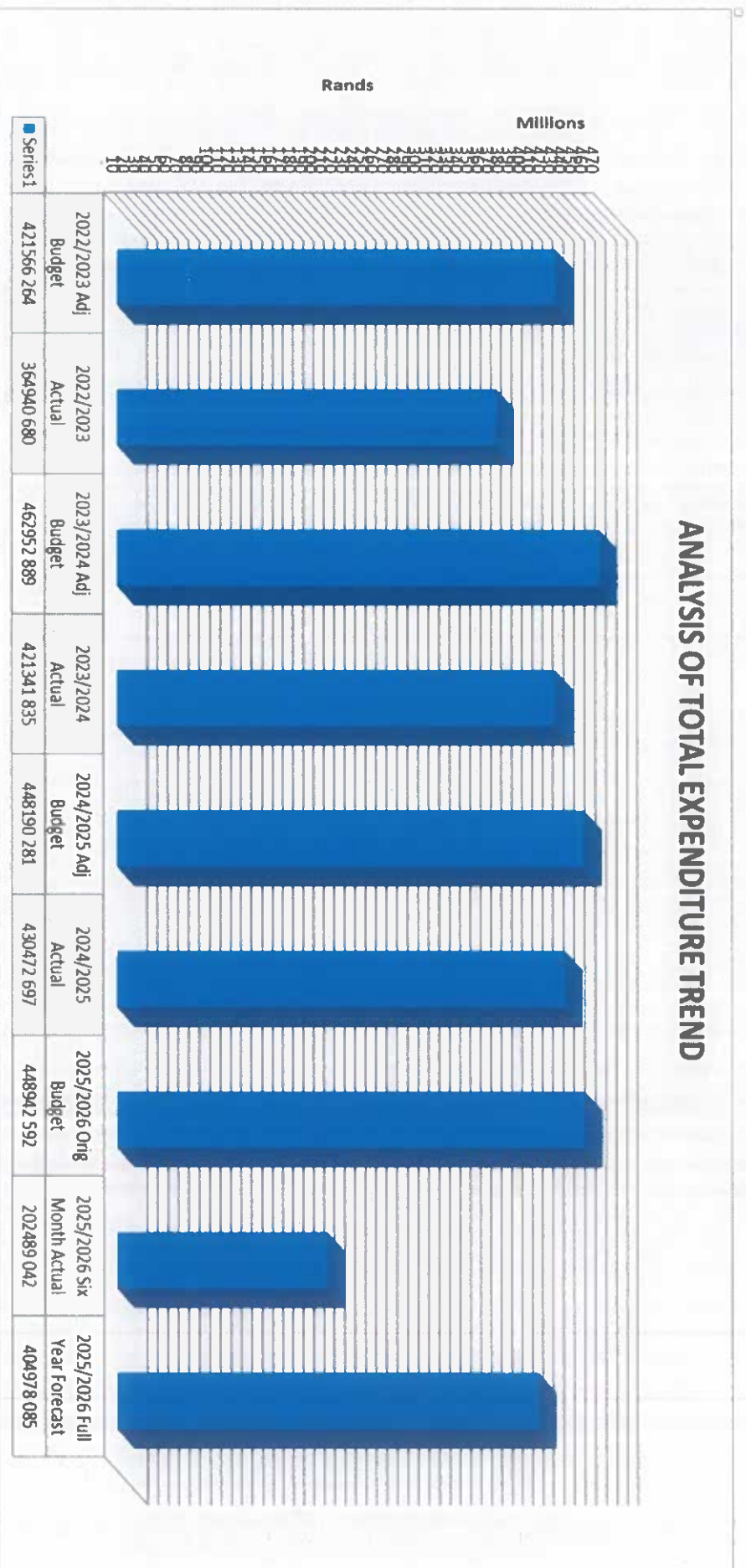




UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

2.4.2.1. Year on Year Trend Analysis

A graphical representation of actual performance compared to the approved budget as well as prior years audited actual follows:





UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

The above trend indicates that expenditure incurred has been escalating year on each year except for between 2023/24 and 2024/25 financial years where there was a slight increase. As at 31 December 2025, a total amount of R 202,4 million was incurred, which represents 45% of the approved budget. In overall, the expenditure incurred is less than the expected norm of 50% by the end of December. It should be noted that reasonable care should be exercised when evaluating the level of spending on the expenditure side. The underspending emanates from different forms, i.e. projected savings due to the implementation of cost containment and the normal savings to be realized. Some projects are still under-going SCM Processes and are expected to spend in the third and fourth quarter.

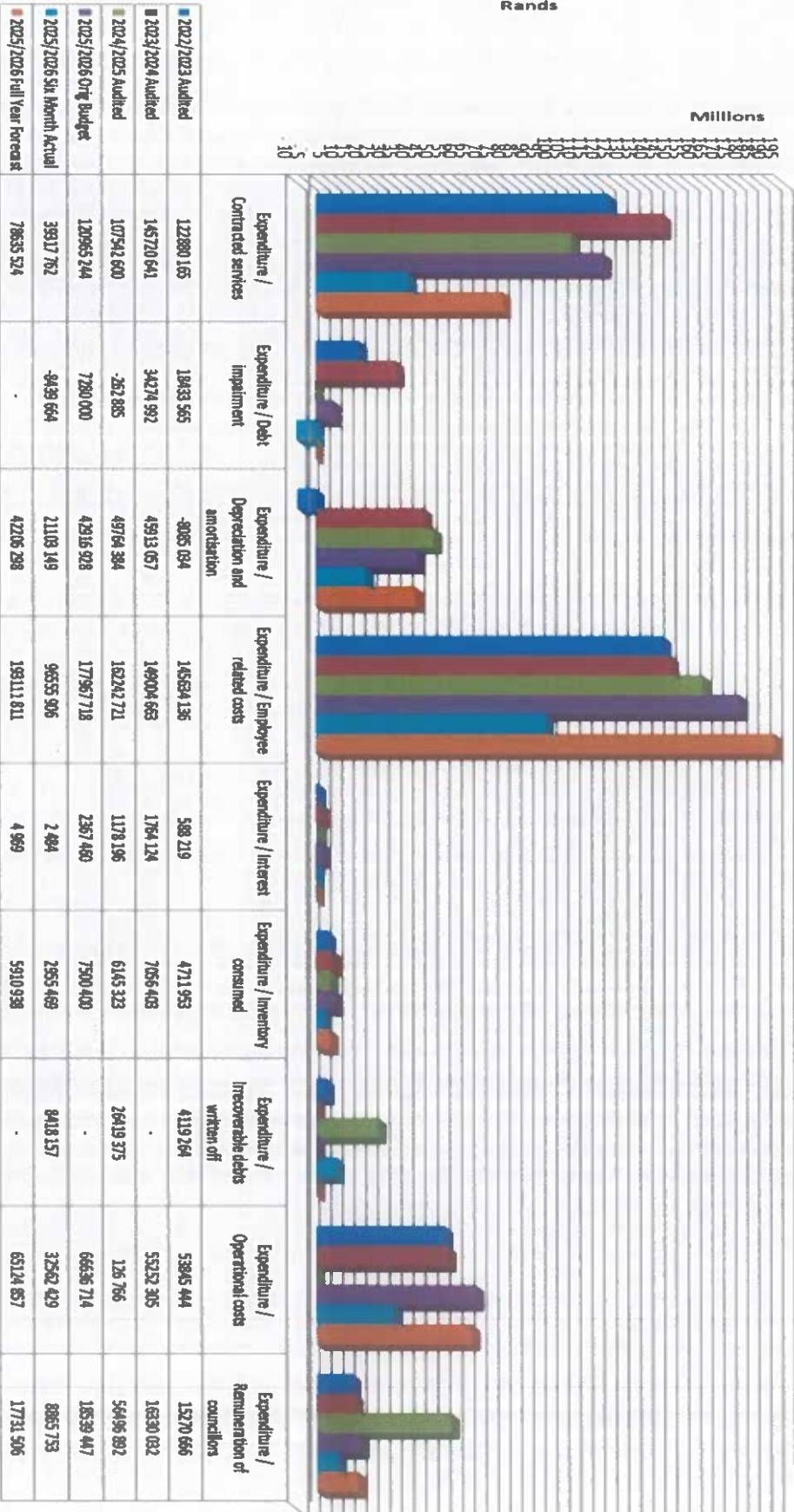
2.4.2.2. Analysis of Performance by Category of Expenditure

The graph below reflects the actual performance of expenditure by category in comparison with the budget for the previous financial years:



UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

COMPARISON OF OPERATING EXPENDITURE BY CATEGORY





UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

Employee related costs is budgeted at R177,9 million, with R 96,5 million (54%) being actual expenditure as at the 31 December 2025. It is estimated that R193,1 million will be incurred on employee related costs by the end of this financial year, which is the straight-line full year forecast. The expenditure incurred is more than the norm of 50%. The variance here is a result of the salary equalization that was effected in the current financial year. Adjustment is necessary.

Council remuneration expenditure as at mid-year amounted to R8,8 million (48%) in comparison to a budget of R 18,5 million. There was an over allocation for accommodating upper limits in this line item during annual budget preparation. Adjustment is necessary.

Depreciation has been estimated at R 42,9 million for this financial year, with R21,1 million (49%) being incurred to date. The level of spending seems to be on par. There are projects that will be completed in this financial year therefore it is anticipated that the depreciation will be more than the original budget. Adjustment is not necessary.

Contracted services expenditure has been incurred to the value of R39,3 million (33%) as at mid-year, in comparison with a budget of R120,9 million. Spending is also kept to a minimum as the municipality is vigorously implementing the cost containment policy. One of the major projects under this category is the rehabilitation of roads which is in progress and some projects within the programme are under-going SCM Processes before appointment. In addition, some projects are still going through the SCM processes. Adjustment is necessary.

Grants and Subsidies paid by the municipality is budgeted at R4,7 million, where R 1 147 598,37 (24%) has been spent as at 31 December 2025. The budget for LED Support has been budgeted under this category, no spending has occurred as yet. The municipality has completed the site inspection already, beginning of February or before then Project Steering Committee is sitting. Included in this category is R558 681,00 budgeted for disaster relief, with expenditure expected to reflect once payments are processed. Adjustment is not necessary.

Operational costs had been budgeted at R66,6 million, with R32,5 million (49%) being incurred as at 31 December 2025. The budget is more of administrative nature. This category has performed less than the average due to once off transactions and interval based transactions like the insurance fees, Fees paid to



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

the DOT for processing of drivers licenses, Workmen's compensation, Software licenses and Indigent relief expenditure of electricity as Eskom hasn't sent the invoices. The landfill site provision will be recognized at year end after the mandatory survey has been performed. Adjustment is not necessary.

Inventory consumed has been budgeted at R7,5 million; and R2,9 million (39%) has been spent. The spending on this category is low because of the cleaning material and the bathroom essentials which are bought quarterly or as when needed. The materials for the maintenance of roads are also budgeted under this category which is also bought as and when needed. Adjustment maybe necessary.

Debt Impairment has been budgeted at R 7,2 million. Expenditure on debt impairment amounts to R8,4 million, against a year-to-date budget of R3,6 million, resulting in an unfavourable variance of 332%. The significant variance is due to the implementation of the debt relief programme, which resulted in the writing off of irrecoverable debt. . Adjustment maybe necessary.

The above analysis of the mid-year performance of expenditure has resulted in the need for an adjustments budget.

Umdoni Municipality
2025-26 Midyear Budget

Department: Council
REVENUE

														MTREF 2025/26							
														2024-25 AUDITED OUTCOME	2025-26 FINAL BUDGET	VIREMENTS	2025-26 AMENDED BUDGET	YTD ACTUAL INCL SHADOW	YTD ACTUAL EXCL SHADOW	FULL YEAR FORECAST	
REVENUE																					
Revenue from non exchange transactios																					
Grants & Subsidies- Capital	R	-	R	-	R	-	R	-	R	-	R	-	R	-							
Grants & Subsidies- Operational	-R	182 890 000,00	-R	182 765 000,00	R	-	-R	182 765 000,00	-R	136 769 000,00	-R	136 769 000,00	-R	182 765 000,00							
Interest earned - Outstanding Debtors	R	-	R	-	R	-	R	-	R	-	R	-	R	-							
Licence and Permits	-R	17 234,00	-R	20 000,00	R	-	-R	20 000,00	-R	15 270,00	-R	15 270,00	-R	30 540,00							
Revenue from non exchange transactios																					
Service Charges: Refuse	R	-	R	772 853,00	R	-	R	772 853,00	R	-	R	-	R	772 853,00							
Sales of Goods and Rendering of Services	R	-	R	-	R	-	R	-	R	-	R	-	R	-							
Rental of Fixes Assets	R	-	R	-	R	-	R	-	R	-	R	-	R	-							
Total Revenue	-	182 907 234,00	-	182 012 147,00	-	-	182 012 147,00	-	136 784 270,00	-	136 784 270,00	-	182 022 687,00								
OPERATING EXPENDITURE																					
Employee Related Costs		11 972 892,50		14 991 994,00		-		14 991 994,00		7 603 722,75		7 603 722,75		15 207 445,50							
Total Employee Related Costs		11 972 892,50		14 991 994,00		-		14 991 994,00		7 603 722,75		7 603 722,75		15 207 445,50							
Remuneration of Councilors		16 853 178,67		18 539 447,00		-		18 539 447,00		8 865 752,86		8 865 752,86		17 731 505,72							
Total Remuneration Of Councilors		16 853 178,67		18 539 447,00		-		18 539 447,00		8 865 752,86		8 865 752,86		17 731 505,72							
Contracted Services		8 085 487,07		8 779 500,00		911 982,00		9 691 482,00		7 581 011,09		7 103 244,61		14 206 489,22							
Total Contracted Services		8 085 487,07		8 779 500,00		911 982,00		9 691 482,00		7 581 011,09		7 103 244,61		14 206 489,22							
Depreciation		-		105 684,00		-		105 684,00		-		-		-							
Total Depreciation		-		105 684,00		-		105 684,00		-		-		-							
Contracted Services R&M		-		-		-		-		-		-		-							
Total Contracted Services R&M		-		-		-		-		-		-		-							
Grants and subsidies paid		1 383 587,88		1 910 000,00		283 300,00		1 626 700,00		1 092 019,57		787 469,97		1 574 939,94							
Total Grant and Subsidies Paid		1 383 587,88		1 910 000,00		283 300,00		1 626 700,00		1 092 019,57		787 469,97		1 574 939,94							
Other Material		-		-		-		-		-		-		-							
Total Other Material		-		-		-		-		-		-		-							
Other Expenditure		5 829 817,32		7 642 639,00		628 682,00		7 013 957,00		3 229 773,39		2 391 257,65		4 782 515,30							
Total Other Expenditure		5 829 817,32		7 642 639,00		628 682,00		7 013 957,00		3 229 773,39		2 391 257,65		4 782 515,30							
Total Operating Expenditure		44 124 963,44		51 969 264,00		-		51 969 264,00		28 372 279,66		26 751 447,84		53 502 895,68							
Surplus	-	138 782 270,56	-	130 042 883,00	-	-	-	130 042 883,00	-	108 411 990,34	-	110 032 822,16	-	128 519 791,32							



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE

2025/2026 BUDGET YEAR

Umdoni Municipality
2025-26 Midyear Budget
Department: Finance

										MTREF 2025/26									
										2024-25 AUDITED OUTCOME	2025-26 FINAL BUDGET	VIREMENTS	2025-26 AMENDED BUDGET	YTD ACTUAL INCL SHADOW	YTD ACTUAL EXCL SHADOW	FULL YEAR FORECAST			
REVENUE																			
Revenue from non exchange transactions																			
Property Rates	-R	129 634 057,78	-R	137 802 839,00	R	-	-R	137 802 839,00	-R	77 019 145,77	-R	77 019 145,77	-R	139 481 558,00					
Grants & Subsidies- Capital	R	-	R	-	R	-	R	-	R	-	R	-	R	-					
Grants & Subsidies- Operational	-R	1 899 999,32	-R	2 000 000,00	R	-	-R	2 000 000,00	-R	576 067,61	-R	576 067,61	-R	2 000 000,00					
Interest earned - Outstanding Debtors	-R	14 431 956,66	-R	12 631 693,00	R	-	-R	12 631 693,00	-R	7 335 858,56	-R	7 335 858,56	-R	14 671 717,12					
Licence and Permits	R	-	R	-	R	-	R	-	R	-	R	-	R	-					
Revenue from exchange transactions																			
Service Charges: Refuse	R	-	R	-	R	-	R	-	R	-	R	-	R	-					
Rental from Fixed Assets	R	3 769,49	-R	27 216,00	R	-	-R	27 216,00	-R	11 051,06	-R	11 051,06	-R	22 102,12					
Sales of Goods and Rendering of Services	-R	1 178 767,53	-R	703 900,00	R	-	-R	703 900,00	-R	357 966,79	-R	357 966,79	-R	715 933,58					
Interest earned - External Investments	-R	14 096 859,27	-R	13 000 000,00	R	-	-R	13 000 000,00	-R	4 975 324,02	-R	4 975 324,02	-R	9 950 648,04					
Operational Revenue	-R	187 466,29	-R	205 755,00	R	-	-R	205 755,00	-R	1 631 159,21	-R	1 631 159,21	-R	3 262 318,42					
Total Revenue	-R	161 365 337,36	-R	166 371 403,00	R	-	-R	166 371 403,00	-R	91 906 573,02	-R	91 906 573,02	-R	170 104 277,28					
OPERATING EXPENDITURE																			
Employee Related Costs	16 829 876,75	18 246 075,00	-	18 246 075,00	7 242 072,93	7 242 072,93	14 484 145,86												
Total Employee Related Costs	16 829 876,75	18 246 075,00	-	18 246 075,00	7 242 072,93	7 242 072,93	14 484 145,86												
Remuneration of Councillors																			
Total Remuneration Of Councillors																			
Contracted Services	5 720 028,94	13 355 376,00	-	13 355 376,00	6 096 977,08	5 457 170,99	10 914 341,98												
Total Contracted Services	5 720 028,94	13 355 376,00	-	13 355 376,00	6 096 977,08	5 457 170,99	10 914 341,98												
Depreciation	-	143 307,00	-	143 307,00	-	-	-												
Total Depreciation	-	143 307,00	-	143 307,00	-	-	-												
Accumulated Surplus																			
Total Accumulated Surplus																			
Finance Cost	1 173 703,17	2 364 960,00	-	2 364 960,00	2 484,32	2 484,32	4 968,64												
Total Finance Cost	1 173 703,17	2 364 960,00	-	2 364 960,00	2 484,32	2 484,32	4 968,64												
Debt Impairment	34 125 481,63	8 302 902,00	-	8 302 902,00	21 507,83	21 507,83	43 015,66												
Total Debt Impairment	34 125 481,63	8 302 902,00	-	8 302 902,00	21 507,83	21 507,83	43 015,66												
Other Material																			
Total Other Material																			
Other Expenditure	11 240 848,16	10 386 783,00	-	10 386 783,00	4 914 231,62	4 841 329,17	9 682 658,34												
Total Other Expenditure	11 240 848,16	10 386 783,00	-	10 386 783,00	4 914 231,62	4 841 329,17	9 682 658,34												
Total Operating Expenditure	67 916 235,48	50 434 443,00	-	50 434 443,00	18 231 773,80	17 519 065,26	35 038 130,52												
Surplus	- 93 449 101,88	- 115 936 960,00	-	- 115 936 960,00	- 73 674 799,22	- 74 387 507,76	- 135 066 146,76												



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE

2025/2026 BUDGET YEAR

Umdoni Municipality 2025-26 Midyear Budget Department: Corporate Services OPEX SUMMARY														
MTREF 2025/26														
	2024-25 AUDITED OUTCOME		2025-26 FINAL BUDGET		VIREMENTS		2025-26 AMENDED BUDGET		YTD ACTUAL INCL SHADOW		YTD ACTUAL EXCL SHADOW		FULL YEAR FORECAST	
REVENUE														
Revenue from non exchange transactios														
Interest earned - Outstanding Debtors	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Grants & Subsidies- Capital	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Grants & Subsidies- Operational	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Revenue from exchange transactios														
Service Charges: Refuse	R	-	R	-	R	-	R	-	R	-	R	-	R	-
Sales of Goods and Rendering of Services	-R	164 613,73	-R	200 316,00	R	-	-R	200 316,00	-R	30 562,90	-R	30 562,90	-R	61 125,80
Operational Revenue	-R	284 090,98	-R	284 606,00	R	-	-R	284 606,00	-R	77 776,53	-R	77 776,53	-R	155 553,06
Rental from Fixed Assets	-R	7 140 521,00	-R	7 445 915,00	R	-	-R	7 445 915,00	-R	3 749 535,79	-R	3 749 535,79	-R	7 499 071,58
Total Revenue		-7 589 226		-7 930 837		0		-7 930 837		-3 857 875		-3 857 875		-7 715 750
EXPENDITURE														
Employee Related Costs														
Employee Related Costs		17 208 470		17 178 870		0		17 178 870		10 873 919		10 873 919		21 747 837
Total Employee Related Costs		17 208 470		17 178 870		0		17 178 870		10 873 919		10 873 919		21 747 837
Contracted services R&M														
Contracted services R&M		3 466 505		5 721 702		0		5 721 702		1 397 534		889 908		1 779 816
Total Contracted Services R&M		3 466 505		5 721 702		0		5 721 702		1 397 534		889 908		1 779 816
Contracted Services														
Contracted Services		1 263 815		6 392 000		30 000		6 422 000		1 059 135		1 024 405		2 048 810
Total Contracted Services		1 263 815		6 392 000		30 000		6 422 000		1 059 135		1 024 405		2 048 810
Depreciation														
Depreciation		4 275 532		7 382 331		0		7 382 331		3 472 958		3 472 958		6 945 915
Total Depreciation		4 275 532		7 382 331		0		7 382 331		3 472 958		3 472 958		6 945 915
Finance Cost														
Finance Cost		4 492		2 500		0		2 500		0		0		0
Total Finance Cost		4 492		2 500		0		2 500		0		0		0
Other Material														
Other Material		1 552 306		2 308 000		0		2 308 000		1 624 829		1 360 204		2 720 409
Total Other Material		1 552 306		2 308 000		0		2 308 000		1 624 829		1 360 204		2 720 409
Other Expenditure														
Other Expenditure		41 547 414		43 962 658		-30 000		43 932 658		25 003 610		23 655 466		47 310 932
Total Other Expenditure		41 547 414		43 962 658		-30 000		43 932 658		25 003 610		23 655 466		47 310 932
Total Operating Expenditure		69 318 534		82 948 061		0		82 948 061		43 431 985		41 276 859		82 553 719
Surplus		61 729 308		75 017 224		0		75 017 224		39 574 110		37 418 984		74 837 968



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE

2025/2026 BUDGET YEAR

Umdoni Local
2025-26 Midyear Budget
Department: Community Services
SUMMARY

	MTREF 2025/26										
	2024-25 AUDITED OUTCOME	2025-26 FINAL BUDGET	VIREMENTS	2025-26 AMENDED BUDGET	YTD ACTUAL INCL SHADOW	YTD ACTUAL EXCL SHADOW	FULL YEAR FORECAST				
REVENUE											
Revenue from non exchange transactions											
Grants & Subsidies- Capital	-R 4 660 190,63	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Grants & Subsidies- Operational	-R 10 976 000,00	-R 11 554 000,00	R -	-R 11 554 000,00	-R 7 197 872,89	-R 7 197 872,89	-R 11 554 000,00	-R 7 197 872,89	-R 7 197 872,89	-R 11 554 000,00	-R 11 554 000,00
Interest earned - Outstanding Debtors	-R 24 257,84	-R 26 022,00	R -	-R 26 022,00	-R 11 300,29	-R 11 300,29	-R 26 022,00	-R 11 300,29	-R 11 300,29	-R 26 022,00	-R 26 022,00
License & Permits	-R 3 093 757,52	-R 3 262 130,00	R -	-R 3 262 130,00	-R 1 800 042,43	-R 1 800 042,43	-R 3 262 130,00	-R 1 800 042,43	-R 1 800 042,43	-R 3 262 130,00	-R 3 262 130,00
Fines, Penalties & Forfeits	-R 1 330 461,80	-R 1 602 799,00	R -	-R 1 602 799,00	-R 524 285,14	-R 524 285,14	-R 1 602 799,00	-R 524 285,14	-R 524 285,14	-R 1 602 799,00	-R 1 602 799,00
Revenue from exchange transactions											
Rental of Facilities	-R 167 124,28	-R 133 131,00	R -	-R 133 131,00	-R 57 198,66	-R 57 198,66	-R 133 131,00	-R 57 198,66	-R 57 198,66	-R 133 131,00	-R 133 131,00
Sales of Goods and Rendering of Services	-R 1 794 287,31	-R 1 860 156,00	R -	-R 1 860 156,00	-R 998 374,20	-R 998 374,20	-R 1 860 156,00	-R 998 374,20	-R 998 374,20	-R 1 860 156,00	-R 1 860 156,00
Interest earned - Outstanding Debtors	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Agency services	-R 2 338 613,79	-R 2 247 000,00	R -	-R 2 247 000,00	-R 938 268,71	-R 938 268,71	-R 2 247 000,00	-R 938 268,71	-R 938 268,71	-R 2 247 000,00	-R 2 247 000,00
Operational Revenue	-R 12 390,48	-R 10 204,00	R -	-R 10 204,00	-R 5 386,09	-R 5 386,09	-R 10 204,00	-R 5 386,09	-R 5 386,09	-R 10 204,00	-R 10 204,00
Total Revenue	-R 24 397 083,65	-R 20 695 442,00	R -	-R 20 695 442,00	-R 11 532 728,41	-R 11 532 728,41	-R 20 695 442,00	-R 11 532 728,41	-R 11 532 728,41	-R 20 695 442,00	-R 20 695 442,00
OPERATING EXPENDITURE											
Employee Related Costs	R 64 695 898,69	R 72 134 166,00	R 450 000,00	R 72 584 166,00	R 41 191 526,95	R 41 191 526,95	R 72 584 166,00	R 41 191 526,95	R 41 191 526,95	R 72 584 166,00	R 72 584 166,00
Total Employee Related Costs	R 64 695 898,69	R 72 134 166,00	R 450 000,00	R 72 584 166,00	R 41 191 526,95	R 41 191 526,95	R 72 584 166,00	R 41 191 526,95	R 41 191 526,95	R 72 584 166,00	R 72 584 166,00
Contracted Services	R 27 964 798,41	R 33 385 666,00	-R 450 000,00	R 32 935 666,00	R 16 731 277,89	R 13 153 870,32	R 32 935 666,00	R 16 731 277,89	R 13 153 870,32	R 32 935 666,00	R 32 935 666,00
Total Contracted Services	R 27 964 798,41	R 33 385 666,00	-R 450 000,00	R 32 935 666,00	R 16 731 277,89	R 13 153 870,32	R 32 935 666,00	R 16 731 277,89	R 13 153 870,32	R 32 935 666,00	R 32 935 666,00
Depreciation	R 4 717 417,34	R 10 310 921,00	R -	R 10 310 921,00	R 2 310 971,39	R 2 310 971,39	R 10 310 921,00	R 2 310 971,39	R 2 310 971,39	R 10 310 921,00	R 10 310 921,00
Total Depreciation	R 4 717 417,34	R 10 310 921,00	R -	R 10 310 921,00	R 2 310 971,39	R 2 310 971,39	R 10 310 921,00	R 2 310 971,39	R 2 310 971,39	R 10 310 921,00	R 10 310 921,00
Finance Cost	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Total Finance Cost	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
Other Material	R 894 532,75	R 912 400,00	R -	R 912 400,00	R 591 635,00	R 361 730,00	R 912 400,00	R 591 635,00	R 361 730,00	R 912 400,00	R 912 400,00
Total Other Material	R 894 532,75	R 912 400,00	R -	R 912 400,00	R 591 635,00	R 361 730,00	R 912 400,00	R 591 635,00	R 361 730,00	R 912 400,00	R 912 400,00
Other Expenditure	R 2 052 218,06	R 3 917 918,00	R -	R 3 917 918,00	R 1 730 551,53	R 1 403 373,94	R 3 917 918,00	R 1 730 551,53	R 1 403 373,94	R 3 917 918,00	R 3 917 918,00
Total Other Expenditure	R 2 052 218,06	R 3 917 918,00	R -	R 3 917 918,00	R 1 730 551,53	R 1 403 373,94	R 3 917 918,00	R 1 730 551,53	R 1 403 373,94	R 3 917 918,00	R 3 917 918,00
Transfers & Subsidies	R 918 230,20	R 558 681,00	R -	R 558 681,00	R -	R -	R 558 681,00	R -	R -	R 558 681,00	R 558 681,00
Total Transfers & Subsidies	R 918 230,20	R 558 681,00	R -	R 558 681,00	R -	R -	R 558 681,00	R -	R -	R 558 681,00	R 558 681,00
Total Operating Expenditure	R 101 243 095,45	R 121 219 752,00	R -	R 121 219 752,00	R 62 555 962,76	R 58 421 472,60	R 121 219 752,00	R 62 555 962,76	R 58 421 472,60	R 121 219 752,00	R 121 219 752,00
Surplus	R 76 846 011,80	R 100 524 310,00	R -	R 100 524 310,00	R 51 023 234,35	R 46 888 744,19	R 100 524 310,00	R 51 023 234,35	R 46 888 744,19	R 100 524 310,00	R 100 524 310,00



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE

2025/2026 BUDGET YEAR

Umdoni Municipality
2025-26 Midyear budget
Department: Technical Services
OPEX SUMMARY

Surplus after CAPEX

	MTREF 2025/26						
	2024-25 AUDITED OUTCOME	2025-26 FINAL BUDGET	VIREMENTS	2025-26 AMENDED BUDGET	YTD ACTUAL INCL SHADOW	YTD ACTUAL EXCL SHADOW	FULL YEAR FORECAST
REVENUE							
REVENUE							
Revenue from non exchange transactions							
Grants & Subsidies- Capital	-R 36 852 047,33	-R 35 461 600,00	R -	-R 35 461 600,00	-R 19 353 881,62	-R 19 353 881,62	-R 35 461 600,00
Grants & Subsidies- Operational	-R 6 928 448,38	-R 1 866 400,00	R -	-R 1 866 400,00	-R 1 124 357,83	-R 1 124 357,83	-R 1 866 400,00
Revenue from exchange transactions							
Service Charges: Refuse	-R 12 429 912,82	-R 14 908 622,00	R -	-R 14 908 622,00	-R 9 463 769,47	-R 9 463 769,47	-R 14 923 126,00
Service Charges: Prepaid electricity	-R 968,70	R -	R -	R -	-R 968,70	-R 968,70	R -
Rental of Facilities	-R 35 772,60	-R 37 561,00	R -	-R 37 561,00	-R 17 886,30	-R 17 886,30	-R 35 772,60
Sales of Goods and Rendering of Services	-R 9 988 696,00	-R 4 451 000,00	R -	-R 4 451 000,00	-R 1 236 000,00	-R 1 236 000,00	-R 4 451 000,00
Interest earned - Outstanding Debtors	-R 2 056 441,39	-R 1 836 924,00	R -	-R 1 836 924,00	-R 1 034 988,04	-R 1 034 988,04	-R 2 069 976,08
	-R 66 235 845,83	-R 56 725 183,00	R -	-R 56 725 183,00	-R 31 196 863,92	-R 31 196 863,92	-R 56 737 898,60
OPERATING EXPENDITURE							
Employee Related Costs	39 079 080,21	42 063 304,00	-	42 063 304,00	22 280 069,50	22 280 069,50	44 560 139,00
Total Employee Related Costs	39 079 080,21	42 063 304,00	-	42 063 304,00	22 280 069,50	22 280 069,50	44 560 139,00
Contracted Services	59 423 250,66	47 451 000,00	-	47 451 000,00	10 185 169,49	9 278 160,92	18 556 321,84
Total Contracted Services	59 423 250,66	47 451 000,00	-	47 451 000,00	10 185 169,49	9 278 160,92	18 556 321,84
Depreciation	30 506 342,18	23 930 160,00	-	23 930 160,00	15 319 220,16	15 319 220,16	30 638 440,32
Total Depreciation	30 506 342,18	23 930 160,00	-	23 930 160,00	15 319 220,16	15 319 220,16	30 638 440,32
Contributions to provisions	5 554 029,59	-	-	-	-	-	-
Total Contributions to provisions	5 554 029,59	-	-	-	-	-	-
Other Material	3 698 484,34	4 729 480,00	-	4 280 000,00	1 709 701,74	1 233 534,74	2 467 069,48
Total Other Material	3 698 484,34	4 729 480,00	-	4 280 000,00	1 709 701,74	1 233 534,74	2 467 069,48
Other Expenditure	435 304,13	471 216,00	-	471 216,00	219 913,39	219 913,39	439 826,78
Total Other Expenditure	435 304,13	471 216,00	-	471 216,00	219 913,39	219 913,39	439 826,78
Total Operating Expenditure	127 588 431,93	118 645 160,00	-	118 195 680,00	49 714 074,28	48 330 898,71	96 661 797,42
Surplus	61 352 586,10	61 919 977,00	-	61 470 497,00	18 517 210,36	17 134 034,79	39 923 898,82



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE

2025/2026 BUDGET YEAR

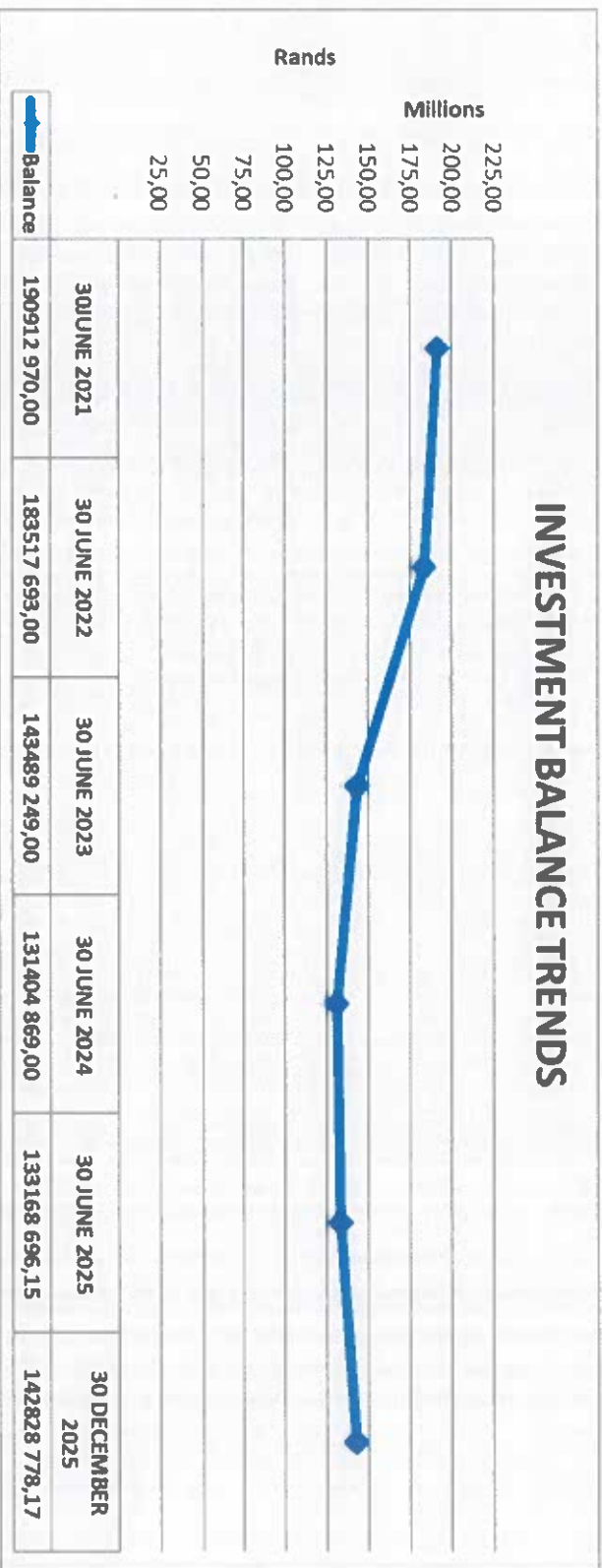
Umdoni Municipality
 2025-26 Midyear Budget
 Department: Planning and Development
 SUMMARY

Surplus after CAPEX

	MTREF 2025/26						
	2024-25 AUDITED OUTCOME	2025-26 FINAL BUDGET	VIREMENTS	2025-26 AMENDED BUDGET	YTD ACTUAL INCL SHADOW	YTD ACTUAL EXCL SHADOW	FULL YEAR FORECAST
REVENUE							
Revenue from non exchange transactions							
Grants and subsidies - Capital	-R 2 091 680,82	-R 1 000 000,00	R -	-R 1 000 000,00	-R 989 068,92	-R 989 068,92	-R 1 000 000,00
Grants and subsidies - Operational	-R 1 249 000,00	-R 2 385 000,00	R -	-R 2 385 000,00	-R 300 869,57	-R 300 869,57	-R 2 385 000,00
Interest earned outstanding Debtors	R -	R -	R -	R -	R -	R -	R -
Licences and permits	R -	R -	R -	R -	R -	R -	R -
Fines and Penalties	R -	R -	R -	R -	R -	R -	R -
Revenue from exchange transactions							
Service Charges-Refuse	R -	R -	R -	R -	R -	R -	R -
Rental from Fixed Assets	R -	R -	R -	R -	R -	R -	R -
Sales of Goods and Rendering of Services	-R 537 749,60	-R 545 871,00	R -	-R 545 871,00	-R 287 886,39	-R 287 886,39	-R 581 237,14
Operational Revenue	R -	R -	R -	R -	R 869,57	R 869,57	R 1 739,14
Total Revenue	-R 3 878 430,42	-R 3 930 871,00	R -	-R 3 930 871,00	-R 1 578 694,45	-R 1 578 694,45	-R 3 967 976,28
Employee Related Costs							
Employee Related Costs	R 12 310 413,89	R 13 353 309,00	R -	R 13 353 309,00	R 7 366 326,19	R 7 366 326,19	R 14 732 652,38
Total Employee Related Costs	R 12 310 413,89	R 13 353 309,00	R -	R 13 353 309,00	R 7 366 326,19	R 7 366 326,19	R 14 732 652,38
Contracted Services-R & M							
Contracted Services-R & M	R 119 200,00	R 50 000,00	R -	R 50 000,00	R 48 000,00	R 48 000,00	R 96 000,00
Total Contracted Services-R & M	R 119 200,00	R 50 000,00	R -	R 50 000,00	R 48 000,00	R 48 000,00	R 96 000,00
Contracted Services							
Contracted Services	R 844 254,64	R 5 830 000,00	-R 10 000,00	R 5 820 000,00	R 2 513 002,20	R 2 363 002,20	R 4 726 004,40
Total Contracted Services	R 844 254,64	R 5 830 000,00	-R 10 000,00	R 5 820 000,00	R 2 513 002,20	R 2 363 002,20	R 4 726 004,40
Other Expenditure							
Other Expenditure	R 462 527,57	R 300 500,00	R 10 000,00	R 310 500,00	R 88 881,01	R 51 088,67	R 102 177,34
Total Other Expenditure	R 462 527,57	R 300 500,00	R 10 000,00	R 310 500,00	R 88 881,01	R 51 088,67	R 102 177,34
Grants and subsidies Paid							
Grants and subsidies Paid	R 1 006 970,21	R 2 300 000,00	R -	R 2 300 000,00	R 360 128,40	R 360 128,40	R 720 256,80
Total Grant and Subsidies	R 1 006 970,21	R 2 300 000,00	R -	R 2 300 000,00	R 360 128,40	R 360 128,40	R 720 256,80
Depreciation							
Depreciation	R -	R 21 623,00	R -	R 21 623,00	R -	R -	R -
Total Depreciation	R -	R 21 623,00	R -	R 21 623,00	R -	R -	R -
Finance Cost							
Finance Cost	R -	R -	R -	R -	R -	R -	R -
Total Finance Cost	R -	R -	R -	R -	R -	R -	R -
Other Materials							
Other Materials	R -	R -	R -	R -	R -	R -	R -
Total Other Material	R -	R -	R -	R -	R -	R -	R -
Total Operating Expenditure	R 14 743 366,31	R 21 855 432,00	R -	R 21 855 432,00	R 10 376 337,80	R 10 188 545,46	R 20 377 090,92
Surplus	R 10 864 935,89	R 17 924 561,00	R -	R 17 924 561,00	R 8 797 643,35	R 8 609 851,01	R 16 409 114,64

2.5 2024/2025 INVESTMENTS PORTFOLIO ANALYSIS

As at 31 December 2025, the total balance of investments accounts is R 142,8 million. A comparison of this balance to the prior years, follows:



The investment balances were sitting at R183,5 million in 2022, then decreased in 2023 June due to low revenue collections that were experienced because of the pandemic. Throughout the duration of the pandemic, the performance of the balances has been steady.

2.6 2025/2026 DEBTORS OVERVIEW

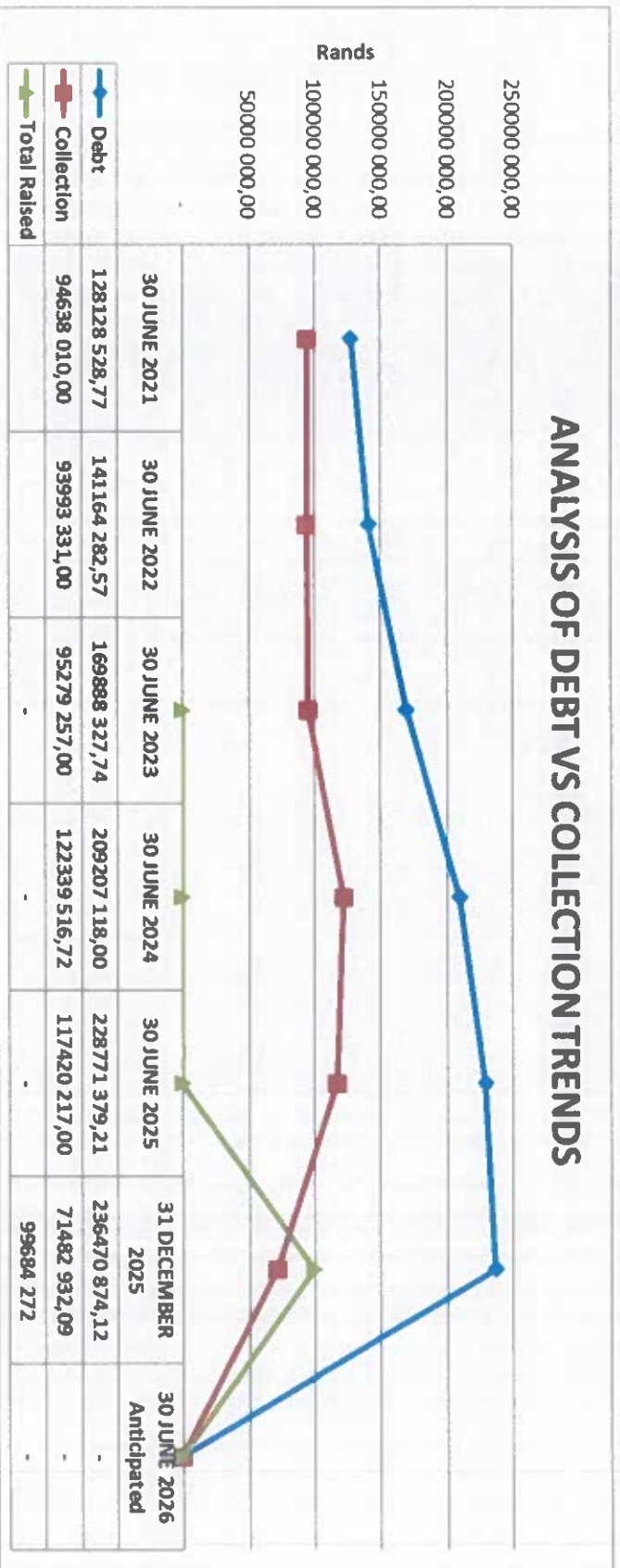


**UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR**

There is a low collection rate which resulted to reduced budgets, of which if the collections continue to decrease from what they used to be, in the long run service delivery will be impacted. In 2019 the collections were more than the debt, then collection levels decreased in 2020 during covid-19 and have been sloping downwards since then. The debtors book is notable increasing as customers can't afford to make their payments when they fall due. The impact of low revenue collections is not impacting that much on the operations (no short term liquidity problems) other than the reduced budget, of which in the long run service delivery will be negatively affected.

In summary, the cash flow is not affected by the reduced collection levels because the budgeted cash flows were reduced from the onset looking at the trend.

ANALYSIS OF DEBT VS COLLECTION TRENDS





**UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR**

DEBTORS AGE ANALYSIS DECEMBER 2025									
ACCOUNT TYPE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	OVER 120	TOTAL	DEBT %	
REFUSE REMOVAL	1 047 541,87	578 253,52	1 638 465,29	417 405,93	392 577,40	12 947 812,28	16 922 056,29	7,16%	
PENALTIES	0,00	9 317,38	17 392,46	20 248,62	25 313,48	6 034 985,09	6 107 257,03	2,58%	
RATES(Total of all categories)	8 446 279,46	4 791 227,29	4 089 458,84	3 796 629,38	3 220 260,38	110 255 529,01	134 599 384,36	56,92%	
PENALTIES	0,00	44 245,61	75 256,54	105 360,27	118 765,14	38 831 906,83	39 175 534,39	16,51%	
SEWER	0,00	0,00	0,00	0,00	0,00	6 051,17	6 051,17	0,00%	
PENALTIES	0,00	0,00	0,00	0,00	0,00	5 805,94	5 805,94	0,00%	
HOUSING	2 981,05	2 981,05	2 981,05	2 981,05	2 981,05	809 509,34	824 414,59	0,35%	
PENALTIES	0,00	0,00	0,00	0,00	0,00	164 217,94	164 217,94	0,07%	
TRAFFIC FINES	0,00	193 100,00	0,00	200 750,00	0,00	15 379 040,99	15 772 890,99	6,67%	
PENALTIES							0,00	0,00%	
SUNDRY ACCOUNTS	714 548,89	846 925,66	831 601,24	796 269,59	839 526,84	23 434 552,90	27 463 425,12	11,61%	
PENALTIES	0,00	6 689,71	13 522,96	18 798,60	25 579,28	2 651 656,51	2 716 247,06	1,15%	
Sub-total	10 211 351	6 472 740	6 668 678	5 358 443	4 625 004	210 421 068	243 757 285	100,00%	
ADVANCED PAYMENTS	-7 286 410,76						-7 286 410,76	-3,08%	
Total	2 924 941	6 472 740	6 668 678	5 358 443	4 625 004	210 421 068	236 470 874		
% OF DEBT	1,2%	2,7%	2,8%	2,3%	2,0%	89,0%	100,00%		

The municipality is being owed a total amount of R236,4 million, of which the biggest portion is owed by households sitting at R170,6 million.



**UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR**

The second biggest is government departments that are sitting at R41,1 million. Business debtors owing just over R16,7 million.

2.7 2025/2026 CREDITORS OVERVIEW

Umdoni Municipality strives to pay all creditors within 30 days of receipt of invoice. This has been largely successful except in exceptional circumstances such as when the quality of goods supplied is in doubt or there's a query. Once all queries are resolved, payments to creditors are made in the next payment cycle.

CREDITORS AGE ANALYSIS							
< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	< 180 Days	< 365 Days	> 365 Days
0	0	0	0	0	0	0	0



UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

2.8 FINANCIAL VIABILITY

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

Methodology applied

The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal municipal day-to-day operational expenditure but rather reserved for Grant related expenditure. The funds are excluded from the available cash because the obligation already exist.

The ratio calculation:

Cash and cash equivalents	52 510 279
Unspent Conditional Grants	32 083 201
Overdraft	-
Short Term Investments	142 828 778
Total Annual Operational Expenditure	398 745 664

- It can be concluded that *ceteris paribus* (all things constant) the Municipality will be able to meet its short-term obligations, for the period of 06 months. This is within the norm of 1-3 months. The cash coverage has been fluctuating throughout the financial year due to payment of accruals of the previous year, providing cash where the grants transfers are made late by the donors. However, it has always been within the three months' norm.
- One of the issues which are posing the risk to the cash coverage are the low revenue collections due as impacted by the low economic growth and the impact of the rates withholding by the action group.



UMDONI MUNICIPALITY

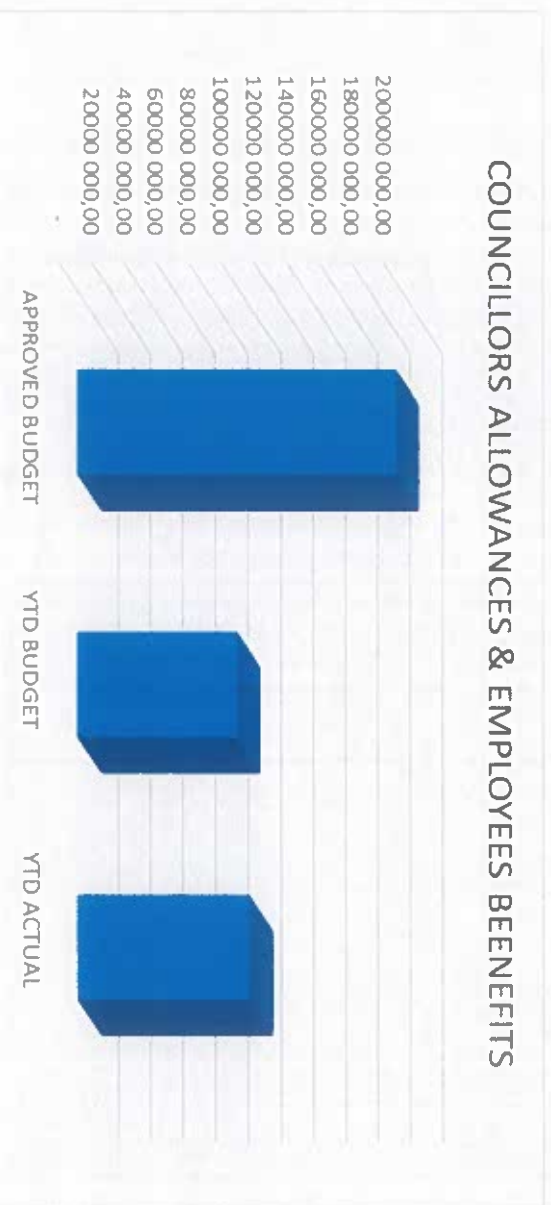
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

2.9 MATERIAL VARIANCES TO THE SDBIP

Please refer to the SDBIP performance report presented as Annexure.

2.10 COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

As at the 31 December 2025, the total employee benefits and councillors allowances expenditure amounted to R105,4 million (54%) of the total allocated budget of R196,5 million. Adjustment is necessary.





**UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR**

2.11 GRANTS OVERVIEW

UMDONI MUNICIPALITY 2025/2026 FINANCIAL YEAR										
SUMMARY OF UNSPENT GRANTS										
DETAILS	OPENING BALANCE 01 JULY 2025	UN-APPROVED ROLL OVER	2025/26			BALANCE TO BE RECEIVED	GRANT REALISED/ SPENT	LIABILITY AS AT 30 DECEMBER 2025	PERCENTAGE SPENT	SPENT BASED ON THE ALLOCATION RECEIVED EXCLUDING OPENING BALANCE
			ALLOCATION	RECEIVED	RECEIVED					
CONDITIONAL GRANT	11 527 722,58					1 586 730,43	39 685 815,18	32 083 200,55		
MIG	-	-	59 851 800,00	59 348 312,82	31 150 000,00	311 600,00	20 677 536,07	14 472 463,93	58,83%	58,83%
EPWP	-	-	1 385 000,00	923 869,57	461 130,43	461 130,43	1 815 849,90	2 756 924,05	196,55%	196,55%
LIBRARIES GRANT	-	-	11 554 000,00	11 291 000,00	263 000,00	263 000,00	8 534 075,95	846 558,81	75,58%	75,58%
PLG	-	-	2 000 000,00	2 000 000,00	-	-	1 153 441,08	1 189,26	57,67%	57,67%
EDTEA GRANT (UMZINTO INFORMAL TRADING PROJECT)	258,18	-	1 000 000,00	1 000 000,00	-	-	989 080,92	3 889,36	99,91%	99,91%
SMALL TOWN REHABILITATION GRANT	3 893,56	-	-	-	-	-	-	587 558,00	0,00%	0,00%
TITLE DEEDS RESTORATION GRANT	587 558,00	-	-	-	-	-	-	1 468 600,00	49,18%	49,18%
INEP	-	-	4 451 000,00	2 890 000,00	1 561 000,00	-1 000 000,00	1 421 400,00	1 031 147,00	0,00%	0,00%
MUNICIPAL EMPLOYMENT INITIATIVE	31 147,00	-	-	1 000 000,00	-	-	-	321 415,00	0,00%	0,00%
BEACH INFRASTRUCTURE GRANT	321 415,00	-	-	-	-	-	-	123,29	0,00%	0,00%
MUNICIPAL DISASTER RESPONSE GRANT - OPEX	123,29	-	-	-	-	-	-	10 278 027,55	0,00%	0,00%
MUNICIPAL DISASTER RESPONSE GRANT- CAPEX	10 278 027,55	-	-	-	-	-	-	-	100,00%	100,00%
KZN HUMAN SETTLEMENT (HOUSING)	-	-	-	5 094 443,00	-	-	5 094 443,25	305 300,00	100,00%	100,00%
ENERGY EFFICIENCY AND DEMAND-SIDE MANAGEMENT	305 300,00	-	-	-	-	-	-	-	0,00%	0,00%
UNCONDITIONAL GRANT						45 996 000,00				
Equitable share	-	-	182 765 000,00	136 769 000,00	45 996 000,00	45 996 000,00	-	-	-	-
TOTAL UNSPENT GRANTS	11 527 723		59 851 800	59 348 313	47 592 730	45 996 000	39 685 815	32 083 201		

The level of spending on grants is in overall satisfactory as most grants are above the 50% as at the end December 2024 in terms of spending. Except for the Integrated National Electrification Programme (INEP) which is slightly below 50% which is 49.1%.

The project funded by the EDTEA Grant is almost complete it is 99% complete as at 31 December 2025.



UMDONI MUNICIPALITY

MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

Title Deed Restoration Grant is not spending because the rollover application had to be approved before inclusion in the budget submitted. It'll not be provided for in the adjustment budget as the approval was not granted.

Library Grant: The allocation was received in October 2025 and currently the spending in the grant is 75.5%.

Municipal Disaster Response Grant for the project Malangenji bridge on this grant the rollover application was made last year and was approved by the department it is now waiting for the adjustments budget to be included in the budget.

Energy efficiency and Demand-Side Management here rollover application was made and was approved by the Department and will be included in the budget during Adjustments budget.

Municipal Employment Initiative on this grant the Department transferred monies in October at the present moment there is no expenditure on the grant because of the delay in SCM processes. The expenditure will reflect in the third and the fourth quarter.

Beach Infrastructure Grant on this grant the municipality made an application for the rollover and was not approved by the Department therefore it will not be included in an adjustments budget.



UMDONI MUNICIPALITY
MID-YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT FOR THE 2025/2026 BUDGET YEAR

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Mr. W.T. Gumede Acting Municipal Manager of UMDONI MUNICIPALITY, hereby certify that the Mid-Year Budget & Performance Assessment Report and its supporting documentation have been prepared in accordance with the Municipal Finance Management Act, No.56 of 2003 and, to the extent as indicated in the document and the regulations made under this Act.

PRINT NAME: W.T. GUMEDE

MUNICIPAL MANAGER OF: UMDONI MUNICIPALITY

SIGNATURE: 

DATE: 23 January 2026

UNION MUNICIPALITY 2023/24 BUDGET DELIVERY BUDGET IMPLEMENTATION PLAN - MID YEAR PERFORMANCE REPORT																								
OP Plan	Strategy Purpose	Strategy Report	Resource Priorities	Word No.	Demand	Baseline	Backlog	Key Performance Indicator	KPI Measure	Yearly/Annual Target	QUARTERLY TARGETS				REASON FOR VARIANCE	WILCOXED TO IMPROVE PERFORMANCE	Annual Budget			Portfolio of Evidence	Responsible Department			
											2023/24 ANNUAL TARGETS	QUARTER 1	ACTUAL	ACHIEVED/NOT ACHIEVED			CAPEX	OPEX	Funding Source					
FV161	To ensure financial sustainability and sound financial principles	UPF	R0.20 amount on unauthorised, irregular, Rulles and wasteful expenditure by 30 June 2023	Administration	Unknown	Unknown	Unknown	Amount reported on unauthorised, irregular, Rulles and wasteful expenditure by 30 June 2023	Amount	Zero (0) Amount on unauthorised, irregular, Rulles and wasteful expenditure by 30 June 2023	80.00	Irregular Expenditure incurred in Q1	Not Achieved	Continued labour problems at Union, leading to late payments and causing programme inefficiencies to be incurred. This was primarily attributable to the irregular nature of the expenditure incurred in excess of the approved budget and/or outside the regular course of the approved budget, arising from unauthorised expenditure and bringing irregularities between expenditure incurred and budget adjustments.	Despite irregular budgeting controls, the Municipality did not fully achieve the target of R0.20 unauthorised expenditure during the reporting period. This was primarily attributable to the irregular nature of the expenditure incurred in excess of the approved budget and/or outside the regular course of the approved budget, arising from unauthorised expenditure and bringing irregularities between expenditure incurred and budget adjustments.	80.00	80.00	Not Applicable	Q1-Q4 Quarterly reports submitted to the Finance portfolio	Financial Services				
FV162	To ensure financial sustainability and sound financial principles	Implementation of Procurement Plan	Processed 4 SCM reports on implementation of Procurement Plan by 30 June 2023	Administration	Unknown	Unknown	Unknown	Number of SCM Reports on implementation of Procurement Plan processed and submitted to Public Works Committee by 30 June 2023	Number	Process 4 SCM reports on implementation of Procurement Plan and submit to Public Works Committee by 30 June 2023	1 SCM Report on implementation of Procurement Plan	1 Report on SCM Procurement Plan	Achieved	n/a	n/a	1 SCM Report on implementation of Procurement Plan	1 SCM Report on implementation of Procurement Plan	Achieved	n/a	80.00	80.00	Not Applicable	Q1-Q4 SCM Reports	Financial Services
FV163	To ensure financial sustainability and sound financial principles	Signing of Contracts/SLAs within 30 Days after appointment	Signed Contracts/SLAs with Service Providers within 30 Days after date of appointment	Administration	Unknown	Unknown	Unknown	Number of Days contracts/SLAs signed after date of appointment	Number of Days	Contracts / SLAs with service providers signed within 30 days after date of appointment by 30 June 2023	30 Days	NE SLAs/Agreement entered into in Q1	Achieved	n/a	n/a	30 Days	30 Days	Achieved	n/a	80.00	80.00	Not Applicable	Q1-Q4 Appointment Matrix complete against SLAs	Financial Services
FV164	To ensure financial sustainability and sound financial principles	Revenue Collection	Collect 95% of revenue by 30 June 2023	Administration	95%	94%	Unknown	Percentage of revenue collected	Percentage	Collect 95% of revenue by 30 June 2023	n/a	n/a	n/a	n/a	n/a	95%	72%	Achieved	n/a	80.00	80.00	Internal Funding	Q1-Q4 Revenue Collection reports	Financial Services
FV165	To ensure financial sustainability and sound financial principles	Financial Reporting	Present 4 Quarterly statutory reports within 30 days after the end of the quarter by 30 June 2023	Administration	Quarterly	Quarterly	None	Number of Quarterly reports prepared within 30 days after the end of the quarter	Number	Present 4 Quarterly statutory reports within 30 days after the end of the quarter by 30 June 2023	1	1	Achieved	n/a	n/a	1	1	Achieved	n/a	80.00	80.00	Not Applicable	Q1-Q4 Financial Reports	Financial Services
FV166	To ensure financial sustainability and sound financial principles	Financial Reporting	Present and submit monthly Statutory Reports (Sec 71 Returns, C-Schedule & Grants) within 10 working days after the closing month by 30 June 2023	Administration	Monthly	Monthly	None	Number of monthly statutory reports (Sec 71 Returns, C-Schedule & Grants) prepared	Number	Present and submit monthly Statutory Reports (Sec 71 Returns, C-Schedule & Grants) within 10 working days after the closing month by 30 June 2023	3	3	Achieved	n/a	n/a	3	3	Achieved	n/a	80.00	80.00	Not Applicable	Q1-Q4 Financial Reports	Financial Services
FV167	To ensure financial sustainability and sound financial principles	Rates Policy Review	Reviewed and adopted Rates Policy by 30 May 2023	Administration	Annually	27 May 23	None	Date Rates Policy reviewed and adopted	Date	Review and Adopt Rates Policy by 30 May 2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	80.00	80.00	Not Applicable	Q1-Q4 Council Resolution & Rates Policy	Financial Services
FV168	To ensure financial sustainability and sound financial principles	Cash Coverage Ratio	Maintained financial viability through cashflow coverage ratio by 30 June 2023	Administration	0.01	0.08	None	Maintain cashflow coverage ratio of 1	Ratio	Maintain Financial Viability through cashflow coverage ratio by 30 June 2023	0.01	0.01	Achieved	n/a	n/a	0.01	0.01	Achieved	n/a	80.00	80.00	Not Applicable	Q1-Q4 Financial Reports	Financial Services
FV169	To ensure financial sustainability and sound financial principles	Payment of Creditors	Ensure payment of creditors within 30 Days of receipt of invoice by 30 June 2023	Administration	30 Days	30 Days	None	Number of days creditors paid	Number	Ensure payment of creditors within 30 Days of receipt of invoice by 30 June 2023	30 Days	Over 30 Days	Not Achieved	Continued labour problems at Union, leading to late payments and causing programme inefficiencies to be incurred. This was primarily attributable to the irregular nature of the expenditure incurred in excess of the approved budget and/or outside the regular course of the approved budget, arising from unauthorised expenditure and bringing irregularities between expenditure incurred and budget adjustments.	Issues to be addressed by OMB that are beyond the Municipality's control, such as the irregular nature of the expenditure incurred in excess of the approved budget and/or outside the regular course of the approved budget, arising from unauthorised expenditure and bringing irregularities between expenditure incurred and budget adjustments.	30 Days	30 Days	Not Achieved	Late submission of invoices by departments and delays in submission to SCM / Expenditure	80.00	80.00	Not Applicable	Q1-Q4 Payment Register	Financial Services
FV170	To ensure financial sustainability and sound financial principles	Procurement Plan	Complete 2023/2027 procurement Plan by 30 June 2023	Administration	80%	80%	None	Date Procurement Plan for 2023/2027 complete	Date	Complete 2023/2027 Procurement Plan by 30 June 2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	80.00	80.00	Not Applicable	Q1-Q4 Procurement Plan	Financial Services
FV171	To ensure financial sustainability and sound financial principles	Tender Awards	Finalised Tender awards within 120 days of advertisement by 30 June 2023	Administration	120 Days	Unknown	Unknown	Number of days tender awards finalised after advertisement	Number	Finalise tender awards within 120 days of advertisement by 30 June 2023	120 Days	Over 120 Days	Not Achieved	n/a	n/a	120 Days	120 Days	Achieved	n/a	80.00	80.00	Not Applicable	Q1-Q4 Tender Register	Financial Services
FV172	To ensure financial sustainability and sound financial principles	Annual Financial Statements	Submit Annual Financial Statements (AFS) by 31 August 2023	Administration	28 Aug	30 Aug	None	Date Annual Financial Statements (AFS) submitted to AG	Date	Submit Annual Financial Statements (AFS) by 31 August 2023	Submitted 27 August 2023	Submitted 27 August 2023	Achieved	n/a	n/a	n/a	n/a	n/a	n/a	80.00	80.00	Not Applicable	Q1-Submissions/AFS	Financial Services
FV173	To ensure financial sustainability and sound financial principles	Audit Queries	Resolve 95% of Audit Queries by Finance Department by 30 June 2023	Administration	95%	95%	100%	Percentage of Audit Queries for Finance Department resolved by deadline	Percentage	Resolve 95% of Audit Queries for Finance Department by 30 June 2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	80.00	80.00	Not Applicable	Q1-Q4 Audit Action Plan	Financial Services
FV174	To ensure financial sustainability and sound financial principles	Asset Management	Complete 3 monthly asset verification by 30 June 2023	Administration	Annually	Annually	None	Number of monthly asset verifications conducted by deadline	Number	Complete 3 monthly asset verifications by 30 June 2023	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	80.00	80.00	Not Applicable	Q2-Q4 Asset Register	Financial Services
FV175	To ensure financial sustainability and sound financial principles	Indigent Support	100% of households earning less than R4000 per month have access to Free Basic Services by 30 June 2023	Administration	100%	100%	None	Percentage of households earning less than R4000 per month with access to Free Basic Services by 30 June 2023	Percentage	100% of households earning less than R4000 per month with access to Free Basic Services by 30 June 2023	100%	100%	Achieved	n/a	n/a	100%	100%	Achieved	n/a	80.00	80.00	Not Applicable	Q1-Q4 Indigent Register	Financial Services