



## UTHUKELA ECONOMIC DEVELOPMENT AGENCY

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# UTHUKELA ECONOMIC DEVELOPMENT AGENCY MID-TERM BUDGET

2024-2025 FINANCIAL YEAR

**2024/2025 ADJUSTMENT BUDGET**

<b>OPERATING REVENUE</b>	<b>ORIGINAL BUDGET</b>	<b>ADJUSTMENT</b>	<b>ADJUSTMENT BUDGET</b>
SUBSIDY	5,830,000		5,830,000
TRANSFER EXPENDITURE	1,500,000	- 500,000	1,000,000
INTEREST INCOME	100,000	250,780	350,780
OTHER REVENUE	450,000	- 150,000	300,000
SERVICES REVENUE	250,000	-	100,000
REVENUE FROM CONDITIONAL GRANT	2,485,016	- 2,485,016	-
<b>TOTAL REVENUE</b>	<b>10,615,016</b>	<b>- 3,034,236</b>	<b>7,580,780</b>
<b>OPERATING EXPENDITURE</b>			
AUDIT FEES + CIPC ANNUAL RETURN FEES	320,000	280,000	600,000
ADVERTISEMENT & MARKETING	50,000	- 20,000	30,000
BANK CHARGES	14,000	-	14,000
PRINTING AND STATIONERY	75,000	- 25,000	50,000
CLEANING MATERIAL	75,000	- 25,000	50,000
BOARD ALLOWANCES & EMOLUMENTS	650,000	-	650,000
CAPACITY BUILDING & TRAINING	50,000	-	50,000
SUSBSISTENCE & TRAVELLING EXPENSES	30,000	-	30,000
INSURANCE EXPENSES	80,000	- 80,000	-
TRANSFER EXPENDITURE	1,500,000	- 500,000	1,000,000
FUEL, OIL, SERVICE AND OTHER	50,000	- 30,000	20,000
SALARIES	2,200,000	789,866	2,989,866
SDL	22,000	7,899	29,899
PROGRAMMES AND PROJECTS	1,235,000	- 210,000	1,025,000
TEAM BUILDING & STRATEGIC PLANNING	200,000	- 150,486	49,514
CONSULTANCY	25,000	- 25,000	-
ACCOMODATION	25,000		25,000
RENTAL	650,000		650,000
OFFICE WATER UTILITY	12,000		12,000
OFFICE ELECTRICITY	50,000		50,000
DEPRECIATION	194,000	- 58,498	135,502
<b>SUBTOTAL</b>	<b>7,507,000</b>	<b>- 46,220</b>	<b>7,460,780</b>
<b>PROJECTS</b>	<b>2,485,016</b>		<b>-</b>
UMHLUMAYO	2,485,016	- 2,485,016	-
DRIEFONTEIN	-		-
AGRICULTURE PROJECT	-		-
<b>CAPITAL EXPENDITURE</b>			
OFFICE FURNITURE	50,000		50,000
RENOVATIONS	50,000	- 50,000	-
MOTOR VEHICLE	463,000	- 463,000	-
COMPUTER EQUIPMENT	60,000	10,000	70,000
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>623,000</b>		<b>120,000</b>
<b>TOTAL OPERATIONAL, GRANT AND CAPITAL EXPENDITURE</b>	<b>10,615,016</b>	<b>- 46,220</b>	<b>7,580,780</b>
<b>SUPLUS/(DEFICIT)</b>			<b>0.00</b>

The 2024/2025 Adjustment Budget shows major changes to revenue and expenditure to better align with the entity's operational realities and financial commitments. Below is a detailed narrative outlining the adjustments made:

### Revenue Adjustments

- 1. Transfer Expenditure:** The transfer expenditure line item was reduced as it now reflects only the Acting CEO's salary cost, making the adjustment necessary to ensure transparency and accuracy.

2. **Interest Income:** Interest income was increased as the actual interest already exceeds the original budget by R5,000, necessitating an upward revision.
3. **Other Revenue:** SARS refunds, previously disclosed under "Other Revenue," are no longer included, leading to this reduction.
4. **Services Revenue:** Revenue from services has been revised downward due to a relatively low-income realisation in this category.
5. **Revenue from Conditional Grant:** This line item was removed entirely as the conditional grant is not currently a commitment, and thus cannot be disclosed as revenue.

**Net Impact on Revenue:** The total revenue decreased by R 3,034,236.00 bringing the adjusted budget to R7,580,780.00

#### **Operating Expenditure Adjustments**

1. **Audit Fees and CIPC Annual Return Fees:** Higher expenditure was incurred due to the Auditor General audit.
2. **Advertisement and Marketing:** Reduced expenditure, as part of cost-cutting efforts in optional spending.
3. **Printing & Stationery, and Cleaning Materials:** Lower operational costs in these areas reflect more efficient resource utilisation
4. **Insurance Expenses:** Insurance expenses were removed, possibly due to a reallocation of this responsibility or savings from policy renegotiations.
5. **Transfer Expenditure:** Adjustments reflect the salary cost of the Acting CEO only, aligning expenditure with current staffing arrangements.
6. **Salaries:** Adjustments were made to accommodate the Acting CEO's acting allowance, ensuring proper compensation.
7. **Programmes and Projects:** Reduced funding for this item, due to reprioritisation of programs.
8. **Depreciation:** This reduction is due to changes in the depreciation calculation method following the revaluation of useful life.

**Net Impact on Operating Expenditure:** The adjusted operating expenditure stands at R7,460,780.00 down by R46,220.00.

#### **Capital Expenditure Adjustments**

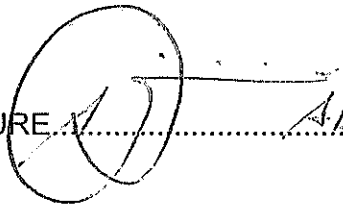
1. **Renovations:** Reflects scaled-back renovation activities, for budgetary efficiency.
2. **Motor Vehicle:** The purchase of the motor vehicle has been removed, resulting in a decrease in revenue, while most costs are allocated to operational expenditures.
3. **Computer Equipment:** Additional funding will be allocated to computer equipment due to the shortage of working tools

**Net Impact on Capital Expenditure:** Capital expenditure decreased, leaving an adjusted total of R120,000.00

#### **Summary**


The adjustments lead to a balanced total expenditure of R7,580,780.00 this reflects a deliberate effort to align budget allocations with actual financial commitments, operational priorities, and strategic objectives. The revisions focus on cost optimisation while accommodating necessary increases in critical areas, such as salaries and compliance-related activities.

I, Sibisi S.B the Acting Chief Executive Officer of UThukela Economic Development Agency, hereby certify that the adjustment budget has been prepared in terms of the Municipal Finance Management Act no 56 of 2003 and regulations made under this act.

SIGNATURE  .....

DATE 09/01/2025 .....

I, Nduli KH, in my capacity as the Chairperson of the Board of Directors of UThukela Economic Development Agency, hereby confirm that the adjustment budget was presented and approved during the board meeting held on January 09, 2025.

SIGNATURE  .....

DATE 09/01/2025 .....