



UTHUKELA
UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

SECTION 71 REPORT
OCTOBER 2024

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Part 1 – Annual Budget

1.1 Mayor’s Report

The Monthly section 71 report is a report that gives a clear view on the state or performance of the Municipality for that month as well as the year to date performance. Among the impacts that are challenging the Municipality, is the cash flow challenge currently being experienced by the municipality due to among other things declining collection, historic expenditure patterns, high water losses and high rate of indigents within the municipal boundaries.

Management within local government has a significant role to play in strengthening the link between the citizen and government’s overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the UThukela District Municipality .Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

1.2 Council Resolutions

1. The Council of UThukela District Municipality, acting in terms of section 71 of the Municipal Finance Management Act, (Act 56 of 2003) to note :
2. Monthly Budget statements and supporting documents for the months of October 2024.

1.3 Executive Summary

As per Municipal Finance Management Act the municipality needs to prepare section 71 report in a prescribed format as per national treasury regulations.

The District Municipality has to embark on implementing revenue collection strategies to optimize the collection of debt owed by consumers.

The municipality is also embarking on assuring that all grants are spent during the 2024/25 financial year.

Table C4 - Budgeted Statement – Financial Performance (revenue and expenditure)

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 - October										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water	267,541	316,389	-	17,155	50,378	105,463	(55,085)	-52%	316,389	
Service charges - Waste Water Management	17,928	18,189	-	1,576	6,398	6,063	335	6%	18,189	
Service charges - Waste management	-	-	-	-	-	-	-	-	-	
Sale of Goods and Rendering of Services	838	632	-	64	172	211	(38)	-18%	632	
Agency services	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables	64,901	64,535	-	5,520	21,913	21,512	401	2%	64,535	
Interest from Current and Non Current Assets	8,557	10,482	-	684	2,968	3,494	(536)	-15%	10,482	
Dividends	-	-	-	-	-	-	-	-	-	
Rent on Land	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets	-	-	-	-	-	-	-	-	-	
Licence and permits	-	-	-	-	-	-	-	-	-	
Operational Revenue	275	203	-	-	7,973	68	7,906	11664%	203	
Non-Exchange Revenue										
Property rates	-	-	-	-	-	-	-	-	-	
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	125	60	-	10	330	20	310	1549%	60	
Licence and permits	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - Operational	586,406	620,501	-	4,849	260,829	206,834	53,995	26%	620,501	
Interest	-	-	-	-	-	-	-	-	-	
Fuel Levy	-	-	-	-	-	-	-	-	-	
Operational Revenue	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets	5,832	-	-	-	-	-	-	-	-	
Other Gains	-	-	-	-	-	-	-	-	-	
Discontinued Operations	8,000	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and		960,403	1,030,991	-	29,859	350,952	343,664	7,288	2%	1,030,991
Expenditure By Type										
Employee related costs	361,224	363,137	-	239	93,987	121,046	(27,069)	-22%	363,137	
Remuneration of councillors	6,154	6,155	-	-	1,507	2,052	(545)	-27%	6,155	
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	
Inventory consumed	97,299	51,060	-	5,529	11,480	17,020	(5,540)	-33%	51,060	
Debt impairment	250,616	164,658	-	-	-	54,886	(54,886)	-100%	164,658	
Depreciation and amortisation	86,484	73,910	-	7,269	28,238	24,637	3,601	15%	73,910	
Interest	16,352	-	-	13	13	-	13	#DIV/0!	-	
Contracted services	175,330	171,931	-	6,332	27,341	57,310	(29,969)	-52%	171,931	
Transfers and subsidies	3,285	5,830	-	-	-	1,943	(1,943)	-100%	5,830	
Irrecoverable debts written off	3,124	-	-	-	-	-	-	-	-	
Operational costs	198,820	130,551	-	5,967	19,503	43,517	(24,014)	-55%	130,551	
Losses on Disposal of Assets	-	-	-	-	-	-	-	-	-	
Other Losses	-	-	-	-	-	-	-	-	-	
Total Expenditure		1,198,687	967,232	-	25,349	182,069	322,411	(140,341)	-44%	967,232
Surplus/(Deficit)		(238,283)	63,759	-	4,509	168,883	21,253	147,630	695%	63,759
Transfers and subsidies - capital (monetary allocations)	291,328	291,529	-	52,303	85,947	97,176	(11,230)	-12%	291,529	
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		53,045	355,288	-	56,812	254,829	118,429		355,288	
Income Tax	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after income tax		53,045	355,288	-	56,812	254,829	118,429		355,288	
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		53,045	355,288	-	56,812	254,829	118,429		355,288	
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year		53,045	355,288	-	56,812	254,829	118,429		355,288	

Operating Revenue:

Operating revenue recognised for the period October 2024 amounts to R 350 million. The municipality had estimated R343 million.

WATER AND SANITATION SALES:

The combined Water and Sanitation Sales income recognised is 46% below what is originally anticipated. The revenue billed for the month of October 2024 is a combined amount of R18 million.

INTEREST EARNED FROM RECEIVABLES:

The interest on consumer accounts has yielded 2% positive variance, this is an indication of an improvement in the revenue collected. The amount received for October 2024 is R5 million.

FINES AND PENALTIES

The municipality received R thousands from fines and penalties for the month of October 2024.

OPERATING REVENUE

The municipality recognised R4 million for the month of October 2024, which makes the total of R330 thousands as at 31 October 2024.

Operating Expenditure:

The total operating expenditure recognised for the period of October 2024 amounts to R25 million, a negative of 44% variance.

EMPLOYEE RELATED COSTS AND REMUNERATION OF COUNCILLORS:

Employee related cost incurred for October 2024 shows only R239 thousands, there was a problem on the system they could not cost the salaries. The problem has been sorted the salaries will show correctly on the following report.

CONTRACTED SERVICES:

The bulk of contracted services comprise of vehicle repairs, hire of plant, repairs to pumps and pipelines. The total contracted services incurred for the month of October 2024 is R6 million.

OPERATIONAL COSTS:

The implementation of the budget funding plan seeks to cut avoidable expenditure which does not relate to service delivery the municipality has managed to eliminate nice to haves, and soft projects in order to reduce expenditure related to this line item. The total operation costs incurred in October 24 amounts to R5 million.

Table C5 – Monthly Budget Statements – Capital Expenditure

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 - October

Vote Description	Ref	2023/24			Budget Year 2024/25					
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MAYOR AND MM		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WSA& HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - MAYOR AND MM		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	2,000	-	-	-	667	(667)	-100%	2,000
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WSA& HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		0	306,529	-	51,756	94,350	102,176	(7,826)	-8%	306,529
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	0	308,529	-	51,756	94,350	102,843	(8,493)	-8%	308,529
Total Capital Expenditure		0	308,529	-	51,756	94,350	102,843	(8,493)	-8%	308,529
Capital Expenditure - Functional Classification										
Governance and administration		-	2,000	-	-	-	667	(667)	-100%	2,000
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	2,000	-	-	-	667	(667)	-100%	2,000
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		0	306,529	-	51,756	94,350	102,176	(7,826)	-8%	306,529
Energy sources		-	-	-	-	-	-	-	-	-
Water management		0	306,529	-	51,756	94,350	102,176	(7,826)	-8%	306,529
Waste water management		0	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	0	308,529	-	51,756	94,350	102,843	(8,493)	-8%	308,529
Funded by:										
National Government		0	291,529	-	51,756	93,822	97,176	(3,354)	-3%	291,529
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		0	291,529	-	51,756	93,822	97,176	(3,354)	-3%	291,529
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	17,000	-	-	-	5,667	(5,667)	-100%	17,000
Total Capital Funding		0	308,529	-	51,756	93,822	102,843	(9,021)	-9%	308,529

- As depicted above capital expenditure amounting to R20 million recorded at the month of September 2024.

Table C2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 - October										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue - Functional										
Governance and administration		798,363	691,476	-	5,319	271,704	230,492	41,212	18%	691,476
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		798,363	691,476	-	5,319	271,704	230,492	41,212	18%	691,476
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		42	60	-	3	3	20	(17)	-85%	60
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		42	60	-	3	3	20	(17)	-85%	60
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		453,327	630,984	-	76,840	165,192	210,328	(45,136)	-21%	630,984
Energy sources		-	-	-	-	-	-	-	-	-
Water management		453,327	630,984	-	76,840	165,192	210,328	(45,136)	-21%	630,984
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,251,732	1,322,520	-	82,161	436,898	440,840	(3,941)	-1%	1,322,520
Expenditure - Functional										
Governance and administration		550,176	430,019	-	3,642	54,083	143,340	(89,257)	-62%	430,019
Executive and council		50,748	51,120	-	513	10,823	17,040	(6,217)	-36%	51,120
Finance and administration		499,428	378,898	-	3,129	43,260	126,299	(83,039)	-66%	378,898
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		52,638	58,078	-	103	12,327	19,359	(7,032)	-36%	58,078
Community and social services		13,103	7,773	-	44	3,483	2,591	892	34%	7,773
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		39,535	50,305	-	58	8,844	16,768	(7,924)	-47%	50,305
Economic and environmental services		17,091	26,084	-	296	3,734	8,695	(4,961)	-57%	26,084
Planning and development		17,091	26,084	-	296	3,734	8,695	(4,961)	-57%	26,084
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		578,781	453,052	-	21,309	111,926	151,017	(39,091)	-26%	453,052
Energy sources		-	-	-	-	-	-	-	-	-
Water management		578,781	453,052	-	21,309	111,926	151,017	(39,091)	-26%	453,052
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1,198,687	967,232	-	25,349	182,069	322,411	(140,341)	-44%	967,232
Surplus/ (Deficit) for the year		53,045	355,288	-	56,812	254,829	118,429	136,400	115%	355,288

Table C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

DC23 Uthukela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 - October										
Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote	1									
Vote 1 - MAYOR AND MM		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		98	-	-	-	78	-	78	#DIV/0!	-
Vote 3 - BUDGET AND TREASURY		798,264	691,476	-	5,319	271,625	230,492	41,134	17.8%	691,476
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WSA& HEALTH SERVICES		42	60	-	3	3	20	(17)	-85.0%	60
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		453,327	630,984	-	76,840	165,192	210,328	(45,136)	-21.5%	630,984
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,251,732	1,322,520	-	82,161	436,898	440,840	(3,941)	-0.9%	1,322,520
Expenditure by Vote	1									
Vote 1 - MAYOR AND MM		50,748	51,120	-	513	10,823	17,040	(6,217)	-36.5%	51,120
Vote 2 - CORPORATE SERVICES		127,431	135,003	-	2,866	17,758	45,001	(27,243)	-60.5%	135,003
Vote 3 - BUDGET AND TREASURY		371,997	242,304	-	263	25,502	80,768	(55,266)	-68.4%	242,304
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		30,194	33,857	-	340	7,216	11,286	(4,069)	-36.1%	33,857
Vote 5 - WSA& HEALTH SERVICES		39,535	51,896	-	58	8,844	17,299	(8,455)	-48.9%	51,896
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		578,781	453,052	-	21,309	111,926	151,017	(39,091)	-25.9%	453,052
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,198,687	967,232	-	25,349	182,069	322,411	(140,341)	-43.5%	967,232
Surplus/ (Deficit) for the year	2	53,045	355,288	-	56,812	254,829	118,429	136,400	115.2%	355,288

Part 2 – Supporting Documentation

Table SC3 Debtors age analysis

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 - October

Description	NT Code	Budget Year 2024/25								
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	23,615	17,240	17,010	15,945	18,717	15,778	15,884	786,128	910,316
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	2,170	1,498	1,016	965	896	782	774	46,794	54,894
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	6,174	6,101	6,194	5,826	5,856	5,555	5,542	251,799	293,045
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	89	170	242	66	89	84	132	14,735	15,608
Total By Income Source	2000	32,048	25,008	24,461	22,802	25,558	22,199	22,331	1,099,457	1,273,864
2023/24 - totals only		28,267	23,426	23,288	22,324	21,453	24,598	19,777	716,374	879,508
Debtors Age Analysis By Customer Group										
Organs of State	2200	2,294	1,690	2,168	931	2,083	1,568	1,433	48,305	60,500
Commercial	2300	7,113	2,190	1,264	1,715	3,131	1,179	1,318	58,448	76,357
Households	2400	22,642	21,128	21,029	20,156	20,344	19,422	19,581	992,704	1,137,006
Other	2500	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	32,048	25,008	24,461	22,802	25,558	22,199	22,331	1,099,457	1,273,864

- The Municipality has a total amount of R 1 billion of outstanding debt.

Top 10 Debtors

TOP 10 DEBTORS 31 OCTOBER 2024	
ALFRED DUMA LOCAL MUNICIPALITY STEADVILLE HOST	10,927,108.86
YENDE E N	7,927,578.48
LIEBENBERG LC	5,553,350.62
ALFRED DUMA LOCAL MUNICIPALITY NURSERY	2,898,914.38
ALFRED DUMA LOCAL MUNICIPALITY SWIMMING POOL	2,531,034.27
UTHUKELA DISTRICT MUNICIPALITY	2,427,121.77
MADUNA D/P 781 GZ	2,238,511.33
NORTHERN NATAL ABBATTOIR	2,154,994.34
THE I&SGHADIA FAMILY TRUST	2,142,420.58
NTOKOZWENI COMMUNITY LAND TRUS	2,129,197.58
TOTAL	40,930,232.21

Bank Balance

Bank Balances				
The following reflects bank balances at 31 October 2024				
DESCRIPTION	JULY 2024	AUGUST 2024	SEPT 2024	OCT 2024
FNB MAIN ACCOUNT 62252306280	58,010,023.35	7,082,271.19	10,671,432.65	19,342,482.87
FNB WATER ACCOUNT 62253072385	0	0	0	0
	58,010,023.35	7,082,271.19	10,671,432.65	19,342,482.87
Total cash held	19,342,482.87			

Collection rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 OCTOBER 2024				
MONTH	BILLING	MONTHS	RECIEPTS	RECOVERY RATE %
June 2024	35,297,566.92	July 2024	9,454,483.35	26.79%
July 2024	28,855,142.74	Aug 2024	12,880,102.19	44.64%
August 2024	30,683,291.09	September 2024	10,624,899.94	34.63%
September 2024	27,208,969.97	October 2024	14,734,306.68	54.15%
TOTAL	122,044,970.72		47,693,792.16	39%
TOTALS				
BILLING - JUNE - OCT 2024		122,044,970.72		
RECIEPTS - JUNE - OCT 2024		47,693,792.16		
DIFFERENCE		74,351,178.56	39%	

Table SC5 Investment portfolio

DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M04 October					
Investments by maturity Name of institution & investment ID	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands					
Municipality					
FNB	18,879	53	(12,198)	-	6,733
NEDBANK	8	0	-	-	8
INVESTEC	407	3	-	-	410
ABSA	53,333	33	(52,000)	-	1,366
					-
					-
TOTAL INVESTMENTS AND INTEREST	72,626	89	(64,198)	-	8,517

The Municipality held investments of R8 million at the end of October 2024

Table SC4 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October										
Description	NT Code	Budget Year 2024/25								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	4,325	5,391	19,251	7,096	396,380				432,445
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	4,325	5,391	19,251	7,096	396,380	-	-	-	432,445

Top 10 Creditors

TOP TEN CREDITORS ANALYSIS AS AT 31 OCTOBER 2024	
SUPPLIER	AMOUNT
UMNGENI WATER	157,900,860.50
DEPARTMENT OF WATER AND SANITATION	122,985,817.19
INKOSI LANGALIBALELE	62,299,270.16
ALFRED DUMA	52,192,890.32
ZNMS TRADIND CC	10,229,037.50
SALGA	6,036,241.35
GOING PLACES	4,891,028.00
LUNASISI IDEAS	2,526,546.09
ILIFA LETHU	2,089,860.50
MGAZI ENGINEERING	2,070,287.62

Grant Performance:

UTHUKELA DISTRICT MUNICIPALITY								
GRANT REGISTER - 2024/25								
Summary of Grants received, expenditure & Funds available as at 31 OCTOBER 2024								
			Audited Balance as at	Budget Amount 2024/25	Received	Spent & transferred to income		Closing Balance/ Unspent
	Name of Grant owner	Grant Type	01/07/2024		2024/25	2024/25	% Spent on received amount	2024/25
G3.101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	191,529,000.00	90,780,000.00	57,034,517.72	63%	33,745,482.28
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100,000,000.00	50,000,000.00	29,371,309.66	59%	20,628,690.34
G3.105	EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	99,112.92	2,792,000.00	1,954,000.00	0.00	0%	2,053,112.92
G3.106	EX Mthembu	EPWP INTERGRATED GRANT	0.00	1,685,000.00	422,000.00	244,897.92	58%	177,102.08
G3.107	BB Sithole	FINANCE MANAGEMENT GRANT	0.00	2,000,000.00	2,000,000.00	553,981.61	28%	1,446,018.39
G3.108	O Mnguni	LG SETA	0.00	0.00	147,599.02	103,416.00	70%	44,183.02
			99,112.92	298,006,000.00	145,303,599.02	87,308,122.91	60%	58,094,589.03

FINANCIAL RATIOS

FINANCIAL RATIO	October 2024	COMMENTS ON RATIOS
Capital Expenditure to Total Expenditure (10%-20%)	<p>Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100</p> $51\,756 / (25\,349 + 51\,756)$ $= 51\,756 / 276\,419$ $= \mathbf{67\%}$	<p>This ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritization of expenditure towards current operations versus future capacity in terms of municipal services</p> <p>The financial performance of the municipality is not satisfactory and corrective measures needs to be implemented to halt and improve the current status.</p> <p>The norm range is between 10% and 20%</p>
Cash Coverage Ratio	<p>((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)</p> $(19\,342\,483 - 58\,094\,589 - 0 + 8\,516\,873) / 32\,681\,00$ $= \mathbf{-0.9\ Months}$	<p>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.</p> <p>The Municipality ratio is 11 months. The cash coverage is also declining as it can be witnessed from the declining cash and cash equivalent and short investments, these are signs of a municipality in financial crisis, However the liquidity ratio is not sufficient to cover the liabilities when they become due</p> <p>The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.</p> <p>The Norm Range is between 1 Month to 3 Months</p>

<p>Net Operating Surplus Margin</p>	<p>(Total Operating Revenue – Total Operating Expenditure)/ Total Operating Revenue x 100%</p> <p>(350 952 – 182 069)/ 350 952 x100 = 48%</p>	<p>Net Operating Surplus Margin Net profit margin, or simply net margin, measures how much net income or profit a municipality generates as a percentage of its revenue.</p> <p>Based on the re-calculation's municipality ratios is 48%</p>
<p>Creditors Payment Period > 30 days (= 0)</p>	<p>Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365</p> <p>413 240 / 426 789 x 365 = 353 days</p>	<p>Trade Creditors</p> <p>This ratio indicates the average numbers of days taken for Trade Creditors to be paid</p> <p>The municipality ratio is 353 days it takes to pay it creditors</p> <p>Due to liquidity challenges, it is evident that the municipality is struggling to pay its creditors within the legislated time frame (within 30 days). The municipality should improve in managing working capital and cash flow to honour their financial obligation when due</p>
<p>Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)</p>	<p>Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100</p> <p>(363 137 + 6155)/ 967 232 = 38%</p>	<p>The ratio measures the extent of Remuneration to Total Operating Expenditure</p> <p>Employee related costs and councillors' remuneration ratio amount to 38% of the total operating expenditure, which is within the MFMA circular 71 recommended norm of 25% - 40%</p>

<p>Contracted Services % of Total Operating Expenditure</p>	<p>Contracted Services / Total Operating Expenditure x 100</p> <p>6 332 /967 232 X100 = 0.6%</p>	<p>Contracted Services</p> <p>This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.</p> <p>The municipality ratio for contracted services is 0.6% which is below the acceptable norm of 2% and 5%</p> <p>The norm range between 2% and 5%</p>
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OVERALL COMMENTS

UTHUKELA DM Ratios are not favourable enough to maintain a healthy liquidity positions, Municipality will not be able to meet a financial obligation when they become due

Prepared by: _____

Budget Officer

Reviewed by: _____

Accountant Budget

Approved by: _____

Chief Financial Officer

2.7. Municipal Manager's quality certificate

I **Langelihle Jili**, Municipal Manager of UThukela District Municipality, hereby certify that the Section 71 and supporting documentation for October 2024 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name : L Jili

Signature _____

Date : 11 November 2024