



UTHUKELA

UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

SECTION 71 REPORT

MARCH 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 March 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 2023/24 financial year.

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

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 - March

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water		210 272	212 742	250 028	24 604	192 048	174 471	17 577	10%	250 028
Service charges - Waste Water Management		15 970	17 412	17 160	1 420	12 639	12 958	(119)	-1%	17 160
Service charges - Waste management										
Sale of Goods and Rendering of Services		1 652	6 575	596	23	537	2 540	(2 003)	-79%	596
Agency services										
Interest										
Interest earned from Receivables		50 572	51 112	60 900	5 589	12 112	42 249	(30 137)	-71%	60 900
Interest from Current and Non Current Assets		5 958	6 289	9 994	617	7 494	6 199	1 295	21%	9 994
Dividends										
Rent on Land										
Rental from Fixed Assets										
Licence and permits										
Operational Revenue		702	2 384	193		233	912	(678)	-74%	193
Non-Exchange Revenue										
Property rates										
Surcharges and Taxes										
Fines, penalties and forfeits		63	39	27	1	34 533	24	34 508	141114%	27
Licence and permits										
Transfers and subsidies - Operational		545 552	585 779	585 779	144 798	581 179	439 334	141 845	32%	585 779
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains										
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		830 742	882 331	924 678	177 052	840 974	678 687	162 287	24%	924 678
Expenditure By Type										
Employee related costs		349 172	371 890	353 722	28 611	266 327	271 527	(5 200)	-2%	353 722
Remuneration of councillors		6 389	6 709	6 164	522	4 617	4 814	(197)	-4%	6 164
Bulk purchases - electricity										
Inventory consumed		44 877	44 422	48 083	14 895	40 752	32 466	8 286	26%	48 083
Debt impairment		180 240	156 966	156 966		101 389	117 725	(16 336)	-14%	156 966
Depreciation and amortisation		87 352	95 609	95 609	23 294	67 375	71 707	(4 332)	-6%	95 609
Interest		8 614		500		556	286	270	95%	500
Contracted services		194 098	198 197	135 784	33 496	93 455	101 885	(8 430)	-8%	135 784
Transfers and subsidies		3 120	3 285	5 485		3 285	3 344	(59)	-2%	5 485
Irrecoverable debts written off										
Operational costs		222 658	173 657	134 091	7 990	95 633	114 637	(19 005)	-17%	134 091
Losses on Disposal of Assets		1 519								
Other Losses										
Total Expenditure		1 098 039	1 050 536	936 405	108 798	673 388	718 391	(45 003)	-6%	936 405
Surplus/(Deficit)		(267 297)	(168 205)	(11 727)	68 253	167 586	(39 705)	207 290	-522%	(11 727)

Operating Revenue:

Operating revenue recognised for the period July 2023 to March 2024 amounts to R177 million resulting in a 24% positive variance. For the nine-month period the municipality had estimated R678, the actual revenue derived amounts to R840 million. The receipt of the equitable share has contributed to the positive variance.

WATER& SANITATION SALES:

The combined Water and Sanitation Sales income recognised is 9% above what is originally anticipated. The revenue billed for the month of March 2024 is a combined amount of R26 million.

INTEREST EARNED FROM RECEIVABLES:

The interest on consumer accounts has yielded -72% negative variance, this is an indication of an improvement in the revenue collected. The amount billed for March 2024 is R5.5 million.

INTEREST FROM CURRENT AND NON CURRENT ASSETS:

Interest earned on investments amounted to This line item has a positive variance of 21%. From the R6.1 million which was estimated for the nine-month period. The actual amount earned in March 2024 is R617 million.

FINES AND PENALTIES

The total collected on fines amounts to R24 thousand at the end of March 2024. The municipality is aiming to improve on this line item. The municipality has started the issuing of air pollution fines which were previously not issued.

TRANSFERES AND SUBSIDIES

Transfers and subsidies shows a positive variance of 32%. The municipality received operating grants amounting to R144 million in March 2024, the last tranche of the equitable share.

Operating Expenditure:

The total operating expenditure recognised for the period July 2023 to March 2024 amounts to R673 million, a negative 6% variance from the R718 million which was anticipated. For the month of March 2024 the municipality incurred expenditure amounting to R109 million. The municipality has adopted a budget funding plan with cost containment strategies in order to reduce expenditure.

EMPLOYEE RELATED COSTS AND REMUNERATION OF COUNCILLORS:

Employee related cost incurred for march 2024 is R28,6 million. The amount incurred for the remuneration of councillors is R522 thousand.

INVENTORY CONSUMED:

The bulk of inventory consumed comprises of fuel, oil and chemicals. Other materials expenditure for the month of March 2024 is R14,8 million.

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 March 2024 is R33,4 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 March 2024 amounts to R7,9 million.

Table C5 – Monthly Budget Statements – Capital Expenditure

<u>Capital Expenditure - Functional Classification</u>										
<i>Governance and administration</i>		-	1 211	527	-	619	634	(15)	-2%	527
Executive and council		-	-	-	-	71	-	71	#DIV/0!	-
Finance and administration		-	1 211	527	-	548	634	(87)	-14%	527
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	387 184	386 342	21 792	158 960	259 820	(106 861)	-40%	386 342
Energy sources		-	-	-	-	-	-	-	-	-
Water management		(0)	245 763	281 733	21 704	145 003	234 479	(89 476)	-38%	281 733
Waste water management		0	61 421	24 609	88	13 957	31 341	(17 384)	-55%	24 609
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	-	388 295	386 668	21 792	159 579	256 455	(106 876)	-40%	386 668
Funded by:										
National Government		-	306 342	306 342	21 792	158 960	259 181	(100 221)	-39%	306 342
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	386 342	386 342	21 792	158 960	259 181	(100 221)	-39%	386 342
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	2 653	527	-	548	929	(382)	-41%	527
Total Capital Funding		-	388 295	386 668	21 792	159 507	260 110	(100 603)	-39%	386 668

- As depicted above capital expenditure amounting to R159 million recorded at the month of March 2024.

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

Description	Ref	2022/23		Budget Year 2023/24						
		Audited	Original	Adjusted	Monthly actual	Year TD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue - Functional	1									
<i>Governance and administration</i>		714 294	595 635	593 455	145 416	713 293	445 854	267 349	60%	593 455
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		714 294	595 635	593 455	145 416	713 293	445 854	267 349	60%	593 455
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 282	39	27	1	370	24	346	1414%	27
Community and social services		1 251	-	-	-	346	-	346	#DIV/0!	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		31	39	27	1	25	24	0	1%	27
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		360 034	592 999	637 537	31 635	288 350	462 565	(174 215)	-38%	637 537
Energy sources		-	-	-	-	-	-	-	-	-
Water management		360 034	592 999	637 537	31 635	288 350	462 565	(174 215)	-38%	637 537
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 075 610	1 188 673	1 231 020	177 052	1 001 924	908 443	93 480	10%	1 231 020
Expenditure - Functional										
<i>Governance and administration</i>		461 834	417 572	395 526	13 879	268 523	299 610	(31 087)	-10%	395 526
Executive and council		47 987	64 311	61 263	3 912	37 709	47 080	(9 370)	-20%	61 263
Finance and administration		413 846	353 261	334 263	9 958	230 814	252 530	(21 716)	-9%	334 263
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		44 956	47 204	46 971	4 656	34 335	36 483	(2 068)	-6%	46 971
Community and social services		11 651	7 477	7 410	1 062	9 946	5 581	4 366	70%	7 410
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		33 104	39 727	39 561	3 594	24 388	30 822	(6 434)	-21%	39 561
<i>Economic and environmental services</i>		18 271	28 785	30 249	1 897	13 811	22 174	(8 363)	-30%	30 249
Planning and development		18 271	28 785	30 249	1 897	13 811	22 174	(8 363)	-30%	30 249
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		572 979	556 975	463 660	89 176	356 720	360 205	(3 485)	-1%	463 660
Energy sources		-	-	-	-	-	-	-	-	-
Water management		572 979	556 975	463 660	89 176	356 720	360 205	(3 485)	-1%	463 660
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 098 039	1 050 536	936 405	108 799	673 388	718 391	(45 003)	-6%	936 405

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

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 - March

Vote Description	Ref	2022/23		Budget Year 2023/24						
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
Revenue by Vote										
Vote 1 - BUDGET & TREASURE OFFICE	1	713 958	595 474	593 455	145 416	713 146	445 798	267 348	60.0%	593 455
Vote 2 - CORPORATE SERVICES		335	161	-	-	57	56	1	1.6%	-
Vote 3 - OFFICE OF THE MM		-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND SOCIAL SERVICES		1 251	-	-	-	346	-	346	#DIV/0!	-
Vote 5 - MUNICIPAL HEALTH SERVICES		31	39	27	1	25	24	0	1.0%	27
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		380 034	582 999	637 537	31 635	288 350	462 565	(174 215)	-37.7%	637 537
Vote 7 - MAYORAL AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 075 610	1 188 673	1 231 020	177 052	1 001 924	908 443	93 480	10.3%	1 231 020
Expenditure by Vote										
Vote 1 - BUDGET & TREASURE OFFICE	1	258 003	229 289	224 380	4 228	147 454	167 179	(19 725)	-11.8%	224 380
Vote 2 - CORPORATE SERVICES		157 503	123 866	109 961	5 894	83 968	85 346	(1 377)	-1.6%	109 961
Vote 3 - OFFICE OF THE MM		39 968	54 736	49 284	2 975	31 106	38 937	(7 830)	-20.1%	49 284
Vote 4 - PLANNING AND SOCIAL SERVICES		23 728	30 565	32 003	1 630	18 531	23 499	(4 968)	-21.1%	32 003
Vote 5 - MUNICIPAL HEALTH SERVICES		33 104	39 938	39 561	3 594	24 368	30 896	(6 507)	-21.1%	39 561
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		572 979	556 975	463 660	89 176	356 720	360 205	(3 485)	-1.0%	463 660
Vote 7 - MAYORAL AND COUNCIL		12 733	15 167	17 557	1 302	11 221	12 331	(1 110)	-9.6%	17 557
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 098 039	1 050 536	936 405	108 799	673 388	718 391	(45 003)	-6.3%	936 405
Surplus/ (Deficit) for the year	2	(22 429)	138 137	294 615	68 253	328 535	190 052	138 483	72.9%	294 615

Part 2 – Supporting Documentation

Table SC3 Debtors age analysis

Description	NT Code	Budget Year 2023/24									
		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 over 90 days
<i>R thousands</i>											
Debtors Age Analysis By Income Source											
Traffic and Other Receivables from Exchange Transactions - Water	1200	27 352	23 059	29 305	23 650	16 358	13 894	15 473	590 784	730 931	660 165
Traffic and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	1 690	1 543	1 104	892	824	842	788	26 913	28 357	30 219
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Asset Debtor Accounts	1810	5 589	5 526	5 286	5 132	5 012	5 033	4 894	178 396	214 878	198 467
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	223	179	305	156	307	222	213	7 415	8 926	8 319
Total By Income Source	2000	34 884	30 368	26 896	29 786	22 501	19 092	21 380	803 508	969 241	897 179
2022/23 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	6 864	4 265	4 180	7 073	1 444	831	1 528	22 031	58 234	42 906
Commercial	2300	4 865	3 359	1 922	1 726	1 580	945	1 447	38 180	54 298	44 159
Households	2400	23 133	22 673	20 797	20 980	19 207	16 216	18 405	732 296	876 709	810 104
Other	2500	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	34 864	30 308	26 899	29 780	22 531	19 082	21 380	803 508	989 241	897 179

➤ The Municipality has a total amount of R 897 million of outstanding debt.

Top 10 Debtors

TOP TEN DEBTORS AS AT 31 MARCH 2024		
ACCOUNT	ACCOUNT HOLDER NAME	OUTSTANDING TOTAL BALANCE
1061933	ESTCOURT HIGH SCHOOL	11 610 934,20
1014795	ALFRED DUMA LOCAL MUNICIPALITY STEADVILLE HOST	9 234 951,44
1024232	YENDE E N	6 871 260,04
1057544	LIEBENBERG LC	4 948 986,96
100132	MULLER KB	3 872 945,14
1024894	ZANELISENI GARDEN	3 161 320,41
1037484	ALFRED DUMA LOCAL MUNICIPALITY NURSERY	2 688 565,83
1051823	UTHUKELA DISTRICT MUNICIPALITY	2 290 787,06
1064373	NTOKOZWENI COMMUNITY LAND TRUS	1 991 255,12
1007393	ALFRED DUMA LOCAL MUNICIPALITY SWIMMING POOL	1 953 033,91
TOTAL		48 624 040,11

Bank Balance

Bank Balances				
The following reflects bank balances at 31 March 2024				
DESCRIPTION	DECEMBER 2023	JANUARY 2024	FEBRUARY 2024	MARCH 2024
FNB MAIN ACCOUNT 62252306280	14 791 225,24	5 385 860,96	15 457 428,07	68 393 318,13
FNB WATER ACCOUNT 62253072385	0	0	0	0
	14 791 225,24	5 385 860,96	15 457 428,07	68 393 318,13
Total cash held	68 393 318,13			

Collection rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 MARCH 2024				
MONTH	BILLING	MONTHS	RECIEPTS	RECOVERY RATE %
June 2023	25 608 838,15	July 2023	15 146 405,33	59,15%
July 2023	30 432 078,23	August 2023	9 514 192,41	31,26%
August 2023	30 257 372,83	September 2023	12 208 941,91	40,35%
September 2023	29 957 161,76	October 2023	12 433 443,85	41,50%
October 2023	23 953 175,82	November 2023	9 529 050,56	39,78%
November 2023	28 423 891,12	December 2023	8 803 764,50	30,97%
December 2023	38 635 046,82	January 2024	10 286 165,04	26,62%
January 2023	32 768 007,08	February 2024	10 990 066,03	33,54%
TOTAL	240 035 571,79		88 912 029,63	37%
TOTALS				
BILLING - JUNE 2023 - JANUARY 2024		240 035 571,79		
RECIEPTS - JULY 2023- JANUARY 2024		88 912 029,63		
DIFFERENCE		151 123 542,16	37%	

Table SC5 Investment portfolio

INVESTMENT ACCOUNT		OPENING BALANCE 1/3/2024	INVESTED 1/3/2024 TO 31/03/2024	DATE	DISINVESTED 1/3/2024 TO 31/03/2024	DATE	INTEREST ACCRUED 1/3/2024 TO 31/03/2024	DATE	CHARGES PAID 1/3/2024 TO 31/03/2024	VOTE	CLOSING BALANCE 31/03/2024
GRANTS	BUSINESS MONEY										
FNB 62283170644	4.85% FNB	407,560.11	0.00		0.00		2,302.33	01/04/2024	0.00		409,862.44
INTEREST RATE											
REG	TOA										
FNB 60081006759	5.10% FNB NEW ACCOUNT	15,237,144.45	0.00		5,000,000.00	05/03/2024	75,751.28	31/03/2024	180.00	11/03/2024	10,312,735.71
INTEREST RATE					0.00						
INTEREST RATE											
REG	TOA										
FNB 63081030428	5.10% FNB NEW ACCOUNT	12,998,620.74	0.00		5,000,000.00	05/03/2024	53,458.59	31/03/2024	88.00	11/03/2024	7,049,999.33
INTEREST RATE											
INTEREST RATE											
REG	NEOBANK NEW ACCOUNT										
FNB											
037081164696000001											
INTEREST RATE	8.20%	1,274,495.40	0.00		0.00		6,873.92	01/04/2024	0.00		1,283,369.32
GRANTS	CALL DEPOSIT										
1100433756801	INVESTEC	388,901.38	0.00		0.00		2,475.43	31/03/2024	0.00		391,376.81
INTEREST RATE	5.10%										
SALARIES	CALL DEPOSIT										
061819521	ABSA	20,899,915.27	0.00		0.00		158,735.35	01/04/2024	0.00		21,158,650.62
ABSA INVESTMENT TRACKER (AUT)											
INTEREST RATE	5.80%										
GRANTS	CALL DEPOSIT										
0387051602	ABSA	0.00	35,000,000.00	27/03/2024	0.00		85,342.47	01/04/2024	0.00		35,085,342.47
ABSA INVESTMENT TRACKER (AUT)											
INTEREST RATE	5.90%										
GRANTS	LIQUIDITY PLUS										
0349109795	ABSA (LIQUID PLUS)	155,576.07	0.00		0.00		1,917.42	01/04/2024	0.00		158,493.49
INTEREST RATE	7.70%										
REG	CALL DEPOSIT										
066450364-004	STANDARD BANK NEW	3,881,471.65	0.00		0.00		28,951.52	01/04/2024	0.00		3,910,423.17
INTEREST RATE	5.25%										
GRANTS	CALL DEPOSIT										
068450364-005	STANDARD BANK NEW	3,881,471.65	0.00		0.00		28,951.53	01/04/2024	0.00		3,910,423.21
INTEREST RATE	5.25%										
		46,223,207.77	35,000,000.00		12,000,000.00		448,062.82		240.00		53,589,638.59

The Municipality held investments of R83,6 million at the end of March 2024.

Table SC4 Creditors age analysis

Description	NT Code	Budget Year 2022/23								
		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	Total
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	6,525	4,596	4,877	4,023	345,757				366,777
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	6,525	4,596	4,877	4,023	345,757	-	-	-	366,777

Top 10 Creditors

SUPPLIER NAME	TOTAL
UMNGENI WATER	170 500 860,50
DWS	91 376 580,77
INKOSI LANGALIBALELE	48 188 977,97
ALFRED DUMA	21 462 289,44
LUNASISI IDEAS	3 594 555,00
GOING PLACES	2 848 924,98
UPHAPHELWEGWALAGWALA	1 273 826,25
MJ CONSTRUCTION	1 048 125,00
BONAKUDE CONSULTING	875 246,68
RASP CONSULTING	611 069,38

Grant Performance:

UTHUKELA DISTRICT MUNICIPALITY GRANT REGISTER - 2023/24 <u>Summary of Grants received, expenditure & Funds available as at 31 March 2024</u>						
Name of Grant owner	Grant Type	Received	% Spent on total allocation	Spent & transferred to income	% Spent on received amount	Closing Balance/ Unspent
		2023/24		2023/24		
NN Khuzwayo	MUNICIPAL INFRASTRUCTURE GRANT	196 538 000,00	70%	155 026 985,71	76%	49 501 249,43
NN Khuzwayo	WATER & SANITATION INFRASTRUCTURE GRANT	85 000 000,00	40%	34 330 387,62	40%	52 469 612,38
NN Khuzwayo	RURAL ROAD ASSET MANAGEMENT SYSTEM	2 672 000,00	66%	1 774 988,24	66%	897 011,76
NN Khuzwayo	EPWP INTERGRATED GRANT	1 816 000,00	100%	1 816 000,00	100%	0,00
BB Sithole	FINANCE MANAGEMENT GRANT	2 100 000,00	31%	643 646,03	31%	1 456 353,97
O Mnguni	LG SETA	508 870,53	0%	505 218,82	94%	30 234,57
		288 634 870,53	62%	194 097 226,42	64%	104 354 462,11

Financial Ratios

Financial Ratio	March 2024
Cash Coverage (1-3 months)	1 Month
Current Ratio (1.5-2)	0,47
Level of cash-backed grants (≥ 0)	75,46%
% creditors > 30 days (= 0)	R359,252,000
Debtors > 90 days (= 0)	R851,897,000
% actual R&M spent in relation to the budget ($\geq 8\%$)	46,16%
Operating Surplus/ (Deficit) (≥ 0)	R260,282,000
Collection Rate (billed vs collection) ($\geq 95\%$)	37,54%
% Actual CAPEX to budget ($\geq 95\%$)	44,90%
% Actual OPEX to budget ($\geq 95\%$)	60,29%

Cash flow:

Cash Coverage: The ratio indicates the municipalities ability to meet at least it monthly fixed operating commitments from cash and short term investment without any additional revenue.

The municipality will be able to meet it obligation for at least 1 month without any additional revenue and it between the acceptable norm of 1 to 3 months.

Current Ratio: This ratio is used to assess the municipality ability to payback it short term liabilities with it short term asset.

The municipality will not be able to meet payback it short term liabilities as we are below acceptable norm of 1.5:1 to 2:1 therefore the municipality must cut off on liabilities and increase asset to reach the acceptable norm.

Level of cash-backed grants: 75,46% the conditional grants were not fully cash backed at the end of March 2024, the municipality is monitoring the cash flow by managing creditors and payments through the IFC

Debtors: R851,897,000 The debtors balance is high, due to the municipality not collecting on old debt. The revenue enhancement strategy is currently being reviewed to improve overall debt collection. The senior managers have been allocated consumer debtor per category and assisting by liaising with consumer debtors.

R&M spent in relation to the budget :46,6% The reported expenditure does not include outstanding payments. The municipality has incurred high expenditure related to the repair of pumps and pipelines. The municipality has been limited by budget constraints to fully budget for the maintenance plan. Repairs and Maintenance have been prioritised and managed within the available budget.

Operating Surplus/ (Deficit): the operating surplus is R260 million at the end of March 2024.

Collection Rate: The average collection rate is 37%

Actual CAPEX to budget: 44,90%

Actual OPEX to budget: 60,29%

Prepared by: 

Budget Officer

Reviewed by: 

Accountant Budget

Approved by: 

Chief Financial Officer