



**SECTION 71 REPORT**  
**JUNE 2024 (INTERIM)**

## Table of Contents

### **PART 1 – MONTHLY IN-YEAR MONITORING BUDGET**

1.1	MAYOR'S REPORT.....
1.2	COUNCIL RESOLUTIONS.....
1.3	EXECUTIVE SUMMARY.....
1.4	IN- YEAR BUDGET TABLES.....

### **PART 2 – SUPPORTING DOCUMENTATION.....**

2.1	DEBTORS AGE ANALYSIS .....
2.2	CREDITORS AGE ANALYSIS.....
2.3	COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS .....
2.4	INVESTMENTS AND BANK BALANCES .....
2.5	ALLOCATION OF GRANT RECIEPTS .....
2.6	ALLOCATION OF GRANT EXPENDITURE.....
2.7	MUNICIPAL MANAGERS QUALITY CERTIFICATE .....

## **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 May 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) - M12 - June

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
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity										
Service charges - Water										
Service charges - Waste Water Management	212,863	212,742	250,028	24,339						
Service charges - Waste management	15,970	17,412	17,160	1,511	263,410	250,028	13,382	5%	250,028	
Sale of Goods and Rendering of Services					17,216	17,160	56	0%	17,160	
Agency services	1,552	6,575	596	32						
Interest					705	596	109	18%	596	
Interest earned from Receivables										
Interest from Current and Non Current Assets	50,572	51,112	60,900	5,712	30,448	60,900	(30,452)	-50%	60,900	
Dividends	5,958	6,289	9,984	(123)	8,557	9,984	(1,436)	-14%	9,984	
Rent on Land										
Rent from Fixed Assets										
Licence and permits										
Operational Revenue										
<b>Non-Exchange Revenue</b>	702	2,384	193	41	275	193	81	42%	193	
Property rates										
Surcharges and Taxes										
Fines, penalties and forfeits										
Licence and permits	63	39	27	23	34,577	27	34,550	125957%	27	
Transfers and subsidies - Operational										
Interest	545,552	585,779	585,779		581,179	585,779	(4,600)	-1%	585,779	
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets										
Other Gains										
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and</b>	<b>833,333</b>	<b>882,331</b>	<b>924,678</b>	<b>31,535</b>	<b>944,368</b>	<b>924,678</b>	<b>19,690</b>	<b>2%</b>	<b>924,678</b>	
<b>Expenditure By Type</b>										
Employee related costs										
Remuneration of councillors	349,172	371,090	353,722	39,261	368,255	353,722	12,533	4%	353,722	
Bulk purchases - electricity	6,389	6,709	6,164	531	6,164	6,164	(11)	0%	6,164	
Inventory consumed										
Debt impairment	44,877	44,822	48,083	3,527	57,423	48,083	9,340	19%	48,083	
Depreciation and amortisation	180,240	156,966	158,966		101,389	156,966	(56,578)	-35%	156,966	
Interest	87,352	95,609	95,609	11,005	86,332	95,609	(6,677)	-9%	95,609	
Contracted services	8,614		500	1,273	1,829	500	1,329	266%	500	
Transfers and subsidies	194,098	198,197	136,784	31,230	146,899	135,784	11,114	8%	135,784	
Irrecoverable debts written off	3,120	3,285	5,485		3,285	5,485	(2,200)	-40%	5,485	
Operational costs										
Losses on Disposal of Assets	222,658	173,857	134,091	6,659	115,307	134,091	(18,784)	-14%	134,091	
Other Losses	1,519									
<b>Total Expenditure</b>	<b>1,098,039</b>	<b>1,050,536</b>	<b>936,405</b>	<b>93,505</b>	<b>885,473</b>	<b>936,405</b>	<b>(50,932)</b>	<b>-5%</b>	<b>936,405</b>	
<b>Surplus/(Deficit)</b>	<b>(264,706)</b>	<b>(168,205)</b>	<b>(11,727)</b>	<b>(61,970)</b>	<b>58,895</b>	<b>(11,727)</b>	<b>70,623</b>	<b>-602%</b>	<b>(11,727)</b>	
Transfers and subsidies - capital (monetary allocations)	244,868	306,342	306,342		160,949	306,342	(145,393)	-47%	306,342	
Transfers and subsidies - capital (in-kind)										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(19,838)</b>	<b>138,137</b>	<b>294,615</b>	<b>(61,970)</b>	<b>219,845</b>	<b>294,615</b>			<b>294,615</b>	
Income Tax										
<b>Surplus/(Deficit) after income tax</b>	<b>(19,838)</b>	<b>138,137</b>	<b>294,615</b>	<b>(61,970)</b>	<b>219,845</b>	<b>294,615</b>			<b>294,615</b>	
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>	<b>(19,838)</b>	<b>138,137</b>	<b>294,615</b>	<b>(61,970)</b>	<b>219,845</b>	<b>294,615</b>			<b>294,615</b>	
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
<b>Surplus/ (Deficit) for the year</b>	<b>(19,838)</b>	<b>138,137</b>	<b>294,615</b>	<b>(61,970)</b>	<b>219,845</b>	<b>294,615</b>			<b>294,615</b>	
<b>References</b>										
1. Material variances to be explained on Table SC1										
<b>Total Revenue (excluding capital transfers and contributions) including capi</b>	<b>1,078,201</b>	<b>1,188,673</b>	<b>1,231,020</b>	<b>31,535</b>	<b>1,105,317</b>	<b>1,231,020</b>			<b>1,231,020</b>	

## **Operating Revenue:**

Operating revenue recognised for the period July 2023 to June 2024 amounts to R 944 million resulting in a 2% positive variance. For the Ten-month period the municipality had estimated R924, the actual revenue derived amounts to R31 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 5% above what is originally anticipated. The revenue billed for the month of June 2024 is a combined amount of R25 million.

### **INTEREST EARNED FROM RECEIVABLES:**

The interest on consumer accounts has yielded -50% negative variance, this is an indication of an improvement in the revenue collected. The amount billed for June 2024 is 5.7Rmillion.

### **INTEREST FROM CURRENT AND NON CURRENT ASSETS:**

Interest earned on investments amounted to This line item has a positive variance of -1%. From the R8 million which was estimated for the Ten-month period. The actual amount earned in June 2024 is R-124 thousand.

### **FINES AND PENALTIES**

The total collected on fines amounts to R23 thousand at the end of June 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 negative variance of 1%. The municipality received operating grants amounting to R581 million in June 2024.

## **Operating Expenditure:**

The total operating expenditure recognised for the period July 2023 to June 2024 amounts to R885 million, a negative -5% variance from the R936 million which was anticipated. For the month of June 2024 the municipality incurred expenditure amounting to R93 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 June 2024 is R39 million. The amount incurred for the remuneration of councillors is R531 thousand.

INVENTORY CONSUMED:

The bulk of inventory consumed comprises of fuel, oil and chemicals. Other materials expenditure for the month of June 2024 is R3 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 June 2024 is R31 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 June 2024 amounts to R6 million.

## Table C5 – Monthly Budget Statements – Capital Expenditure

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 - June

R thousands	Vote Description	Ref	2022/23			Budget Year 2023/24					
			Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
	<b>Multi-Year expenditure appropriation</b>	1									
	Vote 1 - MAYOR AND MM	2									
	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 -										
	<b>Total Capital Multi-year expenditure</b>										
	<b>Single Year expenditure appropriation</b>	4,7									
	Vote 1 - MAYOR AND MM	2									
	Vote 2 - CORPORATE SERVICES										
	Vote 3 - BUDGET AND TREASURY					(71)					
	Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		1,211	527	(548)			527	(527)	-100%	527
	Vote 5 - WSA& HEALTH SERVICES										
	Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES										
	Vote 7 -		(0)	240,292	280,518	3,491	193,198	280,518	(87,320)	-31%	280,518
	Vote 8 -										
	Vote 9 -										
	Vote 10 -										
	Vote 11 -										
	Vote 12 -										
	Vote 13 -										
	Vote 14 -										
	Vote 15 -										
	<b>Total Capital single-year expenditure</b>	4									
	<b>Total Capital Expenditure</b>	4	(0)	241,503	281,045	2,872	193,198	281,045	(87,846)	-31%	281,045
	<b>Capital Expenditure - Functional Classification</b>		(0)	241,503	281,045	2,872	193,198	281,045	(87,846)	-31%	281,045
	<b>Governance and administration</b>			1,211	527	(619)		527	(527)	-100%	527
	Executive and council										
	Finance and administration										
	Internal audit			1,211	527	(71)					
	<b>Community and public safety</b>							527	(527)	-100%	527
	Community and social services										
	Sport and recreation										
	Public safety										
	Housing										
	Health										
	<b>Economic and environmental services</b>										
	Planning and development										
	Road transport										
	Environmental protection										
	<b>Trading services</b>										
	Energy sources			307,184	306,342	4,312	207,976	306,342	(68,366)	-32%	306,342
	Water management										
	Waste water management		(3)	245,763	281,733	3,491	193,198	281,733	(88,535)	-31%	281,733
	Waste management		0	61,421	24,609	821	14,778	24,609	(9,831)	-40%	24,609
	Other										
	<b>Total Capital Expenditure - Functional Classification</b>	3		308,395	306,868	3,893	207,976	306,868	(98,892)	-32%	306,868
	<b>Funded by:</b>										
	National Government										
	Provincial Government			306,342	306,342	1,049	203,467	306,342	(102,875)	-34%	306,342
	District Municipality										
	Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies)										
	Transfers recognised - capital										
	Borrowing			306,342	306,342	1,049	203,467	306,342	(102,875)	-34%	306,342
	Internally generated funds	5									
	<b>Total Capital Funding</b>			2,053	527	(459)	682	527	155	29%	527
				308,395	306,868	589	204,148	306,868	(102,720)	-33%	306,868

➤ As depicted above capital expenditure amounting to R207 million recorded at the month of June 2024.

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

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 - June

Description	Ref	2022/23		Budget Year 2023/24						
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		714,294	595,635	593,455	104	715,743	593,455	122,288	21%	593,455
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		714,294	595,635	593,455	104	715,743	593,455	122,288	21%	593,455
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1,282	39	27	2	387	27	360	1312%	27
Community and social services		1,251	-	-	-	346	-	346	#DIV/0!	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		31	39	27	2	42	27	14	52%	27
<b>Economic and environmental services</b>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		362,625	592,999	637,537	31,429	380,187	637,537	(248,351)	-39%	637,537
Energy sources		-	-	-	-	-	-	-	-	-
Water management		362,625	592,999	637,537	31,429	389,187	637,537	(248,351)	-39%	637,537
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	4	-	-	-	-	-	-	-	-	-
<b>Expenditure - Functional</b>	2	1,078,201	1,188,673	1,231,020	31,535	1,105,317	1,231,020	(125,702)	-10%	1,231,020
<b>Governance and administration</b>		461,834	417,572	395,526	2,924	300,389	395,526	(95,136)	-24%	395,526
Executive and council		47,987	64,311	61,263	3,837	50,805	61,263	(10,458)	-17%	61,263
Finance and administration		413,846	353,261	334,263	(913)	249,585	334,263	(84,678)	-25%	334,263
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		44,956	47,204	46,971	9,481	52,641	46,971	5,670	12%	46,971
Community and social services		11,851	7,477	7,410	1,046	13,103	7,410	5,693	77%	7,410
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		33,104	39,727	39,561	8,435	39,538	39,561	(22)	0%	39,561
<b>Economic and environmental services</b>		18,271	28,785	30,249	1,097	17,131	30,249	(13,118)	-43%	30,249
Planning and development		18,271	28,785	30,249	1,097	17,131	30,249	(13,118)	-43%	30,249
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		572,979	556,975	463,660	80,003	515,312	463,660	51,652	11%	463,660
Energy sources		-	-	-	-	-	-	-	-	-
Water management		572,979	556,975	463,660	80,003	515,312	463,660	51,652	11%	463,660
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	1,098,039	1,050,536	936,405	93,585	885,473	936,405	(50,932)	-5%	936,405
<b>Surplus/ (Deficit) for the year</b>		(19,838)	138,137	294,615	(61,970)	219,845	294,615	(74,778)	-25%	294,615



**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) - M12 - June

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
<b>Revenue by Vote</b>										
Vote 1 - MAYOR AND MM	1	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		335	161	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		713,958	595,474	593,455	41	98	-	98	#DIV/0!	-
Vote 4 - SOCIAL SERVICES/PLANNING&ECONOMIC DEV)		1,251	-	-	63	715,645	593,455	122,190	20.6%	593,455
Vote 5 - WSA& HEALTH SERVICES		31	39	27	-	346	-	346	#DIV/0!	-
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		362,625	592,999	637,537	2	42	27	14	52.0%	27
Vote 7 -		-	-	-	31,429	389,187	637,537	(248,351)	-39.0%	637,537
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>1,078,201</b>	<b>1,188,673</b>	<b>1,231,020</b>	<b>31,535</b>	<b>1,105,317</b>	<b>1,231,020</b>	<b>(125,702)</b>	<b>-10.2%</b>	<b>1,231,020</b>
<b>Expenditure by Vote</b>										
Vote 1 - MAYOR AND MM	1	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		47,987	64,311	61,263	3,837	50,805	61,263	(10,458)	-17.1%	61,263
Vote 3 - BUDGET AND TREASURY		151,109	116,801	102,769	(7,813)	77,003	102,769	(25,766)	-25.1%	102,769
Vote 4 - SOCIAL SERVICES/PLANNING&ECONOMIC DEV)		262,737	234,981	229,958	6,900	172,582	229,958	(57,376)	-25.0%	229,958
Vote 5 - WSA& HEALTH SERVICES		30,122	36,261	37,659	2,143	30,234	37,659	(7,425)	-19.7%	37,659
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		33,104	41,306	41,097	8,435	39,538	41,097	(1,559)	-3.8%	41,097
Vote 7 -		572,979	556,975	463,660	80,003	515,312	463,660	51,652	11.1%	463,660
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1,098,030</b>	<b>1,050,526</b>	<b>936,405</b>	<b>93,505</b>	<b>885,473</b>	<b>936,405</b>	<b>(50,932)</b>	<b>-5.4%</b>	<b>936,405</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(19,838)</b>	<b>138,137</b>	<b>294,615</b>	<b>(61,970)</b>	<b>219,845</b>	<b>294,615</b>	<b>(74,770)</b>	<b>-25.4%</b>	<b>294,615</b>

## Part 2 – Supporting Documentation

### Table SC3 Debtors age analysis

Choose name from list - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 - June

Description	NF Code	Budget Year 2023/24								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr				
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	31,087	32,182	21,045	19,946	16,225	15,311	22,724	739,098	891,229	816,905		
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	2,342	1,957	900	337	857	543	734	44,405	52,104	47,825		
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Asset Debtor Accounts	1810	6,125	5,804	5,782	5,527	5,482	5,224	5,082	233,500	272,498	354,795		
Receivable unauthorised, irregular, bulk and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	167	158	153	155	144	175	138	14,743	15,795	15,398		
<b>Total By Income Source</b>	<b>2900</b>	<b>39,728</b>	<b>29,152</b>	<b>27,880</b>	<b>26,487</b>	<b>25,688</b>	<b>24,653</b>	<b>28,728</b>	<b>1,029,348</b>	<b>1,231,625</b>	<b>1,134,881</b>		
<b>Debtors Age Analysis By Customer Group</b>													
Origins of Debt		30,143	27,252	21,297	20,921	20,142	20,541	19,913	845,720	896,290	727,627		
Commercial	2200	5,915	5,039	4,533	4,314	3,109	3,222	3,825	43,889	77,144	61,598		
Households	2300	8,984	2,325	2,030	1,967	1,414	1,351	1,754	59,308	72,833	64,494		
Other	2400	24,831	21,787	20,238	20,488	21,106	20,068	20,448	928,871	1,076,947	1,008,791		
Other	2500	-	-	-	-	-	-	-	-	-	-		
<b>Total By Customer Group</b>	<b>2600</b>	<b>38,738</b>	<b>29,152</b>	<b>27,866</b>	<b>26,487</b>	<b>25,688</b>	<b>24,653</b>	<b>28,728</b>	<b>1,029,348</b>	<b>1,231,625</b>	<b>1,134,881</b>		

➤ The Municipality has a total amount of R 1 Billion of outstanding debt.

### Top 10 Debtors

TOP 10 GOVERNMENT DEBTORS AS AT 31 MAY 2024		
ACCOUNT NUMBER	ACCOUNT HOLDER	OUTSTANDING TOTAL BALANCE
1061933	ESTCOURT HIGH SCHOOL	
1014795	ALFRED DUMA LOCAL MUNICIPALITY STEADVILLE HOST	15 922 598,81
1037484	ALFRED DUMA LOCAL MUNICIPALITY NURSERY	10 171 073,51
1007393	ALFRED DUMA LOCAL MUNICIPALITY SWIMMING POOL	2 770 466,63
1051823	UTHUKELA DISTRICT MUNICIPALITY	2 290 058,48
1040942	PROVINCIAL HOSPITA	2 344 760,13
1007379	FRED DUMA MUNICIPALITY TOILETS & MUSEUM	1 597 873,40
1049299	COLLEGE OF EDUCATION SECTION A EZAKHENI	1 650 727,28
1057164	MCITSHENI PRIMARY SCHOOL	1 494 478,07
1056457	ALFRED DUMA LOCAL MUNICIPALITY	1 462 501,35
		1 073 233,32
<b>TOTAL</b>		<b>40 777 770,98</b>

**Bank Balance**

Bank Balances				
The following reflects bank balances at 30 June 2024				
DESCRIPTION	MARCH 2024	APRIL 2024	MAY 2024	JUNE 2024
FNB MAIN ACCOUNT 62252306280	68,393,318.13	9,327,466.24	18,566,219.11	4,657,636.81
FNB WATER ACCOUNT 62253072385	0	0	0	0
	<b>68,393,318.13</b>	<b>14,791,225.24</b>	<b>18,566,219.11</b>	<b>4,657,636.81</b>
<b>Total cash held</b>	<b>4,657,636.81</b>			

**Collection rate**

MONTH	CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 June 2024			
	BILLING	MONTHS	RECIPTS	RECOVERY RATE %
June 2023	25,608,838.15	July 2023	8,496,218.06	33.18%
July 2023	30,432,078.23	August 2023	9,514,192.41	31.26%
August 2023	30,257,372.83	September 2023	13,219,878.76	43.69%
September 2023	29,957,161.76	October 2023	12,962,433.60	43.27%
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 2024	32,768,007.06	February 2024	10,990,066.03	33.54%
February 2024	31,636,431.08	March 2024	8,682,749.59	27.45%
March 2024	35,271,911.28	April 2024	11,653,550.39	33.04%
April 2024	34,937,635.35	May 2024	10,766,006.10	30.81%
May 2024	34,335,121.94	June 2024	13,257,781.78	38.61%
<b>TOTAL</b>	<b>376,216,671.44</b>		<b>128,161,856.82</b>	<b>34%</b>
<b>TOTALS</b>				
BILLING - JUNE 2023 - MAY 2024		376,216,671.44		
RECIPTS - JULY 2023 - JUNE 2024		128,161,856.82		
DIFFERENCE		248,054,814.62	34%	

**Table SC5 Investment portfolio**

**DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M12 June**

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					
<b>Municipality</b>					
FNB	415	3	(5,413)	5,413	418
NEDBANK	1,301	8	(1,301)	-	8
INVESTEC	397	3			399
ABSA	13,106		(12,947)	61	220
					-
					-
					-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>15,219</b>	<b>-</b>	<b>(19,661)</b>	<b>5,473</b>	<b>1,045</b>

The Municipality held investments of R1 million at the end of June 2024.

### Table SC4 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June 2024

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 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	39,384	45,528	3,637	6,365	354,103				-
Auditor General	0800									449,017
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>39,384</b>	<b>45,528</b>	<b>3,637</b>	<b>6,365</b>	<b>354,103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>449,017</b>

### Top 10 Creditors

SUPPLIER'S NAME	AMOUNT
UMNGENI WATER	168 500 860,50
DWS	91 376 580,77
INKOSI LANGALIBALELE	52 027 856,18
ALFRED DUMA	39 028 844,36
LUNASISI IDEAS	2 202 557,63
NOMPUMELELO HADEBE	1 636 611,28
SIMPRADOOR TRADING	952 425,00
BONAKUDE CONSULTING	875 246,68
UPHAPHELWEGWALAGWALA	732 262,50
RASP CONSULTING	611 069,38

## Grant Performance:

UTHUKELA DISTRICT MUNICIPALITY								
GRANT REGISTER - 2023/24								
Summary of Grants received, expenditure & Funds available as at 30 June 2024								
Grant Type	Audited Balance as at 01/07/2023	Roll-Over Disallowed	Budget Amount 2023/24	Received 2023/24	% Spent on total allocation	Spent & transferred to income 2023/24	% Spent on received amount	Closing Balance/ Unspent
MUNICIPAL INFRASTRUCTURE GRANT	7,990,235.13		221,342,000.00	196,538,000.00	92%	204,528,235.13	100%	0.00
WATER & SANITATION INFRASTRUCTURE GRANT	5,648,483.42	-3,848,483.42	85,000,000.00	85,000,000.00	100%	86,800,000.00	100%	0.00
RURAL ROAD ASSET MANAGEMENT SYSTEM	0.00		2,672,000.00	2,672,000.00	96%	2,572,887.08	96%	99,112.92
EPWP INTERGRATED GRANT	0.00		1,816,000.00	1,816,000.00	100%	1,816,000.00	100%	0.00
FINANCE MANAGEMENT GRANT	0.00		2,100,000.00	2,100,000.00	100%	2,100,000.00	100%	0.00
LG SETA	26,582.86		0.00	650,714.56	0%	677,297.42	100%	0.00
	<b>13,665,301.41</b>	<b>-3,848,483.42</b>	<b>312,930,000.00</b>	<b>288,776,714.56</b>	<b>95%</b>	<b>298,494,419.63</b>	<b>99.97%</b>	<b>99,112.92</b>

## **Financial Ratios**

<b>Financial Ratio</b>	<b>June 2024</b>
Capital Expenditure to Total Expenditure (10%-20%)	3%
Cash Coverage Ratio	0 Months
Net Debtors > 90 days (= 0)	11 954 Days
Net Operating Surplus Margin	2%
Creditors Payment Period > 30 days (= 0)	293 Days
Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)	42%
Contracted Services % of Total Operating Expenditure	33.4%
% Actual CAPEX to budget (≥ 95%)	68%
% Actual OPEX to budget (≥ 95%)	102%
Operating Revenue Budget Implementation Indicator	92.68%

### **Cash flow:**

**Capital expenditure to total expenditure:** This Ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritisation of expenditure towards current operations *versus* future capacity in terms of Municipal Services. Currently the ratio is 3% below the acceptable norm of (10% - 20%)

**Cash Coverage:** The ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without any additional revenue. The ratio shows 0 month which is below the acceptable norm of (1 month to 3 month)

**Net Debtors Days:** the ratio of 11 954 Days which is way above the acceptable norm of 30 days, this indicates that the Municipality is exposed to significant Cash Flow risk. This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it.

**Net Operating Surplus Margin:** a ratio of 2% is calculated which is greater than 0% this will enable the municipality to generate a surplus which will assist to contribute towards its capital funding requirements

**Creditors Payment Period:** the ratio indicates that it takes 293 days for the municipality to pay its creditors which is above the acceptable norm of 30 days. A period longer than 30 days to settle creditors is normally an indication that the Municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc. In addition, a ratio that exceeds the norm indicates that the Municipality may not be adequately managing its Working Capital or that effective controls are not in place to ensure prompt payments. The municipality will be required to provide further explanations in this regard.

**Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure):** A rate of 42% which is greater than the 20% and 40% norm, if the ratio exceeds the norm it could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the powers and functions performed by the

municipality or entity, as this can create distortions in the outcomes, if the analysis ignores such factors.


**Contracted Services % of Total Operating Expenditure:** A ratio of 33.4% is more than the acceptable norm of 2% and 5%. A ratio in excess of the Norm could indicate that many functions are being outsourced to consultants, or that Contracted Services are not effectively utilised.

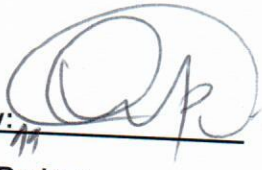
**Capital Expenditure Budget Implementation Indicator:** The ratio shows 68% which is below 95% and 100% therefore Any variance below 95% indicates discrepancies in planning and budgeting, capacity challenges to implement projects and/or Supply Chain Management process failures, which should be investigated and corrective measures implemented. Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.

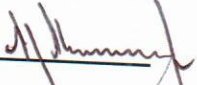
**Operating Expenditure Budget Implementation Indicator:** the ratio shows a variance of 102% Under-spending normally is an indicator that the Municipality experiences possible Cash Flow difficulties or capacity challenges to undertake Budgeted/ planned service delivery, and/ or does not prepare accurate and credible Budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programmes and/or projects.


**Operating Revenue Budget Implementation Indicator:** a variance of 92.5% is shown which is within the acceptable norm of 95% and 100%: This ratio measures the extent of Actual Operating Revenue (Excl. Capital Grant Revenue) received in relation to Budgeted Operating Revenue during the financial year, under review.



**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 June 2024 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name : L Jili

Signature

A handwritten signature in black ink, consisting of several loops and a horizontal line at the bottom, positioned over a horizontal line.

Date : 29 July 2024