



**UTHUKELA**  
UMKHANDLU WESIFUNDA  
DISTRIKSMUNISIPALITEIT  
DISTRICT MUNICIPALITY

**SECTION 71 REPORT**  
**AUGUST 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 August 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) - M02 - August										
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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		267,541	316,389	-	17,597	31,068	52,731	(21,674)	-41%	316,389
Service charges - Waste Water Management		17,928	18,189	-	1,590	3,225	3,032	193	6%	18,189
Service charges - Waste management		-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		838	632	-	41	68	105	(38)	-36%	632
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		30,448	64,535	-	5,604	11,476	10,756	721	7%	64,535
Interest from Current and Non Current Assets		8,557	10,482	-	-	1,151	1,747	(596)	-34%	10,482
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		275	203	-	1,000	7,973	34	7,940	23427%	203
<b>Non-Exchange Revenue</b>										
Property rates		-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		34,577	60	-	4	4	10	(6)	-63%	60
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		586,406	620,501	-	-	255,843	103,417	152,426	147%	620,501
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		5,832	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		8,000	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and</b>		<b>960,403</b>	<b>1,030,991</b>	<b>-</b>	<b>25,835</b>	<b>310,798</b>	<b>171,832</b>	<b>138,966</b>	<b>81%</b>	<b>1,030,991</b>
<b>Expenditure By Type</b>										
Employee related costs		361,224	363,137	-	28,746	58,447	60,523	(2,076)	-3%	363,137
Remuneration of councillors		6,154	6,155	-	507	1,023	1,026	(3)	0%	6,155
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		97,299	51,060	-	-	-	8,510	(8,510)	-100%	51,060
Debt impairment		250,616	164,658	-	-	-	27,443	(27,443)	-100%	164,658
Depreciation and amortisation		86,484	73,910	-	14,054	14,054	12,318	1,736	14%	73,910
Interest		16,352	-	-	-	-	-	-	-	-
Contracted services		175,330	171,931	-	4,004	4,120	28,655	(24,535)	-86%	171,931
Transfers and subsidies		3,285	5,830	-	-	-	972	(972)	-100%	5,830
Irrecoverable debts written off		3,124	-	-	-	-	-	-	-	-
Operational costs		198,820	130,551	-	2,125	3,362	21,759	(18,397)	-85%	130,551
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>1,198,687</b>	<b>967,232</b>	<b>-</b>	<b>49,436</b>	<b>81,006</b>	<b>161,205</b>	<b>(80,199)</b>	<b>-50%</b>	<b>967,232</b>
<b>Surplus/(Deficit)</b>		<b>(238,283)</b>	<b>63,759</b>	<b>-</b>	<b>(23,601)</b>	<b>229,791</b>	<b>10,627</b>	<b>219,165</b>	<b>2062%</b>	<b>63,759</b>
Transfers and subsidies - capital (monetary allocations)		291,328	291,529	-	-	-	48,588	(48,588)	-100%	291,529
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>53,045</b>	<b>355,288</b>	<b>-</b>	<b>(23,601)</b>	<b>229,791</b>	<b>59,215</b>			<b>355,288</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>53,045</b>	<b>355,288</b>	<b>-</b>	<b>(23,601)</b>	<b>229,791</b>	<b>59,215</b>			<b>355,288</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>53,045</b>	<b>355,288</b>	<b>-</b>	<b>(23,601)</b>	<b>229,791</b>	<b>59,215</b>			<b>355,288</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>53,045</b>	<b>355,288</b>	<b>-</b>	<b>(23,601)</b>	<b>229,791</b>	<b>59,215</b>			<b>355,288</b>

### Operating Revenue:

Operating revenue recognised for the period Aug 2024 amounts to R 310 million. For the two-month period the municipality had estimated R171 million for the first month. The actual revenue derived amounts to R310 million. The receipt of the equitable share on July 2024 has contributed to the positive variance.

### WATER AND SANITATION SALES:

The combined Water and Sanitation Sales income recognised is 35% below what is originally anticipated. The revenue billed for the month of August 2024 is a combined amount of R18 million.

### INTEREST EARNED FROM RECEIVABLES:

The interest on consumer accounts has yielded 7% positive variance, this is an indication of an improvement in the revenue collected. The amount received for August 2024 is R5 million.

### FINES AND PENALTIES

The municipality received R4 thousands from fines and penalties for the month of August 2024.

### OPERATING REVENUE

The operating revenue amounted to R1 million for the month of August 2024.

## **Operating Expenditure:**

The total operating expenditure recognised for the period August 2024 amounts to R49 million, a negative of 50% variance.

### EMPLOYEE RELATED COSTS AND REMUNERATION OF COUNCILLORS:

Employee related cost incurred for August 2024 is R28 million which results to 3% below what was anticipated. The amount incurred for the remuneration of councillors is R507 thousand.

### 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 August 2024 is R4 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 August 24 amounts to R2 million.

## Table C5 – Monthly Budget Statements – Capital Expenditure

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 - August										
Vote Description	Ref	2023/24			Budget Year 2024/25					
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
<b>R thousands</b>										
<b>Multi-Year expenditure appropriation</b>	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 -		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - MAYOR AND MM		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	2,000	-	-	-	333	(333)	-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	-	19,907	21,881	51,088	(29,207)	-57%	306,529
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	0	308,529	-	19,907	21,881	51,422	(29,540)	-57%	308,529
<b>Total Capital Expenditure</b>		0	308,529	-	19,907	21,881	51,422	(29,540)	-57%	308,529
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	2,000	-	-	-	333	(333)	-100%	2,000
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	2,000	-	-	-	333	(333)	-100%	2,000
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
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>		0	306,529	-	19,907	21,881	51,088	(29,207)	-57%	306,529
Energy sources		-	-	-	-	-	-	-	-	-
Water management		0	306,529	-	19,907	21,881	51,088	(29,207)	-57%	306,529
Waste water management		0	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	0	308,529	-	19,907	21,881	51,422	(29,540)	-57%	308,529
<b>Funded by:</b>										
National Government		0	291,529	-	19,840	21,814	48,588	(26,774)	-55%	291,529
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		0	291,529	-	19,840	21,814	48,588	(26,774)	-55%	291,529
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	17,000	-	-	-	2,833	(2,833)	-100%	17,000
<b>Total Capital Funding</b>		0	308,529	-	19,840	21,814	51,422	(29,607)	-58%	308,529
<i>References</i>										

- As depicted above capital expenditure amounting to R19 million recorded at the month of August 2024.

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

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 - August										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		798,363	691,476	-	1,017	264,985	115,246	149,739	130%	691,476
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		798,363	691,476	-	1,017	264,985	115,246	149,739	130%	691,476
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		42	60	-	-	-	10	(10)	-100%	60
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		42	60	-	-	-	10	(10)	-100%	60
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		453,327	630,984	-	24,818	45,812	105,164	(59,352)	-56%	630,984
Energy sources		-	-	-	-	-	-	-	-	-
Water management		453,327	630,984	-	24,818	45,812	105,164	(59,352)	-56%	630,984
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	1,251,732	1,322,520	-	25,835	310,798	220,420	90,378	41%	1,322,520
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		550,176	430,019	-	13,918	24,859	71,670	(46,810)	-65%	430,019
Executive and council		50,748	51,120	-	3,203	6,275	8,520	(2,245)	-26%	51,120
Finance and administration		499,428	378,898	-	10,715	18,584	63,150	(44,566)	-71%	378,898
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		52,638	58,078	-	4,024	7,816	9,680	(1,864)	-19%	58,078
Community and social services		13,103	7,773	-	1,086	2,134	1,296	839	65%	7,773
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		39,535	50,305	-	2,937	5,681	8,384	(2,703)	-32%	50,305
<i>Economic and environmental services</i>		17,091	26,084	-	1,125	2,266	4,347	(2,081)	-48%	26,084
Planning and development		17,091	26,084	-	1,125	2,266	4,347	(2,081)	-48%	26,084
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		578,781	453,052	-	30,370	46,065	75,509	(29,444)	-39%	453,052
Energy sources		-	-	-	-	-	-	-	-	-
Water management		578,781	453,052	-	30,370	46,065	75,509	(29,444)	-39%	453,052
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	1,198,687	967,232	-	49,436	81,006	161,205	(80,199)	-50%	967,232
<b>Surplus/ (Deficit) for the year</b>		53,045	355,288	-	(23,601)	229,791	59,215	170,577	288%	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) - M02 - August										
Vote Description	Ref	2023/24			Budget Year 2024/25					
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - MAYOR AND MM		-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		98	-	-	-	78	-	78	#DIV/0!	-
Vote 3 - BUDGET AND TREASURY		798,264	691,476	-	1,017	264,907	115,246	149,661	129.9%	691,476
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WSA& HEALTH SERVICES		42	60	-	-	-	10	(10)	-100.0%	60
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		453,327	630,984	-	24,818	45,812	105,164	(59,352)	-56.4%	630,984
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>1,251,732</b>	<b>1,322,520</b>	-	<b>25,835</b>	<b>310,798</b>	<b>220,420</b>	<b>90,378</b>	<b>41.0%</b>	<b>1,322,520</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - MAYOR AND MM		50,748	51,120	-	3,203	6,275	8,520	(2,245)	-26.3%	51,120
Vote 2 - CORPORATE SERVICES		127,431	135,003	-	5,938	8,829	22,500	(13,672)	-60.8%	135,003
Vote 3 - BUDGET AND TREASURY		371,997	242,304	-	4,777	9,755	40,384	(30,629)	-75.8%	242,304
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		30,194	33,857	-	2,211	4,401	5,643	(1,242)	-22.0%	33,857
Vote 5 - WSA& HEALTH SERVICES		39,535	51,896	-	2,937	5,681	8,649	(2,968)	-34.3%	51,896
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		578,781	453,052	-	30,370	46,065	75,509	(29,444)	-39.0%	453,052
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1,198,687</b>	<b>967,232</b>	-	<b>49,436</b>	<b>81,006</b>	<b>161,205</b>	<b>(80,199)</b>	<b>-49.7%</b>	<b>967,232</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>53,045</b>	<b>355,288</b>	-	<b>(23,601)</b>	<b>229,791</b>	<b>59,215</b>	<b>170,577</b>	<b>288.1%</b>	<b>355,288</b>



## Part 2 – Supporting Documentation

### Table SC3 Debtors age analysis

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 - August											
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	Total over 90 days
R thousands											
<b>Debtors Age Analysis By Income Source</b>											
Trade and Other Receivables from Exchange Transactions - Water	1200	24,712	17,742	21,852	18,865	18,370	18,261	18,106	770,254	908,162	843,856
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	2,125	2,026	1,328	843	817	787	825	45,756	54,508	49,029
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	6,392	6,031	6,037	5,710	5,680	5,456	5,418	242,687	283,411	264,951
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	269	78	98	91	140	133	132	14,838	15,778	15,333
<b>Total By Income Source</b>	<b>2000</b>	<b>33,499</b>	<b>25,877</b>	<b>29,315</b>	<b>25,508</b>	<b>25,007</b>	<b>24,636</b>	<b>24,481</b>	<b>1,073,536</b>	<b>1,281,860</b>	<b>1,173,169</b>
<b>2023/24 - totals only</b>		<b>31,474</b>	<b>25,806</b>	<b>22,993</b>	<b>25,593</b>	<b>20,568</b>	<b>20,218</b>	<b>19,880</b>	<b>684,245</b>	<b>850,776</b>	<b>770,503</b>
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	2200	5,003	2,011	4,534	4,285	3,598	4,296	3,156	53,422	80,305	68,758
Commercial	2300	4,762	2,950	3,798	1,390	1,473	1,295	1,372	60,558	77,598	66,089
Households	2400	23,734	20,917	20,983	19,833	19,936	19,045	19,953	959,555	1,103,956	1,038,322
Other	2500	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>33,499</b>	<b>25,877</b>	<b>29,315</b>	<b>25,508</b>	<b>25,007</b>	<b>24,636</b>	<b>24,481</b>	<b>1,073,536</b>	<b>1,281,860</b>	<b>1,173,169</b>

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

### Top 10 Debtors

<b>TOP 10 DEBTORS AS AT 31 AUGUST 2024</b>	
<b>ACCOUNT HOLDER</b>	<b>OUTSTANDING TOTAL BALANCE</b>
ESTCOURT HIGH SCHOOL	16,263,455.33
ALFRED DUMA LOCAL MUNICIPALITY STEADVILLE HOST	10,785,317.45
YENDE E N	7,826,625.35
LIEBENBERG LC	5,367,825.78
ZANELISENI GARDEN	3,487,358.06
ALFRED DUMA LOCAL MUNICIPALITY NURSERY	2,859,105.38
ALFRED DUMA LOCAL MUNICIPALITY SWIMMING POOL	2,496,579.25
UTHUKELA DISTRICT MUNICIPALITY	2,398,998.22
MADUNA D/P 781 GZ	2,208,245.59
NTOKOZWENI COMMUNITY LAND TRUS	2,108,287.43
<b>TOTAL</b>	<b>55,801,797.84</b>

## Bank Balance

<b>Bank Balances</b>				
The following reflects bank balances at 31 August 2024				
DESCRIPTION	JULY 2024	AUGUST 2024	SEPT 2024	OCT 2024
FNB MAIN ACCOUNT 62252306280	58,010,023.35	7,082,271.19	-	-
FNB WATER ACCOUNT 62253072385	0	0	0	0
	<b>58,010,023.35</b>	<b>7,082,271.19</b>	<b>0.00</b>	<b>0.00</b>
<b>Total cash held</b>	<b>7,082,271.19</b>			

## Collection rate

<b>CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 AUGUST 2024</b>				
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%
<b>TOTAL</b>	<b>64,152,709.66</b>		<b>22,334,585.54</b>	<b>35%</b>
<b>TOTALS</b>				
BILLING - JUNE - AUG 2024		64,152,709.66		
RECIEPTS - JUNE - AUG 2024		22,334,585.54		
DIFFERENCE		<b>41,818,124.12</b>	35%	

## Table SC5 Investment portfolio

<b>DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M02 Aug</b>					
Investments by maturity Name of institution & investment ID	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
<b>R thousands</b>					
<b>Municipality</b>					
FNB	33,181	188	(25,800)	2,929	10,498
NEDBANK	8	0	-	-	8
INVESTEC	402	3	-	-	405
ABSA	134,990	932	(30,000)	-	105,922
					-
					-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>168,581</b>	<b>-</b>	<b>(55,800)</b>	<b>2,929</b>	<b>116,832</b>

The Municipality held investments of R116 million at the end of August 2024.

## Table SC4 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August										
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										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	3,755	4,469	3,150	5,115	380,019				396,508
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>3,755</b>	<b>4,469</b>	<b>3,150</b>	<b>5,115</b>	<b>380,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>396,508</b>

## Top 10 Creditors

TOP TEN CREDITORS ANALYSIS AS AT 31 AUGUST 2024	
SUPPLIER	AMOUNT
UMNGENI WATER	162,300,860.50
DEPARTMENT OF WATER AND SANITATION	118,317,129.15
INKOSI LANGALIBALELE	53,817,281.50
ALFRED DUMA	46,153,549.11
SALGA	6,036,241.35
LUNASISI IDEAS	2,120,670.84
ILIFA LETHU	2,089,860.50
BONAKUDE CONSULTING	875,246.68
RASP CONSULTING	611,069.38
UPHAPHELWEGWALAGWALA	547,773.75

## **Grant Performance:**

UTHUKELA DISTRICT MUNICIPALITY							
GRANT REGISTER - 2024/25							
Summary of Grants received, expenditure & Funds available as at 31 AUGUST 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
EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	191,529,000.00	64,214,000.00	25,590,095.47	40%	<b>38,623,904.54</b>
EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100,000,000.00	30,000,000.00	8,053,648.13	27%	<b>21,946,351.87</b>
EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	0.00	2,792,000.00	1,954,000.00	0.00	0%	<b>1,954,000.00</b>
EX Mthembu	EPWP INTERGRATED GRANT	0.00	1,685,000.00	422,000.00	0.00	0%	<b>422,000.00</b>
BB Sithole	FINANCE MANAGEMENT GRANT	0.00	2,000,000.00	2,000,000.00	136,883.18	7%	<b>1,863,116.82</b>
O Mnguni	LG SETA	0.00	0.00	147,599.02	0.00	0%	<b>147,599.02</b>
		<b>0.00</b>	<b>298,006,000.00</b>	<b>98,737,599.02</b>	<b>33,780,626.78</b>	<b>34%</b>	<b>64,956,972.25</b>

## FINANCIAL RATIOS

Financial Ratio	AUGUST 2024	MFIP COMMENTS ON RATIOS
Capital Expenditure to Total Expenditure (10%-20%)	<p>Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100</p> $21\,881 / (81\,006 + 21\,881)$ $= 21\,881 / 102\,887$ $= \mathbf{21.3}$	<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 municipality's ratio is 21.3% as at the 31 August 2024 which brings the level of capital expenditure higher than the acceptable range by 1.3%</p> <p>The norm range is between <b>10% and 20%</b></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> $(7\,082\,271.19 - 64\,956\,972.25 - 0 + 116\,832\,274.56) / (49\,436 + 14\,054)$ $= \mathbf{9\ Months}$	<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 9 months which is more than the acceptable norm of 1 month to 3 months</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>
Net Operating Surplus Margin	<p>(Total Operating Revenue – Total Operating Expenditure) / Total Operating Revenue x 100%</p>	<p><b>Net Operating Surplus Margin</b> Ratio assesses the extent to which the Municipality generates Operating Surpluses</p>

	$\frac{(310\,798 - 81\,006)}{310\,798} \times 100 = 74\%$	<p>The Municipality Ratio is 74% greater than 0%</p> <p><b>Norm</b> The norm is equal to or greater than 0%</p> <p>Municipalities should at least recover operational costs for the services being delivered. In addition, a ratio which is greater than 0% will enable the municipality to generate a surplus which will assist to contribute towards its capital funding requirements.</p>
<p>Creditors Payment Period &gt; 30 days (= 0)</p>	<p>Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365</p> $\frac{838\,555\,976.67 - 385\,615\,000}{838\,555\,976.67} \times 365 = 533 \text{ days}$	<p><b>Trade Creditors</b></p> <p>This ratio indicates the average numbers of days taken for Trade Creditors to be paid</p> <p>The municipality ratio is 533 days it takes to pay it creditors</p> <p>A period of 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.</p>

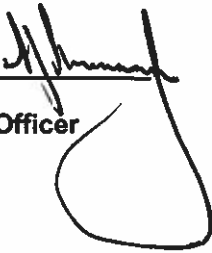
<p>Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)</p>	<p>Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100  ( 60 523 + 1 026) / 161 205 x 100  = <b>38%</b></p>	<p>The ratio measures the extent of Remuneration to Total Operating Expenditure</p> <p>Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100</p> <p>The Municipality Rate for employee related cost is 38% with in the acceptable nom</p> <p>The norm range between 25% and 40%</p>
<p>Contracted Services % of Total Operating Expenditure</p>	<p>Contracted Services / Total Operating Expenditure x 100</p> <p>4 004 / 161 205  = <b>3%</b></p>	<p><b>Contracted Services</b></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 4% which is acceptable to the norm.</p> <p>The norm range between <b>2% and 5%</b></p>

**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 August 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 : 10 September 2024