

**UTHUKELA**

**UMKHANDLU WESIFUNDA  
DISTRIKSMUNISIPALITEIT  
DISTRICT MUNICIPALITY**

**2024/25 Q1**

**QUARTERLY REVIEW (S52)**

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## **PURPOSE**

To report to Council on the quarterly review of the financial and performance results for the first quarter of the 2023/24 financial year as required by section 52 of the Municipal Finance Management Act.

## **STRATEGIC OBJECTIVE**

Promoting good governance

## **WARDS AFFECTED**

All wards

## **IDP LINKAGE**

Financial Reporting

## **MAYOR'S REPORT**

In terms of S52 of the MFMA

The mayor of a municipality

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality;

## **EXECUTIVE SUMMARY**

Section 52 of the Municipal Finance Management Act (MFMA) requires that The mayor of a municipality—

(a) Must provide general political guidance over the fiscal and financial affairs of the municipality;

(b) In providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;

(c) Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;

(d) Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and

(e) Must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor

# UTHUKELA DISTRICT MUNICIPALITY | 2025

The following annexure are attached to this item:

Annexure A – S71 for the month ending 30 September 2024

## SUMMARY OF FINANCIAL PERFORMANCE

### ANALYSIS OF OPERATING REVENUE (JULY 2024 – SEPTEMBER 2024) EXCLUDING CAPITAL TRANSFERS:

**DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - September**

Description	Ref	Budget Year 2024/25								
		2023/24 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>										
Exchange Revenue										
Service charges - Electricity										
Service charges - Water										
Service charges - Waste Water Management	267,541	316,369		2,165	33,223	79,097	(45,874)	-13%	213,389	
Service charges - Waste management	17,928	18,189		1,598	4,823	4,547	276	5%	13,189	
Sale of Goods and Rendering of Services										
Agency services	638	632		40	108	158	(60)	-12%	632	
Interest:										
Interest earned from Receivables	30,448	64,635		4,916	16,392	15,134	258	2%	64,635	
Interest from Current and Non Current Assets	3,567	10,482		1,123	2,274	2,828	(347)	-13%	10,482	
Dividends										
Rent on Land										
Rental from Fixed Assets										
Licence and permits										
Operational Revenue	275	203			7,973	61	7,923	15525%	203	
<b>Non-Exchange Revenue</b>										
Property rates										
Surcharges and Taxes										
Fines, penalties and bribes	34,577	60		316	320	15	305	2038%	60	
Licence and permits										
Transfers and subsidies - Operational	636,406	620,501		137	265,980	155,125	100,855	65%	620,501	
Interest										
Fuel Levy										
Operational Revenue										
Gains on disposal of Assets	5,632									
Other Gains										
Discontinued Operations	3,000									
<b>Total Revenue (excluding capital transfers and</b>	<b>960,493</b>	<b>1,030,991</b>		<b>10,296</b>	<b>321,093</b>	<b>257,748</b>	<b>63,346</b>	<b>25%</b>	<b>1,030,991</b>	

Operating revenue recognised for the period July 2024 to September 2024 amounts to R321 million resulting in a 25% positive variance from the R257 million which was anticipated.

The -5 % variance although minute must still be analysed in order to assess its impact on the budgeting process as a whole, as well as future cash flows.

This variance has been attributed to the following:

#### WATER & SANITATION SALES:

Water Sales income recognised is 58% below what is originally anticipated, sanitation sales income recognised is 6% above what was originally anticipated.

#### INTEREST EARNED FROM RECEIVABLES:

This line item has yielded 2% positive variance, the interest billed on consumer accounts has been slightly above projections for the 1<sup>st</sup> Quarter of 2024/25 financial year.

# UTHUKELA DISTRICT MUNICIPALITY | 2025

## INTEREST FROM INVESTMENTS:

This line item has a negative variance of 13%.

## ANALYSIS OF OPERATING EXPENDITURE (JULY 2024 – SEPTEMBER 2024)

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - September

Description	R	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Expenditure By Type</b>										
Employee related costs		351,224	363,137	-	35,301	93,747	90,784	2,963	3%	363,137
Remuneration of councillors		6,154	6,155	-	483	1,807	1,539	(266)	-2%	6,155
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		97,299	51,050	-	5,952	5,952	12,765	(6,814)	-53%	51,050
Debt impairment		250,816	184,658	-	-	-	41,124	(41,164)	-100%	184,658
Depreciation and amortisation		85,484	73,910	-	5,914	26,869	19,478	2,491	13%	73,910
Interest		16,352	-	-	-	-	-	-	-	-
Contracted services		175,330	171,931	-	18,689	21,009	42,983	(21,973)	-51%	171,931
Transfers and subsidies		3,285	5,830	-	-	-	1,457	(1,457)	-100%	5,830
Irrecoverable debts written off		3,124	-	-	-	-	-	-	-	-
Operational costs		198,920	130,551	-	10,175	13,536	32,638	(19,101)	-59%	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>75,714</b>	<b>156,728</b>	<b>241,888</b>	<b>(85,888)</b>	<b>-35%</b>	<b>967,232</b>

The total operating expenditure of the municipality for the financial year is R156 million a 35% negative variance from the R 241 million which was anticipated.

## EMPLOYEE RELATED COSTS:

Employee related cost incurred is 3% above what is expected in the 1<sup>st</sup> quarter of the financial year.

## INVENTORY CONSUMED:

The bulk of inventory consumed comprises of fuel, oil and chemicals. Other materials have a negative variance of 59% in the 1<sup>st</sup> quarter of the financial.

## CONTRACTED SERVICES:

The bulk of contracted services comprise of vehicle repairs, hire of plant, water tankers, repairs to pumps and pipelines.

## GENERAL EXPENDITURE:

The municipality must aim to cap general expenditure at the budgeted amount in order to avoid any unauthorised expenditure. 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.

# UTHUKELA DISTRICT MUNICIPALITY | 2025

## SUMMARY OF CAPITAL PROJECT IMPLEMENTATION

UTHUKELA DISTRICT MUNICIPALITY GRANT REGISTER - 2024/25							
<u>Summary of Grants received, expenditure &amp; Funds available as at 30 SEPTEMBER 2024</u>							
			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	2024/25
G3.101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	191,529,000.00	64,214,000.00	56,575,211.55	88%
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100,000,000.00	30,000,000.00	29,371,309.66	98%
							<b>7,638,788.45</b>
							<b>628,690.34</b>

The expenditure on capital projects has spent an average of 93% from what was received at the beginning of this financial year.

## STATEMENT OF FINANCIAL POSITION

DC23 Uthukela - Table C6 Monthly Budget Statement - Financial Position - M03 - September						
Description	Ref	2023/24		Budget Year 2024/25		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>						
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		5,810	(107,356)	-	119,288	(107,356)
Trade and other receivables from exchange transactions		46,416	73,267	-	75,822	73,267
Receivables from non-exchange transactions		79	7,102	-	79	7,102
Current portion of non-current receivables		10,695	-	-	10,695	-
Inventory		18,081	5,207	-	19,448	5,207
VAT		231,159	43,337	-	200,646	43,337
<b>Other current assets</b>		4,575	48,392	-	4,208	48,392
<b>Total current assets</b>		<b>315,816</b>	<b>69,879</b>	<b>-</b>	<b>430,045</b>	<b>69,879</b>
<b>Non current assets</b>						
Investments		-	-	-	-	-
Investment property		-	-	-	-	-
Property, plant and equipment		3,400,395	2,620,048	-	3,422,026	2,620,048
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		5,163	-	-	5,158	-
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
<b>Total non-current assets</b>		<b>3,405,558</b>	<b>2,620,048</b>	<b>-</b>	<b>3,427,194</b>	<b>2,620,048</b>
<b>TOTAL ASSETS</b>		<b>3,721,374</b>	<b>2,689,926</b>	<b>-</b>	<b>3,857,239</b>	<b>2,689,926</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		2,416	-	-	2,416	-
Consumer deposits		20,029	20,735	-	20,332	20,735
Trade and other payables from exchange transactions		683,113	479,154	-	608,722	479,154
Trade and other payables from non-exchange transactions		(19,453)	10,431	-	45,502	10,431
Provision		26,917	50,117	-	35,252	50,117
VAT		301,592	58,116	-	282,179	58,116
<b>Other current liabilities</b>		<b>5,336</b>	<b>11,337</b>	<b>-</b>	<b>11,337</b>	<b>-</b>
<b>Total current liabilities</b>		<b>1,022,947</b>	<b>629,890</b>	<b>-</b>	<b>994,403</b>	<b>629,890</b>
<b>Non current liabilities</b>						
Financial liabilities		-	-	-	-	-
Provision		18,118	35,360	-	18,116	35,360
Long term portion of trade payables		-	-	-	-	-
<b>Other non-current liabilities</b>		<b>22,660</b>	<b>-</b>	<b>-</b>	<b>22,660</b>	<b>-</b>
<b>Total non-current liabilities</b>		<b>40,778</b>	<b>35,360</b>	<b>-</b>	<b>40,776</b>	<b>35,360</b>
<b>TOTAL LIABILITIES</b>		<b>1,063,725</b>	<b>665,249</b>	<b>-</b>	<b>1,035,179</b>	<b>665,249</b>
<b>NET ASSETS</b>		<b>2,657,649</b>	<b>2,024,677</b>	<b>-</b>	<b>2,822,060</b>	<b>2,024,677</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		2,657,651	2,024,677	-	2,822,060	2,024,677
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>2,657,651</b>	<b>2,024,677</b>	<b>-</b>	<b>2,822,060</b>	<b>2,024,677</b>

# UTHUKELA DISTRICT MUNICIPALITY | 2025

## CASH FLOW STATEMENT:

DC23 Uthukela - Table C7 Monthly Budget Statement - Cash Flow - M03 - September

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		125,921	129,163	-	4,100	24,570	32,288	(7,718)	-24%	129,163
Other revenue		26,473	69,392	-	6,388	8,031	17,348	(9,317)	-54%	69,392
Transfers and Subsidies - Operational		579,544	620,501	-	-	258,265	155,125	103,140	66%	620,501
Transfers and Subsidies - Capital		281,538	291,529	-	-	114,214	72,882	41,332	57%	291,529
Interest		9,124	10,482	-	1,123	2,274	2,820	(347)	-13%	10,482
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(266,036)	(848,752)	-	(14,837)	(19,625)	(211,888)	192,063	-91%	(848,752)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	(5,830)	-	-	-	(1,457)	1,457	-100%	(5,830)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>758,563</b>	<b>268,474</b>	<b>-</b>	<b>(3,226)</b>	<b>387,729</b>	<b>67,119</b>	<b>(320,611)</b>	<b>-47%</b>	<b>268,474</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		222,994	(308,529)	-	(14,098)	(31,472)	(77,132)	45,660	-59%	(308,529)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>222,994</b>	<b>(308,529)</b>	<b>-</b>	<b>(14,098)</b>	<b>(31,472)</b>	<b>(77,132)</b>	<b>(45,660)</b>	<b>59%</b>	<b>(308,529)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		1,467	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>1,467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>981,024</b>	<b>(40,055)</b>	<b>-</b>	<b>(17,323)</b>	<b>356,257</b>	<b>(10,914)</b>			<b>(40,055)</b>
Cash/cash equivalents at beginning:		13,689	(67,302)	-	-	5,610	(67,302)			5,610
Cash/cash equivalents at month/year end:		994,713	(107,356)	-	-	382,067	(77,315)			(34,245)

# UTHUKELA DISTRICT MUNICIPALITY | 2025

## ANALYSIS OF OUTSTANDING DEBTORS:

DC23 Uthukela - Supporting Table 9C3 Monthly Budget Statement - aged debtors - M03 - September

Description	NT Code	Budget Year 2024/25								
		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
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	1200	23,235	16,454	16,376	12,733	16,304	16,177	15,445	776,123	903,447
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	2,240	1,689	1,993	943	806	799	789	46,322	54,557
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	6,178	5,243	5,373	5,093	5,569	5,574	5,371	247,190	287,916
Recoverable unauthorised, irregular, bulkies and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	191	249	74	92	85	137	130	14,768	15,729
<b>Total By Income Source</b>	<b>2900</b>	<b>31,845</b>	<b>27,540</b>	<b>24,915</b>	<b>24,861</b>	<b>22,788</b>	<b>22,682</b>	<b>21,715</b>	<b>1,084,403</b>	<b>1,261,948</b>
<b>2023/24 - totals only</b>		<b>30,621</b>	<b>24,985</b>	<b>22,905</b>	<b>22,190</b>	<b>24,902</b>	<b>20,027</b>	<b>18,775</b>	<b>703,597</b>	<b>869,300</b>
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2200	2,627	2,945	1,737	2,862	1,867	1,498	1,567	47,085	62,076
Commercial	2300	5,247	2,989	1,997	3,386	1,348	1,440	1,275	81,182	79,379
Households	2400	23,170	21,703	20,381	20,614	19,575	19,742	18,383	978,126	1,120,154
Other	2500	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2900</b>	<b>31,845</b>	<b>27,540</b>	<b>24,915</b>	<b>26,861</b>	<b>22,788</b>	<b>22,682</b>	<b>21,715</b>	<b>1,084,403</b>	<b>1,261,648</b>

Reflected above is the age analysis of debtors as at the end September 2024 totalling over R1 billion.

### First Quarter Collection Rate:

The average collection rate stood at 35% at the end of September 2024

MONTH	CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 SEPTEMBER 2024			
	BILLING	MONTHS	RECIPTS	RECOVERY RATE %
June 2024	35,297,566.92	July 2024	9,454,483.35	26.79%
July 2024	28,855,142.74	Aug 2024	12,680,102.19	44.64%
August 2024	30,683,291.09	September 2024	10,624,899.94	34.63%
<b>TOTAL</b>	<b>94,836,000.75</b>		<b>32,959,485.48</b>	<b>35%</b>
<b>TOTALS</b>				
BILLING - JUNE - SEPT 2024		94,836,000.75		
RECIPTS - JUNE - SEPT 2024		32,959,485.48		
DIFFERENCE		61,876,515.27		
		35%		



# UTHUKELA DISTRICT MUNICIPALITY | 2025

## ANALYSIS OF CASH & INVESTMENTS:

**DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M03 September**

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	10,498	70	(7,198)	15,509	18,879
NEDBANK	8	0	-	-	8
INVESTEC	405	3	-	-	407
ABSA	105,922	611	(53,200)	-	53,333
					-
					-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>116,832</b>	<b>684</b>	<b>(60,398)</b>	<b>15,509</b>	<b>72,626</b>

The table above reflects investments as at the end of the first quarter, at the various institutions. The total investments totalled R72 million.

<b>Bank Balances</b>					
The following reflects bank balances at 30 September 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		-
FNB WATER ACCOUNT 62253072385	0	0	0		0
	<b>58,010,023.35</b>	<b>7,082,271.19</b>	<b>10,671,432.65</b>		<b>0.00</b>
<b>Total cash held</b>	<b>10,671,432.65</b>				

At the end of September 2024 cash on hand was R10 million

# UTHUKELA DISTRICT MUNICIPALITY | 2025

## ANALYSIS OF GRANTS RECEIVED AND SPENT:

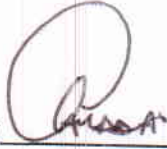
Grant allocations received at the end of September 2024 were as follows:

UTHUKELA DISTRICT MUNICIPALITY GRANT REGISTER - 2024/25							
Summary of Grants received, expenditure & Funds available as at 30 SEPTEMBER 2024							
Name of Grant owner	Grant Type	Audited Balance as at	Budget Amount	Received	Spent & transferred to income	% Spent on received amount	Closing Balance/ Unspent
		01/07/2024	2024/25	2024/25	2024/25		2024/25
EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	191,529,000.00	64,214,000.00	56,575,211.55	88%	7,638,788.45
EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100,000,000.00	30,000,000.00	29,371,309.66	98%	628,690.34
EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	99,112.92	2,792,000.00	1,954,000.00	0.00	0%	2,653,112.92
EX Mthembu	EPWP INTERGRATED GRANT	0.00	1,685,000.00	422,000.00	122,448.98	29%	299,561.04
BB Sithole	FINANCE MANAGEMENT GRANT	0.00	2,000,000.00	2,000,000.00	207,750.60	10%	1,792,249.40
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	98,737,599.02	86,380,136.77	87%	12,466,575.17

UTHUKELA DISRTICT MUNICIPALITY | 2025

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Prepared by



Accountant: Budget

Reviewed by:

Senior Manager Finance



Approved by:

Chief Financial Officer



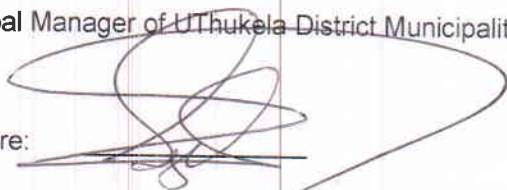
**Municipal manager's quality certificate**

I **Langelihle Jili**, municipal manager of UThukela District Municipality, hereby certify that the Section 52 and supporting documentation for September 2024 have been prepared in accordance with the **Municipal Finance Management Act** and the regulations made under the Act.

Print Name: Langelihle S Jili

Municipal Manager of UThukela District Municipality (DC 23)

Signature:

A handwritten signature in black ink, appearing to be 'Langelihle S Jili', written over a horizontal line. The signature is somewhat stylized and loops back.

Date: 10 October 2024