



SECTION 71 REPORT
SEPTEMBER 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 September 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) - M03 - September										
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
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water	267,541	316,389	-	2,195	30,223	73,097	(46,874)	-58%	316,389	
Service charges - Waste Water Management	17,928	18,189	-	1,598	4,823	4,547	278	6%	18,189	
Service charges - Waste management	-	-	-	-	-	-	-	-	-	
Sale of Goods and Rendering of Services	838	832	-	40	108	168	(50)	-32%	832	
Agency services	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables	30,448	64,535	-	4,916	18,383	15,134	259	2%	64,535	
Interest From Current and Non Current Assets	8,657	10,482	-	1,123	2,274	2,620	(347)	-13%	10,482	
Dividends	-	-	-	-	-	-	-	-	-	
Rent on Land	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets	-	-	-	-	-	-	-	-	-	
Licence and permits	-	-	-	-	-	-	-	-	-	
Operational Revenue	278	203	-	-	7,973	51	7,923	15585%	203	
Non-Exchange Revenue										
Property rates	-	-	-	-	-	-	-	-	-	
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	34,977	80	-	316	320	15	305	2030%	80	
Licence and permits	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - Operational	586,406	620,601	-	137	255,980	165,126	100,855	55%	620,601	
Interest	-	-	-	-	-	-	-	-	-	
Fuel Levy	-	-	-	-	-	-	-	-	-	
Operational Revenue	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets	5,832	-	-	-	-	-	-	-	-	
Other Gains	-	-	-	-	-	-	-	-	-	
Discontinued Operations	3,000	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and	960,403	1,030,961	-	10,296	321,053	257,748	63,306	25%	1,030,691	
Expenditure By Type										
Employee related costs	361,224	363,137	-	36,301	93,747	90,784	2,963	3%	363,137	
Remuneration of councillors	6,154	6,155	-	483	1,507	1,528	(32)	-2%	6,155	
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	
Inventory consumed	67,289	61,060	-	5,962	5,962	12,766	(6,814)	-53%	61,060	
Debt impairment	250,818	184,658	-	-	-	41,664	(41,164)	-100%	184,658	
Depreciation and amortisation	86,434	73,910	-	8,914	20,968	18,478	2,491	13%	73,910	
Interest	18,952	-	-	-	-	-	-	-	-	
Contracted services	176,330	171,991	-	16,889	21,009	42,983	(21,973)	-51%	171,991	
Transfers and subsidies	3,285	5,830	-	-	-	1,467	(1,467)	-100%	5,830	
Irrecoverable debts written off	3,124	-	-	-	-	-	-	-	-	
Operational costs	158,820	130,561	-	10,175	13,636	32,638	(19,101)	-59%	130,561	
Losses on Disposal of Assets	-	-	-	-	-	-	-	-	-	
Other Losses	-	-	-	-	-	-	-	-	-	
Total Expenditure	1,198,687	967,232	-	75,714	156,726	241,388	(85,088)	-35%	967,232	
Surplus/(Deficit)	(238,283)	63,759	-	(65,418)	164,373	15,940	148,434	931%	63,759	
Transfers and subsidies - capital (monetary allocations)	291,328	291,529	-	33,644	33,644	72,682	(39,239)	-64%	291,529	
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	53,945	355,288	-	(31,774)	198,017	88,822			355,288	
Income Tax	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after income tax	53,945	355,288	-	(31,774)	198,017	88,822			355,288	
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality	53,945	355,288	-	(31,774)	198,017	88,822			355,288	
Share of Surplus/Deficit attributable to Associates	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	53,945	355,288	-	(31,774)	198,017	88,822			355,288	

Operating Revenue:

Operating revenue recognised for the period Sept 2024 amounts to R 321 million. For the first quarter the municipality had estimated R257 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 52% below what is originally anticipated. The revenue billed for the month of September 2024 is a combined amount of R3 million.

INTEREST EARNED FROM RECEIVABLES:

The interest on consumer accounts has yielded 2% positive variance, this is an indication of an improvement in the revenue collected. The amount received for September 2024 is R4 million.

FINES AND PENALTIES

The municipality received R314 thousands from fines and penalties for the month of September 2024.

OPERATING REVENUE

The municipality did not recognise anything for the month of September 2024, but as at the end of September it has recognised R7 million.

Operating Expenditure:

The total operating expenditure recognised for the period September 2024 amounts to R75 million, a negative of 35% variance.

EMPLOYEE RELATED COSTS AND REMUNERATION OF COUNCILLORS:

Employee related cost incurred for September 2024 is R36 million which results to 3% below what was anticipated. The amount incurred for the remuneration of councillors is R483 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 September 2024 is R16 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 September 24 amounts to R10 million.

Table C5 – Monthly Budget Statements – Capital Expenditure

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September										
Vote Description	Ref	2022/23			Budget Year 2023/24					
		Amended	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Multi-Year expenditure appropriation	2									
Vote 1 - MAYOR AND MM										
Vote 2 - CORPORATE SERVICES										
Vote 3 - BUDGET AND TREASURY										
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)										
Vote 5 - WSA& HEALTH SERVICES										
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES										
Vote 7 -										
Vote 8 -										
Vote 9 -										
Vote 10 -										
Vote 11 -										
Vote 12 -										
Vote 13 -										
Vote 14 -										
Vote 15 -										
Total Capital Multi-year expenditure	4,7									
Single Year expenditure appropriation	2									
Vote 1 - MAYOR AND MM										
Vote 2 - CORPORATE SERVICES			2,000				500	(500)	-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	3		306,529		20,714	42,595	76,632	(34,038)	-44%	306,529
Vote 7 -										
Vote 8 -										
Vote 9 -										
Vote 10 -										
Vote 11 -										
Vote 12 -										
Vote 13 -										
Vote 14 -										
Vote 15 -										
Total Capital single-year expenditure	4	0	308,529		20,714	42,595	77,132	(34,538)	-45%	308,529
Total Capital Expenditure	8		308,529		20,714	42,595	77,132	(34,538)	-45%	308,529
Capital Expenditure - Functional Classification										
Governance and administration			2,000				500	(500)	-100%	2,000
Executive and council										
Finance and administration			2,000				500	(500)	-100%	2,000
Internal audit										
Community and public safety										
Community and social services										
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services										
Planning and development										
Road transport										
Environmental protection										
Trading services	3		306,529		20,714	42,595	76,632	(34,038)	-44%	306,529
Energy sources										
Water management	0		306,529		20,714	42,595	76,632	(34,038)	-44%	306,529
Waste water management	0									
Waste management										
Other										
Total Capital Expenditure - Functional Classification	3	0	308,529		20,714	42,595	77,132	(34,538)	-45%	308,529
Funded by:										
National Government		0	291,529		20,253	42,067	72,802	(30,815)	-42%	291,529
Provincial Government										
District Municipality										
Transfers and subsidies - capital (monetary allocations) (Dist / Prov Deparm Agencies)										
Transfers recognised - capital		0	291,529		20,253	42,067	72,802	(30,815)	-42%	291,529
Borrowing	6									
Internally generated funds			17,000				4,290	(4,290)	-100%	17,000
Total Capital Funding	6	0	308,529		20,253	42,067	77,132	(35,045)	-45%	308,529

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

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

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - September

Description	Ref	2022/23	Budget Year 2023/24							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		798,363	691,476	-	1,400	266,385	172,889	93,516	54%	691,476
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		798,363	691,476	-	1,400	266,385	172,889	93,516	54%	691,476
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		42	60	-	-	-	15	(15)	-100%	60
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health	42	-	60	-	-	-	15	(15)	-100%	60
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		453,327	630,984	-	42,540	38,352	157,746	(69,394)	-44%	630,984
Energy sources		-	-	-	-	-	-	-	-	-
Water management		453,327	630,984	-	42,540	38,352	157,746	(69,394)	-44%	630,984
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,251,732	1,322,520	-	43,939	354,737	330,630	24,107	7%	1,322,520
Expenditure - Functional										
<i>Governance and administration</i>		550,178	430,819	-	25,581	50,448	107,505	(57,064)	-53%	430,819
Executive and council		60,748	51,120	-	4,034	10,310	12,780	(2,470)	-19%	51,120
Finance and administration		499,428	378,898	-	21,547	40,131	94,725	(64,594)	-58%	378,898
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		52,638	58,078	-	4,409	12,224	14,519	(2,295)	-16%	58,078
Community and social services		13,103	7,773	-	1,304	3,433	1,843	1,495	77%	7,773
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		39,535	50,305	-	3,105	8,795	12,575	(3,790)	-30%	50,305
<i>Economic and environmental services</i>		17,091	26,084	-	1,172	3,438	6,521	(3,083)	-47%	26,084
Planning and development		17,091	26,084	-	1,172	3,438	6,521	(3,083)	-47%	26,084
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		578,781	453,052	-	44,552	90,617	113,203	(22,545)	-20%	453,052
Energy sources		-	-	-	-	-	-	-	-	-
Water management		578,781	453,052	-	44,552	90,617	113,203	(22,545)	-20%	453,052
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1,198,687	967,232	-	75,714	156,720	241,008	(85,088)	-35%	967,232
Surplus/ (Deficit) for the year		53,045	355,288	-	(31,774)	198,017	88,622	109,195	123%	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) - M03 - September										
Vote Description	Ref	2022/23		Budget Year 2023/24						
		AudRed	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote										
Vote 1 - MAYOR AND MM	1	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		58	-	-	-	78	-	78	#DIV/0!	-
Vote 3 - BUDGET AND TREASURY		798,264	691,476	-	1,400	266,307	172,669	83,436	54.1%	661,476
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WSA& HEALTH SERVICES		42	60	-	-	-	15	(15)	-100.0%	60
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		453,327	630,984	-	42,540	88,352	157,746	(69,394)	-44.0%	630,984
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,251,732	1,322,520	-	43,939	354,737	330,690	24,187	7.3%	1,322,520
Expenditure by Vote										
Vote 1 - MAYOR AND MM	1	50,748	51,120	-	4,034	10,310	12,780	(2,470)	-19.3%	51,200
Vote 2 - CORPORATE SERVICES		127,431	136,003	-	6,063	14,892	33,751	(18,859)	-56.9%	136,003
Vote 3 - BUDGET AND TREASURY		371,997	242,304	-	15,484	26,239	60,578	(35,337)	-68.3%	242,304
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		30,194	33,667	-	2,476	6,876	8,464	(1,588)	-16.8%	33,667
Vote 5 - WSA& HEALTH SERVICES		38,535	51,896	-	3,106	8,786	12,974	(4,188)	-32.3%	51,896
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		578,781	453,052	-	44,552	90,617	113,263	(22,646)	-20.0%	453,052
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,198,687	967,232	-	75,714	156,720	241,898	(85,088)	-35.2%	967,232
Surplus/ (Deficit) for the year	2	53,045	355,288	-	(31,774)	198,017	88,822	109,195	122.9%	355,288

Part 2 – Supporting Documentation

Table SC3 Debtors age analysis

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 - September

Description	NT Code	Budget Year 2023/24								Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr		
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	23,235	19,464	15,975	19,732	19,304	19,177	19,665	778,123	903,447	843,782
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	1,380	1,093	943	908	793	768	48,222	54,957	48,636
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Asset Debit Accounts	1810	6,172	6,248	9,373	8,990	5,969	5,674	5,371	247,190	267,916	268,810
Receivable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	191	249	72	52	86	137	100	14,758	15,709	16,316
Total By Income Source	2000	31,845	27,340	24,915	29,641	22,780	22,882	21,715	1,084,403	1,261,848	1,178,249
2022/23 - totals only		30,631	34,886	22,995	22,192	24,903	20,007	19,779	703,507	809,000	786,478
Debtors Age Analysis By Customer Group											
Organs of State	2200	2,827	2,848	1,737	2,982	1,807	1,499	1,057	47,389	53,076	54,964
Commercial	2300	5,547	2,969	1,897	3,280	1,340	1,448	1,270	61,392	79,376	66,545
Households	2400	23,170	21,703	20,381	25,614	19,575	19,743	18,563	976,125	1,120,154	1,054,339
Other	2500	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	31,545	27,540	24,915	29,841	22,780	22,682	21,715	1,084,403	1,261,848	1,178,249

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

Top 10 Debtors

TOP 10 DEBTORS 30 September 2024	
ACCOUNT HOLDER	TOTAL
ALFRED DUMA LOCAL MUNICIPALITY STEADVILLE HOST	10,856,212.10
YENDE E N	7,877,100.86
LIEBENBERG LC	5,471,049.37
ZANELISENI GARDEN	3,508,751.28
ALFRED DUMA LOCAL MUNICIPALITY NURSERY	2,879,233.77
ALFRED DUMA LOCAL MUNICIPALITY SWIMMING POOL	2,514,146.34
UTHUKELA DISTRICT MUNICIPALITY	2,413,399.57
MADUNA D/P 781 GZ	2,223,377.40
NTOKOZWENI COMMUNITY LAND TRUS	2,118,741.45
NORTHERN NATAL ABBATTOIR	1,924,899.58
	41,786,911.72

Bank Balance

Bank Balances				
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
	58,010,023.35	7,082,271.19	10,671,432.65	0.00
Total cash held	10,671,432.65			

Collection rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 SEPTEMBER 2024				
MONTH	BILLING	MONTHS	RECIEPTS	RECOVERY RATE %
June 2024	35,297,566.92	July 2024	9,454,483.35	26.79%
July 2024	28,855,142.74	Aug 2024	12,880,102.19	44.64%
August 2024	30,683,291.09	September 2024	10,624,899.94	34.63%
TOTAL	94,836,000.75		32,959,485.48	35%
TOTALS				
BILLING - JUNE - SEPT 2024		94,836,000.75		
RECIEPTS - JUNE - SEPT 2024		32,959,485.48		
DIFFERENCE		61,876,515.27	35%	

Table SC5 Investment portfolio

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
R thousands					
Municipality					
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
					-
					-
TOTAL INVESTMENTS AND INTEREST	116,832	684	(60,398)	15,509	72,626

The Municipality held investments of R72 million at the end of September 2024

Table SC4 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2024/25								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	5,758	7,790	16,467	4,098	392,675				426,789
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	5,758	7,790	16,467	4,098	392,675	-	-	-	426,789

Top 10 Creditors

TOP TEN CREDITORS ANALYSIS AS AT 20 SEPTEMBER 2024

SUPPLIER	AMOUNT
UMNGENI WATER	172,500,860.50
DEPARTMENT OF WATER AND SANITATION	91,376,580.77
INKOSI LANGALIBALELE	60,051,605.75
ALFRED DUMA	49,193,097.02
ZNMS TRADIND CC	10,229,037.50
SALGA	6,036,241.35
GOING PLACES	4,891,028.00
LUNASISI IDEAS	2,526,546.09
ILIFA LETHU	2,089,860.50
MGAZI ENGINEERING	2,070,287.62

Grant Performance:


UTHUKELA DISTRICT MUNICIPALITY GRANT REGISTER - 2024/25 Summary of Grants received, expenditure & Funds available as at 30 SEPTEMBER 2024							
			Audited Balance as at	Budget Amount 2024/25	Received	Spent & transferred to income	Closing Balance/ Unspent
	Name of Grant owner	Grant Type	01/07/2024		2024/25	2024/25	% Spent on received amount 2024/25
G3.101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	191,529,000.00	64,214,000.00	56,575,211.55	88% 7,638,788.45
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100,000,000.00	30,000,000.00	29,371,309.66	98% 628,690.34
G3.105	EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	99,112.92	2,792,000.00	1,954,000.00	0.00	0% 2,053,112.92
G3.106	EX Mthembu	EPWP INTERGRATED GRANT	0.00	1,585,000.00	422,000.00	122,448.96	29% 299,551.04
G3.107	BB Sithole	FINANCE MANAGEMENT GRANT	0.00	2,000,000.00	2,000,000.00	207,750.60	10% 1,792,249.40
G3.108	O Mnguni	LG SETA	0.00	0.00	147,599.02	103,416.00	70% 44,183.02
			99,112.92	298,006,000.00	98,737,599.02	86,380,136.77	87% 12,456,575.17

FINANCIAL RATIOS


Financial Ratio	SEPTEMBER 2024	COMMENTS ON RATIOS
Capital Expenditure to Total Expenditure (10%-20%)	<p>Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100</p> $42\,595 / (156\,720 + 42\,595)$ $= 21\,881 / 102\,887$ $= 21.4$	<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 of 21.4% as at the 30 September 2024 which is above with 0.1% compared to last month ratio and that brings the level of capital expenditure higher than the acceptable range by 1.4%</p> <p>The norm range is between 10% and 20%</p>
Cash Coverage Ratio	<p>((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)</p> $(10\,671\,433 - 12\,456\,575 - 0 + 72\,626\,464) / 82\,628\,000$ $= 10 \text{ Months}$	<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 10 months for September 2024 which brings a positive impact that the municipality does not rely on conditional grants to pay for it expenses.</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>(321 093 – 156 720)/ 321 093 x100 = 51%</p>	<p>Net Operating Surplus Margin Ratio assesses the extent to which the Municipality generates Operating Surpluses</p> <p>The Municipality Ratio is 51% greater than 0%</p> <p>Norm 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>
Creditors Payment Period > 30 days (= 0)	<p>Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365</p> <p>413 240 / 426 789 x 365 = 353 days</p>	<p>Trade Creditors</p> <p>This ratio indicates the average numbers of days taken for Trade Creditors to be paid</p> <p>The municipality ratio is 353 days it takes to pay it creditors</p> <p>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</p>

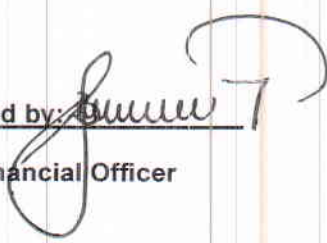
		required to provide further explanations in this regard
Remuneration (Employee Related Costs and Councillors Remuneration) as % of Total Operating Expenditure)	<p>Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x 100</p> <p>$(363\,137 + 6155) / 967\,232 = 38\%$</p>	<p>The ratio measures the extent of Remuneration to Total Operating Expenditure</p> <p>The Municipality Rate for employee related cost is 38% within the acceptable norm</p> <p>The norm range between 25% and 40%</p>
Contracted Services % of Total Operating Expenditure	<p>Contracted Services / Total Operating Expenditure x 100</p> <p>$21\,009 / 156\,720 \times 100 = 13\%$</p>	<p>Contracted Services</p> <p>This ratio measures the extent to which the municipalities resources are committed towards contracted services to perform Municipal related functions.</p> <p>The municipality ratio for contracted services is 13% which is above acceptable norm.</p> <p>The norm range between 2% and 5%</p>

Prepared by: 

Budget Officer

Reviewed by: 

Accountant Budget

Approved by: 

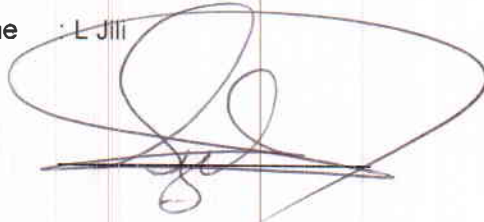
Chief Financial Officer

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 September 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, appearing to be 'L Jili', written over a horizontal line. The signature is stylized with loops and a long horizontal stroke.

Date : 10 October 2024