



UTHUKELA

**UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY**

**SECTION 71 REPORT
DECEMBER 2024**

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 December 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) - M06 - December

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										
Revenue										
Exchange Revenue		-	-	-	-	-	-	-	-	-
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		267,541	316,389	-	14,733	84,184	158,194	(74,011)	-47%	316,389
Service charges - Waste Water Management		17,928	18,189	-	1,586	9,573	9,095	479	5%	18,189
Service charges - Waste management		-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		838	632	-	28	254	316	(62)	-20%	632
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		64,901	64,635	-	8,287	34,158	32,267	1,891	8%	64,635
Interest from Current and Non Current Assets		8,557	10,482	-	37	3,084	5,241	(2,157)	-41%	10,482
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		275	203	-	-	7,973	102	7,872	7742%	203
Non-Exchange Revenue										
Property rates		-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		125	60	-	17	365	30	335	1116%	60
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		586,406	620,501	-	236,558	496,056	310,251	185,806	60%	620,501
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		6,832	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		8,000	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		960,403	1,030,991	-	258,246	635,648	515,495	120,152	23%	1,030,991
Expenditure By Type										
Employee related costs		361,224	363,137	-	47,179	221,520	181,568	39,951	22%	363,137
Remuneration of councillors		6,154	6,155	-	495	3,022	3,078	(55)	-2%	6,155
Buy purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		97,299	51,060	-	3,419	14,899	25,530	(10,631)	-42%	51,060
Debt impairment		237,174	164,658	-	-	-	82,329	(82,329)	-100%	164,658
Depreciation and amortisation		86,484	73,910	-	7,093	42,209	36,955	5,254	14%	73,910
Interest		16,352	-	-	161	184	-	184	N/DIV/0	-
Contracted services		175,330	171,931	-	15,889	45,839	85,965	(40,127)	-47%	171,931
Transfers and subsidies		3,285	5,830	-	-	-	2,915	(2,915)	-100%	5,830
Irrecoverable debts written off		3,124	-	-	-	-	-	-	-	-
Operational costs		212,504	130,551	-	11,308	32,906	65,276	(32,370)	-50%	130,551
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		1,198,929	967,232	-	85,545	360,578	483,616	(123,037)	-25%	967,232
Surplus/(Deficit)		(238,526)	83,759	-	172,701	275,069	31,880	243,196	783%	83,759
Transfers and subsidies - capital (monetary allocations)		291,328	291,529	-	46,993	46,993	145,764	(98,772)	-68%	291,529
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		52,802	355,288	-	219,694	322,062	177,644			355,288
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		52,802	355,288	-	219,694	322,062	177,644			355,288
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		52,802	355,288	-	219,694	322,062	177,644			355,288
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intracompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		52,802	355,288	-	219,694	322,062	177,644			355,288

Operating Revenue:

Operating revenue recognised for the period ended December 2024 amounts to R635 million. The municipality had estimated R515 million.

WATER AND SANITATION SALES:

The combined Water and Sanitation Sales income recognised is 42% below what is originally anticipated. The revenue billed for the month of December 2024 is a combined amount of R15 million.

INTEREST EARNED FROM RECEIVABLES:

The interest on consumer accounts has yielded 6% positive variance, this is an indication of an improvement in the revenue collected. The amount received for December 2024 is R6 million.

FINES AND PENALTIES

The municipality received R17 thousands from fines and penalties for the month of December 2024.

Operating Expenditure:

The total operating expenditure recognised for the period December 2024 amounts to R85 million, a negative of 25% variance.

EMPLOYEE RELATED COSTS AND REMUNERATION OF COUNCILLORS:

Employee related cost incurred for December 2024 shows R47 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 December 2024 is R15 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 December amounts to R11 million.

Table C5 – Monthly Budget Statements – Capital Expenditure

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - December

Vote Description	Ref	2023/24		Budget Year 2024/25						
		Audited	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	-	39	39	1,000	(961)	-96%	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	308,529	-	8,259	115,365	153,265	(37,900)	-25%	308,529
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	-	8,297	115,403	154,265	(38,861)	-25%	308,529
Total Capital Expenditure		0	308,529	-	8,297	115,403	154,265	(38,861)	-25%	308,529
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		-	2,000	-	39	39	1,000	(561)	-96%	2,000
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	2,000	-	39	39	1,000	(961)	-96%	2,000
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		0	308,529	-	8,259	115,365	153,265	(37,900)	-25%	308,529
Energy sources		-	-	-	-	-	-	-	-	-
Water management		0	308,529	-	8,259	115,365	153,265	(37,900)	-25%	308,529
Waste water management		0	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	0	308,529	-	8,297	115,403	154,265	(38,861)	-25%	308,529
Funded by:										
National Government		0	291,529	-	8,259	114,837	145,765	(30,928)	-21%	291,529
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov/ Deparm Agencies)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		0	291,529	-	8,259	114,837	145,765	(30,928)	-21%	291,529
Borrowing	0	-	-	-	-	-	-	-	-	-
Internally generated funds		-	17,000	-	39	39	8,500	(8,461)	-100%	17,000
Total Capital Funding		0	308,529	-	8,297	114,876	154,265	(39,389)	-26%	308,529

References:

- As depicted above capital expenditure amounting to R8 million recorded at the month of December 2024.

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

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 - December

Description	Ref	2023/24		Budget Year 2024/25						
		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	-	154,317	425,926	345,738	80,189	23%	691,476
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		798,363	691,476	-	154,317	425,926	345,738	80,189	23%	691,476
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		42	60	-	17	27	30	(3)	-10%	60
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		42	60	-	17	27	30	(3)	-10%	60
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		453,327	630,984	-	150,905	256,687	315,492	(58,805)	-19%	630,984
Energy sources		-	-	-	-	-	-	-	-	-
Water management		453,327	630,984	-	150,905	256,687	315,492	(58,805)	-19%	630,984
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,251,732	1,322,520	-	305,238	682,640	661,260	21,380	3%	1,322,520
Expenditure - Functional										
<i>Governance and administration</i>		550,419	430,019	-	25,951	110,268	215,009	(104,741)	-49%	430,019
Executive and council		50,748	51,120	-	5,450	23,489	25,560	(2,061)	-8%	51,120
Finance and administration		499,671	378,898	-	20,501	86,769	189,449	(102,680)	-54%	378,898
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		52,638	58,078	-	6,130	28,817	28,039	(422)	-1%	58,078
Community and social services		13,103	7,773	-	1,734	7,869	3,887	3,983	102%	7,773
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		39,535	50,305	-	4,396	20,748	25,152	(4,405)	-18%	50,305
<i>Economic and environmental services</i>		17,091	26,084	-	2,183	8,934	13,042	(4,108)	-31%	26,084
Planning and development		17,091	26,084	-	2,183	8,934	13,042	(4,108)	-31%	26,084
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		578,781	453,052	-	51,281	212,759	226,526	(13,766)	-6%	453,052
Energy sources		-	-	-	-	-	-	-	-	-
Water management		578,781	453,052	-	51,281	212,759	226,526	(13,766)	-6%	453,052
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1,198,929	967,232	-	85,545	360,578	483,616	(123,037)	-25%	967,232
Surplus/ (Deficit) for the year		52,802	355,288	-	219,694	322,062	177,644	144,418	81%	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) - M06 - December

Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited	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		98	-	-	-	78	-	78	N/A	-
Vote 3 - BUDGET AND TREASURY		798,264	691,476	-	154,317	425,848	345,738	80,110	23.2%	691,476
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WSA& HEALTH SERVICES		42	60	-	17	27	30	(3)	-10.3%	60
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		453,327	630,984	-	150,905	256,687	315,492	(58,805)	-18.6%	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	-	305,238	682,640	661,260	21,380	3.2%	1,322,520
Expenditure by Vote										
Vote 1 - MAYOR AND MM	1	50,748	51,120	-	5,450	23,499	25,560	(2,061)	-8.1%	51,120
Vote 2 - CORPORATE SERVICES		141,115	135,003	-	9,332	36,642	67,501	(30,860)	-45.7%	135,003
Vote 3 - BUDGET AND TREASURY		358,556	242,304	-	11,169	50,127	121,152	(71,025)	-58.6%	242,304
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		30,194	33,857	-	3,917	16,804	16,928	(125)	-0.7%	33,857
Vote 5 - WSA& HEALTH SERVICES		39,535	51,896	-	4,396	20,748	25,948	(5,200)	-20.0%	51,896
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		578,781	453,052	-	51,281	212,759	226,528	(13,766)	-6.1%	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	1,198,929	967,232	-	85,545	360,578	483,618	(123,037)	-25.4%	967,232
Surplus/ (Deficit) for the year	2	52,802	355,288	-	219,694	322,062	177,644	144,418	81.3%	355,288

Part 2 – Supporting Documentation

Table SC3 Debtors age analysis

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - December

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											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	20,684	18,571	17,629	15,547	15,556	15,281	18,321	809,807	931,196	874,312
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1600	1,874	1,498	1,188	1,236	933	948	865	47,669	56,188	51,800
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	6,313	6,498	6,116	6,017	6,141	5,780	5,808	260,960	303,533	284,606
Recoverable unauthorised, irregular, frustess and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	45	102	56	163	221	68	88	14,628	15,361	15,157
Total By Income Source	2000	28,916	26,669	24,988	22,963	22,851	22,835	25,872	1,132,754	1,306,249	1,225,875
2023/24 - totals only		38,562	28,085	21,447	22,045	22,452	21,845	21,018	750,842	924,296	838,261
Debtors Age Analysis By Customer Group											
Organs of State	2200	3,068	1,763	905	1,053	1,425	968	1,960	49,675	60,752	55,018
Commercial	2300	4,167	3,528	3,458	1,568	906	1,170	3,026	58,214	78,039	84,884
Household	2400	21,681	21,379	20,624	20,342	20,623	19,862	20,086	1,024,865	1,169,454	1,106,775
Other	2500	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	29,916	26,669	24,988	22,963	22,851	22,835	25,872	1,132,754	1,306,249	1,225,875

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

Top 10 Debtors

TOP 10 DEBTORS AS AT 31 DECEMBER 2024

ACCOUNT HOLDER NAME	OUTSTANDING TOTAL BALANCE
ALFRED DUMA LOCAL MUNICIPALITY	40,474,465.10
YENDE E N	8,028,540.04
LIEBENBERG LC	5,687,853.48
NTOKOZWENI COMMUNITY LAND TRUS	3,576,406.53
MADUNA D/P 781 GZ	2,268,785.52
NORTHERN NATAL ABBATTOIR	2,201,637.92
THE I&SGHADIA FAMILY TRUST	2,167,878.07
GANGAT E.M	1,600,885.03
MCITSHENI PRIMARY SCHOOL	1,585,719.62
COLLEGE OF EDUCATION A SECTION	1,557,160.84

Bank Balance

Bank Balances				
The following reflects bank balances at 31 December 2024				
DESCRIPTION	SEPT 2024	OCT 2024	NOV 2024	DEC 2024
FNB MAIN ACCOUNT 62252306280	10,671,432.65	19,342,482.87	5,351,493.88	2,166,356.68
FNB WATER ACCOUNT 62253072385	0	0	0	0
	10,671,432.65	19,342,482.87	5,351,493.88	2,166,356.68
Total cash held	2,166,356.68			

Collection rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 DECEMBER 2024				
MONTH	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	12,880,102.19	44.64%
August 2024	30,683,291.09	September 2024	10,624,899.94	34.63%
September 2024	27,208,969.97	October 2024	14,734,306.68	54.15%
October 2024	28,513,577.62	November 2024	15,905,218.44	55.78%
November 2024	29,244,759.07	November 2024	9,633,647.30	32.94%
TOTAL	179,803,307.41		73,232,657.90	41%
TOTALS				
BILLING - JUNE - DEC 2024		179,803,307.41		
RECIPTS - JUNE - DEC 2024		73,232,657.90		
DIFFERENCE		106,570,649.51		41%

Table SC5 Investment portfolio

DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M06 December

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	455	2		-	458
NEDBANK	8	0		-	8
ABSA	6	0		-	6
STANDARD BANK	100,000	341	(40,000)	-	60,341
					-
					-
TOTAL INVESTMENTS AND INTEREST	100,470	343	(40,000)	-	60,813

The Municipality held investments of R60 million at the end of December 2024

Table SC4 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

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 Year	Over 1 Year	Total
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	8,873	19,518	7,690	18,340	125,056				179,477
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	8,873	19,518	7,690	18,340	125,056	-	-	-	179,477

Top 10 Creditors

TOP TEN CREDITORS ANALYSIS AS AT 31 DECEMBER 2024

SUPPLIER	AMOUNT
UMNGENI WATER	157,900,860.50
DWS	133,286,172.03
INKOSI LANGALIBALELE	64,232,588.63
ALFRED DUMA	58,578,000.26
RASP CONSULTING	13,456,525.50
ZNMS TRADIND CC	9,436,687.50
SALGA	6,036,241.35
GOING PLACES	5,402,178.00
LUNASISI IDEAS	3,876,487.96
MGAZI ENGINEERING	2,452,863.53

Grant Performance:

UTHUKELA DISTRICT MUNICIPALITY
GRANT REGISTER - 2024/25
Summary of Grants received, expenditure & Funds available as at 31 DECEMBER 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 Mithembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	191,529,000.00	136,071,000.00	80,118,512.32	59%	55,952,487.68
G3.102	EX Mithembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100,000,000.00	50,000,000.00	46,992,675.86	94%	3,007,324.14
G3.105	EX Mithembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	99,112.92	2,792,000.00	1,954,000.00	600,552.80	29%	1,452,560.12
G3.106	EX Mithembu	EPWP INTERGRATED GRANT	0.00	1,685,000.00	1,180,000.00	567,446.40	48%	612,553.60
G3.107	BB Sithole	FINANCE MANAGEMENT GRANT	0.00	2,000,000.00	2,000,000.00	661,613.98	33%	1,338,386.02
G3.108	O Mnguni	LG SETA	0.00	0.00	245,907.92	103,416.00	42%	142,491.92
			99,112.92	298,008,000.00	191,450,907.92	129,944,217.36	67%	62,505,803.49

FINANCIAL RATIOS

FINANCIAL RATIO	DECEMBER 2025	COMMENTS ON RATIOS
Capital Expenditure to Total Expenditure (10%-20%)	<p>Total Capital Expenditure / Total Expenditure (Total Operating Expenditure + Capital Expenditure) × 100</p> $\frac{8\,297}{(85\,545 + 8\,297)} = \frac{8\,297}{93\,842} = 8.8\%$	<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 ratio of 8.8%. as shown on the calculation is below the acceptable norm, which confirm that for the month of December 2024 the prioritization on capital expenditure has decreased drastically compare to the month of November 2024. 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> $\frac{(2\,166\,356.68 - 62\,505\,803.49 - 0 + 60\,807\,779.93)}{92\,638\,000} = 0 \text{ Months}$	<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 0 months. As it can be witnessed from the declining cash and cash equivalent , these are signs of a municipality in financial crisis, it will not be able to meet at least it monthly fixed operating commitments from cash and short term investments without collecting additional revenue during the month.</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>

		The Norm Range is between 1 Month to 3 Months
Net Operating Surplus Margin	<p>(Total Operating Revenue – Total Operating Expenditure)/ Total Operating Revenue x 100%</p> <p>(635 648 – 360 578)/ 635 648 x100 = 43.3%</p>	<p>Net Operating Surplus Margin Net profit margin, or simply net margin, measures how much net income or profit a municipality generates as a percentage of its revenue.</p> <p>Based on the re-calculation's municipality ratios is 43.3% for the month of November</p>
Creditors Payment Period > 30 days (= 0)	<p>Trade Creditors Outstanding / Credit Purchases (Operating and Capital) × 365</p> <p>179 477 / 151 086 x 365 = 433 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 433 days it takes to pay it creditors</p> <p>Due to liquidity challenges, it is evident that the municipality is struggling to pay its creditors within the legislated time frame (within 30 days). The municipality should improve in managing working capital and cash flow to honour their financial obligation when due</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</p> <p>(316 389 + 18 189) / 960 403 = 35%</p>	<p>The ratio measures the extent of Remuneration to Total Operating Expenditure</p> <p>Employee related costs and councillors' remuneration ratio amount to 35% of the total operating expenditure, which is within the MFMA circular 71 recommended norm of 25% - 40%</p>
<p>Contracted Services % of Total Operating Expenditure</p>	<p>Contracted Services / Total Operating Expenditure x 100</p> <p>45 839 / 360 578 X100 = 12.7%</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 12.7% which is higher than the acceptable norm of 2% and 5%</p> <p>The norm range between 2% and 5%</p>

Prepared by:



Budget Officer

Reviewed by:



Accountant Budget

Approved by:



Chief Financial Officer

