

UTHUKELA

**UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY**

2024/25 Q2

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 2024/2025 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 2024

The following annexure are attached to this item:

Annexure A – S71 for the month ending 31 December 2024

SUMMARY OF FINANCIAL PERFORMANCE

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

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	316,385	-	14,733	84,184	158,194	(74,011)	-47%	316,385
Service charges - Waste Water Management		17,928	18,189	-	1,585	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		64,501	64,535	-	8,287	34,158	32,267	1,891	6%	64,535
Interest from Current and Non-Current Assets		2,557	10,482	-	37	3,084	5,241	(2,157)	-41%	10,482
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rent from Fixed Assets		-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		275	203	-	-	7,673	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		586,438	620,501	-	235,558	498,056	310,251	186,806	50%	620,501
Interest:		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of assets		5,232	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		5,000	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		960,403	1,030,991	-	258,246	635,648	515,495	120,152	23%	1,030,991

Operating revenue recognised for the period July 2024 to December 2024 amounts to R635 million resulting in a 23% positive variance from the R515 million which was anticipated.

This variance has been attributed to the following:

WATER & SANITATION SALES:

Water Sales income recognised is 47% below what is originally anticipated, sanitation sales income recognised is 5% above what was originally anticipated.

INTEREST EARNED FROM RECEIVABLES:

This line item has yielded 6% positive variance, the interest billed on consumer accounts has been slightly above projections for the 2nd Quarter of 2024/25 financial year.

INTEREST FROM INVESTMENTS:

This line item has a NEGATIVE variance of 41%.

UTHUKELA DISTRICT MUNICIPALITY | 2024

ANALYSIS OF OPERATING EXPENDITURE (JULY 2024 – DECEMBER 2024)

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										
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	(56)	-2%	6,155
Bulk 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		85,484	73,910	-	7,393	42,209	36,955	5,254	14%	73,910
Interest		15,352	-	-	161	184	-	184	#DIV/0!	-
Contracted services		175,330	171,931	-	15,889	45,839	65,965	(40,127)	-47%	171,931
Transfers and subsidies		3,285	5,832	-	-	-	2,915	(2,915)	-100%	5,832
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

The total operating expenditure of the municipality for the financial year is R360 million a - 25% negative variance from the R 483 million which was anticipated.

EMPLOYEE RELATED COSTS:

Employee related cost incurred is 22% above what was expected in the 2nd 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 42% in the 2nd 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 2024

SUMMARY OF CAPITAL PROJECT IMPLEMENTATION

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 Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	191,529,000.00	136,071,000.00	64%	48,573,479.98
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100,000,000.00	50,000,000.00	94%	3,007,324.14

The municipality has received a total of R186 million for capital grants and has spent a total of R134 million at the end of December 2024

STATEMENT OF FINANCIAL POSITION

DC23 Uthukela - Table C6 Monthly Budget Statement - Financial Position - M06 - December

Description	Ref	2023/24		Budget Year 2024/25		
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands						
ASSETS						
Current assets						
Cash and cash equivalents		5,810	(107,356)	--	154,313	(107,356)
Trade and other receivables from exchange transactions		58,858	73,257	--	133,666	73,257
Receivables from non-exchange transactions		79	7,102	--	79	7,132
Current portion of non-current receivables		10,695	--	--	10,695	--
Inventory		18,081	5,207	--	19,738	5,207
VAT		231,159	43,337	--	182,973	43,337
Other current assets		4,575	48,332	--	4,109	48,332
Total current assets		329,258	69,879	--	505,572	69,879
Non current assets						
Investments		--	--	--	--	--
Investment property		--	--	--	--	--
Property, plant and equipment		3,400,395	2,620,048	--	3,478,254	2,620,048
Biological assets		--	--	--	--	--
Living and non-living resources		--	--	--	--	--
Heritage assets		--	--	--	--	--
Intangible assets		5,163	--	--	5,154	--
Trade and other receivables from exchange transactions		--	--	--	--	--
Non-current receivables from non-exchange transactions		--	--	--	--	--
Other non-current assets		--	--	--	--	--
Total non current assets		3,405,558	2,620,048	--	3,483,408	2,620,048
TOTAL ASSETS		3,734,816	2,689,928	--	3,988,981	2,689,928
LIABILITIES						
Current liabilities						
Bank overdraft		--	--	--	--	--
Financial liabilities		2,416	--	--	2,416	--
Consumer deposits		20,029	20,735	--	20,461	20,735
Trade and other payables from exchange transactions		696,797	479,154	--	628,022	479,154
Trade and other payables from non-exchange transactions		(19,455)	10,431	--	42,951	10,431
Provision		26,917	50,117	--	35,252	50,117
VAT		301,592	58,116	--	272,187	58,116
Other current liabilities		8,336	11,337	--	--	11,337
Total current liabilities		1,038,831	629,890	--	1,001,269	629,890
Non current liabilities						
Financial liabilities		--	--	--	--	--
Provision		18,116	35,360	--	18,116	35,360
Long term portion of trade payables		--	--	--	--	--
Other non-current liabilities		22,660	--	--	22,660	--
Total non current liabilities		40,776	35,360	--	40,776	35,360
TOTAL LIABILITIES		1,079,607	665,249	--	1,042,046	665,249
NET ASSETS		2,655,209	2,024,679	--	2,946,935	2,024,679
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,655,209	2,024,679	--	2,946,935	2,024,679
Reserves and funds		--	--	--	--	--
Other		--	--	--	--	--
TOTAL COMMUNITY WEALTH/EQUITY		2,655,209	2,024,679	--	2,946,935	2,024,679

UTHUKELA DISRTICT MUNICIPALITY 2024

CASH FLOW STATEMENT:

DC23 Uthukela - Table C7 Monthly Budget Statement - Cash Flow - M06 - December

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
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		125 921	129 153	-	8 697	64 231	64 576	(345)	-1%	129 153
Other revenue		26 473	69 352	-	516	7 088	34 686	(27 608)	-39%	69 352
Transfers and Subsidies - Operational		579 544	620 501	-	153 524	412 547	310 251	102 297	33%	620 501
Transfers and Subsidies - Capital		281 538	291 529	-	45 291	236 071	145 764	63 307	41%	291 529
Interest		9 124	10 482	-	37	3 744	5 241	(1 496)	-29%	10 482
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Supplies and employees		(285 036)	(846 752)	-	(13 388)	(55 955)	(423 376)	367 420	-87%	(846 752)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	(5 830)	-	-	-	(2 915)	2 915	-100%	(5 830)
NET CASH FROM/(USED) OPERATING ACTIVITIES		756 563	268 474	-	194 677	637 725	534 237	(503 488)	-37%	268 474
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(222 994)	(308 529)	-	(546)	(113 573)	(154 265)	49 692	-26%	(308 529)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(222 994)	(308 529)	-	(546)	(113 573)	(154 265)	(40 692)	26%	(308 529)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short-term loans		-	-	-	-	-	-	-	-	-
Borrowing (rep) term/financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		1 467	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 467	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		981 024	(40 055)	-	194 131	524 153	(20 027)	-	-	(40 055)
Cash/ bank equivalents at beginning		13 689	(67 302)	-	-	5 810	(67 302)	-	-	5 810
Cash/ bank equivalents at month/year end		954 713	(107 356)	-	194 131	529 963	(87 329)	-	-	(40 245)

ANALYSIS OF OUTSTANDING DEBTORS:

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

Description	M/E Code	Budget Year 2024/25									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	22 684	19 571	17 829	15 547	15 396	19 281	18 321	809 601	621 196	270 352	
Trade and Other Receivables from Exchange Transactions - Electricity	1230	-	-	-	-	-	-	-	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	1430	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	1 874	1 438	1 188	1 236	537	941	885	47 058	59 103	51 000	
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rates Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	(6 313)	5 498	6 115	6 017	8 141	9 780	5 808	250 860	352 521	288 626	
Recoverable unauthorised irregular buses and waste expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	45	102	58	180	221	58	83	14 628	15 351	15 147	
Total By Income Source	2000	28 916	26 669	24 988	22 963	22 851	22 835	25 872	1 132 754	1 386 249	1 225 815	
2023/24 - to date only		38 562	25 026	21 247	22 046	22 458	21 845	21 018	750 842	559 296	338 261	
Debtors Age Analysis By Customer Group												
Organ of State	2200	2 069	1 761	905	1 082	1 435	603	1 950	49 878	62 752	62 210	
Commercial	2300	4 167	2 528	3 450	1 568	536	1 170	3 022	18 084	72 029	54 854	
Households	2400	21 681	21 378	20 633	21 342	20 890	19 962	23 025	1 024 855	1 193 458	1 102 715	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	28 916	26 669	24 988	22 963	22 851	22 835	25 872	1 132 754	1 386 249	1 225 815	

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

UTHUKELA DISTRICT MUNICIPALITY | 2024

Collection Rate:

The average collection rate stood at 41% at the end of December 2024

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 DECEMBER 2024				
MONTH	BILLING	MONTHS	RECEIPTS	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%

ANALYSIS OF CASH & INVESTMENTS:

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 table above reflects investments as at the end of the 2nd quarter, at the various institutions. The total investments totalled R60 million.

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			

At the end of December 2024 cash on hand was R2 million


UTHUKELA DISTRICT MUNICIPALITY 2024

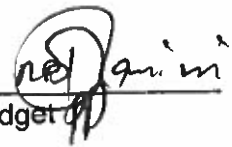
ANALYSIS OF GRANTS RECEIVED AND SPENT:



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

UTHUKELA DISTRICT MUNICIPALITY
GRANT REGISTER - 2024/25
Summary of Grants received, expenditure & Funds available as at 31 DECEMBER 2024

	Name of Grant owner	Grant Type	Audited	Budget Amount	Received	Spent &	% Spent on received amount	Closing Balance
			Balance as at	2024/25		transferred to		Unspent
			01/07/2024		2024/25	2024/25		2024/25
G3 101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	191,529,000.00	136,071,000.00	80,118,512.32	50%	55,952,487.68
G3 102	EX Mthembu	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 Mthembu	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 Mthembu	EPWP INTEGRATED 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	298,006,000.00	191,450,907.92	129,044,217.36	67%	62,505,803.49

Prepared by 
Budget Officer

Reviewed by: 
Accountant : Budget

Approved by: 
Senior Manager Finance


Municipal manager's quality certificate

I **Langelihle Jili**, municipal manager of UThukela District Municipality, hereby certify that the Section 52 and supporting documentation for December 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: 

Date: 09 January 2025