UTHUKELA
UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

SECTION 71 REPORT

MAY 2025

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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 May 2025.

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 C1 - Budgeted Statement Summary

DC23 Uthukela - Table C1 Monthly Budget Statement Summary - M11 - May

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	284 904	334 578	291 842	22 280	208 984	272 508	(63 524)	-23%	291 842
Investment revenue	8 557	10 482	7 007	1 042	5 589	6 828	(1 239)	-18%	7 007
Transfers and subsidies - Operational	586 408	620 501	625 100	–	622 782	573 417	49 364	9%	625 100
Other own revenue	79 965	65 430	73 540	6 842	70 786	66 466	4 320	6%	–
Total Revenue (excluding capital transfers and contributions)	**959 832**	**1 030 991**	**997 490**	**30 165**	**908 141**	**919 220**	**(11 079)**	**-1%**	**997 490**
Employee costs	361 224	363 137	395 959	25 676	367 716	359 133	8 583	2%	395 959
Remuneration of Councillors	6 154	6 155	6 219	508	5 768	5 693	75	1%	6 219
Depreciation and amortisation	86 484	73 910	84 528	7 425	77 092	76 245	847	1%	84 528
Interest	16 352	–	6 456	–	745	5 185	(4 440)	-86%	6 456
Inventory consumed and bulk purchases	97 299	51 060	86 497	2 222	32 824	75 655	(42 831)	-57%	86 497
Transfers and subsidies	3 285	5 830	0	–	–	680	(680)	-100%	0
Other expenditure	628 131	467 140	503 815	28 090	210 876	459 485	(248 610)	-54%	503 815
Total Expenditure	**1 198 929**	**967 232**	**1 083 474**	**63 921**	**695 020**	**982 076**	**(287 056)**	**-29%**	**1 083 474**
Surplus/(Deficit)	**(239 097)**	**63 759**	**(85 984)**	**(33 756)**	**213 121**	**(62 857)**	**275 978**	**-439%**	**(85 984)**
Transfers and subsidies - capital (monetary allocations)	291 328	291 529	288 073	–	188 472	261 768	(75 296)	-29%	286 073
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**52 231**	**355 288**	**200 089**	**(33 756)**	**399 593**	**198 912**	**200 682**	**101%**	**200 089**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**52 231**	**355 288**	**200 089**	**(33 756)**	**399 593**	**198 912**	**200 682**	**101%**	**200 089**
Capital expenditure & funds sources									
Capital expenditure	**0**	**308 529**	**245 427**	**7 195**	**171 127**	**231 110**	**(59 983)**	**-26%**	**245 427**
Capital transfers recognised	0	291 529	248 759	8 249	170 254	232 061	(61 807)	-27%	248 759
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	–	17 000	2 668	(1 054)	35	3 049	(3 014)	-99%	2 668
Total sources of capital funds	**0**	**308 529**	**251 427**	**7 195**	**170 289**	**235 110**	**(64 820)**	**-28%**	**251 427**
Financial position									
Total current assets	328 602	69 879	267 172		525 544				267 172
Total non current assets	3 405 658	2 620 048	3 414 449		3 517 099				3 414 449
Total current liabilities	1 036 546	629 890	935 547		997 676				935 547
Total non current liabilities	40 776	35 360	49 527		40 776				49 527
Community wealth/Equity	2 657 651	2 024 677	2 696 547		3 004 191				2 696 547
Cash flows									
Net cash from (used) operating	756 563	268 474	178 401	(12 041)	883 677	172 543	(711 134)	-412%	178 401
Net cash from (used) investing	222 994	(308 529)	(251 427)	(2 404)	(177 662)	(236 179)	(58 517)	25%	(251 427)
Net cash from (used) financing	1 467	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**994 713**	**(107 356)**	**(67 312)**	–	**711 825**	**(57 920)**	**(769 746)**	**1329%**	**(67 217)**
Debtors & creditors analysis	**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**
Debtors Age Analysis									
Total By Income Source	30 689	30 297	23 543	22 697	23 716	20 528	21 994	1 231 794	1 405 259
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

This is the summary of an overall municipal financial status. This includes the municipal financial performance, the municipal financial position as well as the municipal cash flow.

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

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue - Functional										
Governance and administration		798 363	691 476	626 150	1 063	628 437	581 592	46 845	8%	626 150
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		798 363	691 476	626 150	1 063	628 437	581 592	46 845	8%	626 150
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		42	60	6 947	5	36	4 645	(4 609)	-99%	6 947
Community and social services		–	–	6 900	–	–	4 600	(4 600)	-100%	6 900
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		42	60	47	5	36	45	(9)	-20%	47
Economic and environmental services		–	–	–	–	–	–	–		–
Planning and development		–	–	–	–	–	–	–		–
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		452 755	630 984	650 466	29 097	466 141	594 751	(128 610)	-22%	650 466
Energy sources		–	–	–	–	–	–	–		–
Water management		452 755	630 984	650 466	29 097	466 141	594 751	(128 610)	-22%	650 466
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	1 251 160	1 322 520	1 283 563	30 165	1 094 613	1 180 988	(86 375)	-7%	1 283 563
Expenditure - Functional										
Governance and administration		550 419	430 019	337 888	17 807	189 426	322 468	(133 042)	-41%	337 888
Executive and council		50 748	51 120	51 868	3 747	47 235	48 735	(1 500)	-3%	51 868
Finance and administration		499 671	378 898	286 020	14 060	142 191	273 733	(131 542)	-48%	286 020
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		52 638	58 078	60 987	4 120	46 613	55 762	(9 150)	-16%	60 987
Community and social services		13 103	7 773	20 269	1 031	13 192	17 142	(3 951)	-23%	20 269
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		39 535	50 305	40 718	3 089	33 421	38 620	(5 199)	-13%	40 718
Economic and environmental services		17 091	26 084	15 489	1 209	14 273	15 434	(1 161)	-8%	15 489
Planning and development		17 091	26 084	15 489	1 209	14 273	15 434	(1 161)	-8%	15 489
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		578 781	453 052	669 110	40 784	444 708	588 412	(143 704)	-24%	669 110
Energy sources		–	–	–	–	–	–	–		–
Water management		578 781	453 052	669 110	40 784	444 708	588 412	(143 704)	-24%	669 110
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	1 198 929	987 232	1 083 474	63 921	695 020	982 076	(287 056)	-29%	1 083 474
Surplus/ (Deficit) for the year		52 231	355 288	200 089	(33 756)	399 593	198 912	200 682	101%	200 089

This table reflects the municipal financial performance, classified by functions

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) - M11 - May

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
Revenue by Vote	1									
Vote 1 - MAYOR AND MM		–	–	–	–	–	–	–		–
Vote 2 - CORPORATE SERVICES		99	–	313	–	428	250	178	71.2%	313
Vote 3 - BUDGET AND TREASURY		798 264	691 476	625 837	1 063	628 006	581 342	46 666	8.0%	625 837
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		–	–	–	–	–	–	–		–
Vote 5 - WSA& HEALTH SERVICES		42	60	47	5	36	45	(9)	-19.7%	47
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		452 755	630 984	650 466	29 097	466 141	594 751	(128 610)	-21.6%	650 466
Vote 7 -		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	1 251 160	1 322 520	1 276 663	30 165	1 094 613	1 176 388	(81 775)	-7.0%	1 276 663
Expenditure by Vote	1									
Vote 1 - MAYOR AND MM		50 748	51 120	51 868	3 747	47 235	48 735	(1 500)	-3.1%	51 868
Vote 2 - CORPORATE SERVICES		141 115	135 003	126 866	8 058	72 718	117 955	(45 237)	-38.4%	126 866
Vote 3 - BUDGET AND TREASURY		358 556	242 304	159 154	6 002	69 473	155 592	(86 119)	-55.3%	159 154
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		30 194	33 857	35 758	2 240	27 466	32 677	(5 111)	-15.7%	35 758
Vote 5 - WSA& HEALTH SERVICES		39 535	51 896	40 718	3 089	33 421	38 806	(5 385)	-13.9%	40 718
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		578 781	453 052	669 110	40 784	444 708	588 412	(143 704)	-24.4%	669 110
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	1 083 474	63 921	695 020	982 078	(287 058)	-29.2%	1 083 474
Surplus/ (Deficit) for the year	2	52 231	355 288	193 189	(33 756)	399 593	194 312	205 282	105.6%	193 189

This table reflect the municipal financial performance, classified by municipal votes (department)

Table C4 - Budgeted Statement – Financial Performance (revenue and expenditure)

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		–	–	–	–	–	–	–		–
Service charges - Water		266 973	316 389	272 710	20 699	191 442	255 080	(63 638)	-25%	272 710
Service charges - Waste Water Management		17 931	18 189	19 132	1 581	17 542	17 428	114	1%	19 132
Service charges - Waste management		–	–	–	–	–	–	–		–
Sale of Goods and Rendering of Services		838	632	493	55	507	468	39	8%	493
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		64 894	64 535	69 487	6 782	66 856	63 119	3 737	6%	69 487
Interest from Current and Non Current Assets		8 657	10 482	7 007	1 042	5 589	6 828	(1 239)	-18%	7 007
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		–	–	–	–	–	–	–		–
Licence and permits		–	–	–	–	–	–	–		–
Operational Revenue		278	203	2 934	–	3 050	2 371	679	29%	2 934
Non-Exchange Revenue								–		
Property rates		–	–	–	–	–	–	–		–
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		125	60	626	5	374	508	(134)	-26%	626
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		586 406	620 501	625 100	–	622 782	573 417	49 364	9%	625 100
Interest		–	–	–	–	–	–	–		–
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		5 832	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations		8 000	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		959 832	1 030 991	997 490	30 165	908 141	919 220	(11 079)	-1%	997 490
Expenditure By Type										
Employee related costs		361 224	363 137	395 959	25 676	367 716	359 133	8 583	2%	395 959
Remuneration of councillors		6 154	6 156	6 219	508	5 768	5 693	75	1%	6 219
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		97 299	51 060	86 497	2 222	32 824	75 655	(42 831)	-57%	86 497
Debt impairment		237 174	164 658	80 482	–	–	83 596	(83 596)	-100%	80 482
Depreciation and amortisation		88 484	73 910	84 528	7 425	77 092	76 245	847	1%	84 528
Interest		16 352	–	6 456	–	745	5 185	(4 440)	-86%	6 456
Contracted services		175 330	171 931	154 212	12 491	118 413	143 042	(24 629)	-17%	154 212
Transfers and subsidies		3 265	5 830	0	–	–	680	(680)	-100%	0
Irrecoverable debts written off		3 124	–	80 482	–	–	64 386	(64 386)	-100%	80 482
Operational costs		212 504	130 561	188 638	15 599	92 313	168 462	(76 149)	-45%	188 638
Losses on Disposal of Assets		–	–	–	–	150	–	150	#DIV/0!	–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		1 198 929	967 232	1 083 474	63 921	695 020	982 076	(287 056)	-29%	1 083 474
Surplus/(Deficit)		(239 097)	63 758	(85 984)	(33 756)	213 121	(62 857)	275 978	-439%	(85 984)
Transfers and subsidies - capital (monetary allocations)		291 328	291 529	286 073	–	186 472	261 768	(75 296)	-29%	286 073
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		52 231	355 288	200 089	(33 756)	399 593	198 912			200 089
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		52 231	355 288	200 089	(33 756)	399 593	198 912			200 089
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		52 231	355 288	200 089	(33 756)	399 593	198 912			200 089
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		52 231	355 288	200 089	(33 756)	399 593	198 912			200 089

Operating Revenue:

WATER SALES:

The Water Sales income recognised is 25% below what is originally anticipated. The total revenue billed as at 31 May 2025 is R191 million. However, there is a significant increase in May billing as municipality is affecting journals to correct all errors that have been identified which had caused shortcomings in relation to billing. A service provider has been appointed for data cleansing and vetting all consumers.

INTEREST EARNED FROM RECEIVABLES:

The interest on consumer accounts has yielded 6% above variance. The municipality has appointed a service provider assisting in debt collection; therefore, the municipality anticipate more interest to be billed.

INTEREST FROM NON-CURRENT ASSETS AND INVESTMENTS

The municipality incurred a variance of 15% below what was anticipated, as at the end of May 2025. To date the municipality has investments of R47 million, which it anticipates interest to be received for the last month of the financial year.

OPERATIONAL REVENUE

This line item includes the proceeds from the sale of assets. The receipt of sale of assets was costed in April which resulted in the municipality Year to date actual being R3million, which is a good indication on revenue.

FINES, PENALTIES AND FORFEITS

The municipality incurred 26% below variance on fines. The municipality is engaging in issuing fines and penalties as the new tariffs are to be implemented as of April 2025.

TRANSFERS AND SUBSIDIES

The municipality has recognised the last trench of equitable share. It has a 9% variance above what was anticipated, which will be corrected when all grants are fully recognised to revenue.

Operating Expenditure:

INVENTORY CONSUMED
The municipality incurred 57% variance below, what was anticipated, which results from the municipality stopping petrol card and it resulted to savings on fuel and oil. Water purchased will be calculated at year end as municipality still struggles with receiving invoices from DWS which makes the bulk difference.

INTEREST
Interest incurred 86% below what was expected. Interest will be calculated and costed correctly at year end as the municipality is still awaiting invoices from Departmental Water and Eskom.

CONTRACTED SERVICES:

The municipality incurred 17% variance, below what was anticipated. The municipality implemented the cost containment majors, which resulted in savings on cost containment.

OPERATIONAL COSTS:

The municipality incurred 45% variance, below what was expected. 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 to reduce expenditure related to this line item. The total operation cost to date amounts to R92 million. The municipality will also cost all electricity related expenditure to both Eskom and the local Municipality which accounts for most of the expenditure.

Table C5 – Monthly Budget Statements – Capital Expenditure

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 - May

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
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	2 000	(473)	35	1 833	(1 798)	-98%	2 000
Vote 3 - BUDGET AND TREASURY		–	–	–	–	–	–	–		–
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		–	–	–	–	–	–	–		–
Vote 5 - WSA& HEALTH SERVICES		–	–	–	–	–	–	–		–
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		0	306 529	243 427	7 668	171 092	229 277	(58 185)	-25%	243 427
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	245 427	7 195	171 127	231 110	(59 983)	-26%	245 427
Total Capital Expenditure		0	308 529	245 427	7 195	171 127	231 110	(59 983)	-26%	245 427
Capital Expenditure - Functional Classification										
Governance and administration		–	2 000	2 000	(473)	35	1 833	(1 798)	-98%	2 000
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		–	2 000	2 000	(473)	35	1 833	(1 798)	-98%	2 000
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		–	–	6 000	–	–	4 000	(4 000)	-100%	6 000
Community and social services		–	–	6 000	–	–	4 000	(4 000)	-100%	6 000
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		–	–	–	–	–	–	–		–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		–	–	–	–	–	–	–		–
Planning and development		–	–	–	–	–	–	–		–
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		0	306 529	243 427	7 668	171 092	229 277	(58 185)	-25%	243 427
Energy sources		–	–	–	–	–	–	–		–
Water management		0	306 529	243 427	7 668	171 092	229 277	(58 185)	-25%	243 427
Waste water management		0	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	0	308 529	251 427	7 195	171 127	235 110	(63 983)	-27%	251 427
Funded by:										
National Government		0	291 529	248 759	8 249	170 254	232 061	(61 807)	-27%	248 759
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		0	291 529	248 759	8 249	170 254	232 061	(61 807)	-27%	248 759
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		–	17 000	2 668	(1 054)	35	3 049	(3 014)	-99%	2 668
Total Capital Funding		0	308 529	251 427	7 195	170 289	235 110	(64 820)	-28%	251 427

As depicted above capital expenditure amounting to R7 million recorded at the month of May 2025. The capital expenditure is not a true reflection, there are grants that are pending on the system, yet they are not paid due to our financial position situation. However, all grants have been received, payments are underway to ensure that the municipality does not have any unspent grants as at year end. Internal funding is being investigated as it is not a true reflection, and journals will be effected before year end.

Table C6 - Budgeted Statement – Financial Position

DC23 Uthukela - Table C6 Monthly Budget Statement - Financial Position - M11 - May

Description	Ref	2023/24	Budget Year 2024/25			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		5 810	(107 356)	(67 312)	116 720	(67 312)
Trade and other receivables from exchange transactions		58 201	73 257	328 631	232 675	328 631
Receivables from non-exchange transactions		79	7 102	65 218	79	65 218
Current portion of non-current receivables		10 695	–	–	3 514	–
Inventory		18 081	5 207	63 114	19 960	63 114
VAT		231 159	43 337	(122 575)	148 629	(122 575)
Other current assets		4 575	48 332	95	3 967	95
Total current assets		328 602	69 879	267 172	525 544	267 172
Non current assets						
Investments		–	–	–	–	–
Investment property		–	–	–	–	–
Property, plant and equipment		3 400 395	2 620 048	3 412 352	3 511 953	3 412 352
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		5 163	–	392	5 146	392
Trade and other receivables from exchange transactions		–	–	1 658	–	1 658
Non-current receivables from non-exchange transactions		–	–	46	–	46
Other non-current assets		–	–	–	–	–
Total non current assets		3 405 558	2 620 048	3 414 449	3 517 099	3 414 449
TOTAL ASSETS		3 734 160	2 689 926	3 681 622	4 042 644	3 681 622
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		2 416	–	2 416	2 416	2 416
Consumer deposits		20 029	20 735	20 029	20 731	20 029
Trade and other payables from exchange transactions		696 797	479 154	951 902	598 097	951 902
Trade and other payables from non-exchange transactions		(19 455)	10 431	2 883	87 379	2 883
Provision		26 917	50 117	36 722	35 237	36 722
VAT		301 507	58 116	0	253 817	0
Other current liabilities		8 336	11 337	(78 406)	–	(78 406)
Total current liabilities		1 036 546	629 890	935 547	997 676	935 547
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		18 116	35 360	49 527	18 116	49 527
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		22 660	–	–	22 660	–
Total non current liabilities		40 776	35 360	49 527	40 776	49 527
TOTAL LIABILITIES		1 077 323	665 249	985 074	1 038 453	985 074
NET ASSETS	2	2 656 837	2 024 677	2 696 547	3 004 191	2 696 547
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2 657 651	2 024 677	2 696 547	3 004 191	2 696 547
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2 657 651	2 024 677	2 696 547	3 004 191	2 696 547

This table is an overview of the municipal assets and liabilities.

Table C7 - Budgeted Statement – Cash Flow

DC23 Uthukela - Table C7 Monthly Budget Statement - Cash Flow - M11 - May

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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		–	–	–	–	–	–	–		–
Service charges		125 921	129 153	118 196	9 696	114 929	109 625	5 305	5%	118 196
Other revenue		26 473	69 392	80 555	1 964	16 179	72 539	(56 360)	-78%	80 555
Transfers and Subsidies - Operational		579 544	620 501	625 001	–	624 634	573 338	51 296	9%	625 001
Transfers and Subsidies - Capital		281 538	291 529	286 073	–	303 673	261 768	41 905	16%	286 073
Interest		9 124	10 482	35 149	695	5 408	29 342	(23 934)	-82%	35 149
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(266 036)	(846 752)	(966 574)	(24 397)	(181 147)	(873 389)	692 242	-79%	(966 574)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	(5 830)	0	–	–	(680)	680	-100%	0
NET CASH FROM/(USED) OPERATING ACTIVITIES		756 563	268 474	178 401	(12 041)	883 677	172 543	(711 134)	-412%	178 401
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)	(251 427)	(2 404)	(177 662)	(236 179)	58 517	-25%	(251 427)
NET CASH FROM/(USED) INVESTING ACTIVITIES		222 994	(308 529)	(251 427)	(2 404)	(177 662)	(236 179)	(58 517)	25%	(251 427)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
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)	(73 027)	(14 446)	706 015	(63 635)			(73 027)
Cash/cash equivalents at beginning:		13 689	(67 302)	5 715		5 810	5 715			5 810
Cash/cash equivalents at month/year end:		994 713	(107 356)	(67 312)		711 825	(57 920)			(67 217)

This table reflect the municipal cash flows. It is categorised in three activities namely, cash flows from operating activities, cash flows from investing activities as well as cash flows from financing activities

The municipality is also in process of correcting all its cashflow data strings

Part 2 – Supporting Documentation

Table SC3 Debtors age analysis

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 - May

Description		Budget Year 2024/25									
R thousands	NT Code	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
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	22 169	22 145	15 963	15 215	16 217	13 382	14 703	878 267	998 040	937 774
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	1 671	1 341	1 009	992	943	891	882	51 157	58 886	54 864
Receivables from Exchange Transactions - Waste Management	1600	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	6 827	6 884	6 545	6 452	6 481	6 228	6 319	287 865	323 371	313 335
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	23	147	38	38	76	27	91	14 525	14 962	14 756
Total By Income Source	2000	30 690	30 297	23 543	22 697	23 716	20 528	21 994	1 231 794	1 405 250	1 320 730
2023/24 - totals only		–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	4 508	5 751	1 418	1 116	1 049	733	963	55 341	70 879	59 202
Commercial	2300	3 934	3 707	1 571	1 115	1 024	1 238	1 137	65 713	79 439	70 226
Households	2400	22 247	20 839	20 554	20 466	21 643	18 557	19 895	1 110 740	1 254 942	1 191 302
Other	2500	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	30 690	30 297	23 543	22 697	23 716	20 528	21 994	1 231 794	1 405 250	1 320 730

- The Municipality has a total amount over R 1.4 billion of outstanding debt which is a serious concern for the municipality and causing serious cash constraints.

Top 10 Debtors (Water)

TOP 10 DEBTORS AS AT 31 MAY 2025	
ACCOUNT HOLDER NAME	**OUTSTANDING TOTAL BALANCE**
ALFRED DUMA LOCAL MUNICIPALITY STEADVILLE HOST	**12 185 245.59**
YENDE E N	**8 281 667.09**
LIEBENBERG LC	**6 148 731.73**
PROVINSIALE HOSPITAAL	**4 724 114.23**
ALFRED DUMA LOCAL MUNICIPALITY NURSERY	**3 244 763.47**
ALFRED DUMA LOCAL MUNICIPALITY SWIMMING POOL	**2 827 866.23**
UTHUKELA DISTRICT MUNICIPALITY	**2 523 236.24**
MADUNA D/P 781 GZ	**2 345 194.11**
NORTHERN NATAL ABBATTOIR	**2 302 916.84**
NTOKOZWENI COMMUNITY LAND TRUS	**2 203 150.65**

Table SC4 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description R thousands	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
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	24 645	20 086	15 194	9 428	508 800				578 152
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	8 873	19 518	7 690	18 340	416 243	-	-	-	578 152

Top 10 Creditor

TOP TEN CREDITORS ANALYSIS AS AT 31 MAY 2025

SUPPLIER	AMOUNT
UMNGENI WATER	151 300 860.50
DWS	135 329 338.51
INKOSI LANGALIBALELE	70 690 308.89
ALFRED DUMA	58 889 168.63
RASP CONSULTING	12 961 768.27
SALGA	6 036 241.35
GOING PLACES	5 406 123.00
MGAZI ENGINEERING	2 619 421.60
LUNASISI IDEAS	2 192 969.50
ILIFA LETHU	2 089 860.50

Bank Balance

Bank Balances

The following reflects bank balances at 31 May2025

DESCRIPTION	FEB 2025	MAR 2025	APRIL 2025	MAY 2025
FNB MAIN ACCOUNT 62252306280	10 742 226.04	59 292 496.52	27 240 760.43	20 187 646.21
FNB WATER ACCOUNT 62253072385	0	0	0	0
	10 742 226.04	59 292 496.52	**27 240 760.43**	**20 187 646.21**
Total cash held	**20 187 646.21**			

Collection rate

	CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 MAY 2025			
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%
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	December 2024	9 633 647.30	32.94%
December 2024	24 387 248.49	January 2025	10 255 430.70	42.05%
January 2025	32 989 615.91	February 2025	11 336 376.18	34.36%
February 2025	27 969 087.37	March 2025	11 268 398.86	40.29%
March 2025	29 602 717.87	April 2025	11 991 008.00	40.51%
Aprr 2025	33 937 903.97	May 2025	10 918 001.76	32.17%
TOTAL	**328 689 881.02**		**129 001 873.40**	39.25%
Column1	Column2	Column3	Column4	Column5
BILLING - JUNE - MAY 2025		328 689 881.02		
RECIEPTS - JUNE - MAY 2025		129 001 873.40		
DIFFERENCE		**199 688 007.62**	39%	

Table SC5 Investment portfolio

DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M11 May					
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	10 205	63	–	–	10 268
NEDBANK	0	0			0
ABSA	71 728	397	(35 000)		37 125
STANDARD BANK	89	(1)			88
					–
					–
					–
TOTAL INVESTMENTS AND INTEREST	82 021	459	(35 000)	–	47 481

The Municipality held investments of R47 million at the end of May 2025

Grant Performance:

UTHUKELA DISTRICT MUNICIPALITY

GRANT REGISTER - 2024/25

Summary of Grants received, expenditure & Funds available as at 31 MAY 2025

			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	% Spent on total allocation	2024/25	% Spent on received amount	2024/25
G3.101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	189 429 000.00	183 673 000.00	72%	136 558 371.19	74%	47 114 628.81
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100 000 000.00	100 000 000.00	59%	58 876 008.04	59%	41 123 991.96
G3.105	EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	99 112.92	2 792 000.00	2 792 000.00	78%	2 171 187.19	75%	719 925.73
		MUNICIPAL DISASTER RELIEF		6 900 000.00	6 900 000.00	0%	0.00	0%	6 900 000.00
G3.106	EX Mthembu	EPWP INTERGRATED GRANT	0.00	1 685 000.00	1 685 000.00	75%	1 265 148.50	75%	419 851.50
G3.107	BB Sithole	FINANCE MANAGEMENT GRANT	0.00	2 000 000.00	2 000 000.00	76%	1 516 593.02	76%	483 406.98
G3.108	O Mnguni	LG SETA	0.00	0.00	604 586.93	0%	161 835.38	27%	442 751.55
			99 112.92	302 806 000.00	297 654 586.93	66%	200 549 143.32	67%	97 204 556.53

The total grant income income and grant expenditure as per grant register as at the end of May 2025.

Prepared by: ____________

Budget Officer

Reviewed by: ____________

Manager: Budget

Approved by: ____________

Acting Chief Financial Office