

UTHUKELA

**UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY**

SECTION 52(d) REPORT

JUNE 2025

QUARTER 4

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Part 1 – Annual Budget

1.1 Mayor's Report

The quarterly section 52 report is a report that gives a clear view on the state or performance of the Municipality for the quarter 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 52 of the Municipal Finance Management Act, (Act 56 of 2003) to note:
2. Monthly Budget statements and supporting documents for quarter 4 of 2025.

1.3 Executive Summary

To inform Committee of the financial status of the municipality for Quarter 4 of the 2024/25 financial year in accordance with section 52(d) of the Municipal Finance Management Act 56 of 2003 which states "the mayor of a municipality 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".

The Municipal Budget and Reporting Regulations also put emphasise on the quarterly reporting with Regulation 31(1) which state that "the mayor's quarterly report on the implementation of the budget and the financial affairs of the municipality as required by section 52(d) of the MFMA must be –

- (a) In the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the MFMA; and
- (b) Consistent with the monthly budget statements for January, February and March as applicable; and
- (c) Submitted to the National Treasury and relevant provincial treasury within five days of tabling of the report in the council.

Table C1 - Budgeted Statement Summary

Table C1 is a financial performance summary and provides a concise overview of Uthukela district municipality's performance from all major financial perspectives (operating, capital expenditure, financial position and cash flow).

DC23 Uthukela - Table C1 Monthly Budget Statement Summary - M12 - June

Description	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									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	270 522	334 578	291 842	47 685	256 669	291 842	(35 173)	-12%	291 842
Investment revenue	8 557	10 482	7 007	1 359	6 948	7 007	(59)	-1%	7 007
Transfers and subsidies - Operational	586 406	620 501	625 100	557	623 339	625 100	(1 761)	0%	625 100
Other own revenue	80 574	65 430	73 540	1 790	72 576	73 540	(964)	-1%	-
Total Revenue (excluding capital transfers and contributions)	946 060	1 030 991	997 490	51 392	959 533	997 490	(37 957)	-4%	997 490
Employee costs	361 224	363 137	395 959	31 655	399 371	395 959	3 412	1%	395 959
Remuneration of Councillors	6 154	6 155	6 219	518	6 284	6 219	66	1%	6 219
Depreciation and amortisation	86 484	73 910	84 528	7 081	84 173	84 528	(355)	0%	84 528
Interest	16 352	-	6 456	63	808	6 456	(5 649)	-87%	6 456
Inventory consumed and bulk purchases	97 299	51 060	86 497	20 929	53 753	86 497	(32 744)	-38%	86 497
Transfers and subsidies	3 285	5 830	0	-	-	0	(0)	-100%	0
Other expenditure	628 131	467 140	503 815	79 824	290 700	503 815	(213 115)	-42%	503 815
Total Expenditure	1 198 929	967 232	1 083 474	149 069	835 089	1 083 474	(248 385)	-23%	1 083 474
Surplus/(Deficit)	(252 869)	63 759	(85 984)	(88 677)	124 444	(85 984)	210 428	-245%	(85 984)
Transfers and subsidies - capital (monetary allocations)	291 328	291 529	286 073	-	186 472	286 073	(99 601)	-35%	286 073
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	38 459	355 288	200 089	(88 677)	310 916	200 089	110 827	55%	200 089
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	38 459	355 288	200 089	(88 677)	310 916	200 089	110 827	55%	200 089
Capital expenditure & funds sources									
Capital expenditure	0	308 529	245 427	34 963	206 090	245 427	(39 337)	-16%	245 427
Capital transfers recognised	0	291 529	248 759	34 762	205 016	248 759	(43 743)	-18%	248 759
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	17 000	2 668	78	113	2 668	(2 555)	-96%	2 668
Total sources of capital funds	0	308 529	251 427	34 839	205 129	251 427	(46 298)	-18%	251 427
Financial position									
Total current assets	312 673	69 879	267 172	-	458 946	-	-	-	267 172
Total non current assets	3 406 558	2 620 048	3 414 449	-	3 550 039	-	-	-	3 414 449
Total current liabilities	1 034 389	629 890	935 547	-	1 073 956	-	-	-	935 547
Total non current liabilities	40 776	35 360	49 527	-	40 776	-	-	-	49 527
Community wealth/Equity	2 643 065	2 024 677	2 696 547	-	2 894 253	-	-	-	2 696 547
Cash flows									
Net cash from (used) operating	756 563	268 474	178 401	(7 756)	875 921	178 401	(697 521)	-391%	178 401
Net cash from (used) investing	222 994	(308 529)	(251 427)	(44 372)	(222 034)	(251 427)	(29 393)	12%	(251 427)
Net cash from (used) financing	1 467	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	994 713	(107 356)	(67 312)	-	659 697	(67 312)	(727 009)	1000%	(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	47 087	25 618	26 996	22 626	22 116	23 348	20 291	1 242 061	1 430 142
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 - June

Description	Ref	2023/24	Budget Year 2024/25							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
Governance and administration		798 363	691 476	626 150	1 518	629 955	626 150	3 805	1%	626 150
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		798 363	691 476	626 150	1 518	629 955	626 150	3 805	1%	626 150
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		42	60	6 947	2	38	6 947	(6 909)	-99%	6 947
Community and social services		-	-	6 900	-	-	6 900	(6 900)	-100%	6 900
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		42	60	47	2	38	47	(9)	-19%	47
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		438 983	630 984	650 466	49 871	516 012	650 466	(134 454)	-21%	650 466
Energy sources		-	-	-	-	-	-	-	-	-
Water management		438 983	630 984	650 466	49 871	516 012	650 466	(134 454)	-21%	650 466
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 237 388	1 322 520	1 283 563	51 392	1 146 005	1 283 563	(137 558)	-11%	1 283 563
Expenditure - Functional										
Governance and administration		550 419	430 019	337 888	23 618	213 044	337 888	(124 844)	-37%	337 888
Executive and council		50 748	51 120	51 868	5 880	53 115	51 868	1 247	2%	51 868
Finance and administration		499 671	378 898	286 020	17 738	159 929	286 020	(126 091)	-44%	286 020
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		52 638	58 078	68 987	3 939	58 551	68 987	(10 436)	-17%	68 987
Community and social services		13 103	7 773	20 269	1 081	14 273	20 269	(5 996)	-30%	20 269
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		39 535	50 305	40 718	2 858	36 278	40 718	(4 440)	-11%	40 718
Economic and environmental services		17 091	26 084	15 489	1 253	15 526	15 489	38	0%	15 489
Planning and development		17 091	26 084	15 489	1 253	15 526	15 489	38	0%	15 489
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		578 781	453 052	669 110	111 259	555 967	669 110	(113 143)	-17%	669 110
Energy sources		-	-	-	-	-	-	-	-	-
Water management		578 781	453 052	669 110	111 259	555 967	669 110	(113 143)	-17%	669 110
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 198 929	967 232	1 083 474	140 088	835 089	1 083 474	(248 385)	-23%	1 083 474
Surplus/ (Deficit) for the year		38 459	355 288	200 089	(88 677)	310 916	200 089	110 827	55%	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) - M12 - Juris**

Vote Description	Ref	2023/24 Audited	Original	Adjusted	Monthly	Budget Year 2024/25 YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote	1									
Vote 1 - MAYOR AND MM		-	-	-	-	-	-	-		-
Vote 2 - CORPORATE SERVICES		99	-	313	110	539	313	226	72.3%	313
Vote 3 - BUDGET AND TREASURY		798 264	691 478	625 837	1 407	629 416	625 837	3 578	0.6%	625 837
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-		-
Vote 5 - WSA& HEALTH SERVICES		42	60	47	2	38	47	(9)	-18.8%	47
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		438 983	630 984	650 466	49 315	515 455	650 466	(135 011)	-20.8%	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	1 237 388	1 322 520	1 276 663	50 835	1 145 448	1 276 663	(131 215)	-10.3%	1 276 663
Expenditure by Vote	1									
Vote 1 - MAYOR AND MM		50 748	51 120	51 868	5 880	53 115	51 868	1 247	2.4%	51 868
Vote 2 - CORPORATE SERVICES		141 115	135 003	126 866	10 192	82 910	126 866	(43 956)	-34.6%	126 866
Vote 3 - BUDGET AND TREASURY		358 556	242 304	159 154	7 546	77 019	159 154	(82 135)	-51.6%	159 154
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		30 194	33 857	35 758	2 334	29 799	35 758	(5 959)	-16.7%	35 758
Vote 5 - WSA& HEALTH SERVICES		39 535	51 896	40 718	2 858	36 278	40 718	(4 440)	-10.9%	40 718
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		578 781	453 052	669 110	111 259	555 967	669 110	(113 143)	-16.9%	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	140 069	835 089	1 083 474	(248 385)	-22.9%	1 083 474
Surplus/ (Deficit) for the year	2	38 459	355 288	193 189	(89 234)	310 359	193 189	117 170	60.7%	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) - M12 - June

Budget Year 2024/25										
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										
Revenue										
Exchange Revenue		-	-	-	-	-	-	-	-	-
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		252 592	316 389	272 710	46 100	237 542	272 710	(35 168)	-13%	272 710
Service charges - Waste Water Management		17 931	18 189	19 132	1 585	19 127	19 132	(6)	0%	19 132
Service charges - Waste management		-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		838	632	493	91	507	493	105	21%	493
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		65 503	64 535	69 487	1 583	68 439	69 487	(1 048)	-2%	69 487
Interest from Current and Non Current Assets		8 557	10 482	7 007	1 359	6 948	7 007	(59)	-1%	7 007
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		278	203	2 934	110	3 160	2 934	226	8%	2 934
Non-Exchange Revenue		-	-	-	-	-	-	-	-	-
Property rates		-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		125	60	626	6	380	626	(247)	-39%	626
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		586 406	620 501	625 100	557	623 339	625 100	(1 761)	0%	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		946 060	1 630 991	997 490	51 392	959 533	997 490	(37 957)	-4%	997 490
Expenditure By Type										
Employee related costs		381 224	363 137	366 969	31 655	399 371	395 959	3 412	1%	395 959
Remuneration of councillors		6 154	6 155	6 219	516	6 284	6 219	66	1%	6 219
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		97 299	51 060	88 497	20 929	53 753	86 497	(32 744)	-38%	86 497
Debt impairment		237 174	164 658	80 482	-	-	80 482	(80 482)	-100%	80 482
Depreciation and amortisation		86 484	73 910	84 528	7 081	84 173	84 528	(355)	0%	84 528
Interest		16 352	-	6 456	63	808	6 456	(5 649)	-87%	6 456
Contracted services		175 330	171 931	154 212	57 768	176 181	154 212	21 969	14%	154 212
Transfers and subsidies		3 285	5 830	0	-	-	0	(0)	-100%	0
Irrecoverable debts written off		3 124	-	80 482	-	-	80 482	(80 482)	-100%	80 482
Operational costs		212 504	130 551	188 638	22 056	114 369	188 638	(74 269)	-39%	188 638
Losses on Disposal of Assets		-	-	-	-	150	-	150	#DIV/0!	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		1 198 929	967 232	1 083 474	140 069	835 089	1 083 474	(248 385)	-23%	1 083 474
Surplus/(Deficit)		(252 869)	63 759	(85 984)	(88 677)	124 444	(85 984)	210 428	-245%	(85 984)
Transfers and subsidies - capital (monetary allocations)		291 328	291 529	286 073	-	188 472	286 073	(99 601)	-35%	286 073
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		38 459	355 288	200 089	(88 677)	310 916	200 089			200 089
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		38 459	355 288	200 089	(88 677)	310 916	200 089			200 089
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		38 459	355 288	200 089	(88 677)	310 916	200 089			200 089
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		38 459	355 288	200 089	(88 677)	310 916	200 089			200 089

Operating Revenue:

WATER SALES:

The Water Sales income recognised is 13% below what is originally anticipated. The total revenue billed as of 30 June 2025 is R237 million. A service provider has been appointed for data cleansing and vetting all consumers. The 13% difference is partly due to incorrect tariffs that had been applied throughout the year, and the municipality has done correction journals to that effect.

SALE OF GOODS AND RENDERING OF SERVICES:

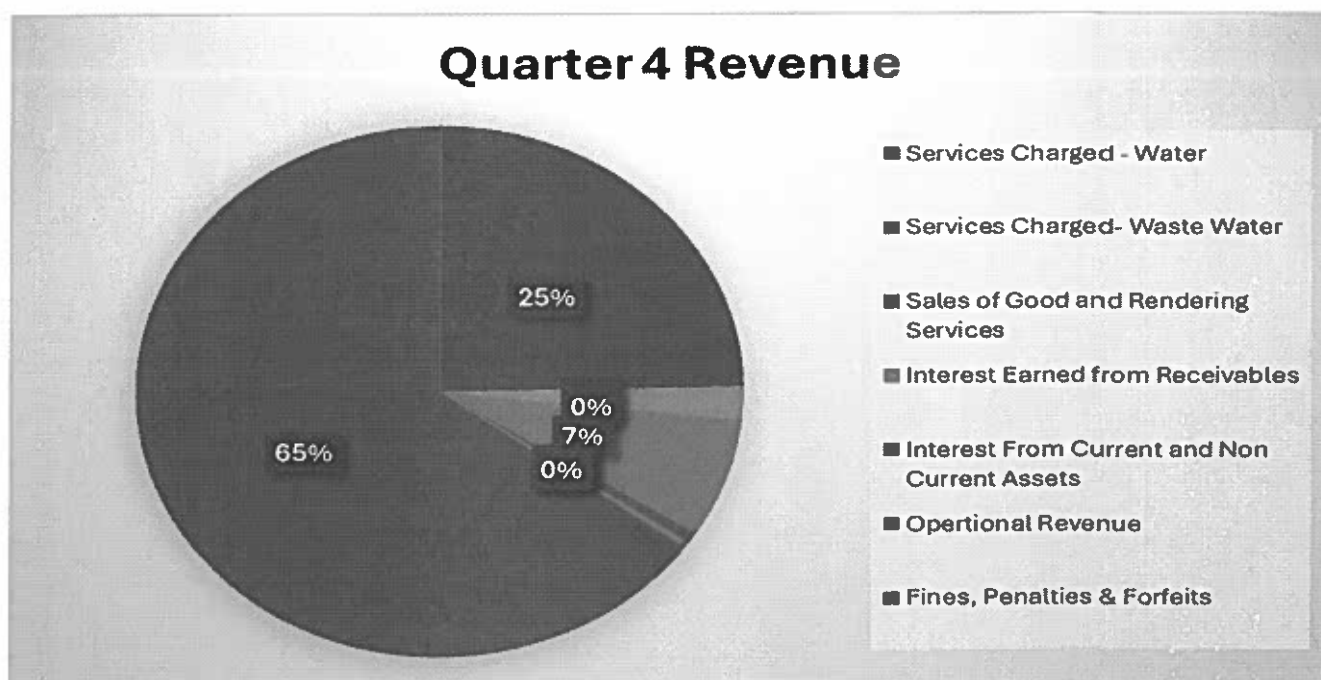
The municipality incurred 21% above what was anticipated. There is misalignment in data strings between sale of goods and fines which shows an under achievement of 39%.

OPERATIONAL REVENUE

This line item includes the proceeds from the sale of assets. The receipt of sale of assets as a result of auction had a positive impact R3million on this line item.

FINES, PENALTIES AND FORFEITS

The municipality incurred 39% below variance on fines. The correction of misalignment of fines and sale of goods will be undertaken in new financial year as new tariffs are being implemented and have been thoroughly checked.



The municipalities biggest source of income is transfers and subsidies at 65%, followed by Service charges water at 25% and interest on receivables at 7%. From the above we can see that the municipality is grant dependent

Operating Expenditure:**INVENTORY CONSUMED**

The municipality incurred 38% variance below, what was anticipated, which results from the municipality stopping petrol card and it resulted to savings on fuel and oil. As at year end the municipality had not received any invoices from DWS for the 2024-2025 financial year and no expenditure has been costed. The municipality has applied for debt relief from DWS and in one engagement with them, they had acknowledged the issue of invoices and had said they are developing a unit that will primarily focus on invoices and the issuing thereof.

INTEREST

Interest incurred 87% below what was expected. 90% of interest was based on DWS as trend of previous years, however since the municipality is unable to receive the invoices, this line item was also not costed as at year end.

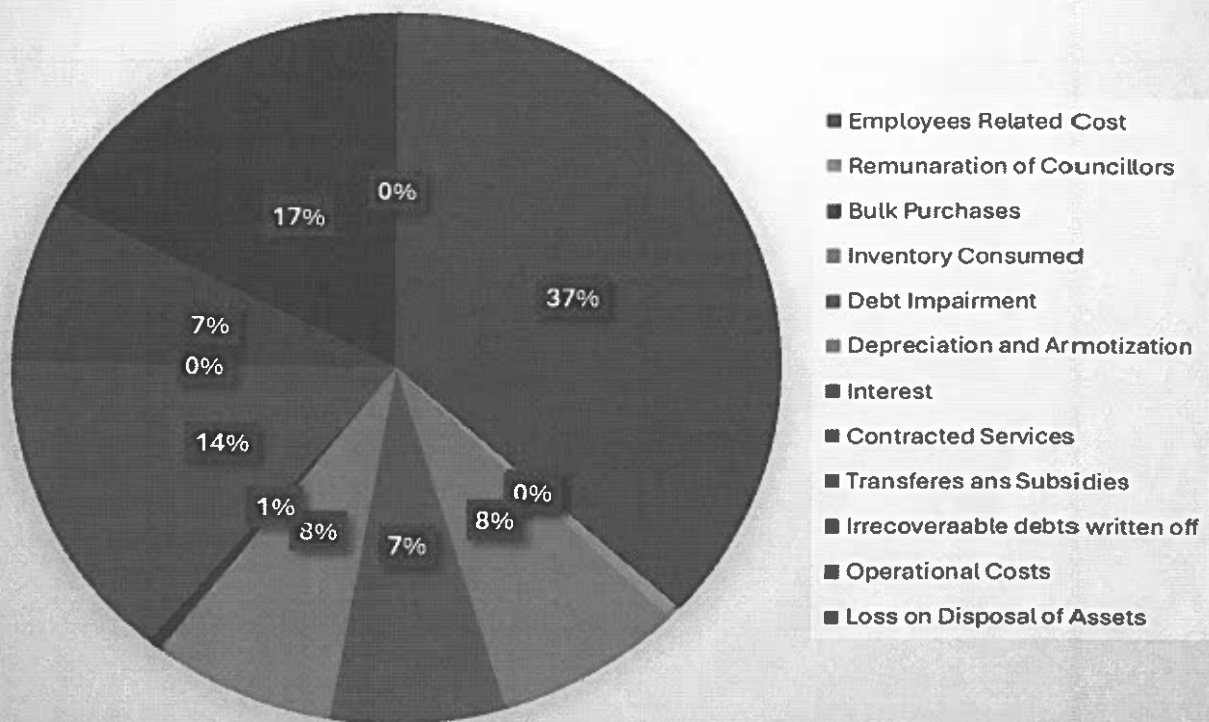
CONTRACTED SERVICES:

The municipality incurred 14% variance, below what was anticipated. The municipality implemented the cost containment majors, which resulted in savings on cost containment.

OPERATIONAL COSTS:

The municipality incurred 39% 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 R114 million. The municipality is also engaging with Inkosi Langalibalele and Alfred Duma as the invoices are also not timeous and some have disputes.

Quarter 4 Expenditure



As at end of quarter 4, employee related costs are the biggest at 37% followed by operational cost at 17% and contracted services at 14 %.

Table C5 – Monthly Budget Statements – Capital Expenditure

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 - June

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 - WS&A 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	78	113	2 000	(1 887)	-94%	2 000
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
Vote 5 - WS&A HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - 500 - WATER, SANITATION AND TECHNICAL SERVICES		0	308 529	243 427	34 886	205 977	243 427	(37 450)	-15%	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	243 427	34 963	206 090	243 427	(38 337)	-16%	243 427
Total Capital Expenditure		0	308 529	243 427	34 963	206 090	243 427	(38 337)	-16%	243 427
Capital Expenditure - Functional Classification										
Governance and administration		-	2 000	2 000	78	113	2 000	(1 887)	-94%	2 000
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	2 000	2 000	78	113	2 000	(1 887)	-94%	2 000
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	6 000	-	-	6 000	(6 000)	-100%	6 000
Community and social services		-	-	6 000	-	-	6 000	(6 000)	-100%	6 000
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		0	308 529	243 427	34 886	205 977	243 427	(37 450)	-15%	243 427
Energy services		-	-	-	-	-	-	-	-	-
Water management		0	308 529	243 427	34 886	205 977	243 427	(37 450)	-15%	243 427
Waste water management		0	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	0	308 529	243 427	34 963	206 090	243 427	(38 337)	-16%	243 427
Funded by:										
National Government		0	291 529	248 759	34 762	205 016	248 759	(43 743)	-18%	248 759
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov / Depart Agencies)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		0	291 529	248 759	34 762	205 016	248 759	(43 743)	-18%	248 759
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	17 000	2 668	78	113	2 668	(2 555)	-96%	2 668
Total Capital Funding		0	308 529	251 427	34 839	205 129	251 427	(46 298)	-18%	251 427

As depicted above capital expenditure amounting to R34 million recorded at the month of June 2025. The 18% under variance from capital grants is due to the water infrastructure grant that had not been fully utilised as at year end, however the municipality will be applying for a rollover as there are projects that have been committed.

Table C6 - Budgeted Statement – Financial Position

DC23 Uthukela - Table C6 Monthly Budget Statement - Financial Position - M12 - June

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		5 810	(107 356)	(67 312)	11 582	(67 312)
Trade and other receivables from exchange transactions		42 272	73 257	328 631	257 558	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	18 711	63 114
VAT		231 159	43 337	(122 575)	163 553	(122 575)
Other current assets		4 575	48 332	95	3 949	95
Total current assets		312 673	69 879	267 172	458 946	267 172
Non current assets						
Investments		-	-	-	-	-
Investment property		-	-	-	-	-
Property, plant and equipment		3 400 395	2 620 048	3 412 352	3 541 191	3 412 352
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		5 163	-	392	8 848	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	3 550 039	3 414 449
TOTAL ASSETS		3 718 230	2 689 926	3 681 622	4 008 985	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	20 816	20 029
Trade and other payables from exchange transactions		696 797	479 154	951 902	673 561	951 902
Trade and other payables from non-exchange transactions		(19 455)	10 431	2 883	86 822	2 883
Provision		26 917	50 117	36 722	35 237	36 722
VAT		299 350	58 116	0	255 104	0
Other current liabilities		8 336	11 337	(78 406)	-	(78 406)
Total current liabilities		1 034 389	629 890	935 547	1 073 956	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		1 075 165	665 249	985 074	1 114 732	985 074
NET ASSETS	2	2 643 065	2 024 677	2 696 547	2 894 253	2 696 547
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2 643 065	2 024 677	2 696 547	2 894 253	2 696 547
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2 643 065	2 024 677	2 696 547	2 894 253	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 - M12 - June

Description	Ref	2023/24	Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		-	-	-	-	-	-	-	-
Service charges		125 921	129 153	118 196	10 513	125 443	118 196	7 247	6%
Other revenue		26 473	69 392	80 555	1 515	17 694	80 555	(62 860)	-78%
Transfers and Subsidies - Operational		579 544	620 501	625 001	887	625 522	625 001	520	0%
Transfers and Subsidies - Capital		281 538	291 529	286 073	0	303 673	286 073	17 600	6%
Interest		9 124	10 482	35 149	660	6 068	35 149	(29 081)	-83%
Dividends		-	-	-	-	-	-	-	-
Payments									
Suppliers and employees		(266 036)	(846 752)	(968 574)	(21 332)	(202 479)	(968 574)	764 095	-79%
Interest		-	-	-	-	-	-	-	-
Transfers and Subsidies		-	(5 830)	0	-	-	(0)	0	-100%
NET CASH FROM/(USED) OPERATING ACTIVITIES		756 563	268 474	178 401	(7 758)	875 921	178 401	(687 521)	-391%
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)	(44 372)	(222 034)	(251 427)	29 393	-12%
NET CASH FROM/(USED) INVESTING ACTIVITIES		222 994	(308 529)	(251 427)	(44 372)	(222 034)	(251 427)	(29 393)	12%
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-	-	-	-	-	-	-	-
Borrowing long 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		961 024	(48 055)	(73 027)	(52 128)	653 887	(73 027)		
Cash/cash equivalents at beginning		13 689	(67 302)	5 715		5 810	5 715		
Cash/cash equivalents at month/year end		994 713	(107 356)	(67 312)		659 697	(67 312)		

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 as the vat data strings and suppliers and employees which impact other revenue and payments still have misalignments.

Part 2 – Supporting Documentation

Table SC3 Debtors age analysis

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 - June

Description	NT Code	Budget Year 2024/25									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	Total		
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	37 297	17 806	18 325	15 245	14 827	18 018	13 304	885 008	1 016 831	944 492	
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	2 871	1 132	1 018	944	942	919	973	51 808	60 505	55 484	
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	6 858	6 854	6 505	6 431	6 209	6 337	6 088	290 723	335 865	315 858	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	80	16	147	36	36	74	26	14 534	14 921	14 098	
Total By Income Source	2000	47 887	25 618	26 986	22 626	22 116	23 348	20 291	1 242 861	1 438 142	1 338 442	
2023/24 - totals only		39 730	29 152	27 850	26 447	25 688	24 653	28 728	1 028 348	1 231 825	1 134 883	
Debtors Age Analysis By Customer Group												
Organs of State	2200	5 413	3 203	5 297	1 268	900	864	586	47 932	65 472	51 558	
Commercial	2300	18 221	1 731	1 298	1 072	863	991	1 205	65 979	91 452	70 201	
Households	2400	23 452	20 684	20 398	20 289	20 254	21 493	18 489	1 128 158	1 273 219	1 208 683	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2000	47 887	25 618	26 993	22 626	22 116	23 348	20 291	1 242 861	1 438 142	1 338 442	

- The Municipality has a total amount over R 1.4 billion of outstanding debt which is a serious concern for the municipality resulting in cash constraints. A service provider has been appointed to collect on behalf of the municipality.

Top 10 Debtors (Water)

TOP 10 DEBTORS AS AT 30 JUNE 2025	
ACCOUNT HOLDER NAME	OUTSTANDING
ALFRED DUMA LOCAL MUNICIPALITY STEADVILLE HOST	10 526 519.17
LIEBENBERG LC	6 541 911.78
NESTLE (SOUTH AFRICA) (PTY) LT	6 015 177.70
PROVINSIALE HOSPITAAL	5 354 560.84
SUMITOMO RUBBER S A (PTY)LTD	4 279 282.35
UTHUKELA DISTRICT MUNICIPALITY	2 536 712.78
NORTHERN NATAL ABBATTOIR	2 319 133.62
ALFRED DUMA LOCAL MUNICIPALITY SWIMMING POOL	2 313 691.86
NTOKOZWENI COMMUNITY LAND TRUS	2 213 366.07
ZAAILAGER FUNERAL SERVICES	2 191 315.45
	68 907 861.35

Table SC4 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NTCode	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	59 040	13 646	14 464	6 781	524 272				618 203
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	59 040	13 646	14 464	6 781	524 272				618 203

Top 10 Creditors**TOP TEN CREDITORS ANALYSIS AS AT 30 JUNE 2025**

SUPPLIER	AMOUNT
UMNGENI WATER	151 300 860.50
DWS	135 329 338.51
INKOSI LANGALIBALELE	72 391 815.80
ALFRED DUMA	61 838 324.15
RASP CONSULTING	12 961 768.27
GOING PLACES	5 406 123.00
SALGA	3 536 241.35
MGAZI ENGINEERING	2 619 421.60
LUNASISI IDEAS	2 192 969.50
SIMPRADOOR TRADING	2 134 120.00

Bank Balance**Bank Balances**

The following reflects bank balances at 30 June 2025

DESCRIPTION	MAR 2025	APRIL 2025	MAY 2025	JUNE 2025
FNB MAIN ACCOUNT 62252306280	59 292 496.52	27 240 760.43	20 187 646.21	3 021 323.10
FNB WATER ACCOUNT 62253072385	0	0	0	0
	59 292 496.52	27 240 760.43	20 187 646.21	3 021 323.10
Total cash held	3 021 323.10			

Collection rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 JUNE 2026				
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	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	11 338 376.18	34.38%
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%
April 2025	33 937 903.97	May 2025	10 918 001.76	32.17%
May 2025	33 211 174.89	June 2025	11 239 011.12	33.84%
TOTAL	361 901 055.91		140 240 884.52	38.75%
Column1	Column2	Column3	Column4	Column5
BILLING - JUNE - MAY 2025		361 901 055.91		
RECEIPTS - JULY - JUNE 2025		140 240 884.52		
DIFFERENCE		221 660 171.39	39%	

Table SC5 Investment portfolio**DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M12 June**

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	10 268	48	(12 500)	9 700	7 516
NEDBANK	0	0	-	-	0
ABSA	37 125	151	(37 125)	-	151
STANDARD BANK	89	1			90
					-
					-
					-
TOTAL INVESTMENTS AND INTEREST	47 482	199	(49 625)	9 700	7 756

The Municipality held investments of R7 million at the end of June 2025

Quarterly Ratios:**FINANCIAL RATIOS**

FINANCIAL RATIO	JUNE 2025	COMMENTS ON RATIOS
Capital Expenditure to Total Expenditure (10%-20%)	$\frac{\text{Total Capital Expenditure}}{\text{Total Expenditure (Total Operating Expenditure + Capital Expenditure)}} \times 100$ $= \frac{206\,090}{(835\,089 + 206\,090)}$ $= \frac{51\,756}{1\,041\,179}$ $= 20\%$	<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 norm range is between 10% and 20%</p> <p>The municipal ratio is 20% which is within the acceptable norm which means the allocation of expenditure is pro rata and shows a positive effect.</p>
Cash Coverage Ratio	$\frac{((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment})}{\text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}}$ $\frac{(3\,021\,323.10 - 35\,890\,462.29 - 0) + 7\,756\,442.13}{919\,262\,000}$ $= -0.02 \text{ Months}$	<p>The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short term investment without collecting any additional revenue during that month.</p> <p>The acceptable norm range is between 1 month and 3 months.</p> <p>The Municipality ratio is -0.02 months due to a high value on unspent grants while the cash and cash equivalents and investment is declining which may be due to the municipality at the financial year end.</p>
Current Ratio	$\frac{\text{Current Asset}}{\text{Current Liabilities}}$ $\frac{458\,946}{1\,073\,956}$ $= 0.43$	<p>The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables).</p> <p>The norm Range is between 1.5 to 2 : 1</p>

		<p>The current liabilities exceed current assets, that highlights serious financial challenges and likely liquidity problems i.e. insufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.</p>
Net Operating Surplus Margin	<p>(Total Operating Revenue – Total Operating Expenditure)/ Total Operating Revenue x 100%</p> <p>(959 533 – 835 089)/ 959 533 x100 = 13%</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 13%</p>

Grant Performance:

**UTHUKELA DISTRICT MUNICIPALITY
GRANT REGISTER - 2024/25**

Summary of Grants received, expenditure & Funds available as at 30 JUNE 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	2024/25	% Spent on received amount	2024/25
G3.101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	183 673 000.00	183 673 000.00	183 673 000.00	100%	0.00
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100 000 000.00	100 000 000.00	71 405 982.18	71%	28 594 017.82
G3.105	EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	99 112.92	2 792 000.00	2 792 000.00	2 891 010.00	100%	102.92
		MUNICIPAL DISASTER RELIEF		6 900 000.00	6 900 000.00	0.00	0%	6 900 000.00
G3.106	EX Mthembu	EPWP INTERGRATED GRANT	0.00	1 685 000.00	1 685 000.00	1 685 000.00	100%	0.00
G3.107	B Ndlovu	FINANCE MANAGEMENT GRANT	0.00	2 000 000.00	2 000 000.00	2 000 000.00	100%	0.00
G3.108	O Mnguni	LG SETA	0.00	0.00	604 586.93	208 245.38	34%	396 341.55
			99 112.92	297 050 000.00	297 654 586.93	261 863 237.56	88%	35 890 462.29

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

Prepared by: _____



Budget Officer

Reviewed by: _____



Manager: Budget

Approved by: _____



Acting Chief Financial Officer