

**DC23 ADJUSTMENTS BUDGET
OF
UTHUKELA DISTRICT
MUNICIPALITY**



2025/26

Table of Contents

PART 1 – ANNUAL BUDGET	1
1.1 MAYOR’S REPORT	
1.2 COUNCIL RESOLUTIONS.....	
1.3 EXECUTIVE SUMMARY	
1.4 ADJUSTMENT BUDGET TABLES - PARENT MUNICIPALITY	4
PART 2 – SUPPORTING DOCUMENTATION	15
2.1 ADJUSTMENTS TO BUDGET FUNDING	
2.2 ADJUSTMENTS TO EXPENDITURE ON GRANTS AND RECONCILIATION OF UNSPENT FUNDS.....	
2.3 ADJUSTMENTS TO COUNCILLOR AND EMPLOYEE BENEFITS	17
2.4 DEBTORS AGE ANALYSIS	
2.5 CREDITORS AGE ANALYSIS	
2.6 OTHER SUPPORTING DOCUMENTATION	19
2.7 Municipal Managers Quality Certificate.....	

1.1. Mayor's Report

UThukela District Municipality has experienced financial challenges in the 2025/26 financial year. The municipality encounters challenges in terms of grant spending. Amongst other material challenges the municipality has had to deal with staff disputes which emanated from changes to controls, such as the approval and monitoring of overtime. The municipality has responded positively to the said challenges and continues to support government interventions. The municipality recently experienced challenges of attachment orders of the municipal bank accounts being frozen. This has resulted in an amount of R 90 m being taken from the municipalities bank account which has put severe strain on its operations as this was budgeted for other priorities. This has since taken the funding of the municipality a year back

The municipality tabled a midyear review in January 2026, which analysed and reflected on the financial performance of the first six months of the year. On review of the financial performance at midyear it was evident that an adjustments budget is required. The major aim of this adjustments budget is to consider and apply remedial measures in areas of non-performance. This adjustments budget also seeks to prioritise and apply the feedback received from Treasury and COGTA on the midyear performance. The budget remains unfunded and is supported by means of a budget funding plan. Senior management has contributed strategies to the funding plan.

Various capital projects budgeted for this financial year have commenced however there are delays which has led to low spending on capital projects, going forward these projects will remain under strict monitoring and supervision. This will ensure capital grants are fully spent and that capital projects are implemented successfully as per the adopted business plans.

The municipality has the following cost drivers

BUDGET 2025/26 COST DRIVERS							
DESCRIPTION	BUDGET	ACTUAL EXPENDITURE AS AT 31/01/2026	Adjusted budget	PENDING AMOUNT	TOTAL EXPENDITURE INCLUDING PENDING AMOUNT	Invoices not on system	AVAILABLE BUDGET
employee related	389 980 907.00	235 049 283.78	389 780 907.00		235 049 283.78		154 731 623.22
overtime/ standby	16 251 868.00	9 675 716.22	16 251 868.00		9 675 716.22		6 576 151.78
Repairs to Pumps (510/235120)	29 000 000.00	20 932 074.50	74 995 950.97	49 995 950.00	70 928 024.50		4 067 926.47
Pipelines & portable water maintenance (510/235100)	15 000 000.00	3 703 826.30	15 000 000.00	10 921 663.13	14 625 489.43		374 510.57
OM Chemicals	10 000 000.00	5 216 145.00	10 000 000.00		5 216 145.00		4 783 855.00
Plant & Equipment Hire (510/235510)	4 000 000.00	2 260 596.50	7 000 000.00	4 706 210.00	6 966 806.50		33 193.50
Security (200/235525)	25 045 046.00	13 625 394.53	25 045 046.00		13 625 394.53		11 419 651.47
Vehicle Repairs Outsourced. (510/235080)	8 000 000.00	3 668 258.42	8 000 000.00	3 069 989.52	6 738 247.94		1 261 752.06
Fuel & Oil. (510/260180)	10 000 000.00	3 827 964.82	10 000 000.00	3 335 382.67	7 163 347.49		2 836 652.51
Computer programs	8 833 620.00	3 522 825.14	6 833 620.00	230 000.00			
VIP. Security (100/235525)	5 167 800.00	4 068 453.09	5 167 800.00	-	4 068 453.09		1 099 346.91
Insurance	5 000 000.00	-	-	-	-		-
uniform	4 000 000.00		5 201 696.00	4 889 991.95	4 889 991.95		311 704.05
legal fees	6 000 000.00	993 832.31	3 000 000.00		993 832.31		2 006 167.69
Total	536 279 241.00	306 544 370.61	576 276 887.97	77 149 187.27	379 940 732.74	-	187 184 663.49

The municipality on cost drivers had a total budget of R 536 million which was increased to R 576 million in the adjustments budget, resulting in a net increase of R 39 million. The biggest contributor was repairs to pumps an increase of R 45 million

The municipality will receive R 162 m for equitable share and based on trend of collection about R 66.5 million from revenue collection which is R 228.5

1. The billed revenue of water was adjusted downwards by R 13m, as there are challenges in terms of revenue billing as well as installation of prepaid meters. The shortfall the municipality had to cut from expenditure, items affected include insurance, legal fees, computer programs and other line items.

2. For the next 5 months the municipality needs R 155 m (Feb- Jun) for salaries, as there was a downward adjustment as contracts were terminated

3. The municipality increased repairs to pumps from the funding plan of R 29 m to R74 m, meaning the funding plan of 2028/2029 is no longer possible

4. all cost drivers have almost run out of funds (plant hire, fuel) there won't be any money for the remainder of the year.

5. with available cash the municipality will only be able to pay salaries and eskom, fuel and oil

6. the municipality in the 2025/2026 financial year has a deficit of R 85 million

7. the municipality is awaiting response from treasury with regards to withholding of grant funding

8. the funding plan will not be funded in the 2028/2029 financial year which might result in the withholding of equitable share.

1.2 Council Resolutions

On the 27 February 2026

the Council of UThukela District Municipality met virtually to consider the adjustments budget of the municipality for the financial year 2025/26. The Council approved and adopted the following resolutions:

1. The UThukela District Local Municipality, acting in terms of section 28 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The adjustments budget of the municipality for the financial year 2025/26 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Adjustments Budget Financial Performance (revenue and expenditure by standard classification) as contained in Table B2
 - 1.1.2. Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) as contained in Table B3

- 1.1.3. Adjustments Budget Summary as contained in Table B1
- 1.1.4. Adjustments Budget financial performance (revenue and expenditure) as contained in Table B4

- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Adjustments Budget Financial Position as contained in Table B6
 - 1.2.2. Adjustments Budget Cash Flows as contained in Table B7
 - 1.2.3. Adjustments Budget Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
 - 1.2.4. Adjustments Budget Asset management as contained in Table B9
 - 1.2.5. Adjustments Budget Basic service delivery measurement as contained in Table B10
 - 1.2.6. The adjusted budget funding plan

We further recommend that

- 1.2.7. The municipality appoints Umngeni/ rand water to assist in the repairing of pumps
- 1.2.8. That no further pump acquisitions or repairs be done
- 1.2.9. The municipality asks that the defence minister allocates defence force to assist with the repairs and maintenance function as they have a department that can assist , to also assist with the vandalism of pumps
- 1.2.10. That all procurement be suspended, except fuel and oil
- 1.2.11 That technical department to verify all eskom borehole accounts monthly
- 1.2.12 The municipality will negotiate with all employees 55 and above for early retirement which could possibly save the municipality R 6 million monthly.

1.3 Executive Summary

Section 72 of the Municipal Finance Management Act (MFMA) requires that municipalities review their financial results for the mid-year during January of each year

Section 72 indicates that the following information must be provided:

- the monthly statements referred to in section 71 for the first half of the financial year.
- the municipality's service delivery performance during the first half of the financial year, and the service delivery targets, and performance indicators set in the service delivery and budget implementation plan.
- the past year's annual report, and progress on resolving problems identified in the annual report

As part of the review the accounting officer must:

- make recommendations as to whether an adjustment budget is necessary and
- recommend revised projections for revenue and expenditure to the extent that this may be necessary

Background

An Adjustment Budget must be table to council any time after the mid-year budget review have been tabled to council but no later than 28 February of the current year as per Municipal Budget Regulation Reporting 23(1).

The Mid- Year Budget Review Report has highlighted variances in terms of actual year to date income and expenditure versus year-to-date budgets. The variances were considered and where necessary adjustments were made.

Consideration of section 18 of MFMA was made, which states that:

“An annual budget may only be funded from:

- a) Realistic anticipated revenues to be collected.*
- b) Cash backed accumulated funds from previous year’s surpluses not committed for other purposes; and*
- c) borrowed funds, but only for the capital budget referred to in section 17(2)*

(2) Revenue projections in the budget must be realistic, considering:

- a) Projected revenue for the current year based on collection levels to date; and*
- b) Actual revenue collected in previous financial years.”*

Great emphasis has been placed on ensuring that the available resources are employed onto the municipality’s core function; furthermore, adjustments have been made to votes impacting directly on service delivery.

Adjustments Budget (summary) – [B1]

DC23 Uthukela - Table B1 Adjustments Budget Summary - 2026/02/28

Description	2025/26									Budget Year 2026/27	Budget Year 2027/28
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1	2	3	4	5	6	7	8		
R thousands											
Financial Performance											
Property rates	-	-	-	-	-	-	-	-	-	-	-
Service charges	329,805	-	-	-	-	-	(11,448)	(11,448)	318,358	372,680	421,129
Investment revenue	6,163	-	-	-	-	-	(519)	(519)	5,643	6,415	6,698
Transfers recognised - operational	665,135	-	-	-	-	-	(16,104)	(16,104)	649,030	695,840	727,317
Other own revenue	76,290	-	-	-	-	-	2,000	2,000	78,290	79,418	82,912
Total Revenue (excluding capital transfers and contributions)	1,077,393	-	-	-	-	-	(26,071)	(26,071)	1,051,321	1,154,353	1,238,056
Employee costs	406,233	-	-	-	-	-	(10)	(10)	406,224	406,233	406,233
Remuneration of councillors	6,219	-	-	-	-	-	3,527	3,527	9,746	6,219	6,219
Depreciation & asset impairment	83,303	-	-	-	-	-	39,142	39,142	206,227	173,935	181,588
Finance charges	6,721	-	-	-	-	-	-	-	6,721	6,997	7,304
Inventory consumed and bulk purchases	68,790	-	-	-	-	-	(10,300)	(10,300)	58,490	69,701	70,709
Transfers and subsidies	3,600	-	-	-	-	-	(1,600)	(1,600)	2,000	-	-
Other expenditure	479,627	-	-	-	-	-	(60,546)	(60,546)	335,298	406,949	417,475
Total Expenditure	1,054,492	-	-	-	-	-	(29,786)	(29,786)	1,024,706	1,070,033	1,089,529
Surplus/(Deficit)	22,901	-	-	-	-	-	3,715	3,715	26,615	84,320	148,527
Transfers and subsidies - capital (monetary allocations)	311,791	-	-	-	-	-	43,225	43,225	355,016	338,970	365,959
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486
Capital expenditure & funds sources											
Capital expenditure	273,623	-	-	-	-	-	37,987	37,987	311,610	296,757	320,225
Transfers recognised - capital	271,123	-	-	-	-	-	37,587	37,587	308,710	294,757	318,225
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2,500	-	-	-	-	-	400	400	2,900	2,000	2,000
Total sources of capital funds	273,623	-	-	-	-	-	37,987	37,987	311,610	296,757	320,225
Financial position											
Total current assets	564,462	-	-	-	-	-	(201,011)	(201,011)	363,451	697,780	937,221
Total non current assets	3,546,961	-	-	-	-	-	6,466	6,466	3,553,427	3,692,384	3,843,770
Total current liabilities	1,110,005	-	-	-	-	-	(233,903)	(233,903)	876,102	1,177,581	1,221,799
Total non current liabilities	51,558	-	-	-	-	-	(1,212)	(1,212)	50,346	53,671	55,872
Community wealth/Equity	2,949,860	-	-	-	-	-	40,569	40,569	2,990,430	3,185,040	3,530,519
Cash flows											
Net cash from (used) operating	283,836	-	-	-	-	-	(68,363)	(68,363)	215,473	371,525	440,172
Net cash from (used) investing	(273,623)	-	-	-	-	-	(37,987)	(37,987)	(311,610)	(296,757)	(320,225)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(131,839)	-	-	-	-	-	46,599	46,599	(85,240)	(57,070)	62,876
Cash backing/surplus reconciliation											
Cash and investments available	(131,839)	-	-	-	-	-	46,599	46,599	(85,240)	(57,070)	62,876
Application of cash and investments	700,171	-	-	-	-	-	(76,342)	(76,342)	623,829	655,351	638,654
Balance - surplus (shortfall)	(832,010)	-	-	-	-	-	122,941	122,941	(709,068)	(712,421)	(575,778)
Asset Management											
Asset register summary (WDV)	3,505,186	-	-	-	-	-	49,095	49,095	3,554,281	3,610,538	3,713,080
Depreciation	83,303	-	-	-	-	-	8,614	8,614	91,917	86,718	90,534
Renewal and Upgrading of Existing Assets	183,695	-	-	-	-	-	(11,894)	(11,894)	171,800	207,328	216,534
Repairs and Maintenance	55,000	-	-	-	-	-	35,046	35,046	90,046	55,675	56,067
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	0	0	0	-	-
Households below minimum service level											
Water:	24	-	-	-	-	-	-	-	24	29	29
Sanitation/sewerage:	3	-	-	-	-	-	-	-	3	5	5
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

1. Table B1 is a budget summary and provides a concise overview of the Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative on the adjustments budget.
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget.
 - ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The municipality's cash flow position is weak. Hence the municipality has decided to keep its internally generated capital funding low.
4. The Municipality plans to work hard on collecting its old debt. The revenue section has put a plan in action in this regard, as the municipality is putting great emphasis on regaining its financial stability.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Adjustments Budget Financial Performance (functional classification) – [B2]

DC23 Uthukela - Table B2 Adjustments Budget Financial Performance (functional classification) - 2026/02/28												
Standard Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		5	6	7	8	9	10	11	12			
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		734,345	-	-	-	-	-	(91,814)	(91,814)	642,531	777,722	812,800
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		734,345	-	-	-	-	-	(91,814)	(91,814)	642,531	777,722	812,800
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		49	-	-	-	-	-	34,615	34,615	34,665	51	53
Community and social services		-	-	-	-	-	-	30,000	30,000	30,000	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		49	-	-	-	-	-	4,615	4,615	4,665	51	53
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		654,790	-	-	-	-	-	74,352	74,352	729,142	715,550	791,161
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		654,790	-	-	-	-	-	74,352	74,352	729,142	715,550	791,161
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,389,184	-	-	-	-	-	17,153	17,153	1,406,338	1,493,323	1,604,015
Expenditure - Functional												
<i>Governance and administration</i>		375,156	-	-	-	-	-	9,302	9,302	384,457	381,882	389,099
Executive and council		56,174	-	-	-	-	-	2,466	2,466	58,640	55,770	55,919
Finance and administration		318,982	-	-	-	-	-	6,835	6,835	325,817	326,112	333,180
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		58,102	-	-	-	-	-	1,634	1,634	59,736	57,404	57,463
Community and social services		9,390	-	-	-	-	-	4,072	4,072	13,462	8,612	8,626
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		48,712	-	-	-	-	-	(2,438)	(2,438)	46,274	48,791	48,838
<i>Economic and environmental services</i>		28,023	-	-	-	-	-	(8,278)	(8,278)	19,745	24,469	24,495
Planning and development		28,023	-	-	-	-	-	(8,278)	(8,278)	19,745	24,469	24,495
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		593,212	-	-	-	-	-	(32,445)	(32,445)	560,767	606,279	618,471
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		593,212	-	-	-	-	-	(32,445)	(32,445)	560,767	606,279	618,471
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1,054,493	-	-	-	-	-	(29,787)	(29,787)	1,024,706	1,070,033	1,089,529
Surplus/ (Deficit) for the year		334,691	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486

1. Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 06 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table B4.

Adjustments Budget Financial Performance (B3)

DC23 Uthukela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 2026/02/28											Budget Year 2026/27	Budget Year 2027/28
Vote Description <i>[insert departmental structure etc]</i>	Ref	2025/26									Adjusted Budget	Adjusted Budget
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - BUDGET & TREASURE OFFIICE		734,020	-	-	-	-	-	(92,027)	(92,027)	641,993	777,383	812,447
Vote 2 - CORPORATE SERVICES		326	-	-	-	-	-	213	213	539	339	354
Vote 3 - OFFICE OF THE MM		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND SOCIAL SERVICES		-	-	-	-	-	-	30,000	30,000	30,000	-	-
Vote 5 - MUNICIPAL HEALTH SERVICES		49	-	-	-	-	-	4,615	4,615	4,665	51	53
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		654,790	-	-	-	-	-	74,352	74,352	729,142	715,550	791,161
Vote 7 - MAYORAL AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,389,184	-	-	-	-	-	17,153	17,153	1,406,338	1,493,323	1,604,015
Expenditure by Vote	1											
Vote 1 - BUDGET & TREASURE OFFIICE		164,342	-	-	-	-	-	29,099	29,099	193,441	168,747	173,298
Vote 2 - CORPORATE SERVICES		153,943	-	-	-	-	-	(22,595)	(22,595)	131,348	156,668	159,186
Vote 3 - OFFICE OF THE MM		51,241	-	-	-	-	-	(851)	(851)	50,391	51,494	51,642
Vote 4 - PLANNING AND SOCIAL SERVICES		30,925	-	-	-	-	-	(4,768)	(4,768)	26,157	26,590	26,628
Vote 5 - MUNICIPAL HEALTH SERVICES		48,712	-	-	-	-	-	(2,438)	(2,438)	46,274	48,791	48,838
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		593,212	-	-	-	-	-	(32,445)	(32,445)	560,767	606,279	618,471
Vote 7 - MAYORAL AND COUNCIL		12,118	-	-	-	-	-	4,210	4,210	16,329	11,464	11,466
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,054,493	-	-	-	-	-	(29,787)	(29,787)	1,024,706	1,070,033	1,089,529
Surplus/ (Deficit) for the year	2	334,691	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486

1. Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the water and sanitation trading services.

Summary of Adjusted Revenue Classified by Main Revenue Source [B4]

ikela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2026/02/28												
Description	Ref	2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	2026/27 Adjusted Budget	2027/28 Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	308,162	-	-	-	-	-	(11,561)	(11,561)	296,601	348,223	393,492
Service charges - Waste Water Management	2	21,643	-	-	-	-	-	114	114	21,757	24,457	27,636
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		554	-	-	-	-	-	1,782	1,782	2,335	577	602
Agency services		-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		74,157	-	-	-	-	-	-	-	74,157	77,197	80,594
Interest earned from Current and Non Current Assets		6,163	-	-	-	-	-	(519)	(519)	5,643	6,415	6,698
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		1,069	-	-	-	-	-	264	264	1,333	1,113	1,161
Non-Exchange Revenue												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		511	-	-	-	-	-	(46)	(46)	465	532	555
Licences or permits		-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		665,135	-	-	-	-	-	(16,104)	(16,104)	649,030	695,840	727,317
Interest		-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
e (excluding capital transfers and contributions)		1,077,393	-	-	-	-	-	(26,071)	(26,071)	1,051,321	1,154,353	1,238,056
Expenditure By Type												
Employee related costs		406,233	-	-	-	-	-	(10)	(10)	406,224	406,233	406,233
Remuneration of councillors		6,219	-	-	-	-	-	3,527	3,527	9,746	6,219	6,219
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		68,790	-	-	-	-	-	(10,300)	(10,300)	58,490	69,701	70,709
Debt impairment		83,782	-	-	-	-	-	30,528	30,528	114,310	87,217	91,055
Depreciation and amortisation		83,303	-	-	-	-	-	8,614	8,614	91,917	86,718	90,534
Interest		6,721	-	-	-	-	-	-	-	6,721	6,997	7,304
Contracted services		125,162	-	-	-	-	-	28,267	28,267	153,429	126,933	128,135
Transfers and subsidies		3,600	-	-	-	-	-	(1,600)	(1,600)	2,000	-	-
Irrecoverable debts written off		83,782	-	-	-	-	-	(83,782)	(83,782)	-	87,217	91,055
Operational costs		186,900	-	-	-	-	-	(5,031)	(5,031)	181,869	192,799	198,285
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,054,492	-	-	-	-	-	(29,786)	(29,786)	1,024,706	1,070,033	1,089,529
Surplus/(Deficit)												
subsidies - capital (monetary allocations)		22,901	-	-	-	-	-	3,715	3,715	26,615	84,320	148,527
Transfers and subsidies - capital (in-kind - all)		311,791	-	-	-	-	-	43,225	43,225	355,016	338,970	365,959
cit) before taxation		334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
cit) attributable to municipality		334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486

WATER SALES:

Water charges have been decreased from the original budget estimate. The newly computed billing figure of R296m of water sales is based on the actual billing figures at midyear. The municipality has noted the impact of disruptions in water supply on the sales generated, the consistency and improvement in water supply has been prioritised which will positively impact future water and sanitation sales. The municipality investigated as to the high decrease in billing and has since discovered adjustments that were incorrectly done for prior years affecting current year. The municipality has also discovered numerous meters that were not billed in the current year and negative billing, this has affected the billing quite negatively. However, the municipality will do journals to correct this and has factored these adjustments in the adjustments budget. The municipalities tariffs are not cost reflective which is also a major concern for the municipality and trying remedial measures to address the issues at hand. The municipality had a projection of 4000 new meters that were to be installed however, there have been challenges and to date 950 metres have been installed. The municipality and service providers are implementing new strategies which will ensure that these metres are installed in the next few months. This has been factored in the adjustment budget

SANITATION SALES:

Water sales have increased from the original budget estimate of R21.6 m to R21.17million. The adjustments were done based on midyear actuals and a straight-line projection was used to forecast the adjusted total. The municipality is also looking at its tariffs as they are not cost reflective and affect the municipality adversely.

SALE OF GOODS:

This line had a receipt that had been budgeted for, this has been factored in the adjustments budget. The line item was based on 7 months year to date minus the unbudgeted receipt to get an accurate projection for the year.

INTEREST FROM OUTSTANDING DEBTORS:

This line item was on par as midyear and will not be adjusted. The municipality has adopted a strong drive to improve the collection rate in the previous financial year. Therefore, a decline is anticipated going forward on this line item. The revenue section being assisted by sectional heads is engaging actively with the debtors of different categories.

INTEREST FROM INVESTMENTS:

The municipality has had to decrease the interest on investment from R6.1 million to R 5.6 m. The municipality is facing financial challenges, thus struggling to keep investments, however it will ring fence all its grants' monies going forward and build its reserves. A straight-line projection was used

based on midyear actuals and month 7 actuals to forecast the adjusted total. The municipality has prioritised the management of cash flows and monthly fixed costs, complying with the terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically.

TRANSFERS AND SUBSIDIES:

Operating Transfers and Subsidies amount to R million which includes an amount of R631 equitable share, the Dora had gazzeted R 650 m, but a rollover application of R18,8 m was declined resulting in it taken from second tranche of equitable share. The MIG allocation made provision for top slice of R 5 million.62% of operational revenue is grant funding.

Transfers and Subsidies operational made up, of the revenue basket. This is an indication that the municipality is grant reliant.

DC23 Uthukela - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 2026/02/28											
Description	Ref	2025/26							Budget Year	Budget Year	
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusta.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands		A	7	8	9	10	11	12			
RECEIPTS:	1, 2										
Operating Transfers and Grants											
National Government:		665,135	-	-	-	(16,104)	(16,104)	649,030	695,840	727,317	
Expanded Public Works Programme Integrated Grant		2,093	-	-	-	-	-	2,093	-	-	
Municipal Disaster Relief Grant		-	-	-	-	4,200	4,200	4,200	-	-	
Local Government Financial Management Grant		2,000	-	-	-	-	-	2,000	2,200	2,300	
Municipal Infrastructure Grant		7,368	-	-	-	(1,473)	(1,473)	5,894	-	-	
Rural Road Asset Management Systems Grant		2,918	-	-	-	-	-	2,918	3,052	3,188	
Equitable Share		650,756	-	-	-	(18,831)	(18,831)	631,925	690,588	721,829	
Provincial Government:		-	-	-	-	-	-	-	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
Total Operating Transfers and Grants	5	665,135	-	-	-	(16,104)	(16,104)	649,030	695,840	727,317	
Capital Transfers and Grants											
National Government:		311,791	-	-	-	13,225	13,225	325,016	338,970	365,959	
Municipal Infrastructure Grant		211,791	-	-	-	1,473	1,473	213,265	238,970	250,459	
Regional Bulk Infrastructure Grant		-	-	-	-	11,752	11,752	11,752	-	-	
Water Services Infrastructure Grant		100,000	-	-	-	-	-	100,000	100,000	115,500	
Provincial Government:		-	-	-	-	30,000	30,000	30,000	-	-	
Specify (Add grant description)		-	-	-	-	30,000	30,000	30,000	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
Total Capital Transfers and Grants	5	311,791	-	-	-	43,225	43,225	355,016	338,970	365,959	
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	976,926	-	-	-	27,121	27,121	1,004,047	1,034,810	1,093,276	

FINES AND PENALTIES:

This line item relates specifically to fines issued by the Health Department and disconnection fee penalties, the municipality has been unable to budget accurately for this line item in the past. The projection of R464 thousand is based on the total fines issued at midyear and month 7 which amounted

to R217 thousand. The municipality may have to allocate additional resources and improve consistency in the issuing of fines for the maximum recovery. An increase on this line item is anticipated due to the municipality now issuing air pollution fines which were previously not issued.

OPERATIONAL REVENUE:

Other revenue has been increased by R1.3 million, this adjustment is due to sale of asset proceeds that were made during the financial year as well as a Igseta refund that was received during the financial year. The municipality will be conservative in the future estimation of this line item to ensure a realistic measure of other revenue for the budget funding plan. This line item the municipality used 7 month year to date actuals minusing the auction proceeds to get an accurate estimate for the year.

Summary of Adjusted Expenditure Classified by Line Item [B4]

UTHUKELA DISTRICT MUNICIPALITY 2026

Ikela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2026/02/28												
Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	308,162	-	-	-	-	-	(11,561)	(11,561)	296,601	348,223	393,492
Service charges - Waste Water Management	2	21,643	-	-	-	-	-	114	114	21,757	24,457	27,636
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		554	-	-	-	-	-	1,782	1,782	2,335	577	602
Agency services		-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		74,157	-	-	-	-	-	-	-	74,157	77,197	80,594
Interest earned from Current and Non Current Assets		6,163	-	-	-	-	-	(519)	(519)	5,643	6,415	6,698
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		1,069	-	-	-	-	-	264	264	1,333	1,113	1,161
Non-Exchange Revenue												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		511	-	-	-	-	-	(46)	(46)	465	532	555
Licences or permits		-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		665,135	-	-	-	-	-	(16,104)	(16,104)	649,030	696,840	727,317
Interest		-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
e (excluding capital transfers and contributions)		1,077,393	-	-	-	-	-	(26,071)	(26,071)	1,051,321	1,154,353	1,238,056
Expenditure By Type												
Employee related costs		406,233	-	-	-	-	-	(10)	(10)	406,224	406,233	406,233
Remuneration of councillors		6,219	-	-	-	-	-	3,527	3,527	9,746	6,219	6,219
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		68,790	-	-	-	-	-	(10,300)	(10,300)	58,490	69,701	70,709
Debt impairment		83,782	-	-	-	-	-	30,528	30,528	114,310	87,217	91,055
Depreciation and amortisation		83,303	-	-	-	-	-	8,614	8,614	91,917	86,718	90,534
Interest		6,721	-	-	-	-	-	-	-	6,721	6,997	7,304
Contracted services		125,162	-	-	-	-	-	28,267	28,267	153,429	126,933	128,135
Transfers and subsidies		3,600	-	-	-	-	-	(1,600)	(1,600)	2,000	-	-
Irrecoverable debts written off		83,782	-	-	-	-	-	(83,782)	(83,782)	-	87,217	91,055
Operational costs		186,900	-	-	-	-	-	(5,031)	(5,031)	181,869	192,799	198,285
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,054,492	-	-	-	-	-	(29,786)	(29,786)	1,024,706	1,070,033	1,089,529
Surplus/(Deficit)		22,901	-	-	-	-	-	3,715	3,715	26,615	84,320	148,527
subsidies - capital (monetary allocations)		311,791	-	-	-	-	-	43,225	43,225	355,016	338,970	365,959
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
cit) before taxation		334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
cit) attributable to municipality		334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	334,692	-	-	-	-	-	46,940	46,940	381,632	423,290	514,486

EMPLOYEE REALATED COSTS:

The adjustment to employee related cost has remained at R 406 million. however, there is an anticipated decrease due to employees that were on contract being terminated. The municipality has halted standby allowances and overtime to be at R 200 thousand every month. All car allowances and cell phone allowances are being reviewed. The high expenditure against budget is also due to bonuses that were paid in November and not accounted for correctly in SA 25 of the original budget.

The municipality cannot afford any further increases to salaries which constitute 39% of total operating expenditure (*just below the norm of 40%*) and 63% of the equitable share. The municipality has been advised by both Treasury and COGTA to process an application to SALGA not to affect a salary increment for the 2026/27 financial year as the municipality is faced with financial challenges.

COUNCILLORS REMUNERATION

The municipality using January actual has a variance of 76% as Cogta approved an application for councillors’ upper limits. The municipality had to increase councillors’ remuneration, and a back pay was effected. This has resulted in the increased budget of R 9.7 m.

INVENTORY CONSUMED: (fuel & oil, chemicals, water purchases)

The total adjustment to inventory consumed is R8 million downwards which was a reduction from chemicals that the municipality has been able to make a substantial saving. In the adopted budget funding plan various strategies were compiled to reduce the amount spent on this line item

SegmentDesc	FinalBudget	Final After Adjustme
Stationery (200/260340)	200 004.00	200 004.00
Stationery (300/260340)	99 996.00	99 996.00
Fuel & Oil. (510/260180)	9 999 996.00	9 999 996.00
Stationery (105/260340)	99 996.00	99 996.00
OM Chemicals	20 000 004.00	10 000 000.00
Disaster relief stock	800 004.00	500 004.00
Cleaning materials (200/260090)	300 000.00	300 000.00
Stationery (510/260340)	99 996.00	99 996.00
Water Purchase (510/255050)	37 190 424.00	37 190 424.00

DEPRECIATION:

The municipality has increased depreciation by R 8.6 million as the municipality has received new fleet, that had to be catered for in the adjustments budget. The projection was based on the 7 months of the year and a straight-line projection was used as the municipality had bought new fleet and issues of non-communication of projects that are completed.

DEBT IMPAIRMENT AND BAD DEBT WRITE OFF:

The municipality increased the impairment amount by R 30 million based on calculations that were done as of December 2026. The municipality adjusted the bad debt write off as there are incentive

discounts that are currently being given by the municipality. The municipality in the previous financial year had written off R 260 million. The municipality is currently doing data cleansing and more write off will be done in next financial year.

CONTRACTED SERVICES:

Contracted services have been increased by a net effect R28 million, major contracted services

SegmentDesc	FinalBudget	Final After Adjustme
Audit Committee (105/260027)	372 864.00	372 864.00
Business and Advisory:Business and Finan	5 000 004.00	4 000 004.00
FMG. (300/260135)	1 200 000.00	1 200 000.00
Contracted Services:Consultants and Prof	2 918 004.00	2 918 004.00
Computer Programs (300/260)	8 833 620.00	6 833 620.00
Training	300 000.00	300 000.00
GIS. Programmes (405/406360)	825 000.00	725 000.00
Outstanding Debt - Collection Fees (300/2	500 004.00	500 004.00
Legal Fees (200/260240)	6 000 000.00	3 000 000.00
Blue Drop (408/235215)	2 000 004.00	528 123.00
Electrical (510/255045)	999 996.00	49 996.00
Maintenance of buildings and facilities (20	1 500 000.00	900 000.00
Repairs to Pumps (510/235120)	38 300 000.00	74 995 950.97
Vehicle Repairs Outsourced. (510/235080	8 000 004.00	8 000 004.00
Pipelines & portable water maintenance (5	15 000 000.00	15 000 000.00
Doctors Examinations (200/260343)	200 004.00	100 004.00
Security (200/235525)	25 045 056.00	25 045 056.00
Chemical Analysis Laboratory	1 699 996.00	1 699 996.00
Technical Services EPWP (510)	-	2 093 000.00
VIP. Security (100/235525)	5 167 800.00	5 167 800.00

The municipality has factored the repairs of pumps which was a big contributor to the adjustments budget. Municipality has also considered cost containment which resulted in the cuts in some line items.

OPERATIONAL COSTS:

This line item relates to general expenditure such as electricity, Protective Clothing, Rent & Hire Vehicles, Rental Office Machines, Renting of Offices, telephone etc. The net decrease to this line item is R5 million. which is savings from insurance and travel claims. The municipality has cash constraints and cost containment measures are prioritised and implemented.

UTHUKELA DISTRICT MUNICIPALITY | 2026

SegmentDesc	FinalBudget	Final After Adjustme
Advertising (200/260020)	300 000.00	400 000.00
Bank Charges (300/260047)	193 320.00	150 000.00
Telephone (200/260540)	1 691 412.00	2 000 000.00
Audit fees	4 698 000.00	4 698 000.00
Expenditure: Operational Cost: Indigent Re	-	6 090 996.00
Vehicle Licencing - Fleet Management (300	800 004.00	1 000 004.00
Electricity (510/255040)	100 190 088.00	100 190 088.00
Electricity and water (municipal services) (42 851 016.00	42 851 016.00
Pauper Burial GE	500 004.00	500 004.00
In-Service Training (200/260216)	-	274 890.00
Expenditure: Operational Cost: Skills Deve	-	1 742 868.00
Skills Levy (300/260530)	67 404.00	6 000.00
Skills Levy - Budget. (300/260530)	80 748.00	80 748.00
Skills Levy - SCM. (300/260530)	59 976.00	59 976.00
Skills Levy - IDP. (405/260530)	34 860.00	34 860.00
Skills Levy - Call Centre (405/260530)	62 904.00	62 904.00
Skills Levy (105/260530)	100 800.00	100 800.00
Skills Levy - Risk Management (105/26053	8 496.00	8 496.00
Skills Levy - Safety & Security (105/260530	14 208.00	14 208.00
Skills Development Fund (EPWP)	-	18 233.60
Skills Levy (100/260530)	41 220.00	41 220.00
Skills Levy (405/260530)	9 312.00	9 312.00
Skills Levy Disaster Management (405/260	50 412.00	48 682.00
Skills Levy - Laboratory. (408/260530)	44 124.00	41 322.00
Skills Levy - Internal Auditor (105/260530)	16 356.00	16 356.00
Skills Levy - HR (200/260530)	59 724.00	76 110.00
Skills Levy - Legal Department (200/26053	12 984.00	25 479.00
PMU. Skills levy. (510/260530)	-	52 889.12
Skills Levy - Fleet Management (200/26053	38 472.00	38 472.00
Skills Levy - Call Centre (405/260530)	19 848.00	19 848.00
Skills Levy - Public Participation (105/2605	44 124.00	44 124.00
Skills Levy (408/260530)	232 620.00	232 620.00
Skills Levy - Corporate Admin. (200/260530	183 924.00	183 924.00
Skills Levy - IT. Department (200/260530)	28 884.00	28 884.00
Skills Levy - LED. (405/260530)	55 128.00	15 377.00
Skills Levy - Tourism. (405/260530)	14 256.00	37 011.00
Skills Levy - PMS. (105/260530)	13 644.00	7 006.00
Skills Levy - Special Programs (105/260530	31 008.00	31 008.00
Skills Levy - Development Facilitation (105	26 364.00	26 364.00
Skill levy Asset	-	36 708.00
Skills Levy Revenue Man	-	285 168.00
Skills Expenditure Man	-	61 181.78
Accommodation (105/260534)	500 004.00	500 004.00
Subsistance & Travel - Internal Auditors (1	-	9 182.36
Re-imbursive travel supply chain	-	4 727.48
Subsistance & Travel. (200/260534)	3 681 996.00	4 109.00
Subsistance and Travel Laboratory service	-	296 995.44
Subsistance & Travel. (200/260534)	-	50 000.00
travel and subsistance (planning- LED)	-	50 000.00
Subsistance & Travel - Risk Management (-	50 000.00
Subsistance & Travel - Public Participator	-	50 000.00
Subsistance & Travel. (510/260534)	-	2 000 000.00
Subsistance & Travel. (408/260534)	-	770 000.00
Subsistance & Travel. (105/260534)	-	80 000.00
Technical Services Travel Allowance : Staff	-	129 729.04
Subsistance & Travel. - Communications D	-	17 616.76
Subsistance & Travel. (405/260534)	-	52 730.96
RE-IMBURSAVE TRAVEL SUPPLY CHAIN	-	30 000.00
Asset Managent : Travel Allowance (300)	-	30 000.00
Travel Councillors own transport (100/260	-	257 024.02
Re-imbursive travel budgeting	-	1 138.00
Subsistance & Travel - Special Events (105	-	50 000.00
Subsistance & Travel. - Development Facil	-	10 000.00
Protective Clothing (408/260347)	4 000 000.00	5 201 696.00

SegmentDesc	FinalBudget	Final After Adjustme
Rental Office Machines. (200/260442)	800 004.00	800 004.00
Plant & Equipment Hire (510/235510)	6 999 996.00	6 999 996.00
Renting of Offices (200/260443)	-	1 000 000.00

INTEREST:

The municipality had not changed interest charges of R 6 m, however with the current situation of bank account being frozen, the municipality will acquire more interest. As previously interest was mostly DWS and Eskom

ADJUSTMENTS TO THE CAPITAL BUDGET

Adjustments Capital Expenditure Budget by vote and funding [B5]

DC23 Uthukela - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 2026/02/28												Budget Year 2026/27	Budget Year 2027/28
Description	Ref	2025/26										Adjusted Budget	Adjusted Budget
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget		
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
Capital expenditure - Vote													
Multi-year expenditure to be adjusted	2												
Vote 1 - BUDGET & TREASURE OFFICE		-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - OFFICE OF THE MM		-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - MAYORAL AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2												
Vote 1 - BUDGET & TREASURE OFFICE		-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		2,500	-	-	-	-	-	(600)	(600)	1,900	2,000	2,000	
Vote 3 - OFFICE OF THE MM		-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND SOCIAL SERVICES		-	-	-	-	-	-	26,087	26,087	26,087	-	-	-
Vote 5 - MUNICIPAL HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		271,123	-	-	-	-	-	12,500	12,500	283,623	294,757	318,225	
Vote 7 - MAYORAL AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		273,623	-	-	-	-	-	37,987	37,987	311,610	296,757	320,225	
Total Capital Expenditure - Vote		273,623	-	-	-	-	-	37,987	37,987	311,610	296,757	320,225	
Capital Expenditure - Functional													
Governance and administration		2,500	-	-	-	-	-	(600)	(600)	1,900	2,000	2,000	
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		2,500	-	-	-	-	-	(600)	(600)	1,900	2,000	2,000	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	26,087	26,087	26,087	-	-	-
Community and social services		-	-	-	-	-	-	26,087	26,087	26,087	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-
Trading services		271,123	-	-	-	-	-	12,500	12,500	283,623	294,757	318,225	
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-
Water management		271,123	-	-	-	-	-	12,500	12,500	283,623	294,757	318,225	
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	273,623	-	-	-	-	-	37,987	37,987	311,610	296,757	320,225	
Funded by:													
National Government		271,123	-	-	-	-	-	37,587	37,587	308,710	294,757	318,225	
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (i-kind)		-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	271,123	-	-	-	-	-	37,587	37,587	308,710	294,757	318,225	
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		2,500	-	-	-	-	-	400	400	2,900	2,000	2,000	
Total Capital Funding		273,623	-	-	-	-	-	37,987	37,987	311,610	296,757	320,225	

DC23 Uthukela - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 2026/02/28										
Description	Ref	2025/26							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12	2026/27	2027/28	
R thousands	A	A1	B	C	D	E	F			
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		665,135	-	-	-	(16,104)	(16,104)	649,030	665,840	727,317
Expanded Public Works Programme Integrated Grant		2,093	-	-	-	-	-	2,093	-	-
Municipal Disaster Relief Grant		-	-	-	-	4,200	4,200	4,200	-	-
Local Government Financial Management Grant		2,000	-	-	-	-	-	2,000	2,200	2,300
Municipal Infrastructure Grant		7,368	-	-	-	(1,473)	(1,473)	5,894	-	-
Rural Road Asset Management Systems Grant		2,918	-	-	-	-	-	2,918	3,052	3,168
Equitable Share		650,756	-	-	-	(18,831)	(18,831)	631,925	690,588	721,829
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	665,135	-	-	-	(16,104)	(16,104)	649,030	665,840	727,317
Capital Transfers and Grants										
National Government:		311,791	-	-	-	13,225	13,225	325,016	338,970	365,959
Municipal Infrastructure Grant		211,791	-	-	-	1,473	1,473	213,265	238,970	250,459
Regional Bulk Infrastructure Grant		-	-	-	-	11,752	11,752	11,752	-	-
Water Services Infrastructure Grant		100,000	-	-	-	-	-	100,000	100,000	115,500
Provincial Government:		-	-	-	-	30,000	30,000	30,000	-	-
Specify (Add grant description)		-	-	-	-	30,000	30,000	30,000	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	311,791	-	-	-	43,225	43,225	355,016	338,970	365,959
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	976,926	-	-	-	27,121	27,121	1,004,047	1,004,810	1,093,276

Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments

The capital budget was mainly affected by the new grants that the municipality will receive. The municipality has received 11.7 from regional bulk infrastructure grant and a further 30 million has been gazetted for Disaster grant.

Own funding is at R2.9m

MUNICIPAL INFRASTRUCTURE GRANT (MIG) PROJECT	INITIAL BUDGET ALLOCATION 2025/2026		REVISED BUDGET ALLOCATION 2025/2026		vat exclusive
Kwanobamba- Ezitendeni Water Supply	R	17 000 000.00	R	587 352.83	R 587 352.83
Weneen Sanitation	R	20 500 000.00	R	18 000 000.00	R 15 652 173.91
Bhekuzulu/Ephangwini Water Supply	R	56 315 763.00	R	14 969 918.00	R 13 587 792.00
District Wide Sanitation	R	20 042 687.81	R	37 819 528.86	R 32 886 546.83
Refurbishment and Upgrade of Water & Sanitation Infrastructure 3	R	10 300 000.00	R	17 344 586.94	R 15 082 249.51
Okhahlamba Ward 2, 3 & 14 Regional Bulk Water Supply & Reticulation Network	R	20 500 000.00	R	18 100 000.00	R 15 739 130.43
Fitty Park Sundays River Umhlumayo Extensions Phase 1 AFA	R	20 850 000.00	R	7 200 000.00	R 6 260 869.57
Ekuvukeni Regional Bulk Water Supply	R	18 000 000.00	R	16 000 000.00	R 13 913 043.48
Upgrade of Bergville Water Treatment Works Bulk Water Supply Phase 2	R	10 076 098.00	R	11 076 098.00	R 9 631 389.57
Upgrade of Langkloof WTW & Bulk Water Supply Within Ward 10 Phase 2	R	18 206 891.00	R	8 147 997.06	R 7 085 214.83
Design of Fitty Park/Mhlumayo Bulk Water Supply Infrastructure and Upgrade of the Tugela Water Treatment	R	1 473 167.20	R	1 473 167.20	R 1 281 014.96
Ntabamhlophe Water Supply Phase 4-13 AFA	R	-	R	2 145 958.12	R 1 866 050.54
Water and Sanitation infrastructure repairs and refurbishment (O&M)	R	-	R	60 400 000.00	R 52 521 739.13
	R	213 264 607.01	R	213 264 607.01	R 186 094 567.60

Mig Top slice operational – 4m

Mig Top slice capital- 1m

WATER AND SANITATION INFRASTRUCTURE GRANT (WSIG) PROJECT	ADJUSTMENT BUDGET ALLOCATION 2025/20256		Vat Exclusive
Spring protection (Uthukela district springs and boreholes project portion 4 ILM)		R924 391.41	R803 818.62
Steadville WCDM		R11 337 435.17	R9 858 639.28
Ladysmith AC replacement		R7 303 182.06	R6 350 593.10
Ezakheni water supply system: WCDM phase 2		R12 442 623.00	R10 819 672.17
Wembezi WCDM Phase 1		R9 000 000.00	R7 826 086.96
Bhekuzulu - Mqedandaba Reticulation to Ward 4		R10 880 532.94	R9 461 332.99
Citi-OS Water Infrastructure and Borehole Management System – Phase I		R18 112 500.00	R15 750 000.00
Hotspots areas-CES Turnkey projects for uThukela district springs and boreholes		R29 999 335.42	R26 086 378.63
		R100 000 000.00	R86 956 521.74

Disaster allocation- 30m

RBIG- 11.7m

Adjustments Budget financial position – [B6]

DC23 Uthukela - Table B6 Adjustments Budget Financial Position - 2026/02/28												
Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
ASSETS												
Current assets												
Cash and cash equivalents		(131,839)	-	-	-	-	-	46,599	46,599	(85,240)	(57,070)	62,876
Trade and other receivables from exchange transactions	1	252,200	-	-	-	-	-	134,182	134,182	386,382	262,540	273,304
Receivables from non-exchange transactions	1	424,642	-	-	-	-	-	(424,469)	(424,469)	173	472,053	579,953
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		19,360	-	-	-	-	-	(1,928)	(1,928)	17,432	20,154	20,980
VAT		-	-	-	-	-	-	44,704	44,704	44,704	-	-
Other current assets		99	-	-	-	-	-	(99)	(99)	-	103	107
Total current assets		564,462	-	-	-	-	-	(201,011)	(201,011)	363,451	697,780	937,221
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	3,544,778	-	-	-	-	-	6,570	6,570	3,551,348	3,690,113	3,841,408
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Intangible assets		408	-	-	-	-	-	(34)	(34)	374	425	442
Trade and other receivables from exchange transactions		1,726	-	-	-	-	-	(68)	(68)	1,658	1,797	1,871
Non-current receivables from non-exchange transactions		48	-	-	-	-	-	(2)	(2)	46	48	48
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		3,546,961	-	-	-	-	-	6,466	6,466	3,553,427	3,692,384	3,843,770
TOTAL ASSETS		4,111,422	-	-	-	-	-	(194,545)	(194,545)	3,916,878	4,390,164	4,780,991
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	59	59	59	-	-
Consumer deposits		20,851	-	-	-	-	-	(299)	(299)	20,552	21,706	22,595
Trade and other payables from exchange transactions		990,069	-	-	-	-	-	(250,423)	(250,423)	739,647	1,056,790	1,100,118
Trade and other payables from non-exchange transactions		2,784	-	-	-	-	-	(2,488)	(2,488)	296	2,784	2,784
Provisions		42,192	-	-	-	-	-	-	-	42,192	42,192	42,192
VAT		29,010	-	-	-	-	-	(20,781)	(20,781)	8,230	27,981	26,910
Other current liabilities		25,099	-	-	-	-	-	40,027	40,027	65,126	26,128	27,199
Total current liabilities		1,110,005	-	-	-	-	-	(233,903)	(233,903)	876,102	1,177,581	1,221,799
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	51,558	-	-	-	-	-	(1,212)	(1,212)	50,346	53,671	55,872
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total non current liabilities		51,558	-	-	-	-	-	(1,212)	(1,212)	50,346	53,671	55,872
TOTAL LIABILITIES		1,161,563	-	-	-	-	-	(235,115)	(235,115)	926,448	1,231,252	1,277,671
NET ASSETS	2	2,949,860	-	-	-	-	-	40,570	40,570	2,990,430	3,158,912	3,503,320
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		2,949,860	-	-	-	-	-	40,569	40,569	2,990,430	3,185,040	3,530,519
Funds and Reserves		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		2,949,860	-	-	-	-	-	40,569	40,569	2,990,430	3,185,040	3,530,519

- Table B6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity, i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position

UTHUKELA DISTRICT MUNICIPALITY 2026

Adjustments Budget Cash Flows – [B7]

Uthukela - Table B7 Adjustments Budget Cash Flows - 2026/02/28												
Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		-	-	-	-	-	-	-	-	-	-	-
Service charges		131,922	-	-	-	-	(4,579)	(4,579)	127,343	167,706	189,508	
Other revenue		70,622	-	-	-	-	11,417	11,417	82,040	74,403	75,179	
Transfers and Subsidies - Operational	1	665,135	-	-	-	-	(16,104)	(16,104)	649,030	695,840	727,317	
Transfers and Subsidies - Capital	1	311,791	-	-	-	-	43,225	43,225	355,016	338,970	365,969	
Interest		6,163	-	-	-	-	(519)	(519)	5,643	6,415	6,698	
Dividends		-	-	-	-	-	-	-	-	-	-	
Payments												
Suppliers and employees		(898,197)	-	-	-	-	(103,402)	(103,402)	(1,001,600)	(911,809)	(924,489)	
Finance charges		-	-	-	-	-	-	-	-	-	-	
Transfers and Subsidies	1	(3,600)	-	-	-	-	1,600	1,600	(2,000)	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES		283,836	-	-	-	-	(68,363)	(68,363)	215,473	371,525	440,172	
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		(273,623)	-	-	-	-	(37,987)	(37,987)	(311,610)	(296,757)	(320,225)	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(273,623)	-	-	-	-	(37,987)	(37,987)	(311,610)	(296,757)	(320,225)	
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD		10,213	-	-	-	-	(106,350)	(106,350)	(96,137)	74,769	119,946	
Cash/cash equivalents at the year begin:	2	(142,052)	-	-	-	-	152,949	152,949	10,897	(131,839)	(57,070)	
Cash/cash equivalents at the year end:	2	(131,839)	-	-	-	-	46,599	46,599	(85,240)	(57,070)	62,876	

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 JANUARY 2026				
MONTH	BILLING	MONTHS	RECIEPTS	RECOVERY RATE %
June 2025	33 211 174.89	July 2025	14 897 040.86	44.86%
July 2025	30 095 395.54	Aug 2025	12 680 913.95	42.14%
August 2025	32 712 258.81	September 2025	10 008 705.32	30.60%
September 2025	33 453 530.35	October 2025	17 490 038.33	52.28%
October 2025	36 391 997.79	November 2025	16 180 896.33	44.46%
November 2025	32 606 603.14	December 2025	9 741 322.33	29.88%
December 2025	33 482 408.95	January 2026	12 205 613.82	36.45%
TOTAL	231 953 369.47		93 204 530.94	40.18%
Column1	Column2	Column3	Column4	Column5
BILLING - JUNE - JANUARY 2026		231 953 369.47		
RECIEPTS - JUNE-JANUARY 2026		93 204 530.94		
DIFFERENCE		138 748 838.53	40%	

UTHUKELA DISTRICT MUNICIPALITY 2026

The amount anticipated to be collected from service charges has also been reviewed considering amounts collected as at the end of the second quarter. A collection rate of 40% has been applied to the projected water and sanitation sales. Realistic revenue assumptions are the key to a credible budget funding plan. The collection rate of the municipality is on that is very worrisome and contributes negatively to the municipality.

At mid-year the municipality had received R93 million as at the end of January 2026. This is a big challenge for the municipality as we generate very low on our own revenue which is where our financial crisis emanates from. The municipality has on strategies to improve the collect rate, such as offering incentives to our customers to encourage them to pay. The municipality will also be implementing prepaid meters gradually over the next few financial years.

It must be noted that the budget budgeted an amount of R991 million, included 100% of all expenditure and interest budgeted for the current financial year.

Table B8 Cash backed reserves/accumulated surplus reconciliation –[B8]

DC23 Uthukela - Table B8 Cash backed reserves/accumulated surplus reconciliation - 2026/02/28

Description	Ref	2025/26									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total Adjusts.	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.		Budget	Budget	Budget
		3	4	5	6	7	8	9	10			
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	(131,839)	-	-	-	-	-	46,599	46,599	(85,240)	(57,070)	62,876
Other current investments > 90 days		-	-	-	-	-	-	0	0	0	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		(131,839)	-	-	-	-	-	46,599	46,599	(85,240)	(57,070)	62,876
Applications of cash and investments												
Unspent conditional transfers		2,784	-	-	-	-	-	(2,488)	(2,488)	296	2,784	2,784
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		54,109	-	-	-	-	-	(25,457)	(25,457)	28,652	54,109	54,109
Other working capital requirements	2	601,086	-	-	-	-	-	(48,397)	(48,397)	552,689	556,265	539,569
Other provisions		42,192	-	-	-	-	-	-	-	42,192	42,192	42,192
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		700,171	-	-	-	-	-	(76,342)	(76,342)	623,829	655,351	638,654
Surplus(shortfall)		(832,010)	-	-	-	-	-	122,941	122,941	(709,068)	(712,421)	(575,778)

B8 further emphasises that our budget is unfunded to the extent of a R709 million deficit

Statutory requirements of R 28 million is the provision for VAT payable. The municipality does however anticipate spending in full all conditional grants in the current financial year.

The amount of R42 million provision for employee leave. This provision has been ear marked as an area for reduction, by managing and limiting the amount of leave days that may be accumulated by employees. This would reduce the provision and ultimately reduce the budget deficit.

The municipality has increased other working capital to R552 million due to the net increase in expenditure.

UTHUKELA DISTRICT MUNICIPALITY

2026

Table B9 Asset Management –[B9]

ASSET REGISTER SUMMARY - PPE (WDV)	5	3,505,186	-	-	-	-	-	49,095	49,095	3,554,281	3,610,538	3,713,080
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	47,462	47,462	47,462	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		100,544	-	-	-	-	-	(17,872)	(17,872)	82,672	203,903	308,738
<i>Sanitation Infrastructure</i>		52,520	-	-	-	-	-	17,909	17,909	70,428	121,993	201,018
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		153,063	-	-	-	-	-	47,500	47,500	200,563	325,895	509,756
Community Assets		3,354,438	-	-	-	-	-	-	-	3,354,438	3,289,715	3,211,298
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other Assets		(1,356)	-	-	-	-	-	56	56	(1,301)	(2,773)	(4,226)
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Intangible Assets</i>		408	-	-	-	-	-	(34)	(34)	374	425	442
<i>Computer Equipment</i>		(617)	-	-	-	-	-	1,066	1,066	449	(97)	412
<i>Furniture and Office Equipment</i>		1,626	-	-	-	-	-	128	128	1,755	2,236	2,836
<i>Machinery and Equipment</i>		-	-	-	-	-	-	1,000	1,000	1,000	-	-
<i>Transport Assets</i>		(2,377)	-	-	-	-	-	(620)	(620)	(2,998)	(4,863)	(7,438)
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Living Resources</i>		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	3,505,186	-	-	-	-	-	49,095	49,095	3,554,281	3,610,538	3,713,080
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		83,303	-	-	-	-	-	8,614	8,614	91,917	86,718	90,534
Repairs and Maintenance by asset class	3	55,000	-	-	-	-	-	35,046	35,046	90,046	55,675	56,067
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		1,000	-	-	-	-	-	(950)	(950)	50	1,000	1,000
<i>Water Supply Infrastructure</i>		54,000	-	-	-	-	-	35,996	35,996	89,996	54,675	55,067
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		55,000	-	-	-	-	-	35,046	35,046	90,046	55,675	56,067
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	6	-	-	-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		138,303	-	-	-	-	-	43,660	43,660	181,963	142,393	146,600
Renewal and upgrading of Existing Assets as % of total capex		67.1%	0.0%							55.1%	69.9%	67.6%
Renewal and upgrading of Existing Assets as % of deprec R&M as a % of PPE		220.5%	0.0%							186.9%	239.1%	239.2%
Renewal and upgrading and R&M as a % of PPE		1.6%	0.0%							2.5%	1.5%	1.5%
Renewal and upgrading and R&M as a % of PPE		6.8%	0.0%							7.4%	7.3%	7.3%

UTHUKELA DISTRICT MUNICIPALITY

2026

Table B10

DC23 Uthukela - Table B10 Basic service delivery measurement - 2026/02/28												
Description	Ref	2025/26									Budget Year 2026/27	Budget Year 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	8	9	10	11	12	13	14			
		A	A1	B	C	D	E	F	G	H		
Household service targets	1											
Water:												
Piped water inside dwelling		72577								73	71509	71867
Piped water inside yard (but not in dwelling)		48468								48	47753	47992
Using public tap (at least min service level)	2	27472								27	27068	27203
Other water supply (at least min service level)												
<i>Minimum Service Level and Above sub-total</i>		149								149	146	147
Using public tap (< min service level)	3											
Other water supply (< min service level)	3,4											
No water supply		23660								24	29336	29483
<i>Below Minimum Service Level sub-total</i>		24								24	29	29
Total number of households	5	172								172	176	177
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		86611								86,611	81627	82035
Flush toilet (with septic tank)												
Chemical toilet		10607								10,607	9996	10046
Pit toilet (ventilated)		77780								77,780	73305	73671
Other toilet provisions (> min service level)		6459								6,459	6087	6118
<i>Minimum Service Level and Above sub-total</i>		181,457								181,457	171,015	171,870
Bucket toilet		854								854	1396	1403
Other toilet provisions (< min service level)												
No toilet provisions		2626								2,626	3255	3272
<i>Below Minimum Service Level sub-total</i>		3,480								3,480	4,651	4,675
Total number of households	5	184,937								184,937	175,666	176,545
Energy:												
Electricity (at least min. service level)												
Electricity - prepaid (< min service level)												
<i>Minimum Service Level and Above sub-total</i>												
Electricity (< min service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Refuse:												
Removed at least once a week (min service)												
<i>Minimum Service Level and Above sub-total</i>												
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Households receiving Free Basic Service	15											
Water (6 kilolres per household per month)												
Sanitation (free minimum level service)												
Electricity/other energy (50kwh per household per month)												
Refuse (removed at least once a week)												
Informal Settlements												
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolres per indigent household per month)												
Sanitation (free sanitation service to indigent households)												
Electricity/other energy (50kwh per indigent household per month)												
Refuse (removed once a week for indigent households)												
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)												
Total cost of FBS provided												
Highest level of free service provided												
Property rates (R'000 value threshold)												
Water (kilolres per household per month)		6								6	6	6
Sanitation (kilolres per household per month)												
Sanitation (Rand per household per month)												
Electricity (kwh per household per month)												
Refuse (average litres per week)												
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)												
excess of section 17 of MPRA)												
Water (in excess of 6 kilolres per indigent household per month)								0	0	0		
Sanitation (in excess of free sanitation service to indigent households)												
Electricity/other energy (in excess of 50 kwh per indigent household per month)												
Refuse (in excess of one removal a week for indigent households)												
Municipal Housing - rental rebates												
Housing - top structure subsidies	6											
Other												
Total revenue cost of subsidised services provided								0	0	0		

2.1 Adjustments to budget funding:

Cash and Investment particulars by maturity:

ANALYSIS OF CASH & INVESTMENTS:

DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M07 January					
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	532	2	(77)		457
NEDBANK	0	0			0
ABSA	105 290	435	(105 290)		436
STANDARD BANK	92	-	(92)		0
					-
					-
					-
TOTAL INVESTMENTS AND INTEREST	105 914	438	(105 459)	-	892

Investments at the end of January 2026 were R892 thousand

Bank Balances				
The following reflects bank balances at 31 January 2026				
DESCRIPTION	OCTOBER 2025	NOVEMBER 2025	DECEMBER 2025	JANUARY 2026
FNB MAIN ACCOUNT 62252306280	43 738 673.99	12 192 643.33	38 952 856.44	934 326.83
FNB WATER ACCOUNT 62253072385	0	0	0	0
	43 738 673.99	12 192 643.33	38 952 856.44	934 326.83
Total cash held	934 326.83			

At end of January 2026, the municipality had cash of R 934 thousand

2.2 Expenditure on grants and reconciliations of unspent funds

Adjustments budget – transfers and grant receipts – [SB7]

UTHUKELA DISTRICT MUNICIPALITY GRANT REGISTER - 2025/26									
Summary of Grants received, expenditure & Funds available as at 31 JANUARY 2026									
			Pre-Audited Balance as at	Budget Amount 2025/26	Received	Spent & transferred to income			Closing Balance/ Unspent
	Name of Grant owner	Grant Type	01/07/2025		2025/26	2025/26	% Spent on total allocation	% Spent on received amount	2025/26
G3.101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	219 159 000.00	51 342 000.00	66 255 199.35	30%	129%	-14 913 199.35
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100 000 000.00	70 000 000.00	12 467 003.45	12%	18%	57 532 996.55
G3.105	EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	102.92	2 918 000.00	2 043 000.00	754 399.75	26%	37%	1 288 703.17
G3.109	EX Mthembu	MUNICIPAL DISASTER RELIEF	0.00	0.00	4 200 000.00	4 200 000.00	0%	100%	0.00
G3.106	EX Mthembu	EPWP INTERGRATED GRANT	0.00	2 093 000.00	1 465 000.00	929 815.04	44%	63%	535 184.96
G3.107	B Ndlovu	FINANCE MANAGEMENT GRANT	0.00	2 000 000.00	2 000 000.00	1 414 340.20	71%	71%	585 659.80
G3.108	O Mnguni	LG SETA	295 684.95	212 745.74	212 745.74	348 620.00	0%	69%	159 810.69
			295 787.87	326 382 745.74	131 262 745.74	86 369 377.79	26%	113%	45 189 155.83

The unspent grants at the end of January 2026 were R45 million. As the municipality had used its own funding to pay for MIG payments as the transfer was delayed

Adjustments to budget assumptions

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the Adjusted 2025/26 MTREF:

- National Government macro -economic targets.
- The general inflationary outlook and the impact on municipality's residents and businesses.
- The impact of municipal cost drivers.

Collection rate for revenue services

With the help from provincial treasury, we have calculated the municipality's collection rate on Water and Sanitation. Both the Debtors and Revenue collection rate were calculated. For cash flow purposes, the Revenue collection rate was used because we felt its more accurate reflection of the income that is collected. The Revenue collection rates were as follows:

- Water – 40%
- Sanitation – 40%
- Interest on outstanding- 0

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs.
- Enhancing education and skill development.
- Improving Health services.
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes.

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2024/25 MTREF of which performance has been factored into the cash flow budget.

Adjustments to budget funding

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, sanitation, operating and capital grants from organs of state and other minor charges (such as sale of goods).

The revenue strategy is a function of key components such as:

- Growth in the city and economic development.
- Revenue management and enhancement.
- Achievement of average 80 per cent annual collection rate for consumer revenue.
- National Treasury guidelines.
- Achievement of full cost recovery of specific user charges.
- Determining tariff escalation rate by establishing/calculating revenue requirements.
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers aligned to the economic forecasts.

Adjustments to expenditure on allocations and grant programs.

National treasury has further gazetted R30m in Disaster Recovery grant.

The municipality further received R 11.7m in Regional bulk infrastructure grant

Adjustments to allocations and grants made by the municipality

The municipality has budgeted 2m for the agency

2.3 Adjustments to Councillor and employee benefits [SB11]

UTHUKELA DISTRICT MUNICIPALITY

2026

DC23 Uthukela - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 2026/02/28

Summary of remuneration	Ref	2025/26										% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unforeseen	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands												
Councillors (Political Office Beams plus Other)												
Basic Salaries and Wages		3,920	--	--	--	--	--	5,105	5,105	9,034	129.9%	
Pension and UIF Contributions		--	--	--	--	--	--	--	--	--	--	
Medical Aid Contributions		--	--	--	--	--	--	--	--	--	--	
Motor Vehicle Allowance		1,799	--	--	--	--	--	(1,709)	(1,709)	90	-95.0%	
Cellphone Allowance		490	--	--	--	--	--	132	132	622	26.9%	
Housing Allowances		--	--	--	--	--	--	--	--	--	--	
Other benefits and allowances		--	--	--	--	--	--	--	--	--	--	
Sub Total - Councillors		6,219	--	--	--	--	--	3,527	3,527	9,746	56.7%	
% increase			(0)								0	
Senior Managers of the Municipality												
Basic Salaries and Wages		14,455	--	--	--	--	--	(9,882)	(9,882)	4,573	-68.4%	
Pension and UIF Contributions		57	--	--	--	--	--	(50)	(50)	7	-87.3%	
Medical Aid Contributions		--	--	--	--	--	--	--	--	--	--	
Overtime		--	--	--	--	--	--	--	--	--	--	
Performance Bonus		--	--	--	--	--	--	--	--	--	--	
Motor Vehicle Allowance		--	--	--	--	--	--	801	801	801	#DIV/0!	
Cellphone Allowance		--	--	--	--	--	--	--	--	--	--	
Housing Allowances		1,500	--	--	--	--	--	(1,392)	(1,392)	108	-92.8%	
Other benefits and allowances		--	--	--	--	--	--	--	--	--	--	
Payments in lieu of leave		--	--	--	--	--	--	--	--	--	--	
Long service awards		--	--	--	--	--	--	--	--	--	--	
Post-retirement benefit obligations	5	--	--	--	--	--	--	--	--	--	--	
Entertainment		--	--	--	--	--	--	--	--	--	--	
Scarify		--	--	--	--	--	--	--	--	--	--	
Acting and postrelated allowance		--	--	--	--	--	--	--	--	--	--	
In kind benefits		--	--	--	--	--	--	--	--	--	--	
Sub Total - Senior Managers of Municipality		16,012	--	--	--	--	--	(10,524)	(10,524)	5,489	-65.7%	
% increase			(0)								(0)	
Other Municipal Staff												
Basic Salaries and Wages		259,753	--	--	--	--	--	9,343	9,343	269,096	3.6%	
Pension and UIF Contributions		46,798	--	--	--	--	--	368	368	47,166	0.8%	
Medical Aid Contributions		11,700	--	--	--	--	--	120	120	11,820	1.0%	
Overtime		24,000	--	--	--	--	--	(9,928)	(9,928)	14,072	-41.4%	
Performance Bonus		19,192	--	--	--	--	--	2,294	2,294	21,486	--	
Motor Vehicle Allowance		13,782	--	--	--	--	--	7,417	7,417	21,198	53.8%	
Cellphone Allowance		--	--	--	--	--	--	--	--	--	--	
Housing Allowances		1,099	--	--	--	--	--	116	116	1,214	--	
Other benefits and allowances		10,034	--	--	--	--	--	(3,795)	(3,795)	6,240	-37.8%	
Payments in lieu of leave		2,200	--	--	--	--	--	555	555	2,755	25.2%	
Long service awards		--	--	--	--	--	--	--	--	--	--	
Post-retirement benefit obligations	5	--	--	--	--	--	--	--	--	--	--	
Entertainment		--	--	--	--	--	--	--	--	--	--	
Scarify		--	--	--	--	--	--	--	--	--	--	
Acting and postrelated allowance		1,664	--	--	--	--	--	(818)	(818)	846	--	
In kind benefits		--	--	--	--	--	--	--	--	--	--	
Sub Total - Other Municipal Staff		390,221	--	--	--	--	--	5,671	5,671	395,892	1.5%	
% increase			--	--	--	--	--				--	
Total Parent Municipality		412,452	--	--	--	--	--	(1,325)	(1,325)	411,127	-0.3%	
Board Members of Entities												
Basic Salaries and Wages		--	--	--	--	--	--	--	--	--	--	
Pension and UIF Contributions		--	--	--	--	--	--	--	--	--	--	
Medical Aid Contributions		--	--	--	--	--	--	--	--	--	--	
Overtime		--	--	--	--	--	--	--	--	--	--	
Performance Bonus		--	--	--	--	--	--	--	--	--	--	
Motor Vehicle Allowance		--	--	--	--	--	--	--	--	--	--	
Cellphone Allowance		--	--	--	--	--	--	--	--	--	--	
Housing Allowances		--	--	--	--	--	--	--	--	--	--	
Other benefits and allowances		--	--	--	--	--	--	--	--	--	--	
Board Fees		--	--	--	--	--	--	--	--	--	--	
Payments in lieu of leave		--	--	--	--	--	--	--	--	--	--	
Long service awards		--	--	--	--	--	--	--	--	--	--	
Post-retirement benefit obligations	5	--	--	--	--	--	--	--	--	--	--	
Entertainment		--	--	--	--	--	--	--	--	--	--	
Scarify		--	--	--	--	--	--	--	--	--	--	
Acting and postrelated allowance		--	--	--	--	--	--	--	--	--	--	
In kind benefits		--	--	--	--	--	--	--	--	--	--	
Sub Total - Board Members of Entities		--	--	--	--	--	--	--	--	--	--	
% increase			--	--	--	--	--				--	
Senior Managers of Entities												
Basic Salaries and Wages		--	--	--	--	--	--	--	--	--	--	
Pension and UIF Contributions		--	--	--	--	--	--	--	--	--	--	
Medical Aid Contributions		--	--	--	--	--	--	--	--	--	--	
Overtime		--	--	--	--	--	--	--	--	--	--	
Performance Bonus		--	--	--	--	--	--	--	--	--	--	
Motor Vehicle Allowance		--	--	--	--	--	--	--	--	--	--	
Cellphone Allowance		--	--	--	--	--	--	--	--	--	--	
Housing Allowances		--	--	--	--	--	--	--	--	--	--	
Other benefits and allowances		--	--	--	--	--	--	--	--	--	--	
Payments in lieu of leave		--	--	--	--	--	--	--	--	--	--	
Long service awards		--	--	--	--	--	--	--	--	--	--	
Post-retirement benefit obligations	5	--	--	--	--	--	--	--	--	--	--	
Entertainment		--	--	--	--	--	--	--	--	--	--	
Scarify		--	--	--	--	--	--	--	--	--	--	
Acting and postrelated allowance		--	--	--	--	--	--	--	--	--	--	
In kind benefits		--	--	--	--	--	--	--	--	--	--	
Sub Total - Senior Managers of Entities		--	--	--	--	--	--	--	--	--	--	
% increase			--	--	--	--	--				--	
Other Staff of Entities												
Basic Salaries and Wages		--	--	--	--	--	--	--	--	--	--	
Pension and UIF Contributions		--	--	--	--	--	--	--	--	--	--	
Medical Aid Contributions		--	--	--	--	--	--	--	--	--	--	
Overtime		--	--	--	--	--	--	--	--	--	--	
Performance Bonus		--	--	--	--	--	--	--	--	--	--	
Motor Vehicle Allowance		--	--	--	--	--	--	--	--	--	--	
Cellphone Allowance		--	--	--	--	--	--	--	--	--	--	
Housing Allowances		--	--	--	--	--	--	--	--	--	--	
Other benefits and allowances		--	--	--	--	--	--	--	--	--	--	
Payments in lieu of leave		--	--	--	--	--	--	--	--	--	--	
Long service awards		--	--	--	--	--	--	--	--	--	--	
Post-retirement benefit obligations	5	--	--	--	--	--	--	--	--	--	--	
Entertainment		--	--	--	--	--	--	--	--	--	--	
Scarify		--	--	--	--	--	--	--	--	--	--	
Acting and postrelated allowance		--	--	--	--	--	--	--	--	--	--	
In kind benefits		--	--	--	--	--	--	--	--	--	--	
Sub Total - Other Staff of Entities		--	--	--	--	--	--	--	--	--	--	
% increase			--	--	--	--	--				--	
Total Municipal Entities		--	--	--	--	--	--	--	--	--	--	
TOTAL SALARY, ALLOWANCES & BENEFITS		412,452	--	--	--	--	--	(1,325)	(1,325)	411,127	-0.3%	
% increase			--	--	--	--	--				--	
TOTAL MANAGERS AND STAFF		406,233	--	--	--	--	--	(4,852)	(4,852)	401,381	-1.2%	

UTHUKELA DISTRICT MUNICIPALITY 2026

A total decrease of R5million will be affected to employee related costs and councillor allowances increasing from R 6.1m to 9m Detailed explanation under discussion of table B4.

2.4 Debtors age analysis

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 - January

Description	NT Code	Budget Year 2025/26									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	26 302	20 571	24 796	20 119	16 533	18 580	14 732	791 715	933 348	861 679	
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	1 794	1 347	1 221	1 160	1 054	1 121	985	49 491	58 172	53 810	
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	6 350	6 269	6 138	5 988	5 839	5 750	5 760	265 380	307 474	288 716	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	22	48	13	12	14	13	18	7 306	7 445	7 383	
Total By Income Source	2000	34 467	28 235	32 168	27 278	23 440	25 464	21 495	1 113 891	1 306 439	1 211 568	
2024/25 - totals only		35 580	23 803	24 079	24 586	22 681	22 671	21 846	1 154 130	1 329 376	1 245 915	
Debtors Age Analysis By Customer Group												
Organs of State	2200	4 016	2 267	2 475	3 296	1 284	1 324	1 080	56 373	72 115	63 357	
Commercial	2300	5 932	3 690	1 811	1 701	1 364	1 702	1 143	57 593	74 937	63 503	
Households	2400	24 519	22 278	27 882	22 282	20 792	22 438	19 272	999 626	1 159 387	1 084 708	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	34 467	28 235	32 168	27 278	23 440	25 464	21 495	1 113 891	1 306 439	1 211 568	

As at the end of January 2026, the aged debtors totalled R 1.3 billion.

2.5 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January 2026

Description	NT Code	Budget Year 2025/26									Total	Prior year totals for short (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (outputless input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	85,247	9,131	8,501	5,625	699,114	-	-	-	807,618	-	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	4 011	19 721	10 228	1 787	525 181	-	-	-	807 618	-	

As at the end of January 2026 trade creditors totalled R 807million.

2.6 Other Supporting Tables/ Information

- B Schedule
- Budget Funding Plan
- Grant Register (31 January 2026)
- Investment Register (31 January 2026)
- Creditors listing (31 January 2026)

2.7 Municipal Manager's quality certificate



I Langelihle Jili Municipal Manager of UThukela District Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with S72 and S28 of the Municipal Finance Management Act and the regulations made under this Act. In conjunction with National Treasury circular number 91.

Print Name: LS Jili
Municipal Manager

Signature:

Date: 28 February 2026