



UMKHANDA

**UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY**

SECTION 71 REPORT

MARCH 2026

Table of Contents

PART 1 – MONTHLY IN-YEAR MONITORING BUDGET

1.1	MAYOR'S REPORT
1.2	COUNCIL RESOLUTIONS
1.3	EXECUTIVE SUMMARY
1.4	IN- YEAR BUDGET TABLES

PART 2 – SUPPORTING DOCUMENTATION

2.1	DEBTORS AGE ANALYSIS
2.2	CREDITORS AGE ANALYSIS
2.3	BANK BALANCES AND COLLECTION RATE
2.4	INVESTMENT PORTFOLIO
2.5	ALLOCATION OF GRANT RECEIPTAND EXPENDITURE.....
2.6	MUNICIPAL MANAGERS QUALITY CERTIFICATE.....

Part 1 – Annual Budget

1.1 Mayor’s Report

The Monthly section 71 report is a report that gives a clear view on the state or performance of the Municipality for that month as well as the year-to-date performance. Among the impacts that are challenging the Municipality, is the cash flow challenge currently being experienced by the municipality due to among other things declining collection, historic expenditure patterns, high water losses and high rate of indigents within the municipal boundaries.

Management within local government has a significant role to play in strengthening the link between the citizen and government’s overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the UThukela District Municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

1.2 Council Resolutions

1. The Council of UThukela District Municipality, acting in terms of section 71 of the Municipal Finance Management Act, (Act 56 of 2003) to note :
2. Monthly Budget statements and supporting documents for the months of March 2026.

1.3 Executive Summary

As per Municipal Finance Management Act the municipality needs to prepare section 71 report in a prescribed format as per national treasury regulations.

The District Municipality has to embark on implementing revenue collection strategies to optimize the collection of debt owed by consumers.

The municipality is also embarking on assuring that all grants are spent during the 2025/26 financial year.

Table C1 - Budgeted Statement Summary

DC23 Uthukela - Table C1 Monthly Budget Statement Summary - M09 - March

Description	2024/25	Budget Year 2025/26							
	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	280 382	329 806	310 368	25 880	223 354	242 775	(19 421)	-8%	318 358
Investment revenue	6 613	6 163	6 643	-	3 734	4 414	(690)	-15%	5 643
Transfers and subsidies - Operational	650 824	655 135	649 030	162 688	639 021	492 409	146 612	30%	649 030
Other own revenue	75 820	76 290	79 290	6 667	58 659	58 017	642	1%	78 290
Total Revenue (excluding capital transfers and contributions)	1 013 739	1 077 393	1 051 321	195 216	924 766	797 616	127 152	16%	1 051 321
Employee costs	404 820	406 233	406 224	29 562	304 139	304 671	(532)	0%	406 224
Remuneration of Councilors	6 284	6 219	9 746	661	7 761	6 076	1 686	28%	9 746
Depreciation and amortisation	89 413	83 303	91 917	7 699	68 292	65 923	2 369	4%	91 917
Interest	19 234	6 721	6 721	-	110	5 041	(4 931)	-98%	6 721
Inventory consumed and bulk purchases	106 642	68 790	58 490	4 657	16 935	47 473	(30 538)	-64%	58 490
Transfers and subsidies	-	3 600	2 000	-	1 350	2 000	(710)	-34%	2 000
Other expenditure	705 355	479 827	449 608	9 786	115 133	347 713	(232 580)	-67%	449 608
Total Expenditure	1 331 747	1 054 493	1 024 706	52 365	513 718	778 955	(265 236)	-34%	1 024 706
Surplus/(Deficit)	(318 009)	22 900	26 615	142 851	411 050	18 661	392 389	2103%	26 615
Transfers and subsidies - capital (monetary allocations)	267 242	311 791	365 016	-	47 321	261 133	(203 812)	-81%	355 016
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	(50 767)	334 691	381 632	142 851	458 371	269 795	188 577	70%	381 632
Surplus/ (Deficit) for the year	(50 767)	334 691	381 632	142 851	458 371	269 795	188 577	70%	381 632
Capital expenditure & funds sources									
Capital expenditure	0	273 623	238 060	25 460	98 732	190 992	(92 260)	-48%	238 060
Capital transfers recognised	(4 349)	271 123	308 710	25 460	97 800	218 377	(120 577)	-55%	308 710
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	2 500	2 900	-	933	2 035	(1 102)	-54%	2 900
Total sources of capital funds	(4 349)	273 623	311 610	25 460	98 732	220 412	(121 680)	-55%	311 610
Financial position									
Total current assets	310 043	564 462	363 451	-	689 486	-	-	-	363 451
Total non current assets	3 551 722	3 546 961	3 553 427	-	3 582 323	-	-	-	3 553 427
Total current liabilities	1 334 557	1 110 005	879 102	-	1 384 520	-	-	-	876 102
Total non current liabilities	41 595	51 568	50 346	-	41 595	-	-	-	50 346
Community wealth/Equity	2 485 612	2 949 880	2 990 430	-	2 865 693	-	-	-	2 890 430
Cash flows									
Net cash from (used) operating	870 883	283 836	219 473	208 704	851 025	185 532	(665 493)	-369%	219 473
Net cash from (used) investing	218 668	(273 623)	(311 610)	(24 989)	(101 888)	(220 412)	(118 524)	54%	(311 610)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	1 095 361	(131 839)	(81 240)	-	760 012	(23 883)	(783 895)	3289%	(81 261)
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	32 332	26 862	27 458	23 726	30 028	26 212	22 977	1 155 479	1 345 076
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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

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

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 - March

Description	Ref	Budget Year 2025/26								
		2024/25 Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		651 947	734 345	642 531	162 698	639 941	514 033	125 908	24%	642 531
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		651 947	734 345	642 531	162 698	639 941	514 033	125 908	24%	642 531
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		3 652	49	34 665	52	4 524	13 883	(9 359)	-67%	34 665
Community and social services		3 608	-	30 000	-	-	12 000	(12 000)	-100%	30 000
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		43	49	4 665	52	4 524	1 883	2 641	140%	4 665
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		625 383	654 790	729 142	32 466	327 625	520 833	(193 209)	-37%	729 142
Energy sources		-	-	-	-	-	-	-	-	-
Water management		625 383	654 790	729 142	32 466	327 625	520 833	(193 209)	-37%	729 142
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 280 981	1 389 184	1 486 338	195 216	972 660	1 048 758	(76 660)	-7%	1 406 338
Expenditure - Functional										
<i>Governance and administration</i>		280 693	375 156	391 457	15 397	165 994	284 768	(118 774)	-42%	391 457
Executive and council		52 568	56 174	58 640	6 249	45 654	43 117	2 537	6%	58 640
Finance and administration		228 125	318 982	332 817	9 148	120 340	241 651	(121 311)	-50%	332 817
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		62 817	58 102	59 736	6 328	40 500	44 707	(4 207)	-9%	59 736
Community and social services		26 538	9 399	13 482	996	10 210	8 671	1 538	18%	13 482
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		36 278	48 712	46 274	5 332	30 291	36 036	(5 745)	-16%	46 274
<i>Economic and environmental services</i>		16 259	28 023	19 745	1 358	14 292	17 706	(3 414)	-19%	19 745
Planning and development		16 259	28 023	19 745	1 358	14 292	17 706	(3 414)	-19%	19 745
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		971 978	593 212	553 767	29 281	292 932	431 774	(138 841)	-32%	553 767
Energy sources		-	-	-	-	-	-	-	-	-
Water management		971 978	593 212	553 767	29 281	292 932	431 774	(138 841)	-32%	553 767
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 331 747	1 054 493	1 024 706	52 365	513 718	778 955	(265 238)	-34%	1 024 706
Surplus/ (Deficit) for the year		(50 767)	334 691	381 632	142 851	458 971	269 795	188 577	70%	381 632

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) - M09 - March

Vote Description	Ref	2024/25		Budget Year 2025/26						
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote										
Vote 1 - MAYOR AND MM	1	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		602	326	539	-	457	329	128	38.8%	539
Vote 3 - BUDGET AND TREASURY		649 345	734 020	641 993	162 698	639 484	513 704	125 780	24.6%	641 993
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	30 000	-	-	12 000	(12 000)	-100.0%	30 000
Vote 5 - WSA& HEALTH SERVICES		43	49	4 665	52	4 524	1 883	2 641	140.2%	4 665
Vote 6 - 600 - WATER, SANITATION AND TECHNICAL SERVICES		818 377	654 790	729 142	32 466	327 625	520 833	(183 209)	-37.1%	729 142
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 268 367	1 389 184	1 406 338	195 216	972 090	1 048 750	(76 660)	-7.3%	1 406 338
Expenditure by Vote										
Vote 1 - MAYOR AND MM	1	62 668	66 174	68 640	6 249	45 854	43 117	2 537	6.9%	68 640
Vote 2 - CORPORATE SERVICES		144 596	145 768	131 297	1 071	59 453	100 417	(40 964)	-40.8%	131 297
Vote 3 - BUDGET AND TREASURY		83 629	171 528	201 520	8 077	60 887	140 643	(79 756)	-56.7%	201 520
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		42 798	37 413	33 207	2 354	24 601	26 378	(1 878)	-7.1%	33 207
Vote 5 - WSA& HEALTH SERVICES		36 278	50 399	46 274	5 332	30 291	36 626	(6 335)	-17.3%	46 274
Vote 6 - 600 - WATER, SANITATION AND TECHNICAL SERVICES		971 978	592 212	563 767	29 281	292 932	431 774	(138 841)	-32.2%	563 767
Vote 7 -		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 331 747	1 054 493	1 024 706	52 365	513 718	778 955	(265 236)	-34.1%	1 024 706
Surplus/ (Deficit) for the year	2	(63 380)	334 691	381 632	142 851	458 371	269 795	188 577	69.9%	381 632

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) - M09 - March

Description	Ref	2024/25	Budget Year 2025/26							
		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		280 786	308 162	296 601	24 216	207 765	226 497	(18 733)	-9%	296 601
Service charges - Waste Water Management		19 598	21 843	21 767	1 644	15 589	16 278	(689)	-4%	21 757
Service charges - Waste management		-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		597	554	2 335	46	1 956	1 128	828	73%	2 335
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		71 605	74 157	74 157	6 667	55 127	55 618	(491)	-1%	74 157
Interest from Current and Non Current Assets		6 613	6 163	5 643	-	3 734	4 414	(680)	-15%	5 643
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		3 223	1 069	1 333	-	1 253	907	345	38%	1 333
Non-Exchange Revenue										
Property rates		-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		394	511	465	62	324	385	(41)	-11%	465
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		650 924	665 135	649 030	162 689	639 021	492 409	146 612	30%	649 030
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		1 013 739	1 077 393	1 051 321	195 215	924 798	797 616	127 152	16%	1 051 321
Expenditure By Type										
Employee related costs		404 820	405 233	405 224	29 562	304 139	304 671	(632)	0%	406 224
Remuneration of councillors		6 284	6 219	9 746	681	7 761	6 075	1 686	28%	9 746
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
Inventory consumed		106 642	86 750	58 480	4 657	16 935	47 473	(30 638)	-64%	58 490
Debt Impairment		(59 328)	83 782	114 310	-	-	75 048	(75 048)	-100%	114 310
Depreciation and amortisation		89 413	83 303	51 917	7 699	68 292	65 923	2 369	4%	91 917
Interest		19 234	6 721	6 721	-	110	5 041	(4 931)	-98%	6 721
Contracted services		247 369	124 962	163 429	9 636	70 060	104 109	(34 049)	-33%	163 429
Transfers and subsidies		-	3 000	2 000	-	1 350	2 000	(710)	-34%	2 000
Irrecoverable debts written off		260 435	83 782	-	-	-	29 324	(29 324)	-100%	-
Operational costs		254 130	187 100	161 869	160	45 059	139 233	(94 174)	-68%	181 869
Losses on Disposal of Assets		2 749	-	-	-	15	-	15	#DIV/0!	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		1 331 747	1 054 493	1 024 706	52 365	513 718	778 955	(265 236)	-34%	1 024 706
Surplus/(Deficit)										
Surplus/(Deficit)		(318 009)	22 900	26 615	142 851	411 050	18 681	392 369	2103%	26 615
Transfers and subsidies - capital (monetary allocations)		267 242	311 791	355 016	-	47 321	261 133	(203 812)	-81%	355 016
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(50 767)	334 691	381 632	142 851	458 371	269 795	-	-	381 632
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(50 767)	334 691	381 632	142 851	458 371	269 795	-	-	381 632
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(50 767)	334 691	381 632	142 851	458 371	269 795	-	-	381 632
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(50 767)	334 691	381 632	142 851	458 371	269 795	-	-	381 632

Operating Revenue:

Services Charges Water

The Water Sales income recognised is 8% below what is originally anticipated. An adjustment budget was approved and adjusted downwards. The total revenue billed as of 31 March is R207 million. This resulted from the challenges with the database which is why the municipality has opted to install prepaid meters focus areas being businesses that were not previously billed and all 3 towns within the municipality.

The progress on installation of prepaid meters has also not materialised as expected as about 1200 meters have been installed to date, which affects this line item negatively.

SALE OF GOODS AND RENDERING OF SERVICES

An adjusted budget has been approved will change the year-to-date variance in the next month.

INTEREST FROM CURRENT AND NON-CURRENT ASSETS

The municipality incurred a variance of 15% below what was anticipated, as at the end of March 2026. To date the municipality has investments of R60 million, this negative impact was caused by the financial crisis the municipality had experience in the past few months. The interest on investments had not been recorded for the month of March, will be costed in April.

OPERATIONAL REVENUE

The municipality incurred a positive variance of 38% which amounts to R1,2 million which is a good indication on revenue. This is due to auction fees as at the end of December 2025 which was not budgeted for. An adjusted budget has been approved, and the year-to-date variance will be aligned in the next months.

FINES, PENALTIES AND FORFEITS

This is related to mostly the health department, and the municipality has recognised a negative 11% variance. There was a backlog in receipts, however this has been corrected and will be aligned with adjusted budget in the next month

TRANSFERS AND SUBSIDIES – OPERATIONAL

The municipality has recognised 30% variance above what was anticipated, which is a result of the municipality receiving the third trench of equitable share.

Operating Expenditure:

OVERTIME ANALYSIS FOR THE PERIOD JULY 2025 TO JUNE 2026

	JULY 2025	AUGUST 2025	SEPTEMBER 2025	OCTOBER 2025	NOVEMBER 2025	DECEMBER 2025	JANUARY 2026	FEBRUARY 2026	MARCH 2026	APRIL 2026	MAY 2026	JUNE 2026
STANDBY ALLOWANCE												
FINANCE	R 4 989.51	R -	R 5 217.90	R 10 435.79	R 5 217.90	R -	R -	R -	R -	R -	R -	R -
MAN OFFICE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
CORPORATE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
HEALTH	R -	R 10 149.04	R -	R 10 149.04	R 10 806.55	R 10 149.04	R 65 248.32	R 35 761.93	R -	R -	R -	R -
WATER	R 611 793.34	R 630 188.62	R 701 022.22	R 620 999.51	R 657 911.25	R 540 579.76	R 204 868.94	R 145 774.91	R 95 998.69	R -	R -	R -
SOCIAL	R 8 009.12	R 8 410.35	R 8 410.35	R 7 203.87	R -	R -	R 33 753.90	R 21 557.63	R -	R -	R -	R -
TOTAL STANDBY ALLOWANCE	R 624 771.29	R 648 788.01	R 714 650.47	R 648 793.21	R 673 935.70	R 550 728.80	R 383 871.16	R 283 694.47	R 95 998.69	R -	R -	R -
OVERTIME												
FINANCE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
SOCIAL	R 102 539.00	R 80 119.54	R 83 081.66	R 100 085.69	R -	R -	R 28 682.23	R 72 287.40	R 25 641.64	R -	R -	R -
TECHNICAL SERVICES	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
AWARDS / PREVIOUS	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
HEALTH	R -	R -	R 10 149.04	R -	R 3 945.06	R -	R 21 451.27	R -	R -	R -	R -	R -
MAN OFFICE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
WATER	R 1 388 335.56	R 1 178 775.60	R 1 639 038.80	R 1 200 704.85	R 665 272.44	R 487 630.99	R 318 909.41	R 132 386.15	R 246 411.37	R -	R -	R -
CORPORATE	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
TOTAL OVERTIME	R 1 470 874.56	R 1 258 895.24	R 1 732 234.50	R 1 300 790.54	R 669 217.50	R 487 630.99	R 369 042.91	R 204 673.55	R 272 053.01	R -	R -	R -
NIGHT SHIFT / SHIFT ALLOWANCE												
WATER	R 263 334.43	R 298 926.29	R 273 050.87	R 274 167.47	R 275 601.83	R 272 809.55	R 272 809.55	R 272 809.55	R 272 809.55	R -	R -	R -
SOCIAL	R 42 434.40	R 42 434.40	R 39 176.04	R 42 434.40	R 39 176.04	R 42 434.40	R 42 434.40	R 42 434.40	R 42 434.40	R -	R -	R -
CORPORATE SERVICES	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -
TOTAL NIGHT SHIFT / SHIFT ALLOWANCE	R 305 768.83	R 341 360.69	R 312 226.91	R 316 601.87	R 314 777.87	R 315 243.95	R 315 243.95	R 315 243.95	R 315 243.95	R -	R -	R -
GRAND TOTAL	R 2 401 414.73	R 2 249 093.94	R 2 759 111.88	R 2 266 185.62	R 1 657 931.07	R 1 335 603.74	R 1 069 158.02	R 723 011.97	R 622 295.65	R -	R -	R -
DIFFERENCE	R -	R -152 410.84	R 510 107.94	R -492 926.26	R -608 254.55	R -304 327.33	R -285 445.72	R -345 146.05	R -99 716.32	R -623 295.65	R -	R -

Major Cost Drivers

Progress report on funding plan
Major cost drivers

	Budget	Revised Funding Plan	Actual	pending	Total Expenditure	Projection
employee related cost	406 232 775.00	401 380 907.00	304 139 000.00		304 139 000.00	405 518 666.67
Inventory consumed	100 190 090.86	110 190 088.00	23 972 575.14		23 972 575.14	31 963 433.52
Operational costs	42 851 010.43	42 851 010.43	168 000.00		168 000.00	224 000.00
DWS	37 190 421.33	37 190 421.33	2 793 904.00		2 793 904.00	3 725 205.33
Operational costs	39 000 000.00	67 996 000.00	21 209 187.50	46 581 617.67	67 790 805.17	Transferred to MIG
Operational costs	25 045 056.00	25 045 056.00	19 947 379.38	3 718 931.27	23 666 310.65	31 555 080.87
Chemicals	20 000 000.00	10 000 000.00	6 850 295.00	2 269 119.84	8 119 414.84	10 825 886.45
Operational costs	15 000 000.00	15 000 000.00	5 062 314.35	9 604 068.68	14 566 383.03	19 421 844.04
Operational costs	10 000 000.00	10 000 000.00	7 923 922.41	1 627 036.42	9 550 958.83	12 734 611.77
Operational costs	8 000 000.00	8 000 000.00	4 339 676.89	3 527 434.86	7 867 111.75	10 489 482.33
Operational costs	7 000 000.00	7 000 000.00	2 966 346.50	3 691 003.00	6 657 349.50	8 876 466.00
Employee related cost	406 232 775.00	401 380 907.00	304 139 000.00			
Inventory consumed	68 790 000.00	58 790 421.33	16 935 000.00			
Operational costs	124 962 000.00	110 470 331.59	70 060 000.00			
Operational costs	187 100 000.00	175 308 366.85	45 059 000.00			

COUNCILLORS REMUNERATION

The municipality had received an approval from Cogta to increase councillors' remuneration and effectively be back paid, this resulted in this variance which has been adjusted in the adjustments budget.

INVENTORY CONSUMED

The municipality has incurred a variance of negative 64% as of March 2026, the municipality still struggles with receiving invoices from DWS timeously, reflecting low expenditure. As soon as the payments are done and costed the expenditure for Inventory consumed will show on the system. The municipality has also made quite extensive savings on chemicals as compared to previous years.

Debt Impairment and Write offs

The municipality is doing impairment and write offs calculation as at year end.

INTEREST

The municipality has recognised negative 98% variance on interest. Interest is primarily based on DWS and Eskom as trend of previous years the municipality prioritises the payments therefore, we have cut significantly on interest payments as of March 2026.

CONTRACTED SERVICES:

The municipality incurred 33% below variance. The municipality implemented the cost containment majors, which resulted in savings on cost containment. There is also delays in payments as the municipality is struggling

OPERATIONAL COSTS:

The municipality incurred 68% 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 local municipalities expenditure is also not costed as there are also issues with receiving invoices timeously.

Water Debt Relief

Annexure 02 - Monthly



Department of Water and Sanitation and National Treasury
 Water Debt Relief
 Water Debt Relief Guideline
 Municipal Finance Management Act No. 56 of 2003

National Treasury

Certificate of Compliance: Water Debt Relief Conditions

Period	Select
National Financial Year	Select
Demarcation Code of Municipality being assessed	Search
District	Complete the search boxes above
Demarcation Description	Complete demarcation Code above

I, name and surname of HOD _____, hereby certify that the provincial treasury monitored the municipality's compliance against the conditions of Municipal Debt Relief as set-out in the Water Debt Relief Guideline and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

Water Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	Description	Response
7.1. Maintaining the bulk water current account - <small>(current account for the purpose of this exercise means the account for a single month's consumption that was due and payable during the month being assessed)</small>		
7.1	- Has the municipality paid its bulk water current account within 20 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 7.1.</i>	No or only partial payment
7.1.1	- Has the municipality submitted the supporting evidence of the bulk water current account payment(s) to the relevant Water Board (WB) and/ or Water Trading Entity (WTE) and / or Water User Association (WUA) within 1 day of making any such payment (in PDF format)?	Yes
7.1.2	- Has the municipality submitted the consolidated proof of payments to the respective bulk suppliers to the National Treasury GoMuni Upload portal https://gumuniuploadportal.treasury.gov.za by the 10th working day of the month following the invoice date (in PDF format)?	No
7.1.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board (WB) and/ or Water Trading Entity (WTE) and / or Water User Association (WUA)?	No
7.2. Accounting Treatment and mSCOA Reporting		
7.2.1	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Water arrears debt (debt existing as on 30 September 2024) as per any written instruction of the National Treasury: Office of the Accountant General and Nr: CD: Local Government Budget Analysis Issued for Water Debt Relief to date?	N/A (No write-off yet)
7.2.1	Did the municipality account for any related benefit (e.g. interest suppression, etc.) and does such align with mSCOA?	N/A (No benefit yet)
7.3. Monitor and report on implementation -		
7.3.1	MFMA section 71 reporting -- has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the Water Debt Relief Conditions as part of the implementation of the municipality's funded budget (and Budget Funding Plan where relevant)?	Yes
7.3.1.1	Does the municipality's MFMA section 71 statement for the month being assessed include the municipality's water debt relief compliance self-assessment (signed by the Municipal Manager) - in the format of the Water Debt Relief compliance certificate (Annexure 02 of the Water Debt Relief Guideline)?	Yes
7.3.1. Does the municipality - in MFMA section 71 statement for the month being assessed		
7.3.1.2	Part A: Include the municipality's progress against its approved funded budget?	Yes
7.3.1.2	Part B: If the municipality's budget was assessed as unfunded by any of the Treasuries, the municipality include the progress against approved Budget Funding Plan?	Yes
7.3.1.2	- Does the municipality's progress report envisaged in Part A and B above clearly demonstrate that the municipality is achieving the required Water Debt Relief compliance?	Incomplete reporting
7.3.1.3	- Include the municipality's water losses (both in Rand value and kilolitres) for the month being assessed? (MFMA Circular 71)	Yes
7.3.1.3	- Include the municipality's energy losses (both in Rand value and kilowatt hours) for the month being assessed? (MFMA Circular 71)	No
7.3.1.3	- If the municipality is unable to calculate and report on its water and/or energy losses, did the municipality make any progress in terms of its loss calculation/ reporting strategy towards <i>calculating and reporting on such losses</i> ?	No
7.3.1.3	- Include the <i>progress made to reduce</i> the municipality's reported water and/ or energy losses against its water and energy losses reduction strategy?	No
Municipalities with financial recovery plans (FRP)		
7.3.1.2	- Municipalities with financial recovery plans (FRP) -- if the municipality has a FRP as envisaged in the prevailing local government legislative framework: Did the municipality's FRP progress report during the month being assessed, explicitly include the municipality's progress against those components of the FRP aimed to achieve water debt relief compliance as part of achieving a funded budget?	Yes
7.3.1.2	- Municipalities with financial recovery plans (FRP) -- Was the municipality's FRP progress report during the month being assessed, submitted to the relevant Provincial Executive?	Yes
7.3.2	- If progress is slow in terms of paragraph 7.3.1, is the municipal council and senior management team's active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?	Yes

Table C5 – Monthly Budget Statements – Capital Expenditure

DC23 Uthukela - Table C6 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 - March

Vote Description	Ref	2024/25		Budget Year 2025/26						
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MAYOR AND MM										
Vote 2 - CORPORATE SERVICES										
Vote 3 - BUDGET AND TREASURY										
Vote 4 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)										
Vote 5 - 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			2 500	1 900		516	1 635	(1 119)	-63%	1 900
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	271 123	238 160	25 460	98 217	189 357	(91 141)	-48%	238 160
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	273 623	238 060	25 460	98 732	190 692	(92 260)	-48%	238 060
Total Capital Expenditure		0	273 623	238 060	25 460	98 732	190 692	(92 260)	-48%	238 060
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>			2 500	1 900		516	1 635	(1 119)	-63%	1 900
Executive and council										
Finance and administration			2 500	1 900		516	1 635	(1 119)	-63%	1 900
Internal audit										
<i>Community and public safety</i>				26 087			10 435	(10 435)	-100%	26 087
Community and social services				26 087			10 435	(10 435)	-100%	26 087
Sport and recreation										
Public safety										
Housing										
Health										
<i>Economic and environmental services</i>										
Planning and development										
Road transport										
Environmental protection										
<i>Trading services</i>		0	271 123	238 623	25 460	98 217	208 342	(110 126)	-53%	238 623
Energy sources										
Water management		0	271 123	238 623	25 460	98 217	208 342	(110 126)	-53%	238 623
Waste water management										
Waste management										
<i>Other</i>										
Total Capital Expenditure - Functional Classification	3	0	273 623	311 610	25 460	98 732	220 412	(121 680)	-55%	311 610
Funded by:										
National Government		(4 349)	271 123	308 710	25 460	97 800	218 377	(129 577)	-55%	308 710
Provincial Government										
District Municipality										
Transfers and subsidies - capital (treasury allocations) (Nat/ Prov Deparm Agencies, Transfers recognised - capital		(4 349)	271 123	308 710	25 460	97 800	218 377	(120 577)	-55%	308 710
Borrowing	6									
Internally generated funds			2 500	2 900		933	2 035	(1 102)	-64%	2 900
Total Capital Funding		(4 349)	273 623	311 610	25 460	98 732	220 412	(121 680)	-55%	311 610

As depicted above capital expenditure amounting to 25 million recorded at the month of March 2026, this includes payment done for MIG Projects. Mig Is now on a cost reimbursive basis. Internally funding expenditure is also quite low as the municipality cannot afford to pay.

Table C6 - Budgeted Statement – Financial Position

DC23 Uthukela - Table C6 Monthly Budget Statement - Financial Position - M09 - March

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		10 875	(131 839)	(85 240)	258 173	(85 240)
Trade and other receivables from exchange transactions		94 608	252 200	386 382	238 388	386 382
Receivables from non-exchange transactions		79	424 642	173	79	173
Current portion of non-current receivables		3 514	-	-	3 514	-
Inventory		16 915	19 380	17 432	29 192	17 432
VAT		180 103	-	44 704	156 345	44 704
Other current assets		3 949	99	-	3 795	-
Total current assets		310 043	564 462	363 451	689 486	363 451
Non current assets						
Investments		-	-	-	-	-
Investment property		-	-	-	-	-
Property, plant and equipment		3 551 348	3 544 778	3 551 348	3 581 962	3 551 348
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		-	-	-	-	-
Intangible assets		374	408	374	360	374
Trade and other receivables from exchange transactions		-	1 726	1 658	-	1 658
Non-current receivables from non-exchange transactions		-	48	46	-	46
Other non-current assets		-	-	-	-	-
Total non current assets		3 551 722	3 546 961	3 553 427	3 582 323	3 553 427
TOTAL ASSETS		3 861 765	4 111 422	3 916 878	4 271 809	3 916 878
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		59	-	59	(10 154)	59
Consumer deposits		20 816	20 851	20 552	21 368	20 552
Trade and other payables from exchange transactions		1 009 175	990 069	739 647	875 293	739 647
Trade and other payables from non-exchange transactions		(428)	2 784	296	166 128	295
Provision		46 575	42 192	42 192	46 575	42 192
VAT		258 361	29 010	8 230	265 310	8 230
Other current liabilities		-	25 099	65 126	-	65 126
Total current liabilities		1 334 557	1 110 005	876 102	1 364 520	876 102
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		18 935	51 558	50 346	18 935	50 346
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		22 660	-	-	22 660	-
Total non current liabilities		41 595	51 558	50 346	41 595	50 346
TOTAL LIABILITIES		1 376 153	1 161 563	926 448	1 406 115	926 448
NET ASSETS	2	2 485 612	2 949 860	2 990 430	2 865 693	2 990 430
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2 485 612	2 949 860	2 990 430	2 865 693	2 990 430
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2 485 612	2 949 860	2 990 430	2 865 693	2 990 430

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 - M09 - March

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
1										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		126 443	131 922	127 343	11 723	198 922	97 110	11 812	12%	127 343
Other revenue		17 704	70 622	82 040	(1 819)	29 512	57 534	(37 022)	-64%	82 040
Transfers and Subsidies - Operational		627 960	865 135	649 030	163 917	678 090	492 409	185 680	38%	649 030
Transfers and Subsidies - Capital		303 673	311 791	355 016	51 000	172 347	251 134	(78 787)	-31%	355 016
Interest		6 088	6 163	5 643	-	3 734	4 414	(680)	-15%	5 643
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(209 956)	(898 197)	(1 001 600)	(16 617)	(132 580)	(716 009)	582 429	-81%	(1 001 600)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	(3 600)	2 000	-	-	(2 000)	2 000	-100%	2 000
NET CASH FROM/(USED) OPERATING ACTIVITIES		670 883	283 836	219 473	208 704	851 025	165 532	(865 493)	-35%	218 473
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decreases (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		218 668	(273 623)	(311 610)	(24 988)	(101 888)	(220 412)	118 624	-54%	(311 610)
NET CASH FROM/(USED) INVESTING ACTIVITIES		218 668	(273 623)	(311 610)	(24 988)	(101 888)	(220 412)	(118 624)	54%	(311 610)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		1 088 551	10 213	(92 137)	163 735	749 137	(34 880)			(92 137)
Cash/cash equivalents at beginning		5 810	(142 052)	10 897		10 875	10 897			10 875
Cash/cash equivalents at month/year end:		1 095 361	(131 839)	(81 240)		760 012	(23 983)			(81 261)

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 - M09 - March

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 Days	151-180 Days	181 Days-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	24 001	16 443	20 127	16 492	22 992	19 352	16 292	82 121	958 940	895 366	
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	1 744	1 358	1 142	1 105	1 056	1 007	1 005	51 244	69 663	55 418	
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	5 570	7 020	6 170	6 064	5 967	5 842	5 698	275 758	319 107	299 348	
Recoverable unauthorised, irregular, useless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	17	41	20	45	13	12	13	7 298	7 365	7 288	
Total By Income Source	2800	32 332	26 862	27 458	23 728	30 028	26 212	22 977	1 155 479	1 345 076	1 258 423	
2024/25 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200	3 216	1 555	2 000	940	1 155	2 780	1 100	56 026	68 872	52 001	
Commercial	2300	5 006	1 555	2 044	1 178	1 331	1 486	1 239	59 743	74 601	64 957	
Households	2400	24 111	23 612	22 415	21 608	27 541	21 966	20 638	1 039 711	1 201 602	1 131 465	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	32 332	26 862	27 458	23 728	30 028	26 212	22 977	1 155 479	1 345 076	1 258 423	

- The Municipality has a total amount over R 1.3 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 31 MARCH 2026

ACCOUNT HOLDER NAME	OUTSTANDING TOTAL BALANCE
ALFRED DUMA LOCAL MUNICIPALITY	18 680 566.59
LIEBENBERG LC	8 393 556.25
UTHUKELA DISTRICT MUNICIPALITY	2 660 792.98
MADUNA D/P 781 GZ	2 498 667.80
NORTHERN NATAL ABBATTOIR	2 444 191.70
NTOKOZWENI COMMUNITY LAND TRUST	2 308 096.22
ESKOM HOLDINGS S O C LTD DISTR	1 939 872.34
MCITSHENI PRIMARY SCHOOL	1 869 403.35
PROVINCIAL DEPARTMENT OF AGRIC	1 825 166.93
GANGAT E.M	1 731 623.43

Table SC4 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description R thousands	NT Code	Budget Year 2025/26								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	109 564	8 486	8 683	14 473	700 617				841 823
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	109 564	8 486	8 683	14 473	700 617	-	-	-	841 823

Top 10 Creditors

TOP 10 OUTSTANDING CREDITORS

SUPPLIER	AMOUNT
DWA	185 596 368.30
UMNGENI	151 300 860.50
RASP	133 748 853.60
ALFRED DUMA	95 350 585.08
INKOSI LANGALIBALELE	54 121 893.16
MGAZI	16 786 541.81
SALGA	15 991 649.67
MULTI SOLUTION	6 385 400.00
MAX PROF	5 714 725.35
ZNMS	5 066 543.24

TOP 10 PAID CREDITORS (GRANTS)

TOP PAID CREDITORS AS AT 31 MARCH 2026

Company Name	Amount
DLV	R7 915 757.71
Lethokuhle	R2 966 224.89
Sinethemba	R1 926 718.09
ECA	R1 781 788.63
R \$ D	R1 365 399.35
Mdudla	R981 938.40
Owethu	R606 956.18
Mela-okuhke	R546 156.68
ZNMS	R462 259.02

TOP 10 PAID CREDITORS (OTHER)

Top 10 paid creditors as at 31 March 2026

Company Name	Amount
Inkosi Letter	R16 742 718.81
MTN	R10 059 756.00
Zenzelewenana	R6 000 000.00
Auditor General	R4 169 215.77
Munsoft	R3 558 290.42
Rheochem	R2 347 460.78
DWA	R2 168 999.67
Eskom	R2 060 995.33
Quickstep	R1 926 514.34
Ibhubesi	R1 370 913.27

Bank Balance

Bank Balances

The following reflects bank balances at 31 March 2026

DESCRIPTION	DECEMBER 2025	JANUARY 2026	FEBRUARY 2026	MARCH 2026
FNB MAIN ACCOUNT 62252306280	38 952 856.44	934 326.83	30 801 673.05	35 466 362.00
FNB WATER ACCOUNT 62253072385	0	0	0	0
	38 952 856.44	934 326.83	30 801 673.05	35 466 362.00
Total cash held	35 466 362.00			

Collection rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 MARCH 2026				
MONTH	BILLING	MONTHS	RECIPTS	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%
January 2026	29 355 229.51	February 2026	10 712 542.58	36.49%
February 2026	32 860 528.49	March 2026	12 240 200.91	37.25%
TOTAL	294 169 127.47		116 157 274.43	39.49%
Column1	Column2	Column3	Column4	Column5
BILLING - JUNE - MARCH 2026		294 169 127.47		
RECIPTS - JUNE-MARCH 2026		116 157 274.43		
DIFFERENCE		178 011 853.04	39%	

Table SC5 Investment portfolio

DC 23 - Uthukela Supporting Table SC5 Monthly Budget Statement - Investment portfolio - M09 March

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	458	2	-	-	460
ABSA	-	142	-	60 000	60 142
					-
					-
					-
					-
TOTAL INVESTMENTS AND INTEREST	458	144	-	60 000	60 602

The Municipality held investments of R60 million at the end of March 2026

Grant Performance:

UTHUKELA DISTRICT MUNICIPALITY
GRANT REGISTER - 2025/26
Summary of Grants received, expenditure & Funds available as at 31 MARCH 2026

	Name of Grant owner	Grant Type	Audited Balance as at	Budget Amount	Received	Spent & transferred to Income	% Spent on total allocation	% Spent on received amount	Closing Balance/ Unspent
			01/07/2025	2025/26	2025/26	2025/26			2025/26
G3.101	EX Mthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	219 159 000.00	102 342 000.00	93 689 292.64	43%	92%	8 652 707.16
G3.102	EX Mthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100 000 000.00	70 000 000.00	22 310 420.33	22%	32%	47 689 579.67
G3.105	EX Mthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	102.92	2 918 000.00	2 918 000.00	1 352 714.32	46%	46%	1 565 388.60
G3.109	EX Mthembu	MUNICIPAL DISASTER RELIEF	0.00	30 000 000.00	30 000 000.00	4 632 068.53	15%	15%	25 367 931.47
G3.106	EX Mthembu	EPWP INTERGRATED GRANT	0.00	2 093 000.00	2 093 000.00	1 449 465.35	69%	69%	643 534.65
G3.107	EX Mthembu	REGIONAL BULK INFRASTRUCTURE GRANT	0.00	11 751 632.65	11 751 632.65	11 751 632.65	100%	100%	0.00
G3.108	B Ndlovu	FINANCE MANAGEMENT GRANT	0.00	2 000 000.00	2 000 000.00	1 488 484.73	74%	74%	511 515.27
G3.109	O Mnguni	LG SETA	295 684.95	212 745.74	212 745.74	480 775.00	100%	95%	27 655.69
			295 787.87	368 134 378.39	221 317 378.39	137 154 853.74	37%	81%	84 458 312.52

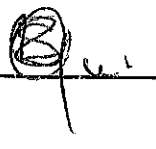
The total grant income and grant expenditure as per grant register as at the end of March 2026.


FINANCIAL RATIOS

FINANCIAL RATIO	FEBRUARY 2026	COMMENTS ON RATIOS
Capital Expenditure to Total Expenditure (10%-20%)	<p>Total Capital Expenditure / (Total Expenditure (Total Operating Expenditure +Capital Expenditure) x 100</p> <p>12 664/ (50 583 + 12 664) x 100</p> <p>12 664 / 63 247 x 100</p> <p>=20 %</p>	<p>This ratio is used to assess the level of Capital Expenditure to Total Expenditure, which indicates the prioritization of expenditure towards current operations versus future capacity in terms of municipal services.</p> <p>The ratio 20 % as shown on the calculations is exactly an acceptable norm, which confirm that for this month ending in February 2026 the spending on Capital is good.</p> <p>The norm ranges from 10% to 20%</p>
Creditors Payment Period> 30 days (= 0)	<p>Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365 days</p> <p>772 806/ 852 793 x 365 days</p> <p>= 330 days</p>	<p>This ratio indicates the average numbers of the days taken for Trade Creditors to be paid.</p> <p>The municipality ratio is 330days it takes to pay its creditors.</p> <p>Due to liquidity challenges, it is evident that the municipality is struggling to pay its creditors within the legislated time frame (within 30 days). The municipality should improve in managing</p>
		<p>working capital and cash flow to honor their financial obligation when it's due.</p>

Cash Coverage Ratio	(Cash and Cash Equivalents – Unspent Conditional Grants- Overdraft + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortization and Provision for Bad Debts, Impairment and Loss on Disposal of Assets) + (30 801 673.05 – 85 361 425.10 – 0 + 458 289.09 / 1 047 519 000) = 0.05 months	The ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to-day operational expenditure but rather reserved for Grant related expenditure. The municipality ratio is - 0.05 month. The normal range is between 1 month and 3 months.
Net Operating Surplus Margin	(Total Operating Revenue – Total Operating Expenditure) / Total Operating Revenue x 100 26 766 – 50 583 / 26 766 x 100 =89%	Net Operating Surplus Margin Net profit margin, or simply net margin, measures how much net income or profit a municipality generates a percentage of its revenue. Based on the calculation's municipality ratios is 89 % for the month of February 2026
Remuneration (Employee Related Costs and Councilor's Remuneration as % of Total Operating Expenditure)	Remuneration (Employee Related Costs and Councilor's Remuneration) / Total Operating Expenditure x 100 (29 852+ 703) / 50 583 x 100 =60%	The ratio measures the extent of Remuneration to Total Operating Expenditure Employee-related costs and the councilor's remuneration ratio amount to 60% of the total operating expenditure which is above the MFMA circular 71 recommended norm of 25% - 40%
Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x 100	This ratio measures the extent to which the municipality resources

	$\frac{7\,277}{50\,583} \times 100$ $=14\%$	<p>are committed towards contracted services to perform municipal related functions</p> <p>The municipality ratio for contracted services is 14% which is more than the acceptable norm of 2% and 5%</p>
--	---	--

Prepared by: 
Budget Officer

Reviewed by: 
Manager: Budget

Approved by: 
Acting Chief Financial Officer