

**DC23 SPECIAL ADJUSTMENTS
BUDGET OF
UTHUKELA DISTRICT
MUNICIPALITY**



2025/26

SPECIAL ADJUSTMENT BUDGET

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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.

Due to low spending on conditional grants the municipality must perform a special adjustments budget as national Treasury has withheld R 116 m for MIG and R 30 m for WSIG. The municipality also received R 30 million for RBIG after an adjustments budget was approved.

1.2 Council Resolutions

On the 29 May 2026

the Council of UThukela District Municipality met to consider the special 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

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 - 2025/02/28

Description	2025/26									Budget Year 2026/27	Budget Year 2027/28
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
	A	A1	B	C	D	E	F	G	H		
R thousands											
Financial Performance											
Property rates	-	-	-	-	-	-	-	-	-	-	-
Service charges	329,805	-	-	-	-	-	318,358	318,358	318,358	326,535	337,310
Investment revenue	6,163	-	-	-	-	-	5,643	5,643	5,643	6,407	6,619
Transfers recognised - operational	665,135	-	-	-	-	-	641,283	641,283	641,283	693,461	728,470
Other own revenue	76,290	-	-	-	-	-	78,290	78,290	78,290	79,049	81,657
Total Revenue (excluding capital transfers and contributions)	1,077,393	-	-	-	-	-	1,043,574	1,043,574	1,043,574	1,105,452	1,154,056
Employee costs	406,233	-	-	-	-	-	406,224	406,224	812,457	402,890	402,890
Remuneration of councillors	6,219	-	-	-	-	-	9,746	9,746	15,964	7,932	7,932
Depreciation & asset impairment	167,085	-	-	-	-	-	206,227	206,227	206,227	187,611	193,802
Finance charges	6,721	-	-	-	-	-	6,721	6,721	6,721	6,950	7,179
Inventory consumed and bulk purchases	68,790	-	-	-	-	-	60,990	60,990	60,990	69,231	71,238
Transfers and subsidies	3,600	-	-	-	-	-	2,000	2,000	5,600	2,000	-
Other expenditure	395,845	-	-	-	-	-	332,798	332,798	(83,254)	391,505	404,936
Total Expenditure	1,054,493	-	-	-	-	-	1,024,706	1,024,706	1,024,706	1,068,118	1,087,977
Surplus/(Deficit)	22,900	-	-	-	-	-	18,868	18,868	18,868	37,333	66,080
Transfers and subsidies - capital (monetary allocations)	311,791	-	-	-	-	-	241,752	241,752	241,752	222,036	247,744
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	334,691	-	-	-	-	-	260,620	260,620	595,311	259,369	313,824
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	334,691	-	-	-	-	-	260,620	260,620	595,311	259,369	313,824
Capital expenditure & funds sources											
Capital expenditure	273,623	-	-	-	-	-	213,119	213,119	486,742	194,075	216,430
Transfers recognised - capital	271,123	-	-	-	-	-	210,219	210,219	481,342	193,075	215,430
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2,500	-	-	-	-	-	2,900	2,900	5,400	1,000	1,000
Total sources of capital funds	273,623	-	-	-	-	-	213,119	213,119	486,742	194,075	216,430
Financial position											
Total current assets	564,462	-	-	-	-	-	338,430	338,430	902,892	291,556	411,476
Total non current assets	3,546,961	-	-	-	-	-	3,454,936	3,454,936	7,001,896	3,553,427	3,670,690
Total current liabilities	1,135,104	-	-	-	-	-	938,728	938,728	2,073,832	844,673	832,281
Total non current liabilities	51,558	-	-	-	-	-	50,346	50,346	101,904	-	-
Community wealth/Equity	2,949,860	-	-	-	-	-	2,869,418	2,869,418	5,819,277	2,948,775	3,169,702
Cash flows											
Net cash from (used) operating	283,836	-	-	-	-	-	94,461	94,461	378,297	238,864	312,037
Net cash from (used) investing	(273,623)	-	-	-	-	-	(213,119)	(213,119)	(486,742)	(194,075)	(216,430)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	59	59
Cash/cash equivalents at the year end	(131,839)	-	-	-	-	-	(107,761)	(107,761)	(239,600)	(208,583)	(113,035)
Cash backing/surplus reconciliation											
Cash and investments available	(131,839)	-	-	-	-	-	(107,761)	(107,761)	(239,600)	(208,701)	(113,153)
Application of cash and investments	676,125	-	-	-	-	-	(19,761)	(19,761)	656,364	561,713	524,768
Balance - surplus (shortfall)	(807,964)	-	-	-	-	-	(88,000)	(88,000)	(895,964)	(770,414)	(637,920)
Asset Management											
Asset register summary (WDV)	3,545,186	-	-	-	-	-	3,453,231	3,453,231	6,998,417	84,836	3,668,929
Depreciation	83,303	-	-	-	-	-	91,917	91,917	175,219	93,980	97,081
Renewal and Upgrading of Existing Assets	183,695	-	-	-	-	-	89,361	89,361	273,056	175,358	197,713
Repairs and Maintenance	55,000	-	-	-	-	-	93,046	93,046	148,046	39,000	39,957
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	0	0	0	-	-
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
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) - 2025/02/28												
Standard Description	Ref	2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjus. 10	Total Adjus. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		734,345	-	-	-	-	-	642,531	642,531	1,376,876	792,940	833,470
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		734,345	-	-	-	-	-	642,531	642,531	1,376,876	792,940	833,470
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		49	-	-	-	-	-	30,465	30,465	30,514	412	426
Community and social services		-	-	-	-	-	-	30,000	30,000	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		49	-	-	-	-	-	465	465	514	412	426
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		654,790	-	-	-	-	-	612,330	612,330	1,267,120	534,136	567,904
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		654,790	-	-	-	-	-	612,330	612,330	1,267,120	534,136	567,904
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1,389,184	-	-	-	-	-	1,285,326	1,285,326	2,674,510	1,327,488	1,401,800
Expenditure - Functional												
<i>Governance and administration</i>		375,156	-	-	-	-	-	381,927	381,927	757,083	382,711	390,769
Executive and council		56,174	-	-	-	-	-	58,640	58,640	114,814	54,593	54,973
Finance and administration		318,982	-	-	-	-	-	323,287	323,287	642,270	328,118	335,795
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		58,102	-	-	-	-	-	59,736	59,736	117,837	60,553	60,645
Community and social services		9,390	-	-	-	-	-	13,462	13,462	22,852	6,821	6,836
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		48,712	-	-	-	-	-	46,274	46,274	94,985	53,732	53,810
<i>Economic and environmental services</i>		28,023	-	-	-	-	-	19,745	19,745	47,768	19,997	16,750
Planning and development		28,023	-	-	-	-	-	19,745	19,745	47,768	19,997	16,750
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		593,212	-	-	-	-	-	563,297	563,297	1,156,510	604,857	619,813
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		593,212	-	-	-	-	-	563,297	563,297	1,156,510	604,857	619,813
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1,054,493	-	-	-	-	-	1,024,706	1,024,706	2,079,199	1,068,118	1,087,977
Surplus/ (Deficit) for the year		334,691	-	-	-	-	-	260,620	260,620	595,311	259,369	313,824

- 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.

- 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) - 2025/02/28												Budget Year 2026/27	Budget Year 2027/28
Vote Description <small>[insert departmental structure etc]</small>	Ref	2025/26									Adjusted Budget	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				
R thousands		A	A1	B	C	D	E	F	G	H			
Revenue by Vote	1												
Vote 1 - BUDGET & TREASURE OFFIICE		734,020	-	-	-	-	-	641,993	641,993	1,376,012	792,301	832,810	
Vote 2 - CORPORATE SERVICES		326	-	-	-	-	-	539	539	864	639	660	
Vote 3 - OFFICE OF THE MM		-	-	-	-	-	-	-	-	-	-	-	
Vote 4 - PLANNING AND SOCIAL SERVICES		-	-	-	-	-	-	30,000	30,000	30,000	-	-	
Vote 5 - MUNICIPAL HEALTH SERVICES		49	-	-	-	-	-	465	465	514	412	426	
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		654,790	-	-	-	-	-	612,330	612,330	1,267,120	534,136	567,904	
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	-	-	-	-	-	1,285,326	1,285,326	2,674,510	1,327,488	1,401,800	
Expenditure by Vote	1												
Vote 1 - BUDGET & TREASURE OFFIICE		164,342	-	-	-	-	-	198,741	198,741	363,083	215,717	219,847	
Vote 2 - CORPORATE SERVICES		153,943	-	-	-	-	-	123,518	123,518	277,461	114,406	117,954	
Vote 3 - OFFICE OF THE MM		51,241	-	-	-	-	-	50,391	50,391	101,632	43,510	43,723	
Vote 4 - PLANNING AND SOCIAL SERVICES		30,925	-	-	-	-	-	26,157	26,157	57,081	21,851	18,616	
Vote 5 - MUNICIPAL HEALTH SERVICES		48,712	-	-	-	-	-	46,274	46,274	94,985	53,732	53,810	
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		593,212	-	-	-	-	-	563,297	563,297	1,156,510	603,805	618,760	
Vote 7 - MAYORAL AND COUNCIL		12,118	-	-	-	-	-	16,329	16,329	28,447	13,027	13,195	
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote	2	1,054,493	-	-	-	-	-	1,024,706	1,024,706	2,079,199	1,066,047	1,085,905	
Surplus/ (Deficit) for the year	2	334,691	-	-	-	-	-	260,620	260,620	595,311	261,441	315,895	

- 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]

DC23 Uthukela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2025/02/28												
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	-	-	-	-	-	296,601	296,601	296,601	303,826	313,852
Service charges - Waste Water Management	2	21,643	-	-	-	-	-	21,757	21,757	21,757	22,709	23,458
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		554	-	-	-	-	-	2,335	2,335	2,335	573	592
Agency services		-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		74,157	-	-	-	-	-	74,157	74,157	74,157	76,438	78,960
Interest earned from Current and Non Current Assets		6,163	-	-	-	-	-	5,643	5,643	5,643	6,407	6,619
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		1,069	-	-	-	-	-	1,333	1,333	1,333	1,626	1,680
Non-Exchange Revenue												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		511	-	-	-	-	-	465	465	465	412	426
Licences or permits		-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		665,135	-	-	-	-	-	641,283	641,283	641,283	693,461	728,470
Interest		-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,077,393	-	-	-	-	-	1,043,574	1,043,574	1,043,574	1,105,452	1,154,056
Expenditure By Type												
Employee related costs		406,233	-	-	-	-	-	406,224	406,224	406,224	402,890	402,890
Remuneration of councillors		6,219	-	-	-	-	-	9,746	9,746	9,746	7,932	7,932
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		68,790	-	-	-	-	-	60,990	60,990	60,990	69,231	71,238
Debt impairment		83,782	-	-	-	-	-	114,310	114,310	114,310	93,631	96,721
Depreciation and amortisation		83,303	-	-	-	-	-	91,917	91,917	91,917	93,980	97,081
Interest		6,721	-	-	-	-	-	6,721	6,721	6,721	6,950	7,179
Contracted services		124,962	-	-	-	-	-	180,859	180,859	180,859	104,659	106,165
Transfers and subsidies		3,600	-	-	-	-	-	2,000	2,000	2,000	2,000	-
Irrecoverable debts written off		83,782	-	-	-	-	-	-	-	-	93,631	96,721
Operational costs		187,100	-	-	-	-	-	151,939	151,939	151,939	193,216	202,031
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,054,493	-	-	-	-	-	1,024,706	1,024,706	1,024,706	1,068,118	1,087,977
Surplus/(Deficit)		22,900	-	-	-	-	-	18,868	18,868	18,868	37,333	66,080
Transfers and subsidies - capital (monetary allocations)		311,791	-	-	-	-	-	241,752	241,752	241,752	222,036	247,744
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		334,691	-	-	-	-	-	260,620	260,620	260,620	259,369	313,824
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		334,691	-	-	-	-	-	260,620	260,620	260,620	259,369	313,824
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		334,691	-	-	-	-	-	260,620	260,620	260,620	259,369	313,824
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	334,691	-	-	-	-	-	260,620	260,620	260,620	259,369	313,824

The affected line item is transfers operational as Mig was reduced by R 116 m. The top slice was adjusted from R 5.7 m to R 2.3 m

Summary of Adjusted Expenditure Classified by Line Item [B4]

DC23 Uthukela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 2025/02/28

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	3	4	5	6	7	8	9	10		
		A1	B	C	D	E	F	G	H			
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	308,162	-	-	-	-	-	296,601	296,601	296,601	303,826	313,852
Service charges - Waste Water Management	2	21,643	-	-	-	-	-	21,757	21,757	21,757	22,709	23,458
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		554	-	-	-	-	-	2,335	2,335	2,335	573	592
Agency services		-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		74,157	-	-	-	-	-	74,157	74,157	74,157	76,438	78,960
Interest earned from Current and Non Current Assets		6,163	-	-	-	-	-	5,643	5,643	5,643	6,407	6,619
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		1,069	-	-	-	-	-	1,333	1,333	1,333	1,626	1,680
Non-Exchange Revenue												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		511	-	-	-	-	-	465	465	465	412	426
Licences or permits		-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		665,135	-	-	-	-	-	641,283	641,283	641,283	693,461	728,470
Interest		-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,077,393	-	-	-	-	-	1,043,574	1,043,574	1,043,574	1,105,452	1,154,056
Expenditure By Type												
Employee related costs		406,233	-	-	-	-	-	406,224	406,224	406,224	402,890	402,890
Remuneration of councillors		6,219	-	-	-	-	-	9,746	9,746	9,746	7,932	7,932
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		68,790	-	-	-	-	-	60,990	60,990	60,990	69,231	71,238
Debt impairment		83,782	-	-	-	-	-	114,310	114,310	114,310	93,631	96,721
Depreciation and amortisation		83,303	-	-	-	-	-	91,917	91,917	91,917	93,980	97,061
Interest		6,721	-	-	-	-	-	6,721	6,721	6,721	6,950	7,179
Contracted services		124,962	-	-	-	-	-	180,859	180,859	180,859	104,659	106,185
Transfers and subsidies		3,600	-	-	-	-	-	2,000	2,000	2,000	2,000	-
Irrecoverable debts written off		83,782	-	-	-	-	-	-	-	-	93,631	96,721
Operational costs		187,100	-	-	-	-	-	151,939	151,939	151,939	193,216	202,031
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		1,054,493	-	-	-	-	-	1,024,706	1,024,706	1,024,706	1,068,118	1,087,977
Surplus/(Deficit)		22,900	-	-	-	-	-	18,868	18,868	18,868	37,333	66,080
Transfers and subsidies - capital (monetary allocations)		311,791	-	-	-	-	-	241,752	241,752	241,752	222,036	247,744
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		334,691	-	-	-	-	-	260,620	260,620	260,620	259,369	313,824
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		334,691	-	-	-	-	-	260,620	260,620	260,620	259,369	313,824
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		334,691	-	-	-	-	-	260,620	260,620	260,620	259,369	313,824
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	334,691	-	-	-	-	-	260,620	260,620	260,620	259,369	313,824

No line item was affected by special adjustments as it was just specifically for Grants

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.

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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 - Laborotory. (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 - 2025/02/28												
Description	Ref	2025/26									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	2026/27
R thousands		A	A1	B	C	D	E	F	G	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	-	-	-	-	-	1,900	1,900	1,900	1,000	1,000
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	-	-	-	-	-	185,132	185,132	185,132	193,075	215,430
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	-	-	-	-	-	213,119	213,119	213,119	194,075	216,430
Total Capital Expenditure - Vote		273,623	-	-	-	-	-	213,119	213,119	213,119	194,075	216,430
Capital Expenditure - Functional												
Governance and administration		2,500	-	-	-	-	-	1,900	1,900	1,900	1,000	1,000
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		2,500	-	-	-	-	-	1,900	1,900	1,900	1,000	1,000
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	-	-	-	-	-	185,132	185,132	185,132	193,075	215,430
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		271,123	-	-	-	-	-	185,132	185,132	185,132	193,075	215,430
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	273,623	-	-	-	-	-	213,119	213,119	213,119	194,075	216,430
Funded by:												
National Government		271,123	-	-	-	-	-	210,219	210,219	210,219	193,075	215,430
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	271,123	-	-	-	-	-	210,219	210,219	210,219	193,075	215,430
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		2,500	-	-	-	-	-	2,900	2,900	2,900	1,000	1,000
Total Capital Funding		273,623	-	-	-	-	-	213,119	213,119	213,119	194,075	216,430

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 30 from regional bulk infrastructure grant and a reduction in MIG of R 116 m and WSIG of R 30 m

Own funding is at R2.9m

Mig- R 102 m

WSIG – R 70m

Disaster allocation- 30m

RBIG- 41.7m

Adjustments Budget financial position – [B6]

DC23 Uthukela - Table B6 Adjustments Budget Financial Position - 2025/02/28												
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	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash and cash equivalents		(131,839)	-	-	-	-	-	(107,761)	(107,761)	(107,761)	(208,701)	(113,153)
Trade and other receivables from exchange transactions	1	252,200	-	-	-	-	-	386,382	386,382	386,382	434,378	450,505
Receivables from non-exchange transactions	1	424,642	-	-	-	-	-	173	173	173	173	179
Current portion of non-current receivables	2	-	-	-	-	-	-	-	-	-	-	-
Inventory		19,360	-	-	-	-	-	14,932	14,932	14,932	0	0
VAT		-	-	-	-	-	-	44,704	44,704	44,704	-	-
Other current assets		99	-	-	-	-	-	-	-	-	65,707	73,945
Total current assets		564,462	-	-	-	-	-	338,430	338,430	338,430	291,556	411,476
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	3,544,778	-	-	-	-	-	3,452,857	3,452,857	3,452,857	3,551,348	3,668,542
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Intangible assets		408	-	-	-	-	-	374	374	374	374	386
Trade and other receivables from exchange transactions		1,726	-	-	-	-	-	1,658	1,658	1,658	1,658	1,713
Non-current receivables from non-exchange transactions		48	-	-	-	-	-	46	46	46	46	48
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		3,546,961	-	-	-	-	-	3,454,936	3,454,936	3,454,936	3,553,427	3,670,690
TOTAL ASSETS		4,111,422	-	-	-	-	-	3,793,366	3,793,366	3,793,366	3,844,983	4,082,166
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	59	59	59	59	61
Consumer deposits		20,851	-	-	-	-	-	20,552	20,552	20,552	20,552	21,230
Trade and other payables from exchange transactions		1,015,168	-	-	-	-	-	802,273	802,273	802,273	764,690	765,891
Trade and other payables from non-exchange transactions		2,784	-	-	-	-	-	296	296	296	3,080	3,080
Provisions		42,192	-	-	-	-	-	42,192	42,192	42,192	42,192	42,192
VAT		29,010	-	-	-	-	-	8,230	8,230	8,230	-	-
Other current liabilities		25,099	-	-	-	-	-	65,126	65,126	65,126	14,100	(174)
Total current liabilities		1,135,104	-	-	-	-	-	938,728	938,728	938,728	844,673	832,281
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	51,558	-	-	-	-	-	50,346	50,346	50,346	-	-
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-	-
Total non current liabilities		51,558	-	-	-	-	-	50,346	50,346	50,346	-	-
TOTAL LIABILITIES		1,186,662	-	-	-	-	-	989,074	989,074	989,074	844,673	832,281
NET ASSETS	2	2,924,761	-	-	-	-	-	2,804,291	2,804,291	2,804,291	3,000,309	3,249,885
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		2,949,860	-	-	-	-	-	2,869,418	2,869,418	2,869,418	2,948,775	3,169,702
Funds and Reserves		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		2,949,860	-	-	-	-	-	2,869,418	2,869,418	2,869,418	2,948,775	3,169,702

1. 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).
2. 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

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Adjustments Budget Cash Flows – [B7]

DC23 Uthukela - Table B7 Adjustments Budget Cash Flows - 2025/02/28												
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
		3	4	5	6	7	8	9	10	11	12	
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		-	-	-	-	-	-	-	-	-	-	-
Service charges		131,922	-	-	-	-	-	127,343	127,343	127,343	130,614	151,790
Other revenue		70,622	-	-	-	-	-	82,040	82,040	82,040	57,400	64,251
Transfers and Subsidies - Operational	1	665,135	-	-	-	-	-	641,283	641,283	641,283	693,461	728,470
Transfers and Subsidies - Capital	1	311,791	-	-	-	-	-	241,752	241,752	241,752	222,036	247,744
Interest		6,163	-	-	-	-	-	5,643	5,643	5,643	6,407	6,619
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(898,197)	-	-	-	-	-	(1,001,600)	(1,001,600)	(1,001,600)	(869,054)	(886,837)
Finance charges		-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	(3,600)	-	-	-	-	-	(2,000)	(2,000)	(2,000)	(2,000)	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		283,836	-	-	-	-	-	94,461	94,461	94,461	238,864	312,037
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)	-	-	-	-	-	(213,119)	(213,119)	(213,119)	(194,075)	(216,430)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(273,623)	-	-	-	-	-	(213,119)	(213,119)	(213,119)	(194,075)	(216,430)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Payments												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	59	59
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	59	59
NET INCREASE/ (DECREASE) IN CASH HELD		10,213	-	-	-	-	-	(118,658)	(118,658)	(118,658)	44,848	95,667
Cash/cash equivalents at the year begin:	2	(142,052)	-	-	-	-	-	10,897	10,897	10,897	(253,431)	(208,701)
Cash/cash equivalents at the year end:	2	(131,839)	-	-	-	-	-	(107,761)	(107,761)	(107,761)	(208,583)	(113,035)

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.

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

DC23 Uthukela - Table B8 Cash backed reserves/accumulated surplus reconciliation - 2025/02/28												Budget Year	Budget Year
Description	Ref	2025/26								Total Adjusts.	Adjusted Budget	Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Nat. or Prov. Govt	Other Adjusts.	Adjusted Budget			2026/27	2027/28
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)	-	-	-	-	-	(107,761)	(107,761)	(107,761)	(208,583)	(113,035)	
Other current investments > 90 days		-	-	-	-	-	-	0	0	0	(118)	(118)	
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-	
Cash and investments available:		(131,839)	-	-	-	-	-	(107,761)	(107,761)	(107,761)	(208,701)	(113,153)	
Applications of cash and investments													
Unspent conditional transfers		2,784	-	-	-	-	-	296	296	296	3,080	3,080	
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-	
Statutory requirements		54,109	-	-	-	-	-	28,652	28,652	28,652	14,100	(174)	
Other working capital requirements	2	577,040	-	-	-	-	-	(90,901)	(90,901)	486,139	502,341	479,669	
Other provisions		42,192	-	-	-	-	-	42,192	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:		676,125	-	-	-	-	-	(19,761)	(19,761)	557,279	561,713	524,768	
Surplus(shortfall)		(807,964)	-	-	-	-	-	(88,000)	(88,000)	(665,040)	(770,414)	(637,920)	

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Table B9 Asset Management –[B9]

ASSET REGISTER SUMMARY - PPE (WDV)	5	3,545,186	-	-	-	-	-	3,453,231	3,453,231	3,453,231	84,836	3,668,929
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	(0)	(0)	(0)	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		100,544	-	-	-	-	69,927	69,927	69,927	32,741	52,480	
<i>Sanitation Infrastructure</i>		52,520	-	-	-	-	37,039	37,039	37,039	55,892	55,578	
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		153,063	-	-	-	-	106,966	106,966	106,966	88,633	108,058	
Community Assets		3,354,438	-	-	-	-	3,354,438	3,354,438	3,354,438	-	-	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other Assets		38,644	-	-	-	-	(14,296)	(14,296)	(14,296)	(1,349)	3,563,433	
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Intangible Assets</i>		408	-	-	-	-	374	374	374	374	386	
<i>Computer Equipment</i>		(617)	-	-	-	-	449	449	449	507	491	
<i>Furniture and Office Equipment</i>		1,626	-	-	-	-	7,298	7,298	7,298	(467)	(482)	
<i>Machinery and Equipment</i>		-	-	-	-	-	1,000	1,000	1,000	-	-	
<i>Transport Assets</i>		(2,377)	-	-	-	-	(2,998)	(2,998)	(2,998)	(2,863)	(2,957)	
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Living Resources</i>		-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	3,545,186	-	-	-	-	3,453,231	3,453,231	3,453,231	84,836	3,668,929	
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		83,303	-	-	-	-	91,917	91,917	175,219	93,980	97,081	
Repairs and Maintenance by asset class	3	55,000	-	-	-	-	93,046	93,046	148,046	39,000	39,957	
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		1,000	-	-	-	-	50	50	1,050	-	-	-
<i>Water Supply Infrastructure</i>		54,000	-	-	-	-	92,996	92,996	146,996	39,000	39,957	
<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	-	-	-	-	93,046	93,046	148,046	39,000	39,957	
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	-	-	-	-	184,963	184,963	323,265	132,980	137,038	
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		67.1%	0.0%						52.3%	90.4%	91.4%	
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		220.5%	0.0%						77.6%	186.6%	203.7%	
<i>R&M as a % of PPE</i>		1.6%	0.0%						4.3%	46.0%	1.1%	
<i>Renewal and upgrading and R&M as a % of PPE</i>		6.7%	0.0%						8.2%	252.7%	6.5%	

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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		23650								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/sewage:												
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 - M10 April					
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	460	2	-	-	462
INVESTEC	0	0	-	-	0
ABSA	60 142	324	(20 000)	-	40 466
					-
					-
					-
TOTAL INVESTMENTS AND INTEREST	60 603	326	(20 000)	-	40 929

Investments at the end of April 2026 were R 40 m

Bank Balances				
The following reflects bank balances at 30 April 2026				
DESCRIPTION	JANUARY 2026	FEBRUARY 2026	MARCH 2026	APRIL 2026
FNB MAIN ACCOUNT 62252306280	934 326.83	30 801 673.05	35 466 362.00	31 496 908.27
FNB WATER ACCOUNT 62253072385	0	0	0	0
	934 326.83	30 801 673.05	35 466 362.00	31 496 908.27
Total cash held	31 496 908.27			

At end of April 2026, the municipality had cash of R 31 m.

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 30 APRIL 2026									
			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	EXMthembu	MUNICIPAL INFRASTRUCTURE GRANT	0.00	219 159 000.00	102 342 000.00	94 000 739.19	43%	92%	8 341 260.81
G3.102	EXMthembu	WATER & SANITATION INFRASTRUCTURE GRANT	0.00	100 000 000.00	70 000 000.00	22 535 370.98	23%	32%	47 464 629.02
G3.105	EXMthembu	RURAL ROAD ASSET MANAGEMENT SYSTEM	102.92	2 918 000.00	2 918 000.00	2 046 540.36	70%	70%	871 562.56
G3.109	EXMthembu	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	EXMthembu	EPWP INTERGRATED GRANT	0.00	2 093 000.00	2 093 000.00	1 623 074.31	78%	78%	469 925.69
G3.107	EXMthembu	REGIONAL BULK INFRASTRUCTURE GRANT	0.00	41 751 632.65	41 751 632.65	11 751 632.65	28%	28%	30 000 000.00
G3.108	B Ndlovu	FINANCE MANAGEMENT GRANT	0.00	2 000 000.00	2 000 000.00	1 601 560.64	80%	80%	398 439.36
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	398 134 378.39	251 317 378.39	138 671 761.65	35%	55%	112 941 404.61

The unspent grants at the end of April 2026 were R112 million.

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 30 m 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										
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	% change	
		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%	

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 - M10 - April

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	24 403	19 652	17 553	18 764	16 373	22 843	19 270	835 528	974 386	912 778	
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	1 727	1 295	1 235	1 092	1 074	1 035	994	52 136	60 589	56 332	
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	6 699	6 553	6 997	6 158	6 073	5 942	5 828	281 094	325 344	305 095	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	17	21	40	14	44	13	12	7 192	7 354	7 275	
Total By Income Source	2000	32 847	27 521	25 825	26 028	23 564	29 833	26 104	1 175 950	1 367 672	1 281 480	
2024/25 - totals only		35 704	28 055	23 454	24 007	20 638	22 127	23 156	1 210 544	1 385 685	1 300 471	
Debtors Age Analysis By Customer Group												
Organs of State	2200	4 129	2 300	1 379	1 726	932	1 146	2 769	56 321	70 702	62 894	
Commercial	2300	4 787	2 831	1 231	2 099	1 163	1 309	1 441	60 726	75 587	66 737	
Households	2400	23 930	22 390	23 215	22 203	21 469	27 379	21 895	1 058 903	1 221 384	1 151 849	
Other	2500	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	32 847	27 521	25 825	26 028	23 564	29 833	26 104	1 175 950	1 367 672	1 281 480	

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

2.5 Creditors age analysis

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

Description	NT Code	Budget Year 2025/26								Total
		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 (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	85 102	14 625	11 896	8 442	679 243	-	-	-	799 307
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	85 102	14 625	11 896	8 442	679 243	-	-	-	799 307

As at the end of April 2026 trade creditors totalled R 799million.

2.6 Other Supporting Tables/ Information

- B Schedule
- Budget Funding Plan
- Grant Register (30 April 2026)
- Investment Register (30 April 2026)
- Creditors listing (30 April 2026)

2.7 Municipal Manager's quality certificate



I Langelihle Jili Municipal Manager of UThukela District Municipality, hereby certify that the special 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: **29 May 2026**