

SECTION 52 REPORT

1st QUARTER

2014

Table of Contents

PART 1 – QUARTELY 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	Debtor’s Age Analysis Table
2.2	CREDITORS AGE ANALYSIS TABLE
2.3	Councillors Allowances and Employee Benefits
2.4	Investment Portfolio
2.5	Allocation Of grants Reciepts
2.6	Allocation Of grants Expenditure
2.7	MUNICIPAL MANAGER’S QUALITY CERTIFICATE

Part 1 – Annual Budget

1.1 Mayor’s Report

The quarterly section 52 report is a report that gives a clear view on the state or performance of the Municipality for the quarter. Among the impacts that are challenging the Municipality, is the cash flow challenge currently being experienced by the municipality due to among other things declining collection, historic expenditure patterns, high water losses and high rate of indigents within the municipal boundaries.

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

1.2 Council Resolutions

1. The Council of UThukela District Municipality, acting in terms of section 52 of the Municipal Finance Management Act, (Act 56 of 2003) to note :

1. Monthly Budget statements and supporting documents for the quarter ending 30 September 2014.

1.3 Executive Summary

As per Municipal Finance Management Act the municipality needs to prepare section 52 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 2014/15 financial year.

TABLE 1: C4 – Monthly Budget Statements – Financial Performance

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Property rates - penalties & collection charges								-		
Service charges - electricity revenue								-		
Service charges - water revenue		134 908	134 908	10 521	37 221	33 727	3 494	10%	134 908	
Service charges - sanitation revenue		16 598	16 598	1 433	4 197	4 150	48	1%	16 598	
Service charges - refuse revenue										
Service charges - other	-									
Rental of facilities and equipment										
Interest earned - external investments		9 471	9 471	204	918	2 368	(1 450)	-61%	9 471	
Interest earned - outstanding debtors		35 660	35 660	1 768	5 330	8 915	(3 585)	-40%	35 660	
Dividends received										
Fines										
Licences and permits										
Agency services										
Transfers recognised - operational		306 828	306 828	1 492	115 273	76 707	38 566	50%	306 828	
Other revenue		1 372	1 372	122	265	343	(78)	-23%	1 372	
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		-	504 836	504 836	15 539	163 204	126 209	36 995	29%	504 836
Expenditure By Type										
Employee related costs		160 321	160 321	11 841	31 901	40 080	(8 179)	-20%	160 321	
Remuneration of councillors		4 619	4 619	364	1 075	1 155	(80)	-7%	4 619	
Debt impairment		30 452	30 452	-	-	7 613	(7 613)	-100%	30 452	
Depreciation & asset impairment		44 689	44 689	-	-	11 172	(11 172)	-100%	44 689	
Finance charges		1 311	1 311	482	503	328	175	53%	1 311	
Bulk purchases		6 085	6 085	-	1 000	1 521	(521)	-34%	6 085	
Other materials		54 450	54 450	904	2 690	13 612	(10 922)	-80%	54 450	
Contracted services		37 658	37 658	2 385	6 125	9 415	(3 290)	-35%	37 658	
Transfers and grants		11 900	11 900	0	0	2 975	(2 975)	-100%	11 900	
Other expenditure		115 103	115 103	11 676	27 658	28 776	(1 117)	-4%	115 103	
Loss on disposal of PPE										
Total Expenditure		-	466 587	466 587	27 652	70 953	116 647	(45 694)	-39%	466 587
Surplus/(Deficit)		-	38 249	38 249	(12 113)	92 251	9 562	82 689	0	38 249
Transfers recognised - capital			209 225	209 225	22 136	52 698	52 306	392	0	209 225
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		-	247 474	247 474	10 023	144 949	61 868			247 474
Taxation										
Surplus/(Deficit) after taxation		-	247 474	247 474	10 023	144 949	61 868			247 474
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	247 474	247 474	10 023	144 949	61 868			247 474
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	247 474	247 474	10 023	144 949	61 868			247 474

- The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.
- Total expenditure is 39% less, this is due to the fact that, there haven't been any movements in the non -cash items (depreciation and Debt impairment).
- The Service charges – water revenue have a total billed amount of R 37 221 000 which is, 10% more than what was anticipated.
- The Service charges – Sanitation revenue have a total billed amount of R 4 197 000 which is , 1% more than what was anticipated
- Employees related costs spending is at R 31 901 000 which is less than, what was anticipated as at 30 September, which is R40 080 000 by -20%.

Table 2: C5 – Monthly Budget Statements – Capital Expenditure

2.1 The following table provides a breakdown of budgeted capital expenditure by vote:

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q1 First Quarter										
Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 9 - MUNICIPAL MANGER		-	2 210	2 210	-	745	553	192	35%	2 210
Vote 10 - TREASURY		-	600	600	31	448	150	298	199%	600
Vote 11 - CORPORATE SERVICES		-	1 500	1 500	643	821	375	446	119%	1 500
Vote 12 - WATER SERVICES		-	43 321	43 321	7 087	13 716	10 830	2 886	27%	43 321
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	17 586	17 586	7	1 559	4 397	(2 838)	-65%	17 586
Vote 14 - TECHNICAL SERVICES		-	212 258	212 258	22 136	52 698	53 065	(367)	-1%	212 258
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	-	277 475	277 475	29 904	69 987	69 370	617	1%	277 475
Total Capital Expenditure		-	277 475	277 475	29 904	69 987	69 370	617	1%	277 475
Capital Expenditure - Standard Classification										
Governance and administration		-	4 310	4 310	674	2 014	1 078	936	87%	4 310
Executive and council			2 210	2 210	-	745	553	192	35%	2 210
Budget and treasury office			600	600	31	448	150	298	199%	600
Corporate services			1 500	1 500	643	821	375	446	119%	1 500
Community and public safety		-	17 586	17 586	7	1 559	4 397	(2 838)	-65%	17 586
Community and social services			17 586	17 586	7	1 559	4 397	(2 838)	-65%	17 586
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services		-	2 315	2 315	-	248	579	(331)	-57%	2 315
Planning and development										
Road transport			2 315	2 315		248	579	(331)	-57%	2 315
Environmental protection										
Trading services		-	253 264	253 264	29 223	66 166	63 316	2 850	5%	253 264
Electricity										
Water			253 264	253 264	29 223	66 166	63 316	2 850	5%	253 264
Waste water management										
Waste management										
Other										
Total Capital Expenditure - Standard Classification	3	-	277 475	277 475	29 904	69 987	69 370	617	1%	277 475
Funded by:										
National Government			209 225	209 225	22 136	52 698	52 306	392	1%	209 225
Provincial Government										
District Municipality										
Other transfers and grants										
Transfers recognised - capital		-	209 225	209 225	22 136	52 698	52 306	392	1%	209 225
Public contributions & donations	5									
Borrowing	6									
Internally generated funds			68 250	68 250	7 768	17 289	17 063	226	1%	68 250
Total Capital Funding		-	277 475	277 475	29 904	69 987	69 369	618	1%	277 475

➤ The major spending on the capital expenditure is from MIG

Table 3: Repairs and maintenance per asset class

DC23 Uthukela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q1 First Quarter										
Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	40 575	40 575	683	2 175	10 144	7 969	78.6%	40 575
Infrastructure - Road transport		-	1 575	1 575	-	-	394	394	100.0%	1 575
Roads, Pavements & Bridges			1 575	1 575			394	394	100.0%	1 575
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-		-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	15 000	15 000	683	2 175	3 750	1 575	42.0%	15 000
Dams & Reservoirs			6 000	6 000	238	915	1 500	585	39.0%	6 000
Water purification			2 000	2 000	-	-	500	500	100.0%	2 000
Reticulation			7 000	7 000	446	1 260	1 750	490	28.0%	7 000
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	24 000	24 000	-	-	6 000	6 000	100.0%	24 000
Waste Management										
Transportation										
Gas										
Other			24 000	24 000	-	-	6 000	6 000	100.0%	24 000
Community		-	-	-	-	-	-	-		-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-		-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-		-
Housing development										
Other										
Other assets		-	13 875	13 875	221	515	3 470	2 955	85.1%	13 875
General vehicles			4 550	4 550	183	475	1 138	663	58.3%	4 550
Specialised vehicles			-	-	-	-	-	-		-
Plant & equipment			5 000	5 000	-	-	1 250	1 250	100.0%	5 000
Computers - hardware/equipment										
Furniture and other office equipment			50	50	-	0	13	13	96.9%	50
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			399	399	38	40	100	60	60.0%	399
Other Land										
Surplus Assets - (Investment or Inventory)										
Other			3 876	3 876			969	969	100.0%	3 876
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class										
Biological assets		-	-	-	-	-	-	-		-
List sub-class										
Intangibles		-	-	-	-	-	-	-		-
Computers - software & programming										
Other										
Total Repairs and Maintenance Expenditure		-	54 450	54 450	904	2 690	13 614	10 924	80.2%	54 450

➤ R 2 690 000 has been spent on repairs and maintenance

Table 4: Table C2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q1 First Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
Governance and administration		-	299 336	299 336	312	114 673	74 834	39 839	53%	299 336
Executive and council		-	41 140	41 140	-	-	10 285	(10 285)	-100%	41 140
Budget and treasury office		-	258 196	258 196	312	114 673	64 549	50 124	78%	258 196
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	6 317	6 317	-	-	1 579	(1 579)	-100%	6 317
Planning and development		-	6 317	6 317	-	-	1 579	(1 579)	-100%	6 317
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	408 408	408 408	37 363	99 612	102 102	(2 490)	-2%	408 408
Electricity		-	-	-	-	-	-	-	-	-
Water		-	391 810	391 810	35 930	95 416	97 953	(2 537)	-3%	391 810
Waste water management		-	16 598	16 598	1 433	4 197	4 150	47	1%	16 598
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	714 061	714 061	37 675	214 286	178 515	35 770	20%	714 061
Expenditure - Standard										
Governance and administration		-	189 666	189 666	5 445	17 844	47 417	(29 573)	-62%	189 666
Executive and council		-	49 743	49 743	1 141	4 192	12 436	(8 244)	-66%	49 743
Budget and treasury office		-	104 843	104 843	1 707	4 475	26 211	(21 736)	-83%	104 843
Corporate services		-	35 080	35 080	2 598	9 177	8 770	407	5%	35 080
Community and public safety		-	11 099	11 099	977	2 824	2 775	49	2%	11 099
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	11 099	11 099	977	2 824	2 775	49	2%	11 099
Economic and environmental services		-	26 939	26 939	1 252	4 852	6 735	(1 882)	-28%	26 939
Planning and development		-	26 939	26 939	1 252	4 852	6 735	(1 882)	-28%	26 939
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	238 884	238 884	19 978	45 433	59 721	(14 288)	-24%	238 884
Electricity		-	-	-	-	-	-	-	-	-
Water		-	235 956	235 956	19 978	45 431	58 989	(13 558)	-23%	235 956
Waste water management		-	2 928	2 928	-	2	732	(730)	-100%	2 928
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	466 588	466 588	27 652	70 953	116 647	(45 694)	-39%	466 588
Surplus/ (Deficit) for the year		-	247 473	247 473	10 023	143 333	61 868	81 465	132%	247 473

Table 5: 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) - Q1 First Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANGER		-	41 140	41 140	-	-	10 285	(10 285)	-100.0%	41 140
Vote 10 - TREASURY		-	258 196	258 196	312	114 673	64 549	50 124	77.7%	258 196
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 12 - WATER SERVICES		-	201 951	201 951	13 833	45 377	50 488	(5 111)	-10.1%	201 951
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	717	717	-	-	179	(179)	-100.0%	717
Vote 14 - TECHNICAL SERVICES		-	212 057	212 057	23 530	54 236	53 014	1 222	2.3%	212 057
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	714 061	714 061	37 675	214 286	178 515	35 771	20.0%	714 061
Expenditure by Vote	1									
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANGER		-	49 743	49 743	1 141	4 192	12 436	(8 244)	-66.3%	49 743
Vote 10 - TREASURY		-	104 843	104 843	1 707	4 475	26 211	(21 736)	-82.9%	104 843
Vote 11 - CORPORATE SERVICES		-	35 080	35 080	2 598	9 177	8 770	407	4.6%	35 080
Vote 12 - WATER SERVICES		-	231 077	231 077	18 469	43 216	57 769	(14 553)	-25.2%	231 077
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	38 039	38 039	2 228	7 677	9 510	(1 833)	-19.3%	38 039
Vote 14 - TECHNICAL SERVICES		-	7 806	7 806	1 509	2 216	1 951	265	13.6%	7 806
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	466 588	466 588	27 652	70 953	116 647	(45 694)	-39.2%	466 588
Surplus/ (Deficit) for the year	2	-	247 473	247 473	10 023	143 333	61 868	81 465	131.7%	247 473

Part 2 – Supporting Documentation

1. DEBTOR'S AGE ANALYSIS

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter											
Description	NT Code	Budget Year 2014/15									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	13 957	19 300	7 572	6 345	11 986	501 774			560 935	520 105
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									-	-
Receivables from Exchange Transactions - Waste Management	1600									-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-
Interest on Arrear Debtor Accounts	1810									-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-
Other	1900	13	2 360	5	3	499	3 134			6 014	3 636
Total By Income Source	2000	13 970	21 660	7 577	6 348	12 485	504 908	-	-	566 949	523 741
2013/14 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	95	718	206	467	516	2 148			4 149	3 131
Commercial	2300	711	875	571	363	324	13 624			16 468	14 311
Households	2400	13 151	17 707	6 795	5 516	11 145	486 002			540 317	502 664
Other	2500	13	2 360	5	3	499	3 134			6 014	3 636
Total By Customer Group	2600	13 970	21 660	7 577	6 348	12 485	504 908	-	-	566 949	523 741

The Municipality has a total amount of R566 949 000.00 for outstanding debtors. This includes R6 014 000 for sundry debtors.

Below the Table, is showing the outstanding Debtors per customer group from July to September 2014.

CUSTOMER GROUP	OUTSTANDING DEBTORS AMOUNT		
	R'000		
	July '2014	August '2014	September '2014
ORGANS OF STATE	5 408	4 454	4 149
COMMERCIAL	9 035	16 743	16 468
HOUSEHOLDS	553 905	544 403	540 317
OTHER	11 337	8 871	6 014
TOTAL	579 685	574 471	566 948

The debtors has decreased from R579 685 000 to R566 948 000 by R12 737 000 this is due to indigent write off.

PAYMENTS VS BILLING 30 SEPTEMBER 2014

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 SEPTEMBER 2014				
MONTH	BILLING	MONTHS	PAYMENTS	RECOVERY RATE
JUNE 2014	9 595 581.43	JULY 2014	6 020 425.52	62.74%
JULY 2014	11 685 112.67	AUGUST 2014	6 110 030.11	52.29%
AUGUST 2014	21 035 993.75	SEPTEMBER 2014	6 209 513.43	29.52%
	42 316 687.85		18 339 969.06	43.34%
TOTALS				
BILLING - JUNE 2014 TO AUGUST 2014		42 316 687.85		
PAYMENTS JULY-SEPTEMBER 2014		18 339 969.06		
DIFFERENCE		23 976 718.79		

- The above illustrates monthly collection rate.
- The low collection rate reflected for the month of September 2014 is as a result of some accounts being incorrectly billed (overcharged) during the month of August 2014. The corrections in respect of incorrect billing were affected during September 2014, and the effect thereof will be reflected in the report for October 2014

2. CREDITORS AGE ANALYSIS

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter										
Description	NT Code	Budget Year 2014/15								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	597	17			35 244				35 858
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	597	17	-	-	35 244	-	-	-	35 858

<u>CREDITORS AGE ANALYSIS</u>			
Analysis	July '2014	August '2014	September '2014
0-30 Days	167 336	418 825	597 041
30 days more	37 675 629	36 243 506	35 260 846
Total	37 842 965	36 662 331	35 857 888

Creditors more than 30 days are referring to DWA amount owing as well creditors that are investigated.

3. INVESTMENTS AND CASH BALANCES

(a)

BANK BALANCES	
Months	Amounts
July '2014	25 071 494.83
August '2014	9 751 539.98
September '2014	6 161 019.82

(b)

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
FNB UTDM		32 DAYS			601	3.9%-5%	130 755	(48 270)	82 485
NEDBANKS		32 DAYS			1	4.5%	1 215	5	1 221
ABSA		32 DAYS			18	4.6%	5 622	14	5 636
INVESTEC		32 DAYS			323	0.75%-5%	69 621	323	69 944
									-
									-
Municipality sub-total					943		207 213	(47 928)	159 286
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				943		207 213	(47 928)	159 286

INVESTMENTS BREAK DOWN PER MONTH

Months	Amounts invested
July '2014	176 721 000
August '2014	207 214 000
September '2014	159 286 000

Investments has reduced by R 17 435 000 from R176 721 000 to R159 286 000. This is due to investments drawdown for grants payments.

4. SALARIES AND ALLOWANCES

DC23 Uthukela - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter										
Primary of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			3 404	3 404	264	778	851	(73)	-9%	3 404
Pension and UIF Contributions							-	-		
Medical Aid Contributions							-	-		
Motor Vehicle Allowance			1 034	1 034	86	254	259	(5)	-2%	1 034
Cellphone Allowance			181	181	15	44	45	(1)	-2%	181
Housing Allowances								-		
Other benefits and allowances								-		
Sub Total - Councillors			4 619	4 619	364	1 076	1 155	(79)	-7%	4 619
% increase	4									
Senior Managers of the Municipality										
Basic Salaries and Wages			6 663	6 663	553	1 659	1 666	(7)	0%	6 663
Pension and UIF Contributions							-	-		
Medical Aid Contributions							-	-		
Overtime								-		
Performance Bonus			666	666			167	(167)	-100%	6 660
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations	2							-		
Sub Total - Senior Managers of Municipality			7 329	7 329	553	1 659	1 832	(173)	-9%	7 323
% increase	4									
Other Municipal Staff										
Basic Salaries and Wages			104 820	104 820	7 241	19 333	26 205	(6 872)	-26%	104 820
Pension and UIF Contributions			14 194	14 194	1 464	3 394	3 549	(155)	-4%	14 194
Medical Aid Contributions			5 020	5 020	309	912	1 255	(343)	-27%	5 020
Overtime			3 135	3 135	1 581	4 345	784	3 561	454%	3 135
Performance Bonus								-		
Motor Vehicle Allowance			9 965	9 965	591	1 716	2 491	(775)	-31%	9 965
Cellphone Allowance								-		
Housing Allowances			1 490	1 490	61	185	373	(188)	-50%	1 490
Other benefits and allowances			13 255	13 255	8	58	3 314	(3 256)	-98%	13 255
Payments in lieu of leave			1 113	1 113	33	299	278	21	8%	1 113
Long service awards								-		
Post-retirement benefit obligations	2							-		
Sub Total - Other Municipal Staff			152 992	152 992	11 288	30 243	38 248	(8 005)	-21%	152 992
% increase	4									
Total Parent Municipality			164 940	164 940	12 205	32 978	41 235	(8 258)	-20%	164 934

5. GRANTS RECEIPTS

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	300 978	300 978	-	118 876	75 245	41 849	55.6%	300 978
Local Government Equitable Share			286 962	286 962	-	113 589	71 741	41 849	58.3%	286 962
Finance Management			1 250	1 250	-	1 250	313			1 250
Municipal Systems Improvement			467	467	-	467	117			467
EPWP Incentive			3 299	3 299	-	1 320	825			3 299
Water Services Operating Subsidy			9 000	9 000	-	2 250	2 250			9 000
	3									
Provincial Government:		-	5 850	5 850	281	281	1 463	218	14.9%	5 850
Share Services			250	250	250	250	63	188	300.0%	250
Small Town Rehabilitation			5 600	5 600			1 400			5 600
LGSETA					31	31		31	#DIV/0!	
	4									
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Operating Transfers and Grants	5	-	306 828	306 828	281	119 157	76 707	42 067	54.8%	306 828
Capital Transfers and Grants										
National Government:		-	209 045	209 045	2 792	69 970	52 261	18 740	35.9%	209 045
Municipal Infrastructure Grant (MIG)			177 319	177 319	-	64 396	44 330	20 066	45.3%	177 319
Rural Households Infrastructure			4 124	4 124	-	-	1 031			4 124
RRAM			2 135	2 135	-	2 315	534	1 781	333.7%	2 135
Rural Households Infrastructure					-					
MSIG			467	467	-	467	117	350	300.0%	467
Regional Bulk Infrastructure			25 000	25 000	2 792	2 792	6 250	(3 458)	-55.3%	25 000
Provincial Government:		-	-	-	-	-	-	-	-	-
<i>Infrastructure Sport facilities</i>										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	-	209 045	209 045	2 792	69 970	52 261	18 740	35.9%	209 045
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	515 873	515 873	3 073	189 127	128 968	60 807	47.1%	515 873

6. GRANTS EXPENDITURE

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter


Description	Ref	2013/14		Budget Year 2014/15					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	-	300 978	300 978	1 491	115 292	75 245	40 048	53.2%	300 978
Local Government Equitable Share		286 962	286 962	-	113 589	71 741	41 849	58.3%	286 962
Finance Management		1 250	1 250	97	146	313	(166)	-53.2%	1 250
Municipal Systems Improvement		467	467	-	-	117	(117)	-100.0%	467
EPWP incentive		3 299	3 299	1 394	1 557	825	732	88.8%	3 299
Water Services Operating Subsidy		9 000	9 000	-	-	2 250	(2 250)	-100.0%	9 000
Provincial Government:	-	5 850	5 850	-	-	1 463	(1 463)	-100.0%	5 850
Share Services		250	250	-	-	63	(63)	-100.0%	250
Small Town Rehabilitation		5 600	5 600	-	-	1 400	(1 400)	-100.0%	5 600
District Municipality:	-	-	-	-	-	-	-	-	-
(insert description)									
Other grant providers:	-	-	-	-	-	-	-	-	-
(insert description)									
Total operating expenditure of Transfers and Grants:	-	306 828	306 828	1 491	115 292	76 707	38 585	50.3%	306 828
Capital expenditure of Transfers and Grants									
National Government:	-	209 045	209 045	22 136	51 082	52 261	(1 179)	-2.3%	209 045
Municipal Infrastructure Grant (MIG)		177 319	177 319	20 359	45 728	44 330	1 398	3.2%	177 319
Rural Road Assets Management		2 135	2 135	-	248	534	(286)	-63.5%	2 135
Rural Households Infrastructure		4 124	4 124	-	-	1 031	(1 031)	-100.0%	4 124
MSG		467	467	-	-	117	(117)	-100.0%	467
Municipal WATER Infrastructure Grant Dheleboni									
Regional Bulk Infrastructure		25 000	25 000	1 777	5 106	6 250	(1 144)	-18.3%	25 000
Provincial Government:	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants:	-	209 045	209 045	22 136	51 082	52 261	(1 179)	-2.3%	209 045
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	-	515 873	515 873	23 627	166 375	128 968	37 406	29.0%	515 873

Prepared by: 

Manager: Expenditure

Reviewed by: _____

Chief Financial Officer

Checked by: 

Senior Manager: Finance

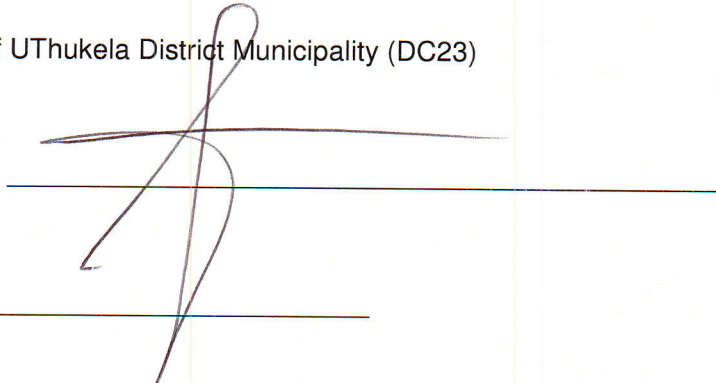
1.4 Municipal Manager's quality certificate

I **Sifiso Nicholas Kunene**, **Municipal** Manager of UThukela District Municipality, hereby certify that the Section 52 and supporting documentation as at 30 September 2014 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Sifiso Nicholas Kunene

Municipal Manager of UThukela District Municipality (DC23)

Signature

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke, is written over a horizontal line. The signature is positioned to the right of the 'Signature' label.

Date

A horizontal line is drawn below the 'Date' label, intended for the date of certification.