



# **UTHUKELA DISTRICT MUNICIPALITY**

## **MID YEAR BUDGET ASSESSMENT**

**2014/15**

## Table of Contents

	Description	Table
<b>COVER SHEET</b>		
<b>GLOSSARY</b>		
1	Mayor’s report	
2	Executive Summary	
<b>IN YEAR BUDGET STATEMENT TABLES (Annexure 2)</b>		
3	Monthly Budget Statement Summary	C1
4	Monthly Budget Statement-Financial Performance (revenue and expenditure by municipal vote)	C2
5	Monthly Budget Statement-Financial Performance (standard classification)	C3
6	Monthly Budget Statement-Financial Performance(revenue and expenditure)	C4
7	Monthly Budget Statement-Capital expenditure (municipal vote, standard classification and funding)	C5
8	Monthly Budget Statement-Financial Position	C6
9	Monthly Budget Statement-Cash Flow	C7
<b>SUPPORTING DOCUMENTATION</b>		
10	Supporting Documents	
11	Staff Expenditure Report	SC8
	Municipal Manager’s Certification	

## Glossary

<b>Adjustments Budget</b> – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
<b>Budget</b> – The financial plan of the Municipality.
<b>Capital Expenditure</b> - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality’s balance sheet.

<p><b>Cash flow statement</b> – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.</p>
<p><b>Deficit</b> – The amount by which expenditure exceed revenue.</p>
<p><b>DORA</b> – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.</p>
<p><b>Equitable Share</b> – A general grant paid to municipalities</p>
<p><b>GRAP</b> – Generally Recognised Accounting Practice. The new standard for municipal accounting.</p>
<p><b>KPI's</b> – Key Performance Indicators. Measures of service output and/or outcome.</p>
<p><b>MFMA</b> – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.</p>
<p><b>Operating Expenditure</b> – Spending on the day to day expenses of the Municipality such as salaries and wages.</p>
<p><b>SDBIP</b> – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.</p>
<p><b>Surplus</b> - A situation in which income exceeds expenditures.</p>
<p><b>Tariff</b> – means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff.</p>
<p><b>Vote</b> – One of the main segments into which a budget is divided into for the appropriation of money at department/ functional area- level.</p>

# ***REPORT TO THE MAYOR***

## **MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT: 31 DECEMBER 2014**

### **EXECUTIVE SUMMARY**

#### **PURPOSE**

The purpose of this report is to comply with Sections 52(d) and 72 of the Municipal Finance Management Act (MFMA), and Section 33 of the Municipal Budget and Reporting Regulations as promulgated in the Government Gazette No 32141 of 17 April 2009, which requires that specific financial particulars be reported on and in the formats prescribed.

The report also provides a high level overview of the organisations' financial viability and sustainability.

#### **BACKGROUND**

Section 52(d) of the Municipal Finance Management Act (MFMA) states:

“The Mayor of a municipality must within **30 days of the end of each quarter**, submit a report to Council on the implementation of the budget and the financial state of the municipality;”

Section 72 (1)(a) of the Municipal Finance Management Act (MFMA) inter alia, states:

“The accounting officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year, and submit a report on such assessment to the Mayor, National Treasury and Provincial Treasury as per Section 72 (1)(b) of the Act: ...”.

The mid-year reports and supporting tables of Uthukela District Municipality are prepared in accordance with the Municipal Budget and Reporting Regulations are attached as Annexures 1, 2 and 3

#### **Projects By Uthukela District Municipality**

In the coming years the District has a number of priorities that it will pursue, most of which align with national government's focus on infrastructure development and job creation. Some of the main economic development type of initiatives are:

Infrastructure Development Plan Act No 23 of 2014 is aimed at ensuring that Infrastructure Development in the Republic is given priority in planning, approval and implementation to ensure that development goals of state are promoted through infrastructure development.

Uthukela District Municipality to respond to its direct mandate of providing residents of the District with dignified sanitation and accessible clean water; it has identified a number of priorities that it will pursue most of which is aligned with National Government focus on infrastructure development and job creation.

The following are some of the priorities implemented under the period under review.

<b>N o .</b>	<b>PROJE CT NATU RE</b>	<b>LOCAL MUNICIPA LITY</b>	<b>Ward</b>	<b>PROJEC T DESCRIP TION</b>	<b>PROJECT VALUE</b>	<b>STATUS OF THE PROJEC T</b>
1.	Sanita tion	Okhahlamb a	Ward 12	Bergville Sewer Scheme	R11 982 8 21.58	In progres s
2.	Water	Imbabazan e	Ward 8&9	Bhekuzu lu/Phan gweni Phase 1	R14 568,7 06,15	In progres s
3.	Water	Imbabazan e	Ward 9,10 & 11	Bhekuzu lu/phan gweni Phase 5	R77,709,8 14,46	In progres s
4.	Water	Indaka	Ward 6,7 & 8	Fitty Park Commu nity Water Supply	R38,683,3 61,70	Contract or Suspend ed
5.	Water	Emtshezi	Ward 5 &7	Kwa Nobam ba Ezitend eni Phase 1b	R37,250,0 00,00	In progres s
6.	Water	Emtshezi	Ward 5,7 & 8	Kwa Nobam ba Ezitend eni Phase 1c	R8,991,35 7,19	In progres s
7.	Water	Emtshezi	Ward 5 & 7	Kwa Nobam ba Ezitend eni Phase 1d	R15,000,0 00,00	In progres s
8.	Water	Emtshezi	Ward 02	Ntabam hlophe	R13,800.0 00,00	In progres

				Water Scheme Phase 10		s
9.	Water	Emtshezi	Ward 3	Ntabamhlophe Water Scheme Phase 11	RR12,957,291,37	In progress
10.	Water	Okhahlamba	Ward 6	Okhombhe Water	R 1,041,316,58	In progress
11.	Water	Ladysmith	Ward 21	Upgrading of AG Magubane Stadium	R 2,397,156,87	In progress
12.	Waste Water		Ward	Upgrading Waste Water Treatment Works	R14,098,364,34	In progress

**IN YEAR BUDGET STATEMENT TABLES: DECEMBER 2014 REPORT (ANNEXURE 2)**

The financial results for the six months ended 31 December 2014 are attached, consisting of the prescribed tables in terms of Government Gazette 32141 of 17 April 2009 as indicated in Annexures 2

DC23 Uthukela - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	132,771	151,506	151,506	7,395	66,788	75,753	(8,965)	-12%	151,506
Investment revenue	10,761	9,471	9,471	547	4,038	4,735	(697)	-15%	9,471
Transfers recognised - operational	257,902	306,828	306,828	949	216,209	153,414	62,795	41%	306,828
Other own revenue	36,128	37,032	37,032	1,583	10,408	18,516	(8,108)	-44%	37,032
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>437,563</b>	<b>504,836</b>	<b>504,836</b>	<b>10,474</b>	<b>297,443</b>	<b>252,418</b>	<b>45,025</b>	<b>18%</b>	<b>504,836</b>
Employee costs	125,359	160,321	160,321	10,663	70,068	80,161	(10,092)	-13%	160,321
Remuneration of Councillors	4,703	4,619	4,619	476	2,299	2,310	(10)	-0%	4,619
Depreciation & asset impairment	38,999	44,689	44,689	-	-	22,345	(22,345)	-100%	44,689
Finance charges	2,549	1,311	1,311	19	538	656	(118)	-18%	1,311
Materials and bulk purchases	29,315	60,534	60,534	5,434	10,579	30,267	(19,688)	-65%	60,534
Transfers and grants	83,732	11,900	11,900	3,714	6,240	5,950	290	5%	11,900
Other expenditure	166,107	183,213	183,213	13,146	70,923	91,607	(20,683)	-23%	183,213
<b>Total Expenditure</b>	<b>450,763</b>	<b>466,587</b>	<b>466,587</b>	<b>33,451</b>	<b>160,647</b>	<b>233,294</b>	<b>(72,647)</b>	<b>-31%</b>	<b>466,587</b>
<b>Surplus/(Deficit)</b>	<b>(13,200)</b>	<b>38,249</b>	<b>38,249</b>	<b>(22,976)</b>	<b>136,796</b>	<b>19,124</b>	<b>117,671</b>	<b>615%</b>	<b>38,249</b>
Transfers recognised - capital	360,480	209,225	209,225	28,849	125,069	104,613	20,457	20%	209,225
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>347,279</b>	<b>247,474</b>	<b>247,474</b>	<b>5,873</b>	<b>261,865</b>	<b>123,737</b>	<b>138,128</b>	<b>112%</b>	<b>247,474</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>347,279</b>	<b>247,474</b>	<b>247,474</b>	<b>5,873</b>	<b>261,865</b>	<b>123,737</b>	<b>138,128</b>	<b>112%</b>	<b>247,474</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>425,614</b>	<b>277,475</b>	<b>277,475</b>	<b>35,401</b>	<b>158,737</b>	<b>138,738</b>	<b>20,000</b>	<b>14%</b>	<b>277,475</b>
Capital transfers recognised	344,456	209,225	209,225	28,849	125,069	104,613	20,457	20%	209,225
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	81,158	68,250	68,250	6,552	33,669	34,125	(456)	-1%	68,250
<b>Total sources of capital funds</b>	<b>425,614</b>	<b>277,475</b>	<b>277,475</b>	<b>35,401</b>	<b>158,738</b>	<b>138,738</b>	<b>20,001</b>	<b>14%</b>	<b>277,475</b>
<b>Financial position</b>									
Total current assets	268,102	475,653	475,653	-	306,902	-	-	-	445,488
Total non current assets	1,483,053	1,191,455	1,191,455	-	1,483,053	-	-	-	1,191,455
Total current liabilities	122,482	169,263	169,263	-	133,468	-	-	-	169,263
Total non current liabilities	15,312	10,082	10,082	-	15,312	-	-	-	8,846
<b>Community wealth/Equity</b>	<b>1,613,360</b>	<b>1,487,763</b>	<b>1,487,763</b>	-	<b>1,641,174</b>	-	-	-	<b>1,458,834</b>
<b>Cash flows</b>									
Net cash from (used) operating	26,793	210,760	210,760	27,518	230,170	105,380	124,790	118%	210,760
Net cash from (used) investing	(228,221)	(193,288)	(193,288)	(35,401)	(158,737)	(96,644)	(62,093)	64%	(193,288)
Net cash from (used) financing	179,210	(3,918)	(3,918)	-	(231,143)	(2,236)	(228,907)	10237%	(3,918)
<b>Cash/cash equivalents at the month/year end</b>	<b>126,555</b>	<b>164,862</b>	<b>164,862</b>	<b>-</b>	<b>(33,156)</b>	<b>157,808</b>	<b>(190,964)</b>	<b>-121%</b>	<b>140,108</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	11,771	12,029	7,901	8,454	459,675	5,496	-	-	505,325
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	419	-	28,253	-	-	-	28,671

Table C1 provides a high level summation of the operating and capital budgets, actuals to date, financial position and cash flow.



DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Mid-Year Assessment

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
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		279,380	299,336	299,336	676	213,992	149,668	64,324	43%	299,336
Executive and council		37,743	41,140	41,140	-	-	20,570	(20,570)	-100%	41,140
Budget and treasury office		241,637	258,196	258,196	676	213,992	129,098	84,894	66%	258,196
Corporate services		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		890	6,317	6,317	-	-	3,159	(3,159)	-100%	6,317
Planning and development		890	6,317	6,317	-	-	3,159	(3,159)	-100%	6,317
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		517,773	408,408	408,408	38,648	208,521	204,204	4,317	2%	408,408
Electricity		-	-	-	-	-	-	-	-	-
Water		503,502	391,810	391,810	37,312	200,270	195,905	4,365	2%	391,810
Waste water management		14,270	16,598	16,598	1,336	8,251	8,299	(48)	-1%	16,598
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	798,042	714,061	714,061	39,324	422,512	357,031	65,482	18%	714,061
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		113,649	189,666	189,666	6,872	33,986	94,833	(60,847)	-64%	189,666
Executive and council		64,054	49,743	49,743	1,664	8,543	24,872	(16,329)	-66%	49,743
Budget and treasury office		23,332	104,843	104,843	1,317	8,948	52,422	(43,474)	-83%	104,843
Corporate services		26,262	35,080	35,080	3,891	16,495	17,540	(1,045)	-6%	35,080
<b>Community and public safety</b>		11,271	11,099	11,099	1,696	7,078	5,550	1,529	28%	11,099
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		11,271	11,099	11,099	1,696	7,078	5,550	1,529	28%	11,099
<b>Economic and environmental services</b>		8,760	26,939	26,939	945	7,218	13,470	(6,251)	-46%	26,939
Planning and development		8,760	26,939	26,939	945	7,218	13,470	(6,251)	-46%	26,939
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		317,084	238,883	238,883	23,938	112,365	119,442	(7,077)	-6%	238,883
Electricity		-	-	-	-	-	-	-	-	-
Water		314,868	235,956	235,956	23,512	111,276	117,978	(6,702)	-6%	235,956
Waste water management		2,216	2,928	2,928	426	1,088	1,464	(375)	-26%	2,928
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	450,763	466,587	466,587	33,451	160,648	233,294	(72,646)	-31%	466,587
<b>Surplus/ (Deficit) for the year</b>		347,279	247,474	247,474	5,872	261,865	123,737	138,128	112%	247,474

Table C2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

DC23 Uthukela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment

Vote Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - COUNCIL	1	-	-	-	-	-	-	-	-	-
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		37,743	41,140	41,140	-	-	20,570	(20,570)	-100.0%	41,140
Vote 10 - TREASURY		241,637	258,196	258,196	676	213,992	129,098	84,894	65.8%	258,196
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 12 - WATER SERVICES		164,212	201,951	201,951	9,799	83,451	100,976	(17,525)	-17.4%	201,951
Vote 13 - SOCIAL AND ECONOMIC SERVICES		890	717	717	-	-	359	(359)	-100.0%	717
Vote 14 - TECHNICAL SERVICES		353,560	212,057	212,057	28,849	125,069	106,029	19,041	18.0%	212,057
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>798,042</b>	<b>714,061</b>	<b>714,061</b>	<b>39,323</b>	<b>422,512</b>	<b>357,031</b>	<b>65,481</b>	<b>18.3%</b>	<b>714,061</b>
<b>Expenditure by Vote</b>										
Vote 1 - COUNCIL	1	-	-	-	-	-	-	-	-	-
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		64,054	49,743	49,743	1,663	8,543	24,872	(16,329)	-65.7%	49,743
Vote 10 - TREASURY		23,332	104,843	104,843	1,317	8,948	52,422	(43,473)	-82.9%	104,843
Vote 11 - CORPORATE SERVICES		26,262	35,080	35,080	3,891	16,495	17,540	(1,045)	-6.0%	35,080
Vote 12 - WATER SERVICES		313,628	231,077	231,077	23,654	108,682	115,538	(6,857)	-5.9%	231,077
Vote 13 - SOCIAL AND ECONOMIC SERVICES		20,031	38,039	38,039	2,641	14,296	19,019	(4,723)	-24.8%	38,039
Vote 14 - TECHNICAL SERVICES		3,456	7,806	7,806	285	3,683	3,903	(220)	-5.6%	7,806
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>450,763</b>	<b>466,587</b>	<b>466,587</b>	<b>33,451</b>	<b>160,647</b>	<b>233,294</b>	<b>(72,647)</b>	<b>-31.1%</b>	<b>466,588</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>347,279</b>	<b>247,474</b>	<b>247,474</b>	<b>5,873</b>	<b>261,865</b>	<b>123,737</b>	<b>138,128</b>	<b>111.6%</b>	<b>247,473</b>

Table C3 shows budgeted financial performance in relation to the revenue and expenditure as well as the operating surplus or deficit.

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates								-		
Property rates - penalties & collection charges								-		
Service charges - electricity revenue								-		
Service charges - water revenue		118,572	134,908	134,908	6,059	58,537	67,454	(8,917)	-13%	134,908
Service charges - sanitation revenue		14,199	16,598	16,598	1,336	8,251	8,299	(48)	-1%	16,598
Service charges - refuse revenue				-			-	-		
Service charges - other				-			-	-		
Rental of facilities and equipment				-			-	-		
Interest earned - external investments		10,761	9,471	9,471	547	4,038	4,735	(697)	-15%	9,471
Interest earned - outstanding debtors		33,284	35,660	35,660	1,555	10,023	17,830	(7,807)	-44%	35,660
Dividends received				-			-	-		
Fines				-			-	-		
Licences and permits				-			-	-		
Agency services				-			-	-		
Transfers recognised - operational		257,902	306,828	306,828	949	216,209	153,414	62,795	41%	306,828
Other revenue		2,845	1,372	1,372	28	385	686	(301)	-44%	1,372
Gains on disposal of PPE				-			-	-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>437,563</b>	<b>504,836</b>	<b>504,836</b>	<b>10,474</b>	<b>297,443</b>	<b>252,418</b>	<b>45,025</b>	<b>18%</b>	<b>504,836</b>
<b>Expenditure By Type</b>										
Employee related costs		125,359	160,321	160,321	10,663	70,068	80,161	(10,092)	-13%	160,321
Remuneration of councillors		4,703	4,619	4,619	476	2,299	2,310	(10)	0%	4,619
Debt impairment		16,028	30,452	30,452	-	-	15,226	(15,226)	-100%	30,452
Depreciation & asset impairment		38,999	44,689	44,689	-	-	22,345	(22,345)	-100%	44,689
Finance charges		2,549	1,311	1,311	19	538	656	(118)	-18%	1,311
Bulk purchases		7,232	6,085	6,085	1,280	2,272	3,042	(771)	-25%	6,085
Other materials		22,082	54,450	54,450	4,154	8,307	27,225	(18,917)	-69%	54,450
Contracted services		46,772	37,658	37,658	3,138	13,728	18,829	(5,101)	-27%	37,658
Transfers and grants		83,732	11,900	11,900	3,714	6,240	5,950	290	5%	11,900
Other expenditure		97,887	115,103	115,103	10,008	57,195	57,552	(356)	-1%	115,103
Loss on disposal of PPE		5,421					-	-		
<b>Total Expenditure</b>		<b>450,763</b>	<b>466,587</b>	<b>466,587</b>	<b>33,451</b>	<b>160,647</b>	<b>233,294</b>	<b>(72,647)</b>	<b>-31%</b>	<b>466,587</b>
<b>Surplus/(Deficit)</b>		<b>(13,200)</b>	<b>38,249</b>	<b>38,249</b>	<b>(22,976)</b>	<b>136,796</b>	<b>19,124</b>	<b>117,671</b>	<b>0</b>	<b>38,249</b>
Transfers recognised - capital		360,480	209,225	209,225	28,849	125,069	104,613	20,457	0	209,225
Contributions recognised - capital								-		
Contributed assets								-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>347,279</b>	<b>247,474</b>	<b>247,474</b>	<b>5,873</b>	<b>261,865</b>	<b>123,737</b>			<b>247,474</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>347,279</b>	<b>247,474</b>	<b>247,474</b>	<b>5,873</b>	<b>261,865</b>	<b>123,737</b>			<b>247,474</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>347,279</b>	<b>247,474</b>	<b>247,474</b>	<b>5,873</b>	<b>261,865</b>	<b>123,737</b>			<b>247,474</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>347,279</b>	<b>247,474</b>	<b>247,474</b>	<b>5,873</b>	<b>261,865</b>	<b>123,737</b>			<b>247,474</b>

Table C4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Mid-Year Assessment

Vote Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
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		-	-	-	-	-	-	-	-	-
Vote 10 - TREASURY		-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 12 - WATER SERVICES		-	-	-	-	-	-	-	-	-
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	-	-	-	-	-	-	-	-
Vote 14 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
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		351	2,210	2,210	169	914	1,105	(191)	-17%	2,210
Vote 10 - TREASURY		10	600	600	19	483	300	183	61%	600
Vote 11 - CORPORATE SERVICES		19	1,500	1,500	-	821	750	71	9%	1,500
Vote 12 - WATER SERVICES		10,623	43,321	43,321	5,315	28,839	21,661	7,179	33%	43,321
Vote 13 - SOCIAL AND ECONOMIC SERVICES		3	17,586	17,586	1,049	2,611	8,793	(6,182)	-70%	17,586
Vote 14 - TECHNICAL SERVICES		414,608	212,258	212,258	28,849	125,069	106,129	18,940	18%	212,258
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	425,614	277,475	277,475	35,401	158,737	138,738	20,000	14%	277,475
<b>Total Capital Expenditure</b>		425,614	277,475	277,475	35,401	158,737	138,738	20,000	14%	277,475
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		359	4,310	4,310	188	2,218	2,155	63	3%	4,310
Executive and council		330	2,210	2,210	169	914	1,105	(191)	-17%	2,210
Budget and treasury office		10	600	600	19	483	300	183	61%	600
Corporate services		19	1,500	1,500	-	821	750	71	9%	1,500
<b>Community and public safety</b>		-	17,586	17,586	1,049	2,611	8,793	(6,182)	-70%	17,586
Community and social services		-	17,586	17,586	1,049	2,611	8,793	(6,182)	-70%	17,586
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		2,002	2,315	2,315	-	846	1,158	(311)	-27%	2,315
Planning and development		3	-	-	-	-	-	-	-	-
Road transport		1,999	2,315	2,315	-	846	1,158	(311)	-27%	2,315
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		423,252	253,264	253,264	34,164	153,061	126,632	26,429	21%	253,264
Electricity		-	-	-	-	-	-	-	-	-
Water		423,252	253,264	253,264	34,164	153,061	126,632	26,429	21%	253,264
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	3	425,614	277,475	277,475	35,401	158,737	138,738	19,999	14%	277,475
<b>Funded by:</b>										
National Government		344,456	209,225	209,225	28,849	125,069	104,613	20,457	20%	209,225
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		344,456	209,225	209,225	28,849	125,069	104,613	20,457	20%	209,225
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		81,158	68,250	68,250	6,552	33,669	34,125	(456)	-1%	68,250
<b>Total Capital Funding</b>		425,614	277,475	277,475	35,401	158,738	138,738	20,001	14%	277,475

Table C5 reflects the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and funding sources required to fund the capital budget, including information on capital transfers from national and provincial departments.

DC23 Uthukela - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		7	7	7	7	8
Call investment deposits		126,547	164,854	164,854	115,971	151,300
Consumer debtors		126,138	287,226	287,226	175,145	287,226
Other debtors		10,821	15,768	15,768	10,337	1,101
Current portion of long-term receivables				-		-
Inventory		4,589	7,798	7,798	5,441	5,853
<b>Total current assets</b>		<b>268,102</b>	<b>475,653</b>	<b>475,653</b>	<b>306,902</b>	<b>445,488</b>
<b>Non current assets</b>						
Long-term receivables						
Investments						
Investment property						
Investments in Associate						
Property, plant and equipment		1,482,944	1,191,410	1,191,410	1,482,944	1,191,410
Agricultural						
Biological assets						
Intangible assets		109	45	45	109	45
Other non-current assets						
<b>Total non current assets</b>		<b>1,483,053</b>	<b>1,191,455</b>	<b>1,191,455</b>	<b>1,483,053</b>	<b>1,191,455</b>
<b>TOTAL ASSETS</b>		<b>1,751,155</b>	<b>1,667,108</b>	<b>1,667,108</b>	<b>1,789,954</b>	<b>1,636,943</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-			33,156	-
Borrowing		2,296	3,543	3,543	2,296	3,543
Consumer deposits		9,877	9,784	9,784	9,877	9,784
Trade and other payables		109,371	132,486	132,486	87,201	132,486
Provisions		938	23,450	23,450	938	23,450
<b>Total current liabilities</b>		<b>122,482</b>	<b>169,263</b>	<b>169,263</b>	<b>133,468</b>	<b>169,263</b>
<b>Non current liabilities</b>						
Borrowing		5,046	6,051	6,051	5,046	4,445
Provisions		10,266	4,031	4,031	10,266	4,401
<b>Total non current liabilities</b>		<b>15,312</b>	<b>10,082</b>	<b>10,082</b>	<b>15,312</b>	<b>8,846</b>
<b>TOTAL LIABILITIES</b>		<b>137,794</b>	<b>179,345</b>	<b>179,345</b>	<b>148,780</b>	<b>178,109</b>
<b>NET ASSETS</b>	2	<b>1,613,360</b>	<b>1,487,763</b>	<b>1,487,763</b>	<b>1,641,174</b>	<b>1,458,834</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1,613,137	1,487,763	1,487,763	1,640,950	1,458,611
Reserves		223			223	223
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1,613,360</b>	<b>1,487,763</b>	<b>1,487,763</b>	<b>1,641,174</b>	<b>1,458,834</b>

Table C6 reflects the performance to date in relation to the financial position of the municipality.

DC23 Uthukela - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		(202,305)	69,550	69,550	5,728	39,018	34,775	4,243	12%	69,550
Government - operating		267,042	306,828	306,828	989	220,357	153,414	66,943	44%	306,828
Government - capital		259,510	209,225	209,225	53,705	127,375	104,613	22,762	22%	209,225
Interest		44,045	16,603	16,603	547	4,066	8,302	(4,236)	-51%	16,603
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(255,218)	(378,235)	(378,235)	(29,718)	(153,869)	(189,118)	(35,249)	19%	(378,235)
Finance charges		(2,549)	(1,311)	(1,311)	(19)	(538)	(656)	(118)	18%	(1,311)
Transfers and Grants		(83,732)	(11,900)	(11,900)	(3,714)	(6,240)	(5,950)	290	-5%	(11,900)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>26,793</b>	<b>210,760</b>	<b>210,760</b>	<b>27,518</b>	<b>230,170</b>	<b>105,380</b>	<b>124,790</b>	<b>118%</b>	<b>210,760</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		(5,644)			-	-	-	-		-
Decrease (Increase) in non-current debtors					-	-	-	-		-
Decrease (increase) other non-current receivables					-	-	-	-		-
Decrease (increase) in non-current investments			30,000	30,000	-		15,000	(15,000)	-100%	30,000
<b>Payments</b>										
Capital assets		(222,577)	(223,288)	(223,288)	(35,401)	(158,737)	(111,644)	47,093	-42%	(223,288)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(228,221)</b>	<b>(193,288)</b>	<b>(193,288)</b>	<b>(35,401)</b>	<b>(158,737)</b>	<b>(96,644)</b>	<b>62,093</b>	<b>-64%</b>	<b>(193,288)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		183,272			-			-		
Borrowing long term/refinancing					-	-	-	-		
Increase (decrease) in consumer deposits		631	554	554	-	436		436	#DIV/0!	554
<b>Payments</b>										
Repayment of borrowing		(4,693)	(4,472)	(4,472)	-	(231,579)	(2,236)	229,343	-10257%	(4,472)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>179,210</b>	<b>(3,918)</b>	<b>(3,918)</b>	<b>-</b>	<b>(231,143)</b>	<b>(2,236)</b>	<b>228,907</b>	<b>-10237%</b>	<b>(3,918)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
		<b>(22,218)</b>	<b>13,554</b>	<b>13,554</b>	<b>(7,883)</b>	<b>(159,710)</b>	<b>6,500</b>			<b>13,554</b>
Cash/cash equivalents at beginning:		148,773	151,308	151,308		126,554	151,308			126,554
Cash/cash equivalents at month/year end:		126,555	164,862	164,862		(33,156)	157,808			140,108

Table C7 indicates the cash flow position and cash/cash equivalent outcome.

## BUDGET PERFORMANCE ANALYSIS

### Summary Statement of Financial Performance

The Summary Statement of Financial Performance shown in Annexure 1, Table SC10, is prepared in terms of the prescribed budget formats, detailing revenue by source type and expenditure by input type. The summary report indicates the following:

Summary Statement of Financial Performance				
Description	2014/15 Original Budget R'000	YTD Actual R'000	December YTD Actual R'000	Forecast R'000
Total Revenue By Source (Excluding Capital Transfers)	714 061	422 999	39 323	714 061
Total Operating Expenditure	466 587	160 647	33 451	466 587
SURPLUS	247 474	262 352	5 873	247 474

## FINANCIAL PERFORMANCE

### Operating Expenditure By Type

#### Expenditure: Year to Date Actual vs Year to Date Budget Employee Related Costs

The expenditure on employee related costs is at 34.4% of the salaries budget. Employee related cost is currently 43.61% of the total operating costs, which is slightly higher when compared to the same period last year.

Employee related costs reflect a year to date decrease due to vacant funded posts that have not been filled as at 31 December 2014. Employee related cost is currently 43.7% of the total operating costs which is deemed reasonable.

#### Finance Charges

The Finance Charges reflects an increase of R538 as the repayments on the loan were made in December 2014. Accordingly, the finance charges would be closer to the budget by year end.

#### Bulk Purchases

Bulk Purchases is relation to payments to Department of Water Affairs (DWA) .The Municipality is currently paying R1 mil per month to DWA for outstanding old debt.

**Other Materials (Repairs and Maintenance)**

Other Materials indicate a year to date expenditure of (R8.3m), as this expenditure is dependent on needs and requirements.

**Contracted Services**

Contracted Services is underspent to date by 27%.

**Transfer & Grants**

The year to date Increase in Transfers and Grants reflects over spending of 5%.

**Other Expenditure**

Under-spending in Other Expenditure is only by 1% which is reasonable.

**Summary of the 2014/15 budget (classified by main revenue source)**

Revenue generated from Service Charges forms a significant percentage of the revenue source of the municipality.

**Income : Year to Date Actual vs Year to Date Budget****Service Charges-Water revenue**

A year to date decrease in the Water-Service Charges by 13%.

**Interest earned-external investments**

Increase in Interest earned External Investments (R4.1mil) is as a result of increased investments.

**Interest earned-outstanding debtors**

The proportionate increase of R16m in Interest earned-outstanding debtors is attributable to the increase in debtors amounts outstanding.

**Transfers recognised-Operational**

The year to date increase in Operating Grants (R234m), is mainly attributable to Equitable Share grant received in advance.

**Other Revenue**

The year to date, amount for other revenue is at R 385 000



## **STAFF EXPENDITURE REPORT**

The Staff Expenditure Report is submitted in terms of Section 66 of the Municipal Finance Management Act, which states that the Accounting Officer of a Municipality must, in a format and for periods as may be prescribed, report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely-

- a) Salaries and wages
- b) Contributions for pensions and medical aid
- c) Travel, motor car, accommodation, subsistence and other allowances
- d) Housing benefits and allowances
- e) Overtime payments
- f) Loans and advances
- g) Any other type of benefit or allowance related to staff

DC23 Uthukela - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands		A	B	C					%	D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		3,520	3,404	3,404	257	1,581	1,702	(121)	-7%	3,404
Pension and UIF Contributions							-	-		
Medical Aid Contributions							-	-		
Motor Vehicle Allowance		1,008	1,034	1,034	79	506	517	(11)	-2%	1,034
Cellphone Allowance		176	181	181	140	213	91	122	135%	181
Housing Allowances							-	-		
Other benefits and allowances							-	-		
<b>Sub Total - Councillors</b>		<b>4,703</b>	<b>4,619</b>	<b>4,619</b>	<b>476</b>	<b>2,299</b>	<b>2,310</b>	<b>(11)</b>	<b>0%</b>	<b>4,619</b>
% increase	4									
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		5,429	6,663	6,663	553	3,318	3,332	(14)	0%	663
Pension and UIF Contributions							-	-		
Medical Aid Contributions							-	-		
Overtime							-	-		
Performance Bonus			666	666			333	(333)	-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						-	-		
<b>Sub Total - Senior Managers of Municipality</b>		<b>5,429</b>	<b>7,329</b>	<b>7,329</b>	<b>553</b>	<b>3,318</b>	<b>3,665</b>	<b>(347)</b>	<b>-9%</b>	<b>7,323</b>
% increase	4									
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		76,438	104,820	104,820	6,515	38,914	52,410	(13,496)	-26%	104,820
Pension and UIF Contributions		11,508	14,194	14,194	980	6,687	7,097	(410)	-6%	14,194
Medical Aid Contributions		3,341	5,020	5,020	300	1,807	2,510	(703)	-28%	5,020
Overtime		15,997	3,135	3,135	1,430	8,493	1,568	6,926	442%	3,135
Performance Bonus							-	-		
Motor Vehicle Allowance		5,654	9,965	9,965	582	3,465	4,983	(1,518)	-30%	9,965
Cellphone Allowance							-	-		
Housing Allowances		572	1,490	1,490	60	365	745	(380)	-51%	1,490
Other benefits and allowances		12,183	13,255	13,255	10	6,309	6,628	(319)	-5%	13,255
Payments in lieu of leave		(334)	1,113	1,113	233	710	557	154	28%	1,113
Long service awards							-	-		
Post-retirement benefit obligations	2						-	-		
<b>Sub Total - Other Municipal Staff</b>		<b>125,359</b>	<b>152,992</b>	<b>152,992</b>	<b>10,110</b>	<b>66,750</b>	<b>76,496</b>	<b>(9,746)</b>	<b>-13%</b>	<b>152,992</b>
% increase	4									
<b>Total Parent Municipality</b>		<b>135,491</b>	<b>164,940</b>	<b>164,940</b>	<b>11,139</b>	<b>72,367</b>	<b>82,470</b>	<b>(10,103)</b>	<b>-12%</b>	<b>164,934</b>
			21.7%	21.7%						21.7%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>										
		135,491	164,940	164,940	11,139	72,367	82,470	(10,103)	-12%	164,934
% increase	4		21.7%	21.7%						21.7%
<b>TOTAL MANAGERS AND STAFF</b>		<b>130,788</b>	<b>160,321</b>	<b>160,321</b>	<b>10,663</b>	<b>70,068</b>	<b>80,161</b>	<b>(10,093)</b>	<b>-13%</b>	<b>160,315</b>

## CAPITAL EXPENDITURE AND FUNDING:

The Capital expenditure report reflected in Annexure 2, Table C5, has been prepared on the basis of the format required to be lodged electronically with National Treasury and is categorised by municipal vote. The capital expenditure is funded from the four sources viz.:

- Government Grants;
- Public Contributions and Donations;
- Borrowings;
- Internally Generated Funds

The summary report indicates the following:-

### Capital Budget Performance:

Description	2014/15 Capital Budget R'000	Actual YTD Budget R'000	December YTD Spend R'000	Forecast R'000
<b>Total Capital Expenditure</b>	277 475	158 737	35 401	277 475
<b>Total Capital Financing</b>	277 475	158 737	35 401	277 475

Capital expenditure reflects a higher spending for the first six months (38,8%), when compared to the same period last year (27,5%). Furthermore, as is the case in past years there would be an acceleration of spending in the ensuing months.

## Progressive Capital Budget vs Actual

The main areas of the capital spend are as follows:

Departments	Note	Original Budget	December Actual YTD Spend	Total YTD Spend	YTD % Spend	Forecast
		R'000	R'000	R'000	%	R'000
Water and Sanitation	1	43 321	5 315	28 839	66.6%	43 321
Governance	2	2 210	169	914	41.4%	2 210
Corporate Services	3	1 500	-	821	54.7%	1 500
Treasury	4	600	19	483	80.5%	600
Health & Social Serv	5	17 586	1 049	2 611	14.8%	17 586
Technical Services	6	212 258	28 849	125 069	58.9%	212 258
<b>Total</b>		<b>277 475</b>	<b>35 401</b>	<b>158 737</b>	<b>57.2%</b>	<b>277 475</b>

## GRANT UTILISATION – 31 DECEMBER 2014

Detailed information on the grants and subsidies for the 2014/15 financial year is reflected on **Table SC6**

A high level summary of the information is as follows:-

Description	Original Budget R'000	YTD Actual Received R'000	YTD Utilisation R'000
Total Grants and Subsidies Received	515 873	347 732	341 440
<b>Percentage received/utilised of original budget</b>		<b>35.2%</b>	<b>32.4%</b>

Grants funding from National Departments are received in three tranches during the year.

The utilisation of grants as at December 2014 is greater than the grants utilised for the same period in the previous financial year. This is attributable to unspent grants from the previous year being rolled over. The rolled over grant will be regularised via an adjustments budget report to be submitted in February 2014.

## DEBTORS

### Debtors Age Analysis as at 31 December 2014 :

	0- 30 days	31 -60 days	61 – 90 days	91 – 120 days	+120
	R'000	R'000	R'000	R'000	R'000
Debtors at 31.12.2014	11 771	12 029	7 901	476 625	505 325
Debtors at 31.12.2013	15 397	14 359	12 344	523 213	565 363
Movement	-3 626	-2 330	-4 443	-46 588	-60 038

The total debtors amount outstanding is approximately R505million and represents an decrease of approximately R60 million when compared to December 2013.

## CREDITORS

Creditors are paid within 30 days as stipulated by the MFMA except where there are disputes between the municipality and the creditor.

### Creditors Analysis as at 31 December 2014:

Detail	Bulk Elect	Bulk Water	PAYE Ded.	Pension Ret.Ded	Loan Repay.	Trade Creditors	Total
December 2014						34 880	34 880
December 2013						29 295	29 295

Outstanding creditors for the period under review amount to approximately R34 million which represents an increase of approximately R5 million, when compared to December 2013. The increase is due mainly outstanding debt to DWA when compared to December 2013.

## Water Distribution Losses

The Municipality is in the process of installing bulk meters to ensure that water losses are calculated accurately.

## **FINANCIAL ANALYSIS**

### **Borrowings**

The total loans outstanding at 31 December 2014 amounted to R7 341 mil

The municipality is extremely mindful that any borrowing of a long term nature has to be sustainable and affordable and is in compliance with Chapter 6 of the MFMA and the municipality's Borrowing Policy and Financial Strategy. These values are entrenched in the municipality's Integrated Development Plan, and the Financial Strategy gives effect to these values.

### **Investments and Cash Management**

Investments made with the various financial institutions are strictly in compliance with Municipal Finance Management Act and in terms of the Investment Framework Policy and Guidelines.

The total value of cash and investments amounted to approximately R115 mil. This represents 32 days Cash on Hand.

## SUPPORTING DOCUMENTATION

### SC2

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2014/15										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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 days		
R thousands													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	11 693	12 029	7 882	8 454	459 675	-	-		499 743	468 129		
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	78	-	9	-		5 496			5 582	5 496		
<b>Total By Income Source</b>	<b>2000</b>	<b>11 771</b>	<b>12 029</b>	<b>7 901</b>	<b>8 454</b>	<b>459 675</b>	<b>5 496</b>	<b>-</b>	<b>-</b>	<b>505 325</b>	<b>473 625</b>	<b>-</b>	<b>-</b>
2013/14 - totals only													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	455	436	742	131	2 473				4 237	2 604		
Commercial	2300	857	361	441	219	14 128				16 007	14 347		
Households	2400	10 381	11 232	6 708	8 103	443 074	-			479 499	451 177		
Other	2500	78	-	9	-		5 496			5 582	5 496		
<b>Total By Customer Group</b>	<b>2600</b>	<b>11 771</b>	<b>12 029</b>	<b>7 901</b>	<b>8 454</b>	<b>459 675</b>	<b>5 496</b>	<b>-</b>	<b>-</b>	<b>505 325</b>	<b>473 625</b>	<b>-</b>	<b>-</b>

### SC4

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2014/15								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	896		-					33 984	34 880
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>896</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33 984</b>	<b>34 880</b>

### SC5

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

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
		Yrs/Months							
<b>R thousands</b>									
<b>Municipality</b>									
FNB UTDM		32 DAYS			304	3.9%-5.35%	30 875	(51 704)	82 578
NEDBANKS		32 DAYS			14	4.7%	3 074	(14)	3 038
ABSA		32 DAYS			25	4.6%	5 687	(25)	5 711
Investec		32 DAYS			137	0.8%	30 456	5 863	24 593
									-
DDA - 62402906484 74448702164									-
<b>Municipality sub-total</b>					480		70 092	(45 880)	115 920
<b>Entities</b>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				480		70 092	(45 880)	115 920

SC6



DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

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
<b>R thousands</b>										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		267 042	300 978	300 978	989	220 019	150 489	65 762	43.7%	300 978
Local Government Equitable Share		257 902	286 962	286 962	-	209 243	143 481	65 762	45.8%	286 962
Finance Management		1 250	1 250	1 250	-	1 250	625			1 250
Municipal Systems Improvement		-	467	467	-	467	234			467
EPWP Incentive		1 000	3 299	3 299	989	2 309	1 650			3 299
Water Services Operating Subsidy		6 000	9 000	9 000	-	6 750	4 500			9 000
KZN PROJECTS	3	890								
MSIG GRANT										
MSIG GRANT										
<b>Provincial Government:</b>		-	5 850	5 850	-	338	2 925	213	7.3%	5 938
Share Services			250	250		250	125	125	100.0%	250
Small Town Rehabilitation			5 600	5 600			2 800			5 600
LG SETA	4					88	-	88	#DIV/0!	88
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total Operating Transfers and Grants</b>	5	267 042	306 828	306 828	989	220 357	153 414	65 975	43.0%	306 916
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		258 405	209 045	209 045	53 705	127 375	104 523	24 914	23.8%	209 045
Municipal Infrastructure Grant (MIG)		174 260	177 319	177 319	52 865	117 261	88 660	28 602	32.3%	177 319
Rural Households Infrastructure		4 000	4 124	4 124	-	-	2 062			4 124
Municipal Water Services (MIWG)		14 525								
NEW PUMPS										
RRAM		1 999	2 135	2 135	-	2 315	1 068	1 248	116.9%	2 135
Rural Households Infrastructure										
MSIG		-	467	467	-	467	234	234	100.0%	467
Regional Bulk Infrastructure		63 621	25 000	25 000	840	7 332	12 500	(5 168)	-41.3%	25 000
MASIFICATION										
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<i>Infrastructure Sport facilities</i>										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total Capital Transfers and Grants</b>	5	258 405	209 045	209 045	53 705	127 375	104 523	24 914	23.8%	209 045
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	525 447	515 873	515 873	54 694	347 732	257 937	90 890	35.2%	515 961

SC7(1)

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		273 926	300 978	300 978	949	216 372	150 489	65 883	43.8%	300 978
Local Government Equitable Share		257 902	286 962	286 962	-	209 243	143 481	65 762	45.8%	286 962
Finance Management		1 581	1 250	1 250	112	514	625	(111)	-17.7%	1 250
Municipal Systems Improvement		-	467	467	-	94	234	(139)	-59.6%	467
EPWP Incentive		3 200	3 299	3 299	-	2 111	1 650	461	28.0%	3 299
Water Services Operating Subsidy		4 448	9 000	9 000	838	4 409	4 500	(91)	-2.0%	9 000
KZN PROJECTS		5 905	-	-	-	-	-	-	-	-
MSIG GRANT		890	-	-	-	-	-	-	-	-
Provincial Government:		-	5 850	5 850	-	-	2 925	(2 925)	-100.0%	5 850
Share Services		-	250	250	-	-	125	(125)	-100.0%	250
Small Town Rehabilitation		-	5 600	5 600	-	-	2 800	(2 800)	-100.0%	5 600
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>273 926</b>	<b>306 828</b>	<b>306 828</b>	<b>949</b>	<b>216 372</b>	<b>153 414</b>	<b>62 958</b>	<b>41.0%</b>	<b>306 828</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		344 455	209 045	209 045	28 849	125 069	104 523	20 546	19.7%	209 045
Municipal Infrastructure Grant (MIG)		233 809	177 319	177 319	21 318	86 733	88 660	(1 927)	-2.2%	177 319
Rural Road Assets Management		1 999	2 135	2 135	-	846	1 068	(221)	-20.7%	2 135
Rural Households infrastructure		-	4 124	4 124	-	-	2 062	(2 062)	-100.0%	4 124
MSIG		-	467	467	-	-	234	(234)	-100.0%	467
Municipal WATER Infrastructure Grant Driefontein		11 738	-	-	-	-	-	-	-	-
New Pumps		1 233	-	-	-	-	-	-	-	-
Massification		20 402	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure		75 274	25 000	25 000	7 531	37 489	12 500	24 989	199.9%	25 000
Provincial Government:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>344 455</b>	<b>209 045</b>	<b>209 045</b>	<b>28 849</b>	<b>125 069</b>	<b>104 523</b>	<b>20 546</b>	<b>19.7%</b>	<b>209 045</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>618 381</b>	<b>515 873</b>	<b>515 873</b>	<b>29 799</b>	<b>341 440</b>	<b>257 937</b>	<b>83 504</b>	<b>32.4%</b>	<b>515 873</b>

SC7(2)

DC23 Uthukela - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December

Description	Ref	Budget Year 2014/15				
		Approved Rollover 2013/14	Monthly actual	YearTD actual	YTD variance	YTD variance %
<b>R thousands</b>						
<b>EXPENDITURE</b>						
<b>Operating expenditure of Approved Roll-overs</b>						
<b>National Government:</b>		-	-	-	-	
Local Government Equitable Share					-	
Finance Management					-	
Municipal Systems Improvement					-	
EPWP Incentive					-	
Water Services Operating Subsidy					-	
KZN PROJECTS					-	
MSIG GRANT					-	
<b>Provincial Government:</b>		-	-	-	-	
Share Services					-	
LG SETA					-	
					-	
<b>District Municipality:</b>		-	-	-	-	
<i>[insert description]</i>					-	
<b>Other grant providers:</b>		-	-	-	-	
<i>[insert description]</i>					-	
<b>Total operating expenditure of Approved Roll-overs</b>		-	-	-	-	
<b>Capital expenditure of Approved Roll-overs</b>						
<b>National Government:</b>		25 770	7 845	19 190	6 580	25.5%
Municipal Infrastructure Grant (MIG)		21 770	7 205	17 290	4 480	20.6%
RRAM					-	
Rural Households Infrastructure		4 000	640	1 900	2 100	52.5%
MSIG					-	
Regional Bulk Infrastructure					-	
MASIFFICATION					-	
<b>Provincial Government:</b>		-	-	-	-	
					-	
					-	
<b>District Municipality:</b>		-	-	-	-	
					-	
					-	
<b>Other grant providers:</b>		-	-	-	-	
					-	
					-	
<b>Total capital expenditure of Approved Roll-overs</b>		25 770	7 845	19 190	6 580	25.5%
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		25 770	7 845	19 190	6 580	25.5%

## **ADJUSTMENTS BUDGET**

Regulation 23 (1) of the Municipal Budget and Reporting Regulations provides, inter alia for the following:

“An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year.”

An Adjustment Budget is the revision of an approved annual budget, usually by the utilisation of savings in one vote towards spending under another vote. Furthermore, except under certain circumstances only one adjustment budget may be tabled in the Municipal Council during a financial year. Accordingly a report on adjustments to the budget will be submitted for consideration by Council at its meeting to be held in February 2015.

## **NATIONAL ADJUSTMENTS BUDGET**

Due to the 2014 Adjusted Estimates of National Expenditure and its proposed adjustments to the allocations made to the Provinces, the municipality anticipates a similar effect on its budget.

## **ANNUAL REPORT**

The annual report of the 2013/14 financial year is covered in a separate report to Council.

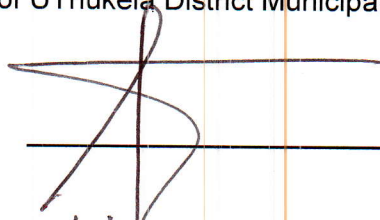
**Municipal Manager's quality certificate**

I **Sifiso Nicholas Kunene**, **Municipal** Manager of UThukela District Municipality, hereby certify that the Section 72 and supporting documentation for December 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 black ink, consisting of a stylized 'S' and 'K' intertwined, written over a horizontal line.

Date

23/1/2015

