

# **SECTION 71 REPORT**

**APRIL**

**2014**

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# **Part 1 – Annual Budget**

## **1.1 Mayor's Report**

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

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

## **1.2 Council Resolutions**

1. The Council of UThukela District Municipality, acting in terms of section 71 of the Municipal Finance Management Act, (Act 56 of 2003) to note :

1. Monthly Budget statements and supporting documents for the month of April 2014.

## **1.3 Executive Summary**

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

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

The municipality is also embarking on assuring that all grants are spent during the 2013/2014 financial year.

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**TABLE 1: C4 – Monthly Budget Statements – Financial Performance**

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates								-		
Property rates - penalties & collection charges								-		
Service charges - electricity revenue								-		
Service charges - water revenue		104 240	123 813	123 813	10 115	99 620	103 178	(3 557)	-3%	123 813
Service charges - sanitation revenue		13 047	15 075	15 227	1 206	11 578	12 689	(1 111)	-9%	15 227
Service charges - refuse revenue										
Service charges - other										
Rental of facilities and equipment										
Interest earned - external investments		9 789	9 109	8 689	1 441	7 770	7 241	529	7%	8 689
Interest earned - outstanding debtors		29 447	17 790	35 715	2 983	28 218	29 763	(1 545)	-5%	35 715
Dividends received										
Fines										
Licences and permits										
Agency services										
Transfers recognised - operational		279 412	277 744	277 402	3 358	259 955	231 168	28 787	12%	277 402
Other revenue		5 076	275	1 330	34	1 585	1 108	477	43%	1 330
Gains on disposal of PPE		32 687								
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>473 698</b>	<b>443 806</b>	<b>462 175</b>	<b>19 137</b>	<b>408 726</b>	<b>385 146</b>	<b>23 580</b>	<b>6%</b>	<b>462 175</b>
<b>Expenditure By Type</b>										
Employee related costs		119 882	158 358	131 693	9 966	104 870	109 744	(4 874)	-4%	131 693
Remuneration of councillors		4 792	5 612	5 612	356	3 313	4 677	(1 364)	-29%	5 612
Debt impairment		244 001	20 180	70 892			59 077	(59 077)	-100%	70 892
Depreciation & asset impairment		32 001	35 936	35 928			29 940	(29 940)	-100%	35 928
Finance charges		2 432	3 339	1 816	45	1 389	1 514	(125)	-8%	1 816
Bulk purchases		42 251	45 563	67 170	4 973	37 231	55 975	(18 744)	-33%	67 170
Other materials		16 088	18 898	18 623	784	12 138	15 519	(3 382)	-22%	18 623
Contracted services		45 289	40 103	50 744	1 882	37 202	42 287	(5 085)	-12%	50 744
Transfers and grants		6 500	6 000	6 000	471	1 932	5 000	(3 068)	-61%	6 000
Other expenditure		136 139	45 053	60 884	7 977	37 507	50 737	(13 229)	-26%	60 884
Loss on disposal of PPE		2 168								
<b>Total Expenditure</b>		<b>651 545</b>	<b>379 042</b>	<b>449 362</b>	<b>26 454</b>	<b>235 582</b>	<b>374 468</b>	<b>(138 886)</b>	<b>-37%</b>	<b>449 362</b>
<b>Surplus/(Deficit)</b>										
Transfers recognised - capital		(177 847)	64 764	12 813	(7 317)	173 144	10 678	162 467	0	12 813
Contributions recognised - capital		216 573	193 847	332 224	19 979	197 666	276 854	(79 188)	(0)	332 224
Contributed assets										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>12 662</b>	<b>370 810</b>	<b>287 532</b>			<b>345 038</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>		<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>12 662</b>	<b>370 810</b>	<b>287 532</b>			<b>345 038</b>
Atributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>12 662</b>	<b>370 810</b>	<b>287 532</b>			<b>345 038</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>12 662</b>	<b>370 810</b>	<b>287 532</b>			<b>345 038</b>

Total expenditure is 37% less this is due to fact that there haven't been any movements in the non -cash items (depreciation and Debt impairment).

Bulk Purchases is at 55% spending and which is for bulk electricity purchases only.

The Employees related costs spending are at 80%.

**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) - M10 April										
Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	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 - [NAME OF VOTE 14]										
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			800	621	3	327	518	(191)	-37%	621
Vote 10 - TREASURY		28	160	67		60	56	4	7%	67
Vote 11 - CORPORATE SERVICES		114	160	170		4	142	(138)	-98%	170
Vote 12 - WATER SERVICES		100 760	191 784	340 524	18 815	196 152	283 770	(87 618)	-31%	340 524
Vote 13 - SOCIAL AND ECONOMIC SERVICES		564	3 133	3 578			2 982	(2 982)	-100%	3 578
Vote 14 - [NAME OF VOTE 14]										
Vote 15 - [NAME OF VOTE 15]										
<b>Total Capital single-year expenditure</b>	4	101 466	196 037	344 960	18 818	196 542	287 467	(90 924)	-32%	344 960
<b>Total Capital Expenditure</b>		<b>101 466</b>	<b>196 037</b>	<b>344 960</b>	<b>18 818</b>	<b>196 542</b>	<b>287 467</b>	<b>(90 924)</b>	<b>-32%</b>	<b>344 960</b>
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		142	1 120	859	3	390	716	(325)	-45%	859
Executive and council			800	621	3	327	518	(191)	-37%	621
Budget and treasury office		28	160	67		60	56	4	7%	67
Corporate services		114	160	170		4	142	(138)	-98%	170
<b>Community and public safety</b>		564	2 678	2 678			2 232	(2 232)	-100%	2 678
Community and social services		397	2 468	2 468			2 057	(2 057)	-100%	2 468
Sport and recreation										
Public safety										
Housing										
Health		167	210	210			175	(175)	-100%	210
<b>Economic and environmental services</b>		2 948	2 454	2 899	232	1 820	2 416	(596)	-25%	2 899
Planning and development			455	900			750	(750)	-100%	900
Road transport		2 948	1 999	1 999	232	1 820	1 666	154	9%	1 999
Environmental protection										
<b>Trading services</b>		97 812	189 785	338 524	18 583	194 332	282 103	(87 772)	-31%	338 524
Electricity										
Water		97 812	189 785	338 524	18 583	194 332	282 103	(87 772)	-31%	338 524
Waste water management										
Waste management										
<b>Other</b>										
<b>Total Capital Expenditure - Standard Classification</b>	3	101 466	196 037	344 960	18 818	196 542	287 466	(90 924)	-32%	344 960
<b>Funded by:</b>										
National Government		96 913	191 379	329 757	18 815	196 184	274 797	(78 613)	-29%	329 756
Provincial Government			2 468	2 468			2 057	(2 057)	-100%	2 468
District Municipality										
Other transfers and grants										
<b>Transfers recognised - capital</b>		96 913	193 847	332 225	18 815	196 184	276 854	(80 670)	-29%	332 224
<b>Public contributions &amp; donations</b>	5									
<b>Borrowing</b>	6		750							
<b>Internally generated funds</b>		4 553	1 440	12 735	3	358	10 613	(10 255)	-97%	12 735
<b>Total Capital Funding</b>		<b>101 466</b>	<b>196 037</b>	<b>344 960</b>	<b>18 818</b>	<b>196 542</b>	<b>287 467</b>	<b>(90 925)</b>	<b>-32%</b>	<b>344 960</b>

The major spending on the capital expenditure is from Technical services.

And only 57% has been spent from the grants.

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**Table 3: Repairs and maintenance per asset class**

DC23 Uthukela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M10 April

Description	Ref	Budget Year 2013/14								
		2012/13 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>										
Infrastructure - Road transport		-	16 447	15 115	919	8 083	12 595	4 513	35.8%	16 898
Roads, Pavements & Bridges		-	200	1 500	-	558	1 250	692	55.4%	2 000
Storm water		-	200	1 500	-	558	1 250	692	55.4%	2 000
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	11 247	11 115	919	7 525	9 262	1 737	18.8%	12 398
Dams & Reservoirs		-	7 247	6 014	693	3 855	5 012	1 157	23.1%	7 247
Water purification		-	4 000	5 101	226	3 670	4 250	581	13.7%	5 101
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	5 000	2 500	-	-	2 083	2 083	100.0%	2 500
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	5 000	2 500	-	-	2 083	2 083	100.0%	2 500
<b>Community</b>										
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		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>										
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>										
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>										
General vehicles		-	2 595	3 508	205	2 273	2 923	650	22.2%	2 595
Specialised vehicles		-	2 155	3 125	166	2 192	2 604	413	15.8%	2 155
Plant & equipment		-	50	50	-	22	42	20	47.6%	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	160	53	2	18	44	26	59.1%	160
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	230	280	38	42	233	192	82.1%	280
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>										
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>										
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>										
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>		-	<b>19 042</b>	<b>18 623</b>	<b>1 125</b>	<b>10 356</b>	<b>15 519</b>	<b>5 163</b>	<b>33.3%</b>	<b>19 493</b>

Repairs and maintenance expenditure is at R 10 356 000 from the budget of R18 623 000 this shows a spending of 56%.

## 1.4 Annual Budget Tables

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council.

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

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M10 April

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		323 008	281 618	282 765	1 864	264 817	235 638	29 180	12%	282 765
Executive and council		285 910	40 211	40 211	0	37 743	33 509	4 234	13%	40 211
Budget and treasury office		4 411	241 407	242 554	1 864	227 074	202 128	24 946	12%	242 554
Corporate services		32 687	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 007	890	890	-	-	742	(742)	-100%	890
Planning and development		1 007	890	890	-	-	742	(742)	-100%	890
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		366 255	355 145	510 745	37 242	341 575	425 621	(84 046)	-20%	355 145
Electricity		-	-	-	-	-	-	-	-	-
Water		353 208	332 935	495 518	36 036	329 997	412 932	(82 935)	-20%	332 935
Waste water management		13 047	22 210	15 227	1 206	11 578	12 690	(1 112)	-9%	22 210
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>690 271</b>	<b>637 653</b>	<b>794 400</b>	<b>39 106</b>	<b>606 392</b>	<b>662 000</b>	<b>(55 608)</b>	<b>-8%</b>	<b>638 800</b>
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		100 203	79 058	77 929	5 064	52 537	64 941	(12 403)	-19%	61 058
Executive and council		39 883	31 437	29 925	1 823	16 522	24 937	(8 416)	-34%	13 437
Budget and treasury office		27 645	25 646	23 776	1 767	15 837	19 813	(3 976)	-20%	25 646
Corporate services		32 675	21 975	24 228	1 475	20 178	20 190	(11)	0%	21 975
<i>Community and public safety</i>		17 343	17 722	10 237	772	7 547	8 531	(984)	-12%	17 722
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		17 343	17 722	10 237	772	7 547	8 531	(984)	-12%	17 722
<i>Economic and environmental services</i>		40 584	20 514	15 845	484	5 701	13 204	(7 502)	-57%	20 514
Planning and development		40 584	20 514	15 845	484	5 701	13 204	(7 502)	-57%	20 514
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		493 414	261 748	345 351	20 134	169 796	287 793	(117 996)	-41%	254 264
Electricity		-	-	-	-	-	-	-	-	-
Water		482 772	233 772	324 859	20 132	168 299	270 716	(102 417)	-38%	233 772
Waste water management		10 642	27 976	20 492	1	1 498	17 077	(15 579)	-91%	20 492
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>651 544</b>	<b>379 042</b>	<b>449 362</b>	<b>26 454</b>	<b>235 582</b>	<b>374 468</b>	<b>(138 886)</b>	<b>-37%</b>	<b>353 558</b>
<b>Surplus/ (Deficit) for the year</b>		<b>38 727</b>	<b>258 611</b>	<b>345 039</b>	<b>12 652</b>	<b>370 810</b>	<b>287 532</b>	<b>83 277</b>	<b>29%</b>	<b>285 242</b>

- Table C2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.



**Table 6: TableC3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

DC23 Uthukela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April

Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<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		-	-	-	-	-	-	-	-	-
Vote 10 - TREASURY		285 910	40 211	40 211	-	37 743	33 509	4 234	12.6%	40 211
Vote 11 - CORPORATE SERVICES		4 411	241 407	242 554	1 864	227 074	202 128	24 946	12.3%	242 554
Vote 12 - WATER SERVICES		32 687	-	-	-	-	-	-	-	-
Vote 13 - SOCIAL AND ECONOMIC SERVICES		366 255	355 145	510 745	37 252	341 575	425 621	(84 045)	-19.7%	510 745
Vote 14 - [NAME OF VOTE 14]		1 007	890	890	-	-	742	(742)	-100.0%	890
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>690 271</b>	<b>637 653</b>	<b>794 400</b>	<b>39 115</b>	<b>606 392</b>	<b>662 000</b>	<b>(55 607)</b>	<b>-8.4%</b>	<b>794 400</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		-	-	-	-	-	-	-	-	-
Vote 10 - TREASURY		39 883	31 437	29 925	1 823	16 522	24 937	(8 416)	-33.7%	29 925
Vote 11 - CORPORATE SERVICES		27 645	25 646	23 776	1 767	15 837	19 813	(3 976)	-20.1%	23 776
Vote 12 - WATER SERVICES		32 675	21 975	24 228	1 475	20 178	20 190	(11)	-0.1%	24 228
Vote 13 - SOCIAL AND ECONOMIC SERVICES		493 414	261 748	345 351	20 134	169 796	287 793	(117 996)	-41.0%	345 351
Vote 14 - [NAME OF VOTE 14]		57 928	38 236	26 082	1 256	13 249	21 735	(8 486)	-39.0%	26 082
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>651 544</b>	<b>379 042</b>	<b>449 362</b>	<b>26 454</b>	<b>235 582</b>	<b>374 468</b>	<b>(138 886)</b>	<b>-37.1%</b>	<b>449 362</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>12 662</b>	<b>370 810</b>	<b>287 532</b>	<b>83 278</b>	<b>29.0%</b>	<b>345 038</b>

Explanatory notes to Table C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table C3 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 organizational structure of the District Municipality.

## Part 2 – Supporting Documentation

### 1. DEBTOR'S AGE ANALYSIS

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April

Description	NT Code	Budget Year 2013/14								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		
<b>Debtors Age Analysis By Income Source</b>											
Exchange Transactions - Water	1200	12 600	15 287	12 912	15 203	11 449	520 258			587 708	546 909
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-
Transactions - Property Rates Receivables from Exchange	1400									-	-
Transactions - Waste Water Management	1500									-	-
Transactions - Waste Management	1600									-	-
Transactions - Property Rental Debtors	1700									-	-
Interest on Arrear Debtor Accounts	1810									-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-
Other	1900	-	-	-	-	-	4 412			4 412	4 412
<b>Total By Income Source</b>	<b>2000</b>	<b>12 600</b>	<b>15 287</b>	<b>12 912</b>	<b>15 203</b>	<b>11 449</b>	<b>524 670</b>	<b>-</b>	<b>-</b>	<b>592 120</b>	<b>551 322</b>
<b>2012/13 - totals only</b>										-	-
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	2200	4 350	609	204	280	281	250			5 974	811
Commercial	2300	692	491	419	218	192	7 374			9 386	7 784
Households	2400	7 558	14 187	12 289	14 705	10 976	512 634			572 348	538 314
Other	2500	-	-	-	-	-	4 412			4 412	4 412
<b>Total By Customer Group</b>	<b>2600</b>	<b>12 600</b>	<b>15 287</b>	<b>12 911</b>	<b>15 202</b>	<b>11 449</b>	<b>524 670</b>	<b>-</b>	<b>-</b>	<b>592 120</b>	<b>551 321</b>

The Municipality has a total amount of R592 120 000.00 for outstanding debtors. This includes R4 412 000 for sundry debtors.

## PAYMENTS VS BILLING 30 APRIL 2014

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 APRIL 2014				
MONTH	BILLING	MONTHS	PAYMENTS	RECOVERY RATE
JUNE 2013	6 991 628.60	JULY 2013	4 423 551.71	63.27%
JULY 2013	15 948 630.20	AUGUST 2013	5 620 740.21	35.24%
AUGUST 2013	15 157 237.99	SEPTEMBER 2013	5 205 975.57	34.35%
SEPTEMBER 2013	12 395 908.16	OCTOBER 2013	6 077 210.31	49.03%
OCTOBER 2013	13 552 676.22	NOVEMBER 2013	5 790 600.79	42.73%
NOVEMBER 2013	17 128 699.03	DECEMBER 2013	5 660 994.76	33.05%
DECEMBER 2013	13 429 017.00	JANUARY 2014	5 660 994.76	42.15%
JANUARY 2014	18 404 261.00	FEBRUARY 2014	6 387 300.97	34.71%
FEBRUARY 2014	12 830 966.38	MARCH 2014	6 387 300.97	49.78%
MARCH 2014	14 759 644.38	APRIL 2014	6 962 997.74	47.18%
	<b>140 598 668.96</b>		<b>58 177 667.79</b>	<b>41.38%</b>
<b>TOTALS</b>				
BILLING - JUNE 2013 TO APRIL 2014			140 598 668.96	
PAYMENTS - APRIL 2014			58 177 667.79	
DIFFERENCE			<b>82 421 001.17</b>	<b>41.38%</b>

The above illustrates monthly collection rate for the current financial year.

## 2. CREDITORS AGE ANALYSIS

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

Description	NT Code	Budget Year 2013/14								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	
<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	669	-	-	-	28 747				29 416
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>669</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28 747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29 416</b>

- The outstanding creditors showing above 30 days relates to DWA outstanding balance.

### 3. SALARIES AND ALLOWANCES

DC23 Uthukela - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		4 792	2 848	2 848	261	2 414	1 899	516	27%	2 848
Pension and UIF Contributions			814	814		0	543	(543)	-100%	814
Medical Aid Contributions			407	407		-	271	(271)	-100%	407
Motor Vehicle Allowance			1 214	1 214	82	766	809	(44)	-5%	1 214
Cellphone Allowance			328	328	14	133	219	(86)	-39%	328
Housing Allowances								-		
Other benefits and allowances								-		
<b>Sub Total - Councillors</b>		<b>4 792</b>	<b>5 611</b>	<b>5 611</b>	<b>357</b>	<b>3 313</b>	<b>3 741</b>	<b>(428)</b>	<b>-11%</b>	<b>5 611</b>
% increase	4		17.1%	17.1%						17.1%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		3 282	7 268	7 268	494	3 711	4 845	(1 135)	-23%	6 015
Pension and UIF Contributions							-	-		50
Medical Aid Contributions							-	-		120
Overtime							-	-		
Performance Bonus							-	-		303
Motor Vehicle Allowance		336					-	-		700
Cellphone Allowance							-	-		
Housing Allowances		32					-	-		
Other benefits and allowances		79					-	-		80
Payments in lieu of leave							-	-		
Long service awards							-	-		
Post-retirement benefit obligations							-	-		
<b>Sub Total - Senior Managers of Municipality</b>		<b>3 729</b>	<b>7 268</b>	<b>7 268</b>	<b>494</b>	<b>3 711</b>	<b>4 845</b>	<b>(1 135)</b>	<b>-23%</b>	<b>7 268</b>
% increase	4		94.9%	94.9%						94.9%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		98 924	102 691	78 936	5 885	57 410	52 624	4 786	9%	78 936
Pension and UIF Contributions		9 948	17 982	12 228	860	8 853	8 152	701	9%	12 228
Medical Aid Contributions		3 088	4 432	3 122	282	2 433	2 081	351	17%	3 122
Overtime			5 249	16 059	960	12 100	10 706	1 394	13%	16 059
Performance Bonus		3 292	305	-			-	-		
Motor Vehicle Allowance			4 285	5 335	493	3 646	3 557	90	3%	5 335
Cellphone Allowance			62	-			-	-		
Housing Allowances			1 197	413	45	313	276	38	14%	413
Other benefits and allowances		938	915	7 677	60	5 934	5 118	816	16%	7 677
Payments in lieu of leave		2 633	764	646		504	431	74	17%	646
Long service awards			13 210	-			-	-		
Post-retirement benefit obligations				-			-	-		
<b>Sub Total - Other Municipal Staff</b>		<b>118 823</b>	<b>151 092</b>	<b>124 415</b>	<b>8 585</b>	<b>91 194</b>	<b>82 944</b>	<b>8 250</b>	<b>10%</b>	<b>124 415</b>
% increase	4		27.2%	4.7%						4.7%
<b>Total Parent Municipality</b>		<b>127 344</b>	<b>163 971</b>	<b>137 294</b>	<b>9 436</b>	<b>98 217</b>	<b>91 530</b>	<b>6 688</b>	<b>7%</b>	<b>137 294</b>

#### 4. INVESTMENTS AND CASH BALANCES

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April

Investments by maturity Name of institution & investment ID R thousands	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>Municipality</b>									
FNB		32 DAYS		ON CALL	549	5.4%	167 537	(84 289)	83 797
ABSA		32 DAYS		ON CALL	26	4.6%	6 255		6 280
NEDBANK		32 DAYS		ON CALL	24	4.5%	5 932		5 956
INVESTEC		32 DAYS		ON CALL	294	5.0%	74 149		74 444
FNB MONEY MARKET		BUSINESS MONEY			1	3.9%	227		228
FNB DDA - 62402906484				ON CALL	322	5.0%	83 838		84 159
<b>Municipality sub-total</b>					1 216		337 938	(84 289)	254 865
<b>Entities</b>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				1 216		337 938	(84 289)	254 865

- The Municipality has investments amounting to R254 865 856.97

#### Bank Balances

The following reflects bank balances at 30 APRIL 2014

DESCRIPTION	APRIL 2014
FNB MAIN ACCOUNT 62252306280	11 446 120.47
FNB WATER ACCOUNT 62253072385	0.00
<b>Total cash held</b>	<b>11 446 120.47</b>

## 5. GRANTS RECEIPTS

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M10 April

Description	Ref	2012/13	Budget Year 2013/14							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		265 307	277 744	277 402	-	276 999	208 052	68 948	33.1%	-
Local Government Equitable Share		253 183	269 199	269 199	-	269 199	201 899	67 300	33.3%	-
Finance Management		1 250	1 100	1 203	-	1 100	902	198	21.9%	-
Municipal Systems Improvement		1 000	445	-	-	-	-	-	-	-
EPWP Incentive		2 874	1 000	1 000	-	700	750	(50)	-6.7%	-
Water Services Operating Subsidy		7 000	6 000	6 000	-	6 000	4 500	1 500	33.3%	-
<b>Provincial Government:</b>		22 772	-	-	-	-	-	-	-	-
Data Cleansing Grant		2 800								
Councillors Training Grant		200								
KZN Projects Grants		19 772								
Other transfers and grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	288 079	277 744	277 402	-	276 999	208 052	68 948	33.1%	-
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		214 945	191 379	248 457	4 000	247 018	186 343	56 675	30.4%	56 735
Municipal Infrastructure Grant (MIG)		182 858	174 260	174 260	-	174 260	130 695	43 565	33.3%	-
Rural Households Infrastructure		-	-	-	4 000	4 000	-	-	-	-
RRAM		1 776	1 999	1 999	-	1 999	1 499	500	33.3%	-
FMG			150	48	-	48	36	12	33.3%	-
MSIG			445	890	-	445	668	(223)	-33.3%	-
Municipal Water Infrastructure Grant		30 311	14 525	14 525	-	9 539	10 894	(1 355)	-12.4%	-
Regional Bulk Infrastructure				56 735	-	56 727	42 551	14 175	33.3%	56 735
<b>Provincial Government:</b>		-	2 468	2 468	-	-	1 851	(1 851)	-100.0%	-
Infrastructure Sport facilities			2 468	2 468	-	-	1 851	(1 851)	-100.0%	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	214 945	193 847	250 925	4 000	247 018	188 194	54 824	29.1%	56 735
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	503 024	471 591	528 327	4 000	524 017	396 245	123 771	31.2%	56 735

The Municipality has received a Rural households infrastructure grant amounting to R4 000 000.

## 1.5 Municipal manager's quality certificate

I **Sifiso Nicholas Kunene, Municipal** Manager of UThukela District Municipality, hereby certify that the Section 71 and supporting documentation for April 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

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Date

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## 6. GRANTS EXPENDITURE

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M10 April

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		262 964	277 744	277 402	3 358	259 955	231 163	28 787	12.5%	277 744
Local Government Equitable Share		253 183	269 199	269 199		254 610	224 333	30 278	13.5%	269 199
Finance Management		1 319	1 100	1 203	216	1 203	1 002	201	20.0%	1 100
Municipal Systems Improvement		1 007	445	-	-	-	-	-	-	445
EPWP Incentive		454	1 000	1 000	-	1 000	833	167	20.0%	1 000
Water Services Operating Subsidy		7 000	6 000	6 000	3 142	3 142	5 000	(1 858)	-37.2%	6 000
<b>Provincial Government:</b>		13 087	-	-	-	-	-	-	-	-
Data Cleansing Grant		3 092								
KZN Projecs Grants		9 995								
Other transfers and grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		276 052	277 744	277 402	3 358	259 955	231 163	28 787	12.5%	277 744
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		219 934	191 379	248 457	19 979	197 666	207 048	(9 382)	-4.5%	248 012
Municipal Infrastructure Grant (MIG)		187 952	174 260	174 260	16 589	155 364	145 217	10 147	7.0%	174 260
RRAM		3 361	1 999	1 999	232	1 820	1 666	154	9.2%	1 999
FMG		-	150	48	-	54	40	14	35.0%	48
MSIG		-	445	890	-	-	742	(742)	-100.0%	445
Municipal WATER Infrastructure Grant Driefontein		-	14 525	14 525	1 163	1 460	12 104	(10 644)	-87.9%	14 525
Regional Bulk Infrastructure		28 621	-	56 735	1 994	38 968	47 279	(8 312)	-17.6%	56 735
<b>Provincial Government:</b>		-	2 468	2 468	-	-	2 057	(2 057)	-100.0%	-
		-	2 468	2 468	-	-	2 057	(2 057)	-100.0%	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		219 934	193 847	250 925	19 979	197 666	209 104	(11 439)	-5.5%	248 012
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		495 985	471 591	528 327	23 337	457 621	440 272	17 349	3.9%	525 756

Reviewed by: \_\_\_\_\_

Chief Financial Officer



## 1.5 Municipal manager's quality certificate

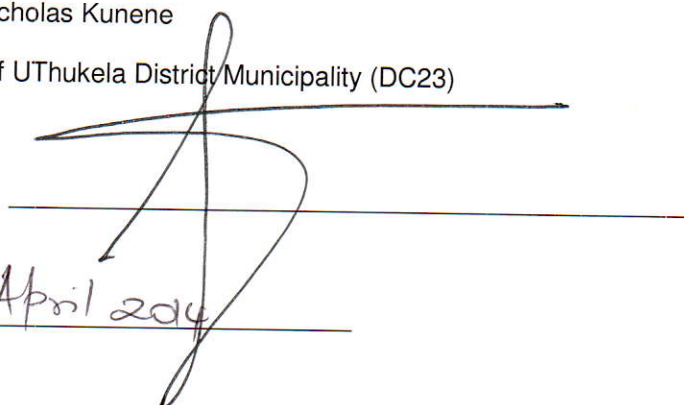
I **Sifiso Nicholas Kunene**, **Municipal** Manager of UThukela District Municipality, hereby certify that the Section 71 and supporting documentation for April 2014 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Sifiso Nicholas Kunene

Municipal Manager of UThukela District Municipality (DC23)

Signature

Date



14 April 2014