



**UTHUKELA DISTRICT
MUNICIPALITY**

SECTION 71 REPORT

FEBRUARY

2014

Table of Contents

PART 1 – MONTHLY IN-YEAR MONITORING BUDGET

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

PART 2 – SUPPORTING DOCUMENTATION

2.1	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 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 February 2013.

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

There is a functionally IFC committee to ensure that all expenditure are curbed at the minimal but not affecting the service delivery based on the cash flow.

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

TABLE 1: C4 – Monthly Budget Statements – Financial Performance

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

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										
Revenue By Source										
Property rates										
Property rates - penalties & collection charges										
Service charges - electricity revenue										
Service charges - water revenue										
Service charges - sanitation revenue	104 240	123 813	123 813	9 187	79 477	82 542	(3 065)	-4%	123 813	
Service charges - refuse revenue	13 047	15 075	15 227	1 199	9 154	10 151	(997)	-10%	15 227	
Service charges - other	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment										
Interest earned - external investments	9 789	9 109	8 689	1 907	6 252	5 792	459	8%	8 689	
Interest earned - outstanding debtors	29 447	17 790	35 715	2 983	22 235	23 810	(1 576)	-7%	35 715	
Dividends received										
Fines										
Licences and permits										
Agency services										
Transfers recognised - operational										
Other revenue	279 412	277 744	277 402	44	110 662	184 934	(74 273)	-40%	277 402	
Gains on disposal of PPE	5 076	275	1 330	23	1 484	886	597	67%	1 330	
	32 687									
Total Revenue (excluding capital transfers and contributions)	473 698	443 806	462 175	15 343	229 263	308 117	(78 853)	-26%	462 175	
Expenditure By Type										
Employee related costs	119 882	158 358	131 693	10 389	85 827	87 795	(1 968)	-2%	131 693	
Remuneration of councillors	4 792	5 612	5 612	352	2 958	3 741	(783)	-21%	5 612	
Debt impairment	244 001	20 180	70 892	-	-	47 261	(47 261)	-100%	70 892	
Depreciation & asset impairment	32 001	35 936	35 928	-	-	23 952	(23 952)	-100%	35 928	
Finance charges	2 432	3 339	1 816	-	800	1 211	(411)	-34%	1 816	
Bulk purchases	42 251	45 563	67 170	2 503	28 743	44 780	(16 036)	-36%	67 170	
Other materials	16 088	18 898	18 623	1 560	9 924	12 415	(2 491)	-20%	18 623	
Contracted services	45 289	40 103	50 744	1 346	31 993	33 829	(1 836)	-5%	50 744	
Transfers and grants	6 500	6 000	6 000	24	1 437	4 000	(2 563)	-64%	6 000	
Other expenditure	136 139	45 053	60 884	3 184	24 379	40 589	(16 210)	-40%	60 884	
Loss on disposal of PPE	2 168									
Total Expenditure	651 545	379 042	449 362	19 359	186 062	299 574	(113 513)	-38%	449 362	
Surplus/(Deficit)	(177 847)	64 764	12 813	(4 016)	43 202	8 542	34 659	0	12 813	
Transfers recognised - capital	216 573	193 847	332 224	21 579	166 829	221 483	(54 654)	(0)	332 224	
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions	38 727	258 611	345 038	17 563	210 031	230 025			345 038	
Taxation										
Surplus/(Deficit) after taxation	38 727	258 611	345 038	17 563	210 031	230 025			345 038	
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	38 727	258 611	345 038	17 563	210 031	230 025			345 038	
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year	38 727	258 611	345 038	17 563	210 031	230 025			345 038	

The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.

The other revenue includes an amount of R1 150 000 that was received due to the investigations that the municipality was undergoing.

The amount under transfers and grants is for the Jojo tanks that were bought, and there is no subsidy that has been made to indigents.

Total expenditure is 38% less this is due to fact that there haven't been any movements in the non-cash items (depreciation and Debt impairment). Debt impairment has been adjusted to 70 million which has escalated the underspending.

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) - M08 February

Vote 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
R thousands	1									
Multi-Year expenditure appropriation	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]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	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		-	800	621	6	345	414	(69)	-17%	800
Vote 11 - CORPORATE SERVICES		28	160	67	-	60	45	15	34%	160
Vote 12 - WATER SERVICES		114	160	170	1	4	113	(110)	-97%	160
Vote 13 - SOCIAL AND ECONOMIC SERVICES		100 760	191 784	340 524	21 579	166 775	227 016	(60 241)	-27%	191 784
Vote 14 - [NAME OF VOTE 14]		564	3 133	3 578	-	-	2 385	(2 385)	-100%	3 133
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		101 466	196 037	344 960	21 586	167 184	229 973	(62 789)	-27%	196 037
Capital Expenditure - Standard Classification		101 466	196 037	344 960	21 586	167 184	229 973	(62 789)	-27%	196 037
Governance and administration		142	1 120	859	7	409	572	(163)	-29%	1 120
Executive and council			800	621	6	345	414	(69)	-17%	800
Budget and treasury office		28	160	67	-	60	45	15	34%	160
Corporate services		114	160	170	1	4	113	(110)	-97%	160
Community and public safety		564	2 678	2 678	-	-	1 785	(1 785)	-100%	2 678
Community and social services		397	2 468	2 468	-	-	1 645	(1 645)	-100%	2 468
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services		167	210	210	-	-	140	(140)	-100%	210
Planning and development		2 948	2 454	2 899	-	1 381	1 933	(552)	-29%	2 454
Road transport			455	900	-	-	600	(600)	-100%	455
Environmental protection		2 948	1 999	1 999	-	1 381	1 333	48	4%	1 999
Trading services		97 812	189 785	338 524	21 579	165 394	225 683	(60 289)	-27%	338 524
Electricity										
Water		97 812	189 785	338 524	21 579	165 394	225 683	(60 289)	-27%	338 524
Waste water management										
Waste management										
Other										
Total Capital Expenditure - Standard Classification	3	101 466	196 037	344 960	21 586	167 184	229 973	(62 789)	-27%	344 776
Funded by:										
National Government		96 913	191 379	329 757	21 579	166 829	219 838	(53 009)	-24%	329 756
Provincial Government			2 468	2 468	-	-	1 645	(1 645)	-100%	2 468
District Municipality										
Other transfers and grants										
Transfers recognised - capital		96 913	193 847	332 225	21 579	166 829	221 483	(54 654)	-25%	332 224
Public contributions & donations	5		750	-	-	-	-	-	-	-
Borrowing	6		1 440	12 735	7	355	-	-	-	-
Internally generated funds		4 553								
Total Capital Funding		101 466	196 037	344 960	21 586	167 184	229 973	(62 789)	-27%	344 960

The major spending on the capital expenditure is from Technical services, some other departments have not spent their capital budget, Only R355 000 have been spent from the municipal internally generated funds which has been adjusted to R12million.

The budgeted amount of R750 000 for borrowings meant to procure Deputy Mayor's car, however the vehicle was procured through internally generated funds this was adjusted to 0.

From the budget of R196 037000 grant amounts it has been adjusted to R332 224 000 this is due to the MIG rollover amount of R81 300 000 and the RBIG which has been increased during adjustment budget.

Table 3: Repairs and maintenance per asset class

DC23 Uthukela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M08 February

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										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure										
Infrastructure - Road transport		-	16 447	15 115	1 324	7 856	10 076	2 220	22,0%	16 898
Roads, Pavements & Bridges		-	200	1 500	520	558	1 000	442	44,2%	2 000
Storm water		-	200	1 500	520	558	1 000	442	44,2%	2 000
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	11 247	11 115	805	7 298	7 410	111	1,5%	12 398
Water purification		-	7 247	6 014	603	3 855	4 009	154	3,8%	7 247
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	4 000	5 101	202	3 443	3 400	(43)	-1,3%	50
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	5 000	2 500	-	-	1 667	1 667	100,0%	2 500
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community										
Parks & gardens		-	-	-	-	-	1 667	1 667	100,0%	2 500
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										
General vehicles		-	2 595	3 508	236	2 068	2 339	271	11,6%	2 595
Specialised vehicles		-	2 155	3 125	217	2 026	2 084	57	2,8%	2 155
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	50	50	9	22	33	12	34,5%	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	160	53	10	16	35	19	54,4%	160
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	230	280	-	4	187	183	97,8%	280
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets										
<i>List sub-class</i>										
		-	-	-	-	-	-	-	-	-
Biological assets										
<i>List sub-class</i>										
		-	-	-	-	-	-	-	-	-
Intangibles										
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		-	19 042	18 623	1 560	9 924	12 415	2 491	20,1%	19 493

The Municipality has only spent R9 924 000 only on repairs and maintenance from the budget of R19 042 000 which has been adjusted to R18 623 000, the spending is at 20% less this under spending is also contributed by R5 000 000 that was budgeted for Blue Drop& Green Drop R&M which has never been utilized the amount has since been adjusted to R2 500 000 (R0 spending on the item).

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 C1 - Budget Summary

DC23 Uthukela - Table C1 Monthly Budget Statement Summary - M07 January

Description	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									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	117 286	138 888	138 888	16 089	78 615	81 018	(2 403)	-3%	138 888
Investment revenue	9 789	9 109	9 109	-	4 344	5 314	(969)	-18%	9 109
Transfers recognised - operational	279 412	277 744	277 744	45	110 618	162 017	(51 400)	-32%	277 744
Other own revenue	67 210	18 065	18 065	3 185	20 344	10 538	9 806	93%	18 065
Total Revenue (excluding capital transfers and contributions)	473 698	443 806	443 806	19 319	213 922	258 887	(44 965)	-17%	443 806
Employee costs	119 882	158 358	158 358	10 152	75 438	92 376	(16 938)	-18%	158 358
Remuneration of Councillors	4 792	5 612	5 612	354	2 606	3 274	(667)	-20%	5 612
Depreciation & asset impairment	32 001	35 936	35 936	-	-	20 963	(20 963)	-100%	35 936
Finance charges	2 432	3 339	3 339	25	800	1 948	(1 148)	-59%	3 339
Materials and bulk purchases	58 339	64 461	64 461	7 614	34 409	37 602	(3 193)	-8%	64 461
Transfers and grants	6 500	6 000	6 000	26	1 437	3 500	(2 063)	-59%	6 000
Other expenditure	427 598	105 336	109 907	5 859	50 954	64 112	(13 158)	-21%	105 336
Total Expenditure	651 545	379 042	383 613	24 030	165 644	223 774	(58 130)	-26%	379 042
Surplus/(Deficit)	(177 847)	64 764	60 193	(4 710)	48 277	35 113	13 165	37%	64 764
Transfers recognised - capital	216 573	193 847	193 874	6 900	115 431	113 093	2 338	2%	193 874
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	38 727	258 611	254 067	2 190	163 708	148 206	15 503	10%	258 638
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	38 727	258 611	254 067	2 190	163 708	148 206	15 503	10%	258 638
Capital expenditure & funds sources									
Capital expenditure									
Capital transfers recognised	101 466	196 037	196 037	6 902	115 776	114 355	1 421	1%	196 037
Public contributions & donations	96 913	193 847	193 847	6 900	115 428	113 077	2 351	2%	193 847
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	4 553	1 440	1 440	2	348	840	(492)	-59%	1 440
Total sources of capital funds	101 466	196 037	196 037	6 902	115 776	114 355	1 421	1%	196 037
Financial position									
Total current assets	201 914	364 338	364 338	-	761 648	-	-	-	364 338
Total non current assets	812 489	1 063 469	1 063 469	-	776 677	-	-	-	1 063 469
Total current liabilities	252 619	184 701	184 701	-	343 788	-	-	-	184 701
Total non current liabilities	13 230	19 098	19 098	-	12 996	-	-	-	19 098
Community wealth/Equity	748 554	1 224 008	1 224 008	1 181 540	1 181 540	1 181 540	1 181 540	28%	1 224 008
Cash flows									
Net cash from (used) operating	163 444	236 302	236 302	(17 996)	139 197	137 843	1 354	1%	236 302
Net cash from (used) investing	(101 466)	(196 037)	(196 037)	(6 902)	(115 779)	(114 355)	(1 424)	1%	(196 037)
Net cash from (used) financing	(1 609)	(4 285)	(4 285)	-	(1 708)	(2 500)	791	-32%	(4 285)
Cash/cash equivalents at the month/year end	148 773	145 098	145 098	-	166 808	130 106	36 701	28%	181 078
Debtors & creditors analysis									
Debtors Age Analysis									
Total By Income Source	21 143	13 824	12 756	11 830	12 304	508 793	-	-	580 650
Debtors Age Analysis									
Total Creditors	533	-	-	-	291	-	-	-	824

Table 5: Table C2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

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									
Revenue - Standard										
<i>Governance and administration</i>		323 008	281 618	282 765	1 962	112 939	188 510	(75 571)	-40%	282 765
Executive and council		285 910	40 211	40 211	-	37 743	26 807	10 936	41%	40 211
Budget and treasury office		4 411	241 407	242 554	1 962	75 196	161 703	(86 507)	-53%	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	-	-	593	(593)	-100%	890
Planning and development		1 007	890	890	-	-	593	(593)	-100%	890
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		366 255	355 145	510 745	34 960	283 153	340 497	(57 343)	-17%	355 145
Electricity		-	-	-	-	-	-	-	-	-
Water		353 208	332 935	495 518	33 762	273 999	330 345	(56 346)	-17%	332 935
Waste water management		13 047	22 210	15 227	1 198	9 154	10 152	(997)	-10%	22 210
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	690 271	637 653	794 400	36 922	396 092	529 600	(133 508)	-25%	638 800
Expenditure - Standard										
<i>Governance and administration</i>		100 203	79 058	77 929	4 912	40 310	51 953	(11 642)	-22%	61 058
Executive and council		39 883	31 437	29 925	1 143	10 818	19 950	(9 132)	-46%	13 437
Budget and treasury office		27 645	25 646	23 776	1 587	12 526	15 851	(3 324)	-21%	25 646
Corporate services		32 675	21 975	24 228	2 183	16 966	16 152	814	5%	21 975
<i>Community and public safety</i>		17 343	17 722	10 237	884	6 001	6 825	(824)	-12%	17 722
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		17 343	17 722	10 237	884	6 001	6 825	(824)	-12%	17 722
Planning and development		40 584	20 514	15 845	574	4 997	10 563	(5 566)	-53%	20 514
Road transport		40 584	20 514	15 845	574	4 997	10 563	(5 566)	-53%	20 514
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		493 414	261 748	345 351	12 988	135 294	230 234	(94 940)	-41%	254 264
Electricity		-	-	-	-	-	-	-	-	-
Water		482 772	233 772	324 859	12 789	133 886	216 573	(82 686)	-38%	233 772
Waste water management		10 642	27 976	20 492	199	1 407	13 661	(12 254)	-90%	20 492
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	651 544	379 042	449 362	19 359	186 602	299 574	(112 973)	-38%	353 558
Surplus/ (Deficit) for the year		38 727	258 611	345 039	17 563	209 491	230 026	(20 535)	-9%	285 242

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

Table 6 :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) - M08 February

Vote 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
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		-	-	-	-	-	-	-	-	-
Vote 10 - TREASURY		285 910	40 211	40 211	-	37 743	26 807	10 936	40,8%	40 211
Vote 11 - CORPORATE SERVICES		4 411	241 407	242 554	1 962	75 196	161 703	(86 507)	-53,5%	242 554
Vote 12 - WATER SERVICES		32 687	-	-	-	-	-	-	-	-
Vote 13 - SOCIAL AND ECONOMIC SERVICES		366 255	355 145	510 745	34 960	283 153	340 496	(57 343)	-16,8%	510 745
Vote 14 - [NAME OF VOTE 14]		1 007	890	890	-	-	593	(593)	-100,0%	890
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	690 271	637 653	794 400	36 922	396 092	529 600	(133 508)	-25,2%	794 400
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		-	-	-	-	-	-	-	-	-
Vote 10 - TREASURY		39 883	31 437	29 925	1 143	10 818	19 950	(9 132)	-45,8%	29 925
Vote 11 - CORPORATE SERVICES		27 645	25 646	23 776	1 587	12 526	15 851	(3 324)	-21,0%	23 776
Vote 12 - WATER SERVICES		32 675	21 975	24 228	2 183	16 966	16 152	814	5,0%	24 228
Vote 13 - SOCIAL AND ECONOMIC SERVICES		493 414	261 748	345 351	12 988	135 294	230 234	(94 940)	-41,2%	345 351
Vote 14 - [NAME OF VOTE 14]		57 928	38 236	26 082	1 458	10 998	17 388	(6 390)	-36,8%	26 082
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	651 544	379 042	449 362	19 359	186 602	299 574	(112 973)	-37,7%	449 362
Surplus/ (Deficit) for the year	2	38 727	258 611	345 038	17 563	209 490	230 025	(20 535)	-8,9%	345 038

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.

Part 2 – Supporting Documentation

1. DEBTOR'S AGE ANALYSIS

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2013/14										Total over 90 days	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					
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	16 224	17 644	12 718	12 079	11 540	514 368					514 574	537 988		
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	0	-	-	-	-	4 425								
Total By Income Source	2000	16 224	17 644	12 718	12 079	11 540	518 793	-	-	588 999	542 412	-	-	-	-
2012/13 - totals only															
Debtors Age Analysis By Customer Group															
Organs of State	2200	577	340	270	225	231	3 118					4 761	3 574		
Commercial	2300	756	859	427	184	286	7 523					10 015	7 973		
Households	2400	14 891	16 446	12 021	11 670	11 044	503 727					569 798	526 440		
Other	2500	-	-	-	-	-	4 425					4 425	4 425		
Total By Customer Group	2600	16 224	17 645	12 718	12 079	11 540	518 793	-	-	588 999	542 412	-	-	-	-

There R537 988 000 outstanding debtors, other debtors of R4 425 000 are sundry debtors.

PAYMENTS VS BILLING 28 FEBRUARY 2014

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 28 FEBRUARY 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			0.00%
	125 839 024.58		44 827 369.08	35.62%
TOTALS				
BILLING - JUNE 2013 TO FEBRUARY 2014		125 839 024.58		
PAYMENTS - FEBRUARY 2014		44 827 369.08		
DIFFERENCE		81 011 655.50		
		35.62%		

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 - M08 February

Description	NT Code	Budget Year 2013/14									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100											
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700	992	6	-	-	28 747					-	
Auditor General	0800										29 746	1 728
Other	0900										-	
Total By Customer Type	1000	992	6	-	-	28 747	-	-	-	-	29 746	1 728

- Creditors that are over 30 days are under investigations.
- The 28 747 000 includes 27 000 000 owed to the Department of water affairs for water purchases and Imbabazane Municipality old outstanding amount of R 1 440 662 which is also investigation. The difference is made up by invoices under investigation.

3. SALARIES AND ALLOWANCES

DC23 Uthukela - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration R thousands	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 792	2 848	2 848	258	2 156	1 899	258	14%	2 848
Pension and UIF Contributions			814	814		0	543	(543)	-100%	814
Medical Aid Contributions			407	407	(3)	-	271	(271)	-100%	407
Motor Vehicle Allowance			1 214	1 214	82	683	809	(126)	-16%	1 214
Cellphone Allowance			328	328	14	119	219	(100)	-46%	328
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		4 792	5 611	5 611	352	2 958	3 741	(782)	-21%	5 611
% increase	4		17.1%	17.1%						17.1%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 282	7 268	7 268	494	3 217	4 845	(1 629)	-34%	6 015
Pension and UIF Contributions										50
Medical Aid Contributions										120
Overtime										
Performance Bonus										
Motor Vehicle Allowance		336								303
Cellphone Allowance										700
Housing Allowances		32								
Other benefits and allowances		79								
Payments in lieu of leave										80
Long service awards										
Post-retirement benefit obligations										
Sub Total - Senior Managers of Municipality		3 729	7 268	7 268	494	3 217	4 845	(1 629)	-34%	7 268
% increase	4		94.9%	94.9%						94.9%
Other Municipal Staff										
Basic Salaries and Wages		98 924	102 691	78 936	6 368	50 970	52 624	(1 654)	-3%	78 936
Pension and UIF Contributions		9 948	17 982	12 228	1 019	7 993	8 152	(159)	-2%	12 228
Medical Aid Contributions		3 088	4 432	3 122	298	2 151	2 081	69	3%	3 122
Overtime			5 249	16 059	1 421	11 140	10 706	434	4%	16 059
Performance Bonus		3 292	305	-						
Motor Vehicle Allowance			4 285	5 335	495	3 153	3 557	(403)	-11%	5 335
Cellphone Allowance			62							
Housing Allowances			1 197	413	61	268	276	(8)	-3%	413
Other benefits and allowances		938	915	7 677	71	5 874	5 118	756	15%	7 677
Payments in lieu of leave		2 633	764	646	160	504	431	74	17%	646
Long service awards			13 210							
Post-retirement benefit obligations										
Sub Total - Other Municipal Staff		118 823	151 092	124 415	9 895	82 053	82 944	(890)	-1%	124 415
% increase	4		27.2%	4.7%						4.7%
Total Parent Municipality		127 344	163 971	137 294	10 741	88 228	91 530	(3 301)	-4%	137 294

4. **INVESTMENTS AND CASH BALANCES**

Bank Balances

The following reflects Council's bank balances at 28 February 2014 of the reporting period.

DESCRIPTION	FEBRUARY 2014
FNB MAIN ACCOUNT	4 073 242.16
FNB WATER ACCOUNT	0.00
FNB BUSINESS MONEY MARKET	226 536.24
FNB INVESTMENTS	125 990 848.41
NEDBANK INVESTMENTS	5 906 921.37
INVESTEC INVESTMENTS	7 943 925.29
ABSA INVESTMENTS	6 231 815.52
	150 373 288.99

6. GRANTS EXPENDITURE

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:										
Local Government Equitable Share		262 964	277 744	277 744	45	110 618	185 163	(74 545)	-40,3%	277 744
Finance Management	253 183	269 199	269 199	-	104 622	179 466	(74 844)	-41,7%	269 199	
Municipal Systems Improvement	1 319	1 100	1 100	45	796	733	62	8,5%	1 100	
EPWP Incentive	1 007	445	445	-	-	297	(297)	-100,0%	445	
Water Services Operating Subsidy	454	1 000	1 000	-	1 000	667	333	50,0%	1 000	
	7 000	6 000	6 000	-	4 200	4 000	200	5,0%	6 000	
Provincial Government:										
Data Cleansing Grant	13 087	-	-	-	-	-	-	-	-	
KZN Projects Grants	3 092	-	-	-	-	-	-	-	-	
	9 995	-	-	-	-	-	-	-	-	
Other transfers and grants [insert description]										
District Municipality:										
[insert description]	-	-	-	-	-	-	-	-	-	
Other grant providers:										
[insert description]	-	-	-	-	-	-	-	-	-	
Total operating expenditure of Transfers and Grants:										
	276 052	277 744	277 744	45	110 618	185 163	(74 545)	-40,3%	277 744	
Capital expenditure of Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)	219 934	191 379	248 457	21 579	153 948	165 638	(11 690)	-7,1%	248 012	
RRAM	187 952	174 260	174 260	12 880	113 699	116 173	(2 474)	-2,1%	174 260	
FMG	3 361	1 999	1 999	-	1 380	1 333	47	3,6%	1 999	
MSIG	-	150	48	-	54	32	22	68,8%	48	
Municipal WATER Infrastructure Grant Driefontein	-	445	890	-	-	593	(593)	-100,0%	445	
Regional Bulk Infrastructure	28 621	14 525	14 525	1 852	2 150	9 683	(7 534)	-77,8%	14 525	
Provincial Government:										
	-	2 468	2 468	-	-	37 823	(1 158)	-3,1%	56 735	
	-	2 468	2 468	-	-	1 645	(1 845)	-100,0%	-	
	-	-	-	-	-	1 645	(1 845)	-100,0%	-	
District Municipality:										
	-	-	-	-	-	-	-	-	-	
Other grant providers:										
	-	-	-	-	-	-	-	-	-	
Total capital expenditure of Transfers and Grants										
	219 934	193 847	250 925	21 579	153 948	167 283	(13 336)	-8,0%	248 012	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS										
	495 985	471 591	528 669	21 624	264 566	352 446	(87 880)	-24,9%	525 756	

The expenditure on grants reflects 24% under spending from the 2013/14 allocations

7. EXPENDITURE ON ROLL-OVER GRANTS

DC23 Uthukela - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M08 February

Description	Ref	Budget Year 2013/14				YTD variance %
		Approved Rollover 2012/13	Monthly actual	YearTD actual	YTD variance	
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:						
Local Government Equitable Share		-	-	-	-	
Finance Management						
Municipal Systems Improvement						
EPWP Incentive						
Water Services Operating Subsidy						
Provincial Government:						
Data Cleansing Grant		-	-	-	-	
KZN Projects Grants						
Other transfers and grants [insert description]						
District Municipality:						
[insert description]						
Other grant providers:						
[insert description]						
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
National Government:						
Municipal Infrastructure Grant (MIG)		81 300	-	-	81 300	100.0%
RRAM		81 300	-	-	81 300	100.0%
FMG						
MSIG						
Municipal Water Infrastructure Grant						
Regional Bulk Infrastructure						
Provincial Government:						
		-	-	-	-	
District Municipality:						
		-	-	-	-	
Other grant providers:						
		-	-	-	-	
Total capital expenditure of Approved Roll-overs		81 300	-	-	81 300	100.0%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		81 300	-	-	81 300	100.0%

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 February 2014 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name _____

Municipal Manager of UThukela District Municipality (DC23)

Signature _____

Date _____