

**UTHUKELA**  
UMKHANDLU WESIFUNDA  
DISTRKSMUNISIPALITEIT  
DISTRICT MUNICIPALITY

**SECTION 71 REPORT**  
**AUGUST**  
**2015**

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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 :
2. Monthly Budget statements and supporting documents for the month of August 2015.

## **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 2015/16 financial year.

## 1.4 In - Year Budget tables

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

Description	2014/15	Budget Year 2015/16							
	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		147 050	147 050	15 791	23 767	24 508	(741)	-3%	147 050
Service charges - sanitation revenue		18 057	18 057	1 502	2 897	3 010	(113)	-4%	18 057
Service charges - refuse revenue									
Service charges - other									
Rental of facilities and equipment									
Interest earned - external investments		8 010	8 010			1 335	(1 335)	-100%	8 010
Interest earned - outstanding debtors		26 568	26 568	1 452	3 054	4 428	(1 374)	-31%	26 568
Dividends received									
Fines									
Licences and permits									
Agency services									
Transfers recognised - operational		318 371	318 371	125	129 488	53 062	76 426	144%	318 371
Other revenue		356	356	40	73	59	14	23%	356
Gains on disposal of PPE									
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>518 412</b>	<b>518 412</b>	<b>18 910</b>	<b>159 279</b>	<b>86 402</b>	<b>72 876</b>	<b>84%</b>	<b>518 412</b>
<b>Expenditure By Type</b>									
Employee related costs		219 377	219 377	12 896	24 783	36 563	(11 779)	-32%	219 377
Remuneration of councillors		5 332	5 332	444	888	889	(1)	0%	5 332
Debt impairment		28 222	28 222	4 704	4 704	4 704	(0)	0%	28 222
Depreciation & asset impairment		51 431	51 431	8 572	8 572	8 572	(0)	0%	51 431
Finance charges		60	60	2	2	10	(8)	-80%	60
Bulk purchases		6 377	6 377			1 063	(1 063)	-100%	6 377
Other materials		59 605	59 605	302	498	9 934	(9 436)	-95%	59 605
Contracted services		42 261	42 261	2 197	2 257	7 043	(4 786)	-68%	42 261
Transfers and grants		13 228	13 228			2 205	(2 205)	-100%	13 228
Other expenditure		154 660	154 660	11 827	15 785	25 777	(9 992)	-39%	154 660
Loss on disposal of PPE									
<b>Total Expenditure</b>	-	<b>580 552</b>	<b>580 552</b>	<b>40 943</b>	<b>57 489</b>	<b>96 759</b>	<b>(39 270)</b>	<b>-41%</b>	<b>580 552</b>
<b>Surplus/(Deficit)</b>	-	<b>(62 140)</b>	<b>(62 140)</b>	<b>(22 033)</b>	<b>101 790</b>	<b>(10 357)</b>	<b>112 146</b>	<b>(0)</b>	<b>(62 140)</b>
Transfers recognised - capital		237 940	237 940	11 582	11 582	39 657	(28 075)	(0)	237 940
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>175 800</b>	<b>175 800</b>	<b>(10 451)</b>	<b>113 371</b>	<b>29 300</b>			<b>175 800</b>
<b>Surplus/(Deficit) after taxation</b>	-	<b>175 800</b>	<b>175 800</b>	<b>(10 451)</b>	<b>113 371</b>	<b>29 300</b>			<b>175 800</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	-	<b>175 800</b>	<b>175 800</b>	<b>(10 451)</b>	<b>113 371</b>	<b>29 300</b>			<b>175 800</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	-	<b>175 800</b>	<b>175 800</b>	<b>(10 451)</b>	<b>113 371</b>	<b>29 300</b>			<b>175 800</b>

- The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.
- Recognised is an amount of R125 thousand under operating grants and R11.5 million under capital grants.
- Total operating expenditure is at R40.9 million for the month of August 2015
- The Service charges – water revenue have a billed amount to consumers of R 15.8 million in August 2015.
- The Service charges – Sanitation revenue have a billed amount to consumers of R 1.5 million in August 2015.
- Employees related costs spending is R12.8 million for the month of August 2015 of which R1.7 million can be associated with overtime.
- Remuneration of Councillors is R 444 thousand for the month of August 2015.

**Table 2: C5 – Monthly Budget Statements – Capital Expenditure**

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

Vote Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Single Year expenditure appropriation</b>									
100 - COUNCIL	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-	-
400 - TECHNICAL AND INFRASTRUCTURAL D	-	-	-	-	-	-	-	-	-
405 - PLANNING AND SOCIAL ECONOMIC DEV	-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES	-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	830	830	-	-	138	(138)	-100%	830
200 - CORPORATE SERVICES	-	1 350	1 350	-	-	225	(225)	-100%	1 350
300 - BUDGET AND TREASURY	-	240	240	-	-	40	(40)	-100%	240
405 - SOCIAL SERVICES	-	28 150	28 150	-	-	4 692	(4 692)	-100%	28 150
500 - TECHNICAL SERVICES	-	288 090	288 090	11 558	11 558	48 015	(36 457)	-76%	288 090
510 - WATER AND SANITATION SERVICES	-	150	150	-	-	25	(25)	-100%	150
408 - HEALTH & WATER SERVICES AUTHORI	-	260	260	-	-	43	(43)	-100%	260
<b>Total Capital Expenditure</b>	-	<b>319 070</b>	<b>319 070</b>	<b>11 558</b>	<b>11 558</b>	<b>53 178</b>	<b>(41 621)</b>	<b>-78%</b>	<b>319 070</b>
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>									
Executive and council	-	830	830	-	-	138	(138)	-100%	830
Budget and treasury office	-	240	240	-	-	40	(40)	-100%	240
Corporate services	-	1 350	1 350	-	-	225	(225)	-100%	1 350
<b>Community and public safety</b>									
Community and social services	-	28 150	28 150	-	-	4 692	(4 735)	-100%	28 150
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	260	260	-	-	43	(43)	-100%	260
<b>Economic and environmental services</b>									
Planning and development	-	2 311	2 311	-	-	385	(385)	-100%	2 311
Road transport	-	2 311	2 311	-	-	385	(385)	-100%	2 311
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>									
Electricity	-	285 929	285 929	11 558	8 563	47 655	(39 092)	-82%	285 929
Water	-	285 929	285 929	11 558	8 563	47 655	(39 092)	-82%	285 929
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>									
-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	-	<b>319 070</b>	<b>319 070</b>	<b>11 558</b>	<b>8 563</b>	<b>53 178</b>	<b>(44 615)</b>	<b>-84%</b>	<b>319 070</b>
<b>Funded by:</b>									
National Government	-	237 940	237 940	10 221	10 221	39 657	(29 435)	-74%	237 940
Transfers recognised - capital	-	237 940	237 940	10 221	10 221	39 657	(29 435)	-74%	237 940
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	81 130	81 130	1 337	1 337	13 522	(12 185)	-90%	81 130
<b>Total Capital Funding</b>	-	<b>319 070</b>	<b>319 070</b>	<b>11 558</b>	<b>11 558</b>	<b>53 178</b>	<b>(41 621)</b>	<b>-78%</b>	<b>319 070</b>

➤ As depicted above total capital expenditure recorded for the month of August 2015 is R11.5 million.

**Table 3: SC13 Repairs and maintenance per asset class**

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	-	48 467	48 467	14	14	8 078	8 034	99,8%	48 467
Infrastructure - Road transport	-	1 670	1 670	-	-	278	278	100,0%	1 670
Roads, Pavements & Bridges	-	1 670	1 670	-	-	278	278	100,0%	1 670
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	21 797	21 797	14	14	3 633	3 619	99,6%	21 797
Dams & Reservoirs	-	9 709	9 709	-	-	1 618	1 618	100,0%	9 709
Water purification	-	3 552	3 552	14	14	592	578	97,6%	3 552
Reticulation	-	8 537	8 537	-	-	1 423	1 423	100,0%	8 537
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	25 000	25 000	-	-	4 167	4 167	100,0%	25 000
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	25 000	25 000	-	-	4 167	4 167	100,0%	25 000
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	11 137	11 137	288	484	1 856	1 373	74,0%	5 976
General vehicles	-	5 161	5 161	251	302	860	558	64,9%	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	582	582	32	176	97	(79)	-81,3%	582
Computers - hardware/equipment	-	1 200	1 200	-	-	200	200	100,0%	1 200
Furniture and other office equipment	-	61	61	-	-	10	10	100,0%	61
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	3 073	3 073	6	6	512	507	98,9%	3 073
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	1 060	1 060	-	-	177	177	100,0%	1 060
<b>Total Repairs and Maintenance Expenditure</b>	<b>-</b>	<b>59 605</b>	<b>59 605</b>	<b>302</b>	<b>498</b>	<b>9 934</b>	<b>9 436</b>	<b>95,0%</b>	<b>54 444</b>

- Plant and Equipment refers to the purification plants and equipment.
- The total amount spent to date towards repairs and maintenance is R302 thousand.

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

Description	2014/15	Budget Year 2015/16							
	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 - Standard</b>									
<i>Governance and administration</i>	-	320 930	320 930	137	129 508	53 488	76 020	142%	320 930
Executive and council	-	48 867	48 867	-	48 867	8 145	40 723	500%	48 867
Budget and treasury office	-	272 063	272 063	137	80 641	45 344	35 297	78%	272 063
Corporate services	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	-	250	250	-	-	42	(42)	-100%	250
Planning and development	-	250	250	-	-	42	(42)	-100%	250
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	435 172	435 172	30 354	41 352	72 529	(31 177)	-43%	435 172
Electricity	-	-	-	-	-	-	-	-	-
Water	-	417 115	417 115	28 852	38 450	69 519	(31 070)	-45%	417 115
Waste water management	-	18 057	18 057	1 502	2 902	3 010	(107)	-4%	18 057
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	-	<b>756 352</b>	<b>756 352</b>	<b>30 491</b>	<b>170 860</b>	<b>126 059</b>	<b>44 801</b>	<b>36%</b>	<b>756 352</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	-	232 867	232 867	24 343	30 536	38 811	(8 275)	-21%	232 866
Executive and council	-	50 911	50 911	6 546	8 900	8 485	415	5%	50 911
Budget and treasury office	-	123 532	123 532	14 845	16 437	20 589	(4 152)	-20%	123 532
Corporate services	-	58 423	58 423	2 951	5 199	9 737	(4 539)	-47%	58 423
<i>Community and public safety</i>	-	42 359	42 359	1 830	2 744	7 060	(4 315)	-61%	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	42 359	42 359	1 830	2 744	7 060	(4 315)	-61%	42 359
<i>Economic and environmental services</i>	-	27 348	27 348	1 214	2 109	4 558	(2 449)	-54%	27 348
Planning and development	-	27 348	27 348	1 214	2 109	4 558	(2 449)	-54%	27 348
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	277 978	277 978	13 556	22 099	46 330	(24 230)	-52%	277 978
Electricity	-	-	-	-	-	-	-	-	-
Water	-	274 731	274 731	13 530	22 073	45 789	(23 716)	-52%	274 731
Waste water management	-	3 247	3 247	27	27	541	(515)	-95%	3 247
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	-	<b>580 552</b>	<b>580 552</b>	<b>40 943</b>	<b>57 489</b>	<b>96 759</b>	<b>(39 270)</b>	<b>-41%</b>	<b>580 552</b>
<b>Surplus/ (Deficit) for the year</b>	-	<b>175 800</b>	<b>175 800</b>	<b>(10 451)</b>	<b>113 371</b>	<b>29 300</b>	<b>84 071</b>	<b>287%</b>	<b>175 800</b>



**Table 5: C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	2014/15	Budget Year 2015/16							
	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>									
100 - COUNCIL	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-	-
400 - TECHNICAL AND INFRASTRUCTURAL DEV SERVICES	-	-	-	-	-	-	-	-	-
405 - PLANNING AND SOCIAL ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES	-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	48 867	48 867	-	48 867	8 145	40 723	500,0%	48 867
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	272 063	272 063	137	80 641	45 344	35 297	77,8%	272 063
405 - SOCIAL SERVICES	-	250	250	-	-	42	(42)	-100,0%	250
500 - TECHNICAL SERVICES	-	240 324	240 324	11 582	11 582	40 054	(28 472)	-71,1%	240 324
510 - WATER AND SANITATION SERVICES	-	194 848	194 848	18 772	29 770	32 475	(2 705)	-8,3%	194 848
408 - HEALTH & WATER SERVICES AUTHORITY	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>-</b>	<b>756 352</b>	<b>756 352</b>	<b>30 491</b>	<b>170 860</b>	<b>126 059</b>	<b>44 801</b>	<b>35,5%</b>	<b>756 352</b>
<b>Expenditure by Vote</b>									
100 - COUNCIL	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-	-
400 - TECHNICAL AND INFRASTRUCTURAL DEV SERVICES	-	-	-	-	-	-	-	-	-
405 - PLANNING AND SOCIAL ECONOMIC DEVELOPMENT	-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES	-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	50 911	50 911	6 546	8 900	8 485	415	4,9%	50 911
200 - CORPORATE SERVICES	-	58 423	58 423	2 951	5 199	9 737	(4 539)	-46,6%	58 423
300 - BUDGET AND TREASURY	-	123 532	123 532	14 845	16 437	20 589	(4 152)	-20,2%	123 532
405 - SOCIAL SERVICES	-	27 348	27 348	1 214	2 109	4 558	(2 449)	-53,7%	27 348
500 - TECHNICAL SERVICES	-	7 089	7 089	357	667	1 181	(515)	-43,6%	7 089
510 - WATER AND SANITATION SERVICES	-	270 889	270 889	13 200	21 433	45 148	(23 716)	-52,5%	270 889
408 - HEALTH & WATER SERVICES AUTHORITY	-	42 359	42 359	1 830	2 744	7 060	(4 315)	-61,1%	42 359
<b>Total Expenditure by Vote</b>	<b>-</b>	<b>580 552</b>	<b>580 552</b>	<b>40 943</b>	<b>57 489</b>	<b>96 759</b>	<b>(39 270)</b>	<b>-40,6%</b>	<b>580 552</b>
<b>Surplus/ (Deficit) for the year</b>	<b>-</b>	<b>175 800</b>	<b>175 800</b>	<b>(10 451)</b>	<b>113 371</b>	<b>29 300</b>	<b>84 071</b>	<b>286,9%</b>	<b>175 800</b>

## Part 2 – Supporting Documentation

### 2.1.1 Table 6: SC23 Debtors Age Analysis

Description	Budget Year 2015/16									
	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
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	21 505	13 361	9 461	10 387	460 875				515 588	471 262
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management									-	-
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts									-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other	39	4	(1 071)	28	1 945				946	1 974
<b>Total By Income Source</b>	<b>21 544</b>	<b>13 365</b>	<b>8 390</b>	<b>10 415</b>	<b>462 820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>516 534</b>	<b>473 235</b>
<b>2014/15 - totals only</b>										
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	549	425	319	570	3 710				5 573	4 280
Commercial	2 456	287	437	266	13 273				16 719	13 539
Households	18 500	12 648	8 704	9 550	443 892				493 296	453 443
Other	39	4	(1 071)	28	1 945				946	1 974
<b>Total By Customer Group</b>	<b>21 544</b>	<b>13 365</b>	<b>8 390</b>	<b>10 415</b>	<b>462 820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>516 534</b>	<b>473 235</b>

- The Municipality has a total amount of R 516 million for outstanding debt.

### 2.1.2 Table 7: Collection Rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 August 2015				
MONTH	BILLING	MONTHS	PAYMENTS	RECOVERY RATE %
June 2015		July 2015	6 567 149,37	45,28%
July 2015	14 502 485,24	August 2015	7 286 487,03	49,46%
	29 233 195,00		13 853 636,40	47,39%
<b>TOTALS</b>				
BILLING - JUNE 2015-JULY 2015		29 233 195,00		
PAYMENTS - JULY 2015- AUGUST 2015		13 853 636,40		
DIFFERENCE		15 379 558,60		47,39%

**2.2 Table: 8 SC4 Aged Creditors**

Description	Budget Year 2015/16								
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120	121 - 150	151 - 180	181 Days -	Over 1 Year	Total
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	272					23 927			24 199
Auditor General									-
Other									-
<b>Total By Customer Type</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23 927</b>	<b>-</b>	<b>-</b>	<b>24 199</b>

**2.3 Table 9: SC8 Salaries and Allowances**

Summary of Employee and Councillor remuneration	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		3 832	3 832	320	320	639	(319)	-50%	3 832
Pension and UIF Contributions						-	-		
Medical Aid Contributions						-	-		
Motor Vehicle Allowance		1 056	1 056	101	202	176	26	15%	1 056
Cellphone Allowance		444	444	23	47	74	(27)	-37%	444
Housing Allowances									
Other benefits and allowances									
<b>Sub Total - Councillors</b>	<b>-</b>	<b>5 332</b>	<b>5 332</b>	<b>444</b>	<b>569</b>	<b>889</b>	<b>(320)</b>	<b>-36%</b>	<b>5 332</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages		7 955	7 955	394	789	1 326	(537)	-40%	7 955
Pension and UIF Contributions						-	-		
Medical Aid Contributions						-	-		
Overtime						-	-		
Performance Bonus		696	696			116	(116)	-100%	696
Motor Vehicle Allowance						-	-		
Cellphone Allowance						-	-		
Housing Allowances						-	-		
Other benefits and allowances						-	-		
Payments in lieu of leave						-	-		
Long service awards						-	-		
Post-retirement benefit obligations						-	-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>-</b>	<b>8 651</b>	<b>8 651</b>	<b>394</b>	<b>789</b>	<b>1 442</b>	<b>(653)</b>	<b>-45%</b>	<b>8 651</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		151 329	151 329	8 838	17 160	25 221	(8 062)	-32%	151 329
Pension and UIF Contributions		19 338	19 338	1 010	2 033	3 223	(1 190)	-37%	19 338
Medical Aid Contributions		4 592	4 592	351	670	765	(95)	-12%	4 592
Overtime		11 146	11 146	1 703	3 087	1 858	1 230	66%	11 146
Performance Bonus		-	-			-	-		-
Motor Vehicle Allowance		9 436	9 436	737	1 391	1 573	(181)	-12%	9 436
Cellphone Allowance		-	-			-	-		-
Housing Allowances		1 709	1 709	63	128	285	(157)	-55%	1 709
Other benefits and allowances		11 388	11 388	81	173	1 898	(1 725)	-91%	11 388
Payments in lieu of leave		1 789	1 789	114	143	298	(155)	-52%	1 789
Long service awards						-	-		
Post-retirement benefit obligations						-	-		
<b>Sub Total - Other Municipal Staff</b>	<b>-</b>	<b>210 727</b>	<b>210 727</b>	<b>12 896</b>	<b>24 784</b>	<b>35 121</b>	<b>(10 337)</b>	<b>-29%</b>	<b>210 727</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>-</b>	<b>224 710</b>	<b>224 710</b>	<b>13 734</b>	<b>26 142</b>	<b>37 452</b>	<b>(11 310)</b>	<b>-30%</b>	<b>224 710</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>-</b>	<b>219 378</b>	<b>219 378</b>	<b>13 289</b>	<b>25 573</b>	<b>36 563</b>	<b>(10 990)</b>	<b>-30%</b>	<b>219 378</b>

### 2.4.1 Table 10: Investments and Bank Balances

#### Bank Balances

The following reflects bank balances at 31 August 2015

DESCRIPTION	JULY	AUGUST
FNB MAIN ACCOUNT 62252306280	14 205 640,85	24 910 746,80
FNB WATER ACCOUNT 62253072385	0,00	0,00
	14 205 640,85	24 910 746,80

<b>Total cash held</b>	<b>24 910 746,80</b>
------------------------	----------------------

### 2.4.2 Table 11: SC5 Investments

Investments by maturity Name of institution & investment ID R thousands	Market value at end of the month
FNB	68 754
NEDBANK	3 203
INVESTEC	72 089
<b>Municipality sub-total</b>	<b>144 046</b>

## 2.5 Table 12: SC6 Grant Receipts

Description	2014/15	Budget Year 2015/16							
	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>									
	-	318 121	318 121	-	132 582	53 020	84 484	159,3%	318 121
Local Government Equitable Share		261 605	261 605	-	129 363	43 601	85 762	196,7%	261 605
RSC Levy Replacement		44 198	44 198	-		7 366			44 198
Finance Management		1 325	1 325	-	1 325	221			1 325
Municipal Systems Improvement		940	940	-	940	157			940
EPWP Incentive		2 384	2 384	-	954	397			2 384
Water Services Operating Subsidy		3 000	3 000	-		500	(500)	-100,0%	3 000
DWA				-					
SPECIAL SUPPORT FOR COUNCILLORS REMUNERATION AND WARD CO		4 669	4 669	-		778	(778)	-100,0%	4 669
Other transfers and grants [insert description]				-					
<b>Provincial Government:</b>									
Sport and Recreation	-	250	250	-	-	42	-		250
shared services		250	250	-		42			250
data cleansing				-					
council training				-					
<b>Total Operating Transfers and Grants</b>	<b>-</b>	<b>318 371</b>	<b>318 371</b>	<b>-</b>	<b>132 582</b>	<b>53 062</b>	<b>84 484</b>	<b>159,2%</b>	<b>318 371</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>									
	-	237 940	237 940	70 000	84 811	39 657	43 959	110,8%	237 940
Municipal Infrastructure Grant (MIG)		181 247	181 247	70 000	70 000	30 208	39 792	131,7%	181 247
Rural Roads Asset Management		2 311	2 311	-	2 311	385			2 311
Rural Households Infrastructure		4 382	4 382	-		730			4 382
Regional Bulk Infrastructure		-	-	-					-
FMG				-					
MSIG				-					
MWG		50 000	50 000	-	12 500	8 333	4 167	50,0%	50 000
ACIP				-					
<b>Total Capital Transfers and Grants</b>	<b>-</b>	<b>237 940</b>	<b>237 940</b>	<b>70 000</b>	<b>84 811</b>	<b>39 657</b>	<b>43 959</b>	<b>110,8%</b>	<b>237 940</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>-</b>	<b>556 311</b>	<b>556 311</b>	<b>70 000</b>	<b>217 393</b>	<b>92 719</b>	<b>128 443</b>	<b>138,5%</b>	<b>556 311</b>

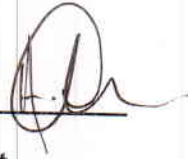
- The table above depicts transfers totalling R 70 million received in the month of August in respect of MIG

**2.6 Table 13: SC7 Grant Expenditure**

Description	2014/15	Budget Year 2015/16							
	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>									
National Government:	-	318 121	318 121	27 180	43 726	53 020	(9 294)	-17,5%	318 121
Local Government Equitable Share		261 605	261 605	27 055	43 601	43 601	-		261 605
RSC Levy Replacement		44 198	44 198			7 366	(7 366)	-100,0%	44 198
Finance Management		1 325	1 325	125	125	221	(96)	-43,4%	1 325
Municipal Systems Improvement		940	940			157	(157)	-100,0%	940
EPWP Incentive		2 384	2 384			397	(397)	-100,0%	2 384
Water Services Operating Subsidy		3 000	3 000			500	(500)	-100,0%	3 000
Other transfers and grants [insert description]		4 669	4 669			778	(778)	-100,0%	4 669
Provincial Government:	-	250	250	-	-	-	-		250
Sport and Recreation		250	250						250
data cleansing									
council training									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>-</b>	<b>318 371</b>	<b>318 371</b>	<b>27 180</b>	<b>43 726</b>	<b>53 020</b>	<b>(9 294)</b>	<b>-17,5%</b>	<b>318 371</b>
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	-	237 940	237 940	10 706	10 706	39 657	(28 950)	-73,0%	237 940
Municipal Infrastructure Grant (MIG)		181 247	181 247	10 454	10 454	30 208	(19 754)	-65,4%	181 247
RRAM		2 311	2 311			385	(385)	-100,0%	2 311
MWG		4 382	4 382	252	252	730	(478)	-65,5%	4 382
ACIP		-	-			-	-		-
Other capital transfers [insert description]		50 000	50 000			8 333	(8 333)	-100,0%	50 000
Provincial Government:	-	-	-	-	-	-	-		-
<b>Total capital expenditure of Transfers and Grants</b>	<b>-</b>	<b>237 940</b>	<b>237 940</b>	<b>10 706</b>	<b>10 706</b>	<b>39 657</b>	<b>(28 950)</b>	<b>-73,0%</b>	<b>237 940</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>-</b>	<b>556 311</b>	<b>556 311</b>	<b>37 886</b>	<b>54 432</b>	<b>92 677</b>	<b>(38 245)</b>	<b>-41,3%</b>	<b>556 311</b>

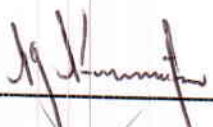
- Grant expenditure for the month of August 2015 is R37.9 million of which R10.7 million can be attributed to capital expenditure.

Prepared by



Accountant: Budget

Reviewed by:



Senior Manager Finance

Approved by:



Chief Financial Officer



## 2.7. 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 August 2015 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

10/09/15  
\_\_\_\_\_