



**UTHUKELA**  
UMKHANDLU WESIFUNDA  
DISTRICKSMUNISIPALITEIT  
DISTRICT MUNICIPALITY

# **SECTION 71 REPORT**

## **DECEMBER**

### **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 :
2. Monthly Budget statements and supporting documents for the month of December 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 2014/15 financial year.

## 1.4 In - Year Budget tables

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

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

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

- The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.
- Total expenditure is 31% less, this is due to the fact that there haven't been any movements in the non -cash items (depreciation and Debt impairment).
- The Service charges – water revenue have a billed amount to consumers of R 6 059 000 in December 2014.
- The Service charges – Sanitation revenue have a billed amount to consumers of R 1 336 000 in December 2014.
- Employees related costs spending is at R10 663 000 as at 31 December 2014
- Remuneration of Councillors is at R 476 000 as at 31 December 2014

**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) - M06 December

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 9 - MUNICIPAL MANGER		351	2 210	2 210	169	914	1 105	(191)	-17%	2 210
Vote 10 - TREASURY		10	600	600	19	483	300	183	61%	600
Vote 11 - CORPORATE SERVICES		19	1 500	1 500	-	821	750	71	9%	1 500
Vote 12 - WATER SERVICES		10 623	43 321	43 321	5 315	28 839	21 661	7 179	33%	43 321
Vote 13 - SOCIAL AND ECONOMIC SERVICES		3	17 586	17 586	1 049	2 611	8 793	(6 182)	-70%	17 586
Vote 14 - TECHNICAL SERVICES		414 608	212 258	212 258	28 849	125 069	106 129	18 940	18%	212 258
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	425 614	277 475	277 475	35 401	158 737	138 738	20 000	14%	277 475
<b>Total Capital Expenditure</b>		425 614	277 475	277 475	35 401	158 737	138 738	20 000	14%	277 475
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		359	4 310	4 310	188	2 218	2 155	63	3%	4 310
Executive and council		330	2 210	2 210	169	914	1 105	(191)	-17%	2 210
Budget and treasury office		10	600	600	19	483	300	183	61%	600
Corporate services		19	1 500	1 500	-	821	750	71	9%	1 500
<b>Community and public safety</b>		-	17 586	17 586	1 049	2 611	8 793	(6 182)	-70%	17 586
Community and social services			17 586	17 586	1 049	2 611	8 793	(6 182)	-70%	17 586
Sport and recreation										
Public safety										
Housing										
Health										
<b>Economic and environmental services</b>		2 002	2 315	2 315	-	846	1 158	(311)	-27%	2 315
Planning and development		3								
Road transport		1 999	2 315	2 315	-	846	1 158	(311)	-27%	2 315
Environmental protection										
<b>Trading services</b>		423 252	253 264	253 264	34 164	153 061	126 632	26 429	21%	253 264
Electricity										
Water		423 252	253 264	253 264	34 164	153 061	126 632	26 429	21%	253 264
Waste water management										
Waste management										
<b>Other</b>										
<b>Total Capital Expenditure - Standard Classification</b>	3	425 614	277 475	277 475	35 401	158 737	138 738	19 999	14%	277 475
<b>Funded by:</b>										
National Government		344 456	209 225	209 225	28 849	125 068	104 613	20 456	20%	209 225
Provincial Government										
District Municipality										
Other transfers and grants										
<b>Transfers recognised - capital</b>		344 456	209 225	209 225	28 849	125 068	104 613	20 456	20%	209 225
Public contributions & donations	5									
Borrowing	6									
Internally generated funds		81 158	68 250	68 250	6 552	33 669	34 125	(456)	-1%	68 250
<b>Total Capital Funding</b>		425 614	277 475	277 475	35 401	158 737	138 738	20 000	14%	277 475

- The major spending on the capital expenditure is from Government grants.
- R158 737 000 has been spent on capital as at 31 December 2014.

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

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

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		18 623	40 575	40 575	3 737	6 950	20 288	13 338	65.7%	40 575
Infrastructure - Road transport		1 500	1 575	1 575	-	-	788	788	100.0%	1 575
Roads, Pavements & Bridges		1 500	1 575	1 575	-	-	788	788	100.0%	1 575
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		11 164	15 000	15 000	3 737	6 950	7 500	550	7.3%	15 000
Dams & Reservoirs		6 014	6 000	6 000	2 178	3 631	3 000	(631)	-21.0%	6 000
Water purification		50	2 000	2 000	-	-	1 000	1 000	100.0%	2 000
Reticulation		5 100	7 000	7 000	1 559	3 319	3 500	181	5.2%	7 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		5 959	24 000	24 000	-	-	12 000	12 000	100.0%	24 000
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		5 959	24 000	24 000	-	-	12 000	12 000	100.0%	24 000
<b>Other assets</b>		3 459	13 875	13 875	417	1 357	6 938	5 580	80.4%	13 875
General vehicles		3 126	4 550	4 550	378	1 220	2 275	1 055	46.4%	4 550
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	5 000	5 000	14	15	2 500	2 485	99.4%	5 000
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		53	50	50	-	0	25	25	98.4%	50
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		280	399	399	25	122	200	78	38.8%	399
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	3 876	3 876	-	-	1 938	1 938	100.0%	3 876
<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>22 082</b>	<b>54 450</b>	<b>54 450</b>	<b>4 154</b>	<b>8 307</b>	<b>27 225</b>	<b>18 918</b>	<b>69.5%</b>	<b>54 450</b>

- Repairs and Maintenance have a slow spending when compared to the year to date budget.
- Plant and Equipment refers to the purification plants and equipment.

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

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

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		279,380	299,336	299,336	676	213,992	149,668	64,324	43%	299,336
Executive and council		37,743	41,140	41,140	-	-	20,570	(20,570)	-100%	41,140
Budget and treasury office		241,637	258,196	258,196	676	213,992	129,098	84,894	66%	258,196
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		890	6,317	6,317	-	-	3,159	(3,159)	-100%	6,317
Planning and development		890	6,317	6,317	-	-	3,159	(3,159)	-100%	6,317
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		517,773	408,408	408,408	38,648	208,521	204,204	4,317	2%	408,408
Electricity		-	-	-	-	-	-	-	-	-
Water		503,502	391,810	391,810	37,312	200,270	195,905	4,365	2%	391,810
Waste water management		14,270	16,598	16,598	1,336	8,251	8,299	(48)	-1%	16,598
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>4</b>	<b>798,042</b>	<b>714,061</b>	<b>714,061</b>	<b>39,324</b>	<b>422,512</b>	<b>357,031</b>	<b>65,482</b>	<b>18%</b>	<b>714,061</b>
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		113,649	189,666	189,666	6,872	33,986	94,833	(60,847)	-64%	189,666
Executive and council		64,054	49,743	49,743	1,664	8,543	24,872	(16,329)	-66%	49,743
Budget and treasury office		23,332	104,843	104,843	1,317	8,948	52,422	(43,474)	-83%	104,843
Corporate services		26,262	35,080	35,080	3,891	16,495	17,540	(1,045)	-6%	35,080
<i>Community and public safety</i>		11,271	11,099	11,099	1,696	7,078	5,550	1,529	28%	11,099
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		11,271	11,099	11,099	1,696	7,078	5,550	1,529	28%	11,099
Planning and development		8,760	26,939	26,939	945	7,218	13,470	(6,251)	-46%	26,939
Road transport		8,760	26,939	26,939	945	7,218	13,470	(6,251)	-46%	26,939
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		317,084	238,883	238,883	23,938	112,365	119,442	(7,077)	-6%	238,883
Electricity		-	-	-	-	-	-	-	-	-
Water		314,868	235,956	235,956	23,512	111,276	117,978	(6,702)	-6%	235,956
Waste water management		2,216	2,928	2,928	426	1,088	1,464	(375)	-26%	2,928
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>450,763</b>	<b>466,587</b>	<b>466,587</b>	<b>33,451</b>	<b>160,648</b>	<b>233,294</b>	<b>(72,646)</b>	<b>-31%</b>	<b>466,587</b>
<b>Surplus/ (Deficit) for the year</b>		<b>347,279</b>	<b>247,474</b>	<b>247,474</b>	<b>5,872</b>	<b>261,865</b>	<b>123,737</b>	<b>138,128</b>	<b>112%</b>	<b>247,474</b>



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

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

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

## Part 2 – Supporting Documentation

### 2.1 DEBTOR'S AGE ANALYSIS

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

Description	NT Code	Budget Year 2014/15						Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys		
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	1200	11 693	12 029	7 892	8 454	459 675	-	499 743	468 129
Trade and Other Receivables from Exchange Transactions - Electric	1300							-	-
Receivables from Non-exchange Transactions - Property Rates	1400							-	-
Receivables from Exchange Transactions - Waste Water Management	1500							-	-
Receivables from Exchange Transactions - Waste Management	1600							-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700							-	-
Interest on Arrear Debtor Accounts	1810							-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820							-	-
Other	1900	78	-	9	-	-	5 496	5 582	5 496
<b>Total By Income Source</b>	<b>2000</b>	<b>11 771</b>	<b>12 029</b>	<b>7 901</b>	<b>8 454</b>	<b>459 675</b>	<b>5 496</b>	<b>505 325</b>	<b>473 625</b>
2013/14 - totals only								-	-
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	2200	455	436	742	131	2 473		4 237	2 604
Commercial	2300	857	361	441	219	14 128		16 007	14 347
Households	2400	10 381	11 232	6 708	8 103	443 074	-	479 499	451 177
Other	2500	78	-	9	-	-	5 496	5 582	5 496
<b>Total By Customer Group</b>	<b>2600</b>	<b>11 771</b>	<b>12 029</b>	<b>7 901</b>	<b>8 454</b>	<b>459 675</b>	<b>5 496</b>	<b>505 325</b>	<b>473 625</b>

The Municipality has a total amount of R505 325 000 for outstanding debtors. This includes R5 582 000 for sundry debtors

**CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 DECEMBER 20**

MONTH	BILLING	MONTHS	PAYMENTS	RECOVERY RATE %
JUNE 2014	9 595 581.43	JULY 2014	6 020 425.52	62.74%
JULY 2014	11 685 112.67	AUGUST 2014	6 110 030.11	52.29%
AUGUST 2014	21 035 993.75	SEPTEMBER 2014	6 209 513.43	29.52%
SEPTEMBER 2014	13 957 068.73	OCTOBER 2014	6 735 518.00	48.26%
OCTOBER 2014	8 912 018.19	NOVEMBER 2014	7 560 916.92	84.84%
NOVEMBER 2014	18 632 039.10	DECEMBER 2014	5 699 942.42	30.59%
	<b>65 185 774.77</b>		<b>32 636 403.98</b>	<b>50.07%</b>

**TOTALS**

BILLING - JUNE 2014 TO NOVEMBER 2014	65 185 774.77
PAYMENTS - DECEMBER 2014	32 636 403.98
DIFFERENCE	<b>32 549 370.79</b>

**2.2. CREDITORS AGE ANALYSIS**

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

Description	NT Code	Budget Year 2014/15								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 - 365 Days - 1 Year	Over 1 Year	Total
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100									-
Bulk Water	0200									-
PAYE deductions	0300									-
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	896	-	-	-	-	-	-	33 984	34 880
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>896</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33 984</b>	<b>34 880</b>

## 2.3 SALARIES AND ALLOWANCES

DC23 Uthukela - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December										
Category of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		3 520	3 404	3 404	257	1 581	1 702	(121)	-7%	3 404
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance		1 008	1 034	1 034	79	506	517	(11)	-2%	1 034
Cellphone Allowance		176	181	181	140	213	91	122	135%	181
Housing Allowances										
Other benefits and allowances										
<b>Sub Total - Councillors</b>		<b>4 703</b>	<b>4 619</b>	<b>4 619</b>	<b>476</b>	<b>2 299</b>	<b>2 310</b>	<b>(10)</b>	<b>0%</b>	<b>4 619</b>
% Increase	4									
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		5 429	6 663	6 663	553	3 318	3 332	(14)	0%	663
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus			666	666			333	(333)	-100%	6 660
Motor Vehicle Allowance										
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	2									
<b>Sub Total - Senior Managers of Municipality</b>		<b>5 429</b>	<b>7 329</b>	<b>7 329</b>	<b>553</b>	<b>3 318</b>	<b>3 665</b>	<b>(347)</b>	<b>-9%</b>	<b>7 323</b>
% Increase	4									
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		76 438	104 820	104 820	6 515	38 914	52 410	(13 496)	-26%	104 820
Pension and UIF Contributions		11 508	14 194	14 194	980	6 687	7 097	(410)	-6%	14 194
Medical Aid Contributions		3 341	5 020	5 020	300	1 807	2 510	(703)	-28%	5 020
Overtime		15 997	3 135	3 135	1 430	8 493	1 568	6 925	442%	3 135
Performance Bonus										
Motor Vehicle Allowance		5 654	9 965	9 965	582	3 465	4 983	(1 517)	-30%	9 965
Cellphone Allowance										
Housing Allowances		572	1 490	1 490	60	365	745	(380)	-51%	1 490
Other benefits and allowances		12 183	13 255	13 255	10	6 309	6 628	(319)	-5%	13 255
Payments in lieu of leave		(334)	1 113	1 113	233	710	557	153	28%	1 113
Long service awards										
Post-retirement benefit obligations	2									
<b>Sub Total - Other Municipal Staff</b>		<b>125 359</b>	<b>152 992</b>	<b>152 992</b>	<b>10 110</b>	<b>66 750</b>	<b>76 496</b>	<b>(9 746)</b>	<b>-13%</b>	<b>152 992</b>
% Increase	4									
<b>Total Parent Municipality</b>		<b>135 491</b>	<b>164 940</b>	<b>164 940</b>	<b>11 139</b>	<b>72 368</b>	<b>82 470</b>	<b>(10 102)</b>	<b>-12%</b>	<b>164 934</b>
			21.7%	21.7%						21.7%
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>										
		135 491	164 940	164 940	11 139	72 368	82 470	(10 102)	-12%	164 934
% Increase	4		21.7%	21.7%						21.7%
<b>TOTAL MANAGERS AND STAFF</b>		<b>130 788</b>	<b>160 321</b>	<b>160 321</b>	<b>10 663</b>	<b>70 068</b>	<b>80 161</b>	<b>(10 092)</b>	<b>-13%</b>	<b>160 315</b>

## 2.4. INVESTMENTS AND BANK BALANCES

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
<b>R thousands</b>									
<b>Municipality</b>									
FNB UTM		32 DAYS			304	3.9%-5.35%	30 875	(51 704)	82 578
NEDBANKS		32 DAYS			14	4.5% - 5.6%	3 074	(14)	3 088
ABSA		32 DAYS			25	4.6%	5 687	(25)	5 711
Investec		32 DAYS			137	0.75% -	30 456	5 863	24 593
DDA - 62402906484									-
74448702164									
<b>Municipality sub-total</b>					480		70 091	(45 880)	115 971
<b>Entities</b>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				480		70 091	(45 880)	115 971

### Bank Balances

The following reflects bank balances at 31 December 2014

DESCRIPTION	DECEMBER 2014
FNB MAIN ACCOUNT 62252306280	4 816 276.63
FNB WATER ACCOUNT 62253072385	0.00
<b>Total cash held</b>	<b>4 816 276.63</b>

## 2.5 GRANTS RECEIPTS

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

Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
National Government:	1.2	266 152	300 978	300 978	989	220 019	150 489	65 762	43.7%	300 978
Local Government Equitable Share		257 902	286 962	286 962	-	209 243	143 481	65 762	45.8%	286 962
Finance Management		1 250	1 250	1 250	-	1 250	625			1 250
Municipal Systems Improvement		-	467	467	-	467	234			467
EPWP Incentive		1 000	3 299	3 299	989	2 309	1 650			3 299
Water Services Operating Subsidy	3	6 000	9 000	9 000	-	6 750	4 500			9 000
Provincial Government:			5 850	5 850	-	338	2 925	213	7.3%	5 938
Share Services			250	250		250	125	125	100.0%	250
Small Town Rehabilitation			5 600	5 600		88	2 800	88	#DIV/0!	5 600
LG SETA	4									88
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	266 152	306 828	306 828	989	220 357	153 414	65 975	43.0%	306 916
<b>Capital Transfers and Grants</b>										
National Government:		259 295	209 045	209 045	53 705	127 375	104 523	24 914	23.8%	209 045
Municipal Infrastructure Grant (MIG)		174 260	177 319	177 319	52 865	117 261	88 660	28 602	32.3%	177 319
Rural Households Infrastructure		4 000	4 124	4 124	-	-	2 062			4 124
Municipal Water Services (MWS)		14 525								
RRAM		1 999	2 135	2 135	-	2 315	1 068	1 248	116.9%	2 135
Rural Households Infrastructure										
MSIG		890	467	467	-	467	234	234	100.0%	467
Regional Bulk Infrastructure		63 621	25 000	25 000	840	7 332	12 500	(5 168)	-41.3%	25 000
Provincial Government:										
Infrastructure Sport facilities										
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	259 295	209 045	209 045	53 705	127 375	104 523	24 914	23.8%	209 045
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	525 447	515 873	515 873	54 694	347 732	257 937	90 890	35.2%	515 961

## 2.6.GRANTS EXPENDITURE

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

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		264 600	300 978	300 978	949	216 372	150 489	65 883	43.8%	300 978
Local Government Equitable Share		257 902	286 962	286 962	-	209 243	143 481	65 762	45.8%	286 962
Finance Management		1 250	1 250	1 250	112	514	625	(111)	-17.7%	1 250
Municipal Systems Improvement		-	467	467	-	94	234	(139)	-59.6%	467
EPWP Incentive		1 000	3 299	3 299	-	2 111	1 650	461	28.0%	3 299
Water Services Operating Subsidy		4 448	9 000	9 000	838	4 409	4 500	(91)	-2.0%	9 000
<b>Provincial Government:</b>		-	5 850	5 850	-	-	2 925	(2 925)	-100.0%	5 850
Share Services			250	250	-	-	125	(125)	-100.0%	250
Small Town Rehabilitation			5 600	5 600	-	-	2 800	(2 800)	-100.0%	5 600
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total operating expenditure of Transfers and Grants:</b>		264 600	306 828	306 828	949	216 372	153 414	62 958	41.0%	306 828
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		224 905	209 045	209 045	28 849	125 069	104 523	20 546	19.7%	209 045
Municipal Infrastructure Grant (MIG)		152 490	177 319	177 319	21 318	86 733	88 660	(1 927)	-2.2%	177 319
Rural Road Assets Management		1 999	2 135	2 135	-	846	1 068	(221)	-20.7%	2 135
Rural Households infrastructure		-	4 124	4 124	-	-	2 062	(2 062)	-100.0%	4 124
MSIG		890	467	467	-	-	234	(234)	-100.0%	467
Municipal WATER Infrastructure Grant Driefontein										
Regional Bulk Infrastructure		69 526	25 000	25 000	7 531	37 489	12 500	24 989	199.9%	25 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		224 905	209 045	209 045	28 849	125 069	104 523	20 546	19.7%	209 045
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		489 505	515 873	515 873	29 799	341 440	257 937	83 504	32.4%	515 873

## 2.7 EXPENDITURE AGAINST APPROVED ROLL-OVER GRANTS

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

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

Prepared by: 

Manager: Expenditure

Checked by: 

Senior Manager: Finance

Reviewed by: 

Chief Financial Officer



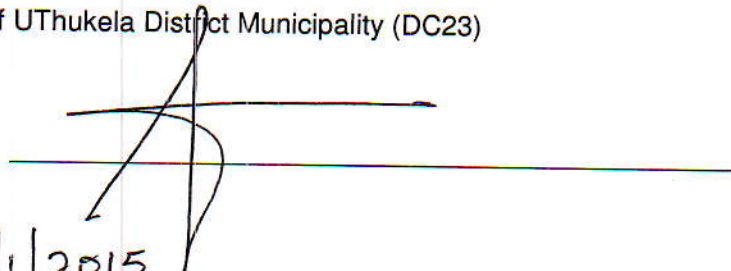
**2.8. Municipal Manager's quality certificate**

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

Print Name: Sifiso Nicholas Kunene

Municipal Manager of UThukela District Municipality (DC23)

Signature

A handwritten signature in black ink, consisting of a large, stylized 'S' and 'K' intertwined, written over a horizontal line.

Date

16/1/2015