

# **SECTION 71 REPORT**

**MARCH**

**2014**

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**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 .....

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# **Part 1 – Annual Budget**

## **1.1 Mayor's Report**

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

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

## **1.2 Council Resolutions**

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

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

There is a functional 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.

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

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2012/13		Budget Year 2013/14			YTD variance	YTD variance %	Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual				YearTD budget
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates							-			
Property rates - penalties & collection charges							-			
Service charges - electricity revenue							-			
Service charges - water revenue		104 240	123 813	123 813	10 145	79 477	82 542	(3 065)	-4%	123 813
Service charges - sanitation revenue		13 047	15 075	15 227	1 192	9 154	10 151	(997)	-10%	15 227
Service charges - refuse revenue										
Service charges - other										
Rental of facilities and equipment										
Interest earned - external investments		9 789	9 109	8 689	558	6 434	5 792	641	11%	8 689
Interest earned - outstanding debtors		29 447	17 790	35 715	3 008	25 242	23 810	1 432	8%	35 715
Dividends received										
Fines										
Licences and permits										
Agency services										
Transfers recognised - operational		279 412	277 744	277 402	148 644	271 082	184 934	86 148	47%	277 402
Other revenue		5 076	275	1 330	61	1 545	886	659	74%	1 330
Gains on disposal of PPE		32 687								
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>473 698</b>	<b>443 806</b>	<b>462 175</b>	<b>163 607</b>	<b>392 935</b>	<b>308 117</b>	<b>84 818</b>	<b>28%</b>	<b>462 175</b>
<b>Expenditure By Type</b>										
Employee related costs		119 882	158 358	131 693	9 079	94 904	98 770	(3 866)	-4%	131 693
Remuneration of councillors		4 792	5 612	5 612	357	3 313	4 209	(896)	-21%	5 612
Debt impairment		244 001	20 180	70 892			53 169	(53 169)	-100%	70 892
Depreciation & asset impairment		32 001	35 936	35 928			26 946	(26 946)	-100%	35 928
Finance charges		2 432	3 339	1 816	544	1 344	1 362	(19)	-1%	1 816
Bulk purchases		42 251	45 563	67 170	3 514	32 258	50 377	(18 119)	-36%	67 170
Other materials		16 088	18 898	18 623	1 284	11 354	13 967	(2 614)	-19%	18 623
Contracted services		45 289	40 103	50 744	3 327	35 320	38 058	(2 738)	-7%	50 744
Transfers and grants		6 500	6 000	6 000	0	1 462	4 500	(3 038)	-68%	6 000
Other expenditure		136 139	45 053	60 884	4 211	31 200	45 663	(14 462)	-32%	60 884
Loss on disposal of PPE		2 168								
<b>Total Expenditure</b>		<b>651 545</b>	<b>379 042</b>	<b>449 362</b>	<b>22 317</b>	<b>211 154</b>	<b>337 021</b>	<b>(125 867)</b>	<b>-37%</b>	<b>449 362</b>
<b>Surplus/(Deficit)</b>										
Transfers recognised - capital		(177 847)	64 764	12 813	141 290	181 781	(28 905)	210 685	(0)	12 813
Contributions recognised - capital		216 573	193 847	332 224	12 711	179 539	249 168	(69 629)	(0)	332 224
Contributed assets										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>154 002</b>	<b>361 320</b>	<b>220 264</b>			<b>345 038</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>		<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>154 002</b>	<b>361 320</b>	<b>220 264</b>			<b>345 038</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>154 002</b>	<b>361 320</b>	<b>220 264</b>			<b>345 038</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>154 002</b>	<b>361 320</b>	<b>220 264</b>			<b>345 038</b>

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

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

Bulk Purchases is at 48% spending and which is for bulk electricity purchases only.

The Employees related costs spending are at 72%.

**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) - M09 March

Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
Vote 10 - TREASURY		-	-	-	-	-	-	-	-	-
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 12 - WATER SERVICES		-	-	-	-	-	-	-	-	-
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANGER		-	800	621	-	345	466	(120)	-26%	621
Vote 10 - TREASURY		28	160	67	-	60	51	10	19%	67
Vote 11 - CORPORATE SERVICES		114	160	170	-	4	128	(124)	-97%	170
Vote 12 - WATER SERVICES		100 760	191 784	340 524	12 711	179 359	255 393	(76 033)	-30%	340 524
Vote 13 - SOCIAL AND ECONOMIC SERVICES		564	3 133	3 578	-	-	2 684	(2 684)	-100%	3 578
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	101 466	196 037	344 960	12 711	179 768	258 720	(78 952)	-31%	344 960
<b>Total Capital Expenditure</b>		<b>101 466</b>	<b>196 037</b>	<b>344 960</b>	<b>12 711</b>	<b>179 768</b>	<b>258 720</b>	<b>(78 952)</b>	<b>-31%</b>	<b>344 960</b>
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		142	1 120	859	-	409	644	(235)	-36%	859
Executive and council		-	800	621	-	345	466	(121)	-26%	621
Budget and treasury office		28	160	67	-	60	51	10	19%	67
Corporate services		114	160	170	-	4	128	(124)	-97%	170
<b>Community and public safety</b>		564	2 678	2 678	-	-	2 009	(2 009)	-100%	2 678
Community and social services		397	2 468	2 468	-	-	1 851	(1 851)	-100%	2 468
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		167	210	210	-	-	158	(158)	-100%	210
<b>Economic and environmental services</b>		2 948	2 454	2 899	207	1 587	2 174	(587)	-27%	2 899
Planning and development		-	455	900	-	-	675	(675)	-100%	900
Road transport		2 948	1 999	1 999	207	1 587	1 499	88	6%	1 999
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		97 812	189 785	338 524	12 504	177 772	253 893	(76 121)	-30%	338 524
Electricity		-	-	-	-	-	-	-	-	-
Water		97 812	189 785	338 524	12 504	177 772	253 893	(76 121)	-30%	338 524
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	3	<b>101 466</b>	<b>196 037</b>	<b>344 960</b>	<b>12 711</b>	<b>179 768</b>	<b>258 720</b>	<b>(78 952)</b>	<b>-31%</b>	<b>344 960</b>
<b>Funded by:</b>										
National Government		96 913	191 379	329 757	12 711	179 413	247 317	(67 904)	-27%	329 756
Provincial Government		-	2 468	2 468	-	-	1 851	(1 851)	-100%	2 468
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		96 913	193 847	332 225	12 711	179 413	249 168	(69 755)	-28%	332 224
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	750	-	-	-	-	-	-	-
<b>Internally generated funds</b>		4 553	1 440	12 735	-	355	9 552	(9 197)	-96%	12 735
<b>Total Capital Funding</b>		<b>101 466</b>	<b>196 037</b>	<b>344 960</b>	<b>12 711</b>	<b>179 768</b>	<b>258 720</b>	<b>(78 952)</b>	<b>-31%</b>	<b>344 960</b>

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. This is 3% of the budgeted internal generated funds

And only 54% has been spent from the grants.



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

DC23 Uthukela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M09 March

Description	Ref	Budget Year 2013/14								
		2012/13 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	16 447	15 115	984	9 025	11 336	2 311	20.4%	16 898
Infrastructure - Road transport		-	200	1 500	508	1 066	1 125	59	5.2%	2 000
Roads, Pavements & Bridges			200	1 500	508	1 066	1 125	59	5.2%	2 000
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-		-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	11 247	11 115	476	7 959	8 336	377	4.5%	12 398
Dams & Reservoirs			7 247	6 014	140	4 376	4 511	135	3.0%	7 247
Water purification										50
Reticulation			4 000	5 101	336	3 583	3 825	242	6.3%	5 101
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	5 000	2 500	-	-	1 875	1 875	100.0%	2 500
Waste Management										
Transportation										
Gas										
Other			5 000	2 500	-	-	1 875	1 875	100.0%	2 500
<b>Community</b>		-	-	-	-	-	-	-		-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-		-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-		-
Housing development										
Other										
<b>Other assets</b>		-	2 595	3 508	301	2 329	2 631	302	11.5%	2 595
General vehicles			2 155	3 125	299	2 281	2 344	63	2.7%	2 155
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			50	50	2	24	38	14	36.2%	
Computers - hardware/equipment										
Furniture and other office equipment			160	53	-	16	40	24	59.5%	160
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			230	280		8	210	202	96.1%	280
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Agricultural assets</b>		-	-	-	-	-	-	-		-
List sub-class										
<b>Biological assets</b>		-	-	-	-	-	-	-		-
List sub-class										
<b>Intangibles</b>		-	-	-	-	-	-	-		-
Computers - software & programming										
Other										
<b>Total Repairs and Maintenance Expenditure</b>		-	19 042	18 623	1 284	11 354	13 967	2 613	18.7%	19 493

Repairs and maintenance expenditure is at R 11 354 000 from the budget of R18 623 000 this shows an under spending of 18.7%.

#### **1.4 Annual Budget Tables**

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



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

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M09 March

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		323 008	281 618	282 765	149 236	264 299	188 510	75 789	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	149 236	226 556	161 703	64 854	40%	242 554
Corporate services		32 687	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></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><b>Trading services</b></i>		366 255	355 145	510 745	27 082	306 114	340 497	(34 383)	-10%	355 145
Electricity		-	-	-	-	-	-	-	-	-
Water		353 208	332 935	495 518	25 890	295 742	330 345	(34 603)	-10%	332 935
Waste water management		13 047	22 210	15 227	1 192	10 372	10 152	221	2%	22 210
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	690 271	637 653	794 400	176 318	570 414	529 600	40 813	8%	638 800
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		100 203	79 058	77 929	4 556	47 397	51 953	(4 555)	-9%	61 058
Executive and council		39 883	31 437	29 925	1 280	14 696	19 950	(5 254)	-26%	13 437
Budget and treasury office		27 645	25 646	23 776	1 538	13 997	15 851	(1 853)	-12%	25 646
Corporate services		32 675	21 975	24 228	1 738	18 704	16 152	2 552	16%	21 975
<i><b>Community and public safety</b></i>		17 343	17 722	10 237	784	6 785	6 825	(40)	-1%	17 722
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		17 343	17 722	10 237	784	6 785	6 825	(40)	-1%	17 722
<i><b>Economic and environmental services</b></i>		40 584	20 514	15 845	665	5 662	10 563	(4 901)	-46%	20 514
Planning and development		40 584	20 514	15 845	665	5 662	10 563	(4 901)	-46%	20 514
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		493 414	261 748	345 351	16 312	151 236	230 234	(78 998)	-34%	254 264
Electricity		-	-	-	-	-	-	-	-	-
Water		482 772	233 772	324 859	15 854	149 740	216 573	(66 833)	-31%	233 772
Waste water management		10 642	27 976	20 492	458	1 496	13 661	(12 165)	-89%	20 492
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	651 544	379 042	449 362	22 317	211 081	299 574	(88 494)	-30%	353 558
<b>Surplus/ (Deficit) for the year</b>		38 727	258 611	345 039	154 001	359 333	230 026	129 307	56%	285 242

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

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

DC23 Uthukela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - COUNCIL	1	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANGER		285 910	40 211	40 211	-	37 743	30 158	7 585	25.1%	40 211
Vote 10 - TREASURY		4 411	241 407	242 554	149 236	226 556	181 916	44 641	24.5%	242 554
Vote 11 - CORPORATE SERVICES		32 687	-	-	-	-	-	-	-	-
Vote 12 - WATER SERVICES		366 255	355 145	510 745	27 082	306 115	383 059	(76 944)	-20.1%	510 745
Vote 13 - SOCIAL AND ECONOMIC SERVICES		1 007	890	890	-	-	668	(668)	-100.0%	890
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>690 271</b>	<b>637 653</b>	<b>794 400</b>	<b>176 318</b>	<b>570 414</b>	<b>595 800</b>	<b>(25 386)</b>	<b>-4.3%</b>	<b>794 400</b>
<b>Expenditure by Vote</b>										
Vote 1 - COUNCIL	1	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 7 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
Vote 9 - MUNICIPAL MANGER		39 883	31 437	29 925	1 280	14 696	22 444	(7 748)	-34.5%	29 925
Vote 10 - TREASURY		27 645	25 646	23 776	1 538	13 997	17 832	(3 835)	-21.5%	23 776
Vote 11 - CORPORATE SERVICES		32 675	21 975	24 228	1 738	18 704	18 171	533	2.9%	24 228
Vote 12 - WATER SERVICES		493 414	261 748	345 351	16 312	151 237	259 013	(107 776)	-41.6%	345 351
Vote 13 - SOCIAL AND ECONOMIC SERVICES		57 928	38 236	26 082	1 449	12 447	19 561	(7 114)	-36.4%	26 082
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>651 544</b>	<b>379 042</b>	<b>449 362</b>	<b>22 317</b>	<b>211 081</b>	<b>337 021</b>	<b>(125 940)</b>	<b>-37.4%</b>	<b>449 362</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>38 727</b>	<b>258 611</b>	<b>345 038</b>	<b>154 001</b>	<b>359 333</b>	<b>258 779</b>	<b>100 554</b>	<b>38.9%</b>	<b>345 038</b>

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

1. Table C3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the District Municipality.

## Part 2 – Supporting Documentation

### 1. DEBTOR'S AGE ANALYSIS

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2013/14										Total over 90 days	Actual Bad Debts Written Off against Debtors	
		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														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	16 182	13 838	15 833	12 015	11 753	522 768					592 389	546 536	
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						4 421					4 421	4 421	
<b>Total By Income Source</b>	<b>2000</b>	<b>16 182</b>	<b>13 838</b>	<b>15 833</b>	<b>12 015</b>	<b>11 753</b>	<b>527 189</b>					<b>596 810</b>	<b>550 957</b>	
<b>2012/13 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	567	580	520	198	256	3 568					5 689	4 022	
Commercial	2300	731	159	673	159	293	7 973					9 988	8 425	
Households	2400	14 884	13 099	14 641	11 658	11 205	511 227					576 713	534 089	
Other	2500						4 421					4 421	4 421	
<b>Total By Customer Group</b>	<b>2600</b>	<b>16 182</b>	<b>13 838</b>	<b>15 834</b>	<b>12 015</b>	<b>11 753</b>	<b>527 189</b>					<b>596 811</b>	<b>550 958</b>	

The Municipality has a total amount of R596 811 000.00 for outstanding debtors. This includes R4 421 000 for sundry debtors.

### PAYMENTS VS BILLING 31 MARCH 2014

#### CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 MARCH 2014

MONTH	BILLING	MONTHS	PAYMENTS	RECOVERY RATE %
JUNE 2013	6 991 628.60	JULY 2013	4 423 551.71	63.27%
JULY 2013	15 948 630.20	AUGUST 2013	5 620 740.21	35.24%
AUGUST 2013	15 157 237.99	SEPTEMBER 2013	5 205 975.57	34.35%
SEPTEMBER 2013	12 395 908.16	OCTOBER 2013	6 077 210.31	49.03%
OCTOBER 2013	13 552 676.22	NOVEMBER 2013	5 790 600.79	42.73%
NOVEMBER 2013	17 128 699.03	DECEMBER 2013	5 660 994.76	33.05%
DECEMBER 2013	13 429 017.00	JANUARY 2014	5 660 994.76	42.15%
JANUARY 2014	18 404 261.00	FEBRUARY 2014	6 387 300.97	34.71%
FEBRUARY 2014	12 830 966.38	MARCH 2014	6 387 300.97	49.78%
MARCH 2014	14 759 644.38			0.00%
	<b>140 598 668.96</b>		<b>51 214 670.05</b>	<b>36.43%</b>

#### TOTALS

BILLING - JUNE 2013 TO MARCH 2014	140 598 668.96
PAYMENTS -MARCH 2014	51 214 670.05
DIFFERENCE	<b>89 383 998.91</b> 36.43%

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 - M09 March

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	
<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	189	-	-	-	28 747				28 937	
Auditor General	0800									-	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28 747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28 937</b>	

- The below illustrates the breakdown of the above information

### TOTAL CREDITORS AGE ANALYSIS:UNPAID CREDITORS AS AT 31/03/2014

Payee	Comments	Current	30days	60days	90days	120+	Total Amount
MEROPA SECHABENG (PTY) LTD	IT SUPPORT	-	-	-	-	34741.79	34741.79
AJT PLANT & EQUIPMENT HIRE	SUMMONS FOR OWED INVOICES	-	-	-	-	124 410.63	124410.63
DWA	WATER PURCHASES	-	-	-	-	27 147 623.50	27 147 623.50
IMBABAZANE MUNICIPALITY		-	-	-	-	1 440 662.00	1 440 662.00
PUBLIC HERO	CATERING	-	3 600.00	-	-	-	3 600.00
ANDERSON MOTORS	VEHICLE REPAIRS	8 253.10	-	-	-	-	8 253.10
WALTONS	STATIONERY	39 344.69	-	-	-	-	39 344.69
ITNA	LAPTOP	19 808.07	-	-	-	-	19 808.07
NORTHERN NATAL	ENERGY SAVERS	1 754.46	-	-	-	-	1 754.46
INSIMBI AUTO SERVICES		49 594.70	-	-	-	-	49 594.70
ANDERSON MOTORS	VEHICLE REPAIRS	4 118.00	-	-	-	-	4 118.00
BLUESANDS	TLB HIRE	32 718.00	-	-	-	-	32 718.00
ANDERSON MOTORS	VEHICLE REPAIRS	5 353.44	-	-	-	-	5 353.44
MAPCHEM	PLUMBING MATERIAL	24 652.50	-	-	-	-	24 652.50
		<b>185 596.96</b>	<b>3 600.00</b>	<b>-</b>	<b>-</b>	<b>28 747 437.92</b>	<b>28 936 634.88</b>

- >Meropa - put on hold until they pay the amount they owe the municipality
- >AJT- put on hold to be further investigated
- >Public hero- no banking details
- >Imbabazane municipality - investigation
- >DWA - on hold for further investigation
- >Creditors on current and 30 days on an age analysis from the system are all paid except for public hero. they still appear as outstanding because we cannot cost until because creditors are on hold.
- >Insimbi auto services- no banking details

### 3. SALARIES AND ALLOWANCES

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

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

#### 4. INVESTMENTS AND CASH BALANCES

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

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							
R thousands									
<b>Municipality</b>									
FNB		32 DAYS		ON CALL	451	5.4%	105 091		105 542
ABSA		32 DAYS		ON CALL	23	4.6%	6 232		6 255
NEDBANK		32 DAYS		ON CALL	25	4.5%	5 907		5 932
INVESTEC		32 DAYS		ON CALL	33	5.0%	7 944		7 977
FNB MONEY MARKET				BUSINESS MONEY	1	3.9%	227		227
FNB DDA - 62402906484				ON CALL	21	5.0%	83 817		83 838
FNB TOA 74448702164				ON CALL	4	5.4%	918		922
<b>Municipality sub-total</b>					558		210 135	-	210 693
<b>Entities</b>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				558		210 135	-	210 693

- The Municipality has investments amounting to R210 693 000

#### Bank Balances

The following reflects bank balances at 31 MARCH 2014

DESCRIPTION	MARCH 2014
FNB MAIN ACCOUNT 62252306280	96 866 725.28
FNB WATER ACCOUNT 62253072385	0.00
<b>Total cash held</b>	<b>96 866 725.28</b>

## 5. GRANTS RECEIPTS

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		265 307	277 744	277 402	166 377	276 999	208 052	68 948	33.1%	-
Local Government Equitable Share		253 183	269 199	269 199	164 577	269 199	201 899	67 300	33.3%	-
Finance Management		1 250	1 100	1 203	-	1 100	902	198	21.9%	-
Municipal Systems Improvement		1 000	445	-	-	-	-	-	-	-
EPWP Incentive		2 874	1 000	1 000	-	700	750	(50)	-6.7%	-
Water Services Operating Subsidy		7 000	6 000	6 000	1 800	6 000	4 500	1 500	33.3%	-
	3									
<b>Provincial Government:</b>		22 772	-	-	-	-	-	-	-	-
Data Cleansing Grant		2 800								
Councillors Training Grant		200								
KZN Projects Grants		19 772								
	4									
Other transfers and grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Operating Transfers and Grants</b>	5	288 079	277 744	277 402	166 377	276 999	208 052	68 948	33.1%	-
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		214 945	191 379	248 457	22 618	242 982	186 343	56 639	30.4%	56 735
Municipal Infrastructure Grant (MIG)		182 858	174 260	174 260	17 155	174 260	130 695	43 565	33.3%	-
RRAM		1 776	1 999	1 999	-	1 999	1 499	500	33.3%	-
FMG			150	48	-	48	36	12	33.3%	-
MSIG			445	890	-	445	668	(223)	-33.3%	-
Municipal Water Infrastructure Grant		30 311	14 525	14 525	-	9 539	10 894	(1 355)	-12.4%	-
Regional Bulk Infrastructure				56 735	5 463	56 691	42 551	14 140	33.2%	56 735
<b>Provincial Government:</b>		-	2 468	2 468	-	-	1 851	(1 851)	-100.0%	-
Infrastructure Sport facilities			2 468	2 468	-	-	1 851	(1 851)	-100.0%	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	214 945	193 847	250 925	22 618	242 982	186 194	54 788	29.1%	56 735
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	503 024	471 591	528 327	188 995	519 981	396 245	123 736	31.2%	56 735

## 6. GRANTS EXPENDITURE

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		262 964	277 744	277 402	164 621	271 082	208 051	63 031	30.3%	277 744
Local Government Equitable Share		253 183	269 199	269 199	164 577	269 199	201 899	67 300	33.3%	269 199
Finance Management		1 319	1 100	1 203	44	883	902	(19)	-2.1%	1 100
Municipal Systems Improvement		1 007	445	-	-	-	-	-	-	445
EPWP Incentive		454	1 000	1 000	-	1 000	750	250	33.3%	1 000
Water Services Operating Subsidy		7 000	6 000	6 000	-	-	4 500	(4 500)	-100.0%	6 000
<b>Provincial Government:</b>		13 087	-	-	-	-	-	-	-	-
Data Cleansing Grant		3 092								
KZN Projecs Grants		9 995								
Other transfers and grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		276 052	277 744	277 402	164 621	271 082	208 051	63 031	30.3%	277 744
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		219 934	191 379	248 457	12 711	179 539	186 343	(6 803)	-3.7%	248 012
Municipal Infrastructure Grant (MiG)		187 952	174 260	174 260	12 195	138 775	130 695	8 080	6.2%	174 260
RRAM		3 361	1 999	1 999	207	1 587	1 499	88	5.9%	1 999
FMG		-	150	48	-	54	36	18	50.0%	48
MSIG		-	445	890	-	-	668	(668)	-100.0%	445
Municipal WATER Infrastructure Grant Driefontein		-	14 525	14 525	-	2 150	10 894	(8 744)	-80.3%	14 525
Regional Bulk Infrastructure		28 621	-	56 735	309	36 974	42 551	(5 577)	-13.1%	56 735
<b>Provincial Government:</b>		-	2 468	2 468	-	-	1 851	(1 851)	-100.0%	-
		-	2 468	2 468	-	-	1 851	(1 851)	-100.0%	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		219 934	193 847	250 925	12 711	179 539	188 194	(8 654)	-4.6%	248 012
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		495 985	471 591	528 327	177 332	450 622	396 245	54 377	13.7%	525 756

The expenditure on capital grants reflects 4% 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 - M09 March

Description	Ref	Budget Year 2013/14				
		Approved Rollover 2012/13	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
<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>		-	-	-	-	
Data Cleansing Grant:						
KZN Projects Grants						
Other transfers and grants [insert description]						
<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>		81 300	-	-	81 300	100.0%
Municipal Infrastructure Grant (MIG)		81 300	-	-	81 300	100.0%
RRAM						
FMG						
MSIG						
Municipal Water Infrastructure Grant						
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>		81 300	-	-	81 300	100.0%
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		81 300	-	-	81 300	100.0%

REVIEWED BY: 

DATE: 07/04/2014

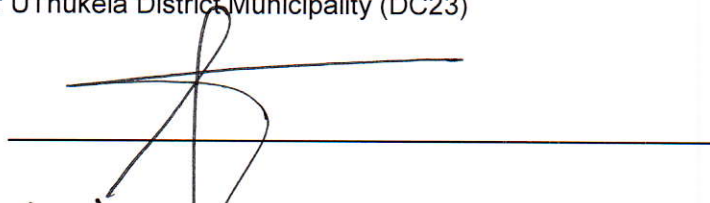
## 1.5 Municipal manager's quality certificate

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

23 | 4 | 2014