



SECTION 71 REPORT

MAY

2014

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Part 1 – Annual Budget

1.1 Mayor's Report

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

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

1.2 Council Resolutions

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

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

1.3 Executive Summary

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

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

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

TABLE 1: C4 – Monthly Budget Statements – Financial Performance

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates										
Property rates - penalties & collection charges										
Service charges - electricity revenue										
Service charges - water revenue		104 240	123 813	123 813	10 570	110 187	113 495	(3 308)	-3%	123 813
Service charges - sanitation revenue		13 047	15 075	15 227	1 222	13 346	13 958	(612)	-4%	15 227
Service charges - refuse revenue										
Service charges - other										
Rental of facilities and equipment										
Interest earned - external investments		9 789	9 109	8 689	1 203	8 973	7 965	1 008	13%	8 689
Interest earned - outstanding debtors		29 447	17 790	35 715	3 206	31 424	32 739	(1 315)	-4%	35 715
Dividends received										
Fines										
Licences and permits										
Agency services										
Transfers recognised - operational		279 412	277 744	277 402	44	274 269	254 285	19 984	8%	277 402
Other revenue		5 076	275	1 330	21	1 563	1 219	344	28%	1 330
Gains on disposal of PPE		32 687								
Total Revenue (excluding capital transfers and contributions)		473 698	443 806	462 175	16 266	439 762	423 660	16 101	4%	462 175
Expenditure By Type										
Employee related costs		119 882	158 358	131 693	9 742	114 613	120 719	(6 105)	-5%	129 743
Remuneration of councillors		4 792	5 612	5 612	358	4 030	5 144	(1 114)	-22%	5 011
Debt impairment		244 001	20 180	70 892			64 984	(64 984)	-100%	70 892
Depreciation & asset impairment		32 001	35 936	35 928			32 934	(32 934)	-100%	35 928
Finance charges		2 432	3 339	1 816	4	1 393	1 665	(272)	-16%	1 816
Bulk purchases		42 251	45 563	67 170	2 191	39 422	61 572	(22 150)	-36%	65 060
Other materials		16 088	18 898	18 623	1 889	14 027	17 071	(3 045)	-18%	21 589
Contracted services		45 289	40 103	50 744	5 467	42 669	46 515	(3 846)	-8%	48 294
Transfers and grants		6 500	6 000	6 000	0	1 933	5 500	(3 567)	-65%	6 000
Other expenditure		136 139	45 053	60 884	5 520	40 017	55 810	(15 793)	-28%	60 884
Loss on disposal of PPE		2 168								
Total Expenditure		651 545	379 042	449 362	25 172	258 103	411 915	(153 811)	-37%	445 217
Surplus/(Deficit)										
Transfers recognised - capital		(177 847)	64 764	12 813	(8 906)	181 658	11 746	169 913	0	16 958
Contributions recognised - capital		216 573	193 847	332 224	50 605	246 810	304 539	(57 729)	(0)	332 224
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		38 727	258 611	345 038	41 698	428 469	316 285			349 182
Taxation										
Surplus/(Deficit) after taxation		38 727	258 611	345 038	41 698	428 469	316 285			349 182
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		38 727	258 611	345 038	41 698	428 469	316 285			349 182
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		38 727	258 611	345 038	41 698	428 469	316 285			349 182

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

Bulk Purchases is at 59% spending and which is for bulk electricity purchases only.

The Employees related costs spending are at 87%.

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) - M11 May										
Vote Description	Ref	Budget Year 2013/14								
		2012/13 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
100 - COUNCIL		-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
400 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
405 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
300 - TREASURY		-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
405 - SOCIAL AND ECONOMIC SERVICES		-	-	-	-	-	-	-	-	-
500 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
510 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
100 - COUNCIL		-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
400 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
405 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANGER		-	800	621	3	330	569	(239)	-42%	621
300 - TREASURY		28	160	67	6	66	62	4	7%	67
200 - CORPORATE SERVICES		114	160	170	3	7	156	(149)	-96%	170
405 - SOCIAL AND ECONOMIC SERVICES		564	3 133	3 578	186	186	3 280	(3 094)	-94%	3 578
500 - TECHNICAL SERVICES		96 913	176 259	328 819	50 419	246 571	301 418	(54 847)	-18%	328 819
510 - WATER AND SANITATION SERVICES		3 847	15 525	11 704	-	9 390	10 729	(1 339)	-12%	11 704
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	101 468	196 037	344 960	50 616	256 548	316 213	(59 665)	-19%	344 960
Total Capital Expenditure		101 468	196 037	344 960	50 616	256 548	316 213	(59 665)	-19%	344 960
Capital Expenditure - Standard Classification										
Governance and administration		142	1 120	859	12	402	787	(385)	-49%	859
Executive and council		-	800	621	3	330	570	(240)	-42%	621
Budget and treasury office		28	160	67	6	66	62	4	7%	67
Corporate services		114	160	170	3	7	156	(149)	-96%	170
Community and public safety		564	2 678	2 678	-	-	2 455	(2 455)	-100%	2 678
Community and social services		397	2 468	2 468	-	-	2 262	(2 262)	-100%	2 468
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		167	210	210	-	-	193	(193)	-100%	210
Economic and environmental services		2 948	2 454	2 899	186	2 006	2 657	(651)	-25%	2 899
Planning and development		-	455	900	186	186	825	(639)	-77%	900
Road transport		2 948	1 999	1 999	-	1 820	1 832	(12)	-1%	1 999
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		97 812	189 785	338 524	50 419	254 140	310 314	(56 174)	-18%	338 524
Electricity		-	-	-	-	-	-	-	-	-
Water		97 812	189 785	338 524	50 419	254 140	310 314	(56 174)	-18%	338 524
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	101 466	196 037	344 960	50 616	256 548	316 213	(59 665)	-19%	344 960
Funded by:										
National Government		96 913	191 379	329 757	50 605	246 810	302 277	(55 466)	-18%	329 756
Provincial Government		-	2 468	2 468	-	-	2 262	(2 262)	-100%	2 468
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		96 913	193 847	332 225	50 605	246 810	304 539	(57 729)	-19%	332 224
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	750	-	-	-	-	-	-	-
Internally generated funds		4 553	1 440	12 735	12	9 738	11 674	(1 936)	-17%	12 735
Total Capital Funding		101 466	196 037	344 960	50 616	256 548	316 213	(59 665)	-19%	344 960

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

Grant expenditure is at 74%.

Table 3: Repairs and maintenance per asset class

DC23 Uthukela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M11 May

Description	Ref	2012/13	Budget Year 2013/14							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	16 447	15 115	1 100	10 664	13 855	3 191	23.0%	17 348
Infrastructure - Road transport		-	200	1 500	537	1 603	1 375	(228)	-16.6%	2 500
Roads, Pavements & Bridges		-	200	1 500	537	1 603	1 375	(228)	-16.6%	2 500
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	11 247	11 115	564	9 061	10 188	1 127	11.1%	12 348
Dams & Reservoirs		-	7 247	6 014	431	5 119	5 513	394	7.1%	7 247
Water purification		-	4 000	5 101	133	3 942	4 676	733	15.7%	5 101
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	5 000	2 500	-	-	2 292	2 292	100.0%	2 500
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	5 000	2 500	-	-	2 292	2 292	100.0%	2 500
Community		-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	2 595	3 508	789	3 363	3 216	(147)	-4.6%	5 140
General vehicles		-	2 155	3 125	774	3 265	2 865	(401)	-14.0%	4 650
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	50	50	5	29	46	17	36.7%	50
Computers - hardware/equipment		-	160	53	-	16	48	32	66.1%	160
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	230	280	10	52	257	205	79.9%	280
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		-	19 042	18 623	1 889	14 027	17 071	3 044	17.8%	22 488

Repairs and maintenance expenditure is at R 14 027 000 from the budget of R18 623 000 this shows a spending of 75%.

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) - M11 May

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Standard										
<i>Governance and administration</i>		323 008	281 618	282 765	1 250	266 028	259 201	6 826	3%	282 765
Executive and council		285 910	40 211	40 211	-	37 743	36 860	883	2%	40 211
Budget and treasury office		4 411	241 407	242 554	1 250	228 285	222 341	5 943	3%	242 554
Corporate services		32 687	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 007	890	890	186	186	816	(630)	-77%	890
Planning and development		1 007	890	890	186	186	816	(630)	-77%	890
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		366 255	355 145	510 745	65 434	405 951	468 183	(62 232)	-13%	355 145
Electricity		-	-	-	-	-	-	-	-	-
Water		353 208	332 935	495 518	64 213	393 151	454 225	(61 074)	-13%	332 935
Waste water management		13 047	22 210	15 227	1 222	12 800	13 958	(1 159)	-8%	22 210
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	690 271	637 653	794 400	66 870	672 165	728 200	(56 036)	-8%	638 800
Expenditure - Standard										
<i>Governance and administration</i>		100 203	79 058	77 929	7 805	60 343	71 435	(11 092)	-16%	61 058
Executive and council		39 883	31 437	29 925	4 203	20 725	27 431	(6 706)	-24%	13 437
Budget and treasury office		27 645	25 646	23 776	2 136	17 973	21 795	(3 821)	-18%	25 646
Corporate services		32 675	21 975	24 228	1 466	21 645	22 209	(564)	-3%	21 975
<i>Community and public safety</i>		17 343	17 722	10 237	764	8 311	9 384	(1 073)	-11%	17 722
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		17 343	17 722	10 237	764	8 311	9 384	(1 073)	-11%	17 722
<i>Economic and environmental services</i>		40 584	20 514	15 845	703	6 800	14 524	(7 724)	-53%	20 514
Planning and development		40 584	20 514	15 845	703	6 800	14 524	(7 724)	-53%	20 514
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		493 414	261 748	345 351	15 900	186 233	316 572	(130 338)	-41%	254 264
Electricity		-	-	-	-	-	-	-	-	-
Water		482 772	233 772	324 859	15 751	184 586	297 788	(113 201)	-38%	233 772
Waste water management		10 642	27 976	20 492	149	1 647	18 784	(17 137)	-91%	20 492
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	651 544	379 042	449 362	25 172	261 688	411 915	(150 227)	-36%	353 558
Surplus/ (Deficit) for the year		38 727	258 611	345 039	41 698	410 477	316 285	94 191	30%	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) - M11 May

Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
100 - COUNCIL	1	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
400 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
405 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANGER		285 910	40 211	40 211	-	37 743	36 860	883	2.4%	40 211
300 - TREASURY		4 411	241 407	242 554	1 250	228 285	222 341	5 943	2.7%	242 554
200 - CORPORATE SERVICES		32 687	-	-	-	-	-	-	-	-
405 - SOCIAL AND ECONOMIC SERVICES		1 007	890	890	186	186	816	(630)	-77.2%	890
500 - TECHNICAL SERVICES		190 900	176 259	329 819	50 419	248 031	302 335	(54 304)	-18.0%	329 819
510 - WATER AND SANITATION SERVICES		175 355	178 886	180 925	15 015	157 920	165 848	(7 928)	-4.8%	180 925
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	690 271	637 653	794 400	66 870	672 165	728 200	(56 035)	-7.7%	794 400
Expenditure by Vote										
100 - COUNCIL	1	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-
400 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
405 - PLANNING AND ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES		-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES		-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANGER		39 883	31 437	29 925	4 203	20 725	27 431	(6 706)	-24.4%	29 925
300 - TREASURY		27 645	25 646	23 776	2 136	17 973	21 795	(3 821)	-17.5%	23 776
200 - CORPORATE SERVICES		32 675	21 975	24 228	1 466	21 645	22 209	(564)	-2.5%	24 228
405 - SOCIAL AND ECONOMIC SERVICES		57 928	38 236	26 082	1 467	15 111	19 561	(4 450)	-22.7%	26 082
500 - TECHNICAL SERVICES		4 913	4 473	3 568	286	3 171	2 676	496	18.5%	15 845
510 - WATER AND SANITATION SERVICES		488 501	257 275	341 783	15 614	183 062	256 337	(73 275)	-28.6%	341 783
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	651 544	379 042	449 362	25 172	261 688	350 009	(88 322)	-25.2%	461 638
Surplus/ (Deficit) for the year	2	38 727	258 611	345 038	41 698	410 477	378 190	32 287	8.5%	332 761

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 - M11 May

Description	NT Code	Budget Year 2013/14										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	16 292	10 331	14 250	12 503	14 997	529 989				598 362	557 489		
Trade and Other Receivables from Exchange Transactions - Electricity	1300													
Receivables from Non-exchange Transactions - Property Rates	1400													
Receivables from Exchange Transactions - Waste Water Management	1500													
Receivables from Exchange Transactions - Waste Management	1600													
Receivables from Exchange Transactions - Property Rental Debtors	1700													
Interest on Arrear Debtor Accounts	1810													
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820													
Other	1900			0		0	3 509				3 509	3 509		
Total By Income Source	2000	16 292	10 331	14 250	12 503	14 997	533 498				601 870	560 998		
2012/13 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	1 065	459	179	260	267	2 935				5 165	3 463		
Commercial	2300	745	356	384	333	198	7 497				9 514	8 028		
Households	2400	14 461	9 516	13 667	11 909	14 532	519 557				583 683	545 998		
Other	2500			0		0	3 509				3 509	3 509		
Total By Customer Group	2600	16 292	10 331	14 250	12 502	14 997	533 498				601 870	560 998		

The Municipality has a total amount of R601 870 000.00 for outstanding debtors. This includes R3 509 000 for sundry debtors.

PAYMENTS VS BILLING 31 MAY 2014

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 MAY 2014				
MONTH	BILLING	MONTHS	PAYMENTS	RECOVERY RATE
JUNE 2013	6 991 628.60	JULY 2013	4 423 551.71	63.27%
JULY 2013	15 115 624.69	AUGUST 2013	5 620 740.21	37.18%
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	13 429 017.23	JANUARY 2014	5 967 405.65	44.44%
JANUARY 2014	21 252 386.85	FEBRUARY 2014	6 387 300.97	30.05%
FEBRUARY 2014	14 759 644.38	MARCH 2014	8 123 623.53	55.04%
MARCH 2014	15 939 067.93	APRIL 2014	5 252 423.41	32.95%
APRIL 2014	16 183 915.41	MAY 2014	5 529 634.19	34.17%
	161 905 806.49		64 039 461.10	39.55%
TOTALS				
BILLING - JUNE 2013 TO MAY 2014			161 905 806.49	
PAYMENTS - APRIL 2014			64 039 461.10	
DIFFERENCE			97 866 345.39	39.55%

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 - M11 May

Description	NT Code	Budget Year 2013/14								Total	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100										-
Bulk Water	0200										-
PAYE deductions	0300										-
VAT (output less input)	0400										-
Pensions / Retirement deductions	0500										-
Loan repayments	0600										-
Trade Creditors	0700	3 014	422	652	-					28 747	32 836
Auditor General	0800										-
Other	0900										-
Total By Customer Type	1000	3 014	422	652	-	-	-	-	-	28 747	32 836

3. SALARIES AND ALLOWANCES

DC23 Uthukela - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

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
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 792	2 848	4 069	258	2 935	3 730	(795)	-21%	3 342
Pension and UIF Contributions			814	-		0	-	0	#DIV/0!	-
Medical Aid Contributions			407	-		-	-	-		-
Motor Vehicle Allowance			1 214	1 214	84	932	1 113	(180)	-16%	1 341
Cellphone Allowance			328	328	15	162	301	(138)	-46%	328
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		4 792	5 611	5 611	358	4 030	5 143	(1 113)	-22%	5 011
% increase	4		17.1%	17.1%						4.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 282	7 268	7 268	494	4 699	6 662	(1 964)	-29%	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										
Sub Total - Senior Managers of Municipality		3 729	7 268	7 268	494	4 699	6 662	(1 964)	-29%	7 268
% increase	4		94.9%	94.9%						94.9%
Other Municipal Staff										
Basic Salaries and Wages		98 924	102 691	78 936	6 019	68 974	72 358	(3 384)	-5%	78 936
Pension and UIF Contributions		9 948	17 982	12 228	929	10 972	11 209	(237)	-2%	12 228
Medical Aid Contributions		3 088	4 432	3 122	299	3 044	2 862	183	6%	3 122
Overtime			5 249	16 059	1 262	14 549	14 721	(172)	-1%	16 059
Performance Bonus		3 292	305	-						
Motor Vehicle Allowance			4 285	5 335	504	5 150	4 890	259	5%	5 335
Cellphone Allowance			62	-						
Housing Allowances			1 197	413	61	511	379	132	35%	413
Other benefits and allowances		938	915	7 677	22	6 203	7 037	(835)	-12%	7 677
Payments in lieu of leave		2 633	764	646	152	513	592	(79)	-13%	646
Long service awards										
Post-retirement benefit obligations										
Sub Total - Other Municipal Staff		118 823	137 882	124 415	9 248	109 914	114 047	(4 133)	-4%	124 415
% increase	4		16.0%	4.7%						4.7%
Total Parent Municipality		127 344	150 761	137 294	10 100	118 643	125 853	(7 210)	-6%	136 694

4. INVESTMENTS AND CASH BALANCES

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

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									
Municipality									
FNB		32 DAYS		ON CALL	330	5.4%	83 797	(5 000)	79 128
ABSA		32 DAYS		ON CALL	25	4.6%	6 280		6 305
NEDBANK		32 DAYS		ON CALL	25	4.5%	5 956		5 982
INVESTEC		32 DAYS		ON CALL	336	5.0%	74 444		74 779
FNB MONEY MARKET				BUSINESS MONEY	1	3.9%	228		229
FNB DDA - 62402906484				ON CALL	303	5.0%	84 159	(62 516)	21 946
Municipality sub-total					1 020		254 865	(67 516)	188 368
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				1 020		254 865	(67 516)	188 368

- The Municipality has investments amounting to R188 368 288.00

Bank Balances

The following reflects bank balances at 31 MAY 2014

DESCRIPTION	MAY 2014
FNB MAIN ACCOUNT 62252306280	7 186 510.67
FNB WATER ACCOUNT 62253072385	0.00
Total cash held	7 186 510.67

5. GRANTS RECEIPTS

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

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
RECEIPTS:										
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		265 307	277 744	277 402	-	262 813	254 285	8 528	3.4%	262 813
Finance Management		253 183	269 199	269 199	-	254 610	246 766	7 844	3.2%	254 610
Municipal Systems Improvement		1 250	1 100	1 203	-	1 203	1 103	100	9.1%	1 203
EPWP Incentive		1 000	445	-	-	-	-	-	-	-
Water Services Operating Subsidy		2 874	1 000	1 000	-	1 000	917	83	9.1%	1 000
	3	7 000	6 000	6 000	-	6 000	5 500	500	9.1%	6 000
Provincial Government:										
Data Cleansing Grant		22 772	-	-	-	-	-	-	-	-
Councillors Training Grant		2 800	-	-	-	-	-	-	-	-
KZN Projects Grants		200	-	-	-	-	-	-	-	-
	4	19 772	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]										
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
Total Operating Transfers and Grants	5	288 079	277 744	277 402	-	262 813	254 285	8 528	3.4%	262 813
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		214 945	191 379	248 456	482	252 930	227 752	20 661	9.1%	247 968
		182 858	174 260	174 260	-	174 260	159 738	14 522	9.1%	174 260
RRAM		1 776	1 999	1 999	-	1 999	1 832	167	9.1%	1 999
FMG			150	47	-	47	43	4	9.1%	48
MSIG			445	890	-	890	816	74	9.1%	445
Municipal Water Infrastructure Grant		30 311	14 525	14 525	-	14 525	13 315	1 210	9.1%	14 525
Regional Bulk Infrastructure				56 735	482	57 209	52 007	4 684	9.0%	56 691
Rural Households Infrastructure						4 000	-	-	-	-
Provincial Government:										
Infrastructure Sport facilities			2 468	2 468	-	-	2 262	(2 262)	-100.0%	-
			2 468	2 468	-	-	2 262	(2 262)	-100.0%	-
District Municipality:										
[insert description]										
Other grant providers:										
[insert description]										
Total Capital Transfers and Grants	5	214 945	193 847	250 924	482	252 930	230 014	18 398	8.0%	247 968
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	503 024	471 591	528 326	482	515 743	484 299	26 926	5.6%	510 781

5. GRANTS RECIEPTS

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

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										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		265 307	277 744	277 402	-	262 813	254 285	8 528	3.4%	-
Local Government Equitable Share		253 183	269 199	269 199	-	254 610	246 766	7 844	3.2%	-
Finance Management		1 250	1 100	1 203	-	1 203	1 103	100	9.1%	-
Municipal Systems Improvement		1 000	445	-	-	-	-	-	-	-
EPWP Incentiv e		2 874	1 000	1 000	-	1 000	917	83	9.1%	-
Water Services Operating Subsidy		7 000	6 000	6 000	-	6 000	5 500	500	9.1%	-
	3									
Provincial Government:		22 772	-	-	-	-	-	-	-	-
Data Cleansing Grant		2 800								
Councillors Training Grant		200								
KZN Projecs Grants		19 772								
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	288 079	277 744	277 402	-	262 813	254 285	8 528	3.4%	-
Capital Transfers and Grants										
National Government:		214 945	191 379	248 456	482	252 930	227 751	20 661	9.1%	248 412
Municipal Infrastructure Grant (MIG)		182 858	174 260	174 260	-	174 260	159 738	14 522	9.1%	174 260
RRAM		1 776	1 999	1 999	-	1 999	1 832	167	9.1%	1 999
FMG			150	47	-	47	43	4	9.1%	47
MSIG			445	890	-	890	816	74	9.1%	890
Municipal Water Infrastructure Grant		30 311	14 525	14 525	-	14 525	13 315	1 210	9.1%	14 525
Regional Bulk Infrastructure				56 735	482	57 209	52 007	4 684	9.0%	56 691
Rural Households Infrastructure						4 000				
Provincial Government:		-	2 468	2 468	-	-	2 262	(2 262)	-100.0%	-
Infrastructure Sport facilities			2 468	2 468	-	-	2 262	(2 262)	-100.0%	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	214 945	193 847	250 924	482	252 930	230 014	18 398	8.0%	248 412
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	503 024	471 591	528 326	482	515 743	484 299	26 926	5.6%	248 412

7. **ROLL-OVER GRANTS EXPENDITURE**

DC23 Uthukela - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M11 May

Description	Ref	Budget Year 2013/14				YTD variance %
		Approved Rollover 2012/13	Monthly actual	YearTD actual	YTD variance	
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		2 531	449	449	2 082	82.3%
Local Government Equitable Share					-	
Finance Management		331	112	112	219	66.1%
Municipal Systems Improvement					-	
EPWP Incentive		2 200	337	337	1 863	84.7%
Water Services Operating Subsidy					-	
Provincial Government:		-	-	-	-	
Data Cleansing Grant					-	
KZN Projects Grants					-	
Other transfers and grants [insert description]					-	
District Municipality:		-	-	-	-	
[insert description]					-	
Other grant providers:		-	-	-	-	
[insert description]					-	
Total operating expenditure of Approved Roll-overs		2 531	449	449	2 082	82.3%
Capital expenditure of Approved Roll-overs						
National Government:		81 300	60 189	60 189	21 111	26.0%
Municipal Infrastructure Grant (MIG)		81 300	60 189	60 189	21 111	26.0%
RRAM					-	
FMG					-	
MSIG					-	
Municipal Water Infrastructure Grant					-	
Rural Households Infrastructure					-	
Provincial Government:		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
[insert description]					-	
Total capital expenditure of Approved Roll-overs		81 300	60 189	60 189	21 111	26.0%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		83 831	60 638	60 638	23 193	27.7%

Prepared by: 
Assistant Director: Expenditure

Checked by: 
Senior Manager: Finance

Reviewed by: _____
Chief Financial Officer

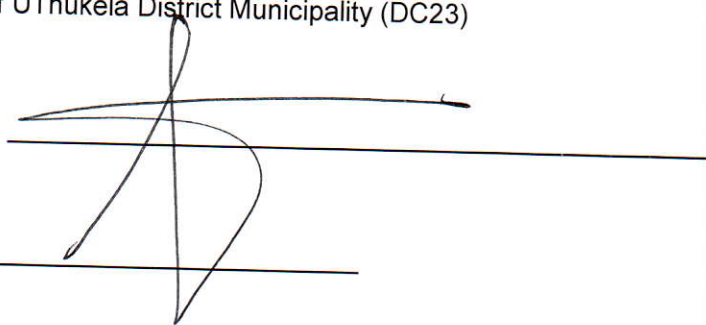
1.5 Municipal manager's quality certificate

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

A horizontal line for the date, with the handwritten signature overlapping it.