



**SECTION 71 REPORT**  
**SEPTEMBER**  
**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 September 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.

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

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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		134 908	134 908	10 521	37 221	33 727	3 494	10%	134 908	
Service charges - sanitation revenue		16 598	16 598	1 433	4 197	4 150	48	1%	16 598	
Service charges - refuse revenue							-			
Service charges - other							-			
Rental of facilities and equipment							-			
Interest earned - external investments		9 471	9 471	204	918	2 368	(1 430)	-61%	9 471	
Interest earned - outstanding debtors		35 660	35 660	1 768	5 330	8 915	(3 535)	-40%	35 660	
Dividends received							-			
Fines							-			
Licences and permits							-			
Agency services							-			
Transfers recognised - operational		306 828	306 828	1 492	115 273	76 707	38 566	50%	306 828	
Other revenue		1 372	1 372	122	265	343	(78)	-23%	1 372	
Gains on disposal of PPE							-			
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>-</b>	<b>504 836</b>	<b>504 836</b>	<b>15 539</b>	<b>163 204</b>	<b>126 209</b>	<b>36 995</b>	<b>29%</b>	<b>504 836</b>
<b>Expenditure By Type</b>										
Employee related costs		160 321	160 321	11 841	31 901	40 080	(8 179)	-20%	160 321	
Remuneration of councillors		4 619	4 619	364	1 075	1 155	(80)	-7%	4 619	
Debt impairment		30 452	30 452	-	-	7 613	(7 613)	-100%	30 452	
Depreciation & asset impairment		44 689	44 689	-	-	11 172	(11 172)	-100%	44 689	
Finance charges		1 311	1 311	482	503	328	175	53%	1 311	
Bulk purchases		6 085	6 085	-	1 000	1 521	(521)	-34%	6 085	
Other materials		54 450	54 450	904	2 690	13 612	(10 922)	-80%	54 450	
Contracted services		37 658	37 658	2 385	6 125	9 415	(3 290)	-35%	37 658	
Transfers and grants		11 900	11 900	0	0	2 975	(2 975)	-100%	11 900	
Other expenditure		115 103	115 103	11 676	27 658	28 776	(1 117)	-4%	115 103	
Loss on disposal of PPE							-			
<b>Total Expenditure</b>		<b>-</b>	<b>466 587</b>	<b>466 587</b>	<b>27 652</b>	<b>70 953</b>	<b>116 647</b>	<b>(45 694)</b>	<b>-39%</b>	<b>466 587</b>
<b>Surplus/(Deficit)</b>		<b>-</b>	<b>38 249</b>	<b>38 249</b>	<b>(12 113)</b>	<b>92 251</b>	<b>9 562</b>	<b>82 689</b>	<b>0</b>	<b>38 249</b>
Transfers recognised - capital		216 573	209 225	209 225	22 136	52 698	52 306	392	0	209 225
Contributions recognised - capital										
Contributed assets										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>216 573</b>	<b>247 474</b>	<b>247 474</b>	<b>10 023</b>	<b>144 949</b>	<b>61 868</b>			<b>247 474</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>		<b>216 573</b>	<b>247 474</b>	<b>247 474</b>	<b>10 023</b>	<b>144 949</b>	<b>61 868</b>			<b>247 474</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>216 573</b>	<b>247 474</b>	<b>247 474</b>	<b>10 023</b>	<b>144 949</b>	<b>61 868</b>			<b>247 474</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>216 573</b>	<b>247 474</b>	<b>247 474</b>	<b>10 023</b>	<b>144 949</b>	<b>61 868</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 39% 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 of R 10 521 000
- The Service charges – Sanitation revenue have a billed amount of R 1 433 000
- Employees related costs spending is at R 31 901 000 as at 30 September 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) - M03 September

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		-	2 210	2 210	-	745	553	193	35%	2 210
Vote 10 - TREASURY		-	600	600	31	448	150	298	199%	600
Vote 11 - CORPORATE SERVICES		-	1 500	1 500	643	821	375	446	119%	1 500
Vote 12 - WATER SERVICES		-	43 321	43 321	7 087	13 716	10 830	2 885	27%	43 321
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	17 586	17 586	7	1 559	4 397	(2 838)	-65%	17 586
Vote 14 - TECHNICAL SERVICES		-	212 258	212 258	22 136	52 698	53 065	(366)	-1%	212 258
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	-	277 475	277 475	29 904	69 987	69 369	618	1%	277 475
<b>Total Capital Expenditure</b>		-	277 475	277 475	29 904	69 987	69 369	618	1%	277 475
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	4 310	4 310	674	2 014	1 078	937	87%	4 310
Executive and council		-	2 210	2 210	-	745	553	193	35%	2 210
Budget and treasury office		-	600	600	31	448	150	298	199%	600
Corporate services		-	1 500	1 500	643	821	375	446	119%	1 500
<b>Community and public safety</b>		-	17 586	17 586	7	1 559	4 397	(2 838)	-65%	17 586
Community and social services		-	17 586	17 586	7	1 559	4 397	(2 838)	-65%	17 586
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	2 315	2 315	-	248	579	(331)	-57%	2 315
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	2 315	2 315	-	248	579	(331)	-57%	2 315
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	253 264	253 264	29 223	66 166	63 316	2 850	5%	253 264
Electricity		-	-	-	-	-	-	-	-	-
Water		-	253 264	253 264	29 223	66 166	63 316	2 850	5%	253 264
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	3	-	277 475	277 475	29 904	69 987	69 369	618	1%	277 475
<b>Funded by:</b>										
National Government		-	209 225	209 225	22 136	52 698	52 306	392	1%	209 225
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	209 225	209 225	22 136	52 698	52 306	392	1%	209 225
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	68 250	68 250	7 768	17 289	17 063	226	1%	68 250
<b>Total Capital Funding</b>		-	277 475	277 475	29 904	69 987	69 369	618	1%	277 475

- The major spending on the capital expenditure is from Technical services.
- R69 987 000 has been spent on capital

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

DC23 Uthukela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03 September

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>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>										
Infrastructure - Road transport		-	40 575	40 575	684	2 175	10 144	7 969	78.6%	40 575
Roads, Pavements & Bridges		-	1 575	1 575	-	-	394	394	100.0%	1 575
Storm water		-	1 575	1 575	-	-	394	394	100.0%	1 575
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	15 000	15 000	684	2 175	3 750	1 575	42.0%	15 000
Dams & Reservoirs		-	5 000	6 000	238	915	1 500	585	39.0%	6 000
Water purification		-	2 000	2 000	-	-	500	500	100.0%	2 000
Reticulation		-	7 000	7 000	446	1 260	1 750	490	28.0%	7 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	24 000	24 000	-	-	6 000	6 000	100.0%	24 000
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	24 000	24 000	-	-	6 000	6 000	100.0%	24 000
<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>										
General vehicles		-	13 375	13 875	221	515	3 469	2 953	85.1%	13 875
Specialised vehicles		-	4 550	4 550	183	475	1 138	663	58.3%	4 550
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	5 000	5 000	0	0	1 250	1 250	100.0%	5 000
Furniture and other office equipment		-	50	50	-	0	13	12	96.8%	50
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	399	399	38	40	100	60	59.9%	399
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	3 876	3 876	-	-	969	969	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>		-	54 450	54 450	904	2 690	13 613	10 922	80.2%	54 450

➤ R 2 690 000 has been spent on repairs and maintenance

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

**DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September**

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>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		-	299 336	299 336	312	114 673	74 834	39 839	53%	299 336
Executive and council		-	41 140	41 140	-	-	10 285	(10 285)	-100%	41 140
Budget and treasury office		-	258 196	258 196	312	114 673	64 549	50 124	78%	258 196
Corporate services		-	-	-	-	-	-	-	-	-
<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>		-	6 317	6 317	-	-	1 579	(1 579)	-100%	6 317
Planning and development		-	6 317	6 317	-	-	1 579	(1 579)	-100%	6 317
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	408 408	408 408	37 363	99 612	102 102	(2 490)	-2%	408 408
Electricity		-	-	-	-	-	-	-	-	-
Water		-	391 810	391 810	35 930	95 416	97 953	(2 537)	-3%	391 810
Waste water management		-	16 598	16 598	1 433	4 197	4 150	47	1%	16 598
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	-	714 061	714 061	37 675	214 286	178 515	35 770	20%	714 061
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		-	189 666	189 666	5 445	17 844	47 417	(29 573)	-62%	189 666
Executive and council		-	49 743	49 743	1 141	4 192	12 436	(8 244)	-66%	49 743
Budget and treasury office		-	104 843	104 843	1 707	4 475	26 211	(21 736)	-83%	104 843
Corporate services		-	35 030	35 080	2 598	9 177	8 770	407	5%	35 080
<i><b>Community and public safety</b></i>		-	11 099	11 099	977	2 824	2 775	49	2%	11 099
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	11 099	11 099	977	2 824	2 775	49	2%	11 099
<i><b>Economic and environmental services</b></i>		-	26 939	26 939	1 252	4 852	6 735	(1 882)	-28%	26 939
Planning and development		-	26 939	26 939	1 252	4 852	6 735	(1 882)	-28%	26 939
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	238 884	238 884	19 978	45 433	59 721	(14 288)	-24%	238 884
Electricity		-	-	-	-	-	-	-	-	-
Water		-	235 956	235 956	19 978	45 431	58 989	(13 553)	-23%	235 956
Waste water management		-	2 928	2 928	-	2	732	(730)	-100%	2 928
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	-	466 583	466 588	27 652	70 953	116 647	(45 694)	-39%	466 588
<b>Surplus/ (Deficit) for the year</b>		-	247 473	247 473	10 023	143 333	61 868	81 465	132%	247 473



**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) - M03 September**

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>										
<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		-	41 140	41 140	-	-	10 285	(10 285)	-100.0%	41 140
Vote 10 - TREASURY		-	258 196	258 196	312	114 673	64 549	50 124	77.7%	258 196
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 12 - WATER SERVICES		-	201 951	201 951	13 833	46 993	50 488	(3 495)	-6.9%	201 951
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	717	717	-	-	179	(179)	-100.0%	717
Vote 14 - TECHNICAL SERVICES		-	212 057	212 057	23 530	52 620	53 014	(394)	-0.7%	212 057
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	-	<b>714 061</b>	<b>714 061</b>	<b>37 675</b>	<b>214 286</b>	<b>178 515</b>	<b>35 771</b>	<b>20.0%</b>	<b>714 061</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		-	49 743	49 743	1 141	4 192	12 436	(8 244)	-66.3%	49 743
Vote 10 - TREASURY		-	104 343	104 843	1 707	4 475	26 211	(21 736)	-82.9%	104 843
Vote 11 - CORPORATE SERVICES		-	35 080	35 080	2 598	9 177	8 770	407	4.6%	35 080
Vote 12 - WATER SERVICES		-	231 077	231 077	18 469	43 216	57 769	(14 553)	-25.2%	231 077
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	38 039	38 039	2 228	7 677	9 510	(1 833)	-19.3%	38 039
Vote 14 - TECHNICAL SERVICES		-	7 806	7 806	1 509	2 216	1 951	265	13.6%	7 806
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	-	<b>466 588</b>	<b>466 588</b>	<b>27 652</b>	<b>70 953</b>	<b>116 647</b>	<b>(45 694)</b>	<b>-39.2%</b>	<b>466 588</b>
<b>Surplus/ (Deficit) for the year</b>	2	-	<b>247 473</b>	<b>247 473</b>	<b>10 023</b>	<b>143 333</b>	<b>61 868</b>	<b>81 465</b>	<b>131.7%</b>	<b>247 473</b>

## Part 2 – Supporting Documentation

### 1. DEBTOR'S AGE ANALYSIS

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2014/15									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to 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														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	13 957	19 300	7 572	6 345	11 986	501 774				560 935	520 105		
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	13	2 360	5	3	499	3 134				6 014	3 636		
<b>Total By Income Source</b>	<b>2000</b>	<b>13 970</b>	<b>21 660</b>	<b>7 577</b>	<b>6 348</b>	<b>12 485</b>	<b>504 908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>566 949</b>	<b>523 741</b>	<b>-</b>	<b>-</b>
<b>2013/14 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	95	718	206	467	516	2 148				4 149	3 131		
Commercial	2300	711	875	571	363	324	13 624				16 488	14 311		
Households	2400	13 151	17 707	6 795	5 516	11 145	486 002				540 317	502 664		
Other	2500	13	2 360	5	3	499	3 134				6 014	3 636		
<b>Total By Customer Group</b>	<b>2600</b>	<b>13 970</b>	<b>21 660</b>	<b>7 577</b>	<b>6 348</b>	<b>12 485</b>	<b>504 908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>566 949</b>	<b>523 741</b>	<b>-</b>	<b>-</b>

The Municipality has a total amount of R566 949 000.00 for outstanding debtors. This includes R6 014 000 for sundry debtors.

**PAYMENTS VS BILLING 30 SEPTEMBER 2014**

**CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 SEPTEMBER 2014**

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%
	<b>42 316 687.85</b>		<b>18 339 969.06</b>	<b>43.34%</b>

**TOTALS**

BILLING - JUNE 2014 TO AUGUST 2014	42 316 687.85
PAYMENTS JULY-SEPTEMBER 2014	18 339 969.06
DIFFERENCE	<b>23 976 718.79</b>

- The above illustrates monthly collection rate.
- The low collection rate reflected for the month of September 2014 is as a result of some accounts being incorrectly billed (overcharged) during the month of August 2014. The corrections in respect of incorrect billing were affected during September 2014, and the effect thereof will be reflected in the report for October 2014

**2. CREDITORS AGE ANALYSIS**

**DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September**

Description	NT Code	Budget Year 2014/15								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	
<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	597	17					35 244		35 858
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>597</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35 244</b>	<b>-</b>	<b>-</b>	<b>35 858</b>

3. INVESTMENTS AND CASH BALANCES

(a)

**BANK BALANCES AS AT 30 SEPTEMBER 2014**

DESCRIPTION	AMOUNT
MAIN ACCOUNT	6 161 019.82
WATER ACCOUNT	0.00
	<b>6 161 019.82</b>

(b)

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

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									
<u>Municipality</u>									
FNB UTM		32 DAYS			601	3.9% - 5%	130 755	(48 270)	82 485
NEDBANKS		32 DAYS			1	4.5%	1 215	5	1 221
ABSA		32 DAYS			18	4.6%	5 622	14	5 636
Investec		32 DAYS			323	0.75% - 5%	69 621	323	69 944
									-
DDA - 62402906484 74448702164									-
<b>Municipality sub-total</b>					943		207 214	(47 928)	159 286
<u>Entities</u>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				943		207 214	(47 928)	159 286

#### 4. SALARIES AND ALLOWANCES

DC23 Uthukela - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary 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		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages			3 404	3 404	264	778	851	(73)	-9%	3 404
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance			1 034	1 034	86	254	259	(4)	-2%	1 034
Cellphone Allowance			181	181	15	44	45	(1)	-3%	181
Housing Allowances										
Other benefits and allowances										
<b>Sub Total - Councillors</b>			<b>4 619</b>	<b>4 619</b>	<b>364</b>	<b>1 076</b>	<b>1 155</b>	<b>(78)</b>	<b>-7%</b>	<b>4 619</b>
% Increase	4									
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages			6 663	6 663	553	1 659	1 666	(7)	0%	663
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus			666	666	-	-	167	(167)	-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										
<b>Sub Total - Senior Managers of Municipality</b>			<b>7 329</b>	<b>7 329</b>	<b>553</b>	<b>1 659</b>	<b>1 832</b>	<b>(173)</b>	<b>-9%</b>	<b>7 323</b>
% Increase	4									
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			104 820	104 820	7 241	19 333	26 205	(6 872)	-26%	104 820
Pension and UIF Contributions			14 194	14 194	1 464	3 394	3 549	(154)	-4%	14 194
Medical Aid Contributions			5 020	5 020	309	912	1 255	(343)	-27%	5 020
Overtime			3 135	3 135	1 581	4 345	784	3 562	454%	3 135
Performance Bonus										
Motor Vehicle Allowance			9 965	9 965	591	1 716	2 491	(775)	-31%	9 965
Cellphone Allowance										
Housing Allowances			1 490	1 490	61	185	373	(187)	-50%	1 490
Other benefits and allowances			13 255	13 255	8	58	3 314	(3 256)	-98%	13 255
Payments in lieu of leave			1 113	1 113	33	299	278	21	8%	1 113
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Other Municipal Staff</b>			<b>152 992</b>	<b>152 992</b>	<b>11 288</b>	<b>30 243</b>	<b>38 248</b>	<b>(8 005)</b>	<b>-21%</b>	<b>152 992</b>
% Increase	4									
<b>Total Parent Municipality</b>			<b>164 940</b>	<b>164 940</b>	<b>12 205</b>	<b>32 978</b>	<b>41 235</b>	<b>(8 257)</b>	<b>-20%</b>	<b>164 934</b>

## 5. GRANTS RECEIPTS

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

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>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	300 978	300 978	-	118 876	75 245	41 849	55.6%	300 978
Local Government Equitable Share			286 962	286 962	-	113 589	71 741	41 849	58.3%	286 962
Finance Management			1 250	1 250	-	1 250	313			1 250
Municipal Systems Improvement			467	467	-	467	117			467
EPWP Incentive			3 299	3 299	-	1 320	825			3 299
Water Services Operating Subsidy			9 000	9 000	-	2 250	2 250			9 000
	3									
<b>Provincial Government:</b>		-	5 850	5 850	281	281	1 463	218	14.9%	5 850
Share Services			250	250	250	250	63	188	300.0%	250
Small Town Rehabilitation			5 600	5 600			1 400			5 600
LGSETA					31	31		31	#DIV/0!	
	4									
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total Operating Transfers and Grants</b>	5	-	306 828	306 828	281	119 157	76 707	42 067	54.8%	306 828
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	209 045	209 045	2 792	69 970	52 261	18 740	35.9%	209 045
Municipal Infrastructure Grant (M/G)			177 319	177 319	-	64 396	44 330	20 066	45.3%	177 319
Rural Households Infrastructure			4 124	4 124	-	-	1 031			4 124
RRAM			2 135	2 135	-	2 315	534	1 781	333.7%	2 135
Rural Households Infrastructure										
MSIG			467	467	-	467	117	350	300.0%	467
Regional Bulk Infrastructure			25 000	25 000	2 792	2 792	6 250	(3 458)	-55.3%	25 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Infrastructure Sport facilities										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
<b>Total Capital Transfers and Grants</b>	5	-	209 045	209 045	2 792	69 970	52 261	18 740	35.9%	209 045
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	515 873	515 873	3 073	189 127	128 968	60 807	47.1%	515 873

## 6. GRANTS EXPENDITURE

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

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>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		-	300 978	300 978	1 491	115 292	75 245	40 048	53.2%	300 978
Local Government Equitable Share			286 962	286 962	-	113 589	71 741	41 849	58.3%	286 962
Finance Management			1 250	1 250	97	146	313	(166)	-53.2%	1 250
Municipal Systems Improvement			467	467	-	-	117	(117)	-100.0%	467
EPWP Incentive			3 299	3 299	1 394	1 557	825	732	88.8%	3 299
Water Services Operating Subsidy			9 000	9 000	-	-	2 250	(2 250)	-100.0%	9 000
Provincial Government:		-	5 850	5 850	-	-	1 463	(1 463)	-100.0%	5 850
Share Services			250	250	-	-	63	(63)	-100.0%	250
Small Town Rehabilitation			5 600	5 600	-	-	400	(1 400)	-100.0%	5 600
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>		-	<b>306 828</b>	<b>306 828</b>	<b>1 491</b>	<b>115 292</b>	<b>76 707</b>	<b>38 585</b>	<b>50.3%</b>	<b>306 828</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	209 045	209 045	22 136	51 082	52 261	(1 179)	-2.3%	209 045
Municipal Infrastructure Grant (MIG)			177 319	177 319	20 359	45 728	44 330	1 398	3.2%	177 319
Rural Road Assets Management			2 135	2 135	-	248	534	(286)	-53.5%	2 135
Rural Households infrastructure			4 124	4 124	-	-	1 031	(1 031)	-100.0%	4 124
MSIG			467	467	-	-	117	(117)	-100.0%	467
Municipal WATER Infrastructure Grant Driefontein			-	-	-	-	-	-	-	-
Regional Bulk Infrastructure			25 000	25 000	1 777	5 106	6 250	(1 144)	-18.3%	25 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total capital expenditure of Transfers and Grants</b>		-	<b>209 045</b>	<b>209 045</b>	<b>22 136</b>	<b>51 082</b>	<b>52 261</b>	<b>(1 179)</b>	<b>-2.3%</b>	<b>209 045</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	<b>515 873</b>	<b>515 873</b>	<b>23 627</b>	<b>166 375</b>	<b>128 968</b>	<b>37 406</b>	<b>29.0%</b>	<b>515 873</b>

Prepared by: FR/als

Manager: Expenditure

Reviewed by: \_\_\_\_\_

Chief Financial Officer

Checked by: [Signature]

Senior Manager: Finance

#### 1.4 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 September 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

Date

