

# **SECTION 71 REPORT**

## **OCTOBER**

### **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 October 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) - M04 October

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 Source</b>										
Property rates								-		
Property rates - penalties & collection charges								-		
Service charges - electricity revenue								-		
Service charges - water revenue			134 908	134 908	852	38 073	44 969	(6 897)	-15%	134 908
Service charges - sanitation revenue			16 598	16 598	1 396	5 593	5 533	60	1%	16 598
Service charges - refuse revenue				-				-		-
Service charges - other				-				-		-
Rental of facilities and equipment				-				-		-
Interest earned - external investments			9 471	9 471	1 933	2 851	3 157	(306)	-10%	9 471
Interest earned - outstanding debtors			35 660	35 660	1 603	6 933	11 887	(4 953)	-42%	35 660
Dividends received				-				-		-
Fines				-				-		-
Licences and permits				-				-		-
Agency services				-				-		-
Transfers recognised - operational			306 828	306 828	601	115 893	102 276	13 617	13%	306 828
Other revenue			1 372	1 372	60	325	457	(132)	-29%	1 372
Gains on disposal of PPE				-				-		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>504 836</b>	<b>504 836</b>	<b>6 445</b>	<b>169 668</b>	<b>168 279</b>	<b>1 389</b>	<b>1%</b>	<b>504 836</b>
<b>Expenditure By Type</b>										
Employee related costs			160 321	160 321	11 054	42 956	53 440	(10 485)	-20%	160 321
Remuneration of councillors			4 619	4 619	376	1 449	1 540	(90)	-6%	4 619
Debt impairment			30 452	30 452	-	-	10 151	(10 151)	-100%	30 452
Depreciation & asset impairment			44 689	44 689	-	-	14 896	(14 896)	-100%	44 689
Finance charges			1 311	1 311	5	507	437	70	16%	1 311
Bulk purchases			6 085	6 085	-	992	2 028	(1 037)	-51%	6 085
Other materials			54 450	54 450	574	3 264	18 150	(14 886)	-82%	54 450
Contracted services			37 658	37 658	2 697	8 822	12 553	(3 731)	-30%	37 658
Transfers and grants			11 900	11 900	28	29	3 967	(3 938)	-99%	11 900
Other expenditure			115 103	115 103	7 510	35 155	38 368	(3 212)	-8%	115 103
Loss on disposal of PPE				-				-		-
<b>Total Expenditure</b>		-	<b>466 587</b>	<b>466 587</b>	<b>22 244</b>	<b>93 174</b>	<b>155 529</b>	<b>(62 355)</b>	<b>-40%</b>	<b>466 587</b>
<b>Surplus/(Deficit)</b>										
		-	<b>38 249</b>	<b>38 249</b>	<b>(15 799)</b>	<b>76 494</b>	<b>12 750</b>	<b>63 745</b>	<b>0</b>	<b>38 249</b>
Transfers recognised - capital			209 225	209 225	20 450	71 531	69 742	1 789	0	209 225
Contributions recognised - capital								-		
Contributed assets								-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		-	<b>247 474</b>	<b>247 474</b>	<b>4 650</b>	<b>148 025</b>	<b>82 491</b>			<b>247 474</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		-	<b>247 474</b>	<b>247 474</b>	<b>4 650</b>	<b>148 025</b>	<b>82 491</b>			<b>247 474</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		-	<b>247 474</b>	<b>247 474</b>	<b>4 650</b>	<b>148 025</b>	<b>82 491</b>			<b>247 474</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		-	<b>247 474</b>	<b>247 474</b>	<b>4 650</b>	<b>148 025</b>	<b>82 491</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 40% less, this is due to the fact that there haven't been any movements in the non -cash items (depreciation and Debt impairment).
- The Service charges – water revenue have a billed amount to consumers of R 852 000.This is caused by the correction of last month billing errors.
- The Service charges – Sanitation revenue have a billed amount to consumers of R 1 396 000
- Employees related costs spending is at R 42 956 000 as at 31 October 2014
- Remuneration of Councillors is at R1 449 000 as at 31 October 2014
- **Contacted Services of R8 822 396 comprises of the following:**
  - 1) Plant and Equipment Hire R 3 795 213
  - 2) Insurances R 2 354 548
  - 3) Security R2 672 634

**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) - M04 October										
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	737	9	1%	2 210
Vote 10 - TREASURY		-	600	600	-	448	200	248	124%	600
Vote 11 - CORPORATE SERVICES		-	1 500	1 500	-	821	500	321	64%	1 500
Vote 12 - WATER SERVICES		-	43 321	43 321	7 799	21 515	14 440	7 075	49%	43 321
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	17 586	17 586	4	1 563	5 862	(4 299)	-73%	17 586
Vote 14 - TECHNICAL SERVICES		-	212 258	212 258	20 450	73 148	70 753	2 395	3%	212 258
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
<b>Total Capital single-year expenditure</b>	4	-	277 475	277 475	28 253	98 240	92 492	5 748	6%	277 475
<b>Total Capital Expenditure</b>		-	277 475	277 475	28 253	98 240	92 492	5 748	6%	277 475
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	4 310	4 310	-	2 014	1 437	577	40%	4 310
Executive and council			2 210	2 210	-	745	737	8	1%	2 210
Budget and treasury office			600	600	-	448	200	248	124%	600
Corporate services			1 500	1 500	-	821	500	321	64%	1 500
<b>Community and public safety</b>		-	17 586	17 586	4	1 563	5 862	(4 299)	-73%	17 586
Community and social services			17 586	17 586	4	1 563	5 862	(4 299)	-73%	17 586
Sport and recreation										
Public safety										
Housing										
Health										
<b>Economic and environmental services</b>		-	2 315	2 315	-	248	772	(524)	-68%	2 315
Planning and development										
Road transport			2 315	2 315	-	248	772	(524)	-68%	2 315
Environmental protection										
<b>Trading services</b>		-	253 264	253 264	28 249	94 415	84 421	9 994	12%	253 264
Electricity										
Water			253 264	253 264	28 249	94 415	84 421	9 994	12%	253 264
Waste water management										
Waste management										
<b>Other</b>										
<b>Total Capital Expenditure - Standard Classification</b>	3	-	277 475	277 475	28 253	98 240	92 492	5 748	6%	277 475
<b>Funded by:</b>										
National Government			209 225	209 225	20 450	73 148	69 742	3 406	5%	209 225
Provincial Government										
District Municipality										
Other transfers and grants										
<b>Transfers recognised - capital</b>		-	209 225	209 225	20 450	73 148	69 742	3 406	5%	209 225
<b>Public contributions &amp; donations</b>	5									
<b>Borrowing</b>	6									
<b>Internally generated funds</b>			68 250	68 250	7 803	25 092	22 750	2 342	10%	68 250
<b>Total Capital Funding</b>		-	277 475	277 475	28 253	98 240	92 492	5 748	6%	277 475

- The major spending on the capital expenditure is from MIG.
- R98 240 000 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 - M04										
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	1								%	
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	40 575	40 575	390	2 564	13 525	10 961	81.0%	40 575
Infrastructure - Road transport		-	1 575	1 575	-	-	525	525	100.0%	1 575
Roads, Pavements & Bridges			1 575	1 575	-	-	525	525	100.0%	1 575
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-		-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	15 000	15 000	390	2 564	5 000	2 436	48.7%	15 000
Dams & Reservoirs			6 000	6 000	382	1 297	2 000	703	35.1%	6 000
Water purification			2 000	2 000	-	-	667	667	100.0%	2 000
Reticulation			7 000	7 000	7	1 267	2 333	1 066	45.7%	7 000
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	24 000	24 000	-	-	8 000	8 000	100.0%	24 000
Waste Management										
Transportation										
Gas										
Other			24 000	24 000	-	-	8 000	8 000	100.0%	24 000
<b>Other assets</b>		-	13 875	13 875	246	762	4 625	3 863	83.5%	13 875
General v ehicles			4 550	4 550	157	633	1 517	884	58.3%	4 550
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			5 000	5 000	-	-	1 667	1 667	100.0%	5 000
Computers - hardware/equipment										
Furniture and other office equipment			50	50	-	0	17	16	97.6%	50
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			399	399	28	67	133	66	49.6%	399
Other Land										
Surplus Assets - (Investment or Inventory)										
Other			3 876	3 876	62	62	1 292	1 230	95.2%	3 876
<b>Total Repairs and Maintenance Expenditure</b>		-	54 450	54 450	636	3 327	18 150	14 823	81.7%	54 450

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

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

**DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M04 October**

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	2 023	116 696	99 779	16 917	17%	299 336
Executive and council		-	41 140	41 140	-	-	13 713	(13 713)	-100%	41 140
Budget and treasury office		-	258 196	258 196	2 023	116 696	86 065	30 631	36%	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	-	-	2 106	(2 106)	-100%	6 317
Planning and development		-	6 317	6 317	-	-	2 106	(2 106)	-100%	6 317
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	408 408	408 408	24 872	124 504	136 136	(11 632)	-9%	408 408
Electricity		-	-	-	-	-	-	-	-	-
Water		-	391 810	391 810	23 476	118 910	130 603	(11 693)	-9%	391 810
Waste water management		-	16 598	16 598	1 396	5 593	5 533	61	1%	16 598
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	-	714 061	714 061	26 895	241 200	238 020	3 179	1%	714 061
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		-	189 666	189 666	4 386	22 209	63 222	(41 013)	-65%	189 666
Executive and council		-	49 743	49 743	1 225	5 396	16 581	(11 185)	-67%	49 743
Budget and treasury office		-	104 843	104 843	1 439	5 915	34 948	(29 033)	-83%	104 843
Corporate services		-	35 080	35 080	1 722	10 899	11 693	(794)	-7%	35 080
<i><b>Community and public safety</b></i>		-	11 099	11 099	968	3 791	3 700	92	2%	11 099
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	11 099	11 099	968	3 791	3 700	92	2%	11 099
<i><b>Economic and environmental services</b></i>		-	26 939	26 939	824	5 676	8 980	(3 304)	-37%	26 939
Planning and development		-	26 939	26 939	824	5 676	8 980	(3 304)	-37%	26 939
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	238 884	238 884	16 065	61 498	79 628	(18 130)	-23%	238 883
Electricity		-	-	-	-	-	-	-	-	-
Water		-	235 956	235 956	15 430	60 860	78 652	(17 792)	-23%	235 956
Waste water management		-	2 928	2 928	636	638	976	(338)	-35%	2 928
Waste management		-	-	-	-	-	-	-	-	-
<i><b>Other</b></i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	-	466 588	466 588	22 244	93 174	155 529	(62 355)	-40%	466 587
<b>Surplus/ (Deficit) for the year</b>		-	247 473	247 473	4 651	148 025	82 491	65 534	79%	247 474



**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) - M04 October**

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>	1									
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		-	41 140	41 140	-	-	13 713	(13 713)	-100.0%	41 140
Vote 10 - TREASURY		-	258 196	258 196	2 023	116 696	86 065	30 631	35.6%	258 196
Vote 11 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 12 - WATER SERVICES		-	201 951	201 951	3 869	50 860	67 317	(16 457)	-24.4%	201 951
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	717	717	-	-	239	(239)	-100.0%	717
Vote 14 - TECHNICAL SERVICES		-	212 057	212 057	21 003	73 642	70 686	2 956	4.2%	212 057
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	-	<b>714 061</b>	<b>714 061</b>	<b>26 895</b>	<b>241 199</b>	<b>238 020</b>	<b>3 178</b>	<b>1.3%</b>	<b>714 061</b>
<b>Expenditure by Vote</b>	1									
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		-	49 743	49 743	1 223	5 396	16 581	(11 185)	-67.5%	49 743
Vote 10 - TREASURY		-	104 843	104 843	1 439	5 915	34 948	(29 033)	-83.1%	104 843
Vote 11 - CORPORATE SERVICES		-	35 080	35 080	1 722	10 899	11 693	(794)	-6.8%	35 080
Vote 12 - WATER SERVICES		-	231 077	231 077	15 463	58 679	77 026	(18 347)	-23.8%	231 077
Vote 13 - SOCIAL AND ECONOMIC SERVICES		-	38 039	38 039	1 792	9 469	12 680	(3 211)	-25.3%	38 039
Vote 14 - TECHNICAL SERVICES		-	7 806	7 806	603	2 817	2 602	215	8.3%	7 806
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	-	<b>466 588</b>	<b>466 588</b>	<b>22 244</b>	<b>93 174</b>	<b>155 529</b>	<b>(62 355)</b>	<b>-40.1%</b>	<b>466 588</b>
<b>Surplus/ (Deficit) for the year</b>	2	-	<b>247 473</b>	<b>247 473</b>	<b>4 651</b>	<b>148 025</b>	<b>82 491</b>	<b>65 534</b>	<b>79.4%</b>	<b>247 473</b>

## Part 2 – Supporting Documentation

### 1. DEBTOR'S AGE ANALYSIS

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October								
Description		Budget Year 2014/15						
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	Total	Total over 90 days
R thousands								
<b>Debtors Age Analysis By Income Source</b>								
Trade and Other Receivables from Exchange Transactions - Water	1200	8 912	9 739	9 780	6 651	479 124	514 206	485 775
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	-	7	-	-	5 493	5 500	5 493
<b>Total By Income Source</b>	<b>2000</b>	<b>8 912</b>	<b>9 746</b>	<b>9 780</b>	<b>6 651</b>	<b>484 617</b>	<b>519 706</b>	<b>491 268</b>
<b>2013/14 - totals only</b>								
<b>Debtors Age Analysis By Customer Group</b>								
Organs of State	2200	217	197	202	191	2 317	3 124	2 508
Commercial	2300	789	299	820	239	1 417	3 564	1 656
Households	2400	7 905	9 243	8 758	6 222	475 389	507 518	481 611
Other	2500	-	7	-	-	5 493	5 500	5 493
<b>Total By Customer Group</b>	<b>2600</b>	<b>8 912</b>	<b>9 746</b>	<b>9 780</b>	<b>6 651</b>	<b>484 617</b>	<b>519 706</b>	<b>491 268</b>

The Municipality has a total amount of R519 706 000.00 for outstanding debtors. This includes R5 500 000 for sundry debtors.

**PAYMENTS VS BILLING 31 OCTOBER 2014**

<b>CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 OCTOBER 2014</b>				
<b>MONTH</b>	<b>BILLING</b>	<b>MONTHS</b>	<b>PAYMENTS</b>	<b>RECOVERY RATE</b>
JUNE 2014	9 595 581.43	JULY 2014	6 020 425.52	62.74%
JULY 2014	11 685 112.67	AUGUST 2014	6 110 030.11	52.29%
AUGUST 2014	21 035 993.75	SEPTEMBER 2014	6 209 513.43	29.52%
SEPTEMBER 2014	13 957 068.73	OCTOBER 2014	6 735 518.00	48.26%
	<b>56 273 756.58</b>		<b>25 075 487.06</b>	<b>44.56%</b>
<b>TOTALS</b>				
BILLING - JUNE 2014 TO SEPTEMBER 2014		56 273 756.58		
PAYMENTS - JULY - OCTOBER 2014		25 075 487.06		
DIFFERENCE		<b>31 198 269.52</b>		

- The above illustrates monthly collection rate.

## 2. CREDITORS AGE ANALYSIS

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October										
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	
R thousands										
<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	1 483				35 144				36 627
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	<b>1 483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35 144</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36 627</b>

### 3. INVESTMENTS AND CASH BALANCES

(a)

The following reflects bank balances at 31 October 2014	
DESCRIPTION	OCTOBER 2014
FNB MAIN ACCOUNT 62252306280	3 485 378.41
FNB WATER ACCOUNT 62253072385	0.00
<b>Total cash held</b>	<b>3 485 378.41</b>

(b)

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
<b>Municipality</b>									
FNB UTDM		30 DAYS	Call deposit		259	3.9%- 5.35%	81 884	51 140	30 744
NEDBANKS		30 DAYS	Call deposit		5	4.5%	1 123	(103)	1 226
ABSA		30 DAYS	Call deposit		25	4.6%	5 636	(25)	5 661
Investec		30 DAYS	Call deposit		318	0.75%-5.35%	70 443	10 181	60 262
DDA - 62402906484 74448702164									-
<b>Municipality sub-total</b>					606		159 086	61 194	97 892
<b>Entities</b>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				606		159 086	61 194	97 892

#### 4. SALARIES AND ALLOWANCES

DC23 Uthukela - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October										
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	275	1 050	1 135	(84)	-7%	3 404
Pension and UIF Contributions							-	-		
Medical Aid Contributions							-	-		
Motor Vehicle Allowance			1 034	1 034	86	340	345	(4)	-1%	1 034
Cellphone Allowance			181	181	15	59	60	(2)	-3%	181
Housing Allowances								-		
Other benefits and allowances								-		
<b>Sub Total - Councillors</b>			<b>4 619</b>	<b>4 619</b>	<b>376</b>	<b>1 449</b>	<b>1 540</b>	<b>(91)</b>	<b>-6%</b>	<b>4 619</b>
% increase	4									
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages			6 663	6 663	553	2 212	2 221	(9)	0%	663
Pension and UIF Contributions							-	-		
Medical Aid Contributions							-	-		
Overtime								-		
Performance Bonus			666	666			222	(222)	-100%	6 660
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations	2							-		
<b>Sub Total - Senior Managers of Municipality</b>			<b>7 329</b>	<b>7 329</b>	<b>553</b>	<b>2 212</b>	<b>2 443</b>	<b>(231)</b>	<b>-9%</b>	<b>7 323</b>
% increase	4									
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			104 820	104 820	7 122	26 583	34 940	(8 357)	-24%	104 820
Pension and UIF Contributions			14 194	14 194	1 343	4 865	4 731	134	3%	14 194
Medical Aid Contributions			5 020	5 020	300	903	1 673	(771)	-46%	5 020
Overtime			3 135	3 135	1 489	5 834	1 045	4 789	458%	3 135
Performance Bonus								-		
Motor Vehicle Allowance			9 965	9 965	40	1 734	3 322	(1 587)	-48%	9 965
Cellphone Allowance								-		
Housing Allowances			1 490	1 490	60	361	497	(136)	-27%	1 490
Other benefits and allowances			13 255	13 255	3	53	4 418	(4 365)	-99%	13 255
Payments in lieu of leave			1 113	1 113	144	411	371	40	11%	1 113
Long service awards								-		
Post-retirement benefit obligations	2							-		
<b>Sub Total - Other Municipal Staff</b>			<b>152 992</b>	<b>152 992</b>	<b>10 501</b>	<b>40 744</b>	<b>50 997</b>	<b>(10 254)</b>	<b>-20%</b>	<b>152 992</b>
% increase	4									
<b>Total Parent Municipality</b>			<b>164 940</b>	<b>164 940</b>	<b>11 430</b>	<b>44 405</b>	<b>54 980</b>	<b>(10 575)</b>	<b>-19%</b>	<b>164 934</b>
Unpaid salary, allowances & benefits in arrears:										
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>			<b>164 940</b>	<b>164 940</b>	<b>11 430</b>	<b>44 405</b>	<b>54 980</b>	<b>(10 575)</b>	<b>-19%</b>	<b>164 934</b>
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
<b>TOTAL MANAGERS AND STAFF</b>			<b>160 321</b>	<b>160 321</b>	<b>11 054</b>	<b>42 956</b>	<b>53 440</b>	<b>(10 484)</b>	<b>-20%</b>	<b>160 315</b>

## 5. GRANTS RECEIPTS

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

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	100 326	17 935	17.9%	300 978
Local Government Equitable Share			286 962	286 962	-	113 589	95 654	17 935	18.7%	286 962
Finance Management			1 250	1 250	-	1 250	417			1 250
Municipal Systems Improvement			467	467	-	467	156			467
EPWP Incentive			3 299	3 299	-	1 320	1 100			3 299
Water Services Operating Subsidy			9 000	9 000	-	2 250	3 000			9 000
	3									
<b>Provincial Government:</b>		-	5 850	5 850	-	281	1 950	198	10.1%	5 850
Share Services			250	250		250	83	167	200.0%	250
Small Town Rehabilitation			5 600	5 600			1 867			5 600
LG SETA						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	-	119 157	102 276	18 133	17.7%	306 828
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	209 045	209 045	3 700	73 670	69 682	5 363	7.7%	209 045
Municipal Infrastructure Grant (MIG)			177 319	177 319	-	64 396	59 106	5 290	8.9%	177 319
Rural Households Infrastructure			4 124	4 124	-	-	1 375			4 124
RRAM			2 135	2 135	-	2 315	712	1 603	225.3%	2 135
Rural Households Infrastructure					-					
MSIG			467	467	-	467	156	311	200.0%	467
Regional Bulk Infrastructure			25 000	25 000	3 700	6 492	8 333	(1 842)	-22.1%	25 000
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<i>Infrastructure Sport facilities</i>										
<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	3 700	73 670	69 682	5 363	7.7%	209 045
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	515 873	515 873	3 700	192 827	171 958	23 495	13.7%	515 873

## 6. GRANTS EXPENDITURE

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

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>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>										
Local Government Equitable Share		-	300 978	300 978	601	115 893	100 326	15 567	15.5%	300 978
Finance Management			286 962	286 962	-	113 589	95 654	17 935	18.7%	286 962
Municipal Systems Improvement			1 250	1 250	47	193	417	(223)	-53.6%	1 250
EFWP Incentive			467	467	-	-	156	(156)	-100.0%	467
Water Services Operating Subsidy			3 299	3 299	554	2 111	1 100	1 011	91.9%	3 299
			9 000	9 000	-	-	3 000	(3 000)	-100.0%	9 000
<b>Provincial Government:</b>										
Share Services			5 850	5 850	-	-	1 950	(1 950)	-100.0%	5 850
Small Town Rehabilitation			250	250	-	-	83	(83)	-100.0%	250
			5 600	5 600	-	-	1 867	(1 867)	-100.0%	5 600
<b>District Municipality:</b>										
[insert description]										
<b>Other grant providers:</b>										
[insert description]										
<b>Total operating expenditure of Transfers and Grants:</b>			<b>306 828</b>	<b>306 828</b>	<b>601</b>	<b>115 893</b>	<b>102 276</b>	<b>13 617</b>	<b>13.3%</b>	<b>306 828</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>										
Municipal Infrastructure Grant (MIG)			209 045	209 225	20 450	71 531	69 742	1 789	2.6%	209 045
Rural Road Assets Management			177 319	177 319	14 684	60 412	59 106	1 306	2.2%	177 319
Rural Households Infrastructure			2 135	2 315	-	248	772	(524)	-67.9%	2 135
MSIG			4 124	4 124	-	-	1 375	(1 375)	-100.0%	4 124
Municipal WATER Infrastructure Grant Drietonein			467	467	-	-	156	(156)	-100.0%	467
Regional Bulk Infrastructure			25 000	25 000	5 765	10 671	8 333	2 538	30.5%	25 000
<b>Provincial Government:</b>										
<b>District Municipality:</b>										
<b>Other grant providers:</b>										
<b>Total capital expenditure of Transfers and Grants</b>			<b>209 045</b>	<b>209 225</b>	<b>20 450</b>	<b>71 531</b>	<b>69 742</b>	<b>1 789</b>	<b>2.6%</b>	<b>209 045</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>			<b>515 873</b>	<b>516 053</b>	<b>21 050</b>	<b>187 424</b>	<b>172 018</b>	<b>15 406</b>	<b>9.0%</b>	<b>515 873</b>

Prepared by: 

Manager: Expenditure

Reviewed by: 

Chief Financial Officer

Checked by: 

Senior Manager: Finance



#### 1.4 Municipal Manager's quality certificate

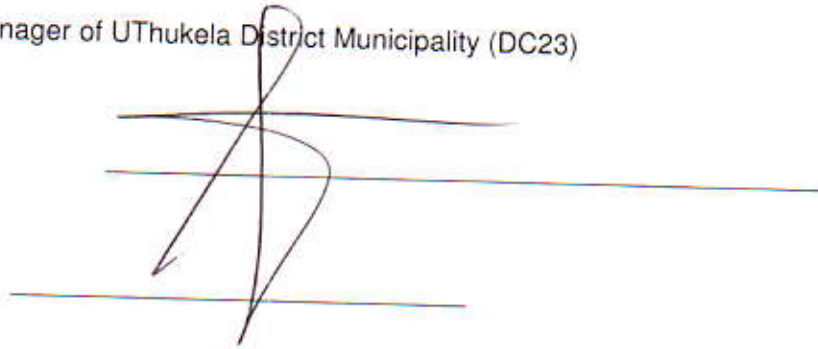
I **Sifiso Nicholas Kunene**, **Municipal** Manager of UThukela District Municipality, hereby certify that the Section 71 and supporting documentation for October 2014 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Sifiso Nicholas Kunene

Municipal Manager of UThukela District Municipality (DC23)

Signature

Date

A handwritten signature in black ink is written over a horizontal line. The signature is stylized and appears to be 'Sifiso N. Kunene'. The line is part of a set of three horizontal lines, with the other two lines positioned above and below the signature.