



**MID-YEAR BUDGET REPORT**

# **UTHUKELA DISTRICT MUNICIPALITY**

**2012/13**

# Table of Contents

**ANNEXURE** .....

**PART 1 – MID YEAR BUDGET REPORT**.....

- 1.1 MAYOR’S REPORT .....
- 1.2 COUNCIL RESOLUTIONS .....
- 1.3 EXECUTIVE SUMMARY .....
- 1.4 In – Year Budget statements tables.....

**PART 2 – SUPPORTING DOCUMENTATION** .....

- 2.1 Debtors Analysis .....
- 2.2 Creditors Analysis.....
- 2.3 INVESTMENT PORTFOLIO ANALYSIS .....
- 2.4 ALLOCATION AND GRANTS RECIEPTS AND EXPENDITURE .....
- Councillor and Board member allowances and employee benefit.....
- 2.6 OTHER SUPPORTING DOCUMENTS .....
- 2.7 MUNICIPAL MANAGER’S QUALITY CERTIFICATE .....

# **Part 1 – Mid-Year Budget Report**

## **1.1 Mayor's Report**

The Mid-Year report is a report that gives a clear view on the state or performance of the Municipality for the last six months. This report serves a basis in preparing the Adjustment budget for the year. Among the impacts that are challenging the Municipality, is the serious cash flow challenge currently being experienced by the municipality due to among other things declining collection rates; 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.

The application of sound financial management principles for the compilation of the District financial plan is essential and critical to ensure that the District Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

## **1.2 Council Resolutions**

On 25 January 2013 the Council of Uthukela District Municipality will meet in the Boardroom of Uthukela District Municipality to consider the mid-year budget report of the municipality for the financial year 2012/13.

The following to be noted by the Council:

1. Monthly Budget statements and supporting documents,
2. Quarterly report on the implementation of the budget and financial affairs for the municipality referred to section 52(d) of the act.
3. Mid-year budget and performance assessment referred to section 72 of the act.

### **1.3 Executive Summary**

The application of sound financial management principles for the compilation of the District's financial plan is essential and critical to ensure that the district remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The District has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the District has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

### **1.4 In- Year Budget Tables**

The following Budget tables are as per National Treasury prescribed municipal budget and reporting regulations . These tables set out the municipality's 2012/13 Mid-Year budget to be noted by the Council. Each table is accompanied by *explanatory notes*.

**Table 1 Table C1 - Monthly Budget Statement Summary**

**DC23 Uthukela - Table C1 Monthly Budget Statement Summary - M06 December**

Description	2011/12	Budget Year 2012/13							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	93 551	129 616	129 616	7 779	55 276	64 808	(9 532)	-15%	129 616
Investment revenue	2 070	928	928	174	2 968	464	2 504	540%	17 401
Transfers recognised - operational	237 481	275 308	275 308	31 380	197 406	137 654	59 752	43%	275 308
Other own revenue	19 998	16 897	16 897	51	2 255	8 449	(6 194)	-73%	424
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>353 100</b>	<b>422 749</b>	<b>422 749</b>	<b>39 384</b>	<b>257 905</b>	<b>211 375</b>	<b>46 530</b>	<b>22%</b>	<b>422 749</b>
Employee costs	98 785	118 117	118 117	9 557	57 778	59 059	(1 281)	-2%	118 117
Remuneration of Councillors	5 502	5 254	5 254	375	2 273	2 627	(354)	-13%	5 254
Depreciation & asset impairment	26 999	36 040	36 040	-	-	18 020	(18 020)	-100%	36 040
Finance charges	2 856	3 841	3 841	2	9	1 921	(1 912)	-100%	3 841
Materials and bulk purchases	18 312	40 013	40 013	2 959	13 961	20 007	(6 046)	-30%	40 013
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	214 965	204 705	204 705	9 156	43 087	102 353	(59 265)	-58%	204 705
<b>Total Expenditure</b>	<b>367 419</b>	<b>407 970</b>	<b>407 970</b>	<b>22 048</b>	<b>117 107</b>	<b>203 985</b>	<b>(86 878)</b>	<b>-43%</b>	<b>407 970</b>
<b>Surplus/(Deficit)</b>	<b>(14 320)</b>	<b>14 779</b>	<b>14 779</b>	<b>17 336</b>	<b>140 797</b>	<b>7 390</b>	<b>133 408</b>	<b>1805%</b>	<b>14 779</b>
Transfers recognised - capital	104 005	-	-	4 181	48 179	-	48 179	#DIV/0!	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>89 685</b>	<b>14 779</b>	<b>14 779</b>	<b>21 516</b>	<b>188 976</b>	<b>7 390</b>	<b>181 586</b>	<b>2457%</b>	<b>14 779</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>89 685</b>	<b>14 779</b>	<b>14 779</b>	<b>21 516</b>	<b>188 976</b>	<b>7 390</b>	<b>181 586</b>	<b>2457%</b>	<b>14 779</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>7 856</b>	<b>210 208</b>	<b>210 208</b>	<b>4 113</b>	<b>53 059</b>	<b>105 104</b>	<b>(52 045)</b>	<b>-50%</b>	<b>210 208</b>
Capital transfers recognised	3 699	210 208	210 208	4 114	53 058	105 104	(52 046)	-50%	210 208
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>3 699</b>	<b>210 208</b>	<b>210 208</b>	<b>4 114</b>	<b>53 058</b>	<b>105 104</b>	<b>(52 046)</b>	<b>-50%</b>	<b>210 208</b>
<b>Financial position</b>									
Total current assets	285 668	252 056	252 056		4 984				252 056
Total non current assets	712 342	1 001 569	1 001 569		1 220 007				1 001 569
Total current liabilities	255 869	536 291	536 291		284 337				536 291
Total non current liabilities	15 768	18 447	18 447		13 228				18 447
<b>Community wealth/Equity</b>	<b>726 372</b>	<b>691 247</b>	<b>691 247</b>		<b>927 427</b>				<b>691 247</b>
<b>Cash flows</b>									
Net cash from (used) operating	134 179	195 428	195 428	65 613	423 190	97 714	325 476	333%	195 428
Net cash from (used) investing	(38 107)	(210 208)	(210 208)	(4 114)	(53 058)	(105 104)	52 046	-50%	(210 208)
Net cash from (used) financing	294	-	-	-	(456 016)	-	(456 016)	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>88 404</b>	<b>701 598</b>	<b>701 598</b>	<b>-</b>	<b>2 519</b>	<b>708 988</b>	<b>(706 469)</b>	<b>-100%</b>	<b>73 624</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Revenue Source	13 673	13 556	12 495	11 700	13 907	405 929	-	-	471 260
<b>Creditors Age Analysis</b>									
Total Creditors	1 515	-	-	0	213	-	-	-	1 728

### **Explanatory notes to Table C1 – Monthly Budget Statement Summary**

1. Table C1 is a budget summary and provides a concise overview of the District budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
3. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not to be done at the expense of services to the poor.

### **Table 2 Table C2 – Monthly Budgeted Financial Performance (revenue and expenditure by standard classification)**

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		250 913	153 183	153 183	178	197 487	76 592	120 895	158%	153 183
Executive and council		250 913	153 183	153 183	178	197 487	76 592	120 895	158%	153 183
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		2 126	222 208	222 208	-	1 000	111 104	(110 104)	-99%	222 208
Planning and development		2 126	222 208	222 208	-	1 000	111 104	(110 104)	-99%	222 208
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		204 065	254 860	254 860	43 387	107 596	127 430	(19 834)	-16%	254 860
Electricity		-	-	-	-	-	-	-	-	-
Water		192 126	152 916	152 916	42 276	101 039	76 458	24 581	32%	152 916
Waste water management		11 939	101 944	101 944	1 111	6 557	50 972	(44 415)	-87%	101 944
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	457 104	630 251	630 251	43 565	306 082	315 126	(9 043)	-3%	630 251
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		47 031	47 387	47 387	4 249	22 121	23 694	(1 573)	-7%	47 387
Executive and council		16 665	14 241	14 241	1 213	5 981	7 121	(1 139)	-16%	14 241
Budget and treasury office		11 504	13 797	13 797	918	5 022	6 899	(1 877)	-27%	13 797
Corporate services		18 862	19 349	19 349	2 119	11 118	9 675	1 444	15%	19 349
<b>Community and public safety</b>		6 071	8 404	8 404	627	3 052	4 202	(1 150)	-27%	8 404
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		6 071	8 404	8 404	627	3 052	4 202	(1 150)	-27%	8 404
<b>Economic and environmental services</b>		97 645	242 923	242 923	2 330	7 647	121 462	(113 815)	-94%	242 923
Planning and development		97 645	242 923	242 923	2 330	7 647	121 462	(113 815)	-94%	242 923
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		216 672	316 759	316 759	14 843	84 288	158 380	(74 091)	-47%	316 759
Electricity		-	-	-	-	-	-	-	-	-
Water		216 672	190 055	190 055	14 843	84 288	95 028	(10 739)	-11%	190 055
Waste water management		-	126 704	126 704	-	-	63 352	(63 352)	-100%	126 704
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	367 419	615 473	615 473	22 049	117 108	307 737	(190 629)	-62%	615 473
<b>Surplus/ (Deficit) for the year</b>		89 685	14 778	14 778	21 516	188 975	7 389	181 586	2458%	14 778

**Explanatory notes to Table C2 – Monthly Budget Statement - Financial Performance (revenue and expenditure by standard classification)**

1. Table C2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

**Table 3 Table C3 – Monthly Budget Statement- Financial Performance (revenue and expenditure by municipal vote)**

**DC23 Uthukela - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December**

Vote Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Office of the Mayor	1	250 913	153 183	153 183	178	197 487	76 592	120 895	157.8%	153 183
Municipal Managers Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate and Social Services		-	-	-	-	-	-	-	-	-
Vote 4 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 5 - Technical Infrastructure Development		-	14 705	14 705	-	-	7 353	(7 353)	-100.0%	14 705
Vote 6 - Planning Economic Development and Tourism		2 126	207 503	207 503	-	1 000	103 752	(102 752)	-99.0%	207 503
Vote 7 - Municipal Health and WCA		-	-	-	-	-	-	-	-	-
Vote 8 - Water and Sanitation Services		204 065	254 860	254 860	43 387	107 596	127 430	(19 834)	-15.6%	254 860
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>457 104</b>	<b>630 251</b>	<b>630 251</b>	<b>43 565</b>	<b>306 083</b>	<b>315 127</b>	<b>(9 044)</b>	<b>-2.9%</b>	<b>630 251</b>
<b>Expenditure by Vote</b>										
Office of the Mayor	1	12 044	9 529	9 529	1 751	3 532	4 765	(1 233)	-25.9%	9 529
Municipal Managers Office		4 621	4 712	4 712	387	2 449	2 356	93	3.9%	4 712
Vote 3 - Corporate and Social Services		18 862	19 349	19 349	2 119	11 118	9 675	1 443	14.9%	19 349
Vote 4 - Budget and Treasury Office		11 504	13 797	13 797	1 621	5 022	6 899	(1 877)	-27.2%	13 797
Vote 5 - Technical Infrastructure Development		13 485	29 158	29 158	2 925	6 837	14 579	(7 742)	-53.1%	29 158
Vote 6 - Planning Economic Development and Tourism		84 159	213 765	213 765	2 109	2 925	6 837	(3 912)	-57.2%	213 765
Vote 7 - Municipal Health and WCA		6 071	8 404	8 404	627	3 052	4 202	(1 150)	-27.4%	8 404
Vote 8 - Water and Sanitation Services		216 672	316 759	316 759	10 510	82 172	-	82 172	#DIV/0!	316 759
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>367 418</b>	<b>615 473</b>	<b>615 473</b>	<b>22 049</b>	<b>117 107</b>	<b>49 313</b>	<b>67 794</b>	<b>137.5%</b>	<b>615 473</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>89 686</b>	<b>14 778</b>	<b>14 778</b>	<b>21 516</b>	<b>188 976</b>	<b>265 814</b>	<b>(76 838)</b>	<b>-28.9%</b>	<b>14 778</b>



**Explanatory notes to Table C3 – Monthly Budget Statement - 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 organisational structure of Uthukela District Municipality.

## 2. Table 4 Table C4 – Monthly Budget Statements - Financial Performance (revenue and expenditure)

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates								-		
Property rates - penalties & collection charges								-		
Service charges - electricity revenue								-		
Service charges - water revenue		81 195	115 658	115 658	6 668	48 718	57 829	(9 111)	-16%	115 658
Service charges - sanitation revenue		12 356	13 958	13 958	1 111	6 557	6 979	(422)	-6%	13 958
Service charges - refuse revenue								-		
Service charges - other								-		
Rental of facilities and equipment								-		
Interest earned - external investments		2 070	928	928	174	2 968	464	2 504	540%	928
Interest earned - outstanding debtors		16 978	16 473	16 473	39	2 193	8 237	(6 043)	-73%	16 473
Agency services								-		
Transfers recognised - operational		237 481	275 308	275 308	31 380	197 406	137 654	59 752	43%	275 308
Other revenue		3 020	424	424	13	61	212	(151)	-71%	424
Gains on disposal of PPE								-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>353 100</b>	<b>422 749</b>	<b>422 749</b>	<b>39 384</b>	<b>257 905</b>	<b>211 375</b>	<b>46 530</b>	<b>22%</b>	<b>422 749</b>
<b>Expenditure By Type</b>										
Employee related costs		98 785	118 117	118 117	9 557	57 778	59 059	(1 281)	-2%	118 117
Remuneration of councillors		5 502	5 254	5 254	375	2 273	2 627	(354)	-13%	5 254
Debt impairment		16 391	73 232	73 232	0	1	36 616	(36 615)	-100%	73 232
Depreciation & asset impairment		26 999	36 040	36 040	-	-	18 020	(18 020)	-100%	36 040
Finance charges		2 856	3 841	3 841	2	9	1 921	(1 912)	-100%	3 841
Bulk purchases		4 043	40 013	40 013	2 959	13 961	20 007	(6 046)	-30%	40 013
Other materials		14 268	-	-	-	-	-	-		-
Contracted services			37 614	37 614	-	-	18 807	(18 807)	-100%	37 614
Transfers and grants			-	-	-	-	-	-		-
Other expenditure		198 509	93 859	93 859	9 156	43 086	46 930	(3 843)	-8%	93 859
Loss on disposal of PPE		65	-	-	-	-	-	-		-
<b>Total Expenditure</b>		<b>367 419</b>	<b>407 970</b>	<b>407 970</b>	<b>22 048</b>	<b>117 107</b>	<b>203 985</b>	<b>(86 878)</b>	<b>-43%</b>	<b>407 970</b>
<b>Surplus/(Deficit)</b>		<b>(14 320)</b>	<b>14 779</b>	<b>14 779</b>	<b>17 336</b>	<b>140 797</b>	<b>7 390</b>	<b>133 408</b>	<b>0</b>	<b>14 779</b>
Transfers recognised - capital		104 005			4 181	48 179		48 179	#DIV/0!	
Contributions recognised - capital								-		
Contributed assets								-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>89 685</b>	<b>14 779</b>	<b>14 779</b>	<b>21 516</b>	<b>188 976</b>	<b>7 390</b>			<b>14 779</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>89 685</b>	<b>14 779</b>	<b>14 779</b>	<b>21 516</b>	<b>188 976</b>	<b>7 390</b>			<b>14 779</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>89 685</b>	<b>14 779</b>	<b>14 779</b>	<b>21 516</b>	<b>188 976</b>	<b>7 390</b>			<b>14 779</b>
<b>Surplus/ (Deficit) for the year</b>		<b>89 685</b>	<b>14 779</b>	<b>14 779</b>	<b>21 516</b>	<b>188 976</b>	<b>7 390</b>			<b>14 779</b>

**Explanatory notes to Table C4 - Monthly Budget Statement - Financial Performance (revenue and expenditure)**

1. Total revenue is R306 083 000 and Total Operating expenditure is R 117 107 310 as at 31 December 2013.
2. The Services charges, revenue relating to water and sanitation amounts to R 64 808 000 which amounts to 85 percent of the total revenue.
3. Transfers recognised – operating includes the government equitable share and other operating grants from national and provincial government.
4. Transfer recognised - Capital includes all capital grants from national and provincial government.

Table 5 Table C5 – Monthly Budget Statement - Capital Expenditure (by municipal vote, standard classification and funding source)

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06  
December

Vote Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Office of the Mayor		-	-	-	-	-	-	-	-	-
Municipal Managers Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate and Social Services		-	-	-	-	-	-	-	-	-
Vote 4 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 5 - Technical Infrastructure Development		-	-	-	-	-	-	-	-	-
Vote 6 - Planning Economic Development and Tourism		-	-	-	-	-	-	-	-	-
Vote 7 - Municipal Health and WCA		-	-	-	-	-	-	-	-	-
Vote 8 - Water and Sanitation Services		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Office of the Mayor		-	-	-	-	-	-	-	-	-
Municipal Managers Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate and Social Services		-	30	30	-	9	15	(6)	-37%	30
Vote 4 - Budget and Treasury Office		-	35	35	0	-	18	(18)	-100%	35
Vote 5 - Technical Infrastructure Development		4 156	207 503	207 503	-	757	103 752	(102 995)	-99%	207 503
Vote 6 - Planning Economic Development and Tourism		-	2 540	2 540	2 703	42 422	1 270	41 152	3240%	2 540
Vote 7 - Municipal Health and WCA		-	100	100	-	1	50	(49)	-99%	100
Vote 8 - Water and Sanitation Services		3 699	-	-	1 410	9 870	-	9 870	#DIV/0!	-
<b>Total Capital single-year expenditure</b>	4	7 856	210 208	210 208	4 113	53 059	105 104	(52 045)	-50%	210 208
<b>Total Capital Expenditure</b>		<b>7 856</b>	<b>210 208</b>	<b>210 208</b>	<b>4 113</b>	<b>53 059</b>	<b>105 104</b>	<b>(52 045)</b>	<b>-50%</b>	<b>210 208</b>
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	65	65	0	9	33	(23)	-71%	-
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	35	35	0	-	18	(18)	-100%	-
Corporate services		-	30	30	-	9	15	(6)	-37%	-
<b>Community and public safety</b>		-	100	100	-	1	50	(49)	-99%	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Health		-	100	100	-	1	50	(49)	-99%	-
<b>Economic and environmental services</b>		-	210 043	210 043	2 703	43 179	105 022	(61 843)	-59%	-
Planning and development		-	210 043	210 043	2 703	43 179	105 022	(61 843)	-59%	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		3 699	-	-	1 410	9 870	-	9 870	#DIV/0!	-
Water		3 699	-	-	1 410	9 870	-	9 870	#DIV/0!	-
Waste water management		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	3	<b>3 699</b>	<b>210 208</b>	<b>210 208</b>	<b>4 114</b>	<b>53 058</b>	<b>105 104</b>	<b>(52 046)</b>	<b>-50%</b>	<b>-</b>
<b>Funded by:</b>										
National Government		3 699	207 503	207 503	4 113	53 048	103 752	(50 703)	-49%	207 503
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>3 699</b>	<b>207 503</b>	<b>207 503</b>	<b>4 113</b>	<b>53 048</b>	<b>103 752</b>	<b>(50 703)</b>	<b>-49%</b>	<b>207 503</b>
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		3 699	2 705	2 705	1 410	9 870	1 353	8 517	630%	2 705
<b>Total Capital Funding</b>		<b>7 399</b>	<b>210 208</b>	<b>210 208</b>	<b>5 524</b>	<b>62 918</b>	<b>105 104</b>	<b>(42 186)</b>	<b>-40%</b>	<b>210 208</b>



- Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The capital programme is funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. Capital transfers spent totals to R53 058 000 which is 25.24 per cent of the total capital budget.

Table 6 Table C6 – Monthly Budget Statement - Financial Position

**DC23 Uthukela - Table C6 Monthly Budget Statement - Financial Position - M06 December**

Description	Ref	2011/12	Budget Year 2012/13			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		27 960	-		2 519	
Call investment deposits		60 444	63 300	63 300	218	63 300
Consumer debtors		180 647	180 787	180 787	1 068	180 787
Other debtors		12 913	4 014	4 014		4 014
Current portion of long-term receivables						
Inventory		3 704	3 955	3 955	1 179	3 955
<b>Total current assets</b>		<b>285 668</b>	<b>252 056</b>	<b>252 056</b>	<b>4 984</b>	<b>252 056</b>
<b>Non current assets</b>						
Long-term receivables					248 615	
Investments						
Investment property						
Investments in Associate						
Property, plant and equipment		712 293	1 001 518	1 001 518	971 392	1 001 518
Agricultural						
Biological assets						
Intangible assets		49	51	51		51
Other non-current assets						
<b>Total non current assets</b>		<b>712 342</b>	<b>1 001 569</b>	<b>1 001 569</b>	<b>1 220 007</b>	<b>1 001 569</b>
<b>TOTAL ASSETS</b>		<b>998 009</b>	<b>1 253 625</b>	<b>1 253 625</b>	<b>1 224 991</b>	<b>1 253 625</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	231 161	231 161		231 161
Borrowing		2 317	2 722	2 722	1 905	2 722
Consumer deposits		8 408	8 132	8 132	378	8 132
Trade and other payables		210 761	294 276	294 276	24 296	294 276
Provisions		34 383			257 758	
<b>Total current liabilities</b>		<b>255 869</b>	<b>536 291</b>	<b>536 291</b>	<b>284 337</b>	<b>536 291</b>
<b>Non current liabilities</b>						
Borrowing		12 458	14 267	14 267	13 228	14 267
Provisions		3 310	4 180	4 180		4 180
<b>Total non current liabilities</b>		<b>15 768</b>	<b>18 447</b>	<b>18 447</b>	<b>13 228</b>	<b>18 447</b>
<b>TOTAL LIABILITIES</b>		<b>271 637</b>	<b>554 738</b>	<b>554 738</b>	<b>297 564</b>	<b>554 738</b>
<b>NET ASSETS</b>	2	<b>726 372</b>	<b>698 887</b>	<b>698 887</b>	<b>927 427</b>	<b>698 887</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		726 372	691 247	691 247	188 976	691 247
Reserves					738 451	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>726 372</b>	<b>691 247</b>	<b>691 247</b>	<b>927 427</b>	<b>691 247</b>





### **Explanatory notes to Table C6 - Monthly Budget Statements ( Financial Position)**

1. Table C6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate by the municipality has an impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents.

**Table 7 Table C7 – Monthly Budget Statements - Cash Flow**

**DC23 Uthukela - Table C7 Monthly Budget Statement - Cash Flow - M06 December**

Description	Ref	2011/12	Budget Year 2012/13							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		273 123	130 968	130 968	7 791	55 337	65 484	(10 147)	-15%	130 968
Government - operating		34 583	275 308	275 308	31 380	197 406	137 654	59 752	43%	275 308
Government - capital		91 768	207 503	207 503	4 181	48 179	103 752	(55 573)	-54%	207 503
Interest			16 473	16 473	213	5 162	8 237	(3 075)	-37%	16 473
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(265 295)	(430 983)	(430 983)	22 046	117 098	(215 492)	(332 589)	154%	(430 983)
Finance charges			(3 841)	(3 841)	2	9	(1 921)	(1 929)	100%	(3 841)
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>134 179</b>	<b>195 428</b>	<b>195 428</b>	<b>65 613</b>	<b>423 190</b>	<b>97 714</b>	<b>325 476</b>	<b>333%</b>	<b>195 428</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets		(38 107)	(210 208)	(210 208)	(4 114)	(53 058)	(105 104)	(52 046)	50%	(210 208)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(38 107)</b>	<b>(210 208)</b>	<b>(210 208)</b>	<b>(4 114)</b>	<b>(53 058)</b>	<b>(105 104)</b>	<b>(52 046)</b>	<b>50%</b>	<b>(210 208)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		2 450						-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
<b>Payments</b>										
Repayment of borrowing		(2 156)						-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>294</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
		<b>96 366</b>	<b>(14 780)</b>	<b>(14 780)</b>	<b>61 499</b>	<b>370 131</b>	<b>(7 390)</b>			<b>(14 780)</b>
Cash/cash equivalents at beginning:		(7 962)	716 378	716 378		88 404	716 378			88 404
Cash/cash equivalents at month/year end:		88 404	701 598	701 598		2 519	708 988			73 624

**Explanatory notes to Table C7 – Monthly Budget Statement ( Cash Flow )**

1. The budgeted cash flow statement is the measurement that assists in determining if the budget is funded.
2. It shows the level of cash in-flow versus cash out-flow that has resulted from the implementation of the budget.

## Part 2 – Supporting Documentation

### 2.1 Debtor's Analysis

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

Description	NT Code	Budget Year 2012/13									Bad Debts	>90 days
		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		
<b>R thousands</b>												
<b>Debtors Age Analysis By Revenue Source</b>												
Rates	1200											
Electricity	1300											
Water	1400	13 217	10 939	11 933	9 485	10 464	395 868			451 906		415 817
Sewerage / Sanitation	1500											
Refuse Removal	1600											
Housing (Rental Revenue)	1700											
Other	1900	456	2 617	562	2 216	3 443	10 060			19 354		15 719
<b>Total By Revenue Source</b>	<b>2000</b>	<b>13 673</b>	<b>13 556</b>	<b>12 495</b>	<b>11 700</b>	<b>13 907</b>	<b>405 929</b>			<b>471 260</b>		<b>431 536</b>
<b>2011/12 - totals only</b>												
<b>Debtors Age Analysis By Customer Category</b>												
Government	2200											
Business	2300											
Households	2400	13 217	10 939	11 933	9 485	10 464	395 868			451 906		
Other	2500	456	2 617	562	2 216	3 443	10 060			19 354		
<b>Total By Customer Category</b>	<b>2600</b>	<b>13 673</b>	<b>13 556</b>	<b>12 495</b>	<b>11 700</b>	<b>13 907</b>	<b>405 929</b>			<b>471 260</b>		

### 2.2 Creditor's Analysis

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

Description	NT Code	Budget Year 2012/13									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>R thousands</b>												
<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		1 515			0	213					1 728
Auditor General	0800											
Other	0900											
<b>Total By Customer Type</b>	<b>2600</b>		<b>1 515</b>			<b>0</b>	<b>213</b>					<b>1 728</b>

## 2.3. Investment Portfolio

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
<b>R thousands</b>									
<b>Municipality</b>									
FNB - FIXED DEPOSIT			fix ed deposit		61 525		10 998		162 523
FNB - MONEY MARKET			MONEY MARKET		1		218		218
<b>Municipality sub-total</b>					61 525		11 216	-	162 741
<b>Entities</b>									
<b>Entities sub-total</b>					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				61 525		11 216	-	162 741

## 2.7 Municipal manager's quality certificate

I ....., municipal manager of UThukela District Municipality, hereby certify that the –

- The Monthly Budget statement
- Quarterly report on the implementation of the Budget and financial state affairs of the municipality
- Mid – Year budget and performance assessment.

For the month of ..... Of ..... has been prepared in accordance with Municipal Finance Management Act and regulations made under the Act.

Print Name \_\_\_\_\_

Municipal manager of UThukela District Municipality (DC23)

Signature \_\_\_\_\_

Date \_\_\_\_\_