



SECTION 71 REPORT

JULY 2017

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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 :
2. Monthly Budget statements and supporting documents for the month of July 2017.

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 2017/18 financial year.

1.4 In - Year Budget tables

TABLE 1: C4 – Monthly Budget Statements – Financial Performance

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates								-		
Service charges - electricity revenue								-		
Service charges - water revenue			245,892	245,892	15,654	15,654	20,491	(4,837)	-24%	245,892
Service charges - sanitation revenue			18,674	18,674	597	597	1,556	(959)	-62%	18,674
Service charges - refuse revenue								-		
Service charges - other								-		
Rental of facilities and equipment								-		
Interest earned - external investments			11,539	11,539				-		11,539
Interest earned - outstanding debtors			40,774	40,774				-		40,774
Dividends received								-		
Fines, penalties and forfeits								-		
Licences and permits								-		
Agency services								-		
Transfers and subsidies			367,387	367,387	150,654	150,654	30,616	120,038	392%	367,387
Other revenue			4,384	4,384				-		4,384
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)			688,650	688,650	166,905	166,905	52,663	114,243	217%	688,650
Expenditure By Type										
Employee related costs			241,092	241,092	19,334	19,334	20,091	(756)	-4%	241,092
Remuneration of councillors			6,454	6,454	681	681	538	144	27%	6,454
Debt impairment			76,395	76,395				-		76,395
Depreciation & asset impairment			53,137	53,137				-		53,137
Finance charges			313	313				-		313
Bulk purchases			6,255	6,255				-		6,255
Other materials			40,322	40,322	3	3	3,360	(3,357)	-100%	40,322
Contracted services			40,611	40,611	120	120	3,384	(3,264)	-96%	40,611
Transfers and subsidies			26,600	26,600				-		26,600
Other expenditure			108,232	108,232	3,670	3,670	9,019	(5,350)	-59%	108,232
Loss on disposal of PPE								-		
Total Expenditure			599,411	599,411	23,808	23,808	36,393	(12,584)	-35%	599,411
Surplus/(Deficit)										
Transfers and subsidies - capital (primary expenditure)										
(National / Provincial and District)			367,339	367,339	27,318	27,318	30,612	(3,294)	(0)	367,339
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)								-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions			456,579	456,579	170,415	170,415	46,882			456,578
Taxation								-		
Surplus/(Deficit) after taxation			456,579	456,579	170,415	170,415	46,882			456,578
Atributable to minorities										
Surplus/(Deficit) attributable to municipality			456,579	456,579	170,415	170,415	46,882			456,578
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year			456,579	456,579	170,415	170,415	46,882			456,578

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

Operational grant transfers recognised R150 million

Capital grant transfers recognised R 27 million

- Total operating expenditure is at R 23.8 million for the month of July 2017
- The Service charged – Water R15.5million has been billed for the month of July 2017.
- The Service charges – Sanitation R597million has been billed for the month July 2017.

Table 2: C5 – Monthly Budget Statements – Capital Expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Vote Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Single Year expenditure appropriation								
105 - MUNICIPAL MANAGER	4,200	-	-	-	350	(350)	-100%	-
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-
405 - SOCIAL SERVICES	-	-	-	-	-	-	-	-
408 - WSA & HEALTH SERVICES	-	-	-	-	-	-	-	-
510 - WATER, SANITATION & TECHNICAL SERVICES	367,339	367,339	27,318	27,318	30,612	(3,294)	-11%	367,339
Vote 7 - [NAME OF VOTE 7]	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]	-	-	-	-	-	-	-	-
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]	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	371,539	367,339	27,318	27,318	30,962	(3,644)	-12%	367,339
Total Capital Expenditure	371,539	367,339	27,318	27,318	30,962	(3,644)	-12%	367,339
Capital Expenditure - Functional Classification								
Governance and administration								
Executive and council	4,200	-	-	-	350	(350)	-100%	-
Finance and administration	4,200	-	-	-	350	(350)	-100%	-
Internal audit	-	-	-	-	-	-	-	-
Community and public safety								
Community and social services	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Economic and environmental services								
Planning and development	-	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-
Trading services								
Energy sources	367,339	367,339	27,318	27,318	30,612	(3,294)	-11%	367,339
Water management	367,339	367,339	27,318	27,318	30,612	(3,294)	-11%	367,339
Waste water management	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-
Other								
Total Capital Expenditure - Functional Classification	371,539	367,339	27,318	27,318	30,962	(3,644)	-12%	367,339

As depicted above capital expenditure amounting to R27.3 million recorded for the month of July 2017

Table 3: SC13 Repairs and maintenance per asset class

Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	31,322	-	-	-	2,610	2,610	100.0%	-
Roads Infrastructure	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-
Road Structures	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Storm water Infrastructure	1,774	-	-	-	148	148	100.0%	-
Drainage Collection	-	-	-	-	-	-	-	-
Storm water Conveyance	1,774	-	-	-	148	148	100.0%	-
Attenuation	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Water Supply Infrastructure	29,548	-	-	-	2,462	2,462	100.0%	-
Dams and Weirs	-	-	-	-	-	-	-	-
Boreholes	10,882	-	-	-	907	907	100.0%	-
Reservoirs	9,251	-	-	-	771	771	100.0%	-
Pump Stations	8,000	-	-	-	667	667	100.0%	-
Water Treatment Works	1,415	-	-	-	118	118	100.0%	-
Unimproved Property	-	-	-	-	-	-	-	-
Other assets	3,981	-	-	-	332	332	100.0%	-
Operational Buildings	3,981	-	-	-	332	332	100.0%	-
Municipal Offices	3,981	-	-	-	332	332	100.0%	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Intangible Assets	1,800	-	-	-	150	150	100.0%	-
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	1,800	-	-	-	150	150	100.0%	-
Water Rights	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-
Computer Software and Applications	1,800	-	-	-	150	150	100.0%	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-
Furniture and Office Equipment	62	-	-	-	5	5	100.0%	-
Furniture and Office Equipment	62	-	-	-	5	5	100.0%	-
Machinery and Equipment	620	-	-	-	52	52	100.0%	-
Machinery and Equipment	620	-	-	-	52	52	100.0%	-
Transport Assets	6,720	-	3	3	560	557	99.5%	-
Transport Assets	6,720	-	3	3	560	557	99.5%	-
Libraries	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	44,506	-	3	3	3,709	3,706	99.9%	-

- Plant and Equipment refers to the purification plants and equipment.
- Expenditure totalling R3 thousand was recognised in the month of July 2017 for the repairs of vehicle.

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Functional									
<i>Governance and administration</i>	-	375,901	375,901	150,654	150,654	31,325	119,329	381%	-
Executive and council	-	57,781	57,781	-	-	4,815	(4,815)	-100%	-
Finance and administration	-	318,120	318,120	150,654	150,654	26,510	124,144	468%	-
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	300	300	-	-	25	(25)	-100%	-
Community and social services	-	300	300	-	-	25	(25)	-100%	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	-	-	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	679,789	679,789	43,569	43,569	56,649	(13,080)	-23%	-
Energy sources	-	-	-	-	-	-	-	-	-
Water management	-	659,525	659,525	42,972	42,972	54,960	(11,988)	-22%	-
Waste water management	-	20,264	20,264	597	597	1,689	(1,091)	-65%	-
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	-	1,055,989	1,055,989	194,223	194,223	87,999	106,224	121%	-
Expenditure - Functional									
<i>Governance and administration</i>	-	236,838	236,838	6,155	6,155	19,736	(13,581)	-69%	-
Executive and council	-	54,626	54,626	2,840	2,840	4,552	(1,712)	-38%	-
Finance and administration	-	182,212	182,212	3,315	3,315	15,184	(11,869)	-78%	-
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	27,658	27,658	1,424	1,424	2,305	(881)	-38%	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	27,658	27,658	1,424	1,424	2,305	(881)	-38%	-
<i>Economic and environmental services</i>	-	72,771	72,771	3,309	3,309	6,064	(2,755)	-45%	-
Planning and development	-	72,771	72,771	3,309	3,309	6,064	(2,755)	-45%	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	262,145	262,145	12,921	12,921	21,713	(8,792)	-40%	-
Energy sources	-	-	-	-	-	-	-	-	-
Water management	-	260,554	260,554	12,921	12,921	21,713	(8,792)	-40%	-
Waste water management	-	1,591	1,591	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	-	599,411	599,411	23,808	23,808	49,818	(26,010)	-52%	-
Surplus/ (Deficit) for the year	-	456,579	456,579	170,415	170,415	38,181	132,234	346%	-

Table 5: C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
105 - MUNICIPAL MANAGER	-	57,781	57,781	-	-	4,815	(4,815)	-100.0%	57,781
200 - CORPORATE SERVICES	-	-	-	-	-	-	-		-
300 - BUDGET AND TREASURY	-	318,120	318,120	150,654	150,654	26,510	124,144	468.3%	318,120
405 - SOCIAL SERVICES	-	300	300	-	-	25	(25)	-100.0%	300
408 - WSA & HEALTH SERVICES	-	-	-	-	-	-	-		-
510 - WATER, SANITATION & TECHNICAL SERVICES	-	679,789	679,789	43,569	43,569	56,649	(13,080)	-23.1%	679,789
Total Revenue by Vote	-	1,055,989	1,055,989	194,223	194,223	87,999	106,224	120.7%	1,055,989
Expenditure by Vote									
105 - MUNICIPAL MANAGER	-	54,626	54,626	2,840	2,840	-	2,840	#DIV/0!	54,626
200 - CORPORATE SERVICES	-	50,143	50,143	1,712	1,712	4,179	(2,467)	-59.0%	50,143
300 - BUDGET AND TREASURY	-	182,212	182,212	3,315	3,315	15,184	(11,869)	-78.2%	182,212
405 - SOCIAL SERVICES	-	22,628	22,628	1,597	1,597	1,886	(289)	-15.3%	22,628
408 - WSA & HEALTH SERVICES	-	27,658	27,658	1,424	1,424	2,305	(881)	-38.2%	27,658
510 - WATER, SANITATION & TECHNICAL SERVICES	-	262,145	262,145	12,921	12,921	21,713	(8,792)	-40.5%	262,145
Total Expenditure by Vote	-	599,411	599,411	23,808	23,808	45,266	(21,458)	-47.4%	599,411
Surplus/ (Deficit) for the year	-	456,579	456,579	170,415	170,415	42,733	127,682	298.8%	456,579

Part 2 – Supporting Documentation

2.1.1 Table 6: SC3

Debtors Age Analysis

➤ The Municipality has a total amount of R 650 million of outstanding debt.

Description	Budget Year 2017/18						Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	Total	
R thousands							
Debtors Age Analysis By Income Source							
Trade and Other Receivables from Exchange Transactions - Water	21,643	10,738	13,528	11,455	637,950	695,314	649,405
Trade and Other Receivables from Exchange Transactions - Electricity						-	-
Receivables from Non-exchange Transactions - Property Rates						-	-
Receivables from Exchange Transactions - Waste Water Management						-	-
Receivables from Exchange Transactions - Waste Management						-	-
Receivables from Exchange Transactions - Property Rental Debtors						-	-
Interest on Arrear Debtor Accounts						-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure						-	-
Other	60	34	18	31	974	1,117	1,005
Total By Income Source	21,703	10,772	13,546	11,486	638,924	696,431	650,410
2016/17 - totals only						-	-
Debtors Age Analysis By Customer Group							
Organs of State	4,042	723	1,672	922	13,322	20,581	14,244
Commercial	2,926	1,102	1,013	802	34,369	40,212	35,171
Households	14,735	8,946	10,961	9,762	591,233	635,637	600,995
Other						-	-
Total By Customer Group	21,703	10,772	13,546	11,485	638,924	696,431	650,410

➤ The list of top ten debtors.

ACCOUNT HOLDER NAME	POSTAL ADDRESS 2	ACCOUNT TYPE	OUTSTANDING TOTAL BALANCE	LAST PAYMENT AMOUNT	PAYMENT DATE
PROVINSIALE HOSPITAAL	LADYSMITH	GOVERNMENT	2,553,840.16	-20,270.50	20170220
ESTCOURT ISLAMIC CENTRE	ESTCOURT	INDUS/COMMER	1,437,206.96		
LIDCOR ESTCOURT	ESTCOURT	INDUS/COMMER	1,166,201.42	-6,000.00	20131017
UBUHLE BETSAKANE	LADYSMITH	INDUS/COMMER	1,039,520.93		
MADRESSA ISLAMIA	ESTCOURT	INDUS/COMMER	1,018,916.91	-2,957.40	20110331
MOTALA (DR) E	LADYSMITH	CONSUMERS	984,313.37	-250.00	20170206
ALFRED DUMA LOCAL MUNICIPALITY SETTLERS PARK	PO BOX 29 (ATT C MINNIE)	GOVERNMENT	962,860.68	-916.78	20170731
CUMMING AGENCIES	ACCADIA	INDUS/COMMER	940,534.63	-10,000.00	20170810
ZANELISENI GARDEN	LADYSMITH	OTHER	860,948.63	1,161.76	20170201
MAJOLA 1141 SA	COLENZO	CONSUMERS	858,076.39		

REVENUE COLLECTION ANALYSIS 2017/2018

MONTH	JULY	TOTAL
RECEIPTS	6,308,658.73	6,308,658.73
BILLING	18,083,928.75	18,083,928.75
% COLLECTION		35%

➤ The collection rate for 31 July 2017

2.2 Table: 8 SC4 Aged Creditors

- Arrangement has been made with the Department of Water Affairs to pay off the debt for bulk water purchases at an amount of R1 000 000 per month.

Description R thousands	Budget Year 2017/18								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	
Creditors Age Analysis By Customer Type									
Bulk Electricity					16,324				16,324
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	2,224								2,224
Auditor General									-
Other									-
Total By Customer Type	2,224	-	-	-	16,324	-	-	-	18,548

- The list of top ten service providers.

PAYMENT DATE	SERVICE PROVIDER	AMOUNT
13/07/2017	FNB OB 000038369 SHULA	1,373,288.96
13/07/2017	FNB OB 000038375 SBT CIVILS	1,416,591.25
13/07/2017	FNB OB 000038370 SHULA	1,417,677.29
07/07/2017	FNB OB 000038297 R & P PIPELINE CONTR	1,520,570.46
19/07/2017	FNB OB 000038479 R AND D	1,678,353.70
13/07/2017	FNB OB 000038374 AKWANDE	1,848,781.37
07/07/2017	FNB OB 000038298 SINETHEMBA	1,921,239.34
27/07/2017	FNB OB 000038524 ESKOM	2,089,643.30
07/07/2017	FNB OB 000038288 SBT CIVIL	2,740,596.29
07/07/2017	FNB OB 000038299 NHLOSO	3,123,964.80

2.4.1 Table 10: Investments and Bank Balances

Investments by maturity Name of institution & investment ID R thousands	Market value at end of the month
Municipality	
FNB	111,145
NEDBANK	380
INVESTEC	58
ABSA	1,328
Municipality sub-total	112,910

Bank Balances			
The following reflects bank balances at 31 July 2017			
DESCRIPTION	JULY	AUGUST	SEPTEMBER
FNB MAIN ACCOUNT 62252306280	269,648,277.03	0.00	0.00
FNB WATER ACCOUNT 62253072385	0.00	0.00	0.00
	269,648,277.03	0.00	0.00
Total cash held	269,648,277.03		

Table 12: SC6 Grant Receipts

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	-	367,087	367,087	152,449	152,449	30,591	125,276	409.5%	367,087
Local Government Equitable Share		304,535	304,535	150,654	150,654	25,378	125,276	493.6%	304,535
RSC Levy Replacement		51,710	51,710			4,309			51,710
Finance Management		1,795	1,795	1,795	1,795	150			1,795
EPIP Incentive		3,724	3,724			310			3,724
Special Support for Councillors		5,323	5,323			444			5,323
							-		
							-		
							-		
							-		
							-		
Provincial Government:	-	300	300	-	-	-	-		300
Shared Services		300	300						300
Total Operating Transfers and Grants	-	367,387	367,387	152,449	152,449	30,591	125,276	409.5%	367,387
Capital Transfers and Grants									
National Government:	-	367,339	367,339	43,000	43,000	30,612	27,391	89.5%	367,339
Municipal Infrastructure Grant (MIG)		187,304	187,304	43,000	43,000	15,609	27,391	175.5%	187,304
Regional Bulk Infrastructure		95,052	95,052			7,921			95,052
Water Services Infrastructure Grant		82,500	82,500			6,875			82,500
Rural Road Asset Management		2,483	2,483			207			2,483
							-		
							-		
							-		
Total Capital Transfers and Grants	-	367,339	367,339	43,000	43,000	30,612	27,391	89.5%	367,339
TOTAL RECEIPTS OF TRANSFERS & GRANTS	-	734,726	734,726	195,449	195,449	61,202	152,667	249.4%	734,726

➤ A total of R195 million was received in grant funding, during July 2017.

1.6 Table 13: SC7 Grant Expenditure

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	-	367,087	367,087	150,654	150,654	30,591	120,063	392.5%	367,087
Local Government Equitable Share		304,535	304,535	150,654	150,654	25,378	125,276	493.6%	304,535
RSC Levy Replacement		51,710	51,710			4,309	(4,309)	-100.0%	51,710
Finance Management		1,795	1,795			150	(150)	-100.0%	1,795
EPWP Incentive		3,724	3,724			310	(310)	-100.0%	3,724
Special Support for Councillors		5,323	5,323			444	(444)	-100.0%	5,323
Provincial Government:	-	300	300	-	-	25	(25)	-100.0%	300
Shared Services		300	300			25	(25)	-100.0%	300
District Municipality:	-	-	-	-	-	-	-		-
<i>[insert description]</i>							-		
Other grant providers:	-	-	-	-	-	-	-		-
<i>[insert description]</i>							-		
Total operating expenditure of Transfers and Grants:	-	367,387	367,387	150,654	150,654	30,616	120,038	392.1%	367,387
Capital expenditure of Transfers and Grants									
National Government:	-	367,339	367,339	27,318	27,318	30,612	(3,294)	-10.8%	367,339
Municipal Infrastructure Grant (MIG)		187,304	187,304	19,179	19,179	15,609	3,571	22.9%	187,304
Regional Bulk Infrastructure		95,052	95,052			7,921	(7,921)	-100.0%	95,052
Water Services Infrastructure Grant		82,500	82,500	8,139	8,139	6,875	1,264	18.4%	82,500
Rural Road Asset Management		2,483	2,483			207	(207)	-100.0%	2,483
Total capital expenditure of Transfers and Grants	-	367,339	367,339	27,318	27,318	30,612	(3,294)	-10.8%	367,339
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	-	734,726	734,726	177,972	177,972	61,227	116,745	190.7%	734,726

- R27 million was spent on capital grants
- R150 was recognised as equitable share.

Prepared by

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Accountant: Budget

Reviewed by:

A handwritten signature in black ink, appearing to be 'M. Khan', positioned above a horizontal line.

Senior Manager Finance

Approved by:

A handwritten signature in black ink, consisting of a large, stylized initial 'D' followed by a cursive name, positioned above a horizontal line.

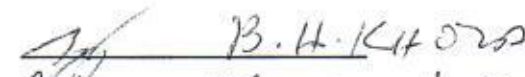
Chief Financial Officer

2.7. 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 July 2017 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name : SN KUNENE

Signature


B.H. Kunene
Acting Municipal Manager

Date

: 23/08/2017