

**UTHUKELA**

**UMKHANDLU WESIFUNDA  
DISTRIKSMUNISIPALITEIT  
DISTRICT MUNICIPALITY**

## **SECTION 71 REPORT**

**JANUARY 2019**

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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 months of January 2019.

## **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 2018/19 financial year.



## 1.4 In - Year Budget tables

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

DC23 Uthukela - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2017/18	Budget Year 2018/19							
		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										
Service charges - electricity revenue										
Service charges - water revenue		151,993	260,645	260,645	25,627	151,255	152,043	(788)	-1%	260,645
Service charges - sanitation revenue		17,253	31,019	31,019	1,291	9,840	18,095	(8,254)	-46%	31,019
Service charges - refuse revenue										
Service charges - other										
Rental of facilities and equipment										
Interest earned - external investments		4,192	6,572	6,572	1,443	3,620	3,834	(214)	-6%	6,572
Interest earned - outstanding debtors		43,393	50,456	50,456	5,108	31,647	29,433	2,215	8%	50,456
Dividends received										
Fines, penalties and forfeits			50	50	5	17	29	(12)	-42%	50
Licences and permits										
Agency services										
Transfers and subsidies		368,613	405,533	405,533	605	4,048	236,561	(232,513)	-98%	405,533
Other revenue		12,710	4,098	4,098	7,720	8,481	2,391	6,090	255%	4,098
Gains on disposal of PPE										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>598,154</b>	<b>758,374</b>	<b>758,374</b>	<b>41,800</b>	<b>208,909</b>	<b>442,385</b>	<b>(233,476)</b>	<b>-53%</b>	<b>758,374</b>
<b>Expenditure By Type</b>										
Employee related costs		253,203	271,837	271,837	23,703	167,161	158,571	8,590	5%	271,837
Remuneration of councillors		6,550	8,156	8,156	531	3,834	4,758	(923)	-19%	8,156
Debt impairment		128,481	136,628	136,628	-	109,459	79,700	29,759	37%	136,628
Depreciation & asset impairment		68,222	86,634	86,634	16,120	37,659	50,536	(12,878)	-25%	86,634
Finance charges		2,789	561	561	21	130	327	(198)	-60%	561
Bulk purchases		3,440	6,586	6,586	-	-	3,842	(3,842)	-100%	6,586
Other materials		-	16,023	16,023	485	3,215	9,347	(6,132)	-66%	16,023
Contracted services		88,701	117,869	117,869	7,899	31,519	68,757	(37,238)	-54%	117,869
Transfers and subsidies			1,000	1,000	-	323	583	(260)	-45%	1,000
Other expenditure		141,542	74,815	74,815	16,401	48,923	43,642	5,281	12%	74,815
Loss on disposal of PPE										
<b>Total Expenditure</b>		<b>692,928</b>	<b>720,109</b>	<b>720,109</b>	<b>65,160</b>	<b>402,222</b>	<b>420,064</b>	<b>(17,842)</b>	<b>-4%</b>	<b>720,109</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(94,774)	38,265	38,265	(23,360)	(193,313)	22,321	(215,635)	(0)	38,265
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		300,959	407,804	407,804	28,694	134,695	237,886	(103,191)	(0)	407,804
Transfers and subsidies - capital (in-kind - all)										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>206,185</b>	<b>446,069</b>	<b>446,069</b>	<b>5,334</b>	<b>(58,619)</b>	<b>260,207</b>			<b>446,069</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>		<b>206,185</b>	<b>446,069</b>	<b>446,069</b>	<b>5,334</b>	<b>(58,619)</b>	<b>260,207</b>			<b>446,069</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>206,185</b>	<b>446,069</b>	<b>446,069</b>	<b>5,334</b>	<b>(58,619)</b>	<b>260,207</b>			<b>446,069</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>206,185</b>	<b>446,069</b>	<b>446,069</b>	<b>5,334</b>	<b>(58,619)</b>	<b>260,207</b>			<b>446,069</b>

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



- Capital grant transfers recognised R134 million at the end of January 2019.
- Total operating expenditure is at R 402 million at the end of January 2019.
- The Service charged – Water R151 million has been billed at the end of January 2019.
- The Service charges – Sanitation R9 million has been billed at the end of January 2019.

## Table 2: C5 – Monthly Budget Statements – Capital Expenditure

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

DC23 Uthukela - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January									
Vote Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Single Year expenditure appropriation</b>									
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	27	27	-	10	16	(6)	-37%	27
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)	-	-	-	-	-	-	-	-	-
408 - WSA& HEALTH SERVICES	-	-	-	-	-	-	-	-	-
500 - WATER, SANITATION AND TECHNICAL SERVICE	-	407,804	407,804	28,694	134,695	237,886	(103,191)	-43%	407,804
<b>Total Capital single-year expenditure</b>	-	407,831	407,831	28,694	134,705	237,901	(103,196)	-43%	407,831
<b>Total Capital Expenditure</b>	-	407,831	407,831	28,694	134,705	237,901	(103,196)	-43%	407,831
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	-	27	27	-	10	16	(6)	-37%	27
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	-	27	27	-	10	16	(6)	-37%	27
Internal audit	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	-	-	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	-	407,804	407,804	28,694	134,695	237,886	(103,191)	-43%	407,804
Energy sources	-	-	-	-	-	-	-	-	-
Water management	-	407,804	407,804	28,694	134,695	237,886	(103,191)	-43%	407,804
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	-	407,831	407,831	28,694	134,705	237,901	(103,196)	-43%	407,831
<b>Funded by:</b>									
National Government	300,959	407,804	407,804	28,694	134,695	237,886	(103,191)	-43%	407,804
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	300,959	407,804	407,804	28,694	134,695	237,886	(103,191)	-43%	407,804
<b>Public contributions &amp; donations</b>	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	-	27	27	-	10	16	(6)	-37%	27
<b>Total Capital Funding</b>	300,959	407,831	407,831	28,694	134,705	237,901	(103,196)	-43%	407,831

- As depicted above capital expenditure amounting to R134 million recorded at the month of January 2019.



**Table 3: SC13 Repairs and maintenance per asset class**

DC23 Uthukela - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07									
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	18,903	28,579	28,579	1,800	4,567	16,671	12,104	72.6%	28,579
Water Supply Infrastructure	18,903	28,579	28,579	1,800	4,567	16,671	12,104	72.6%	28,579
Dams and Weirs							-		
Boreholes							-		
Reservoirs	6,560	10,530	10,530	586	2,729	6,143	3,414	55.6%	10,530
Pump Stations	11,560	15,795	15,795	1,214	1,552	9,214	7,661	83.2%	15,795
Water Treatment Works	-	1,000	1,000	-	-	583	583	100.0%	1,000
Bulk Mains	782	1,254	1,254	-	286	732	446	60.9%	1,254
<b>Other assets</b>	98	316	316	-	36	184	148	80.5%	316
Operational Buildings	98	316	316	-	36	184	148	80.5%	316
Municipal Offices	98	316	316	-	36	184	148	80.5%	316
<b>Computer Equipment</b>	-	250	250	-	-	146	146	100.0%	250
Computer Equipment	-	250	250	-	-	146	146	100.0%	250
<b>Machinery and Equipment</b>	729	627	627	-	-	366	366	100.0%	627
Machinery and Equipment	729	627	627	-	-	366	366	100.0%	627
<b>Transport Assets</b>	12,184	11,685	11,685	179	4,258	6,816	2,558	37.5%	11,685
Transport Assets	12,184	11,685	11,685	179	4,258	6,816	2,558	37.5%	11,685
<b>Total Repairs and Maintenance Expend</b>	<b>31,913</b>	<b>41,457</b>	<b>41,457</b>	<b>1,979</b>	<b>8,861</b>	<b>24,183</b>	<b>15,322</b>	<b>63.4%</b>	<b>41,457</b>

➤ Plant and Equipment refers to the purification plants and equipment.

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

DC23 Uthukela - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		373,624	406,468	406,468	9,346	248,723	203,234	45,489	22%	406,468
Executive and council		57,781	62,083	62,083	-	-	31,042	(31,042)	-100%	62,083
Finance and administration		315,843	344,385	344,385	9,346	248,723	172,193	76,530	44%	344,385
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	50	50	5	17	25	(8)	-32%	50
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	50	50	5	17	25	(8)	-32%	50
<i>Economic and environmental services</i>		-	300	300	-	511	150	361	240%	300
Planning and development		-	300	300	-	511	150	361	240%	300
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		525,489	759,360	759,360	32,448	325,532	379,680	(54,148)	-14%	759,360
Energy sources		-	-	-	-	-	-	-	-	-
Water management		500,082	728,340	728,340	31,157	315,692	364,170	(48,479)	-13%	728,340
Waste water management		25,407	31,019	31,019	1,291	9,840	15,510	(5,670)	-37%	31,019
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	899,113	1,166,178	1,166,178	41,800	574,782	583,089	(8,307)	-1%	1,166,178
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		201,828	388,824	388,824	29,787	223,103	194,412	28,691	15%	388,824
Executive and council		50,026	63,551	63,551	8,014	29,960	31,775	(1,815)	-6%	63,551
Finance and administration		151,802	325,273	325,273	21,773	193,143	162,636	30,507	19%	325,273
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		19,239	24,993	24,993	1,621	9,657	12,497	(2,839)	-23%	24,993
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		19,239	24,993	24,993	1,621	9,657	12,497	(2,839)	-23%	24,993
<i>Economic and environmental services</i>		19,364	22,932	22,932	1,852	12,751	11,466	1,285	11%	22,932
Planning and development		19,364	22,932	22,932	1,852	12,751	11,466	1,285	11%	22,932
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		452,497	283,360	283,360	31,900	156,710	141,680	15,030	11%	283,360
Energy sources		-	-	-	-	-	-	-	-	-
Water management		451,809	282,244	282,244	31,900	156,710	141,122	15,589	11%	282,244
Waste water management		688	1,116	1,116	-	-	558	(558)	-100%	1,116
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	692,928	720,109	720,109	65,160	402,222	360,055	42,168	12%	720,109
<b>Surplus/ (Deficit) for the year</b>		206,185	446,069	446,069	(23,360)	172,560	223,035	(50,474)	-23%	446,069



**Table 5: 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) - M07 January

Vote Description	Ref	2017/18	Budget Year 2018/19							
		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>										
105 - MUNICIPAL MANAGER	1	57,781	62,083	62,083	-	-	31,042	(31,042)	-100.0%	62,083
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		315,843	344,385	344,385	9,346	248,723	172,193	76,530	44.4%	344,385
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	300	300	-	511	150	361	240.4%	300
408 - WSA& HEALTH SERVICES		-	50	50	5	17	25	(8)	-32.0%	50
500 - WATER, SANITATION AND TECHNICAL SERVICES		525,489	759,360	759,360	32,448	325,532	379,680	(54,148)	-14.3%	759,360
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]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>899,113</b>	<b>1,166,178</b>	<b>1,166,178</b>	<b>41,800</b>	<b>574,782</b>	<b>583,089</b>	<b>(8,307)</b>	<b>-1.4%</b>	<b>1,166,178</b>
<b>Expenditure by Vote</b>										
105 - MUNICIPAL MANAGER	1	50,026	63,551	63,551	8,014	29,960	31,775	(1,815)	-5.7%	63,551
200 - CORPORATE SERVICES		46,965	48,051	48,051	2,262	21,134	24,026	(2,891)	-12.0%	48,051
300 - BUDGET AND TREASURY		104,837	277,222	277,222	19,512	172,009	138,611	33,398	24.1%	277,222
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		19,364	22,932	22,932	1,852	12,751	11,466	1,285	11.2%	22,932
408 - WSA& HEALTH SERVICES		19,239	24,993	24,993	1,621	9,657	12,497	(2,839)	-22.7%	24,993
500 - WATER, SANITATION AND TECHNICAL SERVICES		452,497	283,360	283,360	31,900	156,710	141,680	15,030	10.6%	283,360
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]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>692,928</b>	<b>720,109</b>	<b>720,109</b>	<b>65,160</b>	<b>402,222</b>	<b>360,055</b>	<b>42,168</b>	<b>11.7%</b>	<b>720,109</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>206,185</b>	<b>446,069</b>	<b>446,069</b>	<b>(23,360)</b>	<b>172,560</b>	<b>223,035</b>	<b>(50,475)</b>	<b>-22.6%</b>	<b>446,069</b>

## Part 2 – Supporting Documentation

### 2.1.1 Table 6: SC3 Debtors Age Analysis

- The Municipality has a total amount of R 952 million of outstanding debt.

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	Budget Year 2018/19									
	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	Total over 90 days
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	27,251	15,728	26,128	62,689	19,478	18,281	17,351	765,240	952,145	883,038
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	75	(3)	(6)	25	10	-			102	36
<b>Total By Income Source</b>	<b>27,326</b>	<b>15,725</b>	<b>26,122</b>	<b>62,714</b>	<b>19,488</b>	<b>18,281</b>	<b>17,351</b>	<b>765,240</b>	<b>952,247</b>	<b>883,074</b>
2017/18 - totals only									-	-
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	3,066	1,259	1,533	6,084	557	1,126	1,287	18,377	33,289	27,431
Commercial	5,600	(2,065)	8,505	20,737	3,347	1,310	1,357	33,235	72,026	59,985
Households	18,585	16,533	16,089	35,868	15,574	15,845	14,707	713,628	846,830	795,622
Other	75	(3)	(6)	25	10	-			102	36
<b>Total By Customer Group</b>	<b>27,326</b>	<b>15,725</b>	<b>26,122</b>	<b>62,714</b>	<b>19,488</b>	<b>18,281</b>	<b>17,351</b>	<b>765,240</b>	<b>952,247</b>	<b>883,074</b>

- The collection rate for 31 January 2019



CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 DECEMBER 2018				
MONTH	BILLING	MONTHS	RECIPTS	RECOVERY RATE
June 2018	27,665,055.03	July 2018	7,368,004.69	27%
July 2018	28,747,599.55	August 2018	10,205,364.11	35%
August 2018	20,935,908.76	September 2018	10,652,597.97	51%
September 2018	23,556,281.37	October 2018	17,966,279.90	76%
October 2018	24,678,929.20	November 2018	9,642,803.08	39%
November 2018	38,059,371.57	December 2018	8,366,386.49	22%
December 2018	20,661,189.24	January 2019	9,910,337.88	47.97%
January 2019	26,917,810.53			0.00%
	<b>183,557,090.22</b>		<b>74,111,774.12</b>	<b>40%</b>
<b>TOTALS</b>				
BILLING - JULY 2018- JANUARY 2019		183,557,090.22		
RECIPTS - JULY 2018- JANUARY 2019		74,111,774.12		
DIFFERENCE		<b>109,445,316.10</b>		<b>40%</b>

## 2.2 Table 8: SC4 Aged Creditors

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January							
Description	NT Code	Budget Year 2018/19					Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	
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	1,059	2,008	2,442	2,125	28,281	35,915
Auditor General	0800						-
Other	0900						-
<b>Total By Customer Type</b>	<b>1000</b>	<b>1,059</b>	<b>2,008</b>	<b>2,442</b>	<b>2,125</b>	<b>28,281</b>	<b>35,915</b>

- The list of top ten outstanding creditors.

Payee	60days	90days	120+	Total Amount
BIG MAC PLANT & CIVIL			2,708,362.66	2,708,362.66
PHILANABANTU TRADING			2,403,433.96	2,403,433.96
APHIGUGU TRADING			2,056,454.26	2,056,454.26
PHEKAPHANSI TRADING			1,797,098.67	1,797,098.67
MSIZI MAJOLA TRADING			1,534,104.00	1,534,104.00
BONAKUDE CONSULTING	103,486.05	1,184,242.40		1,287,728.45
SIZIKHULELE TRADING			1,276,400.51	1,276,400.51
LUNASIS IDEAS			1,234,233.00	1,234,233.00
SIBABULI			1,047,384.00	1,047,384.00

#### 2.4.1 Table 10: Investments and Bank Balances

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January	
Investments by maturity Name of institution & investment ID	Market value at end of the month
R thousands	
<b>Municipality</b>	
FNB	56,281
NEDBANK	-
INVESTEC	57,287
ABSA	20,478
<b>TOTAL INVESTMENTS AND INTER</b>	<b>134,046</b>



## Bank Balances

The following reflects bank balances at 31 January 2019

DESCRIPTION	OCTOBER	NOVEMBER	DECEMBER	JANUARY
FNB MAIN ACCOUNT 62252306280	4,817,803.95	7,634,668.42	31,483,823.00	14,277,545.90
FNB WATER ACCOUNT 62253072385	0.00	0	0	0
	<b>4,817,803.95</b>	<b>7,634,668.42</b>	<b>31,483,823.00</b>	<b>14,277,545.90</b>
<b>Total cash held</b>	<b>14,277,545.90</b>			

**Table 12: SC6 Grant Receipts**

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January									
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>367,087</b>	<b>405,233</b>	<b>405,233</b>	-	<b>240,062</b>	<b>236,386</b>	<b>41,315</b>	<b>17.5%</b>	<b>405,233</b>
Local Government Equitable Share	304,535	335,399	335,399	-	236,964	195,649	41,315	21.1%	335,399
RSC Levy Replacement	57,033	56,441	56,441	-	-	32,924			56,441
Finance Management	1,795	1,545	1,545		1,545	901			1,545
EPWP Incentive	3,724	6,206	6,206		1,553	3,620			6,206
Special Support For Councillors		5,642	5,642			3,291			5,642
<b>Provincial Government:</b>	<b>1,154</b>	<b>300</b>	<b>4,300</b>	-	<b>4,300</b>	<b>2,508</b>	<b>1,375</b>	<b>54.8%</b>	<b>4,300</b>
Shared Services	1,154	300	300		300	175	125	71.4%	300
Nodal Plan Grant			1,000	-	1,000	583			1,000
Raset Program			3,000	-	3,000	1,750	1,250	71.4%	3,000
<b>Total Operating Transfers and Grants</b>	<b>368,241</b>	<b>405,533</b>	<b>409,533</b>	-	<b>244,362</b>	<b>238,894</b>	<b>42,690</b>	<b>17.9%</b>	<b>409,533</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>300,959</b>	<b>407,804</b>	<b>407,804</b>	<b>40,000</b>	<b>231,742</b>	<b>237,886</b>	<b>39,981</b>	<b>16.8%</b>	<b>407,804</b>
Municipal Infrastructure Grant (MIG)	187,304	180,033	180,033	-	145,000	105,019	39,981	38.1%	180,033
Regional Bulk Infrastructure	28,672	142,283	142,283	40,000	40,000	82,998			142,283
Rural Road Asset management	2,483	2,488	2,488	-	1,742	1,451			2,488
Water Services Infrastructure Grant	82,500	83,000	83,000	-	45,000	48,417			83,000
<b>Total Capital Transfers and Grants</b>	<b>300,959</b>	<b>407,804</b>	<b>407,804</b>	<b>40,000</b>	<b>231,742</b>	<b>237,886</b>	<b>39,981</b>	<b>16.8%</b>	<b>407,804</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>669,201</b>	<b>813,337</b>	<b>817,337</b>	<b>40,000</b>	<b>476,104</b>	<b>476,780</b>	<b>82,670</b>	<b>17.3%</b>	<b>817,337</b>



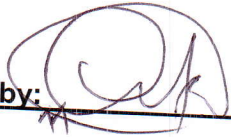
**Table 13: SC7 Grant Expenditure**

**DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January**

Description	2017/18	Budget Year 2018/19							
	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>	<b>367,087</b>	<b>405,233</b>	<b>405,233</b>	<b>605</b>	<b>241,012</b>	<b>236,386</b>	<b>4,626</b>	<b>2.0%</b>	<b>405,233</b>
Local Government Equitable Share	304,535	335,399	335,399	-	236,964	195,649	41,315	21.1%	335,399
RSC Levy Replacement	57,033	56,441	56,441	-		32,924	(32,924)	-100.0%	56,441
Finance Management	1,795	1,545	1,545	188	1,161	901	260	28.8%	1,545
EPWP Incentive	3,724	6,206	6,206	417	2,887	3,620	(733)	-20.3%	6,206
Special Support For Councillors		5,642	5,642			3,291	(3,291)	-100.0%	5,642
0									
Other transfers and grants [insert description]									
<b>Provincial Government:</b>	<b>1,154</b>	<b>300</b>	<b>4,300</b>	<b>-</b>	<b>300</b>	<b>2,175</b>	<b>(1,875)</b>	<b>-86.2%</b>	<b>4,300</b>
Shared Services	1,154	300	300	-	300	175	125	71.4%	300
Nodal Plan Grant			1,000	-	-	500	(500)	-100.0%	1,000
Raset Programme			3,000			1,500	(1,500)	-100.0%	3,000
<b>Total operating expenditure of Transfers and Grants</b>	<b>368,241</b>	<b>405,533</b>	<b>409,533</b>	<b>605</b>	<b>241,312</b>	<b>238,561</b>	<b>2,751</b>	<b>1.2%</b>	<b>409,533</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>300,959</b>	<b>407,804</b>	<b>407,804</b>	<b>28,694</b>	<b>134,695</b>	<b>237,886</b>	<b>(103,191)</b>	<b>-43.4%</b>	<b>407,804</b>
Municipal Infrastructure Grant (MIG)	187,304	180,033	180,033	3,566	86,743	105,019	(18,276)	-17.4%	180,033
Regional Bulk Infrastructure	28,672	142,283	142,283	12,791	15,454	82,998	(67,545)	-81.4%	142,283
Rural Road Asset Management	2,483	2,488	2,488	-	-	1,451	(1,451)	-100.0%	2,488
Water Services Infrastructure Grant	82,500	83,000	83,000	12,337	32,498	48,417	(15,919)	-32.9%	83,000
<b>Total capital expenditure of Transfers and Grants</b>	<b>300,959</b>	<b>407,804</b>	<b>407,804</b>	<b>28,694</b>	<b>134,695</b>	<b>237,886</b>	<b>(103,191)</b>	<b>-43.4%</b>	<b>407,804</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>669,201</b>	<b>813,337</b>	<b>817,337</b>	<b>29,299</b>	<b>376,007</b>	<b>476,447</b>	<b>(100,440)</b>	<b>-21.1%</b>	<b>817,337</b>

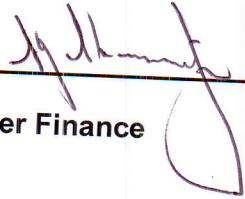
- R134 million was spent in capital grants
- R241 million has been spent in operating grants

**Prepared by:**



**Accountant: Budget**

**Reviewed by:**



**Senior Manager Finance**

**Approved by:**



**Chief Financial Officer**

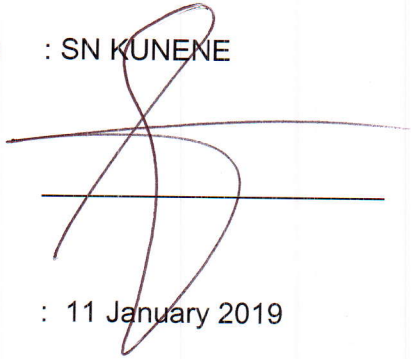


## 2.7. Municipal Manager's quality certificate

I **Sifiso Nicholas Kunene**, Municipal Manager of UThukela District Municipality, hereby certify that the Section 71 and supporting documentation for and January 2019 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name : SN KUNENE

Signature

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke, written over a horizontal line.

Date : 11 January 2019