



UTHUKELA
UMKHANDLU WESIFUNDA
DISTRKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

SECTION 71 REPORT

JULY/ AUGUST 2018

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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 July/August 2018.

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) - M02 August

| 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 | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | |
| Property rates | | | | | | | | | | |
| Service charges - electricity revenue | | | | | | | | | | |
| Service charges - water revenue | | | | | | | | | | |
| Service charges - sanitation revenue | | 260 645 | 260 645 | 19 493 | 47 041 | 43 441 | 3 600 | 8% | 260 645 | |
| Service charges - refuse revenue | | 31 019 | 31 019 | 1 442 | 2 784 | 5 170 | (2 386) | -46% | 31 019 | |
| Service charges - other | | - | - | - | - | - | - | - | - | |
| Rental of facilities and equipment | | | | | | | | | | |
| Interest earned - external investments | | | | | | | | | | |
| Interest earned - outstanding debtors | | 6 572 | 6 572 | 357 | 639 | 1 095 | (456) | -42% | 6 572 | |
| Dividends received | | 50 456 | 50 456 | 4 388 | 8 736 | 8 409 | 326 | 4% | 50 456 | |
| Fines, penalties and forfeits | | | | | | | | | | |
| Licences and permits | | 50 | 50 | - | - | 8 | (8) | -100% | 50 | |
| Agency services | | | | | | | | | | |
| Transfers and subsidies | | | | | | | | | | |
| Other revenue | | 405 533 | 405 533 | 872 | 151 722 | 67 589 | 84 133 | 124% | 405 533 | |
| Gains on disposal of PPE | | 4 098 | 4 098 | 306 | 531 | 683 | (152) | -22% | 4 098 | |
| Total Revenue (excluding capital transfers and contributions) | | - | 758 374 | 758 374 | 26 859 | 211 453 | 126 396 | 85 057 | 67% | 758 374 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | | | | | | | | | |
| Remuneration of councillors | | 271 837 | 271 837 | 23 643 | 43 452 | 45 306 | (1 854) | -4% | 271 837 | |
| Debt impairment | | 8 156 | 8 156 | 535 | 1 091 | 1 359 | (268) | -20% | 8 156 | |
| Depreciation & asset impairment | | 136 628 | 136 628 | - | - | 22 771 | (22 771) | -100% | 136 628 | |
| Finance charges | | 86 634 | 86 634 | - | - | 14 439 | (14 439) | -100% | 86 634 | |
| Bulk purchases | | 561 | 561 | 2 | 2 | 94 | (51) | -98% | 561 | |
| Other materials | | 6 586 | 6 586 | - | - | 1 098 | (1 098) | -100% | 6 586 | |
| Contracted services | | 16 023 | 16 023 | 59 | 59 | 2 670 | (2 612) | -98% | 16 023 | |
| Transfers and subsidies | | 117 869 | 117 869 | 4 053 | 4 053 | 19 645 | (15 592) | -79% | 117 869 | |
| Other expenditure | | 1 000 | 1 000 | 323 | 323 | 167 | 157 | 94% | 1 000 | |
| Loss on disposal of PPE | | 74 815 | 74 815 | 3 341 | 6 807 | 12 469 | (5 662) | -45% | 74 815 | |
| Total Expenditure | | - | 720 109 | 720 109 | 31 956 | 55 788 | 120 018 | (64 230) | -54% | 720 109 |
| Surplus/(Deficit) | | | | | | | | | | |
| Transfers and subsidies - capital (in-kind - all) | | - | 38 265 | 38 265 | (5 097) | 155 664 | 6 378 | 149 287 | 0 | 38 265 |
| (National / Provincial and District) | | | | | | | | | | |
| (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | | 407 804 | 407 804 | 84 543 | 84 543 | 67 967 | 16 575 | 0 | 407 804 |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | | | |
| Surplus/(Deficit) after capital transfers & contributions | | - | 446 069 | 446 069 | 79 445 | 240 207 | 74 345 | - | - | 446 069 |
| Taxation | | | | | | | | | | |
| Surplus/(Deficit) after taxation | | - | 446 069 | 446 069 | 79 445 | 240 207 | 74 345 | - | - | 446 069 |
| Attributable to minorities | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | - | 446 069 | 446 069 | 79 445 | 240 207 | 74 345 | - | - | 446 069 |
| Share of surplus/ (deficit) of associate | | | | | | | | | | |
| Surplus/ (Deficit) for the year | | - | 446 069 | 446 069 | 79 445 | 240 207 | 74 345 | - | - | 446 069 |

- The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.
- Capital grant transfers recognised R84 million at the end of August 2018.
- Total operating expenditure is at R 55 million at the end of August 2018.
- The Service charged – Water R47 million has been billed at the end of August 2018.
- The Service charges – Sanitation R2.7 million has been billed at the end of August 2018.

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) - M02 August

| 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 |
| R thousands | 1 | | | | | | | | | |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| 105 - MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - |
| 200 - CORPORATE SERVICES | | - | - | - | - | - | - | - | - | - |
| 300 - BUDGET AND TREASURY | | - | 27 | 27 | - | - | 5 | (5) | -100% | 27 |
| 405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV) | | - | - | - | - | - | - | - | - | - |
| 408 - WSA& HEALTH SERVICES | | - | - | - | - | - | - | - | - | - |
| 500 - WATER, SANITATION AND TECHNICAL SERVICES | | - | 407 804 | 407 804 | 84 543 | 84 543 | 67 967 | 16 575 | 24% | 407 804 |
| Total Capital single-year expenditure | 4 | - | 407 831 | 407 831 | 84 543 | 84 543 | 67 972 | 16 571 | 24% | 407 831 |
| Total Capital Expenditure | | - | 407 831 | 407 831 | 84 543 | 84 543 | 67 972 | 16 571 | 24% | 407 831 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| <i>Governance and administration</i> | | | | | | | | | | |
| Executive and council | | - | 27 | 27 | - | - | 5 | (5) | -100% | 27 |
| Finance and administration | | | 27 | 27 | | | 5 | (5) | -100% | 27 |
| Internal audit | | | | | | | | | | |
| <i>Trading services</i> | | | | | | | | | | |
| Energy sources | | - | 407 804 | 407 804 | 84 543 | 84 543 | 67 967 | 16 575 | 24% | 407 804 |
| Water management | | | 407 804 | 407 804 | 84 543 | 84 543 | 67 967 | 16 575 | 24% | 407 804 |
| Waste water management | | | | | | | | | | |
| Waste management | | | | | | | | | | |
| <i>Other</i> | | | | | | | | | | |
| Total Capital Expenditure - Functional Classification | 3 | - | 407 831 | 407 831 | 84 543 | 84 543 | 67 972 | 16 571 | 24% | 407 831 |
| Funded by: | | | | | | | | | | |
| National Government | | | 407 804 | 407 804 | 84 543 | 84 543 | 67 967 | 16 575 | 24% | 407 804 |
| Provincial Government | | | | | | | | | | |
| District Municipality | | | | | | | | | | |
| Other transfers and grants | | | | | | | | | | |
| Transfers recognised - capital | | - | 407 804 | 407 804 | 84 543 | 84 543 | 67 967 | 16 575 | 24% | 407 804 |
| Public contributions & donations | 5 | | | | | | | | | |
| Borrowing | 6 | | | | | | | | | |
| Internally generated funds | | | 27 | 27 | | | 5 | (5) | -100% | 27 |
| Total Capital Funding | | - | 407 831 | 407 831 | 84 543 | 84 543 | 67 972 | 16 571 | 24% | 407 831 |

➤ As depicted above capital expenditure amounting to R84 million recorded at the month of August 2018.

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 - M02

| Description | Ref | 2017/18 | Budget Year 2018/19 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|------------|--------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD varian | YTD variance | Full Year Forecast |
| R thousands | 1 | | | | | | | | % | |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | - | 28 579 | 28 579 | 28 | 28 | 4 763 | 4 735 | 99.4% | 28 579 |
| Water Supply Infrastructure | | - | 28 579 | 28 579 | 28 | 28 | 4 763 | 4 735 | 99.4% | 28 579 |
| Dams and Weirs | | | | | | | | | | |
| Boreholes | | | | | | | | | | |
| Reservoirs | | | | | | | | | | |
| Pump Stations | | | 10 530 | 10 530 | 28 | 28 | 1 755 | 1 727 | 98.4% | 10 530 |
| Water Treatment Works | | | 15 795 | 15 795 | - | - | 2 633 | 2 633 | 100.0% | 15 795 |
| Bulk Mains | | | 1 000 | 1 000 | | | 167 | 167 | 100.0% | 1 000 |
| | | | 1 254 | 1 254 | | | 209 | 209 | 100.0% | 1 254 |
| Computer Equipment | | - | 250 | 250 | - | - | 42 | 42 | 100.0% | 250 |
| Computer Equipment | | | 250 | 250 | | | 42 | 42 | 100.0% | 250 |
| Machinery and Equipment | | - | 627 | 627 | - | - | 105 | 105 | 100.0% | 627 |
| Machinery and Equipment | | | 627 | 627 | | | 105 | 105 | 100.0% | 627 |
| | | | | | | | | | | |
| Transport Assets | | - | 11 685 | 11 685 | 1 513 | 1 513 | 1 947 | 434 | 22.3% | 11 685 |
| Transport Assets | | | 11 685 | 11 685 | 1 513 | 1 513 | 1 947 | 434 | 22.3% | 11 685 |
| Total Repairs and Maintenance Expenditure | 1 | - | 41 457 | 41 457 | 1 542 | 1 542 | 6 909 | 5 368 | 77.7% | 41 457 |

➤ 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) - M02 August

| 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 | 1 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | | | | | | | | | |
| Executive and council | | - | 406 468 | 406 468 | 488 | 151 642 | 67 745 | 83 897 | 124% | 406 468 |
| Finance and administration | | - | 62 083 | 62 083 | - | - | 10 347 | (10 347) | -100% | 62 083 |
| Internal audit | | - | 344 385 | 344 385 | 488 | 151 642 | 57 398 | 94 244 | 164% | 344 385 |
| <i>Community and public safety</i> | | | | | | | | | | |
| Community and social services | | - | 50 | 50 | - | - | 8 | (8) | -100% | 50 |
| Sport and recreation | | - | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | | | | | | | | | |
| Planning and development | | - | 300 | 300 | - | - | 8 | (8) | -100% | 50 |
| Road transport | | - | 300 | 300 | - | - | 50 | (50) | -100% | 300 |
| Environmental protection | | - | - | - | - | - | 50 | (50) | -100% | 300 |
| <i>Trading services</i> | | | | | | | | | | |
| Energy sources | | - | 759 360 | 759 360 | 110 914 | 144 354 | 126 560 | 17 794 | 14% | 759 360 |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | 728 340 | 728 340 | 109 471 | 141 570 | 121 390 | 20 180 | 17% | 728 340 |
| Waste management | | - | 31 019 | 31 019 | 1 442 | 2 784 | 5 170 | (2 386) | -46% | 31 019 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | - | 1 166 178 | 1 166 178 | 111 402 | 295 995 | 194 363 | 101 632 | 52% | 1 166 178 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | | | | | | | | | |
| Executive and council | | - | 388 824 | 388 824 | 9 740 | 17 603 | 64 804 | (47 201) | -73% | 388 824 |
| Finance and administration | | - | 63 551 | 63 551 | 3 186 | 6 754 | 10 592 | (3 837) | -36% | 63 551 |
| Internal audit | | - | 325 273 | 325 273 | 6 554 | 10 848 | 54 212 | (43 364) | -80% | 325 273 |
| <i>Community and public safety</i> | | | | | | | | | | |
| Community and social services | | - | 24 993 | 24 993 | 1 590 | 2 959 | 4 166 | (1 206) | -29% | 24 993 |
| Sport and recreation | | - | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | | | | | | | | | |
| Planning and development | | - | 24 993 | 24 993 | 1 590 | 2 959 | 4 166 | (1 206) | -29% | 24 993 |
| Road transport | | - | 22 932 | 22 932 | 1 904 | 3 320 | 3 822 | (502) | -13% | 22 932 |
| Environmental protection | | - | 22 932 | 22 932 | 1 904 | 3 320 | 3 822 | (502) | -13% | 22 932 |
| <i>Trading services</i> | | | | | | | | | | |
| Energy sources | | - | 283 360 | 283 360 | 18 722 | 31 906 | 47 227 | (15 321) | -32% | 283 360 |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | 282 244 | 282 244 | 18 722 | 31 906 | 47 041 | (15 135) | -32% | 282 244 |
| Waste management | | - | 1 116 | 1 116 | - | - | 186 | (186) | -100% | 1 116 |
| <i>Other</i> | | - | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | - | 720 109 | 720 109 | 31 956 | 55 788 | 120 018 | (64 230) | -54% | 720 109 |
| Surplus/ (Deficit) for the year | | - | 446 069 | 446 069 | 79 445 | 240 207 | 74 345 | 165 862 | 223% | 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) - M02 August

| 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 |
| R thousands | | | | | | | | | | |
| Revenue by Vote | | | | | | | | | | |
| 105 - MUNICIPAL MANAGER | 1 | - | 62 083 | 62 083 | - | - | 10 347 | (10 347) | -100.0% | 62 083 |
| 200 - CORPORATE SERVICES | | - | - | - | - | - | - | - | - | - |
| 300 - BUDGET AND TREASURY | | - | 344 385 | 344 385 | 488 | 151 642 | 57 398 | 94 244 | 164.2% | 344 385 |
| 405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV) | | - | 300 | 300 | - | - | 50 | (50) | -100.0% | 300 |
| 408 - WSA& HEALTH SERVICES | | - | 50 | 50 | - | - | 8 | (8) | -100.0% | 50 |
| 500 - WATER, SANITATION AND TECHNICAL SERVICES | | - | 759 360 | 759 360 | 110 914 | 144 354 | 126 560 | 17 794 | 14.1% | 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] | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | - | 1 166 178 | 1 166 178 | 111 402 | 295 995 | 194 363 | 101 632 | 52.3% | 1 166 178 |
| Expenditure by Vote | | | | | | | | | | |
| 105 - MUNICIPAL MANAGER | 1 | - | 63 551 | 63 551 | 3 186 | 6 754 | 10 592 | (3 837) | -36.2% | 63 551 |
| 200 - CORPORATE SERVICES | | - | 48 051 | 48 051 | 3 318 | 4 766 | 8 009 | (3 243) | -40.5% | 48 051 |
| 300 - BUDGET AND TREASURY | | - | 277 222 | 277 222 | 3 237 | 6 083 | 46 204 | (40 121) | -86.8% | 277 222 |
| 405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV) | | - | 22 932 | 22 932 | 1 904 | 3 320 | 3 822 | (502) | -13.1% | 22 932 |
| 408 - WSA& HEALTH SERVICES | | - | 24 993 | 24 993 | 1 590 | 2 959 | 4 166 | (1 206) | -29.0% | 24 993 |
| 500 - WATER, SANITATION AND TECHNICAL SERVICES | | - | 283 360 | 283 360 | 18 722 | 31 906 | 47 227 | (15 321) | -32.4% | 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] | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | - | 720 109 | 720 109 | 31 956 | 55 788 | 120 018 | (64 230) | -53.5% | 720 109 |
| Surplus/ (Deficit) for the year | 2 | - | 446 069 | 446 069 | 79 445 | 240 207 | 74 345 | 165 862 | 223.1% | 446 069 |

Part 2 – Supporting Documentation

2.1.1 Table 6: SC3 Debtors Age Analysis

➤ The Municipality has a total amount of R 845 million of outstanding debt.

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

| Description | Budget Year 2018/19 | | | | | | Total | Total over 90 |
|---|---------------------|------------|------------|-------------|-------------|-------------|---------|---------------|
| | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | | |
| R thousands | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | - | 28 469 | 22 434 | 36 373 | 18 206 | 739 364 | 844 846 | 793 943 |
| 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 | - | 16 | - | 11 | 9 | 1 007 | 1 043 | 1 027 |
| Total By Income Source | - | 28 484 | 22 434 | 36 384 | 18 215 | 740 371 | 845 889 | 794 971 |
| 2017/18 - totals only | | | | | | | - | - |
| Debtors Age Analysis By Customer Group | | | | | | | | |
| Organs of State | - | 3 854 | 3 745 | 6 374 | 5 644 | 18 271 | 37 887 | 30 288 |
| Commercial | - | 2 329 | 1 697 | 4 380 | 1 527 | 28 668 | 38 600 | 34 574 |
| Households | - | 22 286 | 16 992 | 25 620 | 11 036 | 692 425 | 768 358 | 729 081 |
| Other | - | 16 | - | 11 | 9 | 1 007 | 1 043 | 1 027 |
| Total By Customer Group | - | 28 484 | 22 434 | 36 384 | 18 215 | 740 371 | 845 889 | 794 971 |

➤ The collection rate for 31 August 2018

| CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 AUGUST 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 | | 0.00% |
| | 49 683 508.31 | | 17 573 368.80 | 35% |
| TOTALS | | | | |
| BILLING - JULY 2018-AUGUST 2018 | | 49 683 508.31 | | |
| RECIPTS - JULY 2018-AUGUST 2018 | | 17 573 368.80 | | |
| DIFFERENCE | | 32 110 139.51 | 35% | |

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.

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

| Description | NT Code | Budget Year 2018/19 | | | | | | | Total |
|--|-------------|---------------------|-----------------|-----------------|------------------|----------------------|----------------|--|---------------|
| | | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | Over 1 Year | | |
| R thousands | | | | | | | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | |
| Bulk Electricity | 0100 | | | | | | | | - |
| Bulk Water | 0200 | | | | | | | | - |
| PAYE deductions | 0300 | | | | | | | | - |
| VAT (output less input) | 0400 | | | | | | | | - |
| Pensions / Retirement deductions | 0500 | | | | | | | | - |
| Loan repayments | 0600 | | | | | | | | - |
| Trade Creditors | 0700 | 12 831 | 5 787 | 6 239 | 5 406 | 5 780 | 8 907 | | - |
| Auditor General | 0800 | | | | | | | | - |
| Other | 0900 | | | | | | | | - |
| Total By Customer Type | 1000 | 12 831 | 5 787 | 6 239 | 5 406 | 5 780 | 8 907 | | 44 949 |

- The list of top ten outstanding creditors.

| Payee | Current | 30days | 60days | 90days | 120+ | Total Amount |
|-----------------------|--------------|------------|------------|------------|------------|--------------|
| BIG MAC PLANT & CIVIL | 711 357.00 | 688 410.00 | 711 357.00 | 642 516.00 | 711 357.00 | 3 464 997.00 |
| MSIZI MAJOLA TRADING | 551 304.00 | 533 520.00 | 551 304.00 | 497 952.00 | 551 304.00 | 2 685 384.00 |
| PHEKAPHANSI TRADING | 483 600.00 | 468 000.00 | 483 600.00 | 436 800.00 | 483 600.00 | 2 355 600.00 |
| LUNASIS IDEAS | 414 780.00 | 401 400.00 | 414 780.00 | 374 640.00 | 414 780.00 | 2 020 380.00 |
| APHIGUGU TRADING | 376 154.00 | 364 020.00 | 376 154.00 | 339 752.00 | 376 154.00 | 1 832 234.00 |
| SHULA CONSTRUCTION | 1 391 826.16 | | | | | 1 391 826.16 |
| MASOVAYI CIVILS | 271 699.81 | 262 935.30 | 271 699.81 | 245 406.28 | 271 699.81 | 1 323 441.01 |
| R AND D MRAZANA | 1 139 909.81 | | | | | 1 139 909.81 |
| UVALO | 213 280.00 | 206 400.00 | 213 280.00 | 192 640.00 | 213 280.00 | 1 038 880.00 |
| MAXODE | 1 033 614.54 | | | | | 1 033 614.54 |

2.4.1 Table 10: Investments and Bank Balances

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - invest

| Investments by maturity | | Market value at end of the month |
|-------------------------------------|-------------|----------------------------------|
| Name of institution & investment ID | R thousands | |
| Municipality | | |
| FNB | | 8 641 |
| NEDBANK | | - |
| INVESTEC | | 30 330 |
| ABSA | | 20 197 |
| Municipality sub-total | | 59 168 |

Bank Balances

The following reflects bank balances at 31 AUGUST 2018

| DESCRIPTION | JULY | AUGUST |
|-------------------------------|---------------------|---------------------|
| FNB MAIN ACCOUNT 62252306280 | 5 194 268.40 | 5 795 619.61 |
| FNB WATER ACCOUNT 62253072385 | 0.00 | 0.00 |
| | 5 194 268.40 | 5 795 619.61 |
| Total cash held | 5 795 619.61 | |

Table 12: SC6 Grant Receipts

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

| 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 | | | | | | | | | |
| RECEIPTS: | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | |
| National Government: | - | 405 233 | 405 233 | - | 153 948 | 67 539 | 94 950 | 140.6% | 405 233 |
| Local Government Equitable Share | | 335 399 | 335 399 | - | 150 850 | 55 900 | 94 950 | 169.9% | 335 399 |
| RSC Levy Replacement | | 56 441 | 56 441 | | | 9 407 | | | 56 441 |
| Finance Management | | 1 545 | 1 545 | - | 1 545 | 258 | | | 1 545 |
| EPWP Incentive | | 6 206 | 6 206 | - | 1 553 | 1 034 | | | 6 206 |
| Special Support For Councillors | | 5 642 | 5 642 | | | 940 | | | 5 642 |
| Provincial Government: | - | 300 | 300 | - | - | 50 | (50) | -100.0% | 300 |
| Shared Services | | 300 | 300 | | | 50 | (50) | -100.0% | 300 |
| Total Operating Transfers and Grants | - | 405 533 | 405 533 | - | 153 948 | 67 589 | 94 900 | 140.4% | 405 533 |
| Capital Transfers and Grants | | | | | | | | | |
| National Government: | - | 407 804 | 407 804 | - | 89 742 | 67 967 | 37 995 | 55.9% | 407 804 |
| Municipal Infrastructure Grant (MIG) | | 180 033 | 180 033 | - | 68 000 | 30 006 | 37 995 | 126.6% | 180 033 |
| Regional Bulk Infrastructure | | 142 283 | 142 283 | | | 23 714 | | | 142 283 |
| Rural Road Asset management | | 2 488 | 2 488 | - | 1 742 | 415 | | | 2 488 |
| Water Services Infrastructure Grant | | 83 000 | 83 000 | - | 20 000 | 13 833 | | | 83 000 |
| Total Capital Transfers and Grants | - | 407 804 | 407 804 | - | 89 742 | 67 967 | 37 995 | 55.9% | 407 804 |
| TOTAL RECEIPTS OF TRANSFERS & | - | 813 337 | 813 337 | - | 243 690 | 135 556 | 132 895 | 98.0% | 813 337 |

Table 13: SC7 Grant Expenditure

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

| 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 | | | | | | | | | |
| EXPENDITURE | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | |
| National Government: | - | 405 233 | 405 233 | 872 | 151 767 | 67 539 | 84 228 | 124.7% | 405 233 |
| Local Government Equitable Share | | 335 399 | 335 399 | - | 150 850 | 55 900 | 94 950 | 169.9% | 335 399 |
| RSC Levy Replacement | | 56 441 | 56 441 | | | 9 407 | (9 407) | -100.0% | 56 441 |
| Finance Management | | 1 545 | 1 545 | 90 | 135 | 258 | (123) | -47.6% | 1 545 |
| EPWP Incentive | | 6 206 | 6 206 | 782 | 782 | 1 034 | (252) | -24.4% | 6 206 |
| Special Support For Councillors | | 5 642 | 5 642 | | | 940 | (940) | -100.0% | 5 642 |
| Provincial Government: | - | 300 | 300 | - | - | 25 | (25) | -100.0% | 300 |
| Shared Services | | 300 | 300 | | | 25 | (25) | -100.0% | 300 |
| Total operating expenditure of Transfers and Grants | - | 405 533 | 405 533 | 872 | 151 767 | 67 564 | 84 203 | 124.6% | 405 533 |
| Capital expenditure of Transfers and Grants | | | | | | | | | |
| National Government: | - | 407 804 | 407 804 | 84 543 | 84 543 | 67 967 | 16 575 | 24.4% | 407 804 |
| Municipal Infrastructure Grant (MIG) | | 180 033 | 180 033 | 67 679 | 67 679 | 30 006 | 37 674 | 125.6% | 180 033 |
| Regional Bulk Infrastructure | | 142 283 | 142 283 | 2 176 | 2 176 | 23 714 | (21 538) | -90.8% | 142 283 |
| Rural Road Asset management | | 2 488 | 2 488 | - | - | 415 | (415) | -100.0% | 2 488 |
| Water Services Infrastructure Grant | | 83 000 | 83 000 | 14 687 | 14 687 | 13 833 | 854 | 6.2% | 83 000 |
| Total capital expenditure of Transfers and Grants | - | 407 804 | 407 804 | 84 543 | 84 543 | 67 967 | 16 575 | 24.4% | 407 804 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | - | 813 337 | 813 337 | 85 415 | 236 310 | 135 531 | 100 779 | 74.4% | 813 337 |

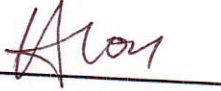
- R84 million was spent in capital grants
- R151 million has been spent in operating grants

Prepared by

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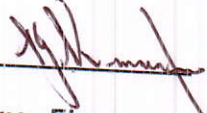
Accountant: Budget

Reviewed by:

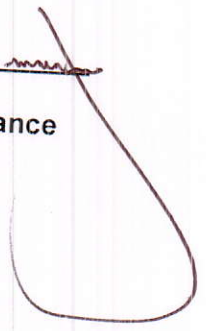
A handwritten signature in dark ink, appearing to be 'Alan', written over a horizontal line.

Manager Asset and Reporting

Approved by:

A handwritten signature in dark ink, appearing to be 'J. H. ...', written over a horizontal line.

Senior Manager Finance

A large, stylized handwritten flourish or signature element in dark ink, extending downwards and to the right from the 'Approved by' line.