

**UTHUKELA**

UMKHANDLU WESIFUNDA  
DISTRIKSMUNISIPALITEIT  
DISTRICT MUNICIPALITY

**SECTION 71 REPORT**

**SEPTEMBER 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 September 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) - M03 September

Description	Ref	2017/18	Budget Year 2018/19								
		Audited	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			260 645	260 645	21 996	69 037	65 161	3 876	6%	260 645	
Service charges - sanitation revenue			31 019	31 019	1 560	4 344	7 755	(3 411)	-44%	31 019	
Service charges - refuse revenue			-	-							
Service charges - other											
Rental of facilities and equipment											
Interest earned - external investments			6 572	6 572	561	1 200	1 643	(443)	-27%	6 572	
Interest earned - outstanding debtors			50 456	50 456	4 200	12 936	12 614	322	3%	50 456	
Dividends received											
Fines, penalties and forfeits			50	50	-	-	13	(13)	-100%	50	
Licences and permits											
Agency services											
Transfers and subsidies			405 533	405 533	768	152 490	101 383	51 107	50%	405 533	
Other revenue			4 098	4 098	151	682	1 025	(342)	-33%	4 098	
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>			-	758 374	758 374	29 237	240 689	189 594	51 096	27%	758 374
<b>Expenditure By Type</b>											
Employee related costs			271 837	271 837	22 146	64 816	67 959	(3 143)	-5%	271 837	
Remuneration of councillors			8 156	8 156	511	1 602	2 039	(437)	-21%	8 156	
Debt impairment			136 628	136 628	-	-	34 157	(34 157)	-100%	136 628	
Depreciation & asset impairment			86 634	86 634	-	-	21 658	(21 658)	-100%	86 634	
Finance charges			561	561	9	11	140	(129)	-92%	561	
Bulk purchases			6 586	6 586	-	-	1 647	(1 647)	-100%	6 586	
Other materials			16 023	16 023	447	506	4 006	(3 500)	-87%	16 023	
Contracted services			117 869	117 869	6 585	10 638	29 467	(18 829)	-64%	117 869	
Transfers and subsidies			1 000	1 000	-	323	250	73	29%	1 000	
Other expenditure			74 815	74 815	2 658	9 465	18 704	(9 238)	-49%	74 815	
Loss on disposal of PPE											
<b>Total Expenditure</b>			-	720 109	720 109	32 357	87 363	180 027	(92 665)	-51%	720 109
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			-	38 265	38 265	(3 120)	153 326	9 566	143 760	0	38 265
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies,				407 804	407 804	-	84 650	101 951	(17 301)	(0)	407 804
Transfers and subsidies - capital (in-kind - all)											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			-	446 069	446 069	(3 120)	237 976	111 517			446 069
Taxation											
<b>Surplus/(Deficit) after taxation</b>			-	446 069	446 069	(3 120)	237 976	111 517			446 069
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>			-	446 069	446 069	(3 120)	237 976	111 517			446 069
Share of surplus/ (deficit) of associate											
<b>Surplus/ (Deficit) for the year</b>			-	446 069	446 069	(3 120)	237 976	111 517			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 September 2018.
- Total operating expenditure is at R 87 million at the end of September 2018.
- The Service charged – Water R69 million has been billed at the end of September 2018.
- The Service charges – Sanitation R4 million has been billed at the end of September 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) - M03 September

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									
<b>Single Year expenditure appropriation</b>	2									
105 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	27	27	-	-	7	(7)	-100%	27
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-	-	-
408 - WSA& HEALTH SERVICES		-	-	-	-	-	-	-	-	-
500 - WATER, SANITATION AND TECHNICAL SERVICES		-	407 804	407 804	-	84 650	101 951	(17 301)	-17%	407 804
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 Capital single-year expenditure</b>	4	-	407 831	407 831	-	84 650	101 958	(17 308)	-17%	407 831
<b>Total Capital Expenditure</b>		-	407 831	407 831	-	84 650	101 958	(17 308)	-17%	407 831
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		-	27	27	-	-	7	(7)	-100%	27
Executive and council										
Finance and administration			27	27			7	(7)	-100%	27
<i>Trading services</i>		-	407 804	407 804	-	84 650	101 951	(17 301)	-17%	407 804
Energy sources										
Water management			407 804	407 804	-	84 650	101 951	(17 301)	-17%	407 804
Waste water management										
Waste management										
<i>Other</i>										
<b>Total Capital Expenditure - Functional Classification</b>	3	-	407 831	407 831	-	84 650	101 958	(17 308)	-17%	407 831
<b>Funded by:</b>										
National Government			407 804	407 804	-	84 650	101 951	(17 301)	-17%	407 804
Provincial Government										
District Municipality										
Other transfers and grants										
<b>Transfers recognised - capital</b>		-	407 804	407 804	-	84 650	101 951	(17 301)	-17%	407 804
<b>Public contributions &amp; donations</b>	5									
<b>Borrowing</b>	6									
<b>Internally generated funds</b>			27	27			7	(7)	-100%	27
<b>Total Capital Funding</b>		-	407 831	407 831	-	84 650	101 958	(17 308)	-17%	407 831

➤ As depicted above capital expenditure amounting to R84 million recorded at the month of September 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 - M03

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									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	28 579	28 579	1 693	1 722	7 145	5 423	75.9%	28 579
Water Supply Infrastructure		-	28 579	28 579	1 693	1 722	7 145	5 423	75.9%	28 579
Dams and Weirs										
Boreholes										
Reservoirs			10 530	10 530	326	354	2 633	2 278	86.5%	10 530
Pump Stations			15 795	15 795	1 081	1 081	3 949	2 867	72.6%	15 795
Water Treatment Works			1 000	1 000			250	250	100.0%	1 000
Bulk Mains			1 254	1 254	286	286	314	28	8.8%	1 254
<b>Other assets</b>		-	316	316	36	36	79	43	54.5%	316
Operational Buildings		-	316	316	36	36	79	43	54.5%	316
Municipal Offices			316	316	36	36	79	43	54.5%	316
<b>Computer Equipment</b>		-	250	250	-	-	63	63	100.0%	250
Computer Equipment			250	250			63	63	100.0%	250
<b>Machinery and Equipment</b>		-	627	627	-	-	157	157	100.0%	627
Machinery and Equipment			627	627			157	157	100.0%	627
<b>Transport Assets</b>		-	11 685	11 685	-	1 513	2 921	1 408	48.2%	11 685
Transport Assets			11 685	11 685	-	1 513	2 921	1 408	48.2%	11 685
<b>Total Repairs</b>	<b>1</b>	<b>-</b>	<b>41 457</b>	<b>41 457</b>	<b>1 729</b>	<b>3 271</b>	<b>10 364</b>	<b>7 093</b>	<b>68.4%</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) - M03 September

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcom	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		--	406 468	406 468	1 029	152 670	101 617	51 053	50%	406 468
Executive and council		--	62 083	62 083	--	--	15 521	(15 521)	-100%	62 083
Finance and administration		--	344 385	344 385	1 029	152 670	86 096	66 574	77%	344 385
Internal audit		--	--	--	--	--	--	--	--	--
<i>Community and public safety</i>		--	50	50	--	--	13	(13)	-100%	50
Community and social services		--	--	--	--	--	--	--	--	--
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
Health		--	50	50	--	--	13	(13)	-100%	50
<i>Economic and environmental services</i>		--	300	300	206	206	75	131	174%	300
Planning and development		--	300	300	206	206	75	131	174%	300
Road transport		--	--	--	--	--	--	--	--	--
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		--	759 360	759 360	28 002	87 813	189 840	(102 027)	-54%	759 360
Energy sources		--	--	--	--	--	--	--	--	--
Water management		--	728 340	728 340	26 442	83 469	182 085	(98 616)	-54%	728 340
Waste water management		--	31 019	31 019	1 560	4 344	7 755	(3 411)	-44%	31 019
Waste management		--	--	--	--	--	--	--	--	--
Other	4	--	--	--	--	--	--	--	--	--
<b>Total Revenue</b>	<b>2</b>	--	<b>1 166 178</b>	<b>1 166 178</b>	<b>29 237</b>	<b>240 689</b>	<b>291 545</b>	<b>(50 855)</b>	<b>-17%</b>	<b>1 166 178</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		--	388 824	388 824	11 115	28 717	97 206	(68 489)	-70%	388 824
Executive and council		--	63 551	63 551	3 946	10 700	15 888	(5 187)	-33%	63 551
Finance and administration		--	325 273	325 273	7 169	18 017	81 318	(63 301)	-78%	325 273
Internal audit		--	--	--	--	--	--	--	--	--
<i>Community and public safety</i>		--	24 993	24 993	1 625	4 584	6 248	(1 664)	-27%	24 993
Community and social services		--	--	--	--	--	--	--	--	--
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--
Health		--	24 993	24 993	1 625	4 584	6 248	(1 664)	-27%	24 993
<i>Economic and environmental services</i>		--	22 932	22 932	1 822	5 142	5 733	(591)	-10%	22 932
Planning and development		--	22 932	22 932	1 822	5 142	5 733	(591)	-10%	22 932
Road transport		--	--	--	--	--	--	--	--	--
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		--	283 360	283 360	17 795	48 919	70 840	(21 921)	-31%	283 360
Energy sources		--	--	--	--	--	--	--	--	--
Water management		--	282 244	282 244	17 795	48 919	70 561	(21 642)	-31%	282 244
Waste water management		--	1 116	1 116	--	--	279	(279)	-100%	1 116
Waste management		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
<b>Total Expenditure</b>	<b>3</b>	--	<b>720 109</b>	<b>720 109</b>	<b>32 357</b>	<b>87 363</b>	<b>180 027</b>	<b>(92 665)</b>	<b>-51%</b>	<b>720 109</b>
<b>Surplus/ (Deficit) for the year</b>		--	<b>446 069</b>	<b>446 069</b>	<b>(3 120)</b>	<b>153 326</b>	<b>111 517</b>	<b>41 809</b>	<b>37%</b>	<b>446 069</b>



**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) - M03 September

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	1									
105 - MUNICIPAL MANAGER		-	62 083	62 083	-	-	15 521	(15 521)	-100.0%	62 083
200 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY		-	344 385	344 385	1 029	152 670	86 096	66 574	77.3%	344 385
405 - SOCIAL SERVICES(PLANNING		-	300	300	206	206	75	131	174.1%	300
408 - WSA& HEALTH SERVICES		-	50	50	-	-	13	(13)	-100.0%	50
500 - WATER, SANITATION AND TE		-	759 360	759 360	28 002	87 813	189 840	(102 027)	-53.7%	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	2	-	1 166 178	1 166 178	29 237	240 689	291 545	(50 855)	-17.4%	1 166 178
Expenditure by Vote	1									
105 - MUNICIPAL MANAGER		-	63 551	63 551	3 946	10 700	15 888	(5 187)	-32.7%	63 551
200 - CORPORATE SERVICES		-	48 051	48 051	3 555	8 320	12 013	(3 693)	-30.7%	48 051
300 - BUDGET AND TREASURY		-	277 222	277 222	3 614	9 697	69 305	(59 609)	-86.0%	277 222
405 - SOCIAL SERVICES(PLANNING		-	22 932	22 932	1 822	5 142	5 733	(591)	-10.3%	22 932
408 - WSA& HEALTH SERVICES		-	24 993	24 993	1 625	4 584	6 248	(1 664)	-26.6%	24 993
500 - WATER, SANITATION AND TE		-	283 360	283 360	17 795	48 919	70 840	(21 921)	-30.9%	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 Expendi	2	-	720 109	720 109	32 357	87 363	180 027	(92 665)	-51.5%	720 109
Surplus/ (Def	2	-	446 069	446 069	(3 120)	153 326	111 517	41 809	37.5%	446 069

## Part 2 – Supporting Documentation

### 2.1.1 Table 6: SC3 Debtors Age Analysis

- The Municipality has a total amount of R 856 million of outstanding debt.

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

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			
<b>R thousands</b>									
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	-	28 961	22 586	20 262	34 988	749 683	856 481	804 933	
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	57	-	16	-	11	-	-	-	
<b>Total By Income Source</b>	<b>57</b>	<b>28 961</b>	<b>22 602</b>	<b>20 262</b>	<b>34 999</b>	<b>749 683</b>	<b>856 565</b>	<b>804 944</b>	
<b>2017/18 - totals only</b>							-	-	
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	-	3 007	3 214	3 138	5 750	23 570	38 679	32 458	
Commercial	-	4 701	1 419	1 349	4 249	29 139	40 858	34 738	
Households	-	21 253	17 954	15 775	24 989	696 974	776 945	737 738	
Other	57	-	16	-	11	-	84	11	
<b>Total By Customer Group</b>	<b>57</b>	<b>28 961</b>	<b>22 602</b>	<b>20 262</b>	<b>34 999</b>	<b>749 683</b>	<b>856 565</b>	<b>804 944</b>	

- The collection rate for 30 September 2018





CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 SEPTEMBER 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		0%
	<b>73 239 789.68</b>		<b>28 225 966.77</b>	<b>39%</b>
<b>TOTALS</b>				
BILLING - JULY 2018-SEPTEMBER 2018		73 239 789.68		
RECIPTS - JULY 2018- SEPTEMBER 2018		28 225 966.77		
DIFFERENCE		45 013 822.91		39%

## 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 - M03 September

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	14 992	5 758	5 913	5 604	5 913	38 179
Auditor General	0800						-
Other	0900						-
<b>Total By Customer Type</b>	<b>1000</b>	<b>14 992</b>	<b>5 758</b>	<b>5 913</b>	<b>5 604</b>	<b>5 913</b>	<b>38 179</b>

➤ The list of top ten outstanding creditors.

Payee	Current	30days	60days	90days	120+	Total Amount
BIG MAC PLANT & CIVIL	711357	688410	711357	642516	711357	3464997
MSIZI MAJOLA TRADING	551304	533520	551304	497952	551304	2685384
PHEKAPHANSI TRADING	483600	468000	483600	436800	483600	2355600
AFROSTRUCTURE	2032444.3					2032444.3
LUNASIS IDEAS	414780	401400	414780	374640	414780	2020380
APHIGUGU TRADING	376154	364020	376154	339752	376154	1832234
CREDITORS NOT ON THE SYSTEM	1433257.17	35783.26	0	258798.69	0	1727839.12
MASOVAYI CIVILS	271699.81	262935.3	271700	245406.28	271699.8	1323441.01
UVALO	213280	206400	213280	192640	213280	1038880
MQAPHELI CONTRACTORS	209949.67	203177.1	209950	189631.96	209949.7	1022658.07

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

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Market value at end of the month	
	R thousands	
<u>Municipality</u>		
FNB		5 679
NEDBANK		-
INVESTEC		30 515
ABSA		271
<b>TOTAL INVESTMENTS AND INTEREST</b>		<b>36 466</b>



## Bank Balances

The following reflects bank balances at 30 September 2018

DESCRIPTION	JULY	AUGUST	SEPTEMBER
FNB MAIN ACCOUNT 62252306280	5 194 268.40	5 795 619.61	8 902 089.70
FNB WATER ACCOUNT 62253072385	0.00	0.00	0.00
	<b>5 194 268.40</b>	<b>5 795 619.61</b>	<b>8 902 089.70</b>
<b>Total cash held</b>	<b>8 902 089.70</b>		



## Table 12: SC6 Grant Receipts

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

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>RECEIPTS:</b>	1.2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	405 233	405 233	-	153 948	101 308	67 000	66.1%	405 233
Local Government Equitable Share			335 399	335 399	-	150 850	83 850	67 000	79.9%	335 399
RSC Levy Replacement			56 441	56 441			14 110			56 441
Finance Management			1 545	1 545	-	1 545	386			1 545
EPWP Incentive			6 206	6 206	-	1 553	1 552			6 206
Special Support For Councillors			5 642	5 642			1 411			5 642
Other transfers and grants (insert description)								-		
<b>Provincial Government:</b>		-	300	300	-	300	75	225	300.0%	300
Shared Services			300	300		300	75	225	300.0%	300
<b>Total Operating Transfers and Grants</b>	5	-	405 533	405 533	-	154 248	101 383	67 225	66.3%	405 533
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	407 804	407 804	-	89 742	101 951	22 992	22.6%	407 804
Municipal Infrastructure Grant (MIG)			180 033	180 033	-	68 000	45 008	22 992	51.1%	180 033
Regional Bulk Infrastructure			142 283	142 283			35 571			142 283
Rural Road Asset management			2 488	2 488	-	1 742	622			2 488
Water Services Infrastructure Grant			83 000	83 000	-	20 000	20 750			83 000
<b>Total Capital Transfers and Grants</b>	5	-	407 804	407 804	-	89 742	101 951	22 992	22.6%	407 804
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANT</b>	5	-	813 337	813 337	-	243 990	203 334	90 217	44.4%	813 337

**Table 13: SC7 Grant Expenditure**

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

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>EXPENDITURE</b>									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	-	405 233	405 233	563	152 321	101 308	51 013	50.4%	405 233
Local Government Equitable Share		335 399	335 399	-	150 850	83 850	67 000	79.9%	335 399
RSC Levy Replacement		56 441	56 441			14 110	(14 110)	-100.0%	56 441
Finance Management		1 545	1 545	458	584	386	198	51.2%	1 545
EPWP Incentive		6 206	6 206	105	887	1 552	(665)	-42.8%	6 206
Special Support For Councillors		5 642	5 642			1 411	(1 411)	-100.0%	5 642
Provincial Government:	-	300	300	206	206	75	131	174.1%	300
Shared Services		300	300	206	206	75	131	174.1%	300
[insert description]							-		
<b>Total operating expenditure of Transfers and Grants:</b>	<b>-</b>	<b>405 533</b>	<b>405 533</b>	<b>768</b>	<b>152 526</b>	<b>101 383</b>	<b>51 143</b>	<b>50.4%</b>	<b>405 533</b>
<u>Capital expenditure of Transfers and Grants</u>									
National Government:	-	407 804	407 804	-	84 650	101 951	(17 301)	-17.0%	407 804
Municipal Infrastructure Grant (MIG)		180 033	180 033	-	67 780	45 008	22 772	50.6%	180 033
Regional Bulk Infrastructure		142 283	142 283	-	2 176	35 571	(33 395)	-93.9%	142 283
Rural Road Asset management		2 488	2 488	-	-	622	(622)	-100.0%	2 488
Water Services Infrastructure Grant		83 000	83 000	-	14 694	20 750	(6 056)	-29.2%	83 000
<b>Total capital expenditure of Transfers and Grants</b>	<b>-</b>	<b>407 804</b>	<b>407 804</b>	<b>-</b>	<b>84 650</b>	<b>101 951</b>	<b>(17 301)</b>	<b>-17.0%</b>	<b>407 804</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>-</b>	<b>813 337</b>	<b>813 337</b>	<b>768</b>	<b>237 176</b>	<b>203 334</b>	<b>33 842</b>	<b>16.6%</b>	<b>813 337</b>

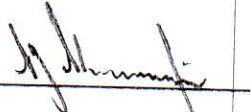
- R84 million was spent in capital grants
- R152 million has been spent in operating grants

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 September 2018 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name : SN KUNENE

Signature

Date : 10 October 2018