

**UTHUKELA**  
UMKHANDLU WESIFUNDA  
DISTRIKSMUNISIPALITEIT  
DISTRICT MUNICIPALITY

## **SECTION 71 REPORT**

**SEPTEMBER 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 September 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 2019/20 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	Budget Year 2020/21						Full Year Forecast
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
<b>Revenue By Source</b>								
Property rates						-		
Service charges - electricity revenue						-		
Service charges - water revenue		245,710	21,920	67,269	61,428	5,842	10%	245,710
Service charges - sanitation revenue		17,281	2,111	4,158	4,320	(162)	-4%	17,281
Service charges - refuse revenue						-		
Rental of facilities and equipment						-		
Interest earned - external investments		6,283	781	1,410	1,571	(161)	-10%	6,283
Interest earned - outstanding debtors		67,008	5,387	15,881	16,752	(871)	-5%	67,008
Dividends received						-		
Fines, penalties and forfeits		53			13	(13)	-100%	53
Licences and permits						-		
Agency services						-		
Transfers and subsidies		449,659	785	182,308	112,415	69,893	62%	449,659
Other revenue		3,655	168	1,386	914	472	52%	3,655
Gains on disposal of PPE						-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>789,649</b>	<b>31,152</b>	<b>272,412</b>	<b>197,412</b>	<b>75,000</b>	<b>38%</b>	<b>789,649</b>
<b>Expenditure By Type</b>								
Employee related costs		291,843	26,199	74,833	72,961	1,872	3%	291,843
Remuneration of councillors		7,956	542	1,590	1,989	(399)	-20%	7,956
Debt impairment		168,789	-	-	42,197	(42,197)	-100%	168,789
Depreciation & asset impairment		58,644	15,812	15,812	14,661	1,151	8%	58,644
Finance charges		-	-	-	-	-		-
Bulk purchases		4,208	354	354	1,052	(698)	-66%	4,208
Other materials		8,950	38	557	2,238	(1,680)	-75%	8,950
Contracted services		57,787	3,431	5,161	14,447	(9,286)	-64%	57,787
Transfers and subsidies						-		
Other expenditure		75,279	13,787	20,239	18,820	1,419	8%	75,279
Loss on disposal of PPE						-		
<b>Total Expenditure</b>		<b>673,456</b>	<b>60,162</b>	<b>118,546</b>	<b>168,364</b>	<b>(49,818)</b>	<b>-30%</b>	<b>673,456</b>
<b>Surplus/(Deficit)</b>		<b>116,193</b>	<b>(29,011)</b>	<b>153,866</b>	<b>29,048</b>	<b>124,818</b>	<b>0</b>	<b>116,193</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		296,937	46,072	67,178	74,234	(7,056)	(0)	296,937
Transfers and subsidies - capital (in-kind - all)						-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>413,130</b>	<b>17,061</b>	<b>221,045</b>	<b>103,283</b>			<b>413,130</b>
Taxation						-		
<b>Surplus/(Deficit) after taxation</b>		<b>413,130</b>	<b>17,061</b>	<b>221,045</b>	<b>103,283</b>			<b>413,130</b>
Atributable to minorities								
<b>Surplus/(Deficit) attributable to municipality</b>		<b>413,130</b>	<b>17,061</b>	<b>221,045</b>	<b>103,283</b>			<b>413,130</b>
Share of surplus/ (deficit) of associate								
<b>Surplus/ (Deficit) for the year</b>		<b>413,130</b>	<b>17,061</b>	<b>221,045</b>	<b>103,283</b>			<b>413,130</b>

- The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.
- Capital grant transfers recognised R 67million at the end of September 2019.
- Total operating expenditure is at R 118 million at the end of September 2019.
- The Service charged – Water R67 million has been billed at the end of September 2019.
- The Service charges – Sanitation R4 million has been billed at the end of September 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) - M03								
Vote Description	Ref	Budget Year 2020/21						
		Original 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		-	-	-	-	-	-	-
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	-	-	-	-	-	-
408 - WSA& HEALTH SERVICES		-	-	-	-	-	-	-
500 - WATER, SANITATION AND TECHNICAL SERVICES		296,937	46,072	67,178	74,234	(7,056)	-10%	296,937
<b>Total Capital single-year expenditure</b>	4	296,937	46,072	67,178	74,234	(7,056)	-10%	296,937
<b>Total Capital Expenditure</b>		296,937	46,072	67,178	74,234	(7,056)	-10%	296,937
<b>Capital Expenditure - Functional Classification</b>								
<i>Trading services</i>		296,937	46,072	67,178	74,234	(7,056)	-10%	296,937
Energy sources						-		
Water management		296,937	46,072	67,178	74,234	(7,056)	-10%	296,937
Waste water management						-		
Waste management						-		
<i>Other</i>						-		
<b>Total Capital Expenditure - Functional Classification</b>	3	296,937	46,072	67,178	74,234	(7,056)	-10%	296,937
<b>Funded by:</b>								
National Government		296,937	46,072	67,178	74,234	(7,056)	-10%	296,937
Provincial Government						-		
District Municipality						-		
Other transfers and grants						-		
<b>Transfers recognised - capital</b>		296,937	46,072	67,178	74,234	(7,056)	-10%	296,937
<b>Borrowing</b>	6					-		
<b>Internally generated funds</b>						-		
<b>Total Capital Funding</b>		296,937	46,072	67,178	74,234	(7,056)	-10%	296,937

➤ As depicted above capital expenditure amounting to R67 million recorded at the month of September 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 -								
Description	Budget Year 2020/21							
	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>	31 784	-	913	961	7 946	6 985	87.9%	31 784
Roads Infrastructure	-	-	-	-	-	-	-	-
Roads								
Water Supply Infrastructure	31 784	-	913	961	7 946	6 985	87.9%	31 784
Reservoirs	11 078	-	-	-	2 769	2 769	100.0%	11 078
Pump Stations	18 720	-	913	961	4 680	3 719	79.5%	18 720
Water Treatment Works	736	-	-	-	184	184	100.0%	736
Bulk Mains	1 249	-	-	-	312	312	100.0%	1 249
<b>Other assets</b>	105	-	6	6	26	20	76.4%	105
Operational Buildings	105	-	6	6	26	20	76.4%	105
Municipal Offices	105	-	6	6	26	20	76.4%	105
<b>Computer Equipment</b>	158	-	78	78	39	(39)	-97.8%	158
Computer Equipment	158	-	78	78	39	(39)	-97.8%	158
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-
Furniture and Office Equipment								
<b>Machinery and Equipment</b>	660	-	39	39	165	126	76.2%	660
Machinery and Equipment	660	-	39	39	165	126	76.2%	660
<b>Transport Assets</b>	12 125	-	796	1 164	3 031	1 867	61.6%	12 125
Transport Assets	12 125	-	796	1 164	3 031	1 867	61.6%	12 125
<b>Total Repairs and Maintenance Expendi</b>	<b>44 832</b>	<b>-</b>	<b>1 832</b>	<b>2 249</b>	<b>11 208</b>	<b>8 959</b>	<b>79.9%</b>	<b>44 832</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	Budget Year 2020/21						
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1							
<b>Revenue - Functional</b>								
<b>Governance and administration</b>		774,357	30,486	270,483	193,589	76,894	40%	774,925
Executive and council		67,286	-	-	16,822	(16,822)	-100%	67,286
Finance and administration		707,071	30,486	270,483	176,768	93,715	53%	707,639
Internal audit		-	-	-	-	-	-	-
<b>Community and public safety</b>		53	-	-	13	(13)	-100%	53
Community and social services		-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-
Health		53	-	-	13	(13)	-100%	53
<b>Economic and environmental services</b>		550	-	-	138	(138)	-100%	550
Planning and development		550	-	-	138	(138)	-100%	550
Road transport		-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-
<b>Trading services</b>		14,690	665	1,929	3,673	(1,743)	-47%	14,690
Energy sources		-	-	-	-	-	-	-
Water management		14,690	665	1,929	3,673	(1,743)	-47%	14,690
Waste water management		-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-
<b>Other</b>	4	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	789,649	31,152	272,412	197,412	75,000	38%	790,217
<b>Expenditure - Functional</b>								
<b>Governance and administration</b>		379,609	10,722	30,417	94,902	(64,486)	-68%	379,609
Executive and council		56,978	3,387	10,332	14,244	(3,912)	-27%	56,978
Finance and administration		322,631	7,334	20,084	80,658	(60,574)	-75%	322,631
Internal audit		-	-	-	-	-	-	-
<b>Community and public safety</b>		24,597	1,988	5,575	6,149	(574)	-9%	24,597
Community and social services		-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-
Health		24,597	1,988	5,575	6,149	(574)	-9%	24,597
<b>Economic and environmental services</b>		22,995	2,044	5,786	5,749	38	1%	22,995
Planning and development		22,995	2,044	5,786	5,749	38	1%	22,995
Road transport		-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-
<b>Trading services</b>		246,056	45,409	76,768	61,514	15,254	25%	246,056
Energy sources		-	-	-	-	-	-	-
Water management		246,056	45,409	76,768	61,514	15,254	25%	246,056
Waste water management		-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	673,256	60,162	118,546	168,314	(49,768)	-30%	673,256
<b>Surplus/ (Deficit) for the year</b>		116,393	(29,011)	153,866	29,098	124,768	429%	116,961



**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	2019/20	Budget Year 2020/21							
		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>	1									
105 - MUNICIPAL MANAGER		-	67,286	-	-	-	16,822	(16,822)	-100.0%	67,286
200 - CORPORATE SERVICES		-	568	-	-	-	142	(142)	-100.0%	568
300 - BUDGET AND TREASURY		-	706,503	-	30,486	270,483	176,626	93,857	53.1%	707,071
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	550	-	-	-	138	(138)	-100.0%	550
408 - WSA& HEALTH SERVICES		-	53	-	-	-	13	(13)	-100.0%	53
500 - WATER, SANITATION AND TECHNICAL SERVICES		-	14,690	-	665	1,929	3,673	(1,743)	-47.5%	14,690
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>789,649</b>	-	<b>31,152</b>	<b>272,412</b>	<b>197,412</b>	<b>75,000</b>	<b>38.0%</b>	<b>790,217</b>
<b>Expenditure by Vote</b>	1									
105 - MUNICIPAL MANAGER		-	56,978	-	3,387	10,332	14,244	(3,912)	-27.5%	56,978
200 - CORPORATE SERVICES		-	42,873	-	4,115	9,905	10,718	(813)	-7.6%	42,873
300 - BUDGET AND TREASURY		-	279,758	-	3,219	10,179	69,939	(59,760)	-85.4%	279,758
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	22,995	-	2,044	5,786	5,749	38	0.7%	22,995
408 - WSA& HEALTH SERVICES		-	24,597	-	1,988	5,575	6,149	(574)	-9.3%	24,597
500 - WATER, SANITATION AND TECHNICAL SERVICES		-	246,056	-	45,409	76,768	61,514	15,254	24.8%	246,056
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>673,256</b>	-	<b>60,162</b>	<b>118,546</b>	<b>168,314</b>	<b>(49,768)</b>	<b>-29.6%</b>	<b>673,256</b>
<b>Surplus/ (Deficit) for the year</b>	2	-	<b>116,393</b>	-	<b>(29,011)</b>	<b>153,866</b>	<b>29,098</b>	<b>124,768</b>	<b>428.8%</b>	<b>116,961</b>

## Part 2 – Supporting Documentation

### 2.1.1 Table 6: SC3 Debtors Age Analysis

- The Municipality has a total amount of R 1 billion of outstanding debt.

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September										
Description	Budget Year 2020/21									Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	
R thousands										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	25,269	22,383	23,104	17,492	16,901	16,837	17,268	911,163	1,050,417	979,660
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	(10)	37	17	218	12	65	(4)	950	1,285	1,241
<b>Total By Income Source</b>	<b>25,259</b>	<b>22,421</b>	<b>23,121</b>	<b>17,709</b>	<b>16,913</b>	<b>16,902</b>	<b>17,264</b>	<b>912,113</b>	<b>1,051,702</b>	<b>980,902</b>
<b>2019/20 - totals only</b>										
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	2,633	1,442	1,110	967	892	767	700	21,039	29,551	24,365
Commercial	2,687	1,858	1,256	1,143	1,095	1,128	2,154	48,954	60,275	54,474
Households	19,949	19,083	20,738	15,381	14,913	14,942	14,414	841,170	960,591	900,821
Other	(10)	37	17	218	12	65	(4)	950	1,285	1,241
<b>Total By Customer Group</b>	<b>25,259</b>	<b>22,421</b>	<b>23,121</b>	<b>17,709</b>	<b>16,913</b>	<b>16,902</b>	<b>17,264</b>	<b>912,113</b>	<b>1,051,702</b>	<b>980,902</b>

- collection rate for 30 September 2019

**Bank Balances**

The following reflects bank balances at 30 September 2019

DESCRIPTION	JUNE	JULY	AUGUST	SEPTEMBER
FNB MAIN ACCO	5,511,358.48	3,127,267.21	23,236,358.21	2,532,976.52
FNB WATER AC	0	0	0	0
	<b>5,511,358.48</b>	<b>3,127,267.21</b>	<b>23,236,358.21</b>	<b>2,532,976.52</b>
<b>Total cash held</b>	<b>2,532,976.52</b>			

**MENTS VS BILLING AS AT 30 SEPTEMBER 2019**

MONTH	BILLING	MONTHS	RECIPTS	RECOVERY RATE
June 2019	22,110,925.41	July 2019	10,015,313.04	45%
July 2019	23,159,953.17	August 2019	8,895,211.21	38.41%
August 2019	24,236,017.66	September 2019	7,829,937.71	32.31%
September 2019	24,031,427.68			0.00%
	<b>93,538,323.92</b>		<b>18,910,524.25</b>	<b>20%</b>

**TOTALS**

BILLING - JUNE 2019 - AUGUST 2	93,538,323.92	
RECIPTS - JUNE 2019- SEPTEM	18,910,524.25	
DIFFERENCE	<b>74,627,799.67</b>	20%

## 2.2 Table 8: SC4 Aged Creditors

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2020/21					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	16,901	1,871	15,225	158	40,185	74,340
Auditor General	0800						-
Other	0900						-
<b>Total By Customer Type</b>	<b>1000</b>	<b>16,901</b>	<b>1,871</b>	<b>15,225</b>	<b>158</b>	<b>40,185</b>	<b>74,340</b>

➤ The list of top ten outstanding creditors.

### TOTAL CREDITORS AGE ANALYSIS 30 SEPTEMBER 2019

CREDITORS NAME	AMOUNT
AUTOZONE	2639926.92
NYAMEZELA	725632.17
LADYSMITH TRADING	308560.7
MGAZI ENGINEERING	220704.55
NJO PROJECTS	189000
MAHLABAKUVALIWE TRADING(PTY)LTD	187000
PK VALVES JV	149215.95
LUNASIS IDEAS	139036
LUNASIS IDEAS	139035
MANDLONDLO TRANSPORT & PROJECTS	130000

## 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	Ref	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands						
<b>Municipality</b>						
FNB		16,520	45	(15,500)	-	1,065
NEDBANK		185	1	-	-	186
INVESTEC		31,174	188	-	-	31,362
ABSA		31,726	171	-	-	31,897
STANDARD		20,188	106	-	-	20,294
						-
						-
Municipality sub-total		99,792		(15,500)	-	84,803
TOTAL INVEST	2	99,792		(15,500)	-	84,803

### Bank Balances

The following reflects bank balances at 30 September 2019

DESCRIPTION	JUNE	JULY	AUGUST	SEPTEMBER
FNB MAIN ACCO	5,511,358.48	3,127,267.21	23,236,358.21	2,532,976.52
FNB WATER AC	0	0	0	0
	<b>5,511,358.48</b>	<b>3,127,267.21</b>	<b>23,236,358.21</b>	<b>2,532,976.52</b>
<b>Total cash held</b>	<b>2,532,976.52</b>			


**Table 12: SC6 Grant Receipts**

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September								
Description	Ref	Budget Year 2020/21						Full Year Forecast
		Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
<b>RECEIPTS:</b>	1,2							
<b>Operating Transfers and Grants</b>								
National Government:		441,473	-	183,735	93,547	88,889	95.0%	441,473
Local Government Equitable Share		365,123	-	180,170	91,281	88,889	97.4%	365,123
RSC Levy Replacement		67,286	-	-	-	-	-	67,286
Finance Management		2,010	-	1,801	503	-	-	2,010
EPWP Incentive		7,054	-	1,764	1,764	-	-	7,054
Provincial Government:		1,118	710	710	280	431	154.0%	1,118
Development Planning		550	550	550	138	413	300.0%	550
Ncdal Plant Grant		-	-	-	-	-	-	-
Raset Program		-	-	-	-	-	-	-
Massification Fleet Support	4	-	-	-	-	-	-	-
Lg Seta		568	160	160	142	18	12.7%	568
<b>Total Operating Transfers and Grants</b>	5	442,591	710	184,446	93,826	89,320	95.2%	442,591
<b>Capital Transfers and Grants</b>								
National Government:		296,937	-	95,845	24,745	49,089	198.4%	296,937
Municipal Infrastructure Grant (MIG)		178,937	-	64,000	14,911	49,089	329.2%	178,937
Regional Bulk Infrastructure		10,000	-	-	833	-	-	10,000
Rural Road Asset Management		-	-	1,845	-	-	-	-
Water Services Infrastructure Grant		108,000	-	30,000	9,000	-	-	108,000
<b>Total Capital Transfers and Grants</b>	5	296,937	-	95,845	24,745	49,089	198.4%	296,937
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	739,528	710	280,291	118,571	138,408	116.7%	739,528


**Table 13: SC7 Grant Expenditure**

DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September								
Budget Year 2020/21								
Description	Ref	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<b>EXPENDITURE</b>								
<b>Operating expenditure of Transfers and Grants</b>								
National Government:		441,473	785	182,308	110,368	71,940	65.2%	441,473
Local Government Equitable Share		365,123	-	180,170	91,281	88,889	97.4%	365,123
RSC: Levy Replacement		67,286	-	-	16,822	(16,822)	-100.0%	67,286
Finance Management		2,010	120	209	503	(294)	-58.5%	2,010
EPWP Incentive		7,054	665	1,929	1,764	166	9.4%	7,054
Provincial Government:		1,118	-	-	280	(280)	-100.0%	1,118
Development Planning		550	-	-	138	(138)	-100.0%	550
Raset Program		-	-	-	-	-	-	-
Massification Fleet Support		-	-	-	-	-	-	-
Lg Seta		-	-	-	-	-	-	-
Other transfers and grants [insert description]		568	-	-	142	(142)	-100.0%	568
<b>Total operating expenditure of Transfers and Grants:</b>		<b>442,591</b>	<b>785</b>	<b>182,308</b>	<b>110,648</b>	<b>71,660</b>	<b>64.8%</b>	<b>442,591</b>
<b>Capital expenditure of Transfers and Grants</b>								
National Government:		296,937	46,072	67,178	74,234	(7,056)	-9.5%	296,937
Municipal Infrastructure Grant (MIG)		178,937	32,515	48,939	44,734	4,205	9.4%	178,937
Regional Bulk Infrastructure		10,000	-	-	2,500	(2,500)	-100.0%	10,000
Rural Road Asset Management		-	453	453	-	453	#DIV/0!	-
Water Services Infrastructure Grant		108,000	13,104	17,787	27,000	(9,213)	-34.1%	108,000
0		-	-	-	-	-	-	-
Other capital transfers [insert description]		-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>296,937</b>	<b>46,072</b>	<b>67,178</b>	<b>74,234</b>	<b>(7,056)</b>	<b>-9.5%</b>	<b>296,937</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>739,528</b>	<b>46,857</b>	<b>249,486</b>	<b>184,882</b>	<b>64,604</b>	<b>34.9%</b>	<b>739,528</b>

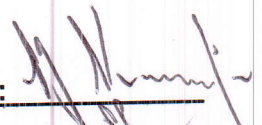
- R67 million was spent in capital grants
- R182 million has been spent in operating grants

**Prepared by:** 

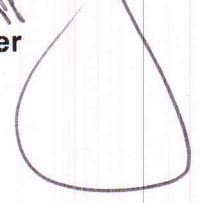
**Budget Officer**

**Reviewed by:** 

**Budget Accountant**

**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 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 black ink, consisting of a large, stylized 'S' and 'N' intertwined, with a horizontal line drawn across the middle of the signature.

Date : 14 October 2019