

UTHUKELA
UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

SECTION 71 REPORT

MAY 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 May 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) - M11 May

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									
Revenue By Source									
Property rates							-		
Service charges - electricity revenue							-		
Service charges - water revenue	151,993	260,645	270,645	21,320	267,240	225,538	41,702	18%	270,645
Service charges - sanitation revenue	17,253	31,019	25,019	1,800	15,881	20,849	(4,968)	-24%	25,019
Service charges - refuse revenue		-	-			-	-		-
Service charges - other			-			-	-		-
Rental of facilities and equipment			-			-	-		-
Interest earned - external investments	4,192	6,572	5,928	-	5,943	4,940	1,004	20%	5,928
Interest earned - outstanding debtors	43,393	50,456	50,456	4,910	51,082	42,047	9,035	21%	50,456
Dividends received			-			-	-		-
Fines, penalties and forfeits		50	50	-	17	42	(25)	-59%	50
Licences and permits			-			-	-		-
Agency services			-			-	-		-
Transfers and subsidies	368,613	405,533	418,073	1,582	351,802	348,394	3,408	1%	418,073
Other revenue	12,710	4,098	11,149	14,586	32,281	9,290	22,991	247%	11,149
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers and contributions)	598,154	758,374	781,320	44,198	724,247	651,100	73,147	11%	781,320
Expenditure By Type									
Employee related costs	253,203	271,837	271,837	21,446	261,381	226,531	34,851	15%	271,837
Remuneration of councillors	6,550	8,156	7,456	514	6,010	6,213	(203)	-3%	7,456
Debt impairment	128,481	136,628	136,628	-	-	113,857	(113,857)	-100%	136,628
Depreciation & asset impairment	68,222	86,634	64,000	5,350	61,214	53,333	7,881	15%	64,000
Finance charges	2,789	561	949	16	188	791	(603)	-76%	949
Bulk purchases	3,440	6,586	4,000	513	7,445	3,333	4,111	123%	4,000
Other materials	-	16,023	14,384	919	5,679	11,987	(6,308)	-53%	14,384
Contracted services	88,701	117,869	139,420	3,931	74,202	116,183	(41,982)	-36%	139,420
Transfers and subsidies		1,000	450	-	619	375	244	65%	450
Other expenditure	141,542	74,815	77,720	52,857	120,398	64,767	55,631	86%	77,720
Loss on disposal of PPE						-	-		
Total Expenditure	692,928	720,109	716,845	85,546	537,136	597,370	(60,235)	-10%	716,845
Surplus/(Deficit)	(94,774)	38,265	64,476	(41,348)	187,111	53,730	133,381	0	64,476
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	300,959	407,804	344,995	9,631	217,358	287,496	(70,138)	(0)	344,995
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	206,185	446,069	409,471	(31,717)	404,469	341,225			409,471
Taxation							-		
Surplus/(Deficit) after taxation	206,185	446,069	409,471	(31,717)	404,469	341,225			409,471
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	206,185	446,069	409,471	(31,717)	404,469	341,225			409,471
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	206,185	446,069	409,471	(31,717)	404,469	341,225			409,471

- The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.
- Capital grant transfers recognised R217 million at the end of May 2019.
- Total operating expenditure is at R 537 million at the end of May 2019.
- The Service charged – Water R267 million has been billed at the end of May 2019.
- The Service charges – Sanitation R15 million has been billed at the end of May 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) - M11 May

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								%	
Single Year expenditure appropriation									
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-		-
200 - CORPORATE SERVICES	-	-	150	-	150	125	25	20%	150
300 - BUDGET AND TREASURY	-	27	10	-	10	9	1	16%	10
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)	-	-	-	-	-	-	-		-
408 - WSA& HEALTH SERVICES	-	-	-	-	-	-	-		-
500 - WATER, SANITATION AND TECHNICAL SERVICES	-	407,804	344,995	9,631	217,358	287,496	(70,138)	-24%	407,804
Total Capital single-year expenditure	-	407,831	345,155	9,631	217,518	287,629	(70,111)	-24%	407,964
Total Capital Expenditure	-	407,831	345,155	9,631	217,518	287,629	(70,111)	-24%	407,964
Capital Expenditure - Functional Classification									
<i>Governance and administration</i>	-	27	160	-	160	133	27	20%	160
Executive and council							-		
Finance and administration		27	160		160	133	27	20%	160
Internal audit							-		
<i>Trading services</i>	-	407,804	344,995	9,631	217,358	287,496	(70,138)	-24%	407,804
Energy sources							-		
Water management		407,804	344,995	9,631	217,358	287,496	(70,138)	-24%	407,804
Waste water management							-		
Waste management							-		
Other							-		
Total Capital Expenditure - Functional Classification	-	407,831	345,155	9,631	217,518	287,629	(70,111)	-24%	407,964
Funded by:									
National Government	300,959	407,804	335,995	9,631	217,358	279,996	(62,638)	-22%	407,804
Transfers recognised - capital	300,959	407,804	335,995	9,631	217,358	279,996	(62,638)	-22%	407,804
Internally generated funds		27	160	-	160	134	26	20%	160
Total Capital Funding	300,959	407,831	336,155	9,631	217,518	280,129	(62,611)	-22%	407,964

- As depicted above capital expenditure amounting to R217 million recorded at the month of May 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 - M11 May

Description	2017/18	Budget Year 2018/19							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								%	
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	18,903	30,213	28,579	1,062	9,790	23,816	14,026	58.9%	30,213
Water Supply Infrastructure	18,903	30,213	28,579	1,062	9,790	23,816	14,026	58.9%	30,213
Dams and Weirs							-		
Boreholes							-		
Reservoirs	6,560	10,530	10,530	1,062	5,982	8,775	2,793	31.8%	10,530
Pump Stations	11,560	17,795	15,795	-	3,522	13,163	9,641	73.2%	17,795
Water Treatment Works	-	700	1,000	-	-	833	833	100.0%	700
Bulk Mains	782	1,188	1,254	-	286	1,045	759	72.6%	1,188
Other assets	98	316	316	-	247	263	16	6.2%	316
Operational Buildings	98	316	316	-	247	263	16	6.2%	316
Municipal Offices	98	316	316	-	247	263	16	6.2%	316
Computer Equipment	-	250	250	-	-	208	208	100.0%	250
Computer Equipment	-	250	250			208	208	100.0%	250
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	729	627	627	-	-	523	523	100.0%	627
Machinery and Equipment	729	627	627			523	523	100.0%	627
Transport Assets	12,184	11,685	19,685	352	419	16,404	15,985	97.4%	19,685
Transport Assets	12,184	11,685	19,685	352	419	16,404	15,985	97.4%	19,685
Land	-	-	-	-	-	-	-		-
Land							-		
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals							-		
Total Repairs and Maintenance Expenditure	31,913	43,091	49,457	1,414	10,456	41,214	30,758	74.6%	51,091

➤ 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) - M11 May

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>		373,624	406,468	770,764	42,617	707,751	642,303	65,447	10%	411,468
Executive and council		57,781	62,083	62,083	-	-	51,736	(51,736)	-100%	62,083
Finance and administration		315,843	344,385	708,681	42,617	707,751	590,568	117,183	20%	349,385
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	50	50	-	17	42	(25)	-59%	50
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	50	50	-	17	42	(25)	-59%	50
<i>Economic and environmental services</i>		-	300	4,300	-	3,643	3,583	60	2%	300
Planning and development		-	300	4,300	-	3,643	3,583	60	2%	300
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		525,489	759,360	351,201	1,582	12,836	292,668	(279,832)	-96%	759,360
Energy sources		-	-	-	-	-	-	-	-	-
Water management		500,082	728,340	351,201	1,582	5,657	292,668	(287,010)	-98%	728,340
Waste water management		25,407	31,019	-	-	7,179	-	7,179	#DIV/0!	31,019
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	899,113	1,166,178	1,126,315	44,198	724,247	938,596	(214,349)	-23%	1,171,178
Expenditure - Functional										
<i>Governance and administration</i>		201,828	388,824	365,575	10,600	141,515	304,646	(163,131)	-54%	388,824
Executive and council		50,026	63,551	60,855	1,428	45,929	50,712	(4,783)	-9%	63,551
Finance and administration		151,802	325,273	304,721	9,171	95,586	253,934	(158,348)	-62%	325,273
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		19,239	24,993	24,898	1,563	20,485	20,749	(263)	-1%	24,993
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		19,239	24,993	24,898	1,563	20,485	20,749	(263)	-1%	24,993
<i>Economic and environmental services</i>		19,364	22,932	24,407	1,724	24,168	20,339	3,829	19%	22,932
Planning and development		19,364	22,932	24,407	1,724	24,168	20,339	3,829	19%	22,932
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		452,497	283,360	301,963	71,659	350,968	251,636	99,332	39%	283,360
Energy sources		-	-	-	-	-	-	-	-	-
Water management		451,809	282,244	301,963	71,659	350,968	251,636	99,332	39%	282,244
Waste water management		688	1,116	-	-	-	-	-	-	1,116
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	692,928	720,109	716,844	85,546	537,136	597,370	(60,234)	-10%	720,109
Surplus/ (Deficit) for the year		206,185	446,069	409,471	(41,348)	187,111	341,226	(154,115)	-45%	451,069

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) - M11 May

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		57,781	62,083	62,083	-	-	51,736	(51,736)	-100.0%	62,083
200 - CORPORATE SERVICES		-	-	8,540	-	5,000	7,117	(2,117)	-29.7%	8,540
300 - BUDGET AND TREASURY		315,843	344,385	700,141	42,617	702,751	583,451	119,300	20.4%	700,141
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		-	300	4,300	-	3,643	3,583	60	1.7%	4,300
408 - WSA& HEALTH SERVICES		-	50	50	-	17	42	(25)	-59.2%	50
500 - WATER, SANITATION AND TECHNICAL SERVICES		525,489	759,360	351,201	1,582	12,836	292,668	(279,832)	-95.6%	351,201
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	899,113	1,166,178	1,126,315	44,198	724,247	938,596	(214,349)	-22.8%	1,126,315
Expenditure by Vote	1									
105 - MUNICIPAL MANAGER		50,026	63,551	60,855	1,428	45,929	50,712	(4,783)	-9.4%	60,855
200 - CORPORATE SERVICES		46,965	48,051	51,712	5,032	53,311	43,093	10,218	23.7%	51,712
300 - BUDGET AND TREASURY		104,837	277,222	253,009	4,140	42,275	210,841	(168,566)	-79.9%	253,009
405 - SOCIAL SERVICES(PLANNING&ECONOMIC DEV)		19,364	22,932	24,407	1,724	24,168	20,339	3,829	18.8%	24,407
408 - WSA& HEALTH SERVICES		19,239	24,993	24,898	1,563	20,485	20,749	(263)	-1.3%	24,898
500 - WATER, SANITATION AND TECHNICAL SERVICES		452,497	283,360	301,963	71,659	350,968	251,636	99,332	39.5%	301,963
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	692,928	720,109	716,844	85,546	537,136	597,370	(60,234)	-10.1%	716,844
Surplus/ (Deficit) for the year	2	206,185	446,069	409,471	(41,348)	187,111	341,226	(154,115)	-45.2%	409,471

Part 2 – Supporting Documentation

2.1.1 Table 6: SC3 Debtors Age Analysis

- The Municipality has a total amount of R 978 million of outstanding debt.

DC23 Uthukela - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

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
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water		23,259	18,748	18,253	14,526	17,285	16,390	868,624	977,086
Trade and Other Receivables from Exchange Transactions - Electricity									935,079
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	20	73	(4)	58	11	(6)	(6)	936	1,082
Total By Income Source	20	23,332	18,744	18,311	14,538	17,279	16,384	869,560	978,168
2017/18 - totals only									936,072
Debtors Age Analysis By Customer Group									
Organs of State	-	1,968	1,073	919	777	713	555	18,089	24,094
Commercial	-	2,453	1,516	2,144	(1,190)	1,975	1,602	47,178	51,708
Households	-	18,838	16,159	15,190	14,940	14,597	14,234	803,357	897,315
Other	20	73	(4)	58	11	(6)	(6)	936	1,082
Total By Customer Group	20	23,332	18,744	18,311	14,538	17,279	16,384	869,560	978,168
									936,072

- collection rate for 31 May 2019

Bank Balances

The following reflects bank balances at 31 May 2019

DESCRIPTION	FEBRUARY	MARCH	APRIL	MAY
FNB MAIN ACCO	7 429 715.70	42 218 623.64	12 845 686.14	9 142 192.81
FNB WATER ACC	0.00	0	0	0
	7 429 715.70	42 218 623.64	12 845 686.14	9 142 192.81

Total cash held 9 142 192.81

PAYMENTS VS BILLING AS AT 31 MAY 2019

MONTH	BILLING	MONTHS	RECIEPTS	RECOVERY RATE
June 2018	27 665 055.03	July 2018	7 408 062.12	27%
July 2018	24 071 588.91	August 2018	10 205 364.11	42%
August 2018	24 070 488.70	September 2018	10 652 597.97	44%
September 2018	23 556 281.37	October 2018	17 966 279.90	76%
October 2018	24 678 929.20	November 2018	9 642 803.00	39%
November 2018	38 059 371.57	December 2018	8 424 190.51	22%
December 2018	29 496 858.80	January 2019	10 636 381.50	36%
January 2019	24 025 839.23	February 2019	10 487 244.88	44%
February 2019	25 010 522.83	March 2019	9 998 240.10	40%
March 2019	22 821 199.84	April 2019	18 273 154.35	80%
April 2019	24 210 142.99	May 2019	13 374 685.20	55%
May 2019	23 120 232.65			0.00%
	283 121 456.09		127 069 003.64	45%

TOTALS

BILLING - JULY 2018- MAY 2019	283 121 456.09
RECIEPTS - JULY 2018- MAY 2019	127 069 003.64
DIFFERENCE	156 052 452.45 45%

2.2 Table 8: SC4 Aged Creditors

DC23 Uthukela - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	Budget Year 2018/19					
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Total
R thousands						
Creditors Age Analysis By Customer Type						
Bulk Electricity						-
Bulk Water						-
PAYE deductions						-
VAT (output less input)						-
Pensions / Retirement deductions						-
Loan repayments						-
Trade Creditors	627	-	527	28	26,198	27,380
Auditor General						-
Other						-
Total By Customer Type	627	-	527	28	26,198	27,380

➤ The list of top ten outstanding creditors.

TOTAL CREDITORS AGE ANALYSIS AS AT 30 May 2019

SUPPLIER	120 DAYS
NOCOCO TRADING	3368352.00
MQAPHELI CONTRACTORS	2458638.00
FLOWING DESERT TRADING	1990762.38
BIBASOH TRADING	1558087.66
SIBABULI	1408278.62
SEHLULE TRADING	1163716.89
MVUNDLANA TRANSPORT	1036620.66
YENGWENI ENTERPRISES	982933.74
MULTI SOLUTION TRADING	963448.29
TSEMA TRADING	942825.00

2.4.1 Table 10: Investments and Bank Balances

DC23 Uthukela - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Market value at end of the month
R thousands	
<u>Municipality</u>	
FNB	25,965
NEDBANK	182
INVESTEC	38,689
ABSA	26,288
STANDARD	10,265
TOTAL INVESTMENTS AND INTEREST	101,389

Bank Balances

The following reflects bank balances at 31 May 2019

DESCRIPTION	FEBRUARY	MARCH	APRIL	MAY
FNB MAIN ACCO	7,429,715.70	42,218,623.64	12,845,686.14	9,142,192.81
FNB WATER AC	0.00	0	0	0
	7,429,715.70	42,218,623.64	12,845,686.14	9,142,192.81
Total cash held	9,142,192.81			

Table 12: SC6 Grant Receipts

DC23 Uthukela - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May


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:	367,087	405,233	405,233	-	344,085	337,694	56,835	16.8%	405,233
Local Government Equitable Share	304,535	335,399	335,399	-	336,334	279,499	56,835	20.3%	335,399
RSC Levy Replacement	57,033	56,441	56,441	-	-	47,034			56,441
Finance Management	1,795	1,545	1,545		1,545	1,288			1,545
EPWP Incentive	3,724	6,206	6,206		6,206	5,172			6,206
Special Support For Councillors		5,642	5,642		-	4,702			5,642
Provincial Government:	1,154	300	12,840	-	9,768	10,700	(1,099)	-10.3%	9,840
Shared Services	1,154	300	300		300	250	50	20.0%	300
Nodal Plan Grant			1,000	-	1,000	833			1,000
Raset Program			3,000	-	3,000	2,500	500	20.0%	3,000
Massification Fleet Support			8,000		5,000	6,667	(1,667)	-25.0%	5,000
Lg Seta			540	-	468	450	18	4.0%	540
Total Operating Transfers and Grants	368,241	405,533	418,073	-	353,853	348,394	55,736	16.0%	415,073
Capital Transfers and Grants									
National Government:	300,959	407,804	335,995	-	295,514	279,996	30,006	10.7%	335,995
Municipal Infrastructure Grant (MIG)	187,304	180,033	180,033	-	180,033	150,028	30,006	20.0%	180,033
Regional Bulk Infrastructure	28,672	142,283	45,000	-	4,500	37,500			45,000
Rural Road Asset management	2,483	2,488	2,488	-	2,488	2,073			2,488
Water Services Infrastructure Grant	82,500	83,000	108,474	-	108,493	90,395			108,474
Provincial Government:	-	-	9,000	-	9,000	7,500	1,500	20.0%	9,000
Massification			9,000		9,000	7,500	1,500	20.0%	9,000
Total Capital Transfers and Grants	300,959	407,804	344,995	-	304,514	287,496	31,506	11.0%	344,995
TOTAL RECEIPTS OF TRANSFERS & GRANTS	669,201	813,337	763,068	-	658,367	635,890	87,242	13.7%	760,068

Table 13: SC7 Grant Expenditure

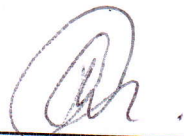
DC23 Uthukela - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

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:	367,087	405,233	405,233	1,582	343,536	337,694	5,842	1.7%	405,233
Local Government Equitable Share	304,535	335,399	335,399	-	336,334	279,499	56,835	20.3%	335,399
RSC Levy Replacement	57,033	56,441	56,441	-	-	47,034	(47,034)	-100.0%	56,441
Finance Management	1,795	1,545	1,545	-	1,545	1,288	258	20.0%	1,545
EPWP Incentive	3,724	6,206	6,206	1,582	5,657	5,172	485	9.4%	6,206
Special Support For Councillors		5,642	5,642	-	-	4,702	(4,702)	-100.0%	5,642
Provincial Government:	1,154	300	13,051	-	8,511	10,876	(2,365)	-21.7%	10,051
Shared Services	1,154	300	511	-	511	426	85	20.0%	511
Raset Program			3,000	-	3,000	2,500	500	20.0%	3,000
Massification Fleet Support			8,000	-	5,000	6,667	(1,667)	-25.0%	5,000
Lg Seta			540	-	-	450	(450)	-100.0%	540
0			1,000	-	-	833	(833)	-100.0%	1,000
Total operating expenditure of Transfers and Grants:	368,241	405,533	418,284	1,582	352,047	348,570	3,477	1.0%	415,284
Capital expenditure of Transfers and Grants									
National Government:	300,959	407,804	335,995	9,631	217,358	279,996	(62,638)	-22.4%	335,995
Municipal Infrastructure Grant (MIG)	187,304	180,033	180,033	6,945	130,412	150,028	(19,615)	-13.1%	180,033
Regional Bulk Infrastructure Grant	28,672	142,283	45,000	-	18,294	37,500	(19,206)	-51.2%	45,000
Rural Road Infrastructure Grant	2,483	2,488	2,488	145	562	2,073	(1,511)	-72.9%	2,488
Water Services Infrastructure Grant	82,500	83,000	108,474	2,541	68,090	90,395	(22,305)	-24.7%	108,474
Other capital transfers [insert description]							-		
0							-		
Total capital expenditure of Transfers and Grants	300,959	407,804	335,995	9,631	217,358	279,996	(62,638)	-22.4%	335,995
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	669,201	813,337	754,279	11,213	569,405	628,566	(59,161)	-9.4%	751,279

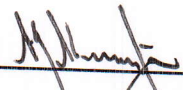
- 217 million was spent in capital grants
- R352 million has been spent in operating grants

Prepared by: 

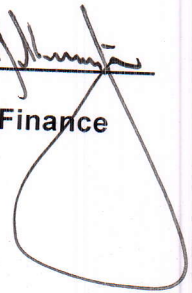
Budget Officer

Reviewed by: 

Accountant: Budget

Approved by: 

Senior Manager Finance

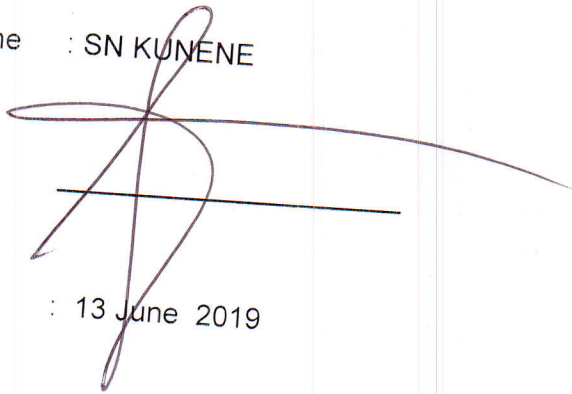


2.7. Municipal Manager's quality certificate

I **Sifiso Nicholas Kunene**, Municipal Manager of UThukela District Municipality, hereby certify that the Section 71 and supporting documentation for and May 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 a large, stylized 'S' followed by a horizontal line and a vertical stroke, crossing the horizontal line.

Date : 13 June 2019