



SECTION 71 REPORT

JULY

2015

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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 month of July 2015.

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 2015/16 financial year.

1.4 In - Year Budget tables

TABLE 1: C4 – Monthly Budget Statements – Financial Performance

Description	2014/15	Budget Year 2015/16							
	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									
Property rates - penalties & collection charges		-					-		
Service charges - electricity revenue		-					-		
Service charges - water revenue		147 050	147 050	7 977	7 977	12 254	(4 277)	-35%	147 050
Service charges - sanitation revenue		18 057	18 057	1 395	1 395	1 505	(110)	-7%	18 057
Service charges - refuse revenue		-	-				-		
Service charges - other		-	-				-		
Rental of facilities and equipment							-		
Interest earned - external investments		8 010	8 010	-		668	(668)	-100%	8 010
Interest earned - outstanding debtors		26 568	26 568	1 601	1 601	2 214	(613)	-28%	26 568
Dividends received							-		
Fines							-		
Licences and permits							-		
Agency services							-		
Transfers recognised - operational							-		
Other revenue		318 371	318 371	129 363	129 363	26 531	102 832	388%	318 371
Gains on disposal of PPE		356	356	32	32	30	3	9%	356
Total Revenue (excluding capital transfers and contributions)		518 412	518 412	140 368	140 368	43 201	97 167	225%	518 412
Expenditure By Type									
Employee related costs		219 377	219 377	11 888	11 888	18 281	(6 394)	-35%	219 377
Remuneration of councillors		5 332	5 332	444	444	444	(0)	0%	5 332
Debt impairment		28 222	28 222			2 352	(2 352)	-100%	28 222
Depreciation & asset impairment		51 431	51 431			4 286	(4 286)	-100%	51 431
Finance charges		60	60			5	(5)	-100%	60
Bulk purchases		6 377	6 377			531	(531)	-100%	6 377
Other materials		59 605	59 605	196	196	4 967	(4 771)	-98%	59 605
Contracted services		42 261	42 261	61	61	3 522	(3 461)	-98%	42 261
Transfers and grants		13 228	13 228			1 102	(1 102)	-100%	13 228
Other expenditure		154 660	154 660	3 958	3 958	12 888	(8 931)	-69%	154 660
Loss on disposal of PPE							-		
Total Expenditure		580 552	580 552	16 546	16 546	48 379	(31 834)	-66%	580 552
Surplus/(Deficit)									
Transfers recognised - capital		(62 140)	(62 140)	123 822	123 822	(5 178)	129 001	(0)	(62 140)
Contributions recognised - capital		237 940	237 940			19 828	(19 828)	(0)	237 940
Contributed assets							-		
Surplus/(Deficit) after capital transfers & contributions		175 800	175 800	123 822	123 822	14 650			175 800
Taxation									
Surplus/(Deficit) after taxation		175 800	175 800	123 822	123 822	14 650			175 800
Attributable to minorities									
Surplus/(Deficit) attributable to municipality		175 800	175 800	123 822	123 822	14 650			175 800
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year		175 800	175 800	123 822	123 822	14 650			175 800

- The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants.
- Recognised is an amount of R129.3 million the first trench of the equitable share.
- Total expenditure is at R16.5 million for the month of July 2015
- The Service charges – water revenue have a billed amount to consumers of R 7.9 million in July 2015.
- The Service charges – Sanitation revenue have a billed amount to consumers of R 1.3 million in July 2015.
- Employees related costs spending is R11.8 million for the month of July 2015 of which R1.3 million can be associated with overtime.
- Remuneration of Councillors is R 444 thousand for the month of July 2015.

Table 2: C5 – Monthly Budget Statements – Capital Expenditure

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

Vote Description	2014/15	Budget Year 2015/16							
	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									
100 - COUNCIL	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-	-
400 - TECHNICAL AND INFRASTRUCTURAL DEV SER	-	-	-	-	-	-	-	-	-
405 - PLANNING AND SOCIAL ECONOMIC DEVELOPM	-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES	-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	830	830	-	-	69	(69)	-100%	830
200 - CORPORATE SERVICES	-	1 350	1 350	-	-	113	(113)	-100%	1 350
300 - BUDGET AND TREASURY	-	240	240	-	-	20	(20)	-100%	240
405 - SOCIAL SERVICES	-	28 150	28 150	-	-	2 346	(2 346)	-100%	28 150
500 - TECHNICAL SERVICES	-	288 090	288 090	-	-	24 008	(24 008)	-100%	288 090
510 - WATER AND SANITATION SERVICES	-	150	150	-	-	13	(13)	-100%	150
408 - HEALTH & WATER SERVICES AUTHORITY	-	260	260	-	-	22	(22)	-100%	260
Total Capital single-year expenditure	-	319 070	319 070	-	-	26 589	(26 589)	-100%	319 070
Total Capital Expenditure	-	319 070	319 070	-	-	26 589	(26 589)	-100%	319 070
Capital Expenditure - Standard Classification									
Governance and administration	-	2 420	2 420	-	-	202	(202)	-100%	2 420
Executive and council	-	830	830	-	-	69	(69)	-100%	830
Budget and treasury office	-	240	240	-	-	20	(20)	-100%	240
Corporate services	-	1 350	1 350	-	-	113	(113)	-100%	1 350
Community and public safety	-	28 410	28 410	-	-	2 368	(2 368)	-100%	28 410
Community and social services	-	28 150	28 150	-	-	2 346	(2 346)	-100%	28 150
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	260	260	-	-	22	(22)	-100%	260
Economic and environmental services	-	2 311	2 311	-	-	193	(193)	-100%	2 311
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	-	2 311	2 311	-	-	193	(193)	-100%	2 311
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	-	285 929	285 929	-	-	23 827	(23 827)	-100%	285 929
Electricity	-	-	-	-	-	-	-	-	-
Water	-	285 929	285 929	-	-	23 827	(23 827)	-100%	285 929
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	-	319 070	319 070	-	-	26 589	(26 589)	-100%	319 070
Funded by:									
National Government	-	237 940	237 940	-	-	19 828	(19 828)	-100%	237 940
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	237 940	237 940	-	-	19 828	(19 828)	-100%	237 940
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	81 130	81 130	-	-	6 761	(6 761)	-100%	81 130
Total Capital Funding	-	319 070	319 070	-	-	26 589	(26 589)	-100%	319 070

- As depicted above no capital expenditure has been recorded for the month of July 2015.

Table 3: SC13 Repairs and maintenance per asset class

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	-	48 467	48 467	-	-	4 039	4 039	100,0%	48 467
Infrastructure - Road transport	-	1 670	1 670	-	-	139	139	100,0%	1 670
Roads, Pavements & Bridges	-	1 670	1 670	-	-	139	139	100,0%	1 670
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	21 797	21 797	-	-	1 816	1 816	100,0%	21 797
Dams & Reservoirs	-	9 709	9 709	-	-	809	809	100,0%	9 709
Water purification	-	3 552	3 552	-	-	296	296	100,0%	3 552
Reticulation	-	8 537	8 537	-	-	711	711	100,0%	8 537
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	25 000	25 000	-	-	2 083	2 083	100,0%	25 000
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	25 000	25 000	-	-	2 083	2 083	100,0%	25 000
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	-	11 137	11 137	196	196	928	732	78,9%	5 976
General vehicles	-	5 161	5 161	51	51	430	379	88,0%	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	582	582	144	144	49	(93)	-197,5%	582
Computers - hardware/equipment	-	1 200	1 200	-	-	100	100	100,0%	1 200
Furniture and other office equipment	-	61	61	-	-	5	5	100,0%	61
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	3 073	3 073	-	-	256	256	100,0%	3 073
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	1 060	1 060	-	-	88	88	100,0%	1 060
Total Repairs and Maintenance Expenditure	-	59 605	59 605	196	196	4 967	4 771	96,1%	54 444

- Plant and Equipment refers to the purification plants and equipment.
- The total amount spent to date towards repairs and maintenance is R196 thousand.

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

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Standard									
<i>Governance and administration</i>	-	320 930	320 930	129 371	129 371	26 744	102 626	384%	320 930
Executive and council	-	48 867	48 867	48 867	48 867	4 072	44 795	1100%	48 867
Budget and treasury office	-	272 063	272 063	80 504	80 504	22 672	57 832	255%	272 063
Corporate services	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	-	250	250	-	-	21	(21)	-100%	250
Planning and development	-	250	250	-	-	21	(21)	-100%	250
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	435 172	435 172	10 998	10 998	36 264	(25 267)	-70%	435 172
Electricity	-	-	-	-	-	-	-	-	-
Water	-	417 115	417 115	9 598	9 598	34 760	(25 162)	-72%	417 115
Waste water management	-	18 057	18 057	1 400	1 400	1 505	(105)	-7%	18 057
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	-	756 352	756 352	140 368	140 368	63 029	77 339	123%	756 352
Expenditure - Standard									
<i>Governance and administration</i>	-	232 867	232 867	6 193	6 193	19 406	(13 212)	-68%	232 867
Executive and council	-	50 911	50 911	2 354	2 354	4 243	(1 889)	-45%	50 911
Budget and treasury office	-	123 532	123 532	1 592	1 592	10 294	(8 702)	-85%	123 532
Corporate services	-	58 423	58 423	2 247	2 247	4 869	(2 621)	-54%	58 423
<i>Community and public safety</i>	-	42 359	42 359	914	914	3 530	(2 616)	-74%	42 359
Community and social services	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	42 359	42 359	914	914	3 530	(2 616)	-74%	42 359
<i>Economic and environmental services</i>	-	27 348	27 348	896	896	2 279	(1 383)	-61%	27 348
Planning and development	-	27 348	27 348	896	896	2 279	(1 383)	-61%	27 348
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	-	277 978	277 978	8 543	8 543	23 165	(14 622)	-63%	277 978
Electricity	-	-	-	-	-	-	-	-	-
Water	-	274 731	274 731	8 543	8 543	22 894	(14 351)	-63%	274 731
Waste water management	-	3 247	3 247	-	-	271	(271)	-100%	3 247
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	-	580 552	580 552	16 546	16 546	48 379	(31 834)	-66%	580 552
Surplus/ (Deficit) for the year	-	175 800	175 800	123 823	123 823	14 650	109 173	745%	175 800

Table 5: C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
100 - COUNCIL	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-	-
400 - TECHNICAL AND INFRASTRUCTURAL DEV SE	-	-	-	-	-	-	-	-	-
405 - PLANNING AND SOCIAL ECONOMIC DEVELOP	-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES	-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	48 867	48 867	48 867	48 867	4 072	44 795	1100,0%	48 867
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	272 063	272 063	80 504	80 504	22 672	57 832	255,1%	272 063
405 - SOCIAL SERVICES	-	250	250	-	-	21	(21)	-100,0%	250
500 - TECHNICAL SERVICES	-	240 324	240 324	-	-	20 027	(20 027)	-100,0%	240 324
510 - WATER AND SANITATION SERVICES	-	194 848	194 848	10 998	10 998	16 237	(5 240)	-32,3%	194 848
408 - HEALTH & WATER SERVICES AUTHORITY	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	-	756 352	756 352	140 368	140 368	63 029	77 339	122,7%	756 352
Expenditure by Vote									
100 - COUNCIL	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-
200 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
300 - BUDGET AND TREASURY	-	-	-	-	-	-	-	-	-
400 - TECHNICAL AND INFRASTRUCTURAL DEV SE	-	-	-	-	-	-	-	-	-
405 - PLANNING AND SOCIAL ECONOMIC DEVELOP	-	-	-	-	-	-	-	-	-
408 - HEALTH SERVICES	-	-	-	-	-	-	-	-	-
700 - WATER AND SANITATION SERVICES	-	-	-	-	-	-	-	-	-
105 - MUNICIPAL MANAGER	-	50 911	50 911	2 354	2 354	4 243	(1 889)	-44,5%	50 911
200 - CORPORATE SERVICES	-	58 423	58 423	2 247	2 247	4 869	(2 621)	-53,8%	58 423
300 - BUDGET AND TREASURY	-	123 532	123 532	1 592	1 592	10 294	(8 702)	-84,5%	123 532
405 - SOCIAL SERVICES	-	27 348	27 348	896	896	2 279	(1 383)	-60,7%	27 348
500 - TECHNICAL SERVICES	-	7 089	7 089	310	310	591	(281)	-47,5%	7 089
510 - WATER AND SANITATION SERVICES	-	270 889	270 889	8 233	8 233	22 574	(14 341)	-63,5%	270 889
408 - HEALTH & WATER SERVICES AUTHORITY	-	42 359	42 359	914	914	3 530	(2 616)	-74,1%	42 359
Total Expenditure by Vote	-	580 552	580 552	16 546	16 546	48 379	(31 834)	-65,8%	580 552
Surplus/ (Deficit) for the year	-	175 800	175 800	123 823	123 823	14 650	109 173	745,2%	175 800

Part 2 – Supporting Documentation

2.1 Table 6: SC23 Debtors Age Analysis

Description	Budget Year 2015/16									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	16 961	10 706	10 716	8 356	455 431				502 169	463 786
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-ex change 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	4	0	32	3	893				932	896
Total By Income Source	16 965	10 706	10 748	8 359	456 323	-	-	-	503 101	464 682
2014/15 - totals only									-	-
Debtors Age Analysis By Customer Group										
Organs of State	877	409	603	345	3 546				5 780	3 891
Commercial	685	581	319	279	13 692				15 556	13 971
Households	15 399	9 716	9 794	7 732	438 193				480 832	445 925
Other	4	0	32	3	893				932	896
Total By Customer Group	16 965	10 706	10 748	8 359	456 323	-	-	-	503 101	464 682

- The Municipality has a total amount of R 503 million for outstanding debt.

2.1.1 Table 7: Collection Rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 31 July 2015				
MONTH	BILLING	MONTHS	PAYMENTS	RECOVERY RATE %
Jun-15	14 502 485,24	JULY 2015	6 567 149,37	45,28%
	14 502 485,24		6 567 149,37	45,28%

TOTALS			
BILLING - JUNE 2015		14 502 485,24	
PAYMENTS - JULY 2015		6 567 149,37	
DIFFERENCE		7 935 335,87	45,28%

2.3 Table 8: SC8 Salaries and Allowances

Summary of Employee and Council/for remuneration	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages		3 832	3 832	320	320	319	1	0%	3 832
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Motor Vehicle Allowance		1 056	1 056	101	101	88	13	15%	1 056
Cellphone Allowance		444	444	23	23	37	(14)	-37%	444
Housing Allowances							-		
Other benefits and allowances							-		
Sub Total - Councillors	-	5 332	5 332	444	444	444	0	0%	5 332
Senior Managers of the Municipality									
Basic Salaries and Wages		7 955	7 955	395	395	663	(268)	-40%	7 955
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Overtime							-		
Performance Bonus		696	696			58	(58)	-100%	696
Motor Vehicle Allowance							-		
Cellphone Allowance							-		
Housing Allowances							-		
Other benefits and allowances							-		
Payments in lieu of leave							-		
Long service awards							-		
Post-retirement benefit obligations							-		
Sub Total - Senior Managers of Municipality	-	8 651	8 651	395	395	721	(326)	-45%	8 651
Other Municipal Staff									
Basic Salaries and Wages		151 329	151 329	7 890	7 890	12 611	(4 721)	-37%	151 329
Pension and UIF Contributions		19 338	19 338	1 023	1 023	1 612	(589)	-37%	19 338
Medical Aid Contributions		4 592	4 592	319	319	383	(64)	-17%	4 592
Overtime		11 146	11 146	1 385	1 385	929	456	49%	11 146
Performance Bonus		-	-				-		
Motor Vehicle Allowance		9 436	9 436	654	654	786	(132)	-17%	9 436
Cellphone Allowance		-	-				-		
Housing Allowances		1 709	1 709	65	65	142	(77)	54%	1 709
Other benefits and allowances		11 388	11 388	92	92	949	(857)	-90%	11 388
Payments in lieu of leave		1 789	1 789	66	66	149	(83)	56%	1 789
Long service awards							-		
Post-retirement benefit obligations							-		
Sub Total - Other Municipal Staff	-	210 727	210 727	11 493	11 493	17 561	(6 067)	-35%	210 727
Total Parent Municipality	-	224 710	224 710	12 333	12 333	18 726	(6 393)	-34%	224 710
Unpaid salary, allowances & benefits in arrears:									
TOTAL SALARY, ALLOWANCES & BENEFITS	-	224 710	224 710	12 333	12 333	18 726	(6 393)	-34%	224 710
TOTAL MANAGERS AND STAFF	-	219 378	219 378	11 888	11 888	18 281	(6 393)	-35%	219 378

2.4.1 Table 9: Investments and Bank Balances

The following reflects bank balances at 31 July 2015

DESCRIPTION	JULY
FNB MAIN ACCOUNT 62252306280	14 205 640,85
FNB WATER ACCOUNT 62253072385	0,00
Total cash held	14 205 640,85

2.4.2 Table 10: SC5 Investments

The investment register is still being finalised, Bank statements received late.

2.5 Table 11: SC6 Grant Receipts


Description	2014/15	Budget Year 2015/16							
	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:	-	318 121	318 121	131 628	131 628	48 200	106 924	221,8%	318 121
Local Government Equitable Share		261 605	261 605	129 363	129 363	21 800	107 563	493,4%	261 605
RSC Levy Replacement		44 198	44 198			3 683			44 198
Finance Management		1 325	1 325	1 325	1 325	21 800			1 325
Municipal Systems Improvement		940	940	940	940	78			940
EPWP Incentive		2 384	2 384			199			2 384
Water Services Operating Subsidy		3 000	3 000			250	(250)	-100,0%	3 000
DWA									
SPECIAL SUPPORT FOR COUNCILLORS REMUNERATION AND WARD CC		4 669	4 669			389	(389)	-100,0%	4 669
Other transfers and grants [insert description]									
Provincial Government:	-	250	250	-	-	21	-		250
Sport and Recreation									
shared services		250	250			21			250
data cleansing									
council training									
KZN Projects									
Small town rehabilitation									
Total Operating Transfers and Grants	-	318 371	318 371	131 628	131 628	48 221	106 924	221,7%	318 371
Capital Transfers and Grants									
National Government:	-	237 940	237 940	14 811	34 811	58 897	(4 404)	-7,5%	237 940
Municipal Infrastructure Grant (MIG)		181 247	181 247			15 104	4 896	32,4%	181 247
Rural Roads Asset Management		2 311	2 311	2 311	2 311	193			2 311
Rural Households Infrastructure		4 382	4 382			21 800			4 382
Regional Bulk Infrastructure		-	-						-
FMG									
MSIG									
MWIG		50 000	50 000	12 500	12 500	21 800	(9 300)	-42,7%	50 000
ACIP									
Total Capital Transfers and Grants	-	237 940	237 940	14 811	34 811	58 897	(4 404)	-7,5%	237 940
TOTAL RECEIPTS OF TRANSFERS & GRANTS	-	556 311	556 311	146 439	166 439	107 118	102 519	95,7%	556 311


- The table above depicts transfers totalling R146.4 million received from treasury.
- The following capital grants have been transferred to the municipality.
 - Municipal water Infrastructure grant R 12.5 million
 - Rural roads Assets Management grant R 2.3 million

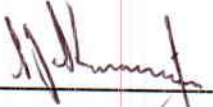
2.6 Table 12: SC7 Grant Expenditure

Description	2014/15	Budget Year 2015/16							
	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:	-	318 121	318 121	16 546	16 546	(9 964)	(9 964)	-37,6%	318 121
Local Government Equitable Share		261 605	261 605	16 546	16 546	(5 254)	(5 254)	-24,1%	261 605
RSC Levy Replacement		44 198	44 198			3 683	(3 683)	-100,0%	44 198
Finance Management		1 325	1 325			110	(110)	-100,0%	1 325
Municipal Systems Improvement		940	940			78	(78)	-100,0%	940
EPWP Incentive		2 384	2 384			199	(199)	-100,0%	2 384
Water Services Operating Subsidy		3 000	3 000			250	(250)	-100,0%	3 000
Other transfers and grants [insert description]		4 669	4 669			389	(389)	-100,0%	4 669
Provincial Government:	-	250	250	-	-	-	-		250
Sport and Recreation		250	250						250
data cleansing									
council training									
KZN Projects									
Small town rehabilitation									
Total operating expenditure of Transfers and Grants:	-	318 371	318 371	16 546	16 546	26 510	(9 964)	-37,6%	318 371
Capital expenditure of Transfers and Grants									
National Government:	-	237 940	237 940	-	-	19 328	(19 828)	-100,0%	237 940
Municipal Infrastructure Grant (MIG)		181 247	181 247			15 104	(15 104)	-100,0%	181 247
MSIG		2 311	2 311			193	(193)	-100,0%	2 311
MWIG		4 382	4 382			365	(365)	-100,0%	4 382
ACIP		-	-			-	-		-
Other capital transfers [insert description]		50 000	50 000			4 167	(4 167)	-100,0%	50 000
Total capital expenditure of Transfers and Grants	-	237 940	237 940	-	-	19 328	(19 828)	-100,0%	237 940
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	-	556 311	556 311	16 546	16 546	46 338	83 025	179,2%	556 311

➤ There is low grant expenditure.

Prepared by 
Accountant: Budget

Checked by: 
Manager: Expenditure

Reviewed by: 
Senior Manager Finance

Approved by: _____
Chief Financial Officer

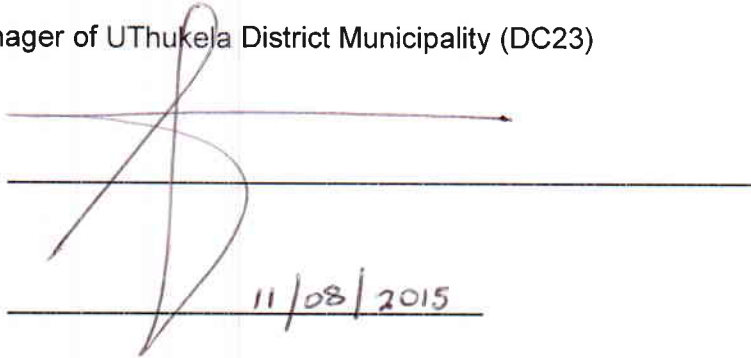
2.8. Municipal Manager's quality certificate

I **Sifiso Nicholas Kunene**, **Municipal** Manager of UThukela District Municipality, hereby certify that the Section 71 and supporting documentation for July 2015 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: Sifiso Nicholas Kunene

Municipal Manager of UThukela District Municipality (DC23)

Signature

A handwritten signature in blue ink, appearing to be 'Sifiso', is written over a horizontal line. The signature is stylized and loops back.

Date

11/08/2015