UTHUKELA
UMKHANDLU WESIFUNDA
DISTRIKSMUNISIPALITEIT
DISTRICT MUNICIPALITY

PRELIMINARY

SECTION 71 REPORT

JUNE

2016

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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 June 2016.

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							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source									
Property rates		–					–		
Property rates - penalties & collection charges							–		
Service charges - electricity revenue		–					–		
Service charges - water revenue	110 521	147 050	147 050	(5 003)	128 600	147 050	(18 450)	-13%	147 050
Service charges - sanitation revenue	15 701	18 057	18 057	155	16 641	18 057	(1 417)	-8%	18 057
Service charges - refuse revenue						–	–		
Service charges - other						–	–		
Rental of facilities and equipment						–	–		
Interest earned - external investments	9 073	8 010	10 010	5 196	11 526	10 010	1 515	15%	10 010
Interest earned - outstanding debtors	19 149	26 568	26 568	(82)	18 429	26 568	(8 139)	-31%	26 568
Dividends received						–	–		
Fines						–	–		
Licences and permits						–	–		
Agency services					–	–	–		
Transfers recognised - operational	311 978	318 371	314 628	1 794	316 663	314 628	2 035	1%	314 628
Other revenue	9 561	356	356	55	573	356	217	61%	356
Gains on disposal of PPE						–	–		
Total Revenue (excluding capital transfers and contributions)	**475 982**	**518 412**	**516 670**	**2 115**	**492 432**	**516 670**	**(24 238)**	**-5%**	**516 670**
Expenditure By Type									
Employee related costs	150 427	219 377	219 377	13 773	184 715	219 377	(34 662)	-16%	219 377
Remuneration of councillors	5 796	5 332	6 146	438	5 536	6 146	(610)	-10%	6 146
Debt impairment	90 109	28 222	28 222	154	57 023	28 222	28 801	102%	28 222
Depreciation & asset impairment	45 065	51 431	51 430	–	–	51 430	(51 430)	-100%	51 430
Finance charges	2 465	60	–	8	20	–	20	#DIV/0!	–
Bulk purchases	5 304	6 377	5 535	(8)	2 759	5 535	(2 777)	-50%	5 535
Other materials	25 362	59 605	41 605	6 083	34 262	41 605	(7 343)	-18%	41 605
Contracted services	27 550	42 261	46 234	4 824	38 242	46 234	(7 992)	-17%	46 234
Transfers and grants	10 716	13 228	13 228	4 848	18 014	13 228	4 786	36%	13 228
Other expenditure	194 943	154 660	159 133	22 228	152 663	159 133	(6 470)	-4%	159 133
Loss on disposal of PPE						–	–		
Total Expenditure	**557 738**	**580 552**	**570 910**	**52 349**	**493 233**	**570 910**	**(77 677)**	**-14%**	**570 910**
Surplus/(Deficit)	**(81 756)**	**(62 140)**	**(54 240)**	**(50 235)**	**(801)**	**(54 240)**	**53 439**	**(0)**	**(54 240)**
Transfers recognised - capital	296 017	237 940	237 940	48 109	237 250	237 940	(690)	(0)	237 940
Contributions recognised - capital							–		
Contributed assets							–		
Surplus/(Deficit) after capital transfers & contributions	**214 261**	**175 800**	**183 700**	**(2 126)**	**236 449**	**183 700**			**183 700**
Taxation							–		
Surplus/(Deficit) after taxation	**214 261**	**175 800**	**183 700**	**(2 126)**	**236 449**	**183 700**			**183 700**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**214 261**	**175 800**	**183 700**	**(2 126)**	**236 449**	**183 700**			**183 700**
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	**214 261**	**175 800**	**183 700**	**(2 126)**	**236 449**	**183 700**			**183 700**

- The transfers recognized is reflecting the grants expenditure that has been recognized as income plus unconditional grants. An amount of R1.7 million has been recognised under operating grants

- Recognised is an amount of R48.1 million under capital grants.

- Total operating expenditure is at R 52.3 million for the month of June 2016
- The Service charges – Water revenue Billing has not been done for the month June 2016, department is in the process of clearing and finalising accounts.
- The Service charges – Sanitation revenue Billing has not been done for the month June 2016, department is in the process of clearing and finalising accounts.
- Employees related costs spending is R13.7 million for the month of June 2016
- Remuneration of Councillors is R 438 thousand for the month of June 2016.

Table 2: C5 – Monthly Budget Statements – Capital Expenditure

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

Vote Description R thousands	2014/15 Audited Outcome	Budget Year 2015/16 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Single Year expenditure appropriation									
105 - MUNICIPAL MANAGER	1 848	830	1 471	19	1 266	1 471	(205)	-14%	1 471
200 - CORPORATE SERVICES	1 276	1 350	1 110	88	1 221	1 110	111	10%	1 110
300 - BUDGET AND TREASURY	527	240	1 439	13	750	1 439	(689)	-48%	1 439
405 - SOCIAL SERVICES	11 749	28 150	16 985	2 053	3 949	16 985	(13 036)	-77%	16 985
500 - TECHNICAL SERVICES	293 113	288 090	238 090	48 109	237 312	238 090	(778)	0%	238 090
510 - WATER AND SANITATION SERVICES	–	150	1 573	–	223	1 573	(1 350)	-86%	1 573
408 - HEALTH & WATER SERVICES AUTHORI	–	260	236	–	231	236	(5)	-2%	236
Total Capital single-year expenditure	308 513	319 070	260 904	50 282	244 951	260 904	**(15 953)**	**-6%**	260 904
Total Capital Expenditure	**308 513**	**319 070**	**260 904**	**50 282**	**244 951**	**260 904**	**(15 953)**	**-6%**	**260 904**
Capital Expenditure - Standard Classification									
Governance and administration	**3 696**	**2 420**	**4 020**	**120**	**3 237**	**4 020**	(783)	-19%	**4 020**
Executive and council	1 848	830	1 471	19	1 266	1 471	(205)	-14%	1 471
Budget and treasury office	-	240	1 439	13	750	1 439	(689)	-48%	1 439
Corporate services	1 848	1 350	1 110	88	1 221	1 110	111	10%	1 110
Community and public safety	**9 705**	**28 410**	**17 221**	**2 053**	**4 180**	**17 221**	(13 041)	-76%	**17 221**
Community and social services	9 705	28 150	16 985	2 053	3 949	16 985	(13 036)	-77%	16 985
Sport and recreation							–		
Public safety							–		
Housing							–		
Health		260	236		231	236	(5)	-2%	236
Economic and environmental services	**1 999**	**2 311**	**2 311**	**1 311**	**2 295**	**2 311**	(16)	-1%	**2 311**
Planning and development							–		
Road transport	1 999	2 311	2 311	1 311	2 295	2 311	(16)	-1%	2 311
Environmental protection							–		
Trading services	**293 113**	**285 929**	**237 352**	**46 799**	**235 240**	**237 352**	(2 112)	-1%	**285 929**
Electricity							–		
Water	293 113	285 929	237 352	46 799	235 240	237 352	(2 112)	-1%	285 929
Waste water management							–		
Waste management							–		
Other							–		
Total Capital Expenditure - Standard Classifica	**308 513**	**319 070**	**260 904**	**50 282**	**244 951**	**260 904**	**(15 953)**	**-6%**	**309 481**
Funded by:									
National Government	234 975	237 940	237 940	48 109	237 250	237 940	(690)	0%	237 940
Provincial Government							–		
District Municipality							–		
Other transfers and grants							–		
Transfers recognised - capital	**234 975**	**237 940**	**237 940**	**48 109**	**237 250**	**237 940**	**(690)**	**0%**	**237 940**
Public contributions & donations							–		
Borrowing							–		
Internally generated funds	73 538	81 130	22 964	2 173	7 701	22 964	(15 263)	-66%	22 964
Total Capital Funding	**308 513**	**319 070**	**260 904**	**50 282**	**244 951**	**260 904**	**(15 953)**	**-6%**	**260 904**

- As depicted above total capital expenditure recorded for the month of June 2016 is R50.2 million

Table 3: SC13 Repairs and maintenance per asset class

Description	2014/15	Budget							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**21 480**	**48 467**	**30 468**	**3 632**	**25 178**	**30 468**	5 290	**17,4%**	**30 468**
Infrastructure - Road transport	–	1 670	1 670	–	–	1 670	1 670	**100,0%**	1 670
Roads, Pavements & Bridges		1 670	1 670	–	–	1 670	1 670	**100,0%**	1 670
Storm water							–		
Infrastructure - Electricity	–	–	–	–	–	–	–		–
Generation							–		
Transmission & Reticulation							–		
Street Lighting							–		
Infrastructure - Water	16 295	21 797	18 798	1 542	14 966	18 798	3 832	**20,4%**	18 798
Dams & Reservoirs	8 941	9 709	9 709	(12)	6 810	9 709	2 899	**29,9%**	9 709
Water purification	3 772	3 552	552	724	1 179	552	(627)	**-113,6%**	552
Reticulation	3 583	8 537	8 537	829	6 977	8 537	1 560	**18,3%**	8 537
Infrastructure - Sanitation	–	–	–	–	–	–	–		–
Reticulation							–		
Sewerage purification							–		
Infrastructure - Other	5 185	25 000	10 000	2 090	10 212	10 000	(212)	**-2,1%**	10 000
Waste Management							–		
Transportation							–		
Gas							–		
Other	5 185	25 000	10 000	2 090	10 212	10 000	(212)	**-2,1%**	10 000
Other assets	**3 882**	**11 137**	**11 137**	**2 451**	**9 084**	**11 137**	**2 054**	**18,4%**	**11 137**
General vehicles	3 301	5 161	5 161	975	5 573	5 161	(412)	-8,0%	5 161
Specialised vehicles	–	–	–	–	–	–	–		–
Plant & equipment		582	582	36	343	582	239	41,1%	582
Computers - hardware/equipment		1 200	1 200	998	1 044	1 200	156	13,0%	1 200
Furniture and other office equipment	2	61	61	–	–	61	61	100,0%	61
Abattoirs						–	–		
Markets						–	–		
Civic Land and Buildings						–	–		
Other Buildings	238	3 073	3 073	442	2 106	3 073	967	31,5%	3 073
Other Land						–	–		
Surplus Assets - (Investment or Inventory)						–	–		
Other	341	1 060	1 060		19	1 060	1 041	98,2%	1 060
Total Repairs and Maintenance Expenditure	**25 362**	**59 605**	**41 605**	**6 083**	**34 262**	**41 605**	**7 344**	**17,7%**	**41 605**

- Plant and Equipment refers to the purification plants and equipment.
- The total amount spent in June 2016 towards repairs and maintenance is R6 million

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

Description	2014/15	Budget Year 2015/16							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Standard									
Governance and administration	**298 872**	**320 930**	**322 187**	**5 235**	**323 850**	**322 187**	1 662	1%	**321 187**
Executive and council	41 140	48 867	48 867	–	48 867	48 867	–		48 867
Budget and treasury office	257 732	272 063	273 320	5 235	274 982	273 320	1 662	1%	272 320
Economic and environmental services	–	**250**	**250**	–	**250**	**250**	–		**250**
Planning and development	–	250	250	–	250	250	–		250
Road transport	–	–	–	–	–	–	–		–
Environmental protection	–	–	–	–	–	–	–		–
Trading services	**473 127**	**435 172**	**432 172**	**44 989**	**405 582**	**432 172**	(26 590)	-6%	**432 172**
Electricity	–	–	–	–	–	–	–		–
Water	471 465	417 115	414 115	44 833	388 941	414 115	(25 174)	-6%	414 115
Waste water management	1 662	18 057	18 057	155	16 641	18 057	(1 416)	-8%	18 057
Waste management	–	–	–	–	–	–	–		–
Other	–	–	–	–	–	–	–		–
Total Revenue - Standard	**771 999**	**756 352**	**754 610**	**50 224**	**729 682**	**754 610**	**(24 928)**	**-3%**	**753 609**
Expenditure - Standard									
Governance and administration	**303 313**	**232 867**	**248 299**	**18 683**	**182 128**	**248 299**	(66 171)	-27%	**242 175**
Executive and council	32 799	50 911	66 335	6 132	62 165	66 335	(4 170)	-6%	66 335
Budget and treasury office	237 268	123 532	117 417	4 185	60 352	117 417	(57 065)	-49%	117 417
Corporate services	33 246	58 423	64 547	8 365	59 612	64 547	(4 935)	-8%	58 423
Community and public safety	**15 625**	**42 359**	**27 020**	**2 246**	**24 662**	**27 020**	(2 358)	-9%	**27 020**
Community and social services	–	–	–	–	–	–	–		–
Sport and recreation	–	–	–	–	–	–	–		–
Public safety	–	–	–	–	–	–	–		–
Housing	–	–	–	–	–	–	–		–
Health	15 625	42 359	27 020	2 246	24 662	27 020	(2 358)	-9%	27 020
Economic and environmental services	**18 916**	**27 348**	**27 684**	**4 667**	**21 549**	**27 684**	(6 135)	-22%	**27 684**
Planning and development	18 916	27 348	27 684	4 667	21 549	27 684	(6 135)	-22%	27 684
Road transport	–	–	–	–	–	–	–		–
Environmental protection	–	–	–	–	–	–	–		–
Trading services	**219 885**	**277 978**	**267 907**	**26 753**	**264 894**	**267 907**	(3 013)	-1%	**267 907**
Electricity	–	–	–	–	–	–	–		–
Water	217 763	274 731	264 660	26 655	264 251	264 660	(409)	0%	264 660
Waste water management	2 122	3 247	3 247	98	642	3 247	(2 605)	-80%	3 247
Waste management	–	–	–	–	–	–	–		–
Other	–	–	–	–	–	–	–		–
Total Expenditure - Standard	**557 738**	**580 552**	**570 910**	**52 349**	**493 233**	**570 910**	**(77 677)**	**-14%**	**564 786**
Surplus/ (Deficit) for the year	214 260	175 800	183 700	(2 125)	236 448	183 700	52 749	29%	188 823

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

Vote Description	2014/15	Budget Year 2015/16							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote									
105 - MUNICIPAL MANAGER	41 140	48 867	48 867	–	48 867	48 867	–		48 867
200 - CORPORATE SERVICES	–	–	–	–	–	–	–		–
300 - BUDGET AND TREASURY	257 732	272 063	273 320	5 235	274 982	273 320	1 662	0,6%	273 320
405 - SOCIAL SERVICES	–	250	250	–	250	250	–		250
500 - TECHNICAL SERVICES	296 017	240 324	240 324	49 067	238 919	240 324	(1 405)	-0,6%	240 324
510 - WATER AND SANITATION SERVICES	177 110	194 848	191 848	(4 079)	166 663	191 848	(25 185)	-13,1%	191 849
408 - HEALTH & WATER SERVICES AUTHOR	–	–	–	–	–	–	–		–
Total Revenue by Vote	**771 999**	**756 352**	**754 610**	**50 224**	**729 682**	**754 610**	**(24 928)**	**-3,3%**	**754 610**
Expenditure by Vote									
105 - MUNICIPAL MANAGER	32 799	50 911	66 335	6 132	62 165	66 335	(4 170)	-6,3%	66 335
200 - CORPORATE SERVICES	33 246	58 423	64 547	8 365	59 612	64 547	(4 935)	-7,6%	64 547
300 - BUDGET AND TREASURY	237 268	123 532	117 417	4 185	60 352	117 417	(57 065)	-48,6%	117 417
405 - SOCIAL SERVICES	18 916	27 348	27 684	4 667	21 549	27 684	(6 135)	-22,2%	27 684
500 - TECHNICAL SERVICES	7 014	7 089	7 634	2 471	7 202	7 634	(432)	-5,7%	7 634
510 - WATER AND SANITATION SERVICES	212 870	270 889	260 273	24 282	257 692	260 273	(2 581)	-1,0%	260 273
408 - HEALTH & WATER SERVICES AUTHOR	15 625	42 359	27 020	2 246	24 662	27 020	(2 358)	-8,7%	27 020
Total Expenditure by Vote	**557 738**	**580 552**	**570 910**	**52 349**	**493 233**	**570 910**	**(77 677)**	**-13,6%**	**570 910**
Surplus/ (Deficit) for the year	**214 261**	**175 800**	**183 700**	**(2 125)**	**236 448**	**183 700**	**52 749**	**28,7%**	**183 700**

Part 2 – Supporting Documentation

2.1.1 Table 6: SC3

Debtors Age Analysis

Description	Budget Year 2015/16							
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	Total	Total over 90 days
Debtors Age Analysis By Income Source								
Trade and Other Receivables from Exchange Transactions - Water	232	13 376	14 526	17 099	6 367	512 836	564 437	536 303
Trade and Other Receivables from Exchange Transactions - Electricity							–	–
Other	17	9	73	(13)	19	898	1 003	904
Total By Income Source	**249**	**13 385**	**14 599**	**17 087**	**6 386**	**513 734**	**565 440**	**537 207**
2014/15 - totals only							–	-
Debtors Age Analysis By Customer Group								
Organs of State	65	625	546	619	408	4 464	6 727	5 490
Commercial	(53)	428	324	370	189	14 460	15 718	15 020
Households	220	12 321	13 655	16 109	5 770	493 882	541 957	515 761
Other	17	11	73	(11)	20	927	1 037	936
Total By Customer Group	**249**	**13 385**	**14 599**	**17 087**	**6 386**	**513 734**	**565 439**	**537 207**

- The Municipality has a total amount of R 537 million of outstanding debt.

2.1.2 Table 7: Collection Rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 30 JUNE 2016				
MONTH	BILLING	MONTHS	RECIEPTS	RECOVERY RATE %
June 2015	14 502 485,24	July 2015	6 567 149,37	45,28%
July 2015	14 730 709,76	August 2015	7 286 487,03	49,46%
August 2015	11 887 551,00	Septmber 2015	8 084 873,00	68,01%
September 2015	19 990 002,03	October 2015	6 976 097,17	34,90%
October 2015	10 841 144,08	November 2015	6 833 148,28	63,03%
Novemebr 2015	14 673 919,02	December 2015	6 586 783,29	44,89%
December 2015	11 089 070,00	January 2016	7 253 806,00	65,41%
January 2016	18 542 849,12	February 2016	7 485 811,81	40,37%
February 2016	12 098 012,28	March 2016	7 230 044,99	59,76%
March 206	6 713 948,95	April 2016	10 462 265,63	155,83%
April 2016	19 153 985,43	May 2016	7 955 246,24	41,53%
May 2016	16 438 255,92	June 2016	5 368 513,77	32,66%
	170 661 932,83		**88 090 226,58**	51,62%
TOTALS				
BILLING - JULY 2015- MAY 2016		170 661 932,83		
RECIEPTS - JULY 2015- JUNE 2016		88 090 226,58		
DIFFERENCE		**82 571 706,25**	51,62%	

2.2 Table: 8 SC4 Aged Creditors

Description R thousands	Budget Year 2015/16 0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity									–
Bulk Water									–
PAYE deductions									–
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	44	92	–	–	14 091				**14 227**
Auditor General									–
Other									–
Total By Customer Type	44	92	–	–	14 091	–	–	–	14 227

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.

2.3 Table 9: SC8 Salaries and Allowances

Summary of Employee and Councillor remuneration R thousands	2014/15 Audited Outcome	Budget Year 2015/16 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	4 127	3 832	4 228	315	3 987	4 228	(241)	-6%	4 228
Pension and UIF Contributions						–	–		
Medical Aid Contributions						–	–		
Motor Vehicle Allowance	1 294	1 056	1 474	102	1 275	1 474	(199)	-13%	1 474
Cellphone Allowance	375	444	444	21	273	444	(171)	-38%	444
Housing Allowances						–	–		
Other benefits and allowances						–	–		
Sub Total - Councillors	5 796	5 332	6 146	438	5 536	6 146	(611)	-10%	6 146
% increase		-8,0%	6,0%						6,0%
Senior Managers of the Municipality									
Basic Salaries and Wages	8 959	7 955	7 955	471	5 485	7 955	(2 470)	-31%	7 955
Pension and UIF Contributions						–	–		
Medical Aid Contributions						–	–		
Overtime						–	–		
Performance Bonus		696	696			696	(696)	-100%	696
Motor Vehicle Allowance						–	–		
Sub Total - Senior Managers of Municipality	8 959	8 651	8 651	471	5 485	8 651	(3 166)	-37%	8 651
% increase		-3,4%	-3,4%						-3,4%
Other Municipal Staff									
Basic Salaries and Wages	94 309	151 329	140 995	8 695	116 160	140 995	(24 835)	-18%	140 995
Pension and UIF Contributions	813	19 338	19 338	1 157	17 823	19 338	(1 515)	-8%	19 338
Medical Aid Contributions	3 748	4 592	4 592	378	4 326	4 592	(266)	-6%	4 592
Overtime	18 038	11 146	21 480	1 991	22 831	21 480	1 351	6%	21 480
Performance Bonus	6 736	–	–			–	–		–
Motor Vehicle Allowance	3 897	9 436	9 436	722	8 497	9 436	(939)	-10%	9 436
Cellphone Allowance		–	–			–	–		–
Housing Allowances	746	1 709	1 709	121	764	1 709	(945)	-55%	1 709
Other benefits and allowances	11 952	11 388	11 388	8	7 644	11 388	(3 744)	-33%	11 388
Payments in lieu of leave	1 229	1 789	1 789	229	1 185	1 789	(604)	-34%	1 789
Long service awards						–	–		
Post-retirement benefit obligations						–	–		
Sub Total - Other Municipal Staff	141 468	210 727	210 727	13 302	179 230	210 727	(31 497)	-15%	210 727
% increase		49,0%	49,0%						49,0%
Total Parent Municipality	156 223	224 710	225 524	14 211	190 251	225 524	(35 273)	-16%	225 524
TOTAL SALARY, ALLOWANCES & BENEFITS	156 223	224 710	225 524	14 211	190 251	225 524	(35 273)	-16%	225 524
% increase		43,8%	44,4%						44,4%
TOTAL MANAGERS AND STAFF	150 427	219 378	219 378	13 773	184 715	219 378	(34 663)	-16%	219 378

2.4.1 Table 10: Investments and Bank Balances

Bank Balances

The following reflects bank balances at 30 June 2016

DESCRIPTION	APRIL	MAY	JUNE
FNB MAIN ACCOUNT 62252306280	18 130 013,11	5 911 417,86	903 858,37
FNB WATER ACCOUNT 62253072385	0,00	0,00	0,00
	7 560 002,53	**5 911 417,86**	**903 858,37**
Total cash held	**903 858,37**		

At the end of June 2016 cash on hand was R903 thousand

2.4.2 Table 11: SC5 Investments

Investments by maturity **Name of institution & investment ID** **R thousands**	**Market value at end of the month**
Municipality	
FNB	33 061
NEDBANK	18 486
INVESTEC	30 996
TOTAL INVESTMENTS AND INTEREST	**82 543**

Investments held at the end of April 2016 R 82 million

2.5 Table 12: SC6 Grant Receipts

Description R thousands	2014/15 Audited Outcome	Budget Year 2015/16 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	311 978	318 121	314 378	-	316 664	291 611	21 698	7,4%	317 379
Local Government Equitable Share	245 822	261 605	260 862	-	260 863	239 805	21 058	8,8%	260 863
RSC Levy Replacement	41 140	44 198	44 198	-	44 198	40 515			44 198
Finance Management	1 250	1 325	1 325	-	1 325	1 215			1 325
Municipal Systems Improvement	934	940	940	-	940	862			940
EPWP Incentive	3 299	2 384	2 384	-	1 669	2 185			2 384
Water Services Operating Subsidy	9 094	3 000	-	-	3 000	2 750	250	9,1%	3 000
DWA	10 439					-	-		
Special support for councillors remuneration and Ward committees		4 669	4 669	-	4 669	4 280	389	9,1%	4 669
						-	-		
Provincial Government:	-	250	250	-	250	229	-		250
shared services		250	250	-	250	229			250
Total Operating Transfers and Grants	311 978	318 371	314 628	-	316 914	291 840	21 698	7,4%	317 629
Capital Transfers and Grants									
National Government:	297 413	237 940	237 940	-	237 940	218 112	19 271	8,8%	237 940
Municipal Infrastructure Grant (MIG)	199 089	181 247	181 247	-	181 247	166 143	15 104	9,1%	181 247
Rural Roads Asset Management	2 315	2 311	2 311		2 311	2 118			2 311
Rural Households Infrastructure	6 689	4 382	4 382		4 382	4 017			4 382
Regional Bulk Infrastructure	85 137	-	-			-			-
MWIG	4 182	50 000	50 000		50 000	45 833	4 167	9,1%	50 000
Total Capital Transfers and Grants	297 413	237 940	237 940	-	237 940	218 112	19 271	8,8%	237 940
TOTAL RECEIPTS OF TRANSFERS & GRANTS	609 391	556 311	552 568	-	554 854	509 952	40 968	8,0%	555 569

- No grant receipts were recognised in June 2016

2.6 Table 13: SC7 Grant Expenditure

Description	2014/15	Budget Year 2015/16							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	301 539	318 121	317 378	1 794	316 663	317 378	(715)	-0,2%	317 406
Local Government Equitable Share	245 822	261 605	260 862	-	260 862	260 862	-		261 605
RSC Levy Replacement	41 140	44 198	44 198	-	44 198	44 198	-		44 198
Finance Management	1 250	1 325	1 325	-	1 325	1 325	-		1 325
Municipal Systems Improvement	934	940	940	-	940	940	-		940
EPWP Incentive	3 299	2 384	2 384	958	1 669	2 384	(715)	-30,0%	1 669
Water Services Operating Subsidy	9 094	3 000	3 000	836	3 000	3 000	-		3 000
SPECIAL SUPPORT FOR COUNCILLORS REMUNERATION AND		4 669	4 669	-	4 669	4 669	-		4 669
Provincial Government:	-	250	250	-	250	250	-		250
shared services		250	250	-	250	250	-		250
Total operating expenditure of Transfers and Grants:	301 539	318 371	317 628	1 794	316 913	317 628	(715)	-0,2%	317 656
Capital expenditure of Transfers and Grants									
National Government:	297 413	237 940	237 940	48 109	237 250	237 940	(690)	-0,3%	237 940
Municipal Infrastructure Grant (MIG)	199 089	181 247	181 247	31 012	180 770	181 247	(477)	-0,3%	181 247
RRAM	2 315	2 311	2 311	1 311	2 295	2 311	(16)	-0,7%	2 311
MWIG	4 182	50 000	50 000	13 818	50 000	50 000	-		4 382
Regional Bulk Infrastructure	85 137	-	-			-	-		-
RHIG	6 689	4 382	4 382	1 968	4 185	4 382	(197)	-4,5%	50 000
Provincial Government:	-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	297 413	237 940	237 940	48 109	237 250	237 940	(690)	-0,3%	237 940
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	598 952	556 311	555 568	49 903	554 163	555 568	(1 405)	-0,3%	555 596

- A total of R48.1 million was the expenditure on capital grants for the month of June 2016
- R1.7 million was spent on operating grants

2.7 Table 14: SC7.2 Grant Expenditure on approved rollovers

Description R thousands	Budget Year 2015/16				
	Approved Rollover 2014/15	Monthly actual	YearTD actual	YTD variance	YTD variance %
EXPENDITURE					
Operating expenditure of Approved Roll-overs					
Water Services Operating Subsidy	743		743	0	0,0%
Total operating expenditure of Approved Roll-overs	743		743	0	0,0%
Capital expenditure of Approved Roll-overs					
RHIG	1 435		1 435	0	0,0%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	2 178		2 178	0	0,0%

- The table above shows full expenditure on the approved roll over of R1.4 – Rural Households Infrastructure Grant
- The roll-over of R743 relating to the water services grant has not been withheld by treasury, the amount was recognised in March 2016.

Prepared by

Accountant: Budget

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 June 2016 have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name : SN KUNENE

Signature ____________________

Date : 12 July 2016