

IN-YEAR MONITORING REPORT FOR THE PERIOD ENDED 31 JULY 2022

1. Operating Budget

Summary financial performance report **SF1** for the period ending 31 July 2022 shown in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type. The summary report indicates the following.

Table 1

DC22 uMgungundlovu - Table C1 Monthly Budget Statement Summary - M01 July									
Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	318 516	624 472	-	37 324	37 324	52 039	(14 715)	-28%	-
Investment revenue	3 309	2 859	-	353	353	238	115	48%	-
Transfers and subsidies	623 129	346 101	-	261 243	261 243	28 842	232 401	806%	-
Other own revenue	39 837	367 033	-	404	404	30 586	(30 182)	-99%	-
Total Revenue (excluding capital transfers and contributions)	984 790	1 340 465	-	299 325	299 325	111 705	187 619	168%	-
Employee costs	273 585	258 671	-	20 557	20 557	21 556	(999)	-5%	-
Remuneration of Councillors	11 224	12 114	-	1 372	1 372	1 009	363	36%	-
Depreciation & asset impairment	49 002	53 555	-	4 154	4 154	4 463	(309)	-7%	-
Finance charges	20 071	18 771	-	1 620	1 620	1 564	56	4%	-
Inventory consumed and bulk purchases	23 903	227 286	-	74	74	18 940	(18 867)	-100%	-
Transfers and subsidies	9 158	7 500	-	-	-	625	(625)	-100%	-
Other expenditure	194 491	365 914	-	8 803	8 803	30 493	(21 690)	-71%	-
Total Expenditure	581 435	943 811	-	36 580	36 580	78 651	(42 070)	-53%	-
Surplus/(Deficit)	403 355	396 654	-	262 744	262 744	33 054	229 690	695%	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	278 479	205 174	-	41 525	41 525	17 098	24 428	143%	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	681 834	601 828	-	304 270	304 270	50 152	254 117	507%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	681 834	601 828	-	304 270	304 270	50 152	254 117	507%	-

The operating revenue raised as at 31 July 2022 is **R 299.3 million** against the original budget of **R 1.34 billion** for the year and **R 111.705 million** for the period. This reflects a revenue rate of **22%** against the original budget. and **268%** against the year-to-date (YTD) budget.

As at 31 July 2022, the operating expenditure was **R36.6 million** against the original budget of **R 943.8 million** and year to date budget of **R 78.65 million**. This reflects expenditure of **4%** against the original budget and **47%** of the year-to-date budget.

The resulting operating surplus for the period was **R 262.7 million** and the surplus after capital transfers and contributions is **R 304.27 million**.

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Given that it is month one of the financial year we would anticipate an average of around 8% revenue generation and expenditure incurrence. The operating revenue and expenditure analysis against budget estimates is detailed below:

- *Service charges*
 - i. Service charges relating to water are below target at **6%** against the budget estimate. This is the first month that we have done away with the flat rate, understanding that consumption of those who were previously billed on flat rate was not recorded. We will, over the next few months, understand the consumption patterns of such consumers.
 - ii. Service charges relating to sanitation are below target at **4%**.
 - iii. Interest on outstanding debtors is well below target at **1%** of the budget estimate.

The billing system and debtors is still a work in progress with customer queries being addressed on an ongoing basis.

- *Investment revenue*

This income is raised at **12%** of the budget estimate which is an over-performance. In July 2022, the municipality invested an amount of **R70 million** into a fixed deposit account with Standard Bank for a period of three (3) months at an interest rate of **6.6%**. The expected return is **R1.15 million**.
- *Transfers and Subsidies*

Transfers and subsidies are **38%** when compared to allocations for the financial year. This is due to the receipt of the first tranche of the Equitable Share to the value of **R 261 million**.
- *Employee Related Costs and Remuneration of Councillors*

The employee related costs are in line with the budget estimate at **8%** whereas remuneration of Councillors is above target at **11%** due to the release of the new upper limits in June 2022, effective 1 July 2021.
- *Depreciation and Impairment*

The depreciation costs is in line with the budget estimate at **8%**.
- *Finance Costs*

The finance costs are in line with the budget estimate at **9%**.
- *Inventory Consumed*

This cost is below target at **0.03%** of the budget estimate.
- *Contracted Services*

This cost is below target at **5%** of the budget estimate.
- *Other Expenditure*

These costs which include operating leases and other municipal running costs are below target at **1%**.

Due to the pattern of spending varying based on municipal activities, the expenditure is anticipated to stabilise in the months to come.

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2. Capital Expenditure

The Capital expenditure report shown in Annexure A, Table C5 has been prepared based on the format required to be lodged electronically with National Treasury and is categorised by municipal vote. The summary report indicates the following:

Table 2

Funding Source	Original Budget 2022 /2023	Expenditure as at 31 July 2022	% Spent
Municipal Infrastructure Grant	116 867 000.04	32 897 772.70	28.15
Water Services Infrastructure Grant	85 600 000.00	10 525 464.73	12.30
Rural Roads Asset Management Systems Grant	2 707 000.00	0.00	0.00
TOTAL	205 174 000.04	43 423 237.43	21.16
Internally Generated Funded Assets	1 800 000.00	0.00	0.00
TOTAL CAPITAL EXPENDITURE	206 974 000.04	43 423 237.43	20.98

The total original capital budget for the 2022/2023 financial year is **R 206.9 million**. This includes the allocations from the Municipal Infrastructure Grant (MIG) of **R 116.9 million**, the Water Services Infrastructure Grant (WSIG) of **R 85.6 million**, the Rural Roads Assets Management Grant (RRAMS) of **R 2.7 million**, and the Internally Generated Funded Assets of **R 1.8 million** for the commencement of the construction process for the Disaster Management Centre.

Year to date expenditure for MIG is **R 32.9 million** which represents **28.15%** of the original budget estimate.

WSIG expenditure to date is **R 10.5 million** which represents **12.3%** of the original budget estimate.

RRAMS expenditure to date remains at **R nil** which represents **0%** of the original budget estimate.

Year to date capital expenditure from internal funding is **R nil** represents **0%** of the total original budget.

Total capital expenditure to date is **R 43.4 million** or **21%** against the original budget.

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3. Employee Costs and Councillors' Allowances

Section 66 of the MFMA requires that the accounting officer of a municipality must report to Council in a prescribed format all expenditure incurred by the municipality on staff salaries, wages and benefits in a manner that discloses expenditure per type such as salaries, contributions for pensions etc.

The total salaries budget for Councillors amounts to **R 12.1 million** while salaries budget for staff amounts to **R 258.7 million**. This brings the total salaries budget to **R 270.8 million**, which represents **29%** of the total operational budget. This is within the norm of 25% - 40% in terms of National Treasury circular 71 of 2014.

In terms of Generally Recognised Accounting Practise (GRAP25), the municipality has to make a provision for employee benefits, which represents a future financial obligation to the Municipality on current and post-employment medical benefits for retired and active employees eligible for early retirement, *ex-gratia* pension liability for a retrenched Technical Director, and a provision for long service awards for all staff members meeting the requirements of clause 7 of the Local Government Bargaining Council collective agreement signed in August 2018.

The actual staff salaries cost incurred, including Senior Managers, as at 31 July 2022 is spent at **8%** which amounts to **R 20.6 million** while the actual salaries cost for Councillors is spent at **11%** which amounts to **R 1.37 million**. Therefore, total salaries cost to date is **R 21.9 million** which represents **8%** of the total salaries budget.

Although the budget for Councillors' salaries is based on a reasonable estimate, it is not always easy to have an exact figure for budget purposes. This is due to changes in the municipal grades and remuneration adjustments of the local Municipalities thereby affecting the salaries of the Councillors representing their local Municipalities within the district. Furthermore, the number of meetings held during the financial year generally varies to the number of meetings predicted at the time of the budget process.

The salaries and benefits paid to councillors in the month of July 2021 are based on the June 2022 promulgation which was effective for payment in the month of July 2021.

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Table 3

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July										
Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		6,599	8,055	-	872	872	671	201	30%	-
Pension and UIF Contributions		602	243	-	36	36	20	15	76%	-
Medical Aid Contributions		266	95	-	29	29	8	21	261%	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		858	964	-	71	71	80	(10)	-12%	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2,900	2,756	-	365	365	230	135	59%	-
Sub Total - Councillors		11,224	12,114	-	1,372	1,372	1,009	363	36%	-
% increase	4		7.9%							
Senior Managers of the Municipality										
Basic Salaries and Wages		3,562	6,788	-	232	232	566	(334)	-59%	-
Pension and UIF Contributions		8	11	-	1	1	1	(0)	-41%	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		(87)	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		439	900	-	34	34	75	(42)	-55%	-
Cellphone Allowance		81	768	-	5	5	64	(59)	-92%	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		0	1	-	0	0	0	(0)	-45%	-
Payments in lieu of leave		40	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4,044	8,468	-	272	272	706	(434)	-62%	-
% increase	4		109.4%							
Other Municipal Staff										
Basic Salaries and Wages		155,581	154,629	-	13,036	13,036	12,886	150	1%	-
Pension and UIF Contributions		32,485	28,451	-	2,788	2,788	2,371	417	18%	-
Medical Aid Contributions		13,302	10,249	-	1,246	1,246	854	392	46%	-
Overtime		7,496	1,089	-	245	245	91	154	170%	-
Performance Bonus		12,423	13,099	-	5	5	1,092	(1,087)	-100%	-
Motor Vehicle Allowance		13,889	12,361	-	1,069	1,069	1,030	39	4%	-
Cellphone Allowance		58	697	-	5	5	58	(53)	-92%	-
Housing Allowances		1,366	1,423	-	120	120	119	1	1%	-
Other benefits and allowances		23,439	19,641	-	1,340	1,340	1,637	(297)	-18%	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		3,964	1,664	-	432	432	139	294	212%	-
Post-retirement benefit obligations	2	7,064	6,900	-	-	-	575	(575)	-100%	-
Sub Total - Other Municipal Staff		271,068	250,204	-	20,286	20,286	20,850	(565)	-3%	-
% increase	4		-7.7%							
Total Parent Municipality		286,336	270,785	-	21,929	21,929	22,565	(636)	-3%	-
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		286,336	270,785	-	21,929	21,929	22,565	(636)	-3%	-
% increase	4		-5.4%							
TOTAL MANAGERS AND STAFF		275,112	258,671	-	20,557	20,557	21,556	(999)	-5%	-

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4. Conditional Grants

As at the 31 July 2022, a total of **R 48.1 million** of conditional grants was received since 01 July 2022 whilst an additional **R 16.8 million**, which was received in the previous financial years, was available at the beginning of the period. The operating grant utilisation is at **0%** and the capital grant utilisation was **73%** of allocations received to date. The overall grant utilisation is at **67%**.

The investigation on the unspent grants rolling over from prior years is still in progress with the aim of reconciling such amounts with the relevant funders and in anticipation of the conclusion on the legal process relating to the ORIO grant. Furthermore, the interrogation of the financial database is still in progress to establish whether spending related to such grants was possibly misallocated historically.

Table 4

Description	Opening Balance	Receipts	Total receipts	Expenditure	Balance	Percentage
Operating Grants						
Finance Management Grant	0	0	0	0	0	#DIV/0!
Camperdown WWW	308 817	0	308 817	0	308 817	0.00
Public Transport Plan Grant	0	0	0	0	0	#DIV/0!
Expanded Public Works Programme Grant	4 000 095	0	4 000 095	0	4 000 095	0.00
Rasset & DGDS Grant	126 989	0	126 989	0	126 989	0.00
Geospatial Grant	35	0	35	0	35	0.00
IDP Spatial Development Grant	622 775	0	622 775	0	622 775	0.00
Spatial Development Framework Grant	212 825	0	212 825	0	212 825	0.00
Total Operating Grants	5 271 536	0	5 271 536	0	5 271 536	0.00
Capital Grants						
Water Services Infrastructure Grant	0	17 120 000	17 120 000	10 525 465	6 594 535	61.48
Municipal Infrastructure Grant	0	31 000 000	31 000 000	32 897 773	-1 897 773	106.12
ORIO Grant	11 550 860	0	11 550 860	0	11 550 860	0.00
Rural Roads Asset Management Grant	29	0	29	0	29	0.00
Accelerated Water Intervention Grant	3	0	3	0	3	0.00
Total Capital Grants	11 550 889	48 120 000	59 670 892	43 423 237	16 247 654	72.77
Total Grants	16 822 424.58	48 120 000.00	64 942 427.34	43 423 237.44	21 519 190	66.86

5. Cash and cash equivalents

The cash in bank as at 31 July 2022 amounted to **R 236.9 million**.

The municipality holds an investment of R 3.75 million with FNB as security for the DBSA loan at an interest of **5.25%** and has invested additional funds of R70 million with Standard Bank for a period of 3 months commencing on 27 July 2022 at a interest rate of **6.6%**. An amount of **R 80 009** was accrued in investment/interest income for the month of July 2022 (R 16 721 for the FNB investment and R63 288 for the Standard Bank investment). Investments amounted to **R 73.99 million** (R3.9 million for the FNB investment and R70.1 for the Standard Bank investment) resulting in a total cash and cash equivalents balance of **R 310.92 million**.

The cash coverage ratio as at 31 July 2022 is **2.99** based on average of R 72 million per month fixed operating expenditure. This indicates that the municipality as at 31 July 2022 has enough cash to run its operation for **89.75 days** based on a 30-day calendar month. The norm as set out in the uniform financial ratios and norms circular 71 is 1 to 3 months.

Table 5

Period of Investment (yrs/mnths)	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
1 year	Fixed deposit	2022/09/07	16 721	5.25%	3 910 197	16 721	3 926 918
3 months	Fixed deposit	2022/10/27	63 288	6.60%	0	63 288	70 063 288
Total			80 009		3 910 197	80 009	73 990 206

Table 6

Bank Accounts	Account Number	Market value at the beginning of the month	Change in market value	Market value at the end of the month
		R 0.00	R 0.00	R 0.00
Main Account	50940026773	69 694 906.50	59 459 648.38	129 154 554.88
Salaries Account	50940092196	2 738 512.26	77 845 348.86	80 583 861.12
Water Services Account	62023616462	199 039.94	22 525 106.29	22 724 146.23
NSTD Call Account	62215748289	590 158.09	2 085.76	592 243.85
Mandela Race Account	62411577193	822 211.27	2 267.55	824 478.82
UMDM MIG (Dbsa) Account	62400041985	0.00	0.00	0.00
Mandela ABSA	62597807125	1 233 030.33	0.00	1 233 030.33
Corporate Cheque Account	62243484417	2 510 625.21	-694 817.96	1 815 807.25
Public Sector Cheque Account		0.00	-228.80	-228.80
Total Cash Balances		77 788 483.60	159 139 410.08	236 927 893.68

Table 6 above excludes the investment of **R 3.9 million** held with FNB as a security for the long-term borrowings (DBSA Loan) and the Fixed Deposit held with Standard Bank of **R 70.1 million**.

6. Borrowings

As at 31 July 2022, the loan book was at a total balance of **R 169.5 million**. The average interest rate on remaining loan is **10.889%**. The debt to revenue ratio is **13%** against the projected operating revenue which is above the treasury norm of within the National Treasury norm of below **45%**. The debt service to income ratio for the year indicates that the costs associated with the debt were funded by **0.5%** of the YTD operating income.

Table 7

Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/07/2022	Add: Interest Accrued	Less: Interest paid	Less :Capital Repayments	Closing Balance at 31/07/2022
12007869	uMgungundlovu Various Water Projects	10.889	183 385 185.50	1 619 658.29	9 373 468.37	6 167 377.06	169 463 998.36
			183 385 185.50	1 619 658.29	9 373 468.37	6 167 377.06	169 463 998.36

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7. Creditors Age Analysis

The balance of trade payables as at 31 July 2022 was **R 35.7 million**.

A total of **R 6.1 million** or **17%** of invoices remained outside the compliance period of 30 days as at 31 July 2022.

The breakdown of these accounts is detailed below:

CREDITOR	BALANCE	COMMENTS
AQT01 (AQUA TRANSPORT AND PLANT HIRE)	1 609 411.20	Invoices are still under investigation as copy tax invoices were submitted
NAS01 (EARLYWORKS 266)	109 945.04	Invoices disputed contract ended in April 2022
ESK01 (ESKOM HOLDINGS)	219 797.08	This supplier is on a debit order system, however, we experience challenges at times with the reconciliation of the debit orders effected and invoices received from ESKOM
HAH0001 (HAHN COLLECTION)	29 817.61	requested new invoice as invoice was not complete, they had to add VAT number since they are VAT vendors
IMP002 (IMPENDLE - KZ LOCAL MUNICIPALITY)	16 818.43	Requested a reconciliation from Impendle Municipality none have been received so far.
ITH008 (ITHALA DEVELOPMENT FINANCE CORPORATION LTD)	80 877.72	Awaiting reconciliation from supplier
LEW0001 (LEWIS NEIL ROBERT)	900.00	Refunds were still under investigation
MEK0003 (MEKHOSSA CLEANING SERVICES AND AGRI PROJECTS)	30 148.70	Service provider supplied incomplete order, invoice was disputed
OTI01 (OTIS)	34 190.17	Contract was invalid
PCB01 (PIETERMARITZBURG AND MIDLANDS CHAMBER OF BUSINESS)	58 604.00	UMEDA Invoice is not paid due to current state of affairs at the agency
UMG0041 (UMGUNGUNDLOVU ECONOMIC DEVELOPMENT AGENCY)	3 979 037.00	UMEDA Invoice is not paid due to current state of affairs at the agency
UMM01 (UMNGENI MUNICIPALITY)	15 149.55	Invoice returned late from user department
WCP0001 (WC PROPERTY CONSULTANTS PTY LTD)	10 822.16	Refunds were still under investigation
XAB002 (XABA ATTORNEYS)	3 574.20	Invoice was never returned from the user department
TOTAL	6 199 092.86	

The negotiations with Umngeni Water for contract of the management of Water Treatment Works have not yet been concluded and, as a result, the invoices relating to sewerage services will continue to be raised as a provision given the uncertainty in the amount of expenditure that will ultimately incurred once the negotiations are concluded, and the contract achieves alignment with the provisions of the Municipal Finance Management Act and other relevant legislation. This is in line with the Generally Recognised Accounting Practice which defines a provision as a liability of uncertain timing or amount.

For effective financial management, the Municipality must have a financial management system in place which is used for the operation of its expenditure and accounts payables, amongst other things. The accounts payables must be paid for goods and services rendered to the municipality. A procedure manual was drafted in 2014, which provides the timeframes that each official must comply with when dealing with payments. This includes payments certification by the user department, which must confirm the receipt of goods and services before invoices are processed for payment.

Section 65(2)(e) of the Municipal Finance Management Act, 2003 requires that the municipality must pay within 30 days of receipt of an invoice. While this requirement is crucial, it is also important for a municipality to ensure that all the requirements in terms of the Supply Chain Management Regulations of 2011, are followed when procuring goods and services.

This includes, but not limited to, ensuring that there are valid contracts for all lease payments, payments made to government institutions, where payments are urgent in nature, and where there is an emergency.

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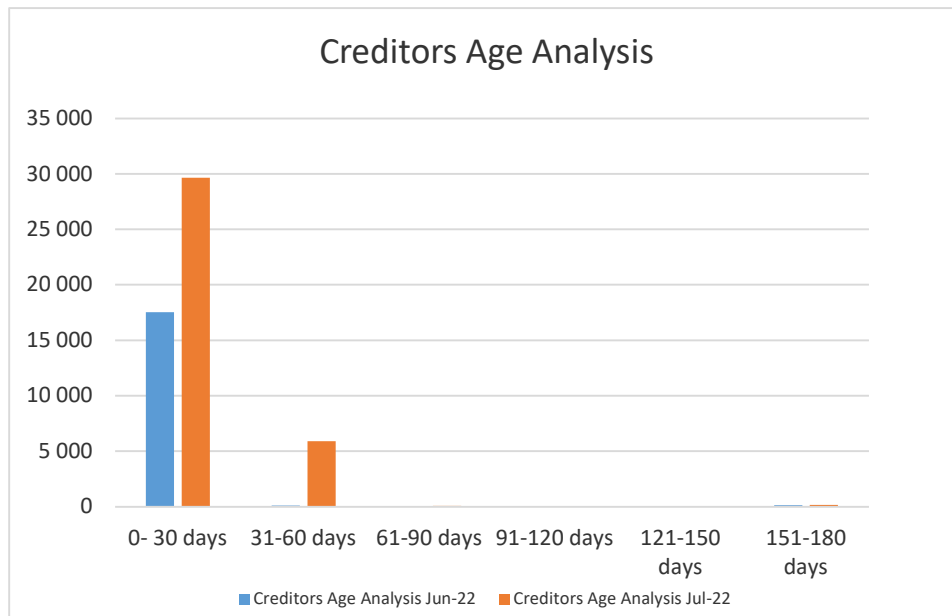
Sections 62(1), (2) and 65(1) require the Accounting Officer to ensure a proper management of the finances of a municipality. This requires him to ensure that all processes are followed before payments are realised, as a result, the Internal Audit is requested to verify payments on an ad hoc basis.

In the effort to reduce the amount owed to outstanding creditors, a detailed spreadsheet which indicates the status of each amount due for longer than 30 days is sent to every HOD, for their action, as to resolve issues that may have been raised by the Accounting Officer.

Table 8

Creditors Age Analysis		
	Jun-22	Jul-22
0- 30 days	17 518	29 656
31-60 days	85	5 883
61-90 days	0	67
91-120 days	48	0
121-150 days	25	0
151-180 days	126	139
	17 802	35 745

Graph 1



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8. Billing Revenue and Debtors

8.1 Billing Summary: June 2022 to July 2022

Table 9

The table below details the **Monthly Billing per Area** for the 2022/2023 financial year.

Area	June 2022	July 2022
uMshwathi	2,427,546.95	3,551,276.18
uMngeni	13,033,800.23	17,895,309.89
Mpofana	2,414,440.68	3,832,396.09
iMpindle	558,507.80	763,526.39
Mkhambathini	707,426.87	962,443.04
Richmond	1,587,679.99	2,427,844.91
Water Schemes	4,307,324.67	5,825,320.16
Bulk Customers	7,357,994.65	9,646,924.63
Total	32,394,721.84	44,905,041.29

8.2 Credit Control and Debt Collection: Billing vs Receipts

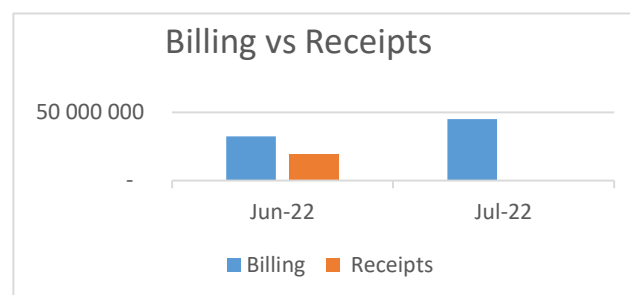
Table 10

The table below details financial year to date **Monthly Billing against the Receipts** for the 2022/2023 financial year.

Month	Billing	Receipts	Collection %
June 2022	32,394,731.84	19,770,293.19	61%
July 2022	44,905,041.29		

Graph 3

Month	Billing	Receipts
Jun-22	32,394,732	19,770,293
Jul-22	44,905,041	



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Table 11

The table below details the **Classification of Receipts** for June 2022 – July 2022

Basis of Receipts	Jun-22	July-22
Direct Deposits	12,536,256.14	13,832,256.04
Easy Pay	3,485,369.25	3,958,318.79
Post Office	61,369.28	61,369.28
Customer Care	856,369.25	986,369.15
Manual Receipts	831,979.93	931,979.93
Total	17,771,343.85	19,770,293.19

Table 12

The table below details **Customer Category Receipts** for June 2022 – July 2022.

Customer Classification	Jun-22	July-22
Government	4,498,369.25	4,998,369.15
Business	4,635,259.36	5,935,259.26
Households	8,265,369.25	8,462,369.05
Indigent Households	13,569.25	12,569.18
Church	351,118.46	354,068.19
Councillors	7,658.36	7,658.36
Total	17,771,343.93	19,770,293.19

Table 13

The table below details the percentage of collection per customer classification (refer to Annexure A)

AREA		Jun-22		% COLLECTION
		SALES RAISED	RECEIPTS	
Howick	Howick	6,995,248.21	6,788,459.58	97%
Tumbleweed	Tumbleweed	115,956.32	5,589.14	5%
Lidgeton	Lidgeton	189,147.58	16,258.26	9%
Hilton	Hilton	2,898,209.87	2,798,261.98	97%
Mpophomeni	Mpophomeni	1,593,258.45	142,698.14	9%
Bulk	Bulk	8,857,325.26	7,947,588.36	90%
Mpofana	Mpofana	1,599,975.16	368,215.65	23%
Mpofana- Brunt	Mpofana- Brunt	1,485,694.20	60,736.25	4%
Richmond	Richmond	1,580,789.15	635,201.42	40%
uMshwathi	uMshwathi	2,984,365.29	638,985.25	21%
uMkhambathini	uMkhambathini	891,356.25	118,569.58	13%
iMpendle	iMpendle	191,258.45	91,365.29	48%
Water Schemes	Water Schemes	3,012,147.65	158,364.29	5%
Total	Total	32,394,731.84	19,770,293.19	61%

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Table 14

The table below details a breakdown of June 2022 billing and July 2022 receipts for Water Schemes taken over from Umgeni Water.

Water Schemes	Water Schemes	Sales Raised	Receipts	% Collection	Comment
Hopewell	Hopewell	131,548.36	1,000.00	1%	Rural Scheme
Manyavu	Manyavu	280,149.22	18,569.25	10%	Rural Scheme
Intermediate Cross	Intermediate Cross	290,254.69	500.25	22%	Farm Scheme
Swayimana	Swayimana	259,364.58	258.45	0%	Rural Scheme
Table Mountain	Table Mountain	212,325.37	19,658.15	3%	Rural Scheme
Whispers	Whispers	142,698.47	18,695.29	11%	Farm Scheme
Camperdown	Camperdown	220,369.48	42,598.28	40%	Farm Scheme
Birnoum Wood	Birnoum Wood	215,697.58	12,628.47	7%	Farm Scheme
Claridge	Claridge	496,760.55	5,298.14	1%	Farm Scheme
Efaye	Efaye	190,547.69	-	0%	Rural Scheme
Cuphulaka	Cuphulaka	160,369.23	-	0%	Rural Scheme
Mayizekanye	Mayizekanye	245,658.47	8,479.25	5%	Rural Scheme
Mpolweni	Mpolweni	166,403.96	30,678.76	1%	Rural Scheme
Total	Total	3,012,147.65	158,364.29	5%	

8.3 Debtors Age Analysis

The debtors book value as at 31 July 2022 amounted to **R 817 million**. A total of **R 605 million** or **74%** relates to amounts owing for more than 90 days.

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July										
Description	NT Code	2022/23								Total
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	40 697	(370 058)	16 681	18 442	24 620	17 564	104 637	611 960	464 542
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	3 733	1 217	994	1 001	1 190	1 082	6 152	101 526	116 895
Receivables from Exchange Transactions - Waste Management	1600	77	165	23	45	34	2	-	12	358
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	(645)	-	-	-	(589)	-	676	(558)
Interest on Arrear Debtor Accounts	1810	531	431	619	606	988	586	32 723	204 372	240 856
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	(79)	50	710	(3)	(14 568)	(31)	(18)	8 981	(4 956)
Total By Income Source	2000	44 959	(368 840)	19 027	20 091	12 264	18 614	143 494	927 527	817 135
2021/22 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	2200	9 517	1 580	1 782	1 194	1 648	1 477	8 827	25 997	52 022
Commercial	2300	5 146	1 155	560	2 428	1 655	549	5 023	16 120	32 636
Households	2400	27 225	(334 093)	13 923	14 770	13 617	13 754	113 719	785 877	648 792
Other	2500	3 071	(37 482)	2 762	1 698	(4 655)	2 834	15 924	99 533	83 685
Total By Customer Group	2600	44 959	(368 840)	19 027	20 091	12 264	18 614	143 494	927 527	817 135

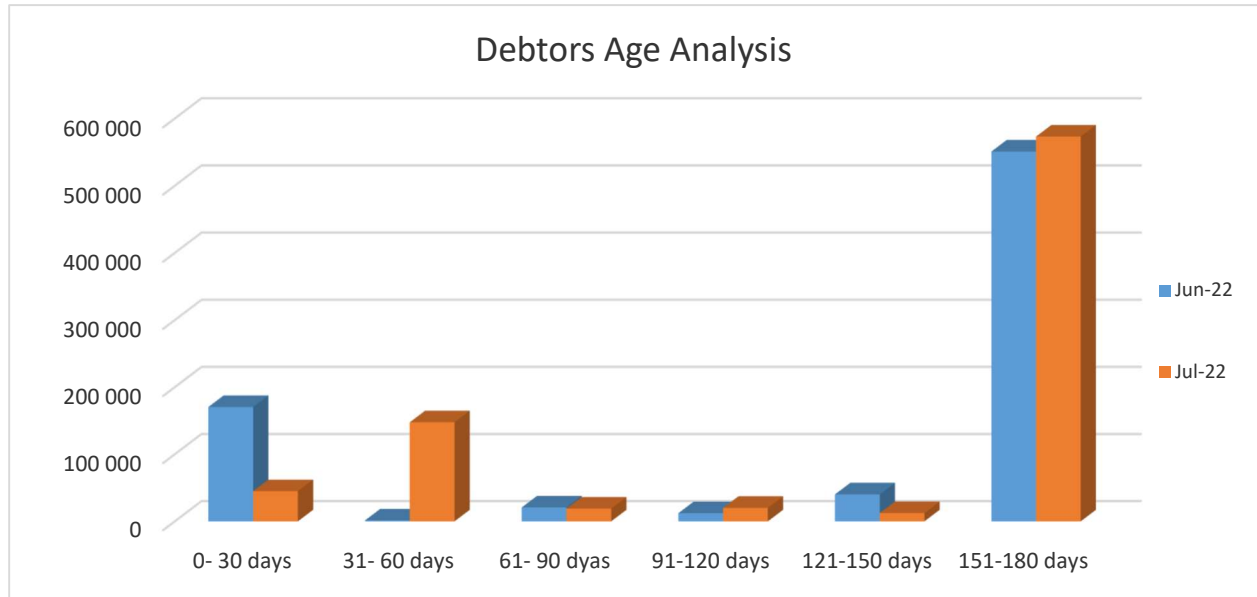
UMGUNGUNDLOVU DISTRICT MUNICIPALITY

The average collection rate for the amounts billed in the current financial year is **61%** which is above the collection rate for the same period in the previous financial year of **52%**. The overall collection rate taking into account gross debtors outstanding at the commencement of the 2022/23 financial year is **40%** compared to the **7%** for the same period in the previous financial year.

Table 15

Debtors Age Analysis		
	Jun-22	Jul-22
0- 30 days	170 444	44 959
31- 60 days	1 430	147 660
61- 90 dyas	20 659	19 027
91-120 days	12 135	20 091
121-150 days	40 230	12 264
151-180 days	550 844	573 134
TOTAL	795 742	817 135

Graph 4



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Table 16

The table below details the age analysis for customers grouped as UMDM staff members as at 31 July 2022.

Customer	Current	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	Balance
5922711808							-1,422.71	-1,422.71
5922411911		59.34	225.84	59.16	225.65	225.50	11,852.50	12,647.99
5922411528		501.37	462.07	363.92	1,176.13	395.55	24,101.18	27,000.22
5922721404		323.88	323.67	323.47	323.26	323.05	22,930.13	24,547.46
5922111502		1,934.40	1,935.82	1,934.54	64.35	1,933.22	12,633.90	20,436.23
5922251794		-2,054.89						-2,054.89
5922227305		945.77	525.38	759.43	3,278.61	759.43	3,928.42	10,197.04
5922711631		217.49	1,029.61	1,028.92	464.74	366.98	5,546.28	8,654.02
5922251326		1,375.16						1,375.16
5922111593		1,092.24	60.06	367.12	366.87	465.87	11,457.91	13,810.07
5922262141		325.17	324.96	324.76	324.55	324.34	23,387.69	25,011.47
5922193001		311.10	311.10	311.10	311.10	311.10	10,047.23	11,602.73
5922411939		321.80	321.59	321.39	321.18	320.97	18,041.69	19,648.62
5922645000		311.10	311.10	311.10	311.10	311.10	3,867.37	5,422.87
5922314131		0.03	0.03	0.03	0.03	0.03	70.31	70.46
5922232755		315.49	315.28	315.07	314.87	314.66	5,879.20	7,454.57
5922411620		326.88	326.67	326.47	326.26	326.05	27,857.30	29,489.63
5922711578		61.41	566.92	87.38	192.83	192.70	14,008.78	15,110.02
5922274100	-431.59							-431.59
5922192292		318.31	318.10	317.90	317.69	317.48	10,936.50	12,525.98
5922711840							-2,303.12	-2,303.12
5922711660		363.39	462.68	1,320.16	263.24	1,319.17	98,240.24	101,968.88
5922226809		326.13	325.92	325.72	325.51	325.30	26,954.79	28,583.37
5922262474		327.16	326.95	326.75	326.54	326.33	28,013.73	29,647.46
5922192290		321.38	321.17	320.97	320.76	320.55	17,249.53	18,854.36
5922411734		326.14	325.93	325.73	325.52	325.31	27,175.16	28,803.79
5922213319	1,012.00	2,480.60	2,480.34	2,478.75	2,477.15	2,475.56	133,626.43	147,030.83
5922113000		60.74	423.25	61.09	390.65	358.25	14,800.13	16,094.11
5922317749		1,557.33	3,683.50	94.11	1,308.38	1,307.54	71,425.27	79,376.13
5922213198	-357.63							-357.63
5922741014	1,012.00	32,339.71	3,095.49	3,107.72	3,106.65	3,105.59	35,103.60	80,870.76
5922193002		311.10	311.10	311.10	311.10	311.10	9,794.24	11,349.74
5922193000		311.10	311.10	311.10	311.10	311.10	10,337.83	11,893.33
5922251800			-1,528.92					-1,528.92
5922213962		537.50	52.72	52.27				642.49
Total	1,234.78	45,948.33	17,949.43	16,187.23	17,785.82	17,373.83	17,373.83	792,020.93

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Table 17

The table below details the age analysis for customers grouped as Councillors as at 31 July 2022.

Customer	Current	30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	Balance
5922711459		962.35	815.19	1,070.67	775.49	68.50	21,479.37	25,171.57
5922261941		312.93	312.72	312.51	312.54	312.33	844.08	2,407.11
5922193491		382.09	382.09	316.82	52.27	52.27	18,552.55	19,738.09
5922741442		265.70	52.91	52.87	53.15	52.78	112.80	590.21
5922212236		359.64	359.41	359.18	358.95	358.71	20,403.40	22,199.29
5922212475	1,012.00	291.98	291.79	291.60	291.42	291.22	12,560.38	15,030.39
5922111569		99.90						99.90
5922712351		615.80	693.63	426.78	148.70	296.03	19,377.56	21,558.50
5922224497		3,057.86	686.52	1,407.50	802.85	607.45	146,444.65	153,006.83
Total	1,012.00	6,348.25	3,594.26	4,237.93	2,795.37	2,039.29	2,039.29	259,801.89

Letters of demand have been sent to all staff and councillors with outstanding amounts. Some individuals have come forward and signed acknowledgements of debt and made payment arrangements. Those who have not come forward are in the process of being disconnected and monies owed will be deducted from their salaries.

Table 18

The table below details Government Debt as at July 2022

Government Department	Jul-22
Provincial: Health	2,166,274.21
Provincial Public Works, Roads	274,020.78
National: Water Affairs	11,966.78
Provincial: Education	21,090,304.57
National: Health	17,126.72
Provincial: Other Departments	2,969.36
Other Government	0.00
National: Social Development	- 4,203.38
National: Public Works	3,341,693.63
National: Transport	87.31
Other Municipalities	36,422,010.98
Provincial Dept of Social Development	0.00
Total	63,322,250.97

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

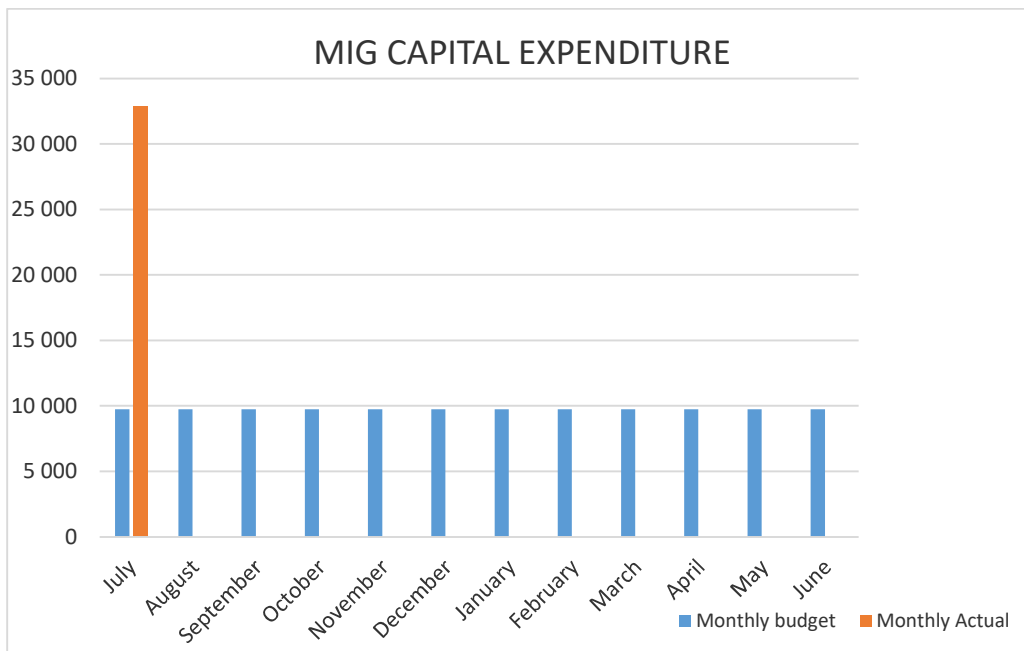
9. In-Year Budget Statement Charts: 31 July 2022 Report

MIG - Capital Expenditure Monthly Trend: Actual vs Budget

Table 19

	Monthly budget	Monthly Actual
July	9,739	32,898
August	9,739	0
September	9,739	0
October	9,739	0
November	9,739	0
December	9,739	0
January	9,739	0
February	9,739	0
March	9,739	0
April	9,739	0
May	9,739	0
June	9,739	0
	116,867	32,898

Graph 5



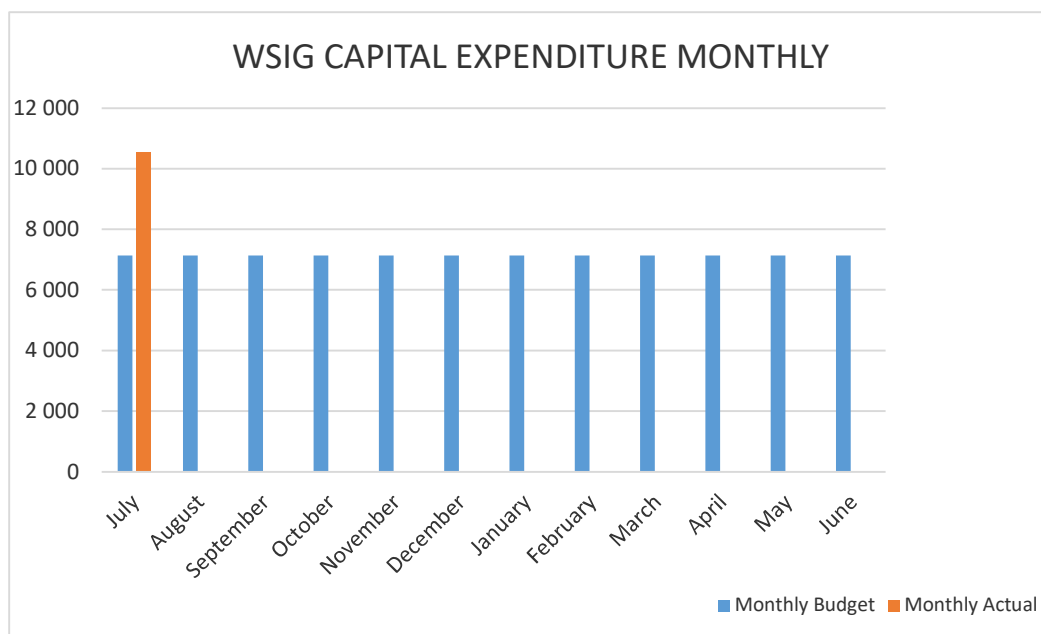
UMGUNGUNDLOVU DISTRICT MUNICIPALITY

WSIG - Capital Expenditure Monthly Trend: Actual vs Budget

Table 19

	Monthly Budget	Monthly Actual
July	7,133	10,525
August	7,133	0
September	7,133	0
October	7,133	0
November	7,133	0
December	7,133	0
January	7,133	0
February	7,133	0
March	7,133	0
April	7,133	0
May	7,133	0
June	7,133	0
	85,600	10,525

Graph 6



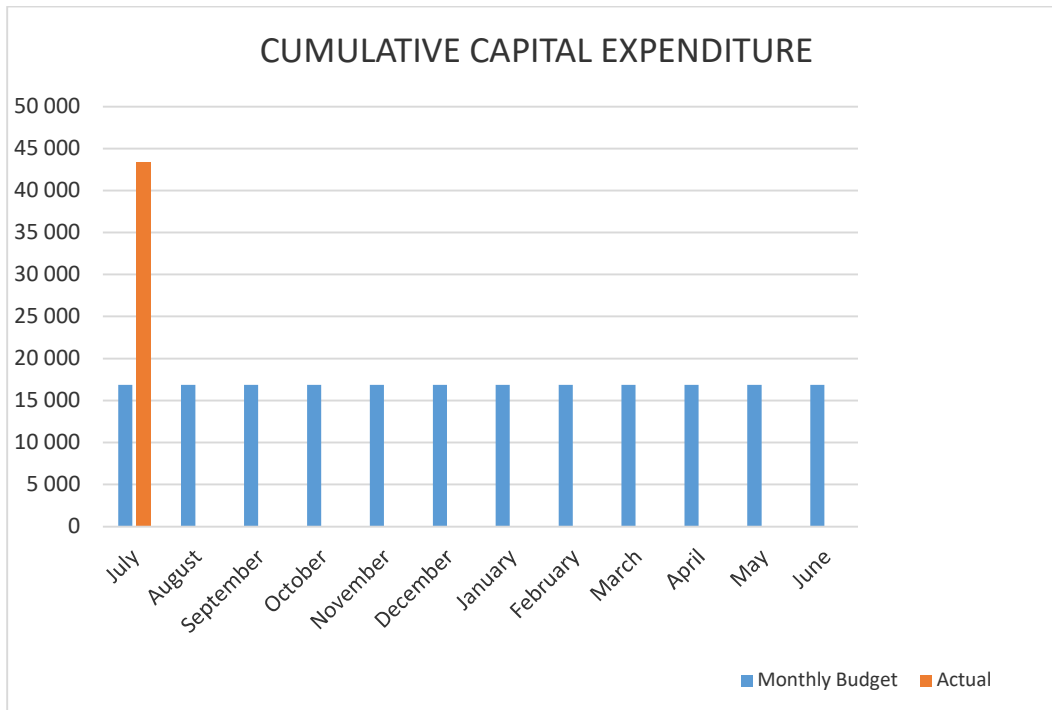
UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Cumulative MIG & WSIG Expenditure: Monthly Actual vs Monthly Budget

Table 20

	Monthly Budget	Actual
July	16,872	43,423
August	16,872	0
September	16,872	0
October	16,872	0
November	16,872	0
December	16,872	0
January	16,872	0
February	16,872	0
March	16,872	0
April	16,872	0
May	16,872	0
June	16,872	0
	202,466	43,423

Graph 7



10. IN-YEAR BUDGET STATEMENT TABLES: JULY 2022 REPORT

The preliminary financial results for the period ended 31 July 2022 (i.e. 1st month of the 2022/2023 financial year) are attached consisting of the following tables, in Annexure A:

Part 1

- (a) Table C1: Consolidated Monthly Budget Statement – Summary
- (b) Table C2: Consolidated Monthly Budget Statement – Financial Performance (standard Classification)
- (c) Table C3: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure)
- (e) Table C5: Consolidated Monthly Budget Statement – Capital Expenditure by vote, standard classification, and funding
- (f) Table C6: Consolidated Monthly Budget Statement – Financial Position
- (g) Table C7: Consolidated Monthly Budget Statement – Cash Flow

Part 2

- (a) Table SC1: Material variance explanations
- (b) Table SC2: Monthly Budget Statement – Performance Indicators
- (c) Table SC3: Monthly Budget Statement – Aged Debtors
- (d) Table SC4: Monthly Budget Statement – Aged Creditors
- (e) Table SC5: Monthly Budget Statement – Investment Portfolio
- (f) Table SC6: Monthly Budget Statement – Transfers and grant receipts
- (g) Table SC7: Monthly Budget Statement – Transfers and grant expenditures
- (gb) Table SC7 (1): Monthly Budget Statement-Approved Roll overs

- (h) Table SC8: Monthly Budget Statement – Councillor and Staff Benefits
- (i) Table SC9: Monthly Budget Statement – Actual and Revised targets for cash receipts
- (j) Table SC10: Monthly Budget Statement – Parent Municipality Financial Performance (Revenue and Expenditure)
- (k) Table SC11: Monthly Budget Statement – Summary of Municipal Entities
- (l) Table SC12: Monthly Budget Statement – Capital Expenditure Trend
- (m) Table SC13a: Monthly Budget Statement – Capital expenditure on new assets by asset class
- (n) Table SC13b: Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
- (m) Table SC13c: Monthly Budget Statement – Capital expenditure on repairs and maintenance by asset class
- (p) Municipal manager's quality certification

11. CONCLUSION

This report meets with the requirements of the MFMA, Sections 52(d) and 71 by submitting the 'In-year report' to Finance Committee on the implementation of the budget and the financial status of the municipality.