

IN-YEAR MONITORING REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2021

1. Operating Budget

Summary financial performance report **SF1** for the period ending 28 FEBRUARY 2021 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 - M07 January									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	-	-	-	-	-	-	-		-
Service charges	253,282	335,018	335,018	27,872	175,145	195,427	(20,282)	-10%	335,018
Investment revenue	8,090	528	528	-	105	308	(203)	-66%	528
Transfers and subsidies	486,777	300,569	341,804	-	477,474	175,332	302,142	172%	300,569
Other own revenue	40,088	300,777	299,406	3,816	24,818	175,453	(150,635)	-86%	300,777
Total Revenue (excluding capital transfers and contributions)	788,237	936,892	976,756	31,688	677,542	546,520	131,022	24%	936,892
Operational Expenditure									
Employee costs	241,305	249,673	269,980	20,968	158,980	145,643	13,337	9%	249,673
Remuneration of Councillors	11,628	13,599	13,782	919	6,823	7,933	(1,110)	-14%	13,599
Depreciation & asset impairment	46,642	43,774	43,774	4,015	27,721	25,535	2,186	9%	43,774
Finance charges	11,502	27,550	27,550	7	17,663	16,071	1,592	10%	27,550
Materials and bulk purchases	161,412	185,526	170,091	21,785	124,386	108,223	16,163	15%	185,526
Transfers and subsidies	13	9,929	6,500	-	3,258	5,792	(2,534)	-44%	9,929
Other expenditure	476,612	282,115	263,077	12,920	131,531	164,567	(33,037)	-20%	282,115
Total Expenditure	949,113	812,166	794,754	60,613	470,361	473,763	(3,402)	-1%	812,166
Surplus/(Deficit)	(160,876)	124,726	182,001	(28,925)	207,181	72,757	134,424	185%	124,726

The revenue raised as at 28 February 2021 is R million against the adjusted budget of R 976.7 million for the year and R million for the period. This reflects a revenue rate of % against the adjusted budget.

The operating expenditure as at 28 February 2021 was R million vs a year to date budget of R million reflecting YTD expenditure of % and % of the adjusted budget. The operating surplus for the period was R million.

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The major operating revenue variances against year-to-date budget are:

- Service charges below target by %.
 - Transfers and subsidies are % above target due to the receiving the Equitable Share and other grants.
 - Investment revenue is % below target, the investment is due for renewal in September 2021.
 - Other revenue account, the amount is made up of: Tender sales, Rental of facilities and SANBI
- The reasons for variances per source group are also cited in Annexure A, Table SC1 of this report.

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	Adjusted Budget 2020 /2021	Expenditure as at 28 February 2021	% spent
MIG	101,245,000.00	52,480,264.73	32.92
WSIG	80,000,000.00	47,765,898.78	59.71
RRAMS	2,552,000.00	1,241,252.00	48.64
INTERNALLY GENERATED FUND(ES)	41,235,000.00	521,962.50	0.00
	225,032,000.00	102,009,378.01	45.33
LESS NON CAPITALISED PROJECTS			
TOTAL CAPITAL EXPENDITURE	225,032,000.00	102,009,378.01	45.33

The total original capital budget for the 2020/ 2021 financial year is **R 183 million** including the allocation for the Rural Roads Assets Management Grant of R 2.5 million.

The MIG allocation is R 101 million was originally approved, an additional allocation of R 41.2 million from Treasury for Covid 19 Response was allocated through the Equitable Share and the Water Services Infrastructure Grant is R 80 million and the adjusted Capital Expenditure Budget is **R 225 million**. Year to date expenditure for MIG is R 52.5 million and WSIG is R47.8 million.

3. Employee costs and councillor's allowances

3.1 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.

3.2 The total salaries budget for councillor's amounts to R 13.8 million while salaries budget for staff amounts to R 269.9 million. This brings the total salaries budget to R 283.7 million, which is 36% of



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the total operational budget. This is within the norm of 25% - 40% in terms of National Treasury circular 71 of 2014.

- 3.3 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.
- 3.4 The actual staff salaries costs incurred, including Senior Managers, as at 28 February 2021 amounts to R million while the actual salaries cost for Councillors is R million. This amounts to a total of R million and it represents % of the total salaries budget.
- 3.5 Remuneration of councillors is spent at % of the total remuneration budget for Councillors. While 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 in the district. Also, the number of meetings held during the financial year June is not the same as the number of meetings predicted at the time of the budget process.
- 3.6 The salaries and benefits paid to councillors in the month of February 2021 are still based on the December 2018 promulgation which was effective for payment in the month of July 2018.

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Table 3

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January										
Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7,054	8,606	8,789	546	4,073	5,020	(947)	-19%	8,606
Pension and UIF Contributions		679	355	355	56	403	207	196	95%	355
Medical Aid Contributions		190	338	338	27	122	197	(75)	-38%	338
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		822	925	925	70	493	540	(47)	-9%	925
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2,882	3,375	3,375	220	1,732	1,969	(237)	-12%	3,375
Sub Total - Councillors		11,628	13,599	13,782	919	6,823	7,933	(1,110)	-14%	13,599
% increase	4		17.0%	18.5%						17.0%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	3,144	6,319	6,319	314	2,396	3,686	(1,290)	-35%	6,319
Pension and UIF Contributions		181	9	9	1	62	5	57	1095%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		156	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		391	765	765	40	278	446	(169)	-38%	765
Cellphone Allowance		63	93	93	7	50	54	(4)	-7%	93
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		0	-	-	0	0	-	0	#DIV/0!	-
Payments in lieu of leave		478	-	-	-	283	-	283	#DIV/0!	-
Long service awards		17	-	-	-	6	-	6	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4,431	7,186	7,186	361	3,075	4,192	(1,117)	-27%	7,186
% increase	4		62.2%	62.2%						62.2%
Other Municipal Staff										
Basic Salaries and Wages		132,551	152,403	160,040	11,741	84,726	88,902	(4,175)	-5%	152,403
Pension and UIF Contributions		28,631	33,256	33,794	2,670	18,874	19,399	(525)	-3%	33,256
Medical Aid Contributions		12,693	12,112	14,559	1,112	7,494	7,065	429	6%	12,112
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		11,059	12,119	12,119	0	11,823	7,069	4,754	67%	12,119
Motor Vehicle Allowance		19,113	19,306	22,681	1,724	12,208	11,262	946	8%	19,306
Cellphone Allowance		45	834	1,759	3	21	486	(465)	-96%	834
Housing Allowances		1,106	1,271	1,271	116	738	741	(3)	0%	1,271
Other benefits and allowances		24,627	8,960	14,344	2,997	18,192	5,227	12,965	248%	8,960
Payments in lieu of leave		56	-	-	-	-	-	-	-	-
Long service awards		3,377	2,227	2,227	243	1,828	1,299	529	41%	2,227
Post-retirement benefit obligations	2	3,615	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		236,874	242,487	262,794	20,606	155,905	141,451	14,454	10%	242,487
% increase	4		2.4%	10.9%						2.4%
Total Parent Municipality		252,932	263,272	283,763	21,886	165,802	153,575	12,227	8%	263,272
Unpaid salary, allowances & benefits in arrears:										
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		252,932	263,272	283,763	21,886	165,802	153,575	12,227	8%	263,272
% increase	4		4.1%	12.2%						4.1%
TOTAL MANAGERS AND STAFF		241,305	249,673	269,980	20,968	158,980	145,643	13,337	9%	249,673

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4. Conditional Grants

As at the end of February 2021 a total of R 175.7 million of conditional grants was received since 1 July 2020, whilst an additional R 26.5 million was available and was received in the previous financial year. R 104.8 million was spent during the month of February 2021. The operating grant utilisation is at 27.29% and the capital grant utilisation was 53.59% of allocations received. Overall grant utilisation is at 52.01%.

Table 4

Description	Opening Balance	Receipts	Roll Over Repayments	Total receipts	Expenditure	Balance	Percentage
Operating Grants							
FMG	0	1,000,000		1,000,000	895,127	104,873	89.51
PTP	308,817			308,817	0	308,817	0.00
EPWP	0	2,150,000		2,150,000	1,710,145	439,855	79.54
Camperdown WWW	4,000,095			4,000,095	0	4,000,095	0.00
SETA Grants	0			0	0	0	0.00
RASET GRANT	0			0	0	0	0.00
DGDS GRANT	126,989			126,989	0	126,989	0.00
DPSS GRANT	0			0	0	0	0.00
GEOPanning	1,993,574			1,993,574	175,776	1,817,798	8.82
IDP SPATIAL DEVELOPMENT FRAMEWORK	1,000,000			1,000,000	0	1,000,000	0.00
SPATIAL DEVELOPMENT FRAMEWORK	1,000,000			1,000,000	0	1,000,000	0.00
Disaster Management Grant - COVID 19	521,963			521,963	521,963	0	100.00
Total Operating Grants	8,951,438	3,150,000	0	12,101,438	3,303,011	8,798,427	27.29
Capital Grants							
WSIG	0	80,000,000		80,000,000	47,765,899	32,234,101	59.71
Drought Relief Initiatives	0			0	0	0	0.00
MIG	6,040,433	90,000,000		96,040,433	52,480,265	43,560,168	54.64
Orio	11,550,860			11,550,860	0	11,550,860	0.00
RRAMS	0	2,552,000		1,786,000	1,241,252	544,748	69.50
Total Capital Grants	17,591,293	172,552,000	0	189,377,293	101,487,416	87,889,877	53.59
Total Grants	26,542,730.94	175,702,000.00	-	201,478,730.72	104,790,426.50	96,688,304.22	52.01

5. Cash and cash equivalents

An amount of R 11 881 was accrued in investment interest income for the month of February 2021. The cash in bank as at 28 February 2021 amounted to **R 148.6 million** and investments amounted to **R 3.8 million** bringing a total cash and cash equivalents of **R 152.5 million**. The average interest rate on investment is at 4.1%. The cash coverage ratio as at 28 February 2021 is **0.69 based** on average of R 75 million per month fixed operating expenditure. This indicates that the municipality as at 28 February 2021 have enough cash to run its operation for **20.78 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

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Period of Investment	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
Yrs/Months							
1 year	Long term	9/7/2021	13	4.1%	3,812	12	3,824
			13	0	3,812	12	3,824

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	62,962,191.64	-53,403,730.97	9,558,460.67
Salaries Account	50940092196	78,559,427.09	-22,133,201.65	56,426,225.44
Water Services Account	62023616462	65,751,410.24	15,313,504.52	81,064,914.76
NSTD Call Account	62215748289	563,657.42	1,436.17	565,093.59
Mandela Race Account	62411577193	803,768.46	768.31	804,536.77
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	5,348,649.93	-5,124,379.02	224,270.91
Public Sector Cheque Account	62243484417	216.24	1.51	214.73
Total Cash Balances		213,988,888.54	-65,345,601.13	148,643,287.41

Table 6 above excludes an investment of R3.7 million held with FNB as a security for the Long-Term Borrowings (DBSA Loan).

6. Borrowings

As at 28 February 2021 the loans book was sitting at R 188 .2 million. The average interest rate on remaining loans is 10.8 %. The debt to revenue ratio at % as projected which is below the treasury norm of below 45%. This indicates that the debt book is funded by % of the internally generated operating income.

Table 7

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) FEBRUARY 2021							
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/01/2021	Add: Interest Accrued	Less: Interest paid	Less :Capital Repayments	Closing Balance at 31/01/2021
12007869	uMgungundlovu Various Water Projects	10.889	202,155,536.40	1,579,761.04	10,404,637.73	5,136,207.69	188,194,452.02
			202,155,536.40	1,579,761.04	10,404,637.73	5,136,207.69	188,194,452.02



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7. Creditors Age Analysis

The balance of trade payables as at 28 February 2021 was R 91.5 million.

Total R million or % of invoices remained outside the compliance period of 30 days as at 28 February 2021. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 28 February 2021.

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.

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 adhoc basis.

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

Generally Accepted Accounting Practise (GRAP) requires that payments must be reflected in the period in which they were made, so accounts payables balance as at 30 June will not be affected by payments made after this date.

Payments relating to rental of customer care centres have been delayed due to expired contracts. To facilitate payments the Municipality extended the contract of three months, to allow for the finalisation of valid contracts through supply chain processes. This exercise will reduce the irregular expenditure which the Auditors raise in their audit reports.

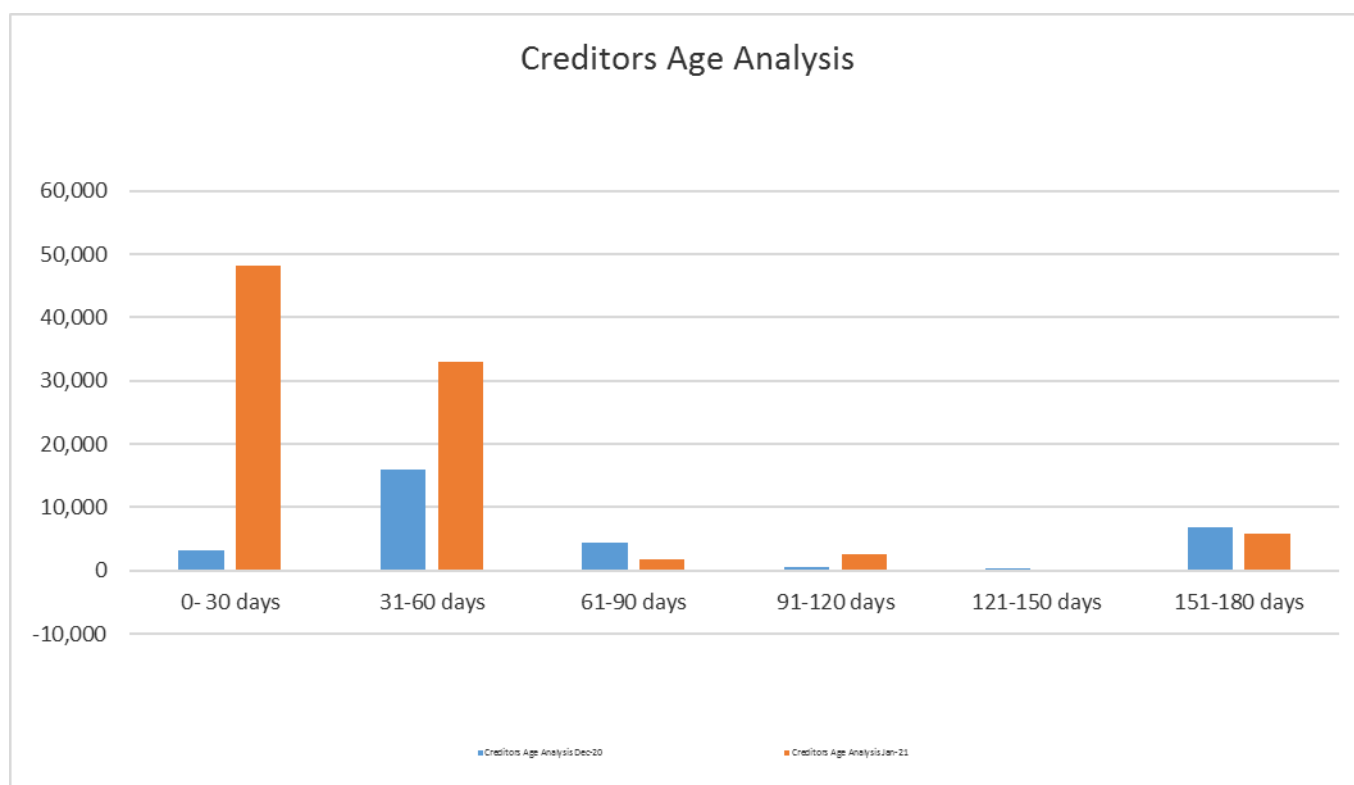
As most ESKOM accounts have payment terms which are much less than 30 days, interest on late payment is unavoidable. In order to alleviate this problem, more than 90% of ESKOM accounts were switched to debit order system and the process to transfer all accounts to a debit order method of payment is under way. The benefit of the use of a debit order system is that there is no fruitless expenditure which is in the form of interest on late payment, and there is no power cut which leads to service interrupts which arise from unavailability of water.

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Table 8

Creditors Age Analysis		
	Dec-20	Jan-21
0- 30 days	3,258	48,221
31-60 days	15,948	32,962
61-90 days	4,347	1,869
91-120 days	654	2,621
121-150 days	299	-39
151-180 days	6,934	5,895
	31,440	91,529

Graph 1



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8. Billing Revenue And Debtors

8.1 Billing Summary: NOVEMBER 2020 TO FEBRUARY 2021

Table 9

Area	November 2020	December 2020	January 2021	February 2021
uMshwathi	2,159,508.91	1,841,580.32	2,138,612.60	2,06,424.37
uMngeni	13,201,458.90	10,494,730.77	11,736,700.72	10,622,131.17
Mpofana	2,621,567.76	2,432,834.03	2,806,535.44	1,858,549.90
iMpindle	342,547.61	270,451.25	264,369.66	329,940.06
Mkhambathini	877,770.81	630,486.67	791,804.26	630,938.36
Richmond	1,258,040.96	1,156,467.89	1,616,688.31	1,280,595.53
Water Schemes	5,133,218.83	4,509,850.30	3,647,613.64	4,059,199.09
Bulk Customers	7,851,993.96	7,222,918.79	8,633,238.64	6,231,277.43
Total	33,446,017.74	28,559,320.02	31,635,563.27	27,075,042.91

8.2 Credit Control And Debt Collection Target Vs Collection: JANUARY 2021

TABLE 10

Month	Target	Actual
Jul-20	15 000 000	17 284 495
Aug-20	15 000 000	17 666 674
Sep-20	15 000 000	16 346 202
Oct-20	15 000 000	17 572 851
Nov-20	15 000 000	17 763 415
Dec-20	15 000 000	13 091 885
Jan-21	15 000 000	17 531 805
Feb-21	15 000 000	



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The table below details financial year to date monthly billing and receipts for the 2020/2021 financial year.

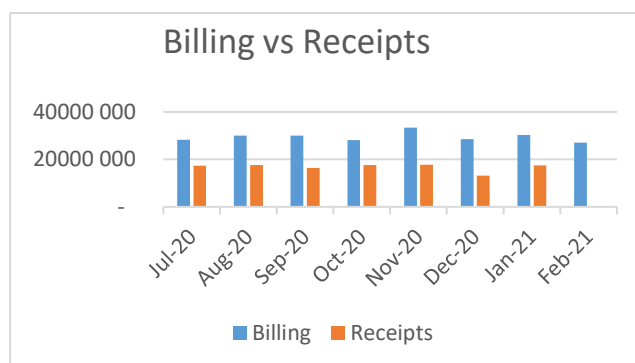
Table 11

BILLING VS RECEIPTS

BILLING VS RECEIPTS				
Month	Billing	Receipts	Collection %	Comment
July 2020	28,257,732.50	17,284,494.66	61%	
August 2020	29,974,564.28	17,666,674.00	59%	
September 2020	29,970,484.33	16,346,202.10	55%	
October 2020	28,167,993.63	17,572,851.74	62%	
November 2020	33,446,017.74	17,763,414.76	53%	
December 2020	28,559,320.02	13,091,885.61	46%	
January 2021	30,321,093.00	17,531,805.00	58%	
February 2021	27,075,043.00			
Total	<u>236,301,248.60</u>	<u>117,257,327.80</u>	<u>50%</u>	

**Billing Vs Receipts
Graph 3**

Month	Billing	Receipts
Jul-20	28 257 733	17 284 495
Aug-20	29 974 564	17 666 674
Sep-20	29 970 484	16 346 202
Oct-20	28 167 994	17 572 851
Nov-20	33 446 018	17 763 415
Dec-20	28 559 320	13 091 886
Jan-21	30 321 093	17 531 805
Feb-21	27 075 043	



The Table Below Details The Classification Of Receipts – November 2020 To February 2021

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Table 12

<u>Basis of Receipts</u>	<u>November 2020</u>	<u>December 2020</u>	<u>January 2021</u>	<u>February 2021</u>
Direct Deposits	15,677,823.32	16,565,918.10	12,223,845.23	16,468,339.47
Easy Pay	1,015,877.56	759,602.74	339,396.41	625 403.73
Post Office	196,123.10	67,358.12	82,727.29	72 312.18
Customer Care Centre	529,873.18	335,271.33	424,258.36	283 418.98
Manual Receipts	153,154.58	35,264.47	21,658.32	82 330.64
Total	<u>17,572,851.74</u>	<u>17,763,414.76</u>	<u>13,091,885.61</u>	<u>17,531,808.01</u>

The Table Below Details Customer Category Receipts- November 2020 To February 2021

TABLE 13

<u>Customer Classification</u>	<u>November 2020</u>	<u>December 2020</u>	<u>January 2021</u>	<u>February 2021</u>
Government	1,641,272.68	1,865,511.28	2,179,805.49	2, 300, 578.02
Business	10,098,562.23	9,891,245.23	6,245,863.25	9, 212, 257.22
Households	5,824,823.25	5,987,457.25	4,653,925.25	5, 940, 068.00
Indigent Households	10,527.00	9,080.00	6,478.36	74,171.86
Church	3,623.58	3,421.00	3,8453.21	3,930.33
Councillors	4,570.00	6,700.00	1,968.00	800.00
Total	<u>R17,572,851.74</u>	<u>17,763,414.76</u>	<u>R13,091,885.61</u>	<u>R17,531,808</u>

The Table Below Indicates The Comparison Of Collection Rate Between 2019/20 Financial Year And 2020/21 Financial Year

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TABLE 14

2019/2020 Financial Year				2020/2021 Financial Year			
Month	Billing	Receipts	Collections %	Month	Billing	Receipts	Collections %
Jul-19	27 705 888	19 766 487	71%	Jul-20	28 257 733	17 284 495	61%
Aug-19	28 637 963	20 172 485	70%	Aug-20	29 974 564	17 666 674	59%
Sep-19	29 839 422	16 183 942	65%	Sep-20	28 167 993.63	16 346 202	58%
Oct-19	31 132 730	15 875 196	51%	Oct-20	28 167 993.63	17 572 852	62%
Nov-19	26 992 464	17 306 074	64%	Nov-20	33 446 018	17 763 415	53%
Dec-19	28 331 307	16 615 682	59%	Dec-20	28 559 320	13 091 886	46%
Jan-20	30 812 584	15 819 523	51%	Jan-21	30 321 093	17 531 805	58%
Average Collection Rate for 2019/2020			62%	Average Collection Rate for 2020/2021			57%

The collection rate comparison to the previous year is to measure the impact of the slow economic growth and activity.

TABLE 15

The table below details the percentage of collection per customer classification.

Nov-20				Dec-20				Jan-21			
AREA	SALES RAISED	RECEIPTS	% COLLECTION	AREA	SALES RAISED	RECEIPTS	% COLLECTION	AREA	SALES RAISED	RECEIPTS	% COLLECTION
Howick	8 590 078.65	7 085 613	82%	Howick	6 456 235.25	4 310 268	67%	Howick	7 369 396	6 390 322	87%
Tumbleweed	180 854.12	3 421	2%	Tumbleweed	179 365.25	1 100	1%	Tumbleweed	107 257	2 193	2%
Lidgeton	149 245.23	1 958	1%	Lidgeton	120 325.36	2 520	2%	Lidgeton	167 004	1 650	1%
Hilton	2 900 713.31	2 318 243	80%	Hilton	2 704 369.33	1 667 953	62%	Hilton	3 106 580	2 873 256	92%
Mpophomeni	2 235 505.09	45 762	2%	Mpophomeni	1 298 365.25	11 365	1%	Mpophomeni	1 900 698	55 851	3%
Bulk	8 318 128.11	6 253 237	75%	Bulk	7 125 369.25	6 078 968	85%	Bulk	6 377 738	6 128 569	96%
Mpofana	1 522 145.25	428 793	28%	Mpofana	1 424 372.57	211 368	15%	Mpofana	1 565 870	378 952	24%
Mpofana-Brunt	1 284 984.23	89 425	7%	Mpofana-Brunt	1 215 894.36	52 369	4%	Mpofana-Brunt	1 246 686	2 833	0%
Richmond	1 255 964.42	768 365	61%	Richmond	1 335 423.36	420 073	31%	Richmond	1 622 951	736 157	45%
uMshwathi	2 159 508.91	129 819	6%	uMshwathi	2 120 548.36	115 908	5%	uMshwathi	2 157 437	565 254	26%
uMkhambathini	798 604.52	413 264	52%	uMkhambathini	6 12 553.22	200 454	33%	uMkhambathini	714 122	328 521	46%
iMpindle	365 419.31	28 532	8%	iMpindle	325 369.15	17 365	5%	iMpindle	264 370	29 799	11%
Water Schemes	3 684 866.59	196 981	5%	Water Schemes	3 641 329.32	2 174	0%	Water Schemes	3 720 984	38 448	1%
Total	33 446 017.74	17 763 414.76	53%	Total	28 559 320.03	13 091 885.61	46%	Total	30 321 092.9	17 531 805.00	58%

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

The table below details a breakdown of January 2021 billing and February 2021 receipts for Water Schemes taken over from Umgeni water.

TABLE 16

Water Schemes	Water Schemes	Sales Raised	Receipts	% Collection	Comment
Hopewell	Hopewell	150 777.40	-	0%	Rural Scheme
Manyavu	Manyavu	439 357.82	-	0%	Rural Scheme
Intermediate Cross	Intermediate Cross	66 313.97	-	0%	Farm Scheme
Swayimana	Swayimana	1 002 085.89	-	0%	Rural Scheme
Table Mountain	Table Mountain	541 679.77	-	0%	Rural Scheme
Whispers	Whispers	160 555.34	2 100.00	1%	Farm Scheme
Camperdown	Camperdown	101 372.48	1 796.00	2%	Farm Scheme
Birnoum Wood	Birnoum Wood	91 515.45	-	0%	Farm Scheme
Claridge	Claridge	66 512.30	1 000.00	2%	Farm Scheme
Efaye	Efaye	219 751.84	33 448.00	15%	Rural Scheme
Cuphulaka	Cuphulaka	203 594.06	-	0%	Rural Scheme
Mayizekanye	Mayizekanye	98 444.62	-	0%	Rural Scheme
Mpolweni	Mpolweni	450 721.19	-	0%	Rural Scheme
Total	Total	3 592 682.13	38 344.00	1%	

The table below details a breakdown of January 2021 billing and February 2021 receipts for Rural Water Schemes.

Table 17

Water Schemes	Sales Raised	Receipts	% Collection	Comment
Gomane	76,980.40	0.00	0%	Rural Scheme
Emakholweni	134,860.40	0.00	0%	Rural Scheme
Inzinga	30,965.80	0.00	0%	Rural Scheme
Swapo	143,974.40	0.00	0%	Rural Scheme
Total	386,781.00	R0.0	0%	

The percentage of collection for Water Schemes is low as consumers in these areas refuse to pay for water services rendered. Certain rural schemes have constant interruption of water supply and it is therefore difficult to implement the Credit Control Policy in these areas.

UMGUNGUNDOLOU DISTRICT MUNICIPALITY



Customers in rural areas are appealing to the Municipality to write off their debts. Customers advised that they will commence with payment once the interruption of water supply is resolved and the write-off is approved

8.3 Debtors Age Analysis

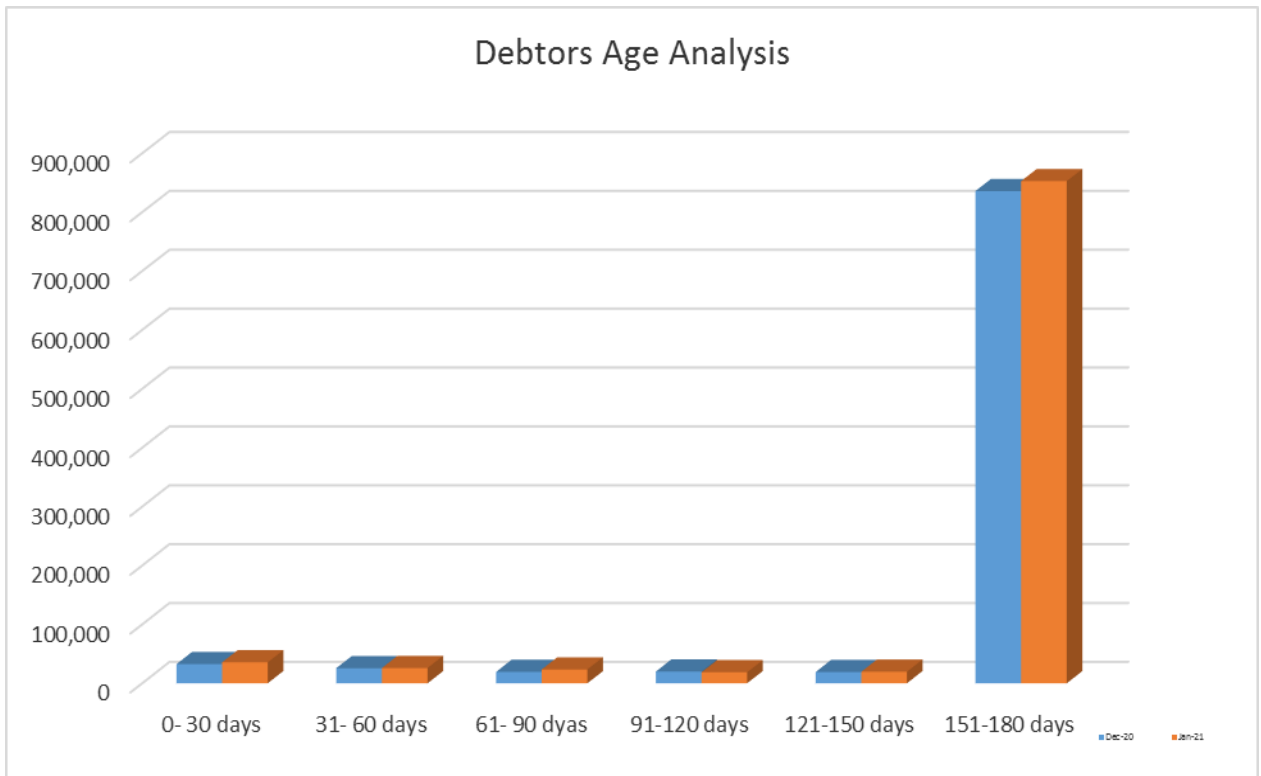
The debtor book value as at 28 February 2021 amounted to **R million**. The collection rate in the month of February was 58%. The average collection rate to date is 56%. The municipality is reviewing its debt collection strategies. Strategic partnerships with stakeholders like uMgeni Water and Development Bank of Southern Africa are under consideration. The DBSA has sponsored a pilot data cleansing exercise that will table recommendations on revenue collection systems and processes. The non-revenue water reduction exercise is proposed for consideration and will be fully funded by uMgeni Water.

Table 18

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January											
Description	NT Code	Budget Year 2020/21									
		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	1200	29,996	20,991	18,525	14,253	14,899	14,181	70,389	483,091	666,323	596,812
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	1,634	973	972	780	824	739	7,562	88,937	102,421	98,842
Receivables from Exchange Transactions - Waste Management	1600	-	(5)	-	(19)	(3)	(30)	(109)	(34)	(200)	(195)
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	739	739	739
Interest on Arrear Debtor Accounts	1810	4,194	4,042	3,957	3,757	3,796	3,728	19,662	154,253	197,389	185,196
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(122)	(64)	(77)	(38)	76	(43)	(22)	9,765	9,476	9,739
Total By Income Source	2000	35,701	25,938	23,377	18,733	19,591	18,574	97,482	736,751	976,147	891,132
2019/20 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	5,212	4,376	2,739	996	767	1,210	4,314	17,220	36,836	24,507
Commercial	2300	5,536	915	758	329	1,201	549	3,376	9,301	21,965	14,756
Households	2400	22,683	18,645	17,796	15,376	15,443	15,110	80,659	629,438	815,150	756,026
Other	2500	2,269	2,001	2,084	2,032	2,180	1,706	9,133	80,793	102,197	95,843
Total By Customer Group	2600	35,701	25,938	23,377	18,733	19,591	18,574	97,482	736,751	976,147	891,132

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Graph 4



UMGUNGUNDOLOVU DISTRICT MUNICIPALITY

The table below details the age analysis for customers grouped as UMDM staff members as at 28 February 2021

Table 19

Account	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
5922411911	7 936.57	243.53	244.72	245.91	247.09	93.32	248.57	9 259.71
5922272107	14 079.84	713.74	9 040.62	3 185.61	202.18	3 203.68	3 221.46	33 647.13
5922411528	16 292.33	346.77	348.31	380.21	503.37	138.30	415.00	18 424.29
5922721404	16 332.31	364.75	366.44	368.13	369.82	371.50	373.19	18 546.14
5922316386					-1 181.48		1 065.55	-115.93
5922111502			536.84	99.81	51.29	1 011.75	57.47	1 757.16
5922251794		477.08	1 028.77	1 028.84	1 028.95	1 029.11	1 034.99	5 627.74
5922711631	25 738.99	1 279.96	884.87	1 723.94	733.17	1 061.11	1 060.50	32 482.54
5922251326	2 536.17	953.40	662.50	1 611.47	1 114.43	709.56	428.61	8 016.14
5922111593	6 912.84	935.25	471.98	471.87	289.63	1 114.54	435.80	10 631.91
5922262141	16 595.31	376.10	377.79	379.48	381.17	382.85	384.54	18 877.24
5922193001	4 327.22	313.55	315.24	316.93	318.61	320.30	321.99	6 233.84
5922411939	12 334.07	350.09	351.78	353.47	355.16	356.84	358.53	14 459.94
5922645000	3 461.34	308.92	310.61	312.29	313.98	315.67	317.36	5 340.17
5922314131	64.99	0.31	0.31	0.31	0.31	0.31	0.31	66.85
5922232755	4 074.93	322.83	324.52	322.71	324.40	319.87	318.28	6 007.54
5922411620	20 806.39	391.07	392.76	394.45	396.14	397.82	399.51	23 178.14
5922711578	2 709.24	181.53	59.83	392.09	86.87	62.76	63.04	3 555.36
5922192292	5 177.04	315.85	317.54	319.23	320.92	322.60	324.29	7 097.47
5922711840	-2 141.59		-500.00	-300.00			73.16	-2 868.43
5922711660	79 994.25	1 054.86	560.63	1 114.35	681.72	1 006.69	1 292.85	85 705.35
5922226809	20 018.20	384.51	386.20	387.89	389.58	391.26	392.95	22 350.59
5922262474	20 923.38	393.48	395.17	396.86	398.55	400.23	401.92	23 309.59
5922192290	11 028.73	342.76	344.45	346.14	347.83	349.51	351.20	13 110.62
5922411734	20 235.53	384.58	386.27	387.96	389.65	391.33	393.02	22 568.34
5922213319	70 074.91	5 959.30	1 648.68	3 495.53	3 513.59	5 128.30	4 707.60	94 527.91
5922113000	15 733.01	161.54	130.60	191.39	176.32	173.97	567.47	17 134.30
5922317749	55 725.07	3 101.67	357.82	382.64	690.51	360.75	361.03	60 979.49
5922213198				243.51	601.79	602.44	605.93	2 053.67
5922741014	43 534.84	1 814.47	2 596.12	2 887.54	1 555.00	2 689.22	2 840.75	57 917.94
5922193002	4 053.11	312.05	313.74	315.43	317.11	318.80	320.49	5 950.73
5922193000	4 593.75	314.96	316.64	318.33	320.02	321.71	323.39	6 508.80
5922251800			360.14	481.23	641.50	1 364.87	686.60	3 534.34
5922213962						416.16	636.26	1 052.42
Total	503 152.77	22 098.91	23 331.89	20 912.84	15 879.18	25 127.13	24 783.61	635 286.33

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7. The table below details the age analysis for customers grouped as Councillors as at the 28 February 2021

Table 20

Account	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
5922711459	8 242.44	1 000.52	486.33	1 148.51	813.79	1 705.05	707.58	14 104.22
5922261941					211.97	290.64	292.32	794.93
5922193491					1 057.37	1 137.88	1 144.49	3 339.74
5922741442					209.19	456.49	456.24	1 121.92
5922111637	73 501.11	3 267.75	4 442.04	1 708.20	1 260.15	5 003.13	1 899.39	91 081.77
5922275001				325.68	175.12	267.22	238.40	1 006.42
5922212236	19 743.07	422.47	418.11	416.22	418.12	415.27	413.46	22 246.72
5922212475	7 379.21	300.38	301.93	303.46	305.01	306.55	308.09	9 204.63
5922111569						564.39	199.15	763.54
5922712351	19 203.28	366.68	150.54	148.71	227.19	149.10	364.79	20 610.29
5922224497	120 641.86	2 398.93	2 692.02	2 372.69	2 431.39	712.75	713.04	131 962.68
Total	248 710.97	7 756.73	8 490.97	6 423.47	7 109.30	11 008.47	6 736.95	296 236.86

Some of the accounts are in dispute due to billing queries and water leaks. The municipality is working with the affected Councillor in resolving these disputes.

Table 21

New account created for the month of February 2021

The table below indicates the new accounts created for February 2021

Account	Name	Area
5922193583	MOODLEY	uMshwathi
5922227209	WALSH	uMngeni
5922227210	DICKS	uMngeni
5922265160	MANJEKEYE	uMkhambathini
5922265161	MOTETE	uMkhambathini
5922265162	VAN NIEKERK	uMkhambathini
5922800451	PHAKAMISA CORP (PTY) LTD	BULK

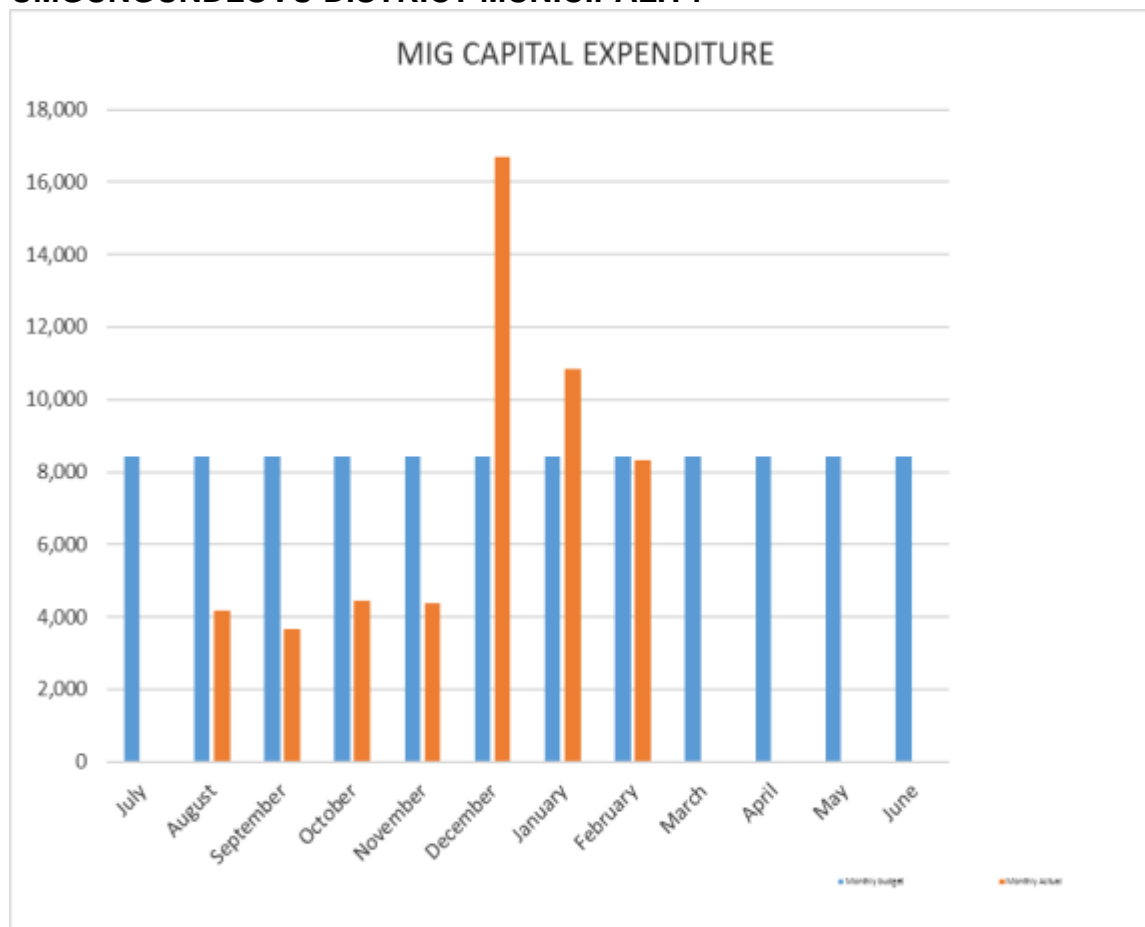


9. IN-YEAR BUDGET STATEMENT CHARTS: 28 FEBRUARY 2021 REPORT

MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly budget	Monthly Actual
July	8,437	0
August	8,437	4,167
September	8,437	3,646
October	8,437	4,455
November	8,437	4,379
December	8,437	16,680
January	8,437	10,830
February	8,437	8,323
March	8,437	
April	8,437	
May	8,437	
June	8,438	
	101,245	52,480

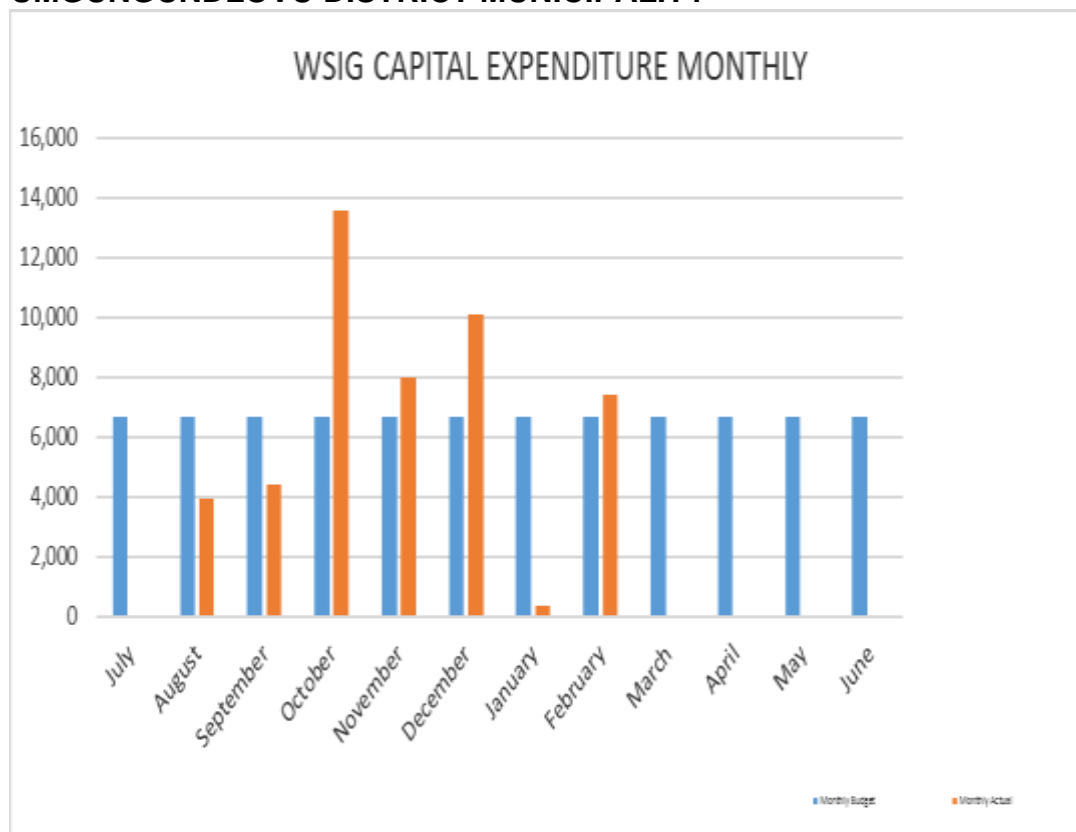
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WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	6,667	0
August	6,667	3,935
September	6,667	4,391
October	6,667	13,555
November	6,667	7,998
December	6,667	10,083
January	6,667	383
February	6,667	7,420
March	6,667	
April	6,667	
May	6,667	
June	6,667	
	80,000	47,765

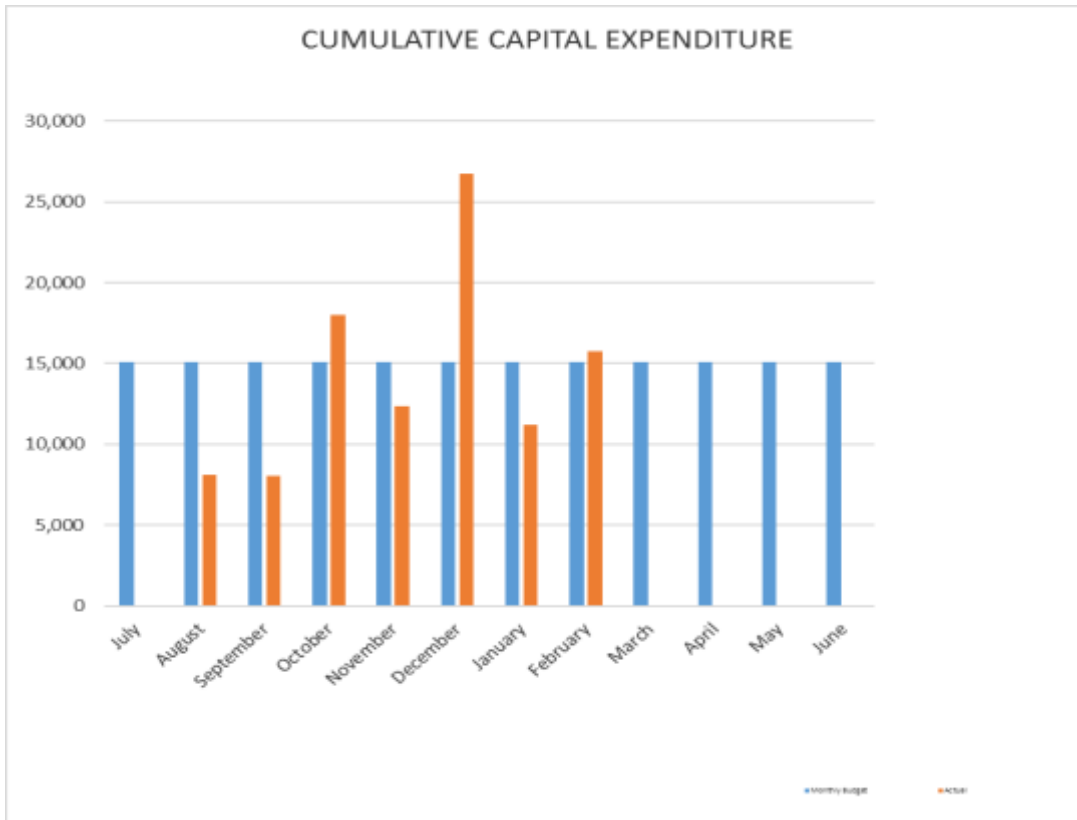
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CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	15,104	0
August	15,104	8,102
September	15,104	8,037
October	15,104	18,010
November	15,104	12,377
December	15,104	26,763
January	15,104	11,213
February	15,104	15,743
March	15,104	0
April	15,104	0
May	15,104	0
June	15,105	0
	181,245	100,245

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UMGUNGUNDLOVU DISTRICT MUNICIPALITY

10. IN-YEAR BUDGET STATEMENT TABLES: FEBRUARY 2021 REPORT

The preliminary financial results for the period ended 28 FEBRUARY 2021 (i.e. 8th month of the 2020/2021 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.



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

ANNEXURES:

Annexure – Schedule C

REPORT – FLOW COMPLIANCE CHECK

FILE: 5/1/1/1

INITIATOR: Nondumiso Mbatha

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

FINANCIAL SERVICES DEPARTMENT

PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD ENDING 28 FEBRUARY 2021

REPORT CHECKED AND PASSED FOR SUBMISSION TO: **Finance Committee**

	COMPREHENSIVENESS (FACTS, COMMENTS, RECOMMENDATIONS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
MANAGER: BUDGET OFFICE Vacant SIGNATURE:..... DATE:	(√)	(√)	(√)
MANAGER: REVENUE MANAGEMENT SIBONGILE KHUMALO SIGNATURE..... DATE:	(√)	(√)	(√)
MANAGER: ASSET MANAGEMENT NONDUMISO MBATHA SIGNATURE:..... DATE:	(√)	(√)	(√)
MANAGER: EXPENDITURE MANAGER MPUME KHUMALO SIGNATURE:..... DATE:	(√)	(√)	(√)
HEAD OF DEPARTMENT: CHIEF FINANCIAL OFFICER: SIPHO NDABANDABA SIGNATURE: DATE:	(√)	(√)	(√)
MANAGER: INTERNAL AUDIT ADELE DORASAMY SIGNATURE: DATE:	(√)	(√)	(√)



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Municipal Manager's quality certification

I, **Raymond Ngcobo**, Municipal Manager of the uMgungundlovu District Municipality, hereby certify that the monthly **preliminary** report on the implementation of the budget and financial state affairs of the municipality for the month of **FEBRUARY 2021** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Dr. MRB Ngcobo

Municipal Manager: uMgungundlovu District Municipality

Signature: _____

Date: _____

Print name: Cllr T E Maphumulo

Mayor: uMgungundlovu District Municipality

Signature: _____

Date: _____