

IN-YEAR MONITORING REPORT FOR THE PERIOD ENDED 30 JUNE 2020

1. Operating Budget

Summary financial performance report SF1 for the period ending 30 JUNE 2020 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 - M12 June									
Description	2018/19	Budget Year 2019/20							
	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	372 228	306 876	24 556	291 385	306 876	(15 490)	-5%	335 005
Investment revenue	8 090	500	500	25	1	500	(499)	-100%	500
Transfers and subsidies	486 777	557 118	558 812	-	379 959	558 812	(178 853)	-32%	557 568
Other own revenue	46 393	6 791	10 869	3 712	47 155	10 869	36 286	334%	7 849
Total Revenue (excluding capital transfers and contributions)	794 541	936 636	877 056	28 292	718 499	877 056	(158 556)	-18%	900 921
Expenditure									
Employee costs	241 305	283 677	234 885	19 843	250 738	234 885	15 853	7%	252 508
Remuneration of Councillors	11 628	12 941	10 641	960	11 606	10 641	965	9%	12 941
Depreciation & asset impairment	46 642	42 500	45 528	-	42 348	45 528	(3 181)	-7%	43 500
Finance charges	11 502	27 550	27 550	3 539	22 441	27 550	(5 109)	-19%	27 550
Materials and bulk purchases	161 412	174 176	218 625	18 780	194 736	218 625	(23 889)	-11%	192 225
Transfers and subsidies	13	6 584	6 584	575	701	6 584	(5 882)	-89%	6 584
Other expenditure	366 685	380 678	238 524	12 178	262 603	238 524	24 079	10%	290 305
Total Expenditure	839 187	928 106	782 336	55 875	785 172	782 336	2 836	0%	825 613
Surplus/(Deficit)	(44 645)	8 530	94 720	(27 583)	(66 673)	94 720	(161 392)	-170%	75 308
Transfers and subsidies - capital (monetary allocations) (National /	217 546	184 575	184 575	44 469	178 440	184 575	(6 135)	-3%	184 625
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	172 901	193 105	279 295	16 886	111 767	279 295	(167 527)	-60%	259 933
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	172 901	193 105	279 295	16 886	111 767	279 295	(167 527)	-60%	259 933

The revenue raised as at 30 June 2020 is R 718.4 million against the adjusted budget of R 877 million for the year and R 877 million for the period. This reflects a revenue rate of 82 % against the adjusted budget and 82 % for the year to date budget.

The operating expenditure as at 30 June 2020 was R 785.1 million vs a year to date budget of R 782.3 million reflecting YTD expenditure of 100% and 100% against the adjusted budget. The operating surplus for the period was R 111.7 million.

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

- Service charges below target by 5%.
- Transfers and subsidies are 32% below target.
- Investment revenue is 100% below target.
- 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.

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2. Capital Expenditure

The Capital expenditure report shown in Annexure A, Table C5 has been prepared on the basis of 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 2019 /2020	Expenditure as at 30 June 2020	% spent
MIG	101 944 000.00	95 809 330.00	93.98
WSIG	80 000 000.00	80 000 000.00	100.00
RRAMS	2 631 000.00	2 631 000.00	100.00
	184 575 000.00	178 440 330.00	96.68
LESS NON CAPITALISED PROJECTS			
TOTAL CAPITAL EXPENDITURE	184 575 000.00	178 440 330.00	96.68

The total capital budget for the 2019/ 2020 financial year is R 184 625 million including the allocation for the Rural Roads Assets Management Grant of R 2.6 million. The MIG allocation is R 101.9 million and the Water Services Infrastructure Grant is R 80 million. The year to date certified MIG expenditure amounts to R95.8 million. The total expenditure for the Water Services Infrastructure Grant amount to R 80 million or 100%.

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 R10.6 million while salaries budget for staff amounts to 234.8 million. This brings the total salaries budget to 245.5 million, which is 30% of 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.



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- 3.4 The actual staff salaries costs incurred, including Senior Managers, as at 30 June 2020 amounts to R 250.7 million while the actual salaries cost for Councillors is R 11.6 million. This amounts to a total of R 262.3 million and it represents 106% of the total salaries budget for 2019/2020 financial year.
- 3.5 Remuneration of councillors is spent at 109% 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 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 not be 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 June 2020 are still based on the December 2018 promulgation which was effective for payment in the month of July 2018. It is expected that the new determination will be published with an effective date of July 2019. Due to this, councillors' salaries will be underspent until such time that the increases are effected. Salaries for senior managers are underspent due to their cost of living adjustment not being effected, while a council resolution is awaited, on this matter. Further, the performance bonuses of Senior Managers are determined after the conclusion of the performance assessments which have not been conducted at this point. Also the cost of living adjustment for senior managers who were employed before the implementation of the 2014 Regulation which determines the upper limits for Senior Managers has not be effected for 2019/2020 financial year. These factors, collectively, result in the lower expenditure against employee costs related to Senior Managers.
- 3.7 It must be noted that an application has been submitted to the MEC COGTA for consideration of a re-categorisation of the district to a grade 6 municipality for the purposes of determining the upper limits of salary packages payable to Senior Managers appointed after the introduction of the Regulations on the recruitment and conditions of service for Senior Managers and Managers directly accountable to the Municipal Manager. A response is still awaited from the MEC before the submission is made to the National Minister for COGTA as suggested by the Gazette on upper limits of remuneration packages for Senior Managers issued of 10 October 2017.

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Table 3

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June										
Summary of Employee and Councillor remuneration	Ref	2018/19		Budget Year 2019/20						
		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		7 054	8 081	5 781	590	11 606	8 081	3 525	44%	8 081
Pension and UIF Contributions		679	505	505	58	-	505	(505)	-100%	505
Medical Aid Contributions		190	317	317	16	-	317	(317)	-100%	317
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		822	869	869	69	-	869	(869)	-100%	869
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2 882	3 169	3 169	228	-	3 169	(3 169)	-100%	3 169
Sub Total - Councillors		11 628	12 941	10 641	960	11 606	12 941	(1 335)	-10%	12 941
% increase	4		11.3%	-8.5%						11.3%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 144	5 961	5 961	353	4 318	5 961	(1 643)	-28%	5 961
Pension and UIF Contributions		181	9	9	15	181	9	172	1931%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		391	900	1 700	44	534	900	(366)	-41%	900
Cellphone Allowance		63	108	93	7	86	108	(22)	-20%	108
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		156	-	-	0	0	-	0	#DIV/0!	-
Payments in lieu of leave		478	-	-	-	-	-	-	-	-
Long service awards		17	-	-	1	17	-	17	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 431	6 978	7 763	421	5 137	6 978	(1 841)	-26%	6 978
% increase	4		57.5%	75.2%						57.5%
Other Municipal Staff										
Basic Salaries and Wages		132 101	157 241	125 741	11 363	136 932	141 741	(4 809)	-3%	141 741
Pension and UIF Contributions		27 556	34 514	28 450	2 449	29 530	30 450	(920)	-3%	30 450
Medical Aid Contributions		14 168	17 524	18 312	969	12 021	18 312	(6 290)	-34%	18 312
Overtime		7 042	10 594	6 730	863	7 868	10 164	(2 297)	-23%	10 164
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		19 113	22 213	19 013	1 631	19 585	18 213	1 372	8%	18 213
Cellphone Allowance		45	1 837	772	3	40	787	(747)	-95%	787
Housing Allowances		989	1 381	973	84	1 032	1 173	(141)	-12%	1 173
Other benefits and allowances		30 113	29 447	23 479	1 938	34 728	22 738	11 991	53%	22 738
Payments in lieu of leave		56	-	-	-	80	-	80	#DIV/0!	-
Long service awards		1 454	1 949	3 653	121	1 498	1 953	(454)	-23%	1 953
Post-retirement benefit obligations	2	4 236	-	-	1	2 287	-	2 287	#DIV/0!	-
Sub Total - Other Municipal Staff		236 874	276 699	227 122	19 423	245 601	245 530	71	0%	245 530
% increase	4		16.8%	-4.1%						3.7%
Total Parent Municipality		252 932	296 618	245 526	20 803	262 344	265 449	(3 105)	-1%	265 449
Unpaid salary, allowances & benefits in arrears:										
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		252 932	296 618	245 526	20 803	262 344	265 449	(3 105)	-1%	265 449
% increase	4		17.3%	-2.9%						4.9%
TOTAL MANAGERS AND STAFF		241 305	283 677	234 885	19 843	250 738	252 508	(1 770)	-1%	252 508

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4. Conditional Grants

As at the end of June 2020 a total of R 193 million of conditional grants was received since 1 July 2019, whilst an additional R 23 million was available and was received in the previous financial year. R 183.5 million was spent as at end of June 2020. The operating grant utilisation is at 33.65 % and the capital grant utilisation was 90.99 % of allocations received. Overall grant utilisation is at 86.90%.

Table 4

Description	Opening Balance	Receipts	Roll Over Repayments	Total receipts	Expenditure	Balance	Percentage
Operating Grants							
FMG	0	1 000 000		1 000 000	1 000 000	0	100.00
PTP	308 817	0		308 817	0	308 817	0.00
EPWP	1 955 102	3 368 000	1 955 102	3 368 000	3 368 000	0	100.00
Camperdown WWW	4 000 095	0		4 000 095	0	4 000 095	0.00
SETA Grants	0	0		0	0	0	0.00
RASET GRANT	0	0		0	0	0	0.00
DGDS GRANT	126 989	0		126 989	0	126 989	0.00
DPSS GRANT	0	550 000		550 000	550 000	0	0.00
GEOPanning	1 300 000	1 500 000		2 800 000	145 176	2 654 824	5.18
IDP SPATIAL DEVELOPMENT FRAMEWORK		1 000 000		1 000 000		1 000 000	
SPATIAL DEVELOPMENT FRAMEWORK		1 000 000		1 000 000		1 000 000	
Disaster Management Grant		894 000		894 000	442 266	451 734	
Total Operating Grants	7 691 003	9 312 000		15 047 901	5 063 176	9 542 459	33.65
Capital Grants							
WSIG	3 843 255	80 000 000	3 800 000	80 043 255	80 043 255	-3 800 000	100.00
Drought Relief Initiatives	0	0		0	0	0	0.00
MIG	0	101 944 000		101 944 000	95 809 330	6 134 670	93.98
Orio	11 550 860	0		11 550 860	0	11 550 860	0.00
RRAMS	0	2 681 000		2 681 000	2 681 000	0	100.00
Total Capital Grants	15 394 115	184 625 000		196 219 115	178 533 585	13 885 530	90.99
Total Grants	23 085 118.30	193 937 000.00		211 267 016.30	183 596 761.28	23 427 989.00	86.90

5. Cash and cash equivalents

An amount of R 24 657 was accrued in investment interest income for the month of June 2020. The cash in bank as at 30 June 2020 amounted to **R 83.5 million** and investments amounted to **R3.9 million** bringing a total cash and cash equivalents of **R 87.5 million**. The average interest rate on investment is at **8%**. The cash coverage ratio as at 30 June 2020 is -0.68 based on average of R 70 million per month fixed operating expenditure. This indicates that the municipality as at 30 June 2020 has sufficient cash to run its operations for -20.25 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. See below extract from SC 5.

Table 5

Period of Investment Yrs/Months	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	Long term	2020 Sept Seven	25	8.0%	3 970	25	3 995
			25	0	3 970	25	3 995

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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	60 961 984.09	-48 106 723.95	12 855 260.14
Salaries Account	50940092196	90 314 378.06	-55 868 591.68	34 445 786.38
Water Services Account	62023616462	42 037 502.38	-13 667 964.73	28 369 537.65
NSTD Call Account	62215748289	548 445.33	5 283.30	553 728.63
Mandela Race Account	62411577193	792 975.97	4 819.63	797 795.60
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	6 481 398.88	57 209.43	6 538 608.31
Public Sector Cheque Account	62243484417	0.00	0.00	0.00
Total Cash Balances		201 136 684.71	-117 575 968.00	83 560 716.71

Table 7 above excludes an investment of R3.9 million held with FNB as a security for the Long Term Borrowings (DBSA Loan).

6. Borrowings

As at 30 June 2020 the loans book was sitting at R 205.4 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 28.59 % as projected which is below the treasury norm of below 45%. This indicates that the debt books is funded by 0.24% of the internally generated operating income.

Table 7

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) June 2020						
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/06/2020	Add: Interest Accrued	Less :Capital Repayments	Closing Balance at 30/06/2020
12007869	uMgungundlovu Various Water Projects	10.889	203 670 420.19	1 758 651.18	0.00	205 429 071.37
			203 670 420.19	1 758 651.18	0.00	205 429 071.37

7. Creditors Age Analysis

The balance of trade payables as at 30 June 2020 was **R 108.5 million**.

Total R 44 million or 41% of invoices remained outside the compliance period of 30 days as at 30 June 2020. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 30 June 2020.

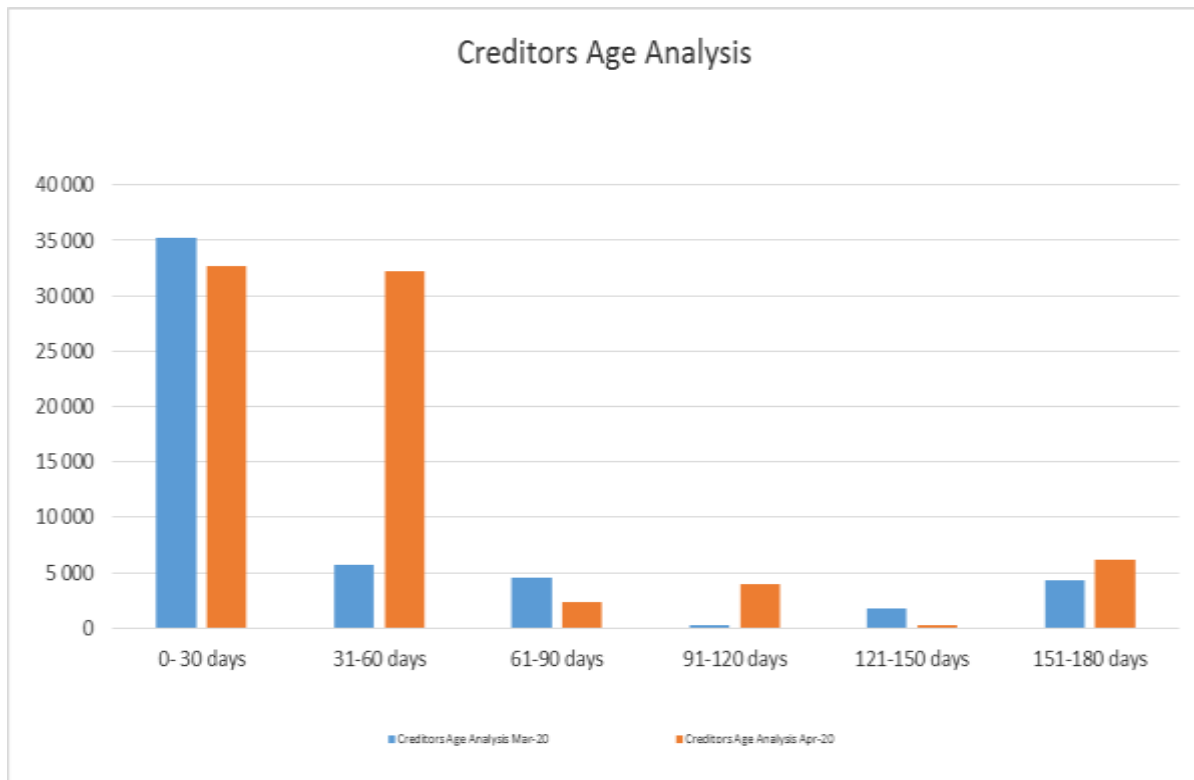
A report detailing the reasons for the delay in the payment of creditors is attached as Annexure A

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Table 8

Creditors Age Analysis		
	May-20	Jun-20
0- 30 days	52 578	64 409
31-60 days	3 227	30 380
61-90 days	2 330	-305
91-120 days	2 835	2 512
121-150 days	224	2 336
151-180 days	6 156	9 136
	67 350	108 468

Graph 1



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8. Billing Revenue and Debtors

8.1 Billing Summary: February 2020 to June 2020

Table 9

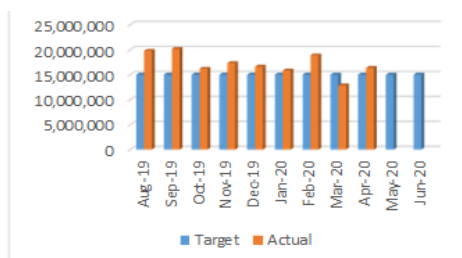
Area	February 2020	March 2020	April 2020	May 2020	June 2020
uMshwathi	2,296,832.86	2,670,156.01	2,262,254.85	2,716,672.78	2,060,991.35
uMngeni	11,487,360.70	12,685,104.36	10,533,157.82	15,570,374.69	9,779,013.90
Mpofana	3,446,254.60	3,171,673.49	2,825,612.00	2,045,235.77	2,260,510.79
iMpendle	314,244.24	300,884.76	263,097.91	164,907.02	198,606.33
Mkhambathini	623,806.97	773,412.27	525,943.59	300,402.85	436,807.92
Richmond	1,413,490.12	1,410,492.49	1,153,866.60	1,496,829.73	1,336,173.70
Water Schemes	2,321,379.18	2,221,238.47	2,469,821.64	1,982,952.79	4,766,424.25
Bulk Customers	6,958,578.47	7,574,678.91	9,221,425.64	8,851,904.39	7,493,362.94
Total	R28,861,974.14	R30,807,640.76	R29,255,181.05	R33,129,280.02	R28,331,891.28

8.2 Credit Control and Debt

Collection target against actual collection for May 2020

Table 10

Month	Target	Actual
Jul-19	15,000,000	14,087,481
Aug-19	15,000,000	19,766,487
Sep-19	15,000,000	20,172,485
Oct-19	15,000,000	16,183,942
Nov-19	15,000,000	17,306,074
Dec-19	15,000,000	16,615,682
Jan-20	15,000,000	15,819,524
Feb-20	15,000,000	18,871,228
Mar-20	15,000,000	12,852,663
Apr-20	15,000,000	16,364,420
May-20	15,000,000	14,670,312
Jun-20	15,000,000	



The table below details financial year to date monthly billing and receipts for the 2019/2020 financial year.

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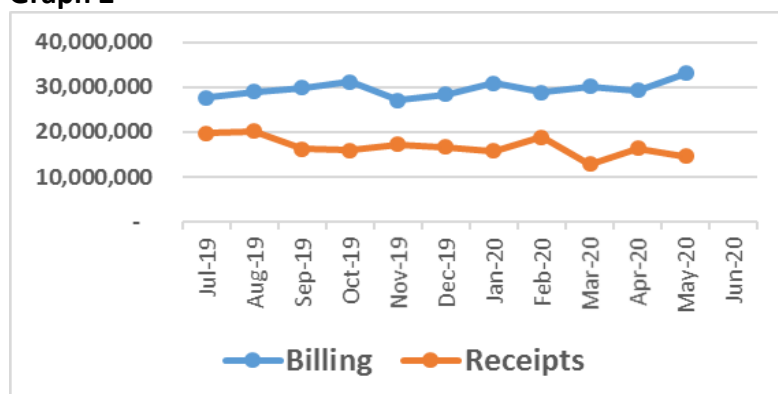
Table 11

BILLING VS RECEIPTS

BILLING VS RECEIPTS				
Month	Billing	Receipts	Collection %	Comment
July 2019	27,705,888.20	19,766,487.28	71%	
August 2019	28,637,962.59	20,172,485.21	70%	
September 2019	29,839,421.93	16,183,941.51	54%	
October 2019	28,500,729.81	15,875,195.66	56%	
November 2019	26,992,463.54	17,306,074.34	64%	
December 2019	28,331,306.63	16,615,682.00	59%	
January 2020	30,812,584.47	15,819,523.00	51%	
February 2020	28,861,974.00	18,871,228.06	65%	
March 2020	30,807,640.76	12,852,663.00	43%	
April 2020	29,255,181.05	16,364,420.54	56%	
May 2020	33,129,280.02	14,670,312.90	44%	
June 2020	28,331,891.28			
Total	<u>342,205,323.90</u>	<u>198,585,493.90</u>	<u>58%</u>	

BILLING VS RECEIPTS

Graph 2



The table below details the Classification of Receipts – March 2020 to June 2020

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Table 12

<u>Basis of Receipts</u>	<u>March Receipts</u>	<u>April Receipts</u>	<u>May Receipts</u>	<u>June Receipts</u>
Direct Bank Deposits	17,959,888.46	12,852,663.00	15,374,524.77	13,720,053.75
Easy Pay	418,559.12		886,598.85	591,020.22
Post Office	125,053.78		123,354.97	156,267.26
Customer Care Centre	308,386.67		18,442.40	113,928.32
Manual Receipts	59,339.83		3,961.76	89,043.35
<u>Total</u>	<u>R18,871,228.06</u>	<u>R12,852,663.00</u>	<u>R16,364,420.54</u>	<u>R14,670,312.90</u>

The table below details Customer Category Receipts- March 2020 to June 2020

Table 13

<u>Customer Classification</u>	<u>March 2020</u>	<u>April 2020</u>	<u>May 2020</u>	<u>June 2020</u>
Government	4,794,766.60	2,065,255.63	2,865,775.00	2,023,037.22
Business	9,789,605.38	7 685 737.61	10,535,813.36	8,218,959.31
Households	4,177,915.36	3,0665,906.91	2,962,832.18	4,424,416.37
Indigent Households	79 957.89	19 007.22	9 038.00	16 900.00
Church	24 900.01	14 966.76	17 180.30	17 180.30
Councillors	4082.82	1 788.87	3 900.00	3900.00
Total	<u>R18,871,228.06</u>	<u>R12,852,663.00</u>	<u>R16,364,420.54</u>	<u>R14,670,312.90</u>

The table below indicates the comparison of collection rate between 2018/19 financial year and 2019/20 financial year

Table 14

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2018/2019 Financial Year				2019/2020 Financial Year			
Month	Billing	Receipts	Collections %	Month	Billing	Receipts	Collections %
Jul-18	28,854,786	12,563,279	44%	Jul-19	27,705,888	19,766,487	71%
Aug-18	25,712,911	14,257,450	55%	Aug-19	28,637,963	20,172,485	70%
Sep-18	23,123,105	21,962,806	95%	Sep-19	29,839,422	16,183,942	65%
Oct-18	24,456,642	16,139,701	69%	Oct-19	31,132,730	15,875,196	51%
Nov-18	24,456,642	14,310,808	59%	Nov-19	26,992,464	17,306,074	64%
Dec-18	23,370,089	13,720,598	59%	Dec-19	28,331,307	16,615,682	59%
Jan-19	23,794,673	12,194,994	51%	Jan-20	30,812,584	15,819,523	51%
Feb-19	23,355,768	15,682,284	67%	Feb-20	28,861,947	18,871,228	65%
Mar-19	23,739,351	13,843,076	58%	Mar-20	30,807,641	12,852,663	43%
Apr-19	22,856,994	14,649,329	63%	Apr-20	29,255,181	16,364,420	56%
May-19	22,856,994	12,229,163	54%	May-20	33,129,280	14,670,313	44%
Average Collection Rate for 2018/2019			61%	Average Collection Rate for 2019/2020			58%

The table below details the percentage of collection per customer classification – May 2020

Table 15

AREA	Mar-20			Apr-20			May-20		
	BILLING	RECEIPTS	% COLLECTION	BILLING	RECEIPTS	% COLLECTION	BILLING	RECEIPTS	% COLLECTION
Howick	7,548,779.02	3,869,802.58	51%	7,624,912.28	3,822,557.77	50%	9,979,990.31	3,939,271.53	39%
Tumbleweed	178,404.56	100.00	0%	178,681.49	2,150.00	1%	178,214.50	3,150.00	2%
Lidgeton	133,014.79	1,880.94	1%	133,014.79	2,321.75	2%	133,014.79	1,700.00	1%
Hilton	2,413,942.19	1,880,817.33	78%	2,570,946.04	1,264,594.16	49%	2,951,382.70	1,999,137.55	68%
Mpophomeni	2,143,793.19	9,078.63	0%	2,019,524.47	25,093.19	1%	2,060,723.13	439,940.05	21%
Bulk	7,574,340.63	5,762,068.25	76%	7,608,971.91	8,194,776.71	108%	8,900,333.19	5,903,841.59	66%
Mpofana	1,940,868.33	149,542.94	8%	1,424,457.00	688,423.06	48%	1,366,676.67	439,940.05	32%
Mpofana - Bruntville	1,222,757.00	950.00	0%	1,195,885.08	18,997.16	2%	1,125,024.25	1,550.25	0%
Richmond	1,341,446.94	283,934.05	21%	1,183,674.63	319,363.86	27%	1,496,829.73	777,935.30	52%
uMshwathi	2,651,182.84	541,199.58	20%	2,163,587.67	1,615,454.97	75%	2,710,874.23	765,161.57	28%
uMkhambathini	772,250.73	212,485.23	28%	527,634.95	192,044.14	36%	301,226.86	154,083.49	51%
IMpendle	296,319.84	1,070.00	0%	267,748.84	9,499.78	4%	164,907.02	61,016.05	37%
Water Schemes	1,894,990.12	139,760.26	7%	2,356,141.90	209,143.99	9%	1,760,082.64	183,585.47	10%
Total	30,112,090.18	12,852,689.79	43%	29,255,181.05	16,364,420.54	56%	33,129,280.02	14,670,312.90	44%

The table below details a breakdown of May 2020 billing and June 2020 receipts for Water Schemes taken over from Umgeni Water.

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Table 16

Water Schemes	Sales Raised	Receipts	% Collection	Comment
Hope well	70,621.98	-	0%	Rural Scheme
Manyavu	188,714.58	12,929.54	7%	Rural Scheme
Intermediate Cross	21,380.70	7,044.19	33%	Farm Scheme
Swayimana	393,676.67	100.00	0%	Rural Scheme
Table Mountain	173,690.72	14,750.34	8%	Rural Scheme
Whispers	313,316.48	7,738.03	2%	Farm Scheme
Camperdown	20,118.03	70,855.91	352%	Farm Scheme
Birnoum Wood	91,104.28	20,445.56	22%	Farm Scheme
Claridge	54,203.08	5,786.93	11%	Farm Scheme
Efaye	121,455.51	-	0%	Rural Scheme
Cuphulaka	82,786.58	-	0%	Rural Scheme
Mayizekanye	43,122.88	-	0%	Rural Scheme
Mpolweni	185,891.15	43,934.97	24%	Rural Scheme
Total	1,760,082.64	183,585.47	10%	

The table below details a breakdown of May 2020 billing and June 2020 receipts for Rural Water Schemes.

Table 17

Water Schemes	Sales Raised	Receipts	% Collection	Comment
Gomane	68,961.11	0.00	0%	Rural Scheme
Emakholweni	54,042.98	0.00	0%	Rural Scheme
Inzinga	31,052.35	0.00	0%	Rural Scheme
Swapo	63,833.61	0.00	0%	Rural Scheme
Total	R217,890.05	R0.00	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.

Customers in rural areas such as Gomane and Swampo at iMpendle are appealing to the Municipality to write off their debts as they assist by providing water to other sections within the area when there is an interruption of water supply. The customers advised that they will commence with payment once the interruption of water supply is resolved and the write-off is approved

UMGUNGUNDLOVU DISTRICT MUNICIPALITY



8.3 Debtors Age Analysis

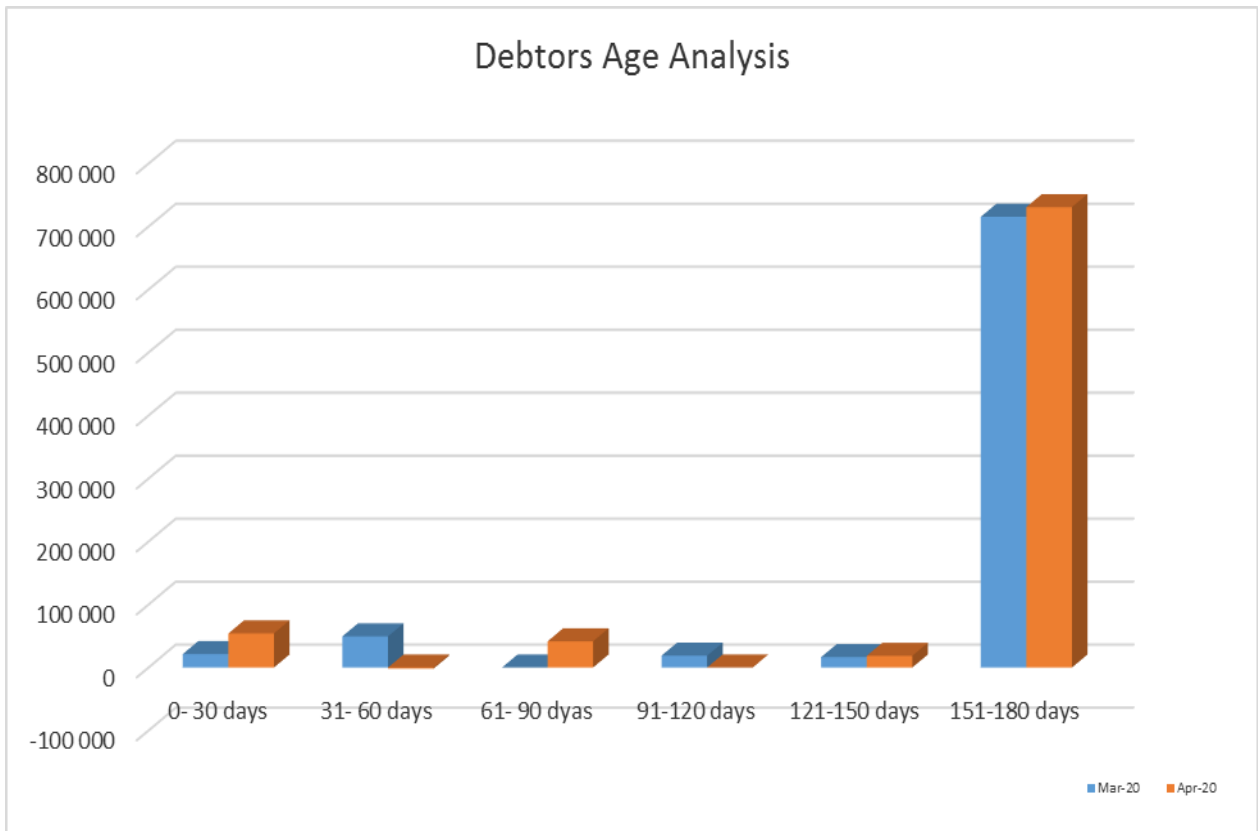
The debtor book value as at 30 June 2020 amounted to **R870 million**. The collection rate in the month of June was **44%**. The average collection rate to date is **57%**.

Table 18

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June											
Description	NT Code	Budget Year 2019/20								Total	Total over 90 days
		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	45 077	(1 255)	15 308	14 089	12 241	12 295	63 722	423 578	585 056	525 925
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	4 179	-	1 440	1 472	1 558	1 515	9 662	79 411	99 237	93 618
Receivables from Exchange Transactions - Waste Management	1600	(3)	-	(15)	(2)	-	2	(14)	(31)	(64)	(46)
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	739	739	739
Interest on Arrear Debtor Accounts	1810	7 971	(0)	3 915	-	4 244	4 617	26 158	125 193	172 098	160 212
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(39)	(60)	(34)	(19)	(11)	(20)	6 464	7 176	13 456	13 590
Total By Income Source	2000	57 185	(1 316)	20 614	15 540	18 032	18 409	105 992	636 065	870 522	794 039
2018/19 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	7 144	(10)	1 221	1 236	1 233	1 008	6 223	16 265	34 322	25 966
Commercial	2300	7 684	(500)	1 115	905	765	592	2 398	8 218	21 178	12 879
Households	2400	38 865	(617)	16 133	11 924	14 516	15 063	82 704	541 690	720 277	665 897
Other	2500	3 490	(189)	2 146	1 474	1 513	1 745	14 677	69 783	94 639	89 192
Total By Customer Group	2600	57 184	(1 316)	20 614	15 540	18 027	18 409	106 001	635 956	870 416	793 934

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Graph 3



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

The table below details the age analysis for customers grouped as UMDM staff members as at 30 June 2020

Table 19

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
5922711808 A & R WAHID						615.97	1,202.71	1,818.68
5922411911 CBKWANE	6,086.67	236.60	238.20	192.54	230.43	231.67	232.91	7,449.02
5922272107 D I MADUNA	2,842.09	862.94	869.93	839.62	873.97	3,870.40	1,560.40	11,719.35
5922411528 DLUNGWANE M.J.	13,633.11	351.52	353.61	250.64	333.71	335.33	336.95	15,594.87
5922721404 EPHRIAM MHLOPHE	14,454.37	216.28	217.27	119.40	196.82	197.60	198.36	15,600.10
5922316386 FOWLER							773.25	773.25
5922111502 GOVENDER SYDNEY	21,139.38	621.53	1,877.65	1,709.03	337.96	1,425.71	1,579.70	28,690.96
5922251794 GUNIRAJH						678.97	1,203.20	1,882.17
5922711631 JONATHAN JIMMY	14,812.22	358.16	343.41	229.35	320.75	1,286.54	786.96	18,137.39
5922251326 KHUMALO		782.11	862.36	839.62	22.14	591.67	859.08	3,956.98
5922111593 MTHEMBU S	3,616.95	468.94	485.23	450.33	615.77	619.54	674.78	6,931.54
5922262141 MADUNA	13,199.73	462.91	465.92	361.94	447.23	449.56	451.90	15,839.19
592219300 HADEBE	1,949.03	292.78	295.08	276.93	294.58	296.37	298.16	3,702.93
5922411939 MBHELE	9,807.33	320.01	322.09	250.64	309.28	310.90	312.51	11,632.76
5922645000 MBULELO SIBIYA	1,121.56	286.16	288.46	276.93	289.45	291.24	293.03	2,846.83
5922314131 MITCHELL	62.44	0.44	0.44		0.34	0.34	0.34	64.34
5922232755 MKHWANAZI	4,578.83	284.50	80.14	250.64	73.96	280.70	282.31	5,831.08
5922411620 ZONDI	17,939.99	378.56	380.65	250.64	354.67	356.29	357.91	20,018.71
5922711578 NAIDOO	1,459.22	166.45	123.38	44.19	340.06	379.29	54.43	2,567.02
5922192292 MTSHALI	3,792.67	132.13	133.00	104.36	127.91	128.58	129.25	4,547.90
5922711840 DLAMINI	-596.85	-600.00	-500.00				67.68	-1,629.17
5922711660 N T Z NZIMANDE	73,742.01	795.54	797.83	1,854.81	736.65	869.99	872.91	79,669.74
5922226988 NCUBE - DLAMINI						53.03	1,177.50	1,230.53
5922226809 NDLOVU	16,552.86	474.94	477.95	361.94	456.55	458.88	461.23	19,244.35
5922262474 NDLOVU	17,383.73	487.74	490.75	361.94	466.48	468.82	471.16	20,130.62
5922192290 NGCOBO	9,421.35	170.57	171.44	104.36	157.71	158.39	159.06	10,342.88
5922411734 BUSANI	17,422.94	369.29	371.37	250.64	347.48	349.10	350.72	19,461.54
5922213319 NTOMBI L NXUMALO	43,979.60	1,240.38	1,227.96	908.72	6,789.26	6,180.78	1,182.24	61,508.94
5922113000 PITOUT L	13,401.86	597.34	565.58	465.34	126.23	1,713.49	372.54	17,242.38
5922317749 RAMPERSAD	34,720.03	2,852.58	2,966.47	2,685.50	3,030.31	2,955.96	331.99	49,542.84
5922213198 RAVIN GUNIRAJH				439.34	477.61	575.37	474.86	1,967.18
5922251328 RODWELL BALOYI							707.24	707.24
5922741014 SAKUNEKA	30,046.09	1,953.02	1,960.99	1,698.80	10,280.64	809.30	703.86	47,452.70
5922193002 SEDIBA	1,687.34	290.64	292.94	276.93	292.92	294.71	296.50	3,431.98
5922193000 SHANDU NKOSIYEZWE	2,203.94	294.78	297.09	276.93	296.14	297.92	299.71	3,966.51
5922251800 NDLELA				346.69	22.45	1,136.45	509.70	2,015.29
5922213962 ZAKHEV GUMEDE				96.51	545.14	643.07	577.73	1,862.45
Totals:	390,460.49	15,148.84	16,457.19	16,575.25	29,194.60	29,311.93	20,604.77	517,753.07

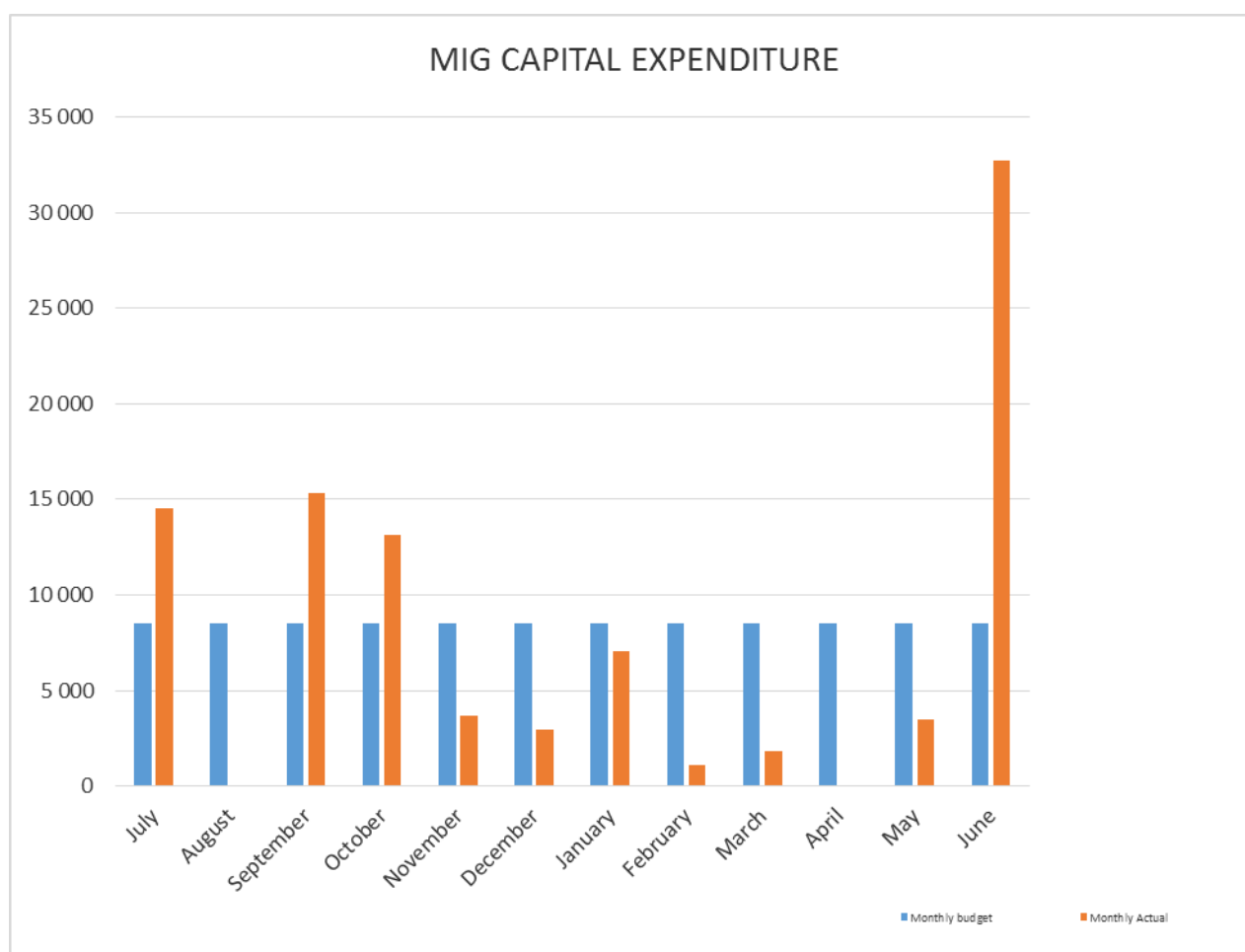
All staff members must make payment arrangements for the debt to be deducted from their salaries. This must include current account and a portion of arrears not longer than 36 months.

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

9. IN-YEAR BUDGET STATEMENT CHARTS: 30 JUNE 2020 REPORT

MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

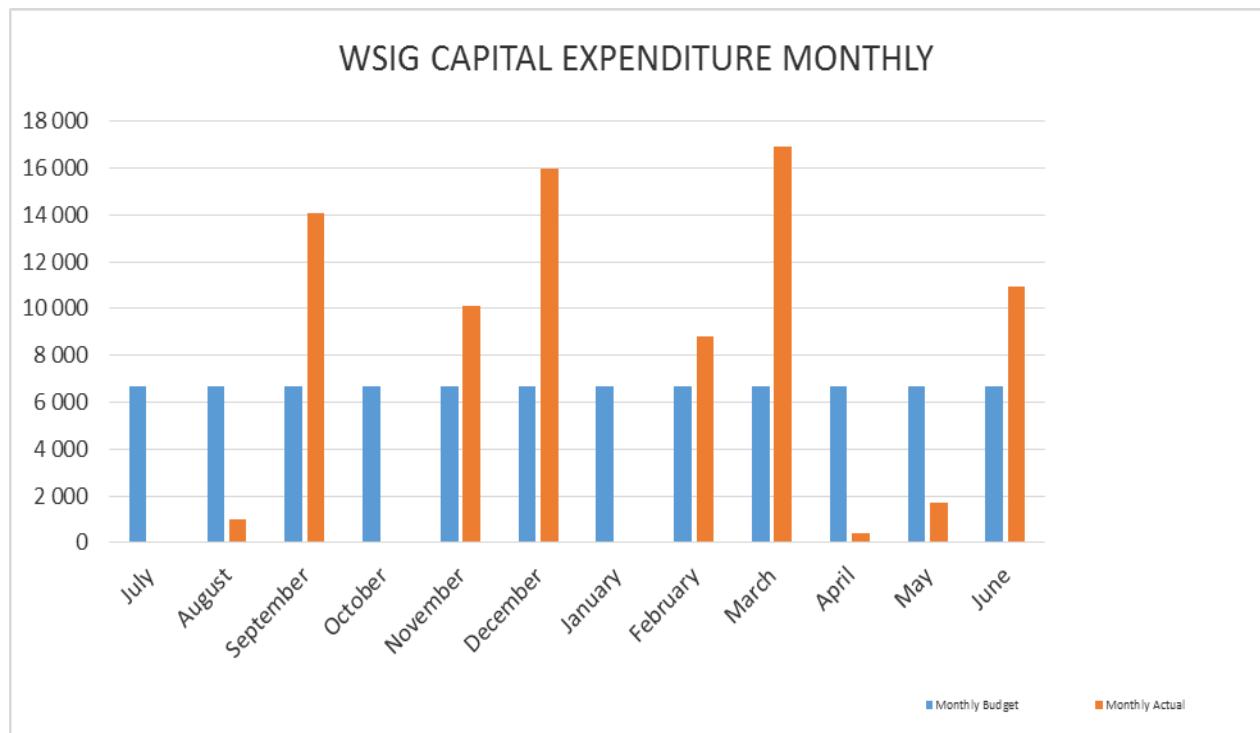
	Monthly budget	Monthly Actual
July	8 495	14 537
August	8 495	0
September	8 495	15 350
October	8 495	13 127
November	8 495	3 690
December	8 495	2 960
January	8 495	7 041
February	8 495	1 081
March	8 495	1 831
April	8 495	0
May	8 495	3 485
June	8 495	32 707
	101 944	95 809



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

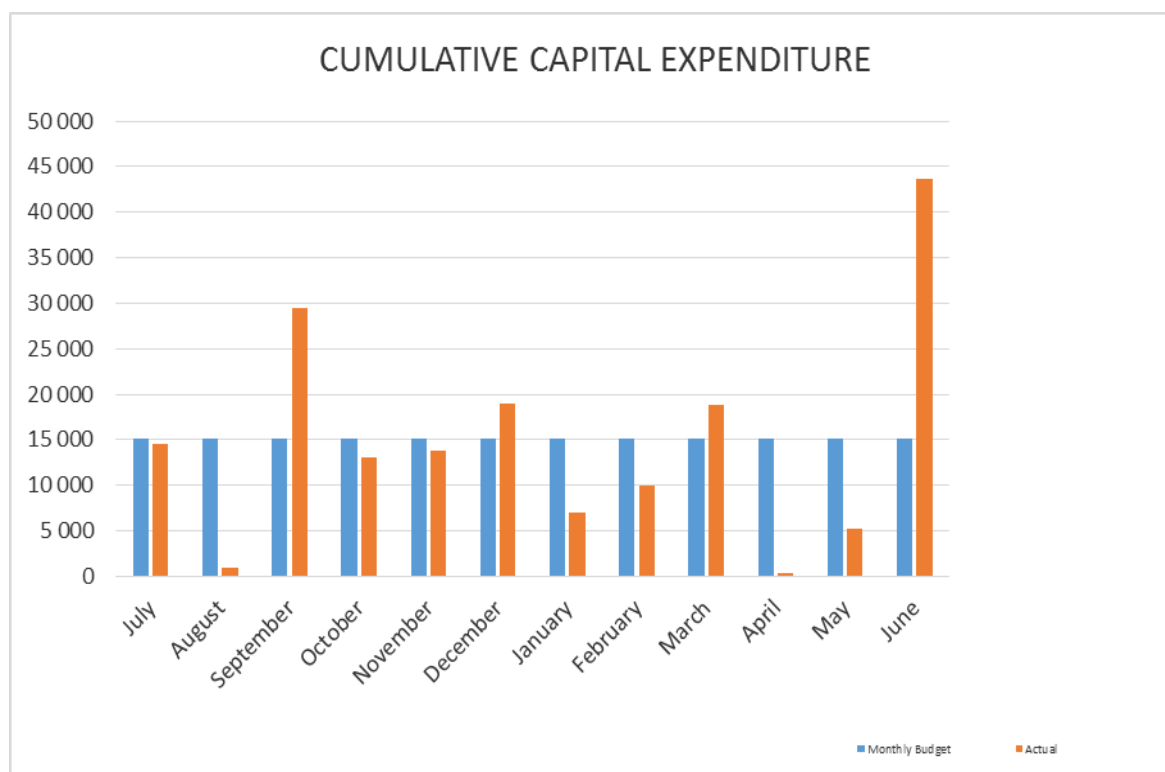
	Monthly Budget	Monthly Actual
July	6 667	0
August	6 667	982
September	6 667	14 096
October	6 667	0
November	6 667	10 139
December	6 667	15 986
January	6 667	0
February	6 667	8 797
March	6 667	16 939
April	6 667	409
May	6 667	1 695
June	6 667	10 957
	80 000	80 000



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	15 162	14 537
August	15 162	982
September	15 162	29 446
October	15 162	13 127
November	15 162	13 829
December	15 162	18 946
January	15 162	7 041
February	15 162	9 878
March	15 162	18 770
April	15 162	409
May	15 162	5 180
June	15 162	43 664
	181 944	175 809



10. IN-YEAR BUDGET STATEMENT TABLES: JUNE 2020 REPORT

The preliminary financial results for the period ended 30 JUNE 2020 (i.e. 12th month of the 2019/20 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: Linda Africa

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

FINANCIAL SERVICES DEPARTMENT

PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD ENDING 30 JUNE 2020

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

	COMPREHENSIVE NESS (FACTS, COMMENTS, RECOMMENDATIO NS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
MANAGER: BUDGET OFFICE Vacant SIGNATURE:..... DATE:	(√)	(√)	(√)
MANAGER: REVENUE MANAGEMENT SIBONGILE KHUMALO SIGNATURE..... DATE:	(√)	(√)	(√)
MANAGER: EXPENDITURE MANAGEMENT: NOMPUMELELO KHUMALO SIGNATURE..... DATE:	(√)	(√)	(√)
HEAD OF DEPARTMENT: ACTING CHIEF FINANCIAL OFFICER : LINDA AFRICA 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 **JUNE 2020** 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

Juneor: uMgungundlovu District Municipality

Signature: _____

Date: _____