

IN-YEAR MONITORING REPORT FOR THE PERIOD ENDED 31 MAY 2020

1. Operating Budget

Summary financial performance report **SF1** for the period ending 31 MAY 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

Choose name from list - Table C1 Monthly Budget Statement Summary - M11 May									
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	372 228	335 005	29 012	271 889	307 088	(35 199)	-11%	335 005
Investment revenue	8 090	500	500	25	25	458	(434)	-95%	500
Transfers and subsidies	486 777	557 118	557 568	143	375 012	511 104	(136 092)	-27%	557 568
Other own revenue	46 393	6 791	7 849	3 515	43 488	7 195	36 293	504%	7 849
Total Revenue (excluding capital transfers and contributions)	794 541	936 636	900 921	32 697	690 414	825 845	(135 431)	-16%	900 921
Expenditure									
Employee costs	241 305	283 677	252 508	19 751	230 218	231 466	(1 247)	-1%	252 508
Remuneration of Councillors	11 628	12 941	12 941	954	10 646	11 863	(1 217)	-10%	12 941
Depreciation & asset impairment	46 642	42 500	43 500	3 765	42 348	39 875	2 473	6%	43 500
Finance charges	11 502	27 550	27 550	1 820	18 708	25 254	(6 546)	-26%	27 550
Materials and bulk purchases	161 412	174 176	192 225	18 436	175 873	176 206	(333)	-0%	192 225
Transfers and subsidies	13	6 584	6 584	-	126	6 035	(5 909)	-98%	6 584
Other expenditure	366 685	380 678	290 305	25 115	248 945	266 113	(17 169)	-6%	290 305
Total Expenditure	839 187	928 106	825 613	69 841	726 864	756 812	(29 948)	-4%	825 613
Surplus/(Deficit)	(44 645)	8 530	75 308	(37 144)	(36 450)	69 033	(105 483)	-153%	75 308
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	217 546	184 625	184 625	5 180	134 021	169 240	(35 219)	-21%	184 625
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	172 901	193 155	259 933	(31 964)	97 570	238 272	(140 702)	-59%	259 933
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	172 901	193 155	259 933	(31 964)	97 570	238 272	(140 702)	-59%	259 933

The revenue raised as at 31 May 2020 is R 690.4 million against the adjusted budget of R 900.9 million for the year and R 825.8 million for the period. This reflects a revenue rate of 76.6 % against the adjusted budget and 83.6 % for the year to date budget.

The operating expenditure as at 31 May 2020 was R 726.9 million vs a year to date budget of R 756.8 million reflecting YTD expenditure of 88 % and 96 % against the adjusted budget. The operating surplus for the period was R 97.6 million.

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

- Service charges below target by -11%.
- Transfers and subsidies are -27% below target.
- Investment revenue is -95% 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 31 May 2020	% spent
MIG	101 944 000.00	63 101 608.01	61.90
WSIG	80 000 000.00	69 043 134.46	86.30
RRAMS	2 631 000.00	1 875 758.73	71.29
	184 575 000.00	134 020 501.20	72.61
LESS NON CAPITALISED PROJECTS			
TOTAL CAPITAL EXPENDITURE	184 575 000.00	134 020 501.20	72.61

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 R63 million. The total expenditure for the Water Services Infrastructure Grant amount to R 69 million or 86.30 %.

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 R12, 941 million while salaries budget for staff amounts to 252.2million. This brings the total salaries budget to 265.449 million, which is 33% 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 31 May 2020 amounts to R 230.2 million while the actual salaries cost for Councillors is R 10.6 million. This amounts to a total of R 240.8 million and it represents 90.7% of the total salaries budget for 2019/2020 financial year.
- 3.5 Remuneration of councillors is spent at 82% 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 may 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 May 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 been 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

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May										
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	8 081	8 081	590	10 646	7 407	3 239	44%	8 081
Pension and UIF Contributions		679	505	505	58	0	463	(463)	-100%	505
Medical Aid Contributions		190	317	317	16	0	291	(290)	-100%	317
Motor Vehicle Allowance		-	-	-	-	0	-	0	#DIV/0!	-
Cellphone Allowance		822	869	869	69	0	796	(796)	-100%	869
Housing Allowances		-	-	-	-	0	-	0	#DIV/0!	-
Other benefits and allowances		2 882	3 169	3 169	221	1	2 905	(2 904)	-100%	3 169
Sub Total - Councillors		11 628	12 941	12 941	954	10 648	11 863	(1 215)	-10%	12 941
% increase	4		11.3%	11.3%						11.3%
Senior Managers of the Municipality										
Basic Salaries and Wages		3 144	5 961	5 961	465	3 965	5 464	(1 499)	-27%	5 961
Pension and UIF Contributions		181	9	9	15	166	8	158	1931%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		391	900	900	44	490	825	(335)	-41%	900
Cellphone Allowance		63	108	108	7	79	99	(20)	-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	15	-	15	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 431	6 978	6 978	533	4 716	6 396	(1 680)	-26%	6 978
% increase	4		57.5%	57.5%						57.5%
Other Municipal Staff										
Basic Salaries and Wages		132 101	157 241	141 741	11 291	125 569	129 929	(4 360)	-3%	141 741
Pension and UIF Contributions		27 556	34 514	30 450	2 428	27 081	27 913	(832)	-3%	30 450
Medical Aid Contributions		14 168	17 524	18 312	964	10 894	16 786	(5 892)	-35%	18 312
Overtime		7 042	10 594	10 164	842	7 004	9 317	(2 313)	-25%	10 164
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		19 113	22 213	18 213	1 631	17 954	16 695	1 258	8%	18 213
Cellphone Allowance		45	1 837	787	3	37	721	(685)	-95%	787
Housing Allowances		989	1 381	1 173	84	948	1 075	(128)	-12%	1 173
Other benefits and allowances		30 113	29 447	22 738	1 666	32 273	20 843	11 430	55%	22 738
Payments in lieu of leave		56	-	-	-	80	-	80	#DIV/0!	-
Long service awards		1 454	1 949	1 953	120	1 377	1 790	(412)	-23%	1 953
Post-retirement benefit obligations	2	4 236	-	-	189	2 285	-	2 285	#DIV/0!	-
Sub Total - Other Municipal Staff		236 874	276 699	245 530	19 218	225 502	225 069	433	0%	245 530
% increase	4		16.8%	3.7%						3.7%
Total Parent Municipality		252 932	296 618	265 449	20 705	240 866	243 328	(2 462)	-1%	265 449
Unpaid salary, allowances & benefits in arrears:										
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		252 932	296 618	265 449	20 705	240 866	243 328	(2 462)	-1%	265 449
% increase	4		17.3%	4.9%						4.9%
TOTAL MANAGERS AND STAFF		241 305	283 677	252 508	19 751	230 218	231 466	(1 247)	-1%	252 508



4. Conditional Grants

As at the end of May 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 140.9 million was spent as at end of May 2020. The operating grant utilisation is at 40.5 % and the capital grant utilisation was 68.30 % of allocations received. Overall grant utilisation is at 66%.

Table 4

Description	Opening Balance	Receipts	Roll Over Repayments	Total receipts	Expenditure	Balance	Percentage
Operating Grants							
FMG	0	1 000 000		1 000 000	865 039	134 961	86.50
PTP	308 817	0		308 817	0	308 817	0.00
EPWP	1 955 102	3 368 000		5 323 102	5 323 102	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
GEOPlanning	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		894 000	
Total Operating Grants	7 691 003	9 312 000		17 003 003	6 883 317	10 119 686	40.48
Capital Grants							
WSIG	3 843 255	80 000 000	3 800 000	80 043 255	69 043 134	11 000 121	86.26
Drought Relief Initiatives	0	0		0	0	0	0.00
MIG	0	101 944 000		101 944 000	63 101 608	38 842 392	61.90
Orio	11 550 860	0		11 550 860	0	11 550 860	0.00
RRAMS	0	2 681 000		2 681 000	1 875 759	805 241	69.96
Total Capital Grants	15 394 115	184 625 000		196 219 115	134 020 501	62 198 614	68.30
Total Grants	23 085 118.30	193 937 000.00		213 222 118.30	140 903 817.73	72 318 300.35	66.08

5. Cash and cash equivalents

An amount of R 25 479 was accrued in investment interest income for the month of May 2020. The cash in bank as at 31 May 2020 amounted to **R 112.5 million** and investments amounted to **R3.9 million** bringing a total cash and cash equivalents of **R 116.5 million**. The average interest rate on investment is at **8%**. The cash coverage ratio as at 31 May 2020 is -0.39 based on average of R 70 million per month fixed operating expenditure. This indicates that the municipality as at 31 May 2020 has sufficient cash to run its operations for -12 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%	3 945	25	3 970
			25	0	3 945	25	3 970



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	-36 406 694.49	24 555 289.60
Salaries Account	50940092196	90 314 378.06	-42 314 545.85	47 999 832.21
Water Services Account	62023616462	42 037 502.38	-9 884 861.32	32 152 641.06
NSTD Call Account	62215748289	548 445.33	3 759.07	552 204.40
Mandela Race Account	62411577193	792 975.97	3 663.36	796 639.33
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	6 481 398.88	37 657.95	6 519 056.83
Public Sector Cheque Account	62243484417	0.00	197.00	197.00
Total Cash Balances		201 136 684.71	-88 560 824.28	112 575 466.43

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 31 May 2020 the loans book was sitting at R 203.6 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 30.59 % as projected which is below the treasury norm of below 45%. This indicates that the debt books is funded by 0.27 % of the internally generated operating income.

Table 7

LOANS REGISTER - DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) MAY 2020						
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/05/2020	Add: Interest Accrued	Less :Capital Repayments	Closing Balance at 31/05/2020
12007869	uMgungundlovu Various Water Projects	10.889	201 853 147.30	1 817 272.89	0.00	203 670 420.19
			201 853 147.30	1 817 272.89	0.00	203 670 420.19

7. Creditors Age Analysis

The balance of trade payables as at 31 May 2020 was **R 67.3 million**.

Total R 14.7 million or 22% of invoices remained outside the compliance period of 30 days as at 31 May 2020. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 May 2020.

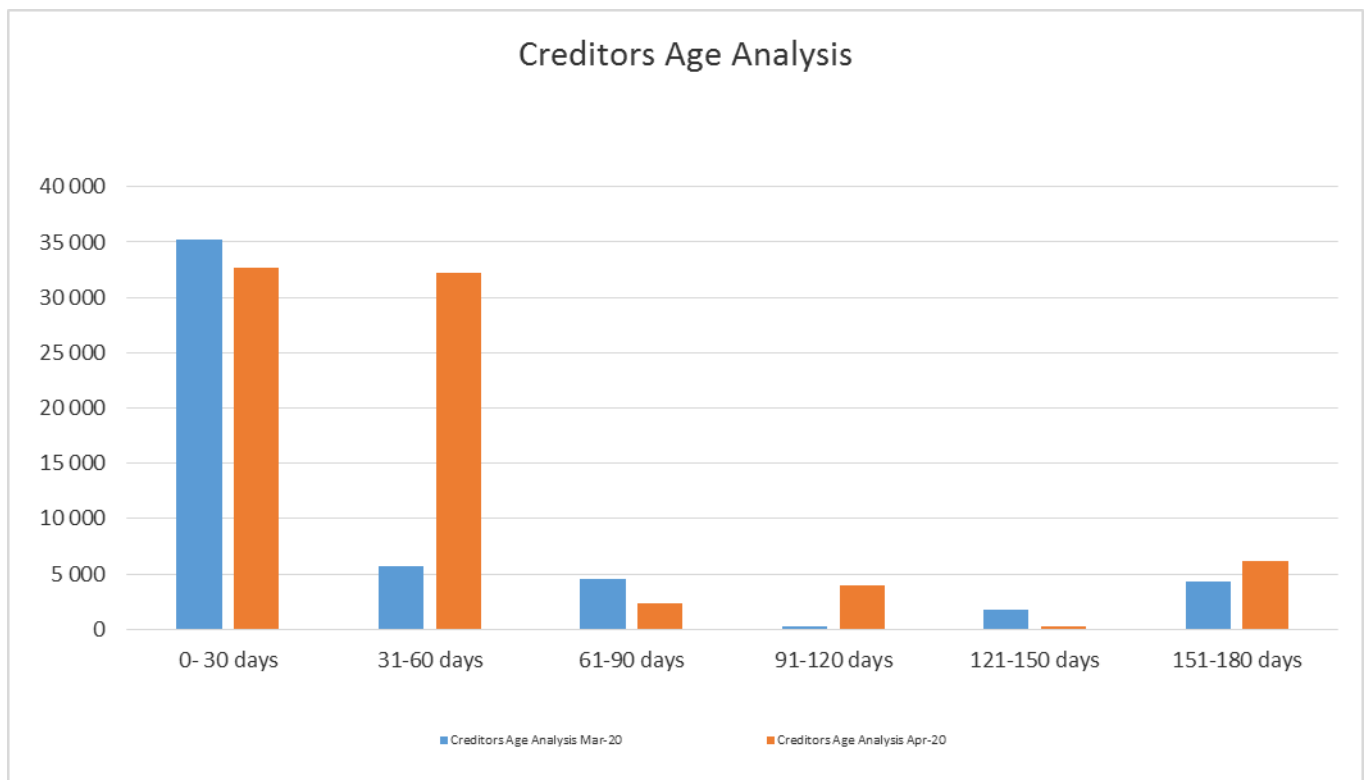
A report detailing the reasons for the delay in the payment of creditors is attached as Annexure A

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Table 8

Creditors Age Analysis		
	Apr-20	May-20
0- 30 days	32 706	52 578
31-60 days	32 229	3 227
61-90 days	2 392	2 330
91-120 days	3919	2 835
121-150 days	224	224
151-180 days	6 149	6 156
	77 619	67 350

Graph 1



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8. Billing Revenue and Debtors

8.1 Billing Summary: February 2020 to May 2020

Table 9

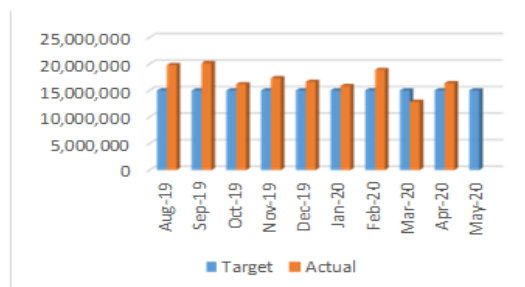
Area	February 2020	March 2020	April 2020	May 2020
uMshwathi	2,296,832.86	2,670,156.01	2,262,254.85	2,716,672.78
uMngeni	11,487,360.70	12,685,104.36	10,533,157.82	15,570,374.69
Mpofana	3,446,254.60	3,171,673.49	2,825,612.00	2,045,235.77
iMpendle	314,244.24	300,884.76	263,097.91	164,907.02
Mkhambathini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

8.2 Credit Control and Debt

Collection target against actual collection for April 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	



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

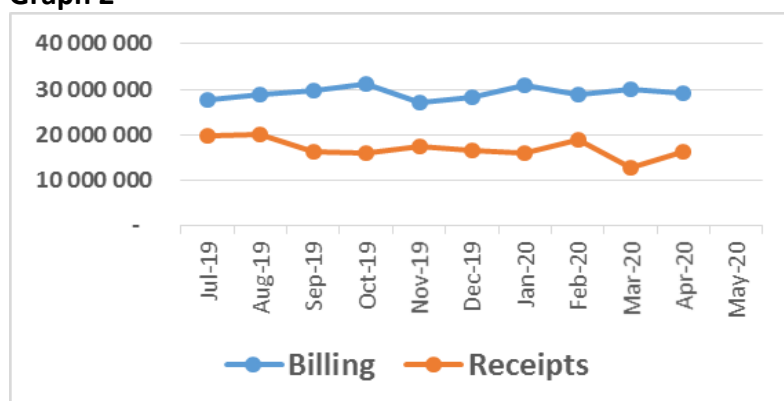
Table 11

BILLING VS RECEIPTS

Month	Billing	Receipts	Collection %
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		
Total	313,873,432.70	183,915,181.00	59%

BILLING VS RECEIPTS

Graph 2



The table below details the Classification of Receipts – January 2020 to April 2020

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Table 12

Basis of Receipts	January Receipts	February Receipts	March Receipts	April Receipts
Direct Bank Deposits	15,086,550.40	14,399,296.41	17,959,888.46	12,852,663.00
Easy Pay	847,988.58	762,343.14	418,559.12	
Post Office	198,667.27	174,385.50	125,053.78	
Customer Care Centre	418,205.32	420,739.34	308,386.67	
Manual Receipts	64,270.43	63,265.52	59,339.83	
Total	R16,615,682.00	R15,819,523.93	R18,871,228.06	R12,852,663.00

The table below details Customer Category Receipts- February 2020 to May 2020

Table 13

Customer Classification	February 2020	March 2020	April 2020	May 2020
Government	2,684,059.74	4,794,766.60	2,065,255.63	2,865,775.00
Business	8,051,281.80	9,789,605.38	7 685 737.61	10,535,813.36
Households	4,956,574.47	4,177,915.36	3,0665,906.91	2,962,832.18
Indigent Households	96,646.42	79 957.89	19 007.22	9 038.00
Church	22,620.38	24 900.01	14 966.76	17 180.30
Councillors	8,340.19	4082.82	1 788.87	3 900.00
Total	R15,819,523.00	R18,871,228.06	R12,852,663.00	R16,364,420.54

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

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Table 14

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%
Average Collection Rate for 2018/2019			62%	Average Collection Rate for 2019/2020			60%

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

Table 15

AREA	Feb-20			Mar-20			Apr-20		
	BILLING	RECEIPTS	% COLLECTION	BILLING	RECEIPTS	% COLLECTION	BILLING	RECEIPTS	% COLLECTION
Howick	6,853,190.83	5,880,481.54	86%	7,548,779.02	3,869,802.58	51%	7,624,912.28	3,822,557.77	50%
Tumbleweed	179,296.29	2,400.00	1%	178,404.56	100.00	0%	178,681.49	2,150.00	1%
Lidgeton	139,294.44	1,012.07	1%	133,014.79	1,880.94	1%	133,014.79	2,321.75	2%
Hilton	2,319,933.75	2,135,220.59	92%	2,413,942.19	1,880,817.33	78%	2,570,946.04	1,264,594.16	49%
Mpophomeni	2,085,965.47	112,745.42	5%	2,143,793.19	9,078.63	0%	2,019,524.47	25,093.19	1%
Bulk	6,958,578.47	6,239,541.25	90%	7,574,340.63	5,762,068.25	76%	7,608,971.91	8,194,776.71	108%
Mpofana	2,169,662.52	810,136.56	37%	1,940,868.33	149,542.94	8%	1,424,457.00	688,423.06	48%
Mpofana- Bruntville	1,222,757.91	1,722.76	0%	1,222,757.00	950.00	0%	1,195,885.08	18,997.16	2%
Richmond	1,413,036.75	755,334.85	53%	1,341,446.94	283,934.05	21%	1,183,674.63	319,363.86	27%
uMshwathi	2,295,339.35	2,127,737.47	93%	2,651,182.84	541,199.58	20%	2,163,587.67	1,615,454.97	75%
uMkhambathini	492,925.35	179,917.39	36%	772,250.73	212,485.23	28%	527,634.95	192,044.14	36%
iMpindle	314,244.24	187,226.55	60%	296,319.84	1,070.00	0%	267,748.84	9,499.78	4%
Water Schemes	2,417,721.77	437,751.48	18%	1,894,990.12	139,760.26	7%	2,356,141.90	209,143.99	9%
Total	28,861,947.14	18,871,228	65%	30,112,090.18	12,852,689.79	43%	29,255,181.05	16,364,420.54	56%

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

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Table 16

Water Schemes	Sales Raised	Receipts	% Collection	Comment
Hopewell	85,203.82	-	0%	Rural Scheme
Manyavu	220,868.82	11,779.17	5%	Rural Scheme
Intermediate Cross	135,520.90	5,618.46	4%	Farm Scheme
Swayimana	424,681.02	9,896.83	2%	Rural Scheme
Table Mountain	171,043.42	7,327.85	4%	Rural Scheme
Whispers	115,715.68	8,730.43	8%	Farm Scheme
Camperdown	341,136.87	66,511.39	19%	Farm Scheme
Birnoum Wood	77,666.10	7,645.70	10%	Farm Scheme
Claridge	274,165.57	6,944.19	3%	Farm Scheme
Efaye	162,625.17	82,753.13	51%	Rural Scheme
Cuphulaka	113,952.71	-	0%	Rural Scheme
Mayizekanye	55,229.24	-	0%	Rural Scheme
Mpolweni	178,332.58	1,936.84	1%	Rural Scheme
Total	2,356,141.90	209,143.99	9%	

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

Table 17

Water Schemes	Sales Raised	Receipts	% Collection	Comment
Gomane	64,037.59	0.00	0%	Rural Scheme
Emakholweni	52,535.28	0.00	0%	Rural Scheme
Inzinga	28,453.35	1,834.06	0%	Rural Scheme
Swapo	75,243.51	0.00	0%	Rural Scheme
Total	R220,269.73	R1,834.06	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

8.3 Debtors Age Analysis

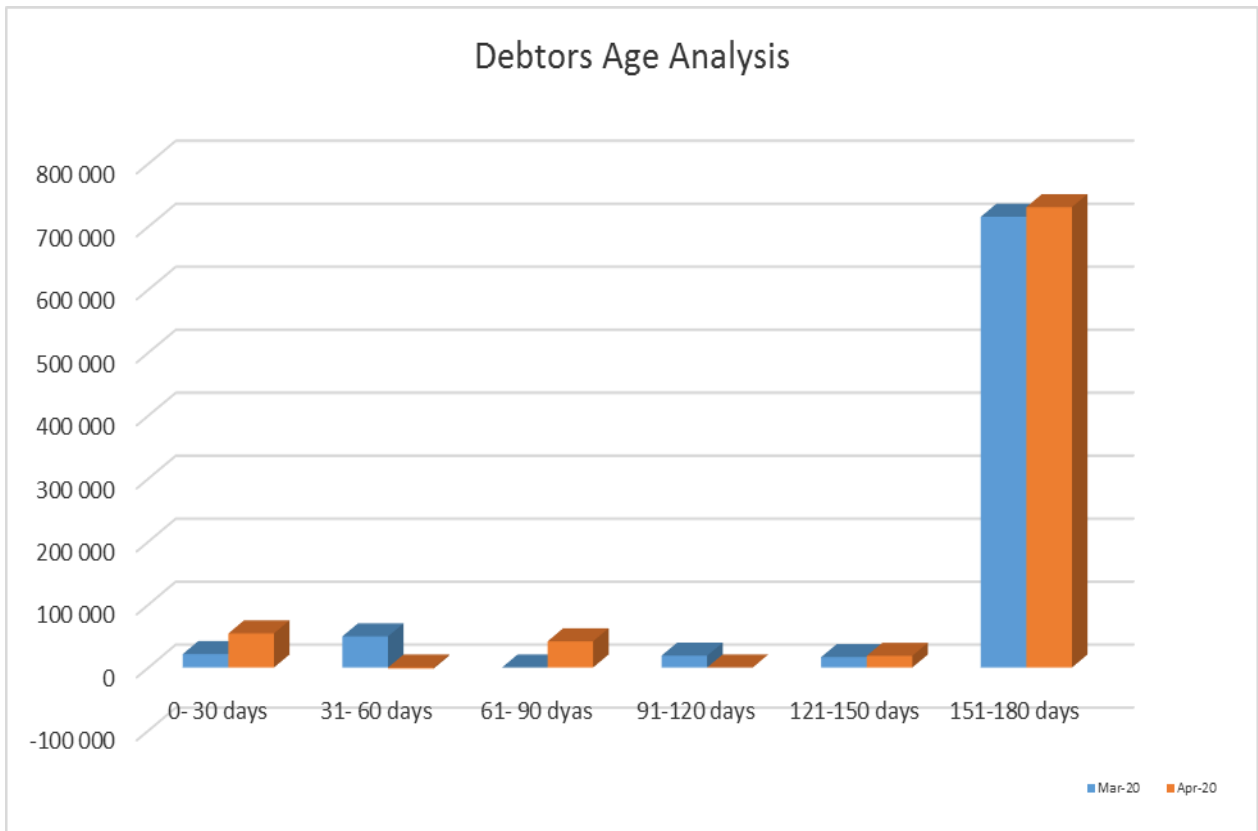
The debtor book value as at 31 May 2020 amounted to **R859 million**. The collection rate in the month of May was **56%**. The average collection rate to date is **60%**.

Table 18

Choose name from list - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May										
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
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	29 640	17 726	15 333	13 237	12 747	11 835	61 205	416 917	578 640
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	2 623	1 664	1 546	1 586	1 530	1 564	9 655	78 044	98 213
Receivables from Exchange Transactions - Waste Management	1600	-	(21)	(2)	-	2	(4)	(8)	(36)	(70)
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	739	739
Interest on Arrear Debtor Accounts	1810	3 884	3 936	-	4 254	4 633	4 551	25 814	121 157	168 228
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	(134)	(54)	(23)	(16)	(22)	(8)	6 508	7 241	13 491
Total By Income Source	2000	36 014	23 251	16 854	19 062	18 889	17 937	103 173	624 062	859 241
2019/20 - totals only										-
Debtors Age Analysis By Customer Group										
Organs of State	2200	5 218	1 678	1 561	1 280	1 023	1 028	5 851	15 915	33 555
Commercial	2300	6 357	1 353	1 282	1 385	670	666	2 310	7 998	22 021
Households	2400	22 553	17 199	12 495	14 843	15 416	14 715	80 366	530 756	708 343
Other	2500	1 879	3 021	1 515	1 550	1 779	1 528	14 658	69 393	95 323
Total By Customer Group	2600	36 007	23 251	16 854	19 057	18 889	17 937	103 185	624 062	859 241

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

Graph 3



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

The table below details the age analysis for customers grouped as UMDM staff members as at 31 May 2020

Table 19

Customer	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
5922711808 A & R WAHID					0.37	2,039.40	976.20	3,015.97
5922411911 CBKWANE LANCELOTT THULANI	5,851.68	234.99	236.60	238.20	192.54	230.43	231.67	7,216.11
5922272107 DI MADUNA	2,288.42	553.67	862.94	869.93	839.62	873.97	3,870.40	10,158.95
5922411528 DLUNGWANE M.J.	13,283.67	349.44	351.52	353.61	250.64	333.71	335.33	15,257.92
5922721404 EPHRAM MHLOPHE	14,239.09	215.28	216.28	217.27	119.40	196.82	197.60	15,401.74
5922111502 GOVENDER SYDNEY	19,273.39	1,865.99	621.53	1,877.65	1,709.03	337.96	1,425.71	27,111.26
5922711631 JONATHAN JIMMY	14,455.97	356.25	358.16	343.41	229.35	320.75	1,286.54	17,350.43
5922111593 MTHEMBU S	3,563.73	553.22	468.94	485.23	450.33	615.77	619.54	6,756.76
5922262141 MADUNA	12,739.84	459.89	462.91	465.92	361.94	447.23	449.56	15,387.29
5922193001 MBALI YOUTH HADEBE	1,658.56	290.47	292.78	295.08	276.93	294.58	296.37	3,404.77
5922411939 MBHELE Zw elithini.H	9,489.41	317.92	320.01	322.09	250.64	309.28	310.90	11,320.25
5922645000 MBULELO SIBIYA	837.71	283.85	286.16	288.46	276.93	289.45	291.24	2,553.80
5922314131 MITCHELL	62.00	0.44	0.44	0.44		0.34	0.34	64.00
5922232755 MKHWANAZI	4,296.42	282.41	284.50	80.14	250.64	73.96	280.70	5,548.77
5922411620 MPHENDULELWA AMON ZONDI	17,563.52	376.47	378.56	380.65	250.64	354.67	356.29	19,660.80
5922711578 MR M NAIDOO	2,755.29	165.69	166.45	123.38	44.19	340.06	379.29	3,974.35
5922192292 MTSHALI	3,661.42	131.25	132.13	133.00	104.36	127.91	128.58	4,418.65
5922711660 N T Z NZIMANDE	73,101.59	840.42	795.54	797.83	1,854.81	736.65	869.99	78,996.83
5922226809 NDLOVU	16,080.94	471.92	474.94	477.95	361.94	456.55	458.88	18,783.12
5922262474 NDLOVU	16,899.01	484.72	487.74	490.75	361.94	466.48	468.82	19,659.46
5922192290 NGOOBO	9,251.65	169.70	170.57	171.44	104.36	157.71	158.39	10,183.82
5922411734 NKABINI ERIC BUSANI	17,055.74	367.20	369.29	371.37	250.64	347.48	349.10	19,110.82
5922213319 NTOMBI L NXUMALO	43,346.78	1,232.82	1,240.38	1,227.96	908.72	6,789.26	6,180.78	60,926.70
5922113000 RTOUT L	12,804.54	597.32	597.34	565.58	465.34	126.23	1,713.49	16,869.84
5922317749 RAMPERSAD	34,416.83	303.20	2,852.58	2,966.47	2,685.50	3,030.31	2,955.96	49,210.85
5922213198 RAVIN GUNIRAJH					439.34	477.61	575.37	1,492.32
5922741014 SAKUNEKA	28,950.14	1,945.95	1,953.02	1,960.99	1,698.80	10,280.64	809.30	47,598.84
5922193002 SEDIBA SAMUEL SIBONGAKONKE	1,399.01	288.33	290.64	292.94	276.93	292.92	294.71	3,135.48
5922193000 SHANDU NKOSIYEZWE	1,911.46	292.48	294.78	297.09	276.93	296.14	297.92	3,666.80
5922251800 NDLELA				403.51	743.18	22.45	1,136.45	2,305.59
5922213962 ZAKHEV GUMEDE					96.51	545.14	643.07	1,284.72
Totals:	381,237.81	13,970.50	16,209.63	17,360.70	16,972.11	31,234.00	28,940.16	505,924.91

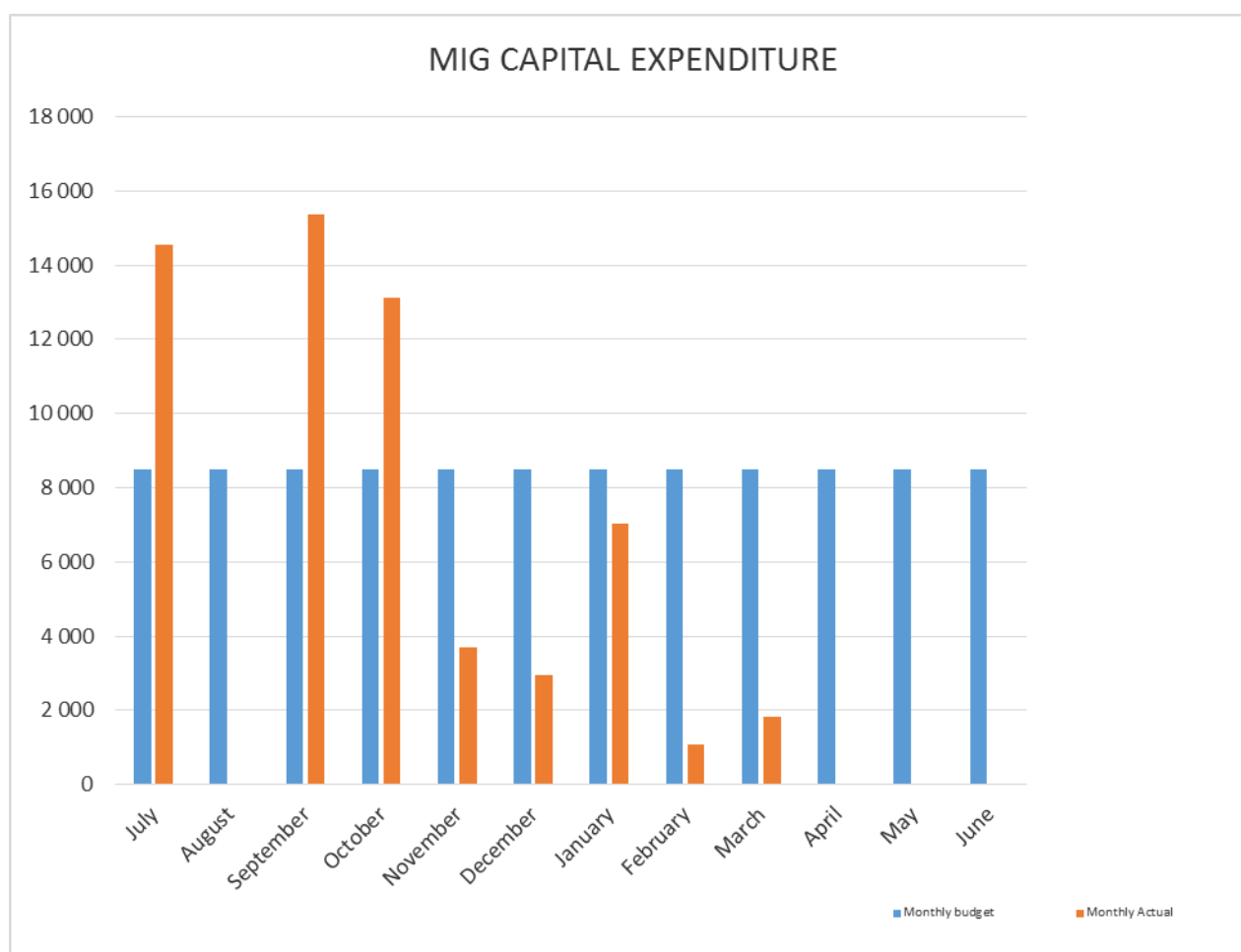
All staff members must make payment arrangements for the debt to be deducted from their salaries. This must include current account and a portion of arrears not longer than 36 months.

UMGUNGUNDLOVU DISTRICT MUNICIPALITY

9. IN-YEAR BUDGET STATEMENT CHARTS: 31 MAY 2020 REPORT

MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

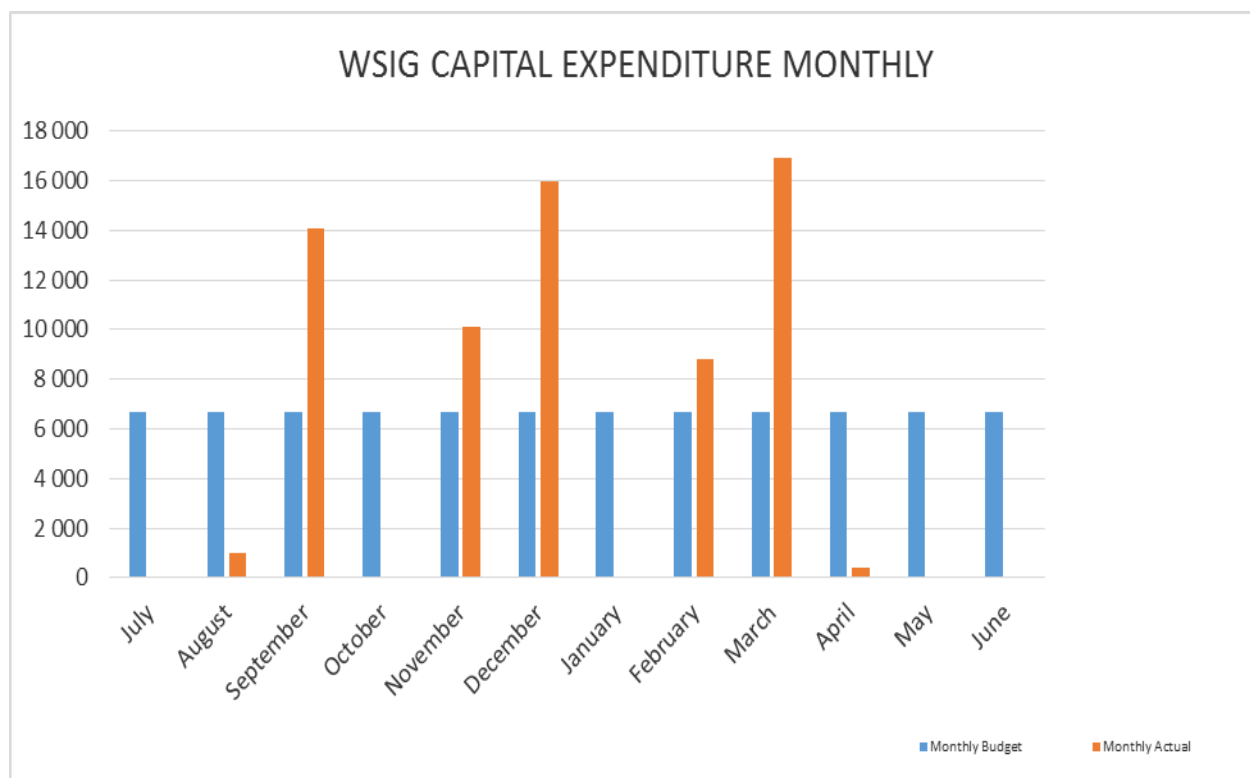
	Monthly budget	Monthly Actual
July	8 495	14 537
August	8 495	0
September	8 495	15 350
October	8 495	13 127
November	8 495	3 690
December	8 495	2 960
January	8 495	7 041
February	8 495	1 081
March	8 495	1 831
April	8 495	0
May	8 495	3 485
June	8 495	
	101 944	63 102



UMGUNGUNDLOVU DISTRICT MUNICIPALITY

WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

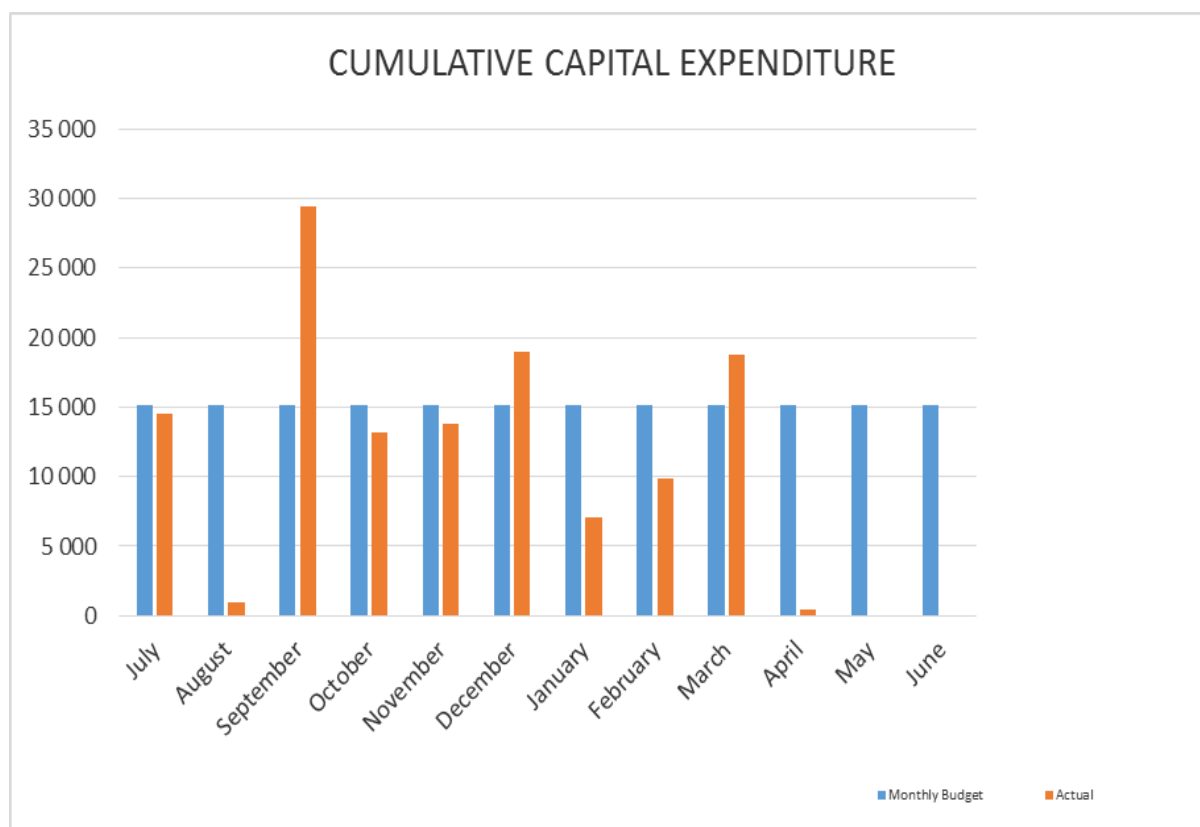
	Monthly Budget	Monthly Actual
July	6 667	0
August	6 667	982
September	6 667	14 096
October	6 667	0
November	6 667	10 139
December	6 667	15 986
January	6 667	0
February	6 667	8 797
March	6 667	16 939
April	6 667	409
May	6 667	1 695
June	6 667	0
	80 000	69 043



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	0
	181 944	132 145





UMGUNGUNDLOVU DISTRICT MUNICIPALITY

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

The preliminary financial results for the period ended 31 MAY 2020 (i.e. 11h 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 31 MAY 2020

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: 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 **MAY 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

Mayor: uMgungundlovu District Municipality

Signature: _____

Date: _____