



This report provides in-year financial information as required by the Municipal Finance Management Act, 56 of 2003

IN-YEAR FINANCIAL REPORT: 31 JANUARY 2020

Submitted in terms of Sections 71 of the MFMA and Section 28 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 December 2009.

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PART 1 – IN-YEAR REPORT

Mayor's Report

The tables indicate the progress made on the implementation of the municipality's budget. Material variances – Monthly budget versus Monthly Actuals for the month of January 2020. Executive summary of risks facing the municipality:

The emerging risks are as follows:

1. Collection rate should be monitored to ensure that it does not decline below the target of 83%, which is currently at 50% year to date. Collection rate for the month of January is 53%.
2. The lower collection rate may require an increase in the impairment provision.
3. Capital spending level should be monitored to ensure at least a 90% spending level is achieved to optimize service delivery. The year to date spending is at 30%. However the capital expenditure on (MIG, WSIG and INEP) is 40%.
4. Spending on Repairs and maintenance must be monitored to ensure assets of council are well maintained to avoid any serious service interruptions. The year to date spending is at 35%.

AUDIT ACTION PLAN- STATUS QUO AS AT 31 JANUARY 2020

Audit Action Plan has been developed and monthly reports on tracking of the progress will be monitored by Management and submitted to the Accounting Officer/Municipal Manager.

The highlights of the Auditor-General findings are as follows:

AUDIT- FINDINGS	MITIGATION STRATEGIES AND INTERNAL CONTROLS
Transfer revenue: Fines, penalties and forfeits	<ul style="list-style-type: none"> • Ducharme (Service Provider)- IGRAP 1- applying the probability test on initial recognition of revenue. The municipality has adopted the principle of IGRAP 1, by recognizing the full amount on initial recognition and subsequently recognized impairment loss. The Umsobomvu Local Municipality (ULM) went as far as 2017/18, 2018/19 and 2019/20 to correct fines errors retrospectively.
Bank Reconciliations	<ul style="list-style-type: none"> • The new version 3.10 for banking system(Bank reconciliations) was release in January 2020 by the System Vendor (Phoenix/Vesta) Financial Management System. The new banking system is not yet operational (bank reconciliation cannot be performed through the system). The monthly bank reconciliations reports are generated manually.
Indigent debtors: Records Management of indigent processes	<ul style="list-style-type: none"> • Compare the number of the Indigent Households uploaded on the Financial system with the Indigent Households register with the Indigent Applications forms on record/files.

	<ul style="list-style-type: none"> • The Indigent households register and records as per FMS are reconciled on the monthly basis.
Performance Information: KPAs & KPIs (effective Performance management system)	<ul style="list-style-type: none"> • Part of shared services function will be to assist municipality to assess the quality of information pertaining the performance information. In short Internal audit function will audit the performance information on the quarterly basis.
Completeness of creditors: effective expenditure management	<ul style="list-style-type: none"> • There is daily cash inflow management; • Sound operational financial management or operational working capital; • Despite cash flow constraints the municipality strives to pay creditors within 30 days after receiving the invoice or statements; • Monthly creditor's reconciliation are performed on the monthly basis; • Creditors or Suppliers invoices are recorded as and when received in the manual register for creditors for proper records management.

RESOLUTION

1. That the report on the financial result for the month of January 2020 of the 2019/2020 financial year as required by Section 71 of Municipal Finance Management Act be noted.

EXECUTIVE SUMMARY

MUNICIPALITY FINANCIAL PERFORMANCE

Section 71 of the MFMA requires that the Accounting Officer of the municipality by no later than 10 working days after the end of each month, submit to the mayor of the municipality a report on municipality's budget and the implementation thereof.

1. Operating Revenue

Operating revenue of **R94.2 million** was realized for the Year to Date and the Budgeted Operating revenue is **R90.2 million**. This equates to **61%** of the annual budgeted operating revenue. The norm for the 7th month should be at **58%**. The operating revenue is slightly above expected norm.

2. Fines, Penalties and Forfeits income

The Fines, Penalties and Forfeits income of **R10,7 million** Year to date(YTD) actual reflect the amount levied not the amount received. The actual amount received for traffic fines is **R3.7 million**(YTD)This equates to **47%** of the annual budgeted fines, penalties and forfeits.

3. Grants Funds

Total operating grants received from National Treasury for the year to date (YTD) is **R32.2 million**. Total capital grants received from National Treasury for the year to date (YTD) is **R27 million**. The unspent grant at the end of the month of January 2020 totaled **R14.2 million**. It must be noted that capital grants received are shown as creditors until the grant has been spent then it will be shown as a transfer to revenue. The spending in the Statement of Financial Performance is **41%**.

4. Operating Expenditure

Operating expenditure year to date (YTD) is **R60.2 million** and the budgeted operating expenditure is **R101.9 million**. This equates to **34%** of the annual budgeted operating expenditure. The norm for the 7th month should be at **58%**. The operating expenditure is below the expected norm.

5. Employee related costs

Employee related costs to date is **R28 million** and the budgeted amount is **R33.7 million**. This equates to **48%** of the annual budgeted employee related costs. The norm for the 7th month should be **58%**. The employee related costs is below the expected norm, due to senior management salary increase has not be effected and other vacant position not filled.

6. Remuneration of councillors

Remuneration of councillors to date is **R2.3 million** and the budgeted amount is **R2.6 million**. This equates to **53%** of the annual budgeted remuneration of councillors. The norm for the 7th month should be **58%**. The remuneration of councillors is below the expected norm due to the upper limit not yet effected.

7. Debt impairment

Debt impairment to date is **R7.3 million** and the budgeted amount is to date is **R6.6 million**. This equates to **65%** of the annual budgeted amount. The norm for the 7th month should be **58%**. The debt impairment is higher the expected norm, the reason is IGRAP application on fines.

8. Depreciation & asset impairment

Depreciation and assets impairment will be addressed at the end of the financial year. The half-year depreciation expenses actual to date **R19,8 million** as calculated from Asset register is and the budgeted amount is **R18,1 million**. This equates to **64%** of the annual budget.

9. Bulk purchases

Bulk purchases to date is **R15 million** and the budgeted amount to date is **R16.3 million**. This equates to **54%** of the annual budgeted amount. The norm for the 7th month should be **58%**. The bulk purchases in not far off but below the expected norm due to the fact that bulk purchases include water purchases from the Water affairs.

10. Other expenditure

Other expenditure to date **R14.3 million** and the budgeted amount to date is **R23.8 million**. This equates to **35%** of the annual budgeted amount. The norm for the 7th month should be **58%**. Other expenditure is below the expected norm due to effective cost containment measures.

11. Contracted Services

The expenditure on the contracted services is **R476 000** year to date (YTD) and is relatively low at **37%** of the budgeted amount.

12. Repairs and Maintenance

The repairs and maintenance expenditure to date is **R1.7 million** and is relatively low at **35%** of the budgeted amount.

13. Finance Charges

Finance cost is usually consisting of interest on loan, interest on bank overdraft and interest on overdue accounts. Year to date the municipality did incur any finance cost.

In-year budget statement tables

Tables C1 to C7 attached at the end of this report.

NC072 Umsobomvu - 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	10 119	11 726	-	594	8 825	6 840	1 985	29%	-
Service charges	53 125	67 662	-	10 735	44 867	39 447	5 420	14%	-
Investment revenue	142	570	-	11	712	333	379	114%	-
Transfers and subsidies	66 234	53 501	-	-	31 931	31 209	722	2%	-
Other own revenue	8 970	21 144	-	10 973	15 874	12 357	3 517	28%	-
Total Revenue (excluding capital transfers and contributions)	138 590	154 602	-	22 314	102 208	90 185	12 023	13%	-
Employee costs	42 388	57 790	-	4 338	28 009	33 711	(5 702)	-17%	-
Remuneration of Councillors	4 047	4 398	-	333	2 335	2 565	(231)	-9%	-
Depreciation & asset impairment	33 489	31 139	-	2 826	19 780	18 164	1 616	9%	-
Finance charges	4 660	-	-	-	-	-	-	-	-
Materials and bulk purchases	24 284	27 891	-	2 251	14 986	16 270	(1 283)	-8%	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	34 921	53 432	-	2 996	22 190	31 169	(8 978)	-29%	-
Total Expenditure	143 790	174 649	-	12 743	87 300	101 879	(14 578)	-14%	-
Surplus/(Deficit)	(5 199)	(20 047)	-	9 570	14 908	(11 694)	26 602	-227%	-
Transfers and subsidies - capital (monetary alloc	-	38 353	-	-	27 272	22 372	4 900	22%	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(5 199)	18 306	-	9 570	42 180	10 679	31 501	295%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(5 199)	18 306	-	9 570	42 180	10 679	31 501	295%	-
Capital expenditure & funds sources									
Capital expenditure	14 720	41 236	37 236	87	11 145	24 054	(12 910)	-54%	-
Capital transfers recognised	-	38 353	-	-	8 494	22 372	(13 878)	-62%	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	2 883	-	87	587	1 682	(1 095)	-65%	-
Total sources of capital funds	-	41 236	-	87	9 081	24 054	(14 973)	-62%	-
Financial position									
Total current assets	53 988	67 908	-	-	63 358	-	-	-	-
Total non current assets	520 701	592 842	-	-	520 700	-	-	-	-
Total current liabilities	54 775	18 623	-	-	10 263	-	-	-	-
Total non current liabilities	49 294	17 982	-	-	1 794	-	-	-	-
Community wealth/Equity	470 620	624 144	-	-	572 002	-	-	-	-
Cash flows									
Net cash from (used) operating	14 940	50 248	-	(6 059)	18 876	29 311	10 436	36%	-
Net cash from (used) investing	-	(41 236)	-	(87)	(13 747)	(24 054)	(10 307)	43%	-
Net cash from (used) financing	-	135	-	-	85	79	(6)	-7%	-
Cash/cash equivalents at the month/year end	14 940	24 053	-	-	9 568	20 242	10 673	53%	4 355
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	7 713	7 824	3 926	3 970	3 321	3 278	20 574	155 304	205 909
Creditors Age Analysis									
Total Creditors	2 615	111	922	1 221	1 221	1 221	1 221	1 645	10 178

NC072 Umsobomvu - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

Description	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	1									
Revenue - Functional										
<i>Governance and administration</i>		57 749	70 809	-	1 698	42 642	41 305	1 337	3%	-
Executive and council		44 820	49 894	-	25	29 364	29 105	259	1%	-
Finance and administration		12 929	20 914	-	1 673	13 278	12 200	1 078	9%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 565	12 086	-	400	3 833	7 050	(3 217)	-46%	-
Community and social services		1 513	1 519	-	3	758	886	(128)	-14%	-
Sport and recreation		52	77	-	5	29	45	(16)	-36%	-
Public safety		-	10 490	-	392	3 047	6 119	(3 073)	-50%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8 560	2 709	-	8	310	1 580	(1 270)	-80%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8 560	2 709	-	8	310	1 580	(1 270)	-80%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		70 716	107 351	-	13 533	74 664	62 622	12 043	19%	-
Energy sources		28 977	49 128	-	7 649	34 079	28 658	5 421	19%	-
Water management		23 360	25 759	-	2 837	19 380	15 026	4 354	29%	-
Waste water management		12 800	25 750	-	1 807	15 891	15 021	870	6%	-
Waste management		5 579	6 715	-	1 241	5 315	3 917	1 398	36%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	138 590	192 955	-	15 638	121 450	112 557	8 893	8%	-
Expenditure - Functional										
<i>Governance and administration</i>		42 568	54 251	-	3 336	21 732	31 646	(9 914)	-31%	-
Executive and council		17 194	19 041	-	958	8 701	11 107	(2 406)	-22%	-
Finance and administration		25 374	35 210	-	2 377	13 031	20 539	(7 509)	-37%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		6 717	18 045	-	982	6 926	10 526	(3 600)	-34%	-
Community and social services		3 273	3 770	-	280	1 797	2 199	(402)	-18%	-
Sport and recreation		2 642	3 397	-	337	1 731	1 982	(251)	-13%	-
Public safety		-	9 363	-	300	2 881	5 462	(2 581)	-47%	-
Housing		802	1 515	-	66	517	884	(366)	-41%	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10 238	15 640	-	892	4 291	9 123	(4 832)	-53%	-
Planning and development		-	265	-	-	-	155	(155)	-100%	-
Road transport		10 238	15 374	-	892	4 291	8 968	(4 677)	-52%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		84 266	86 714	-	4 708	27 235	50 583	(23 348)	-46%	-
Energy sources		26 985	32 180	-	2 434	16 867	18 771	(1 904)	-10%	-
Water management		13 712	32 501	-	1 353	6 326	18 959	(12 633)	-67%	-
Waste water management		35 753	12 931	-	560	2 641	7 543	(4 902)	-65%	-
Waste management		7 816	9 102	-	362	1 401	5 310	(3 908)	-74%	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	143 790	174 649	-	9 918	60 184	101 879	(41 695)	-41%	-
Surplus/ (Deficit) for the year		(5 199)	18 306	-	5 721	61 266	10 678	50 588	474%	-

NC072 Umsobomvu - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

Vote Description	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										
Revenue by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		44 820	49 894	-	25	29 364	29 105	259	0,9%	-
Vote 2 - FINANCE & ADMIN		12 929	20 914	-	1 673	13 278	12 200	1 078	8,8%	-
Vote 3 - COMMUNITY SERVICES		1 565	12 086	-	400	3 833	7 050	(3 217)	-45,6%	-
Vote 4 - TECHNICAL SERVICES		79 276	110 060	-	13 541	74 974	64 202	10 773	16,8%	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	138 590	192 955	-	15 638	121 450	112 557	8 893	7,9%	-
Expenditure by Vote	1									
Vote 1 - EXECUTIVE & COUNCIL		17 194	19 041	-	958	8 701	11 107	(2 406)	-21,7%	-
Vote 2 - FINANCE & ADMIN		25 374	35 210	-	2 377	13 031	20 539	(7 509)	-36,6%	-
Vote 3 - COMMUNITY SERVICES		6 717	18 310	-	982	6 926	10 681	(3 755)	-35,2%	-
Vote 4 - TECHNICAL SERVICES		94 504	102 088	-	5 600	31 526	59 552	(28 025)	-47,1%	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	143 790	174 649	-	9 918	60 184	101 879	(41 695)	-40,9%	-
Surplus/ (Deficit) for the year	2	(5 199)	18 306	-	5 721	61 266	10 678	50 588	473,7%	-

NC072 Umsobomvu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	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										
Revenue By Source										
Property rates		10 119	11 726		594	8 825	6 840	1 985	29%	
Service charges - electricity revenue		25 942	38 254		4 851	21 278	22 292	(1 015)	-5%	
Service charges - water revenue		13 246	14 108		2 837	10 544	8 230	2 314	28%	
Service charges - sanitation revenue		10 755	8 956		1 807	7 730	5 225	2 505	48%	
Service charges - refuse revenue		3 182	6 343		1 241	5 315	3 700	1 615	44%	
Rental of facilities and equipment		155	351		8	75	205	(130)	-63%	
Interest earned - external investments		142	570		11	712	333	379	114%	
Interest earned - outstanding debtors			3 345		2 797	2 797	1 951	846	43%	
Dividends received								-		
Fines, penalties and forfeits		6 139	7 743		8 030	10 699	4 517	6 182	137%	
Licences and permits			2 644		43	379	1 543	(1 163)	-75%	
Agency services		1 335	359		-	-	209	(209)	-100%	
Transfers and subsidies		66 234	53 501		-	31 931	31 209	722	2%	
Other revenue		1 342	6 701		95	1 923	3 931	(2 008)	-51%	
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		138 590	154 602	-	22 314	102 208	90 185	12 023	13%	-
Expenditure By Type										
Employee related costs		42 388	57 790		4 338	28 009	33 711	(5 702)	-17%	
Remuneration of councillors		4 047	4 398		333	2 335	2 565	(231)	-9%	
Debt impairment		6 401	11 388		52	7 391	6 643	748	11%	
Depreciation & asset impairment		33 489	31 139		2 826	19 780	18 164	1 616	9%	
Finance charges		4 660						-		
Bulk purchases		24 284	27 891		2 251	14 986	16 270	(1 283)	-8%	
Other materials								-		
Contracted services		7 950	1 274		46	476	743	(267)	-36%	
Transfers and subsidies			-					-		
Other expenditure		20 571	40 750		2 898	14 323	23 771	(9 448)	-40%	
Loss on disposal of PPE			20				12	(12)	-100%	
Total Expenditure		143 790	174 649	-	12 743	87 300	101 879	(14 578)	-14%	-
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(5 199)	(20 047)	-	9 570	14 908	(11 694)	26 602	(0)	-
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			38 353		-	27 272	22 372	4 900	0	
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		(5 199)	18 306	-	9 570	42 180	10 679			-
Taxation								-		
Surplus/(Deficit) after taxation		(5 199)	18 306	-	9 570	42 180	10 679			-
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(5 199)	18 306	-	9 570	42 180	10 679			-
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(5 199)	18 306	-	9 570	42 180	10 679			-

NC072 Umsobomvu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07
January

Vote Description	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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		1 000	1 783	-	87	577	930	(354)	-38%	-
Vote 3 - COMMUNITY SERVICES		186	1 100	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		17 526	38 353	-	-	13 399	22 372	(8 973)	-40%	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4.7	18 712	41 236	-	87	13 976	23 303	(9 327)	-40%	-
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - FINANCE & ADMIN		-	-	-	-	-	110	(110)	-100%	-
Vote 3 - COMMUNITY SERVICES		-	-	-	-	-	642	(642)	-100%	-
Vote 4 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	-	-	-	-	752	(752)	-100%	-
Total Capital Expenditure		18 712	41 236	-	87	13 976	24 054	(10 079)	-42%	-
Capital Expenditure - Functional Classification										
Governance and administration		1 000	1 783	-	87	577	1 040	(463)	-45%	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1 000	1 783	-	87	577	1 040	(463)	-45%	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		186	1 100	-	-	10	642	(632)	-98%	-
Community and social services		186	1 050	-	-	10	613	(602)	-98%	-
Sport and recreation		-	50	-	-	-	29	(29)	-100%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	2 617	-	-	147	1 527	(1 379)	-90%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	2 617	-	-	147	1 527	(1 379)	-90%	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		17 526	35 736	-	-	13 242	20 846	(7 604)	-36%	-
Energy sources		3 000	10 000	-	-	1 005	5 833	(4 828)	-83%	-
Water management		8 026	9 416	-	-	6 031	5 492	539	10%	-
Waste water management		6 500	16 320	-	-	6 205	9 520	(3 315)	-35%	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	18 712	41 236	-	87	13 976	24 054	(10 079)	-42%	-
Funded by:										
National Government		18 526	38 353	-	-	13 389	22 372	(8 984)	-40%	-
Provincial Government		186	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		18 712	38 353	-	-	13 389	22 372	(8 984)	-40%	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	2 883	-	87	587	1 682	(1 095)	-65%	-
Total Capital Funding		18 712	41 236	-	87	13 976	24 054	(10 079)	-42%	-

NC072 Umsobomvu - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		4 355	23 629		8 329	
Call investment deposits		-	2 088		4 027	
Consumer debtors		38 685	38 768		50 605	
Other debtors		10 550	2 958		-	
Current portion of long-term receivables		-			-	
Inventory		398	465		398	
Total current assets		53 988	67 908	-	63 358	-
Non current assets						
Long-term receivables		-			-	
Investments		-			-	
Investment property		2 061	2 061		2 061	
Investments in Associate		-			-	
Property, plant and equipment		518 517	584 190		518 517	
Biological		-			-	
Intangible		122	6 591		122	
Other non-current assets		0			-	
Total non current assets		520 701	592 842	-	520 700	-
TOTAL ASSETS		574 689	660 750	-	584 059	-
LIABILITIES						
Current liabilities						
Bank overdraft		-			-	
Borrowing		-			-	
Consumer deposits		820	1 186		85	
Trade and other payables		53 956	16 081		10 178	
Provisions		-	1 357		-	
Total current liabilities		54 775	18 623	-	10 263	-
Non current liabilities						
Borrowing		1 794	-		1 794	
Provisions		47 500	17 982		-	
Total non current liabilities		49 294	17 982	-	1 794	-
TOTAL LIABILITIES		104 069	36 606	-	12 057	-
NET ASSETS	2	470 620	624 144	-	572 002	-
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		470 620	624 144		504 614	
Reserves		-	-		67 388	
TOTAL COMMUNITY WEALTH/EQUITY	2	470 620	624 144	-	572 002	-

NC072 Umsobomvu - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		5 884	9 381		594	3 889	5 472	(1 583)	-29%	
Service charges		38 099	52 361		2 537	19 154	30 544	(11 390)	-37%	
Other revenue		142	15 923		27	5 047	9 288	(4 242)	-46%	
Government - operating		47 522	53 501		-	32 211	31 209	1 002	3%	
Government - capital		25 324	38 353		-	26 991	22 372	4 619	21%	
Interest			2 978		78	58	1 737	(1 679)	-97%	
Dividends								-		
Payments										
Suppliers and employees		(102 033)	(122 249)		(9 295)	(69 713)	(71 312)	(1 599)	2%	
Finance charges		-	-		-	-	-	-		
Transfers and Grants		-	-		-	-	-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		14 940	50 248	-	(6 059)	17 637	29 311	11 674	40%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets			(41 236)		(87)	(13 747)	(24 054)	(10 307)	43%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(41 236)	-	(87)	(13 747)	(24 054)	(10 307)	43%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits			135		-	85	79	6	7%	
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	135	-	-	85	79	(6)	-7%	-
NET INCREASE/ (DECREASE) IN CASH HELD										
		14 940	9 147	-	(6 145)	3 974	5 335			-
Cash/cash equivalents at beginning:			14 906			4 355	14 906			4 355
Cash/cash equivalents at month/year end:		14 940	24 053	-		8 329	20 242			4 355

PART 2-SUPPORTING DOCUMENTATION

Debtors' analysis

Collection rate	Budgeted	95%
	Month	Year To Date
Collection Rate	86%	53%
Debt Impairment	R11 387 767	R54 710
Provision for bad debts	R1 356 898	R0

NC072 Umsobomvu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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	1 725	1 771	1 023	1 200	938	1 042	6 049	58 141	71 890	67 371	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2 102	2 360	1 036	1 019	725	611	3 260	7 013	18 127	12 628	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	831	731	485	425	396	377	3 793	13 868	20 906	18 859	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	967	919	786	735	693	675	3 914	28 884	37 574	34 902	-	-
Receivables from Exchange Transactions - Waste Management	1600	681	636	584	569	559	562	3 422	32 828	39 841	37 939	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	8	8	8	15	8	8	22	3 231	3 308	3 283	-	-
Interest on Arrear Debtor Accounts	1810	1 399	1 398	0	0	-	-	0	10 755	13 552	10 755	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	1	2	6	2	3	114	583	711	708	-	-
Total By Income Source	2000	7 713	7 824	3 926	3 970	3 321	3 278	20 574	155 304	205 909	186 446	-	-
2019/20 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	952	-	-	-	-	-	-	-	952	-	-	-
Commercial	2300	1 048	69	41	55	49	46	133	124	1 565	407	-	-
Households	2400	5 713	7 671	3 837	3 860	3 225	3 190	20 206	154 511	202 214	184 992	-	-
Other	2500	-	84	47	55	46	42	235	669	1 178	1 047	-	-
Total By Customer Group	2600	7 713	7 824	3 926	3 970	3 321	3 278	20 574	155 304	205 909	186 446	-	-

The increased debtors result primarily from the year-on-year increase in billings from increased tariffs at the start of the new financial year. Also a contributing factor are the increased of unemployment as more household applied for indigent support during the annual review process.

Summary of Indigent Households:

<i>Period</i>	<i>Number of indigent household registered and captured into the FMS</i>
JULY 2019	1750
AUGUST 2019	1750
SEPTEMBER 2019	1750
OCTOBER 2019	1750
NOVEMBER 2019	1810
DECEMBER 2019	1810
JANUARY 2020	1810

COUNCILLORS' ACCOUNTS JANUARY 2020						TOTAL TO BE DEDUCTED
NO	NAME	ADDRESS	ACC. NO	ACC. OWNER		
156	46	BATTIES N	66 EDWINA STREET	802003	OWNER	R750
157	46	BATTIES N	66 EDWINA STREET	7021100	OWNER	R750
155	42	HARMSE VP	7 CAROL STREET	72111	TENANT	R377,77
103	035	HUMPRIES E	21 AFFODIL STREET	7142	OWNER	R463,46
163	41	KAFI MR	1518 BLOK G	1001518	TENANT	R397,07
152	43	MINNIE W	21 CLAASEN STREET	30001626	OWNER	R 465.89
42	74	SESTILE MA	406 P MTYOBILE STR	30004619	OWNER	R 435.69
164	45	STAFAN D	110 A BLOK A	2000109	TENANT	R887
40	1413	TOTO MS	10 ANDRIES BOTHA	3000729	OWNER	R 597.57
154	50	WILLIAMS MJ	3503 NEWOUBOX	1003503	OWNER	R 511.48

The summary of Umsobomvu staff accounts resulted in the amount of R34 441, 81 as a deduction for the month of January 2020.

NC072 Umsobomvu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	NT Code	Budget Year 2020/21									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	2 504	-	-	-	-	-	-	-	-	2 504	
Bulk Water	0200	58	58	58	256	256	256	256	679	1 876		
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	53	53	864	966	966	966	966	966	5 799		
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	2 615	111	922	1 221	1 221	1 221	1 221	1 645	10 178	-	

Supporting Table SC4 reflects current creditors at the end of January 2020. The payment of creditors is not always within 30 days as required by section 64 of the MFMA.

Investment portfolio analyses

Investment as from January 2020 is as follow:

NC072 Umsobomvu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
ABSA - 9355227534		6 MONTHS	NOTICE		FIXED	7,5	0	0	30/06/2020	10 000	27	(6 000)	-	4 027
														-
														-
														-
														-
														-
Municipality sub-total										10 000		(6 000)	-	4 027
Entities														
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									10 000		(6 000)	-	4 027

SUPPLY CHAIN MANAGEMENT REPORT AS PER REGULATION 6 (Oversight role of council of municipality):

- 1) The council of a municipality must maintain oversight over the implementation of its supply chain management policy.

- 2) For the purpose of such oversight the accounting officer must-
 - (a) (i) in the case of the municipality , within 30 days of the end of each financial year, submit a report on implementation of supply chain management policy of the municipality and of any municipal entity under its sole or shared control, to the council of the municipality:
- 3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.
- 4) The reports of a municipality must be made public in accordance with section 21A of the Municipal Systems Act.

Jan-20

TABLE 1: ACTUAL AGAINST THE PLAN

No	Project Description	Name of Supplier	Bid Number / Quotation Number	Actual value of Contract	Method of Procurement	Bid advert date	Bid closing date	evaluation start date	evaluation end date	BAC submission date	Award date	contract start date	Contract expiry date
1	Cleaning of sewer pump stations sumps and	Manyoni and Gija investments		110 400,00	7 days notice	8/11/2019	19/11/2019				20/12/2019		
2	Supply & delivery of 4 i7 laptops + 3 case bags &	Dekatshe Consulting	SCMQ:01/2020	99 726,38	7 days notice	15/01/2020	21/1/2020				28/01/2020	N	N
3	Supply & delivery of protective clothing	Johan Sibiyi Publishing & music promotion	no 30/10/2019	125 858,88	7 days notice		8/11/2019				21/01/2020		
4	Supply and Delivery of Crusher Stones	Mchiliteri Murekop Group	SCM03/01/2020	31 671,69	7 days notice		23/01/2020				29/01/2020		

TABLE 2: APPOINTMENTS THROUGH DEVIATIONS

No	Project Description	Name of Supplier	Actual Value of Contract	Reason for the Deviation	Award Date	Contract start date	Contract expiry
1	Training fee for Technical officials	AMEU	15 000	Sole provider	20/12/2019		
2	Sanitation material	Kevcor	24 297,89	Exceptional cases	08/01/2020		
3	meerpak Envelopes	NRG	15 930,00	Sole provider	01/2020		
4	SERVICE BSF 239NC	Oranje Toyota	13 371,90	Exceptional cases: Service	15/01/2020		
5	Strip & repairs: BSF 221NC	LJ Fourie	14 448,03	Exceptional cases: Strip & repairs	13/01/2020		
6	Strip & Repairs: BSF 228NC	LJ Fourie	13 032,95	Exceptional cases: Strip & repairs	13/01/2020		
7	3 quotes obtained award to the 2nd higher accom near to	Fancy yellow	24 750,00	Exceptional cases: Nearest place to training facilities	17/01/2020		
8	Technical services : Water services network material	Incedon	15 984,01	Exceptional cases: Only 2 Suppliers submitted quotes	08/01/2020		
9	Cleaning material	C & S Suppliers	22 279,00	3 quotes obtained third quote do not have all items on stock	13/01/2020		
10	UD Truck parts BSF217NC	Merino Onderdele BK	18 750,00	Sole provider: Only spares in town ordering vehicle parts	16/01/2020		
11	Repairs	Barloworld	22 461,61	Sole provider: Machinery	01/2020		
12	Strip and repairs BSF 233NC	Oranje Toyota Bloemfontein	37 692,15	Exceptional cases	28/01/2020		
14	Major service TLB	Komatsu SA	30 819,99	Sole provider			
		total	268 817,53				

NC072 Umsobomvu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January

Description	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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	52 022	-	98	31 474	30 346	359	1,2%	-
Local Government Equitable Share			49 477		-	29 221	28 862	359	1,2%	
Finance Management			1 970		-	1 970	1 149			
MIG ADMIN - PMU			575		98	283	335			
EPWP Incentive										
Municipal Systems Improvement										
Integrated National Electrification Programme	3							-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	1 479	-	-	740	863	(123)	-14,3%	-
Sport and Recreation			1 479		-	740	863	(123)	-14,3%	
Other transfers and grants [insert description]	4							-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total Operating Transfers and Grants	5	-	53 501	-	98	32 214	31 209	236	0,8%	-
Capital Transfers and Grants										
National Government:		-	38 353	-	-	27 272	22 372	2 092	9,4%	-
Municipal Infrastructure Grant (MIG)			10 916		-	8 831	6 367	2 464	38,7%	
Integrated National Electrification Programme			10 000		-	10 000	5 833			
Water Services Operating Subsidy			16 320		-	8 161	9 520			
Electricity Efficiency Demand Grant					-					
Regional Bulk Infrastructure					-					
EPWP Incentive			1 117		-	280	652	(372)	-57,0%	
Other capital transfers [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total Capital Transfers and Grants	5	-	38 353	-	-	27 272	22 372	2 092	9,4%	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	91 853	-	98	59 486	53 581	2 328	4,3%	-

Figure

Grant receipts and expenditures are monitored according to the payment schedules.

Supporting Table SC7(1) – Grant expenditure

NC072 Umsobomvu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

Description	Ref	2019/20	Budget Year 2020/21							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	53 139	-	106	29 841	29 940	(99)	-0,3%	-
Local Government Equitable Share			49 477		-	29 221	28 862	359	1,2%	
Finance Management			1 970		106	476	743	(267)	-35,9%	
MIG ADMIN - PMU			575		-	-	335	(335)	-100,0%	
EPWP Incentive			1 117			144		144	#DIV/0!	
Municipal Systems Improvement								-		
Integrated National Electrification Programme								-		
Other transfers and grants [insert description]								-		
Provincial Government:		-	1 479	-	170	1 008	1 308	(299)	-22,9%	-
Sport and Recreation			1 479		170	1 008	1 308	(299)	-22,9%	
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total operating expenditure of Transfers and Grants:		-	54 618	-	276	30 850	31 248	(398)	-1,3%	-
Capital expenditure of Transfers and Grants										
National Government:		-	37 236	-	-	13 241	22 372	(9 131)	-40,8%	-
Municipal Infrastructure Grant (MIG)			10 916		-	6 031	6 367	(336)	-5,3%	
EPWP Incentive			10 000		-	1 005	5 833	(4 828)	-82,8%	
			16 320		-	6 205	9 520	(3 315)	-34,8%	
								-		
Other capital transfers [insert description]			-		-	-	652	(652)	-100,0%	
Provincial Government:		-	-	-	-	-	-	-		-
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
Total capital expenditure of Transfers and Grants		-	37 236	-	-	13 241	22 372	(9 131)	-40,8%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	91 853	-	276	44 091	53 620	(9 529)	-17,8%	-

Supporting Table SC7(2) – Expenditure against approved rollovers

NC072 Umsobomvu - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M07 January

Description	Ref	Budget Year 2020/21				
		Approved Rollover 2019/20	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Local Government Equitable Share					-	
Finance Management					-	
MIG ADMIN - PMU					-	
EPWP Incentive					-	
Municipal Systems Improvement					-	
Integrated National Electrification Programme					-	
Other transfers and grants [insert description]					-	
Provincial Government:		-	-	-	-	
Sport and Recreation					-	
					-	
					-	
Other transfers and grants [insert description]					-	
District Municipality:		-	-	-	-	
[insert description]					-	
Other grant providers:		-	-	-	-	
[insert description]					-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Municipal Infrastructure Grant (MIG)					-	
EPWP Incentive					-	
					-	
Other capital transfers [insert description]					-	
Provincial Government:		-	-	-	-	
					-	
District Municipality:		-	-	-	-	
					-	
Other grant providers:		-	-	-	-	
					-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	

In terms of section 66 of MFMA- Expenditure on staff benefits:

The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure namely-

- a) salaries and wages.**
- b) contributions for pensions and medical aid.**
- c) travel , motor car , accommodation, subsistence and other allowances .**
- d) housing benefits and allowances.**
- e) overtime payments.**
- f) loans and advances: and**
- g) any other type of benefit or allowance related to staff.**

Expenditure on councillor allowances and employee benefits:

NC072 Umsobomvu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	Ref	Budget Year 2020/21								
		2019/20 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)	1									
Basic Salaries and Wages		3 251	3 639		333	2 335	2 123	212	10%	
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Motor Vehicle Allowance			202		-	-	118	(118)	-100%	
Cellphone Allowance			557		-	-	325	(325)	-100%	
Housing Allowances								-		
Other benefits and allowances		796						-		
Sub Total - Councillors		4 047	4 398	-	333	2 335	2 565	(231)	-9%	-
% increase	4		8,7%							
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 100	5 400		358	2 505	3 150	(645)	-20%	5 654
Pension and UIF Contributions		7						-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus		599	847		415	415	494	(79)	-16%	909
Motor Vehicle Allowance		500	648		32	193	378	(185)	-49%	571
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Senior Managers of Municipality		5 207	6 895	-	805	3 113	4 022	(909)	-23%	7 135
% increase	4		32,4%							37,0%
Other Municipal Staff										
Basic Salaries and Wages		32 355	36 431		2 804	18 567	21 252	(2 685)	-13%	39 818
Pension and UIF Contributions		4 573	6 524		436	3 075	3 806	(730)	-19%	6 881
Medical Aid Contributions		930	1 288		74	532	751	(219)	-29%	1 283
Overtime		1 944	2 167		347	1 432	1 264	168	13%	2 696
Performance Bonus		3 127	858		-	-	501	(501)	-100%	501
Motor Vehicle Allowance			55		-	-	32	(32)	-100%	32
Cellphone Allowance								-		
Housing Allowances		434	408		26	181	238	(57)	-24%	419
Other benefits and allowances		285	844		39	273	492	(219)	-45%	766
Payments in lieu of leave		-	1 670		224	1 134	974	159	16%	2 108
Long service awards		1 101						-		
Post-retirement benefit obligations			649		-	117	378	(261)	-69%	495
Sub Total - Other Municipal Staff		44 749	50 895	-	3 949	25 311	29 689	(4 378)	-15%	54 999
% increase	4		13,7%							22,9%
Total Parent Municipality		54 003	62 188	-	5 086	30 759	36 276	(5 517)	-15%	62 134
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages								-		
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Board Fees								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Board Members of Entities	2	-	-	-	-	-	-	-		-
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages								-		
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Senior Managers of Entities	2	-	-	-	-	-	-	-		-
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages								-		
Pension and UIF Contributions								-		
Medical Aid Contributions								-		
Overtime								-		
Performance Bonus								-		
Motor Vehicle Allowance								-		
Cellphone Allowance								-		
Housing Allowances								-		
Other benefits and allowances								-		
Payments in lieu of leave								-		
Long service awards								-		
Post-retirement benefit obligations								-		
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-		-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-		-
TOTAL SALARY, ALLOWANCES & BENEFITS		54 003	62 188	-	5 086	30 759	36 276	(5 517)	-15%	62 134
% increase	4		15,2%							15,1%
TOTAL MANAGERS AND STAFF		49 956	57 790	-	4 754	28 424	33 711	(5 287)	-16%	62 134

Financial Performance Supporting Table SC2

NC072 Umsobomvu - Supporting Table SC2 Monthly Budget Statement - performance indicators - M07 January

Description of financial indicator	Basis of calculation	Ref	2019/20	Budget Year 2020/21			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		3,2%	17,8%	0,0%	0,0%	0,0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		11,8%	2,6%	0,0%	2,1%	0,0%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	2,7%	0,0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	98,6%	364,6%	0,0%	617,3%	0,0%
Liquidity Ratio	Monetary Assets/Current Liabilities		8,0%	138,1%	0,0%	120,4%	0,0%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		35,5%	27,0%	0,0%	53,7%	0,0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		30,6%	37,4%	0,0%	29,7%	0,0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0,0%	0,0%	0,0%	0,0%	0,0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		27,5%	20,1%	0,0%	0,0%	0,0%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

Calculations			
Borrowing	1 794		1 794
Total Assets	574 689	660 750	584 059
Employee related costs	42 388	57 790	28 009
Repairs & Maintenance			
Interest (finance charges)	4 660		
Principal paid			
Depreciation	33 489	31 139	
Operating expenditure	143 790	174 649	60 184
Total Capital Expenditure	14 720	41 236	9 081
Borrowed funding for capital			
Debt	55 749	16 081	11 972
Equity	470 620	624 144	572 002
Reserves			67 388
Borrowing	1 794		1 794
Current assets	53 988	67 908	63 358
Current liabilities	54 775	18 623	10 263
Monetary assets	4 355	25 717	12 355
Total Revenue (excluding capital transfers and contributions)	138 590	154 602	94 178
Transfers and subsidies	66 234	53 501	31 931
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		38 353	27 272
Debt service payments		2 978	
Outstanding debtors (receivables)	49 235	41 726	50 605
Annual services revenue	53 125	67 662	44 867
Cash + investments	4 355	25 717	12 355
Fixed operational expend. (monthly)			
Longstanding debtors outstanding			
Longstanding debtors recovered			
Attorney collections			

NC072 Umsobomvu - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	2 110	3 197		3 659	3 659	3 197	(462)	-14,5%	10%
August	2 110	3 196		1 346	5 006	6 393	1 387	21,7%	13%
September	2 110	3 196		2 056	7 062	9 589	2 527	26,4%	18%
October	2 110	3 196		400	7 462	12 785	5 323	41,6%	19%
November	2 110	3 196		3 859	11 321	15 981	4 660	29,2%	30%
December	2 110	3 196		1 386	12 707	19 177	6 470	33,7%	33%
January	2 110	3 196				22 373	-		
February	2 110	3 196				25 569	-		
March	2 110	3 196				28 765	-		
April	2 110	3 196				31 961	-		
May	2 110	3 196				35 157	-		
June	2 110	3 196				38 353	-		
Total Capital expenditure	25 320	38 353	-	12 707					

NC072 Umsobomvu - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January

Description	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	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure										
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets			640			10	374	363	97,2%	
Community Facilities			640			10	374	363	97,2%	
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria			640			10	374	363	97,2%	
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Abolition Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage Assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other assets										
Operational Buildings										
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets			1 633		87	577	953	376	39,5%	
Services			1 633		87	577	953	376	39,5%	
Licences and Rights										
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications			1 633		87	577	953	376	39,5%	
Load Settlement Software Applications										
Unspecified										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment										
Furniture and Office Equipment										
Machinery and Equipment			200				117	117	100,0%	
Machinery and Equipment			200				117	117	100,0%	
Transport Assets			410				239	239	100,0%	
Transport Assets			410				239	239	100,0%	
Land										
Land										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1		2 883		87	587	1 682	1 095	65,1%	

NC072 Umsobomvu - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M07 January

Description	Ref	2019/20				Budget Year 2020/21			YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YearTD budget			
R thousands	1										
Depreciation by Asset Class/Sub-class											
Infrastructure			28 351				16 538	16 538	100,0%		
Roads Infrastructure			6 743				3 933	3 933	100,0%		
Roads			6 743				3 933	3 933	100,0%		
Road Structures											
Road Furniture											
Capital Spares											
Storm water Infrastructure			51				30	30	100,0%		
Drainage Collection											
Storm water Conveyance			51				30	30	100,0%		
Attenuation											
Electrical Infrastructure			1 332				777	777	100,0%		
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors			1 332				777	777	100,0%		
MV Substations											
MV Switching Stations											
MV Networks											
LV Networks											
Capital Spares											
Water Supply Infrastructure			16 133				9 411	9 411	100,0%		
Dams and Weirs											
Boreholes											
Reservoirs											
Pump Stations											
Water Treatment Works			3 210				1 873	1 873	100,0%		
Bulk Mains											
Distribution			12 923				7 538	7 538	100,0%		
Distribution Points											
PRV Stations											
Capital Spares											
Sanitation Infrastructure			3 987				2 325	2 325	100,0%		
Pump Station											
Reticulation			3 987				2 325	2 325	100,0%		
Waste Water Treatment Works											
Outfall Sewers											
Toilet Facilities											
Capital Spares											
Solid Waste Infrastructure			106				62	62	100,0%		
Landfill Sites			106				62	62	100,0%		
Waste Transfer Stations											
Waste Processing Facilities											
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											
Rail Infrastructure											
Rail Lines											
Rail Structures											
Rail Furniture											
Drainage Collection											
Storm water Conveyance											
Attenuation											
MV Substations											
LV Networks											
Capital Spares											
Coastal Infrastructure											
Sand Pumps											
Piers											
Revetments											
Promenades											
Capital Spares											
Information and Communication Infrastructure											
Data Centres											
Core Layers											
Distribution Layers											
Capital Spares											
Community Assets			354				207	207	100,0%		
Community Facilities			354				207	207	100,0%		
Halls			265				155	155	100,0%		
Centres											
Crèches			25				15	15	100,0%		
Clinics/Care Centres											
Fire/Ambulance Stations											
Testing Stations			26				15	15	100,0%		
Museums			6				3	3	100,0%		
Galleries											
Theatres											
Libraries			29				17	17	100,0%		
Cemeteries/Crematoria											
Police											
Parks			3				2	2	100,0%		
Public Open Space											
Nature Reserves											
Public Ablution Facilities											
Markets											
Stalls											
Abattoirs											
Airports											
Taxi Ranks/Bus Terminals											
Capital Spares											
Sport and Recreation Facilities											
Indoor Facilities											
Outdoor Facilities											
Capital Spares											
Heritage assets											
Monuments											
Historic Buildings											
Works of Art											
Conservation Areas											
Other Heritage											
Investment properties											
Revenue Generating											
Improved Property											
Unimproved Property											
Non-revenue Generating											
Improved Property											
Unimproved Property											
Other assets			31				18	18	100,0%		
Operational Buildings			31				18	18	100,0%		
Municipal Offices											
Pay/Enquiry Points											
Building Plan Offices			31				18	18	100,0%		
Workshops											
Yards											
Stores											
Laboratories											
Training Centres											
Manufacturing Plant											
Depots											
Capital Spares											
Housing											
Staff Housing											
Social Housing											
Capital Spares											
Biological or Cultivated Assets											
Biological or Cultivated Assets											
Intangible Assets			62				36	36	100,0%		
Servitudes											
Licences and Rights			62				36	36	100,0%		
Water Rights											
Effluent Licenses											
Solid Waste Licenses											
Computer Software and Applications			62				36	36	100,0%		
Load Settlement Software Applications											
Unspecified											
Computer Equipment			503				294	294	100,0%		
Computer Equipment			503				294	294	100,0%		
Furniture and Office Equipment			456				266	266	100,0%		
Furniture and Office Equipment			456				266	266	100,0%		
Machinery and Equipment			480				280	280	100,0%		
Machinery and Equipment			480				280	280	100,0%		
Transport Assets			901				526	526	100,0%		
Transport Assets			901				526	526	100,0%		
Land											
Land											
Zoo's, Marine and Non-biological Animals											
Zoo's, Marine and Non-biological Animals											
Total Depreciation	1		31 139				18 164	18 164	100,0%		

**MUNICIPAL MANAGER'S QUALITY
CERTIFICATION**

QUALITY CERTIFICATE

I, **AMOS CHINA MPELA**, the Municipal Manager of Umsobomvu Local Municipality, hereby certify that: -

(Mark as appropriate)

Quarterly report on the implementation of the budget and financial state of affairs of the municipality.

For the month ending 31 January 2020 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print Name: AC MPELA

Municipal Manager of Umsobomvu Local Municipality (NC072)



Signature: _____

Date: 15 February 2020