UMUZIWABANTU MUNICIPALITY

MID-YEAR PERFOMANCE REPORT

2015/2016 FINANCIAL YEAR

TABLE OF CONTENT

1.Mayor's speech

2.Executive Summary

i) Operating Revenue

ii) Operating Expenditure

iii) Councilors Allowances and Employee Benefits

iv) Capital Programme Performance

v) Grants

vi) Cash&Investments

vii) Creditor's Analysis

viii) Debtor's age Analysis

ix) Report acknowledgement (Mayor)

x) Municipal Manager's Quality Certificate

xi) In year budget tables

xii) Mid-Year Service Delivery and Budget Implementation Plan

The Executive Mayor

SPEECH THE HONOURABLE MAYOR,CLLR D NCIKI ON TABLING THE MID YEAR REVIEW 2015/2016

Honourable Speaker;

Deputy Mayor;

Members of the Executive Committee;

Councillors;

Municipal Manager;

Senior Managers and all protocol observed

Greeting to all

I thank you Mr Speaker,I would like to greet you and all members of the council and officials.I present this Mid-Year Budget and Performance Assessment for 2015/2016 financial year as outlined in the Municipal Finance Management Act.Section 72 of the MFMA in relation to the tabling of mid-year Budget and Performance assessment budget,I would like to highlight the following items:

Actual Operating Expenditure :48 734 000

Actual Capital expenditure : 8 058 000

Actual Operating revenue :82 545 000

Honourable Speaker,this report reflects the wishes and aspirations of the people of Umuziwabantu and its aligned with the priorities set by Treasury and it is in line with the SDBIP,IDP priorities which according to my administration's point of view should be implemented at a Local Level after considering the needs of the community.In charging ahead with the colossal task that lay ahead of it, Umuziwabantu Municipal Council and its administrative units remained resolute in its conviction of addressing the ravages of poverty, disease, in needy and unemployment and therefore move towards the ultimate goal of creating a better life for all its residents. Six months have passed since the beginning of the 2015/2016 financial year and this municipality has managed to deliver services and implement its programs in terms of the council approved Budget,IDP,SDBIP and other concerted and sustained programs of action as approved by Council.

This detailed report of Umuziwabantu Municipality is intended to reflect on the realities confronting the municipality, the strategies and plans that have been developed, the extent of implementation of these plans and the difficulties encountered as well as achievements attained. Based on these reflections, a conclusion is reached that regardless of the challenges that confront us, through collective efforts, we remain convinced that we are firmly set on course to delivering on the targets that we have set ourselves. Working together with the community we can do more. Obviously we should continue considering value for money.

I thank you.

2.EXECUTIVE SUMMARY

The Midyear Assessment report is a tool which seeks to review the progress that is being made by Umuziwabantu Municipality in realizing the targets it had set itself at the beginning of the financial year. It clearly documents the achievements over the past six months of the financial year (01/07/2015 to 31/12/2015 and more fundamental, illustrates some of the challenges that confront the progress that has been accomplished by the municipality over this period .In order to provide a telling background to this report, this section provides a broad overview of the financial performance of Umuziwabantu Municipality

a). Purpose

The purpose of the report is to account to the public for the 2015/2016 mid-year institutional performance of Umuziwabantu Municipality.

This report contains information which is based on the service delivery and budget implementation plan formulated for the financial year 2015/2016 and concentrates on both the financial and service delivery performance assessment. The report was compiled using first and second quarter.

To inform Council of the municipality's mid – year performance (up to December 2015) against the approved budget in compliance with Section 72 (1)(a) and 52 (d) of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009, by providing a statement on the implementation of the budget and financial state of affairs of the municipality to the Executive Mayor, as legislated

b). Strategic Objective

The strategic objective of this report is to ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate

c). Background

Section 72(1) of the MFMA and Section 28 of Government Gazette Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act of 2003 and Municipal Budget and Reporting Regulations" necessitates that specific financial particulars be reported on and in a prescribed format, hence this report to meet legislative compliance.

e). Challenges and Progress

Section 71(1) a(iii) request the accounting officer to assess the performance of a municipality during the first half of the financial year, taking into account…the past year's annual report and progress on resolving problems identified in the annual report. Reflected here under, are the challenges identified on the 2012/2013 annual report. The challenges will be tabled per department also will include progress in such challenges.

In terms of Section 72 (1, 2 and 3) of the MFMA

1. The accounting officer of a municipality must by 25 January of each year –

(a) Assess the performance of the municipality during the first half of the financial year, taking into account:
(i) The monthly statements referred to in section 71 for the first half of the financial year;
(ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance identified in the annual report; and performance indicators set in the service delivery and budget implementation plan;
(iii) The past year's annual report, and progress on resolving problems identified in the annual report; and
(iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities and

(b) Submit a report on such assessment to –

(i) The mayor of the municipality;
(ii) The National Treasury; and

2. The statement referred to in section 71 (1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
3. The accounting officer must, as part of the review -
(a) Make recommendations as to whether an adjustments budget is necessary; and
(b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

(i)Financial performance Assessment for the past six Months

The Mid Year Performance Review is an assessment of the first six months of the financial year. It includes a financial review as well as well as a performance review in terms of the organizational scorecard for the 2015/2016.

Description	**Approved budget 2015-2016 '000**	**YTD Actual (December 2015) '000**	**YTD %**
Total Operating Revenue	127,772	82,545	64%
Total Operating Expenditure	127,772	48,734	38%
Total Capital Budget	29,561	8,058	27%

ii)Total Operating Revenue

The operating revenue budget that was approved by Council is R127 million and the actual revenue collected for the period ended 31 December 2015 is R82 million which is 64 per cent of the total revenue budget .This has resulted in over collection being projected for the whole year and some revenue vote need to be adjusted accordingly.

It is worth nothing that we collected more money than we had billed due to the drive we started last year, of collecting the outstanding debt. You will realize that the debt owed to the municipality has decreased significantly. That campaign is still on. This good collection has allowed us to increase our projected revenue and necessitate an adjustment.

KZN214 uMuziwabantu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)

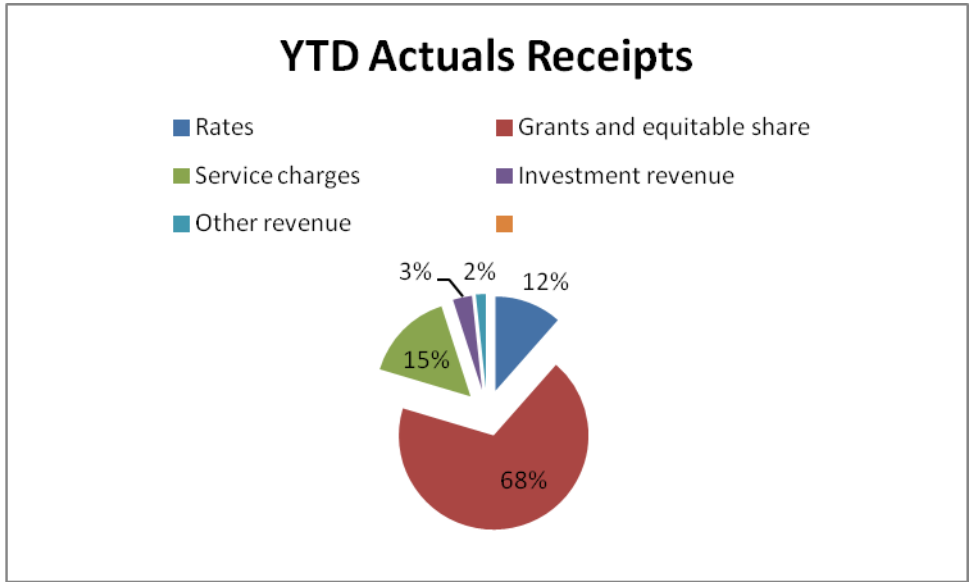
Description	Ref	2014/15	Budget Year 2015/16							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source										
Property rates		13 855	11 217		730	10 060	7 123	2 937	41%	
Property rates - penalties & collection charges		559	401		65	409	201	208	104%	
Service charges - electricity revenue		26 495	31 108		2 026	13 037	15 554	(2 517)	-16%	
Service charges - water revenue			–					–		
Service charges - sanitation revenue			–					–		
Service charges - refuse revenue		1 778	2 005		154	973	1 003	(29)	-3%	
Service charges - other			–					–		
Rental of facilities and equipment		45	117		13	60	58	1	3%	
Interest earned - external investments		4 713	4 000		1 377	2 974	2 000	974	49%	
Interest earned - outstanding debtors			–					–		
Dividends received			–					–		
Fines		468	26		5	14	13	1	5%	
Licences and permits		455	403		34	245	202	44	22%	
Agency services		1 878	2 632		157	910	1 316	(406)	-31%	
Transfers recognised - operational		68 157	74 307		383	53 527	37 468	16 059	43%	

Other revenue Gains on disposal of PPE		10 392	1 555 –		79	336	463	(128) –	-28%	
Total Revenue (excluding capital transfers and contributions)		**128 796**	**127 772**	**–**	**5 024**	**82 544**	**65 401**	**17 144**	**26%**	**–**

Revenue/Funding Source Analysis

This section seeks to analyze the variances between the budgeted and actual revenue as at 31 December 2015.

Chart below looks at the revenue sources by major line item categories service charges e.g. (Rates, Refuse Removal and Electricity Service Charges), government grant and subsidies (operational and capital), interest on investments and other revenue. A comparison of the budget, the year to date movement (YTD) and Balances the major funding sources are elaborated in detail below.



Property Rates:

Descriptions	Annual Budget	YTD budget	YTD actual
Rates	11,245,547	7,122,773	10,060,052.42

The municipality budgeted for the income of R 11m from property rates for the whole year and as at the half year mark R10m had been recorded. This 89% is attributed by some rates payers(government/agriculture categories) requesting their rates bills in advance (for the whole year) whereas we are reporting on the midyear revenue targets. Cash collected from the consumers has also been less than anticipated as at 31 December 2015.At midyear our Revenue forgone was overstated in the original budget, there is a need to adjust downwards

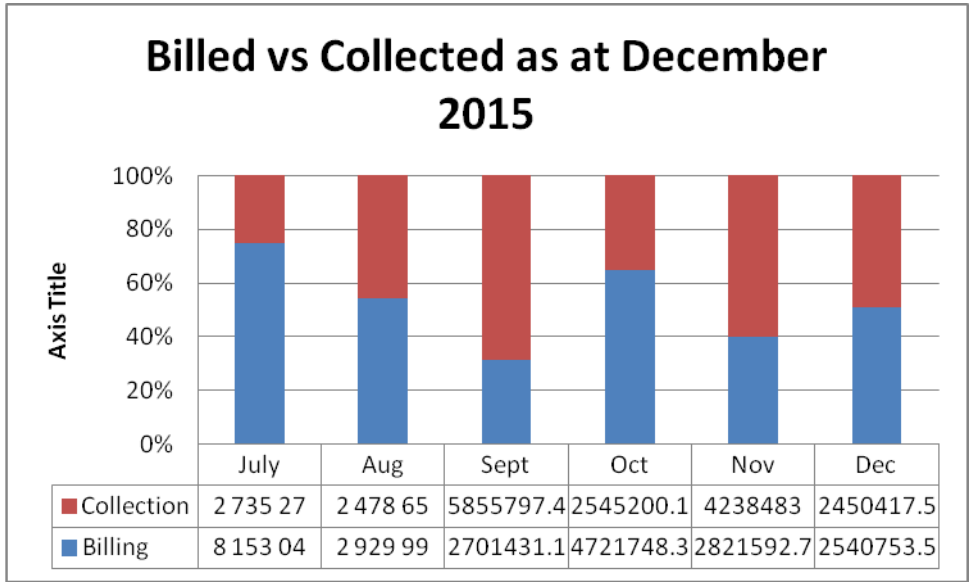
Service Charges:

Descriptions	Annual Budget	YTD budget	YTD actual	YTD%
Service charges(electricity)	31,107, 616	15,553,808	13 036 523.27	41%
Refuse removal	2, 054, 457	1,002,529	973 000.00	47%

The municipality recorded a slight under collection from electricity and the pro rata estimate for refuse removal. Given the seasonal nature of electricity demand, we expect an increase on its demand towards the end of the third quarter until the end of the financial year. Refuse removal seems to be doing well. The year to date service charges billed amount is R13.7million and collected amount is 11.4mil

Chart below looks at the billing vs. receipts statistics for the six months ending 31 December 2015. The chart clearly shows that,

the increase billing in July is due to the annual billing for Government Departments and Farmers. This also resulted in an increase in collection during the month of September and October, due to Debtors that are also paying for the prior months.



	July	Aug	Sept	Oct	Nov	Dec
Collection	2 735 27	2 478 65	5855797.4	2545200.1	4238483	2450417.5
Billing	8 153 04	2 929 99	2701431.1	4721748.3	2821592.7	2540753.5

iii)Mid-Year expenditure for the past six months

KZN214 uMuziwabantu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2014/15	Budget Year 2015/16								
R thousands		Audited Out-come	Original Budg-et	Adjusted Budget	Monthly actual	YearTD actual	YearTD budg-et	YTD vari-ance	YTD vari-ance %		Full Year Fore-cast
Expenditure By Type	-										
Employee related costs		39 364	45 715		2 857	18 743	22 857	(4 114)	-18%		
Remuneration of councillors			6 612		476	3 001	3 071	(70)	-2%		
Debt impairment		249	169		–	–	84	(84)	-100%		
Depreciation & asset impairment		8 562	6 259		–	–	3 130	(3 130)	-100%		
Finance charges		90	305		3	35	153	(118)	-77%		
Bulk purchases		20 533	28 100		1 582	13 266	14 050	(784)	-6%		
Other materials		1 008	1 113		72	453	556	(104)	-19%		
Contracted services		1 440	1 584		229	1 349	792	557	70%		
Transfers and grants		3 374	3 529		84	1 029	1 765	(735)	-42%		
Other expenditure			34 385		1 992	10 859	18 941	(8 083)	-43%		
Loss on disposal of PPE			–					–			
Total Expenditure		**74 621**	**127 772**	**–**	**7 294**	**48 734**	**65 399**	**(16 666)**	**-25%**		**–**

Operational Expenditure Analysis

The following section seeks to analyze the operational budget expenditures as at 31 December 2015. A high level analysis is being presented.

Bulk Purchases

This expenditure refers to the amount of money spent on buying electricity to be sold to the Harding residents. An amount of R28mil has been budgeted for and at the end of the first half of the year, R13 m was spent which is 46%.There will be no adjustment since the usage is based on consumption and we anticipate to observe an increase in demand during autumn and winter season.

Repairs and Maintenance

The total budget for the 2015-16 financial years for repairs and maintenance is R7, 6mil.The expenditure as at December 2015 is R2.3mil which is 30%.The municipality is still going to spend in this vote going forward. Some contributing factor is due to stringent internal control cost cutting, other programmes will be implemented in the third quarter as per the SDBIP.

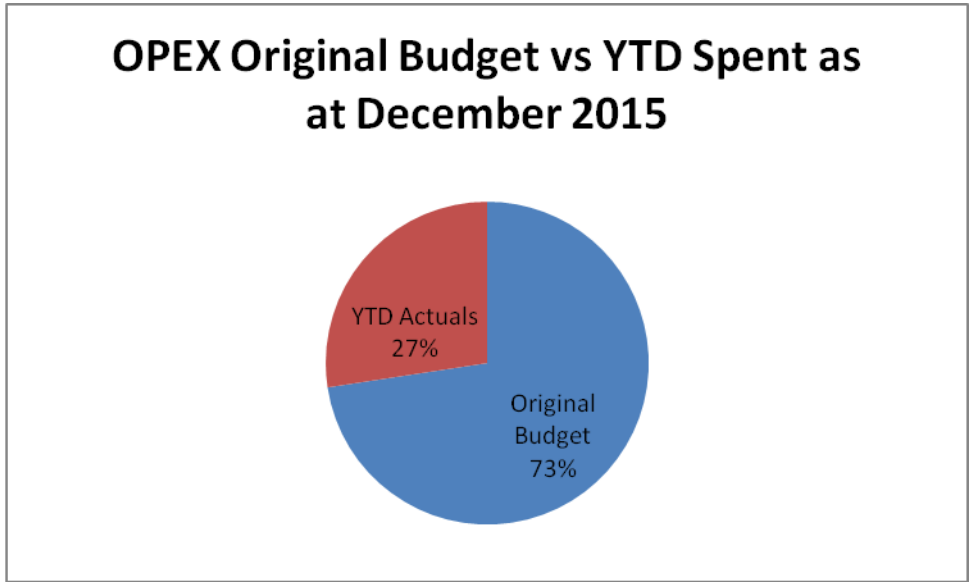
Depreciation

The municipality had envisaged to spend R 6,2mil when they were doing projections for the current financial year. The actual expenditure incurred by June 2015 was R8 mil (Certified by Auditor General) due to other assets that were incorrectly accounted for in the fixed asset register they had to retrospectively calculate depreciation for those assets for prior years. The municipality normally calculates depreciation annual due to the accounting system that is fully integrated; there is a need to adjust this vote accordingly.

Debt Impairment

An amount of R 168 540 was allocated under dept impairment, expenditure/journals for this vote is normally recorded annually due to the nature of this line item.

Chart : OPERATION EXPENDITURE SUMMARY



Total Operating Expenditure

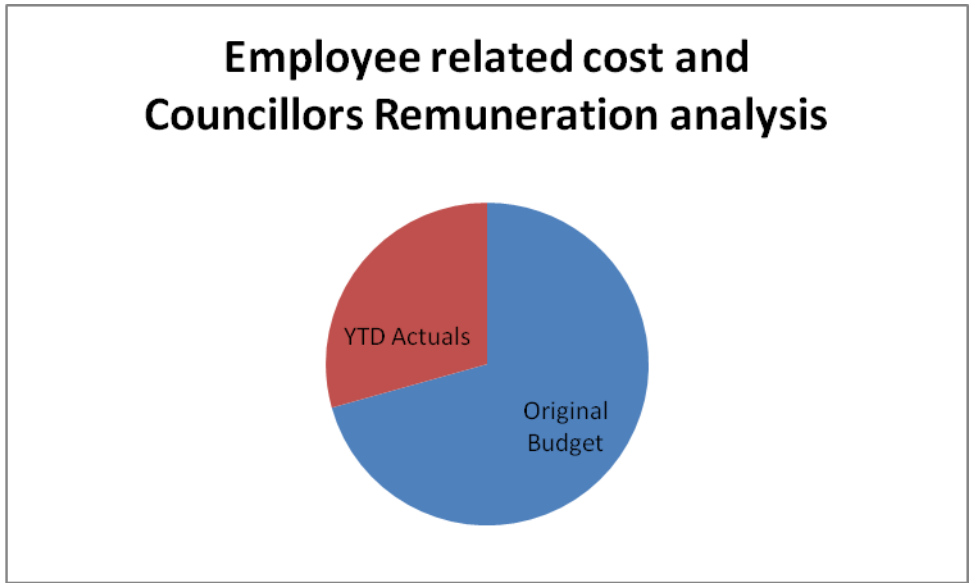
The approved operational expenditure (Including Depreciation) is R127, 7million, while the year to date expenditure is R48 million representing 38% of the approved budget. The unspent balance on the Operational budget amounts to R 79 million, some contributing factor for spending less in some votes due to cost cutting measures. Municipality is expecting an increase in some votes/programmes in the third quarter and fourth quarter. Some programmers' will reflect an increase in its spending in the third quarter. However, there are some votes that need to be adjusted accordingly.

The graph that follows further unpacks the operational expenditure budget for employee related cost and council allowances vs YTD spent as at December 2015.

iv) Salaries Wages and Allowances

Table 4: Salaries Wages and Allowances as at December 2015

DESCRIPTION	BUDGET	YTD Expenditure	BALANCE	%
SALARIES & WAGES	R 45 715 027.04	R18 743 000	26 972 027.04	40%
COUNCILLOR ALLOWANCES	R 6 612 317.10	R 3 001 000	3 611 317.10	45%
TOTAL	**R 52 327 344.14**	**R 21 744 000**	**30 583 344.14**	**41%**



The total annual budget for salaries and allowances (including councillor allowances) is R52m. As at the end of December 2015, R21m had been spent. This is 41% of the budgeted amount and it is 9% below an amount which had been projected.

The expenditure on Salaries Wages and Councillor Allowances has averaged 41% for a period of 6 months. The late commencement date of some vacant posts can be attributed to the lower than anticipated YTD. The Councillor allowances are slightly below the projected figure and the budget balance will be more than sufficient to cater for the increases retrospectively as the draft Gazette is not yet published for the new upper limits. Contributing factor to the under spending is due to the vacant posts and stringent internal control implemented .There is a need to do slightly adjustments.

v)Total Capital Budget

The total capital budget which was approved is R29 million. As at the end of December 2015 expenditure on capital projects is 8mil which is 27% of the total capital expenditure. Amount of 2.3mil roll over for MIG has been approved by National Treasury and the municipality has already spent this roll over grant .Capital expenditure is sitting at a low expenditure rate due to some projects that will start spending in the third quarter and fourth quarter and some major projects contractor has already been appointed.

Detailed Capital Budget against expenditure

KZN214 uMuziwabantu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December

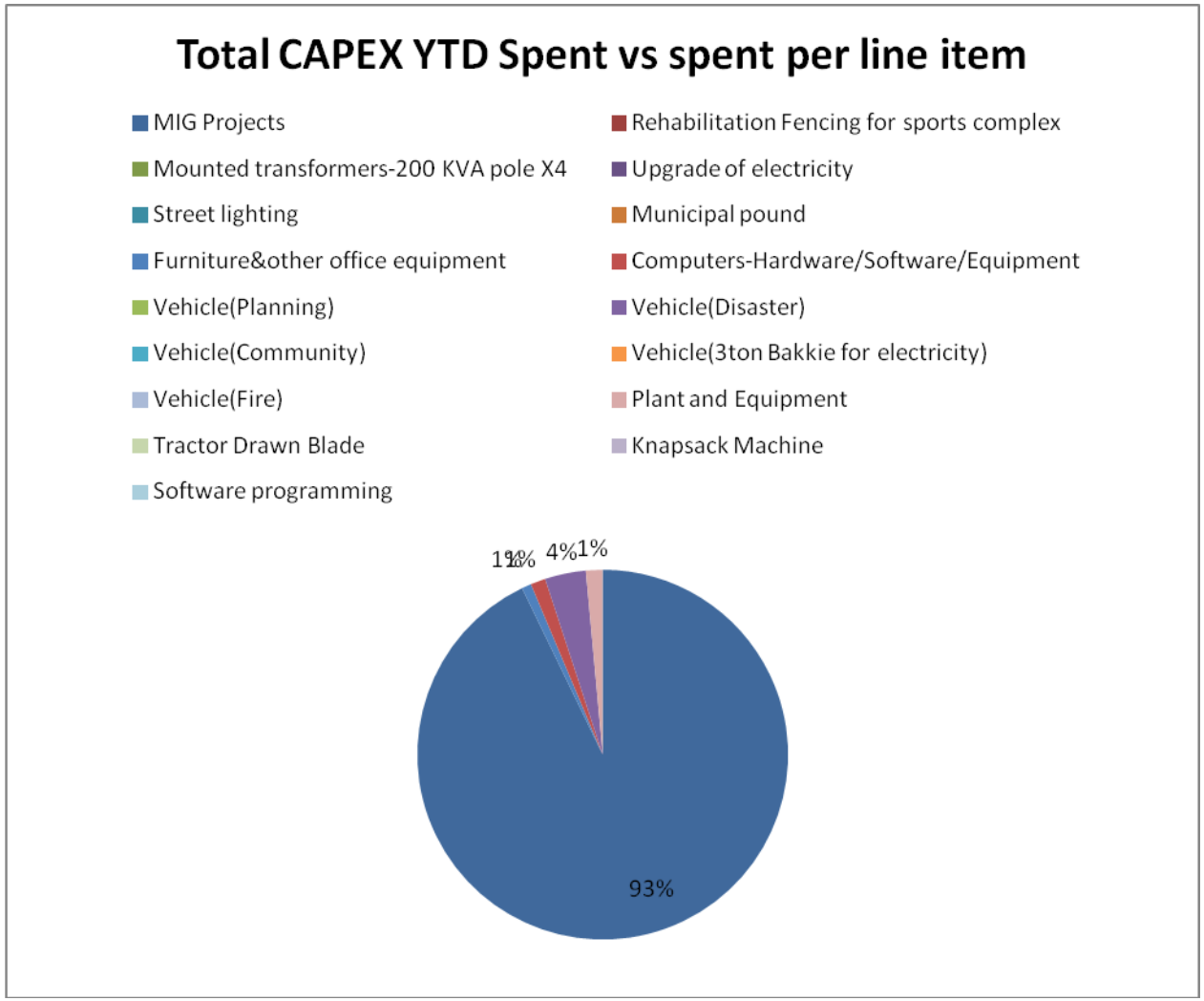
Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE & COUNCIL		–	–	–	–	–	–	–		–
Vote 2 - BUDGET & TREASURY		–	–	–	–	–	–	–		–
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–		–
Vote 4 - TECHNICAL SERVICES		–	–	–	–	–	–	–		–
Vote 5 - OTHER		–	–	–	–	–	–	–		–

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	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE & COUNCIL		778	15	–	–	–	8	(8)	-100%	–
Vote 2 - BUDGET & TREASURY		128	–	–	–	–	–	–		–
Vote 3 - CORPORATE SERVICES		535	3 547	–	20	204	1 773	(1 570)	-89%	–
Vote 4 - TECHNICAL SERVICES		22 138	25 799	–	1 794	7 768	12 900	(5 132)	-40%	–

Vote 5 - OTHER		–	200	–	86	86	100	(14)	-14%	–
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	23 579	29 561	–	1 900	8 058	14 781	**(6 723)**	**-45%**	–
Total Capital Expenditure		**23 579**	**29 561**	**–**	**1 900**	**8 058**	**14 781**	**(6 723)**	**-45%**	**–**
Capital Expenditure - Standard Classification										
Governance and administration		**1 441**	**966**	**–**	**20**	**172**	**483**	(311)	-64%	**–**
Executive and coun-		778	15		–	–	8	(8)	-100%	

cil										
Budget and treasury office		128						–		
Corporate services		535	951		20	172	475	(303)	-64%	
Community and public safety		**–**	**3 047**	**–**	**289**	**321**	**1 523**	(1 203)	-79%	**–**
Community and social services			2 596		–	32	1 298	(1 266)	-98%	
Sport and recreation			–					–		
Public safety			451		289	289	225	63	28%	
Housing			–					–		
Health			–					–		
Economic and environmental services		**21 895**	**21 958**	**–**	**1 592**	**7 565**	**10 979**	(3 414)	-31%	**–**
Planning and development		2 621	200		86	86	100	(14)	-14%	
Road transport		19 274	21 758		1 506	7 479	10 879	(3 400)	-31%	
Environmental protection			–					–		
Trading services		**243**	**3 590**	**–**	**–**	**–**	**1 795**	(1 795)	-100%	**–**
Electricity		149	3 400		–	–	1 700	(1 700)	-100%	
Water			–					–		
Waste water management			–					–		
Waste management		94	190		–	–	95	(95)	-100%	
Other			–					–		
Total Capital Expenditure - Standard Classification	3	**23 579**	**29 561**	**–**	**1 900**	**8 058**	**14 781**	**(6 723)**	**-45%**	**–**

Funded by:										
National Government		23 579	29 360		1 900	8 058	14 781	(6 723)	-45%	
Provincial Government			–					–		
District Municipality			201					–		
Other transfers and grants			–					–		
Transfers recognised - capital		**23 579**	**29 561**	**–**	**1 900**	**8 058**	**14 781**	**(6 723)**	**-45%**	**–**
Public contributions & donations	5		–					–		
Borrowing	6		–					–		
Internally generated funds			–					–		
Total Capital Funding		**23 579**	**29 561**	**–**	**1 900**	**8 058**	**14 781**	**(6 723)**	**-45%**	**–**


Total CAPEX YTD Spent vs spent per line item
MIG Projects
Rehabilitation Fencing for sports complex
Mounted transformers-200 KVA pole X4
Upgrade of electricity
Street lighting
Municipal pound
Furniture&other office equipment
Computers-Hardware/Software/Equipment
Vehicle(Planning)
Vehicle(Disaster)
Vehicle(Community)
Vehicle(3ton Bakkie for electricity)
Vehicle(Fire)
Plant and Equipment
Tractor Drawn Blade
Knapsack Machine
Software programming
1%
4%
1%
93%

The municipality has to date received the Municipal Infrastructure Grant (MIG) Allocations equaling R15mil, this representing 69% of the 2015/2016 budgeted/gazette allocation. The balance of the grant(R 7 672 000) is expected to be received in March 2016.The total MIG allocation for 2015/2016 including approved roll over is R 24 972 000.The municipality is still going to spent the FMG, MSIG and MIG grant and make sure that these grants spending are in line with their business plan or memorandum of agreements.

vi) Conditional Grants Report

Government Grants and Subsidies: Operational Grants Allocation received

KZN214 uMuziwabantu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2014/15	Budget Year 2015/16							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
-										
Operating Transfers and Grants										
National Government:		–	**81 222**	–	–	**53 895**	**42 710**	**11 807**	**27.6%**	–
Local Government Equitable Share			76 322		–	50 751	37 810	12 941	34.2%	
Finance Management			1 800		–	1 800	1 800			
EPWP Incentive			1 036		–	414	1 036			
Integrated National Electrification Programme			–							
Municipal Systems Improvement			930		–	930	930			
	3							–		
								–		
								–		
								–		
								–		
Municipal Infrastructure grant(5%)			1 134		–	–	1 134	(1 134)	-100.0%	
Provincial Government:		–	**723**	–	–	**723**	**723**	–		–
Community Participation - IDP Grant			–					–		
Provincialisation of Libraries			553		–	553	553			
Community Library Services Grant			170		–	170	170	–		
Sport and Recreation	4		–					–		

Provincialisation of Libraries								–		
CBM Plan, LUMS & Strategic assessment grant			–					–		
District Municipality:		**–**	**184**	**–**	**–**	**–**	**184**	(184)	-100.0%	**–**
Disaster Management Grant			184		**–**	**–**	**184**	(184)	-100.0%	
								–		
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
								–		
Total Operating Transfers and Grants	5	**–**	**82 129**	**–**	**–**	**54 618**	**43 617**	**11 623**	**26.6%**	**–**
Capital Transfers and Grants										
National Government:		–	21 638	–	–	15 000	15 000	–		–
Municipal Infrastructure Grant (MIG)			21 538			15 000	15 000	–		
Small Town Rehabilitation			–							
Electrification Programme Grant			100							
Finance Management Grant			–							
Expanded Public Works Programme			–							
Equitable Share(Capital)			–					–		
								–		
								–		
								–		
Other capital transfers *[insert description]*								–		
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
								–		

District Municipality:		**–**	**133**	**–**	**–**	**–**	**201**	(201)	-100.0%	**–**
Disaster Management Grant			133		**–**	**–**	**201**	(201)	-100.0%	
								–		
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
								–		
Total Capital Transfers and Grants	5	**–**	**21 771**	**–**	**–**	**15 000**	**15 201**	**(201)**	**-1.3%**	**–**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	–	103 900	–	–	69 618	58 818	11 422	19.4%	–

Expenditure on the Capital Grant Allocations is presented in the section that follows.

This category is largely constituted of the Equitable share of which 62 mil has been received to date, representing 66% of the original allocation as at 31 December 2015. As at December 2015, overall percentage of grants received is sitting at 67% of the total allocation. Grants is slow in spending due to the fact that some expenditure will incur during the third and fourth quarter and in some major projects contractors has already been appointed .

vii) Cash and Investments

Primary Bank Account: As at the end of December 2015 the municipality had R 2 427 125.59 in the primary bank account. This account is held with Nedbank.

Investments: the municipality had total amount of investments as at the end of the December 2015 of R113 963 594.51. All these investments are held between FNB, INVESTEC and Nedbank.

Interest on Investments

Interest Received on Investments has been higher than that anticipated in the budget with a Year to Date percentage receipt of 148 % comparing YTD budget with YTD receipts (R 2 000 000.00 vs. R 2 974 000). There is a need adjust this vote accordingly.

The following information presents the short term investments balances broken down per investment type as at 31 December 2015.

KZN214 uMuziwabantu - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

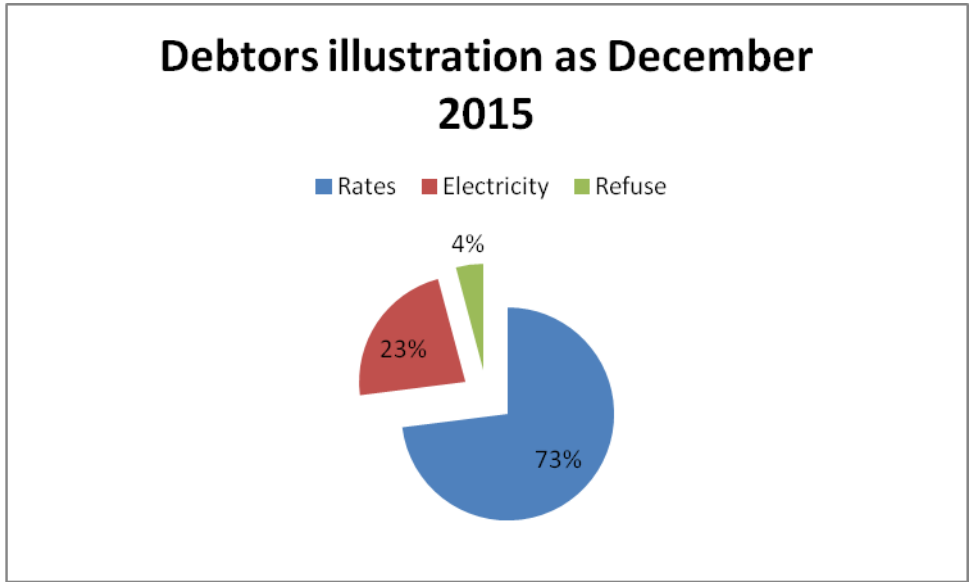
Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
Municipality									
-									
FNB-61240006266		N/A	CALL ACC	NO MATURITY DATE	1 274.36	2.7%	468 890.17		470 164.53
FNB-71460300059		3 MONTHS	FIXED DEPOSIT	2015/12/29	436 334.90	6.7%	12 989 335.30		13 425 670.20
NEDBANK-037165015337/01		N/A	DAILY CALL	NO MATURITY DATE	1 993.57	5.8%	387 977.35		389 970.92
NEDBANK-037165014802/01		N/A	DAILY Call	NO MATURITY DATE	28 748.58	5.8%	5 594 897.69		5 623 646.27
NEDBANK-037165014802/16		N/A	DAILY CALL	NO MATURITY DATE	33.48	5.8%	6 516.04		6 549.52
NEDBANK-037165018956/01		N/A	DAILY CALL	NO MATURITY DATE	26 376.50	5.8%	5 133 256.53		5 159 633.03
NEDBANK-037165018956/14		N/A	8 DAYS DEPOSIT	2015/10/25		6.7%	10 181 258.67		10 181 258.67
NEDBANK-037165013008/30		N/A	5 MONTHS DEPOSIT	2015/12/18	817 353.07	6.9%	27 715 892.72	-28 533 245.79	-
NEDBANK-037165013008/31		N/A	DAILY CALL	NO MATURITY DATE	14 188.45			-14 188.45	-
NEDBANK-037165013008/32		N/A	60 DAYS DEPOSIT	2016/02/22	-	7.2%	-	28 547 434.24	28 547 434.24
NEDBANK-037165015337/12		N/A	4 MONTHS DEPOSIT	2016/01/14		6.7%	10 108 712.33		10 108 712.33
NEDBANK-037165013415/03		NA			50 554.80	6.1%	-	10 000 000.00	10 050 554.80
INVESTEC-529803		N/A	FIXED DEPOSIT	2016/03/01	-	7.1%	-	30 000 000.00	30 000 000.00

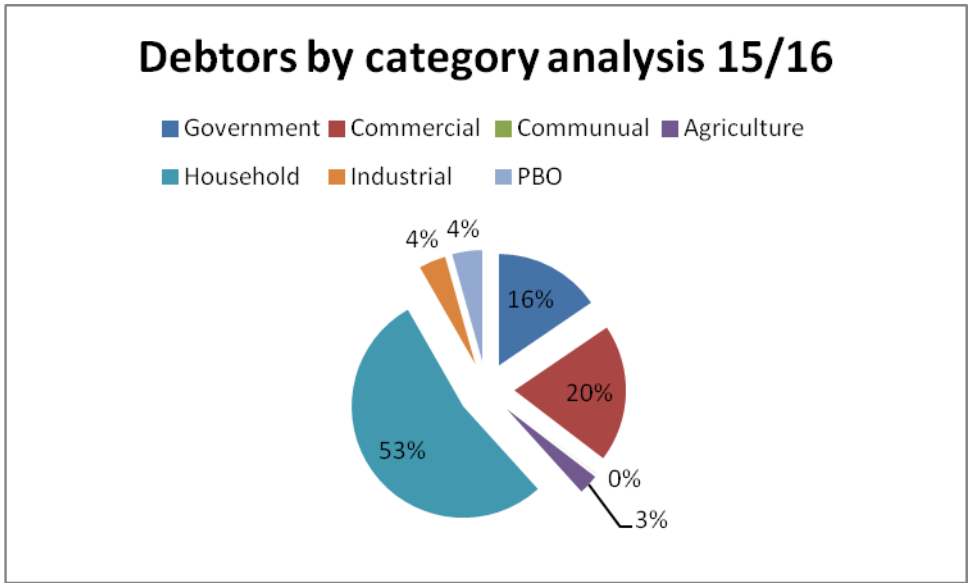
Municipality sub-total					R 1 376 857.71		R 72 586 736.80	R 40 000 000.00	R 113 963 594.51

viii)DEBTORS AGE ANALYSIS

Debtors: The total debt owed to the municipality as at the end of December 2015 was R11, 7 mil illustrated as per the below schedule. The table presented below summarizes the Debtors Age Analysis as at 31 December 2015.

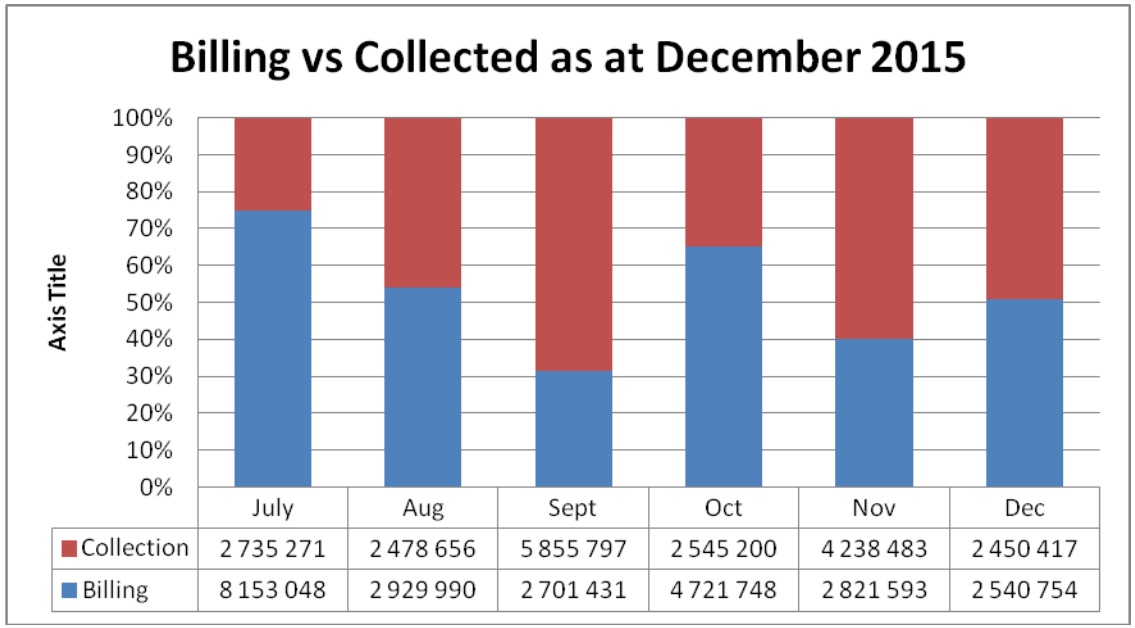
AGE ANALYSIS AS AT 31 DECEMBER 2015							
Services	**30 days**	**60 days**	**90 days**	**120 days**	**150 days**	**180 days**	**Total**
Rates	467 734	474 480	309 373	273 323	254 311	6 790 420	**8 569 640**
Electricity	1 524 363	964 053	30 838	4 503	8 436	148 506	**2 680 698**
Refuse	147 930	91 009	38 843	27 782	23 758	160 120	**489 442**
Grand Total	**2 140 027**	**1 529 542**	**379 054**	**305 607**	**286 505**	**7 099 046**	**11 739 781**
Category	**30 days**	**60 days**	**90 days**	**120 days**	**150 days**	**180 days**	**Total**
Government	246 034	248 150	1 580	833	833	1 319 162	**1 816 591**
Commercial	913 716	350 909	64 765	43 464	43 401	922 351	**2 338 606**
Communal	-	-	-	-	-	2 258	**2 258**
Agriculture	-29 653	1 650	1 842	1 483	2 187	361 799	**339 308**
Household	925 086	883 209	287 970	236 442	216 807	3 721 937	**6 271 450**
Industrial	63 063	26 168	9 294	9 271	9 271	341 620	**458 687**
PBO	21 781	19 456	13 603	14 115	14 007	429 919	**512 881**
Grand Total	**2 140 027**	**1 529 542**	**379 054**	**305 607**	**286 505**	**7 099 046**	**11 739 781**


Debtors illustration as December 2015
Rates
Electricity
Refuse
4%
23%
73%



Debtors age analysis is sitting at 11mil as at December 2015, rates is the highest owed followed by electricity and refuse. The contributing factor to this is Households which is sitting at 53%, some consumers they do not pay their account and they do not come forward to apply for indigent .Some debtors which have been outstanding for long have been handed over for collection.

July 2015-December 2015

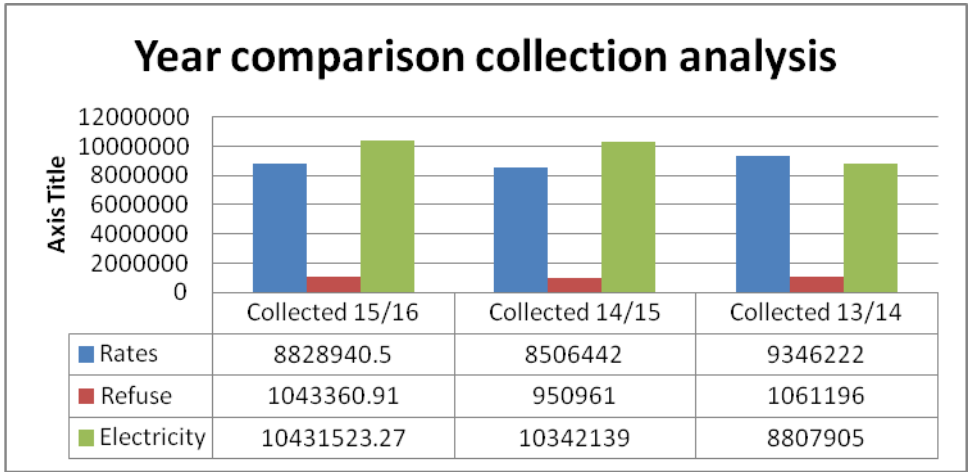


	July	Aug	Sept	Oct	Nov	Dec
Collection	2 735 271	2 478 656	5 855 797	2 545 200	4 238 483	2 450 417
Billing	8 153 048	2 929 990	2 701 431	4 721 748	2 821 593	2 540 754

The above chart analysis billing vs collected. The collection rate is at 85% for the 6 months. The increased billing in July is a result of annual invoicing of Government and Agriculture debtors.

PREVIOUS YEARS COMPARISON AS AT DECEMBER 2015 REPORT

	2015/2016		2014/2015		2013/2014	
SERVICE S	**RAISED**	**COLLECT**	**RAISED**	**COLLECT**	**RAISED**	**COLLECT**
RATES	10 131 283.12	8 828 940.50	9 406 014	8 506 442	8 379 657	9 346 222
REFUSE	1 126 578.17	1 043 360.91	1 054 411	950 961	925 890	1 061 196
ELECTRICITY	12 610 703.00	10 431 523.27	10 576 658	10 342 139	9 373 603	8 807 905
TOTAL	**23 868 564.29**	**20 303 824.68**	**21 093 082**	**19 799 542**	**17 679 150**	**19 215 323**
PERCENTAGE	**85%**		**93%**		**122%**	



iv)CREDITORS AGE ANALYSIS

Creditors: The total acknowledged debt owed by the municipality to its suppliers as at the end of December 2015 was R 228 260.46 and those invoices are within 30 days.

x) Recommendation:

Motivation

Adjustment Budget

As per requested by Section 72(3) of the MFMA, an adjustment budget is needed to deal with items listed in section 28(2) of the MFMA. The adjustment budget will have to take into account changes in the national and provincial adjustments budget, adjust the revenue and expenditure estimates down/upwards due to shortfalls and overspending on votes and adjust the capital and operating budget with the roll over's of the previous year.

SDBIP Top Layer

Revisions to the SDBIP will have to be made taking into consideration the effects of the adjustments budget and be approved following the approval of the adjustment budget as required by Section 54(1)of the MFMA.

Recommendation:

That:

- An Adjustment budget for 2015/2016 be prepared and approved by no later than 28 February 2016
- Projections for revenue and expenditure be revised downwards/upwards as a result of the projected revenue and expenditure
- The revised SDBIP which formed the basis of the mid-year assessment be approved following of the adjustment budget

I hereby acknowledge the receipt of the 2015/2016 Mid-term performance report.

Print Name : Cllr. D. Nciki

Mayor of UMUZIWABANTU MUNICIPALITY (KZN214)

Signature _____

Date :

Xi)Municipal Manager's quality certificate

I, Mr. SD Mbhele, Municipal Manager of Umuziwabantu municipality, hereby certify that the Mid-Year Performance Report and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name : Mr. SD Mbhele

Municipal Manager of UMUZIWABANTU MUNICIPALITY (KZN214)

Signature _____

Date :

Xii) In year Budget Tables

SCHEDULE C (S 71)

DECEMBER 2015

2015/2016

MID TERM SDBIP REPORT