

**FINANCIAL SERVICES DEPARTMENT:
MUNICIPAL FINANCE MANAGEMENT ACT (MFMA):
PRELIMINARY MONTHLY IN-YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDING 31
DECEMBER 2014.**

1. PURPOSE

The purpose of this report is to comply with section 71 of the Municipal Finance Management Act (MFMA) and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009.

2. STRATEGIC OBJECTIVE

To ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.”

3. BACKGROUND

Section 52 (d) and 71 of the MFMA and in terms of Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 56 of 2003, Municipal Budget and Reporting Regulations” necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

“The Mayor of a municipality-

52(d) must, **within 30 days of the end of each quarter**, submit a report to council on the implementation of the budget and the financial state of the municipality;”

“71(1) The accounting officer of a municipality must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the state of the municipality’s budget reflecting the following particulars for the month and for the financial year up to the end of that month: ...”.

“28.The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

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For the reporting period ending 31 December 2014 the ten working day reporting limit expired on **14 January 2015**.

Further, Section 31(1) of the Government Gazette No 32141 of 17 April 2009 prescribes the following:

“31.(1) The mayor’s quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52(d) of the Act must be –

- (a) in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and
- (b) consistent with the monthly budget statement for September, December, March and June as applicable; and
- (c) **Submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council.**”

4. EXECUTIVE SUMMARY

The SFP shown in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type. The summary report indicates the following:

Description	Budget Year 2014/15					
	Original Budget	YTD actual Dec '14	YTD budget	YTD variance	% Progress YTD	% YTD Actual vs YTD Budget
R thousands	R'000	R'000	R'000	R'000		
Total Revenue (excluding capital transfers and contributions)	548,480	357,995	274,240	83,755	65%	131%
Total Expenditure	563,718	265,178	281,859	(16,681)	47%	94%
Operating Surplus/(Deficit)	(15,238)	92,817	(7,619)	100,436		
Transfers recognised – capital	139,097	152,855	69,549	83,307	110%	220%
Surplus/(Deficit) after capital transfers & contributions	123,859	245,672	61,930	183,743		
Surplus/ (Deficit) for the year	123,859	245,672	61,930	183,743		

The revenue raised as at 31 December 2014 was R358 million against a budget of R274,2 million for the period. This reflects a revenue rate against year to date budget of 131% and **65%** against the annual budget. The operating expenditure as at 31 December 2014 was R265 178 000 vs a year to date budget of R281,9 million reflecting an expenditure of 94% against the year to date budget and **47%** against the annual budget. The operating surplus for the period amounted to R92,8 million.

The major operating revenue variances against budget are service charges (**19%**) and transfers recognised – Grants Received (**69%** against budgeted transfers) whilst it contributes **71%** of the R54,5 million operating revenue on the budget which indicates a high grant dependency to fund operations. Other cost drivers which showed a significant variance were; other own revenue and investment revenue. The factors that affected the investment revenue was the redirecting of anticipated cash resources from investing activities to fund the MIG expenditure whilst the DBSA front loading is being pursued.

The major operating expenditure variances against budget are:

- Employee related costs
- Materials and bulk purchases;
- Depreciation and asset impairment; and
- Other expenditure

Significant variances against budget were also from employee costs mainly due to a higher percentage increment being budgeted for at the beginning of the year in anticipation of the bargaining council outcomes. Remuneration of councillors which is also related to the annual increments not having been effected to date whilst council awaits a directive from the National COGTA. Further finance costs were spread out evenly across the year on projection and not aligned to the redemption periods as per the loan agreement and as such the trend will normalise over the year as redemption and interest charges fall due at the agreed intervals. Operating grant

expenditure also slowed down due the slow implementation of related programmes, e.g. EPWP, Corridor development project.

The detail of the variances per source group are cited in Annexure A, Table C1 of this report.

Capital Expenditure

The Capital expenditure report shown in Annexure A, Table C5 has been prepared on the basis of the format required to be lodged electronically with National Treasury, and is categorised by municipal vote. The summary report indicates the following:

Description	Budget Year 2014/15						
	Original Budget	Roll over	Total including roll over funds	YTD budget	YTD Actual	Variance	% YTD spent vs Annual Budget
Funding Source	R'000	R'000		R'000	R'000	R'000	
MIG	97,264	-66,591	97,264	48,632	150,404	-101,772	155%
Massification grant	6,104	15,235	21,339	10,670	19,586	-8,916	92%
Water Infrastructure grant	28,611	4,027	32,638	16,391	2,119	14,200	6%
	131,979	-47,329	151,241	75,693	172,109	-96,488	114%

Spending on MIG has accelerated due projects implementation. The municipality overspent the MIG allocation in the previous financial year by an amount of R 66.6 million. This amount was bridge financed by a DBSA loan of R 70 million as MIG front loading. The municipality has received the total MIG allocation amounting to R97.2 million for the current financial year. Of this allocation R 70 000 million has been paid back to DBSA as it was for front loading in the 2014 financial year as per loan agreement. The MIG funding is currently overspent by R53 140 000 pending the finalisation of the second tranche of front loading. Internal funding is currently being utilised to buffer the shortfall in the interest of project progress whilst the second tranche of front loading is being pursued. The low expenditure against the Water infrastructure grant is attributed to the delays in appointment of a contractor due to an objection being received during the procurement process. The objection has since been resolved and the service provider appointed in December. The overall expenditure against the total allocation for the financial year is 68%. 91% of the expenditure for the period ended has been heavily invested in water infrastructure and 9% in sanitation. The expenditure can be interpreted to be spread as follows;

Description	Budget Year 2014/15					
	Original Budget	YTD budget	YTD Actual	Variance	% YTD spent vs Annual Budget	Contribution
Asset class	R'000	R'000	R'000	R'000		
Water infrastructure	241,808	120,904	152,523	31,619	63%	90,86%
Sanitation	2,800	1,400	15,016	13,616	536%	8,95%
Fire, Safety and Emergency	500	250	0	-250	0%	0%
Computers	500	250	195	-55	39%	0,12%
Furniture	500	250	136	-114	27%	0,08%
	246,108	123,054	167,870	44,816	68%	100%

Conditional grants

The following were the movements on the conditional grants as at 31 December 2014. To date R131,9 million of conditional grants has been received since 1 July 2014 whilst R174,2 million has been spent as at 30 December 2014. R6,1 million of the Massification grant was received in the month of December. Only 7% of the operating grants and 119% capital grants had been utilised at the end of the period which shows an overall utilisation of 93%. The balance of conditional grants as at 31 December was R65,9 million. Considerations of plans to spend against the stagnant grants will be considered in the adjustment budget. See SC6 and SC7(1).

	<i>Balance as at 30 June 2014</i>	<i>YTD Receipts</i>	<i>Expenditure to date</i>	<i>Balance as at 30 December 2014</i>	<i>% utilisation</i>
Grants 2013/2014					
Corridor Development Grant	550,000.00	-	-	550,000.00	0%
Materials Recovery facility-Corridor grant	19,553,971.77	-	-	19,553,971.77	0%
Water purification grant	2,244,800.00	-	-	2,244,800.00	0%
Shared deployment grant	800,000.00	-	420,000.00	380,000.00	53%
Camperdown Waste water works	4,000,095.45	-	-	4,000,095.45	0%
New WWW and Bulk sewer line-Corridor development	4,000,000.00	-	-	4,000,000.00	0%
Municipal Excellence Awards grant	262,678.47	-	-	262,678.47	0%
Energy Sector	150,439.76	-	-	150,439.76	0%
Water demand management grant	969,333.00	-	-	969,333.00	0%
Rural Roads Asset Management System grant	952,180.55	2,303,000.00	924,087.07	2,331,093.48	28%
Expanded Public Works Programme grant	1,405,870.89	2,325,000.00	122,913.86	3,607,957.03	3%
Accredited Councillor training programme	23,020.08	-	-	23,020.08	0%
PTP grant	308,816.64	-	-	308,816.64	0%
DPSS GIS grant	1,001,016.98	250,000.00	166,703.81	1,084,313.17	13%
MSIG	-	934,000.00	637,967.20	296,032.80	68%
FMG	-	1,250,000.00	875,541.38	374,458.62	70%
KZN Sport	633,775.88	-	-	633,775.88	0%
Total operating grants	36,855,999.47	7,062,000.00	3,147,213.32	40,770,786.15	7%
Massification grant	15,235,290.77	6,104,000.00	19,585,971.01	1,753,319.76	92%
MIG	(66,590,950.97)	97,264,000.00	150,404,115.22	(53,140,115.22)	155%
Municipal Water infrastructure grant	4,027,337.75	21,459,000.00	2,119,346.00	23,366,991.75	8%
Total capital grants	(47,328,322.45)	124,827,000.00	172,109,432.23	(28,019,803.71)	119%
Total capital grants excluding MIG	19,262,628.52	27,563,000.00	21,705,317.01	25,120,311.51	
Total conditional grants	56,118,627.99	131,889,000.00	175,256,645.55	65,891,097.66	93%

Employee Costs and Councillors Allowances

Only 33% of the budget of councillors allowances was spent as at 30 December. This is mainly due to the annual increments not having been effected on the councillors allowances as council still awaits the national gazette on the determination of councillors allowances. The salary cost was at 40% expenditure as at 31 December 2014 whilst it represented 30% of total operating expenditure for the period which is below the norm of 40% to total operating expenses. The factors contributing to the slow movement in salaries were Medical Aid contributions, cellphone and vehicle allowances, other benefits and allowances and post-retirement benefit obligations. The main reason for the variance is that the salary increments were prudently estimated above the value which was later determined by the bargaining council whilst medical aid contribution are budgeted on the maximum allowable as per the collective agreement. The expenditure trends against these vote will be reviewed and adjusted accordingly in the adjustment budget. Performance bonuses indicated a 98% variance from budget as they remained unpaid at the end of the period. See SC 10.

Summary of Employee and Councillor remuneration	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Councillors (Political Office Bearers plus Other)</u>								
Basic Salaries and Wages	9,944	14,878	784	4,891	7,439	(2,549)	-34%	14,878
Sub Total - Councillors	9,944	14,878	784	4,891	7,439	(2,549)	-34%	14,878
<u>Other Municipal Staff</u>								
Basic Salaries and Wages	91,462	109,678	7,872	53,756	54,839	(1,083)	-2%	109,678
Pension and UIF Contributions	22,634	19,795	1,061	10,118	9,897	221	2%	19,795
Medical Aid Contributions	1,637	13,022	597	2,942	6,511	(3,569)	-55%	13,022
Overtime	7,284	28,177	618	5,656	14,089	(8,433)	-60%	28,177
Performance Bonus	7,702	8,386	20	80	4,193	(4,113)	-98%	8,386
Motor Vehicle Allowance	12,993	12,024	933	5,112	6,012	(900)	-15%	12,024
Cellphone Allowance	22	22	2	9	11	(2)	-17%	22
Housing Allowances	592	590	66	327	295	32	11%	590
Other benefits and allowances	2,571	5,753	313	1,313	2,877	(1,564)	-54%	5,753
Payments in lieu of leave	-	-	-	-	-	-	-	-
Long service awards	4,105	2	11	25	1	24	2712%	2
Post-retirement benefit obligations	6,180	1,391	106	465	696	(231)	-33%	1,391
Sub Total - Other Municipal Staff	157,181	198,840	11,598	79,802	99,420	(19,618)	-20%	198,840
TOTAL SALARY, ALLOWANCES & BENEFITS	167,126	213,718	12,382	84,692	106,859	(22,167)	(0)	213,718

Cash and cash equivalents

The cash in bank as at 31 December 2014 amounted to R16,3 million and R207,2 million in investments totalling R223,5 million in cash and cash equivalents. The average interest rate earned on investments was 6.4%. Interest accrued in the month on investments excluding money market interest was R684 000. For the period ended interest on investments and current accounts amounted to R 6,6 million which is below the target of R11,7 million. This has mainly been due to internal funds being channelled to contribute to MIG expenditure whilst the pledging facility is being pursued. The cash coverage ratio as at 31 December stood at 4 months which indicates that council had sufficient cash to operate for a period of 4 months without receiving grants to cover operating costs. The norm as set out in the uniform financial ratios and norms circular 71 is 1 month to 3 months.

Schedule of Bank Balances October - December 2014

Account Name	Account Number	October	November	December
Main Account	50940026773	18,831,899.68	138,521,501.19	15,164,695.00
Salaries Account	50940092196	9,055.50	14,087,328.95	66.64
Water Services Account	62023616462	2,958,957.01	829,691.38	254,875.55
Mandela Race Account	62411577193	761,561.38	764,387.86	767,036.66
UMDM MIG (Dbsa) Account	62400041985	70,318.27	70,515.87	70,705.53
Public Sector Cheque Account	62243484417	0.00	0.00	0.00
Total		22,631,791.84	154,273,425.25	16,257,379.38

INVESTMENTS

					interest rate
Standard bank	358610095-002	30,429,670.49	30,132,493.15	30,291,166.43	6.2%
FNB	71101199555	3,813,015.41	3,834,744.86	3,857,198.63	7.1%
Investec	50003728655	30,015,287.67	30,168,242.29	30,327,100.82	6.2%
Absa	2070530459	30,361,808.22	30,046,232.88	30,205,479.46	6.2%
State Bank of India		5,142,109.59	0.00	0.00	6.0%
Ithala Bank	63647675	-	0.00	5,026,465.75	6.9%
Nedbank	1296000028	30,442,561.64	30,142,684.93	30,300,657.53	6.2%
NSTD Call Account	62215748289	52,836,707.23	22,072,407.23	77,221,168.44	
Total		183,041,160.25	146,396,805.34	207,229,237.06	6.4%

Total Balances as at 31 December 2014		205,672,952.09	300,670,230.59	223,486,616.44
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Creditors Age analysis

Total payments for the month of December amounted to R60,697,823.97 of which R53 224 471.45 was paid to the top 20 highest paid creditors as listed below. The total amount paid

excludes salaries and 3rd party payments. Whilst **21%** of invoices were still within 30 days payment period only **79%** of invoices were outside of the 30 day period for the period ending 31 December 2014, this mainly due to the holiday season when most staff take leave which has a resultant effect of slowing the processing of the invoices. The creditors balance as at 31 December 2014 was R372 000 which indicated that most invoices from prior months had been paid in December

Description	Budget Year 2014/15								Total
	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	
R thousands									
Creditors Age Analysis By Customer Type									
Bulk Electricity	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-
Other	78	196	-	4	12	-	12	70	372
Total By Customer Type	78	196	-	4	12	-	12	70	372
	21%	53%		1%	3%		3%	19%	

Top 20 highest paid creditors for the month of December

Reference	Description	Amount
PR1058	ICON CONSTRUCTION (PTY) LTD	9,093,251.44
ET17297	UMGENI WATER	8,103,315.42
ET17298	AQUA TRANSPORT & PLANT HIRE	5,402,733.87
PR1049	THE MVULA TRUST	4,308,810.25
PR1041	HIDROTECH INFRA (PTY) LTD	3,975,356.42
PR1068	UHLANGA TRADING	3,506,976.36
PR1044	MAKHUBU CIVIL CC	2,649,843.22
PR1059	LET CONSULTING (PTY) LTD	2,233,529.75
PR1067	THE MVULA TRUST	2,021,652.72
PR1062	ROYAL HASKONING DHV	1,968,955.55
ET17261	ELECTRIC & PUMP SERVICES	1,550,183.82
PR1038	BOSCH STEMELE	1,395,030.81
ET17251	SIGMA IT & ION CONSULTING JV	1,257,888.54
PR1045	NAIDU CONSULTING	1,124,789.20
PR1065	TAURIS GARDEN TRADING 500	971,160.04
PR1050	WORLEY PARSONS RSA	912,108.86
ET17252	AMAHAWA ASSET MANAGEMENT SOLUTIONS	762,158.63
PR1064	SUNSET BEACH TRADING 529 CC	726,100.98
ET17305	ILANGA SECURITY	635,885.27
PR1060	MAKHAOTSE, NARASIUMULU & ASSOCIATES	624,740.30

53,224,471.45

Debtors Age Analysis

The debtor book value as at 31 December 2014 amounted to **R413, 9 million** of which 91% (R378,1 million) is over 90 days. Of the total debt 73% is household debt and 14% other debtors, 10% organs of state and 3% commercial debtors.

Description	Budget Year 2014/15								
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	Total	Total over 90 days	
R thousands									
Debtors Age Analysis By Customer Group									
Organs of State	1,794	1,088	250	50	251	38,714	42,148	39,016	10%
Commercial	1,783	463	332	227	379	8,886	12,069	9,492	3%
Households	11,072	5,981	4,084	3,058	4,211	272,809	301,215	280,078	73%
Other	5,637	1,932	1,342	1,128	1,046	47,416	58,500	49,590	14%
Total By Customer Group	20,287	9,463	6,008	4,463	5,886	367,825	413,932	378,175	100%
	5%	2%	1%	1%	1%	89%		91%	

5. IN-YEAR BUDGET STATEMENT TABLES: DECEMBER 2014 REPORT

The preliminary financial results for the period ended 31 December 2014 (i.e. 06 month of the 2014/15 financial year) are attached consisting of the following tables, in Annexure A:

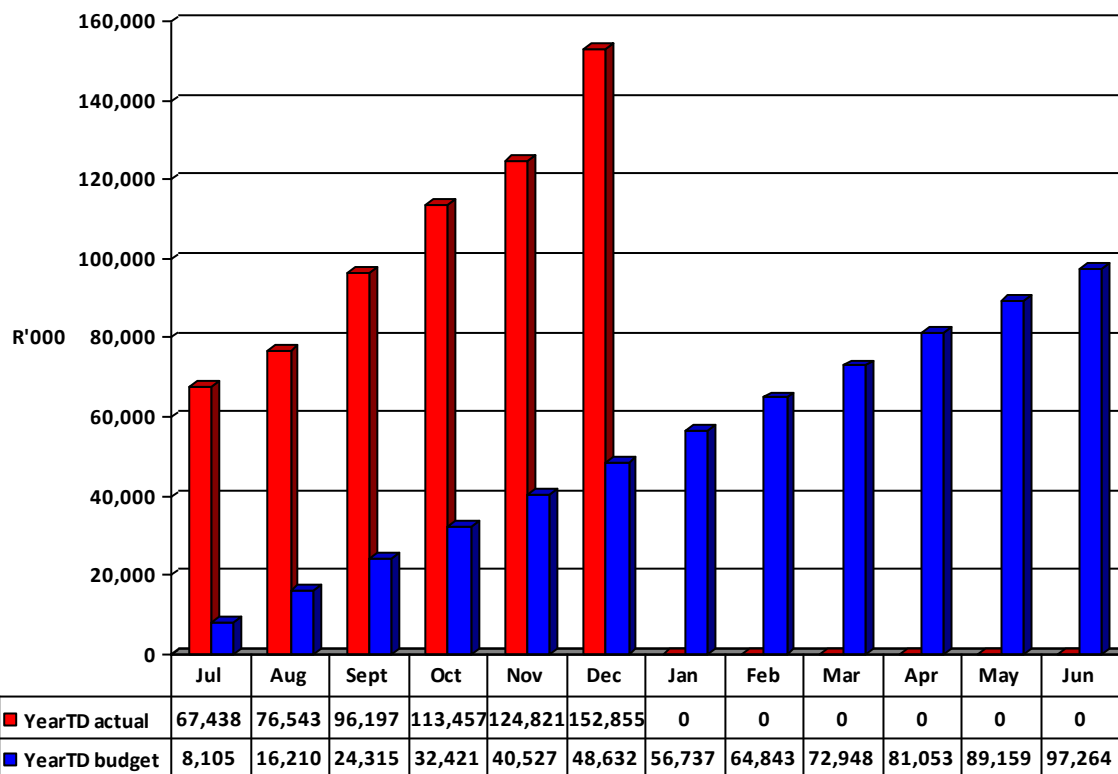
Part 1

- (a) Table C1: Consolidated Monthly Budget Statement – Summary
- (b) Table C2: Consolidated Monthly Budget Statement – Financial Performance (standard Classification)
- (c) Table C3: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure)
- (e) Table C5: Consolidated Monthly Budget Statement – Capital Expenditure by vote, standard classification and funding
- (f) Table C6: Consolidated Monthly Budget Statement – Financial Position
- (g) Table C7: Consolidated Monthly Budget Statement – Cash Flow

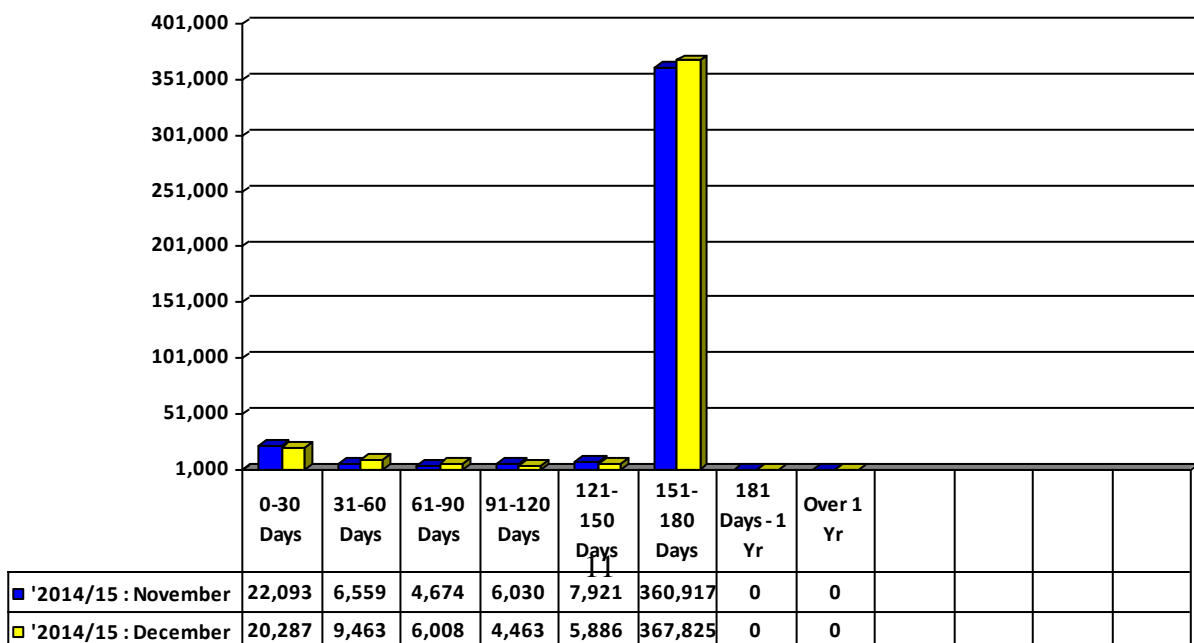
Part 2

- (a) Table SC1: Material variance explanations
- (b) Table SC2: Monthly Budget Statement – Performance Indicators
- (c) Table SC3: Monthly Budget Statement – Aged Debtors
- (d) Table SC4: Monthly Budget Statement – Aged Creditors
- (e) Table SC5: Monthly Budget Statement – Investment Portfolio
- (f) Table SC6: Monthly Budget Statement – Transfers and grant receipts
- (g) Table SC7: Monthly Budget Statement – Transfers and grant expenditures
- (gb) Table SC7 (1): Monthly Budget Statement-Approved Roll overs
- (h) Table SC8: Monthly Budget Statement – Councillor and Staff Benefits
- (i) Table SC9: Monthly Budget Statement – Actual and Revised targets for cash receipts
- (j) Table SC10: Monthly Budget Statement – Parent Municipality Financial Performance (Revenue and Expenditure)
- (k) Table SC11: Monthly Budget Statement – Summary of Municipal Entities
- (l) Table SC12: Monthly Budget Statement – Capital Expenditure Trend
- (m) Table SC13a: Monthly Budget Statement – Capital expenditure on new assets by asset class
- (n) Table SC13b: Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
- (m) Table SC13c: Monthly Budget Statement – Capital expenditure on repairs and maintenance by asset class
- (p) Municipal manager's quality certification

CUMULATIVE CAPITAL EXPENDITURE: YTD ACTUAL VS YTD BUDGET



DEBTORS AGE ANALYSIS



TOP TEN DEBTORS AS AT 31 DECEMBER 2014

SUNDRY DEBTORS

These debtors are not water related.

Debtor	November	Movement	December	Background	Credit Control Progress to November 2014
4000164 uMsunduzi Municipality	31,169,580.93	0.00	31,169,580.93	A meeting was held on the 14th April with MM and CFO's of both Municipalities and it was agreed that the CFO's must work on the issues and report to MM's on the progress.	This matter is being investigated terms of source documentation.
4000657 KZN Department of Works	1,796,012.47	0.00	1,796,012.47	<p>This matter is in respect of the water works takeover of the Appelsbosch Water Plant.</p> <p>The original outstanding debt was R2 552 745. KZN Public works agreed to pay R 808 236 and the balance must be claimed from National Treasury as part of the equitable share. Payment of R808 236.06 was paid by KZN Public Works.</p> <p>Payment was requested from Provincial Treasury however they need to investigate the matter since it dates back to 2008.</p> <p>The Provincial Treasury has advised that they are still in process of collecting the data for the various financial years with regards to</p>	This matter is being investigated terms of source documentation.

				the allocation of the equitable share before payment can be effected.	
4000160 uMzinyathi Municipality	1,343,086.20	0.00	1,343,086.20	<p>This matter is in respect of a DBSA loan repayment.</p> <p>A letter has been sent to uMzinyathi on the 31 July 2014 requesting payment.</p> <p>Email sent to uMzinyathi CFO on the 4th December 2014</p> <p>Further documentation and reconciliation in terms of payments made is being consolidated in order to recover the outstanding debt.</p>	The account has been reconciled and information has been submitted to the CFO of uMzinyathi Municipality so that payment can be made.
4000456 Prov. Dept. of Social Develop	906,358.59	0.00	906,358.59	<p>The matter is in respect of a Women's Day function hosted by the municipality. The municipality paid for the event and the Department of Social Service was to pay back the expenses incurred. Various attempts have been made for payment.</p> <p>Request for appointment with the CFO Ashnie Singh</p>	A meeting request was sent to the CFO of the department so that this matter can be finalised however the assistant manager advised that once the Memorandum of Understanding is received then only payment will be made. The document cannot be located and further investigation is required to recover the outstanding debt.

				<p>was made.</p> <p>The Department requested information regarding the contract that was signed between the municipality and the Department of Social Development.</p> <p>This information has been requested from the office of the MM so that a meeting can be set up to finalise payment.</p>	
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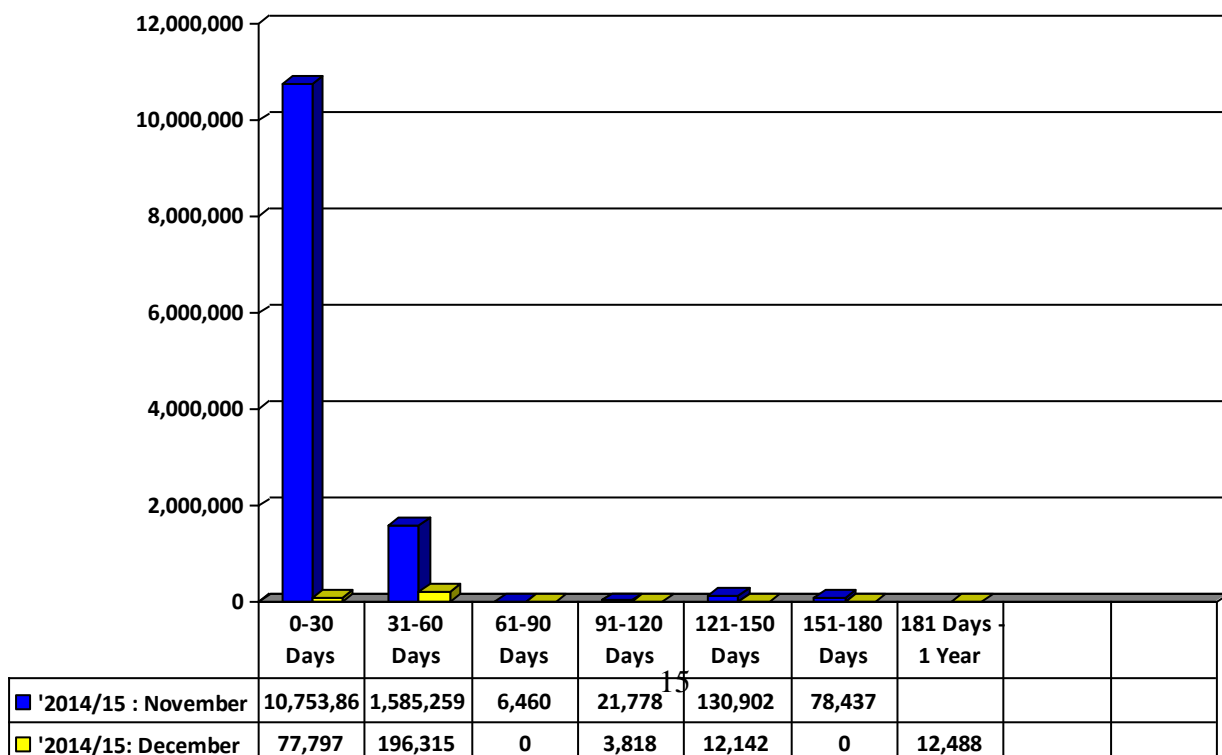
CONSUMER DEBTORS

These debtors are as a result of non-payment for water services rendered.

Debtor	August	Movement	September	Credit Control Progress to date
5922651132 P & G Spars	817,921.80	5,486.25	823,408.05	Meter on the property has been disconnected. Umgeni Water is investigating the Matter
5922215208 uMngeni Municipality	509,548.76	3,303.96	512,852.72	The meter was verified and it was established that the meter belongs to uMgungundlovu District Municipality. Amount should be written off
5922314401 Mooi River Taxi Association	414,812.42	2,733.31	417,545.73	The account disconnected on the 16 th October 2014. Meter verification was conducted in November and the meter remains disconnected.
5922711490	428,864.43	2,858.46	431,722.89	Account disconnected on the 15 th October

Richmond Country Club				2014. Meter verification was conducted in November and the meter remains disconnected
5922800012 Department of Public Work and Land	557,591.28	556,431.58 (current account)	556,431.58	Payment received R (557,591.28) for November consumption. R 556,431.58 is current consumption which will be paid at the end of January 2015
5922121582 Inanda Shopping Centre	427,949.29	2,756.89	430,706.18	Account has been sent for verification.

CREDITORS AGE ANALYSIS



7. CONCLUSION

This report meets with the requirements of the MFMA, Sections 52(d) and 71 by submitting the 'In-year report' to Finance Committee on the implementation of the budget and the financial status of the municipality.

ANNEXURES:

Annexure – **Schedule C**

RECOMMENDED

- (1) That, in compliance with, Section 52(d) and Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations" the **preliminary** financial results regarding the operating and capital budgets for the 06th month of the 2014/15 financial year, and supporting documents as required by National Treasury (Schedule C) be submitted to Full Council Committee.

- (2) In order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009 this report be submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council, in both a Council approved document and in electronic format.
- (3) That the Committee approves the following:
- 3.1 Surplus for the period ending 31 December 2014 is R 120 024 million.
- 3.2 Cash & Cash Equivalent for the period ending 31 December 2014 is R 223 487 million.
- 3.3 Capital Expenditure for the period ending 31 December 2014 is R 152 855 million
- 3.4 Trade Payables for the period ending 31 December 2014 is R 372 thousand.
- 3.5 Trade Receivables for the period ending 31 December 2014 R 413 932 million.
- 3.6 Conditional Grants for the period ending 31 December 2014 is R 12 751 million.

REPORT – FLOW COMPLIANCE CHECK

FILE: **5/1/1/1**

INITIATOR: Sinegugu Ncube

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

FINANCIAL SERVICES DEPARTMENT

PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY AND FIRST

QUARTER BUDGET STATEMENT) FOR THE PERIOD ENDING 31 December 2014

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

	COMPREHENSIVENE SS (FACTS, COMMENTS, RECOMMENDATIONS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
EXECUTIVE MANAGER: BUDGET OFFICE NONDUMISO MBATHA SIGNATURE: DATE :	(√)	(√)	(√)

<p>EXECUTIVE MANAGER: REVENUE MANAGEMENT: SIBONGILE KHUMALO</p> <p>SIGNATURE:</p> <p>DATE :</p>	(√)	(√)	(√)
<p>EXECUTIVE MANAGER: EXPENDITURE MANAGEMENT: NOMPUMELELO KHUMALO</p> <p>SIGNATURE:</p> <p>DATE :</p>	(√)	(√)	(√)
<p>HEAD OF DEPARTMENT: CHIEF FINANCIAL OFFICER : SINEGUGU NCUBE</p> <p>SIGNATURE :</p> <p>DATE :</p>	(√)	(√)	(√)
<p>EXECUTIVE MANAGER: INTERNAL AUDIT PORTIA NZIMAKWE</p> <p>SIGNATURE:</p> <p>DATE :</p>	(√)	(√)	(√)

Municipal Manager’s quality certification

I, **Terence L Sibusiso Khuzwayo**, the Municipal Manager of the uMgungundlovu District Municipality, hereby certify that -

the monthly **preliminary** report on the implementation of the budget and financial state affairs of the municipality for the month of **December 2014** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr. T L S Khuzwayo_____

Municipal Manager: uMgungundlovu District Municipality

Signature: _____

Date: _____

Print name: Mr. Y Bhamjee_____

Mayor: uMgungundlovu District Municipality

Signature: _____

Date: _____