

REPORT TO THE uMGUNGUNDLOVU DISTRICT MUNICIPALITY COUNCIL



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Report Number: 06 Designation : ACFO

For consideration

1st Level – MANCO :
2nd Level – Portfolio Committee : 15/01/2019
3rd Level – EXCO : /01/2019
4th Level – MPAC : /01/2019
5th Level – Council : /01/2019

**SUBJECT: PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDED 31
DECEMBER 2019**

DATE : 15 JANUARY 2019

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 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-

Section 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: ...”.

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.”

For the reporting period ending 31 DECEMBER 2019 the ten working day reporting limit expires on **15 JANUARY 2019**.

The below is the summary of financial performance for the period ended 31 DECEMBER 2019.

Table1

Summary of financial performance	
Actual Revenue to Budgeted Revenue	40
Actual OPEX to budgeted OPEX	30
Actual CAPEX to budgeted CAPEX	63
Employee related cost exp to total OPEX	30
% Grant Utilisation	77.87
Cash Coverage Ratio	1.29
Debt Service to Revenue Ratio	0.20
% Debt to Revenue Ratio	22.45
Creditors Age Analysis	82% or R 20.2 milliion of creditors is outstanding longer than 30 days.
Debt Collection Rate	61

4. RECOMMENDATIONS

- (1) That, in compliance with, 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 10th month of the 2018/19 financial year, and supporting documents as required by National Treasury (Schedule C) be submitted to Council.
- (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 2019 is R 149.9 million.
 - 3.2 Cash & Cash Equivalent for the period ending 31 December 2019 is R 151.5 million.
 - 3.3 Capital Expenditure for the period ending 31 December 2019 is R 110.3 million.
 - 3.4 Trade Payables for the period ending 31 December 2019 is R 24.8 million.
 - 3.5 Trade Receivables for the period ending 31 December 2019 is R 780.2 million.
 - 3.6 Unspent conditional Grants for the period ending 31 December 2019 is R 32.2 million.

4 The Committee notes the cash and cash equivalents of R million translates to a positive cash Coverage of 1.31 months, which is within the National Treasury Norm of 1 – 3 months.

(5) **That the Committee notes the following for the uMgungundlovu Development Agency:**

4.1 Surplus for the period ending 31 December 2019 of R .

4.2 Cash & Cash Equivalent for the period ending 31 December 2019 is R .

4.3 Capital Expenditure for the period ending 31 December 2019 is Nil

4.4 Trade Payables for the period ending 31 December 2019 is R.

IN YEAR MONITORING REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019.

1. Operating Budget

Summary financial performance report **SF1** for the period ending 31 DECEMBER 2019 shown in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type. The summary report indicates the following:

Table 2

DC22 uMgungundlovu - Table C1 Consolidated Monthly Budget Statement Summary - M06 December									
Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	254 050	372 228	-	24 208	146 803	186 114	(39 311)	-21%	372 228
Investment revenue	293	500	-	25	(149)	250	(399)	-160%	500
Transfers and subsidies	488 175	556 568	-	-	220 352	278 284	(57 932)	-21%	556 568
Other own revenue	42 346	6 791	-	4 210	26 418	3 395	23 023	678%	6 791
Total Revenue (excluding capital transfers and contributions)	784 864	936 086	-	28 443	393 424	468 043	(74 619)	-16%	936 086
Expenditure									
Employee costs	215 841	283 677	-	20 019	118 439	141 838	(23 399)	-16%	283 677
Remuneration of Councillors	10 691	12 941	-	998	5 835	6 471	(636)	-10%	12 941
Depreciation & asset impairment	21 759	42 500	-	3 728	22 369	21 250	1 119	5%	42 500
Finance charges	23 084	27 550	-	1 873	11 136	13 775	(2 639)	-19%	27 550
Materials and bulk purchases	146 362	142 500	-	17 697	84 972	71 250	13 722	19%	142 500
Transfers and subsidies	13	5 084	-	-	26	2 542	(2 516)	-99%	5 084
Other expenditure	249 797	399 052	-	6 294	111 084	199 526	(88 443)	-44%	399 052
Total Expenditure	667 547	913 304	-	50 609	353 861	456 652	(102 791)	-23%	913 304
Surplus/(Deficit)	117 317	22 782	-	(22 166)	39 563	11 391	28 172	247%	22 782

The revenue raised as at 31 December 2019 is R 393.4 million against the original budget of R 936.0 million for the year and R 468 million for the period. This reflects a revenue rate of 40% against the original budget and 80% for the year to date budget.

The operating expenditure as at 31 December 2019 was R 353.9 million vs a year to date budget of R 456.7 million reflecting YTD expenditure of 70% and 30% against the original budget. The operating surplus for the period was R 149.9 million.

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

- Service charges below target by 21%.
- Transfers and subsidies are 21% below target.
- Investment revenue is 160% below target.
- Other revenue account, the amount is made up of: Tender sales, Rental of facilities and SANBI

The reasons for variances per source group are also cited in Annexure A, Table SC1 of this report.

2. Capital Expenditure

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

Table 3

Funding Source	Original Budget 2019 /2020	Expenditure as at 31 December 2019	% spent
MIG	101 944 000.00	75 471 797.72	74.03
WSIG	80 000 000.00	41 203 169.36	51.50
RRAMS	2 631 000.00	1 188 556.65	45.18
	184 575 000.00	117 863 523.73	63.86
LESS NON CAPITALISED PROJECTS			
TOTAL CAPITAL EXPENDITURE	184 575 000.00	117 863 523.73	63.86

Table 4

Project Name	Funding Source	Original Budget 2019/2020	Total current year expenditure as at 31.12.2019	% Percentage
Infrastructure assets				
Manyavu water	MIG	36 408 614	36 283 221	1.00
Manzamyama Water	MIG	24 383 724	22 458 173	0.92
Nkanyezini Water	MIG	6 151 662	2 053 791	0.33
Mpolweni, Thokozani, Claridge	MIG	5 000 000	6 010 588	1.20
Merrivale heights AC Pipeline Replacement	MIG		2 035 634	
Maqongqo Bulk Water	MIG		1 641 534	
Hilton AC Pipeline Replacement	MIG		4 721 355	
Trust feed Phase1	MIG	20 000 000	0	0.00
uMshwathi Slum Water	MIG		267 504	
uMshwathi VIP Backlog Toilets	MIG	2 000 000	0	0.00
Impendle VIP Backlog Toilets	MIG	1 000 000	0	0.00
Mkhambathini VIP Backlog Toilets	MIG	2 000 000	0	0.00
Umgenei VIP Backlog Toilets	MIG	2 000 000	0	0.00
Richmond VIP Backlog Toilets	MIG	2 000 000	0	0.00
Mpofana VIP Backlog Toilets	MIG	1 000 000	0	0.00
Nadi Efaye Phase 2	WSIG	41 878 809	41 203 169	0.98
Mtulwa to Mt Elias- Phase 3A	WSIG	1 696 474	0	0.00
Nadi to Ekhamanzi Phase 3	WSIG	36 424 717	0	0.00
Rural Roads Asset Management	DOT	2 681 000	1 188 557	0.44
		184 625 000	117 863 524	63.84

The total capital budget for the 2019/ 2020 financial year is R 184 625 million including the allocation for the Rural Roads Assets Management Grant of R 2.6 million. The MIG allocation is R 101.9 million and the Water Services Infrastructure Grant is R 80 million. The year to date certified MIG expenditure amounts to R 75.5 million. The total expenditure for the Water Services Infrastructure Grant amount to R 41.2 million or 51.50%.

The projects on the pipeline are as follows:

1. **The Nkanyezini water supply scheme** has a total project budget of R 85 million, the tender was awarded on 17 October 2016. The project is ongoing. Initially there were delays in the start of the projects due to contractor challenges, the contract termination processes were instituted and the contractor given time to correct anomalies. Further delays were experienced due to social facilitation issues which arose after the death of the ward councillor. Other delays were due to the negotiations with the landowner and house owner which have both been resolved. An amount of R950 000 was paid for the purchase of the house which is on the site on which a reservoir is to be

built. The land price of R115k was paid in November 2017. Subsequently, the progress of the contractor continues to deteriorate. The initial contract with the contractor was terminated and was replaced with a revised contract. The service provider was requested to compile and produce a turnaround plan on their performance and remedial strategies. The plan is due for submission on 31 August 2019. The project has a budget allocation of R 6 151 662 for the 2019 /2020 financial year.

2. **The Manyavu water supply scheme** has an allocation of R36.4 million for year. The project was awarded on 21 April 2017, the site handover has been completed. The project is progressing well with expenditure of R 31.4 million at the end of July 2019 out of the R 36.4 million budget allocation for the 2019 /2020 financial year. The project is anticipated to be completed by 31 December 2019.
3. **The Manzamnyama water supply scheme** was advertised and closed on 18 January 2018, Contractor appointed and now on onsite. The project is progressing well with a 2019/ 2020 year budget allocation of R 24.4 million. There is NIL expenditure for the period ending 31 July. The project is expected to be completed by 31 December 2019.
4. **Mpolweni, Thokoza & Claridge:** the project is at a planning stage. The budget for the 2019 /2020 financial year is R 5 million.
5. **Trustfeed Phase 1.** The project has a R 20 million budget for the 2019 /2020 financial year. The project is on the inception stage and anticipated to resume contraction by the end of September 2019.
6. **Various VIP Toilets Projects:** The total project has an allocation R 10 million for various sites within the District. The allocation is as follows:
 - 6.1 uMshwathi Municipality - R 2 million.
 - 6.2 Impendle Municipality - R 1 million.
 - 6.3 Mkhambathini Municipality - R 2 million.
 - 6.4 uMgeni Municipality - R 2 million.
 - 6.5 Richmond Municipality - R 2 million.
 - 6.6 Mpofana Municipality - R 1 million.

As at 31 December there was no expenditure to the project.

Spending on the **WSIG is 51.50%** of the year allocation. The following projects are funded by the Water Services Infrastructure Grant :

- 6.7 Nadi to Ekhamanzi Phase 2. The project has a budget allocation of R 41.9 for the 2019/2020 financial year. There is no expenditure to date for the period ending 31 August 2019.
- 6.8 Nadi to Ekhamanzi Phase 3. This portion of the project has a budget allocation of R 36.4

Both phases for the project have resumed and progressing well. The entire project is anticipated to be completed during the 2020 /2021 financial year.

- 7.3 Mtulwa to Mt Elias Phase 3 A, the project is progressing well and anticipated to be completed 30 October 2019

7. Total capital expenditure to date is 63.32% against the original budget.

3. Employee costs and councillor's allowances

Section 66 of the MFMA requires that the accounting officer of a municipality must report to Council in a prescribed format all expenditure incurred by the municipality on staff salaries, wages and benefits in a manner that discloses expenditure per type such as salaries, contributions for pensions etc. As at 31 December 2019, **45%** of the councillor's allowances budget was spent and **42%** spent of the employee costs budget. As at 31 December 2019 the total salary cost including councillor's allowances represented **30%** of total operating expenditure for the period which is within the norm of 25%-40% to total operating expenses as set by National Treasury circular 71.1

Table 5

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	Budget Year 2019/20								
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		6 478	12 941	-	998	5 836	6 471	(635)	-10%	12 941
Pension and UIF Contributions		625	-	-	-	-	-	-	-	-
Medical Aid Contributions		174	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2 420	-	-	-	-	-	-	-	-
Cellphone Allowance		993	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		10 691	12 941	-	998	5 836	6 471	(635)	-10%	12 941
% increase	4		21.0%							21.0%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	-	5 717	-	342	2 125	2 859	(734)	-26%	5 717
Pension and UIF Contributions		-	185	-	19	113	93	20	22%	185
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	972	-	-	-	486	(486)	-100%	972
Motor Vehicle Allowance		-	878	-	44	264	439	(175)	-40%	878
Cellphone Allowance		-	108	-	-	-	54	(54)	-100%	108
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	75	-	7	43	37	5	15%	75
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	1	8	-	8	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	7 936	-	413	2 553	3 968	(1 414)	-36%	7 936
% increase	4		#DIV/0!							#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages		165 182	165 413	-	11 484	74 036	82 706	(8 671)	-10%	131 982
Pension and UIF Contributions		827	29 358	-	2 564	12 831	14 679	(1 849)	-13%	29 358
Medical Aid Contributions		11 309	11 247	-	921	5 548	5 623	(75)	-1%	11 247
Overtime		6 379	8 902	-	436	3 520	4 451	(931)	-21%	8 902
Performance Bonus		11 312	10 793	-	-	11 191	5 396	5 794	107%	10 793
Motor Vehicle Allowance		17 625	21 809	-	1 682	3 418	10 905	(7 487)	-69%	21 809
Cellphone Allowance		424	1 702	-	136	328	851	(523)	-61%	1 702
Housing Allowances		1 013	1 037	-	98	242	518	(276)	-53%	1 037
Other benefits and allowances		-	16 182	-	1 327	2 731	8 091	(5 360)	-66%	16 182
Payments in lieu of leave		56	-	-	414	764	-	764	#DIV/0!	-
Long service awards		2 670	299	-	216	537	149	387	259%	299
Post-retirement benefit obligations	2	(956)	9 000	-	329	742	4 500	(3 758)	-84%	9 000
Sub Total - Other Municipal Staff		215 841	275 741	-	19 606	115 886	137 871	(21 985)	-16%	242 310
% increase	4		27.8%							12.3%
Total Parent Municipality		226 532	296 618	-	21 017	124 275	148 309	(24 034)	-16%	263 187
			30.9%							16.2%
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		226 532	296 618	-	21 017	124 275	148 309	(24 034)	-16%	263 187
% increase	4		30.9%							16.2%
TOTAL MANAGERS AND STAFF		215 841	283 677	-	20 019	118 439	141 838	(23 399)	-16%	250 246

4. Conditional Grants

As at the end of December 2019 a total of R 126.3 million of conditional grants was received since 1 July 2019, whilst an additional R 23 million was available which was received in the previous financial year. R 113.3 million was spent as at end of December 2019. The operating grant utilisation is at 20.98% and the capital grant utilisation was 83.97 % of allocations received. Overall grant utilisation is at 77.87%

Table 6

Description	Opening Balance	Receipts	Roll Over Repayments	Total receipts	Expenditure	Balance	Percentage
Operating Grants							
FMG	0	1 000 000		1 000 000	569 903	430 098	56.99
PTP	308 817	0		308 817	0	308 817	0.00
EPWP	1 955 102	2 358 000		4 313 102	2 358 000	1 955 102	54.67
Camperdown WWW	4 000 095	0		4 000 095	0	4 000 095	0.00
SETA Grants	0	0		0	0	0	0.00
RASET GRANT	0	0		0	0	0	0.00
DGDS GRANT	126 989	0		126 989	0	126 989	0.00
DPSS GRANT	0	550 000		550 000	0	550 000	0.00
GEOPanning	1 300 000	1 500 000		2 800 000	30 176	2 769 824	1.08
IDP SPATIAL DEVELOPMENT FRAMEWORK		1 000 000		1 000 000		1 000 000	
Total Operating Grants	7 691 003	6 408 000		14 099 003	2 958 079	11 140 925	20.98
Capital Grants							
WSIG	3 843 255	50 000 000	3 800 000	50 043 255	41 203 169	8 840 086	82.34
Drought Relief Initiatives	0	0		0	0	0	0.00
MIG	0	68 000 000		68 000 000	68 000 000	0	100.00
Orio	11 550 860	0		11 550 860	0	11 550 860	0.00
RRAMS	0	1 877 000		1 877 000	1 188 557	688 443	63.32
Total Capital Grants	15 394 115	119 877 000		131 471 115	110 391 726	21 079 389	83.97
Total Grants	23 085 118.30	126 285 000.00		145 570 118.30	113 349 804.51	32 220 313.79	77.87

5. Cash and cash equivalents

An amount of R 25 479 was accrued in investment interest income for the month of December 2019. The cash in bank as at 31 December 2019 amounted to **R 147.6 million** and investments amounted to **R3.8 million** bringing a total cash and cash equivalents of **R 151.5 million**. The average interest rate on investment is at 8%. The cash coverage ratio as at 31 December 2019 is 1.29 months based on average of R 70 million per month fixed operating expenditure. This indicates that the municipality as at 31 December 2019 has sufficient cash to run its operations for 1.29 months. The norm as set out in the uniform financial ratios and norms circular 71 is 1 to 3 months. See below extract from SC 5.

Table 7

Period of Investment	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
Yrs/Months							
1 year	Long term	2020 Sept Seven	25	8.0%	3 820	25	3 845
			25	0	3 820	25	3 845

Table 8

Bank Accounts	Account Number	Market value at the beginning of the month R 0.00	Change in market value R 0.00	Market value at the end of the month R 0.00
Main Account	50940026773	29 015 786.00	8 979 228.28	37 995 014.28
Salaries Account	50940092196	2 189 112.58	68 586 065.02	70 775 177.60
Water Services Account	62023616462	30 148 310.91	4 260 367.31	34 408 678.22
NSTD Call Account	62215748289	2 018 460.16	9 953.90	2 028 414.06
Mandela Race Account	62411577193	781 842.31	2 808.51	784 650.82
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	1 621 446.93	14 732.84	1 636 179.77
Public Sector Cheque Account	62243484417	216.70	216.70	0.00
Total Cash Balances		65 774 742.19	81 853 372.56	147 628 114.75

Table 8 above excluded an investment of R3.8 million held with FNB as a security for the Long Term Borrowings (DBSA Loan).

6. Borrowings

As at 31 December 2019 the loans book was sitting at R 210.2 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 22.45% as projected which is below the treasury norm of below 45%. This indicates that the debt books is funded by 0.20% of the internally generated operating income.

Table 9

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) December 2019						
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/12/2019	Add: Interest Accrued	Less :Capital Repayments	Closing Balance at 31/12/2019
12007869	uMgungundlovu Various Water Projects	10.889	208 326 955.75	1 858 954.94	0.00	210 185 910.69
			208 326 955.75	1 858 954.94	0.00	210 185 910.69

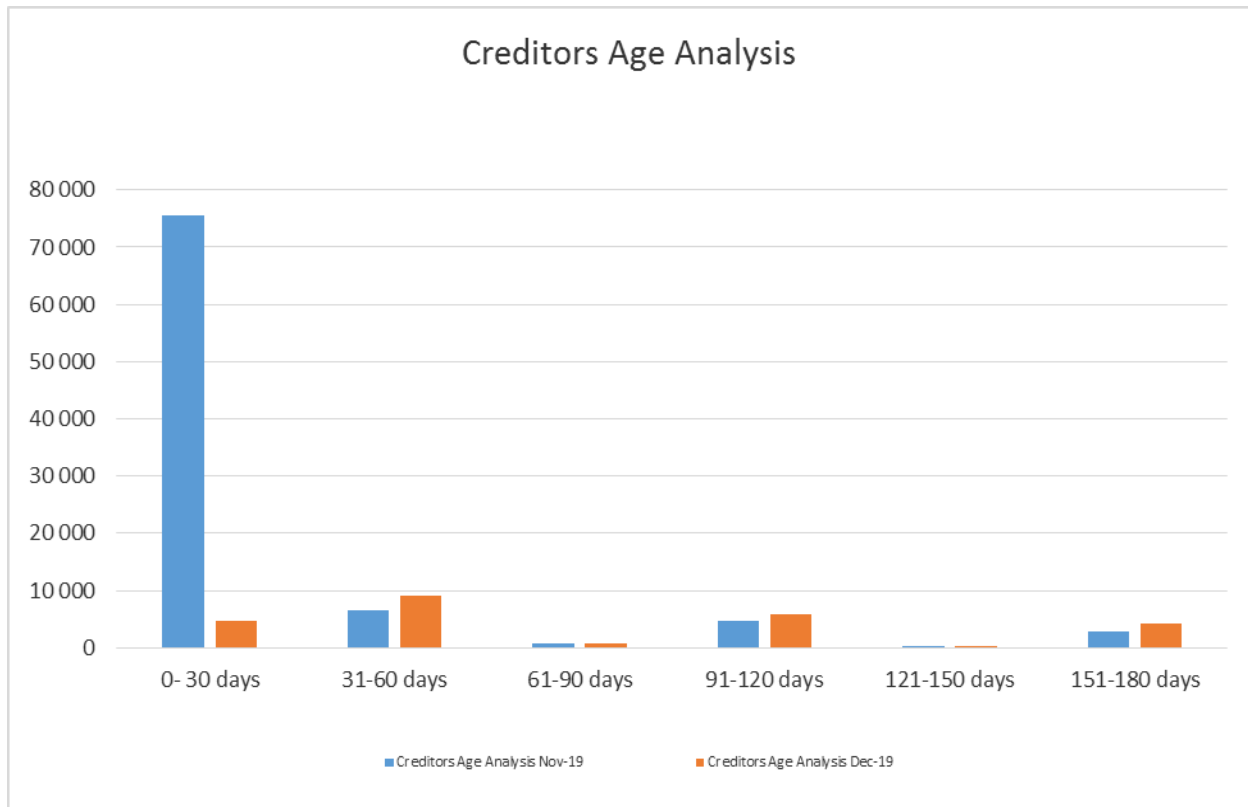
7. Creditors Age Analysis

A total R 20.1 million or 82% of invoices remained outside the compliance period of 30 days as at 31 December 2019. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 December 2019. The balance of trade payables as at 31 December 2019 was **R 24.7 million.**

Table 10

DC22 uMgungundlovu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December										
Description	NT Code	Budget Year 2019/20								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	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	762	9 027	654	5 767	162	10	2 796	(194)	18 983
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	3 821	72	41	69	224	1 363	203	2	5 796
Total By Customer Type	1000	4 583	9 099	695	5 836	386	1 373	2 999	(192)	24 779

Graph 1



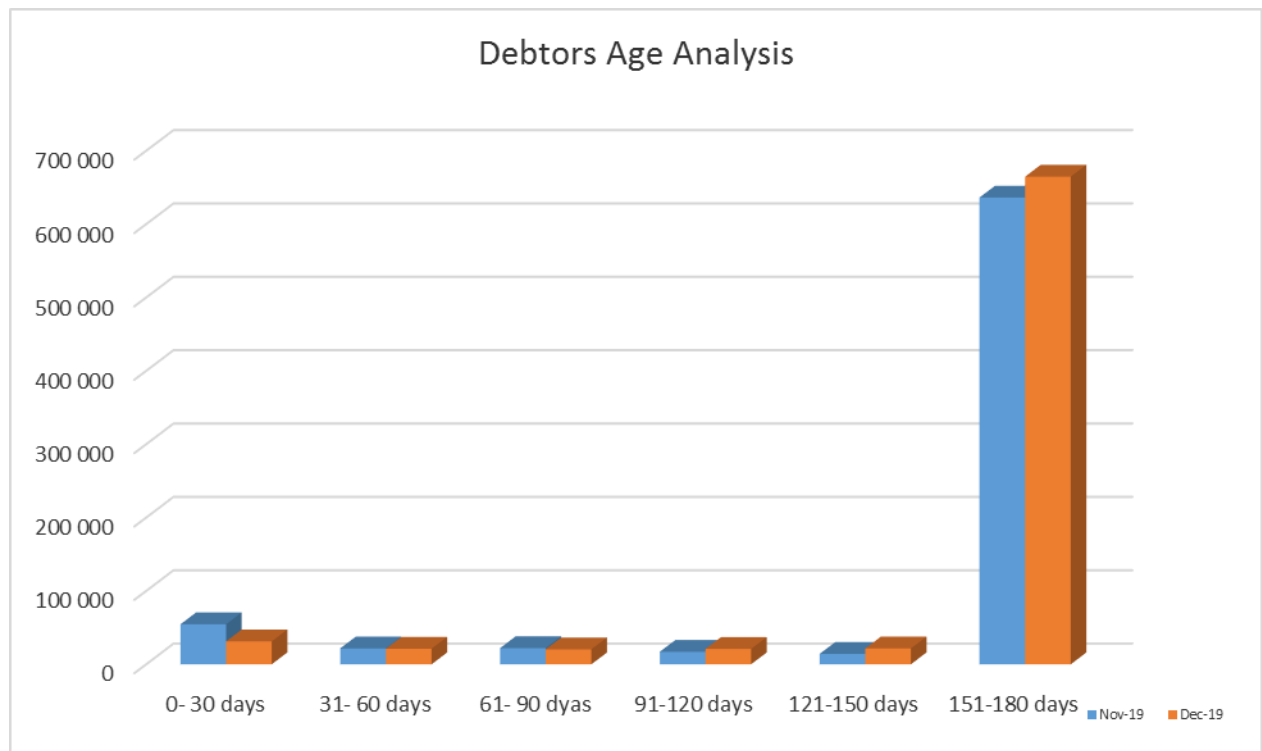
8. Debtors age analysis

The debtor book value as at 31 December 2019 amounted to **R 780.2 million**. The collection rate in the month of December was 61%. The average collection rate to date is **64%**.

Table 1

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December										
Description	NT Code	Budget Year 2019/20								Total
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	24 531	15 034	14 228	12 796	11 373	10 231	61 136	371 331	520 658
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	2 426	1 603	1 597	2 080	1 941	1 700	9 813	71 187	92 347
Receivables from Exchange Transactions - Waste Management	1600	-	-	(4)	(11)	(5)	(7)	2	(36)	(63)
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	20	720	740
Interest on Arrear Debtor Accounts	1810	4 642	4 635	4 492	4 399	4 198	4 379	25 341	100 829	152 915
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	(288)	(136)	84	1 681	4 172	525	94	7 472	13 604
Total By Income Source	2000	31 310	21 135	20 397	20 946	21 678	16 828	96 404	551 502	780 200
2018/19 - totals only										-
Debtors Age Analysis By Customer Group										
Organs of State	2200	5 710	2 247	1 958	1 704	1 262	813	4 451	13 210	31 355
Commercial	2300	3 114	1 728	554	835	517	378	2 516	6 368	16 009
Households	2400	20 623	15 520	16 113	15 246	14 253	13 827	80 849	468 979	645 410
Other	2500	1 863	1 640	1 772	3 161	5 645	1 810	8 589	62 946	87 426
Total By Customer Group	2600	31 310	21 135	20 397	20 946	21 678	16 828	96 404	551 502	780 200

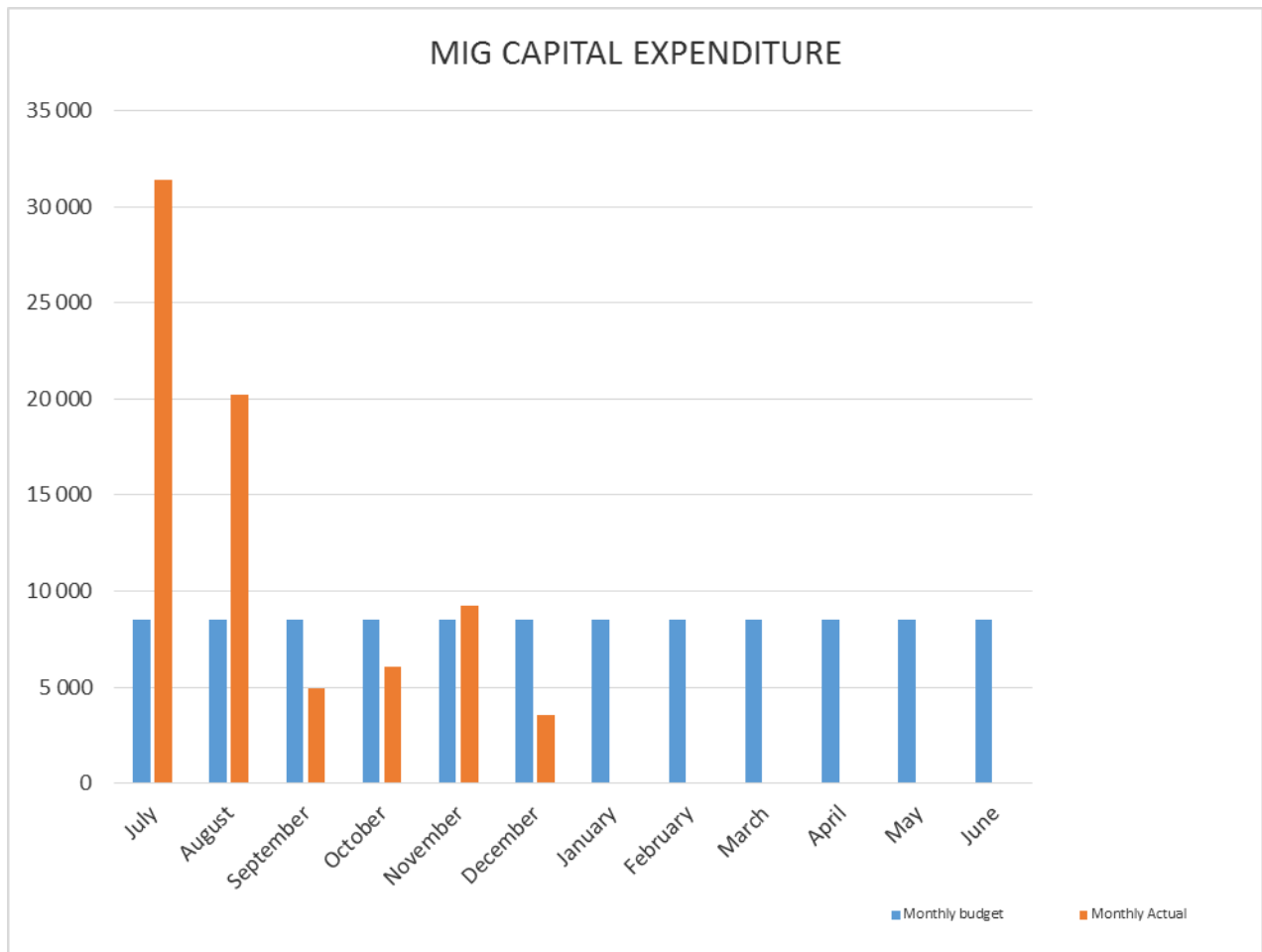
Graph 2



9. IN-YEAR BUDGET STATEMENT CHARTS: 31 DECEMBER 2019 REPORT

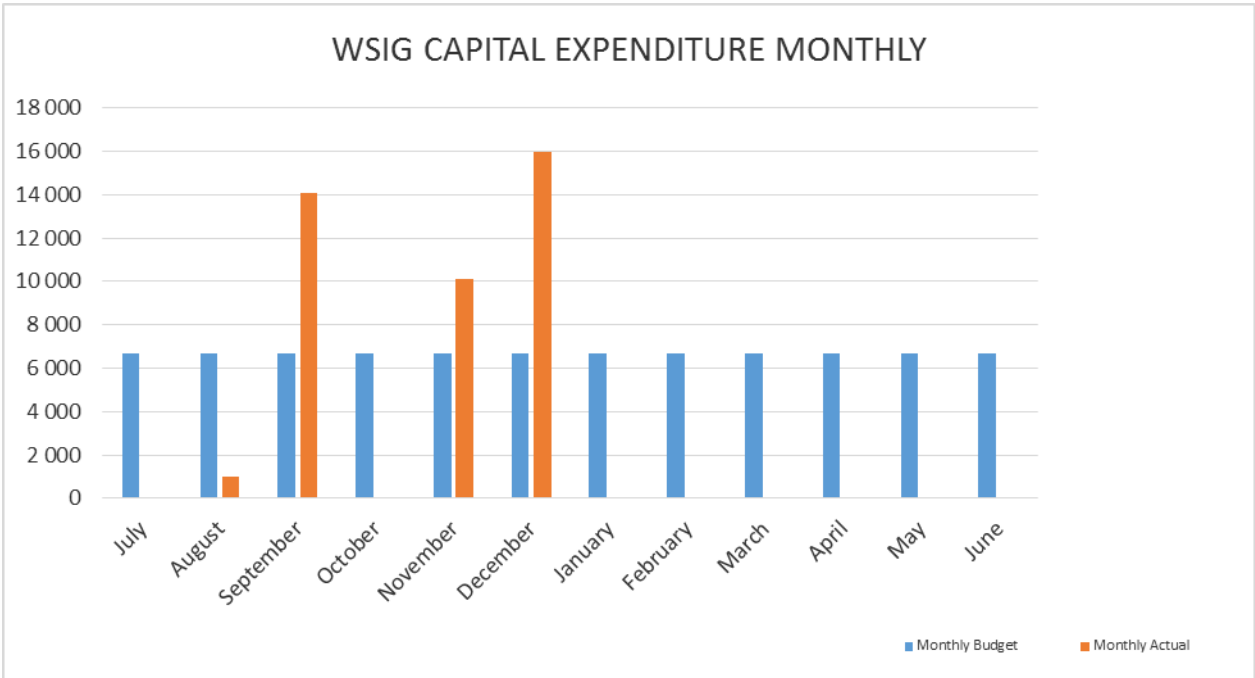
MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly budget	Monthly Actual
July	8 495	31 409
August	8 495	20 231
September	8 495	4 941
October	8 495	6 062
November	8 495	9 248
December	8 495	3 581
January	8 495	
February	8 495	
March	8 495	
April	8 495	
May	8 495	
June	8 495	
	101 944	75 472



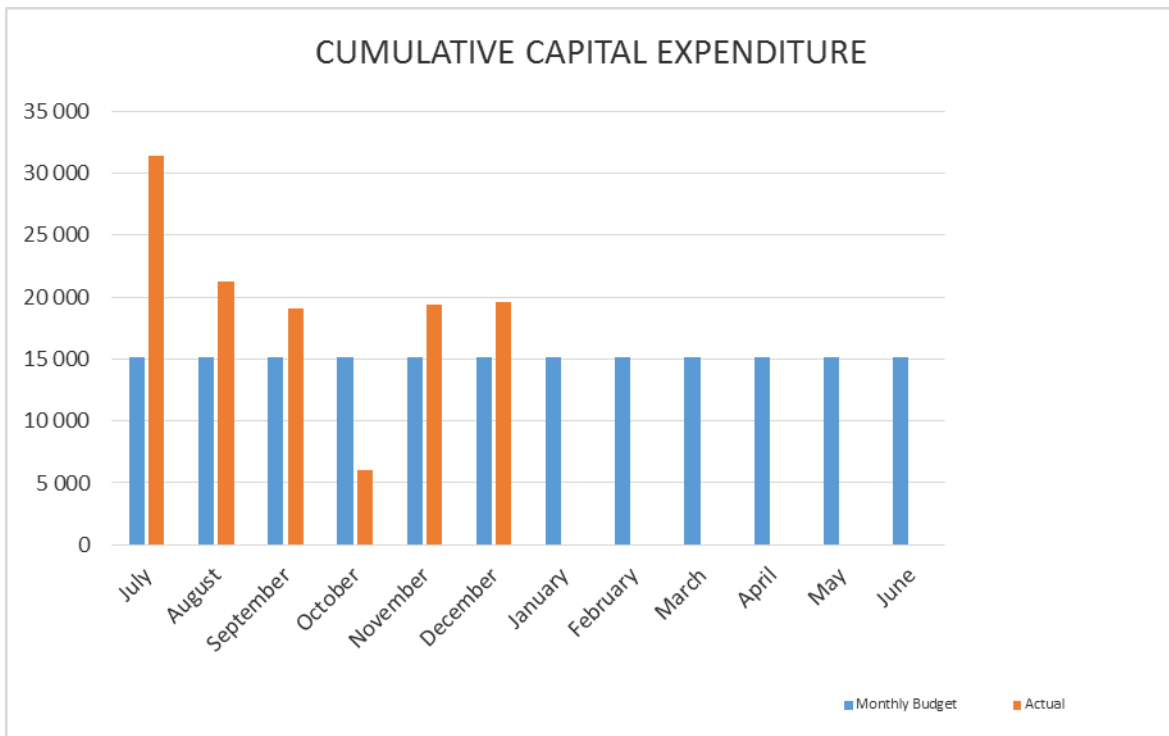
WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	6 667	0
August	6 667	982
September	6 667	14 096
October	6 667	0
November	6 667	10 139
December	6 667	15 986
January	6 667	0
February	6 667	0
March	6 667	0
April	6 667	0
May	6 667	0
June	6 667	0
	80 000	41 203



CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	15 162	31 409
August	15 162	21 213
September	15 162	19 037
October	15 162	6 062
November	15 162	19 387
December	15 162	19 567
January	15 162	0
February	15 162	0
March	15 162	0
April	15 162	0
May	15 162	0
June	15 162	0
	181 944	116 675



10. IN-YEAR BUDGET STATEMENT TABLES: DECEMBER 2019 REPORT

The preliminary financial results for the period ended 31 DECEMBER 2019 (i.e. 06th month of the 2019/20 financial year) are attached consisting of the following tables, in Annexure A:

Part 1

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

Part 2

- (a) Table SC1: Material variance explanations
- (b) Table SC2: Monthly Budget Statement – Performance Indicators
- (c) Table SC3: Monthly Budget Statement – Aged Debtors
- (d) Table SC4: Monthly Budget Statement – Aged Creditors
- (e) Table SC5: Monthly Budget Statement – Investment Portfolio
- (f) Table SC6: Monthly Budget Statement – Transfers and grant receipts
- (g) Table SC7: Monthly Budget Statement – Transfers and grant expenditures
- (gb) Table SC7 (1): Monthly Budget Statement-Approved Roll overs

- (h) Table SC8: Monthly Budget Statement – Councillor and Staff Benefits
- (i) Table SC9: Monthly Budget Statement – Actual and Revised targets for cash receipts
- (j) Table SC10: Monthly Budget Statement – Parent Municipality Financial Performance (Revenue and Expenditure)
- (k) Table SC11: Monthly Budget Statement – Summary of Municipal Entities
- (l) Table SC12: Monthly Budget Statement – Capital Expenditure Trend
- (m) Table SC13a: Monthly Budget Statement – Capital expenditure on new assets by asset class
- (n) Table SC13b: Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
- (m) Table SC13c: Monthly Budget Statement – Capital expenditure on repairs and maintenance by asset class
- (p) Municipal manager's quality certification

11. CONCLUSION

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

ANNEXURES:

Annexure – Schedule C

REPORT – FLOW COMPLIANCE CHECK

FILE: 5/1/1/1

INITIATOR: Linda Africa

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

FINANCIAL SERVICES DEPARTMENT

PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD ENDING 31 DECEMBER 2019

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

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

Municipal Manager’s quality certification

I, **Raymond Ngcobo**, Municipal Manager of the uMgungundlovu District Municipality, hereby certify that the monthly preliminary report on the implementation of the budget and financial state affairs of the municipality for the month of **DECEMBER 2019** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Dr. MRB Ngcobo

Municipal Manager: uMgungundlovu District Municipality

Signature: _____

Date: _____

Print name: Cllr T E Maphumulo

Mayor: uMgungundlovu District Municipality

Signature: _____

Date: _____