

REPORT TO THE uMGUNGUNDLOVU DISTRICT MUNICIPALITY COUNCIL



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Report Number: 08	Designation	: CFO

For consideration

1 st Level – MANCO	:	
2 nd Level – Portfolio Committee	:	14/03/2019
3 rd Level – EXCO	:	20/03/2019
4 th Level – MPAC	:	22/03/2019
5 th Level – Council	:	29/03/2019

**SUBJECT: PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDED 28
FEBRUARY 2019**

DATE : 14 MARCH 2019

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: ...”.

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 28 February 2019 the ten working day reporting limit expired on **14 March 2019**.

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
- (b) information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and
- (c) consistent with the monthly budget statement for September, December, March and June as applicable; and
- (d) **Submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council.**

The below is the summary of financial performance for the period ended 28 February 2019.

Table 1

Summary of financial performance	
Actual Revenue to Budgeted Revenue	75
Actual OPEX to budgeted OPEX	56
Actual CAPEX to budgeted CAPEX	52.61
Employee related cost exp to total OPEX	37
% Grant Utilisation	62.95
Cash Coverage Ratio	0.22
Debt Service to Revenue Ratio	2.13
% Debt to Revenue Ratio	25.84
Creditors Age Analysis	26% or R7 087 000 of creditors is outstanding longer than 30 days.
Debt Collection Rate	51

4. RECOMMENDATIONS

- (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 6th month of the 2018/19 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 28 February 2019 is R 226.0 million.

3.2 Cash & Cash Equivalent for the period ending 28 February 2019 is R 78.7 million.

3.3 Capital Expenditure for the period ending 28 February 2019 is R 109.2 million.

3.4 Trade Payables for the period ending 28 February 2019 is R 26.9 million.

3.5 Trade Receivables for the period ending 28 February 2019 is R 644.3 million.

3.5 Unspent conditional Grants for the period ending 28 February 2019 is R 67.7 million.

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

4.1 Surplus for the period ending 28 February 2019 of R 3.4 million.

4.2 Cash & Cash Equivalent for the period ending 28 February 2019 is R 3.7 million.

4.3 Capital Expenditure for the period ending 28 February 2019 is Nil

4.4 Trade Payables for the period ending 28 February 2019 is R 395 000

IN YEAR MONITORING REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2019

1. Operating Budget

Summary financial performance report for the period ending 28 February 2019 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:

Table 2

DC22 uMgungundlovu - Table C1 Consolidated Monthly Budget Statement Summary - M08 February									
Description	2017/18	Budget Year 2018/19							
	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	177 003	281 429	208 286	22 216	176 688	121 500	55 188	45%	208 286
Investment revenue	3 802	–	–	–	346	–	346	#DIV/0!	–
Transfers and subsidies	433 487	492 260	514 010	–	369 988	287 152	82 836	29%	514 010
Other own revenue	36 266	12 650	34 596	2 263	22 283	13 213	9 070	69%	34 596
Total Revenue (excluding capital transfers and contributions)	650 558	786 339	756 892	24 479	569 304	421 864	147 440	35%	756 892
Expenditure									
Employee costs	208 700	250 246	269 246	18 816	155 684	179 497	(23 813)	-13%	222 536
Remuneration of Councillors	10 958	12 479	12 320	959	7 534	8 213	(679)	-8%	10 564
Depreciation & asset impairment	40 172	51 000	35 000	–	19 942	23 333	(3 392)	-15%	28 692
Finance charges	35 321	22 609	27 546	23	15 975	18 364	(2 389)	-13%	22 877
Materials and bulk purchases	132 358	140 650	139 150	13 779	93 940	92 767	1 174	1%	127 839
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	390 261	328 171	312 527	20 038	151 404	208 352	(56 948)	-27%	240 673
Total Expenditure	817 770	805 155	795 789	53 614	444 478	530 526	(86 048)	-16%	653 181
Surplus/(Deficit)	(167 212)	(18 816)	(38 897)	(29 135)	124 827	(108 662)	233 488	-215%	103 711

The revenue raised as at 28 February 2019 is R 569.3 million against the adjusted budget of R 756.9million for the year and R 421.9 million for the period. This reflects a revenue rate of 75% against the adjusted budget and 135% for the year to date budget.

The operating expenditure as at 28 February 2019 was R 444.5 million vs a year to date budget of R 530.5 million reflecting YTD expenditure of 83% and 56% against the adjusted budget. The operating surplus for the period was R 124.8 million.

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

- Service charges above target by 45%.
- Transfers and subsidies are 29% above target.
- Other revenue account is 69% above target, 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	Budget 2018 /2019	Expenditure as at 28 February 2019	% spent
MIG	99 828 000.00	84 475 017.87	84.62
DBSA LOAN	0.00	0.00	0.00
WSIG	102 700 000.00	24 704 148.35	24.05
RESERVES	5 000 000.00	0.00	0.00
RRAMS	2 531 000.00	1 768 998.51	69.89
DWS	4 000 095.45	0.00	
	214 059 095.45	110 948 164.73	51.83
LESS NON CAPITALISED PROJECTS	6 531 095.45	1 768 998.51	
TOTAL CAPITAL EXPENDITURE	207 528 000.00	109 179 166.22	52.61

Table 4

Project Name	Funding Source	Original Budget 2018/2019	Total current year expenditure as at 28.02.2019	% Percentage
Infrastructure assets				
Manyavu water	MIG	11 636 359	36 503 290	313.70
Manzanyama Water	MIG	10 855 358	22 066 264	203.28
Nkanyezini Water	MIG	8 742 766	14 684 493	167.96
Maqongqo Water/ Upgrade	MIG	8 093 517	9 962 347	123.09
Phase 2 Nadi - Efaye	MIG	20 350 000		
Hilton Corridor development	MIG			
Phase 3A Mtulwa	MIG	16 804 000		
Phase 3B Ekhamanzi	MIG	14 346 000		
uMshwathi slum water	MIG		1 258 624	
Trust feeds Phase 1	MIG	3 000 000		
Sanitation	MIG	6 000 000		
Umshwathi Regional Bulk	WSIG	102 700 000	24 704 148	24.05
Boreholes - Drought (ex Mkhambat)	DWS	4 000 095		
Merrivale AV Pipes	DBSA			
Merrivale AV Pipes	MIG			
Rural roads asset management	DOT	2 531 000	1 768 999	1.83
Retentions	Reserves			
Fire Fighting Equipment	Reserves	5 000 000		
Furniture	Reserves			
IT Equipment and Infrastructure	Reserves			
		214 059 095	110 948 165	

The total capital original budget for the 2018/ 2019 financial year is R207 528 million and the MIG allocation is R 99 828 million. The year to date, MIG expenditure amounts to R 84 475 million or 85%. The municipality anticipates to spend in full the capital allocations. The projects on the pipeline are as follows:

1. **The Nkanyezini water supply scheme** has a total project budget of R 85 million and 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 and contract termination processes were institution and the contractor given time to correct anomalies in line with the GCCs. 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. Expenditure for September is at 3 % of 2018/ 2019 year allocation.
2. **The Manyavu water supply scheme** with a total budget of R17.5 million and a maximum year allocation of R11.6 was awarded 21 April 2017 and a site handover has been completed. The project is expected to be completed in 22 months.
3. **The Manzamnyama water supply scheme** was advertised and closed on 18 January 2018, Contractor appointed and now on onsite.
4. **Maqongqo water supply scheme** project has a budget of R19 million and was awarded in July 2017 and has R 8.1 million 2018/ 2019 budget allocation. The project is experienced social facilitation issues which have subsequently been attended to through the intervention of the infrastructure portfolio chairperson.
5. Spending on the **WSIG is 26.04%** of the received allocation.
6. Total capital expenditure to date is **52.61%** 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 28 February 2019, **61%** of the councillor's allowances budget was spent and **58%** spent of the employee costs budget. As at 28 February 2019 the total salary cost including councillor's allowances represented **37%** of total operating expenditure for the period which is above the norm of 25%-40% to total operating expenses as set by National Treasury circular 71.

Table 5

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	Ref	2017/18		Budget Year 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		6 455	7 259	7 259	563	4 493	4 839	(346)	-7%	6 307
Pension and UIF Contributions		713	555	555	55	438	370	68	18%	576
Medical Aid Contributions		252	266	266	17	127	177	(51)	-29%	193
Motor Vehicle Allowance		2 472	2 441	2 441	212	1 686	1 628	58	4%	2 296
Cellphone Allowance		1 067	1 958	1 799	61	741	1 199	(458)	-38%	1 191
Other benefits and allowances		-	-	-	50	50	-	50	#DIV/0!	-
Sub Total - Councillors		10 958	12 479	12 320	959	7 534	8 213	(679)	-8%	10 564
% increase	4		13.9%	12.4%						-3.6%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	-	5 717	5 717	143	1 279	3 812	(2 533)	-66%	-
Pension and UIF Contributions		-	185	185	15	121	123	(2)	-2%	-
Motor Vehicle Allowance		-	878	878	23	298	585	(287)	-49%	-
Cellphone Allowance		-	108	108	2	22	72	(50)	-70%	-
Other benefits and allowances		-	75	75	28	146	50	97	193%	-
Sub Total - Senior Managers of Municipality		-	6 964	6 964	210	1 866	4 642	(2 776)	-60%	-
% increase	4		#DIV/0!	#DIV/0!						
Other Municipal Staff										
Basic Salaries and Wages		157 487	174 175	183 128	14 327	116 825	122 086	(5 260)	-4%	165 316
Pension and UIF Contributions		777	589	1 031	59	478	687	(210)	-30%	903
Medical Aid Contributions		12 009	10 986	9 939	835	5 017	6 626	(1 609)	-24%	9 284
Overtime		7 832	15 541	10 863	457	4 419	7 242	(2 823)	-39%	7 162
Performance Bonus		9 985	9 723	21 094	-	10 504	14 063	(3 559)	-25%	15 777
Motor Vehicle Allowance		17 202	20 715	28 377	1 618	12 469	18 918	(6 449)	-34%	20 081
Cellphone Allowance		565	-	-	-	-	-	-	-	-
Housing Allowances		1 023	1 211	1 766	92	738	1 177	(439)	-37%	1 179
Long service awards		3 094	1 713	2 515	187	1 294	1 677	(383)	-23%	1 941
Post-retirement benefit obligations	2	(1 273)	8 628	3 570	308	2 074	2 380	(306)	-13%	892
Sub Total - Other Municipal Staff		208 700	243 282	262 282	17 883	153 818	174 855	(21 037)	-12%	222 536
% increase	4		16.6%	25.7%						6.6%
Total Parent Municipality		219 659	262 725	281 565	19 051	163 218	187 710	(24 492)	-13%	233 099
			19.6%	28.2%						6.1%
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		845	845	845	103	103	845	(743)	-88%	845
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities	2	845	845	845	103	103	845	(743)	-88%	845
% increase	4		0.0%	0.0%						0.0%
Senior Managers of Entities										
Pension and UIF Contributions		-	-	104	-	-	104	(104)	-100%	-
Other benefits and allowances		122	1 226	1 373	25	816	1 373	(557)	-41%	1 226
Sub Total - Senior Managers of Entities		122	1 226	1 477	25	816	1 477	(661)	-45%	1 226
% increase	4		907.9%	1114.4%						907.9%
Other Staff of Entities										
Pension and UIF Contributions		-	24	-	-	24	-	24	#DIV/0!	-
Other benefits and allowances		884	109	342	30	189	342	(153)	-45%	109
Sub Total - Other Staff of Entities		884	133	342	30	213	342	(129)	-38%	109
% increase	4		-84.9%	-61.4%						-87.7%
Total Municipal Entities		1 851	2 204	2 664	158	1 132	2 664	(1 532)	-58%	2 180
TOTAL SALARY, ALLOWANCES & BENEFITS		221 510	264 929	284 229	19 210	164 350	190 374	(26 024)	-14%	235 280
% increase	4		19.6%	28.3%						6.2%
TOTAL MANAGERS AND STAFF		209 706	251 605	271 064	18 148	156 713	181 316	(24 602)	-14%	223 870

4. Conditional Grants

As at the end of February 2019, R 121.8 million of conditional grants was received since 1 July 2018, whilst an additional R 60 million was available which was received in the previous financial year. R 115 million was spent as at 28 February 2019. The operating grant utilisation is at 39.39% and the capital grant utilisation was 65.04% of allocations received. Overall grant utilisation is at 62.95%

Table6

Description	Opening Balance	Receipts	Total receipts	Expenditure	Balance	% spent to date
Operating Grants						
FMG	0.00	1 000 000.00	1 000 000.00	531 489.25	468 510.75	53.15
PTP	308 817.00	0.00	308 817.00	0.00	308 817.00	0.00
RRAMS	0.00	1 772 000.00	1 772 000.00	1 768 999.08	3 000.92	99.83
EPWP	0.00	2 986 000.00	2 986 000.00	377 072.00	2 608 928.00	12.63
Camperdown WWW	4 000 095.00	0.00	4 000 095.00	0.00	4 000 095.00	0.00
SETA Grants	219 304.75	0.00	219 304.75	0.00	219 304.75	0.00
RASET GRANT	3 000 000.00	0.00	3 000 000.00	3 000 000.00	0.00	100.00
DGDS GRANT	300 000.00	0.00	300 000.00	186 011.00	113 989.00	62.00
DPSS GRANT	0.00	500 000.00	500 000.00	0.00	500 000.00	0.00
GEOPlanning	0.00	800 000.00	800 000.00	0.00	800 000.00	0.00
Total Operating Grants	7 828 216.75	7 058 000.00	14 886 216.75	5 863 571.33	9 022 645.42	39.39
Capital Grants						
WSIG	18 130 635.92	76 750 000.00	94 880 635.92	24 704 148.36	70 176 487.56	26.04
MIG	23 430 775.00	38 000 000.00	61 430 775.00	84 475 017.88	-23 044 242.88	137.51
Orio	11 550 860.00	0.00	11 550 860.00	0.00	11 550 860.00	0.00
Total Capital Grants	53 112 270.92	114 750 000.00	167 862 270.92	109 179 166.24	58 683 104.68	65.04
Total Grants	60 940 487.67	121 808 000.00	182 748 487.67	115 042 737.57	67 705 750.10	62.95

5. Cash and cash equivalents

An amount of R23 014 was accrued in investment interest income for the month of February 2019. The cash in bank as at 28 February 2019 amounted to **R 74 820 million** and investments amounted to **R3 894 million** with a total cash and cash equivalents of **R 78 714 million**. The average interest rate on investment is at **8%**. The cash coverage ratio as at 28 February 2019 is 0.22 days based on average of R49 million per month fixed operating expenditure. This indicates that the municipality as at 28 February 2019 had sufficient cash to operate for a period of 0.22 **days** without receiving grants to cover operating costs. 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	2019 Sept Seven	23	8.0%	3 871	23	3 894
			23		3 871	23	3 894

Table 8

Bank Accounts	Account Number	Market value at the beginning of the month	Change in market value	Market value at the end of the month
		R 0.00	R 0.00	R 0.00
Main Account	50940026773	109 510 381.03	-74 315 787.76	35 194 593.27
Salaries Account	50940092196	8 727 769.09	-8 395 637.35	332 131.74
Water Services Account	62023616462	2 104 992.43	169 326.51	2 274 318.94
NSTD Call Account	62215748289	31 094 323.06	190 740.41	31 285 063.47
Mandela Race Account	62411577193	752 481.50	2 952.45	755 433.95
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	4 953 265.36	25 354.85	4 978 620.21
Public Sector Cheque Account	62243484417		0.00	
Total Cash Balances		157 143 212.47	-82 323 050.89	74 820 161.58

6. Borrowings

As at 31 January 2019 the loans book was sitting at R 209.8 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 2.13% as projected which is below the treasury norm of below 45%. This indicates that the debt books is 25.84% of the internally generated operating income. The debt service ratio to operating expenditure is 2.14% which is below the 6-8% recommended treasury norm.

Table 9

<i>LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) February 2019</i>								
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/02/2019	Add: Interest Accrued	Less: Interest paid	Less :Capital Repayments	Closing Balance at 28/02/2019	Repayment Due before year end
12007869	uMgungundlovu Various Water Projects	10.889	208 077 236.03	1 722 184.82	0.00	0.00	209 799 420.85	15 600 210.18
			208 077 236.03	1 722 184.82	0.00	0.00	209 799 420.85	15 600 210.18

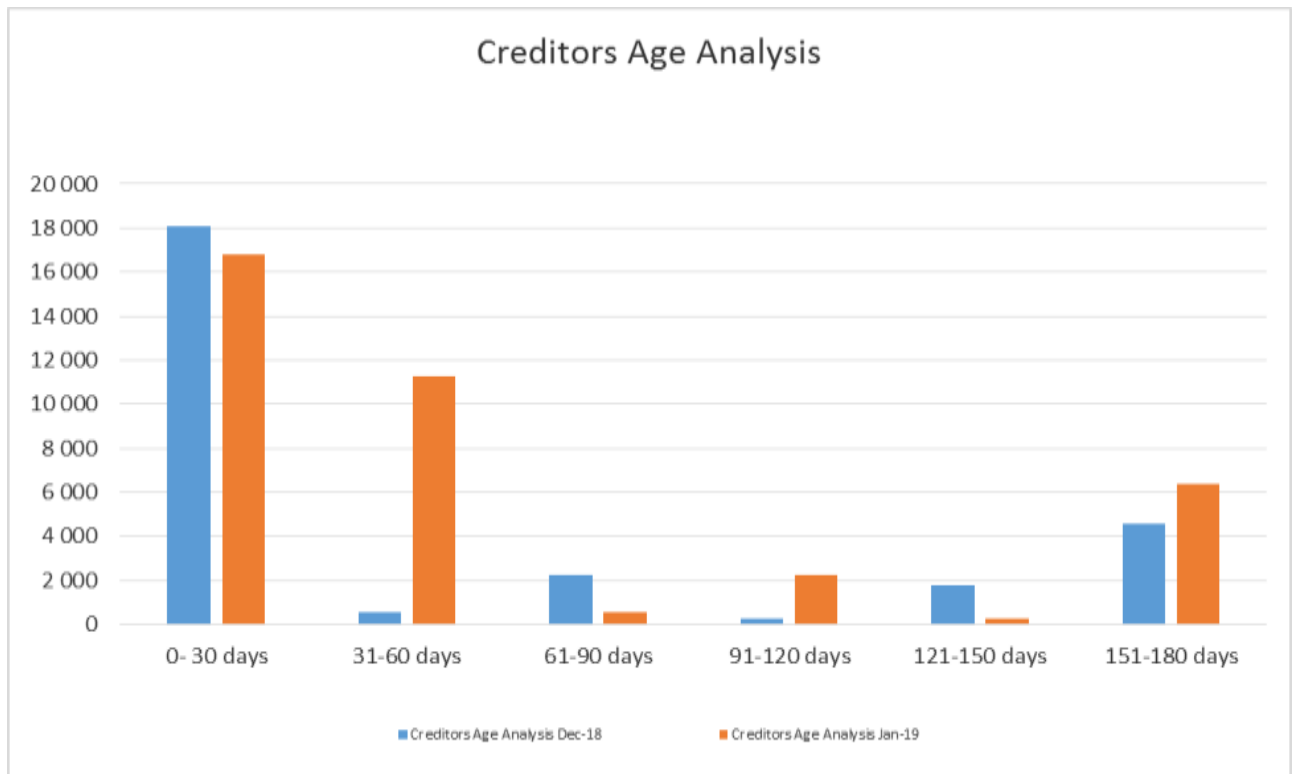
7. Creditors Age Analysis

A total R7 087 or 26% of invoices remained outside the compliance period of 30 days as at 28 February 2019. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 28 February 2019. The balance of trade payables as at 28 February 2019 was **R26 925 million**.

Table 10

DC22 uMgungundlovu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January								
Description	NT Code	Budget Year 2018/19						Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	
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	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-
Other	0900	19 838	2 628	834	1 178	243	2 204	26 925
Total By Customer Type	1000	19 838	2 628	834	1 178	243	2 204	26 925

Graph 1



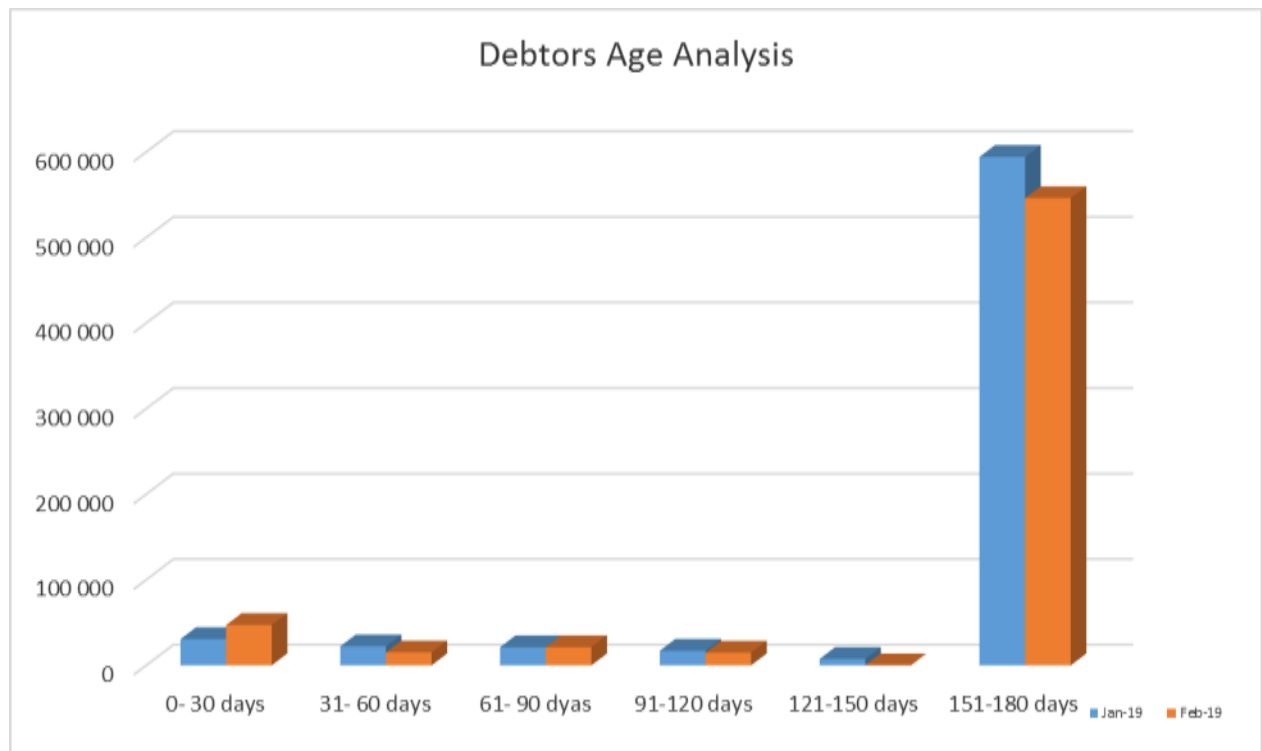
8. Debtors age analysis

The debtor book value as at 28 February 2019 amounted to **R 644 330 million**. The collection rate in the month of February was **51%**. The average collection rate to date is **62%**.

Table 12

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January										
Description	NT Code	Budget Year 2018/19								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	
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	37 983	10 886	12 752	10 126	81	10 641	55 142	299 765	437 377
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	4 140	1 397	1 780	1 700	3	1 652	12 715	58 275	81 661
Receivables from Exchange Transactions - Waste Management	1600	(8)	(5)	(4)	(2)	(0)	(36)	(28)	(19)	(103)
Receivables from Exchange Transactions - Property Rental Debtors	1700	10	4	2	2	-	2	9	706	735
Interest on Arrear Debtor Accounts	1810	5 042	2 807	3 309	3 018	-	2 742	20 749	71 437	109 105
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	(58)	(23)	3 304	18	(5)	3 552	3 857	4 911	15 556
Total By Income Source	2000	47 109	15 066	21 144	14 862	78	18 552	92 443	435 075	644 331
2017/18 - totals only										-
Debtors Age Analysis By Customer Group										
Organs of State	2200	3 987	570	863	384	-	353	3 008	4 952	14 116
Commercial	2300	300	0	-	(3)	-	-	-	0	297
Households	2400	3 907	1 264	1 606	1 349	2	1 208	8 711	35 781	53 828
Other	2500	38 916	13 232	18 675	13 132	77	16 991	80 724	394 343	576 090
Total By Customer Group	2600	47 109	15 066	21 144	14 862	78	18 552	92 443	435 075	644 331

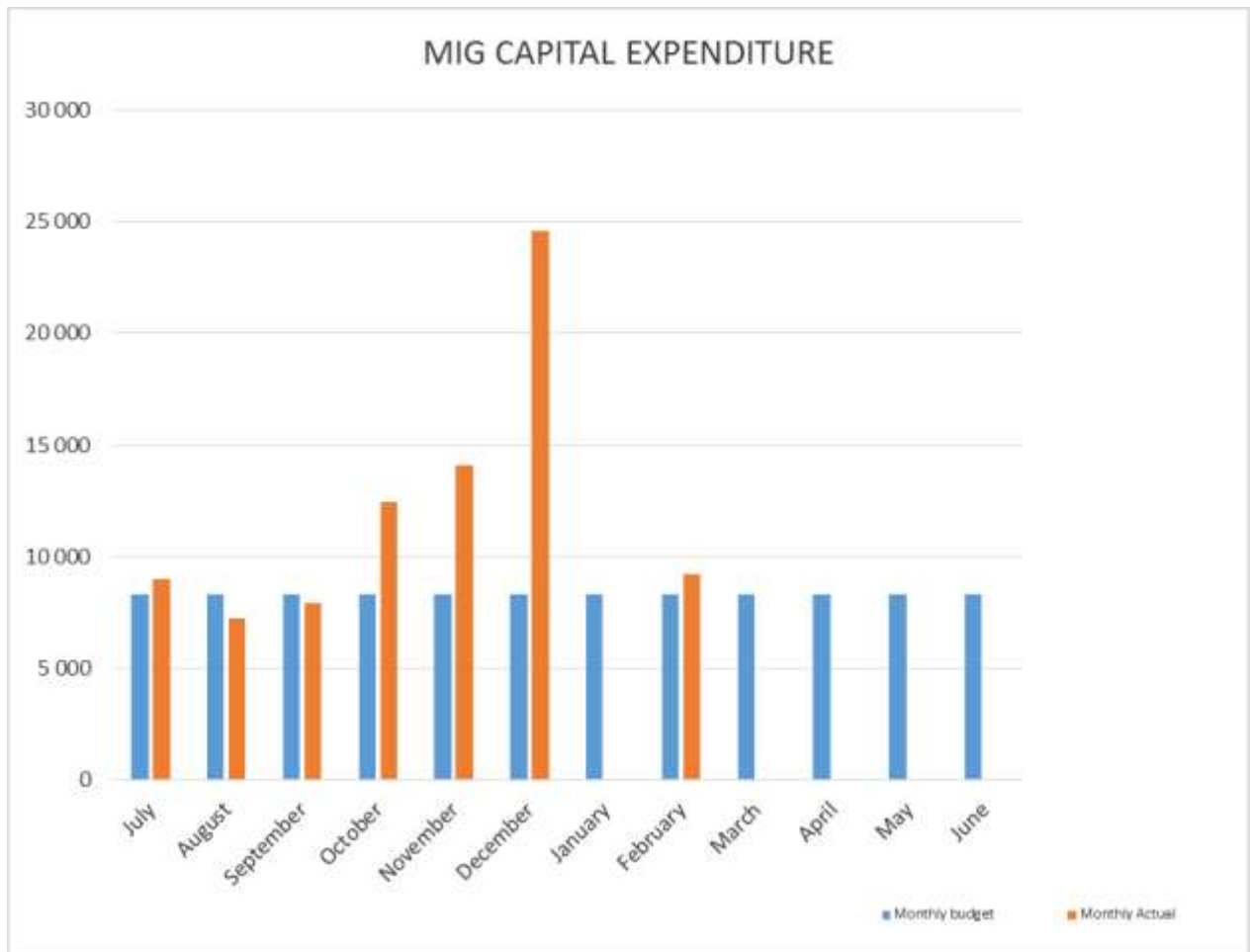
Graph 2



9. IN-YEAR BUDGET STATEMENT CHARTS: FEBRUARY 2019 REPORT

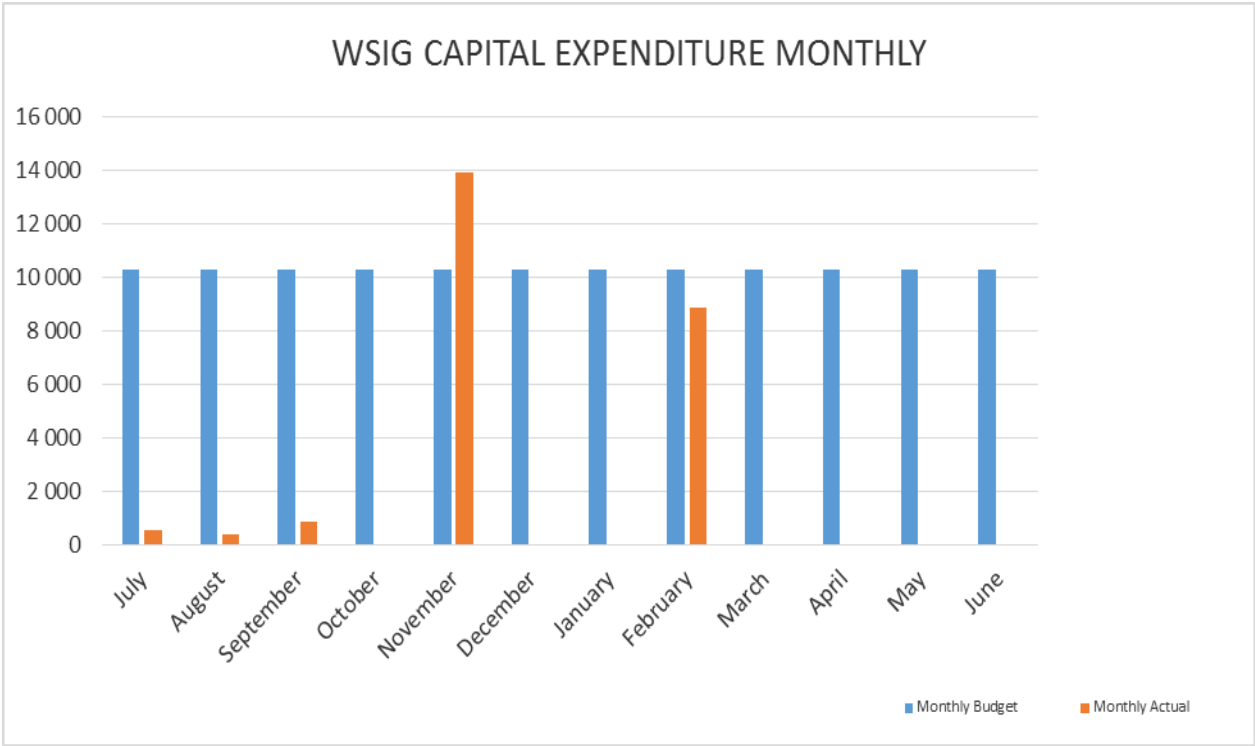
MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly budget	Monthly Actual
July	8 319	9 017
August	8 319	7 256
September	8 319	7 915
October	8 319	12 424
November	8 319	14 072
December	8 319	24 585
January	8 319	0
February	8 319	9 206
March	8 319	0
April	8 319	0
May	8 319	0
June	8 319	0
	99 828	84 475



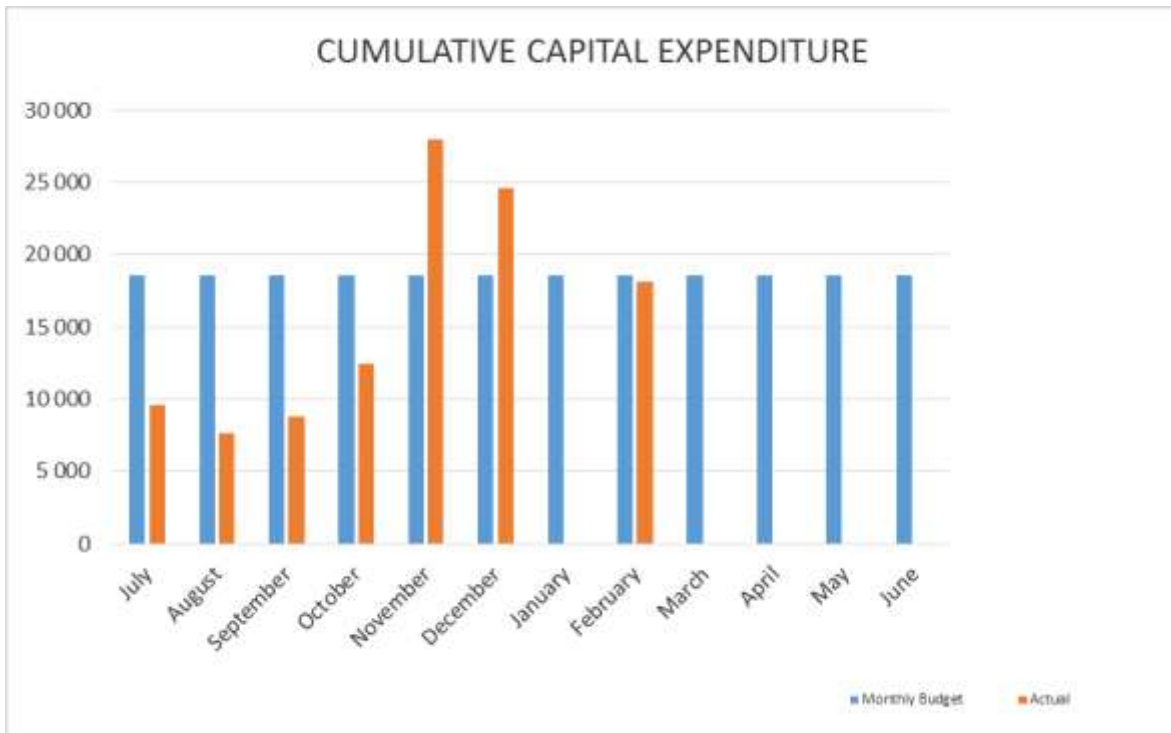
WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	10 282	560
August	10 282	433
September	10 282	881
October	10 282	0
November	10 282	13 932
December	10 282	0
January	10 282	0
February	10 282	8 898
March	10 282	0
April	10 282	0
May	10 282	0
June	10 282	0
	123 383	24 704



CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	18 601	9 577
August	18 601	7 689
September	18 601	8 796
October	18 601	12 424
November	18 601	28 004
December	18 601	24 585
January	18 601	0
February	18 601	18 104
March	18 601	
April	18 601	0
May	18 601	0
June	18 601	0
	223 211	109 179



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

The preliminary financial results for the period ended 28 February 2019 (i.e. 08th month of the 2018/19 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: Anil Singh

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

FINANCIAL SERVICES DEPARTMENT

PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY AND SECOND

QUARTER BUDGET STATEMENT) FOR THE PERIOD ENDING 28 February 2019

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

	COMPREHENSIVE NESS (FACTS, COMMENTS, RECOMMENDATIO NS ANNEXURES) (√)	CORRECTNESS (√)	QUALITY (√)
MANAGER: BUDGET OFFICE NONDUMISO MBATHA SIGNATURE:..... DATE:	(√)	(√)	(√)
MANAGER: REVENUE MANAGEMENT SIBONGILE KHUMALO SIGNATURE..... DATE:	(√)	(√)	(√)
MANAGER: EXPENDITURE MANAGEMENT: NOMPUMELELO KHUMALO SIGNATURE..... DATE:	(√)	(√)	(√)
HEAD OF DEPARTMENT: ACTING CHIEF FINANCIAL OFFICER : ANIL Y SINGH 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 **FEBRUARY 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: _____