

REPORT TO THE uMGUNGUNDLOVU DISTRICT MUNICIPALITY COUNCIL



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Report Number: 01 Designation : ACFO

For consideration

1st Level – MANCO :
2nd Level – Portfolio Committee : 15/08/2019
3rd Level – EXCO : 21/08/2019
4th Level – MPAC : 23/08/2019
5th Level – Council :

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

DATE : 15 AUGUST 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 July 2019 the ten working day reporting limit expires on **15 August 2019**.

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

Table1

Summary of financial performance	
Actual Revenue to Budgeted Revenue	26
Actual OPEX to budgeted OPEX	8
Actual CAPEX to budgeted CAPEX	17.01
Employee related cost exp to total OPEX	28
% Grant Utilisation	53.02
Cash Coverage Ratio	1.91
Debt Service to Revenue Ratio	1.92
% Debt to Revenue Ratio	21.47
Creditors Age Analysis	24% or R 8.8 million of creditors is outstanding longer than 30 days.
Debt Collection Rate	60

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 July 2019 is R 200.5 million.
 - 3.2 Cash & Cash Equivalent for the period ending 31 July 2019 is R 205.9 million.
 - 3.3 Capital Expenditure for the period ending 31 July 2019 is R 31.4 million excluding items that does not meet the capitalisation criteria
 - 3.4 Trade Payables for the period ending 31 July 2019 is R 36.9 million.
 - 3.5 Trade Receivables for the period ending 31 July 2019 is R 684.3 million.
 - 3.6 Unspent conditional Grants for the period ending 31 July 2019 is R 31.6 million.
- 4 The Committee notes the cash and cash equivalents of R 205.9 million translates to a positive cash Coverage of 1.91 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 July 2019 of R .
- 4.2 Cash & Cash Equivalent for the period ending 31 July 2019 is R .
- 4.3 Capital Expenditure for the period ending 31 July 2019 is Nil
- 4.4 Trade Payables for the period ending 31 July 2019 is R.

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

1. Operating Budget

Summary financial performance report **SF1** for the period ending 31 July 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 - M01 July									
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	-	24 692	24 692	31 019	(6 327)	-20%	372 228
Investment revenue	293	500	-	-	-	42	(42)	-100%	500
Transfers and subsidies	488 175	556 568	-	215 433	215 433	46 381	169 052	364%	556 568
Other own revenue	42 346	6 791	-	3 909	3 826	566	3 260	576%	6 791
contributions)	784 864	936 086	-	244 034	243 951	78 007	165 944	213%	936 086
Expenditure									
Employee costs	215 841	283 677	-	19 815	19 815	23 640	(3 824)	-16%	283 677
Remuneration of Councillors	10 691	12 941	-	951	951	1 078	(127)	-12%	12 941
Depreciation & asset impairment	21 759	42 500	-	-	-	3 542	(3 542)	-100%	42 500
Finance charges	23 084	27 550	-	13 051	13 051	2 296	10 756	468%	27 550
Materials and bulk purchases	146 362	142 500	-	15 770	15 770	11 875	3 895	33%	142 500
Transfers and subsidies	13	5 084	-	-	-	424	(424)	-100%	5 084
Other expenditure	249 797	399 052	-	25 269	25 269	33 254	(7 985)	-24%	399 052
Total Expenditure	667 547	913 304	-	74 857	74 857	76 109	(1 252)	-2%	913 304
Surplus/(Deficit)	117 317	22 782	-	169 177	169 094	1 899	167 196	8807%	22 782

The revenue raised as at 31 July 2019 is R 243.9 million against the original budget of R 936.0 million for the year and R 78.0 million for the period. This reflects a revenue rate of 26% against the original budget and 312.73% for the year to date budget.

The operating expenditure as at 31 July 2019 was R 74.9 million vs a year to date budget of R 76.1 million reflecting YTD expenditure of 98.35% and 8.19% against the original budget. The operating surplus for the period was R 169.1 million.

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

- Service charges below target by 20%.
- Transfers and subsidies are 364% above target.
- Investment revenue is 100% 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 30 June 2019	% spent
MIG	101 944 000.00	31 408 614.04	30.81
WSIG	80 000 000.00	0.00	0.00
RRAMS	2 631 000.00	0.00	0.00
	184 575 000.00	31 408 614.04	17.02
LESS NON CAPITALISED PROJECTS			
TOTAL CAPITAL EXPENDITURE	184 575 000.00	31 408 614.04	17.02

Table 4

Project Name	Funding Source	Original Budget 2019/2020	Total current year expenditure as at 31.07.2019	% Percentage
Infrastructure assets				
Manyavu water	MIG	36,408,614	31,408,614	0.86
Manzamnyama Water	MIG	24,383,724	0	0.00
Nkanyezini Water	MIG	6,151,662	0	0.00
Mpolweni, Thokozani, Claridge	MIG	5,000,000	0	0.00
Trust feed Phase1	MIG	20,000,000	0	0.00
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
Ungeni 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	0	0.00
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	0	0.00
		184,625,000	31,408,614	17.01

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 31.4 million. The total expenditure for the Water Services Infrastructure Grant amount to R0 or 0%.

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 u Mshwathi 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 July there was no expenditure to the project. The project is expected to resume with contraction by the end of September 2019.

7. Spending on the **WSIG is 0%** of the year allocation. The following projects are funded by the Water Services Infrastructure Grant :
 - 7.1 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 July 2019.
 - 7.2 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
8. Total capital expenditure to date is **17.0 1%** 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 July 2019, **73%** of the councillor's allowances budget was spent and **70%** spent of the employee costs budget. As at 31 July 2019 the total salary cost including councillor's allowances represented **28%** 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 - M01 July										
Summary of Employee and Councillor remuneration	Ref	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	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		6 478	12 941	–	576	576	1 078	(503)	-47%	–
Pension and UIF Contributions		625	–	–	53	53	–	53	#DIV/0!	–
Medical Aid Contributions		174	–	–	16	16	–	16	#DIV/0!	–
Motor Vehicle Allowance		2 420	–	–	215	215	–	215	#DIV/0!	–
Cellphone Allowance		993	–	–	91	91	–	91	#DIV/0!	–
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		10 691	12 941	–	951	951	1 078	(127)	-12%	–
% increase	4		21.0%							
Other Municipal Staff										
Basic Salaries and Wages		165 182	220 884	–	16 237	16 237	18 407	(2 170)	-12%	–
Pension and UIF Contributions		827	932	–	75	75	78	(2)	-3%	–
Medical Aid Contributions		11 309	744	–	964	964	62	902	1455%	–
Overtime		6 379	17 860	–	615	615	1 488	(874)	-59%	–
Performance Bonus		11 312	11 776	–	–	–	981	(981)	-100%	–
Motor Vehicle Allowance		17 625	23 113	–	1 691	1 691	1 926	(235)	-12%	–
Cellphone Allowance		424	–	–	–	–	–	–	–	–
Housing Allowances		1 013	1 381	–	97	97	115	(18)	-15%	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Payments in lieu of leave		56	–	–	–	–	–	–	–	–
Long service awards		2 670	1 949	–	135	135	162	(27)	-17%	–
Post-retirement benefit obligations	2	(956)	6 885	–	–	–	574	(574)	-100%	–
Sub Total - Other Municipal Staff		215 841	285 524	–	19 815	19 815	23 794	(3 978)	-17%	–
% increase	4		32.3%							
Total Parent Municipality		226 532	298 465	–	20 767	20 767	24 872	(4 106)	-17%	–
			31.8%							
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		226 532	298 465	–	20 767	20 767	24 872	(4 106)	-17%	–
% increase	4		31.8%							
TOTAL MANAGERS AND STAFF		215 841	285 524	–	19 815	19 815	23 794	(3 978)	-17%	–

4. Conditional Grants

As at the end of July 2019 a total of R 40 million of conditional grants was received since 1 July 2019, whilst an additional R 19.2 million was available which was received in the previous financial year. R 31.4 million was spent as at end of July 2019. The operating grant utilisation is at 0% and the capital grant utilisation was 60.9% of allocations received. Overall grant utilisation is at 53%

Table 6

Description	Opening Balance	Receipts	Roll Over Repayments	Total receipts	Expenditure	Balance	% spent to date
Operating Grants							
FMG	0.00	0.00		0.00	0.00	0.00	0.00
PTP	308,817.00	0.00		308,817.00	0.00	308,817.00	0.00
RRAMS	0.00	0.00		0.00	0.00	0.00	0.00
EPWP	1,955,102.22	0.00		1,955,102.22	0.00	1,955,102.22	0.00
Camperdown WWW	4,000,095.00	0.00		4,000,095.00	0.00	4,000,095.00	0.00
SETA Grants	0.00	0.00		0.00	0.00	0.00	0.00
RASET GRANT	0.00	0.00		0.00	0.00	0.00	0.00
DGDS GRANT	126,989.00	0.00		126,989.00	0.00	126,989.00	0.00
DPSS GRANT	0.00	0.00		0.00	0.00	0.00	0.00
GEOPanning	1,300,000.00	0.00		1,300,000.00	0.00	1,300,000.00	0.00
Total Operating Grants	7,691,003.22	0.00		7,691,003.22	0.00	7,691,003.22	0.00
Capital Grants							
WSIG	0.00	0.00	3,800,000.00	0.00	0.00	3,800,000.00	0.00
Drought Relief Initiatives	0.00	0.00		0.00	0.00	0.00	0.00
MIG	0.00	40,000,000.00		40,000,000.00	31,408,614.04	8,591,385.96	78.52
Orio	11,550,860.00	0.00		11,550,860.00	0.00	11,550,860.00	0.00
Total Capital Grants	11,550,860.00	40,000,000.00		51,550,860.00	31,408,614.04	23,942,245.96	60.93
Total Grants	19,241,863.22	40,000,000.00		59,241,863.22	31,408,614.04	31,633,249.18	53.02

5. Cash and cash equivalents

An amount of R 25 479 was accrued in investment interest income for the month of July 2019. The cash in bank as at 31 July 2019 amounted to **R 201.9 million** and investments amounted to **R 4 million** bringing a total cash and cash equivalents of **R 205.9 million**. The average interest rate on investment is at **8%**. The cash coverage ratio as at 31 July 2019 is a **1.9 months** based on average of R 70 million per month fixed operating expenditure. This indicates that the municipality as at 31 July 2019 has sufficient cash to run its operations for 1.9 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 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
1 year	Long term	2019 Sept Seven	25	8.0%	3 994	25	4 020
			25	0	3 994	25	4 020

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	43 617.00	158 038 160.81	158 081 777.81
Salaries Account	50940092196	23 478 723.05	-23 372 724.18	105 998.87
Water Services Account	62023616462	92 219.25	28 513 717.35	28 605 936.60
NSTD Call Account	62215748289	2 754 065.03	9 125 241.77	11 879 306.80
Mandela Race Account	62411577193	11 816 984.35	-11 046 786.90	770 197.45
UMDM MIG (DBSA) Account	62400041985	767 075.55	-767 075.55	0.00
Corporate Cheque Account	62597807125	0.00	2 512 915.76	2 512 915.76
Public Sector Cheque Account	62243484417	2 498 463.34	0.00	0.00
Total Cash Balances		160 497 954.44	163 003 449.06	201 956 133.29

Table 8 above excluded an investment of R 4million held with FNB as a security for the Long Term Borrowings (DBSA Loan).

6. Borrowings

As at 31 July 2019 the loans book was sitting at R 201.0 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 21.47% as projected which is below the treasury norm of below 45%. This indicates that the debt books is funded by 21.4% of the internally generated operating income.

Table 9

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) JULY 2019							
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/07/2019	Loan Amount Paid in the current year	Less: Interest paid	Less :Capital Repayments	Closing Balance at 31/07/2019
12007869	uMgungundlowu Various Water Projects	10.889	217 303 226.83	0.00	13 039 399.34	5 163 137.84	201 007 394.27
			217 303 226.83	0.00	13 039 399.34	5 163 137.84	201 007 394.27

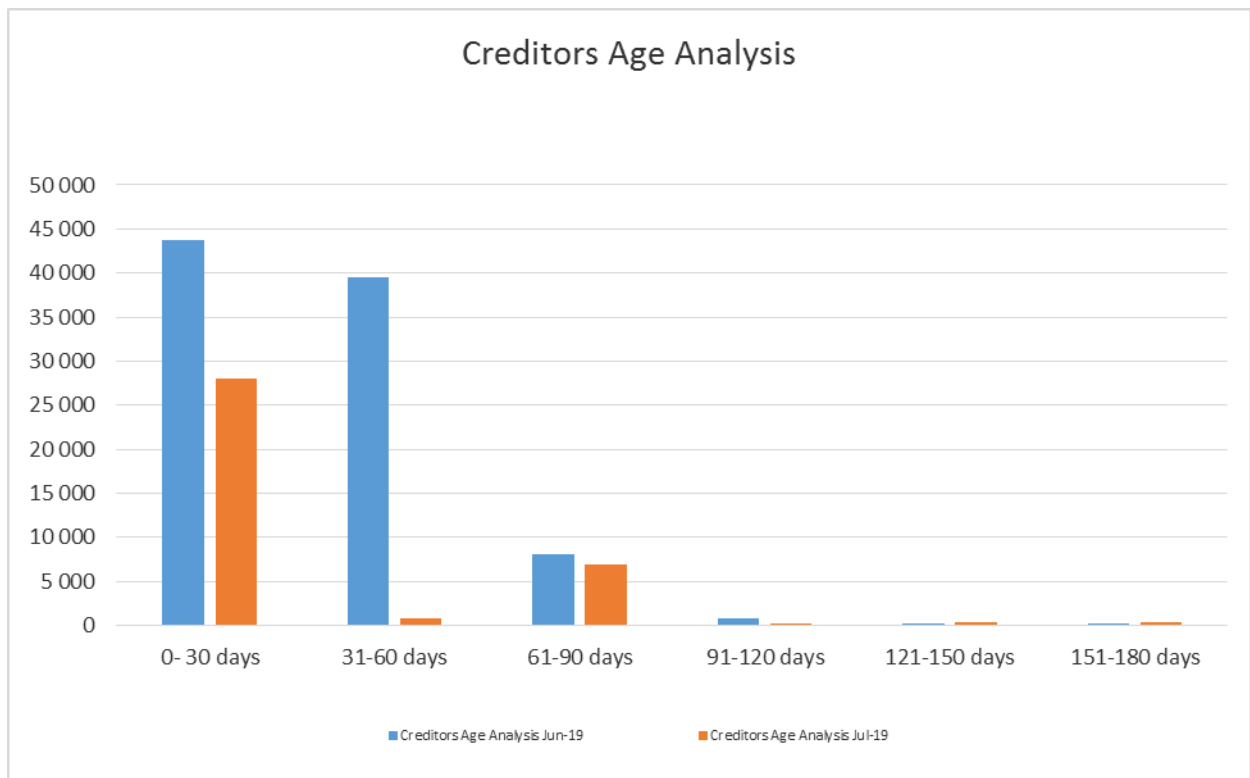
7. Creditors Age Analysis

A total R 8.8 million or 24% of invoices remained outside the compliance period of 30 days as at 31 July 2019. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 July 2019. The balance of trade payables as at 31 July 2019 was **R 36.9 million**.

Table 10

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	4 582	-	-	-	-	-	-	-	0
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	12 853	798	6 799	42	399	188	124	15	21 219
Auditor General	0800	8	-	-	-	-	-	-	-	8
Other	0900	10 624	20	200	219	3	-	1	2	11 068
Total By Customer Type	1000	28 066	818	6 999	260	402	188	125	17	36 876

Graph 1



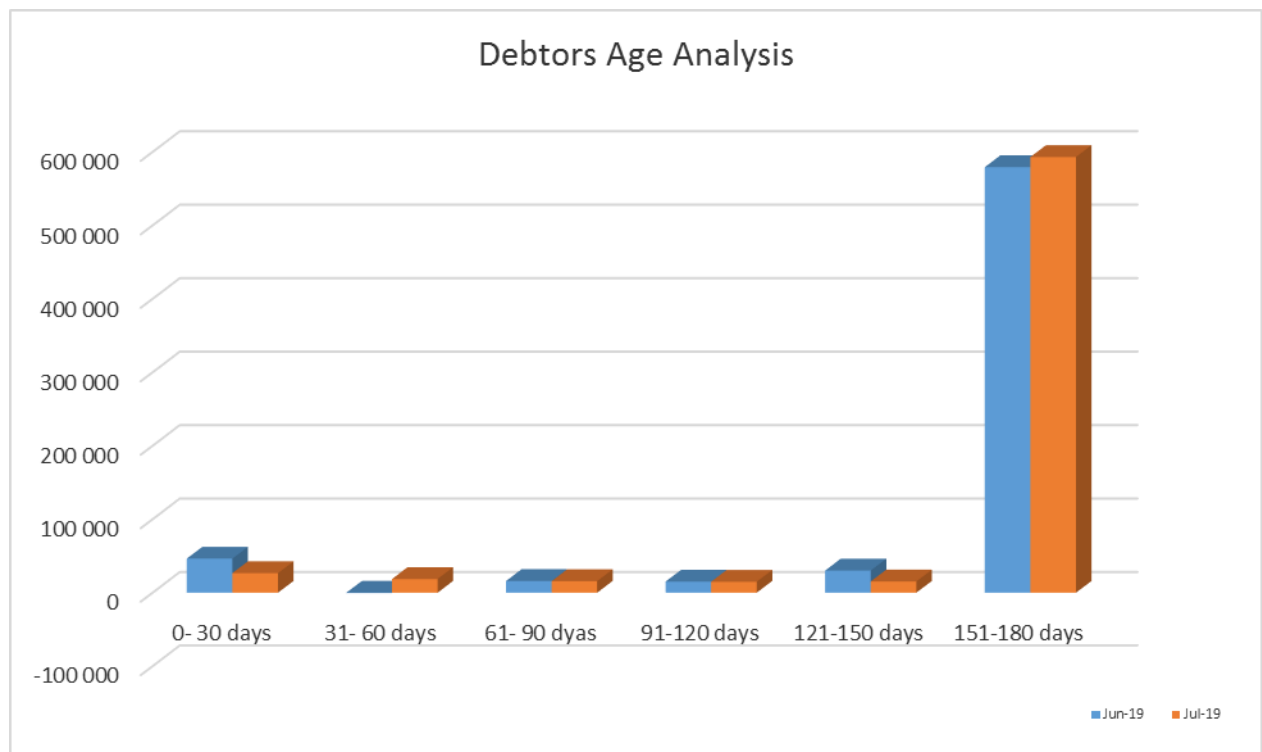
8. Debtors age analysis

The debtor book value as at 31 July 2019 amounted to **R 684.3 million**. The collection rate in the month of June was 60%. The average collection rate to date is **60%**.

Table 12

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July										
Description	NT Code	Budget Year 2019/20								
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactio	1200	20 135	12 182	10 259	9 757	10 741	9 790	59 301	329 718	461 883
Trade and Other Receivables from Exchange Transactio	1300	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Propert	1400	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Wate	1500	2 183	1 909	1 749	1 261	1 714	1 405	10 981	65 042	86 244
Receivables from Exchange Transactions - Waste Mana	1600	1	29	(5)	(4)	(2)	(4)	(41)	(17)	(44)
Receivables from Exchange Transactions - Property Rer	1700	6	-	4	4	4	4	12	712	747
Interest on Arrear Debtor Accounts	1810	4 353	4 509	3 727	3 793	2 891	3 394	19 535	85 558	127 760
Recoverable unauthorised, irregular, fruitless and was	1820	-	-	-	-	-	-	-	-	-
Other	1900	(66)	(74)	(14)	131	(3)	3	2 711	5 069	7 757
Total By Income Source	2000	26 613	18 555	15 721	14 941	15 345	14 592	92 499	486 081	684 347
2018/19 - totals only										-
Debtors Age Analysis By Customer Group										
Organs of State	2200	5 045	1 399	848	911	875	662	7 329	9 606	26 675
Commercial	2300	3 458	714	510	618	713	894	2 601	5 517	15 025
Households	2400	16 450	15 086	13 030	11 998	12 384	11 784	71 912	416 695	569 338
Other	2500	1 660	1 356	1 332	1 414	1 373	1 252	10 656	54 263	73 309
Total By Customer Group	2600	26 613	18 555	15 721	14 941	15 345	14 592	92 499	486 081	684 347

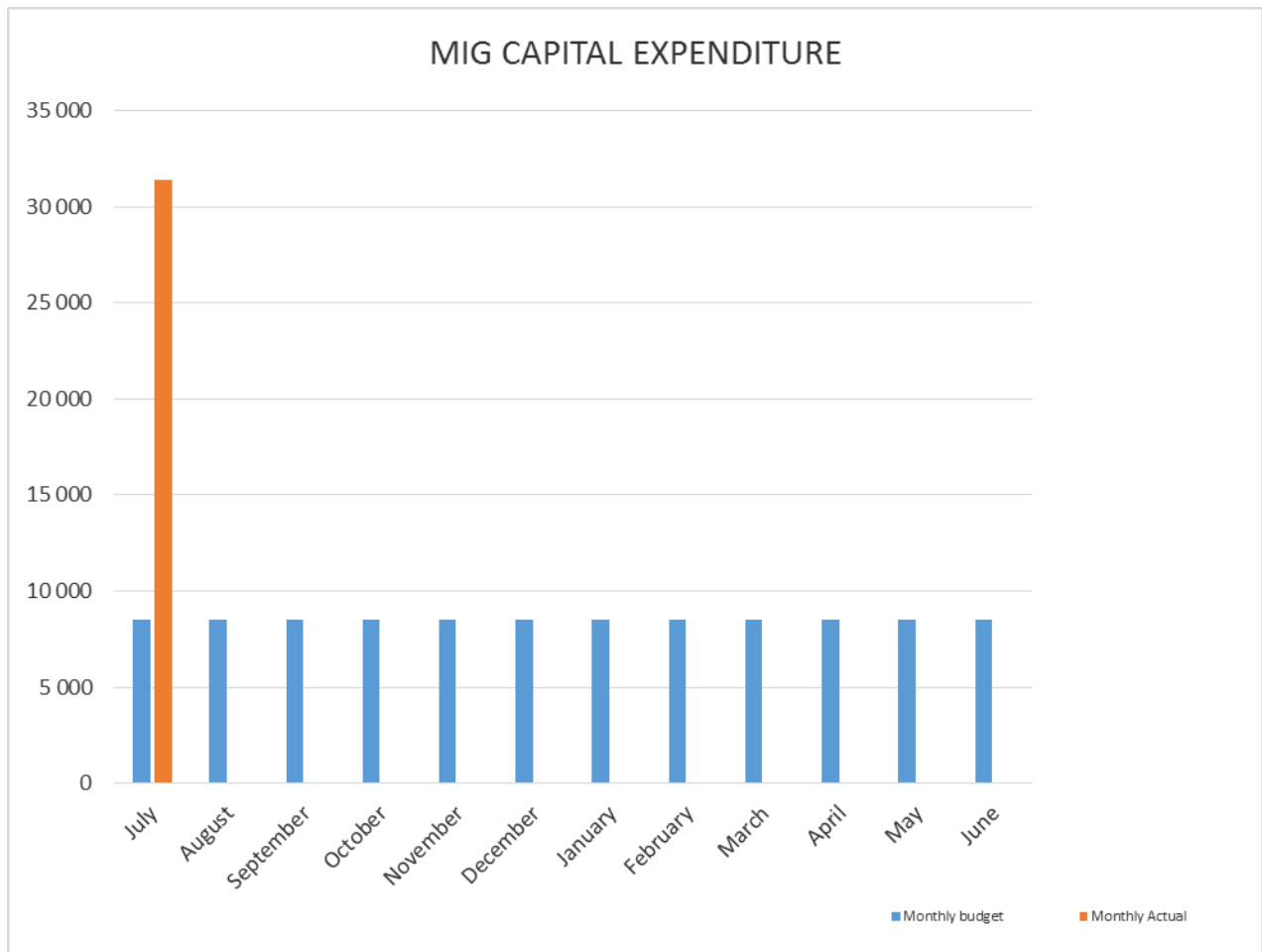
Graph 2



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

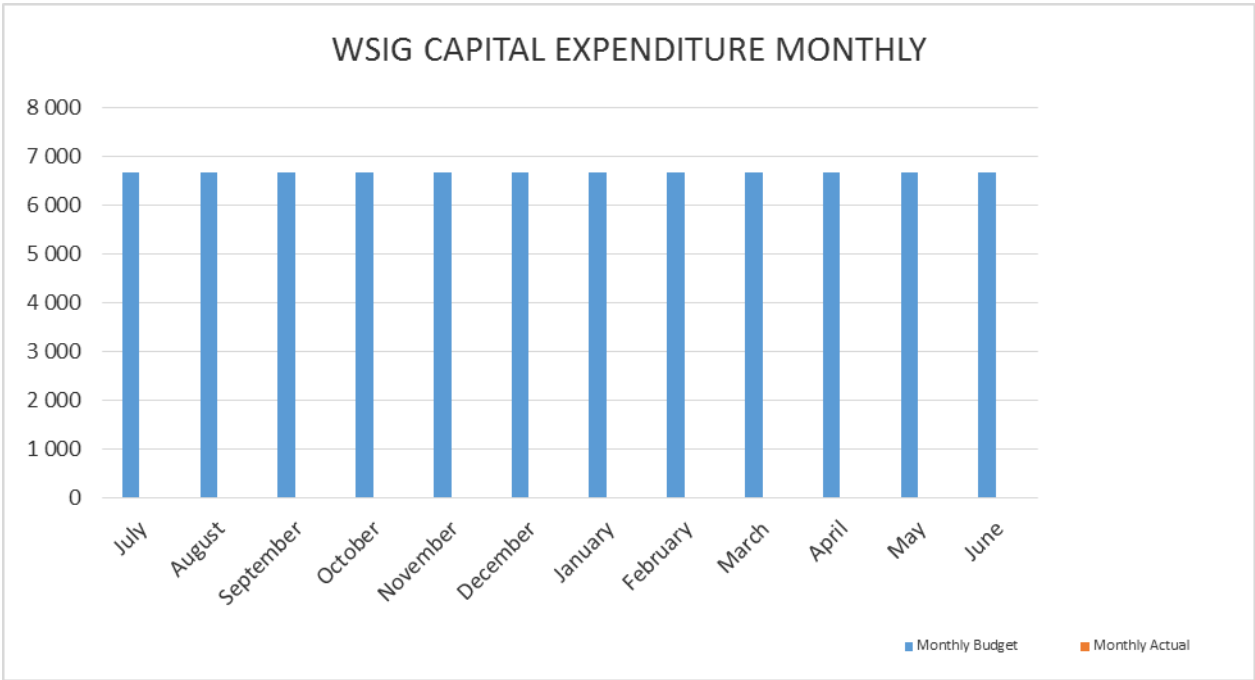
MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly budget	Monthly Actual
July	8 495	31 409
August	8 495	
September	8 495	
October	8 495	
November	8 495	
December	8 495	
January	8 495	
February	8 495	
March	8 495	
April	8 495	
May	8 495	
June	8 495	
	101 944	31 409



WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	6 667	0
August	6 667	0
September	6 667	0
October	6 667	0
November	6 667	0
December	6 667	0
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	0



CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	15 162	31 409
August	15 162	0
September	15 162	0
October	15 162	0
November	15 162	0
December	15 162	0
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	31 409



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

The preliminary financial results for the period ended 31 July 2019 (i.e. 01th 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: 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 JULY 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 **JULY 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: _____