

REPORT TO THE uMGUNGUNDLOVU DISTRICT MUNICIPALITY COUNCIL



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Report Number: 12	Designation : ACFO

For consideration

1 st Level – MANCO	:
2 nd Level – Portfolio Committee	: 18/07/2019
3 rd Level – EXCO	: 25/07/2019
4 th Level – MPAC	: 26/07/2019
5 th Level – Council	: 23 /08/2019

SUBJECT: PRELIMINARY MONTHLY IN YEAR MONITORING FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2019

DATE : 18 JULY 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 30 June 2019 the ten working day reporting limit expires on **12 July 2019**.

The below is the summary of financial performance for the period ended 30 June 2019.

Table 1

Summary of financial performance	
Actual Revenue to Budgeted Revenue	103
Actual OPEX to budgeted OPEX	86
Actual CAPEX to budgeted CAPEX	97.59
Employee related cost exp to total OPEX	36
% Grant Utilisation	88.61
Cash Coverage Ratio	-1.66
Debt Service to Revenue Ratio	1.82
% Debt to Revenue Ratio	22.65
Creditors Age Analysis	53% or R 48.8 million of creditors is outstanding longer than 30 days.
Debt Collection Rate	54

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 30 June 2019 is R 299.9 million.
 - 3.2 Cash & Cash Equivalent for the period ending 30 June 2019 is R 45.4 million.
 - 3.3 Capital Expenditure for the period ending 30 June 2019 is R 202.5 million excluding items that does not meet the capitalisation criteria or R 205 million including items that does not meet the capitalisation criteria funded by Capital Grants.
 - 3.4 Trade Payables for the period ending 30 June 2019 is R 92.5 million.
 - 3.5 Trade Receivables for the period ending 30 June 2019 is R 686.5 million.

- 3.6 Unspent conditional Grants for the period ending 30 June 2019 is R 40.9 million.
- 4 The Committee notes the cash and cash equivalents of R45.4 million translates to a negative cash Coverage of 0.92 or negative 42 days, which is below 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 30 June 2019 of R 1.5 million.
- 4.2 Cash & Cash Equivalent for the period ending 30 June 2019 is R 1.6 million.
- 4.3 Capital Expenditure for the period ending 30 June 2019 is Nil
- 4.4 Trade Payables for the period ending 30 June 2019 is R39 000.

IN YEAR MONITORING REPORT FOR THE PERIOD ENDED 30 June 2019.

1. Operating Budget

Summary financial performance report **SF1** for the period ending 30 June 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 - M12 June									
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	20 704	256 111	208 286	47 826	23%	208 286
Investment revenue	3 802	2 500	600	25	292	600	(308)	-51%	600
Transfers and subsidies	433 487	492 260	514 010	-	487 371	514 010	(26 639)	-5%	514 010
Other own revenue	36 266	10 150	33 996	3 957	36 065	33 996	2 069	6%	33 996
contributions)	650 558	786 339	756 892	24 685	779 839	756 892	22 947	3%	756 892
Expenditure									
Employee costs	208 700	250 246	269 246	20 842	235 734	269 246	(33 511)	-12%	269 246
Remuneration of Councillors	10 958	12 479	12 320	944	11 635	12 320	(684)	-6%	12 320
Depreciation & asset impairment	40 172	51 000	35 000	-	19 942	35 000	(15 058)	-43%	35 000
Finance charges	35 321	22 609	27 546	12	23 581	27 546	(3 965)	-14%	27 546
Materials and bulk purchases	132 358	140 650	139 150	13 787	146 362	139 150	7 212	5%	139 150
Transfers and subsidies	-	-	-	-	13	-	13	#DIV/0!	-
Other expenditure	390 261	328 171	312 527	12 477	245 193	312 527	(67 334)	-22%	312 527
Total Expenditure	817 770	805 155	795 789	48 062	682 460	795 789	(113 328)	-14%	795 789
Surplus/(Deficit)	(167 212)	(18 816)	(38 897)	(23 377)	97 378	(38 897)	136 275	-350%	(38 897)

The revenue raised as at 30 June 2019 is R 779.8 million against the adjusted budget of R 756.9 million for the year. This reflects a revenue rate of 103% against the adjusted full year budget.

The operating expenditure as at 30 June 2019 was R 682.5 million vs a year to date adjustment budget of R 795.8 million reflecting 86%. The operating surplus for the period was R 299.9 million.

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

- Service charges above target by 23%.
- Transfers and subsidies are 5% below target.
- Investment revenue is 51% 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 2018 /2019	Adjustment Budget 2018 /2019	Expenditure as at 30 June 2019	% spent
MIG	99 828 000.00	99 828 001.00	99 828 000.00	100.00
WSIG	102 700 000.00	102 700 000.00	102 700 000.00	100.00
RESERVES	5 000 000.00	5 000 000.00	0.00	0.00
RRAMS	2 531 000.00	2 531 000.00	2 531 000.00	100.00
DWS	4 000 095.45		0.00	
	214 059 095.45	210 059 001.00	205 059 000.00	97.62
LESS NON CAPITALISED PROJECTS	6 531 095.45		2 531 000.00	
TOTAL CAPITAL EXPENDITURE	207 528 000.00		202 528 000.00	97.59

Table 4

Project Name	Funding Source	Original Budget 2018/2019	Adjustment Budget 2018/2019	Total current year expenditure as at 30.06.2019	% Percentage
Infrastructure assets					
Manyavu water	MIG	11 636 359	41 432 018	43 624 191	105.29
Manzamyama Water	MIG	10 855 358	26 354 712	33 718 408	127.94
Nkanyezini Water	MIG	8 742 766	19 400 075	18 772 974	96.77
Maqongqo Water/ Upgrade	MIG	8 093 517	11 051 998	10 431 641	94.39
Phase 2 Nadi - Efaye	MIG	20 350 000			
Hilton Corridor development	MIG		330 574		
Phase 3A Mtulwa	MIG	16 804 000			
Phase 3B Ekhamanzi	MIG	14 346 000			
Mshwathi Slum / Trust feeds Phase 1	MIG	3 000 000	1 258 624	1 258 624	
Sanitation	MIG	6 000 000			
Umswathi Regional Bulk	WSIG	102 700 000	56 253 560	102 700 000	182.57
Nadi to Ekhamanzi	WSIG		11 168 037		
Mtulwa to Mt Elias- Pahse 3	WSIG		35 278 403		
Boreholes - Drought (ex Mkhambathini WW)	DWS	4 000 095			
Merrivale AV Pipes	DBSA				
Merrivale AV Pipes	MIG				
Rural roads asset management	DOT	2 531 000	2 531 000	2 531 000	100.00
Retentions	Reserves				
Fire Fighting Equipment	Reserves	5 000 000	5 000 000		
Furniture	Reserves				
IT Equipment and Infrastructure	Reserves				
		214 059 095	210 059 001	213 036 839	101.42
			207 528 001	210 505 839	101.43

The total capital adjustment budget for the 2018/ 2019 financial year is R207 528 million excluding the allocation for the Rural Roads Assets Management Grant of R 2.5 million. The MIG allocation is R 99 8 million and the Water Services Infrastructure Grant is R 102.7 million. The year to date certified MIG expenditure amounts to R 107.8 million compared to the R99. 8 million or 108% allocation. The amount of R 99.8 million is expenditure allowable for the year. The sponsor department in July 2019 will only certify the balance of R 7.97 million, though paid by the municipality. The total expenditure for the Water Services Infrastructure Grant amount to R 102.7 million or 100%.

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 as at 30 June is at 96.7% of the 2018/ 2019 year allocation which is R 19.4 million. The project is experiencing progress challenges due to the performance of the contractor.
2. **The Manyavu water supply scheme** has an allocation of R41.4 million for year. The project was awarded on 21 April 2017, the site handover has been completed. The project is progressing well and has an expenditure of R 43.6 million as at 30 June 2019.
3. **The Manzamnyama water supply scheme** was advertised and closed on 18 January 2018, Contractor appointed and now on onsite. The project has a year allocation of R 26.4 million and expenditure to date as at 30 June is at R33.7 million.
4. **Maqongqo water supply scheme** project has an allocation of R19 million and was awarded in July 2017 and has R 11 million budget allocation for the 2018/ 2019 financial year. The project is experienced social facilitation issues which have subsequently been attended to through the intervention of the infrastructure portfolio chairperson. The project is progressing well and has an expenditure to date of 94% or R 10.4 million.
5. Spending on the **WSIG is 100%** of the year allocation.
6. Total capital expenditure to date is **101%** against the adjustment 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 30 June 2019, **94 %** of the councillor's allowances budget was spent and **88%** spent of the employee costs budget. As at 30 June 2019 the total salary cost including councillor's allowances represented **36%** 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

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	Ref	Budget Year 2018/19								
		2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		6 455	7 259	7 259	576	6 985	7 259	(273)	-4%	7 259
Pension and UIF Contributions		713	555	555	53	679	555	124	22%	555
Medical Aid Contributions		252	266	266	16	190	266	(76)	-28%	266
Motor Vehicle Allowance		2 472	2 441	2 441	215	2 635	2 441	194	8%	2 441
Cellphone Allowance		1 067	1 958	1 799	61	1 009	1 799	(789)	-44%	1 799
Other benefits and allowances		-	-	-	23	144	-	144	#DIV/0!	-
Sub Total - Councillors		10 958	12 479	12 320	944	11 643	12 320	(676)	-5%	12 320
% increase	4		13.9%	12.4%						12.4%
Senior Managers of the Municipality										
Basic Salaries and Wages		-	5 717	5 717	325	2 396	5 717	(3 321)	-58%	5 717
Pension and UIF Contributions		-	185	185	28	217	185	32	17%	185
Motor Vehicle Allowance		-	878	878	45	456	878	(422)	-48%	878
Cellphone Allowance		-	108	108	4	34	108	(74)	-69%	108
Other benefits and allowances		-	75	75	6	142	75	67	90%	75
Sub Total - Senior Managers of Municipality		-	6 964	6 964	407	3 245	6 964	(3 719)	-53%	6 964
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages		157 487	131 982	183 128	10 886	157 905	183 128	(25 223)	-14%	183 128
Pension and UIF Contributions		777	29 358	1 031	2 408	13 584	1 031	12 554	1218%	1 031
Medical Aid Contributions		12 009	11 247	9 939	919	8 570	9 939	(1 369)	-14%	9 939
Overtime		7 832	8 902	10 863	665	7 044	10 863	(3 819)	-35%	10 863
Performance Bonus		9 985	10 793	21 094	14	10 616	21 094	(10 478)	-50%	21 094
Motor Vehicle Allowance		17 202	21 809	28 377	1 616	21 919	28 377	(6 458)	-23%	28 377
Cellphone Allowance		565	1 702	-	131	268	-	268	#DIV/0!	-
Housing Allowances		1 023	1 037	1 766	94	1 015	1 766	(751)	-43%	1 766
Other benefits and allowances		-	16 182	-	3 178	7 908	-	7 908	#DIV/0!	-
Payments in lieu of leave		-	-	-	58	1 434	-	1 434	#DIV/0!	-
Long service awards		3 094	299	2 515	149	1 901	2 515	(614)	-24%	2 515
Post-retirement benefit obligations	2	(1 273)	9 000	3 570	318	2 390	3 570	(1 179)	-33%	3 570
Sub Total - Other Municipal Staff		208 700	242 310	262 282	20 435	234 554	262 282	(27 728)	-11%	262 282
% increase	4		16.1%	25.7%						25.7%
Total Parent Municipality		219 659	261 753	281 565	21 786	249 442	281 565	(32 123)	-11%	281 565
			19.2%	28.2%						28.2%
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		845	845	845	45	794	845	(51)	-6%	845
Sub Total - Board Members of Entities	2	845	845	845	45	794	845	(51)	-6%	845
% increase	4		0.0%	0.0%						0.0%
Senior Managers of Entities										
Pension and UIF Contributions		-	-	104	-	-	104	(104)	-100%	104
Other benefits and allowances		122	1 226	1 373	45	912	1 373	(461)	-34%	1 373
Sub Total - Senior Managers of Entities		122	1 226	1 477	45	912	1 477	(565)	-38%	1 477
% increase	4		907.9%	1114.4%						1114.4%
Other Staff of Entities										
Pension and UIF Contributions		-	-	24	-	-	24	(24)	-100%	24
Other benefits and allowances		884	109	342	36	262	342	(80)	-23%	342
Sub Total - Other Staff of Entities		884	109	366	36	262	366	(104)	-28%	366
% increase	4		-87.7%	-58.6%						-58.6%
Total Municipal Entities		1 851	2 180	2 688	126	1 969	2 688	(719)	-27%	2 688
TOTAL SALARY, ALLOWANCES & BENEFITS		221 510	263 933	284 253	21 912	251 411	284 253	(32 842)	-12%	284 253
% increase	4		19.2%	28.3%						28.3%
TOTAL MANAGERS AND STAFF		209 706	250 608	271 088	20 923	238 973	271 088	(32 115)	-12%	271 088

4. Conditional Grants

As at the end of June 2019 a total of R 224.6 million of conditional grants was received since 1 July 2018, whilst an additional R 72.2 million was available which was received in the previous financial year. R 224.5 million excluding expenditure incurred in the previous year but accounted for in the 2018 /2019 financial year or R 256.4 million including R 23.4 million MIG and R 559 199 WSIG expenditure paid for during the 2018 /2019 financial year but accounted for in the previous financial year. The operating grant utilisation is at 54.60% and the capital grant utilisation was 90.79% of allocations received. Overall grant utilisation is at 88.61%

Table 6

Description	Opening Balance	Receipts	Roll Over Repayme	Total receipts	Expenditure	Balance	% spent to date
Operating Grants							
FMG	0.00	1 000 000.00		1 000 000.00	1 000 000.00	0.00	100.00
PTP	308 817.00	0.00		308 817.00	0.00	308 817.00	0.00
RRAMS	0.00	2 531 000.00		2 531 000.00	2 531 000.00	0.00	100.00
EPWP	0.00	4 265 000.00		4 265 000.00	2 309 897.53	1 955 102.47	54.16
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	173 011.00	126 989.00	57.67
DPSS GRANT	0.00	500 000.00		500 000.00	500 000.00	0.00	100.00
GEOPlanning	0.00	1 300 000.00		1 300 000.00	0.00	1 300 000.00	0.00
Total Operating Grants	7 828 216.75	9 596 000.00		17 424 216.75	9 513 908.53	7 910 308.22	54.60
Capital Grants							
WSIG	29 373 891.00	102 700 000.00	7 400 000.00	124 673 891.00	103 259 198.96	21 414 692.04	82.82
Drought Relief Initiatives	0.00	12 487 000.00		12 487 000.00	12 436 902.95	50 097.05	100.00
MIG	23 430 775.00	99 828 000.00		123 258 775.00	131 236 614.04	0.00	100.00
Orio	11 550 860.00	0.00		11 550 860.00	0.00	11 550 860.00	0.00
Total Capital Grants	64 355 526.00	215 015 000.00		271 970 526.00	246 932 715.95	33 015 649.09	90.79
Total Grants	72 183 742.75	224 611 000.00		289 394 742.75	256 446 624.48	40 925 957.31	88.61

5. Cash and cash equivalents

An amount of R 24 658 was accrued in investment interest income for the month of June 2019. The cash in bank as at 30 June 2019 amounted to **R 41.5 million** and investments amounted to **R 3.99 million** bringing a total cash and cash equivalents of **R 45.4 million**. The average interest rate on investment is at **8%**. The cash coverage ratio as at 30 June 2019 is a **-1.41 months** based on average of R65 million per month fixed operating expenditure. This indicates that the municipality as at 30 June 2019 does not have sufficient cash to run its operations. 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	25	8.0%	3 969	25	3 994
			25	0	3 969	25	3 994

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	33 643 125.03	-33 599 508.03	43 617.00
Salaries Account	50940092196	90 729.31	23 387 993.74	23 478 723.05
Water Services Account	62023616462	10 004 592.92	-9 912 373.67	92 219.25
NSTD Call Account	62215748289	51 565 790.22	-48 811 725.19	2 754 065.03
Mandela Race Account	62411577193	763 862.35	11 053 122.00	11 816 984.35
UMDM MIG (DBSA) Account	62400041985	0.00	767 075.55	767 075.55
Corporate Cheque Account	62597807125	3 480 385.40	-3 480 385.40	0.00
Public Sector Cheque Account	62243484417	0.00	0.00	2 498 463.34
Total Cash Balances		160 497 954.44	-60 595 801.00	41 451 147.57

Table 8 above excluded an investment of R 3 994 109 held with FNB as a security for the Long Term Borrowings (DBSA Loan).

6. Borrowings

As at 30 June 2019 the loans book was sitting at R 217.3 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 22.65% as projected which is below the treasury norm of below 45%. This indicates that the debt books is 1.82% of the internally generated operating income. The debt service ratio to operating expenditure is 2.19% which is below the 6-8% recommended treasury norm.

Table 9

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) JUNE 2019						
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/06/2019	Add: Interest Accrued	Closing Balance at 30/06/2019	Repayment Due before year end
12007869	uMgungundlovu Various Water Projects	10.889	215 458 028.11	1 845 198.02	217 303 226.13	15 600 210.18
			215 458 028.11	1 845 198.02	217 303 226.13	15 600 210.18

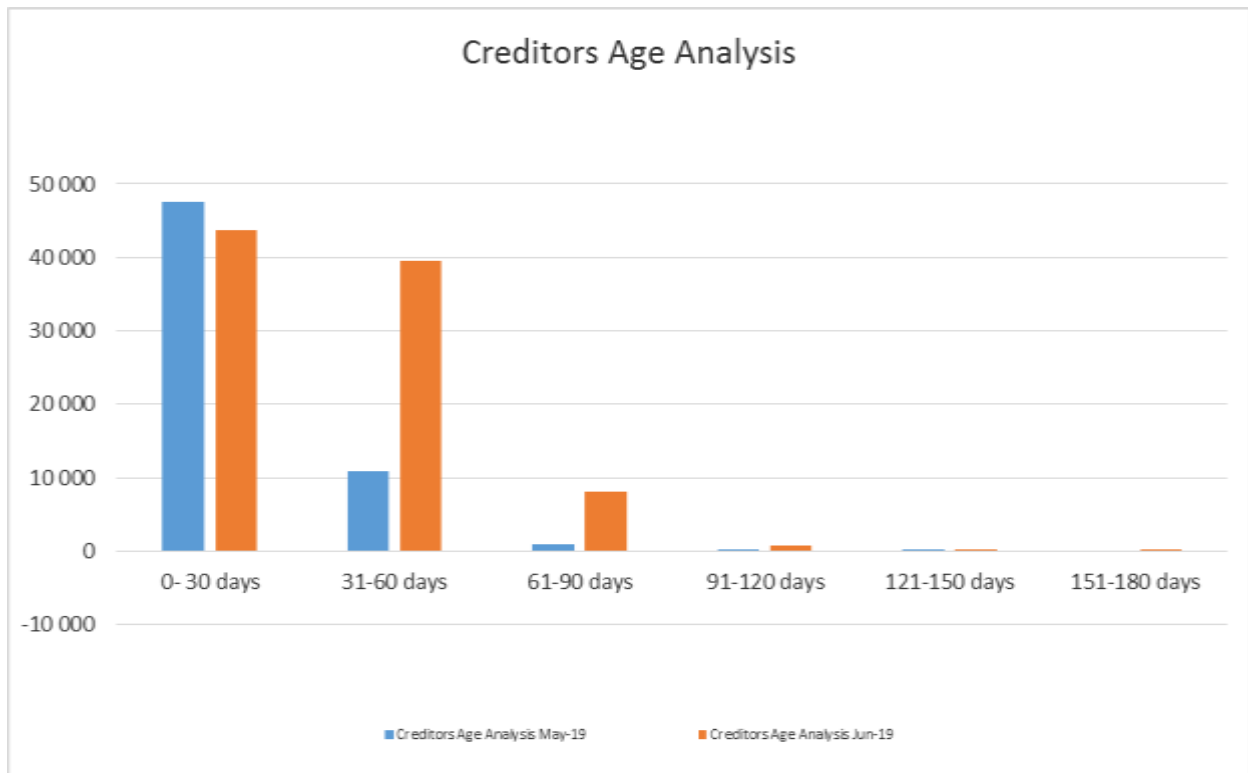
7. Creditors Age Analysis

A total R 48.8 million or 53% of invoices remained outside the compliance period of 30 days as at 30 June 2019. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 30 June 2019. The balance of trade payables as at 30 June 2019 was **R 92.5 million**.

Table 10

DC22 uMgungundlovu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June										
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	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	15 604	15 616	-	-	-	-	-	0	31 220
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	27 008	15 331	1 573	563	190	33	111	15	44 822
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	1 073	8 643	6 529	212	3	3	28	0	16 493
Total By Customer Type	1000	43 685	39 591	8 101	775	193	36	139	16	92 535

Graph 1



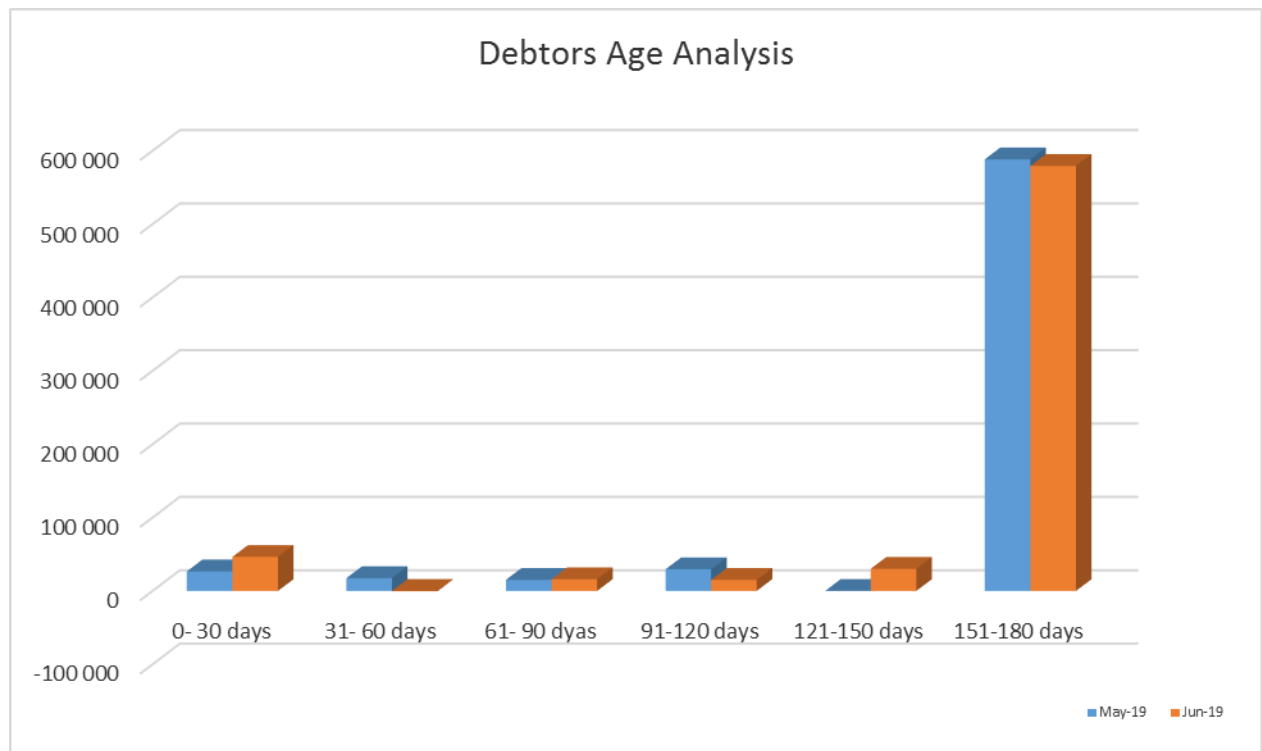
8. Debtors age analysis

The debtor book value as at 30 June 2019 amounted to **R 686.5 million**. The collection rate in the month of June was 54%. The average collection rate to date is **62%**.

Table 12

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June											
Description	NT Code	Budget Year 2018/19								Total	Total over 90 days
		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	33 582	(260)	10 411	9 918	20 711	(78)	66 528	323 213	464 025	420 292
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	4 115	-	1 758	1 270	3 133	-	12 363	63 743	86 380	80 508
Receivables from Exchange Transactions - Waste Management	1600	28	-	(6)	(5)	(7)	-	(45)	(17)	(52)	(74)
Receivables from Exchange Transactions - Property Rental Debtors	1700	6	-	4	4	8	-	14	710	747	736
Interest on Arrear Debtor Accounts	1810	8 865	-	3 729	3 795	6 293	-	22 741	82 404	127 828	115 234
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(169)	(119)	(22)	128	13	(16)	2 724	5 047	7 586	7 896
Total By Income Source	2000	46 426	(379)	15 874	15 111	30 150	(94)	104 325	475 100	686 513	624 592
2017/18 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	6 527	(46)	845	911	1 563	(27)	7 875	9 039	26 687	19 361
Commercial	2300	4 248	(33)	510	618	1 608	(0)	2 877	5 251	15 079	10 354
Households	2400	32 572	(252)	13 179	12 162	24 324	(53)	81 516	407 470	570 918	525 419
Other	2500	3 079	(47)	1 339	1 420	2 655	(14)	12 056	53 340	73 829	69 458
Total By Customer Group	2600	46 426	(379)	15 874	15 111	30 150	(94)	104 325	475 100	686 513	624 592

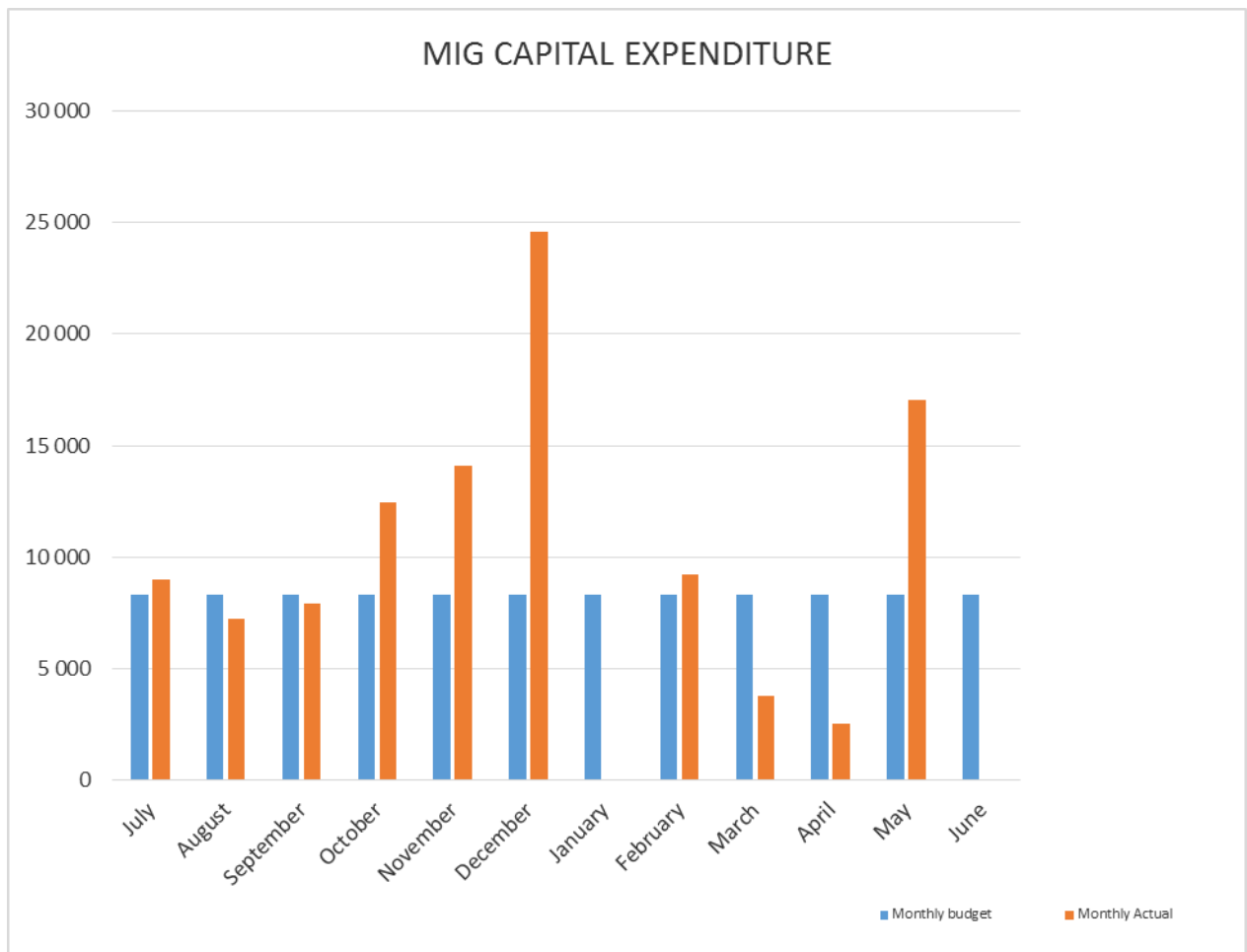
Graph 2



9. IN-YEAR BUDGET STATEMENT CHARTS: 30 JUNE 2019 REPORT

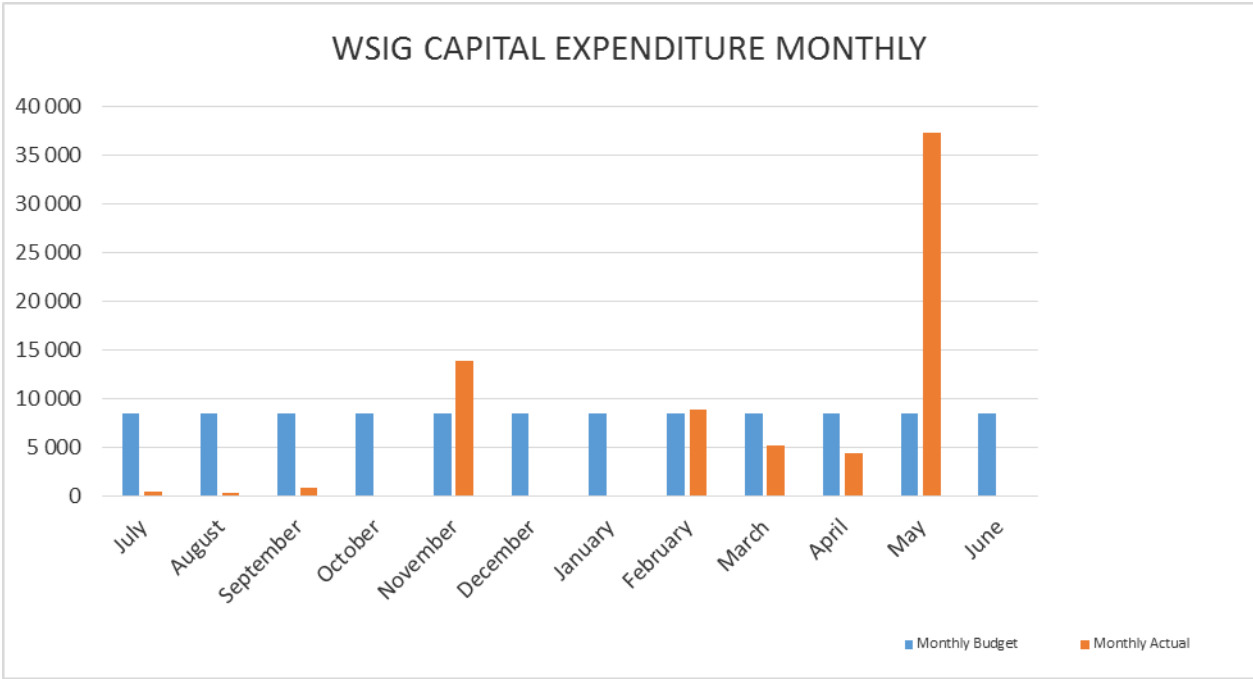
MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	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	3 755
April	8 319	2 543
May	8 319	9 055
June	8 319	0
	99 828	99 828



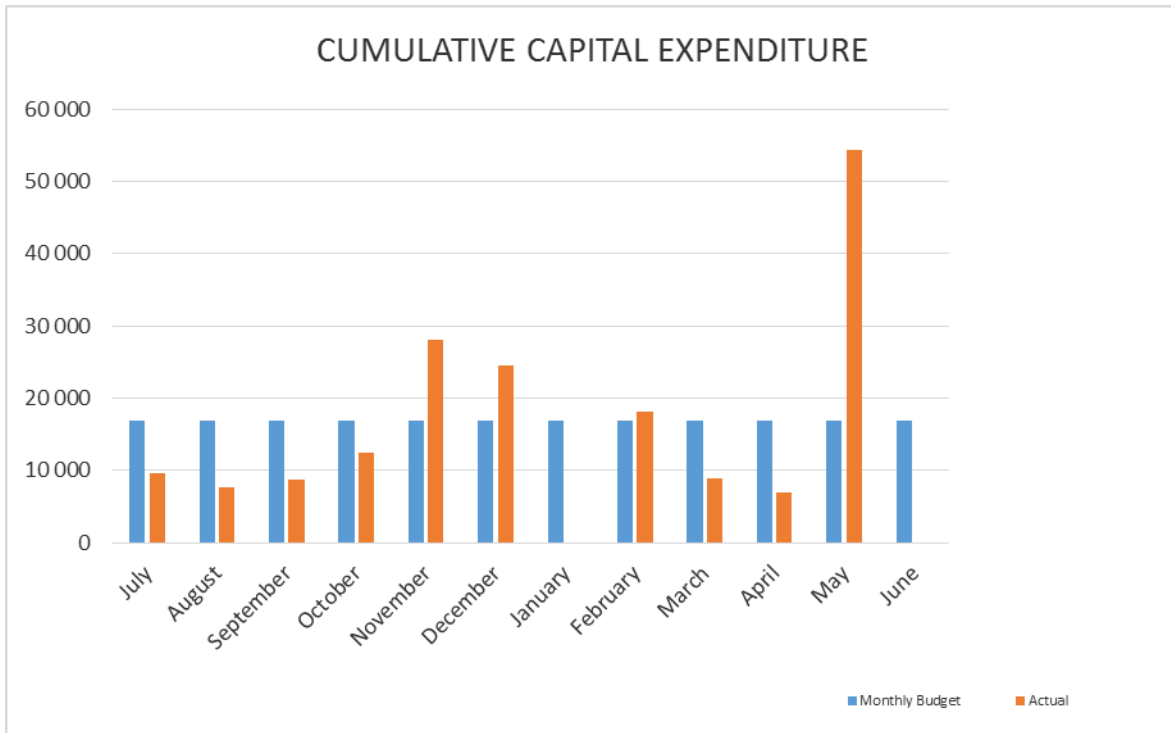
WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	8 558	560
August	8 558	433
September	8 558	881
October	8 558	0
November	8 558	13 932
December	8 558	0
January	8 558	0
February	8 558	8 898
March	8 558	5 184
April	8 558	4 406
May	8 558	37 329
June	8 558	31 077
	102 700	102 700



CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	16 877	9 577
August	16 877	7 689
September	16 877	8 796
October	16 877	12 424
November	16 877	28 004
December	16 877	24 585
January	16 877	0
February	16 877	18 104
March	16 877	8 939
April	16 877	6 949
May	16 877	46 384
June	16 877	31 077
	202 528	202 528



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

The preliminary financial results for the period ended 30 June 2019 (i.e. 12th 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 30 JUNE 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 **JUNE 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: _____