

REPORT TO THE uMGUNGUNDLOVU DISTRICT MUNICIPALITY COUNCIL



File Reference : 5/1/1/1	Author	: Linda Africa
Report Number: 09	Designation	: CFO

For consideration

1 st Level – MANCO	:	
2 nd Level – Portfolio Committee	:	17/04/2019
3 rd Level – EXCO	:	23/04/2019
4 th Level – MPAC	:	12/04/2019
5 th Level – Council	:	26/04/2019

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

DATE : 15 APRIL 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 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 March 2019 the ten working day reporting limit expires on **15 April 2019**.

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

Table 1

Summary of financial performance	
Actual Revenue to Budgeted Revenue	78
Actual OPEX to budgeted OPEX	63
Actual CAPEX to budgeted CAPEX	56.92
Employee related cost exp to total OPEX	37
% Grant Utilisation	50.67
Cash Coverage Ratio	0.74
Debt Service to Revenue Ratio	2.20
% Debt to Revenue Ratio	22.07
Creditors Age Analysis	18% or R10.1 milliion of creditors is outstanding longer than 30 days.
Debt Collection Rate	67

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 9th 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 March 2019 is R 212.6 million.
 - 3.2 Cash & Cash Equivalent for the period ending 31 March 2019 is R 245 million.
 - 3.3 Capital Expenditure for the period ending 31 March 2019 is R 118.1 million excluding items that does not meet the capitalisation criteria or R 119.8 million including items that does not meet the capitalisation criteria funded by Capital Grants.
 - 3.4 Trade Payables for the period ending 31 March 2019 is R 54.8 million.
 - 3.5 Trade Receivables for the period ending 31 March 2019 is R 653.7 million.
 - 3.5 Unspent conditional Grants for the period ending 31 March 2019 is R 121.5 million.

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

4.1 Surplus for the period ending 31 March 2019 of R 2.9 million.

4.2 Cash & Cash Equivalent for the period ending 31 March 2019 is R 3.2 million.

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

4.4 Trade Payables for the period ending 31 March 2019 is R 33 250

1. Operating Budget

Summary financial performance report **SF1** for the period ending 31 March 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 - M09 March									
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	20 029	196 927	156 214	40 713	26%	208 286
Investment revenue	3 802	2 500	600	25	462	450	12	3%	600
Transfers and subsidies	433 487	492 260	514 010	–	369 988	385 507	(15 519)	-4%	514 010
Other own revenue	36 266	10 150	33 996	2 798	25 037	24 957	80	0%	33 996
Total Revenue (excluding capital transfers and contributions)	650 558	786 339	756 892	22 852	592 415	567 129	25 286	4%	756 892
Expenditure									
Employee costs	208 700	250 246	269 246	19 141	174 825	201 934	(27 110)	-13%	222 536
Remuneration of Councillors	10 958	12 479	12 320	945	8 479	9 240	(761)	-8%	10 564
Depreciation & asset impairment	40 172	51 000	35 000	–	19 942	26 250	(6 308)	-24%	28 692
Finance charges	35 321	22 609	27 546	23	15 975	20 659	(4 685)	-23%	22 877
Materials and bulk purchases	132 358	140 650	139 150	13 779	93 940	104 363	(10 422)	-10%	127 839
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	390 261	328 171	312 527	23 768	184 687	234 396	(49 708)	-21%	240 673
Total Expenditure	817 770	805 155	795 789	57 655	497 848	596 841	(98 994)	-17%	653 181
Surplus/(Deficit)	(167 212)	(18 816)	(38 897)	(34 803)	94 567	(29 713)	124 280	-418%	103 711

The revenue raised as at 31 March 2019 is R 592.4 million against the adjusted budget of R 756.9 million for the year and R 567.1 million for the period. This reflects a revenue rate of 78% against the adjusted budget and 104% for the year to date budget.

The operating expenditure as at 31 March 2019 was R 497.8 million vs a year to date budget of R 596.8 million reflecting YTD expenditure of 83% and 63% against the adjusted budget. The operating surplus for the period was R 94.6 million.

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

- Service charges above target by 26%.
- Transfers and subsidies are 4% below target.
- Investment revenue is 3% above 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 31 March 2019	% spent
MIG	99,828,000.00	99,828,001.00	88,229,684.26	88.38
WSIG	102,700,000.00	102,700,000.00	29,887,711.74	29.10
RESERVES	5,000,000.00	5,000,000.00	0.00	0.00
RRAMS	2,531,000.00	2,531,000.00	1,768,998.51	69.89
DWS	4,000,095.45		0.00	
	214,059,095.45	210,059,001.00	119,886,394.51	57.07
LESS NON CAPITALISED PROJECTS	6,531,095.45		1,768,998.51	
TOTAL CAPITAL EXPENDITURE	207,528,000.00		118,117,396.00	56.92

Table 4

Project Name	Funding Source	Original Budget 2018/2019	Adjustment Budget 2018/2019	Total current year expenditure as at 31.03.2019	% Percentage
Infrastructure assets					
Manyavu water	MIG	11,636,359	41,432,018	38,936,635	93.98
Manzamnyama Water	MIG	10,855,358	26,354,712	22,066,264	83.73
Nkanyezini Water	MIG	8,742,766	19,400,075	15,892,527	81.92
Maqonggo Water/ Upgrade	MIG	8,093,517	11,051,998	10,075,633	91.17
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			
Umshwathi Regional Bulk	WSIG	102,700,000	56,253,560	29,887,712	53.13
Nadi to Ekhamanzi	WSIG		11,168,037		
Mtulwa to Mt Elias- Pahse 3	WSIG		35,278,403		
Boreholes - Drought (ex Mkhambathini WWTW)	DWS	4,000,095			
Merrivale AV Pipes	DBSA				
Merrivale AV Pipes	MIG				
Rural roads asset management	DOT	2,531,000	2,531,000	1,768,999	69.89
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	119,886,395	57.07
			207,528,001	118,117,396	56.92

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, MIG expenditure amounts to R 88.2 million or 88%. The total expenditure for the Water Services Infrastructure Grant amount to R 29.8 million or 29 %. The municipality anticipates to spend in full the MIG allocation and has implemented strategies to improve spending on the Water Services infrastructure Grant.

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 31 March is at 81.9 % 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 38.9 million as at 31 March 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 31 March is at R22 million.
4. **Maqongqo water supply scheme** project has a allocation of R19 million and was awarded in July 2017 and has R 11 million budget allocation. 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 91% or R 10 million.
5. Spending on the **WSIG is 29%** of the year allocation.
6. Total capital expenditure to date is 56.92% 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 March 2019, **69%** of the councillor's allowances budget was spent and **65%** spent of the employee costs budget. As at 31 March 2019 the total salary cost including councillor's allowances represented **37%** 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.

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March										
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	565	5 058	5 444	(386)	-7%	6 307
Pension and UIF Contributions		713	555	555	55	493	416	77	18%	576
Medical Aid Contributions		252	266	266	16	142	200	(57)	-29%	193
Motor Vehicle Allowance		2 472	2 441	2 441	212	1 898	1 831	67	4%	2 296
Cellphone Allowance		1 067	1 958	1 799	69	810	1 349	(539)	-40%	1 191
Other benefits and allowances		-	-	-	28	78	-	78	#DIV/0!	-
Sub Total - Councillors		10 958	12 479	12 320	945	8 479	9 240	(761)	-8%	10 564
% increase	4		13.9%	12.4%						-3.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		-	5 717	5 717	305	1 441	3 812	(2 370)	-62%	-
Pension and UIF Contributions		-	185	185	28	134	123	10	8%	-
Motor Vehicle Allowance		-	878	878	45	321	585	(265)	-45%	-
Cellphone Allowance		-	108	108	4	23	72	(49)	-68%	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	75	75	6	124	50	74	149%	-
Sub Total - Senior Managers of Municipality		-	6 964	6 964	387	2 043	4 642	(2 599)	-56%	-
% increase	4		#DIV/0!	#DIV/0!						
Other Municipal Staff										
Basic Salaries and Wages		157 487	131 982	183 128	11 404	125 545	137 346	(11 801)	-9%	165 316
Pension and UIF Contributions		777	29 358	1 031	2 403	7 628	773	6 855	887%	903
Medical Aid Contributions		12 009	11 247	9 939	843	5 861	7 454	(1 594)	-21%	9 284
Overtime		7 832	8 902	10 863	580	4 999	8 147	(3 148)	-39%	7 162
Performance Bonus		9 985	10 793	21 094	16	10 520	15 821	(5 301)	-34%	15 777
Motor Vehicle Allowance		17 202	21 809	28 377	1 640	13 788	21 283	(7 494)	-35%	20 081
Cellphone Allowance		565	1 702	-	137	-	-	-	-	-
Housing Allowances		1 023	1 037	1 766	92	738	1 324	(586)	-44%	1 179
Other benefits and allowances		-	16 182	-	1 124	999	-	999	#DIV/0!	-
Payments in lieu of leave		-	-	-	25	-	-	-	-	-
Long service awards		3 094	299	2 515	154	1 294	1 886	(593)	-31%	1 941
Post-retirement benefit obligations	2	(1 273)	9 000	3 570	335	1 409	2 677	(1 268)	-47%	892
Sub Total - Other Municipal Staff		208 700	242 310	262 282	18 753	172 781	196 712	(23 930)	-12%	222 536
% increase	4		16.1%	25.7%						6.6%
Total Parent Municipality		219 659	261 753	281 565	20 085	183 303	210 594	(27 290)	-13%	233 099
			19.2%	28.2%						6.1%
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		845	845	845	-	709	845	(137)	-16%	845
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		845	845	845	-	709	845	(137)	-16%	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	842	1 373	(531)	-39%	1 226
Sub Total - Senior Managers of Entities		122	1 226	1 477	25	842	1 477	(635)	-43%	1 226
% increase	4		907.9%	1114.4%						907.9%
Other Staff of Entities										
Pension and UIF Contributions		-	-	24	-	24	-	24	#DIV/0!	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		884	109	342	30	219	342	(123)	-36%	109
Sub Total - Other Staff of Entities		884	109	366	30	243	342	(99)	-29%	109
% increase	4		-87.7%	-58.6%						-87.7%
Total Municipal Entities		1 851	2 180	2 688	56	1 794	2 664	(870)	-33%	2 180
TOTAL SALARY, ALLOWANCES & BENEFITS		221 510	263 933	284 253	20 141	185 097	213 257	(28 161)	-13%	235 280
% increase	4		19.2%	28.3%						6.2%
TOTAL MANAGERS AND STAFF		209 706	250 608	271 088	19 196	175 909	203 172	(27 263)	-13%	223 870

4. Conditional Grants

As at the end of March 2019 a total of R 224.6 million of conditional grants was received since 1 July 2018, whilst an additional R 30.6 million was available which was received in the previous financial year. R 125.5 million was spent as at 31 March 2019. The operating grant utilisation is at 42.84% and the capital grant utilisation was 51.26% of allocations received. Overall grant utilisation is at 50.67%

Table 6

Description	Opening Balance	Receipts	Roll Over Repayment	Total receipts	Expenditure	Balance	% spent to date
Operating Grants							
FMG	0.00	1,000,000.00		1,000,000.00	618,054.50	381,945.50	61.81
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	1,768,999.08	762,000.92	69.89
EPWP	0.00	4,265,000.00		4,265,000.00	1,391,943.68	2,873,056.32	32.64
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	500,000.00	0.00	100.00
GEOPanning	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	7,465,008.26	9,959,208.49	42.84
Capital Grants							
WSIG	11,245,000.00	102,700,000.00	7,400,000.00	106,545,000.00	29,887,711.74	76,657,288.26	28.05
Drought Relief Initiatives	0.00	12,487,000.00		12,487,000.00		12,487,000.00	
MIG	0.00	99,828,000.00		99,828,000.00	88,229,684.19	11,598,315.81	88.38
Orio	11,550,860.00	0.00		11,550,860.00	0.00	11,550,860.00	0.00
Total Capital Grants	22,795,860.00	215,015,000.00		230,410,860.00	118,117,395.93	112,293,464.07	51.26
Total Grants	30,624,076.75	224,611,000.00		247,835,076.75	125,582,404.19	122,252,672.56	50.67

5. Cash and cash equivalents

An amount of R25 479 was accrued in investment interest income for the month of March 2019. The cash in bank as at 31 March 2019 amounted to **R 241.1 million** and investments amounted to **R 3.9 million** with a total cash and cash equivalents of **R 245.0 million**. The average interest rate on investment is at 8%. The cash coverage ratio as at 31 March 2019 is 0.74 months based on average of R65 million per month fixed operating expenditure. This indicates that the municipality as at 31 March 2019 had sufficient cash to operate for a period of 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 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%	3 894	25	3 919
			25	0	3 894	25	3 919

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	35 194 593.27	60 857 363.84	96 051 957.11
Salaries Account	50940092196	332 131.74	20 579 862.84	20 911 994.58
Water Services Account	62023616462	2 274 318.94	6 227 025.66	8 501 344.60
NSTD Call Account	62215748289	31 285 063.47	80 149 996.88	111 435 060.35
Mandela Race Account	62411577193	755 433.95	2 579.57	758 013.52
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	4 978 620.21	-1 536 839.51	3 441 780.70
Public Sector Cheque Account	62243484417		0.00	0.00
Total Cash Balances		74 820 161.58	166 279 989.28	241 100 150.86

6. Borrowings

As at 31 March 2019 the loans book was sitting at R 211.7 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 22.07% as projected which is below the treasury norm of below 45%. This indicates that the debt books is 2.20% of the internally generated operating income. The debt service ratio to operating expenditure is 2.26% which is below the 6-8% recommended treasury norm.

Table 9

LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) January 2019 - March 2019								
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/01/2019	Add: Interest Accrued	Less: Interest paid	Less :Capital Repayments	Closing Balance at 31/03/2019	Repayment Due before year end
12007869	uMgungundlovu Various Water Projects	10.889	206 170 531.41	5 535 594.06	0.00	0.00	211 706 125.47	15 600 210.18
			206 170 531.41	5 535 594.06	0.00	0.00	211 706 125.47	15 600 210.18

7. Creditors Age Analysis

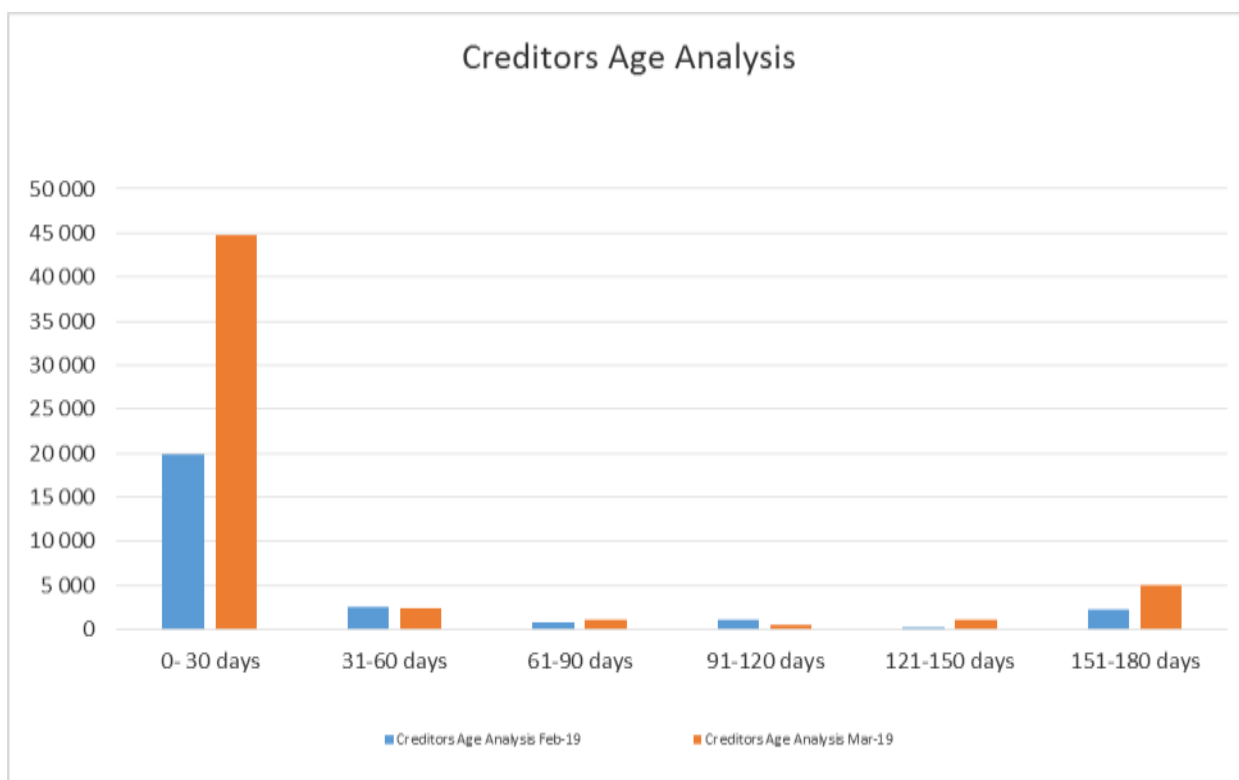
A total R10.1 million or 18% of invoices remained outside the compliance period of 30 days as at 31 March 2019. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 March 2019. The balance of trade payables as at 31 March 2019 was **R54.8 million**.

Table 10

DC22 uMgungundlovu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

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	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	32 574	2 328	552	553	1 099	38	4 361	82	41 586
Auditor General	0800	-	-	-	-	-	-	8	-	8
Other	0900	12 158	37	493	1	-	-	566	-	13 254
Total By Customer Type	1000	44 732	2 365	1 045	553	1 099	38	4 935	82	54 849

Graph 1



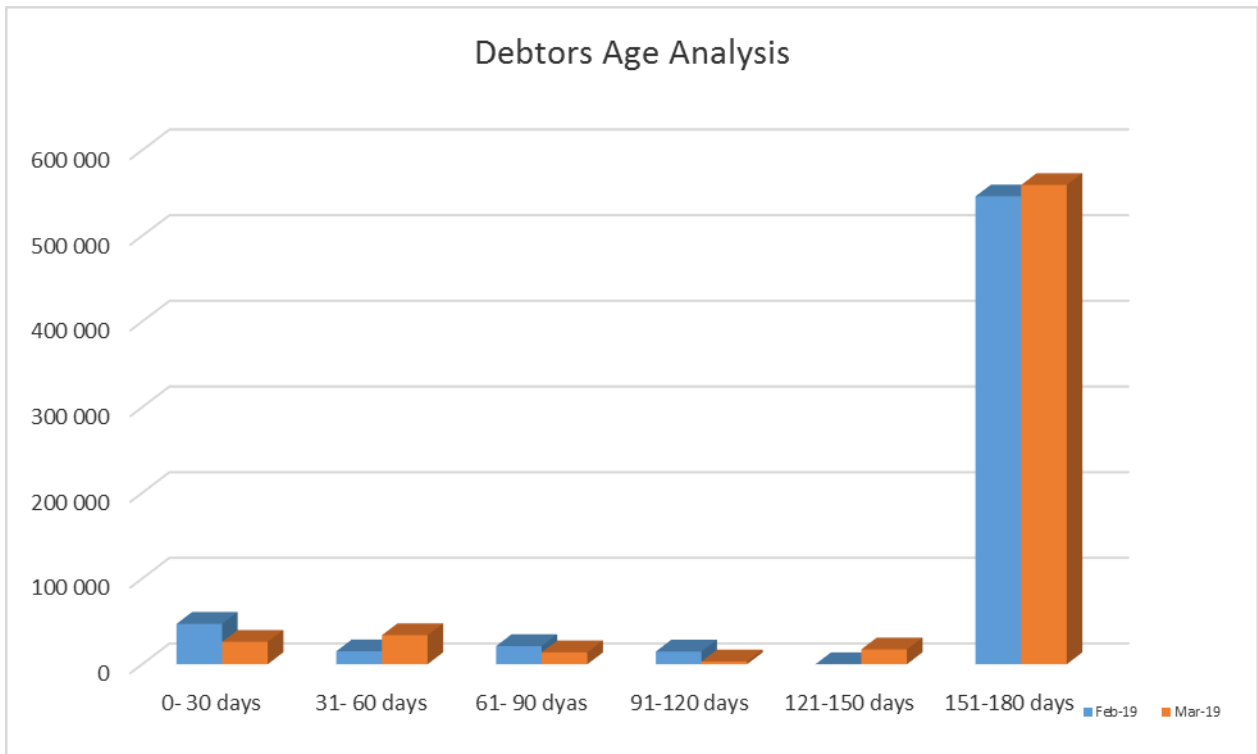
8. Debtors age analysis

The debtor book value as at 31 March 2019 amounted to **R 653.7 million**. The collection rate in the month of March was **67 %**. The average collection rate to date is **63%**.

Table 12

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March										
Description	NT Code	Budget Year 2018/19								
		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
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transaction	1200	21 067	25 344	9 739	(87)	12 219	10 090	57 537	306 825	442 734
Trade and Other Receivables from Exchange Transaction	1300	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property	1400	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water	1500	1 973	3 510	1 345	-	1 752	1 671	12 749	59 717	82 716
Receivables from Exchange Transactions - Waste Manag	1600	0	(10)	(5)	-	(2)	(2)	(59)	(17)	(94)
Receivables from Exchange Transactions - Property Renta	1700	-	9	4	-	2	2	10	707	734
Interest on Arrear Debtor Accounts	1810	3 037	5 002	2 792	-	3 301	3 012	21 090	73 756	111 990
Recoverable unauthorised, irregular, fruitless and waste	1820	-	-	-	-	-	-	-	-	-
Other	1900	38	(11)	(9)	3 290	3	36	5 673	6 557	15 576
Total By Income Source	2000	26 115	33 844	13 865	3 204	17 275	14 810	96 999	447 544	653 656
2017/18 - totals only										
Debtors Age Analysis By Customer Group										
Organs of State	2200	2 343	2 193	393	-	692	389	3 077	5 105	14 194
Commercial	2300	311	-	0	-	(2)	-	-	-	308
Households	2400	2 530	3 072	1 206	(5)	1 578	1 325	8 893	36 729	55 327
Other	2500	20 931	28 579	12 266	3 208	15 008	13 096	85 029	405 710	583 827
Total By Customer Group	2600	26 115	33 844	13 865	3 204	17 275	14 810	96 999	447 544	653 656

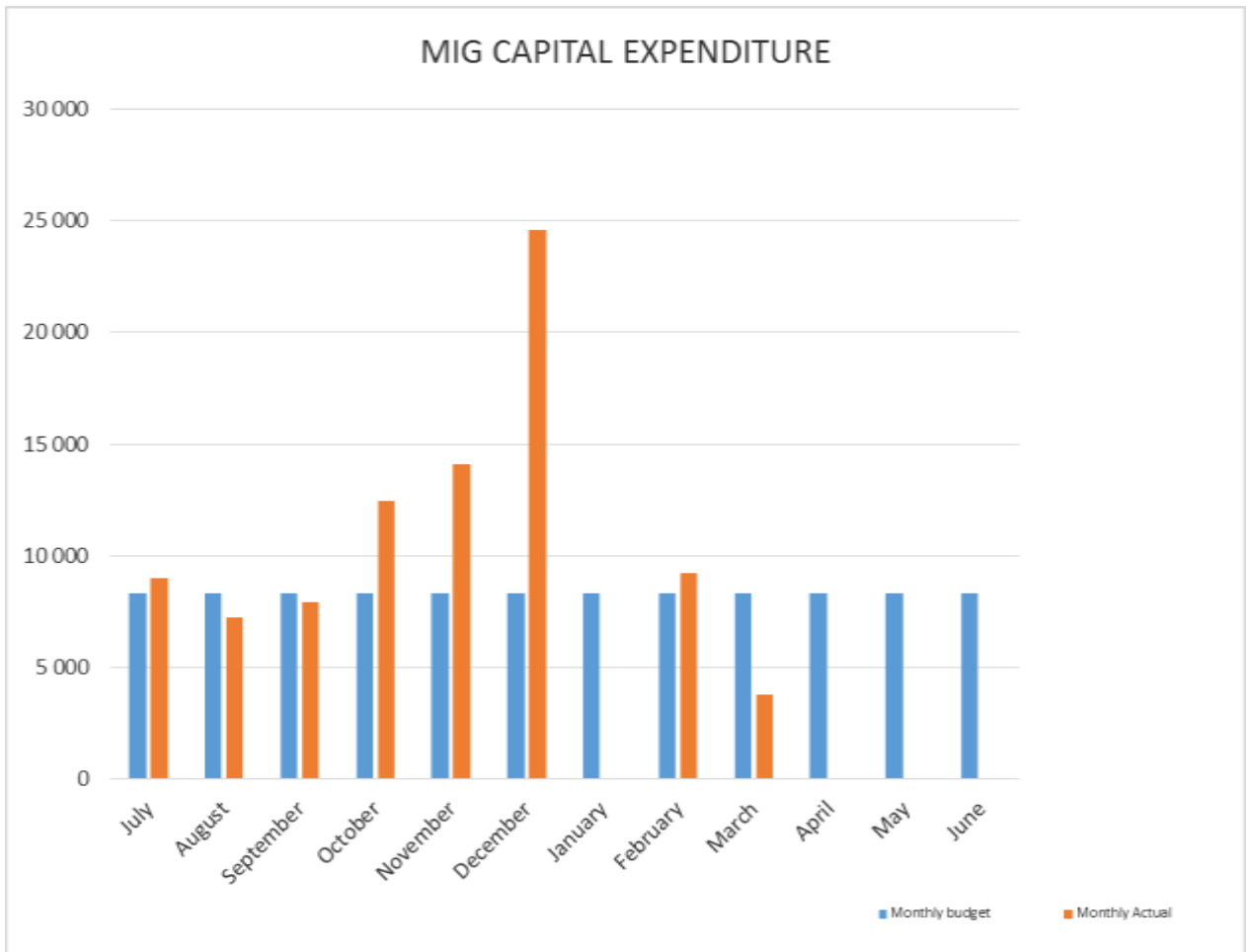
Graph 2



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

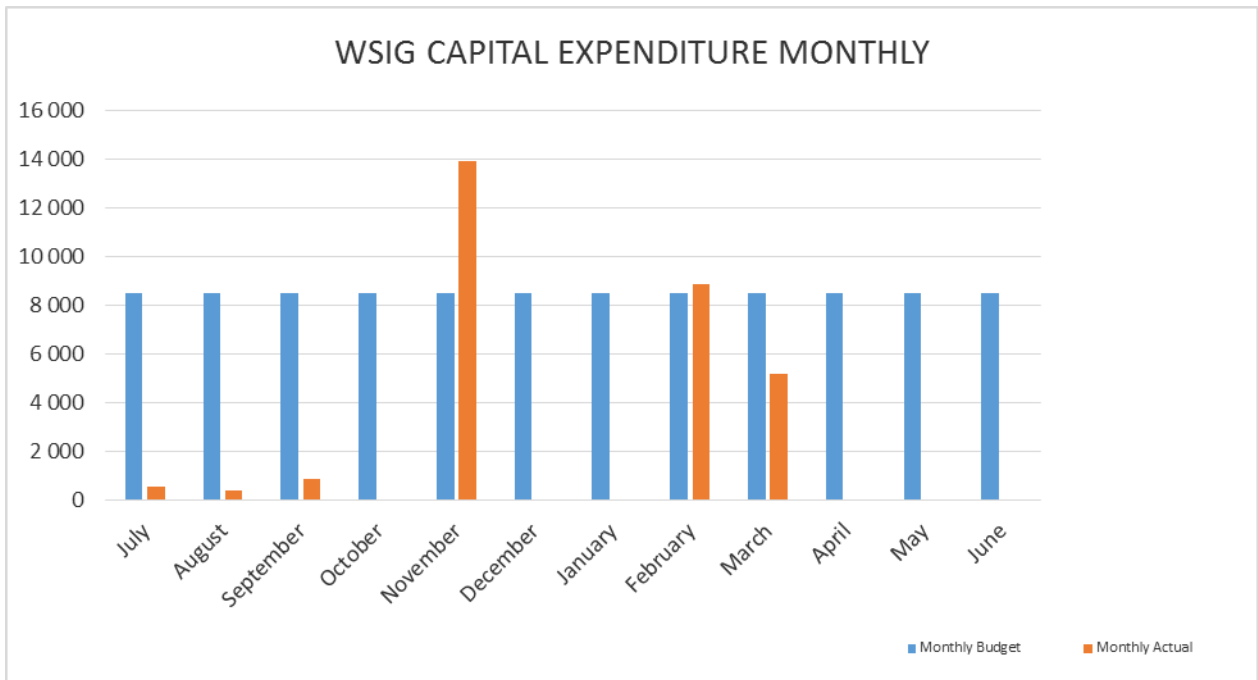
MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	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	0
May	8 319	0
June	8 319	0
	99 828	88 230



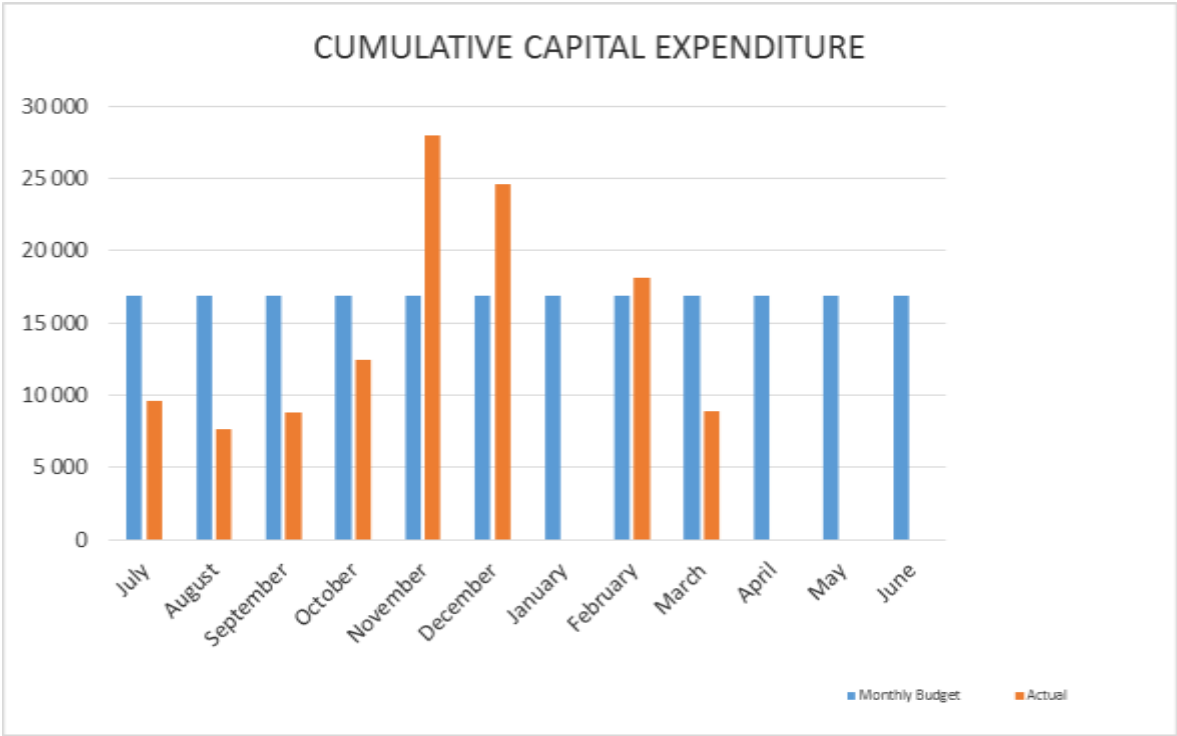
WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	8 500	560
August	8 500	433
September	8 500	881
October	8 500	0
November	8 500	13 932
December	8 500	0
January	8 500	0
February	8 500	8 898
March	8 500	5 184
April	8 500	0
May	8 500	0
June	8 500	0
	102 000	29 888



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	0
May	16 877	0
June	16 877	0
	202 528	118 118



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

The preliminary financial results for the period ended 31 March 2019 (i.e. 09th 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 AND SECOND

QUARTER BUDGET STATEMENT) FOR THE PERIOD ENDING 31 MARCH 2019

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

	COMPREHENSIVENESS (FACTS, COMMENTS, RECOMMENDATIONS 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 **MARCH 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: _____