

REPORT TO THE uMGUNGUNDLOVU DISTRICT MUNICIPALITY COUNCIL



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Report Number: 04 Designation : ACFO

For consideration

1 st Level – MANCO	:	
2 nd Level – Portfolio Committee	:	14/11/2019
3 rd Level – EXCO	:	21/11/2019
4 th Level – MPAC	:	22/11/2019
5 th Level – Council	:	29/11/2019

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

DATE : 14 NOVEMBER 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 OCTOBER 2019 the ten working day reporting limit expires on **14 NOVEMBER 2019**.

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

Table1

Summary of financial performance	
Actual Revenue to Budgeted Revenue	36
Actual OPEX to budgeted OPEX	26
Actual CAPEX to budgeted CAPEX	42.49
Employee related cost exp to total OPEX	36
% Grant Utilisation	97.83
Cash Coverage Ratio	-0.38
Debt Service to Revenue Ratio	0.20
% Debt to Revenue Ratio	22.06
Creditors Age Analysis	37% or R 11.9 milliion 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 31 October 2019 is R 177.1 million.
 - 3.2 Cash & Cash Equivalent for the period ending 31 October 2019 is R 43.7 million.
 - 3.3 Capital Expenditure for the period ending 31 October 2019 is R 78.4 million.
 - 3.4 Trade Payables for the period ending 31 October 2019 is R 31.67 million.
 - 3.5 Trade Receivables for the period ending 31 October 2019 is R 751.5 million.
 - 3.6 Unspent conditional Grants for the period ending 31 October 2019 is R 3.7 million.

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

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

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

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

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

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

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

1. Operating Budget

Summary financial performance report **SF1** for the period ending 31 OCTOBER 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 - M04 October									
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	–	27 218	100 372	124 076	(23 704)	-19%	372 228
Investment revenue	293	500	–	25	81	167	(86)	-52%	500
Transfers and subsidies	488 175	556 568	–	34	219 330	185 523	33 808	18%	556 568
Other own revenue	42 346	6 791	–	4 129	17 202	2 264	14 939	660%	6 791
Total Revenue (excluding capital transfers and contributions)	784 864	936 086	–	31 406	336 986	312 029	24 957	8%	936 086
Expenditure									
Employee costs	215 841	283 677	–	20 354	79 129	94 559	(15 430)	-16%	283 677
Remuneration of Councillors	10 691	12 941	–	951	3 808	4 314	(505)	-12%	12 941
Depreciation & asset impairment	21 759	42 500	–	3 729	14 913	14 167	746	5%	42 500
Finance charges	23 084	27 550	–	1 808	5 602	9 183	(3 581)	-39%	27 550
Materials and bulk purchases	146 362	142 500	–	17 632	50 625	47 500	3 125	7%	142 500
Transfers and subsidies	13	5 084	–	13	26	1 695	(1 668)	-98%	5 084
Other expenditure	249 797	399 052	–	25 891	84 248	133 017	(48 770)	-37%	399 052
Total Expenditure	667 547	913 304	–	70 378	238 351	304 435	(66 084)	-22%	913 304
Surplus/(Deficit)	117 317	22 782	–	(38 971)	98 635	7 594	91 041	1199%	22 782

The revenue raised as at 31 October 2019 is R 336.9 million against the original budget of R 936.0 million for the year and R 312 million for the period. This reflects a revenue rate of 36% against the original budget and 108% for the year to date budget.

The operating expenditure as at 31 October 2019 was R 238.4 million vs a year to date budget of R 304.4 million reflecting YTD expenditure of 78% and 26% against the original budget. The operating surplus for the period was R 98.6 million.

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

- Service charges below target by 19%.
- Transfers and subsidies are 18% above target.
- Investment revenue is 52% below target.
- Other revenue account, the amount is made up of: Tender sales, Rental of facilities and SANBI

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

2. Capital Expenditure

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

Table 3

Funding Source	Original Budget 2019 /2020	Expenditure as at 31 October 2019	% spent
MIG	101 944 000.00	62 643 256.70	61.45
WSIG	80 000 000.00	15 078 085.85	18.85
RRAMS	2 631 000.00	708 380.89	26.92
	184 575 000.00	78 429 723.44	42.49
LESS NON CAPITALISED PROJECTS			
TOTAL CAPITAL EXPENDITURE	184 575 000.00	78 429 723.44	42.49

Table 4

Project Name	Funding Source	Original Budget 2019/2020	Total current year expenditure as at 31.10.2019	% Percentage
Infrastructure assets				
Manyavu water	MIG	36 408 614	34 508 805	0.95
Manzamyama Water	MIG	24 383 724	17 535 053	0.72
Nkanyezini Water	MIG	6 151 662	1 338 158	0.22
Mpolweni, Thokozani, Claridge	MIG	5 000 000	1 790 835	0.36
Merrivale heights AC Pipeline Replacement	MIG		2 035 634	
Maqongqo Bulk Water	MIG		445 914	
Hilton AC Pipeline Replacement	MIG		4 721 355	
Trust feed Phase1	MIG	20 000 000	0	0.00
uMshwathi Slum Water	MIG		267 504	
uMshwathi VIP Backlog Toilets	MIG	2 000 000	0	0.00
Impendle VIP Backlog Toilets	MIG	1 000 000	0	0.00
Mkhambathini VIP Backlog Toilets	MIG	2 000 000	0	0.00
Umgeni 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	15 078 086	0.36
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	708 381	0.26
		184 625 000	78 429 723	42.48

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 62.6 million. The total expenditure for the Water Services Infrastructure Grant amount to R 15 million or 18.85%.

The projects on the pipeline are as follows:

1. **The Nkanyezini water supply scheme** has a total project budget of R 85 million, the tender was awarded on 17 October 2016. The project is ongoing. Initially there were delays in the start of the projects due to contractor challenges, the contract termination processes were instituted and the contractor given time to correct anomalies. Further delays were experienced due to social facilitation issues which arose after the death of the ward councillor. Other delays were due to the

negotiations with the landowner and house owner which have both been resolved. An amount of R950 000 was paid for the purchase of the house which is on the site on which a reservoir is to be built. The land price of R115k was paid in November 2017. Subsequently, the progress of the contractor continues to deteriorate. The initial contract with the contractor was terminated and was replaced with a revised contract. The service provider was requested to compile and produce a turnaround plan on their performance and remedial strategies. The plan is due for submission on 31 August 2019. The project has a budget allocation of R 6 151 662 for the 2019 /2020 financial year.

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

As at 31 August 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 18.85%** 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 August 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 42.48% 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 October 2019, **20%** of the councillor's allowances budget was spent and **20%** spent of the employee costs budget. As at 31 October 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

Table 5

DC22 uMgungundlovu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

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	-	959	3 840	4 314	(474)	-11%	12 941
Pension and UIF Contributions		625	-	-	-	-	-	-	-	-
Medical Aid Contributions		174	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2 420	-	-	-	-	-	-	-	-
Cellphone Allowance		993	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		10 691	12 941	-	959	3 840	4 314	(474)	-11%	12 941
% increase	4		21.0%							21.0%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	-	5 717	-	336	1 342	1 906	(563)	-30%	5 717
Pension and UIF Contributions		-	185	-	19	75	62	14	22%	185
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	972	-	-	-	324	(324)	-100%	972
Motor Vehicle Allowance		-	878	-	44	176	293	(117)	-40%	878
Cellphone Allowance		-	108	-	-	-	36	(36)	-100%	108
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	75	-	7	29	25	4	15%	75
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	1	6	-	6	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	7 936	-	407	1 628	2 645	(1 017)	-38%	7 936
% increase	4		#DIV/0!							#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages		165 182	165 413	-	11 511	51 065	55 138	(4 072)	-7%	131 982
Pension and UIF Contributions		827	29 358	-	2 548	7 720	9 786	(2 066)	-21%	29 358
Medical Aid Contributions		11 309	11 247	-	917	3 718	3 749	(31)	-1%	11 247
Overtime		6 379	8 902	-	574	2 330	2 967	(637)	-21%	8 902
Performance Bonus		11 312	10 793	-	22	46	3 598	(3 552)	-99%	10 793
Motor Vehicle Allowance		17 625	21 809	-	1 726	6 763	7 270	(507)	-7%	21 809
Cellphone Allowance		424	1 702	-	134	400	567	(167)	-29%	1 702
Housing Allowances		1 013	1 037	-	98	388	346	43	12%	1 037
Other benefits and allowances		-	16 182	-	1 878	4 882	5 394	(511)	-9%	16 182
Payments in lieu of leave		56	-	-	89	113	-	113	#DIV/0!	-
Long service awards		2 670	299	-	127	538	100	438	440%	299
Post-retirement benefit obligations	2	(956)	9 000	-	324	1 264	3 000	(1 736)	-58%	9 000
Sub Total - Other Municipal Staff		215 841	275 741	-	19 947	79 227	91 914	(12 687)	-14%	242 310
% increase	4		27.8%							12.3%
Total Parent Municipality		226 532	296 618	-	21 313	84 695	98 873	(14 177)	-14%	263 187
			30.9%							16.2%
Unpaid salary, allowances & benefits in arrears:										
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		226 532	296 618	-	21 313	84 695	98 873	(14 177)	-14%	263 187
% increase	4		30.9%							16.2%
TOTAL MANAGERS AND STAFF		215 841	283 677	-	20 354	80 855	94 559	(13 704)	-14%	250 246

4. Conditional Grants

As at the end of October 2019 a total of R 66.8 million of conditional grants was received since 1 July 2019, whilst an additional R 23 million was available which was received in the previous financial year. R 81.4 million was spent as at end of October 2019. The operating grant utilisation is at 25.40% and the capital grant utilisation was 109.55% of allocations received. Overall grant utilisation is at 97.83%

Table 6

Description	Opening Balance	Receipts	Roll Over Repayments	Total receipts	Expenditure	Balance	Percentage
Operating Grants							
FMG	0	1 000 000		1 000 000	451 848	548 152	45.18
PTP	308 817	0		308 817	0	308 817	0.00
EPWP	1 955 102	842 000		2 797 102	2 490 138	306 965	89.03
Camperdown WWW	4 000 095	0		4 000 095	0	4 000 095	0.00
SETA Grants	0	0		0	0	0	0.00
RASET GRANT	0	0		0	0	0	0.00
DGDS GRANT	126 989	0		126 989	0	126 989	0.00
DPSS GRANT	0	550 000		550 000	0	550 000	0.00
GEOPanning	1 300 000	1 500 000		2 800 000	0	2 800 000	0.00
IDP SPATIAL DEVELOPMENT FRAMEWORK		1 000 000					
Total Operating Grants	7 691 003	4 892 000		11 583 003	2 941 986	8 641 018	25.40
Capital Grants							
WSIG	3 843 255	20 000 000	3 800 000	20 043 255	15 078 086	4 965 169	75.23
Drought Relief Initiatives	0	0		0	0	0	0.00
MIG	0	40 000 000		40 000 000	62 643 257	-22 643 257	156.61
Orio	11 550 860	0		11 550 860	0	11 550 860	0.00
RRAMS	0	1 877 000		1 877 000	708 381	1 168 619	37.74
Total Capital Grants	15 394 115	61 877 000		71 594 115	78 429 723	-4 958 608	109.55
Total Grants	23 085 118.30	66 769 000.00		83 177 118.30	81 371 708.99	3 682 409.31	97.83

5. Cash and cash equivalents

An amount of R 24.479 was accrued in investment interest income for the month of October 2019. The cash in bank as at 31 October 2019 amounted to **R 39.9 million** and investments amounted to **R 3.8 million** bringing a total cash and cash equivalents of **R 43.7 million**. The average interest rate on investment is at 8%. The cash coverage ratio as at 31 October 2019 is a -0.38 days based on average of R 70 million per month fixed operating expenditure. This indicates that the municipality as at 31 October 2019 has sufficient cash to run its operations for -0.38 days. 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	2020 Sept Sev en	25	8.0%	3 770	25	3 795
			25	0	3 770	25	3 795

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	111 450 985.66	-93 719 552.03	17 731 433.63
Salaries Account	50940092196	276 937.21	34 326.64	311 263.85
Water Services Account	62023616462	31 386 853.09	-16 366 298.36	15 020 554.73
NSTD Call Account	62215748289	12 000 686.57	-10 000 686.57	2 000 000.00
Mandela Race Account	62411577193	776 139.60	2 780.40	778 920.00
UMDM MIG (DBSA) Account	62400041985	0.00	0.00	0.00
Corporate Cheque Account	62597807125	4 079 197.03	18 248.78	4 097 445.81
Public Sector Cheque Account	62243484417	0.00	0.00	0.00
Total Cash Balances		159 970 799.16	-120 031 181.14	39 939 618.02

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

6. Borrowings

As at 31 October 2019 the loans book was sitting at R 206.5 million. The average interest rate on remaining loans is 11%. The debt to revenue ratio at 22.06% as projected which is below the treasury norm of below 45%. This indicates that the debt books is funded by 0.20% of the internally generated operating income.

Table 9

<i>LOANS REGISTER : DEVELOPMENT BANK OF SOUTH AFRICA (DBSA) October 2019</i>						
Agreement Number	Project Description	Interest Rate %	Opening Balance at 01/10/2018	Add: Interest Accrued	Less :Capital Repayments	Closing Balance at 31/10/2018
12007869	uMgungundlovu Various Water Projects	10.889	204 669 012.17	1 858 954.94	0.00	206 527 967.11
			204 669 012.17	1 858 954.94	0.00	206 527 967.11

7. Creditors Age Analysis

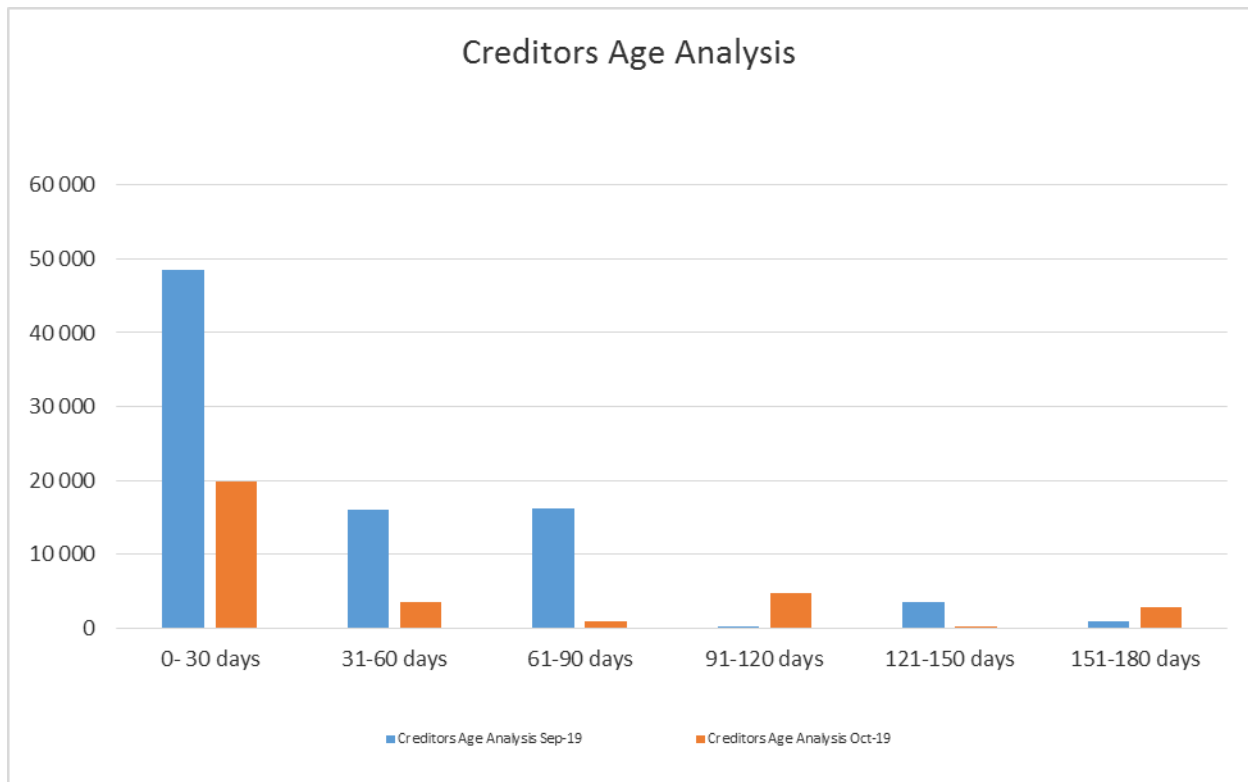
A total R 11.8 million or 37% of invoices remained outside the compliance period of 30 days as at 31 October 2019. None of the bulk services, 3rd party and statutory invoices were outstanding for longer than 30 days as at 31 October 2019. The balance of trade payables as at 31 October 2019 was **R 31.6 million**.

Table 10

DC22 uMgungundlovu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

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	-	-	-	-	-	-	-	0	0
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	13 581	3 344	600	741	242	2 205	174	151	21 038
Auditor General	0800	548	-	-	-	-	-	-	-	548
Other	0900	5 691	81	224	3 905	0	-	203	2	10 107
Total By Customer Type	1000	19 821	3 426	825	4 646	242	2 205	377	153	31 693

Graph 1



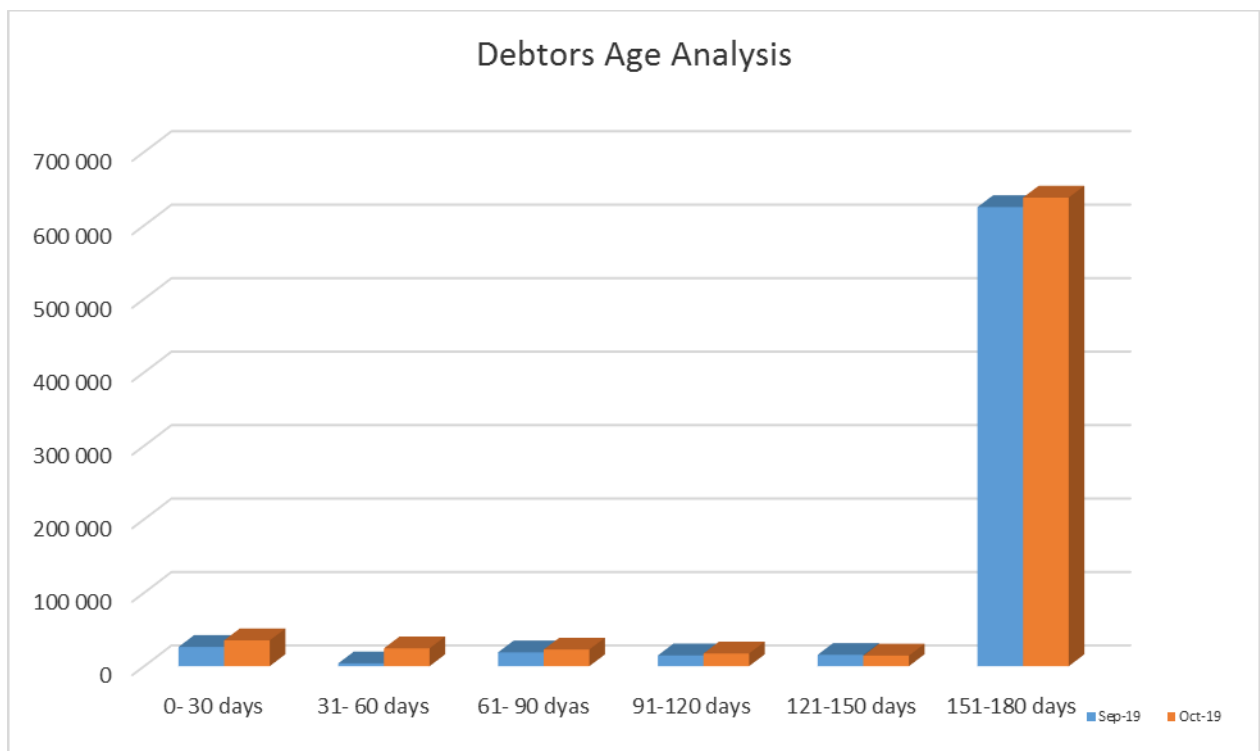
8. Debtors age analysis

The debtor book value as at 31 October 2019 amounted to **R 751.5 million**. The collection rate in the month of October was 54%. The average collection rate to date is **65%**.

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October										
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
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	28 319	15 844	12 254	10 659	8 565	9 200	64 023	353 865	502 728
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	2 450	2 266	2 008	1 750	1 540	1 561	10 018	68 828	90 421
Receivables from Exchange Transactions - Waste Management	1600	(0)	(18)	(14)	(30)	3	(1)	(4)	(39)	(104)
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	23	717	740
Interest on Arrear Debtor Accounts	1810	4 542	4 423	4 220	4 411	4 257	4 409	23 295	94 459	144 016
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	(141)	1 651	4 156	520	5	(11)	1 837	5 700	13 716
Total By Income Source	2000	35 171	24 165	22 623	17 309	14 371	15 158	99 191	523 529	751 517
2018/19 - totals only										-
Debtors Age Analysis By Customer Group										
Organs of State	2200	6 234	2 128	1 447	854	656	632	4 581	12 320	28 851
Commercial	2300	4 412	1 742	554	448	378	290	3 033	5 648	16 505
Households	2400	22 336	17 042	14 938	14 178	12 040	12 970	80 509	447 454	621 466
Other	2500	2 188	3 254	5 684	1 830	1 297	1 266	11 068	58 107	84 694
Total By Customer Group	2600	35 171	24 165	22 623	17 309	14 371	15 158	99 191	523 529	751 517

Table 1

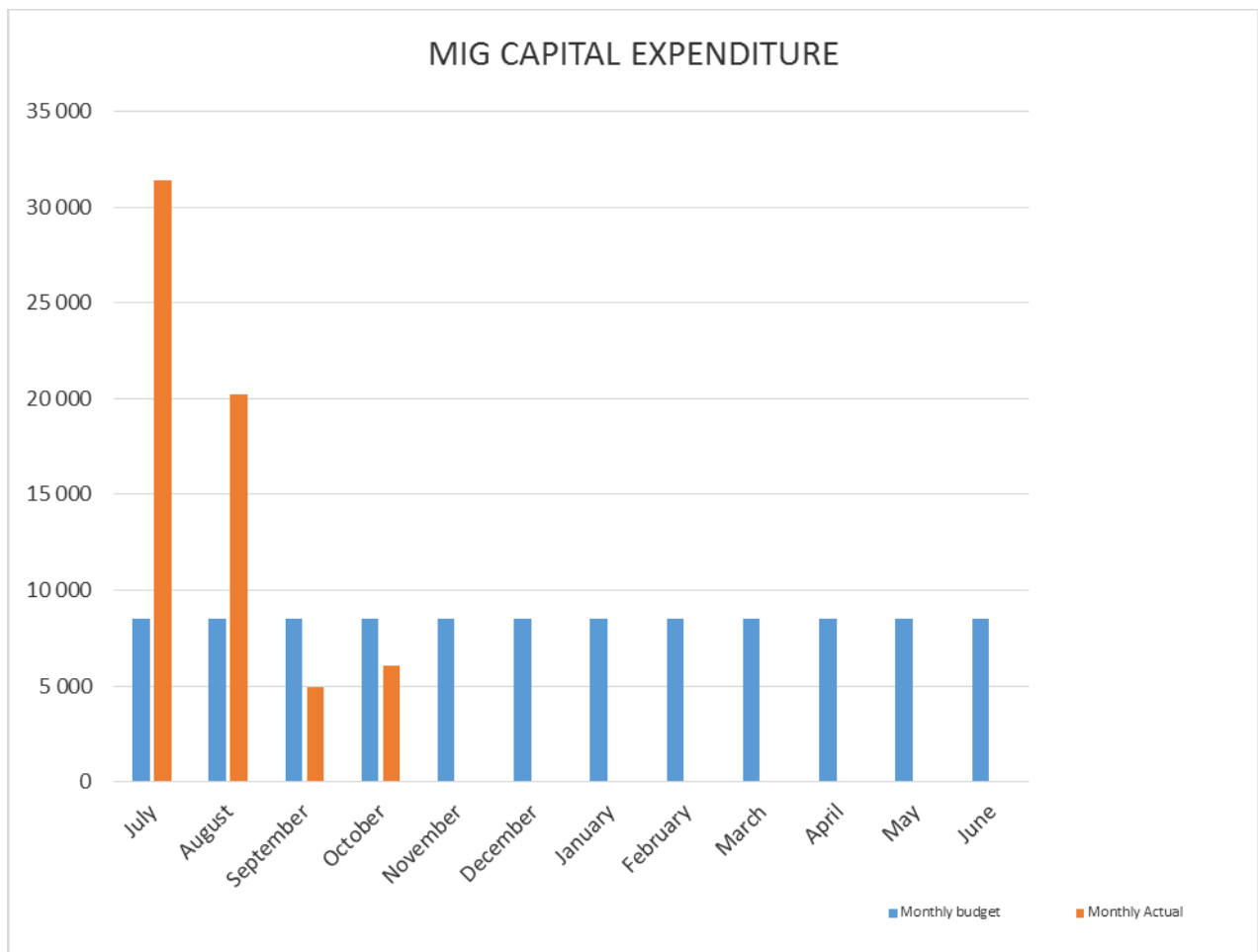
Graph 2



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

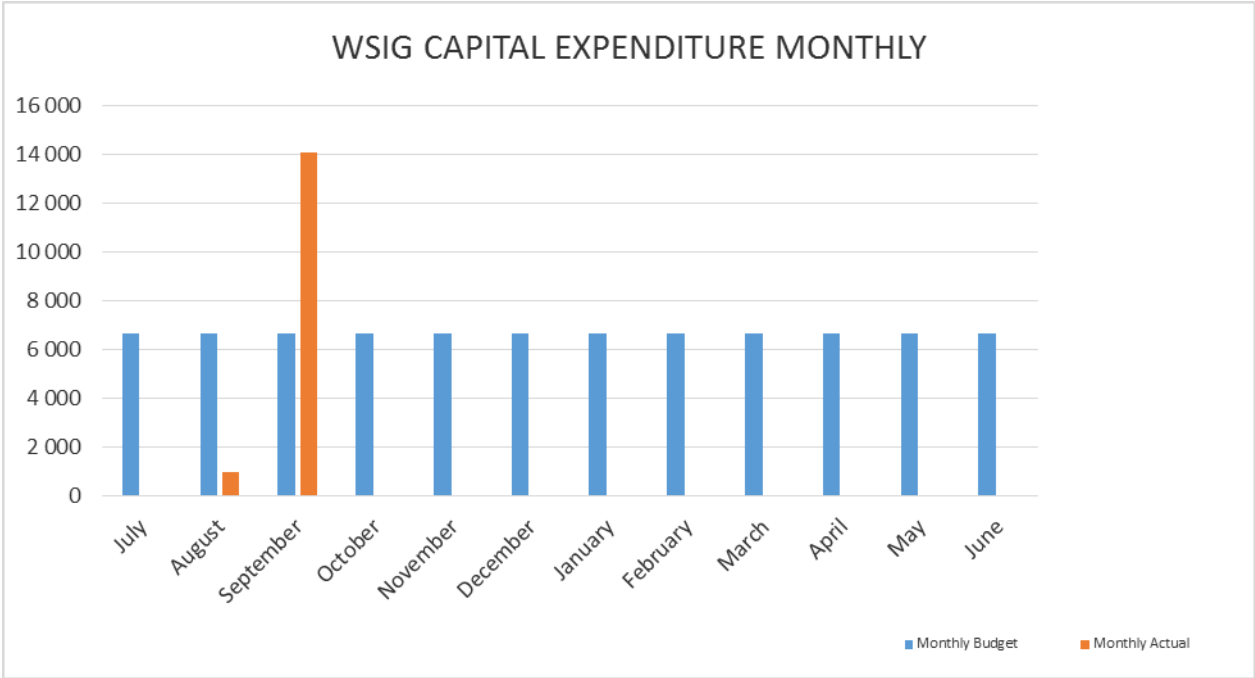
MIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly budget	Monthly Actual
July	8 495	31 409
August	8 495	20 231
September	8 495	4 941
October	8 495	6 062
November	8 495	
December	8 495	
January	8 495	
February	8 495	
March	8 495	
April	8 495	
May	8 495	
June	8 495	
	101 944	62 643



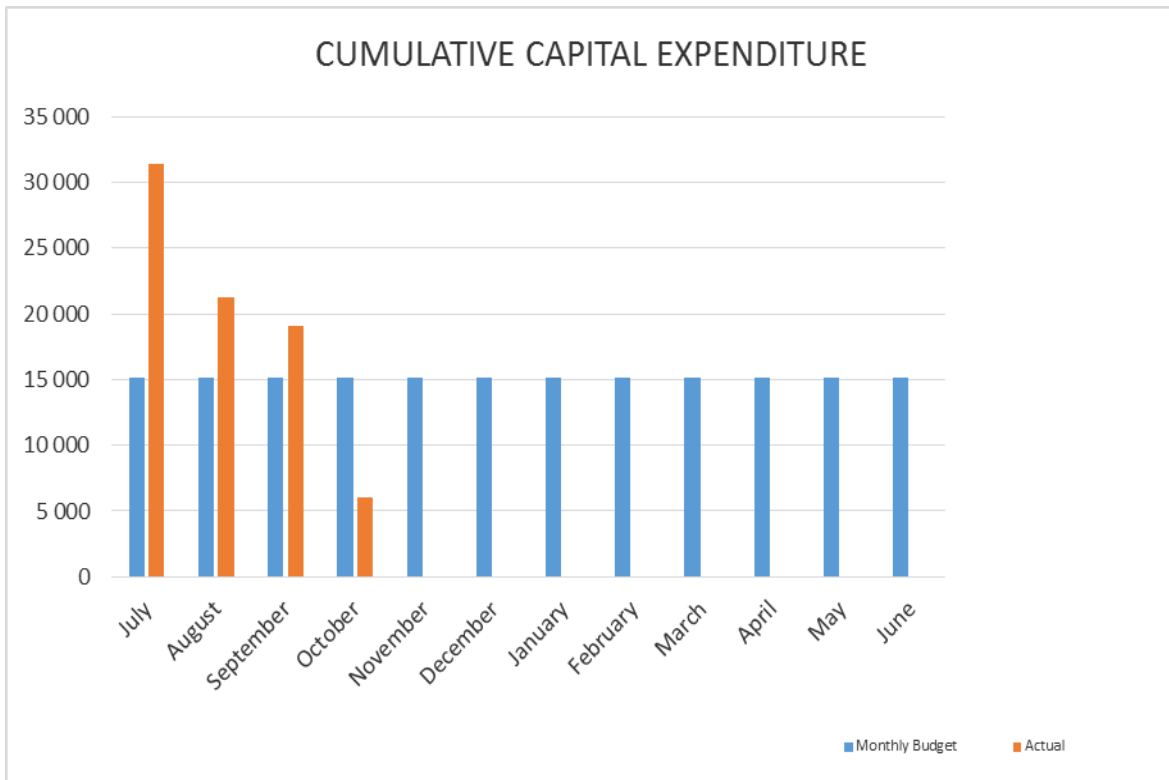
WSIG - CAPITAL EXPENDITURE MONTHLY TREND: ACTUAL VS BUDGET

	Monthly Budget	Monthly Actual
July	6 667	0
August	6 667	982
September	6 667	14 096
October	6 667	0
November	6 667	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	15 078



CUMULATIVE MIG & WSIG EXPENDITURE: MONTHLY ACTUAL VS MONTHLY BUDGET

	Monthly Budget	Actual
July	15 162	31 409
August	15 162	21 213
September	15 162	19 037
October	15 162	6 062
November	15 162	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	77 721



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

The preliminary financial results for the period ended 31 October 2019 (i.e. 04th month of the 2019/20 financial year) are attached consisting of the following tables, in Annexure A:

Part 1

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

Part 2

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

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

11. CONCLUSION

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

ANNEXURES:

Annexure – Schedule C

REPORT – FLOW COMPLIANCE CHECK

FILE: 5/1/1/1

INITIATOR: Linda Africa

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

FINANCIAL SERVICES DEPARTMENT

PRELIMINARY IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD ENDING 31 OCTOBER 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 **OCTOBER 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: _____