

SEPTEMBER 2024

MONTHLY BUDGET AND FINANCIAL REPORT

2024/2025 FINANCIAL YEAR



**UMNGENI
MUNICIPALITY**

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The below table and the pie chart is an illustration of the financial performance of the municipality for September 2024

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MONTHLY BUDGET AND FINANCIAL REPORT

1. Introduction

Section 71 of the Municipal Finance Management Act, No. 56 of 2003, states that “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 a report on the implementation of the budget and the financial state of affairs of the municipality. “In terms of this legislation, herein is the report of the performance of the Municipality for the period ended 30 September 2024.

2. Executive Summary

The below table illustrates the consolidated financial performance as of 30 September 2024.

Table 1: Consolidated overview for the period ended 30 September 2024

Descriptions	Annual Budget	YTD Budgets	Monthly Actuals	YTD Actuals	Variance
Total Revenue	614,613,131	169,168,573	38,484,404	157,889,707	11,278,866
Total Expenditure	614,180,376	150,310,176	53,748,746	146,626,931	3,683,245
Surplus (Deficit)	432,755	18,858,397	(15,264,342)	11,262,776	7,595,621
Capital Transfers	48,640,930	7,783,385	699,564	7,783,385	-
Surplus (Deficit) include Capital Transfers	49,073,685	26,641,782	(14,564,778)	19,046,161	7,595,621

The above deficit of R 14,5m includes capital transfer which reflects an unfavorable variance of R 7,5k when comparing the YTD budgets against YTD actuals.

Table 2: Operating revenue for the period ended 30 September 2024

Descriptions	Annual Budget	YTD budget	Monthly Actual	YTD Actual	% of Total Monthly Actual	YTD variance	YTD variance %
Rates	271,174,940	67,793,727	24,785,685	70,032,691	64%	2,238,964	3%
Service charges - Electricity	173,523,779	43,380,939	10,210,194	30,742,002	27%	(12,638,937)	-29%
Service charges - Refuse	16,069,108	4,017,276	1,448,656	4,343,373	4%	326,097	8%
Rental	1,442,130	360,531	120,547	352,804	0%	(7,727)	-2%
Interest earned - external investments	3,178,000	794,502	256,224	1,286,308	1%	491,806	62%
Interest earned - outstanding debtors	18,972,327	4,743,078.00	1,402,237	2,756,623	4%	(1,986,455)	-42%
Fines	3,256,810	814,203	23,295	50,365	0%	(763,838)	-94%
Licences and Permits	3,921,864	980,466	382,823	1,145,371	1%	164,905	17%
Grants and subsidies	115,580,070	44,493,172	42,158	44,493,172	0%	-	0%
Sale of Goods and Rendering of Services	6,334,928	1,583,733	451,552	1,356,100	1%	(227,633)	-14%
Operational revenue	1,159,175	206,946	(638,967)	1,330,897	-2%	1,123,951	543%
TOTAL REVENUE	614,613,131	169,168,573	38,484,404	157,889,707	100%	(11,278,866)	-7%

Total Revenue YTD actuals as of 30 September 2024 is amounted to R 157,8m that is equivalent to 93% as of billed revenue when comparing the YTD budget against the total YTD Actuals, which indicates the unfavorable (negative) YTD variance of 7% as shown in the table above. One of the Municipality's mandates is the monitoring of approved budget and ensures the compliance with the Municipal Finance Management Act and budget policy.

The reasons for the variances displayed from above table are illustrated as follows: -

PROPERTY RATES

The third period actual bill for Property rates is R 24,7m, the actual YTD is R 70m that is above with the YTD budget amount of R 67,7m. The report reflects favorable variance of R 2,2m which translates to favorable (over-performance) on Property Rates revenue. The Billing unit is working jointly with the Property Valuer and Building Inspectors to prepare the monthly reviews or supplementary valuation rolls with the aim of maintaining the General valuation roll on the monthly basis as required by Municipal Property rates Act and ensuring that the projected revenue estimates is realized by the end of the financial year.

SERVICE CHARGES – ELECTRICITY

The year-to-date budget for Service Charges – Electricity is R 43,3m, YTD actual billed is R 30,7m which resulted in an unfavorable variance of R 12,6m that is equivalent to 29% YTD unfavorable variance by the end of period three of the current financial year. The main contributing factors for underperformance under this line item are electricity theft and illegal connections by the community members. The electricity revenue billed and bulk purchases actual depicts that electricity service is rendered at a deficit/loss that may lead to an unsustainable situation to the municipality as other revenue is allocated to fund this services.

The Finance Department is currently working with IPW and the appointed expert in enforcing credit control measures as per the Credit Control and Debt Collection Policy. The Cost of Supply Study is in progress, there could be an improvement once the root causes of the losses have been identified and the Municipality can work on fixing those issues for the betterment of the Electricity Revenue.

SERVICE CHARGES -REFUSE

The monthly billed revenue is R 1,4m, the Municipality has projected a YTD budget of R 4m by the end of period three, YTD Actual billed revenue amounted to R 4,3m which resulted in the favorable variance of R 326k when compared to the YTD budget against the YTD Actuals. The Revenue Growth has been assessed during the 2024/2025 budget preparation in

conjunction with the growth in the Revenue base and number of consumer accounts to ascertain the real Growth in Revenue.

RENTAL OF FACILITIES

The monthly bill for rental of facilities is 120k, the year-to-date actual amounted to R 352k against the YTD budget of R 360K for Rental of facilities and equipment, this line item has under-performed by R 7k when comparing the year-to-date budget and year-to-date actual. The Finance department has engaged with Administration and Support and Economic Development, Planning and Human Settlement departments and agrees to provide the rental monthly schedule and submitted to Finance department in preparation of adjustment budget.

INTEREST EARNED - EXTERNAL INVESTMENTS

The interest earned on investments received in period three is R256 k, YTD Budget is 794k against the YTD Actual of R1,2m that yielded a favorable variance 491k that is equivalent to 62%. The roll-over unspent grants are invested in the Call Accounts while the municipality hold back grants roll-over application outcome from transferring office – National Treasury.

INTEREST EARNED – OUTSTANDING DEBTORS

The Municipality anticipated the YTD budget of R 4,7m by the end of period three, the YTD actual amounted to R 2,7m that resulted to an unfavorable variance of R 1,9m. The main contributing factors for underperformance under this line item is the exemption for penalty charge of 1% in the month of August due to delays in distributing July utility statements to the ratepayers attributable to approved traffics uploads in the financial systems. The budget reduction under this line item will be considered during the adjustment budget.

TRAFFIC FINES

Traffic Fines – the Municipality projected a year-to-date budget of R 814k in traffic fines, the actual amount issued is R50k which resulted in unfavorable performance by 94% when comparing the YTD Budget against YTD Actuals). This should perform better in the coming months of the current financial year as the e-fines procurement is at its final stages.

LICENCES AND PERMITS

The actual amount received in period three is R 382k, YTD actual is R 1,1m that is slightly more than the projected YTD budget of R 980k that resulted in a favorable variance of R 164k that is equivalent to 17% when comparing the YTD Budget against YTD Actual.

TRANSFERS AND SUBSIDIES

The Municipality has received all scheduled grants as per the DORA allocation and they are recorded in the Grants register. There were conditional grants that met the condition in the

MONTHLY BUDGET AND FINANCIAL REPORT

month of September and were being transferred to operational grants and subsidies revenue.

Table 3: SALE OF GOODS AND RENDERING OF SERVICES

Directorate	Section	Item	Original Budget	Revenue	Available Budget
PLANNING & DEVELOPMENT	PLANNING & DEVELOPMENT	Town Planning and Servitudes	- 530,710	- 128,691	- 402,019
PLANNING & DEVELOPMENT	PLANNING & DEVELOPMENT	Maps	- 4,423	- 9,580	- 5,157
COMMUNITY SERVICES	CEMETRY	Cemetery and Burial	- 217,091	- 19,908	- 197,183
CORPORATE SERVICES	PUBLIC CONVENIENCES	Entrance Fees	- 59,111	- 14,743	- 44,369
COMMUNITY SERVICES	MUSEUM	Entrance Fees	- 3,787	- 619	- 3,168
COMMUNITY SERVICES	LIBRARY	Photo copies, Faxes and Telephone charges	- 22,444	- 3,974	- 18,470
COMMUNITY SERVICES	TRAFFIC POLICE	Traffic Control	- 20,980	-	- 20,980
PLANNING & DEVELOPMENT	TOURISM	Domestic Services	- 553	-	- 553
TECHNICAL SERVICES	LANDFILL SITES	Weighbridge Fees	- 1,049,000	- 561,305	- 487,695
BUDGET & TREASURY	FINANCE	Objections and Appeals	- 173,642	- 29,883	- 143,759
BUDGET & TREASURY	FINANCE	Clearance Certificates	- 824,096	- 152,872	- 671,224
BUDGET & TREASURY	FINANCE	Tender Documents	- 82,222	-	- 82,222
COMMUNITY SERVICES	SPORT & RECREATION	Entrance Fees	-	- 170	- 170
PLANNING & DEVELOPMENT	PLANNING & DEVELOPMENT	Advertisements	- 82,923	- 14,975	- 67,948
PLANNING & DEVELOPMENT	PLANNING & DEVELOPMENT	Application Fees for Land Usage	- 221,129	- 15,059	- 206,070
PLANNING & DEVELOPMENT	PLANNING & DEVELOPMENT	Building Plan Approval	- 2,920,474	- 380,987	- 2,539,487
PLANNING & DEVELOPMENT	PLANNING & DEVELOPMENT	Building Plan Clause Levy	- 122,343	- 23,333	- 99,010
	TOTAL		- 6,334,928	- 1,356,100	- 4,978,828

Sale of Goods and Services rendered actual R 1,3m, Weighbridge fees R 561k, Building Plan Approval R 380k, Clearance certificate R 152k, Town Planning and Servitudes R 128k and other with less than R 100k.

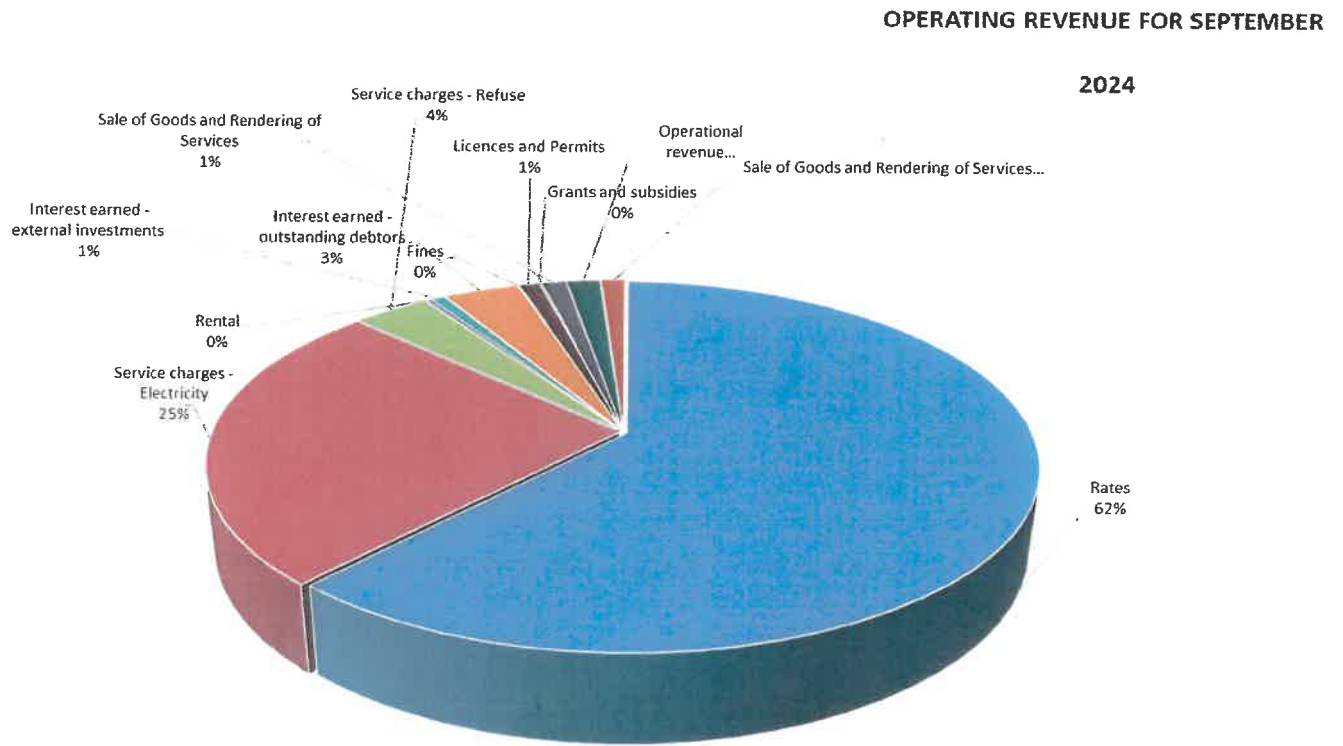
Table 4: OPERATIONAL REVENUE

Directorate	Section	Item	Original Budget	YTD Actual	Available Budget
EXECUTIVE & COUNCIL	EXECUTIVE & COUNCIL	Insurance Refund	- 334,474	- 946,962	- 612,488
CORPORATE SERVICES	HUMAN RESOURCES	Skills Development Levy Refund	- 268,433	- 19,200	- 249,233
BUDGET & TREASURY	FINANCE	Administrative Handling Fees	- 75,647	- 361,404	- 285,757
BUDGET & TREASURY	FINANCE	Bad Debts Recovered	-	- 2,327	- 2,327
BUDGET & TREASURY	FINANCE	Transaction Handling Fees	- 2,050	-	- 2,050
BUDGET & TREASURY	FINANCE	Discounts and Early Settlements	- 145,456	-	- 145,456
BUDGET & TREASURY	FINANCE	Incidental Cash Surpluses	- 1,736	- 1,004	- 732
	TOTAL		- 827,796	- 1,330,897	- 503,101

The table above indicates the breakdown of items making up the Operational Revenue and the actual amount received to date. The item reflects YTD actual of R 1,3m that is greater than original budget due to insurance claims received and administrative handling fees.

The figure below diagrammatically presents the revenue for the month of September 2024

Figure 1: Operating revenue for September 2024



Total income for September 2024 – Property Rates is 62%, Service Charges – Electricity is 25%, Service Charges - refuse comprises of 4%, Interest earned outstanding debtors 3%, Interest earned- external investments, Licences and permits and Sale of goods and rendering of services 1%.

OPERATING EXPENDITURE

Table 5: Summary of Operating Expenditure for the period ended 30 September 2024

Descriptions	Annual Budget	YTD budget	Monthly Actual	YTD Actual	% of Total		
					Monthly Actual	YTD variance	YTD variance
Salaries	162,029,250	40,507,341	12,997,785	37,049,853	24%	(3,457,488)	-9%
Remuneration of councillors	12,303,348	3,075,837	935,030	2,716,497	2%	(359,340)	-12%
Bulk Purchases	215,706,042	53,926,509	22,618,453	66,014,171	42%	12,087,662	22%
Debt impairment	10,744,599	-	-	-	0%	-	0%
Contracted Services	77,415,731	19,353,888	5,132,103	10,521,657	10%	(8,832,231)	-46%
Interest Expense	63,471	15,867	-	3,018	0%	(12,849)	-81%
Other Expenditure	66,716,192	16,678,995	5,525,211	13,501,016	10%	(3,177,979)	-19%
Depreciation	57,004,511	14,251,122	6,277,808	16,286,246	12%	2,035,124	14%
Inventory consumed	8,250,548	2,062,620	185,016	348,867	0%	(1,713,753)	-83%
Transfers and Grants	1,752,000	437,997	77,341	185,606	0%	(252,391)	-58%
Losses on Disposal of Assets	1,114,475	-	-	-	0%	-	0%
Irrecoverable debts written off	1,080,209	-	-	-	0%	-	0%
TOTAL EXPENDITURE	614,180,376	150,310,176	53,748,746	146,626,931	100%	(3,683,245)	-2%

Total Expenditure incurred in the month of September amounted to R 53,7m as displayed in the above table.

The reasons for the variances per item displayed from above table are detailed as follows: -

EMPLOYEE RELATED COSTS

The total approved budget for employee related costs for 2024/2025 annual budget amounts to R 162m, the monthly actual is R 12,9m, the YTD actual amounted to R37m against the YTD budget R 40,5m that resulted the R 3.4m favorable variance. The salary increase negotiations were finalized by the bargaining council and effected by the municipality. The reduction of acting posts and filling all the critical vacant posts will reduce the favorable variance on this line item.

REMUNERATION OF COUNCILLORS

The approved annual budget for the remuneration of Councilors for the 2024/2025 is R 12,3m, period three payment is R 935k; the YTD actual is R 2,7m against the YTD budget amounted to R 3,0m that is equal to R359k favorable variance. Municipalities are obliged to remunerate Councilors according to the Upper Limits from the Department of Cooperative Governance. The increment due in the current financial year was paid to as guided by Circular from COGTA.

DEPRECIATION

Depreciation amount recorded in the Fixed Asset Register in September 2024 is R 6,2m, the YTD actual is R16,2m against the year-to-date budget of R 14,2m which resulted in unfavorable variance of R 2m. The depreciation is calculated monthly and Fixed Asset Register has been updated with current financial year additions.

FINANCE CHARGES

There is zero finance charges paid in the month of September; the YTD Actual is R3k against the YTD Budget of R 15k.

BULK PURCHASES

The annual approved budget for Bulk purchases amounted to R 215,7m, the year-to-date actual is R 66m against the YTD Budget of R 53,9m resulted R 12m unfavorable variance when comparing the YTD budget against YTD actual.

CONTRACTED SERVICES

The Municipality's budget is R 77,4m the actual expenditure to date is R 5,1m. The YTD actual is R 10,5m against the YTD budget of R 19,3m that has a favorable variance of R 8,8m when comparing the year-to-date budget against the year-to-date actuals.

OTHER EXPENDITURE

Table 6: Other Expenditure for the period ended 30 September 2024

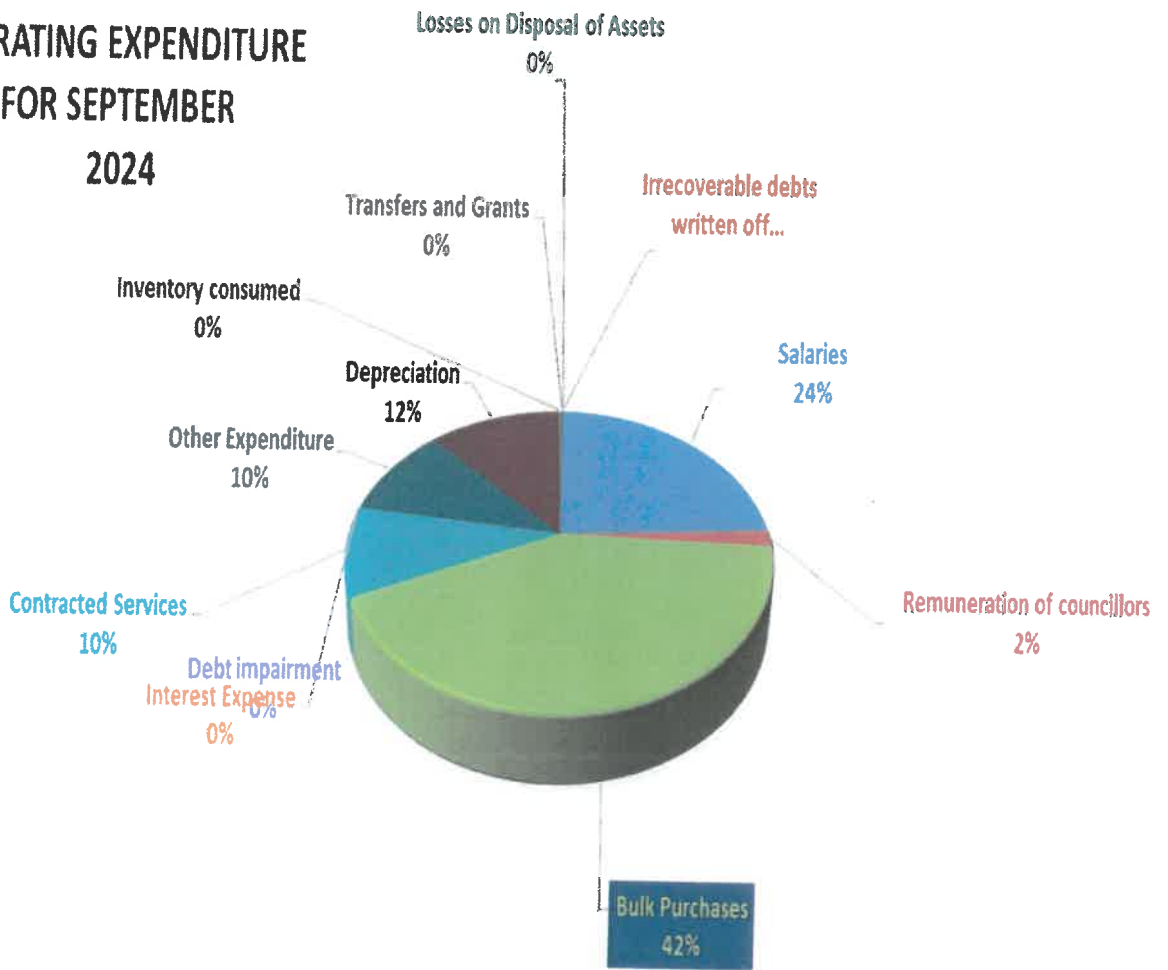
Item Description	Original Budget	Monthly Actual	YTD Actual	Available Budget
Accommodation	295,390	-	4,000	291,390
Achievements and Awards	125,880	-	-	125,880
Air Transport	174,900	-	-	174,900
Bank Accounts	1,509,474	119,111	336,251	1,173,223
Bargaining Council	1,616,317	-	1,773,295	(156,978)
Bursaries (Employees)	270,000	-	-	270,000
Cash Discount	1,788,725	183,600	434,910	1,353,815
Claims paid to Third Parties	351,285	10,200	17,795	333,490
Corporate and Municipal Activities	1,376,433	319,065	381,058	995,375
External Audit Fees	3,196,996	-	-	3,196,996
Gifts and Promotional Items	150,000	-	-	150,000
Hire Charges	2,423,410	41,900	46,600	2,376,810
Information Services	4,487,534	1,582,537	1,944,602	2,542,932
Landfill Sites	4,929,750	-	-	4,929,750
Learnerships and Internships	3,188,402	289,704	977,405	2,210,997
Machinery and Equipment	1,193,834	74,798	127,714	1,066,120
Management Fee	80,000	-	-	80,000
Motor Vehicle Licence and Registrations	385,417	11,394	19,926	365,491
Municipal Newsletters	40,000	-	-	40,000
Municipal Services	15,951,133	1,068,752	3,367,322	12,583,811
National	997,626	-	9,783	987,843
Other Assets	430,012	16,748	50,244	379,768
Own Transport	562,989	61,949	193,765	369,224
Postage/Stamps/Frinking Machines	100,000	19,671	19,671	80,329
Premiums	2,800,000	-	1,117,266	1,682,734
Printing, Publications and Books	45,880	-	-	45,880
Professional Bodies, Membership and Sub	1,097,035	-	8,918	1,088,118
Senior Management	50,000	18,416	19,306	30,694
Signage	800,000	-	-	800,000
Skills Development Fund Levy	1,424,795	116,045	331,830	1,092,965
Software Licences	2,273,070	29,000	29,000	2,244,070
Telephone, Fax, Telegraph and Telex	933,795	-	-	933,795
Transport Assets	1,833,412	-	-	1,833,412
Uniform and Protective Clothing	1,955,183	502,210	502,210	1,452,973
Vehicle Tracking	204,703	9,411	40,732	163,971
Ward Committees	1,918,325	135,720	404,988	1,513,337
Wet Fuel	4,900,000	914,981	1,342,425	3,557,575
Workmen's Compensation Fund	854,487	-	-	854,487
Total	66,716,192	5,525,211	13,501,016	53,215,176

Other expenditure comprises of operational costs of the municipality, the annual budget for this item is R 66,7m, the monthly actual R 5,5m, actual expenditure to date is R 13,5m.

A summarized report and the Pie Chart is provided below for Operating Expenditure.

Figure 2: Summary of Expenditure for the month.

**OPERATING EXPENDITURE
FOR SEPTEMBER
2024**



As illustrated above, 42% is for Bulk Electricity, 24% Employee Related Cost, Depreciation 12%, 10% Contracted Services and other expenditure, and 2% Remuneration of Councillors.

MONTHLY BUDGET AND FINANCIAL REPORT

Table7: Statement of Financial Performance as at 30 September 2024

KZN222 uMngeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue										
Exchange Revenue		144,606	209,922	209,922	12,473	41,027	52,481	(11,453)	-22%	164,109
Service charges - Electricity		112,861	173,524	173,524	10,210	30,742	43,381	(12,639)	-29%	122,968
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11,923	16,069	16,069	1,449	4,343	4,017	326	8%	17,373
Sale of Goods and Rendering of Services		4,897	6,335	6,335	452	1,366	1,584	(228)	-14%	5,424
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		3,503	4,625	4,625	242	470	1,156	(686)	-59%	1,882
Interest earned from Current and Non Current Assets		4,664	3,178	3,178	256	1,286	795	492	62%	5,145
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1,802	1,442	1,442	121	353	361	(8)	-2%	1,411
Licence and permits		2,762	3,922	3,922	383	1,145	980	166	17%	4,581
Operational Revenue		2,195	828	828	(639)	1,331	207	1,124	543%	5,324
Non-Exchange Revenue		383,736	404,691	404,691	26,011	116,862	116,688	174	0%	405,057
Property rates		261,027	271,175	271,175	24,786	70,033	67,794	2,239	3%	280,131
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		360	3,257	3,257	23	50	814	(764)	-94%	201
Licence and permits		852	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		108,514	115,580	115,580	42	44,493	44,493	-	-	115,580
Interest		12,219	14,348	14,348	1,160	2,286	3,587	(1,301)	-36%	9,145
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		764	331	331	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		528,342	614,613	614,613	38,484	157,890	169,169	(11,279)	-7%	569,166
Expenditure By Type										
Employee related costs		148,444	162,029	162,029	12,998	37,060	40,507	(3,457)	-9%	148,199
Remuneration of councillors		11,753	12,303	12,303	935	2,716	3,076	(369)	-12%	10,866
Bulk purchases - electricity		182,066	215,706	215,706	22,618	66,014	53,927	12,088	22%	264,057
Inventory consumed		3,161	8,251	8,251	185	349	2,063	(1,714)	-83%	1,395
Debt impairment		(16,959)	10,745	10,745	-	-	-	-	-	-
Depreciation and amortisation		35,526	57,005	57,005	6,278	16,286	14,251	2,035	14%	65,145
Interest		9,389	63	63	-	3	16	(13)	-81%	12
Contracted services		60,484	77,416	77,416	5,132	10,522	19,354	(8,832)	-46%	42,087
Transfers and subsidies		1,779	1,752	1,752	77	186	438	(252)	-58%	742
Irrecoverable debts written off		18,771	1,080	1,080	-	-	-	-	-	-
Operational costs		52,126	66,716	66,716	5,525	13,501	16,679	(3,178)	-19%	54,004
Losses on Disposal of Assets		4,711	1,114	1,114	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		511,241	614,180	614,180	53,749	146,627	150,310	(3,683)	-2%	586,508
Surplus/(Deficit)		17,101	433	433	(15,264)	11,263	18,858	(7,596)	(0)	(17,342)
Transfers and subsidies - capital (monetary allocations)		51,202	48,641	48,641	700	7,783	7,783	-	-	48,641
Transfers and subsidies - capital (in-kind)		1,230	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		69,533	49,074	49,074	(14,565)	19,046	26,642			31,299
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		69,533	49,074	49,074	(14,565)	19,046	26,642			31,299
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		69,533	49,074	49,074	(14,565)	19,046	26,642			31,299
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		69,533	49,074	49,074	(14,565)	19,046	26,642			31,299

MONTHLY BUDGET AND FINANCIAL REPORT

Table 8: Capital Expenditure as at 30 September 2024

KZN222 uMngeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September										
Vote Description	Ref	2023/24			Budget Year 2024/25					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		1,244	350	350	41	71	87	(17)	-19%	263
Vote 2 - BUDGET AND TREASURY		669	700	700	-	-	175	(175)	-100%	-
Vote 3 - CORPORATE SERVICES		620	850	850	8	8	212	(205)	-96%	30
Vote 4 - Planning Services		531	2,030	2,030	-	-	507	(507)	-100%	-
Vote 5 - Community Services		1,543	650	650	20	20	162	(143)	-88%	80
Vote 6 - Technical Services		24,989	32,358	32,358	1,077	4,209	8,089	(3,680)	-48%	16,836
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	29,596	36,938	36,938	1,145	4,307	9,234	(4,927)	-53%	17,229
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		3,423	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		429	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - Planning Services		1,935	1,740	1,740	-	-	435	(435)	-100%	-
Vote 5 - Community Services		607	1,990	1,990	-	-	497	(497)	-100%	-
Vote 6 - Technical Services		54,227	39,143	39,143	842	4,679	9,786	(5,107)	-52%	18,716
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	60,621	42,873	42,873	842	4,679	10,718	(6,039)	-56%	18,716
Total Capital Expenditure	3	90,217	79,811	79,811	1,987	8,986	19,953	(10,966)	-55%	35,945
Capital Expenditure - Functional Classification										
Governance and administration		6,385	1,900	1,900	48	78	475	(397)	-84%	313
Executive and council		4,667	250	250	41	71	62	8	13%	283
Finance and administration		1,718	1,550	1,550	8	8	387	(380)	-98%	30
Internal audit		-	100	100	-	-	25	(25)	-100%	-
Community and public safety		2,149	2,390	2,390	20	20	597	(578)	-97%	80
Community and social services		1,483	400	400	20	20	100	(60)	-80%	80
Sport and recreation		666	800	800	-	-	200	(200)	-100%	-
Public safety		-	1,190	1,190	-	-	297	(297)	-100%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		54,835	57,051	57,051	1,919	8,528	14,263	(5,735)	-40%	34,112
Planning and development		-	3,770	3,770	-	-	942	(942)	-100%	-
Road transport		54,835	53,281	53,281	1,919	8,528	13,320	(4,792)	-36%	34,112
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		26,848	18,470	18,470	-	360	4,617	(4,257)	-92%	1,440
Energy sources		24,946	16,120	16,120	-	360	4,030	(3,670)	-91%	1,440
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1,901	2,350	2,350	-	-	587	(587)	-100%	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	90,217	79,811	79,811	1,987	8,986	19,953	(10,966)	-55%	35,945
Funded by:										
National Government		44,750	47,891	47,891	1,304	7,573	11,973	(4,399)	-37%	30,293
Provincial Government		-	750	750	-	-	188	(188)	-100%	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		44,750	48,641	48,641	1,304	7,573	12,160	(4,587)	-38%	30,293
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		45,467	31,170	31,170	683	1,413	7,792	(6,380)	-82%	5,651
Total Capital Funding	7	90,217	79,811	79,811	1,987	8,986	19,953	(10,966)	-55%	35,945

Table 9: Statement of Financial Position as at 30 September 2024

KZN222 uMngeni - Table C6 Monthly Budget Statement - Financial Position - M03 September						
Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands						
ASSETS	1					
Current assets						
Cash and cash equivalents		34,053	22,817	22,817	47,954	22,817
Trade and other receivables from exchange transactions		29,515	26,385	26,385	34,635	26,385
Receivables from non-exchange transactions		65,527	91,518	91,518	70,334	91,518
Current portion of non-current receivables		-	-	-	-	-
Inventory		-	-	-	-	-
VAT		7,886	3,477	3,477	7,333	3,477
Other current assets		-	-	-	-	-
Total current assets		136,979	144,196	144,196	160,256	144,196
Non current assets						
Investments		-	-	-	-	-
Investment property		19,038	18,589	18,589	18,969	18,589
Property, plant and equipment		1,040,605	1,033,877	1,033,877	1,033,374	1,033,877
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		3,381	3,381	3,381	3,381	3,381
Intangible assets		-	1,323	1,323	-	1,323
Trade and other receivables from exchange transactions		7,427	6,884	6,884	7,427	6,884
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		1,070,451	1,064,054	1,064,054	1,063,151	1,064,054
TOTAL ASSETS		1,207,430	1,208,250	1,208,250	1,223,407	1,208,250
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		0	478	478	0	478
Consumer deposits		4,632	4,561	4,561	4,534	4,561
Trade and other payables from exchange transactions		79,352	70,828	70,828	64,174	70,828
Trade and other payables from non-exchange transactions		6,698	-	-	19,819	-
Provision		16,756	30,173	30,173	16,756	30,173
VAT		1,919	3,103	3,103	-	3,103
Other current liabilities		-	-	-	-	-
Total current liabilities		109,356	109,143	109,143	105,283	109,143
Non current liabilities						
Financial liabilities		(0)	-	-	(0)	-
Provision		107,474	86,315	86,315	107,474	86,315
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		29,127	26,961	26,961	29,127	26,961
Total non current liabilities		136,601	113,276	113,276	136,601	113,276
TOTAL LIABILITIES		245,957	222,419	222,419	241,884	222,419
NET ASSETS	2	961,473	985,831	985,831	981,523	985,831
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		961,473	985,831	985,831	981,523	985,831
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	961,473	985,831	985,831	981,523	985,831

Table10: Cash Flow Statement as at 30 September 2024

KZN222 uMngeni - Table C7 Monthly Budget Statement - Cash Flow - M03 September										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1									
Receipts										
Property rates		274,401	249,481	249,481	25,556	76,790	62,370	14,420	23%	307,162
Service charges		95,032	216,242	216,242	9,383	29,698	54,061	(24,362)	-45%	118,792
Other revenue		33,957	81,353	81,353	748	5,261	20,338	(15,077)	-74%	21,045
Transfers and Subsidies - Operational		109,456	115,580	115,580	-	46,054	28,895	17,159	59%	115,580
Transfers and Subsidies - Capital		56,334	48,641	48,641	4,111	18,303	12,160	6,143	51%	48,641
Interest		1,985	3,178	3,178	96	609	795	(186)	-23%	2,434
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(459,681)	(617,103)	(617,103)	(54,745)	(148,574)	(154,276)	(5,702)	4%	(594,295)
Interest		(36)	(63)	(63)	-	(3)	(16)	(13)	81%	(12)
Transfers and Subsidies		(1,321)	(1,392)	(1,392)	(55)	(115)	(348)	(233)	67%	(460)
NET CASH FROM/(USED) OPERATING ACTIVITIES		110,128	95,916	95,916	(14,905)	28,023	23,979	(4,044)	-17%	18,886
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		764	331	331	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(90,217)	(91,782)	(91,782)	(3,141)	(12,994)	(22,946)	(9,952)	43%	(51,976)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(89,453)	(91,451)	(91,451)	(3,141)	(12,994)	(22,946)	(9,952)	43%	(51,976)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		20,675	4,465	4,465	(18,046)	15,029	1,034			(33,089)
Cash/cash equivalents at beginning:		12,250	18,352	18,352		32,925	18,352			32,925
Cash/cash equivalents at month/year end:		32,925	22,817	22,817		47,954	19,386			(165)

The closing amount for Cash and Cash Equivalent is R 47,9 m at the end of September, the closing balance ties back to Cash at bank and short-term investments that is reflected in the Statement of Financial Position and Statement of cash flow statement and Bank Recon as at 30 September 2024.

MONTHLY BUDGET AND FINANCIAL REPORT

Table 11: Investment Register as at 30 September 2024

UMNGENI LOCAL MUNICIPALITY		INVESTMENT REGISTER					Sep-24
	NUMBER	OPENING BALANCE AS PER AFS 2023/2024	DEPOSITS	WITHDRAWALS	INTEREST EARNED	BALANCE	
ABSA BANK							ABSA
OPERATIONAL CALL ACCOUNT	9244671585	7,473,550.72	35,800,000.00	32,000,000.00	370,787.23	10,844,337.95	CALL ACCOUNT - OWN REVENUE
CALL ACCOUNT	9154612908	439,439.64	4,931,000.00	-	86,234.70	5,456,674.34	CALL ACCOUNT - MIG GRANT
FIXED DEPOSIT	2074952988	236,143.61	-	-	-	236,143.61	MASSIFICATION GRANT
CALL ACCOUNT	9312757198	204,731.97	5,000,000.00	-	29,587.85	5,234,319.82	INEG / INEP GRANT
CALL ACCOUNT	9312756980	322,919.54	-	-	5,772.28	328,691.82	PLANNING SCHEMES SUPPORT GRANT
ABSA TOTAL		8,676,785.48	44,931,000.00	32,000,000.00	376,996.07	22,100,167.54	
FIRST NATIONAL BANK							FIRST NATIONAL BANK
FIXED DEPOSIT	RU 500475 658	3,201,358.48	-	-	-	3,201,358.48	OWN REVENUE
CALL ACCOUNT	6254 7030 875	149,358.45	-	587.57	2,920.28	151,691.16	FMG GRANT
CALL ACCOUNT	6282 1285 425	138,881.19	-	-	2,720.04	141,601.23	HUMAN SETTLEMENTS GRANT
CALL ACCOUNT	6302 8283 61	2,627,475.70	-	-	51,460.07	2,678,935.77	PLANNING GRANTS
FNB TOTAL		6,117,073.82	-	587.57	57,100.39	6,173,586.64	
CALL ACCOUNT - INVESTEC	1100 503 504 500	126,717.33	-	-	2,481.81	129,199.14	DME GRANT
CALL ACCOUNT - INVESTEC	1100 503 504 482	4,074,113.31	-	1,044,000.00	56,612.48	3,086,725.79	DISASTER RECOVERY GRANT
INVESTEC TOTAL		4,200,830.64	-	1,044,000.00	59,094.29	3,215,924.93	
TOTAL INVESTMENTS		18,994,689.94	44,931,000.00	33,044,587.57	493,180.75	31,489,679.11	TOTAL INVESTMENTS

As of 30 September 2024, the Municipal Short-Term Investments were sitting at R 31,4m, and the total investments inclusive of unspent Capital and Operational grants. These investments are ring-fenced for unspent grants and are recalled when the grant condition is met by the Municipality.

Table12: Cash and Cash Equivalent Recon as at 30 September 2024

BANK RECONCILIATION	SEPTEMBER		DIFF
	SYSTEM	BANK	
OPENING BALANCE	15,186,899.66		
ADD: INCOME (20170619021358)	63,208,248.67		
LESS: EXPENDITURE (20170619021359)CLASSIC	16,829,762.18		
LESS: EXPENDITURE (20170619021359)WEB	44,581,341.45		
BALANCE TO DATE (CASH BOOK)	16,984,044.70		
RECEIPTS NOT YET BANKED	- 412,500.48		
(EFF: 24/08/30) ABSA CARD 0275(CLEARED IN SEPTEMBER)	- 46,890.80		
(EFF: 24/08/30) ABSA CARD 0275 (CLEARED IN SEPTEMBER	- 64,168.65		
ADD OUTSTANDING CHQS/ACB			
LESS RD CHEQUES:	-		
RECONCILING ITEM BETWEEN WEB AND CLASSIC			
PAYMENTS FROM WEB			
BANK TRANSACTIONS NOT ON GL	3,880.00		
BALANCE OF THE TRAFFIC ACCOUNT		12,019.11	
BALANCE OF THE ABSA MAIN ACCOUNT		16,452,345.66	
INVESTMENTS(AS PER INV REGISTER)	31,489,679.11	31,489,679.11	
BALANCE AS PER BANK STATEMENT	47,954,043.88	47,954,043.88	-

The closing amount for Cash and Cash Equivalent is R47,9m made of the traffic account R 12k, Primary bank account balance R 16,4m and investment account R 31,4m.

Table13: Grants Register as at 30 September 2024

GRANT	Opening bal as per - AFS	Expected income as per DORA	Adjustments	Total income	Total income Received/ On Hand to Date	Expenditure (YTD)	Balance as per total income received 30 September 2024	Percentage % Spent(YTD)
CONDITIONAL GRANTS								
MIG	R 0.00	R 26,469,000.00	R 0.00	R 26,469,000.00	R 11,812,000.00	R 6,292,384.76	R 5,519,615.24	24%
Municipal Disaster Recovery Grant	R 3,732,013.08	R 7,426,000.00	R 0.00	R 7,426,000.00	R 1,491,000.00	R 1,491,000.00	R 0.00	20%
Finance Management Grant	R 0.00	R 1,800,000.00	R 0.00	R 1,800,000.00	R 1,800,000.00	R 239,171.96	R 1,560,828.04	13%
Integrated National Electricity Programme Grant	R 0.00	R 14,620,000.00	R 0.00	R 14,620,000.00	R 5,000,000.00	R 0.00	R 5,000,000.00	0%
Energy Efficiency & Demand Side Management Grant	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	0%
MAP Synergistic Partnership (Trad Councils)	R 104,155.20	R 0.00	R 0.00	R 104,155.20	R 104,155.20	R 0.00	R 104,155.20	0%
Expanded Public Works Programme	R 0.00	R 1,336,000.00	R 0.00	R 1,336,000.00	R 334,000.00	R 334,000.00	R 0.00	25%
Library Grant	R 0.00	R 5,152,000.00	R 0.00	R 5,152,000.00	R 0.00	R 0.00	R 0.00	0%
Museum Costs	R 0.00	R 260,000.00	R 0.00	R 260,000.00	R 0.00	R 0.00	R 0.00	0%
Municipal Employment Initiative	R 1,000,000.00	R 1,000,000.00	R 0.00	R 1,000,000.00	R 0.00	R 0.00	R 0.00	0%
Informal Trader Grant	R 1,400,000.00	R 750,000.00	R 291,000.00	R 1,041,000.00	R 1,041,000.00	R 0.00	R 1,041,000.00	0%
Massification	R 135,115.00	R 0.00	R 0.00	R 135,115.00	R 135,115.00	R 0.00	R 135,115.00	0%
Nodal Plan and Land Scheme Grant	R 104,050.71	R 0.00	R 0.00	R 104,050.71	R 104,050.71	R 0.00	R 104,050.71	0%
Maintenance (Sport)	R 11,041.74	R 0.00	R 0.00	R 11,041.74	R 11,041.74	R 0.00	R 11,041.74	0%
Title deeds restoration programme	R 211,152.92	R 0.00	R 0.00	R 211,152.95	R 211,152.92	R 0.00	R 211,152.92	0%
UNCONDITIONAL GRANTS								
Equitable Share	R 0.00	R 105,408,000.00	R 0.00	R 105,408,000.00	R 43,920,000.00	R 43,920,000.00	R 0.00	42%
TOTAL BALANCE	R 6,697,528.65	R 164,221,000.00	R 291,000.00	R 165,077,515.60	R 65,963,515.57	R 52,276,556.71	R 13,686,958.86	79%

As displayed above, the unspent grant balance is made up of R 13,6m, Integrated National Electricity Programme R 5m, MIG R5,5m, Informal Trade grant R 1m, MAP Synergistic Partnership (Trade Councils) R104k, Massification R 135k, Nodal Plan land scheme R 104k, Maintenance (Sports) R 11k and R211k Title deeds restoration programme.

Table14: Debtors Balance for as at September 2024

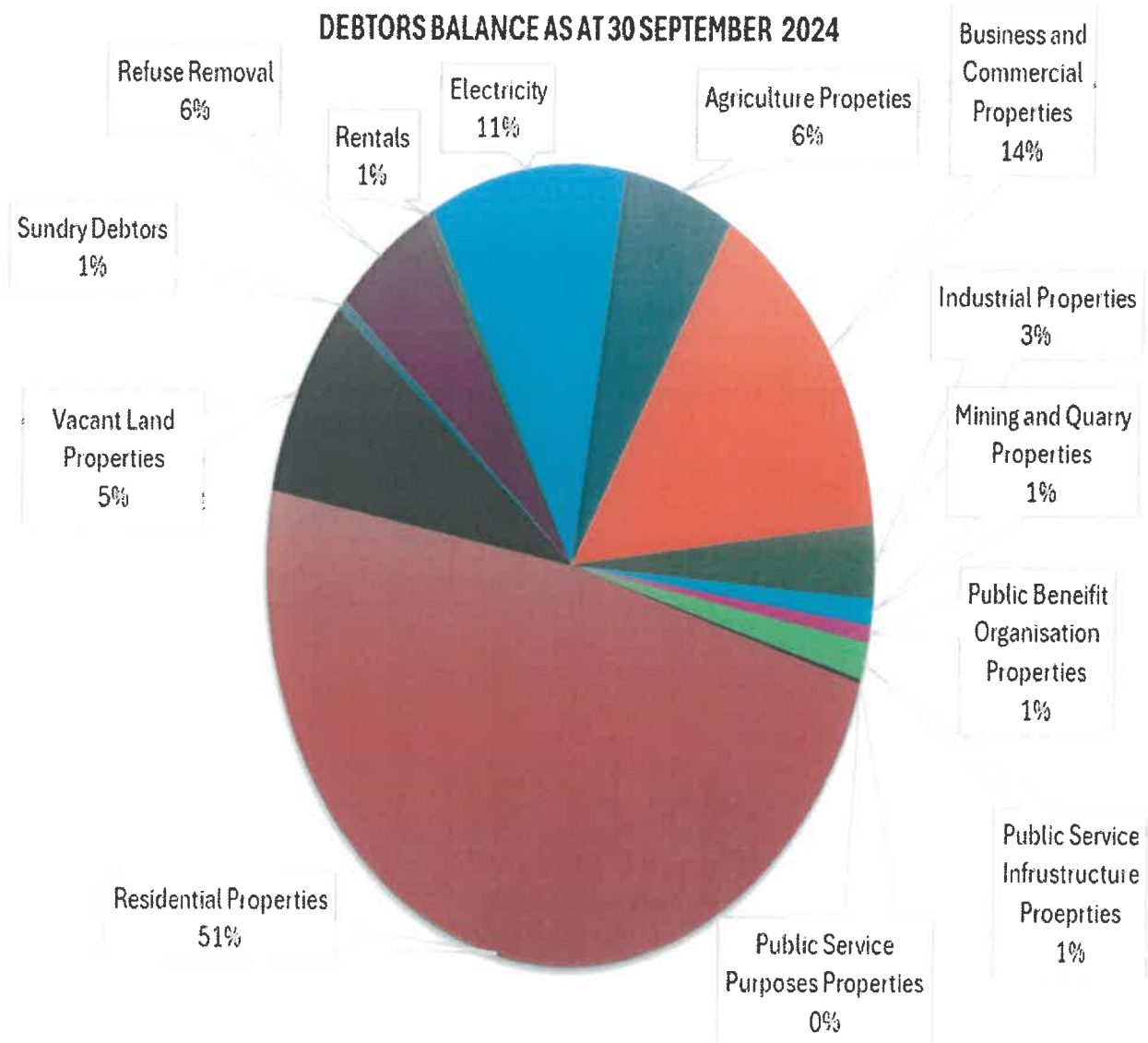
Category Description	Rand	Percentage %
Agriculture Agricultural	15,492,669.63	6%
Business & Commercial Properties	37,062,810.83	14%
Electricity	28,101,833.05	11%
Industrial Properties	8,035,598.23	3%
Mining & Quarry Properties	2,653,468.27	1%
Public Benefit Organisation Proerties	1,804,865.58	1%
Public Service Infrastructure Properties	2,460,556.05	1%
Public Service Purpose Properties	716,488.76	0%
Refuse	15,147,873.54	6%
Rentals	2,504,497.40	1%
Residential Properties	132,335,896.16	51%
Sundry Debtors	1,351,733.09	1%
Vacant Land Properties	12,531,738.30	5%
TOTAL	260,200,028.89	100%

Table15: Debtors Age Analysis as at September 2024

Non exchange Transactions	Current	30 days	60 days	90 days	120 days	150 days	Total
Agriculture Agricultural	1,571,761.09	657,700.13	471,240.05	384,828.52	306,936.43	12,100,203.41	15,492,669.63
Business & Commercial Properties	3,075,472.69	892,585.44	592,341.54	386,164.05	353,516.42	31,762,730.69	37,062,810.83
Industrial Properties	825,153.90	427,537.23	205,613.47	151,819.91	147,371.21	6,278,102.51	8,035,598.23
Mining & Quaary Properties	11,547.25	11,549.51	11,549.51	8,629.92	8,462.50	2,601,729.58	2,653,468.27
Public Benefit Organisation Proerties	184,948.66	42,452.59	39,071.97	37,217.07	37,553.28	1,463,622.01	1,804,865.58
Public Service Infrastructure Properties	160,929.08	102,822.14	101,059.38	89,042.72	60,795.73	201,839.71	716,488.76
Public Service Purpose Properties	48,408.82	46,754.13	44,817.66	226,878.64	208,490.12	2,227,285.74	2,802,635.11
Residential Properties	13,790,070.83	4,912,516.28	2,837,499.23	2,600,661.95	2,424,702.14	105,428,326.67	131,993,777.10
Vacant Land Properties	703,504.74	354,893.97	298,560.07	352,907.82	331,274.43	10,490,597.27	12,531,738.30
Total	20,371,797.06	7,448,811.42	4,601,752.88	4,238,150.60	3,879,102.26	172,554,437.59	213,094,051.81
Exchange Transactions							
Electricity	8,641,620.80	2,057,315.57	543,572.07	342,110.90	356,859.94	16,160,353.77	28,101,833.05
Refuse	1,460,612.85	857,235.31	676,124.43	442,792.58	399,212.64	11,311,895.73	15,147,873.54
Rentals	83,837.36	1,167,273.57	31,051.72	28,772.78	26,300.85	1,167,261.12	2,504,497.40
Sundry Debtors	54,781.75	62,700.05	170,024.14	332,596.16	35,558.80	696,112.19	1,351,773.09
Total	10,240,852.76	4,144,524.50	1,420,772.36	1,146,272.42	817,932.23	29,335,622.81	47,105,977.08
Sub-total	30,612,649.82	11,593,335.92	6,022,525.24	5,384,423.02	4,697,034.49	201,890,060.40	260,200,028.89

The amount reported above of R 260,2m is exclusive of the debtor's accounts sitting with credit balances.

Below is the graphical illustration for the debtors as of 30 September 2024.



As illustrated above, Residential Properties 51%, Business and Commercial Properties 14%, Electricity 11%, Agriculture Properties 6%, Vacant Land 5%, Industrial Properties 3%, and others comprise of 1%.

Financial Ratios for the period ending 30 September 2024

MONTHLY BUDGET AND FINANCIAL REPORT

KPA 1: MUNICIPAL INSTITUTIONAL DEVELOPMENT &

				Sep-24	Aug-24		
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	Cash at Bank	16 464 364,77	14 230 562,42
					Unspent Conditional Grants	13 688 958,86	10 317 680,63
					Overdraft	-	-
					Short Term Investments	31 489 679,11	51 394 123,54
					Monthly Fixed Operational Expenditure Excluding Depreciation	47 470 938	49 344 730,72

This ratio indicates the municipality's ability to meet its monthly fixed operational commitments from its cash and cash equivalents. The ratio is currently within the norm requirement in period two and three at 1 Month. The municipality should enhance its cash reserves or short-term investments relative to its operational expenditures and continue focusing on strengthening its liquidity.

				1,5	2,1		
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	Current Assets	160 256 110,55	174 752 103,94
					Current Liabilities	105 283 431,22	171 060 896,14

The municipality improved from 0,3 in the previous period to 1,5 in current period and met the norm requirement. The current assets are greater than the current liabilities, however, the municipality needs to put in more effort into converting debtors to cash for an even greater improvement.

				2,46	0,18	
Cash Ratio	Cash and Cash Equivalents / Current Liabilities	Financial Position	0,5- 1	Cash and cash equivalents	47 954 043,88	65 624 685,96
				Current Liabilities	105 283 431,22	171 060 896,14

This ratio indicates the municipality's ability to pay its short-term obligations using its near-cash assets. There is a slightly improvement in the ratio by 0,08 when comparing the period two and three, the Municipality is currently unable to pay its current liabilities, as its cash & cash equivalents are below its current liabilities.

				0%	0%		
5	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	((Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure) x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	Irregular, Fruitless and Wasteful and Unauthorised Expenditure	-	3 017,56
					Total Monthly Operating Expenditure	53 748 746,02	54 368 968,72
					Taxation Expense	-	-

Irregular, Fruitless, wasteful and unauthorised expenditure is sitting at 0% in period two and three, however there is R 3 017 56 recorded in the UIFW for water accounts inter

				25%	23%		
6	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councilors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	Employee/personnel related cost	12 967 785,13	11 749 863,60
					Councilors Remuneration	935 029,82	890 733,83
					Total Monthly Operating Expenditure	53 748 746,02	54 368 968,72
					Taxation Expense	-	-

There is a slightly improvement by 3% in period three when comparing with period two, ratio is within the norm for the month of September.

				15%	5%		
7	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	Contracted Services	5 132 102,71	2 790 068,48
					Total Monthly Operating Expenditure	53 748 746,02	54 368 968,72
					Taxation Expense	-	-

The ratio in excess of the norm indicates that functions are being outsourced to consultants, the municipality has shown a regression from the previous month.

				54%	16%		
8	Level of Cash Backed Reserves (Total Assets - Accumulated Surplus)	(Cash At Bank - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Total Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	50% -100%	Cash At Bank	16 464 364,77	14 230 562,42
					Bank Overdraft	-	-
					Short Term Investment	31 489 679,11	51 394 123,54
					Long Term Investment	-	-
					Unspent Grants	13 688 958,86	10 317 680,63
					Total Assets	1 223 407 149	1 242 193 792,16
					Share Premium	-	-
					Share Capital	-	-
					Revaluation Reserve	-	-
					Fair Value Adjustment Reserve	-	-
					Accumulated Surplus	981 523 092,34	902 894 833,62

The level of cash backed reserves ratio is below required standard norm of 50%.

				25%	73%	4%	
9	% Actual R&M spent in relation to budget	This ratio measures the extent to which repairs and maintenance has been spent during the financial year.	Actual R&M/ Budgeted R&M	25%	R & M Actual	3 364 590,20	1 189 622,20
					R&M Budget	28 036 637,00	28 036 637,00

Repairs and Maintenance for the month of September have underperformed by 13% in its projections. The actual percentage spent is below projection, the norm reflects that insufficient monies are being spent on repairs, which might raise impairment of assets and negative impact on service delivery.

Creditors Payment Period Creditors payment period = Trade creditors outstanding /
Trade creditors Purchases x 366 days

$$= 25\,487\,396 / 44\,527\,997 * 30$$

$$= 17 \text{ days}$$

Conclusion

The overall performance for period three of the 2024/2025 financial year has been unfavorable, there is a deficit of R 14,5m when deducting the total expenditure from total revenue excluding the capital transfer and subsidies.

There is a slight improvement in period three on operating expenditure projections spending such as repairs and maintenance, contracted services and other expenditure. This improvement resulted to 98% on total expenditure variance when comparing the YTD Budget and YTD Actual.

The Municipality recorded total expenditure of R 53,7m in September which is more than the Total Revenue billed by R 15,2m yielded to a Deficit. The municipality managed to spend R 1,9m on capital transfer and subsidies and transfer to revenue in the statement of financial performance. It is important to note that the municipality exercises all powers to ensure that the projects that are planned and approved for the current financial year are being awarded and has a positive improvement on the services delivery.

The Municipality closed off period three with a positive bank balance of R 47,9m recorded in the primary bank account and short-term investments. There are items within Revenue that require close monthly monitoring – such as Rental of facilities by monitoring the monthly rental schedule. The creditors' payments were paid within the legislated period of 30 days.

The Cash Ratio is stable even though it remains unchanged when compared with previous months result. It is important for the Municipality to align billing cycle, Procurement plan and cash flow projections that will result a balance between the budget projections cash and cash equivalent. The municipality has creditor's payments / cash management strategy in place that manages payment timeframes and provide guidance that utilized by departments directly involve with service delivery – this does not disrupt seasonal works like pothole repairs that are mostly done in Winter season.

The overall performance for the third month of the current financial year has shown unfavorable results. The office of the Chief Financial Officer is slowly enforcing the finance business processes that minimizes the chances of incurring the unauthorized, irregular and fruitless expenditure and ensure effective and smooth internal controls within the municipality.

8. Municipal Manager's Quality Certificate

I, Mr Mzingisi Hloba, Municipal Manager of uMngeni Municipality, hereby certifies that the monthly report on the implementation of the budget and financial situation of the municipality for September 2024 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Mr Mzingisi Hloba

MUNICIPAL MANAGER OF UMGENI MUNICIPALITY, KZN222

SIGNATURE



DATE 16 October 2024