INKOSI LANGALIBALELE MUNICIPALITY



MONTHLY BUDGET STATEMENTS

AUGUST 2018

**MONTHLY FINANCIAL PERFORMANCE –AUGUST 2018**

**1. Purpose**

To inform Council of the financial status of the municipality as at the end 31 August 2018

 in accordance with Section 71 of the Municipal Finance Management Act 2003.

**2. Overview of current financial performance**

Table 1 : Operating Revenue and Expenditure as at the end of August 2018.



The table above table gives us a picture of the income collected and the expenditure incurred as at the end of August 2018. Total income for the month is 40 million. The highest source of income is service charges-electricity at 24.9 million and service charges-property rates at 8.2 million. Total expenditure this month is 22 million. Employee related costs are the highest at 13.9 million and other expenditure at 2.8 million followed by contracted services at 2.7 million. The Municipality had a total operating surplus.

**Figure 1: Income**

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From the pie chart above we can see that we have three biggest sources of income to date being transfers and subsidies at 42%, service charges-electricity at 30% and service charges- property rates at 25% as at the end of August 2018

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**Table: Service charges**



From the above table, property rates received is lower compared to billed due to most debtors not paying on time. Billed property rates is very high due to most debtors being billed annually. Electricity and refuse removal are on par.

**Figure 2: Expenditure**



65% Employee related costs are highest as at the end of August 2018, followed by contracted services at 13%. And other expenditure at 11%.

**Section 66 Report**



**2.2 INVESTMENTS**

The investments include all the unspent conditional grants and current year receipts that are ring fenced and cash reserves from land sales. Below is a table that details all the investments as at the end of 31 August 2018:

Table 2 : Investments



**2.2.1 Section 11- Withdrawals**



**2.3. GRANT FUNDING**

 The table below illustrates the expenditure and receipt as at 31 August 2018. As at the end of August R 13 million had been spent on conditional grants.

Figure 1: Grant Funding



**2.5** **CASH COVERAGE FOR THE MONTH OF AUGUST 2018**



**2.6 CREDITORS AGE ANALYSIS**



The municipality is currently not paying creditors within 30 days. As we can see from the above table. We have creditors outstanding for over 180 days, this is a sign of cash flow weakness. The total Creditors outstanding is 122 million as at end of August.

**2.6.1 Top 20 Paid Creditors**



**2.6.2 Top 20 Unpaid Creditors**



**2.7 DEBTORS AGE ANALYSIS**

Table: Debtors Age Analysis



The aging debtors has increased to 280 million from previous month being 273 million. Debtors outstanding over 90 has increased to 192 million. This shows that we aren’t performing, the debt collection section has to work harder to try and collect from our debtors.

*Budget Tables*

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**3. RECOMMENDATION**

That the contents of this report be noted.

Reviewed by: Mr. PS Mkhize

Municipal Manager………………………