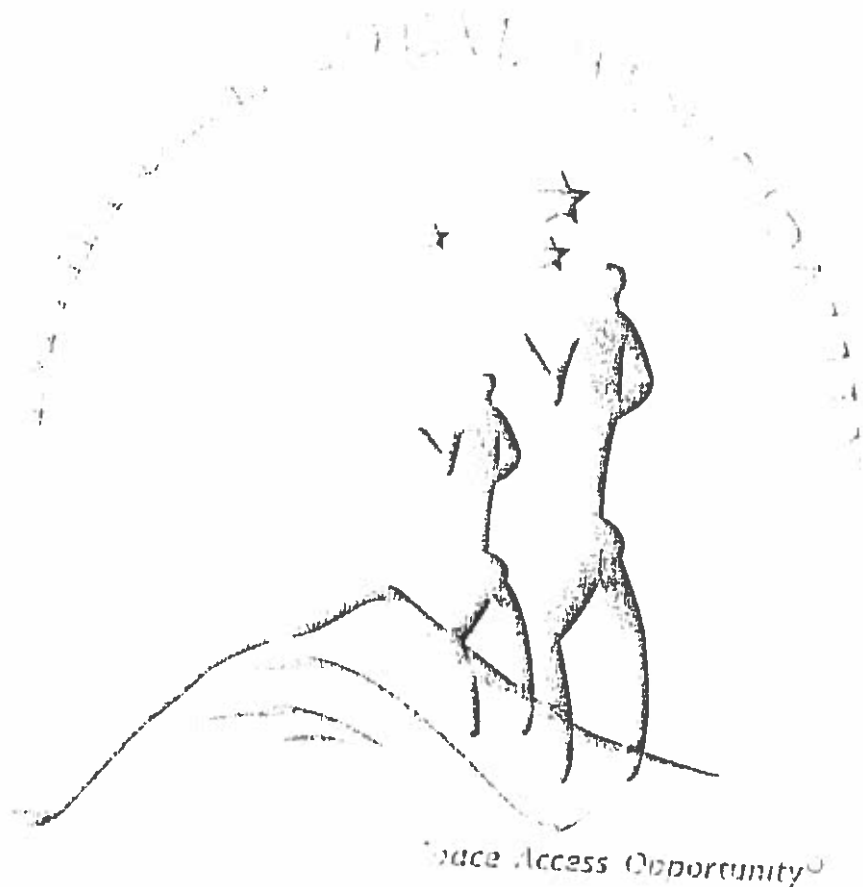


# EMTHANJENI MUNICIPALITY



## OCTOBER MONTHLY BUDGET STATEMENT FOR THE YEAR 2019-2020

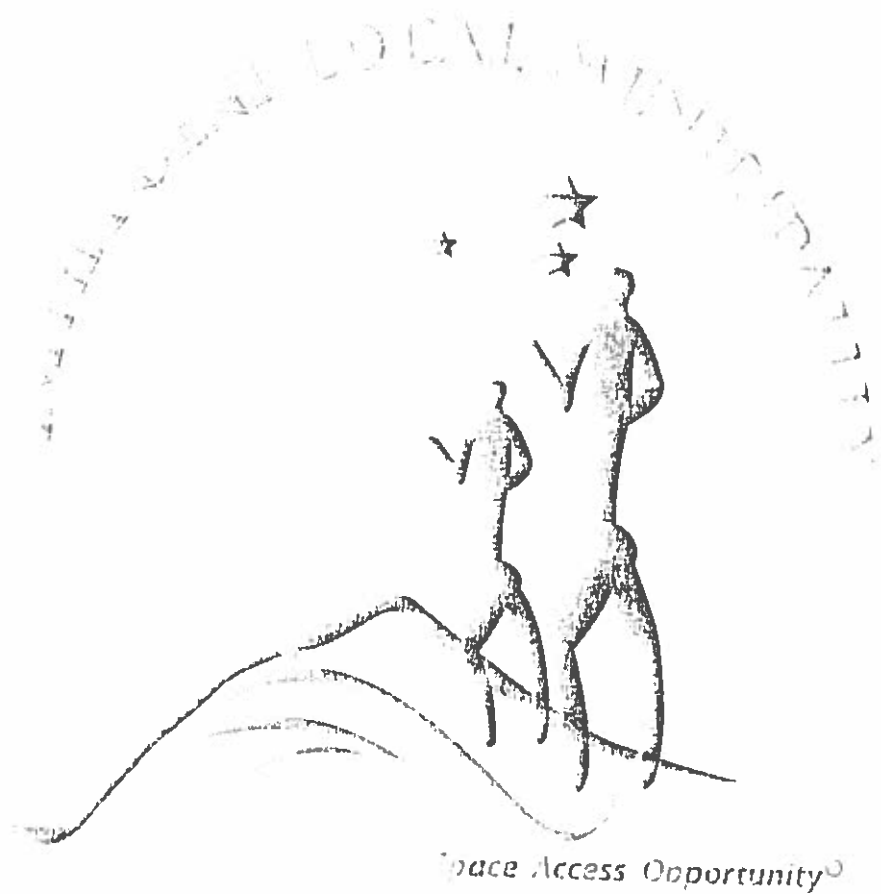


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# EMTHANJENI MUNICIPALITY



## OCTOBER MONTHLY BUDGET STATEMENT FOR THE YEAR 2019-2020

# SCHEDULE C:

## MONTHLY AND SUPPORTING DOCUMENTATION OF A MUNICIPALITY

Copies of this document can be viewed:

- In the foyers of all municipal buildings
- All public libraries within the municipality
  - At [www.emthanjeni.co.za](http://www.emthanjeni.co.za)

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## Glossary

- **Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality DECEMBER revise its annual budget during the year.
- **Allocations** – Money received from Provincial or National Government or other municipalities.
- **Budget** – The financial plan of the Municipality.
- **Budget related policy** – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.
- **Capital expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
- **Cash flow statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it DECEMBER not be paid in the same period.
- **DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.
- **Equitable share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
- **Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
- **GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
- **GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting.
- **IDP** – Integrated Development Plan. The main strategic planning document of the Municipality.
- **MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.
- **MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.



- **MIG** – Municipal Infrastructure Grant.
- **MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.
- **Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages.
- **Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
- **SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
- **Strategic objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
- **Unauthorised expenditure** – Generally, is spending without, or in excess of, an approved budget.
- **Virement** – A transfer of budget.
- **Virement policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.
- **Vote** – One of the main segments into which a budget. In Emthanjani Municipality this means at directorate level.

## PART 1 – IN-YEAR REPORT

### Section 1 – Mayor’s Report

#### 1.1 In-Year Report - Monthly Budget Statement

The monthly budget statement for October 2019 has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations. In accordance with Section 71(1) of the Municipal Finance Management Act.

##### 1.1.1 Financial problems or risks facing the municipality

The Major area of concern is the under-performance in relation to the implementation of the capital budget. Current year performance will be analysed in depth prior to any adjustments budget taking place after the midyear review to ensure capital resources are utilised correctly during the financial year.

##### 1.1.2 Relevant information

The figures relating to the 2018/2019 financial year are yet to be audited thus these figures are draft.

Year-to-date operating revenue realised is 6 % above the year-to-date budget for October 2019.

The abnormally high revenue includes the annual property rates and other fixed service charges billed to consumers for the 2019/2020 financial year, this situation arose because certain customer’s property rates being billed annually. As well as operating grants received that exceeds the monthly budget the reason for this being that the there was no payment schedule available at the time of concluding the budget.

Operating expenditure incurred amounts to -17% below the year-to-date operating expenditure. 11.65% of the total capital budget has been spent at 31 October 2019, with 90.43% of that being funded from capital grants.<sup>1</sup>

<sup>1</sup> Table C5 - Capital Expenditure (municipal vote, standard classification and fundi

## Section 2 – Resolutions

### *IN-YEAR REPORTS 2018/2019*

This is the resolution that will be presented to Council when the In-Year Report is tabled:

#### **RECOMMENDATION:**

- (a) That Council notes the monthly budget statement and supporting documentation for January 2019.

## Section 3 – Executive Summary

### 3.1 Introduction

The 2018/19 figures are in the process of being audited. Year-to-date operating revenue realised is 6 % above the year-to-date budget for October 2019. The abnormally high revenue includes the annual property rates and other fixed service charges billed to consumers for the 2019/2020 financial year, this situation arose because certain customer's property rates being billed annually. As well as operating grants received that exceeds the monthly budget the reason for this being that there was no payment schedule available at the time of concluding the budget.

Operating expenditure incurred amounts to -17% below the year-to-date operating expenditure. 11.65% of the total capital budget has been spent at 31 October 2019, with 90.43% of that being funded from capital grants."

### 3.2 Consolidated performance

#### 3.2.1 Against annual budget (original approved and latest Adjustments)

##### Revenue by Source

Year-to-date revenue realised R5, 321 Million, above year-to-date budget projections for October 2019<sup>2</sup>.

##### Operating expenditure by type

Year-to-date expenditure is -17% or R11, 025 Million, below the year-to-date budget as at 31 October 2019.

Refer to Section 4 – Table C4 for further details on both revenue by source and expenditure by type.

<sup>2</sup> Table C4 – Total revenue by source (excluding capital transfers and contributions)  
Table C4 – Total expenditure by type

## Capital expenditure

Year-to-date expenditure on capital amounts to R5.695 million or 11.65% of the capital budget of R48.873 million<sup>4</sup>, 90.43% of expenditure to date has been funded from capital grants recognised<sup>5</sup>.

Refer to Section 4 – Table C5 for more detail.

## Cash flows

The financial year commenced with cash & cash equivalents balance of R23, 992 million<sup>6</sup>.

Refer to section 4 – Supporting Table C9 and Section 7 for more detail on the cash position.

### 3.3 Material variances

| Description                           | Variance |
|---------------------------------------|----------|
| <b>R thousands</b>                    |          |
| <b><u>Revenue by Source</u></b>       |          |
| Property rates                        | 7 958    |
| Service charges - electricity revenue | (3 317)  |
| Fines                                 | (1 593)  |
| Licences and permits                  | (616)    |
| <b><u>Expenditure By Type</u></b>     |          |
| Debt impairment                       | (2 474)  |
| Depreciation & asset impairment       | (3 392)  |
| Other expenditure                     | (1 451)  |
| Other materials                       | (1 868)  |
| <b><u>Capital Expenditure</u></b>     |          |
| Road transport                        | (12 887) |
| Electricity                           | 135      |
| Water                                 | 3 122    |
| Waste water management                | -        |
| <b><u>Cash Flow</u></b>               |          |
| Service charges                       | (13 637) |
| Other revenue                         | 9 713    |
| Capital assets                        | (8 684)  |

### 3.4 Remedial or corrective steps

| Reasons for material deviations  | Remedial or corrective steps/remarks   |
|--|--|
| The farmers property rates are charged yearly and thus the actual amount is higher than the budgeted amount. | The current situation will correct itself during the financial year  |
| Due to high usage of pre-paid electricity during months the estimated revenue was expected to be more        | The current situation will be corrected in the adjustment budget   |
| Are Done at year end   | The situation will be fixed at year end  |
| Are Done at year end   | The situation will be fixed at year end  |
| Other expenditure was estimated to be higher   | The situation will be taken into account when drawing up the adjustment budget of 2018-19  |
| Underspending on the repairs and maintenance Budget  | The situation will be taken into account when drawing up the adjustment budget of 2018-19  |
| Slow capital spending  | The situation will be taken into account when drawing up the adjustment budget of 2018-19  |
| Slow capital spending  | The situation will be taken into account when drawing up the adjustment budget of 2018-19  |
| Slow capital spending  | The situation will be taken into account when drawing up the adjustment budget of 2018-19  |
| Slow capital spending  | The situation will be taken into account when drawing up the adjustment budget of 2018-19  |
| Slow collection due to customers not paying accounts   | Continued Enforcing of the credit collection policy as well as looking to adjusted the estimated revenue collection<br>The situation will be taken into account when drawing up the adjustment budget of 2018-19 |
| Slow capital spending  | The situation will be taken into account when drawing up the adjustment budget of 2018-19  |

<sup>1</sup> Table C5 - Total capital expenditure

<sup>2</sup> Table C5 - Capital Expenditure (municipal vote, standard classification and funding)

<sup>3</sup> Table C7 - Cash flow (cash and cash equivalents = cashbook and current investment)

## Section 4 – In-year budget statement tables

### 4.1 Monthly budget statements

#### 4.1.1 Table C1: s71 Monthly Budget Statement Summary

HC073 Emthanjeni - Table C1 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 |
| <b>R thousands</b>   |                 |                     |                 |                |                |                |                 |                |                    |
| <b>Financial Performance</b>   |                 |                     |                 |                |                |                |                 |                |                    |
| Property rates   | 32 179          | 32 175              | 32 175          | 1 304          | 13 683         | 10 725         | 2 958           | 27%            | 30 665             |
| Service charges  | 117 824         | 157 675             | 157 662         | 9 348          | 39 067         | 46 097         | (7 030)         | -15%           | 106 383            |
| Investment revenue   | 1 468           | 2 056               | 2 056           | 51             | 761            | 785            | (24)            | -3%            | 806                |
| Transfers recognised - operational                                   | 45 375          | 49 796              | 49 796          | 347            | 21 131         | 15 709         | 5 422           | 35%            | 41 210             |
| Other own revenue  | 14 747          | 10 732              | 10 732          | 2 895          | 13 240         | 13 844         | (604)           | -4%            | 38 515             |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>211 592</b>  | <b>252 434</b>      | <b>252 621</b>  | <b>13 935</b>  | <b>92 382</b>  | <b>87 061</b>  | <b>5 321</b>    | <b>5%</b>      | <b>217 580</b>     |
| Employee costs   | 73 915          | 89 208              | 89 208          | 7 491          | 28 965         | 23 331         | (366)           | -1%            | 69 838             |
| Remuneration of Councilors   | 5 335           | 6 631               | 6 631           | 456            | 1 826          | 2 070          | (244)           | -12%           | 5 046              |
| Depreciation & asset impairment                                      | 22 755          | 10 175              | 10 175          | -              | -              | 3 332          | (3 332)         | -100%          | 7 337              |
| Finance charges  | 8 207           | 2 039               | 2 038           | 1              | 1 138          | 679            | 559             | 75%            | 5 468              |
| Materials and bulk purchases   | 72 118          | 95 045              | 85 045          | 992            | 18 584         | 28 921         | (10 337)        | -56%           | 73 894             |
| Transfers and grants   | 169             | 1 913               | 1 913           | -              | -              | -              | -               | -              | -                  |
| Other expenditure  | 59 170          | 50 140              | 50 140          | 3 602          | 14 750         | 20 666         | (5 917)         | -29%           | 54 381             |
| <b>Total Expenditure</b>   | <b>294 970</b>  | <b>245 151</b>      | <b>245 151</b>  | <b>12 543</b>  | <b>65 313</b>  | <b>85 059</b>  | <b>(19 747)</b> | <b>-23%</b>    | <b>215 964</b>     |
| <b>Surplus/(Deficit)</b>   | <b>(73 378)</b> | <b>7 283</b>        | <b>7 470</b>    | <b>1 391</b>   | <b>27 069</b>  | <b>2 002</b>   | <b>25 068</b>   | <b>1252%</b>   | <b>1 616</b>       |
| Transfers recognised - capital                                       | 30 017          | 29 784              | 29 784          | -              | 1 500          | 10 356         | (8 856)         | -56%           | 14 602             |
| Contributions & Contributed assets                                   | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>(43 361)</b> | <b>37 068</b>       | <b>37 255</b>   | <b>1 391</b>   | <b>28 569</b>  | <b>12 357</b>  | <b>16 212</b>   | <b>131%</b>    | <b>16 218</b>      |
| Share of Surplus/ (deficit) of associate                             | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| <b>Surplus/ (Deficit) for the year</b>                               | <b>(43 361)</b> | <b>37 068</b>       | <b>37 255</b>   | <b>1 391</b>   | <b>28 569</b>  | <b>12 357</b>  | <b>16 212</b>   | <b>131%</b>    | <b>16 218</b>      |
| <b>Capital expenditure &amp; funds sources</b>                       |                 |                     |                 |                |                |                |                 |                |                    |
| <b>Capital expenditure</b>   | <b>20 832</b>   | <b>48 873</b>       | <b>48 873</b>   | <b>2 622</b>   | <b>5 695</b>   | <b>16 291</b>  | <b>(10 596)</b> | <b>-65%</b>    | <b>20 739</b>      |
| Capital transfers recognised   | 10 478          | 29 784              | 29 784          | 2 227          | 5 150          | 9 928          | (4 778)         | -48%           | 13 905             |
| Public contributions & donations                                     | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| Borrowing  | 9 197           | 12 000              | 12 000          | -              | -              | -              | -               | -              | -                  |
| Internally generated funds   | 156             | 7 088               | 7 088           | 394            | 545            | 6 363          | (5 818)         | -91%           | 6 834              |
| <b>Total sources of capital funds</b>                                | <b>20 832</b>   | <b>48 873</b>       | <b>48 873</b>   | <b>2 622</b>   | <b>5 695</b>   | <b>16 291</b>  | <b>(10 596)</b> | <b>-65%</b>    | <b>20 739</b>      |
| <b>Financial position</b>  |                 |                     |                 |                |                |                |                 |                |                    |
| Total current assets   | 84 383          | 71 273              | 71 273          | -              | 89 415         | -              | -               | -              | 110 700            |
| Total non current assets   | 860 127         | 911 213             | 911 213         | -              | 825 624        | -              | -               | -              | 337 487            |
| Total current liabilities  | 91 970          | 63 688              | 63 688          | -              | 198 488        | -              | -               | -              | 31 639             |
| Total non current liabilities  | 83 832          | 52 247              | 52 247          | -              | 2 459          | -              | -               | -              | 76 071             |
| <b>Community wealth/Equity</b>                                       | <b>765 708</b>  | <b>866 572</b>      | <b>866 572</b>  | <b>-</b>       | <b>714 092</b> | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>980 677</b>     |
| <b>Cash flows</b>  |                 |                     |                 |                |                |                |                 |                |                    |
| Net cash from (used) operating                                       | 75 458          | 36 719              | 36 719          | 3 768          | 27 058         | 12 579         | (14 478)        | -115%          | 23 850             |
| Net cash from (used) investing                                       | (31 910)        | (48 673)            | (48 673)        | (2 810)        | (7 193)        | (15 274)       | (8 782)         | -54%           | (20 610)           |
| Net cash from (used) financing                                       | (13 368)        | 11 501              | 11 501          | (540)          | (1 667)        | 627            | 2 194           | 392%           | (579)              |
| <b>Cash/cash equivalents at the month/year end</b>                   | <b>2 943</b>    | <b>487</b>          | <b>487</b>      | <b>-</b>       | <b>20 841</b>  | <b>(1 928)</b> | <b>(22 769)</b> | <b>1181%</b>   | <b>5 634</b>       |
| <b>Debtors &amp; creditors analysis</b>                              |                 |                     |                 |                |                |                |                 |                |                    |
|  | 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              |
| <b>Debtors Age Analysis</b>  |                 |                     |                 |                |                |                |                 |                |                    |
| Total By Income Source   | -               | 10 571              | 9 265           | 4 941          | 16 302         | 3 373          | 33 104          | 30 923         | 126 038            |
| <b>Creditors Age Analysis</b>  |                 |                     |                 |                |                |                |                 |                |                    |
| Total Creditors  | 96 030          | 11 754              | 104             | 45 098         | -              | -              | -               | -              | 154 886            |

**Table C2: Monthly Budget Statement – Financial Performance (standard classification)**

HC073 Emthanjeni - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M04 October

| Table 02 Monthly Budget Statement - Financial Performance (standard classification) - M04 October |     |                 |                     |                 |                |               |               |              |                |                    |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Description   | 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   |                 |                     |                 |                |               |               |              |                |                    |
| <b>Revenue - Standard</b>   |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Governance and administration</b>  |     | 55 913          | 60 075              | 60 075          | 1 586          | 31 945        | 20 025        | 11 920       | 60%            | 51 180             |
| Executive and council   |     | 4 930           | 4 955               | 4 955           | 103            | 3 602         | 1 652         | 1 950        | 113%           | 4 295              |
| Budget and treasury office  |     | 50 917          | 22 630              | 22 630          | 1 476          | 29 314        | 18 352        | 3 961        | 54%            | 46 601             |
| Corporate services  |     | 66              | 32 490              | 32 490          | 7              | 30            | 21            | 9            | 43%            | 24                 |
| <b>Community and public safety</b>  |     | 13 595          | 20 125              | 20 125          | 456            | 1 483         | 2 063         | (1 380)      | -48%           | 11 325             |
| Community and social services   |     | 1 777           | 1 602               | 1 602           | 409            | 632           | 521           | 111          | 21%            | 1 942              |
| Court and recreation  |     | 148             | 12 126              | 12 126          | 3              | 5             | 62            | (57)         | -92%           | 123                |
| Public safety   |     | 10 701          | 6 349               | 6 349           | 41             | 155           | 2 116         | (1 361)      | -93%           | 7 991              |
| Housing   |     | 568             | 49                  | 49              | 3              | 301           | 164           | 527          | 321%           | 41                 |
| Health  |     | 1               | -                   | -               | -              | -             | -             | -            | -              | 1 227              |
| <b>Economic and environmental services</b>  |     | 15 089          | 3 043               | 3 043           | 5              | 321           | 9 139         | (8 618)      | -66%           | 3 816              |
| Planning and development  |     | 1 000           | 2 503               | 2 503           | -              | 305           | 3 959         | (8 654)      | -97%           | 1 610              |
| Road transport  |     | 14 088          | 540                 | 540             | 5              | 16            | 180           | (165)        | -91%           | 2 207              |
| Environmental protection  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Trading services</b>   |     | 157 014         | 198 975             | 198 975         | 11 888         | 60 133        | 65 987        | (5 853)      | -5%            | 165 860            |
| Electricity   |     | 83 532          | 95 304              | 95 304          | 6 543          | 31 814        | 33 010        | (1 196)      | -4%            | 99 239             |
| Water   |     | 42 472          | 41 053              | 41 053          | 2 742          | 11 522        | 15 763        | (4 241)      | -27%           | 38 471             |
| Waste water management  |     | 10 843          | 44 927              | 44 927          | 1 655          | 10 550        | 10 696        | (146)        | -1%            | 24 322             |
| Waste management  |     | 11 168          | 17 690              | 17 690          | 948            | 6 247         | 6 518         | (270)        | -4%            | 12 928             |
| Other   | 4   | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Total Revenue - Standard</b>   | 2   | 241 610         | 282 218             | 282 218         | 13 935         | 93 882        | 98 013        | (4 131)      | -4%            | 232 182            |
| <b>Expenditure - Standard</b>   |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Governance and administration</b>  |     | 61 423          | 55 806              | 55 806          | 3 132          | 14 716        | 18 634        | (3 917)      | -21%           | 48 553             |
| Executive and council   |     | 22 945          | 17 008              | 17 008          | 1 043          | 4 572         | 5 514         | (942)        | -17%           | 14 054             |
| Budget and treasury office  |     | 26 704          | 19 677              | 19 677          | 1 278          | 7 054         | 7 842         | (787)        | -16%           | 21 982             |
| Corporate services  |     | 11 773          | 19 121              | 19 121          | 812            | 3 090         | 5 278         | (2 188)      | -41%           | 12 518             |
| <b>Community and public safety</b>  |     | 34 400          | 31 614              | 31 614          | 2 091          | 8 048         | 10 823        | (2 775)      | -26%           | 29 417             |
| Community and social services   |     | 19 040          | 14 102              | 14 102          | 922            | 3 358         | 4 762         | (1 404)      | -29%           | 11 949             |
| Court and recreation  |     | 4 267           | 1 459               | 1 459           | 561            | 1 408         | 1 243         | (140)        | -24%           | 4 654              |
| Public safety   |     | 7 284           | 9 913               | 9 913           | 624            | 2 535         | 3 314         | (780)        | -24%           | 10 067             |
| Housing   |     | 3 672           | 2 475               | 2 475           | 183            | 746           | 943           | (37)         | -11%           | 2 400              |
| Health  |     | 37              | 165                 | 165             | -              | 1             | 56            | (55)         | -99%           | 148                |
| <b>Economic and environmental services</b>  |     | 38 185          | 30 679              | 30 679          | 1 666          | 7 158         | 10 825        | (3 666)      | -24%           | 28 440             |
| Planning and development  |     | 15 530          | 14 189              | 14 189          | 828            | 3 535         | 4 737         | (1 201)      | -26%           | 12 162             |
| Road transport  |     | 22 654          | 16 490              | 16 490          | 1 038          | 3 622         | 6 028         | (2 405)      | -40%           | 16 278             |
| Environmental protection  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Trading services</b>   |     | 149 735         | 126 569             | 126 569         | 5 359          | 34 996        | 44 587        | (9 591)      | -22%           | 108 815            |
| Electricity   |     | 36 038          | 38 174              | 38 174          | 1 134          | 20 440        | 23 280        | (9 439)      | -32%           | 71 539             |
| Water   |     | 25 975          | 14 707              | 14 707          | 1 368          | 4 746         | 5 461         | (715)        | -15%           | 12 906             |
| Waste water management  |     | 16 230          | 11 606              | 11 606          | 1 321          | 1 621         | 1 740         | (118)        | -2%            | 12 936             |
| Waste management  |     | 11 492          | 11 781              | 11 781          | 1 193          | 5 188         | 4 567         | 681          | 15%            | 11 135             |
| Other   |     | 1 228           | 133                 | 133             | 95             | 394           | 190           | 204          | 108%           | 738                |
| <b>Total Expenditure - Standard</b>   | 3   | 274 970         | 245 151             | 245 151         | 12 543         | 65 313        | 85 059        | (19 747)     | -23%           | 215 964            |
| <b>Surplus (Deficit) for the year</b>   |     | (13 361)        | 37 068              | 37 068          | 1 391          | 28 569        | 12 954        | 15 615       | 121%           | 16 218             |

**Table C2: Monthly Budget Statement – Financial Performance (standard classification)**

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions. The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

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**Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)**

The operating expenditure budget is approved by Council on the municipal vote level.

NC073 Emthanjeni - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

| Financial Performance (revenue and expenditure by municipal vote) - M04 October |     |                 |                     |                 |                |               |               |              |                |                    |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Vote Description  | 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   |     |                 |                     |                 |                |               |               |              |                |                    |
| Revenue by Vote   |     |                 |                     |                 |                |               |               |              |                |                    |
| Vote 1 - EXECUTIVE AND COUNCIL  | 1   | 4 930           | 4 955               | 4 955           | 103            | 3 602         | 1 652         | 1 950        | 118.1%         | 4 295              |
| Vote 2 - FINANCE AND ADMINISTRATION   |     | 50 983          | 55 120              | 55 120          | 1 483          | 28 343        | 19 373        | 9 970        | 54.3%          | 46 885             |
| Vote 3 - PLANNING AND DEVELOPMENT   |     | 1 000           | 2 503               | 2 503           | -              | 505           | 8 959         | (8 654)      | -96.6%         | 1 610              |
| Vote 4 - HEALTH   |     | -               | -                   | -               | -              | -             | -             | -            | -              | 1 227              |
| Vote 5 - COMMUNITY AND SOCIAL SERVICES  |     | 1 777           | 1 602               | 1 602           | 409            | 632           | 521           | 111          | 21.2%          | 1 942              |
| Vote 6 - PUBLIC SAFETY  |     | 10 701          | 6 349               | 6 349           | 41             | 165           | 2 116         | (1 951)      | -92.7%         | 7 991              |
| Vote 7 - SPORT AND RECREATION   |     | 148             | 12 126              | 12 126          | 3              | 5             | 62            | (57)         | -92.4%         | 123                |
| Vote 8 - ROAD TRANSPORT   |     | 14 088          | 540                 | 540             | 5              | 16            | 180           | (165)        | -91.3%         | 2 207              |
| Vote 9 - OTHER  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 10 - HOUSING SERVICES  |     | 968             | 49                  | 49              | 3              | 691           | 164           | 527          | 321.4%         | 41                 |
| Vote 11 - WASTE MANAGEMENT  |     | 11 163          | 17 690              | 17 690          | 648            | 6 247         | 6 518         | (270)        | -4.1%          | 12 328             |
| Vote 12 - WASTE WATER MANAGEMENT  |     | 19 843          | 44 927              | 44 927          | 1 655          | 10 550        | 10 696        | (146)        | -1.4%          | 24 322             |
| Vote 13 - ELECTRICITY   |     | 93 532          | 95 304              | 95 304          | 6 543          | 31 814        | 33 010        | (1 196)      | -3.6%          | 90 239             |
| Vote 14 - WATER   |     | 42 472          | 41 053              | 41 053          | 2 742          | 11 522        | 15 763        | (4 241)      | -26.9%         | 38 471             |
| Vote 15 - (NAME OF VOTE 15)   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Total Revenue by Vote   | 2   | 241 610         | 282 218             | 282 218         | 13 935         | 93 882        | 98 013        | (4 131)      | -4.2%          | 232 182            |
| Expenditure by Vote   |     |                 |                     |                 |                |               |               |              |                |                    |
| Vote 1 - EXECUTIVE AND COUNCIL  | 1   | 22 945          | 17 068              | 17 068          | 1 043          | 4 572         | 5 514         | (942)        | -17.1%         | 14 054             |
| Vote 2 - FINANCE AND ADMINISTRATION   |     | 33 478          | 38 797              | 38 797          | 2 090          | 10 145        | 13 119        | (2 975)      | -22.7%         | 34 499             |
| Vote 3 - PLANNING AND DEVELOPMENT   |     | 15 530          | 14 189              | 14 189          | 628            | 3 536         | 4 797         | (1 261)      | -26.3%         | 12 162             |
| Vote 4 - HEALTH   |     | 37              | 165                 | 165             | -              | 1             | 66            | (65)         | -98.4%         | 148                |
| Vote 5 - COMMUNITY AND SOCIAL SERVICES  |     | 19 040          | 14 102              | 14 102          | 922            | 3 358         | 4 762         | (1 404)      | -29.5%         | 11 849             |
| Vote 6 - PUBLIC SAFETY  |     | 7 284           | 9 913               | 9 913           | 624            | 2 535         | 3 314         | (780)        | -23.5%         | 10 367             |
| Vote 7 - SPORT AND RECREATION   |     | 4 367           | 4 959               | 4 959           | 361            | 1 488         | 1 348         | (140)        | -23.8%         | 4 654              |
| Vote 8 - ROAD TRANSPORT   |     | 22 654          | 16 489              | 16 489          | 1 038          | 3 622         | 6 028         | (2 406)      | -39.9%         | 16 278             |
| Vote 9 - OTHER  |     | 1 233           | 483                 | 483             | 35             | 334           | 130           | 204          | 107.5%         | 739                |
| Vote 10 - HOUSING SERVICES  |     | 3 672           | 2 475               | 2 475           | 133            | 746           | 343           | (97)         | -11.5%         | 2 100              |
| Vote 11 - WASTE MANAGEMENT  |     | 11 492          | 11 781              | 11 781          | 1 493          | 5 128         | 4 507         | 631          | 15.1%          | 11 435             |
| Vote 12 - WASTE WATER MANAGEMENT  |     | 16 209          | 11 906              | 11 906          | 1 334          | 4 821         | 4 740         | (81)         | -2.5%          | 12 936             |
| Vote 13 - ELECTRICITY   |     | 66 038          | 98 174              | 98 174          | 1 134          | 20 440        | 20 690        | (9 439)      | -31.6%         | 71 539             |
| Vote 14 - WATER   |     | 25 975          | 14 707              | 14 707          | 1 338          | 4 746         | 5 461         | (715)        | -13.1%         | 12 956             |
| Vote 15 - (NAME OF VOTE 15)   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Total Expenditure by Vote   | 2   | 234 970         | 245 151             | 245 151         | 12 543         | 65 313        | 65 059        | (19 747)     | -23.2%         | 215 964            |
| Surplus/ (Deficit) for the year   | 2   | (13 361)        | 37 068              | 37 068          | 1 391          | 28 569        | 12 954        | 15 615       | 120.5%         | 16 218             |

**Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)**

NC073 Emthanjeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

|   |     | 2018/19         | Budget Year 2019/20 |                 |                |               |               |              |                |                    |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Description   | Ref | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands   |     |                 |                     |                 |                |               |               |              |                |                    |
| Revenue By Source   |     |                 |                     |                 |                |               |               |              |                |                    |
| Property rates  |     | 31 799          | 32 175              | 32 175          | 1 304          | 18 683        | 10 725        | 7 958        | 7.1%           | 30 665             |
| Property rates - penalties & collection charges               |     | 368             | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Service charges - electricity revenue                         |     | 73 251          | 89 587              | 89 587          | 4 073          | 19 060        | 22 377        | (3 317)      | -15%           | 56 203             |
| Service charges - water revenue                               |     | 25 951          | 35 941              | 35 941          | 2 694          | 9 677         | 11 651        | (1 975)      | -17%           | 25 664             |
| Service charges - sanitation revenue                          |     | 11 265          | 20 431              | 20 431          | 1 617          | 6 469         | 7 481         | (1 012)      | -14%           | 15 972             |
| Service charges - refuse revenue                              |     | 5 273           | 11 716              | 11 716          | 931            | 3 722         | 4 526         | (804)        | -18%           | 8 226              |
| Service charges - other                                       |     | 134             | -                   | 137             | 4              | 140           | 62            | 78           | 124%           | 118                |
| Rental of facilities and equipment                            |     | 852             | 1 078               | 1 078           | 70             | 277           | 297           | (20)         | -7%            | 786                |
| Interest earned - external investments                        |     | 1 168           | 2 056               | 2 056           | 51             | 261           | 665           | (424)        | -62%           | 306                |
| Interest earned - outstanding debtors                         |     | 1 003           | 1 428               | 1 428           | 253            | 781           | 476           | 305          | 64%            | 954                |
| Dividends received  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Fines   |     | 3 202           | 4 598               | 4 598           | 13             | 46            | 1 640         | (1 593)      | -97%           | 5 943              |
| Licences and permits  |     | 1 330           | 2 259               | 2 259           | 37             | 136           | 752           | (616)        | -82%           | 2 508              |
| Agency services   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Transfers recognised - co-optional                            |     | 45 375          | 49 796              | 49 796          | 347            | 21 131        | 15 709        | 5 422        | 35%            | 41 210             |
| Other revenue   |     | 1 267           | 1 269               | 1 269           | 2 513          | 11 959        | 10 613        | 1 346        | 13%            | 27 195             |
| Gains on disposal of FPE                                      |     | 3               | -                   | -               | -              | 11            | 67            | (26)         | -39%           | 120                |
| Total Revenue (excluding capital transfers and contributions) |     | 211 592         | 252 434             | 252 621         | 13 935         | 92 382        | 87 061        | 5 321        | 6%             | 217 500            |
| Expenditure By Type   |     |                 |                     |                 |                |               |               |              |                |                    |
| Employee related costs  |     | 76 915          | 89 208              | 89 208          | 7 491          | 28 965        | 29 331        | (366)        | -1%            | 69 838             |
| Remuneration of councillors                                   |     | 5 335           | 6 631               | 6 631           | 456            | 1 826         | 2 070         | (244)        | -12%           | 5 046              |
| Debt impairment   |     | 25 032          | 7 421               | 7 421           | -              | -             | 2 474         | (2 474)      | -100%          | 8 391              |
| Depreciation & asset impairment                               |     | 62 755          | 10 175              | 10 175          | -              | -             | 3 392         | (3 392)      | -100%          | 7 537              |
| Finance charges   |     | 8 297           | 2 038               | 2 038           | 1              | 1 188         | 679           | 509          | 75%            | 5 468              |
| Bulk purchases  |     | 59 364          | 74 329              | 74 329          | 239            | 16 308        | 24 776        | (8 469)      | -34%           | 57 123             |
| Other materials   |     | 12 154          | 10 716              | 10 716          | 503            | 2 276         | 4 145         | (1 868)      | -45%           | 16 771             |
| Contracted services   |     | 7 299           | 20 227              | 20 227          | 351            | 1 699         | 3 691         | (1 992)      | -54%           | 3 846              |
| Transfers and grants  |     | 669             | 1 913               | 1 913           | -              | -             | -             | -            | -              | -                  |
| Other expenditure   |     | 24 895          | 22 492              | 22 492          | 3 251          | 13 050        | 14 501        | (1 451)      | -10%           | 35 634             |
| Loss on disposal of FPE                                       |     | 1 345           | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Total Expenditure   |     | 284 970         | 245 151             | 245 151         | 12 543         | 65 313        | 65 659        | (19 747)     | -23%           | 215 964            |
| Surplus/(Deficit)   |     |                 |                     |                 |                |               |               |              |                |                    |
| Transfers recognised - capital                                |     | (73 378)        | 7 283               | 7 470           | 1 391          | 27 069        | 2 002         | 25 068       | 0              | 1 516              |
| Contributions recognised - capital                            |     | 30 017          | 29 784              | 29 784          | -              | 1 500         | 10 056        | (8 556)      | (0)            | 14 602             |
| Contributed assets  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Surplus/(Deficit) after capital transfers & contributions     |     | (43 361)        | 37 068              | 37 255          | 1 391          | 28 569        | 12 357        | -            | -              | 16 218             |
| Taxation  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Surplus/(Deficit) after taxation                              |     | (43 361)        | 37 068              | 37 255          | 1 391          | 28 569        | 12 357        | -            | -              | 16 218             |
| Attributable to minorities                                    |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Surplus/(Deficit) attributable to municipality                |     | (43 361)        | 37 068              | 37 255          | 1 391          | 28 569        | 12 357        | -            | -              | 16 218             |
| Share of surplus/ (deficit) of associate                      |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Surplus/ (Deficit) for the year                               |     | (43 361)        | 37 068              | 37 255          | 1 391          | 28 569        | 12 357        | -            | -              | 16 218             |

**Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)**

NC073 Emthanjani - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M04 October

| Vote Description   | 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 |
| <b>Multi-Year expenditure appropriation</b>                | <b>2</b>  | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Vote 15 - (NAME OF VOTE 15)                                |           | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| <b>Total Capital Multi-year expenditure</b>                | <b>17</b> | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| <b>Single Year expenditure appropriation</b>               | <b>2</b>  | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Vote 1 - EXECUTIVE AND COUNCIL                             |           | 30              | 1 631               | 1 631           | 146            | 229           | 514           | (315)        | -53%         | 137                |
| Vote 2 - FINANCE AND ADMINISTRATION                        |           | 123             | 609                 | 609             | -              | -             | 603           | (603)        | -100%        | 1 255              |
| Vote 3 - PLANNING AND DEVELOPMENT                          |           | 7               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Vote 5 - COMMUNITY AND SOCIAL SERVICES                     |           | 439             | 69                  | 69              | -              | -             | 23            | (23)         | 100%         | 296                |
| Vote 6 - PUBLIC SAFETY                                     |           | 531             | 30                  | 30              | -              | -             | 10            | (10)         | -100%        | 63                 |
| Vote 7 - SPORT AND RECREATION                              |           | 2               | 34                  | 34              | -              | -             | 11            | (11)         | -100%        | 75                 |
| Vote 8 - ROAD TRANSPORT                                    |           | 3 433           | 40 609              | 40 609          | 249            | 316           | 13 203        | (12 887)     | 95%          | 4 200              |
| Vote 10 - HOUSING SERVICES                                 |           | 5 213           | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Vote 11 - WASTE MANAGEMENT                                 |           | 2               | 9                   | 9               | -              | -             | 3             | (3)          | -100%        | 29                 |
| Vote 12 - WASTE WATER MANAGEMENT                           |           | 164             | -                   | -               | -              | -             | -             | -            | -            | 81                 |
| Vote 13 - ELECTRICITY                                      |           | 3 635           | 1 770               | 1 770           | 176            | 725           | 790           | 135          | 25%          | 5 490              |
| Vote 14 - WATER  |           | 1 284           | 3 310               | 3 310           | 2 051          | 4 425         | 1 303         | 3 122        | 210%         | 7 322              |
| <b>Total Capital single-year expenditure</b>               | <b>4</b>  | 9 832           | 48 873              | 48 873          | 2 622          | 5 695         | 16 291        | (10 596)     | -65%         | 20 739             |
| <b>Total Capital Expenditure</b>                           |           | 20 832          | 48 873              | 48 873          | 2 622          | 5 695         | 16 291        | (10 596)     | -65%         | 20 739             |
| <b>Capital Expenditure - Standard Classification</b>       |           |                 |                     |                 |                |               |               |              |              |                    |
| <b>Governance and administration</b>                       |           | 153             | 2 441               | 2 441           | 146            | 229           | 1 147         | (918)        | -80%         | 1 873              |
| Executive and council                                      |           | 30              | 1 631               | 1 631           | 146            | 229           | 514           | (315)        | -53%         | 137                |
| Budget and treasury office                                 |           | 123             | 609                 | 609             | -              | -             | 603           | (603)        | -100%        | 1 255              |
| Corporate services   |           | 7               | 171                 | 171             | -              | -             | 57            | (57)         | 100%         | 250                |
| <b>Community and public safety</b>                         |           | 6 155           | 134                 | 134             | -              | -             | 45            | (45)         | -100%        | 174                |
| Community and social services                              |           | 439             | 69                  | 69              | -              | -             | 23            | (23)         | -100%        | 296                |
| Sport and recreation                                       |           | 2               | 34                  | 34              | -              | -             | 11            | (11)         | -100%        | 75                 |
| Public safety  |           | 531             | 30                  | 30              | -              | -             | 10            | (10)         | -100%        | 63                 |
| Housing  |           | 5 213           | -                   | -               | -              | -             | -             | -            | -            | -                  |
| <b>Economic and environmental services</b>                 |           | 9 440           | 40 609              | 40 609          | 249            | 316           | 13 203        | (12 887)     | 95%          | 4 200              |
| Planning and development                                   |           | 7               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Road transport   |           | 3 433           | 40 609              | 40 609          | 249            | 316           | 13 203        | (12 987)     | 98%          | 4 200              |
| <b>Trading services</b>                                    |           | 5 084           | 5 689               | 5 689           | 2 227          | 5 150         | 1 396         | 3 254        | 172%         | 14 232             |
| Electricity  |           | 3 635           | 1 770               | 1 770           | 176            | 725           | 790           | 135          | 25%          | 5 490              |
| Water  |           | 1 284           | 3 310               | 3 310           | 2 051          | 4 425         | 1 303         | 3 122        | 210%         | 7 322              |
| Waste water management                                     |           | 164             | -                   | -               | -              | -             | -             | -            | -            | 81                 |
| Waste management   |           | 2               | 9                   | 9               | -              | -             | 3             | (3)          | -100%        | 29                 |
| <b>Other</b>   |           | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| <b>Total Capital Expenditure - Standard Classification</b> | <b>3</b>  | 20 832          | 48 873              | 48 873          | 2 622          | 5 695         | 16 291        | (10 596)     | -65%         | 20 739             |
| <b>Funded by:</b>  |           |                 |                     |                 |                |               |               |              |              |                    |
| National Government  |           | 10 473          | 29 784              | 29 784          | 2 227          | 5 150         | 3 928         | (1 779)      | 15%          | 13 905             |
| Transfers recognised - capital                             |           | 10 478          | 29 784              | 29 784          | 2 227          | 5 150         | 3 928         | (4 778)      | 48%          | 13 905             |
| Borrowing  |           | 3 197           | 12 000              | 12 000          | -              | -             | -             | -            | -            | -                  |
| Internally generated funds                                 |           | 66              | 7 089               | 7 089           | 394            | 15            | 4 353         | (5 313)      | -91%         | 6 134              |
| <b>Total Capital Funding</b>                               |           | 20 832          | 48 873              | 48 873          | 2 622          | 5 695         | 16 291        | (10 596)     | -65%         | 20 739             |

**Table C6: Monthly Budget Statement - Financial Position**

NC073 Emthanjeni - Table C6 Monthly Budget Statement - Financial Position - M04 October

| Description                              | Ref      | 2018/19         | Budget Year 2019/20 |                 |                |                    |
|--|----------|-----------------|---------------------|-----------------|----------------|--------------------|
|  |          | Audited Outcome | Original Budget     | Adjusted Budget | YearTD actual  | Full Year Forecast |
| <b>R thousands</b>                       | <b>1</b> |                 |                     |                 |                |                    |
| <b>ASSETS</b>                            |          |                 |                     |                 |                |                    |
| <b>Current assets</b>                    |          |                 |                     |                 |                |                    |
| Cash                                     |          | 279             | 83                  | 83              | 87             | 968                |
| Call investment deposits                 |          | 12 547          | 8 483               | 8 483           | 37 558         | 10 075             |
| Consumer debtors                         |          | 71 098          | 62 218              | 62 218          | 52 087         | 22 824             |
| Other debtors                            |          | -               | -                   | -               | (903)          | 11 277             |
| Current portion of long term receivables |          | 5               | 5                   | 5               | -              | -                  |
| Inventory                                |          | 454             | 484                 | 484             | 585            | 65 556             |
| <b>Total current assets</b>              |          | <b>34 383</b>   | <b>71 273</b>       | <b>71 273</b>   | <b>89 415</b>  | <b>110 700</b>     |
| <b>Non current assets</b>                |          |                 |                     |                 |                |                    |
| Long-term receivables                    |          | 2               | 2                   | 2               | -              | -                  |
| Investments                              |          | 28              | 29                  | 29              | 29             | 29                 |
| Investment property                      |          | 76 955          | 79 365              | 79 365          | 74 115         | 5 004              |
| Investments in Associate                 |          | -               | -                   | -               | -              | -                  |
| Property, plant and equipment            |          | 732 998         | 831 416             | 831 416         | 751 378        | 932 114            |
| Agricultural                             |          | -               | -                   | -               | -              | -                  |
| Biological assets                        |          | -               | -                   | -               | -              | -                  |
| Intangible assets                        |          | 137             | 294                 | 294             | 102            | 458                |
| Other non-current assets                 |          | 7               | 8                   | 3               | -              | 83                 |
| <b>Total non current assets</b>          |          | <b>860 127</b>  | <b>911 213</b>      | <b>911 213</b>  | <b>825 624</b> | <b>937 687</b>     |
| <b>TOTAL ASSETS</b>                      |          | <b>944 510</b>  | <b>982 487</b>      | <b>982 487</b>  | <b>915 039</b> | <b>1 048 386</b>   |
| <b>LIABILITIES</b>                       |          |                 |                     |                 |                |                    |
| <b>Current liabilities</b>               |          |                 |                     |                 |                |                    |
| Bank overdraft                           |          | 9 883           | 7 770               | 7 770           | (17 456)       | 9 338              |
| Borrowing                                |          | 3 734           | 527                 | 527             | 914            | 688                |
| Consumer deposits                        |          | 2 346           | 2 557               | 2 557           | 2 421          | 2 289              |
| Trade and other payables                 |          | 76 969          | 50 811              | 50 811          | 118 773        | 16 352             |
| Provisions                               |          | 2 039           | 2 003               | 2 003           | 93 835         | 2 972              |
| <b>Total current liabilities</b>         |          | <b>94 970</b>   | <b>63 668</b>       | <b>63 668</b>   | <b>198 488</b> | <b>31 639</b>      |
| <b>Non current liabilities</b>           |          |                 |                     |                 |                |                    |
| Borrowing                                |          | 36 896          | 11 473              | 11 473          | -              | -                  |
| Provisions                               |          | 46 937          | 40 774              | 40 774          | 2 459          | 36 071             |
| <b>Total non current liabilities</b>     |          | <b>33 832</b>   | <b>52 247</b>       | <b>52 247</b>   | <b>2 459</b>   | <b>36 071</b>      |
| <b>TOTAL LIABILITIES</b>                 |          | <b>178 802</b>  | <b>115 915</b>      | <b>115 915</b>  | <b>200 947</b> | <b>67 709</b>      |
| <b>NET ASSETS</b>                        | <b>2</b> | <b>765 708</b>  | <b>866 572</b>      | <b>866 572</b>  | <b>714 092</b> | <b>980 677</b>     |
| <b>COMMUNITY WEALTH/EQUITY</b>           |          |                 |                     |                 |                |                    |
| Accumulated Surplus/(Deficit)            |          | 765 708         | 866 572             | 866 572         | 711 839        | 980 677            |
| Reserves                                 |          | -               | -                   | -               | 2 253          | -                  |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | <b>2</b> | <b>765 708</b>  | <b>866 572</b>      | <b>866 572</b>  | <b>714 092</b> | <b>980 677</b>     |

Table C7: Monthly Budget Statement - Cash Flow

NC073 Emthanjeni - Table C7 Monthly Budget Statement - Cash Flow - M04 October

| Monthly Budget Statement - Cash Flow - M04 October |     |                 |                     |                 |                |               |               |              |                |                    |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Description  | 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  |     |                 |                     |                 |                |               |               |              |                |                    |
| CASH FLOW FROM OPERATING ACTIVITIES                |     |                 |                     |                 |                |               |               |              |                |                    |
| Receipts   |     |                 |                     |                 |                |               |               |              |                |                    |
| Property rates, penalties & collection charges     |     | 31 790          | 29 923              | 29 923          | 1 507          | 8 113         | 9 974         | (1 661)      | -19%           | 27 999             |
| Service charges                                    |     | 83 272          | 142 512             | 142 512         | 9 312          | 33 667        | 47 504        | (13 637)     | -29%           | 99 902             |
| Other revenue                                      |     | 17 278          | 8 290               | 8 290           | 2 632          | 12 477        | 2 777         | 9 713        | 352%           | 34 954             |
| Government - operating                             |     | 41 797          | 49 796              | 49 796          | 347            | 20 040        | 16 599        | 3 441        | 21%            | 41 210             |
| Government - capital                               |     | 29 223          | 29 784              | 29 784          | -              | 1 500         | 9 328         | (9 428)      | -85%           | 14 602             |
| Interest   |     | 2 574           | 2 056               | 2 056           | 51             | 261           | 685           | (424)        | -62%           | 336                |
| Dividends  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Payments   |     |                 |                     |                 |                |               |               |              |                |                    |
| Suppliers and employees                            |     | (166 140)       | (223 603)           | (223 603)       | (10 479)       | (49 196)      | (74 534)      | (25 339)     | 34%            | (130 113)          |
| Finance charges                                    |     | (3 820)         | (2 038)             | (2 038)         | (1)            | (4)           | (340)         | (335)        | 99%            | (5 468)            |
| Transfers and Grants                               |     | (516)           | -                   | -               | -              | -             | -             | -            | -              | -                  |
| NET CASH FROM/(USED) OPERATING ACTIVITIES          |     | 35 458          | 36 719              | 36 719          | 3 368          | 27 058        | 12 579        | (14 478)     | -115%          | 23 890             |
| CASH FLOWS FROM INVESTING ACTIVITIES               |     |                 |                     |                 |                |               |               |              |                |                    |
| Receipts   |     |                 |                     |                 |                |               |               |              |                |                    |
| Proceeds on disposal of PPE                        |     | 97              | 200                 | 200             | -              | 114           | 17            | 97           | 584%           | 130                |
| Decrease (increase) in non-current debtors         |     | (0)             | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Decrease (increase) other non-current receivables  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Decrease (increase) in non-current investments     |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Payments   |     |                 |                     |                 |                |               |               |              |                |                    |
| Capital assets                                     |     | (12 007)        | (48 873)            | (48 873)        | (2 910)        | (7 607)       | (16 231)      | (3 684)      | 53%            | (20 735)           |
| NET CASH FROM/(USED) INVESTING ACTIVITIES          |     | (31 910)        | (48 673)            | (48 673)        | (2 810)        | (7 493)       | (16 274)      | (8 782)      | 54%            | (20 610)           |
| CASH FLOWS FROM FINANCING ACTIVITIES               |     |                 |                     |                 |                |               |               |              |                |                    |
| Receipts   |     |                 |                     |                 |                |               |               |              |                |                    |
| Short term loans                                   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Borrowing long term/refinancing                    |     | 45              | 12 000              | 12 000          | -              | -             | 1 000         | (1 000)      | -100%          | -                  |
| Increase (decrease) in consumer deposits           |     | -               | 23                  | 28              | -              | -             | 2             | (2)          | -103%          | 8                  |
| Payments   |     |                 |                     |                 |                |               |               |              |                |                    |
| Repayment of borrowing                             |     | (3 133)         | (527)               | (527)           | (540)          | (1 667)       | (176)         | 1 492        | -243%          | (658)              |
| NET CASH FROM/(USED) FINANCING ACTIVITIES          |     | (3 388)         | 11 501              | 11 501          | (540)          | (1 667)       | 327           | 2 494        | 302%           | (590)              |
| NET INCREASE/ (DECREASE) IN CASH HELD              |     |                 |                     |                 |                |               |               |              |                |                    |
| Cash/cash equivalents at beginning:                |     | 159             | (453)               | (453)           | 18             | 17 898        | (2 868)       |              |                | 2 691              |
| Cash/cash equivalents at month/year end:           |     | 2 724           | 340                 | 340             |                | 2 343         | 340           |              |                | 2 343              |
|  |     | 2 883           | 197                 | 187             |                | 20 841        | (1 928)       |              |                | 5 034              |

# **Supporting Table SC9: Monthly Budget Statement – Actual & revised targets for cash receipts & cash flows** This supporting table gives a detailed breakdown of information summarised in Table C7.

VC073 Emthanjani - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M04 October

| Description                                       | Ref | Budget Year 2019/20 |         |         |         |         |         |         |        |        |        |        |          | 2019/20 Medium Term Revenue & Expenditure Framework |             |             |
|---|-----|---------------------|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|----------|---|-------------|-------------|
|   |     | July                | August  | Sept    | October | Nov     | Dec     | January | Feb    | March  | April  | May    | June     | Budget Year   | Budget Year | Budget Year |
|   |     | Outcome             | Outcome | Outcome | Outcome | Outcome | Outcome | Budget  | Budget | Budget | Budget | Budget | Budget   | 2019/20   | +1 2020/21  | +2 2021/22  |
| R thousands                                       |     |                     |         |         |         |         |         |         |        |        |        |        |          |   |             |             |
| Cash Receipts By Source                           |     |                     |         |         |         |         |         |         |        |        |        |        |          |   |             |             |
| Property rates                                    |     | 1 131               | 2 474   | 3 631   | 1 507   | -       | -       | -       | -      | -      | -      | -      | 21 310   | 29 923  | 28 229      | 43 909      |
| Property rates - penalties & collection charges   |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Service charges - electricity revenue             |     | 4 773               | 5 138   | 3 628   | 5 474   | -       | -       | -       | -      | -      | -      | -      | 62 472   | 31 312  | 55 426      | 57 631      |
| Service charges - water revenue                   |     | 1 634               | 1 302   | 1 719   | 1 601   | -       | -       | -       | -      | -      | -      | -      | 35 132   | 12 705  | 25 448      | 41 418      |
| Service charges - ... taken revenue               |     | 1 145               | 1 243   | 1 232   | 1 235   | -       | -       | -       | -      | -      | -      | -      | 13 277   | 13 194  | 15 131      | 15 467      |
| Service charges - refuse                          |     | 632                 | 626     | 717     | 729     | -       | -       | -       | -      | -      | -      | -      | 7 507    | 10 310  | 7 545       | 8 983       |
| Service charges - other                           |     | 3                   | 13      | 55      | 13      | -       | -       | -       | -      | -      | -      | -      | 115      | 370   | 270         | 112         |
| Rental of facilities and equipment                |     | 63                  | 66      | 72      | 70      | -       | -       | -       | -      | -      | -      | -      | 731      | 1 108   | 124         | 173         |
| Interest earned - external investments            |     | 63                  | 69      | 63      | 51      | -       | -       | -       | -      | -      | -      | -      | 1 735    | 2 156   | 190         | 363         |
| Interest earned - outstanding debtors             |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Dividends received                                |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Fines   |     | 14                  | 5       | 4       | 13      | -       | -       | -       | -      | -      | -      | -      | 4 115    | 4 151   | 6 570       | 7 175       |
| Licences and permits                              |     | 16                  | 27      | 16      | 17      | -       | -       | -       | -      | -      | -      | -      | 1 571    | 1 407   | 1 333       | 2 019       |
| Agency services                                   |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Transfer receipts - catering                      |     | 13 703              | 105     | 620     | 147     | -       | -       | -       | -      | -      | -      | -      | 29 755   | 19 736  | 41 753      | 47 457      |
| Other revenue                                     |     | 4 161               | 2 751   | 2 530   | 2 543   | -       | -       | -       | -      | -      | -      | -      | 12 545   | 13 14   | 15 557      | 43 475      |
| Cash Receipts by Source                           |     | 32 287              | 14 745  | 13 818  | 13 849  | -       | -       | -       | -      | -      | -      | -      | 158 147  | 232 846   | 212 149     | 284 431     |
| Other Cash Flows by Source                        |     |                     |         |         |         |         |         |         |        |        |        |        |          |   |             |             |
| Transfer receipts - capital                       |     | 1 520               | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | 23 224   | 23 734  | 14 342      | 19 728      |
| Contributions & contributed assets                |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Proceeds on disposal of PPE                       |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Grant income                                      |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | 230      | 250   | 119         | 143         |
| Borrowing long term/financing                     |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Release in computer deposits                      |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | 12 600   | 12 000  | -           | -           |
| Receipt of non-current debtors                    |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | 13       | 13  | 6           | 11          |
| Receipt of non-current receivables                |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Change in non-current investments                 |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Total Cash Receipts by Source                     |     | 33 737              | 14 745  | 13 818  | 13 349  | -       | -       | -       | -      | -      | -      | -      | 158 659  | 274 858   | 226 729     | 298 449     |
| Cash Payments by Type                             |     |                     |         |         |         |         |         |         |        |        |        |        |          |   |             |             |
| Employee related costs                            |     | 1 124               | 7 221   | 7 059   | 7 491   | -       | -       | -       | -      | -      | -      | -      | 59 243   | 59 218  | 73 073      | 77 074      |
| Provision of services                             |     | 415                 | 415     | 415     | 415     | -       | -       | -       | -      | -      | -      | -      | 4 105    | 4 631   | 5 115       | 5 123       |
| Interest paid                                     |     | -                   | 3       | -       | -       | -       | -       | -       | -      | -      | -      | -      | 2 534    | 2 108   | 6 143       | 3 731       |
| Public purchases - Electricity                    |     | -                   | 432     | 5 941   | 443     | -       | -       | -       | -      | -      | -      | -      | 64 226   | 71 059  | 55 359      | 59 359      |
| Public purchases - Water & Sewer                  |     | -                   | 419     | -       | 115     | -       | -       | -       | -      | -      | -      | -      | 2 117    | 2 771   | 2 735       | 4 315       |
| Other materials                                   |     | 112                 | 1 159   | 155     | 671     | -       | -       | -       | -      | -      | -      | -      | 5 532    | 10 716  | 18 584      | 13 371      |
| Contracted services                               |     | -                   | 1 445   | 178     | 178     | -       | -       | -       | -      | -      | -      | -      | 18 170   | 20 227  | 12 655      | 17 432      |
| Goods and supplies paid - other municipalities    |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Goods and supplies paid - other                   |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Capital expenses                                  |     | 175                 | 3 023   | 1 154   | 422     | -       | -       | -       | -      | -      | -      | -      | 16 144   | 20 332  | 15 513      | 3 337       |
| Cash Payments by Type                             |     | 3 407               | 15 073  | 15 509  | 10 481  | -       | -       | -       | -      | -      | -      | -      | 175 442  | 225 642   | 297 237     | 275 518     |
| Other Cash Flows/Payments by Type                 |     |                     |         |         |         |         |         |         |        |        |        |        |          |   |             |             |
| Capital issues                                    |     | 121                 | 1 111   | 2 275   | 2 313   | -       | -       | -       | -      | -      | -      | -      | 4 105    | 4 103   | 2 115       | 12 105      |
| Repayment of borrowing                            |     | 131                 | 131     | 131     | 131     | -       | -       | -       | -      | -      | -      | -      | 1 143    | 527   | -           | -           |
| Other Cash Flows/Payments                         |     | -                   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -        | -   | -           | -           |
| Total Cash Payments by Type                       |     | 3 421               | 17 156  | 18 265  | 11 331  | -       | -       | -       | -      | -      | -      | -      | 216 588  | 275 041   | 227 592     | 297 554     |
| NET INCREASE/DECREASE IN CASH HELD                |     |                     |         |         |         |         |         |         |        |        |        |        |          |   |             |             |
|   |     | 24 156              | -2 411  | -4 447  | 16      | -       | -       | -       | -      | -      | -      | -      | (17 939) | (133)   | 1672        | 735         |
| RECONCILIATION OF CASH HELD TO THE BANK STATEMENT |     | 2 141               | 2 141   | 4 118   | 10 769  | 10 769  | 10 769  | 10 769  | 10 769 | 10 769 | 10 769 | 10 769 | 2 141    | 2 141   | 4 118       | 10 769      |
| RECONCILIATION OF CASH HELD TO THE BANK STATEMENT |     | 1 121               | 1 121   | 2 275   | 2 313   | 2 313   | 2 313   | 2 313   | 2 313  | 2 313  | 2 313  | 2 313  | 1 121    | 1 121   | 2 275       | 2 313       |

## PART 2 – SUPPORTING DOCUMENTATION Section 5 – Debtors' analysis

### Supporting Table SC3

\*C073 Erxthanjani - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

| Description  | NT Code | Budget Year 2019/20 |            |            |             |             |             |              |          |         | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i to Council Policy |   |
|--|---------|---------------------|------------|------------|-------------|-------------|-------------|--------------|----------|---------|--|--|---|
|  |         | 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    | -                   | 2,523      | 1,523      | 1,156       | 1,414       | 1,410       | 7,312        | 52,128   | 23,116  | 24,724                                       |  |   |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1130    | -                   | 4,419      | 2,437      | 1,270       | 1,163       | 1,175       | 4,135        | 5,149    | 19,277  | 12,510                                       |  |   |
| Receivables from Non-exchange Transactions - Property Rates          | 1170    | -                   | 1,642      | 1,123      | 551         | 12,249      | 125         | 11,653       | 19,734   | 47,557  | 15,116                                       |  |   |
| Receivables from Exchange Transactions - Waste Water Management      | 1100    | -                   | 1,131      | 163        | 513         | 551         | 741         | 5,572        | 8,452    | 13,164  | 16,114                                       |  |   |
| Receivables from Exchange Transactions - Waste Management            | 1170    | -                   | 524        | 493        | 443         | 477         | 109         | 3,125        | 4,172    | 3,552   | 3,155  |  |   |
| Receivables from Exchange Transactions - Property Rental Debtors     | 1120    | -                   | -          | -          | -           | -           | -           | -            | -        | -       | -  |  |   |
| Interest on Amounts Due for Accounts                                 | 1140    | -                   | -          | -          | -           | -           | -           | -            | 1,151    | 6,151   | 6,151  |  |   |
| Receivable unauthorised, irregular, useless and doubtful expenditure | 1120    | -                   | -          | -          | -           | -           | -           | -            | -        | -       | -  |  |   |
| Other  | 1150    | -                   | 115        | 15         | 71          | 73          | 119         | 110          | 8,142    | 6,162   | 5,462  |  |   |
| Total By Income Source   | 2200    | -                   | 10,571     | 6,255      | 1,341       | 16,302      | 3,473       | 33,164       | 80,923   | 125,038 | 119,202                                      | -  | - |
| 2018/19 - totals only  |         |                     | 62,123     | 1,167      | 27,134      | 1,165       | 2,592       | 23,124       |          | 44      | 13,219                                       |  |   |
| Debtors Age Analysis By Customer Group                               |         |                     |            |            |             |             |             |              |          |         |  |  |   |
| Organisations  | 1100    | -                   | 730        | 710        | 510         | 2,175       | 112         | 3,617        | 1,159    | 12,553  | 11,224                                       |  |   |
| Commercial   | 1100    | -                   | 2,471      | 1,105      | 513         | 1,146       | 1,144       | 2,170        | 25,155   | 19,729  | 6,114  |  |   |
| Individuals  | 1170    | -                   | 5,673      | 3,755      | 3,753       | 11,972      | 1,115       | 24,116       | 13,649   | 11,152  | 10,198                                       |  |   |
| Other  | 1100    | -                   | 710        | 1,161      | 1,161       | 1,111       | 1,111       | 2,111        | 4,150    | 11,111  | 1,111  |  |   |
| Total By Customer Group  | 2200    | -                   | 10,571     | 6,255      | 1,341       | 16,302      | 3,473       | 33,164       | 80,923   | 125,038 | 119,202                                      | -  | - |

## Creditors' analysis

### Supporting Table SC4

NC073 Emthanjeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

| Budget Statement - aged creditors - m04 October |         |                     |              |              |               |                |                |                   |             |        |                                |
|---|---------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|--------|--------------------------------|
| Description                                     | NT Code | Budget Year 2019/20 |              |              |               |                |                |                   |             |        | Prior year                     |
|   |         | 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 | Total  | totals for chart (same period) |
| R thousands                                     |         |                     |              |              |               |                |                |                   |             |        |                                |
| Creditors Age Analysis By Customer Type         |         |                     |              |              |               |                |                |                   |             |        |                                |
| Bulk Electricity                                | 0100    | 7 336               | 9 538        | -            | 41 754        | -              | -              |                   |             | 61 718 | 14 029                         |
| Bulk Water                                      | 0200    | 231                 | 235          | -            |               |                |                |                   |             | 466    |                                |
| FAYE deductions                                 | 0300    |                     |              |              |               |                |                |                   |             | -      |                                |
| VAT (output less input)                         | 0400    |                     |              |              |               |                |                |                   |             | -      |                                |
| Pensions / Retirement deductions                | 0500    |                     |              |              |               |                |                |                   |             | -      |                                |
| Loan repayments                                 | 0600    |                     |              |              |               |                |                |                   |             | -      |                                |
| Trade Creditors                                 | 0700    | 1 404               | 533          | 104          | 332           | -              | -              |                   |             | 2 433  | 1                              |
| Auditor General                                 | 0800    | -                   | 637          | -            | -             | -              | -              |                   |             | 637    | -                              |
| Other   | 0900    | -                   | -            | -            | 2             | -              | -              |                   |             | 2      | 2 337                          |
| Total By Customer Type                          | 1000    | 9 030               | 11 264       | 104          | 45 088        | -              | -              | -                 | -           | 65 486 | 16 366                         |



## Investment portfolio analysis

NC073 Emthanjeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

| Investments by maturity<br>Name of institution & investment ID | Ref | Period of<br>Investment | Type of<br>Investment | Expiry date<br>of<br>investment | Accrued<br>interest for<br>the month | Yield for the<br>month 1<br>(%) | Market<br>value at<br>beginning<br>of the<br>month | Change in<br>market<br>value | Market<br>value at end<br>of the<br>month |
|--|-----|-------------------------|-----------------------|---------------------------------|--------------------------------------|---------------------------------|--|------------------------------|---|
|  |     | Yrs/Months              |                       |                                 |                                      |                                 |  |                              |   |
| R thousands  |     |                         |                       |                                 |                                      |                                 |  |                              |   |
| <u>Municipality</u>  |     |                         |                       |                                 |                                      |                                 |  |                              |   |
| Total Call and fixed investment                                |     | /rs                     | Fixed Deposit         | 30/06/2019                      | 115                                  | 5.5%                            | 30 659   | 115                          | 30 659                                    |
| Municipality sub-total   |     |                         |                       |                                 | 116                                  |                                 | 30 659   | 116                          | 30 659                                    |
| <u>Entities</u>  |     |                         |                       |                                 |                                      |                                 |  |                              |   |
| Entities sub-total   |     |                         |                       |                                 |                                      |                                 |  |                              |   |
| TOTAL INVESTMENTS AND INTEREST                                 | 2   |                         |                       |                                 | 116                                  |                                 | 30 659   | 116                          | 30 659                                    |

# Allocation and grant receipts and expenditure: - Operating Revenue Framework

NC073 Emthanjeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

| Supporting Table 006 Monthly Budget Statement - Transfers and grant receipts - M04 October |     |                 |                     |                 |                |               |               |              |              |                    |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|--------------|--------------------|
| Description  | 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 |
| <b>Operating Transfers and Grants</b>  |     |                 |                     |                 |                |               |               |              |              |                    |
| National Government:   |     | 38 380          | 47 820              | 47 820          | -              | 20 104        | 12 198        | 7 483        | 61.3%        | 38 822             |
| Local Government Equitable Share   |     | 36 197          | 44 900              | 44 900          | -              | 18 708        | 11 225        | 7 483        | 66.7%        | 36 197             |
| Finance Management   |     | 1 625           | 1 700               | 1 700           | -              | 1 691         | 567           |              |              | 1 625              |
| Municipal Systems Improvement  |     |                 | -                   | -               |                |               | -             |              |              | -                  |
| EFWP Incentive   |     | 559             | 1 220               | 1 220           | -              | 305           | 407           |              |              | 1 000              |
| Provincial Government:   |     | 1 341           | 693                 | 693             | 347            | 1 027         | 231           | 796          | 344.4%       | 2 388              |
| Health subsidy   |     | -               | -                   | -               |                |               | -             | -            |              | 1 227              |
| Housing  |     | 680             | -                   | -               | -              | 680           | -             | 680          | #DIV/0!      | -                  |
| Sport and Recreation   |     | 1 161           | 693                 | 693             | 347            | 347           | 231           | 116          | 50.0%        | 1 161              |
| District Municipality:   |     | -               | -                   | -               | -              | -             | -             | -            |              | -                  |
| Other grant providers:   |     | -               | -                   | -               | -              | -             | -             | -            |              | -                  |
| Total Operating Transfers and Grants   | 5   | 40 221          | 48 513              | 48 513          | 347            | 21 131        | 12 429        | 8 279        | 66.6%        | 41 210             |
| <b>Capital Transfers and Grants</b>  |     |                 |                     |                 |                |               |               |              |              |                    |
| National Government:   |     | 10 651          | 31 067              | 31 067          | -              | 1 500         | 10 356        | (8 856)      | -85.5%       | 14 602             |
| Municipal Infrastructure Grant (MIG)   |     | 7 283           | 25 857              | 25 857          | -              | -             | 8 552         | (8 552)      | -100.0%      | 11 502             |
| Regional Bulk Infrastructure   |     | 754             | 3 910               | 3 910           | -              | -             | 1 303         | (1 303)      | -100.0%      | -                  |
| Integrated National Electrification Programme  |     | 2 634           | 1 500               | 1 500           | -              | 1 500         | 500           | 1 000        | 200.0%       | 3 300              |
| Provincial Government:   |     | -               | -                   | -               | -              | -             | -             | -            |              | -                  |
| District Municipality:   |     | -               | -                   | -               | -              | -             | -             | -            |              | -                  |
| Other grant providers:   |     | -               | -                   | -               | -              | -             | -             | -            |              | -                  |
| Total Capital Transfers and Grants   | 5   | 10 651          | 31 067              | 31 067          | -              | 1 500         | 10 356        | (8 856)      | -85.5%       | 14 602             |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS   | 5   | 50 872          | 79 580              | 79 580          | 347            | 22 631        | 22 785        | (577)        | -2.5%        | 55 812             |

Grant expenditure

NC073 Emthanjeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

| Monthly Budget Statement - Transfers and grant expenditure - M04 October |     |                 |                     |                 |                |               |               |              |              |                    |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|--------------|--------------------|
| Description  | Rel | 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 |
| Operating expenditure of Transfers and Grants                            |     |                 |                     |                 |                |               |               |              |              |                    |
| National Government:   |     | 38 380          | 47 820              | 47 820          | 1 213          | 5 948         | 3 239         | 2 708        | 83.6%        | 38 822             |
| Local Government Equitable Share   |     | 36 197          | 44 900              | 44 900          | 1 198          | 4 536         | 2 266         | 2 270        | 100.2%       | 36 197             |
| Finance Management   |     | 1 625           | 1 700               | 1 700           | -              | 1 091         | 567           | 524          | 92.6%        | 1 625              |
| Municipal Systems Improvement  |     | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| EFIP Incentive   |     | 558             | 1 220               | 1 220           | 15             | 320           | 407           | (76)         | -21.2%       | 1 100              |
| Provincial Government:   |     | 1 841           | 593                 | 593             | -              | -             | 231           | (231)        | -100.0%      | 2 388              |
| Health subsidy   |     | -               | -                   | -               | -              | -             | -             | -            | -            | 1 227              |
| Housing  |     | 620             | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Sport and Recreation   |     | 1 161           | 593                 | 593             | -              | -             | 231           | (231)        | -100.0%      | 1 161              |
| District Municipality:   |     | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Other grant providers:   |     | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Total operating expenditure of Transfers and Grants                      |     | 40 221          | 48 513              | 48 513          | 1 213          | 5 948         | 3 470         | 2 477        | 71.4%        | 41 210             |
| Capital expenditure of Transfers and Grants                              |     |                 |                     |                 |                |               |               |              |              |                    |
| National Government:   |     | 10 651          | 31 067              | 31 067          | 2 227          | 5 015         | 10 356        | (5 340)      | -51.6%       | 13 905             |
| Municipal Infrastructure Grant (MIG)                                     |     | 7 283           | 25 657              | 25 657          | -              | -             | 3 552         | (3 552)      | -100.0%      | 10 365             |
| Regional Bulk Infrastructure   |     | 714             | 3 910               | 3 910           | 2 051          | 4 290         | 1 303         | 2 987        | 229.2%       | -                  |
| Integrated National Electrification Programme                            |     | 2 654           | 1 500               | 1 500           | 175            | 725           | 500           | 225          | 45.0%        | 3 200              |
| Provincial Government:   |     | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| District Municipality:   |     | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Other grant providers:   |     | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Total capital expenditure of Transfers and Grants                        |     | 10 651          | 31 067              | 31 067          | 2 227          | 5 015         | 10 356        | (5 340)      | -51.6%       | 13 905             |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS                                |     | 50 872          | 79 580              | 79 580          | 3 440          | 10 963        | 13 826        | (2 863)      | -20.7%       | 55 115             |

# Expenditure on councillor and board members allowances and employee benefits

HC073 Emthanjeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

| Summary of Employee and Councillor remuneration Re          | 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 |
| <b>Councillors (Political Office Bearers plus Other)</b>    |                 |                     |                 |                |               |               |                |              |                    |
| Basic Salaries and Wages                                    | 3 311           | 4 109               | 4 109           | 304            | 1 220         | 1 367         | (147)          | -11%         | 3 451              |
| Pension and UIF Contributions                               | 198             | -                   | -               | -              | -             | -             | -              | -            | -                  |
| Medical Aid Contributions                                   | 18              | -                   | -               | -              | -             | -             | -              | -            | -                  |
| Motor Vehicle Allowance                                     | 131             | 1 464               | 1 464           | 97             | 334           | 139           | (155)          | -13%         | 1 150              |
| Cellphone Allowance   | 265             | 603                 | 603             | 56             | 222           | 254           | (22)           | -12%         | 355                |
| Other benefits and allowances                               | -               | 59                  | 59              | -              | -             | 11            | (11)           | -100%        | 51                 |
| <b>Sub Total - Councillors</b>                              | <b>4 823</b>    | <b>6 235</b>        | <b>6 235</b>    | <b>456</b>     | <b>1 826</b>  | <b>2 070</b>  | <b>(244)</b>   | <b>-12%</b>  | <b>5 046</b>       |
| <b>Senior Managers of the Municipality</b>                  |                 |                     |                 |                |               |               |                |              |                    |
| Basic Salaries and Wages                                    | 4 019           | 4 557               | 4 557           | 267            | 1 067         | 1 519         | (452)          | -30%         | 3 833              |
| Pension and UIF Contributions                               | 805             | 659                 | 659             | 41             | 104           | 220           | (56)           | -26%         | 672                |
| Medical Aid Contributions                                   | 161             | 79                  | 79              | 12             | 48            | 26            | 22             | 32%          | 115                |
| Motor Vehicle Allowance                                     | 546             | 324                 | 324             | 62             | 249           | 275           | (26)           | -9%          | 755                |
| Cellphone Allowance   | 116             | 327                 | 327             | 17             | 68            | 139           | (41)           | -33%         | 139                |
| Other benefits and allowances                               | 243             | 82                  | 82              | 13             | 72            | 27            | 45             | 166%         | 268                |
| <b>Sub Total - Senior Managers of Municipality</b>          | <b>5 691</b>    | <b>6 527</b>        | <b>6 527</b>    | <b>417</b>     | <b>1 568</b>  | <b>2 176</b>  | <b>(508)</b>   | <b>-23%</b>  | <b>5 781</b>       |
| <b>Other Municipal Staff</b>                                |                 |                     |                 |                |               |               |                |              |                    |
| Basic Salaries and Wages                                    | 44 715          | 60 757              | 60 757          | 4 566          | 18 964        | 20 252        | (1 288)        | -6%          | 48 768             |
| Pension and UIF Contributions                               | 8 217           | 12 695              | 12 695          | 832            | 3 441         | 4 232         | (791)          | -19%         | 8 721              |
| Medical Aid Contributions                                   | 1 089           | 2 185               | 2 185           | 207            | 247           | 723           | (476)          | -16%         | 1 810              |
| Overtime  | 3 139           | 1 427               | 1 427           | 313            | 1 280         | 476           | 804            | 150%         | 1 477              |
| Motor Vehicle Allowance                                     | 1 025           | 2 013               | 2 013           | 101            | 399           | 671           | (272)          | -41%         | 1 124              |
| Cellphone Allowance   | 127             | 249                 | 249             | 12             | 48            | 63            | (15)           | -42%         | 233                |
| Housing Allowances  | 576             | 923                 | 923             | 18             | 71            | 308           | (234)          | -75%         | 637                |
| Other benefits and allowances                               | 2 028           | 1 148               | 1 148           | 282            | 1 360         | 283           | 997            | 261%         | 1 179              |
| Post-retirement benefit obligations                         | 26              | 14                  | 14              | -              | -             | 15            | (15)           | -100%        | 18                 |
| <b>Sub Total - Other Municipal Staff</b>                    | <b>62 610</b>   | <b>81 442</b>       | <b>81 442</b>   | <b>5 332</b>   | <b>26 433</b> | <b>27 147</b> | <b>(715)</b>   | <b>-3%</b>   | <b>64 057</b>      |
| <b>Total Parent Municipality</b>                            | <b>73 325</b>   | <b>94 205</b>       | <b>94 205</b>   | <b>7 205</b>   | <b>29 926</b> | <b>31 393</b> | <b>(1 466)</b> | <b>-5%</b>   | <b>74 884</b>      |
| <b>Unpaid salary, allowances &amp; benefits in arrears:</b> |                 |                     |                 |                |               |               |                |              |                    |
| <b>Board Members of Entities</b>                            |                 |                     |                 |                |               |               |                |              |                    |
| Post-retirement benefit obligations                         |                 |                     |                 |                |               |               |                |              |                    |
| <b>Sub Total - Board Members of Entities</b>                | <b>-</b>        | <b>-</b>            | <b>-</b>        | <b>-</b>       | <b>-</b>      | <b>-</b>      | <b>-</b>       | <b>-</b>     | <b>-</b>           |
| <b>Senior Managers of Entities</b>                          |                 |                     |                 |                |               |               |                |              |                    |
| Post-retirement benefit obligations                         |                 |                     |                 |                |               |               |                |              |                    |
| <b>Sub Total - Senior Managers of Entities</b>              | <b>-</b>        | <b>-</b>            | <b>-</b>        | <b>-</b>       | <b>-</b>      | <b>-</b>      | <b>-</b>       | <b>-</b>     | <b>-</b>           |
| <b>Other Staff of Entities</b>                              |                 |                     |                 |                |               |               |                |              |                    |
| Post-retirement benefit obligations                         |                 |                     |                 |                |               |               |                |              |                    |
| <b>Sub Total - Other Staff of Entities</b>                  | <b>-</b>        | <b>-</b>            | <b>-</b>        | <b>-</b>       | <b>-</b>      | <b>-</b>      | <b>-</b>       | <b>-</b>     | <b>-</b>           |
| <b>Total Municipal Entities</b>                             | <b>-</b>        | <b>-</b>            | <b>-</b>        | <b>-</b>       | <b>-</b>      | <b>-</b>      | <b>-</b>       | <b>-</b>     | <b>-</b>           |
| <b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>              | <b>73 325</b>   | <b>94 205</b>       | <b>94 205</b>   | <b>7 205</b>   | <b>29 926</b> | <b>31 393</b> | <b>(1 466)</b> | <b>-5%</b>   | <b>74 884</b>      |
| <b>TOTAL MANAGERS AND STAFF</b>                             | <b>63 502</b>   | <b>87 369</b>       | <b>87 369</b>   | <b>6 719</b>   | <b>28 101</b> | <b>29 323</b> | <b>(1 222)</b> | <b>-4%</b>   | <b>69 838</b>      |

## Capital programme performance

NC073 Emthanjani - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M04 October

| Month                                 | 2018/19         | Budget Year 2019/20 |                 |                |               |               |              |                |                            |
|---------------------------------------|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|----------------------------|
|                                       | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | % spend of Original Budget |
| R thousands                           |                 |                     |                 |                |               |               |              |                |                            |
| Monthly expenditure performance trend |                 |                     |                 |                |               |               |              |                |                            |
| July                                  | 4 692           | 4 865               | 4 865           | 1 184          | 1 184         | 4 865         | 3 681        | 75.7%          | 23%                        |
| August                                | 3 635           | 4 865               | 4 865           | 2 083          | 3 268         | 9 730         | 6 463        | 66.4%          | 66%                        |
| September                             | 1 064           | 4 865               | 4 865           | 2 556          | 5 824         | 14 535        | 8 671        | 59.4%          | 110%                       |
| October                               | -               | 4 865               | 4 865           | 3 350          | 9 274         | 19 160        | 10 186       | 52.3%          | 110%                       |
| November                              | 531             | 4 865               | 4 865           | -              | -             | 24 325        | -            | -              | -                          |
| December                              | -               | 4 865               | 4 865           | -              | -             | 29 120        | -            | -              | -                          |
| January                               | 409             | 4 865               | 4 865           | -              | -             | 34 055        | -            | -              | -                          |
| February                              | 1 413           | 4 865               | 4 865           | -              | -             | 38 921        | -            | -              | -                          |
| March                                 | 98              | 4 865               | 4 865           | -              | -             | 43 786        | -            | -              | -                          |
| April                                 | 25              | 4 865               | 4 865           | -              | -             | 48 651        | -            | -              | -                          |
| May                                   | 5 514           | 4 865               | 4 865           | -              | -             | 53 516        | -            | -              | -                          |
| June                                  | 131             | 4 865               | 4 865           | -              | -             | 58 381        | -            | -              | -                          |
| Total Capital expenditure             | 20 832          | 58 381              | 58 381          | 9 274          |               |               |              |                |                            |

### Supporting Table C13

Supporting Tables SC13 include the following:

- SC13a: Capital expenditure on new assets by asset class
- SC13b: Capital expenditure on renewal of existing assets by asset class
- These two tables total to Table C5.
- SC13c: Expenditure on repairs and maintenance by asset class

# **Municipal manager's quality certificate**

I, Isak Visser the Municipal Manager of Emthanjeni Municipality hereby certify that the monthly budget statement for the month of October 2019 has been prepared in accordance with the Municipality Finance Management Act and Regulations made under the Act.

Print Name Isak Visser

Municipal manager of Emthanjeni (NC073)

Signature

Date

4/11/2019

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