

EMTHANJENI MUNICIPALITY



2ND QUARTER

BUDGET STATEMENT

FOR THE YEAR 2017-2018

SCHEDULE C:

2ND QUARTER AND SUPPORTING DOCUMENTATION OF A MUNICIPALITY

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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 2nd Quarter 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 Emthanjeni Municipality this means at directorate level.

PART 1 – IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1 In-Year Report - 2nd Quarter Budget Statement

The 2nd Quarter budget statement for December 2017 has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations. It will not be tabled at Council and therefore no Mayor’s report is required. The contents of this statement will be incorporated into the MFMA Section 72 Mid-Year Budget & Performance Assessment report that will be tabled at Council by the end of January 2018.

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 audit report is unqualified with matters of emphasis.

Year-to-date operating revenue realised is 4 % above the year-to-date budget for December 2017.

The abnormally high revenue includes the annual property rates and other fixed service charges billed to consumers for the 2017/2018 financial year, this situation arose because certain customers being billed 2nd Quarter. As well as operating grants received that exceeds the 2nd Quarter 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 -13% below the year-to-date operating expenditure. 29% of the total capital budget has been spent at 31 December 2017, with 76.8% of that being funded from capital grants.ⁱ

¹ Table C5 - Capital Expenditure (municipal vote, standard classification and funding

Section 2 – Resolutions

IN-YEAR REPORTS 2015/2016

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

RECOMMENDATION:

- (a) That Council notes the 2nd Quarter budget statement and supporting documentation for December 2017.

Section 3 – Executive Summary

3.1 Introduction

The audit report is unqualified with matters of emphasis.

Year-to-date operating revenue realised is 4 % above the year-to-date budget for December 2017.

The abnormally high revenue includes the annual property rates and other fixed service charges billed to consumers for the 2017/2018 financial year, this situation arose because certain customers being billed 2nd Quarter. As well as operating grants received that exceeds the 2nd Quarter 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 -13% below the year-to-date operating expenditure. 29% of the total capital budget has been spent at 31 December 2017, with 76.8% 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 R4, 879 million above year-to-date budget projections for December 2017².

Operating expenditure by type

Year-to-date expenditure is -13% or R14, 612 million, below the year-to-date budget as at 31 December 2017.

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

² Table C4 – Total revenue by source (excluding capital transfers and contributions)

³ Table C4 – Total expenditure by type

Capital expenditure

Year-to-date expenditure on capital amounts to R13.897 or 29% of the capital budget of R39.082 million⁴, 76.8% of expenditure to date has been funded from capital grants recognised⁵.

Refer to Section 4 – Table C5 for more detail.

Cash flows

The financial year commenced with cash & cash equivalents balance of R3, 448 million⁶.

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

3.3 Material variances

| Description | Variance |
|---------------------------------------|----------|
| R thousands | |
| Revenue By Source | |
| Property rates | 6 982 |
| Service charges - electricity revenue | (4 151) |
| Fines | (711) |
| Licences and permits | (762) |
| Expenditure By Type | |
| Debt impairment | (3 789) |
| Depreciation & asset impairment | (4 528) |
| Other expenditure | (1 178) |
| Other materials | (3 583) |
| Capital Expenditure | |
| Road transport | (4 861) |
| Electricity | 2 037 |
| Water | (3 961) |
| Waste water management | (11) |
| Cash Flow | |
| Service charges | (11 605) |
| Other revenue | (3 633) |
| Capital assets | (5 327) |

3.4 Remedial or corrective steps

NC073 Emthanjeni - Supporting Table SC1 Material variance explanations - M06 December

| Ref | Description | Reasons for material deviations | Remedial or corrective steps/remarks |
|----------|---------------------------------------|--|---|
| | | | |
| 1 | Revenue By Source | | |
| | Property rates | 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 |
| | Service charges - electricity revenue | 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 |
| 2 | Expenditure By Type | | |
| | Debt impairment | Are Done at year end | The situation will be fixed at year end |
| | Depreciation & asset impairment | Are Done at year end | The situation will be fixed at year end |
| | Other expenditure | Other expenditure was estimated to be higher | The situation will be taken into account when drawing up the adjustment budget of 2017-18 |
| | Other materials | Underspending on the repairs and maintainence Budget | The situation will be taken into account when drawing up the adjustment budget of 2017-18 |
| 3 | Capital Expenditure | | |
| | Road transport | Slow capital spending | The situation will be taken into account when drawing up the adjustment budget of 2017-18 |
| | Electricity | Slow capital spending | The situation will be taken into account when drawing up the adjustment budget of 2017-18 |
| | Water | Slow capital spending | The situation will be taken into account when drawing up the adjustment budget of 2017-18 |
| | Waste water management | Slow capital spending | The situation will be taken into account when drawing up the adjustment budget of 2017-18 |
| 4 | Cash Flow | | |
| | Service charges | 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 |
| | Other revenue | | The situation will be taken into account when drawing up the adjustment budget of 2017-18 |
| | Capital assets | Slow capital spending | The situation will be taken into account when drawing up the adjustment budget of 2017-18 |

⁴ Table C5 – Total capital expenditure

⁵ Table C5 - Capital Expenditure (municipal vote, standard classification and funding)

⁶ Table C7 – Cash flow (cash and cash equivalents = cashbook and current investment)

Table C2: 2nd Quarter Budget Statement – Financial Performance (standard classification)

NC073 Emthanjeni - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q2 Second Quarter

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Revenue - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 52 456 | 50 514 | 50 514 | 7 738 | 36 706 | 25 257 | 11 449 | 45% | 51 180 |
| Executive and council | | 4 520 | 4 245 | 4 245 | 1 091 | 3 139 | 2 123 | 1 017 | 48% | 4 295 |
| Budget and treasury office | | 47 855 | 46 204 | 46 204 | 6 645 | 33 543 | 23 102 | 10 441 | 45% | 46 801 |
| Corporate services | | 81 | 65 | 65 | 2 | 24 | 32 | (9) | -27% | 84 |
| <i>Community and public safety</i> | | 19 945 | 6 857 | 6 857 | 427 | 1 838 | 3 429 | (1 591) | -46% | 11 325 |
| Community and social services | | 1 976 | 1 683 | 1 683 | 71 | 452 | 842 | (390) | -46% | 1 942 |
| Sport and recreation | | 172 | 162 | 162 | 31 | 69 | 81 | (12) | -14% | 123 |
| Public safety | | 17 107 | 4 969 | 4 969 | 319 | 1 295 | 2 484 | (1 189) | -48% | 7 991 |
| Housing | | 691 | 44 | 44 | 7 | 21 | 22 | (0) | -2% | 41 |
| Health | | - | - | - | - | - | - | - | - | 1 227 |
| <i>Economic and environmental services</i> | | 7 905 | 13 850 | 13 850 | 2 | 776 | 6 925 | (6 149) | -89% | 3 816 |
| Planning and development | | 1 593 | 13 378 | 13 378 | 0 | 760 | 6 689 | (5 929) | -89% | 1 610 |
| Road transport | | 6 312 | 472 | 472 | 2 | 16 | 236 | (220) | -93% | 2 207 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 145 421 | 186 327 | 186 327 | 17 094 | 91 187 | 93 164 | (1 976) | -2% | 165 860 |
| Electricity | | 73 287 | 94 497 | 94 497 | 6 615 | 43 543 | 47 248 | (3 706) | -8% | 90 239 |
| Water | | 33 071 | 48 659 | 48 659 | 4 146 | 24 578 | 24 330 | 248 | 1% | 38 471 |
| Waste water management | | 25 041 | 26 925 | 26 925 | 3 951 | 14 498 | 13 462 | 1 036 | 8% | 24 322 |
| Waste management | | 14 022 | 16 246 | 16 246 | 2 382 | 8 568 | 8 123 | 445 | 5% | 12 828 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Standard | 2 | 225 727 | 257 549 | 257 549 | 25 261 | 130 507 | 128 774 | 1 733 | 1% | 232 182 |
| Expenditure - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 46 819 | 54 098 | 54 098 | 2 934 | 19 560 | 25 456 | (5 896) | -23% | 48 553 |
| Executive and council | | 9 161 | 16 790 | 16 790 | 1 175 | 6 314 | 7 432 | (1 118) | -15% | 14 054 |
| Budget and treasury office | | 29 761 | 22 975 | 22 975 | 1 046 | 7 812 | 11 022 | (3 211) | -29% | 21 982 |
| Corporate services | | 7 897 | 14 334 | 14 334 | 713 | 5 434 | 7 002 | (1 567) | -22% | 12 518 |
| <i>Community and public safety</i> | | 36 019 | 30 611 | 30 611 | 1 920 | 11 832 | 15 184 | (3 352) | -22% | 29 417 |
| Community and social services | | 19 711 | 13 074 | 13 074 | 880 | 4 743 | 6 477 | (1 734) | -27% | 11 849 |
| Sport and recreation | | 4 225 | 5 285 | 5 285 | 376 | 2 104 | 2 610 | (506) | -19% | 4 654 |
| Public safety | | 8 240 | 9 704 | 9 704 | 483 | 3 920 | 4 823 | (904) | -19% | 10 367 |
| Housing | | 3 822 | 2 396 | 2 396 | 181 | 1 052 | 1 198 | (146) | -12% | 2 400 |
| Health | | 21 | 153 | 153 | - | 14 | 76 | (62) | -81% | 148 |
| <i>Economic and environmental services</i> | | 35 453 | 29 566 | 29 566 | 1 761 | 10 492 | 14 780 | (4 288) | -29% | 28 440 |
| Planning and development | | 15 439 | 12 896 | 12 896 | 788 | 5 149 | 6 448 | (1 298) | -20% | 12 162 |
| Road transport | | 20 014 | 16 670 | 16 670 | 973 | 5 342 | 8 332 | (2 990) | -36% | 16 278 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 157 618 | 119 817 | 119 817 | 4 771 | 58 573 | 59 908 | (1 335) | -2% | 108 815 |
| Electricity | | 90 423 | 76 082 | 76 082 | 1 274 | 39 204 | 38 041 | 1 164 | 3% | 71 539 |
| Water | | 34 937 | 15 250 | 15 250 | 1 280 | 6 606 | 7 625 | (1 019) | -13% | 12 906 |
| Waste water management | | 18 541 | 15 605 | 15 605 | 1 022 | 5 862 | 7 802 | (1 941) | -25% | 12 936 |
| Waste management | | 13 717 | 12 880 | 12 880 | 1 195 | 6 901 | 6 440 | 461 | 7% | 11 435 |
| <i>Other</i> | | 1 265 | 690 | 690 | 108 | 604 | 345 | 259 | 75% | 738 |
| Total Expenditure - Standard | 3 | 277 173 | 234 782 | 234 782 | 11 494 | 101 060 | 115 672 | (14 612) | -13% | 215 964 |
| Surplus/ (Deficit) for the year | | (51 446) | 22 766 | 22 766 | 13 767 | 29 447 | 13 102 | 16 345 | 125% | 16 218 |

Table C2: 2nd Quarter 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.

Table C3: 2nd Quarter 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) - Q2 Second Quarter

| Vote Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | Full Year Forecast |
|--|-----|-----------------|---------------------|-----------------|----------------|----------------|----------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | |
| R thousands | | | | | | | | | | |
| Revenue by Vote | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | 1 | 4 520 | 4 245 | 4 245 | 1 091 | 3 139 | 2 123 | 1 017 | 47.9% | 4 295 |
| Vote 2 - FINANCE AND ADMINISTRATION | | 47 936 | 46 269 | 46 269 | 6 647 | 33 567 | 23 134 | 10 432 | 45.1% | 46 885 |
| Vote 3 - PLANNING AND DEVELOPMENT | | 1 593 | 13 378 | 13 378 | 0 | 760 | 6 689 | (5 929) | -88.6% | 1 610 |
| Vote 4 - HEALTH | | - | - | - | - | - | - | - | - | 1 227 |
| Vote 5 - COMMUNITY AND SOCIAL SERVICES | | 1 976 | 1 683 | 1 683 | 71 | 452 | 842 | (390) | -46.3% | 1 942 |
| Vote 6 - PUBLIC SAFETY | | 17 107 | 4 969 | 4 969 | 319 | 1 295 | 2 484 | (1 189) | -47.9% | 7 991 |
| Vote 7 - SPORT AND RECREATION | | 172 | 162 | 162 | 31 | 69 | 81 | (12) | -14.3% | 123 |
| Vote 8 - ROAD TRANSPORT | | 6 312 | 472 | 472 | 2 | 16 | 236 | (220) | -93.2% | 2 207 |
| Vote 9 - OTHER | | - | - | - | - | - | - | - | - | - |
| Vote 10 - HOUSING SERVICES | | 691 | 44 | 44 | 7 | 21 | 22 | (0) | -2.1% | 41 |
| Vote 11 - WASTE MANAGEMENT | | 14 022 | 16 246 | 16 246 | 2 382 | 8 568 | 8 123 | 445 | 5.5% | 12 828 |
| Vote 12 - WASTE WATER MANAGEMENT | | 25 041 | 26 925 | 26 925 | 3 951 | 14 498 | 13 462 | 1 036 | 7.7% | 24 322 |
| Vote 13 - ELECTRICITY | | 73 287 | 94 497 | 94 497 | 6 615 | 43 543 | 47 248 | (3 706) | -7.8% | 90 239 |
| Vote 14 - WATER | | 33 071 | 48 659 | 48 659 | 4 146 | 24 578 | 24 330 | 248 | 1.0% | 38 471 |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 225 727 | 257 549 | 257 549 | 25 261 | 130 507 | 128 774 | 1 733 | 1.3% | 232 182 |
| Expenditure by Vote | | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | 1 | 9 161 | 16 790 | 16 790 | 1 175 | 6 314 | 7 432 | (1 118) | -15.0% | 14 054 |
| Vote 2 - FINANCE AND ADMINISTRATION | | 37 658 | 37 309 | 37 309 | 1 759 | 13 246 | 18 024 | (4 778) | -26.5% | 34 499 |
| Vote 3 - PLANNING AND DEVELOPMENT | | 15 439 | 12 896 | 12 896 | 788 | 5 149 | 6 448 | (1 298) | -20.1% | 12 162 |
| Vote 4 - HEALTH | | 21 | 153 | 153 | - | 14 | 76 | (62) | -81.1% | 148 |
| Vote 5 - COMMUNITY AND SOCIAL SERVICES | | 19 711 | 13 074 | 13 074 | 880 | 4 743 | 6 477 | (1 734) | -26.8% | 11 849 |
| Vote 6 - PUBLIC SAFETY | | 8 240 | 9 704 | 9 704 | 483 | 3 920 | 4 823 | (904) | -18.7% | 10 367 |
| Vote 7 - SPORT AND RECREATION | | 4 225 | 5 285 | 5 285 | 376 | 2 104 | 2 610 | (506) | -19.4% | 4 654 |
| Vote 8 - ROAD TRANSPORT | | 20 014 | 16 670 | 16 670 | 973 | 5 342 | 8 332 | (2 990) | -35.9% | 16 278 |
| Vote 9 - OTHER | | 1 265 | 690 | 690 | 108 | 604 | 345 | 259 | 75.0% | 738 |
| Vote 10 - HOUSING SERVICES | | 3 822 | 2 396 | 2 396 | 181 | 1 052 | 1 198 | (146) | -12.2% | 2 400 |
| Vote 11 - WASTE MANAGEMENT | | 13 717 | 12 880 | 12 880 | 1 195 | 6 901 | 6 440 | 461 | 7.2% | 11 435 |
| Vote 12 - WASTE WATER MANAGEMENT | | 18 541 | 15 605 | 15 605 | 1 022 | 5 862 | 7 802 | (1 941) | -24.9% | 12 936 |
| Vote 13 - ELECTRICITY | | 90 423 | 76 082 | 76 082 | 1 274 | 39 204 | 38 041 | 1 164 | 3.1% | 71 539 |
| Vote 14 - WATER | | 34 937 | 15 250 | 15 250 | 1 280 | 6 606 | 7 625 | (1 019) | -13.4% | 12 906 |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 277 173 | 234 782 | 234 782 | 11 494 | 101 060 | 115 672 | (14 612) | -12.6% | 215 964 |
| Surplus/ (Deficit) for the year | 2 | (51 446) | 22 766 | 22 766 | 13 767 | 29 447 | 13 102 | 16 345 | 124.7% | 16 218 |

Table C4: 2nd Quarter Budget Statement – Financial Performance (revenue and expenditure)

| NC073 Emthanjeni - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|----------------|----------------|-----------------|--------------|--------------------|
| Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| Revenue By Source | | | | | | | | | | |
| Property rates | | 30 752 | 27 763 | 27 763 | 1 420 | 20 863 | 13 881 | 6 982 | 50% | 30 665 |
| Property rates - penalties & collection charges | | 281 | - | - | | - | - | - | | - |
| Service charges - electricity revenue | | 76 314 | 58 966 | 58 966 | 4 046 | 25 332 | 29 483 | (4 151) | -14% | 56 203 |
| Service charges - water revenue | | 24 128 | 30 346 | 30 346 | 2 530 | 14 486 | 15 173 | (687) | -5% | 25 864 |
| Service charges - sanitation revenue | | 11 622 | 18 938 | 18 938 | 1 446 | 8 672 | 9 469 | (797) | -8% | 15 972 |
| Service charges - refuse revenue | | 6 225 | 11 301 | 11 301 | 829 | 4 975 | 5 650 | (675) | -12% | 8 226 |
| Service charges - other | | 440 | 125 | 125 | 38 | 208 | 62 | 146 | 233% | 118 |
| Rental of facilities and equipment | | 833 | 789 | 789 | 70 | 416 | 395 | 22 | 6% | 786 |
| Interest earned - external investments | | 1 390 | 931 | 931 | 2 | 65 | 465 | (400) | -86% | 806 |
| Interest earned - outstanding debtors | | 882 | 1 259 | 1 259 | 133 | 751 | 630 | 122 | 19% | 954 |
| Fines | | 16 970 | 3 720 | 3 720 | 290 | 1 149 | 1 860 | (711) | -38% | 6 943 |
| Licences and permits | | 1 441 | 1 970 | 1 970 | 27 | 223 | 985 | (762) | -77% | 2 508 |
| Transfers recognised - operational | | 40 221 | 40 761 | 40 761 | 12 134 | 29 069 | 20 380 | 8 689 | 43% | 41 210 |
| Other revenue | | 3 035 | 28 120 | 28 120 | 1 981 | 11 233 | 14 060 | (2 827) | -20% | 27 195 |
| Gains on disposal of PPE | | 714 | 268 | 268 | - | 64 | 134 | (70) | -52% | 130 |
| Total Revenue (excluding capital transfers and contributions) | | 215 249 | 225 257 | 225 257 | 24 944 | 117 507 | 112 628 | 4 879 | 4% | 217 580 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 68 489 | 76 930 | 76 930 | 6 471 | 38 054 | 38 464 | (411) | -1% | 69 838 |
| Remuneration of councillors | | 4 835 | 5 275 | 5 275 | 398 | 2 386 | 2 638 | (251) | -10% | 5 046 |
| Debt impairment | | 35 755 | 730 | 730 | - | - | 3 789 | (3 789) | -100% | 8 901 |
| Depreciation & asset impairment | | 59 128 | 9 056 | 9 056 | - | - | 4 528 | (4 528) | -100% | 7 337 |
| Finance charges | | 3 365 | 2 055 | 2 055 | 1 | 2 790 | 1 027 | 1 762 | 172% | 5 468 |
| Bulk purchases | | 59 027 | 60 434 | 60 434 | 699 | 30 421 | 30 217 | 204 | 1% | 57 123 |
| Other materials | | 12 225 | 19 397 | 19 397 | 951 | 6 115 | 9 698 | (3 583) | -37% | 16 771 |
| Contracted services | | 8 358 | 9 819 | 9 819 | 48 | 2 071 | 4 909 | (2 838) | -58% | 9 846 |
| Transfers and grants | | 362 | - | - | - | - | - | - | | - |
| Other expenditure | | 25 125 | 40 147 | 40 147 | 2 926 | 19 224 | 20 401 | (1 178) | -6% | 35 634 |
| Loss on disposal of PPE | | 502 | - | - | - | - | - | - | | - |
| Total Expenditure | | 277 173 | 223 843 | 223 843 | 11 494 | 101 060 | 115 672 | (14 612) | -13% | 215 964 |
| Surplus/(Deficit) | | (61 924) | 1 414 | 1 414 | 13 450 | 16 447 | (3 044) | 19 491 | (0) | 1 616 |
| Transfers recognised - capital | | 10 478 | 32 292 | 32 292 | 317 | 13 000 | 16 146 | (3 146) | (0) | 14 602 |
| Surplus/(Deficit) after capital transfers & contributions | | (51 446) | 33 706 | 33 706 | 13 767 | 29 447 | 13 102 | | | 16 218 |
| Taxation | | - | - | - | - | - | - | - | | - |
| Surplus/(Deficit) after taxation | | (51 446) | 33 706 | 33 706 | 13 767 | 29 447 | 13 102 | | | 16 218 |
| Attributable to minorities | | - | - | - | - | - | - | | | - |
| Surplus/(Deficit) attributable to municipality | | (51 446) | 33 706 | 33 706 | 13 767 | 29 447 | 13 102 | | | 16 218 |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | | | - |
| Surplus/ (Deficit) for the year | | (51 446) | 33 706 | 33 706 | 13 767 | 29 447 | 13 102 | | | 16 218 |

Table C5: 2nd Quarter Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

NC073 Emthanjeni - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q2 Second Quarter

| Vote Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|--------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Capital Multi-year expenditure | 4,7 | - | - | - | - | - | - | - | - | - |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - EXECUTIVE AND COUNCIL | | 30 | 1 925 | 1 925 | - | 2 720 | 962 | 1 758 | 183% | 137 |
| Vote 2 - FINANCE AND ADMINISTRATION | | 123 | 1 260 | 1 260 | - | 119 | 630 | (511) | -81% | 1 735 |
| Vote 3 - PLANNING AND DEVELOPMENT | | 7 | - | - | - | - | - | - | - | - |
| Vote 5 - COMMUNITY AND SOCIAL SERVICES | | 409 | 120 | 120 | - | - | 60 | (60) | -100% | 296 |
| Vote 6 - PUBLIC SAFETY | | 531 | 57 | 57 | - | - | 28 | (28) | -100% | 63 |
| Vote 7 - SPORT AND RECREATION | | 2 | 65 | 65 | 26 | 26 | 32 | (6) | -19% | 75 |
| Vote 8 - ROAD TRANSPORT | | 9 433 | 15 153 | 15 153 | - | 2 716 | 7 576 | (4 861) | -64% | 4 200 |
| Vote 10 - HOUSING SERVICES | | 5 213 | - | - | - | - | - | - | - | - |
| Vote 11 - WASTE MANAGEMENT | | 2 | 22 | 22 | - | - | 11 | (11) | -100% | 29 |
| Vote 12 - WASTE WATER MANAGEMENT | | 164 | - | - | - | - | - | - | - | 981 |
| Vote 13 - ELECTRICITY | | 3 635 | 6 400 | 6 400 | - | 5 237 | 3 200 | 2 037 | 64% | 5 400 |
| Vote 14 - WATER | | 1 284 | 14 080 | 14 080 | 561 | 3 079 | 7 040 | (3 961) | -56% | 7 822 |
| Total Capital single-year expenditure | 4 | 20 832 | 39 082 | 39 082 | 587 | 13 897 | 19 541 | (5 644) | -29% | 20 739 |
| Total Capital Expenditure | | 20 832 | 39 082 | 39 082 | 587 | 13 897 | 19 541 | (5 644) | -29% | 20 739 |
| Capital Expenditure - Standard Classification | | | | | | | | | | |
| Governance and administration | | 153 | 3 185 | 3 185 | - | 2 839 | 1 592 | 1 246 | 78% | 1 873 |
| Executive and council | | 30 | 1 925 | 1 925 | - | 2 720 | 962 | 1 758 | 183% | 137 |
| Budget and treasury office | | 98 | 930 | 930 | - | 119 | 465 | (346) | -74% | 1 385 |
| Corporate services | | 25 | 330 | 330 | - | - | 165 | (165) | -100% | 350 |
| Community and public safety | | 6 155 | 242 | 242 | 26 | 26 | 121 | (95) | -78% | 434 |
| Community and social services | | 409 | 120 | 120 | - | - | 60 | (60) | -100% | 296 |
| Sport and recreation | | 2 | 65 | 65 | 26 | 26 | 32 | (6) | -19% | 75 |
| Public safety | | 531 | 57 | 57 | - | - | 28 | (28) | -100% | 63 |
| Housing | | 5 213 | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 9 440 | 15 153 | 15 153 | - | 2 716 | 7 576 | (4 861) | -64% | 4 200 |
| Planning and development | | 7 | - | - | - | - | - | - | - | - |
| Road transport | | 9 433 | 15 153 | 15 153 | - | 2 716 | 7 576 | (4 861) | -64% | 4 200 |
| Trading services | | 5 084 | 20 502 | 20 502 | 561 | 8 316 | 10 251 | (1 935) | -19% | 14 232 |
| Electricity | | 3 635 | 6 400 | 6 400 | - | 5 237 | 3 200 | 2 037 | 64% | 5 400 |
| Water | | 1 284 | 14 080 | 14 080 | 561 | 3 079 | 7 040 | (3 961) | -56% | 7 822 |
| Waste water management | | 164 | - | - | - | - | - | - | - | 981 |
| Waste management | | 2 | 22 | 22 | - | - | 11 | (11) | -100% | 29 |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Standard Classification | 3 | 20 832 | 39 082 | 39 082 | 587 | 13 897 | 19 541 | (5 644) | -29% | 20 739 |
| Funded by: | | | | | | | | | | |
| National Government | | 10 478 | 32 292 | 32 292 | 561 | 10 674 | 16 146 | (5 471) | -34% | 13 905 |
| Transfers recognised - capital | | 10 478 | 32 292 | 32 292 | 561 | 10 674 | 16 146 | (5 471) | -34% | 13 905 |
| Borrowing | 6 | 9 497 | - | - | - | - | - | - | - | - |
| Internally generated funds | | 856 | 6 790 | 6 790 | 26 | 3 222 | 3 395 | (173) | -5% | 6 834 |
| Total Capital Funding | | 20 832 | 39 082 | 39 082 | 587 | 13 897 | 19 541 | (5 644) | -29% | 20 739 |

Table C6: 2nd Quarter Budget Statement - Financial Position

NC073 Emthanjeni - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | |
|--|-----|-----------------|---------------------|------------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | 1 015 | 968 | 968 | 88 | 968 |
| Call investment deposits | | 9 688 | 10 075 | 10 075 | 18 842 | 10 075 |
| Consumer debtors | | 62 890 | 22 824 | 22 824 | 76 447 | 22 824 |
| Other debtors | | – | 11 277 | 11 277 | (4 769) | 11 277 |
| Current portion of long-term receivables | | 5 | – | – | – | – |
| Inventory | | 452 | 65 556 | 65 556 | 574 | 65 556 |
| Total current assets | | 74 049 | 110 700 | 110 700 | 91 182 | 110 700 |
| Non current assets | | | | | | |
| Long-term receivables | | 1 | – | – | – | – |
| Investments | | 25 | 29 | 29 | 25 | 29 |
| Investment property | | 78 577 | 5 004 | 5 004 | 78 577 | 5 004 |
| Property, plant and equipment | | 788 593 | 932 114 | 932 114 | 790 277 | 932 114 |
| Intangible assets | | 61 | 458 | 458 | 61 | 458 |
| Other non-current assets | | 7 | 83 | 83 | 9 | 83 |
| Total non current assets | | 867 266 | 937 687 | 937 687 | 868 950 | 937 687 |
| TOTAL ASSETS | | 941 314 | 1 048 386 | 1 048 386 | 960 133 | 1 048 386 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | 7 255 | 9 338 | 9 338 | 249 | 9 338 |
| Borrowing | | 3 433 | 688 | 688 | 589 | 688 |
| Consumer deposits | | 2 269 | 2 289 | 2 289 | 2 285 | 2 289 |
| Trade and other payables | | 55 309 | 16 352 | 16 352 | 56 737 | 16 352 |
| Provisions | | 1 511 | 2 972 | 2 972 | 52 218 | 2 972 |
| Total current liabilities | | 69 777 | 31 639 | 31 639 | 112 078 | 31 639 |
| Non current liabilities | | | | | | |
| Borrowing | | 40 900 | – | – | – | – |
| Provisions | | 8 013 | 36 071 | 36 071 | 8 821 | 36 071 |
| Total non current liabilities | | 48 913 | 36 071 | 36 071 | 8 821 | 36 071 |
| TOTAL LIABILITIES | | 118 690 | 67 709 | 67 709 | 120 899 | 67 709 |
| NET ASSETS | 2 | 822 624 | 980 677 | 980 677 | 839 234 | 980 677 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 822 624 | 980 677 | 980 677 | 836 981 | 980 677 |
| Reserves | | – | – | – | 2 253 | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 822 624 | 980 677 | 980 677 | 839 234 | 980 677 |

Table C7: 2nd Quarter Budget Statement - Cash Flow

| NC073 Emthanjeni - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter | | | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|-----------------|-----------------|----------------|--------------|--------------------|
| Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates, penalties & collection charges | | 22 851 | 24 942 | 24 942 | 1 335 | 12 831 | 12 471 | 360 | 3% | 27 999 |
| Service charges | | 102 703 | 113 321 | 113 321 | 6 140 | 45 055 | 56 661 | (11 605) | -20% | 99 902 |
| Other revenue | | 9 811 | 33 311 | 33 311 | 2 368 | 13 022 | 16 655 | (3 633) | -22% | 34 954 |
| Government - operating | | 34 943 | 40 761 | 40 761 | 11 974 | 29 890 | 20 381 | 9 510 | 47% | 41 210 |
| Government - capital | | 14 617 | 32 292 | 32 292 | 3 000 | 30 000 | 16 146 | 13 854 | 86% | 14 602 |
| Interest | | 2 272 | 1 723 | 1 723 | 2 | 65 | 861 | (796) | -92% | 806 |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (174 312) | (205 542) | (205 542) | (11 947) | (98 725) | (102 771) | (4 046) | 4% | (190 113) |
| Finance charges | | (3 365) | (2 055) | (2 055) | (1) | (2 789) | (1 027) | 1 762 | -172% | (5 468) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 9 520 | 38 753 | 38 753 | 12 871 | 29 349 | 19 377 | (9 972) | -51% | 23 890 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | 94 | 268 | 268 | - | 64 | 134 | (70) | -52% | 130 |
| Decrease (increase) other non-current receivables | | (0) | 49 560 | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Capital assets | | (20 141) | (39 082) | (39 082) | (587) | (14 214) | (19 541) | (5 327) | 27% | (20 739) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (20 047) | 10 746 | (38 814) | (587) | (14 150) | (19 407) | (5 257) | 27% | (20 610) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Borrowing long term/refinancing | | 9 497 | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | 95 | 95 | 2 | 34 | 47 | (14) | -29% | 98 |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | (3 046) | (573) | (573) | - | - | (287) | (287) | 100% | (688) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 6 451 | (478) | (478) | 2 | 34 | (239) | (273) | 114% | (590) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | (4 076) | 49 021 | (539) | 12 285 | 15 233 | (270) | | | 2 691 |
| Cash/cash equivalents at beginning: | | 7 524 | 7 524 | 7 524 | | 3 448 | 7 524 | | | 3 448 |
| Cash/cash equivalents at month/year end: | | 3 448 | 56 544 | 6 985 | | 18 681 | 7 254 | | | 6 138 |

Supporting Table SC9: 2nd Quarter Budget Statement – Actual & revised targets for cash receipts & cash flows This supporting table gives a detailed breakdown of information summarised in Table C7.

NC073 Emthanjeni - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q2 Second Quarter

| Description | Ref | Budget Year 2017/18 | | | | | | | | | | | | 2017/18 medium term Revenue & Expenditure Framework | | |
|---|-----|---------------------|---------------|----------------|----------------|----------------|---------------|----------|----------|----------|----------|----------|-----------------|---|------------------------|------------------------|
| | | July | August | Sept | October | Nov | Dec | January | Feb | March | April | May | June | Budget Year 2017/18 | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| R thousands | 1 | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Budget | Budget | Budget | Budget | Budget | Budget | 2017/18 | +1 2018/19 | +2 2019/20 |
| Cash Receipts By Source | | | | | | | | | | | | | | | | |
| Property rates | | 1 489 | 2 483 | 1 911 | 1 625 | 3 986 | 1 335 | - | - | - | - | - | 15 168 | 27 999 | 28 239 | 49 909 |
| Service charges - electricity revenue | | 2 602 | 4 553 | 4 410 | 4 550 | 4 532 | 2 889 | - | - | - | - | - | 29 642 | 53 178 | 56 426 | 67 691 |
| Service charges - water revenue | | 1 171 | 1 710 | 1 789 | 1 837 | 2 131 | 1 488 | - | - | - | - | - | 13 620 | 23 746 | 25 448 | 41 408 |
| Service charges - sanitation revenue | | 963 | 792 | 1 571 | 1 126 | 1 212 | 1 026 | - | - | - | - | - | 8 355 | 15 045 | 15 131 | 16 467 |
| Service charges - refuse | | 606 | 493 | 1 117 | 743 | 838 | 700 | - | - | - | - | - | 3 319 | 7 815 | 7 545 | 6 583 |
| Service charges - other | | 33 | 33 | 38 | 33 | 35 | 38 | - | - | - | - | - | (90) | 118 | 270 | 132 |
| Rental of facilities and equipment | | 62 | 61 | 72 | 66 | 85 | 70 | - | - | - | - | - | 269 | 686 | 734 | 770 |
| Interest earned - external investments | | - | 39 | - | 18 | 6 | 2 | - | - | - | - | - | 740 | 806 | 830 | 863 |
| Fines | | 68 | 12 | 9 | 764 | 6 | 290 | - | - | - | - | - | 5 394 | 6 543 | 6 870 | 7 076 |
| Licences and permits | | 45 | 42 | 37 | 33 | 41 | 27 | - | - | - | - | - | 1 755 | 1 978 | 1 938 | 2 399 |
| Transfer receipts - operating | | 17 156 | 272 | - | - | 488 | 11 974 | - | - | - | - | - | 11 320 | 41 210 | 41 753 | 47 657 |
| Other revenue | | 342 | 2 699 | 2 206 | 2 003 | 2 002 | 1 981 | - | - | - | - | - | 14 515 | 25 747 | 26 967 | 43 475 |
| Cash Receipts by Source | | 24 536 | 13 190 | 13 160 | 12 797 | 15 362 | 21 819 | - | - | - | - | - | 104 007 | 204 870 | 212 149 | 284 431 |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | |
| Transfer receipts - capital | | 14 000 | 9 000 | - | 4 000 | - | 3 000 | - | - | - | - | - | (15 398) | 14 602 | 14 342 | 13 798 |
| Proceeds on disposal of PPE | | - | - | 4 | - | 60 | - | - | - | - | - | - | 66 | 130 | 139 | 148 |
| Increase in consumer deposits | | 2 | 4 | 12 | 4 | 10 | 2 | - | - | - | - | - | 64 | 98 | 90 | 71 |
| Total Cash Receipts by Source | | 38 538 | 22 194 | 13 175 | 16 801 | 15 432 | 24 820 | - | - | - | - | - | 88 738 | 219 699 | 226 720 | 298 449 |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | | 6 371 | 6 353 | 6 115 | 6 439 | 6 305 | 6 471 | - | - | - | - | - | 31 637 | 69 691 | 73 073 | 77 674 |
| Remuneration of councillors | | 398 | 398 | 398 | 398 | 398 | 398 | - | - | - | - | - | 2 561 | 4 948 | 5 015 | 5 269 |
| Interest paid | | 3 | 5 | - | 1 396 | 1 384 | 1 | - | - | - | - | - | 2 679 | 5 468 | 6 143 | 9 731 |
| Bulk purchases - Electricity | | 7 028 | 7 428 | 6 778 | 4 068 | 3 607 | 337 | - | - | - | - | - | 23 087 | 52 332 | 55 359 | 90 859 |
| Bulk purchases - Water & Sewer | | 167 | 199 | 147 | 182 | 119 | 363 | - | - | - | - | - | 1 264 | 2 440 | 2 736 | 4 315 |
| Other materials | | 192 | 362 | 1 410 | 1 706 | 1 495 | 951 | - | - | - | - | - | 10 656 | 16 771 | 18 864 | 30 971 |
| Contracted services | | 12 | 277 | 688 | 244 | 801 | 48 | - | - | - | - | - | 7 775 | 9 846 | 10 565 | 17 432 |
| General expenses | | 2 006 | 2 942 | 4 105 | 3 364 | 3 881 | 3 380 | - | - | - | - | - | 14 407 | 34 085 | 35 533 | 39 397 |
| Cash Payments by Type | | 16 176 | 17 963 | 19 641 | 17 796 | 17 991 | 11 948 | - | - | - | - | - | 94 068 | 195 582 | 207 287 | 275 648 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | | - | 2 646 | 2 275 | 6 280 | 2 425 | 587 | - | - | - | - | - | 6 525 | 20 739 | 20 405 | 22 006 |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - | - | 688 | 688 | - | - |
| Total Cash Payments by Type | | 16 176 | 20 609 | 21 916 | 24 076 | 20 415 | 12 535 | - | - | - | - | - | 101 281 | 217 009 | 227 692 | 297 654 |
| NET INCREASE/(DECREASE) IN CASH HELD | | 22 362 | 1 585 | (8 741) | (7 275) | (4 984) | 12 285 | - | - | - | - | - | (12 542) | 2 691 | (972) | 795 |
| Cash/cash equivalents at the monthly year beginning | | 3 448 | 25 810 | 27 395 | 18 654 | 11 379 | 6 395 | 18 681 | 18 681 | 18 681 | 18 681 | 18 681 | 18 681 | 3 448 | 6 138 | 5 167 |
| Cash/cash equivalents at the monthly year end: | | 25 810 | 27 395 | 18 654 | 11 379 | 6 395 | 18 681 | 18 681 | 18 681 | 18 681 | 18 681 | 18 681 | 6 138 | 6 138 | 5 167 | 5 962 |

PART 2 – SUPPORTING DOCUMENTATION Section 5

– Debtors' analysis

Supporting Table SC3

NC073 Emthanjeni - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

| Description | NT Code | Budget Year 2017/18 | | | | | | | | | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o 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 | - | 2 305 | 1 486 | 1 352 | 1 219 | 1 159 | 2 463 | - | 9 984 | 6 193 | - | 22 864 |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | - | 4 328 | 3 141 | 821 | 911 | 656 | 774 | - | 10 630 | 3 162 | - | 6 519 |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | - | 1 081 | 459 | 439 | 366 | 303 | 10 963 | - | 13 612 | 12 071 | - | 17 134 |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | - | 990 | 651 | 577 | 571 | 888 | 670 | - | 4 347 | 2 706 | - | 9 983 |
| Receivables from Exchange Transactions - Waste Management | 1600 | - | 497 | 312 | 286 | 268 | 446 | 398 | - | 2 208 | 1 398 | - | 4 725 |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest on Arrear Debtor Accounts | 1810 | - | - | - | - | - | - | - | - | - | - | - | - |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1900 | - | 126 | 103 | 70 | 65 | 65 | 129 | - | 558 | 329 | - | 4 778 |
| Total By Income Source | 2000 | - | 9 327 | 6 153 | 3 545 | 3 400 | 3 517 | 15 397 | - | 41 338 | 25 858 | - | 66 004 |
| 2016/17 - totals only | | | 20621233 | 3403677 | 2701031 | 2413665 | 2260512 | 5843844 | | 37 244 | 13 219 | | 86361780 |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | - | 455 | 299 | 290 | 309 | 248 | 1 576 | - | 3 177 | 2 423 | - | 4 137 |
| Commercial | 2300 | - | 2 432 | 848 | 446 | 380 | 164 | 285 | - | 4 555 | 1 275 | - | 1 755 |
| Households | 2400 | - | 5 918 | 4 685 | 2 503 | 2 412 | 2 829 | 13 153 | - | 31 501 | 20 897 | - | 54 118 |
| Other | 2500 | - | 522 | 320 | 306 | 299 | 276 | 383 | - | 2 105 | 1 264 | - | 5 994 |
| Total By Customer Group | 2600 | - | 9 327 | 6 153 | 3 545 | 3 400 | 3 517 | 15 397 | - | 41 338 | 25 858 | - | 66 004 |

Creditors' analysis

Supporting Table SC4

NC073 Emthanjeni - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

| Description | NT Code | Budget Year 2017/18 | | | | | | | | Prior year totals for chart (same period) | |
|--|-------------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|---|--------------|
| | | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | | |
| R thousands | | | | | | | | | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | | |
| Bulk Electricity | 0100 | - | - | - | - | - | - | - | - | - | - |
| Bulk Water | 0200 | - | - | - | - | - | - | - | - | - | - |
| PAYE deductions | 0300 | - | - | - | - | - | - | - | - | - | - |
| VAT (output less input) | 0400 | - | - | - | - | - | - | - | - | - | - |
| Pensions / Retirement deductions | 0500 | - | - | - | - | - | - | - | - | - | - |
| Loan repayments | 0600 | - | - | - | - | - | - | - | - | - | - |
| Trade Creditors | 0700 | 1 755 | 682 | - | - | - | - | - | - | 2 437 | 1 |
| Auditor General | 0800 | - | - | - | - | - | - | - | - | - | - |
| Other | 0900 | 5 867 | - | - | - | - | - | - | - | 5 867 | 2 337 |
| Total By Customer Type | 1000 | 7 622 | 682 | - | - | - | - | - | - | 8 304 | 2 339 |

Investment portfolio analysis

NC073 Emthanjeni - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q2 Second Quarter

| Investments by maturity Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Expiry date of investment | Accrued interest for the month | Yield for the month 1 (%) | Market value at beginning of the month | Change in market value | Market value at end of the month |
|--|-----|----------------------|--------------------|---------------------------|--------------------------------|---------------------------|--|------------------------|----------------------------------|
| | | Yrs/Months | | | | | | | |
| R thousands | | | | | | | | | |
| Municipality | | | | | | | | | |
| General Investment | | Yrs | Fixed Depos | 30/06/2018 | 0 | 0.0% | 11 270 | - | 11 270 |
| Municipality sub-total | | | | | 0 | | 11 270 | - | 11 270 |
| Entities | | | | | | | | | |
| | | | | | | | | | |
| Entities sub-total | | | | | - | | - | - | - |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | 0 | | 11 270 | - | 11 270 |

Allocation and grant receipts and expenditure: - Operating Revenue Framework

NC073 Emthanjeni - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | Full Year Forecast |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|--------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 38 380 | 37 210 | 37 210 | 11 974 | 29 890 | 18 605 | 10 218 | 54.9% | 38 822 |
| Local Government Equitable Share | | 36 197 | 34 424 | 34 424 | 11 974 | 27 430 | 17 212 | 10 218 | 59.4% | 36 197 |
| Finance Management | | 1 625 | 1 700 | 1 700 | - | 1 700 | 850 | | | 1 625 |
| EPWP Incentive | | 558 | 1 086 | 1 086 | - | 760 | 543 | | | 1 000 |
| Other transfers and grants [insert description] | | | | | | | | - | | |
| Provincial Government: | | 1 841 | 881 | 881 | - | - | 441 | (441) | -100.0% | 2 388 |
| Health subsidy | | - | - | - | | | - | - | | 1 227 |
| Housing | | 680 | - | - | | | - | - | | - |
| Sport and Recreation | 4 | 1 161 | 881 | 881 | - | - | 441 | (441) | -100.0% | 1 161 |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | - | | |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | - | | |
| Total Operating Transfers and Grants | 5 | 40 221 | 38 091 | 38 091 | 11 974 | 29 890 | 19 046 | 9 778 | 51.3% | 41 210 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 10 651 | 32 292 | 32 292 | 3 000 | 21 000 | 16 146 | 4 854 | 30.1% | 14 602 |
| Municipal Infrastructure Grant (MIG) | | 7 283 | 12 292 | 12 292 | 3 000 | 8 000 | 6 146 | 1 854 | 30.2% | 11 602 |
| Regional Bulk Infrastructure | | 734 | 14 000 | 14 000 | - | 7 000 | 7 000 | - | | - |
| Integrated National Electrification Programme | | 2 634 | 6 000 | 6 000 | - | 6 000 | 3 000 | 3 000 | 100.0% | 3 000 |
| Other capital transfers [insert description] | | | | | | | | - | | |
| Provincial Government: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | - | | |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | - | | |
| Other grant providers: | | - | - | - | - | - | - | - | | - |
| [insert description] | | | | | | | | - | | |
| Total Capital Transfers and Grants | 5 | 10 651 | 32 292 | 32 292 | 3 000 | 21 000 | 16 146 | 4 854 | 30.1% | 14 602 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 50 872 | 70 383 | 70 383 | 14 974 | 50 890 | 35 192 | 14 632 | 41.6% | 55 812 |

Grant expenditure

| NC073 Emthanjeni - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter | | | | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|--------------|--------------------|
| Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| EXPENDITURE | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 38 380 | 37 210 | 37 210 | 1 257 | 7 565 | 18 605 | (11 040) | -59.3% | 38 822 |
| Local Government Equitable Share | | 36 197 | 34 424 | 34 424 | 1 098 | 6 390 | 17 212 | (10 822) | -62.9% | 36 197 |
| Finance Management | | 1 625 | 1 700 | 1 700 | 160 | 879 | 850 | 29 | 3.4% | 1 625 |
| EPWP Incentive | | 558 | 1 086 | 1 086 | - | 296 | 543 | (247) | -45.4% | 1 000 |
| Provincial Government: | | 1 841 | 2 108 | 2 108 | 128 | 197 | 1 085 | (888) | -81.8% | 2 388 |
| Health subsidy | | - | 1 227 | 1 227 | - | - | 614 | (614) | -100.0% | 1 227 |
| Housing | | 680 | - | - | - | - | - | - | - | - |
| Sport and Recreation | | 1 161 | 881 | 881 | 128 | 197 | 472 | (275) | -58.2% | 1 161 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| <i>[insert description]</i> | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| <i>[insert description]</i> | | - | - | - | - | - | - | - | - | - |
| Total operating expenditure of Transfers and Grants | | 40 221 | 39 318 | 39 318 | 1 386 | 7 762 | 19 690 | (11 928) | -60.6% | 41 210 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 10 651 | 32 292 | 32 292 | 561 | 10 674 | 16 146 | (5 472) | -33.9% | 13 905 |
| Municipal Infrastructure Grant (MIG) | | 7 283 | 12 292 | 12 292 | - | 2 359 | 6 146 | (3 787) | -61.6% | 10 905 |
| Regional Bulk Infrastructure | | 734 | 14 000 | 14 000 | 561 | 3 079 | 7 000 | (3 921) | -56.0% | - |
| Integrated National Electrification Programme | | 2 634 | 6 000 | 6 000 | - | 5 237 | 3 000 | 2 237 | 74.6% | 3 000 |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| 0 | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| <i>[insert description]</i> | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| <i>[insert description]</i> | | - | - | - | - | - | - | - | - | - |
| Total capital expenditure of Transfers and Grants | | 10 651 | 32 292 | 32 292 | 561 | 10 674 | 16 146 | (5 472) | -33.9% | 13 905 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 50 872 | 71 610 | 71 610 | 1 946 | 18 437 | 35 836 | (17 399) | -48.6% | 55 115 |

Expenditure on councillor and board members allowances and employee benefits

| NC073 Emthanjeni - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter | | | | | | | | | | |
|--|----|-----------------|---------------------|-----------------|----------------|---------------|---------------|----------------|--------------|--------------------|
| Summary of Employee and Councillor remuneration | Re | 2016/17 | Budget Year 2017/18 | | | | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | 3 311 | 3 623 | 3 623 | 278 | 1 669 | 1 812 | (143) | -8% | 3 451 |
| Pension and UIF Contributions | | 198 | - | - | - | - | - | - | - | - |
| Medical Aid Contributions | | 18 | - | - | - | - | - | - | - | - |
| Motor Vehicle Allowance | | 931 | 1 208 | 1 208 | 87 | 519 | 604 | (85) | -14% | 1 150 |
| Cellphone Allowance | | 365 | 414 | 414 | 33 | 198 | 207 | (9) | -4% | 395 |
| Other benefits and allowances | | - | 52 | 52 | - | - | 26 | (26) | -100% | 51 |
| Sub Total - Councillors | | 4 823 | 5 297 | 5 297 | 398 | 2 386 | 2 649 | (262) | -10% | 5 046 |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | 3 | 4 019 | 4 052 | 4 052 | 468 | 2 340 | 2 026 | 314 | 16% | 3 833 |
| Pension and UIF Contributions | | 805 | 673 | 673 | 38 | 313 | 337 | (23) | -7% | 672 |
| Medical Aid Contributions | | 161 | 115 | 115 | 4 | 23 | 58 | (34) | -59% | 115 |
| Motor Vehicle Allowance | | 546 | 770 | 770 | 46 | 402 | 385 | 17 | 5% | 755 |
| Cellphone Allowance | | 116 | 382 | 382 | 10 | 82 | 191 | (109) | -57% | 138 |
| Other benefits and allowances | | 243 | 62 | 62 | 7 | 38 | 31 | 8 | 25% | 268 |
| Sub Total - Senior Managers of Municipality | | 5 891 | 6 053 | 6 053 | 573 | 3 199 | 3 026 | 173 | 6% | 5 781 |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 44 715 | 54 607 | 54 607 | 3 750 | 22 818 | 27 303 | (4 486) | -16% | 48 768 |
| Pension and UIF Contributions | | 8 217 | 9 228 | 9 228 | 720 | 3 539 | 4 614 | (1 075) | -23% | 8 721 |
| Medical Aid Contributions | | 1 889 | 1 865 | 1 865 | 212 | 1 295 | 933 | 363 | 39% | 1 810 |
| Overtime | | 3 139 | 1 334 | 1 334 | 330 | 1 765 | 667 | 1 098 | 165% | 1 477 |
| Motor Vehicle Allowance | | 1 025 | 1 150 | 1 150 | 131 | 794 | 575 | 219 | 38% | 1 124 |
| Cellphone Allowance | | 127 | 317 | 317 | 13 | 146 | 159 | (13) | -8% | 233 |
| Housing Allowances | | 536 | 1 178 | 1 178 | 53 | 324 | 589 | (265) | -45% | 687 |
| Other benefits and allowances | | 2 928 | 1 141 | 1 141 | 350 | 2 092 | 571 | 1 521 | 267% | 1 179 |
| Post-retirement benefit obligations | 2 | 36 | 57 | 57 | - | - | 28 | (28) | -100% | 58 |
| Sub Total - Other Municipal Staff | | 62 610 | 70 877 | 70 877 | 5 557 | 32 772 | 35 439 | (2 666) | -8% | 64 057 |
| Total Parent Municipality | | 73 325 | 82 228 | 82 228 | 6 528 | 38 358 | 41 114 | (2 756) | -7% | 74 884 |
| Unpaid salary, allowances & benefits in arrears: | | | | | | | | | | |
| Board Members of Entities | | | | | | | | | | |
| Post-retirement benefit obligations | | | | | | | | - | | |
| Sub Total - Board Members of Entities | 2 | - | - | - | - | - | - | - | | - |
| Senior Managers of Entities | | | | | | | | | | |
| Post-retirement benefit obligations | 2 | | | | | | | - | | |
| Sub Total - Senior Managers of Entities | | - | - | - | - | - | - | - | | - |
| Other Staff of Entities | | | | | | | | | | |
| Post-retirement benefit obligations | | | | | | | | - | | |
| Sub Total - Other Staff of Entities | | - | - | - | - | - | - | - | | - |
| Total Municipal Entities | | - | - | - | - | - | - | - | | - |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 73 325 | 82 228 | 82 228 | 6 528 | 38 358 | 41 114 | (2 756) | -7% | 74 884 |
| TOTAL MANAGERS AND STAFF | | 68 502 | 76 930 | 76 930 | 6 130 | 35 971 | 38 465 | (2 494) | -6% | 69 838 |

Capital programme performance

NC073 Emthanjeni - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q2 Second Quarter

| Month | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|----------------------------|
| | 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 | 3 257 | 3 257 | 0 | 0 | 3 257 | 3 257 | 100.0% | 0% |
| August | 3 635 | 6 514 | 6 514 | 2 646 | 2 646 | 9 770 | 7 124 | 72.9% | 7% |
| September | 164 | 3 240 | 3 240 | 2 275 | 4 921 | 13 011 | 8 089 | 62.2% | 13% |
| October | – | 3 240 | 3 240 | 6 280 | 11 202 | 16 251 | 5 049 | 31.1% | 29% |
| November | 531 | 2 691 | 2 691 | 2 425 | 13 627 | 18 942 | 5 315 | 28.1% | 35% |
| December | – | 1 691 | 1 691 | 587 | 14 214 | 20 633 | 6 419 | 31.1% | 36% |
| January | 409 | 2 691 | 2 691 | – | – | 23 324 | – | – | – |
| February | 4 433 | 3 691 | 3 691 | – | – | 27 015 | – | – | – |
| March | 98 | 1 691 | 1 691 | – | – | 28 706 | – | – | – |
| April | 25 | 3 691 | 3 691 | – | – | 32 397 | – | – | – |
| May | 6 514 | 3 240 | 3 240 | – | – | 35 637 | – | – | – |
| June | 331 | 3 445 | 3 445 | – | – | 39 082 | – | – | – |
| Total Capital expenditure | 20 832 | 39 082 | 39 082 | 14 214 | | | | | |

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 2nd Quarter budget statement for the month of December 2017 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 15/01/2018
