

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**A-F (05-2019)**

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**THE CITY OF EKURHULENI (CoE) METROPOLITAN MUNICIPALITY: UNAUDITED MID YEAR REVIEW AND SECOND QUARTER FINANCIAL AND PERFORMANCE RESULTS – 2018/2019 FINANCIAL YEAR**

**PURPOSE**

To report to Council, the City Of Ekurhuleni (CoE) Metropolitan Municipality's Unaudited **Mid-year** Financial and Performance Results of the 2018/2019 financial year as required in terms of Section 52(d) and Section 72 (sec 88 for entities) of the Municipal Finance Management Act and more detailed in the Budget and Reporting Regulations.

**STRATEGIC OBJECTIVE**

To promote good governance and report on the financial sustainability of the City.

**LEGISLATIVE BACKGROUND**

In terms of Section 72(1) of the MFMA, the accounting officer of a municipality must by **25 January of each year-**

(a) assess the performance of the municipality during the first half of the financial year, taking into account-

- (i) the monthly statements referred to in section 71 for the first half of the financial year;
- (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities.

Section 72(1) (b) requires the accounting officer to submit a report on such assessment to-

- (i) the mayor of the municipality;
- (ii) the National Treasury; and
- (iii) the relevant provincial treasury.

Related to the above-mentioned reporting requirement, section 52(d) of the MFMA requires that specific financial particulars be reported on and in the format prescribed. That section reads as follows;

*"The mayor of a municipality-*

*52(d) **must, within 30 days of the end of each quarter,** submit a report to the **Council** on the implementation of the budget and the financial state of affairs of the municipality;"*

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In compliance with section 52(d) relating to the quarterly reporting period ended 31 December 2018, the 30 days' limit expires on **30 January 2019**.

Further, Section 31(1) of the Government Gazette No 32141 of 17 April 2009 prescribes the following:

*“31. (1) The mayor’s quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52(d) of the Act must be –*

- (a) in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and*
- (b) consistent with the monthly budget statement for September, December, March and June as applicable; and*
- (c) Submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council.”*

Finally, section 54(1) of the MFMA stipulates that **“on receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must-**

- (a) consider the statement or report;
- (b) check whether the municipality’s approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of the adjustment budget
- (d) issue any appropriate instructions to the accounting officer to ensure-
  - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
  - (ii) that spending of funds and revenue collection proceed in accordance with the budget.
- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) in the case of section 72 report, submit the report to the council by **31 January of each year**.

Given the above legislative framework, this report presents both the mid-year performance assessment as well as the second quarter financial results for 2018/19.

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The following Annexures are provided:

- Annexure A** Departmental Operating Budget Reports
- Annexure B** Detailed Capital Projects
- Annexure C** Detailed Performance Report (Pre-Determined Measureable Performance Targets)

**EXECUTIVE SUMMARY**

The Operating Budget Results for the 2018/19 mid-year and the second quarter are summarised below:

Details	Annual Budget R	Results for Quarter 2		Results for Year-to-Date	
		Budget R	Actuals R	Budget R	Actuals R
Income	(36,392,305,940)	(9,281,292,320)	(8,878,819,619)	(19,961,760,682)	(18,670,620,312)
Expenditure	34,175,972,099	7,999,672,380	8,149,770,129	17,187,451,206	16,035,521,021
<b>(Surplus)/Deficit before Gains and Losses</b>	<b>(2,216,333,841)</b>	<b>(1,281,619,940)</b>	<b>729,049,490</b>	<b>(2,774,309,476)</b>	<b>(2,635,099,292)</b>
Gains and Losses	14,578,401	3,644,598	(35,875)	7,289,196	173,758
<b>(Surplus)/Deficit after Gains and Losses</b>	<b>(2,201,755,440)</b>	<b>(1,277,975,342)</b>	<b>(729,085,364)</b>	<b>(2,767,020,280)</b>	<b>(2,634,925,534)</b>
Total charges / recoveries	-	(1,384)	-	(2,758)	-
<b>(Surplus)/Deficit after charges/ recoveries</b>	<b>(2,201,755,440)</b>	<b>(1,277,976,726)</b>	<b>(729,085,364)</b>	<b>(2,767,023,038)</b>	<b>(2,634,925,534)</b>
Less Grant Income recognised to fund Capital Expenditure	2,201,668,575	533,455,596	226,808,938	980,771,109	280,719,193
<b>(Surplus)/Deficit after capital grants</b>	<b>(86,865)</b>	<b>(744,521,130)</b>	<b>(502,276,427)</b>	<b>(1,786,251,929)</b>	<b>(2,354,206,340)</b>

**Operating Results for the Second Quarter**

The **Operating Income** budgeted for the 2<sup>nd</sup> quarter ending 31<sup>st</sup> December 2018 was R9.281 billion. The actual income was R8.878 billion. The Actual Income for the quarterly budget was R402 million (or 4.34%) less than budgeted.

The **Operating Expenditure** budgeted for the 2<sup>nd</sup> quarter ending 31<sup>st</sup> December 2018 was R7.999 billion. The actual expenditure was R8.149 billion which is R150 million (1.88%) more than budgeted.

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In terms of mSCOA requirements, the expenditure for Gains and Losses must be separated from the Operating Expenditure and an amount of R14.5 million was budgeted. The major portion of actual expenditure for gains and losses will only be processed and reported at the end of the 2018/19 financial year.

The interdepartmental recoveries and charges are secondary/indirect non-cash items which includes items such as internal charges/recoveries of electricity, waste management, water & sanitation. It also includes the support services charged by Finance, Information and Communication Technology and Human Resources Management to the services departments. The purpose of this classification is to ensure the cost completeness of the services departments with particular focus on tariff determination. ***The net amount of the charges and recoveries is NIL effect from the City's perspective as these are within the departments.***

The surplus after recoveries & charges is budgeted at R1.277 billion and the actual surplus amounted to R729 million for the 2<sup>nd</sup> Quarter. These amounts include the capital grant income recognised to fund Capital Expenditure. The table above depicts the budgeted surplus after the capital grants as R744 million and the actual surplus as R502 million for the 2<sup>nd</sup> Quarter ended 31<sup>st</sup> December 2018.

#### **Operating Results for the Year-to-Date (Mid-Year)**

The Total Income budgeted for the 2018/19 Mid-Year was R19.961 billion. The actual income was R18.670 billion. The Actual Income for the Mid-Year was R1.3 billion (6.5%) less than budgeted.

The Total Expenditure budgeted for the 2018/19 Mid-Year was R17.187 billion. The actual expenditure was R16.035 billion which is R1.151 billion (6.7%) less than budgeted.

The surplus after recoveries & charges budgeted for the 2018/19 Mid-Year was R2.767 billion and the actual surplus amounted to R2.634 billion.

The surplus after the capital grants budgeted for the 2018/19 Mid-Year was R1.786 billion and the actual surplus amounted to R2.354 billion.

The deviation of the income and expenditure in the various categories is discussed in detail later in the report.

#### **Capital Expenditure**

The actual Capital Expenditure 2018/19 Mid-Year is R922.7 million, which represents a spending of 13.63% of the total capital budget of R6.768 billion. It is important to note that the outstanding commitments at the end of December 2018 amounted to R269 million. The actual expenditure plus commitments for the Mid-Year amounted to R1.192 billion, which represents 17.61% of the Capital Budget.

The comparative results with the previous years as well as the capital spending per department are discussed later in the report.

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### **Collection Rate**

The Collection Rate for the **2<sup>nd</sup> quarter** ended 31 December 2018 is 94.06% which is more than the target of 94% for the second quarter. In the previous financial year, the collection rate for the same quarter was 91.69%. The Collection Rate for the **1<sup>st</sup> quarter** was 90.85% and therefore has improved in the 2<sup>nd</sup> quarter.

### **Cash and Investment Position**

With regard to the **Cash and Investment Position** a cash target of 30 days has been set in the SDBIP for the 2018/19 FY. The actual performance as at end of 31 December 2018 is **31.97 days**. The detailed calculation of the number of operating cash on hand is reflected later in this report.

### **Grant Expenditure**

The **unspent grants** at the beginning of the 2018/19 financial year amounted to R306.4 million of which R247,8 million was surrendered, of which R618,087 of the SRAC Provincial grant will be paid at the end of January 2019 hence the above table is only showing R247,1 million as surrendered. The unspent grants at the beginning of the 2017/18 financial year (previous year) was R113.4m, of which R100.2 million was surrendered. Though a significant portion of the 2016/17 unspent funds was surrendered, the comparison of R113.4m unspent in 2016/17 and R306.4 million unspent in 2017/18 indicates a **significant regression** of spending grants during 2017/18 financial year.

The 2018/19 receipts to date amounted to R 5.232 billion (including fuel levy). The accumulated expenditure to date was R4.299 billion which represents 81% spending. The 81% spending takes into account the 2017/18 unspent funds of R 58,6 million being approved as roll-overs. The total unspent funds (including 2017/18 unspent grants) at the end of December 2018 is **R 995.8 million**. The unspent grants at the end of December 2017 (previous year) was R 951.9 million.

Full details are supplied later in the report.

## **DISCUSSION**

### **Financial Performance of Operating Budget**

#### **Background information**

The revenue performance for the 2<sup>nd</sup> Quarter and for the mid-year is reflected in the table below. The following information is provided:

- Total Budget for the year
- Budget for the 2<sup>nd</sup> Quarter ended 31<sup>st</sup> December 2018;
- Actual results for 2<sup>nd</sup> Quarter ended 31<sup>st</sup> December 2018;
- Percentage variance between budget and actuals for 2<sup>nd</sup> Quarter;
- Budget for the year to date ended 31<sup>st</sup> December 2018;
- Actual results for the year to date ended 31<sup>st</sup> December 2018; and
- Percentage variance between budget and actuals.

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DESCRIPTION	TOTAL BUDGET 2018/19 R	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 2			Budget	Actual	% of B
		Budget	Actual	% of B			
	R	R	R	%	R	R	%
<b>COE TOTAL</b>							
<b>INCOME</b>							
<b>NON - EXCHANGE REVENUE</b>							
Property Rates	(5 615 664 764)	(1 403 916 054)	(1 338 687 632)	95.4%	(2 807 832 108)	(2 715 753 861)	96.7%
Fines, Penalties and Forfeits	(138 197 268)	(34 549 258)	(30 585 740)	88.5%	(69 098 515)	(59 296 240)	85.8%
Licenses and Permits	(338 744 807)	(84 686 097)	(74 066 651)	87.5%	(169 372 216)	(153 794 666)	90.8%
Interest	(52 763 928)	(13 190 973)	(19 518 541)	148.0%	(26 381 946)	(38 336 408)	145.3%
<b>Transfers and Subsidies</b>	<b>(8 139 812 885)</b>	<b>(2 438 831 125)</b>	<b>(2 209 755 488)</b>	<b>90.6%</b>	<b>(5 064 485 954)</b>	<b>(4 299 816 138)</b>	<b>84.9%</b>
- Operational: Monetary	(5 938 144 310)	(1 905 375 529)	(1 982 946 551)	104.1%	(4 083 714 845)	(4 019 096 945)	98.4%
- Capital: Monetary	(2 201 668 575)	(533 455 596)	(226 808 938)	42.5%	(980 771 109)	(280 719 193)	28.6%
<b>SUB TOTAL: NON - EXCHANGE REVENUE</b>	<b>(14 285 183 652)</b>	<b>(3 975 173 507)</b>	<b>(3 672 614 052)</b>	<b>92.4%</b>	<b>(8 137 170 739)</b>	<b>(7 266 997 313)</b>	<b>89.3%</b>
<b>EXCHANGE REVENUE</b>							
Service Charges	(20 780 938 071)	(4 974 659 649)	(4 927 431 107)	99.1%	(11 165 014 095)	(10 849 408 677)	97.2%
Dividends and Rent on Land	(887 886 143)	(221 971 526)	(187 444 148)	84.4%	(443 943 052)	(370 413 050)	83.4%
Operational Revenue	(23 929 153)	(6 439 208)	(6 594 615)	102.4%	(12 406 628)	(12 408 945)	100.0%
Rental from Fixed Assets	(83 191 459)	(21 027 056)	(17 440 493)	82.9%	(41 982 070)	(36 398 830)	86.7%
Sales of Goods and Rendering of Services	(331 177 462)	(82 021 374)	(67 295 205)	82.0%	(161 244 098)	(134 993 498)	83.7%
<b>SUB TOTAL: EXCHANGE REVENUE</b>	<b>(22 107 122 288)</b>	<b>(5 306 118 813)</b>	<b>(5 206 205 568)</b>	<b>98.1%</b>	<b>(11 824 589 943)</b>	<b>(11 403 622 999)</b>	<b>96.4%</b>
<b>TOTAL INCOME</b>	<b>(36 392 305 940)</b>	<b>(9 281 292 320)</b>	<b>(8 878 819 619)</b>	<b>95.7%</b>	<b>(19 961 760 682)</b>	<b>(18 670 620 312)</b>	<b>93.5%</b>

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		QUARTER 2			Budget	Actual	% of B
		Budget	Actual	% of B			
	R	R	R	%	R	R	%
<b>COE TOTAL</b>							
<b>EXPENDITURE</b>							
Employee Related Costs	8 320 849 854	2 081 147 152	1 965 620 834	94.4%	4 157 685 914	3 921 456 872	94.3%
Remuneration of Councilors	151 061 797	37 765 380	33 374 107	88.4%	75 530 760	66 764 864	88.4%
Contracted Services	3 991 002 756	991 860 992	924 045 944	93.2%	2 000 883 618	1 485 122 687	74.2%
Operational Cost	864 838 878	192 573 365	176 553 206	91.7%	406 453 515	372 649 692	91.7%
Inventory	1 761 412 025	427 036 423	391 893 167	91.8%	877 553 945	529 090 456	60.3%
Bulk Purchases	13 479 344 957	2 933 070 348	2 934 601 137	100.1%	7 013 549 995	7 035 700 527	100.3%
Interest Dividends and Rent on Land	930 571 369	148 145 642	134 615 634	90.9%	339 754 379	312 762 111	92.1%
Operating Leases	28 555 284	7 075 622	7 817 668	110.5%	14 105 605	15 210 522	107.8%
Contribution for Bad Debt	1 445 795 514	361 448 874	361 448 889	100.0%	722 897 748	722 897 778	100.0%
Transfers and Subsidies	896 197 620	242 963 123	276 018 803	113.6%	425 864 808	416 997 837	97.9%
Depreciation and Amortisation	2 306 342 045	576 585 459	943 780 740	163.7%	1 153 170 918	1 156 867 674	100.3%
<b>TOTAL EXPENDITURE</b>	<b>34 175 972 099</b>	<b>7 999 672 380</b>	<b>8 149 770 129</b>	<b>101.9%</b>	<b>17 187 451 206</b>	<b>16 035 521 021</b>	<b>93.3%</b>
<b>DEFICIT / (SURPLUS)</b>	<b>(2 216 333 841)</b>	<b>(1 281 619 940)</b>	<b>(729 049 490)</b>	<b>56.9%</b>	<b>(2 774 309 476)</b>	<b>(2 635 099 292)</b>	<b>95.0%</b>
Disp of fixed and intangible assets	14 578 401	3 644 598	-	0.0%	7 289 196	-	0.0%
Inventory	-	-	(35 875)	0.0%	-	173 758	0.0%
<b>TOTAL GAINS AND LOSSES</b>	<b>14 578 401</b>	<b>3 644 598</b>	<b>(35 875)</b>	<b>-1.0%</b>	<b>7 289 196</b>	<b>173 758</b>	<b>2.4%</b>
<b>DEFICIT / (SURPLUS) AFTER GAINS AND</b>	<b>(2 201 755 440)</b>	<b>(1 277 975 342)</b>	<b>(729 085 364)</b>	<b>57.1%</b>	<b>(2 767 020 280)</b>	<b>(2 634 925 534)</b>	<b>95.2%</b>
Total recoveries	(3 360 554 657)	(840 138 546)	(740 877 727)	88.2%	(1 680 277 092)	(1 573 624 817)	93.7%
Total charges	3 360 554 657	840 137 162	740 877 727	88.2%	1 680 274 334	1 573 624 817	93.7%
<b>TOTAL CHARGES / RECOVERIES</b>	<b>-</b>	<b>(1 384)</b>	<b>(0)</b>	<b>0.0%</b>	<b>(2 758)</b>	<b>(0)</b>	<b>0.0%</b>
<b>DEFICIT / (SURPLUS) AFTER RECOV &amp;</b>	<b>(2 201 755 440)</b>	<b>(1 277 976 726)</b>	<b>(729 085 364)</b>	<b>57.0%</b>	<b>(2 767 023 038)</b>	<b>(2 634 925 534)</b>	<b>95.2%</b>
<b>Less Grant Income recognised to fund Capital</b>	<b>2 201 668 575</b>	<b>533 455 596</b>	<b>226 808 938</b>	<b>42.5%</b>	<b>980 771 109</b>	<b>280 719 193</b>	<b>28.6%</b>
<b>(SURPLUS) / DEFICIT AFTER CAPITAL GRANTS</b>	<b>(86 865)</b>	<b>(744 521 130)</b>	<b>(502 276 427)</b>	<b>67.5%</b>	<b>(1 786 251 929)</b>	<b>(2 354 206 340)</b>	<b>131.8%</b>

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**Analysis of Performance**

**INCOME**

The Total Income budgeted for the 2<sup>nd</sup> quarter ending 31<sup>st</sup> December 2018 was R9.281 billion. The actual income was R8.878 billion. The Actual Income for the quarterly budget was R402 million (or 4.34%) less than budgeted.

The discussions of the significant deviations on the various revenue sources are as follows:

**NON - EXCHANGE REVENUE**

The total Non-Exchange Revenue for the 2<sup>nd</sup> Quarter was budgeted at R3.975 billion and the actual revenue amounted to R3.673 billion – a deviation of 7.6% less than the budget.

The total Non-Exchange Revenue for the 2018/19 Mid-Year was budgeted at R8.137 billion and the actual revenue amounted to R7.267 billion – a deviation of 10.7% less than the budget.

- a. The actual revenue from **assessment rates** for the 2018/19 Mid-Year was R2.807 billion, which is R92 million (or 3.3%) less than the budgeted income of R2.715 billion.
- b. The budget of **Fines, Penalties and Forfeits** for the 2018/19 Mid-Year was R69 million. The actual revenue amounted to R59 million, thus a deviation of 14.2% less than budgeted. This category includes Traffic Fines, which was budgeted at R64 million and the actual fines collected amounted to R55.9 million. Traffic fines collected is R8 million less than budgeted.
- c. **Licenses and Permits** reflects income from the Licensing Offices. The biggest income derives from motor vehicle license fees. The budgeted income for Licenses and Permits for the 2018/19 Mid-Year was R169 million, whilst the actual income amounted to R153 million (or 9.2%) less than the budgeted.
- d. The **Transfers and Subsidies** represents the income received from National and Provincial government on grant funding (both operational and capital).

The **Transfer and Subsidies: Capital Monetary** represents the grant income for the funding of the Capital Budget. This income reflected a negative deviation of 71.4% (R700 million) for the 2018/19 Mid-Year.

Capital grant can only be recorded as income once the actual capital grant expenditure has been realised as per the conditions of the grant. It therefore relates directly to the capital expenditure funded by grants. The low spending on the capital budget resulted in the low capital grant recognised.

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**EXCHANGE REVENUE**

Exchange Revenue relates to all income received in exchange for goods and services rendered. It mostly relates to the **Services Charges** generated from trading services. The requirement of mSCOA is that the cost of rendering free basic services be netted off against the services charges of the respective departments. Therefore, the services charges reflected in the tables below is the nett amount after taking into account the cost of free basic services.

Department	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 2			Budget	Actual	% of B
		Budget	Actual	% of B			
Finance	513 111 510	128 277 891	123 512 659	96.3%	256 555 782	245 339 376	95.6%
Energy Department	(13 595 345 291)	(3 178 261 473)	(3 225 749 402)	101.5%	(7 572 217 743)	(7 616 178 813)	100.6%
Waste Management	(1 337 201 826)	(334 300 449)	(313 960 868)	93.9%	(668 600 898)	(646 174 921)	96.6%
Water & Sanitation	(6 361 502 464)	(1 590 375 618)	(1 511 233 495)	95.0%	(3 180 751 236)	(2 832 394 319)	89.0%
<b>TOTAL</b>	<b>(20 780 938 071)</b>	<b>(4 974 659 649)</b>	<b>(4 927 431 107)</b>	<b>99.1%</b>	<b>(11 165 014 095)</b>	<b>(10 849 408 677)</b>	<b>97.2%</b>

It should be noted that the implementation of the mSCOA Framework did not affect the billing system of Council and residents still receive the grants and concessions as per Council policies.

**Finance Income**

This service charge relates to the income from the issuing of warning notices and the electricity disconnection.

The income from warning notices for the Mid-Year was budgeted at R53.6 million, whilst the actual income was R58.9 million, which is R5.3 more than budgeted.

The income budgeted for disconnection fees for the Mid-Year was R15.1 million whilst the actual income was R9.7 million. The reduction in disconnection income might have an indirect impact on the collection rate on outstanding debtors.

**Electricity Income**

The Income for electricity services is showing a positive deviation of 0.58% for the 2018/19 Mid-Year as depicted in the table below:

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 2			Budget	Actual	% of B
		Budget	Actual	% of B			
<b>TOTAL SERVICES CHARGES</b>	<b>(14 007 695 736)</b>	<b>(3 281 349 085)</b>	<b>(3 306 160 490)</b>	<b>100.8%</b>	<b>(7 778 392 967)</b>	<b>(7 787 004 878)</b>	<b>100.1%</b>
<b>COST OF FREE BASIC SERVICES</b>	<b>412 350 445</b>	<b>103 087 612</b>	<b>80 411 087</b>	<b>78.0%</b>	<b>206 175 224</b>	<b>170 826 065</b>	<b>82.9%</b>
ELEC SALES: DOM HIGH HOME POWER 3 (CS	264 944 486	66 236 122	62 164 486	93.9%	132 472 244	123 490 486	93.2%
ESKOM SUPPLIED AREAS	147 405 959	36 851 490	18 246 601	49.5%	73 702 980	47 335 579	64.2%
<b>NET SERVICES CHARGES</b>	<b>(13 595 345 291)</b>	<b>(3 178 261 473)</b>	<b>(3 225 749 402)</b>	<b>101.5%</b>	<b>(7 572 217 743)</b>	<b>(7 616 178 813)</b>	<b>100.6%</b>

There are revenue projects ranging from large meter replacements to comply with national standards and distribution license conditions, to replacing Government owned property metering (and correcting the tariffs charged), to measuring and accounting for COE own use.

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Meter errors are dealt with effectively and timeously, whilst a reduction in interim readings is one of the projects that will receive special attention in the near future. A much higher level of attention is also planned for meters that are suspected to be interfered with.

The results of projects already commissioned are showing steady results, with some of these projects already increasing COE efficiencies, hence the positive deviation in the Mid-Year results. The bulk purchases costs as at Mid-Year is reflecting over-expenditure as there is a direct correlation between revenue and these costs.

**Waste Management**

The actual income (total service charges) from Waste Management for the 2018/19 Mid-Year was R22 million less than the budgeted of R668 million. The deviation of the detailed income is as follows:

DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 2			Budget	Actual	% of B
		Budget	Actual	% of B			
REFUSE REMOVAL: DISPOSAL SITES	(66 558 165)	(16 639 536)	(6 798 847)	40.9%	(33 279 072)	(15 587 478)	46.8%
REFUSE REMOVAL: REHABILITATION LEVY	(5 273 100)	(1 318 275)	(5 478 931)	415.6%	(2 636 550)	(7 848 359)	297.7%
REFUSE REMOVAL: RESIDENTIAL	(983 388 842)	(245 847 210)	(248 091 632)	100.9%	(491 694 420)	(505 929 675)	102.9%
WASTE MANGEMENT: REFUSE REMOVAL (REB)	(170 680 703)	(42 670 173)	(38 235 440)	89.6%	(85 340 346)	(72 581 317)	85.0%
REFUSE REMOVAL: CONTAINERS	(66 999 240)	(16 749 810)	(13 377 831)	79.9%	(33 499 620)	(25 795 062)	77.0%
REFUSE REMOVAL: SPECIAL	(331 848)	(82 962)	332 485	-400.8%	(165 924)	542 331	-326.9%
REFUSE REMOVAL: ENVIRONMENTAL LEVY	(25 356 716)	(6 339 177)	(1 975 536)	31.2%	(12 678 354)	(4 903 563)	38.7%
REFUSE REMOVAL: LITTER PICKING	(38 186 777)	(9 546 693)	(13 658 474)	143.1%	(19 093 386)	(28 410 043)	148.8%
REFUSE REMOVAL: INDUSTRIAL/BUSINESS/MINING	(171 107 138)	(42 776 784)	(38 239 391)	89.4%	(85 553 568)	(77 165 408)	90.2%
<b>TOTAL SERVICES CHARGES</b>	<b>(1 527 882 529)</b>	<b>(381 970 620)</b>	<b>(365 523 597)</b>	<b>95.7%</b>	<b>(763 941 240)</b>	<b>(737 678 574)</b>	<b>96.6%</b>
<b>COST OF FREE BASIC SERVICES</b>	<b>190 680 703</b>	<b>47 670 171</b>	<b>51 562 728</b>	<b>108.2%</b>	<b>95 340 342</b>	<b>91 503 652</b>	<b>96.0%</b>
WASTE MANGEMENT: REFUSE REMOVAL INFORMAL SETTLEMENTS	20 000 000	4 999 998	13 332 969	266.7%	9 999 996	18 929 290	189.3%
WASTE MANGEMENT: REFUSE REMOVAL (CST)	170 680 703	42 670 173	38 229 759	89.6%	85 340 346	72 574 362	85.0%
<b>NET SERVICES CHARGES</b>	<b>(1 337 201 826)</b>	<b>(334 300 449)</b>	<b>(313 960 868)</b>	<b>93.9%</b>	<b>(668 600 898)</b>	<b>(646 174 921)</b>	<b>96.6%</b>

Deviation on revenue from disposal sites is the main contributor to the overall negative deviation of 3.4%. The department needs to closely monitor the revenue from industrial/business/mining as it is also reflect a negative deviation.

**Water and Sanitation**

The actual income for water and sanitation services is 11% (or R348 million) less than budgeted for the 2018/19 Mid-Year. The following table reflects the detailed income sources:

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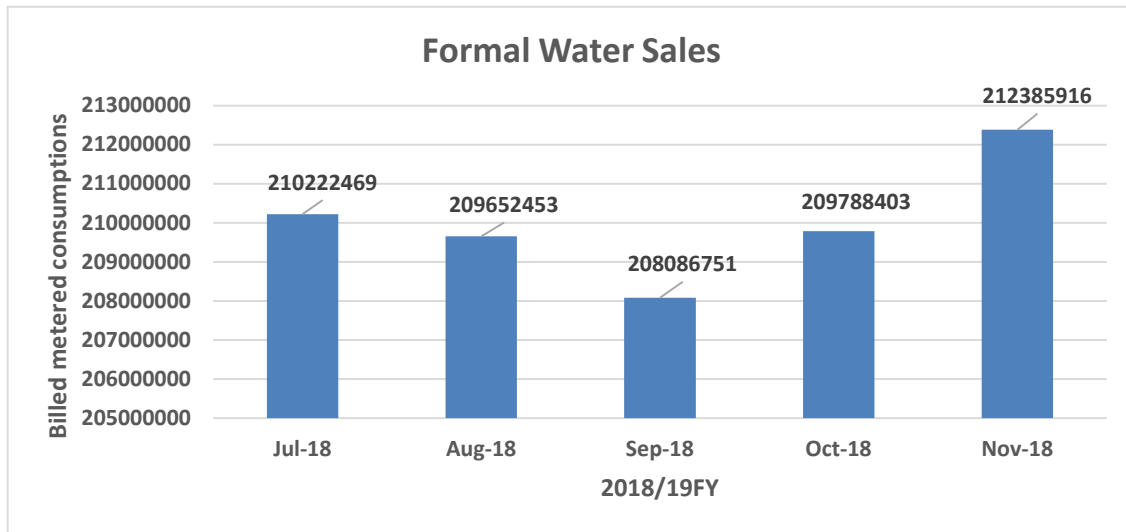
DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 2					
		Budget	Actual	% of B	Budget	Actual	% of B
<b>SANITATION INCOME</b>							
SANITATION: INDUSTRIAL EFFLUENT	(178 129 433)	(44 532 360)	(43 656 000)	98.0%	(89 064 720)	(81 116 368)	91.1%
SANITATION: RESIDENTIAL	(934 513 853)	(233 628 462)	(246 311 744)	105.4%	(467 256 924)	(450 009 765)	96.3%
SANITATION 6 KL ((REB)	(311 569 376)	(77 892 345)	(92 061 208)	118.2%	(155 784 690)	(187 255 571)	120.2%
SANITATION: GREASE TRAPS	(6 380 715)	(1 595 178)	-	0.0%	(3 190 356)	-	0.0%
SANITATION: BASIC CHARGES	(1 059 713)	(264 927)	(32 004)	12.1%	(529 854)	(182 288)	34.4%
SANITATION: CONNECTIONS	(618 090)	(154 524)	(18 553)	12.0%	(309 048)	(72 737)	23.5%
SANITATION: SUNDRY CHARGES	(457 736)	(114 435)	(329 205)	287.7%	(228 870)	(664 456)	290.3%
SANITATION: VACUUM TANK	(109 657)	(27 414)	-	0.0%	(54 828)	-	0.0%
SANITATION: INDUSTRIAL/BUSINESS/MINING	(364 825 553)	(91 206 387)	(75 124 180)	82.4%	(182 412 774)	(147 814 823)	81.0%
SANITATION 3 KL (REB)	(46 851 968)	(11 712 993)	(11 670 436)	99.6%	(23 425 986)	(20 361 178)	86.9%
CHARGES	(108 238 934)	(27 059 733)	(14 019 400)	51.8%	(54 119 466)	(28 372 565)	52.4%
<b>TOTAL SERVICES CHARGES</b>	<b>(1 952 755 028)</b>	<b>(488 188 758)</b>	<b>(483 222 728)</b>	<b>99.0%</b>	<b>(976 377 516)</b>	<b>(915 849 751)</b>	<b>93.8%</b>
<b>COST OF FREE BASIC SERVICES</b>	<b>358 421 344</b>	<b>89 605 338</b>	<b>102 435 382</b>	<b>114.3%</b>	<b>179 210 676</b>	<b>203 518 667</b>	<b>113.6%</b>
SANITATION 6 KL (CST)	311 569 376	77 892 345	90 764 946	116.5%	155 784 690	183 157 489	117.6%
SANITATION 3 KL (CST)	46 851 968	11 712 993	11 670 436	99.6%	23 425 986	20 361 178	86.9%
<b>NET SANITATION INCOME</b>	<b>(1 594 333 684)</b>	<b>(398 583 420)</b>	<b>(380 787 346)</b>	<b>95.5%</b>	<b>(797 166 840)</b>	<b>(712 331 084)</b>	<b>89.4%</b>
<b>WATER INCOME</b>							
WATER: CONNECTIONS	(22 628 385.00)	(5 657 100)	(5 863 183)	103.6%	(11 314 200)	(12 251 297)	108.3%
WATER: SUNDRY CHARGES	(370 084.00)	(92 520)	(50 339)	54.4%	(185 040)	(435 280)	235.2%
WATER: RESIDENTIAL	(2 925 129 293.00)	(731 282 322)	(745 389 202)	101.9%	(1 462 564 644)	(1 380 718 887)	94.4%
WATER: RESIDENTIAL	(2 925 129 293.00)	(731 282 322.00)	(745 389 199.34)	101.9%	(1 462 564 644.00)	(1 382 069 806.37)	94.5%
WATER: INDUSTRIAL/BUSINESS/MINING	(1 670 054 172.00)	(417 513 543)	(365 074 363)	87.4%	(835 027 086)	(692 221 072)	82.9%
WATER: AVAILABILITY CHARGES	(171 111 634.00)	(42 777 909)	(21 161 707)	49.5%	(85 555 818)	(42 483 973)	49.7%
WATER: RESIDENTIAL 6 KL (REB)	(429 646 101.00)	(107 411 526)	(96 160 475)	89.5%	(214 823 052)	(222 759 164)	103.7%
WATER: RESIDENTIAL 3 KL (REB)	(67 167 601.00)	(16 791 900)	(9 247 152)	55.1%	(33 583 800)	(17 937 894)	53.4%
<b>TOTAL SERVICES CHARGES</b>	<b>(5 286 107 270)</b>	<b>(1 321 526 820)</b>	<b>(1 205 154 529)</b>	<b>91.2%</b>	<b>(2 643 053 640)</b>	<b>(2 368 807 567)</b>	<b>89.6%</b>
<b>COST OF FREE BASIC SERVICES</b>	<b>518 938 490</b>	<b>129 734 622</b>	<b>74 708 380</b>	<b>57.6%</b>	<b>259 469 244</b>	<b>248 744 333</b>	<b>95.9%</b>
WATER: RESIDENTIAL 3 KL (CST)	67 167 601	16 791 900	9 247 152	55.1%	33 583 800	17 937 894	53.4%
WATER: RESIDENTIAL 6 KL (CST)	429 646 101	107 411 526	58 372 368	54.3%	214 823 052	221 475 910	103.1%
WATER TANKERS	11 062 394	2 765 598	6 229 233	225.2%	5 531 196	8 175 670	147.8%
WATER TANKERS	11 062 394	2 765 598	859 627	31.1%	5 531 196	1 154 859	20.9%
<b>NET WATER INCOME</b>	<b>(4 767 168 780)</b>	<b>(1 191 792 198)</b>	<b>(1 130 446 149)</b>	<b>94.9%</b>	<b>(2 383 584 396)</b>	<b>(2 120 063 235)</b>	<b>88.9%</b>
<b>TOTAL WATER AND SANITATION</b>	<b>(6 361 502 464)</b>	<b>(1 590 375 618)</b>	<b>(1 511 233 495)</b>	<b>95.0%</b>	<b>(3 180 751 236)</b>	<b>(2 832 394 319)</b>	<b>89.0%</b>

The first quarter of the 18/19FY saw a decline in billed metered consumption (Formal Water Sales) which has since improved in the second quarter by 1.02%YTD. This is due to metered readings that have significantly improved since the beginning of the financial year by 27.98% as indicated on table one below.

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The income target for the month of December 2018 has been achieved for both Water and Sanitation services, with the Q2 achievement standing at 95%

The 89.4% year-to-date income for sanitation and the 88.9% for water is due to poor sales in Q1. There are at least 650 customers that are levied a sanitation tariff for discharging effluent through grease traps on a monthly basis as indicated on figure 1 below. The average income from these customers is averaging at R400 000.00 under tariff code SE9000. This income is reflected as ZERO in the income report. Finance was previously requested to investigate this anomaly. The incorrect application of water availability charges has also been raised for correction by Finance.

The negative deviation on water and sanitation revenue is mainly as a result of water and sanitation income from businesses. The deviation for both services exceeds the 10% for the 2018/19 Mid-Year.

**Other Exchange Revenue Income**

This category of income contains mainly the interest charged on debtor accounts and the interest earned on the bank account. The Interest, Dividends and Rent on Land income for 2018/19 Mid-Year is 16.6% less than budgeted.

The details of the various income sources are as follows:

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DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 2			Budget	Actual	% of B
		Budget	Actual	% of B			
INTEREST EARNED: ASSESSMENT RATES AND OTHER DEBTORS	(24 276 435)	(6 069 096)	(8 149 411)	134.3%	(12 138 192)	(16 703 674)	137.6%
INTEREST EARNED: ELECTRICITY ARREARS	(84 800 000)	(21 200 001)	(10 901 623)	51.4%	(42 400 002)	(20 870 089)	49.2%
INTEREST EARNED: REFUSE REMOVAL ARREARS	(50 000 000)	(12 499 998)	(16 732 170)	133.9%	(24 999 996)	(32 734 747)	130.9%
INTEREST EARNED: SANITATION ARREARS	(68 985 378)	(17 246 346)	(15 113 347)	87.6%	(34 492 692)	(29 359 153)	85.1%
INTEREST EARNED: WATER ARREARS	(242 220 834)	(60 555 210)	(53 111 673)	87.7%	(121 110 420)	(101 929 462)	84.2%
INTEREST EARNED: CURRENT ACCOUNT	(417 603 496)	(104 400 875)	(83 435 923)	79.9%	(208 801 750)	(168 815 926)	80.8%
<b>TOTAL</b>	<b>(887 886 143)</b>	<b>(221 971 526)</b>	<b>(187 444 148)</b>	<b>84.4%</b>	<b>(443 943 052)</b>	<b>(370 413 050)</b>	<b>83.4%</b>

The majority of the Interest above relates to the interest charged on debtor accounts. The interest earned on debtor accounts is impacting on the outstanding debtor balances and subsequent potential bad debt.

The only interest earned in real cash is the interest on the current.

## **EXPENDITURE**

The Total Expenditure budgeted for the 2<sup>nd</sup> quarter ending 31<sup>st</sup> December 2018 was R7.999 billion. The actual expenditure was R8.149 billion which is R150 million (1.88%) more than budgeted.

The Total Expenditure budgeted for the 2018/19 Mid-Year was R17.187 billion. The actual expenditure was R16.035 billion which is R1.151 billion (6.7%) less than budgeted.

## **REPAIR AND MAINTENANCE PER DEPARTMENT**

The mSCOA Framework does not accommodate the Repair and Maintenance as a type of expenditure and category. These expenditure is embedded in the various categories of new SCOA and form part of the outsourced services, contracted services and inventory categories.

Due to the relative importance to monitor expenditure in this regard, repairs and maintenance extracted from the various categories is reflected in the following table as follows:

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DEPARTMENT	AMENDED BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 2			Budget	Actual	% of B
		Budget	Actual	% of B			
ENERGY	863 003 391	190 517 786	133 001 168	69.8%	372 097 914	216 280 630	58.1%
ROADS AND STORMWATER	687 434 807	171 854 383	91 790 065	53.4%	286 673 971	133 002 416	46.4%
WATER AND SANITATION	387 092 948	96 724 897	69 955 207	72.3%	161 408 034	99 613 657	61.7%
REAL ESTATE	120 005 164	33 645 654	15 414 100	45.8%	34 727 321	20 662 099	59.5%
INFORMATION COMMUNICATION TECHNOLOGY	155 301 243	38 854 913	36 127 786	93.0%	65 278 373	54 136 814	82.9%
WASTE MANAGEMENT	111 496 847	27 788 489	17 578 774	63.3%	46 387 394	28 332 958	61.1%
ENVIRONMENTAL RESOURCE MANAGEMENT	87 800 623	21 983 325	26 318 949	119.7%	36 505 543	32 297 974	88.5%
SPORTS, RECREATION, ARTS AND CULTURE	41 515 413	10 122 680	8 257 116	81.6%	24 472 311	13 723 683	56.1%
TRANSPORT	30 739 977	7 728 408	5 045 969	65.3%	13 886 876	8 166 380	58.8%
HUMAN SETTLEMENTS	83 329 969	16 789 997	10 302 918	61.4%	19 261 160	16 627 907	86.3%
DISASTER AND EMERGENCY MANAGEMENT SERVICES	33 446 841	8 376 315	16 519 384	197.2%	13 558 882	18 694 248	137.9%
CITY PLANNING	38 967 692	9 741 934	6 472 238	66.4%	9 849 766	6 507 768	66.1%
EKURHULENI METRO POLICE DEPARTMENT	27 695 686	6 965 586	8 437 184	121.1%	10 917 642	13 326 393	122.1%
FINANCE	16 834 975	4 026 137	646 915	16.1%	5 643 929	9 413 481	166.8%
CUSTOMER RELATIONS MANAGEMENT	7 962 736	1 990 694	2 842 873	142.8%	2 094 268	3 483 144	166.3%
HEALTH AND SOCIAL DEVELOPMENT	10 172 618	2 811 946	2 001 925	71.2%	4 980 757	2 544 534	51.1%
ECONOMIC DEVELOPMENT	3 583 818	911 307	790 329	86.7%	1 752 430	882 421	50.4%
FLEET MANAGEMENT	3 813 044	953 211	511 734	53.7%	1 588 685	850 453	53.5%
HUMAN RESOURCES	1 466 710	585 800	583 164	99.5%	702 999	1 047 844	149.1%
INTERNAL AUDIT	116 472	24 114	5 750	23.8%	60 188	6 988	11.6%
COMMUNICATION & BRANDING	53 270	13 350	1 746	13.1%	21 910	7 722	35.2%
STRATEGY & CORPORATE PLANNING	418 443	43 749	161 588	369.4%	26 041	364 608	0.0%
EXECUTIVE OFFICE	224 709	53 595	114 184	213.0%	87 057	142 442	163.6%
CITY MANAGER	327 144	81 786	34 024	41.6%	180 060	33 407	18.6%
LEGISLATURE	76 726	15 827	1 382	8.7%	37 535	6 727	17.9%
CORPORATE LEGAL	38 696	10 300	-	0.0%	10 300	-	0.0%
CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION	97 273	-	8 292	0.0%	97 273	16 721	17.2%
COUNCIL GENERAL	20 609 445	5 152 359	60 000	1.2%	8 587 265	201 410	2.3%
<b>TOTAL REPAIRS AND MAINTENANCE</b>	<b>2 733 626 680</b>	<b>657 768 542</b>	<b>452 984 763</b>	<b>68.87%</b>	<b>1 120 895 883</b>	<b>680 374 829</b>	<b>60.70%</b>

The Repairs and Maintenance budgeted for the 2018/19 Mid-Year was **R1.120 billion**. The actual expenditure amounted to **R680 million**, resulting in an underspending of R440 million (i.e. 60.7% of the budget was spent).

**Employee Related Costs**

The amount budgeted for the salaries and contributions towards senior management and other municipal staff amounted to R8.3 billion for the 2018/19 financial year.

The actual expenditure for Employee Related Costs for the Mid-Year is R236 million less than the budgeted expenditure, which represents a deviation of 5.8%. This is largely as a result of the provision made for the filling of vacant positions which have not yet been filled.

The amount spent on Overtime is a major concern. The following table reflects the Overtime per department:

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Department	2017/18 MID-YEAR RESULTS	2018/19 MID-YEAR RESULTS	Increase/ (decrease) in overtime
Waste Management	29 739 629	46 314 308	16 574 679
Energy Department	40 798 846	51 178 901	10 380 055
Disaster & Emergency Management Services	42 827 113	48 795 555	5 968 442
Water & Sanitation	29 452 283	33 718 765	4 266 483
Transport	10 916 505	11 500 906	584 401
Sports, Recreation, Arts & Culture (SRAC)	15 405 506	15 843 153	437 647
Customer Relations Management	134 114	414 937	280 823
Finance	7 107 641	7 349 811	242 170
Real Estate	1 167 649	1 385 094	217 445
City Manager	198 486	330 185	131 699
Chief Operating Officer:Delivery Co-Ordinator	-	3 394	3 394
Legislature	1 266 510	1 250 245	(16 265)
EPMO	28 799	-	(28 799)
Executive Office	348 729	317 046	(31 683)
Communication and Brand Management	202 166	168 097	(34 069)
Strategy & Corporate Planning	77 016	36 701	(40 315)
Fleet Management	4 667 448	4 606 217	(61 231)
Internal Audit	68 630	-	(68 630)
ICT	617 545	543 309	(74 236)
Corporate Legal	190 464	33 186	(157 278)
Health & Social Development	3 162 845	2 991 065	(171 780)
Human Settlements	726 296	509 434	(216 862)
City Planning	400 415	181 350	(219 065)
Economic Development	1 251 153	819 702	(431 451)
Human Resources	907 323	50 928	(856 395)
Roads & Stormwater	6 351 792	3 576 199	(2 775 593)
Environmental Resource Management	12 562 766	7 494 050	(5 068 716)
Ekurhuleni Metro Police Department (EMPD)	164 303 427	138 312 066	(25 991 361)
<b>TOTAL OVERTIME</b>	<b>374 881 096</b>	<b>377 724 604</b>	<b>2 843 508</b>

The overall spending on overtime as at 2018/19 Mid-Year has increased by R2.8 million when compared to the Mid-Year results of 2017/18. The table above depicts departments with increased spending on overtime at the top, which is a major concern.

### **Remuneration of Councillors**

An amount of R151 million was budgeted for Councillor's remuneration in the 2018/19 financial year. The amount budgeted for the 2018/19 Mid-Year was R75.56 million, whilst the actual expenditure was R66.7 million which is 11.6% less than budgeted.

Provision was made for an increase of 7% in the 2018/19 financial year, which have not yet been effected. The remuneration of councillors will therefore reflect a deviation until the annual increases for allowances are approved. The approval of Councillor's allowance usually takes place in January each year after the issuance of the gazette in previous month of December.

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**Contracted Services**

Contracted Services relates to all expenditure incurred by Council which could/should have been rendered by Council itself. It therefore includes;

- Outsourced services;
- Consultants; and
- Other Contracts.

The budget for Contracted and Outsourced Services for the 2018/19 Mid-Year was R2 billion whilst the actual expenditure amounted to R1.485 billion (or 74.2% budget spent).

Cognisance must be taken that the expenditure in this nature is not accrued and therefore it could reflect to a large extent only expenditure for 5 months (i.e. December 2018 invoices will only get paid in January 2019).

The following table reflects the detail expenditure per department:

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DEPARTMENT	DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
			QUARTER 2			Budget	Actual	% of B
			Budget	Actual	% of B			
<b>CoE TOTAL</b>	<b>Contracted Services</b>	<b>3 991 002 756</b>	<b>991 860 992</b>	<b>924 045 944</b>	<b>93.2%</b>	<b>2 000 883 618</b>	<b>1 485 122 687</b>	<b>74.2%</b>
CoE TOTAL	- Outsource Services	2 130 022 471	535 643 184	555 937 733	103.8%	1 087 209 263	951 723 855	87.5%
CoE TOTAL	- Consultants and Professional Serv	283 586 935	67 877 020	70 093 610	103.3%	148 133 870	105 674 966	71.3%
CoE TOTAL	- Contractors	1 577 393 350	388 340 788	298 014 601	76.7%	765 540 486	427 723 867	55.9%
<b>Executive Office</b>	<b>Contracted Services</b>	<b>461 366</b>	<b>112 914</b>	<b>195 213</b>	<b>172.9%</b>	<b>228 942</b>	<b>317 360</b>	<b>138.6%</b>
Executive Office	- Outsource Services	305 771	74 319	114 285	153.8%	152 847	208 173	136.2%
Executive Office	- Contractors	155 595	38 595	80 928	209.7%	76 095	109 186	143.5%
<b>Legislature</b>	<b>Contracted Services</b>	<b>6 214 976</b>	<b>1 537 437</b>	<b>1 032 451</b>	<b>67.2%</b>	<b>3 110 118</b>	<b>1 539 895</b>	<b>49.5%</b>
Legislature	- Outsource Services	3 404 577	846 154	816 310	96.5%	1 702 195	1 323 754	77.8%
Legislature	- Consultants and Professional Serv	2 725 122	675 390	220 431	32.6%	1 362 555	220 431	16.2%
Legislature	- Contractors	85 277	15 893	(4 290)	-27.0%	45 368	(4 290)	-9.5%
<b>City Manager</b>	<b>Contracted Services</b>	<b>5 404 184</b>	<b>1 467 828</b>	<b>638 727</b>	<b>43.5%</b>	<b>2 513 215</b>	<b>1 238 381</b>	<b>49.3%</b>
City Manager	- Outsource Services	163 019	43 902	54 786	124.8%	82 408	127 978	155.3%
City Manager	- Consultants and Professional Serv	5 000 000	1 363 635	583 941	42.8%	2 272 725	1 108 954	48.8%
City Manager	- Contractors	241 165	60 291	-	0.0%	158 082	1 449	0.9%
<b>Strategy &amp; Corporate Planning</b>	<b>Contracted Services</b>	<b>941 991</b>	<b>244 480</b>	<b>572 966</b>	<b>234.4%</b>	<b>387 920</b>	<b>583 939</b>	<b>150.5%</b>
Strategy & Corporate Planning	- Outsource Services	50 166	9 355	789	8.4%	34 591	11 762	34.0%
Strategy & Corporate Planning	- Consultants and Professional Serv	891 528	234 828	572 177	243.7%	353 032	572 177	162.1%
Strategy & Corporate Planning	- Contractors	297	297	-	0.0%	297	-	0.0%
<b>Risk Management</b>	<b>Contracted Services</b>	<b>432 996</b>	<b>43 749</b>	<b>14 257</b>	<b>32.6%</b>	<b>276 749</b>	<b>179 392</b>	<b>64.8%</b>
Risk Management	- Outsource Services	31 279	13 588	14 257	104.9%	29 588	24 745	83.6%
Risk Management	- Consultants and Professional Serv	400 358	30 161	-	0.0%	247 161	154 647	62.6%
Risk Management	- Contractors	1 359	-	-	0.0%	-	-	0.0%
<b>Chief Operating Officer</b>	<b>Contracted Services</b>	<b>215 998</b>	<b>39 163</b>	<b>75 370</b>	<b>192.5%</b>	<b>285 643</b>	<b>97 881</b>	<b>34.3%</b>
Chief Operating Officer	- Outsource Services	109 322	44 360	73 470	165.6%	99 255	95 981	96.7%
Chief Operating Officer	- Consultants and Professional Serv	103 452	(5 119)	-	0.0%	182 930	-	0.0%
Chief Operating Officer	- Contractors	3 224	(78)	1 900	-2435.9%	3 458	1 900	54.9%
<b>EPMO</b>	<b>Contracted Services</b>	<b>9 827 087</b>	<b>1 271 184</b>	<b>2 389 667</b>	<b>188.0%</b>	<b>3 248 987</b>	<b>2 428 330</b>	<b>74.7%</b>
EPMO	- Outsource Services	179 790	48 451	100 412	207.2%	64 166	139 074	216.7%
EPMO	- Consultants and Professional Serv	9 647 000	1 222 733	2 289 256	187.2%	3 184 524	2 289 256	71.9%
EPMO	- Contractors	297	-	-	0.0%	297	-	0.0%
<b>Council General</b>	<b>Contracted Services</b>	<b>29 526 523</b>	<b>7 381 629</b>	<b>-</b>	<b>0.0%</b>	<b>14 763 258</b>	<b>-</b>	<b>0.0%</b>
Council General	- Outsource Services	16 250	4 062	-	0.0%	8 124	-	0.0%
Council General	- Consultants and Professional Serv	10 000 000	2 499 999	-	0.0%	4 999 998	-	0.0%
Council General	- Contractors	19 510 273	4 877 568	-	0.0%	9 755 136	-	0.0%
<b>Customer Relations Management</b>	<b>Contracted Services</b>	<b>6 232 051</b>	<b>1 558 030</b>	<b>371 629</b>	<b>23.9%</b>	<b>3 116 060</b>	<b>396 000</b>	<b>12.7%</b>
Customer Relations Management	- Outsource Services	2 799 086	699 783	40 049	5.7%	1 399 566	63 985	4.6%
Customer Relations Management	- Consultants and Professional Serv	2 874 006	718 502	331 580	46.1%	1 437 004	331 580	23.1%
Customer Relations Management	- Contractors	558 959	139 745	-	0.0%	279 490	435	0.2%
<b>Roads &amp; Stormwater</b>	<b>Contracted Services</b>	<b>672 761 838</b>	<b>168 186 153</b>	<b>119 614 771</b>	<b>71.1%</b>	<b>336 388 972</b>	<b>168 203 215</b>	<b>50.0%</b>
Roads & Stormwater	- Outsource Services	324 559	81 135	100 874	124.3%	162 270	119 681	73.8%
Roads & Stormwater	- Consultants and Professional Serv	3 390 613	847 650	100 227	11.8%	1 695 300	100 227	5.9%
Roads & Stormwater	- Contractors	669 046 666	167 257 368	119 413 670	71.4%	334 531 402	167 983 307	50.2%
<b>Transport</b>	<b>Contracted Services</b>	<b>295 796 069</b>	<b>74 114 149</b>	<b>24 071 679</b>	<b>32.5%</b>	<b>147 843 304</b>	<b>24 888 407</b>	<b>16.8%</b>
Transport	- Outsource Services	17 942 860	4 473 828	370 686	8.3%	8 894 328	514 619	5.8%
Transport	- Consultants and Professional Serv	5 828 467	1 455 330	-	0.0%	2 917 773	-	0.0%
Transport	- Contractors	272 024 742	68 184 991	23 700 992	34.8%	136 031 203	24 373 788	17.9%
<b>Fleet Management</b>	<b>Contracted Services</b>	<b>1 922 115</b>	<b>480 489</b>	<b>238 811</b>	<b>49.7%</b>	<b>960 978</b>	<b>287 221</b>	<b>29.9%</b>
Fleet Management	- Outsource Services	704 937	176 232	3 449	2.0%	352 464	5 941	1.7%
Fleet Management	- Consultants and Professional Serv	-	-	-	#DIV/0!	-	-	#DIV/0!
Fleet Management	- Contractors	1 217 178	304 257	235 362	77.4%	608 514	281 279	46.2%
<b>Real Estate</b>	<b>Contracted Services</b>	<b>36 752 411</b>	<b>11 701 234</b>	<b>7 179 467</b>	<b>61.4%</b>	<b>18 522 806</b>	<b>9 113 532</b>	<b>49.2%</b>
Real Estate	- Outsource Services	601 024	173 054	12 605	7.3%	321 398	30 041	9.3%
Real Estate	- Consultants and Professional Serv	34 093 720	11 055 972	6 560 416	59.3%	16 957 146	8 206 885	48.4%
Real Estate	- Contractors	2 057 667	472 208	606 445	128.4%	1 244 262	876 606	70.5%

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**ITEM A-F (05-2019)**

DEPARTMENT	DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
			QUARTER 2			Budget	Actual	% of B
			Budget	Actual	% of B			
Health & Social Development	Contracted Services	11 985 360	2 808 875	1 733 685	61.7%	5 615 816	2 630 312	46.8%
Health & Social Development	- Outsource Services	4 399 658	1 053 540	407 062	38.6%	2 061 645	888 970	43.1%
Health & Social Development	- Consultants and Professional Services	1 239 200	(22 058)	1 575	-7.1%	(25 888)	27 735	-107.1%
Health & Social Development	- Contractors	6 346 502	1 777 393	1 325 048	74.6%	3 580 059	1 713 608	47.9%
Disaster & Emergency Management Services	Contracted Services	52 270 456	13 095 332	21 585 813	164.8%	29 450 603	30 414 319	103.3%
Disaster & Emergency Management Services	- Outsource Services	29 285 808	7 329 214	7 096 110	96.8%	18 138 813	13 983 667	77.1%
Disaster & Emergency Management Services	- Consultants and Professional Services	896 399	224 099	-	0.0%	586 948	-	0.0%
Disaster & Emergency Management Services	- Contractors	22 088 249	5 542 020	14 489 703	261.5%	10 724 842	16 430 651	153.2%
Ekurhuleni Metro Police Department (EMPD)	Contracted Services	327 029 784	85 344 338	98 491 443	115.4%	170 164 065	160 975 962	94.6%
Ekurhuleni Metro Police Department (EMPD)	- Outsource Services	301 463 145	75 397 946	91 573 285	121.5%	150 512 047	151 586 848	100.7%
Ekurhuleni Metro Police Department (EMPD)	- Consultants and Professional Services	22 643 898	9 215 705	6 135 883	66.6%	18 315 649	8 469 933	46.2%
Ekurhuleni Metro Police Department (EMPD)	- Contractors	2 922 741	730 687	782 276	107.1%	1 336 369	919 181	68.8%
Sports, Recreation, Arts & Culture (SRAC)	Contracted Services	27 234 886	3 851 666	4 718 612	122.5%	17 006 344	7 222 540	42.5%
Sports, Recreation, Arts & Culture (SRAC)	- Outsource Services	3 700 537	879 074	65 384	7.4%	2 413 291	93 732	3.9%
Sports, Recreation, Arts & Culture (SRAC)	- Consultants and Professional Services	1 121 013	566 534	-	0.0%	633 068	-	0.0%
Sports, Recreation, Arts & Culture (SRAC)	- Contractors	22 413 336	2 406 058	4 653 227	193.4%	13 959 985	7 128 808	51.1%
Human Settlements	Contracted Services	195 987 534	44 139 293	23 775 296	53.9%	62 721 250	29 760 574	47.4%
Human Settlements	- Outsource Services	32 834	8 731	2 777	31.8%	16 885	3 917	23.2%
Human Settlements	- Consultants and Professional Services	36 874 390	6 442 619	3 963 872	61.5%	8 960 641	4 006 544	44.7%
Human Settlements	- Contractors	159 080 310	37 687 943	19 808 647	52.6%	53 743 724	25 750 113	47.9%
Finance	Contracted Services	188 600 833	45 457 568	45 959 176	101.1%	93 196 004	62 571 076	67.1%
Finance	- Outsource Services	123 550 398	30 889 202	31 625 667	102.4%	61 765 293	39 728 342	64.3%
Finance	- Consultants and Professional Services	38 448 942	8 097 449	8 304 836	102.6%	18 830 246	12 780 117	67.9%
Finance	- Contractors	26 601 493	6 470 917	6 028 674	93.2%	12 600 465	10 062 617	79.9%
Human Resources	Contracted Services	2 796 289	965 914	942 288	97.6%	1 825 722	1 550 234	84.9%
Human Resources	- Outsource Services	1 150 679	341 573	339 372	99.4%	828 400	469 488	56.7%
Human Resources	- Consultants and Professional Services	420 266	105 068	164 050	156.1%	160 136	210 130	131.2%
Human Resources	- Contractors	1 225 344	519 273	438 867	84.5%	837 186	870 617	104.0%
ICT	Contracted Services	155 202 730	38 829 635	45 985 713	118.4%	77 599 270	75 960 154	97.9%
ICT	- Outsource Services	24 200	5 400	-	0.0%	10 800	1 386	12.8%
ICT	- Contractors	155 178 530	38 824 235	45 985 713	118.4%	77 588 470	75 958 768	97.9%
Corporate Legal	Contracted Services	30 264 814	5 778 100	19 337 133	334.7%	6 553 421	19 832 852	302.6%
Corporate Legal	- Outsource Services	143 691	34 150	4 229	12.4%	69 271	7 253	10.5%
Corporate Legal	- Consultants and Professional Services	30 093 945	5 737 500	19 332 903	337.0%	6 475 000	19 825 598	306.2%
Corporate Legal	- Contractors	27 178	6 450	-	0.0%	9 150	-	0.0%
Economic Development	Contracted Services	6 986 592	2 251 576	439 685	19.5%	4 704 650	590 418	12.5%
Economic Development	- Outsource Services	65 039	17 745	41 239	232.4%	36 215	57 803	159.6%
Economic Development	- Consultants and Professional Services	4 975 082	1 763 061	(94 372)	-5.4%	3 426 047	11 797	0.3%
Economic Development	- Contractors	1 946 471	470 770	492 819	104.7%	1 242 388	520 819	41.9%

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**ITEM A-F (05-2019)**

DEPARTMENT	DESCRIPTION	TOTAL BUDGET	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
			QUARTER 2			Budget	Actual	% of B
			Budget	Actual	% of B			
<b>City Planning</b>	<b>Contracted Services</b>	<b>91 202 219</b>	<b>20 567 069</b>	<b>23 049 876</b>	<b>112.1%</b>	<b>64 944 918</b>	<b>48 756 385</b>	<b>75.1%</b>
City Planning	- Outsource Services	440 467	111 093	85 209	76.7%	218 308	96 985	44.4%
City Planning	- Consultants and Professional Serv	51 802 118	10 624 338	15 217 030	143.2%	45 105 637	40 895 508	90.7%
City Planning	- Contractors	38 959 634	9 831 638	7 747 637	78.8%	19 620 973	7 763 892	39.6%
<b>Environmental Resource Management</b>	<b>Contracted Services</b>	<b>102 178 106</b>	<b>25 476 077</b>	<b>23 007 136</b>	<b>90.3%</b>	<b>51 454 107</b>	<b>28 723 623</b>	<b>55.8%</b>
Environmental Resource Management	- Outsource Services	66 344 088	16 502 006	8 992 732	54.5%	33 568 420	10 342 159	30.8%
Environmental Resource Management	- Consultants and Professional Serv	2 337 865	600 078	161 605	26.9%	1 137 701	161 605	14.2%
Environmental Resource Management	- Contractors	33 496 153	8 373 993	13 852 799	165.4%	16 747 986	18 219 859	108.8%
<b>Communication and Brand Management</b>	<b>Contracted Services</b>	<b>172 685</b>	<b>42 514</b>	<b>67 770</b>	<b>159.4%</b>	<b>80 100</b>	<b>75 125</b>	<b>93.8%</b>
Communication and Brand Management	- Outsource Services	163 332	40 864	67 770	165.8%	74 140	75 125	101.3%
Communication and Brand Management	- Contractors	9 353	1 650	-	0.0%	5 960	-	0.0%
<b>Internal Audit</b>	<b>Contracted Services</b>	<b>6 634 828</b>	<b>1 658 694</b>	<b>300 563</b>	<b>18.1%</b>	<b>3 317 388</b>	<b>4 357 397</b>	<b>131.4%</b>
Internal Audit	- Outsource Services	5 225 538	1 306 374	3 076	0.2%	2 612 748	4 036 302	154.5%
Internal Audit	- Consultants and Professional Serv	1 349 920	337 479	291 737	86.4%	674 958	314 107	46.5%
Internal Audit	- Contractors	59 370	14 841	5 750	38.7%	29 682	6 988	23.5%
<b>Energy Department</b>	<b>Contracted Services</b>	<b>439 431 560</b>	<b>111 599 256</b>	<b>137 299 753</b>	<b>123.0%</b>	<b>237 765 643</b>	<b>222 380 156</b>	<b>93.5%</b>
Energy Department	- Outsource Services	365 954 300	94 444 264	118 878 730	125.9%	201 304 821	192 479 658	95.6%
Energy Department	- Consultants and Professional Serv	5 010 752	1 240 525	1 131 639	91.2%	2 515 815	1 131 639	45.0%
Energy Department	- Contractors	68 466 508	15 914 467	17 289 384	108.6%	33 945 007	28 768 859	84.8%
<b>Waste Management</b>	<b>Contracted Services</b>	<b>426 518 383</b>	<b>106 850 475</b>	<b>101 278 135</b>	<b>94.8%</b>	<b>212 816 989</b>	<b>149 747 394</b>	<b>70.4%</b>
Waste Management	- Outsource Services	415 048 037	103 992 114	100 021 446	96.2%	207 063 587	148 340 344	71.6%
Waste Management	- Consultants and Professional Serv	5 130 009	1 273 323	684 061	53.7%	2 583 326	715 333	27.7%
Waste Management	- Contractors	6 340 337	1 585 038	572 627	36.1%	3 170 076	691 717	21.8%
<b>Water &amp; Sanitation</b>	<b>Contracted Services</b>	<b>860 016 092</b>	<b>215 006 171</b>	<b>219 678 862</b>	<b>102.2%</b>	<b>430 020 377</b>	<b>430 300 616</b>	<b>100.1%</b>
Water & Sanitation	- Outsource Services	786 398 080	196 601 672	195 031 675	99.2%	393 211 379	386 866 142	98.4%
Water & Sanitation	- Consultants and Professional Serv	6 288 870	1 572 219	4 140 763	263.4%	3 144 438	4 140 763	131.7%
Water & Sanitation	- Contractors	67 329 142	16 832 280	20 506 424	121.8%	33 664 560	39 293 711	116.7%

### Operational Costs

Operational Costs refer to various types of expenditure which form part of the General Expenditure category in the previous reports. The following is merely a list of the detailed expenditure grouped in the category of Operational Costs.

It is necessary to analyse the Operational Costs of each department as reflected in the Departmental Operating Budget Reports.

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**ITEM A-F (05-2019)**

DESCRIPTION	LINE ITEM	QUARTERLY RESULTS			YEAR-TO-DATE RESULTS		
		QUARTER 2					
		Budget	Actual	% of B	Budget	Actual	% of B
OC: ADV/PUB/MARK - AUCTIONS	2300100	3 228 433	2 276 484	70.5%	6 302 985	2 980 964	47.3%
OC: ADV/PUB/MARK - CORP & MUN ACTIVITIES	2300120	608 511	453 395	74.5%	1 157 378	868 748	75.1%
PUBLICATIONS	2300121	230 000	134 483	58.5%	420 000	169 265	40.3%
OC: ADV/PUB/MARK - CUSTOMER/CLIENT INFO	2300130	2 803 092	-	0.0%	4 671 820	-	0.0%
OC: ADV/PUB/MARK - GIFTS & PROMO ITEMS	2300140	101 978	57 227	56.1%	220 384	101 787	46.2%
CORPORATE IMAGE AND MARKETING	2300143	375 000	155 298	41.4%	750 000	155 298	20.7%
OC: ADV/PUB/MARK - MUNICIPAL NEWSLETTERS	2300150	4 414	-	0.0%	4 414	-	0.0%
OC: ADV/PUB/MARK - STAFF RECRUITMENT	2300170	258	-	0.0%	516	-	0.0%
OC: ASSETS LESS THAN CAPITAL THRESHOLD	2300190	20 041	-	0.0%	40 482	29 645	73.2%
OC: AUDIT COST: EXTERNAL	2300200	3 429 099	13 756 673	401.2%	6 858 198	17 002 591	247.9%
OC: BC/FAC/C FEES - BANK ACCOUNTS	2300400	212 985	-	0.0%	425 970	-	0.0%
ABSA: CASH DEPOSIT FEES	2300401	1 005 441	1 710 917	170.2%	2 010 882	3 358 246	167.0%
ABSA: CASH DEPOSIT I.D.	2300402	191 034	572 831	299.9%	382 068	787 311	206.1%
BANK SERVICE CHARGES	2300403	38 205	11 661 186	30522.7%	76 410	25 745 733	33694.2%
COUNTERFEIT NOTES	2300404	1 731	-	0.0%	3 462	-	0.0%
ABSA: TRANSACTIONAL FEES	2300406	201 087	5 994 299	2980.9%	402 174	6 160 840	1531.9%
ABSA: CASH IN TRANSIT	2300411	844 569	23 758	2.8%	1 689 138	32 791	1.9%
ABSA: DEPOSIT MACHINES	2300412	925 005	-	0.0%	1 850 010	-	0.0%
ABSA: DR & CR CARDS	2300413	2 010 882	4 560 968	226.8%	4 021 764	8 981 231	223.3%
ABSA: E-BANKING SYSTEM	2300414	1 307 073	521 748	39.9%	2 614 146	6 268 603	239.8%
ABSA: PAYMENT CHANNEL	2300415	3 160 002	1 247 686	39.5%	6 320 004	1 247 686	19.7%
POST OFFICE: PAYMENT CHANNEL	2300417	1 646 328	447 694	27.2%	3 292 656	826 460	25.1%
EASYPAY: PAYMENT CHANNEL	2300418	6 837 003	443 834	6.5%	13 674 006	139 121	1.0%
OC: BURSARIES (EMPLOYEES)	2300490	861 533	893 408	103.7%	1 937 351	2 617 853	135.1%
GRANTS: EDUCATION (EXTERNAL)	2300491	10 500 000	7 676 831	73.1%	15 000 000	12 496 830	83.3%
OC: CLEAN SERV - LAUNDRY SERVICES	2300700	40 590	8 749	21.6%	65 457	16 795	25.7%
OC: COMMISSION - THIRD PARTY VENDORS	2300900	-	284 721	0.0%	-	564 538	0.0%
OC: COMM - CELL CONTRACT (SUBS & CALLS)	2301100	278 012	144 545	52.0%	513 455	174 078	33.9%
TELEPHONE: GENERAL COMMUNICATION & FAX	2301101	6 254 205	1 550 080	24.8%	12 508 410	12 857 148	102.8%
TELEPHONE: CELLULAR PHONES	2301102	10 455	-	0.0%	21 560	1 196	5.5%
OC: COMM - LICENCES (RADIO & TELEVISION)	2301110	23 204	-	0.0%	28 238	-	0.0%
LICENSES: RADIO AND TELEVISION	2301111	195 000	-	0.0%	380 620	-	0.0%
OC: COMM - POSTAGE/STAMPS/FRANKING MACH	2301120	10 310 895	7 111 206	69.0%	21 667 902	15 200 295	70.2%
OC: COMM - RENT PRIVATE BAG & POSTAL BOX	2301140	-	-	0.0%	255	-	0.0%
OC: COMM - SATELLITE SIGNALS	2301150	27 222	7 633	28.0%	52 520	7 633	14.5%
OC: ENTERTAINMENT - SENIOR MANAGEMENT	2301620	-	-	0.0%	-	-	0.0%
OC: EXT COM SERV PROV - INFORMATION SERV	2301720	4 775 247	-	0.0%	7 591 996	-	0.0%
OC: EXT COM SERV PROV - S/WARE LICENCES	2301780	15 547 010	9 882 500	63.6%	34 907 673	12 265 342	35.1%
OC: EXT COM SERV PROV - SYS DEVELOPMENT	2301810	3 485 964	9 091	0.3%	6 159 313	18 299	0.3%
OC: INSUR UNDER - INSURANCE AGGREGATION	2302400	5 138 388	3 255 672	63.4%	10 276 776	10 643 813	103.6%
OC: INSUR UNDER - CLAIM PAID 3RD PARTIES	2302410	2 687 271	2 003 016	74.5%	5 374 542	6 981 374	129.9%
OC: INSUR UNDER - INSURANCE CLAIMS	2302430	2 319 279	178 423	7.7%	4 638 558	8 690 238	187.3%
OC: INSUR UNDER - EXCESS PAYMENTS	2302440	1 919 478	1 345 052	70.1%	3 838 956	5 469 683	142.5%
OC: INSUR UNDER - PREMIUMS	2302460	-	-	0.0%	32 625 633	28 618 976	87.7%
OC: LEARNERSHIPS & INTERNSHIPS	2303300	3 260	-	0.0%	38 648	-	0.0%
OC: LIC - VEHICLE LIC & REGISTRATIONS	2303330	3 911 221	5 527 662	141.3%	7 677 250	11 182 882	145.7%
OC: MUNICIPAL SERVICES	2303610	-	-	0.0%	-	-	0.0%
OC: PRINTING & PUBLICATIONS	2304510	274 935	25 836	9.4%	569 680	249 026	43.7%
OC: PROFESSIONAL BODIES M/SHIP & SUBS	2304520	984 427	35 237	3.6%	1 968 360	35 237	1.8%
OC: PARKING FEES	2304530	417	-	0.0%	554	-	0.0%

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DESCRIPTION	LINE ITEM	QUARTERLY RESULTS QUARTER 2			YEAR-TO-DATE RESULTS		
		Budget	Actual	% of B	Budget	Actual	% of B
OC: REG FEESPROF & REGULATORY BODIES	2305100	1 603	-	0.0%	3 559	-	0.0%
OC: RESETTLEMENT COST	2305140	5 592 946	4 495 109	80.4%	7 878 971	4 495 109	57.1%
OC: SYSTEM ACCESS & INFORMATION FEES	2305400	420	-	0.0%	820	-	0.0%
OC: SKILLS DEVELOPMENT FUND LEVY	2305410	19 839 570	16 615 194	83.7%	39 679 140	33 618 188	84.7%
OC: SEARCH FEES	2305420	180 284	216 231	119.9%	314 833	349 907	111.1%
OC: SERVITUDES & LAND SURVEYS	2305430	3 678	-	0.0%	10 325	-	0.0%
OC: STORAGE OF FILES (ARCHIVING)	2305450	58 500	104 050	177.9%	106 000	104 050	98.2%
OC: TRANSPORT - EVENTS	2305730	93 670	204 770	218.6%	103 670	303 370	292.6%
OC: TRANSPORT - FUNERALS	2305740	136 110	27 800	20.4%	272 220	42 800	15.7%
OC: T&S DOM - ACCOMMODATION	2305760	1 322 711	245 951	18.6%	2 409 580	608 510	25.3%
OC: T&S FOREIGN - ACCOMMODATION	2305870	2 595 296	141 949	5.5%	4 893 569	382 848	7.8%
OC: TRANSPORT - MUNICIPAL ACTIVITIES	2305980	2 953	-	0.0%	5 340	-	0.0%
OC: UNIFORM & PROTECTIVE CLOTHING	2306100	9 154 604	9 381 308	102.5%	15 927 800	11 231 173	70.5%
OC: VEHICLE TRACKING	2306300	5 333 093	3 528 766	66.2%	10 505 461	4 889 017	46.5%
VEHICLE COST: ONBOARD COMPUTERS	2306301	778 769	63 117	8.1%	1 550 725	63 117	4.1%
OC: WET FUEL	2306610	807 791	929 289	115.0%	1 284 984	1 467 962	114.2%
VEHICLE COST: FUEL & LUBRICANTS	2306611	35 542 513	44 240 639	124.5%	71 676 604	87 344 303	121.9%
OC: WORKMEN'S COMPENSATION FUND	2306620	12 398 670	12 400 890	100.0%	24 797 340	24 801 780	100.0%
<b>SUB TOTAL : OPERATIONAL COST</b>	<b>2309900</b>	<b>192 573 365</b>	<b>176 553 206</b>	<b>91.7%</b>	<b>406 453 515</b>	<b>372 649 692</b>	<b>91.7%</b>

### Inventory

In accordance with the terminology list supplied by National Treasury, this category is defined as follows:

*Inventories are assets : (a) in the form of materials or supplies to be consumed in the production process; (b) in the form of materials or supplies to be consumed or distributed in the rendering of services; (c) held for sale or distribution in the ordinary course of operations; or (d) in the process of production for sale or distribution.*

*Plant materials and operating supplies: This account should record the cost of materials purchased primarily for use in the Utility business for construction, operation and maintenance purposes. This account should include also the book cost of materials recovered in connection with construction, maintenance or the retirement of property, such materials being credited to construction, maintenance or accumulated depreciation provision, respectively. Materials and supplies issued should be credited to this account and charged to the appropriate construction, operating expense, or other account on the basis of a unit price determined by the use of weighted average and first-in-first-out, or such other method of inventory accounting as conforms with accepted accounting standards consistently applied.*

*Merchandise: This account should record the book cost of materials and supplies and appliances and equipment held primarily for retail sales. The principles prescribed in accounting for Utility materials and supplies shall be observed in respect to items carried in this account.*

*Other materials and supplies: This account should record the original cost of materials and supplies held primarily for non-utility purposes. The principles prescribed in accounting for Utility materials and supplies shall be observed in respect to items carried in this account.*

Based on above the inventory include as items such as printing and stationery expenditure, materials and supplies mainly for the purpose of repairs and maintenance and other general expenditure as summarised below.

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		Budget	Actual	% of B	Budget	Actual	% of B
INV - CONSUMABLE STORES - STANDARD RATED	2320600	5 618 462	5 360 391	95.4%	9 048 490	9 251 134	102.2%
MATERIALS: HEATING MATERIALS	2320601	486 503	349 442	71.8%	736 892	637 903	86.6%
INVENTORY - MATERIALS & SUPPLIES	2323600	412 416 896	377 243 988	91.5%	852 127 753	502 930 398	59.0%
MATERIALS: CHEMICALS	2323602	1 413 158	701 422	49.6%	2 130 587	1 186 634	55.7%
MATERIALS: PRINTING & STATIONERY	232360C	7 101 404	8 237 924	116.0%	13 510 223	15 084 387	111.7%
<b>SUB TOTAL : INVENTORY</b>	<b>2329900</b>	<b>427 036 423</b>	<b>391 893 167</b>	<b>91.8%</b>	<b>877 553 945</b>	<b>529 090 456</b>	<b>60.3%</b>

The above does not give any details of the expenditure per department and should be analysed from the various individual reports of each department.

### Conclusion

The analysis of mainly expenditure categories is an indication that details of expenditure should be analysed in a different format in future reports. Analyses cannot be made on the mere categories of expenditure, but should be made in the various segments of mSCOA, namely the funding, the project, the item and costing segments, to name a few.

### Capital programme performance

The actual Capital Expenditure for the 2018/19 Mid-Year is R922.7 million, which represents a spending of 13.63% of the total capital budget of R6.768 billion. It is important to note that the outstanding commitments at the end of December 2018 amounted to R269 million. The actual expenditure plus commitments for the Mid-Year amounted to R1.192 billion, which represents 17.61% of the Capital Budget. The following table reflects the comparative spending for the Mid-Year period in previous years:

FY	Budget as at 31 December	Actual Expenditure	% of Budget
12/13	2,757,611,531	547,582,980.53	19.86%
13/14	3,027,227,384	1,016,299,073.45	33.57%
14/15	3,963,168,528	788,242,915.24	19.89%
15/16	4,677,512,484	1,300,553,021.86	27.80%
16/17	5,130,961,437	1,201,893,264.20	23.42%
17/18	6,399,356,712	1,530,496,149.89	23.92%
18/19	6,768,708,721	922,729,554.00	13.63%

The results from the table above indicate that the City needs to put measures in place to accelerate the spending of the capital budget if it has to meet its targets at the end of the financial year.

The actual spending per department is indicated in the following table.

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	BUDGET 2018/19	DEPT. PROJECTION	ACTUAL	VAR	ACTUAL EXPENDITURE	% Spent of Total Budget
	Original R	Quarter 2 R	Quarter 2 R	Quarter 2 %	Year to Date R	%
<b>CAPITAL BUDGET</b>						
Chief Operating Officer	112,200,000	14,000,000	87,191	↓ -99.38%	125,891	0.11%
City Manager	20,000	-	-	↑ 0.00%	18,500	92.50%
City Planning	3,050,000	500,000	150,917	↓ -69.82%	192,912	6.32%
Communication and Brand Management	950,000	165,000	469,859	↑ 184.76%	482,559	50.80%
Corporate Legal Services	500,000	130,000	205,882	↑ 58.37%	205,882	41.18%
Council General	561,084,525	153,245,260	44,515,193	↓ -70.95%	50,576,276	9.01%
Customer Relations Management	4,150,000	-	1,636,340	↑ 0.00%	3,560,700	85.80%
Disaster & Emergency Management Services	167,140,000	27,050,007	22,422,264	↓ -17.11%	28,425,152	17.01%
Economic Development	186,200,000	7,000,000	1,474,798	↓ -78.93%	1,474,798	0.79%
EMPD	170,100,000	24,677,517	6,920,306	↓ -71.96%	18,400,242	10.82%
Energy	736,700,000	175,674,783	65,560,344	↓ -62.68%	85,270,360	11.57%
Environmental Resources Management	304,150,000	57,060,000	58,012,269	↑ 1.67%	62,981,548	20.71%
EPMO	200,000	75,000	108,925	↑ 45.23%	155,198	77.60%
Executive Office	3,500,000	8,500,000	-	↓ -100.00%	-	0.00%
Finance	34,600,000	5,128,000	101,091	↓ -98.03%	109,991	0.32%
Fleet Management	6,617,200	2,087,960	401,799	↓ -80.76%	470,799	7.11%
Health and Social Development	42,275,000	4,620,000	10,899,858	↑ 135.93%	11,590,626	27.42%
Human Resources Management	1,700,000	950,000	542,103	↓ -42.94%	571,703	33.63%
Human Settlements	1,213,942,175	200,915,273	199,871,568	↑ -0.52%	235,036,368	19.36%
ICT	565,606,971	48,300,000	7,764,077	↓ -83.93%	7,968,518	1.41%
Internal Audit	450,000	1,007,736	290,466	↓ -71.18%	290,466	64.55%
Legislature	5,979,850	2,133,204	490,573	↓ -77.00%	661,373	11.06%
Real Estate	199,820,000	18,445,000	15,514,359	↓ -15.89%	22,544,819	11.28%
Risk Management	310,000	900,000	163,387	↓ -81.85%	232,326	74.94%
Roads and Stormwater	695,950,000	216,031,085	66,314,660	↓ -69.30%	67,710,818	9.73%
SRAC	113,800,000	20,250,000	12,124,248	↓ -40.13%	12,691,404	11.15%
Strategy & Corporate Planning	565,000	-	232,842	↑ 0.00%	232,842	41.21%
Transport	727,398,000	125,239,682	66,623,786	↓ -46.80%	87,509,334	12.03%
Waste Management	165,500,000	44,783,331	31,453,855	↓ -29.76%	32,007,506	19.34%
Water and Sanitation	744,250,000	153,231,604	167,415,616	↑ 9.26%	191,230,645	25.69%
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>6,768,708,721</b>	<b>1,312,100,442</b>	<b>781,768,574</b>	<b>↓ -40.42%</b>	<b>922,729,554</b>	<b>13.63%</b>

The actual Capital Expenditure of R922.7 million as indicated above is funded as follows:

	BUDGET 2018/19	TOTAL YEAR TO DATE	% of Budget
SOURCE OF FINANCE	R	R	
Energy Efficiency Demand Management Side (EEDMS) *	14,000,000	12,464,142	89.03%
External Loans	3,590,944,096	519,774,579	14.47%
Integrated City Development Grant (ICDG) *	45,537,000	44,679,106	98.12%
Integrated National Electrification Programme (INEP) *	45,000,000	-	0.00%

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	<b>BUDGET 2018/19</b>	<b>TOTAL YEAR TO DATE</b>	<b>% of Budget</b>
<b>SOURCE OF FINANCE</b>	<b>R</b>	<b>R</b>	
Neighbourhood Development Partnership Grants (NDPG) *	75,262,000	5,452,844	7.25%
Provincial Grant *	8,700,000	-	0.00%
Public transport Network Grants (PTNG) *	478,048,000	66,883,989	13.99%
Revenue	976,096,050	122,235,781	12.52%
Urban Settlement Development Grants (USDG) *	1,535,121,575	151,239,113	9.85%
<b>Grand Total</b>	<b>6,768,708,721</b>	<b>922,729,554</b>	<b>13.63%</b>

\*The budget for projects funded by grants amounts to R2.202 billion, which represents 32.53% of the total capital budget of R6.768 billion. The total amount spent on grant-funded projects amounts to R281m, which represent a spending of 12.75%.

	<b>BUDGET 2018/19</b>	<b>% of Total Budget</b>	<b>TOTAL YEAR TO DATE</b>	<b>% of Total Spending</b>	<b>% spent of Budget</b>
<b>SOURCE OF FINANCE</b>	<b>R</b>		<b>R</b>		
Grants	2,201,668,575	32.53%	280,719,194	30.42%	12.75%
Borrowings	3,590,944,096	53.05%	519,774,579	56.33%	14.47%
Internally Generated Funding	976,096,050	14.42%	122,235,781	13.25%	12.52%
<b>Grand Total</b>	<b>6,768,708,721</b>		<b>922,729,554</b>		<b>13.63%</b>

### **Debtors Analysis**

The Collection Rate for the **2<sup>nd</sup> quarter** ended 31 December 2018 is 94.84% which is more than the target of 94% for the second quarter. In the previous financial year, the collection rate for the same quarter was 91.69%.

The Collection Rate for the **1<sup>st</sup> quarter** was 90.85% and therefore has improved in the 2<sup>nd</sup> quarter.

The debtors' age analysis at the end of the 2<sup>nd</sup> quarter of the 2018/19 FY was as follows:

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<b>SUMMARY</b>	NT Code	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	Total over 90 days
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State	2200	40,569	15,950	10,005	7,525	4,760	3,532	10,887	31,880	125,107	58,583
Municipal		23	13	1	1	1	0	1	17	57	20
Commercial	2300	1,135,758	211,156	96,942	84,059	71,913	78,116	298,967	1,056,628	3,033,540	1,589,684
Households	2400	833,878	393,081	335,865	451,158	290,805	269,388	1,653,593	8,488,388	12,716,156	11,153,332
Other	2500	10,498	4,965	3,602	3,561	3,931	3,420	22,195	172,017	224,189	205,124
<b>Total By Customer Group</b>	<b>2600</b>	<b>2,020,727</b>	<b>625,166</b>	<b>446,414</b>	<b>546,304</b>	<b>371,409</b>	<b>354,457</b>	<b>1,985,641</b>	<b>9,748,930</b>	<b>16,099,049</b>	<b>13,006,742</b>

Outstanding debtors as at 31<sup>st</sup> December 2018 amounted to R16.0 billion. The debt payable between 0-30 days is regarded as current debt and amounts to R2.0 billion.

One of the biggest challenges that Council is facing is the limited credit control measures in areas where Eskom is supplying electricity. Council cannot disconnect the electricity of defaulters and the following table reflects the impact on Council's collection rate.

	<b>Eskom Supply</b>	<b>CoE Supply</b>	<b>Total</b>
July 2018	20.52%	88.85%	83.62%
August 2018	24.73%	98.04%	93.75%
September 2018	28.11%	95.28%	92.04%
October 2018	25.72%	97.23%	92.87%
November 2018	19.65%	107.93%	99.61%
December 2018	-567.75%	88.01%	89.91%

**Collection Rate per CCA for the 2<sup>nd</sup> Quarter (October - December 2018)**

The collection rate per CCA for the 2<sup>nd</sup> quarter per CCA was as follows:

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<b>Results for 2nd Quarter (target = 94%)</b>					
<b>Customer Care Area</b>	<b>Levied</b>	<b>Adjustments</b>	<b>Receipted</b>		<b>%</b>
Alberton	671 541 780	-14 878 312	652 548 418	✔	<b>99.37%</b>
Benoni	600 182 366	-44 406 283	516 693 806	⚠	<b>92.97%</b>
Boksburg	626 897 247	-7 163 526	598 533 129	✔	<b>96.58%</b>
Brakpan	471 182 677	-22 796 228	413 814 945	⚠	<b>92.29%</b>
Daveyton	120 469 234	-49 440 617	46 346 189	✘	<b>65.25%</b>
Duduza	48 390 552	-43 271 221	14 604 449	✔	<b>285.28%</b>
Edenvale	611 481 861	-21 455 593	572 103 812	✔	<b>96.96%</b>
Etwatwa	99 062 314	-171 140 391	6 685 181	✘	<b>-9.27%</b>
Germiston	1 149 076 698	-116 708 539	967 327 074	✔	<b>93.70%</b>
Katlehong 1	193 776 335	-29 883 929	76 909 719	✘	<b>46.93%</b>
Katlehong 2	153 541 652	-74 478 270	14 637 732	✘	<b>18.51%</b>
Kempton Park	1 364 859 222	-24 760 074	1 358 667 357	✔	<b>101.39%</b>
Kwa-Thema	41 537 473	-15 987 392	8 748 552	✘	<b>34.24%</b>
Nigel	194 571 122	-21 275 811	143 536 889	✘	<b>82.83%</b>
Springs	302 362 736	-14 015 037	273 472 968	✔	<b>94.84%</b>
Sundries and Other	11 965 103	5 284 990	15 597 488	⚠	<b>90.42%</b>
Tembisa 1	77 649 570	-26 761 513	52 268 909	✔	<b>102.71%</b>
Tembisa 2	415 235 906	-96 045 628	375 513 236	✔	<b>117.65%</b>
Tokoza	108 831 577	-39 423 816	24 945 703	✘	<b>35.94%</b>
Tsakane	126 018 481	-98 172 306	27 134 636	✔	<b>97.44%</b>
Vosloorus	283 949 216	-42 185 882	145 254 117	✘	<b>60.08%</b>
<b>Grand Total</b>	<b>7 672 583 120</b>	<b>-968 965 377</b>	<b>6 305 344 308</b>	✔	<b>94.06%</b>
<b>Stats for the quarter:</b>					
Best collection level (%)			Duduza		285.28%
Worst collection level			Etwatwa		-9.27%
Highest levied amount			Kempton Park		1 364 859 222
Higest amount receipted			Kempton Park		1 358 667 357
Highest amount NOT COLLECTED			Edenvale		96 509 217

It should be pointed out the the adjustments that were made in the un-proclaimed townships during the second quarter of the 2018/19 financial has caused a distortion in the collection rate per CCA. In terms of the approved Indigent Support Policy for 2018/19, households within the City of Ekurhuleni listed as un-proclaimed Townships will be deemed to be indigent households. Duduza its one of the un-proclaimed Townships. When the title deeds were issued, the bills that were generated for Duduza were reversed/ adjusted so the collection rate appears to be much higher that all other CCAs and towns. This situation will not continue in future.

### **Creditors Analysis**

The creditors' age analysis for creditors at the end of **December 2018** was as follows:

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<b>Detail</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 - 120 Days</b>	<b>121 - 150 Days</b>	<b>151 - 180 Days</b>	<b>181 Days - 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Bulk Electricity	843,362,503	-	-	-	-	-	-	-	843,362,503
Bulk Water	321,678,155	-	-	-	-	-	-	-	321,678,155
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	87,370,744	-	-	-	-	-	-	-	87,370,744
Trade Creditors	2,404,400,747	63,679,711	53,524,094	-	-	-	-	-	2,521,604,552
Auditor General	8,033,398	-	-	-	-	-	-	-	8,033,398
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,664,845,547</b>	<b>63,679,711</b>	<b>53,524,094</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,782,049,352</b>

The creditors outstanding beyond the 30 days relate to those invoices that are in dispute, late or turned back due to not meeting the City's invoice requirements that are in line with the tax legislation. The table above shows that a significant portion of creditors, R3.6 billion or 97%, is current. The City endeavours at all times to settle creditors within 30 days.

### **Investment Portfolio Analysis**

The number of days for cash coverage for the quarter ended December 2018 is 31.97 days. The City's actual cash balances increased from almost R3.0 billion in November 2018 to R3.6 billion in December 2018. The Operating Cash on Hand is calculated as follows:

<b>Target</b>	<b>30 days</b>	<b>30 days</b>	<b>30 days</b>
	<b>Oct-18</b>	<b>Nov-18</b>	<b>Dec-18</b>
<i>Total Unencumbered investments</i>	180,000,011	180,000,011	180,000,011
<i>Treasury account</i>	990,496,846	1,445,807,798	1,043,902,484
<i>STD bank account</i>	376,237,355	376,237,355	5,379,766
<i>FNB account</i>	316,599,016	316,599,016	2,286,972
<i>E-Siyakhokha Masked Account</i>	2,749,665	3,056,860	3,056,860
<i>Expenditure Account</i>	56,240,104	88,464,701	480,061,409
<i>Salary Account</i>	300,885,276	48,196,435	300,699,750
<i>Absa (Money not sweeping to treasury account)</i>	54,012,018	975,665	975,665
<i>Bank Overdraft facility with Nedbank</i>	-	-	300,000,000
<i>Nedbank Charges Account</i>	25,207,805	25,207,805	3,813,297
<b>Total</b>	<b>2,302,428,097</b>	<b>2,484,545,647</b>	<b>2,320,176,215</b>
<b>Cash Payments:</b>	<b>-2,292,322,907</b>	<b>-2,374,700,556</b>	<b>-2,177,517,037</b>
<i>Number of days cash on hand =</i>	<b>30.13</b>	<b>31.39</b>	<b>31.97</b>

Actual cash in each of the bank accounts is as follows:

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MONTHLY BANK BALANCES						
DESCRIPTION	Bank	ACTUAL 2017/18	ACTUAL 2017/18	ACTUAL 2017/18	ACTUAL 2017/18	ACTUAL 2017/18
		Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
		R	R	R	R	R
EMM Boksburg Income	ABSA	-	-	-	-	-
EMM Boksburg Direct Banking 1	ABSA	11,824,029.44	8,241,037.86	4,303,003.79	11,729,741.04	97,877,391.66
EMM Boksburg Direct Banking 2	ABSA	-	-	-	-	-
EMM Brakpan	ABSA	3,835,313.89	4,303,609.69	5,731,322.16	3,097,259.48	44,090,627.69
EMM Pre-Paid Sales	ABSA	-	-	-	-	-
EMM Germiston Income	ABSA	-	-	-	-	-
EMM Germiston Direct Banking	ABSA	13,992,009.27	22,010,513.38	9,741,412.81	12,886,086.38	197,827,172.01
EMM Kempton Park Income	ABSA	-	-	-	-	-
EMM Kempton Park Direct Bankin	ABSA	15,885,833.38	8,763,185.61	8,158,317.88	12,501,116.21	17,636,203.76
EMM Nigel	ABSA	-	-	-	-	-
EMM Springs Direct Banking	ABSA	24,901,951.93	17,518,080.67	9,360,627.91	18,866,054.84	73,864,387.86
Primary Bank Account	ABSA	42,879,999.00	6,860,179.12	-	-	62,299.25
EMM Benoni Income	ABSA	16,342.18	14,096.53	9,399.67	71,459.21	217,791.22
EMM Benoni Direct Banking	ABSA	17,857,701.72	14,776,116.19	14,004,821.17	11,665,587.98	78,818,709.09
EMM Edenvale Direct Banking	ABSA	3,102,800.92	3,431,215.37	2,339,476.14	2,294,492.72	40,794,975.39
Metro Expenditure/Stores Accou	ABSA	-	-	-	-91,764.83	878,321.14
Metro Treasury Account	ABSA	25,650,487.68	26,643,861.32	55,666,264.72	17,037,805.28	157,195,906.48
EMM E-Siyakhokha Mask Account	ABSA	4,770,763.51	5,863,718.09	2,749,664.82	2,161,385.93	51,070,059.56
Standard Bank Mask Account	ABSA	361,334,736.68	376,237,355.45	385,306,215.87	393,078,385.44	5,379,766.21
FNB Mask account	ABSA	301,558,357.84	316,599,015.53	319,181,830.40	332,388,796.26	2,286,971.72
EMM IRPTN TRANSPORT- FUNDING	NEDBANK	1,211,469.14	1,217,694.25	1,223,749.45	1,230,037.49	1,236,221.33
EMM IRPTN TRANSPORT- COLLECTION	NEDBANK	493,756.61	570,989.61	710,880.21	839,439.81	921,542.81
EMM SALARY ACCOUNT	NEDBANK	291,704,334.21	285,099,122.45	300,885,276.43	305,229,656.20	300,699,749.61
EMM EXPENDITURE ACCOUNT	NEDBANK	57,571,911.66	45,467,011.82	56,240,104.30	40,625,824.78	480,061,408.94
EMM TREASURY ACCOUNT	NEDBANK	378,169,729.80	168,686,042.84	58,417,202.73	91,068,013.13	283,568,638.96
EMM-USDG ACCOUNT	NEDBANK	512,939,927.67	439,092,910.17	416,420,339.99	318,616,070.55	882,085,850.30
EMM HOUSING ACCOUNT	NEDBANK	21,382,868.61	20,514,340.80	20,618,335.20	94,817,957.56	306,712,380.88
EMM DEPRECIATION RESERVE ACCOUNT	NEDBANK	559,891,333.93	212,768,255.14	214,870,513.84	90,974,594.96	92,017,234.40
EMM EXTERNAL FUNDING FUND	NEDBANK	156,157,000.58	156,959,390.40	157,739,886.66	158,550,409.95	159,347,505.27
EMM PRIMARY BANK ACCOUNT	NEDBANK	618,584,042.18	554,432,195.40	819,990,477.58	1,041,565,083.47	321,695,871.28
EMM SPRINGS MARKET	NEDBANK	535,205.69	1,975,641.06	527,862.72	525,447.89	1,331,335.05
EMM NEDBANK MASK	NEDBANK	18,426,668.73	25,207,804.58	27,758,158.19	-197,474.64	3,813,297.11
<b>Total</b>		<b>3,444,678,576.25</b>	<b>2,723,253,383.33</b>	<b>2,891,955,144.64</b>	<b>2,961,531,467.09</b>	<b>3,601,491,618.98</b>

Cognisance must be taken of the fact that the cash target is based on the **operating cash** available (and not the total cash in the bank). The operating cash available is based on the actual cash less/plus cash flow movement in operating activities, investing activities and financing activities.

Investments balances as at 31<sup>st</sup> December 2018 are as follows:

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CAPITAL													
COMMEN-CING DATE	MATURITY DATE	INVESTMENT MADE /WITHDRAWAL DATE	TYPE OF INVESTMENT	OPENING BALANCE 1.07.2015	INVESTMENT MADE	INVESTMENT WITHDRAWN	ACCRUED INTEREST/ EARNED	INTE-REST RATE	BALANCE 31.12.2018	ENCUMBERED	En/Unencumbered	Description	
<b>INVESTEC BANK</b>													
13-Nov-98	May	Call deposit	ENCUMBERED DEP	47,546,374.17			197,740.92	6.85%	47,744,115.09		Unencumbered		
			Accrued intr. Aug 2018				191,347.42	6.85%	191,347.42		Unencumbered		
			Accrued intr. Sep 2018				207,054.14	6.85%	207,054.14				
			Accrued intr. Nov 2018				396,745.63	6.85%	396,745.63				
			Accrued intr. Dec 2018				219,604.60	6.85%	219,604.60				
				47,546,374.17	-	-	1,212,392.71		48,758,766.88	-			
<b>INVESTEC BANK STRUCTURED DEPOSIT SINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL</b>													
29-Feb-12	1-Mar-21		OPENING BALANCE	512,136,522.48				9.2278%	512,136,522.48	512,136,522.48	Encumbered	Structural Bond	
29-Feb-12	1-Mar-21	1-Aug-18			11,631,606.01		4,101,992.31	9.2278%	15,733,698.32	15,733,698.32	Encumbered	Structural Bond	
29-Feb-12	1-Mar-21	31-Aug-18			11,631,606.01	42,880,000.00	4,228,242.06	9.2278%	-27,020,151.93	-27,020,151.93	Encumbered	Structural Bond	
29-Feb-12	1-Mar-21	28-Sep-18			11,631,606.01		3,902,713.21	9.2278%	15,634,319.22	15,634,319.22	Encumbered	Structural Bond	
29-Feb-12	1-Mar-21	1-Nov-18			11,631,606.01			9.2278%	11,631,606.01	11,631,606.01	Encumbered	Structural Bond	
29-Feb-12	1-Mar-21	30-Nov-18			11,631,606.01		8,262,563.13	9.2278%	19,894,169.14	19,894,169.14	Encumbered	Structural Bond	
29-Feb-12	1-Mar-21	28-Dec-18			11,631,606.01		4,379,419.97	9.2278%	16,011,025.98	16,011,025.98	Encumbered	Structural Bond	
				512,136,522.48	69,789,636.06	42,880,000.00	24,874,930.68		563,921,089.22	563,921,089.22			
<b>STANLIB</b>													
10-Apr-00	ON CALL	Call deposit	MONEY MARKET FUND	5,079,565.72		0.00		Variable	5,079,565.72		Unencumbered	Long term	
			Accru Interest Jul 2018				29,555.85		29,555.85				
			Accru Interest Aug 2018				32,207.49		32,207.49				
			Accru Interest Sep 2018				30,868.53		30,868.53				
			Acc Inte Nov & Dec 2018				124,310.25		124,310.25				
				5,079,565.72		0.00	216,942.12		5,296,507.84				
<b>SANLAM</b>													
2-Jun-03	ON CALL	Call deposit	FUND MANAGING (CLF)	144,228.41				Variable	144,228.41		Unencumbered	Short Term	
			Accru Interest Jul 2018						0.00				
				144,228.41	0.00	0.00	0.00		144,228.41				
<b>RAND MERCHANT BANK</b>													
2-Aug-00			GUARANTEED TRUST	12,533,579.07			-31,387.26	13.25%	12,602,191.81		Unencumbered	Long term/ Incat	
1-Oct-98	Unit Trusts		MONEY MARKET FUND	38,266,259.96			1,383,919.55	6.07%	39,650,179.51		Unencumbered	Long term/ Incat	
12-Nov-98			GUARANTEED TRUST	28,335,877.56			1,024,782.01	14.76%	29,360,659.57		Unencumbered	Long term/ Incat	
				79,235,716.59	0.00		2,377,314.30		81,613,030.89	0.00			
<b>RAND MERCHANT BANK STRUCTURED DEPOSIT SINKING FUND R815M TO REPAY LOAN AND BOND CAPITAL</b>													
1-Jul-16			OPENING BALANCE	616,287,720.66				9.23%	616,287,720.66	616,287,720.66	Encumbered	Long term/ Incat	
28-Feb-11	28-Feb-20	1-Aug-18	STRUCTURED DEPOSIT		11,607,731.00	42,877,642.00	4,824,334.08	9.23%	-26,545,576.92	-26,545,576.92	Encumbered	Long term/ Incat	
28-Feb-11	28-Feb-20	31-Aug-18	STRUCTURED DEPOSIT		11,607,731.00		4,632,799.11	9.23%	16,140,530.11	16,140,530.11	Encumbered	Long term/ Incat	
28-Feb-11	28-Feb-20	28-Sep-18	STRUCTURED DEPOSIT		11,607,731.00		4,605,628.33	9.23%	16,113,259.33	16,113,259.33	Encumbered	Long term/ Incat	
28-Feb-11	28-Feb-20	28-Oct-18	STRUCTURED DEPOSIT		11,607,731.00			9.23%	11,607,731.00	11,607,731.00	Encumbered	Long term/ Incat	
28-Feb-11	28-Feb-20	28-Nov-18	STRUCTURED DEPOSIT		11,607,731.00		9,743,702.06	9.23%	21,251,433.06	21,251,433.06	Encumbered	Long term/ Incat	
28-Feb-11	28-Feb-20	28-Dec-18	STRUCTURED DEPOSIT		11,607,731.00		5,142,557.93	9.23%	16,650,288.93	16,650,288.93	Encumbered	Long term/ Incat	
				616,287,720.66	69,046,386.00	42,877,642.00	28,948,921.51		671,405,386.17	671,405,386.17			
<b>NEDBANK STRUCTURED DEPOSIT SINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL EMM03</b>													
1-Jul-16			OPENING BALANCE	488,948,569.07				8.24%	488,948,569.07	488,948,569.07	Encumbered	Structural Bond	
18-Dec-12	1-May-24	1-Aug-18	STRUCTURED DEPOSIT		8,922,814.90		3,421,836.24		12,344,651.14	12,344,651.14	Encumbered	Structural Bond	
18-Dec-12	1-May-24	31-Aug-18	STRUCTURED DEPOSIT		8,922,814.90		3,395,059.84		12,317,874.74	12,317,874.74	Encumbered	Structural Bond	
18-Dec-12	1-May-24	28-Sep-18	STRUCTURED DEPOSIT		8,922,814.90		3,826,332.30		12,749,147.20	12,749,147.20	Encumbered	Structural Bond	
18-Dec-12	1-May-24	1-Nov-18	STRUCTURED DEPOSIT		8,922,814.90				8,922,814.90	8,922,814.90	Encumbered	Structural Bond	
18-Dec-12	1-May-24	30-Nov-18	STRUCTURED DEPOSIT		8,922,814.90	40,200,000.00	7,096,559.80		-24,180,625.30	-24,180,625.30	Encumbered	Structural Bond	
18-Dec-12	1-May-24	28-Dec-18	STRUCTURED DEPOSIT		8,030,533.41	892,281.49	3,692,259.99		10,830,511.91	10,830,511.91	Encumbered	Structural Bond	
				488,948,569.07	52,644,807.91	41,092,281.49	21,432,048.17		521,932,943.66	521,932,943.66			
<b>NEDBANK SHORT TERM</b>													
18-Aug-16	CALL		CALL	374,099,533.87		374,099,533.87	1,141,259.81	7.85%	1,141,259.81		Unencumbered		
			Accru Interest Aug 2018				6,348.84		6,348.84				
			Accru Interest Sep 2018				6,178.21		6,178.21				
			INTEREST ACCRUED				12,728.15		12,728.15				
			Accru Interest Dec 2018				6,519.62		6,519.62				
				374,099,533.87	0.00	374,099,533.87	1,173,034.63		1,173,034.63				
<b>LAND BANK</b>													
26-Jul-18	26-Jul-19		Fixed (12 Months)	41,000,000.00		41,000,000.00		7.00%	0.00		Unencumbered		
				41,000,000.00	0.00	41,000,000.00			0.00				
<b>RAND AIRPORT</b>													
			SHAREHOLDING	4,000,000.00					4,000,000.00		Entities		
<b>MUNICIPAL ENTITIES</b>													
10-Mar-99			G.G. INNER CITY HSNB	306.00		200.00			106.00		Entities		
				306.00		0.00			106.00				
			<b>TOTAL INVESTMENTS</b>	<b>2,168,478,536.97</b>	<b>191,480,629.97</b>	<b>541,949,457.36</b>	<b>80,235,684.12</b>		<b>1,898,245,093.70</b>	<b>1,757,259,419.05</b>			

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
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**2019.01.31**

**ITEM A-F (05-2019)**

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### **Allocation and Grant Receipts and Expenditure**

- The term “unspent” used in the Annual Financial Statements should be interpreted as being grants received from National and Provincial government, but not yet spent (as at reporting date). It is not necessary for all grants to be spent in the same period, nor is it possible. In terms of accounting rules, grants are shown as a creditor (“unspent conditional grants”) from when received until when the conditions of the grant have been met, i.e. the grant has been spent on the purposes it was provided for.
- Grants that were unspent at the beginning of the financial year and remain unspent at the end of the year will in all probability have to be either surrendered to National Treasury (as per the Division of Revenue Act) or will have to be evaluated if the grant is not subject to surrender.
- There are exceptional cases where grants will remain unspent for long periods of time due to the nature of the project or litigation involved in the project

A risk rating has been attached to all unspent grants and is indicated as follows:

- No risk – indicated with a “1” and GREEN upward arrows – these grants have been received recently and have no risk of being surrendered as it is expected that the grant will be spent in full as per the conditions of the grant.
- Tolerable risk – indicated with a “2” and an AMBER sideways arrow – the unspent portion of the grant is less than the total of the outstanding amount at the beginning of the year plus the amount received during the year. There is a risk of surrender insofar as the unspent portion of the previous year is concerned. An intervention is required to ensure the grant is spent as per the conditions of the grant.
- Significant risk – indicated with a “3” and a RED downward arrow – the outstanding portion is more than the total of the outstanding amount at the beginning of the year plus the amount received during the year, in other words, the outstanding grant is getting bigger and new allocations are not spent (in addition to old unspent allocations). There is a great risk of the grant being surrendered and urgent attention is required.

The status of grants as at the end of the period is reflected in the table below

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Name of Grant	EMM Responsible Department	Unspent Funds - 17/18 Opening Balances 18/19	Surrenders to National / Provincial Treasury / Appropriation to revenue	Accumulated Receipts for the Financial year	Accumulated Expenditure for the Financial year	Balance Available	Debtors at December	% Spent	Risk
<b>NATIONAL / DORA GRANTS - OPERATING</b>									
FMG	Finance	0.63	-	1,000,000.00	(359,441.39)	640,559.24	-	35.94%	↓ 3
<b>TOTAL</b>		<b>0.63</b>	<b>-</b>	<b>1,000,000.00</b>	<b>(359,441.39)</b>	<b>640,559.24</b>		<b>35.94%</b>	
Equitable Share - Electricity	Energy	-	-	399,436,373.00	(399,436,373.00)	-	-	100.00%	↑ 1
Equitable Share - Solid Waste	Waste Management	-	-	393,060,394.00	(393,060,394.00)	-	-	100.00%	↑ 1
Equitable Share -Water and Wastewater	Water & Sanitation	-	-	1,082,791,368.00	(1,082,791,368.00)	-	-	100.00%	↑ 1
Equitable Share - Finance	Finance	-	-	483,564,865.00	(483,564,865.00)	-	-	100.00%	↑ 1
Fuel Levy - Finance	Finance	-	-	1,156,420,000.00	(1,156,420,000.00)	-	-	100.00%	↑ 1
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>3,515,273,000.00</b>	<b>(3,515,273,000.00)</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	
<b>NATIONAL / DORA GRANTS - CAPITAL</b>									
USDG	Human Settlements	44,090,345.19	(6,000,000.00)	1,084,455,000.00	(395,259,266.99)	727,286,078.20	-	35.21%	↓ 3
INEP	Energy	-	-	45,000,000.00	-	45,000,000.00	-	0.00%	↓ 3
PTNG	Transport	234,939,914.05	(234,939,914.00)	236,660,000.00	(90,467,084.16)	146,192,915.89	-	38.23%	↓ 3
NDPG	Human Settlements	6,147,792.06	(6,147,792.00)	29,670,000.00	(5,452,844.27)	24,217,155.79	-	18.38%	↓ 3
Electricity Demand Side Management	Energy	107.24	-	9,000,000.00	(12,464,141.66)	-	(3,464,034.42)	138.49%	↑ 1
Expanded Public Works Programme	Economic Development	94,962.37	(94,962.00)	17,538,000.00	(10,873,999.10)	6,664,001.27	-	62.00%	↑ 1
Intergrated City Development	Human Settlements	-	-	45,537,000.00	(44,679,106.41)	857,893.59	-	98.12%	↑ 1
<b>TOTAL</b>		<b>285,273,120.91</b>	<b>(247,182,668.00)</b>	<b>1,467,860,000.00</b>	<b>(559,196,442.59)</b>	<b>950,218,044.74</b>	<b>(3,464,034.42)</b>	<b>37.13%</b>	
<b>PROVINCIAL GRANTS - OPERATING</b>									
SETA	Human Resources	-	-	7,289,964.84	(5,036,913.15)	2,253,051.69	-	69.09%	↑ 1
HIV/AIDS	Health & Social Development	-	-	13,978,235.50	(5,984,479.55)	7,993,755.95	-	42.81%	⇒ 2
Township Initiatives	SRAC - Libraries	1,114,863.61	-	13,700,000.00	(180,563.54)	14,634,300.07	-	1.22%	↓ 3
HSDG Accreditation	Human Settlements	19,999,370.98	-	-	-	19,999,370.98	-	0.00%	↓ 3
<b>TOTAL</b>		<b>21,114,234.59</b>	<b>-</b>	<b>34,968,200.34</b>	<b>(11,201,956.24)</b>	<b>44,880,478.69</b>	<b>-</b>	<b>19.97%</b>	
<b>PROVINCIAL - SUBSIDIES</b>									
Health Subsidies	Health & Social Development	-	-	96,530,000.00	(96,530,000.00)	-	-	100.00%	↑ 1
Emergency Subsidies	DEMS	-	-	117,255,268.36	(117,255,268.36)	-	-	100.00%	↑ 1
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>213,785,268.36</b>	<b>(213,785,268.36)</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>	
<b>Total National / DORA Grants + Subsidies</b>		<b>285,273,121.54</b>	<b>(247,182,668.00)</b>	<b>4,984,133,000.00</b>	<b>(4,074,828,883.98)</b>	<b>950,858,603.98</b>	<b>(3,464,034.42)</b>	<b>81.14%</b>	
<b>Total Provincial Grants + Subsidies</b>		<b>21,114,234.59</b>	<b>-</b>	<b>248,753,468.70</b>	<b>(224,987,224.60)</b>	<b>44,880,478.69</b>	<b>-</b>	<b>83.37%</b>	
<b>GRAND TOTAL</b>		<b>306,387,356.13</b>	<b>(247,182,668.00)</b>	<b>5,232,886,468.70</b>	<b>(4,299,816,108.58)</b>	<b>995,739,082.67</b>	<b>(3,464,034.42)</b>	<b>81.25%</b>	

The **unspent grants** at the beginning of the 2018/19 financial year amounted to R306.4 million of which R247,8 million was surrendered, of which R618,087 of the SRAC Provincial grant will be paid at the end of January 2019 hence the above table is only showing R247,1 million as surrendered. The unspent grants at the beginning of the 2017/18 financial year (previous year) was R113.4m, of which R100.2 million was surrendered. Though a significant portion of the 2016/17 unspent funds was surrendered, the comparison of R113.4m unspent in 2016/17 and R306.4 million unspent in 2017/18 indicates a **significant regression** of spending grants during 2017/18 financial year.

The 2018/19 receipts to date amounted to R 5.232 billion (including fuel levy). The accumulated expenditure to date was R4.299 billion which represents 81% spending. The 81% spending takes into account the 2017/18 unspent funds of R 58,6 million being approved as roll-overs. The total unspent funds (including 2017/18 unspent grants) at the end of December 2018 is **R 995.8 million**. The unspent grants at the end of December 2017 (previous year) was R 951.9 million.

In line with the provisions of National Treasury MFMA Circular 75, 79, 86, 91 and Provincial MFMA Circular 18, motivation letters to retain the unspent grants for the following grants were submitted to National and Provincial Treasuries.

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
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<b>Name of Grant</b>	<b>EMM Responsible Department</b>	<b>2017/18 Unspent Amount</b>	<b>Amount approved for Roll-over</b>	<b>Amount NOT approved for Roll-over</b>	<b>Comments</b>
Urban Settlement Development Grant (USDG)	Human Settlements	44,090,345	38,090,196	6,000,149	The appeal was never submitted as the user departments submitted inputs to Finance after the deadline, therefore funds were surrendered back National Revenue Fund
Public Transport Network Grant (PTNG)	Public Transport	234,939,914	0	234,939,914	
Neighborhood Development Partnership Grant (NDPG)	City Planning	6,147,792	0	6,147,792	
Expanded Public Works Programme(EPWP)	Economic Development	94,962	0	94,962	
Township Initiatives	SRAC – Libraries	1,114,864	496,776	618,087	An appeal was submitted to Provincial Treasury and it was rejected.
Human Settlements Development Grant (HSDG)****	Human Settlements	19,999,371	19,999,371	0	
Electricity Demand Side Management	Energy	107	107	0	Amount insignificant, no roll over was requested.
<b>GRAND TOTAL</b>		<b>306,387,356</b>	<b>58,586,451</b>	<b>247,800,904</b>	

### **In-year budget statement tables**

The tables as required in terms of the Municipal Budget and Reporting Regulations are included in the report.

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**ITEM A-F (05-2019)**

EKU Ekurhuleni Metro - Table C1 Monthly Budget Statement Summary - M06 December									
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<b>Financial Performance</b>									
Property rates	5,200,065	5,615,665	-	481,350	2,715,754	2,807,832	(92,078)	-3%	5,615,665
Service charges	18,404,647	20,786,191	-	1,644,825	10,852,613	11,167,641	(315,027)	-3%	20,786,191
Investment revenue	613,741	422,568	-	30,631	174,499	211,284	(36,785)	-17%	422,568
Transfers recognised - operational	5,626,495	6,014,349	-	1,706,317	4,064,578	4,131,817	(67,238)	-2%	6,034,348
Other own revenue	2,262,612	2,478,884	-	185,268	1,125,092	1,235,925	(110,834)	-9%	2,478,884
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>32,107,561</b>	<b>35,317,657</b>	<b>-</b>	<b>4,048,392</b>	<b>18,932,536</b>	<b>19,554,499</b>	<b>(621,963)</b>	<b>-3%</b>	<b>35,337,656</b>
Employee costs	7,725,483	8,708,334	-	697,245	4,109,006	4,357,042	(248,036)	-6%	8,719,564
Remuneration of Councillors	133,052	151,062	-	11,125	66,765	75,531	(8,766)	-12%	151,062
Depreciation & asset impairment	2,073,954	2,385,339	-	198,191	1,194,815	1,192,669	2,145	0%	2,385,339
Finance charges	751,394	992,048	-	35,884	339,476	370,543	(31,067)	-8%	992,148
Materials and bulk purchases	14,099,627	15,426,095	-	1,065,583	7,668,536	7,993,864	(325,328)	-4%	15,446,277
Transfers and grants	966,250	897,027	-	91,474	417,008	426,279	(9,272)	-2%	897,027
Other expenditure	6,613,353	6,696,602	-	479,970	2,744,449	3,321,787	(577,338)	-17%	6,685,089
<b>Total Expenditure</b>	<b>32,363,112</b>	<b>35,256,508</b>	<b>-</b>	<b>2,579,471</b>	<b>16,540,055</b>	<b>17,737,715</b>	<b>(1,197,661)</b>	<b>-7%</b>	<b>35,276,507</b>
<b>Surplus/(Deficit)</b>	<b>(255,551)</b>	<b>61,149</b>	<b>-</b>	<b>1,468,921</b>	<b>2,392,481</b>	<b>1,816,784</b>	<b>575,698</b>	<b>32%</b>	<b>61,149</b>
Transfers recognised - capital	2,000,818	2,259,169	-	133,227	302,494	1,009,521	(707,027)	-70%	2,259,169
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1,746,894</b>	<b>2,320,318</b>	<b>-</b>	<b>1,602,148</b>	<b>2,694,975</b>	<b>2,826,305</b>	<b>(131,329)</b>	<b>-5%</b>	<b>2,320,318</b>
<b>Surplus/ (Deficit) for the year</b>	<b>1,746,894</b>	<b>2,320,318</b>	<b>-</b>	<b>1,602,148</b>	<b>2,694,975</b>	<b>2,826,305</b>	<b>(131,329)</b>	<b>-5%</b>	<b>2,320,318</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>5,731,229</b>	<b>6,904,213</b>	<b>-</b>	<b>371,936</b>	<b>989,203</b>	<b>3,452,104</b>	<b>(2,462,901)</b>	<b>-71%</b>	<b>6,904,213</b>
Capital transfers recognised	2,003,877	2,258,969	-	127,284	268,255	1,111,659	(843,404)	-76%	2,187,669
Borrowing	2,873,764	3,519,944	-	206,932	519,775	1,777,796	(1,258,021)	-71%	3,591,244
Internally generated funds	<b>854,186</b>	<b>1,125,300</b>	<b>-</b>	<b>37,720</b>	<b>201,173</b>	<b>562,649</b>	<b>(361,476)</b>	<b>-64%</b>	<b>1,125,300</b>
<b>Total sources of capital funds</b>	<b>5,731,827</b>	<b>6,904,213</b>	<b>-</b>	<b>371,936</b>	<b>989,203</b>	<b>3,452,104</b>	<b>(2,462,901)</b>	<b>-71%</b>	<b>6,904,213</b>
<b>Financial position</b>									
Total current assets	11,440,863	17,393,078	-		13,310,645				17,393,078
Total non current assets	58,351,683	63,642,721	-		57,070,270				63,642,721
Total current liabilities	11,655,208	14,613,128	-		8,409,011				14,613,128
Total non current liabilities	6,609,633	13,637,087	-		8,661,550				13,637,087
<b>Community wealth/Equity</b>	<b>51,527,704</b>	<b>52,785,584</b>	<b>-</b>		<b>53,310,354</b>				<b>52,785,584</b>
Net cash from (used) operating	-	-	-	701,186	(6,125)	-	6,125	#DIV/0!	-
Net cash from (used) investing	-	-	-	(247,609)	(652,354)	-	652,354	#DIV/0!	-
Net cash from (used) financing	-	-	-	(117,742)	(205,543)	-	205,543	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,794,265</b>	<b>-</b>	<b>(2,794,265)</b>	<b>#DIV/0!</b>	<b>3,658,286</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Total Debtors	2,020,727	625,166	446,414	546,304	371,409	354,457	1,985,641	9,748,930	16,099,049
<b>Creditors Age Analysis</b>									
Total Creditors	3,664,846	63,680	53,524	-	-	-	-	-	3,782,049

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**ITEM A-F (05-2019)**

EKU Ekurhuleni Metro - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December										
Description	Ref	Budget Year 2018/19								
		2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		<b>8,411,162</b>	<b>8,851,664</b>	-	<b>1,191,292</b>	<b>4,393,448</b>	<b>4,489,247</b>	<b>(95,799)</b>	<b>-2%</b>	<b>8,851,664</b>
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office	8,411,162	8,851,664	-	1,191,292	4,393,448	4,489,247	(95,799)	-2%	8,851,664	
Corporate services		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1,549,740</b>	<b>1,675,673</b>	-	<b>129,964</b>	<b>525,399</b>	<b>877,272</b>	<b>(351,873)</b>	<b>-40%</b>	<b>1,695,672</b>
Community and social services	196,009	215,642	-	2,696	133,129	140,596	(7,468)	-5%	215,642	
Sport and recreation	14,269	15,699	-	196	2,391	4,622	(2,231)	-48%	15,699	
Public safety	3,193	8,536	-	1,048	1,625	2,580	(955)	-37%	8,536	
Housing	1,183,002	1,262,022	-	124,077	281,122	617,218	(336,097)	-54%	1,282,021	
Health	153,269	173,773	-	1,947	107,133	112,256	(5,123)	-5%	173,773	
<b>Economic and environmental services</b>		<b>1,001,083</b>	<b>1,205,020</b>	-	<b>55,076</b>	<b>233,005</b>	<b>618,709</b>	<b>(385,704)</b>	<b>-62%</b>	<b>1,205,020</b>
Planning and development	115,245	69,664	-	5,109	27,911	35,705	(7,794)	-22%	69,664	
Road transport	885,811	1,135,218	-	49,967	205,093	582,935	(377,842)	-65%	1,135,218	
Environmental protection	27	138	-	-	1	69	(68)	-99%	138	
<b>Trading services</b>		<b>22,832,878</b>	<b>25,481,132</b>	-	<b>2,785,105</b>	<b>13,917,793</b>	<b>14,396,636</b>	<b>(478,843)</b>	<b>-3%</b>	<b>25,481,132</b>
Electricity	13,738,776	14,689,418	-	1,338,306	8,066,283	8,183,596	(117,314)	-1%	14,689,418	
Water	5,211,441	6,224,242	-	1,083,536	4,286,529	4,592,845	(306,316)	-7%	6,224,242	
Waste water management	2,141,173	2,619,350	-	75,282	483,683	513,461	(29,778)	-6%	2,619,350	
Waste management	1,741,487	1,948,122	-	287,981	1,081,298	1,106,734	(25,436)	-2%	1,948,122	
<b>Other</b>	4	<b>315,143</b>	<b>363,337</b>	-	<b>20,182</b>	<b>165,385</b>	<b>182,156</b>	<b>(16,771)</b>	<b>-9%</b>	<b>363,337</b>
<b>Total Revenue - Standard</b>	2	<b>34,110,006</b>	<b>37,576,825</b>	-	<b>4,181,619</b>	<b>19,235,030</b>	<b>20,564,020</b>	<b>(1,328,990)</b>	<b>-6%</b>	<b>37,596,825</b>
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		<b>3,722,868</b>	<b>4,997,930</b>	-	<b>327,913</b>	<b>1,970,860</b>	<b>2,443,124</b>	<b>(472,264)</b>	<b>-19%</b>	<b>4,989,085</b>
Executive and council	483,216	516,748	-	32,441	201,566	244,457	(42,891)	-18%	516,873	
Budget and treasury office	3,182,914	4,416,788	-	291,976	1,743,124	2,166,490	(423,366)	-20%	4,407,878	
Corporate services	56,737	64,393	-	3,496	26,170	32,176	(6,006)	-19%	64,333	
<b>Community and public safety</b>		<b>3,846,764</b>	<b>3,861,630</b>	-	<b>275,731</b>	<b>1,704,753</b>	<b>1,877,167</b>	<b>(172,414)</b>	<b>-9%</b>	<b>3,888,069</b>
Community and social services	672,617	732,377	-	53,759	327,133	358,551	(31,419)	-9%	714,259	
Sport and recreation	982,981	1,013,021	-	83,080	453,527	522,078	(68,551)	-13%	1,035,728	
Public safety	37,068	37,846	-	2,580	18,232	18,982	(750)	-4%	37,980	
Housing	776,712	652,253	-	19,863	202,070	265,536	(63,466)	-24%	672,633	
Health	1,377,387	1,426,133	-	116,449	703,792	712,021	(8,229)	-1%	1,427,469	
<b>Economic and environmental services</b>		<b>4,500,396</b>	<b>4,842,503</b>	-	<b>350,033</b>	<b>2,056,846</b>	<b>2,394,016</b>	<b>(337,171)</b>	<b>-14%</b>	<b>4,837,937</b>
Planning and development	630,858	702,082	-	38,575	249,567	345,770	(96,203)	-28%	701,436	
Road transport	3,778,725	4,047,937	-	303,942	1,765,899	2,001,781	(235,882)	-12%	4,043,417	
Environmental protection	90,813	92,484	-	7,516	41,380	46,466	(5,086)	-11%	93,084	
<b>Trading services</b>		<b>20,074,082</b>	<b>21,364,448</b>	-	<b>1,577,050</b>	<b>10,688,033</b>	<b>10,927,927</b>	<b>(239,894)</b>	<b>-2%</b>	<b>21,369,843</b>
Electricity	12,155,617	12,993,486	-	875,787	6,705,184	6,764,936	(59,752)	-1%	12,994,616	
Water	5,755,985	6,174,295	-	519,323	3,012,273	3,068,631	(56,358)	-2%	6,174,795	
Waste water management	885,932	1,030,021	-	86,348	472,045	515,008	(42,963)	-8%	1,030,021	
Waste management	1,276,548	1,166,645	-	95,593	498,532	579,352	(80,820)	-14%	1,170,411	
<b>Other</b>		<b>242,620</b>	<b>249,985</b>	-	<b>20,777</b>	<b>119,563</b>	<b>125,475</b>	<b>(5,912)</b>	<b>-5%</b>	<b>251,561</b>
<b>Total Expenditure - Standard</b>	3	<b>32,386,730</b>	<b>35,316,496</b>	-	<b>2,551,503</b>	<b>16,540,055</b>	<b>17,767,710</b>	<b>(1,227,655)</b>	<b>-7%</b>	<b>35,336,496</b>
<b>Surplus/ (Deficit) for the year</b>		<b>1,723,276</b>	<b>2,260,329</b>	-	<b>1,630,115</b>	<b>2,694,975</b>	<b>2,796,310</b>	<b>(101,335)</b>	<b>-4%</b>	<b>2,260,329</b>

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**ITEM A-F (05-2019)**

EKU Ekurhuleni Metro - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December										
Vote Description	Ref	2017/18	budget year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		6,463,244	277,085	-	3	1,012	8,685	(7,672)	-88.3%	277,085
Vote 2 - Finance and Corporate Services		2,562,257	8,534,743	-	1,339,363	4,623,339	4,717,563	(94,224)	-2.0%	8,534,743
Vote 3 - Energy		13,738,776	14,689,418	-	1,346,691	8,134,957	8,252,400	(117,442)	-1.4%	14,689,418
Vote 4 - Water and Sanitation		7,352,614	8,843,592	-	1,002,190	4,458,432	4,782,726	(324,294)	-6.8%	8,843,592
Vote 5 - Waste Management		1,742,310	1,948,862	-	288,226	1,082,765	1,107,951	(25,186)	-2.3%	1,948,862
Vote 6 - Human Settlements		1,215,076	1,301,118	-	124,001	291,858	633,777	(341,920)	-53.9%	1,321,117
Vote 7 - City Planning		36,203	44,610	-	1,898	16,939	22,305	(5,366)	-24.1%	44,610
Vote 8 - Economic Development		66,531	49,486	-	5,418	22,506	26,104	(3,598)	-13.8%	49,486
Vote 9 - Disaster and Emergency Management Services		7,941	191,048	-	1,717	124,314	125,619	(1,306)	-1.0%	191,048
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)		16,411	22,896	-	812	3,589	8,338	(4,749)	-57.0%	22,896
Vote 11 - Health and Social Development		880	165,983	-	1,604	104,946	109,235	(4,288)	-3.9%	165,983
Vote 12 - Environmental Resource Management		21,949	33,861	-	1,755	11,429	16,930	(5,502)	-32.5%	33,861
Vote 13 - Ekurhuleni Metropolitan Police Department (EM)		171,273	130,184	-	8,648	57,793	65,092	(7,299)	-11.2%	130,184
Vote 14 - Transport Planning & Provisioning		518,383	1,191,458	-	50,317	266,643	595,729	(329,085)	-55.2%	1,191,458
Vote 15 - Roads and Stormwater		196,155	152,481	-	8,976	34,507	91,566	(57,059)	-62.3%	152,481
<b>Total Revenue by Vote</b>	2	<b>34,110,006</b>	<b>37,576,825</b>	-	<b>4,181,619</b>	<b>19,235,030</b>	<b>20,564,020</b>	<b>(1,328,990)</b>	<b>-6.5%</b>	<b>37,596,825</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and Council		4,858,394	1,641,695	-	100,198	558,256	796,224	(237,968)	-29.9%	1,630,593
Vote 2 - Finance and Corporate Services		830,783	2,810,886	-	188,431	1,212,224	1,366,709	(154,485)	-11.3%	2,812,451
Vote 3 - Energy		12,155,617	12,993,486	-	875,787	6,705,184	6,764,936	(59,752)	-0.9%	12,994,616
Vote 4 - Water and Sanitation		6,627,837	7,189,241	-	602,999	3,479,523	3,576,102	(96,578)	-2.7%	7,189,741
Vote 5 - Waste Management		1,276,617	1,166,758	-	95,599	498,551	579,398	(80,847)	-14.0%	1,170,523
Vote 6 - Human Settlements		1,123,296	1,118,846	-	52,019	361,030	504,705	(143,675)	-28.5%	1,139,765
Vote 7 - City Planning		144,376	318,750	-	21,586	143,550	180,759	(37,209)	-20.6%	318,935
Vote 8 - Economic Development		169,948	323,046	-	15,588	91,993	137,179	(45,186)	-32.9%	323,046
Vote 9 - Disaster and Emergency Management Services		462,640	828,980	-	68,557	428,535	413,724	14,811	3.6%	832,504
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)		550,350	708,780	-	53,806	319,528	363,142	(43,614)	-12.0%	710,572
Vote 11 - Health and Social Development		222,145	1,017,484	-	79,516	474,484	507,375	(32,891)	-6.5%	1,017,830
Vote 12 - Environmental Resource Management		171,923	786,889	-	62,827	333,294	393,955	(60,661)	-15.4%	787,849
Vote 13 - Ekurhuleni Metropolitan Police Department (EM)		1,713,765	1,518,343	-	149,570	869,105	765,869	103,236	13.5%	1,521,439
Vote 14 - Transport Planning & Provisioning		323,706	951,744	-	47,644	290,117	468,321	(178,204)	-38.1%	945,436
Vote 15 - Roads and Stormwater		1,755,334	1,941,568	-	137,375	774,681	949,312	(174,631)	-18.4%	1,941,195
<b>Total Expenditure by Vote</b>	2	<b>32,386,730</b>	<b>35,316,496</b>	-	<b>2,551,503</b>	<b>16,540,055</b>	<b>17,767,710</b>	<b>(1,227,655)</b>	<b>-6.9%</b>	<b>35,336,496</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>1,723,276</b>	<b>2,260,329</b>	-	<b>1,630,115</b>	<b>2,694,975</b>	<b>2,796,310</b>	<b>(101,335)</b>	<b>-3.6%</b>	<b>2,260,329</b>

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**ITEM A-F (05-2019)**

EKU Ekurhuleni Metro - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December										
Description	Ref	2017/18	Budget year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands										%
<b>Revenue By Source</b>										
Property rates		5,200,065	5,615,665	-	481,350	2,715,754	2,807,832	(92,078)	-3%	5,615,665
Property rates - penalties & collection charges										
Service charges - electricity revenue		12,893,182	13,732,952	-	1,163,595	7,684,853	7,641,021	43,832	1%	13,732,952
Service charges - water revenue		3,152,551	4,119,535	-	241,374	1,807,562	2,059,768	(252,205)	-12%	4,119,535
Service charges - sanitation revenue		1,168,426	1,594,808	-	133,467	713,052	797,404	(84,352)	-11%	1,594,808
Service charges - refuse revenue		1,190,488	1,338,897	-	106,389	647,146	669,448	(22,302)	-3%	1,338,897
Service charges - other				-						
Rental of facilities and equipment		108,828	127,763	-	8,094	56,554	64,268	(7,714)	-12%	127,763
Interest earned - external investments		613,741	422,568	-	30,631	174,499	211,284	(36,785)	-17%	422,568
Interest earned - outstanding debtors		337,888	523,506	-	42,857	240,398	261,753	(21,355)	-8%	523,506
Dividends received		45	92	-	-	67	46	21	45%	92
Fines		175,878	138,197	-	8,930	59,296	69,099	(9,802)	-14%	138,197
Licences and permits		293,199	338,745	-	17,966	153,795	169,372	(15,578)	-9%	338,745
Agency services				-						
Transfers recognised - operational		5,626,495	6,014,349	-	1,706,317	4,064,578	4,131,817	(67,238)	-2%	6,034,348
Other revenue		1,345,072	1,350,581	-	105,777	613,339	671,388	(58,049)	-9%	1,350,581
Gains on disposal of PPE		1,702	-	-	1,644	1,644	-	1,644	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>32,107,561</b>	<b>35,317,657</b>	<b>-</b>	<b>4,048,392</b>	<b>18,932,536</b>	<b>19,554,499</b>	<b>(621,963)</b>	<b>-3%</b>	<b>35,337,656</b>
<b>Expenditure By Type</b>										
Employee related costs		7,725,483	8,708,334	-	697,245	4,109,006	4,357,042	(248,036)	-6%	8,719,564
Remuneration of councillors		133,052	151,062	-	11,125	66,765	75,531	(8,766)	-12%	151,062
Debt impairment		1,553,248	1,453,081	-	121,662	729,847	726,541	3,306	0%	1,453,081
Depreciation & asset impairment		2,073,954	2,385,339	-	198,191	1,194,815	1,192,669	2,145	0%	2,385,339
Finance charges		751,394	992,048	-	35,884	339,476	370,543	(31,067)	-8%	992,148
Bulk purchases		12,245,375	13,479,345	-	912,322	7,035,701	7,013,550	22,151	0%	13,479,345
Other materials		1,854,252	1,946,750	-	153,261	632,836	980,314	(347,478)	-35%	1,966,932
Contracted services		3,942,773	4,080,213	-	300,680	1,516,207	2,036,324	(520,118)	-26%	4,061,885
Transfers and grants		966,250	897,027	-	91,474	417,008	426,279	(9,272)	-2%	897,027
Other expenditure		1,114,504	1,148,730	-	57,628	496,759	551,633	(54,874)	-10%	1,155,545
Loss on disposal of PPE		2,828	14,578	-	-	1,636	7,289	(5,653)	-78%	14,578
<b>Total Expenditure</b>		<b>32,363,112</b>	<b>35,256,508</b>	<b>-</b>	<b>2,579,471</b>	<b>16,540,055</b>	<b>17,737,715</b>	<b>(1,197,661)</b>	<b>-7%</b>	<b>35,276,507</b>
<b>Surplus/(Deficit)</b>		<b>(255,551)</b>	<b>61,149</b>	<b>-</b>	<b>1,468,921</b>	<b>2,392,481</b>	<b>1,816,784</b>	<b>575,698</b>	<b>0</b>	<b>61,149</b>
Transfers recognised - capital		2,000,818	2,259,169	-	133,227	302,494	1,009,521	(707,027)	(0)	2,259,169
Contributions recognised - capital										
Contributed assets		1,627	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>1,746,894</b>	<b>2,320,318</b>	<b>-</b>	<b>1,602,148</b>	<b>2,694,975</b>	<b>2,826,305</b>			<b>2,320,318</b>
Taxation		23,618	59,989	-	(27,968)	-	29,994	(29,994)	(0)	59,989
<b>Surplus/(Deficit) after taxation</b>		<b>1,723,276</b>	<b>2,260,329</b>	<b>-</b>	<b>1,630,115</b>	<b>2,694,975</b>	<b>2,796,310</b>			<b>2,260,329</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>1,723,276</b>	<b>2,260,329</b>	<b>-</b>	<b>1,630,115</b>	<b>2,694,975</b>	<b>2,796,310</b>			<b>2,260,329</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>1,723,276</b>	<b>2,260,329</b>	<b>-</b>	<b>1,630,115</b>	<b>2,694,975</b>	<b>2,796,310</b>			<b>2,260,329</b>

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**ITEM A-F (05-2019)**

<b>EKU Ekurhuleni Metro - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December</b>										
Vote Description	Ref	2017/18	Budget year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		851,376	683,284	-	26,504	51,588	341,642	(290,054)	-85%	683,284
Vote 2 - Finance and Corporate Services		451,998	607,967	-	6,807	13,371	303,983	(290,612)	-96%	607,967
Vote 3 - Energy		709,831	736,700	-	10,583	85,270	368,350	(283,079)	-77%	736,700
Vote 4 - Water and Sanitation		625,799	866,055	-	92,263	257,399	433,027	(175,628)	-41%	866,055
Vote 5 - Waste Management		137,744	165,500	-	11,650	32,008	82,750	(50,742)	-61%	165,500
Vote 6 - Human Settlements		1,186,380	1,422,311	-	122,314	257,706	711,155	(453,450)	-64%	1,422,311
Vote 7 - City Planning		-	3,050	-	82	193	1,525	(1,332)	-87%	3,050
Vote 8 - Economic Development		145,546	203,200	-	465	1,475	97,350	(95,875)	-98%	186,200
Vote 9 - Disaster and Emergency Management Services		-	167,140	-	8,097	28,425	83,570	(55,145)	-66%	167,140
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)		123,105	114,365	-	3,173	12,924	57,182	(44,258)	-77%	114,365
Vote 11 - Health and Social Development		86,784	42,275	-	6,434	11,591	21,137	(9,547)	-45%	42,275
Vote 12 - Environmental Resource Management		171,644	304,150	-	22,018	62,982	152,075	(89,093)	-59%	304,150
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)		143,171	153,100	-	703	18,400	80,800	(62,400)	-77%	170,100
Vote 14 - Transport Planning & Provisioning		412,172	739,165	-	33,838	88,160	369,582	(281,422)	-76%	739,165
Vote 15 - Roads and Stormwater		685,589	695,950	-	27,004	67,711	347,974	(280,263)	-81%	695,950
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	<b>5,731,138</b>	<b>6,904,213</b>	<b>-</b>	<b>371,936</b>	<b>989,203</b>	<b>3,452,104</b>	<b>(2,462,901)</b>	<b>-71%</b>	<b>6,904,213</b>
<b>Capital Expenditure - Standard Classification</b>										
Governance and administration		1,263,489	1,497,489	-	37,346	87,820	748,744	(660,924)	-88%	1,497,489
Executive and council		94,935	121,700	-	152	806	60,849,882.00	(60,044)	-99%	121,700
Budget and treasury office		1,168,197	1,375,339	-	37,193	86,724	687,669	(600,946)	-87%	1,375,339
Corporate services		356	450	-	-	290	225	65	29%	450
Community and public safety		1,557,516	1,788,556	-	155,482	338,854	894,278	(555,424)	-62%	1,788,556
Community and social services		382,288	167,140	-	8,097	28,425	83,570	(55,145)	-66%	167,140
Sport and recreation		99,745	356,650	-	22,627	63,677	178,325	(114,648)	-64%	356,650
Public safety				-						
Housing		988,699	1,222,491	-	118,324	235,161	611,246	(376,085)	-62%	1,222,491
Health		86,784	42,275	-	6,434	11,591	21,137	(9,547)	-45%	42,275
Economic and environmental services		1,437,450	1,849,913	-	64,612	187,852	924,955	(737,103)	-80%	1,849,913
Planning and development		186,137	207,015	-	597	2,056	99,257	(97,202)	-98%	190,015
Road transport		1,240,933	1,581,598	-	61,501	173,801	795,048	(621,247)	-78%	1,598,598
Environmental protection		10,380	61,300	-	2,514	11,996	30,650	(18,654)	-61%	61,300
Trading services		1,473,373	1,768,255	-	114,496	374,677	884,127	(509,450)	-58%	1,768,255
Electricity		709,831	736,700	-	10,583	85,270	368,350	(283,079)	-77%	736,700
Water		591,644	744,250	-	84,606	191,231	372,125	(180,894)	-49%	744,250
Waste water management		34,155	121,805	-	7,657	66,169	60,902	5,266	9%	121,805
Waste management		137,744	165,500	-	11,650	32,008	82,750	(50,742)	-61%	165,500
Other				-						
<b>Total Capital Expenditure - Standard Classification</b>	<b>3</b>	<b>5,731,827</b>	<b>6,904,213</b>	<b>-</b>	<b>371,936</b>	<b>989,203</b>	<b>3,452,104</b>	<b>(2,462,901)</b>	<b>-71%</b>	<b>6,904,213</b>
<b>Funded by:</b>										
National Government		1,856,365	2,250,269	-	127,284	268,255	1,107,309	(839,054)	-76%	2,178,969
Provincial Government		11,087	8,700	-	-	-	4,350	(4,350)	-100%	8,700
District Municipality				-						
Other transfers and grants		136,426	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>2,003,877</b>	<b>2,258,969</b>	<b>-</b>	<b>127,284</b>	<b>268,255</b>	<b>1,111,659</b>	<b>(843,404)</b>	<b>-76%</b>	<b>2,187,669</b>
Public contributions & donations	5			-						
Borrowing	6	2,873,764	3,519,944	-	206,932	519,775	1,777,796	(1,258,021)	-71%	3,591,244
Internally generated funds		854,186	1,125,300	-	37,720	201,173	562,649	(361,476)	-64%	1,125,300
<b>Total Capital Funding</b>		<b>5,731,827</b>	<b>6,904,213</b>	<b>-</b>	<b>371,936</b>	<b>989,203</b>	<b>3,452,104</b>	<b>(2,462,901)</b>	<b>-71%</b>	<b>6,904,213</b>

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
ORDINARY COUNCIL MEETING**

**2019.01.31**

**ITEM A-F (05-2019)**

EKU Ekurhuleni Metro - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2017/18	Budget year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		3,639,423	13,630,831	-	2,794,265	13,630,831
Call investment deposits		23,883	20,458	-	555,526	20,458
Consumer debtors		3,113,817	3,510,796	-	6,388,476	3,510,796
Other debtors		3,636,378	13,104	-	2,408,518	13,104
Current portion of long-term receivables		5,946	-	-	147,710	-
Inventory		1,021,414	217,889	-	1,016,150	217,889
<b>Total current assets</b>		<b>11,440,863</b>	<b>17,393,078</b>	<b>-</b>	<b>13,310,645</b>	<b>17,393,078</b>
<b>Non current assets</b>						
Long-term receivables		3,481	32,593	-	6,762	32,593
Investments		2,171,836	2,860,164	-	1,355,309	2,860,164
Investment property		418,156	230,415	-	681,613	230,415
Investments in Associate		4,000	-	-	-	-
Property, plant and equipment		54,933,535	59,971,995	-	54,119,900	59,971,995
Agricultural				-	-	
Biological assets				-	-	
Intangible assets		751,523	506,915	-	830,462	506,915
Other non-current assets		69,152	40,639	-	76,224	40,639
<b>Total non current assets</b>		<b>58,351,683</b>	<b>63,642,721</b>	<b>-</b>	<b>57,070,270</b>	<b>63,642,721</b>
<b>TOTAL ASSETS</b>		<b>69,792,546</b>	<b>81,035,799</b>	<b>-</b>	<b>70,380,915</b>	<b>81,035,799</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		56,579	-	-	-	-
Consumer deposits		868,841	780,561	-	875,308	780,561
Trade and other payables		9,255,768	9,577,254	-	7,131,978	9,577,254
Provisions		1,474,020	4,255,314	-	401,726	4,255,314
<b>Total current liabilities</b>		<b>11,655,208</b>	<b>14,613,128</b>	<b>-</b>	<b>8,409,011</b>	<b>14,613,128</b>
<b>Non current liabilities</b>						
Borrowing		6,545,474	13,557,977	-	5,780,431	13,557,977
Provisions		64,160	79,110	-	2,881,120	79,110
<b>Total non current liabilities</b>		<b>6,609,633</b>	<b>13,637,087</b>	<b>-</b>	<b>8,661,550</b>	<b>13,637,087</b>
<b>TOTAL LIABILITIES</b>		<b>18,264,842</b>	<b>28,250,215</b>	<b>-</b>	<b>17,070,561</b>	<b>28,250,215</b>
<b>NET ASSETS</b>	2	<b>51,527,704</b>	<b>52,785,584</b>	<b>-</b>	<b>53,310,354</b>	<b>52,785,584</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		50,997,028	52,785,584	-	53,310,354	52,785,584
Reserves		530,676	0	-	-	0
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>51,527,704</b>	<b>52,785,584</b>	<b>-</b>	<b>53,310,354</b>	<b>52,785,584</b>

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
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**2019.01.31**

**ITEM A-F (05-2019)**

EKU Ekurhuleni Metro - Table C7 Monthly Budget Statement - Cash Flow - M06 December										
Description	Ref	2017/18		Budget year 2018/19						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges		4,878,058	4,833,913		396,057	2,515,250		2,515,250	#DIV/0!	
Service charges		17,341,270	18,823,618		1,348,346	9,480,522		9,480,522	#DIV/0!	
Other revenue		1,074,282	961,196		(222,494)	(366,235)		(366,235)	#DIV/0!	
Government - operating		5,724,671	5,406,054		1,634,790	4,906,376		4,906,376	#DIV/0!	
Government - capital		2,001,283	2,303,664		133,227	302,494		302,494	#DIV/0!	
Interest		609,503	862,113		73,488	414,897		414,897	#DIV/0!	
Dividends			-		-	-		-		
<b>Payments</b>										
Suppliers and employees		(26,267,819)	(25,693,764)		(2,534,870)	(16,502,945)		16,502,945	#DIV/0!	
Finance charges		(658,619)	(753,661)		(35,884)	(339,476)		339,476	#DIV/0!	
Transfers and Grants		(1,733,149)	(2,017,520)		(91,474)	(417,008)		417,008	#DIV/0!	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>2,969,479</b>	<b>4,725,613</b>		<b>701,186</b>	<b>(6,125)</b>		<b>6,125</b>	<b>#DIV/0!</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		(3,523)			1,644	7		7	#DIV/0!	
Decrease (Increase) in non-current debtors					-	-		-		
Decrease (increase) other non-current receivables		(193)			(1)	(4)		(4)	#DIV/0!	
Decrease (increase) in non-current investments		(978,113)			(44,017)	270,372		270,372	#DIV/0!	
<b>Payments</b>										
Capital assets		(5,257,397)			(205,235)	(922,730)		922,730	#DIV/0!	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(6,239,227)</b>			<b>(247,609)</b>	<b>(652,354)</b>		<b>652,354</b>	<b>#DIV/0!</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans					-	-		-		
Borrowing long term/refinancing		1,300,000			(118,107)	(214,519)		(214,519)	#DIV/0!	
Increase (decrease) in consumer deposits		59,569			365	8,977		8,977	#DIV/0!	
<b>Payments</b>										
Repayment of borrowing		(371,980)			-	-		-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>987,588</b>			<b>(117,742)</b>	<b>(205,543)</b>		<b>205,543</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(2,282,160)</b>			<b>335,834</b>	<b>(864,021)</b>				<b>-</b>
Cash/cash equivalents at beginning:		5,809,954				3,658,286				3,658,286
Cash/cash equivalents at month/year end:		3,527,794				2,794,265				3,658,286

## Other supporting documents

In terms of Council's Unauthorised, Fruitless, Wasteful and Irregular Expenditure policy, all known instances of Fruitless, Wasteful and Irregular Expenditure are reported to Council on a quarterly basis as part of the SDBIP report.

Internal Audit has reported that the Fruitless and Wasteful expenditure for this quarter was incurred in the Waste Management department for irregular travelling allowance amounting to R76 689.44. This was identified in the 2<sup>nd</sup> quarter but occurred in the 2017/18 financial year.

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY  
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**2019.01.31**

**ITEM A-F (05-2019)**

**Key Financial Ratio's**

As part of the requirements of the Municipal Budget and Reporting Regulations Council must complete schedule SC2 (Monthly Budget Statement Performance Indicators) and submit to National Treasury.

The following is an extract from the mentioned schedule indicating all the financial ratios as required by National Treasury.

<b>EKU Ekurhuleni Metro - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December</b>							
Description of financial indicator	Basis of calculation	Ref	2017/18	Budget year 2018/19			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.3%	9.6%	0.0%	2.1%	3.2%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		50.1%	51.0%	0.0%	52.5%	52.0%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		30.8%	43.8%	0.0%	24.2%	43.8%
Gearing	Long Term Borrowing/ Funds & Reserves		1233.4%	4430711541.2%	0.0%	0.0%	4430711541.2%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	98.2%	119.0%	0.0%	158.3%	119.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		31.4%	93.4%	0.0%	39.8%	93.4%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		21.1%	10.1%	0.0%	47.3%	10.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		24.1%	24.7%	0.0%	21.7%	24.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		6.6%	6.8%	0.0%	4.0%	6.7%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.8%	9.6%	0.0%	1.8%	3.2%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
EKU Ekurhuleni Metro - Supporting Table SC2 Monthly Budget Statement - performance indicators - M07 January							
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

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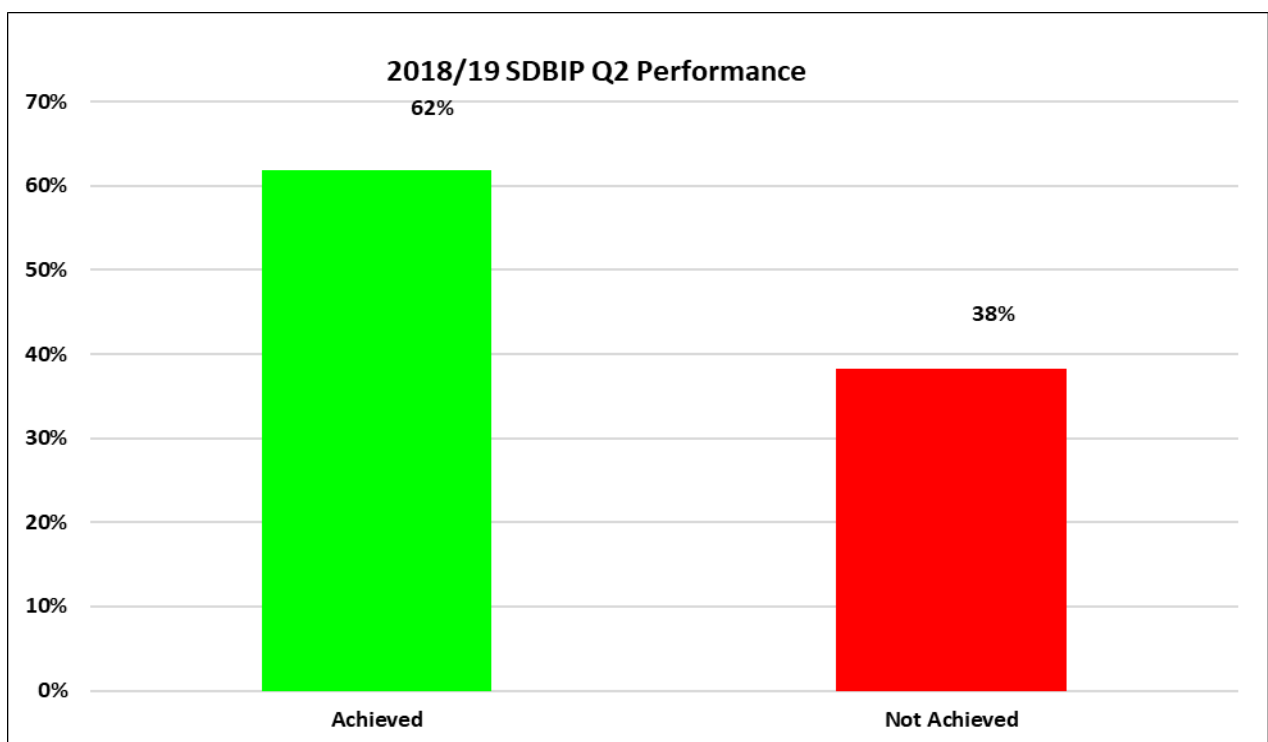
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SUMMARY OF THE UNAUDITED QUARTERLY SDBIP REPORT: QUARTER TWO OF THE  
2018/2019 FINANCIAL YEAR

SUMMARY OF THE SECOND QUARTER NON-FINANCIAL PERFORMANCE INFORMATION

CITY-WIDE PERFORMANCE

FIGURE 1: CITY-WIDE 2018/2019 QUARTER 2 PERFORMANCE



The City committed to a total of 89 targets in the second quarter of the 2018/2019 financial year. Against these commitments, 55 (62%) targets were achieved and 34 (38%) were not achieved. The committed targets were contributed by the twenty-seven (27) departments and entities for the metro-wide SDBIP. Of the twenty-seven (27) departments and entities that committed to the targets, eight (08) departments achieved hundred per cent (100%) and fourteen (14) achieved 50% and less. All the three CoE entities achieved 50% and less with ERWAT achieving 50% of their targets while Brakpan Bus Company (BBC) and Ekurhuleni Housing Company (EHC) achieved none (0%) of their targets. Departments that received none (0%) of their targets are Internal Audit, Fleet Management and EPMO.

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FIGURE 2: CITY-WIDE 2018/2019 QUARTER 2 PERFORMANCE PER CLUSTER

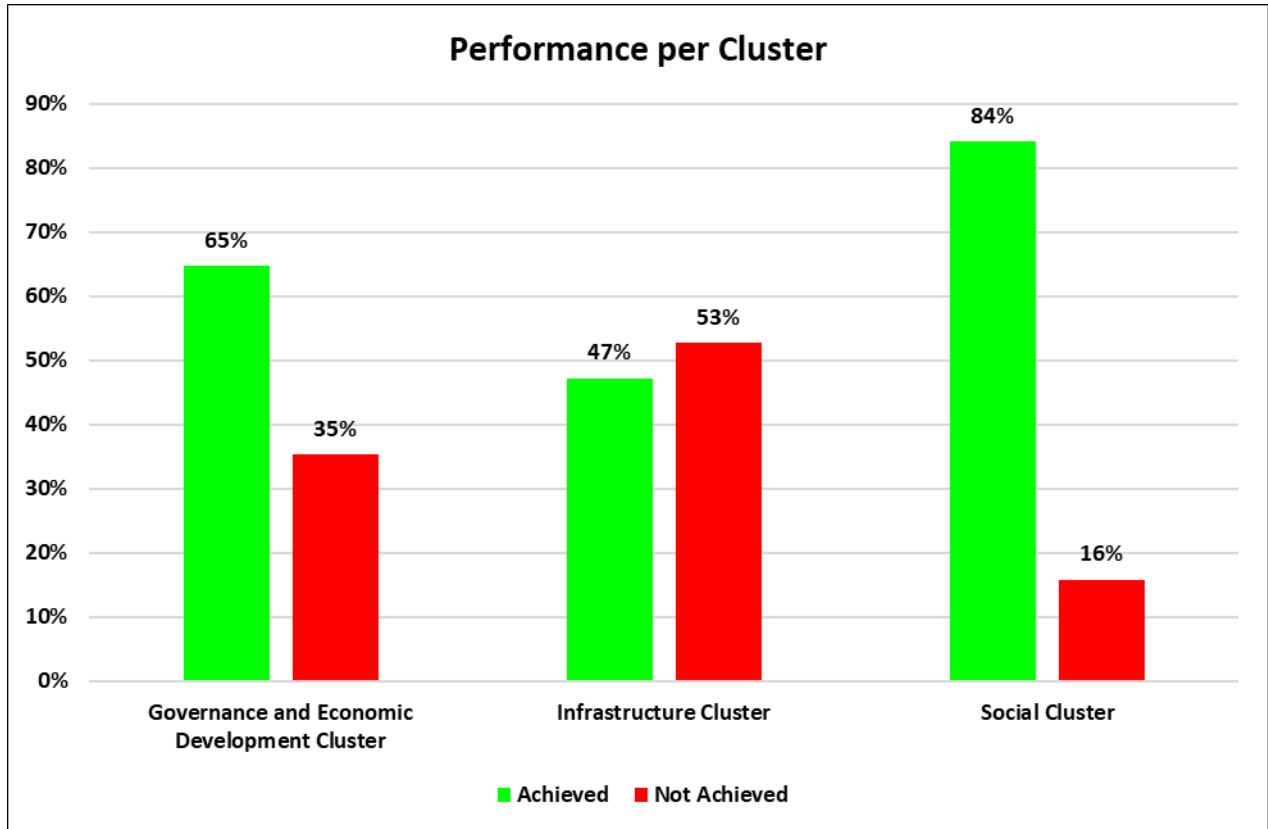


Figure 2. above presents the quarterly performance against the targets set for the Quarter 2 of the 2018/2019 financial year per cluster. The figure shows that the Social Cluster recorded the highest performance of eighty-four per cent (84%) target achievement followed by the Governance and Economic Cluster with sixty-five per cent (65%) and Infrastructure Cluster which recorded forty-seven per cent (47%) target achievement.

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FIGURE 3: CITY-WIDE QUARTER 2 PERFORMANCE BY GDS THEMATIC AREAS

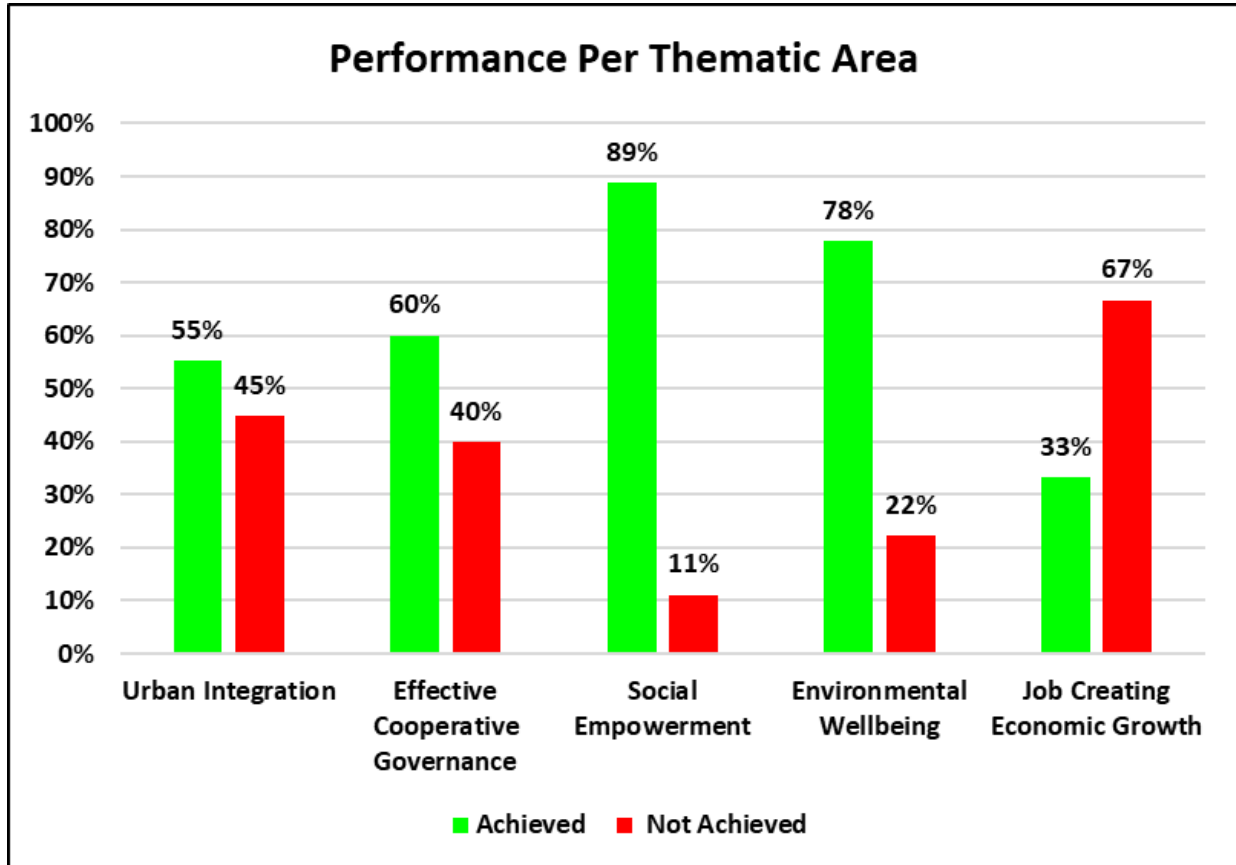


Figure 3. above presents the performance against target set within specific Thematic Areas of the Growth and Development Strategy (GDS) 2055. The performance on targets that were planned to be delivered over the period under review is summarised as follows:

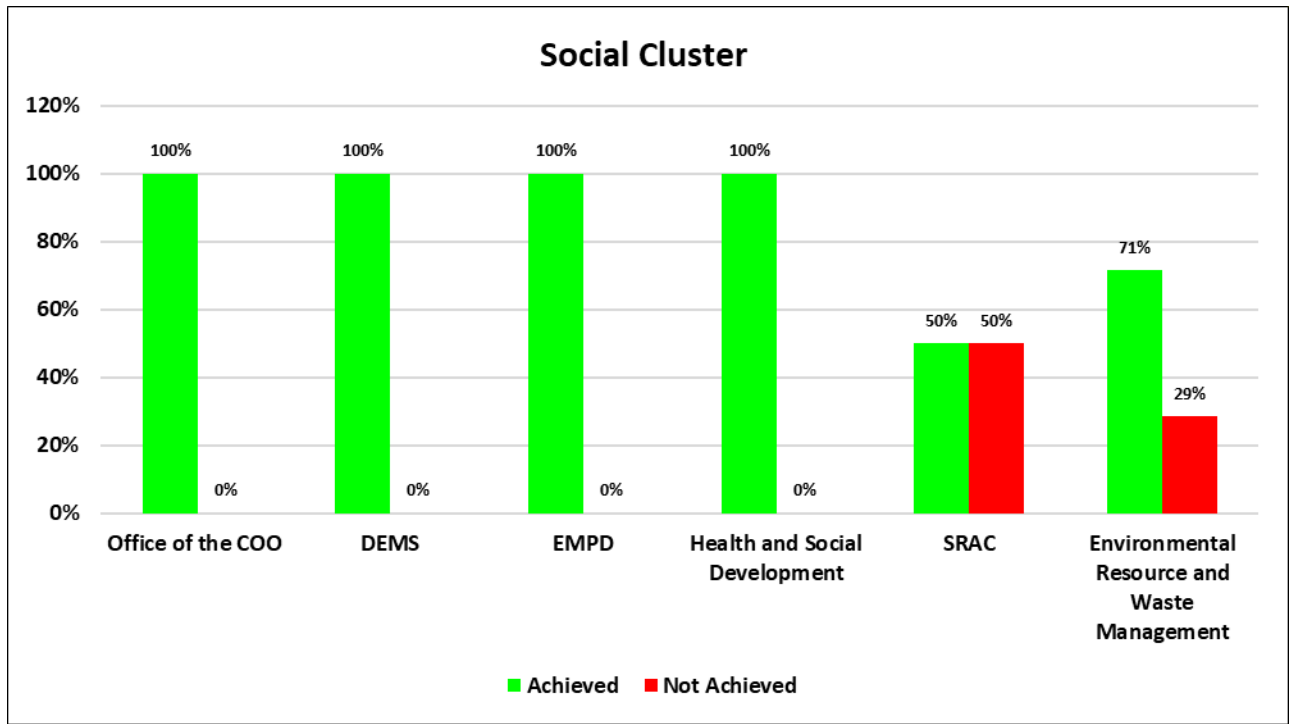
- The highest performance was recorded for the Social Empowerment GDS Thematic Area in which eighty-nine per cent (89%) of the nine (9) targets that were planned for the quarter were achieved.
- The second highest performance was recorded for targets that were planned for the Environmental Wellbeing GDS Thematic Area. Seven (7) of the nine (9) targets that were planned were achieved and this translates to seventy-eight per cent (78%) target achievement.
- The above figure indicates that a total of thirty-eight (38) targets were planned for the Urban Integration GDS Thematic Area, of which 21 (55%) were achieved and 17 (45%) were not achieved.
- A total of thirty (30) targets were planned for the Effective Cooperative Governance GDS Thematic Area. Of the thirty (30) targets, 18 (60%) were achieved.
- Only three (3) targets were planned for the Job Creation Economic Growth GDS Thematic Area out of which 2 (67%) were not achieved.

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FIGURE 4: CITY-WIDE QUARTER 2 PERFORMANCE ACROSS SOCIAL CLUSTER



**Social Cluster**

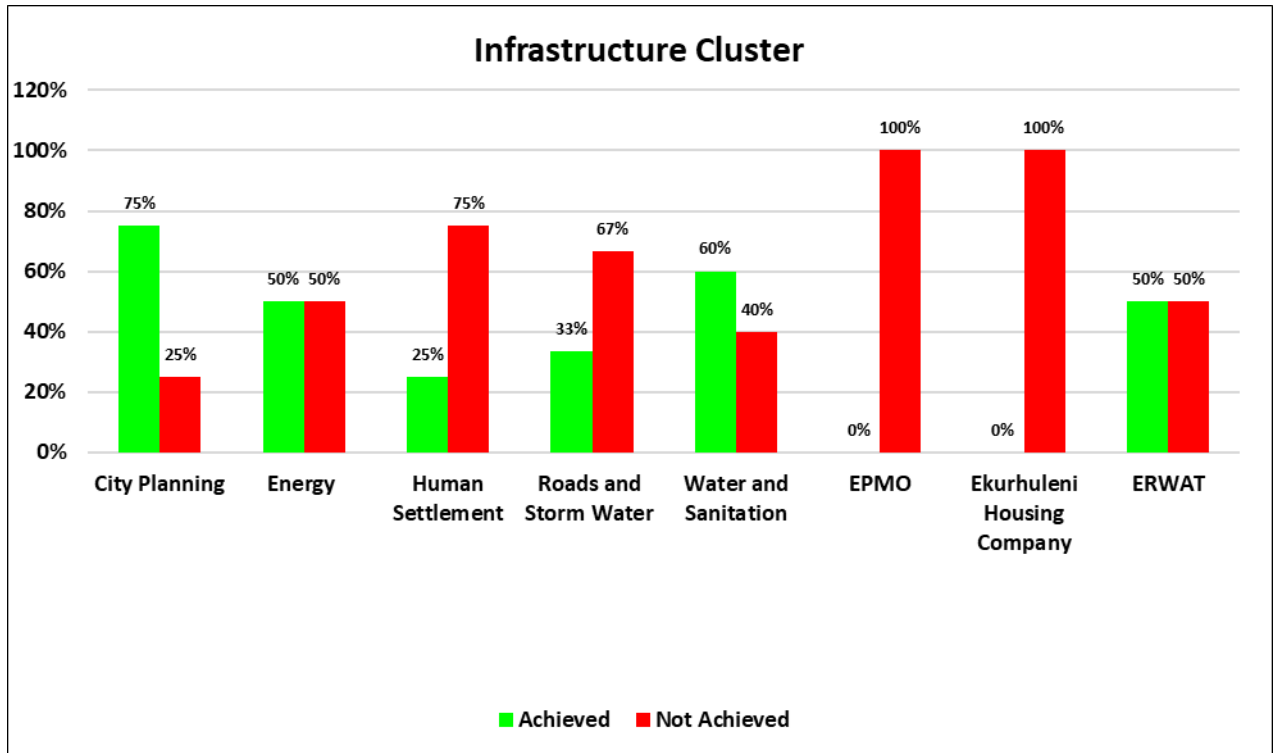
The Social Cluster committed to a total of nineteen (19) targets and of those, 16 (84%) targets were achieved and 3 (16%) targets were not achieved as presented in Figure 2 above. A total of four (4) departments in this cluster achieved 100% of their planned targets for the quarter under review. These departments are Office of the Chief Operations Officer, Disaster and Emergency Management Services, Ekurhuleni Metro Police Department and Health and Social Development. The second highest performance was recorded by Environmental Resource Management which achieved 71% of its planned targets, followed by Sports, Recreation, Arts and Culture with 50% of its planned targets achieved.

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FIGURE 5: CITY-WIDE QUARTER 2 PERFORMANCE ACROSS INFRASTRUCTURE CLUSTER



**Infrastructure Cluster**

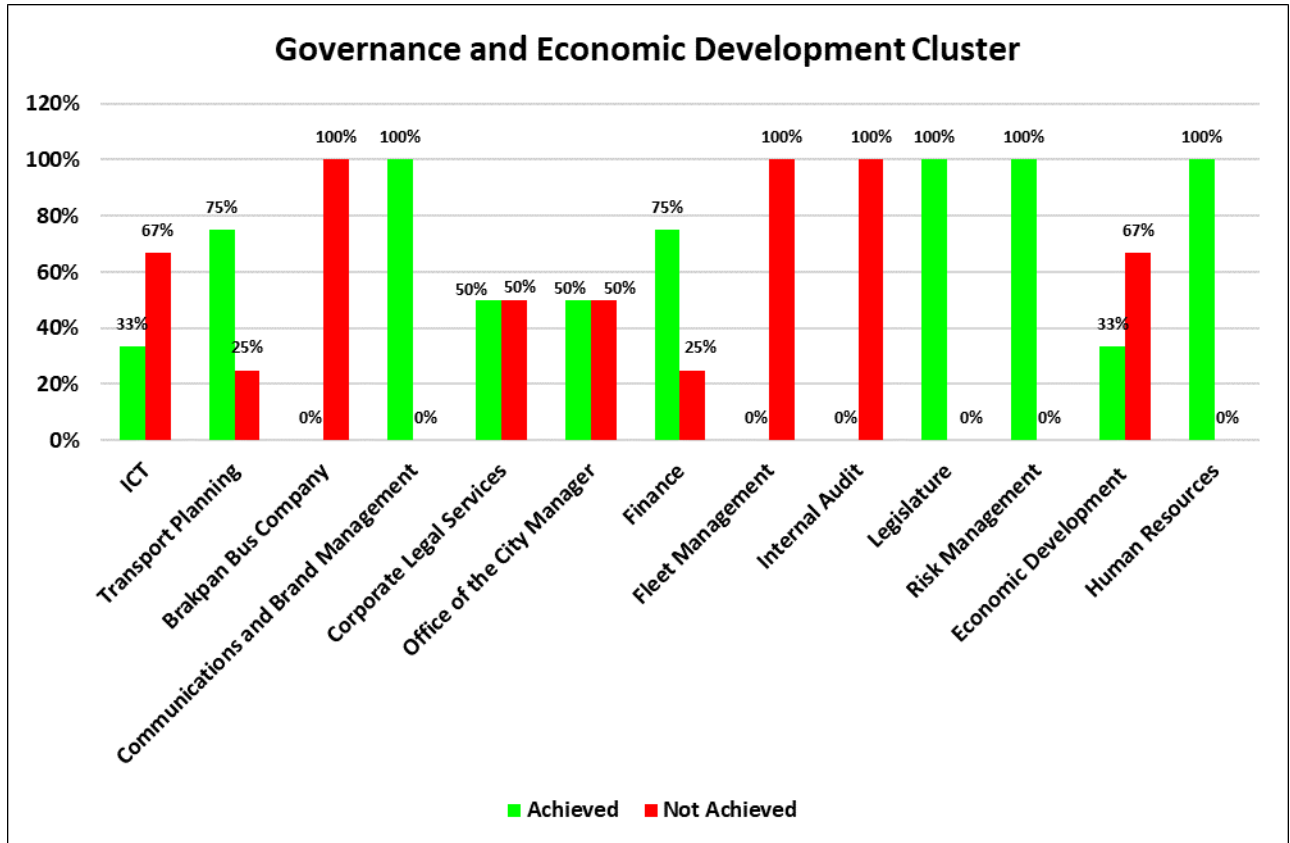
The cluster committed to a total of 36 targets and of those targets, 17 (47%) were achieved. None of the departments in this cluster achieved 100% of their planned targets. The best performing department in this cluster was City Planning which achieved seventy-five per cent (75%) of their planned targets followed by Water and Sanitation department at sixty per cent (60%). Enterprise Programme Management Office (EPMO) and Ekurhuleni Housing Company (EHC) achieved none (0%) of their planned targets. Energy and East Rand Water Care Company (ERWAT) each achieved fifty per cent (50%) of their planned target followed by Roads and Storm Water and Human Settlement with 33% and 25%, respectively.

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**FIGURE 6: CITY-WIDE QUARTER 2 PERFORMANCE ACROSS GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER**



***Governance and Economic Development Cluster***

The performance of the cluster was measured against thirty-four (34) targets that were planned to be met in the quarter under review. A total of 22 (65%) targets were achieved and 12 (35%) were not achieved. Four (4) departments (Communications and Brand Management, Risk Management, Legislature and Human Resources) achieved 100% of their set targets. The second highest performing departments in this cluster are Transport Planning and Finance which achieved seventy-five per cent (75%) of their targets. Corporate Legal Services and Office of the City Manager each achieved 50% of their targets while Economic Development and Information Communication and Technology (ICT) each achieved only 33% of their planned targets. The Brakpan Bus Company (BBC), Internal Audit and Fleet Management recorded nil per cent (0%) target achievement.

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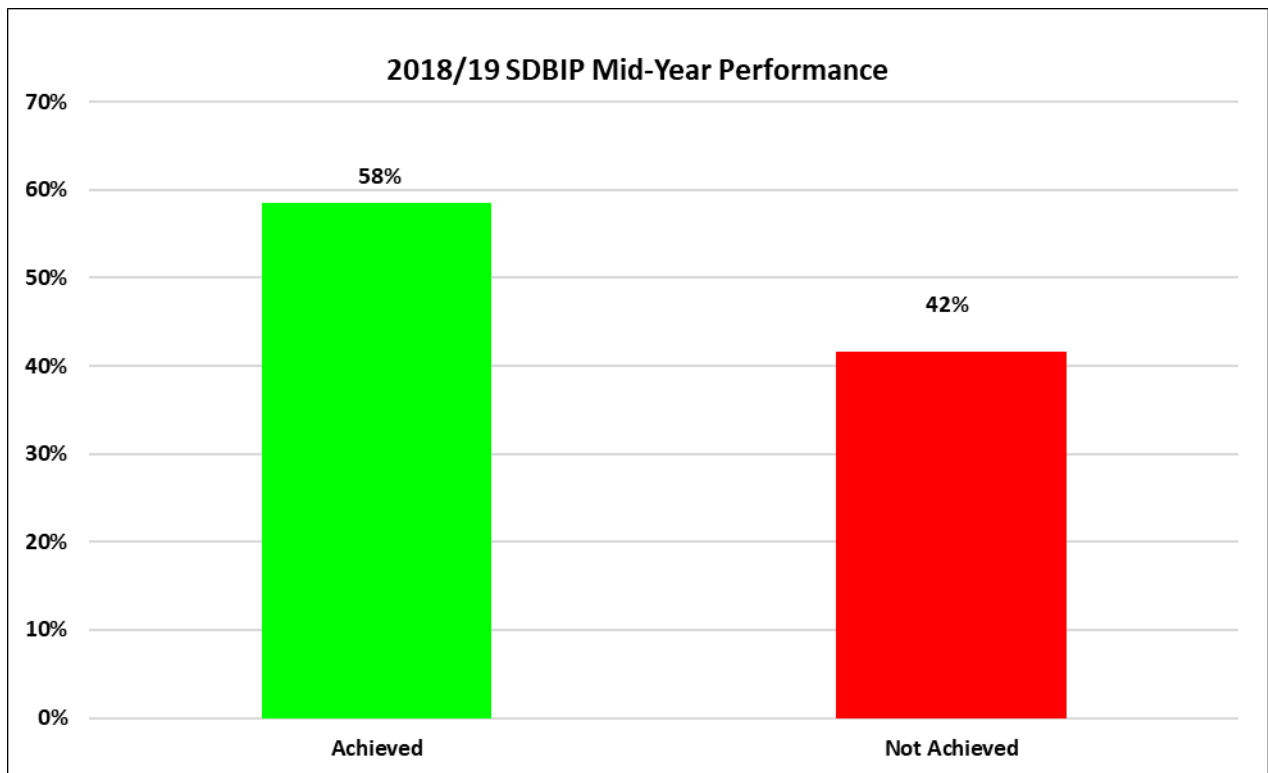
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**SUMMARY OF THE UNAUDITED MID-YEAR SDBIP REPORT: MID-YEAR OF THE 2018/2019 FINANCIAL YEAR**

**SUMMARY OF THE MID-YEAR NON-FINANCIAL PERFORMANCE INFORMATION**

**CITY-WIDE PERFORMANCE**

**FIGURE 1: CITY-WIDE 2018/2019 MID-YEAR PERFORMANCE**



The City committed to deliver and achieve on a total of 89 targets during the first two quarters of the 2018/2019 financial year. Against these commitments, 52 (58%) targets were achieved and 37 (42%) were not achieved. The committed targets were contributed by the twenty-seven (27) departments and entities for the metro-wide SDBIP. Of the twenty-seven (27) departments and entities that committed to the targets, seven (07) departments achieved hundred per cent (100%) and fifteen (15) achieved 50% and less. All the three CoE entities achieved 50% and less with ERWAT achieving 50% of their targets while Brakpan Bus Company (BBC) and Ekurhuleni Housing Company (EHC) achieved none (0%) of their targets. Five (5) departments achieved none (0%) of their mid-year targets, i.e. Internal Audit, Fleet Management, Economic Development, Human Settlement and EPMO.

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FIGURE 2: CITY-WIDE 2018/2019 MID-YEAR PERFORMANCE PER CLUSTER

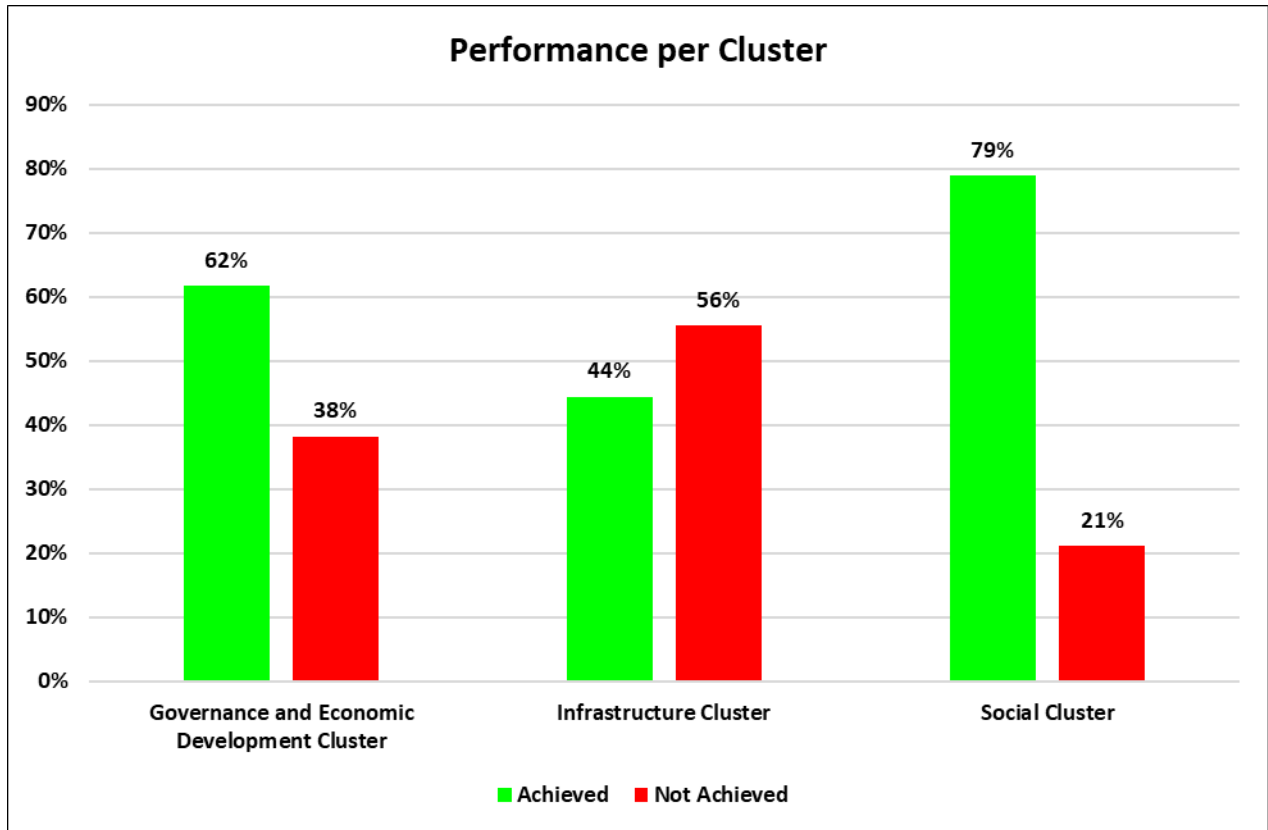


Figure 2. above presents the mid-year performance against the targets set for the mid-year period of the 2018/2019 financial year per cluster. The figure shows that the Social Cluster recorded the highest performance of seventy-nine per cent (79%) target achievement followed by the Governance and Economic Cluster with sixty-two per cent (62%) and Infrastructure Cluster which recorded forty-four per cent (44%) target achievement. This mid-year performance is consistent with the Q2 performance.

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FIGURE 3: CITY-WIDE MID-YEAR PERFORMANCE BY GDS THEMATIC AREAS

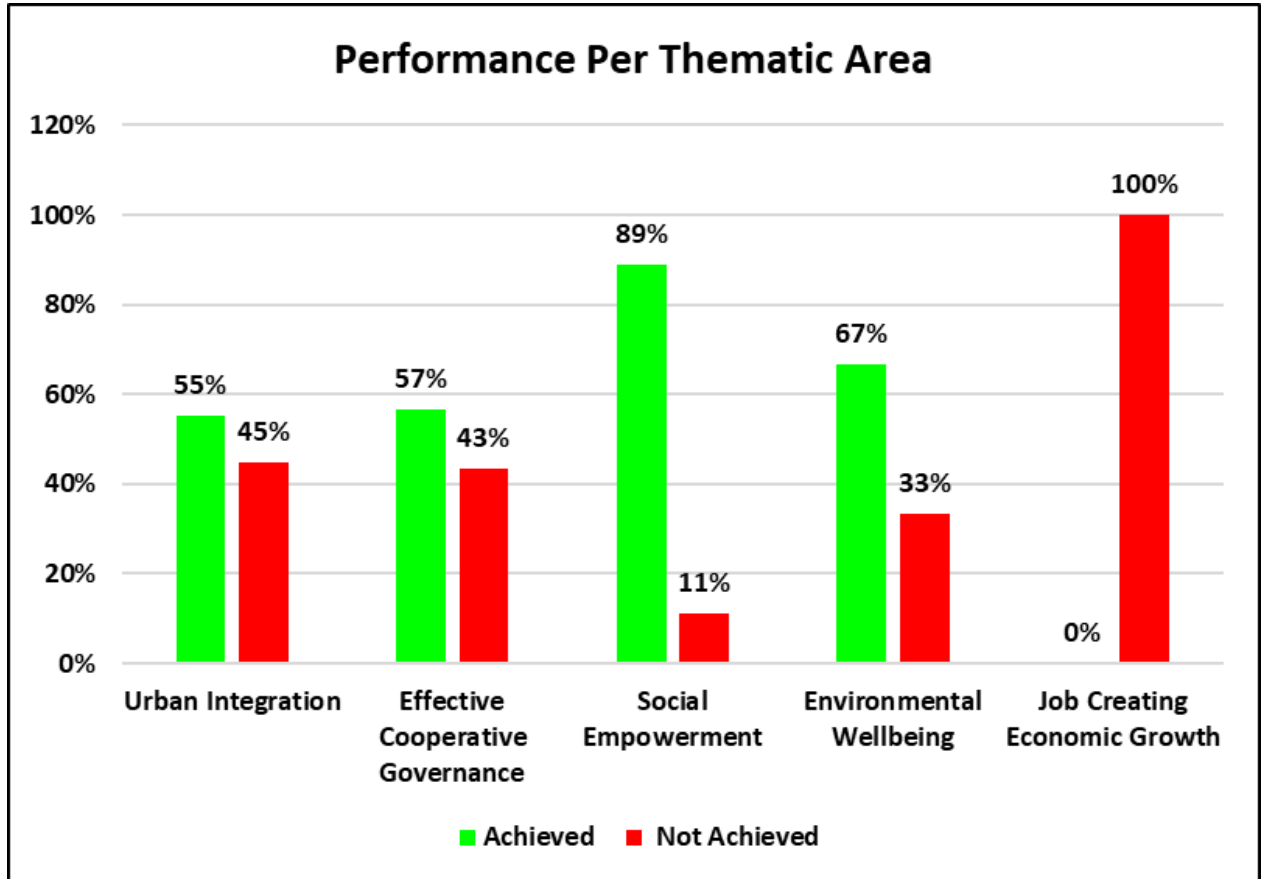


Figure 3. above presents the performance against target set within specific Thematic Areas of the Growth and Development Strategy (GDS) 2055. The performance on targets that were planned to be delivered over the period under review is summarised as follows:

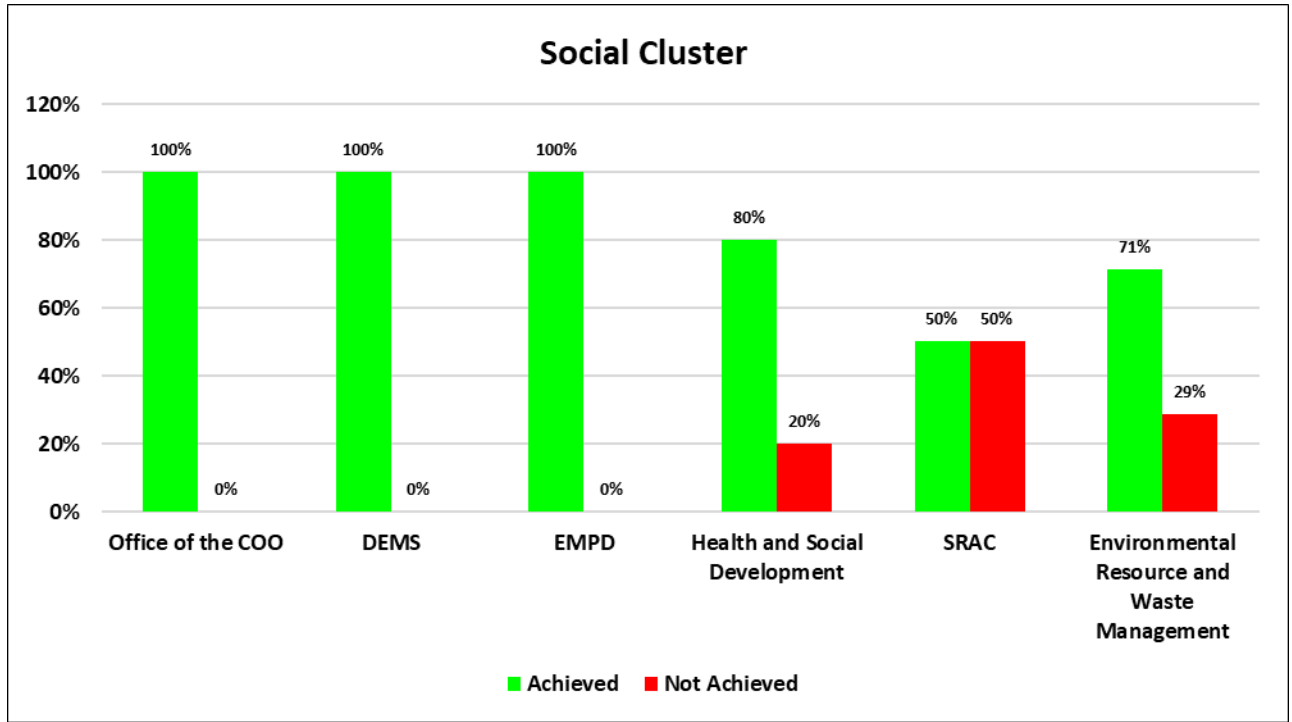
- The highest performance was recorded for the Social Empowerment GDS Thematic Area in which eighty-nine per cent (89%) of the nine (9) targets that were planned during the 2018/19 mid-year period were achieved.
- The second highest performance was recorded for targets that were planned for the Environmental Wellbeing GDS Thematic Area. Seven (7) of the nine (9) targets that were planned were achieved and this translates to sixty-seven per cent (67%) target achievement.
- The above figure indicates that a total of thirty-eight (38) targets were planned for the Urban Integration GDS Thematic Area, of which 21 (55%) were achieved and 17 (45%) were not achieved.
- A total of thirty (30) targets were planned for the Effective Cooperative Governance GDS Thematic Area. Of the thirty (30) targets, 17 (57%) were achieved.
- Only three (3) targets were planned for the Job Creation Economic Growth GDS Thematic Area out of which none (0%) were not achieved when assessing the performance for the first six months of 2018/19.

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FIGURE 4: CITY-WIDE MID-YEAR PERFORMANCE ACROSS SOCIAL CLUSTER



**Social Cluster**

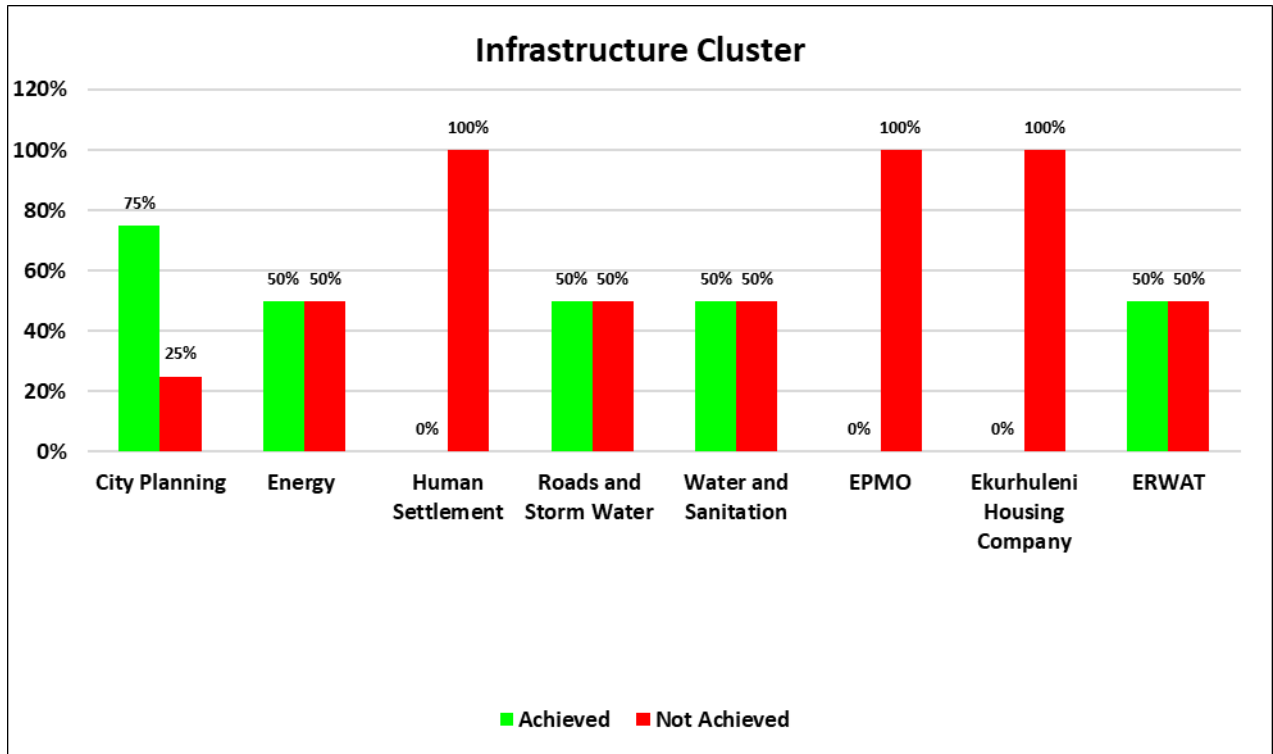
The Social Cluster committed to a total of nineteen (19) targets and of those, 15 (79%) targets were achieved and 4 (21%) targets were not achieved as presented in Figure 2 above. A total of three (3) departments in this cluster achieved 100% of their planned targets during the mid-year period under review. These departments are Office of the Chief Operations Officer, Disaster and Emergency Management Services and Ekurhuleni Metro Police Department. The second highest performance was recorded by Health and Social Development which achieved 80% of its planned targets, followed by Environmental Resource Management with 71% of its planned targets achieved. Sports, Recreation, Arts and Culture achieved only 50% of their planned targets for the mid-year period.

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FIGURE 5: CITY-WIDE MID-YEAR PERFORMANCE ACROSS INFRASTRUCTURE CLUSTER



**Infrastructure Cluster**

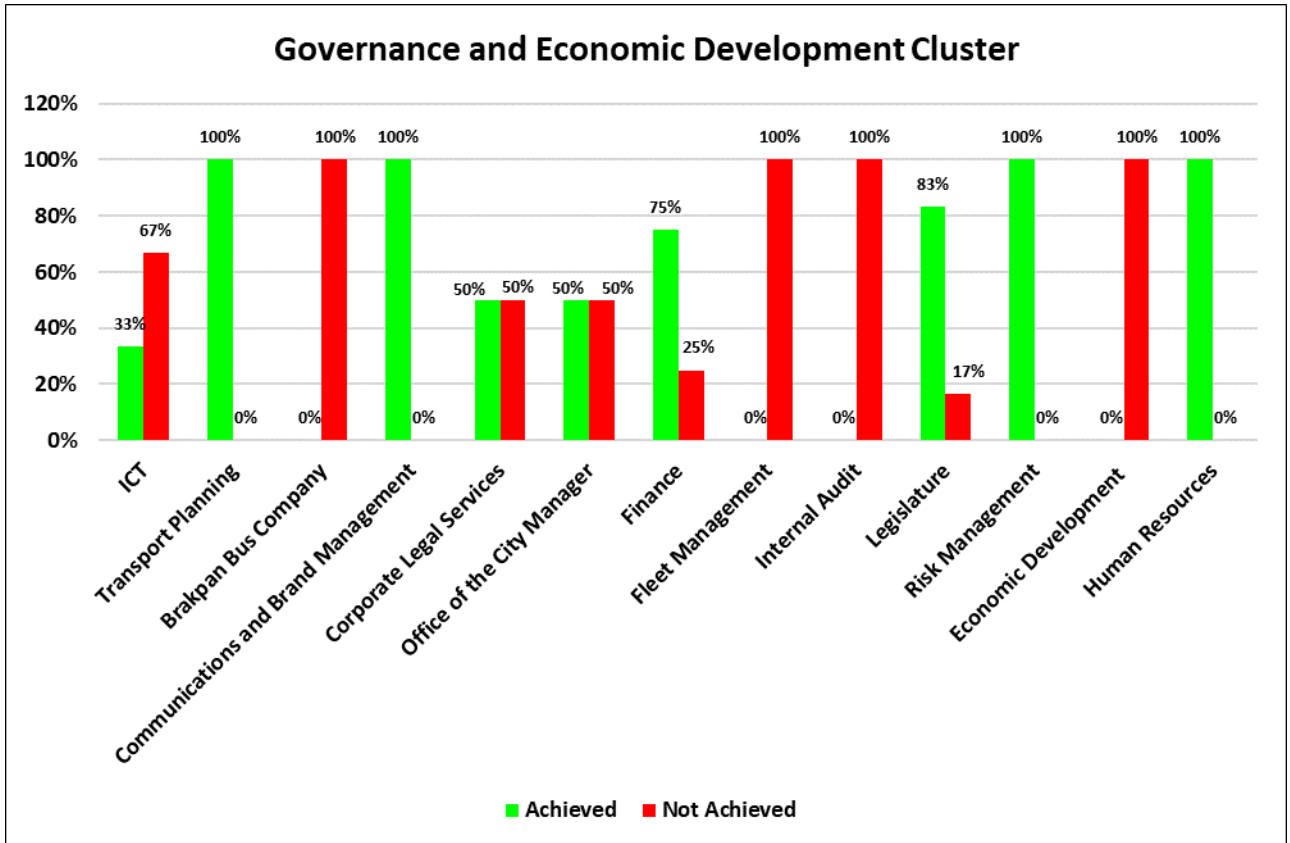
The cluster committed to a total of 36 targets and of those targets, 16 (44%) were achieved. None of the departments in this cluster achieved 100% of their planned targets for the mid-year period. The best performing department in this cluster was City Planning which achieved seventy-five per cent (75%) of their planned targets. Roads and Storm Water, Energy, Water and Sanitation and East Rand Water Care Company (ERWAT) each achieved fifty per cent (50%) of their planned targets. Human Settlement, Enterprise Programme Management Office (EPMO) and Ekurhuleni Housing Company (EHC) achieved none (0%) of their planned targets.

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**FIGURE 6: CITY-WIDE MID-YEAR PERFORMANCE ACROSS GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER**



***Governance and Economic Development Cluster***

The performance of the cluster was measured against thirty-four (34) performance targets that were planned to be met during the mid-year period under review. A total of 21 (62%) targets were achieved and 13 (38%) were not achieved. Four (4) departments (Communications and Brand Management, Human Resources, Transport Planning and Risk Management) achieved 100% of their set targets. The second highest performing department is Legislature with 83% of its set targets achieved. This is followed by Finance which achieved seventy-five per cent (75%) of its targets. Corporate Legal Services and Office of the City Manager achieved 50% of their targets while Information Communication and Technology (ICT) achieved only 33% of its planned targets. The Brakpan Bus Company (BBC), Economic Development, Internal Audit, and Fleet Management recorded nil per cent (0%) target achievement.

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**HIGHLIGHTS FOR 2018/19 SDBIP QUARTER TWO AND MID-YEAR PERFORMANCE**

The pro-poor agenda is still reaffirmed as the foremost developmental agenda of the City in its commitment to stimulate and improve economic growth for the benefit of poor by broadening its reach through service delivery to all informal settlements. Hence during quarter one (1) and quarter two (2), the key focus was on the improvement of the quality of targeted services to informal settlements. Electrification, gravelling and upgrading of roads in the informal settlements, promoting targeted service provision in informal settlements and maintenance of service levels in all areas of the City are some of the noteworthy key service delivery highlights.

**1. SOCIAL EMPOWERMENT**

This thematic area aims at building a socially cohesive, healthy, active and engaged citizenry capable of working in partnership. The City embarked on a number of initiatives that yielded some commendable results. These included:

- SRAC implemented eight (8) school programmes during the period covering the first six months of the financial year with four (4) implemented in quarter one (1) and quarter two (2) respectively. These programmes involved engaging children on leading active and positive lives for their own development
- Commendable strides were made in the provision of health care services. Some of the notable achievements included the:
  - Reduction of HIV transmission from Mother-To-Child has been kept to a targeted level of below 2%. The City has achieved a transmission rate of 0.7%, at the end of quarter two (2), which is well below the National Targets of 2%.
- In contributing towards the attainment of the national outcome of a long and healthy life for all South Africans, the Department of Health and Social Development continues its vector control programme aimed at the eradication of rodents. A total of 62 Informal Settlements have been treated for rodent infestation through baiting method during quarter one (1) and quarter two (2). The City is well within path to achieve its target for coverage of the 118 informal settlement with regards to reduction of rodent infestation.

Safety and security across the City continues to be a high priority. The municipality focused on reducing accidents, fatalities and injuries and restore confidence and respect for road traffic management. This was done through heightened awareness of road traffic safety issues and by-law enforcement operations thereby inculcating good road user behaviour and voluntary compliance to by-laws and traffic laws. A total of 60 by-law enforcement policing operations were implemented from the beginning of the financial year with 30 implemented in each of the quarters under review.

**2. SUSTAINABLE URBAN INTEGRATION**

In its efforts to re-urbanise, the City focused on improving service delivery across all areas of service delivery during the first two quarters of the financial year. The results of these efforts included:

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- Significant strides in the connection of households to water and sewer services. In this regard, 5.433km in quarter one (1) and 6.985 km in quarter two (2) bringing a total of 12.418km of water and sewer pipes were replaced, upgraded and extended.

The City focused on the construction, upgrade and maintenance of the road and storm water infrastructure network. In this regard, 2005 km of road networks were maintained during the first six months of the 2018/19 financial year.

**ORGANISATIONAL AND HUMAN RESOURCE IMPLICATIONS**

None

**FINANCIAL IMPLICATIONS**

The detailed financial implications have been addressed in the report.

**LEGAL IMPLICATIONS**

The report is compiled in accordance with the requirements of the MFMA and Municipal Budget and Reporting Regulations.

**COMMUNICATION IMPLICATION**

The contents of the report must be communicated to National and Provincial Treasury as well as the Auditor General. This will be done by the Finance Department.

The Marketing and Brand Management Department will ensure that the report is placed on the official website of Council.

**OTHER DEPARTMENTS/ BODIES CONSULTED**

- The Finance Management Team was consulted and the recommendations are supported.
- The Strategy and Corporate Planning Department was responsible for the compilation of the Performance Report.
- The Municipal Entities compiled their own Performance Reports.

**RECOMMENDATION**

1. **That** the 2018/19 mid-year budget and performance assessment report as required by section 72 of the Municipal Finance Management Act **BE NOTED**.
2. **That**, in compliance with, Section 52(d) and Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations" the financial results regarding the operating and capital budgets for the 2<sup>nd</sup> quarter of the 2018/19 financial year, and supporting documents as required by National Treasury (Schedule C) as at 31 December 2018, **IS SUBMITTED**.

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- 3. That,** based of the mid-year review, an adjustment budget be submitted separately to council for consideration of approval.
- 4. That,** in order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009, the report **BE SUBMITTED** to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the Council, in both a Council approved document and in electronic format.