

CHAPTER 4

AUDITED STATEMENTS & RELATED FINANCIAL INFORMATION

4.1 AUDITED FINANCIAL STATEMENTS

The Audited Annual Financial Statements are attached as ANNEXURE "A"

4.2 BUDGET TO ACTUAL COMPARISON

EMFULENI LOCAL MUNICIPALITY
ACTUAL VERSUS BUDGET: (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual R	2009 Budget R	2009 Variance R	2009 Variance
Revenue				
Property rates	262,075,166	254,535,821	7,539,345	2.96%
Service charges	1,270,288,936	1,438,380,630	(168,091,694)	-11.69%
Rental of facilities and equipment	7,050,203	7,425,188	(374,985)	-5.05%
Interest earned - external investments	39,308,894	12,000,000	27,308,894	227.57%
Interest earned - outstanding debtors	148,146,836	81,670,338	66,476,498	81.40%
Dividends received	4,905	-	4,905	
Fines	30,087,799	16,016,250	14,071,549	87.86%
Licences and permits	3,851	5,569	(1,718)	-30.85%
Government grants and subsidies	407,358,168	417,750,680	(10,392,512)	-2.49%
Other income	106,682,032	69,533,140	37,148,892	53.43%
Gains on disposal of property, plant and equipment	4,170,817	-	4,170,817	
Total revenue	2,275,177,605	2,297,317,616	(22,140,011)	-0.96%
Expenditure				
Executive and Council	58,952,911	105,775,201	(46,822,290)	-44.27%
Finance and Admin	326,622,098	385,566,637	(58,944,539)	-15.29%
Planning and Development	20,581,712	32,739,460	(12,157,748)	-37.13%
Health	36,985,716	42,155,316	(5,169,600)	-12.26%
Community and Social services	24,230,233	816,698	23,413,535	2866.85%
Housing	12,931,741	16,976,944	(4,045,203)	-23.83%
Public safety	79,160,721	90,314,144	(11,153,423)	-12.35%
Sport and recreation	23,524,594	22,600,375	924,219	4.09%
Environmental protection	5,682,009	619,626	5,062,383	817.01%
Waste management	72,145,698	216,452,087	(144,306,389)	-66.67%
Road transport	49,809,643	90,033,533	(40,223,890)	-44.68%
Water	983,138,921	454,186,428	528,952,493	116.46%
Electricity	607,717,387	609,638,728	(1,921,341)	-0.32%
Other	235,065,945	229,442,439	5,623,506	0.00%
Total expenditure	2,536,549,329	2,297,317,616	239,231,713	10.41%
Surplus / (deficit)	(261,371,724)	-	(261,371,724)	100.00%

EMFULENI LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET: SEGMENTAL ANALYSIS OF ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2009	2009	2009	2009
	Actual R	Under Construction R	Total Additions R	Budget R	Variance R
LAND AND BUILDINGS					
Buildings	-		-	-	-
COMMUNITY ASSETS					
Clinics/hospitals	3,951,947		3,951,947	9,889,992	5,938,045
Cemeteries			-	-	-
Indoor sports			-	-	-
Swimming pools	329,295	937,750	1,267,045	3,170,858	1,903,813
Parks	121,684		121,684	304,522	182,838
Recreation facilities	158,784		158,784	397,367	238,583
Libraries			-	-	-
Outdoor sports facilities			-	-	-
Fencing	25,745		25,745		(25,745)
Paving	6,817	19,510	26,327	65,885	39,558
Security systems	2,832,801	1,162,922	3,995,723	9,999,545	6,003,822
Office buildings	51,274	1,618,409	1,669,683	4,178,484	2,508,801
	7,478,347	3,738,591	11,216,938	28,006,653	16,789,715

EMFULENI LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET: SEGMENTAL ANALYSIS OF ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2009	2009	2009	2009
	Actual R	Under Construction R	Total Additions R	Budget R	Variance R
INFRASTRUCTURE					
Power stations	6,397,947	7,548,802	13,946,749	15,164,920	1,218,171
Load control equipment	429,971	497,483	927,454	1,008,462	81,008
Switchgear equipment	19,970	12,856,088	12,876,058	14,000,711	1,124,653
Supply / reticulation - electricity	1,666,280	2,067,907	3,734,187	4,060,347	326,160
Mains - electricity	87,626	3,967,231	4,054,857	4,409,026	354,169
Transformer kiosks	593,818	3,466,986	4,060,804	4,415,492	354,688
Street lighting		37,020	37,020	40,253	3,233
Traffic lights	107,063	96,920	203,983	221,800	17,817
Mini dumps	63,039	1,941,474	2,004,513	2,179,596	175,083
Motorways	5,079,074	1,062,428	6,141,502	6,677,928	536,426
Other roads		1,702,924	1,702,924	1,851,665	148,741
Car parks	104,980	44,310	149,290	162,329	13,039
Taxi rank	17,601,082		17,601,082	19,138,439	1,537,357
Stormwater drains	399,704	11,410,167	11,809,871	12,841,398	1,031,527
Sewers	13,694,392	48,746,194	62,440,586	67,894,427	5,453,841
Purification works	6,235,393	15,540,078	21,775,471	23,677,437	1,901,966
Meters		25,800	25,800	28,053	2,253
Mains - water		14,098,098	14,098,098	15,329,489	1,231,391
Reservoirs and tanks	220,000		220,000	239,216	
Supply / reticulation - water	397,776	96,142,017	96,539,793	103,322,251	6,782,458
Subtotal	53,098,115	221,251,926	274,350,041	296,663,239	22,293,982

EMFULENI LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET: SEGMENTAL ANALYSIS OF ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009	2009	2009	2009	2009
OTHER ASSETS	Actual R	Under Construction R	Total Additions R	Budget R	Variance R
Cable stations		385,000	385,000	445,631	60,631
Office buildings	13,280,993	42,323	13,323,316	15,421,513	2,098,198
Household refuse bins	19,716		19,716	22,821	3,105
Tables / desks	1,004,043		1,004,043	1,162,162	158,119
Cabinets / cupboards	337,164		337,164	390,261	53,097
Miscellaneous	3,161,871	1,891,350	5,053,221	5,849,018	795,797
Chairs	912,852		912,852	1,056,611	143,759
Motor vehicles			-	-	-
Bulk containers		131,985	131,985	152,770	20,785
Trucks / bakkies	12,193	4,854,905	4,867,098	5,633,584	766,486
Computer hardware	3,871,575		3,871,575	4,481,283	609,708
Computer software	4,319,340	549,946	4,869,286	5,636,116	766,830
Office machines	1,665,726		1,665,726	1,928,050	262,324
Air conditioners	551,659		551,659	638,535	86,876
Graders	700	203,579	204,279	236,449	32,170
Lawnmovers	853,008		853,008	987,342	134,334
Compressors			-	-	-
Laboratory equipment			-	-	-
Radio equipment	189,423		189,423	219,254	29,831
Telecommunication equipment	510		510	590	80
Trailors	3,293,740		3,293,740	3,812,449	518,709
Backactor			-	-	-
General	9,037,633	466,432	9,504,065	11,151,447	1,647,382
Subtotal	42,512,146	8,525,520	51,037,666	59,225,886	8,188,220
Grand totals	103,088,608	233,516,037	336,604,645	383,895,778	47,291,133

EMFULENI LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET: SEGMENTAL ANALYSIS OF ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2009

	2009 Actual	2009 Under construction	2009 Total additions	2009 Budget	2009 Variance	2009 Variance
	R	R	R	R	R	%
Executive Council	22,786,606	1,395,557	24,182,163	37,500,000	13,317,837	35.51%
Finance and administration	9,368,859	-	9,368,859	20,571,744	11,202,885	54.46%
Planning and development	519,126	3,306,039	3,825,165	5,125,000	1,299,835	25.36%
Health	1,352,679	461,349	1,814,028	6,360,019	4,545,991	71.48%
Community and social services	576,341	156,223	732,564	8,668,400	7,935,836	91.55%
Housing	-	-	-	-	-	0.00%
Public safety	3,775,789	1,281	3,777,070	6,727,210	2,950,140	43.85%
Sport and recreation	14,575	842,196	856,771	5,950,308	5,093,537	85.60%
Environmental protection	-	-	-	-	-	0.00%
Waste management	732,167	10,259,449	10,991,616	16,545,683	5,554,067	33.57%
Waste water management	25,681,166	50,095,142	75,776,308	-	(75,776,308)	100.00%
Road transport	8,558,995	17,459,289	26,018,284	54,845,072	28,826,788	52.56%
Water	714,556	106,524,040	107,238,596	128,546,400	21,307,804	16.58%
Electricity	11,481,813	41,706,489	53,188,302	65,752,036	12,563,734	19.11%
Other	17,525,934	1,308,981	18,834,915	27,368,333	8,533,418	31.18%
Subtotal	103,088,606	233,516,035	336,604,641	383,960,205	47,355,564	12.33%

Capacity in terms of human resources to implement the approved projects was inadequate

Organogramme was approved in March 2009, therefore insufficient time to carry out the approved projects

Capital expenditure adjusted upwards for roll-overs, ward based projects, additional MIG and Regional Sewer Scheme allocations

Planning challenges in terms of turn around times

4.3 RECOMMENDATIONS FROM THE AUDIT COMMITTEE

BEING TABLED SEPERATELY AT COUNCIL.

INCORPORATE AFTER TABLING FOR SUBMISSION TO MPAC

4.4 INTERGOVERNMENTAL GRANTS RECEIVED TROUGH DORA

GRANT DETAILS	Amount Received and Spent each Quarter											
	Grant Name		July 2008 -Sept 2008		Oct 2008-Dec 2008		Jan 2009-Mar 2009		Apr 2009- June 2009		TOTALS	
	Received	Expenditure	Received	Expenditure	Received	Expenditure	Received	Expenditure	Received	Expenditure	Received	Expenditure
Restructuring Grant**	-	1,916,630	-	4,856,338	-	3,449,535	-	18,795,914	-	29,018,417	-	29,018,417
Municipal Infrastructure Grant (MIG)	(11,318,000)	18,145,099	(9,351,000)	5,322,132	(9,679,000)	3,791,090	-	9,912,337	(30,348,000)	37,170,658	(30,348,000)	37,170,658
Grants Ex-District**	-	-	-	9,960	-	-	-	-	-	9,960	-	9,960
Municipal Systems Improvement Grant	(735,000)	-	-	-	-	2,000	-	793,825	(735,000)	795,825	(735,000)	795,825
HIV Grant	(1,108,000)	233,834	-	473,882	-	52,089	-	680,227	(1,108,000)	1,440,031	(1,108,000)	1,440,031
Financial Management Grant (FMG)	(500,000)	54,217	-	176,473	-	247,703	-	140,419	(500,000)	618,812	(500,000)	618,812
Bontle-ke-Botho	(715)	-	(1,360)	6,715	(1,840)	13,319	(180,520)	60,450	(184,435)	80,484	(184,435)	80,484
Library Grant	-	536,420	(682,000)	313,130	-	567,238	(4,000,000)	1,144,083	(4,682,000)	2,560,871	(4,682,000)	2,560,871
Sports Grant**	-	-	-	-	-	19,143	-	2,341	-	21,484	-	21,484
Dwaf Grant	(228,000)	149,738	(2,500,000)	808,797	-	215,687	-	1,545,600	(2,728,000)	2,719,821	(2,728,000)	2,719,821
Conditional Health Grant**	-	16,555	-	213,221	-	74,155	-	1,049,463	-	1,353,394	-	1,353,394
Regional Sewer Scheme**	-	4,277,610	-	12,315,017	-	5,946,638	-	(9,152,497)	-	13,386,767	-	13,386,767
Intern Grant	(141,000)	-	-	-	-	106,530	-	24,490	(141,000)	131,020	(141,000)	131,020
Social Development Grant	-	-	-	-	(500,000)	-	-	-	(500,000)	-	(500,000)	-
National Electrification Program	-	-	-	82	-	56,784	(1,000,000)	3,910,447	(1,000,000)	3,967,312	(1,000,000)	3,967,312
Maplankeng Water Project	-	-	-	-	-	-	(500,000)	385,555	(500,000)	385,555	(500,000)	385,555
Equitable Share	(97,512,797)	-	(73,134,381)	-	(136,424,775)	-	-	307,071,953	(307,071,953)	307,071,953	(307,071,953)	307,071,953