

# MONTHLY BUDGET STATEMENT 2017/18 FINANCIAL YEAR **AUGUST**

“ An improved quality of life for all residents”

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# Glossary

**Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**Budget** – The financial plan of the Joe Gqabi District Municipality.

**Budget related policy** – Policy of the municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

**Capital expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as a non-current asset on the Municipality's balance sheet.

**Cash flow statement** – A statement including only actual receipts and expenditure by the Municipality. Cash payments and receipts do not always coincide with budgeted timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period. The same principle applies with the cash receipts. The Municipality recognise the revenue on date of billing whilst payment may not appear in the same period; the receipt is recognised at date of receipt.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable share** – A general grant paid to Municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between Municipalities.

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting; this Municipality will need to fully comply by the end of June 2012.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages and general expenses.

**Rates** – Local Government tax levied in terms of the Local Government: Municipal Property Rates Act; Act 6 of 2004. The tax is based on the assessed market value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic objectives** – The main priorities of the Joe Gqabi District Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure** – Generally, is spending without, or in excess of, an approved budget.

**Virements** – A transfer of budget.

**Virements policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**MIG** ó Municipal Infrastructure Grant

**MWIG** – Municipal Water Infrastructure Grant

**WSIG** – Water Services Infrastructure Grant

**RBIG** - Regional Bulk Infrastructure Grant

**Vote** – One of the main segments into which a budget. In Joe Gqabi District Municipality this means at directorate level. The votes for Joe Gqabi therefore are:

- Management Services;
- Financial Services;
- Corporate Services;
- Technical Services; and
- Community Services.

## **PART 1: SECTION 1**

### **TO: THE EXECUTIVE MAYOR**

### **DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 31 AUGUST 2017**

#### **1. PURPOSE**

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

#### **2. VISION OF JOE GQABI DISTRICT MUNICIPALITY**

The vision of Joe Gqabi District is to provide an improved quality of life to all its residents.

#### **3. BACKGROUND**

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 and the Municipal Budget and Reporting Regulations" necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

"The monthly budget statement of a municipality must be 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."

Further, Section 71 of the MFMA requires that, "the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending August 2017, the ten working day reporting limit expires on 14 September 2017.

National Treasury has indicated that they wish to continue to directly monitor municipalities that have a significant impact on the South African economy. For this purpose the required electronic return forms were progressively lodged with the National Treasury before or on 14 September 2017, (ten working day limit).

These return forms are:

- ❖ Statement of Financial Performance (OSA)
- ❖ Capital Expenditure Actual (CAA)
- ❖ Cash Flow Statement (CFA)
- ❖ Aged Debtors (AD)
- ❖ Aged Creditors (AC)
- ❖ Statement of Financial Position (BSAC)
- ❖ Repairs and Maintenance (RME)
- ❖ Grants Returns

## SECTION 2 – EXECUTIVE SUMMARY

### 2.1 INTRODUCTION

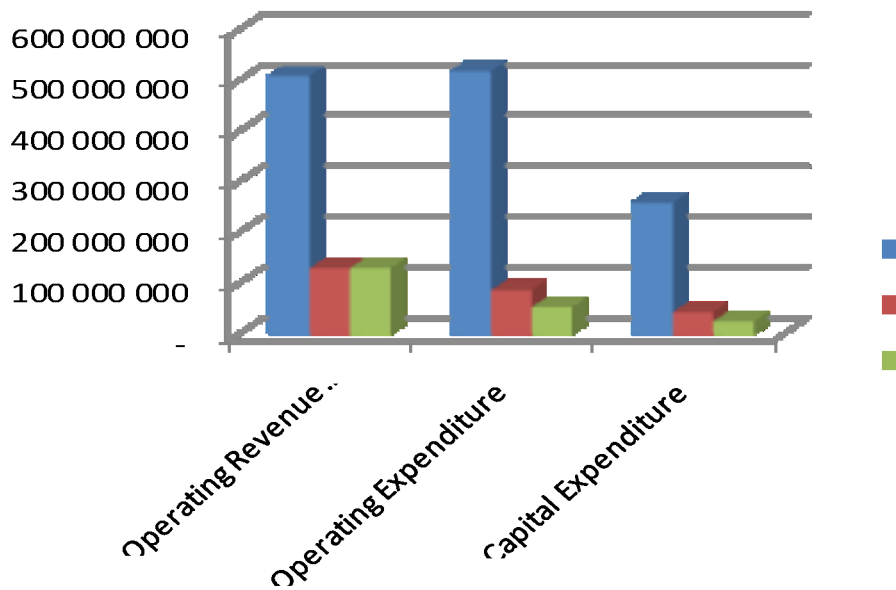
This report has been prepared in accordance with the Municipal Budget and Reporting Regulations, 2008 and in line with Section 87 of the Municipal Finance Management Act, 2003.

### 2.2 CONSOLIDATED PERFORMANCE

**TABLE 1**

**Original Budget Vs Actuals (M02)**

	Operating Revenue Excluding Capital Transfer & Contributions	0	
<b>ORIGINAL BUDGET</b>	<b>509 347 982</b>		
<b>YTD BUDGET</b>	<b>130 204 657</b>		
<b>YTD ACTUALS</b>	<b>129 909 289</b>		



The year-to-date operating revenue excluding capital transfer of the municipality in the 2<sup>nd</sup> month of the 2017/18 financial year is R129, 9 million, which constitutes 99, 8 % of the year to date budget and 26 % of the Approved budget.

The year-to-date operating expenditure of the municipality in the 2<sup>nd</sup> month of the 2017/18 financial year is R52 million, which constitutes 61 % of the year to date budget and 10 % of the Approved budget.

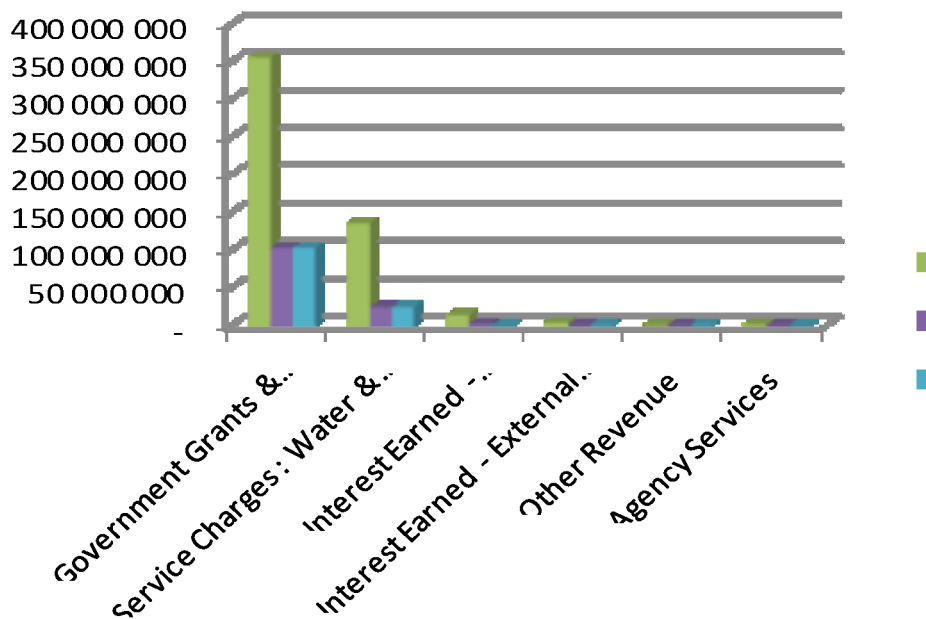
The year-to-date capital expenditure of the municipality in the 2<sup>nd</sup> month of the 2017/18 financial year is R24, 9 million, which constitutes 58 % of the year to date budget and 10 % of the Approved budget.

### 2.3 OPERATING REVENUE PER CATEGORY



**TABLE 2**

Revenue by Source	July Actuals	A A			
Government Grants & Subsidies(Excl Cap)	-	102			
Service Charges : Water & Sanitation	13 823 348	24			
Interest Earned - Outstanding Debtors	1 874 576				
Interest Earned - External Investments	198 826				
Other Revenue	42 800				
Agency Services	-				
	<b>15 939 550</b>	<b>127</b>			



In the Second month of the 2017/18 financial year the municipality recorded actual revenue of R127, 8 million. As it is indicated in **Table 2** above is the weighting of the YTD Actual on revenue per source as a percentage of YTD budget revenue as at 31 August 2017. The main contributors are Service Charges (**100%**), Interest earned on outstanding debtors (**2%**), Interest earned on external investment (**110%**) and Other Revenue (**38%**).

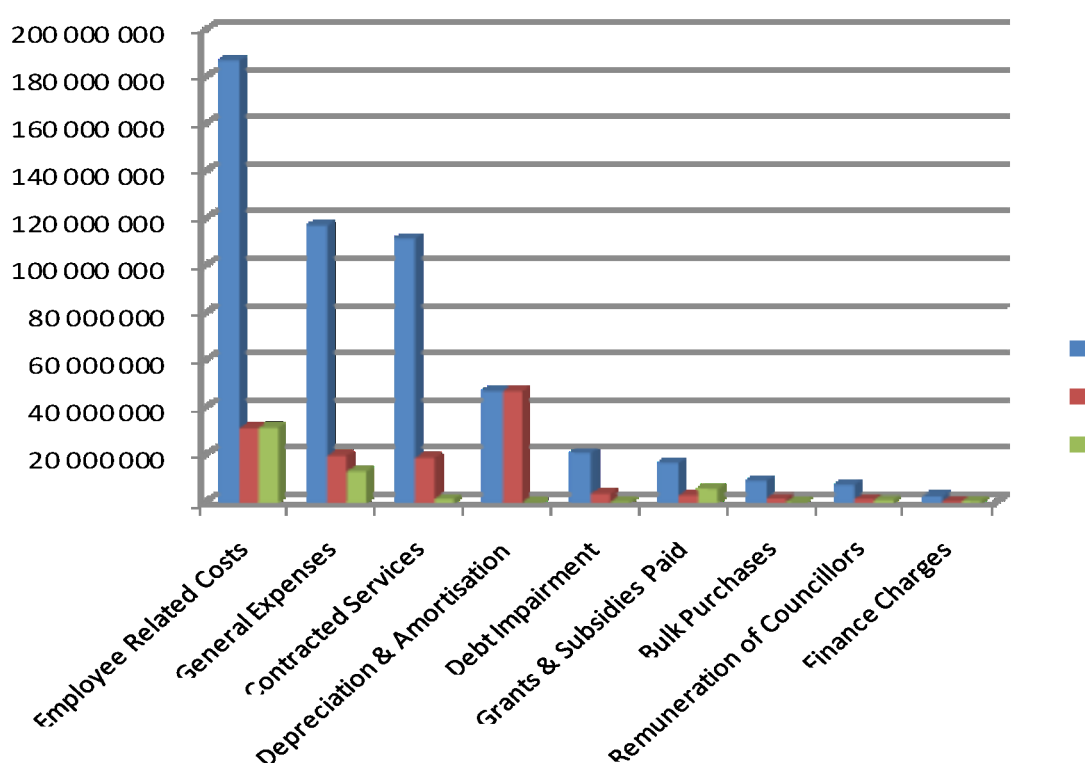
It must be noted that the total YTD actual revenue of the municipality is less than the YTD revenue anticipated for the period under review, and this has resulted to a YTD Variance of **2%**.

More detail with regard to municipality's operating expenditure is provided in table C1, C2, C3, C4 SC8, SC9, SC10 and SC11.

## 2.4 OPERATING EXPENDITURE PER CATEGORY

**TABLE 3**

Expenditure by Nature (GFS Function)	Original Budget	YT			
Employee Related Costs	186 950 616				
General Expenses	116 976 973				
Contracted Services	111 507 005				
Depreciation & Amortisation	46 920 616				
Debt Impairment	20 875 142				
Grants & Subsidies Paid	16 505 339				
Bulk Purchases	9 000 000				
Remuneration of Councillors	7 242 394				
Finance Charges	2 293 887				
	<b>518 271 972</b>				



### Operating Expenditure by Nature

The figures in this section should represent the accrued amounts; in other words when goods have been ordered, received or invoice issued and completed (reconciled with goods received and prices quoted), only then should it captured as an expense. The financial system currently, do not account the expenses in a manner as mentioned above. Shadow figures are reflected on the financial system once an order is issued.

This action serves as a budgetary control mechanism and no actual financial entries are passed. These figures cannot be used for reporting purposes. The amounts included as expenditure is currently only those for which a payment run has been completed.

In the Second month of the 2017/18 financial year the municipality incurred operating expenditure amounting to R 52, 8 million.

As it is indicated in the **Table 3** is the weighting of the YTD Actual on expenditure by nature as a percentage of total operational expenditure as at 31 August 2017. The main cost drivers of the municipality are Employee related costs (**100%**), Remuneration of councilors (**75%**), Debt impairment (**4%**), Finance Charges (**136%**), Bulk Purchases (**7%**), Contracted Services (**7%**), Grants and Subsidies paid (**155%**) and General Expenses (**66%**.)

It must be noted that the total actual expenditure of the municipality is lower than the year to date budget anticipated for the period under review, and this has resulted to a YTD Variance of **57%**, due to the following cost driver which had no expenditure for the period under review; Depreciation which will be provided for annually as part of year-end procedures.

More detail with regard to municipality's operating expenditure is provided in table C1, C2, C3, C4 SC8, SC9, SC10, SC11, SC13C and SC13D.

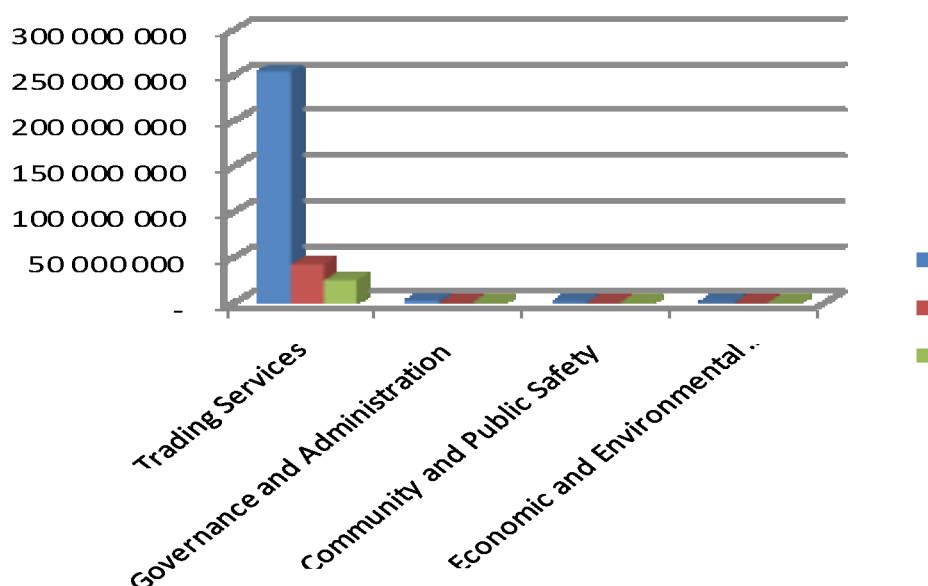
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## 2.5 CAPITAL EXPENDITURE BY MUNICIPAL VOTE

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**TABLE 4**

	Original Budget	YTD			
Trading Services	254 155 000				
Governance and Administration	2 236 000				
Community and Public Safety	1 145 000				
Economic and Environmental Services	1 010 000				
	<b>258 546 000</b>				



In the Second month of the 2017/18 financial year the municipality incurred a YTD capital expenditure amounting to R24, 9 million. This represents the actual money spent on the provision of service delivery relating to water and sanitation. As it is indicated in **Table 4** above is the weighting of the YTD Actual on expenditure by municipal vote as a percentage of YTD budget expenditure as at 31 August 2017.

It is noted that only the Trading services (Municipal Infrastructure Grant) which is the main contributor have expenditure for the month and Governance and Administration, all other services have no expenditure, and this has resulted to a YTD Variance of 42%.

## 2.6 FINANCIAL POSITION

The detail of this section can be found in Section 2 of this report Table C6 (Financial Position) below:

The financial position indicates the position of the Joe Gqabi District Municipality, after considering the municipality's assets, liabilities and the equity as at 31 August 2017

The current accumulated surplus of the municipality as at 31 August 2017 amount to R 1, 8 billion.

### 2.6.1 CURRENT ASSETS

- ❖ **Cash** - The cash balance of R 89, 8 million comprises of cash floats in the form of petty cash, cashier floats and the cashbook balance of the primary bank account.
- ❖ **Call Investment Deposits** - Call investment deposits consist of investments made with various financial institutions when there is surplus cash available in the main bank account. These monies are then transferred to the general bank account as when needed. The investment policy is used to determine what bank to invest money into. A monthly investment register is submitted to management.
- ❖ **Inventory** - The value of inventory as at 31 August 2017 amount to R 2, 7 million. The current ratio for the first month is 3: 1, this means that the municipality will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels.

### 2.6.2 NON-CURRENT ASSETS

The non-current assets as at 31 August 2017 amount to R 1,698 billion, which represents 99% of the year to date budget (R 1,709 billion).

### 2.6.3 CURRENT LIABILITIES

- ❖ **Trade And Other Payables** - The detail of this section can be found in Section 6 of this report Table C6 (Statement of Financial Position and SC4 (Aged Creditors). The trade and other payables as at 31 August 2017 amount to R 88, 5 million, which include creditors, provisions, and unspent conditional grants. The total actual amount relating to creditors as at 31 August 2017 amounts to R 21, 2 million. It must be noted that the age analysis is based on invoice date not invoice received. The municipality is therefore in compliance with the MFMA requirements.

## 2.7 CASH FLOW

The detail of this section can be found in Section 4 of this report Table C7 (Cash Flow). The cash flow statement for the month indicates that the municipality's operations during the month resulted in a positive cash of R 185, 5 million at the end of the month.

### **2.7.1 Remedial or corrective steps**

The remedial or corrective steps are listed in order of importance below:

- ❖ **Bank reconciliation** - The daily automated bank reconciliation is functioning; we however faced challenges with it which resulted in us reverting back to the manual bank reconciliation. The information is derived from the system and the necessary journals are identified early and processed as and when they occur.
  
- ❖ **Monthly Procedures** - To get the in-year figures more accurate. the monthly actions with regard to the following have been instituted:
  - Contributions of medical aid for pensioners;
  - Creditors and Debtors reconciliations
  - VAT reconciliation;
  - Depreciation;
  - Short term portion of long-term liabilities; and
  - Recognition of interest earned both for call deposits and non-current investments
  - Identifying incorrect allocations and wrong vote classifications
  
- ❖ **Recognition of Trade payables** - A monthly integrity report is run on a monthly basis which generates exceptions with regards to the creditor's module. This matter has been reported to the relevant manager and is being addressed.

## **2.8 OTHER INFORMATION**

Additional clarity on the contents of this report or answers to any questions posed will be given at the Finance Committee by the Acting Chief Financial Officer.

## **2.9 CONCLUSION**

JGDM had many challenges during the 2016/17 financial year due to the effects of taking over the water and sanitation services from the local municipalities in 2015/16. The effects of such challenges can still be felt in this current financial year.

The district municipality has declared a state of drought disaster, in the region. A number of dams within the district reported to have below 40% capacity and this resulted in level 2 and 3 water restrictions, these restrictions amongst others, prohibits users of portable water to water their gardens and wash their cars with a hose pipe. There are still challenges with the Billing and the municipality is making efforts in implementing a credit control policy.

## **SECTION 3 – RESOLUTIONS**

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**Recommended resolution to Council relating to the August 2017 in-year report are:**

**RESOLVED**

- (a) That the Council take note of contents in the in-year monthly report for August 2017 as set out in the schedules contained in Section 4:
- a. Table C1 ó Monthly Budget Statement Summary;
  - b. Table C2 ó Monthly Budget Statement ó Financial Performance (Standard classification);
  - c. Table C3 ó Monthly Budget Statement ó Financial Performance Standard classification (Revenue and expenditure by Municipal Vote)
  - d. Table C4 ó Monthly Budget Statement ó Financial Performance (Revenue by Source and Expenditure by Type)
  - e. Table C5 ó Monthly Budget Statement ó Capital Expenditure;
  - f. Table C6 ó Monthly Budget statement ó Financial Position; and
  - g. Table C7 ó Monthly Budget statement ó Cash Flows.
- (b) That the Council take note that the report was submitted to the Executive Mayor on September 2017.
- (c) Any other resolutions required by the Council.



#### **SECTION 4. MONTHLY BUDGET STATEMENT TABLES**

The in-year budget statement tables must consist of the tables in the First Attachment to this Schedule, namely ó

- (a) Table C1 s71 Monthly Budget Statement Summary
- (b) Table C2 Monthly Budget Statement - Financial Performance (standard classification)
- (c) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
- (d) Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)
- (e) Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)
- (f) Table C6 Monthly Budget Statement - Financial Position
- (g) Table C7 Monthly Budget Statement - Cash Flow

4.1 The progress in implementation of budget in terms of SDBIP can be seen from the tables below.

DC14 Joe Gqabi - Table C1 Consolidated Monthly Budget Statement Sur

Description	2016/17								
	Audited Outcome	Original Budget	A/C B						
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-							
Service charges	-	135 396							
Investment revenue	-	4 040							
Transfers and subsidies	-	355 444							
Other own revenue	-	14 467							
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>-</b>	<b>509 348</b>							
Employee costs	-	186 951							
Remuneration of Councillors	-	7 242							
Depreciation & asset impairment	-	46 921							
Finance charges	-	2 294							

4.2- Table C2 Monthly Budget Statement-Financial Performance (standard classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Financed Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organizational structure used by the different institutions. The main functions are Government and Administration, Community and Public Safety, Economic and Environmental Services, Trading Services and Other Services.

**DC14 Joe Gqabi - Table C2 Consolidated Monthly Budget Statement - Financial P**

Description	Ref	2016/17							
		Audited Outcome	Original Budget	Adj Bu					
<b>R thousands</b>	1								
<b>Revenue - Functional</b>									
<i><b>Governance and administration</b></i>		-	260 873						
Executive and council		-	-						
Finance and administration		-	260 873						
Internal audit		-	-						
<i><b>Community and public safety</b></i>		-	-						
Community and social services		-	-						
Sport and recreation		-	-						
Public safety		-	-						
Housing		-	-						
Health		-	-						
<i><b>Economic and environmental services</b></i>		-	63 079						
Planning and development		-	10 207						

#### 4.3. Table C3 Monthly Budget Statement-Financial Statement

**(Revenue and Expenditure by Municipal Vote)**

The operating expenditure budget is approved by Council on a municipal vote level and the municipal votes reflect the organizational structure of the municipality which is made up of the following structures: Government and Administration, Community and Public Safety, Economic and Environmental services, and Trading services.

**DC14 Joe Gqabi - Table C3 Consolidated Monthly Budget Statement - Financial Performance**

Vote Description	Ref	2016/17							
		Audited Outcome	Original Budget	Ad B					
<b>R thousands</b>									
<b>Revenue by Vote</b>	1								
Governance and administration		-	260 873						
Community and public safety		-	-						
Economic and environmental services		-	63 079						
Trading services		-	439 551						
		-	-						
		-	-						
		-	-						

**4.4 Table C4 Monthly Budget Financial Performance**

**(Revenue and expenditure)**

DC14 Joe Gqabi - Table C4 Consolidated Monthly Budget Statement - Financial Per

Description	Ref	2016/17							
		Audited Outcome	Original Budget	A					
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates									
Service charges - electricity revenue									
Service charges - water revenue			106 558						
Service charges - sanitation revenue			28 838						
Service charges - refuse revenue									
Service charges - other									
Rental of facilities and equipment			9						
Interest earned - external investments			4 040						
Interest earned - miscellaneous debtors			13 078						
Dividends received									
Fines, penalties and forfeits									

**4.5 Table C5: Capital Expenditure Budget by vote and funding (municipal vote, standard classification and funding).**

DC14 Joe Gqabi - Table C5 Consolidated Monthly Budget Statement - Capital Ex

Vote Description	Ref	2016/17								
		Audited Outcome	Original Budget							
<b>R thousands</b>	1									
<del>Metropolitan Municipality</del>	2									
Governance and administration		-	-							
Community and public safety		-	-							
Economic and environmental services		-	-							
Trading services		-	254 155							
0		-	-							
0		-	-							
0		-	-							
0		-	-							
0		-	-							
0		-	-							
0		-	-							
0		-	-							
0		-	-							
0		-	-							
0		-	-							
0		-	-							
0		-	-							

4.6. Table C6 Monthly Budget Statement-Financial Position

DC14 Joe Gqabi - Table C6 Consolidated Monthly Budget S

Description	Ref	2				
		A				
R thousands	1	O				
<del>ASSETS</del>						
Current assets						
Cash						
Call investment deposits						
Consumer debtors						
Other debtors						
Current portion of long-term receivables						
Inventory						

4.7 Table C7: Monthly Budget Statement - Cash Flow

**DC14 Joe Gqabi - Table C7 Consolidated Monthly Budget Statement - Cash Flow**

Description	Ref	2016/17							
		Audited Outcome	Original Budget						
<b>R thousands</b>	1								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates									
Service charges			101 604						
Other revenue			1 389						
Government - operating			355 444						
Government - capital			254 155						

**PART 2 – IN-YEAR REPORT**

**SECTION 5 .SUPPORTING DOCUMENTATION**



**DC14 Joe Gqabi - Supporting Table SC2 Monthly Budget Statement - performance**

Description of financial indicator	Basis of calculation					
<b>Borrowing Management</b>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure					
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers & grants					
<b>Safety of Capital</b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provisions Funds & Reserves					
Gearing	Long Term Borrowing/ Funds & Reserves					
<b>Liquidity</b>						

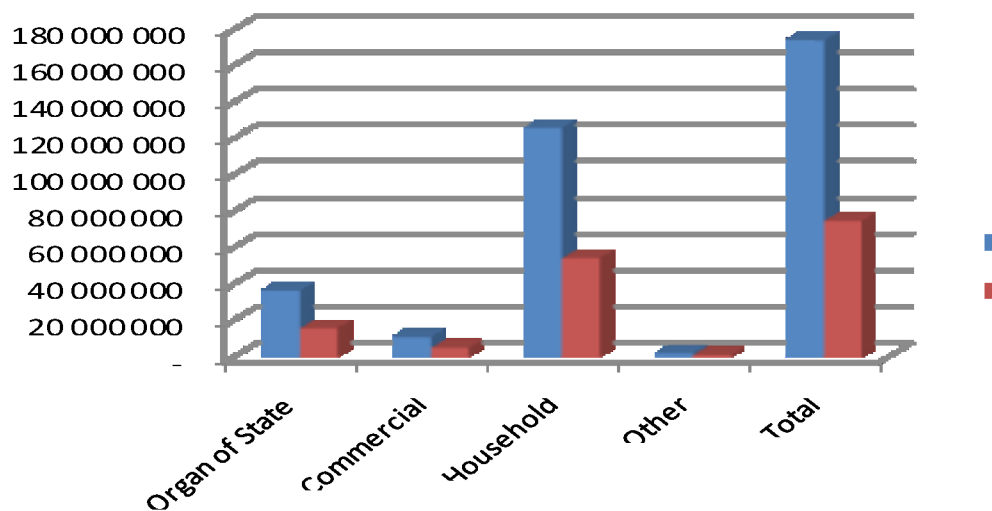
## Section 6–Debtors' analysis

DC14 Joe Gqabi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code													
		0-30 Days	31-60 Days	61-90 Days										
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	7 700	8 869	7 330										
Trade and Other Receivables from Exchange Transactions - Electricity	1300													
Receivables from Non-exchange Transactions - Property Rates	1400													
Receivables from Exchange Transactions - Waste Water Management	1500	3 272	3 462	3 206										
Receivables from Exchange Transactions - Waste Management	1600													
Receivables from Exchange Transactions - Property Rental Debtors	1700													
Interest on Arrear Debtor Accounts	1810													
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820													
Other	1900													
<b>Total</b>	<b>****</b>	<b>11 672</b>	<b>12 331</b>	<b>10 536</b>										

	Organ of State	Commercial			
<b>Water</b>	35 995 400	10 522 000			
<b>Sanitation</b>	15 426 600	4 509 000			
	<b>51 422 000</b>	<b>15 031 000</b>			

The age analysis for debtors only includes those amounts which are current or past due. The debtors age analysis includes pro-rata billing up to the current month. It is noted that are the leading sector owing the municipality for the services of Water and Sanitation, followed by the Organs of state, Commercials and Other.



**Section 7–Creditors' analysis**

**7.1 Supporting Table SC4**

The table below is the reflection of the creditors' age analysis as at 31 August 2017 with total creditors amounting to R 21, 2 million.

DC14 Joe Gqabi - Supporting Table SC4 Monthly Budget Statement - aged creditors -

Description	NT Code										
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days						
<b>R thousands</b>											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	5	9								
Bulk Water	0200	-	44								
PAYE deductions	0300	-	-								
VAT (output less input)	0400	-	-								
Pensions / Retirement deductions	0500	-	-								
Loan repayments	0600	-	-								
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**Section 8–Investment portfolio analysis**

**8.1 Supporting Table SC5**

The investments of Joe Gqabi are represented by the investment in the entity Jogeda and a zero coupon investment at DBSA. The current investment register will be changed to make provision for call investment deposits (Deposits shorter than 90 days); Short term investments (Deposits longer than 90 days but shorter than 12 months) and non-current investments.

**DC14 Joe Gqabi - Supporting Table SC5 Monthly Budget Statement - investme**

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment						
		Yrs/Months							
R thousands									
Municipality									

**Section 9 – Allocation and grant receipts and expenditure to date**

**9.1 Grants Receipts**

DC14 Joe Gqabi - Supporting Table SC6 Monthly Budget Statement - transfers and gra

Description	Ref	2016/17							
		Audited Outcome	Original Budget						
<b>R thousands</b>									
<b>RECEIPTS:</b>	1,2								
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>		-	246 454						
Local Government Equitable Share			239 160						
Finance Management			1 250						
EPWP Incentive			2 227						
Rural Roads Asset Management Systems Grant			2 180						
Municipal Systems Improvement	3		1 637						
Rural Households Infrastructure Grant									
Other transfers and grants [insert description]									
<b>Provincial Government:</b>		-	48 600						

## 9.2 Grants Expenditure

DC14 Joe Gqabi - Supporting Table SC7(1) Monthly Budget Statement - transfers and

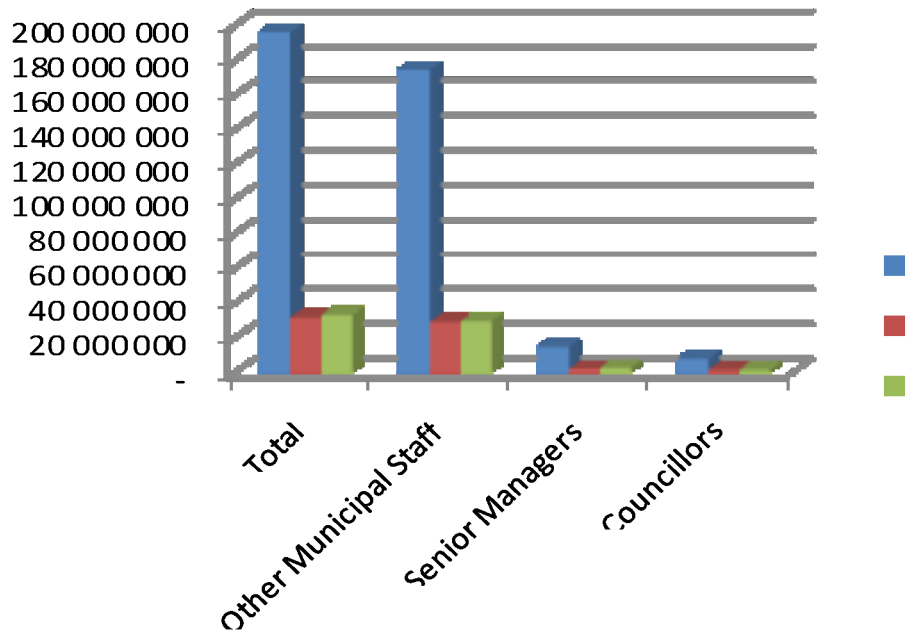
Description	Ref	2016/17							
		Audited Outcome	Original Budget						
<b>R thousands</b>									
<b>EXPENDITURE</b>									
<del>Operating expenditure of Transfers and Grants</del>									
National Government:		-	246.45						
Local Government Equitable Share			239.16						
Finance Management			1.25						
EPWP Incentive			2.22						
Rural Roads Asset Management Systems									
Grant			2.18						
Municipal Systems Improvement			1.63						

**Section 10 – Expenditure on councillor and board members allowances and employee benefits**

Table SC8 seeks to comply with the reporting requirements of Section 66 of the MFMA regarding disclosure of expenditure on staff benefits.

DC14 Joe Gqabi - Supporting Table SC8 Monthly Budget Statement - councillor and

Summary of Employee and Councillor remuneration	Ref	2016/17							
		Audited Outcome	Original Budget						
R thousands		A	B						
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages			4777						
Pension and UIF Contributions			719						
Medical Aid Contributions			1304						
Motor Vehicle Allowance			222						
Cellphone Allowance			221						
Housing Allowances									
Other benefits and allowances									
<b>Sub Total - Councillors</b>		-	7242						





**SECTION 11 – CAPITAL PROGRAMME PERFORMANCE**

**11.1 SUPPORTING TABLE C12 & 13**

The disclosure on capital programme performance must include at least -

- ❖ SC12: Capital expenditure by month
- ❖ SC13a: Capital expenditure on new assets by asset class
- ❖ SC13b: Capital expenditure on renewal of existing assets by asset class
- ❖ SC13c: Expenditure on repairs and maintenance by asset class

**DC14 Joe Gqabi - Supporting Table SC12 Consolidated Monthly Budget Statement**

Month	2016/17							
	Audited Outcome	Original Budget	Adj. Budget					
R thousands								
<b>Monthly expenditure performance trend</b>								
July		29 738						
August		22 107						
September		22 562						
October		24 029						

The Municipality has spent 10 percent of the capital budget as at 31 August 2017.



DC14 Joe Gqabi - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class

DC14 Joe Gqabi - Supporting Table SC13a Consolidate

Description	Ref									
R thousands	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>										
Roads Infrastructure										
<i>Roads</i>										
<i>Road Structures</i>										
<i>Road Furniture</i>										
<i>Capital Spares</i>										
Water Supply Infrastructure										
<i>Dams and Weirs</i>										
<i>Boreholes</i>										
<i>Reservoirs</i>										
<i>Pump Stations</i>										
<i>Water Treatment Works</i>										
<i>Bulk Mains</i>										
<i>Distribution</i>										
<i>Distribution Points</i>										
<i>PRV Stations</i>										
<i>Capital Spares</i>										
Sanitation Infrastructure										
<i>Pump Station</i>										
<i>Reticulation</i>										
<i>Waste Water Treatment Works</i>										
<i>Outfall Sewers</i>										
<i>Toilet Facilities</i>										
<i>Capital Spares</i>										

<b>Community Assets</b>									
Community Facilities									
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
<b>Intangible Assets</b>									
Servitudes									
Licences and Rights									
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
<b>Computer Equipment</b>									
Computer Equipment									
<b>Furniture and Office Equipment</b>									
Furniture and Office Equipment									
<b>Machinery and Equipment</b>									
Machinery and Equipment									
<b>Transport Assets</b>									
Transport Assets									
<b>Libraries</b>									
Libraries									
<b>Zoo's, Marine and Non-biological Animals</b>									

DC14 Joe Gqabi - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class

Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
<b>Infrastructure</b>									
Roads Infrastructure									
Roads									
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure									
Drainage Collection									
Storm water Conveyance									
Attenuation									
Electrical Infrastructure									
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks									
Capital Spares									
Water Supply Infrastructure									
Dams and Weirs									

DC14 Joe Gqabi - Supporting Table SC13b Consolidat

Description	Ref									
<b>R thousands</b>	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/€</b>										
<b>Infrastructure</b>										
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										

<b>Intangible Assets</b>									
Servitudes									
Licences and Rights									
<i>Water Rights</i>									
<i>Effluent Licenses</i>									
<i>Solid Waste Licenses</i>									
<i>Computer Software and Applications</i>									
<i>Load Settlement Software Applications</i>									
<i>Unspecified</i>									
<b>Computer Equipment</b>									
Computer Equipment									
<b>Furniture and Office Equipment</b>									
Furniture and Office Equipment									
<b>Machinery and Equipment</b>									
Machinery and Equipment									
<b>Transport Assets</b>									

DC14 Joe Gqabi - Supporting Table SC13c Consolidat

Description	Ref								
<b>R thousands</b>	1								
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>									
Roads Infrastructure									
Roads									
Road Structures									
Road Furniture									
Capital Spares									
Water Supply Infrastructure									
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works									
Bulk Mains									
Distribution									
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure									
Pump Station									
Reticulation									
Waste Water Treatment Works									
Outfall Sewers									
Toilet Facilities									
Capital Spares									



Water Supply Infrastructure									
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works									
Bulk Mains									
Distribution									
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure									
Pump Station									
Reticulation									
Waste Water Treatment Works									
Outfall Sewers									
Toilet Facilities									
Capital Spares									
<b>Intangible Assets</b>									
Servitudes									
Licences and Rights									
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
<b>Computer Equipment</b>									
Computer Equipment									
<b>Furniture and Office Equipment</b>									
Furniture and Office Equipment									
<b>Machinery and Equipment</b>									
Machinery and Equipment									
<b>Transport Assets</b>									
Transport Assets									
<b>Libraries</b>									
Libraries									

## **SECTION 12 – MATERIAL VARIANCES TO THE SDBIP**

### **12.1 Overview**

No comments apart from those already mentioned in the executive summary.

## **SECTION 13 – OTHER SUPPORTING DOCUMENTATION**

### **13.1 Other information**

None

**SECTION 14 – MUNICIPAL MANAGER’S QUALITY CERTIFICATION**

**QUALITY CERTIFICATE**

I, ZA Williams, the Municipal Manager of Joe Gqabi District Municipality, hereby certifies that:

the monthly budget statement;

quarterly report on the implementation of the budget;

mid-year budget and performance assessment;

For the month ended 31 August 2017 has been prepared in accordance with the Municipal Financial Management Act and the regulations made under that Act.

Print Name: \_\_\_\_\_

Municipal Manager of Joe Gqabi District Municipality (DC14)

Signature: \_\_\_\_\_

Date: 14.09.2017 \_\_\_\_\_