



*“An improved
quality of life for all
residents”*

In-Year Report

*Prepared in terms of the Local
Government: Municipal Finance
Management Act (56/2003):
Municipal Budget and Reporting
Regulations, Government Gazette
32141, 17 April 2009.*

Monthly Budget
Statement
August 2014

JOE GQABI
DISTRICT
MUNICIPALITY

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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.

Virement – A transfer of budget.

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

MIG – Municipal Infrastructure Grant

MWIG – Municipal Water Infrastructure Grant

WSOS – Water Services Operating Subsidy

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 – IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1 PURPOSE

The purpose of this report is to comply with the section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009.

1.2 BACKGROUND

In terms of section 71(1) of the Municipal Finance Management Act (MFMA) 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 Provincial Treasury a statement in the prescribed format on the state of the municipality’s budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source;
- (b) Actual borrowings;
- (c) Actual expenditure, per vote;
- (d) Actual capital expenditure, per vote;
- (e) The amount of any allocations received;
- (f) Actual expenditure on those allocations, excluding expenditure on—
 - (i) its share of the local government equitable share; and
 - (ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) When necessary, an explanation of—
 - (i) Any material variances from the municipality have projected revenue by source, and from the municipality’s expenditure projections per vote;
 - (ii) Any material variances from the service delivery and budget implementation plan; and
 - (iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality’s approved budget.

2.1 IN-YEAR REPORT - MONTHLY BUDGET STATEMENT

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

	July Actual	Aug Actual	YTD Actual	YTD Budget
Revenue by Source				
Government grants and subsidies	(77,540,391)	(12,107,020)	(89,647,411)	(109,417,000)
Public Contributions and Donations	0	0	0	-
Government Services	0	0	0	-
Interest earned - external investments	(196,175)	(431,237)	(627,412)	(405,166)
Other income	(92,774)	(5,498,634)	(5,591,408)	(1,647,000)
Service Charges: Water & Sanitation	(3,532,721)	(1,416,166)	(4,948,887)	(9,324,000)
TOTAL	(81,362,061)	(19,453,057)	(100,815,118)	(120,793,166)

The municipality has managed to raise 83% of its total operating revenue against the year to date budget of R120, 793 million as at 31 August 2014, off which 100,815 million is the Actual revenue collected. The actual amount raised for the month is R 19, 453 million which is a decrease as compared to the R81, 362 million revenue received from the previous month.

TABLE 2: OPERATING EXPENDITURE PER CATEGORY

	July Actual	Aug Actual	YTD Actual	YTD Budget
Expenditure by Nature (GFS Function)				
Employee related costs	10,797,710	11,453,155	22,250,865	24,339,915
Remuneration of Councillors	410,107	410,107	820,214	914,769
Debt Impairment	(2,221,389)	1,891,531	(329,857)	4,348,484
Depreciation and Amortisation	3,863,121	3,863,121	7,726,243	7,726,243
Finance charges	58,237	58,237	116,473	63,472
Contracted services	664,028	2,991,573	3,655,601	3,690,419
Grants and Subsidies paid	243,062	164,754	407,816	517,471
General expenses	5,722,001	10,924,737	8,947,578	14,036,625
Drought Relief Water Carting	75,337	0	75,337	66,160
Repairs and Maintenance	123,392	1,016,759	1,140,151	1,063,939
TOTAL	19,735,606	32,773,975	44,810,421	56,766,496

In the Second month of the current financial year, the municipality has actual spent 79% of its operating expenditure off which R44, 810 being the Actual expenditure compared to year to date budget of R56, 767 million. The total monthly expenditure reported for August is R32, 774 million which is higher than the previous month expenditure of R19, 735 million.

Detailed analysis follows:

OPERATING EXPENDITURE BY NATURE

The figures in this section should represent the accrued amounts; in other words when the goods has been ordered; received or the invoice has been completed (reconciled with goods received and prices quoted) it should be captured as an expense. Currently the setup of the financial system does not cater for it in this manner. 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 past. 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.

Depreciation charges are recognised and expensed monthly and this ensures that the monthly figures reported on are more reliable.

EMPLOYEE RELATED COSTS

In this line item the municipality has spent (R22,251 million) 91% up-to date when compared to year to date budget of R24,339 million, and the monthly expenditure of this line item is R11,453 million.

REMUNERATION OF COUNCILLORS

The year-to-date budget for remuneration of councilors is R 914,769 off which R820 214 is the year to date actual expenditure. As of this date the municipality has an actual expenditure of 90 % against its year-to-date budget.

The municipality has reported an amount of R410, 107 for the month of August 2014.

More detail with regard to the breakdown of the employee related cost and Remuneration of councillors is provided in table SC8 in Page 28.

REPAIRS AND MAINTENANCE

The municipality has to date spent R1.140 million which constitutes 107 % versus its year-to-date budget of R1.063 million.

The monthly expenditure for this line item is R1, 017 which is higher than R123, 392 of the first month which is the previous month.

CONTRACTED SERVICES

The year to date shows 97 % (R3, 655 million) expenditure has been spent in this line item when compared to the year to date budget of R3, 690 million. The monthly expenditure of this line item is R2, 992 million which is higher than the one of the previous month which was R664, 028.

The monthly ratio of this line item is 9% and is not acceptable as it is not inside the required norm of 2% - 5%.

GRANTS AND SUBSIDIES PAID

In this line item, the municipality has reported an expenditure of R407, 816 as at 31 August 2014 which constitutes 79 % of the year-to-date budget which is R517, 471.

The monthly expenditure for this line item is R164,754, which is lower than of the previous month which was R243,062.

TABLE 3: CAPITAL EXPENDITURE BY MUNICIPAL VOTE**CAPITAL EXPENDITURE**

The detail of this section can be found in Section 4 of this report Table C5 and also in Supporting table SC12; SC13a and SC13b.

CAPITAL EXPENDITURE BY VOTE

	July Actual	Aug Actual	YTD Actual	YTD Budget
Capital Expenditure by GFS				
Executive & Council	-	-	-	-
Budget & Treasury	-	-	-	-
Corporate Services	-	-	-	-
Planning & Development	-	-	-	-
Health	-	-	-	-
Community & Social Services	-	-	-	-
Public Safety	-	-	-	-
Environmental Protection	-	-	-	-
Road Transport	-	-	-	-
Other	-	-	-	-
Waste Management	245,803	1,410,301	1,656,104	7,163,742.00
Water	2,492,265	2,637,501	5,129,766	19,048,827.00
TOTAL	2,738,068	4,047,802	6,785,869	26,212,569

The municipality has spent 26% of its budget, off which R6, 786 million is an actual capital expenditure against the year to date budget of R26, 213 million, and the municipality has reported a monthly expenditure of R4, 047 million being the actual money spent on provision of service delivery in water and sanitation.

The monthly capital expenditure to operating expenditure ratio is 13 % which is acceptable and within the norm of 10 -20 %

MIG grant is the main contributor of JGDM's capital budget.

2.1.2 FINANCIAL PROBLEMS OR RISKS FACING THE MUNICIPALITY

The biggest risk for Joe Gqabi District Municipality is that the budget implemented is very limited.

The outstanding monies owed to Local Municipalities are a risk that has a major cash flow effect. These monies could not be paid in the previous financial year due to the cash flow problem experienced then. The monies owing are as follows:

The Local Municipalities are not paying JGDM the money collected from debtors and in this way decreasing these subsidies owed.

2.1.3 OTHER INFORMATION

Additional clarity on the content of this report or answers to any questions posed will be given at the committee meetings by the Chief Financial Officer.

Section 2 - Resolutions

Recommended resolution to Council with regard to August 2014 in-year report is:

RESOLVED

- (a) That the Council take note of contents in the in-year monthly report for August 2014 as set out in the schedules contained in Section 4:
- a. Table C1 – Monthly Budget Statement Summary;
 - b. Table C2 – Monthly Budget Statement – Financial Performance (Standard classification);
 - c. Table C3 – Monthly Budget Statement – Financial Performance Standard classification (Revenue and expenditure by Municipal Vote)
 - d. Table C4 – Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)
 - e. Table C5 – Monthly Budget Statement – Capital Expenditure;
 - f. Table C6 – Monthly Budget statement – Financial Position; and
 - g. Table C7 – Monthly Budget statement – Cash Flows.
- (b) That the Council take note that the report was submitted to the Executive Mayor on 12 September 2014.
- (c) Any other resolutions required by the Council.

Section 3 – Executive Summary

3.1 INTRODUCTION

This Budget statement report for August 2014 of Joe Gqabi District Municipality was prepared via the SAMRAS financial system to comply with the Budget and Reporting Regulations and guidelines as issued by NT.

3.2 FINANCIAL PERFORMANCE; POSITION AND CASH FLOW

Section 4 of this report includes the tables with the detail figures.

3.2.1 FINANCIAL PERFORMANCE

The detail of this section can be found in Section 4 of this report Table C2 (Summary per GFS); Table C3 (Summary per Municipal Vote) and Table C4 (Summary by Revenue Source and Expenditure Type). The latter is used to provide the executive summary.

3.2.1.1 REVENUE BY SOURCE

It must be pointed out that in this section the figures represent the accrued amount and not actual cash receipts; in other words the amounts billed. The transfers recognised represents only that portion of the grants and subsidies of which the conditions has been met; in otherwise only reflect the expenditure and not the receipts. The detail of this section can be found in Section 4 of this report Table C4 (Financial Performance) in page 16

The other sources of revenue that have material variances in rand value are:

- **INTEREST EARNED – EXTERNAL INVESTMENTS**

The actual amount for Interest on Investments is R627, 000 and this amount constitutes 154% against the budgeted amount of R405, 000.

- **INTEREST ON OUTSTANDING DEBTORS**

The actual amount for Interest on Investments is R64, 000 and this amount constitutes 9% against the budgeted amount of R702, 000.

- **OTHER REVENUE**

Other Revenue is made up of contribution from SETA that has been recognised and ACIP money, JGDM is just an agent in this income. The expenses are incurred by a 3rd party and claimed via JGDM. As soon as the income is received the 3rd party is paid immediately. The net effect in the books and budget of JGDM is therefore zero.

3.2.2 FINANCIAL POSITION

The detail of this section can be found in Section 4 of this report Table C6 (Financial Position) below:

The financial position indicates what position Joe Gqabi District Municipality is in considering things like the assets, liabilities and the equity at the end of August 2014.

The current accumulated surplus of the municipality as at 31 August 2014 is R1, 282 billion.

3.2.2.1 CURRENT ASSETS

- **CASH**

The amount of R16, 300 also includes cash floats in the form of petty cash and cashier floats. The rest is the "cashbook balance" of the primary bank account.

- **CALL INVESTMENT DEPOSITS**

Call investment deposits consist of investments made with various institutions when there is surplus cash available in the main bank account. These monies are then transferred to the general bank account and as when needed. The investment policy is used to determine what bank to invest money into.

A monthly investment register is submitted to management.

- **OTHER DEBTORS**

The detail of this section can be found in Section 6 of this report Table C6 (Statement of Financial Position and SC3 (Aged Creditors)).

The actual amount of debtors for the month is R15, 149 million.

The municipality is being paid its money in the following:

-9 % of it is being paid to the municipality in 30 days,

-6 % of it is being paid to the municipality in 60 days,

-4% of it is being paid to the municipality in 90 days and 120 days,

-6% of it is being paid to the municipality in 150 days and

- 70% of it is being paid to the municipality in 180 days

The above collection days indicates that the municipality is exposed to significant Cash Flow risk and that the municipality is experiencing challenges in the collection of outstanding amounts due to it and indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

The other debtors represent the movement which is due to monthly deductions from the staff member's salaries and ex staff members.

Debtors are not being managed by means of the SAMRAS system. The debtors list is also not being balanced to the General Ledger.

- **INVENTORY**

-The year to date value of inventory as at 31 August 2014 is R2, 592 million.

3.2.2.2 NON-CURRENT ASSETS

The year to date non-current assets is R1, 300,619 billion which constitutes 92% of the adjustment budget of R 1,413,008 billion and this reflects that the municipality is still in line with its budget for this line item.

3.2.2.3 CURRENT LIABILITIES

It is a common practice with Municipalities that the short-term portion of the long-term liabilities is not kept in a separate general ledger account. Nor is the balance of this account kept up-to-date on a monthly basis; although it would be a good practice. The BTO has taken a decision to split this in the records of JGDM in the next financial year.

- **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 municipality has reported an actual expenditure of R3, 081 million for the month of August. It must be noted that the age analysis is based on invoice date not invoice received. So in terms of the MFMA requirements, JGDM is complying.

The municipality is paying 96 % of its creditor in 30 days and 4 % in 60 days and there are no creditors paid after 60 days.

The average number of days taken for trade creditors (Creditors payment period) to be paid is 76 days and this reflects that the municipality may be experiencing cash flow problems, however in certain instances this may be as a result of disputes, processing of payments, etc.

3.2.3 CASH FLOW

The detail of this section can be found in Section 4 of this report Table C7 (Cash Flow).

The cash flow statement of the month indicates that the municipality has ended the month with a positive cash balance of R32, 838 million.

3.3 REMEDIAL OR CORRECTIVE STEPS

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

3.3.1 BANK RECONCILIATION

The daily automated bank reconciliation is functioning but we have faced challenges with it which led to us reverting back to the manual bank reconciliation. However, the information is derived from the system and the necessary journals are identified early and processed as and when they occur.

3.3.2 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

3.3.3 RECOGNITION OF TRADE PAYABLES

There is a monthly integrity report that is throwing exceptions on the creditor's module. This matter has been reported to the relevant manager and is being addressed.

3.5 CONCLUSION

JGDM had many challenges during the last financial year due to the effects of taking over the water and sanitation services from the local municipalities. SCM issues like getting suppliers and making new arrangements have had challenges. These are expected to normalise.

The daily cash flow analysis is an issue that together with the daily bank reconciliations is assisting the Finance Department to continue with its determined goal of turning the cash flow crisis around. However, an aim for the finance department is to have the daily cash flow generated directly from the system and not to be done manually.

The fact that the asset module and the payroll module of SAMRAS are not being used results in the SAMRAS system not being utilized to its full potential. Management is in the process of investigating this matter. The use of these two modules has many benefits and will eliminate any integration errors. A project plan is in place to implement these.

The efforts of the institution have paid off with an unqualified audit opinion being the outcome of the 2012/2013 audit. There are already measures in place to clear the few items still raised and to set the standards higher and higher for JGDM.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1: Monthly Budget Statement Summary (This table provide a summary of the most important information by pulling its information from the other tables to follow.)

DC14 Joe Gqabi - Table C1 Monthly Budget Statement Summary - M02 August

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	0	–	–	–	–	–	–	–	–
Service charges	39,566	55,946	55,946	1,416	4,949	9,324	(4,375)	-47%	33,764
Investment revenue	3,240	2,394	2,394	431	627	405	222	55%	7,380
Transfers recognised - operational	247,303	254,204	254,204	4,337	81,620	80,089	1,530	2%	270,225
Other own revenue	13,551	7,109	7,109	5,499	5,591	1,647	3,945	240%	5,329
Total Revenue (excluding capital transfers and contributions)	303,659	319,653	319,653	11,683	92,787	91,466	1,322	1%	316,709
Employee costs	128,150	149,844	149,114	11,453	22,251	24,340	(2,089)	-9%	150,389
Remuneration of Councillors	4,981	5,630	5,630	410	820	915	(95)	-10%	5,195
Depreciation & asset impairment	42,353	46,357	46,357	3,853	7,726	7,726	–	–	46,152
Finance charges	3,958	4,121	4,121	58	116	63	53	84%	4,055
Materials and bulk purchases	–	5,069	5,069	–	–	845	(845)	-100%	4,224
Transfers and grants	97,181	89,730	80,319	165	408	517	(110)	–	59,537
Other expenditure	233,018	177,097	187,238	16,825	13,413	22,294	(8,880)	-40%	566,911
Total Expenditure	509,661	477,908	477,908	32,774	44,735	56,700	(11,965)	-21%	836,482
Surplus/(Deficit)	(206,002)	(158,255)	(158,255)	(21,091)	48,052	34,765	13,287	38%	(519,773)
Transfers recognised - capital	191,525	209,478	209,478	7,770	8,028	29,327	(21,299)	-73%	72,880
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(14,476)	51,223	51,223	(13,321)	56,080	64,092	(8,012)	-13%	(446,893)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(14,476)	51,223	51,223	(13,321)	56,080	64,092	(8,012)	-13%	(446,893)
Capital expenditure & funds sources									
Capital expenditure	–	119,405	119,405	4,048	6,786	26,480	(19,694)	-74%	119,431
Capital transfers recognised	–	119,405	119,405	4,048	6,786	26,480	(19,694)	-74%	119,431
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–
Total sources of capital funds	–	119,405	119,405	4,048	6,786	26,480	(19,694)	-74%	119,431
Financial position									
Total current assets	111,642	65,922	65,922	–	163,860	–	–	–	65,922
Total non current assets	1,288,306	1,413,008	1,413,008	–	1,300,027	–	–	–	1,413,008
Total current liabilities	145,193	76,031	76,031	–	150,681	–	–	–	76,031
Total non current liabilities	35,866	20,106	20,106	–	38,312	–	–	–	20,106
Community wealth/Equity	1,218,890	1,382,793	1,382,793	–	1,274,894	–	–	–	1,382,793
Cash flows									
Net cash from (used) operating	101,449	105,576	(149)	(40,882)	1,344	105,771	(104,427)	-99%	105,576
Net cash from (used) investing	(94,743)	(120,433)	107	(4,021)	(6,729)	(6,330)	(399)	6%	(120,433)
Net cash from (used) financing	(229)	(1,001)	–	–	–	–	–	–	(1,001)
Cash/cash equivalents at the month/year end	23,846	(48,974)	(60)	–	32,838	66,325	(33,487)	-50%	22,365
Debtors & creditors analysis									
	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
Debtors Age Analysis									
Total By Income Source	1,492	936	613	608	833	10,668	–	–	15,149
Creditors Age Analysis									
Total Creditors	2,948	133	–	–	–	–	0	–	3,081

4.1.2 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 Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.)

DC14 Joe Gqabi - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - MD2 August

Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		357,482	371,992	371,992	6,866	84,662	104,094	(19,432)	-19%	266,738
Executive and council		5,937	5,493	5,493	40	1,485	1,673	(188)	-11%	5,113
Budget and treasury office		182,422	195,821	195,821	454	76,545	78,094	(1,549)	-2%	214,435
Corporate services		169,123	170,678	170,678	6,372	6,632	24,327	(17,695)	-73%	47,191
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		48,932	52,014	52,014	9,712	9,712	764	8,948	1171%	51,055
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		27,603	37,393	37,393	4,215	4,215	764	3,451	452%	36,434
Environmental protection		21,329	14,621	14,621	5,497	5,497	-	5,497	#DIV/0	14,621
<i>Trading services</i>		92,382	105,125	105,125	2,875	6,441	15,934	(9,493)	-60%	68,333
Electricity		-	-	-	-	-	-	-	-	-
Water		80,389	73,462	73,462	2,840	5,083	10,657	(5,574)	-52%	48,176
Waste water management		11,993	31,663	31,663	35	1,358	5,277	(3,919)	-74%	20,157
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	498,796	529,131	529,131	19,453	100,815	120,793	(19,978)	-17%	386,126
Expenditure - Standard										
<i>Governance and administration</i>		219,733	196,529	196,529	15,317	19,635	19,311	324	2%	223,602
Executive and council		45,517	41,333	41,333	7,168	6,104	6,401	(297)	-5%	56,581
Budget and treasury office		19,746	26,869	26,869	3,273	4,170	2,909	1,261	43%	28,006
Corporate services		154,470	128,337	128,337	4,876	9,361	10,001	(640)	-6%	139,015
<i>Community and public safety</i>		10,014	11,822	11,822	745	1,492	2,030	(538)	-27%	44,995
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		10,014	11,822	11,822	745	1,492	2,030	(538)	-27%	44,995
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		52,538	64,551	64,551	3,328	6,278	8,928	(2,650)	-30%	60,224
Planning and development		1	-	-	-	-	-	-	-	-
Road transport		27,403	37,393	37,393	2,026	3,771	5,001	(1,230)	-25%	42,447
Environmental protection		25,134	27,158	27,158	1,302	2,507	3,927	(1,419)	-36%	17,778
<i>Trading services</i>		231,317	206,007	206,007	13,383	17,405	26,497	(9,093)	-34%	514,539
Electricity		-	-	-	-	-	-	-	-	-
Water		197,211	149,170	148,970	9,424	14,380	20,110	(5,720)	-28%	337,362
Waste water management		34,105	56,836	57,036	3,960	3,015	6,388	(3,373)	-53%	177,176
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	513,602	478,908	478,908	32,774	44,810	56,766	(11,956)	-21%	843,361
Surplus/ (Deficit) for the year		(14,806)	50,223	50,223	(13,321)	56,005	64,026	(8,022)	-13%	(457,235)

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

(The budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality. As part of Table C3; a table with the sub-votes is also prepared.)

DC14 Joe Gqabi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MANAGEMENT SERVICES		5,073	5,428	5,428	40	1,485	1,608	(123)	-7.7%	5,048
Vote 2 - FINANCIAL SERVICES		182,587	256,046	256,046	1,901	81,905	88,186	(6,281)	-7.1%	252,135
Vote 3 - CORPORATE SERVICES		479	1,209	1,209	30	32	1	30	2041.5%	1,211
Vote 4 - TECHNICAL SERVICES		289,326	251,827	251,827	11,985	11,886	30,997	(19,102)	-61.6%	113,112
Vote 5 - COMMUNITY SERVICES		21,329	14,621	14,621	5,497	5,497	-	5,497	#DIV/0!	14,621
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	488,796	529,131	529,131	19,453	100,815	120,793	(19,978)	-16.5%	386,126
Expenditure by Vote	1									
Vote 1 - MANAGEMENT SERVICES		30,874	32,162	32,162	6,590	4,951	5,161	(210)	-4.1%	46,981
Vote 2 - FINANCIAL SERVICES		21,888	67,311	67,311	5,371	4,482	3,184	1,298	40.8%	46,972
Vote 3 - CORPORATE SERVICES		33,633	39,724	39,724	1,618	2,827	3,087	(260)	-8.4%	49,990
Vote 4 - TECHNICAL SERVICES		385,467	293,532	293,532	16,664	28,118	32,211	(4,092)	-12.7%	629,845
Vote 5 - COMMUNITY SERVICES		41,740	46,179	46,179	2,531	4,617	7,073	(2,456)	-34.7%	69,573
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	513,602	478,908	478,908	32,774	44,995	50,717	(5,721)	-11.3%	843,361
Surplus/ (Deficit) for the year	2	(14,806)	50,223	50,223	(13,321)	55,820	70,076	(14,256)	-20.3%	(457,235)

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

(This table reflects the operating budget and actual figures of the financial performance. The revenue is specifically set out by source due to the fact that Council approves the revenue budget by source and the expenditure budget by vote.)

DC14 Joe Gqabi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		0	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		33,368	40,495	40,495	1,381	3,596	6,749	(3,153)	-47%	27,118
Service charges - sanitation revenue		6,208	15,450	15,450	35	1,362	2,575	(1,223)	-47%	6,646
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-
Interest earned - external investments		3,240	2,394	2,394	431	627	405	222	55%	3,927
Interest earned - outstanding debtors		4,379	4,214	4,214	31	64	702	(638)	-91%	3,463
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		2,929	-	-	1,012	1,012	-	1,012	#DIV/0!	-
Transfers recognised - operational		247,303	254,204	254,204	4,337	81,620	80,089	1,530	2%	270,225
Other revenue		6,267	2,895	2,895	4,456	4,516	944	3,571	378%	1,866
Gains on disposal of PPE		(24)	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		303,669	319,653	319,653	11,683	92,787	91,466	1,322	1%	313,246
Expenditure By Type										
Employee related costs		128,150	149,844	149,114	11,453	22,251	24,340	(2,089)	-9%	150,369
Remuneration of councillors		4,981	5,690	5,690	410	820	915	(95)	-10%	5,195
Debt impairment		41,522	26,091	26,091	1,892	(330)	4,348	(4,678)	-108%	8,193
Depreciation & asset impairment		42,363	46,357	46,357	3,863	7,726	7,726	-	-	46,152
Finance charges		3,968	4,121	4,121	58	116	63	53	84%	4,065
Bulk purchases		-	5,069	5,069	-	-	845	(845)	-100%	4,224
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		17,318	38,698	38,698	2,992	3,666	3,680	(35)	-1%	143,663
Transfers and grants		97,181	89,730	80,319	165	408	517	(110)	-21%	59,537
Other expenditure		171,000	111,980	122,121	11,941	10,088	14,200	(4,112)	-29%	414,783
Loss on disposal of PPE		3,177	328	328	-	-	55	(55)	-100%	273
Total Expenditure		509,661	477,908	477,908	32,774	44,735	56,700	(11,965)	-21%	836,482
Surplus/(Deficit)										
Transfers recognised - capital		191,525	209,478	209,478	7,770	8,028	29,327	(21,299)	(0)	72,880
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(14,476)	51,223	51,223	(13,321)	56,080	64,092			(450,356)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(14,476)	51,223	51,223	(13,321)	56,080	64,092			(450,356)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(14,476)	51,223	51,223	(13,321)	56,080	64,092			(450,356)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(14,476)	51,223	51,223	(13,321)	56,080	64,092			(450,356)

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

DC14 Joe Gqabi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M02 August

Vote Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - MANAGEMENT SERVICES		–	–	–	–	–	–	–	–	–
Vote 2 - FINANCIAL SERVICES		–	–	–	–	–	–	–	–	–
Vote 3 - CORPORATE SERVICES		–	–	–	–	–	–	–	–	–
Vote 4 - TECHNICAL SERVICES		–	–	–	–	–	–	–	–	–
Vote 5 - COMMUNITY SERVICES		–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–	–	–
Single Year expenditure appropriation	2									
Vote 1 - MANAGEMENT SERVICES		–	–	–	–	–	–	–	–	–
Vote 2 - FINANCIAL SERVICES		–	250	250	–	–	42	(42)	-100%	250
Vote 3 - CORPORATE SERVICES		–	654	654	–	–	109	(109)	-100%	654
Vote 4 - TECHNICAL SERVICES		–	117,802	117,802	4,048	6,786	26,213	(19,427)	-74%	117,827
Vote 5 - COMMUNITY SERVICES		–	700	700	–	–	117	(117)	-100%	700
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	–	119,405	119,405	4,048	6,786	26,480	(19,694)	-74%	119,431
Total Capital Expenditure		–	119,405	119,405	4,048	6,786	26,480	(19,694)	-74%	119,431
Capital Expenditure - Standard Classification										
Governance and administration		–	904	904	–	–	151	(151)	-100%	904
Executive and council		–	–	–	–	–	–	–	–	–
Budget and treasury office		–	250	250	–	–	42	(42)	-100%	250
Corporate services		–	654	654	–	–	109	(109)	-100%	654
Community and public safety		–	700	700	–	–	117	(117)	-100%	700
Community and social services		–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	700	700	–	–	117	(117)	-100%	700
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	–	–	–	–	–	–	–
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	117,802	117,802	4,048	6,786	26,213	(19,427)	-74%	117,827
Electricity		–	–	–	–	–	–	–	–	–
Water		–	74,819	74,819	2,638	5,130	19,049	(13,919)	-73%	74,819
Waste water management		–	42,982	42,982	1,410	1,656	7,164	(5,508)	-77%	43,008
Waste management		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard Classification	3	–	119,405	119,405	4,048	6,786	26,480	(19,694)	-74%	119,431
Funded by:										
National Government		–	119,405	119,405	4,048	6,786	26,480	(19,694)	-74%	119,431
Provincial Government		–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–
Transfers recognised - capital	5	–	119,405	119,405	4,048	6,786	26,480	(19,694)	-74%	119,431
Public contributions & donations		–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	–
Total Capital Funding		–	119,405	119,405	4,048	6,786	26,480	(19,694)	-74%	119,431

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC14 Joe Gqabi - Table C6 Monthly Budget Statement - Financial Position - MD2 August

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		38,102	3,729	3,729	16	3,729
Call investment deposits		35,091	20,000	20,000	99,776	20,000
Consumer debtors		43,267	30,621	30,621	45,809	30,621
Other debtors		(7,836)	–	–	15,667	–
Current portion of long-term receivables		–	10,000	10,000	–	10,000
Inventory		3,018	1,572	1,572	2,592	1,572
Total current assets		111,642	65,922	65,922	163,860	65,922
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		3,195	3,619	3,619	3,211	3,619
Investment property		2,621	3,078	3,078	2,621	3,078
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,280,256	1,403,453	1,403,453	1,291,961	1,403,453
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		2,234	2,858	2,858	2,234	2,858
Other non-current assets		–	–	–	–	–
Total non current assets		1,288,306	1,413,008	1,413,008	1,300,027	1,413,008
TOTAL ASSETS		1,399,948	1,478,930	1,478,930	1,463,887	1,478,930
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	2,390	–
Borrowing		(878)	398	398	(1,238)	398
Consumer deposits		–	–	–	–	–
Trade and other payables		129,178	47,315	47,315	133,734	47,315
Provisions		16,893	28,318	28,318	15,794	28,318
Total current liabilities		145,193	76,031	76,031	150,681	76,031
Non current liabilities						
Borrowing		5,740	6,054	6,054	6,099	6,054
Provisions		30,126	14,052	14,052	32,213	14,052
Total non current liabilities		35,866	20,106	20,106	38,312	20,106
TOTAL LIABILITIES		181,058	96,137	96,137	188,993	96,137
NET ASSETS	2	1,218,890	1,382,793	1,382,793	1,274,894	1,382,793
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,218,890	1,382,793	1,382,793	1,274,894	1,382,793
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,218,890	1,382,793	1,382,793	1,274,894	1,382,793

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC14 Joe Gqabi - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		47,817	81,939	29	117	201	9,985	(9,784)	-98%	81,939
Government - operating		311,264	254,204	244	20,469	128,528	84,735	43,794	52%	254,204
Government - capital		96,876	209,478	-	13,518	30,575	50,000	(19,425)	-39%	209,478
Interest		4,535	2,394	3	47	86	399	(313)	-78%	2,394
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(345,992)	(348,588)	(361)	(74,869)	(157,639)	(39,213)	118,426	-302%	(348,588)
Finance charges		(764)	(4,121)	(8)	-	-	(135)	(135)	100%	(4,121)
Transfers and Grants		(12,286)	(89,730)	(56)	(165)	(408)	-	408	#DIV/0!	(89,730)
NET CASH FROM/(USED) OPERATING ACTIVITIES		101,449	105,576	(149)	(40,882)	1,344	105,771	(104,427)	-99%	105,576
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		150	-	-	-	-	-	-		-
Decrease (increase) in non-current debtors		-	-	-	26	57	-	57	#DIV/0!	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		219	231	-	-	-	-	-		231
Payments										
Capital assets		(95,112)	(120,664)	107	(4,048)	(6,786)	(6,330)	456	-7%	(120,664)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(94,743)	(120,433)	107	(4,021)	(6,729)	(6,330)	399	-6%	(120,433)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		171	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(399)	(1,001)	-	-	-	-	-		(1,001)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(229)	(1,001)	-	-	-	-	-		(1,001)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning		17,368	(33,116)	(17)		38,223	(33,116)			38,223
Cash/cash equivalents at month/year end		23,846	(48,974)	(60)		32,838	66,325			22,365

PART 2 – IN-YEAR REPORT

Section 5 – Debtors' analysis

5.1 Supporting Table SC3

The table below shows debtor's listing from Local Municipalities and billing information is journalised monthly. The debtors are very high as no bad debts have been written off.

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

Description	NT Code	Budget Year 2014/15									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200													
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,275	797	469	474	449	6,832			10,235	7,755			
Receivables from Non-exchange Transactions - Property Rates	1400													
Receivables from Exchange Transactions - Waste Water Management	1500	218	139	144	134	384	3,836			4,854	4,363			
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													
Total By Income Source	2000	1,492	936	613	608	833	10,668	-	-	15,149	12,108	-	-	
2013/14 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	64	6	5	5	8	30			118	43			
Commercial	2300	82	36	28	22	49	258			476	330			
Households	2400	1,277	863	557	561	560	10,326			14,144	11,446			
Other	2500	70	32	22	19	216	54			412	289			
Total By Customer Group	2600	1,492	936	613	608	833	10,668	-	-	15,149	12,108	-	-	

Section 6 – Creditors' analysis

6.1 Supporting Table SC4

The table below is the reflection of the creditor's age analysis.

Description R thousands	NT Code	Budget Year 2014/15								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	22	-	-	-	-	-	0	-	22
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	2,924	133	-	-	-	-	-	-	3,056
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	3	-	-	-	-	-	-	-	3
Total By Customer Type	1000	2,948	133	-	-	-	-	0	-	3,081

Section 7 – Investment portfolio analysis

7.1 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.

Table SC5 correctly represent only the non current investments to the value of R 3.211 million.

DC14 Joe Gqabi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
JOGEDA		NA	Entity	NA	NA	NA	2,226	(332)	1,894
DBSA			Zero coupon		8		1,301	16	1,317
Municipality sub-total					8		3,528	(317)	3,211
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				8		3,528	(317)	3,211

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table SC6 – Grants

This table below shows the status of grants transfer and expenditure to date

Grants	ALLOCATIONS	RECEIVED TO DATE	SPENT TO DATE	% SPENT TO DATE
	R	R	R	
Equitable Share	194,848,000	77,126,000	(77,126,000)	100%
Finance Management Grant	1,250,000	1,250,000	(202,468)	16%
EPWP Incentive	1,309,000	524,000	-	0%
Municipal Water Infrastructure grant	20,009,000	5,002,000	(1 427,746)	28%
Municipal Infrastructure grant	169,469,000	39,916,000	(6,600,017)	16%
Municipal Systems Improvement	934,000	934,000	(4,468)	1%
Rural Roads and Asset Management	2,084,000	2,084,000	-	0%
Rural Households Infrastructure Grant	4,500,000	-	-	-
Water Services Operating Subsidy	10,000,000	2,500,000	-	0%
TOTAL	404,403,000	129,336,000	(85,360,699)	66%

Section 9 – Expenditure on councillor and board members allowances and employee benefits

9.1 Supporting Table C8

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

DC14 Joe Gqabi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	Ref	2013/14		Budget Year 2014/15						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,345	2,831	2,831	277	566	448	108	24%	3,513
Pension and UIF Contributions		413	431	431	37	71	72	(1)	-2%	423
Medical Aid Contributions		87	106	106	8	17	16	1	6%	112
Motor Vehicle Allowance		896	1,277	1,277	68	137	197	(61)	-31%	884
Cellphone Allowance		227	552	552	19	38	83	(45)	-54%	252
Housing Allowances		12	493	493	1	2	99	(97)	-98%	10
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		4,981	5,690	5,690	410	820	915	(95)	-10%	5,195
%increase	4		14.2%	14.2%						4.3%
Senior Managers of the Municipality										
Basic Salaries and Wages		5,498	5,709	5,709	457	914	902	12	1%	5,783
Pension and UIF Contributions		185	204	204	16	32	33	(2)	-5%	194
Medical Aid Contributions		108	113	113	10	18	19	(1)	-4%	109
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		1,192	1,897	1,897	-	-	-	-	-	1,897
Motor Vehicle Allowance		621	543	543	52	103	91	13	14%	527
Cellphone Allowance		82	86	86	7	14	14	0	3%	89
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		135	164	164	10	21	25	(4)	-15%	148
Payments in lieu of leave		170	476	476	-	-	49	(49)	-100%	427
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7,990	9,192	9,192	551	1,103	1,133	(30)	-3%	9,173
%increase	4		15.0%	15.0%						14.8%
Other Municipal Staff										
Basic Salaries and Wages		75,578	99,427	98,897	7,539	14,679	14,547	132	1%	92,325
Pension and UIF Contributions		10,512	8,448	8,448	955	1,905	1,242	663	53%	10,583
Medical Aid Contributions		4,521	4,701	4,701	416	824	647	177	27%	4,811
Overtime		6,080	5,677	5,677	552	997	656	342	52%	6,866
Performance Bonus		6,087	7,100	7,000	92	125	245	(119)	-49%	7,719
Motor Vehicle Allowance		4,583	4,690	4,590	468	1,004	528	477	90%	7,121
Cellphone Allowance		1,103	1,185	1,185	100	197	174	22	13%	1,264
Housing Allowances		910	1,132	1,132	70	140	151	(11)	-7%	1,334
Other benefits and allowances		6,163	5,623	5,623	639	1,206	871	336	39%	6,463
Payments in lieu of leave		2,194	2,670	2,670	71	71	-	71	#DIV/0!	2,741
Long service awards		612	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1,817	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		120,160	140,653	139,923	10,902	21,148	19,060	2,088	11%	141,226
%increase	4		17.1%	16.4%						17.5%
Total Parent Municipality		133,131	155,534	154,804	11,863	23,071	21,107	1,964	9%	155,594

Section 10 – Capital programme performance

10. Supporting Table C13

Supporting Tables SC13 include the following:

- SC13a: Capital expenditure on new assets by asset class
- SC13b: Capital expenditure on renewal of existing assets by asset class

These two tables total to Table C5.

DC14 Joe Gqabi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M02 August

Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
1										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	115,847	115,877	4,048	6,786	25,917	19,131	73.8%	116,323
Infrastructure - Road transport		-	-	30	-	-	30	30	100.0%	450
Roads, Pavements & Bridges		-	-	30	-	-	30	30	100.0%	450
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	3,000	3,000	-	-	500	500	100.0%	3,000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	3,000	3,000	-	-	500	500	100.0%	3,000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	65,479	65,479	2,638	5,155	17,492	12,337	70.9%	65,504
Dams & Reservoirs		-	8,772	8,772	-	-	1,462	1,462	100.0%	8,772
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	56,707	56,707	2,638	5,155	16,030	10,875	67.8%	56,732
Infrastructure - Sanitation		-	47,368	47,368	1,410	1,631	7,885	6,264	79.3%	47,368
Reticulation		-	47,368	47,368	1,410	1,631	7,885	6,264	79.3%	47,368
Sewerage purification		-	-	30	-	-	-	-	-	-
Infrastructure - Other		-	-	-	0	(0)	-	0	#DIV/0!	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	0	(0)	-	0	#DIV/0!	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	3,108	3,108	-	-	518	518	100.0%	3,108
General vehicles		-	1,954	1,954	-	-	326	326	100.0%	1,954
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	700	700	-	-	117	117	100.0%	700
Computers - hardware/equipment		-	204	204	-	-	34	34	100.0%	204
Furniture and other office equipment		-	250	250	-	-	42	42	100.0%	250
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List subclass		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List subclass		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	-	118,955	118,985	4,048	6,786	26,435	19,649	74.3%	119,431

DC14 Joe Gqabi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M02

Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
1										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	450	450	-	-	75	75	100.0%	-
General vehicles		-	450	450	-	-	75	75	100.0%	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	450	450	-	-	75	75	100.0%	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

- **SC13C: EXPENDITURE ON REPAIRS AND MAINTENANCE BY ASSET CLASS**

The capital budget projects or items should be split between new and replacement. The original approved budget did not provide the detail in order to do this. At present all capital projects/items is captured as if it is new assets.

DC14 Joe Gqabi - Supporting Table SC13c: Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M02 August

Description	Ref	2013/14		Budget Year 2014/15						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
1										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		31,908	8,550	8,625	988	1,038	983	(55)	-5.6%	61,304
Infrastructure - Road transport		2,734	2,476	2,446	192	261	199	(62)	-31.1%	27,754
Roads, Pavements & Bridges		2,734	2,476	2,446	192	261	199	(62)	-31.1%	27,754
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		29,175	6,074	6,179	766	776	784	7	0.9%	33,550
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		29,175	6,074	6,179	766	776	784	7	0.9%	33,550
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		331	671	671	59	62	81	19	22.9%	1,711
General vehicles		104	317	317	-	-	53	53	100.0%	264
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		2	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		39	53	53	-	3	11	8	75.4%	129
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		186	301	301	59	60	18	(42)	-240.8%	1,318
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List subclass		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List subclass		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		32,239	9,221	9,296	1,017	1,100	1,064	(36)	-3.4%	63,015

Section 11 – Material variances to the SDBIP

11.1 Overview

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

Section 12 – Other supporting documentation

12.1 OTHER INFORMATION

None

Section 13 – 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 August 2014 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act.

Print Name: _____

Municipal Manager of Joe Gqabi District Municipality (DC14)

Signature: _____

Date: 12.09.2014_____