



*“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
January 2015

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	Sept. Actual	Oct Actual	Nov Actual	Dec Actual	Jan Actual	YTD Actual	YTD Budget
Revenue by Source									
Government grants and subsidies	(77,540,391)	(12,107,020)	(20,399,079)	(24,153,935)	(91,320,054)	(15,628,454)	(11,566,436)	(252,715,370)	(286,151,000)
Public Contributions and Donations	0	0	0	0	0	0	0	0	-
Government Services	0	0	0	0	0	0	0	0	-
Interest earned - external investments	(196,175)	(431,237)	(313,347)	(287,814)	(619,075)	(288,222)	(213,607)	(2,349,477)	(1,390,518)
Other income	(92,774)	(5,498,634)	(58,652)	4,274,616	(660,060)	(490,305)	(18,129)	(2,543,937)	(3,803,000)
Service Charges: Water & Sanitation	(3,532,721)	(3,904,888)	(661,940)	(9,897,227)	(8,570,937)	(871,634)	(1,207,694)	(28,647,041)	(32,635,000)
TOTAL	(81,362,061)	(21,941,779)	(21,433,017)	(30,064,360)	(101,170,126)	(17,278,616)	(13,005,866)	(286,255,825)	(323,979,518)

TABLE 2: OPERATING EXPENDITURE PER CATEGORY

	July Actual	Aug Actual	Sept. Actual	Oct Actual	Nov Actual	Dec Actual	Jan Actual	YTD Actual	YTD Budget
Expenditure by Nature (GFS Function)									
Employee related costs	10,794,308	11,449,803	11,425,837	12,622,099	6,908,786	38,888,922	9,875,853	101,965,608	83,379,312
Remuneration of Councillors	413,509	413,460	413,460	413,460	0	826,928	413,463	2,894,280	3,272,060
Debt Impairment	(2,221,389)	(2,051,847)	0	956,408	1,713,889	0	0	(1,602,939)	15,219,694
Depreciation and Amortisation	0	7,520,323	3,760,161	3,760,161	3,760,161	3,760,161	3,760,161	26,321,129	27,041,826
Finance charges	58,237	58,237	134,844	58,237	58,237	58,237	56,240	482,267	2,477,241
Contracted services	664,028	3,135,766	2,254,659	3,377,764	2,780,367	1,620,697	2,529,381	16,362,661	21,469,496
Grants and Subsidies paid	243,062	164,754	14,703,320	2,983,548	4,258,914	11,178,543	432,718	33,964,859	37,271,117
General expenses	2,057,608	8,243,149	9,678,165	8,541,337	8,574,611	11,318,864	6,362,955	54,776,688	77,490,000
TOTAL	12,009,363	28,933,642	42,370,446	32,713,014	28,054,965	67,662,352	23,430,771	235,164,553	267,620,746

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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 (R101 million) 92% up-to date when compared to year to date budget of R83 million, and the monthly expenditure of this line item reported for December is 25.644 million which is the highest expenditure of all the months and has doubled the expenditure compared to the previous months. This increase has been caused by the Bonuses the municipality paid to its employees.

REMUNERATION OF COUNCILLORS

The year-to-date budget for remuneration of councilors is R 2. 398 million off which R2. 067 million is the year to date actual expenditure. As of this date the municipality has an actual expenditure of 86 % against its year-to-date budget.

The municipality has reported an amount of R413. 464 for the month under review 2015.

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 R5. 259 million which constitutes 71 % versus its year-to-date budget of R7. 451 million.

The monthly expenditure for this line item is R2. 406 million which is the highest expenditure when it compared to all of the previous months. This jump has been made by the amount which was previously capitalised in Sterkspruit Regional Bulk Sanitation and was reallocated to its respective vote of Repairs and Maintenance.

CONTRACTED SERVICES

The year to date actual expenditure for this line item shows 65 % (R10. 402 million) expenditure when compared to the year to date budget of R16, 124 million. The monthly expenditure of this line item is R969.860 which is lower than the one of the previous month which was R3, 378 million.

GRANTS AND SUBSIDIES PAID

In this line item, the municipality has reported an actual expenditure of R26. 578 million as at 31 December 2014, this constitutes 76 % of the year-to-date budget which is R37.387 million.

The monthly expenditure for this line item is R8.483 million which is higher than of the previous month which was R2. 984 million.

DEBT IMPAIRMENT

In this line item, the municipality has reported an actual expenditure of (R2. 174) million as at 30 December 2014, this constitutes -20 % of the year-to-date budget which is R10.871 million.

The monthly expenditure for this line item is R1.143 million which is higher than of the previous month which was R956 408.

In this line item, the amount of R1.143 million is the debt impairment of Elundini excluding all the other three LM's due to the information being delayed by the LM's

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	Sept. Actual	Oct Actual	Nov Actual	Dec Actual	Jan Actual	YTD Actual	YTD Budget
Capital Expenditure by GFS									
Executive & Council	-	-	-	-	-	-	-	-	-
Budget & Treasury	-	-	-	-	-	-	-	-	145,831.00
Corporate Services	-	-	12,249	-	-	226,842	213,253	452,344	381,318.00
Planning & Development	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Community & Social Services	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	1,167	-	-	-	1,167	408,331.00
Environmental Protection	-	-	-	-	-	-	-	-	-
Road Transport	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Waste Management	245,803	1,410,301	-	1,853,025	(943,254)	1,007,795	284,703	3,858,373	16,729,985.00
Water	2,492,265	2,637,501	4,631,140	10,222,112	5,967,877	10,728,753	361,464	37,041,112	51,986,235.00
TOTAL	2,738,068	4,047,802	4,643,389	12,076,304	5,024,623	11,963,390	869,420	41,352,996	69,651,700

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 January 2015 in-year report is:

RESOLVED

- (a) That the Council take note of contents in the in-year monthly report for December 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 13 February 2015.
- (c) Any other resolutions required by the Council.

Section 3 – Executive Summary

3.1 INTRODUCTION

This Budget statement report for December 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 earned on Investments is R1, 848 million against the budgeted amount of R997. 460. The amount of interest received for the month in this line item is R619. 075.

- **OTHER REVENUE**

Other Revenue is made up of contribution from SETA that has been recognised.

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 current accumulated surplus of the municipality as at 31 December 2014 is R1.329 billion, which constitutes 100% against the year to date budget of R1.383 billion.

3.2.2.1 CURRENT ASSETS

- **CASH**

The amount of R56. 056 million 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 Debtors)).

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 January 2015 is R2.320 million.

3.2.2.2 NON-CURRENT ASSETS

The year to date non-current assets is R1, 303 billion which constitutes 100% of the Original budget of R 1.413 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 a total of R93.780 million of the year to date actual, off which it includes R5.473 million of creditors for the month of January 2015. 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.

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 with a negative net cash movement of R1.211 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 2013/2014 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 - M07 January

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	-	-	-	-	-	-	-	-	-
Service charges	40,425	55,946	55,946	1,208	28,647	32,635	(3,988)	-12%	23,633
Investment revenue	3,240	2,394	2,394	214	2,349	1,391	959	69%	6,040
Transfers recognised - operational	247,308	254,204	254,204	793	157,694	168,257	(10,563)	-6%	243,134
Other own revenue	13,827	7,109	7,119	18	2,544	3,803	(1,259)	-33%	4,558
Total Revenue (excluding capital transfers and contributions)	304,799	319,653	319,653	2,233	191,234	206,085	(14,851)	-7%	277,365
Employee costs	128,170	149,790	147,457	9,876	101,966	83,379	18,586	22%	145,328
Remuneration of Councillors	5,022	5,743	5,743	413	2,894	3,272	(378)	-12%	4,552
Depreciation & asset impairment	42,311	46,357	46,357	3,760	26,321	27,042	(721)	-3%	45,637
Finance charges	3,968	4,121	4,121	56	482	2,477	(1,995)	-81%	3,783
Materials and bulk purchases	-	5,069	3,769	-	-	2,198	(2,198)	-100%	1,570
Transfers and grants	97,181	89,730	80,319	433	33,965	37,271	(3,306)	-3%	61,281
Other expenditure	236,908	178,097	191,152	8,892	69,536	111,981	(42,445)	-38%	130,535
Total Expenditure	513,560	478,908	478,918	23,431	235,165	267,621	(32,456)	-12%	392,685
Surplus/(Deficit)	(208,761)	(159,255)	(159,255)	(21,198)	(43,930)	(61,536)	17,606	-29%	(115,321)
Transfers recognised - capital	191,525	209,478	209,478	10,773	95,022	117,895	(22,873)	-19%	180,889
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(17,236)	50,223	50,223	(10,425)	51,091	56,358	(5,267)	-9%	65,568
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(17,236)	50,223	50,223	(10,425)	51,091	56,358	(5,267)	-9%	65,568
Capital expenditure & funds sources									
Capital expenditure	-	119,405	119,405	859	41,353	69,652	(28,299)	-41%	133,311
Capital transfers recognised	-	119,405	119,405	859	41,353	69,652	(28,299)	-41%	133,311
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	119,405	119,405	859	41,353	69,652	(28,299)	-41%	133,311
Financial position									
Total current assets	112,999	65,922	65,922	-	116,590	-	-	-	65,922
Total non current assets	1,288,280	1,413,008	1,413,008	-	1,303,685	-	-	-	1,413,008
Total current liabilities	159,975	76,031	76,031	-	126,379	-	-	-	76,031
Total non current liabilities	36,866	20,106	20,106	-	37,367	-	-	-	20,106
Community wealth/Equity	1,205,438	1,382,793	1,382,793	-	1,256,529	-	-	-	1,382,793
Cash flows									
Net cash from (used) operating	101,449	105,576	(149)	(345)	41,246	266,956	(225,710)	-85%	105,576
Net cash from (used) investing	(94,743)	(120,433)	107	(865)	(42,601)	(70,253)	27,652	-39%	(120,433)
Net cash from (used) financing	(229)	(1,001)	-	-	(216)	(584)	368	-63%	(1,001)
Cash/cash equivalents at the month/year end	23,846	(48,974)	(60)	-	36,653	163,004	(126,351)	-78%	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	3,865	569	609	532	480	430	1,785	5,779	14,049
Creditors Age Analysis									
Total Creditors	2,042	2,737	694	-	-	-	0	-	5,473

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) - M07 January

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									
Revenue - Standard										
<i>Governance and administration</i>		357,758	371,992	372,002	11,146	240,238	245,941	(5,704)	-2%	367,374
Executive and council		5,937	5,493	5,503	65	3,448	3,459	(11)	0%	8,577
Budget and treasury office		182,698	195,821	195,821	306	142,852	145,925	(3,072)	-2%	193,313
Corporate services		169,123	170,678	170,678	10,775	93,937	96,558	(2,621)	-3%	165,485
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		48,938	52,014	52,014	652	15,323	18,822	(3,499)	-19%	44,424
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		27,603	37,393	37,393	652	14,312	18,822	(4,511)	-24%	29,803
Environmental protection		21,335	14,621	14,621	-	1,012	-	1,012	#DIV/0!	14,621
<i>Trading services</i>		93,491	105,125	105,125	1,208	30,695	59,216	(28,521)	-48%	44,516
Electricity		-	-	-	-	-	-	-	-	-
Water		80,382	73,462	73,462	1,208	25,152	40,746	(15,594)	-38%	32,460
Waste water management		13,109	31,663	31,663	-	5,543	18,470	(12,927)	-70%	12,057
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	500,187	529,131	529,141	13,006	286,256	323,980	(37,724)	-12%	456,315
Expenditure - Standard										
<i>Governance and administration</i>		219,983	196,529	196,819	9,100	122,982	102,974	20,008	19%	190,129
Executive and council		45,464	41,333	41,333	1,161	24,693	24,848	(155)	-1%	35,765
Budget and treasury office		19,746	26,859	26,939	2,769	17,452	16,774	678	4%	23,789
Corporate services		154,773	128,337	128,497	5,170	80,837	61,352	19,484	32%	130,575
<i>Community and public safety</i>		10,014	11,822	11,822	886	6,129	5,595	534	10%	10,450
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		10,014	11,822	11,822	886	6,129	5,595	534	10%	10,450
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		52,538	64,551	64,551	2,717	24,053	37,855	(13,802)	-36%	48,617
Planning and development		1	-	-	-	-	-	-	-	-
Road transport		27,403	37,393	37,393	1,558	15,120	21,851	(6,732)	-31%	30,622
Environmental protection		25,134	27,158	27,158	1,159	8,934	16,004	(7,070)	-44%	17,986
<i>Trading services</i>		231,025	206,007	205,727	10,728	82,001	121,197	(39,197)	-32%	143,488
Electricity		-	-	-	-	-	-	-	-	-
Water		196,932	149,170	151,021	8,180	65,142	89,637	(24,495)	-27%	108,141
Waste water management		34,092	56,836	54,706	2,548	16,859	31,561	(14,702)	-47%	35,347
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	513,560	478,908	478,918	23,431	235,165	267,621	(32,456)	-12%	392,685
Surplus/ (Deficit) for the year		(13,374)	50,223	50,223	(10,425)	51,091	56,358	(5,267)	-9%	63,630

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) - M07 January

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	5,438	65	3,448	3,394	54	1.6%	8,512
Vote 2 - FINANCIAL SERVICES		182,863	256,046	256,046	1,514	163,515	181,083	(17,568)	-9.7%	220,947
Vote 3 - CORPORATE SERVICES		479	1,209	1,209	1	343	4	339	7566.9%	1,210
Vote 4 - TECHNICAL SERVICES		290,436	251,827	251,827	11,426	117,938	139,498	(21,560)	-15.5%	211,025
Vote 5 - COMMUNITY SERVICES		21,335	14,621	14,621	-	1,012	-	1,012	#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	500,187	529,131	529,141	13,006	286,256	323,980	(37,724)	-11.6%	456,315
Expenditure by Vote	1									
Vote 1 - MANAGEMENT SERVICES		30,874	32,162	32,142	593	19,310	18,517	792	4.3%	27,597
Vote 2 - FINANCIAL SERVICES		21,888	67,311	67,311	2,918	20,209	40,693	(20,484)	-50.3%	30,169
Vote 3 - CORPORATE SERVICES		33,581	39,724	39,754	1,940	28,512	23,706	4,806	20.3%	42,855
Vote 4 - TECHNICAL SERVICES		385,478	293,532	293,532	15,636	149,037	158,832	(9,796)	-6.2%	258,171
Vote 5 - COMMUNITY SERVICES		41,740	46,179	46,179	2,344	18,098	25,873	(7,775)	-30.0%	33,893
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	513,560	478,908	478,918	23,431	235,165	267,621	(32,456)	-12.1%	392,685
Surplus/ (Deficit) for the year	2	(13,374)	50,223	50,223	(10,425)	51,091	56,358	(5,267)	-9.3%	63,630

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) - M07 January

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 Source										
Property rates		-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		33,101	40,495	40,495	1,208	23,293	23,622	(329)	-1%	18,349
Service charges - sanitation revenue		7,324	15,450	15,450	-	5,354	9,013	(3,659)	-41%	5,283
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-
Interest earned - external investments		3,240	2,394	2,394	214	2,349	1,391	959	69%	4,102
Interest earned - outstanding debtors		4,379	4,214	4,214	-	620	2,458	(1,838)	-75%	1,939
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		2,929	-	-	-	1,012	-	1,012	#DIV/0!	-
Transfers recognised - operational		247,308	254,204	254,204	793	157,694	168,257	(10,563)	-6%	243,134
Other revenue		6,542	2,895	2,905	18	912	1,344	(432)	-32%	2,619
Gains on disposal of PPE		(24)	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		304,799	319,653	319,663	2,233	191,234	206,085	(14,851)	-7%	275,426
Expenditure By Type										
Employee related costs		128,170	149,790	147,457	9,876	101,966	83,379	18,586	22%	145,328
Remuneration of councillors		5,022	5,743	5,743	413	2,894	3,272	(378)	-12%	4,552
Debt impairment		41,522	26,091	26,091	-	(1,603)	15,220	(16,823)	-111%	3,403
Depreciation & asset impairment		42,311	46,357	46,357	3,760	26,321	27,042	(721)	-3%	45,637
Finance charges		3,968	4,121	4,121	56	482	2,477	(1,995)	-81%	3,783
Bulk purchases		-	5,069	3,769	-	-	2,198	(2,198)	-100%	1,570
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		17,312	38,698	38,197	2,529	16,363	21,469	(5,107)	-24%	30,232
Transfers and grants		97,181	89,730	80,319	433	33,965	37,271	(3,306)	-9%	61,281
Other expenditure		174,896	112,980	126,535	6,363	54,777	75,100	(20,324)	-27%	96,763
Loss on disposal of PPE		3,177	328	328	-	-	191	(191)	-100%	137
Total Expenditure		513,560	478,908	478,918	23,431	235,165	267,621	(32,456)	-12%	392,685
Surplus/(Deficit)		(208,761)	(159,255)	(159,255)	(21,198)	(43,930)	(61,536)	17,606	(0)	(117,259)
Transfers recognised - capital		191,525	209,478	209,478	10,773	96,022	117,895	(22,873)	(0)	180,889
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(17,236)	50,223	50,223	(10,425)	51,091	56,358			63,630
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(17,236)	50,223	50,223	(10,425)	51,091	56,358			63,630
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(17,236)	50,223	50,223	(10,425)	51,091	56,358			63,630
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(17,236)	50,223	50,223	(10,425)	51,091	56,358			63,630

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) - M07 January

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	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	-	-	146	(146)	-100%	250
Vote 3 - CORPORATE SERVICES		-	654	654	213	452	381	71	19%	656
Vote 4 - TECHNICAL SERVICES		-	117,802	117,802	646	40,899	68,716	(27,817)	-40%	131,705
Vote 5 - COMMUNITY SERVICES		-	700	700	-	1	408	(407)	-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	859	41,353	69,652	(28,299)	-41%	133,311
Total Capital Expenditure		-	119,405	119,405	859	41,353	69,652	(28,299)	-41%	133,311
Capital Expenditure - Standard Classification										
Governance and administration		-	904	904	213	452	527	(75)	-14%	906
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	250	250	-	-	146	(146)	-100%	250
Corporate services		-	654	654	213	452	381	71	19%	656
Community and public safety		-	700	700	-	1	408	(407)	-100%	700
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	700	700	-	1	408	(407)	-100%	700
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	117,802	117,802	646	40,899	68,716	(27,817)	-40%	131,705
Electricity		-	-	-	-	-	-	-	-	-
Water		-	74,819	89,119	361	37,041	51,966	(14,945)	-29%	102,997
Waste water management		-	42,982	28,682	285	3,858	16,730	(12,872)	-77%	28,708
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	119,405	119,405	859	41,353	69,652	(28,299)	-41%	133,311
Funded by:										
National Government		-	119,405	119,405	859	41,353	69,652	(28,299)	-41%	133,311
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	119,405	119,405	859	41,353	69,652	(28,299)	-41%	133,311
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
Total Capital Funding		-	119,405	119,405	859	41,353	69,652	(28,299)	-41%	133,311

4.1.6 Table C6: Monthly Budget Statement - Financial Position

Table C6 provides a detailed analysis of the municipality's financial position considering items like Assets, Liabilities and Equity.

DC14 Joe Gqabi - Table C6 Monthly Budget Statement - Financial Position - M07 January

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	1,440	3,729
Call investment deposits		35,091	20,000	20,000	31,871	20,000
Consumer debtors		43,602	30,621	30,621	61,753	30,621
Other debtors		(6,814)	–	–	19,206	–
Current portion of long-term receivables		–	10,000	10,000	–	10,000
Inventory		3,018	1,572	1,572	2,320	1,572
Total current assets		112,999	65,922	65,922	116,590	65,922
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		3,195	3,619	3,619	3,250	3,619
Investment property		2,621	3,078	3,078	2,594	3,078
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,280,256	1,403,453	1,403,453	1,295,995	1,403,453
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		2,208	2,858	2,858	1,845	2,858
Other non-current assets		–	–	–	–	–
Total non current assets		1,288,280	1,413,008	1,413,008	1,303,685	1,413,008
TOTAL ASSETS		1,401,279	1,478,930	1,478,930	1,420,276	1,478,930
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		(878)	398	398	(3,165)	398
Consumer deposits		–	–	–	–	–
Trade and other payables		143,960	47,315	47,315	93,780	47,315
Provisions		16,893	28,318	28,318	35,765	28,318
Total current liabilities		159,975	76,031	76,031	126,379	76,031
Non current liabilities						
Borrowing		5,740	6,054	6,054	5,893	6,054
Provisions		30,126	14,052	14,052	31,474	14,052
Total non current liabilities		35,866	20,106	20,106	37,367	20,106
TOTAL LIABILITIES		195,841	96,137	96,137	163,747	96,137
NET ASSETS	2	1,205,438	1,382,793	1,382,793	1,256,529	1,382,793
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,205,438	1,382,793	1,382,793	1,256,529	1,382,793
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,205,438	1,382,793	1,382,793	1,256,529	1,382,793

4.1.7 Table C7: Monthly Budget Statement - Cash Flow Statement

Table C7 provides a comprehensive picture of the cash position of the municipality which includes non-current investments and commitments against available cash resources.

The municipality has reported a positive cash balance of R56. 040 million at the end of December 2014.

DC14 Joe Gqabi - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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	172	1,023	47,798	(46,774)	-98%	81,939
Government - operating		311,264	254,204	244	21,327	358,107	358,107	-		254,204
Government - capital		95,876	209,478	-	(210)	135,734	122,196	13,538	11%	209,478
Interest		4,535	2,394	3	7	568	1,366	(828)	-59%	2,394
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(345,992)	(348,588)	(361)	(21,208)	(419,871)	(208,137)	211,734	-102%	(348,588)
Finance charges		(764)	(4,121)	(8)	-	(350)	(2,060)	(1,710)	83%	(4,121)
Transfers and Grants		(12,286)	(89,730)	(56)	(433)	(33,965)	(52,343)	(18,378)	35%	(89,730)
NET CASH FROM/(USED) OPERATING ACTIVITIES		101,449	105,576	(149)	(345)	41,246	266,956	(225,710)	-85%	105,576
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		150	-	-	-	-	-	-		-
Decrease (increase) in non-current debtors		-	-	-	32	199	-	199	#DIV/0!	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		219	231	-	-	-	135	(135)	-100%	231
Payments										
Capital assets		(95,112)	(120,664)	107	(898)	(42,799)	(70,388)	(27,588)	39%	(120,664)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(94,743)	(120,433)	107	(866)	(42,601)	(70,253)	(27,652)	39%	(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)	-	-	(216)	(584)	(368)	63%	(1,001)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(229)	(1,001)	-	-	(216)	(584)	(368)	63%	(1,001)
NET INCREASE/ (DECREASE) IN CASH HELD		6,478	(15,858)	(43)	(1,211)	(1,570)	196,120			(15,858)
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)		36,653	163,004			22,365

4.1.8 Table C8: Monthly Budget Statement - Cost of Free Basic Service

This table refers to the information about the cost of the municipality in providing free basic services to its community.

DC:14 Joe Gqabi-Table C8 Monthly Budget Statement-Cost of Free Basic Services-M05 November						
Curreny Year 2014/15						
JGD/LOCAL MUNICIPALITIES	UNIT OF MEASURE	BASIC CHARGE PER UNIT MEASURE	WATER CONSUMPTION PER UNIT OF MEASURE	COST OF FREE BASIC SERVICES PER HOUSEHOLD	NO OF HOUSEHOLDS RECEIVE FREE BASIC SERVICES	TOTAL COST OF FREE BASIC SERVICE
SENQUJLM	Indgent (06kL)	58.94	48.24	107.18	29,958	3,210,888.44
MALETSWALM	Indgent (06kL)	58.94	48.24	107.18	4,990	534,828.20
ELUNDIN LM	Indgent (06kL)	58.94	48.24	107.18	1,412	151,338.16
GARIEP LM	Indgent (06kL)	58.94	48.24	107.18	5,644	604,923.92
TOTALS					42,004	4,501,988.72

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 - M07 January

Description	NT Code	Budget Year 2014/15								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo 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				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	637	554	466	527	473	423	1,772	2,863	7,775	6,089	–	–
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	10	15	1	5	6	6	14	(0)	57	31	–	–
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	3,219	–	112	–	–	–	–	2,866	6,217	2,866	–	–
Total By Income Source	2000	3,865	569	609	532	480	430	1,785	5,779	14,049	9,006	–	–
2013/14 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	494	424	364	407	406	348	1,326	2,372	6,132	4,860	–	–
Commercial	2300	91	59	38	66	55	47	351	265	972	784	–	–
Households	2400	62	85	105	59	19	34	109	256	728	476	–	–
Other	2500	3,219	–	112	–	–	–	–	2,866	6,217	2,866	–	–
Total By Customer Group	2600	3,865	569	609	532	480	430	1,785	5,779	14,049	9,006	–	–

Section 6 – Creditors' analysis

6.1 Supporting Table SC4

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

DC14 Joe Gqabi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	–	–	12	–	–	–	0	–	12
Bulk Water	0200	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	2,042	2,737	679	–	–	–	–	–	5,458
Auditor General	0800	–	–	–	–	–	–	–	–	–
Other	0900	0	1	3	–	–	–	–	–	3
Total By Customer Type	1000	2,042	2,737	694	–	–	–	0	–	5,473

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 3.528 million.

DC14 Joe Gqabi - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	4,995	9,950	9,559	2,738	2,738	9,559	6,821	71.4%	2%
August	4,995	9,950	9,559	4,048	6,786	19,118	12,332	64.5%	6%
September	4,995	9,950	9,559	4,643	11,429	28,676	17,247	60.1%	10%
October	4,995	9,950	9,482	12,076	23,506	38,158	14,653	38.4%	20%
November	4,995	9,950	9,514	5,025	28,530	47,672	19,142	40.2%	24%
December	4,995	9,950	9,521	889	29,419	57,193	27,774	48.6%	25%
January	4,995	9,950	9,542	889	30,308	66,735	36,427	54.6%	25%
February	4,995	9,950	9,527	2,757	33,065	76,262	43,197	56.6%	28%
March	4,995	9,950	9,519	–		85,780	–		
April	4,995	9,950	9,521	–		95,301	–		
May	4,995	9,950	9,559	–		104,860	–		
June	4,995	9,950	9,545	–		114,405	–		
Total Capital expenditure	59,944	119,405	114,405	33,065					

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	(492,192)	39%
EPWP Incentive	1,309,000	916,000	-	0%
Municipal Water Infrastructure grant	20,009,000	15,007,000	(1,427,746)	10%
Municipal Infrastructure grant	169,469,000	75,916,000	(67,942,693)	90%
Municipal Systems Improvement	934,000	934,000	(236,705)	25%
Rural Roads and Asset Management	2,084,000	2,084,000	(534,420)	26%
Water Services Operating Subsidy	10,000,000	7,500,000	-	0%
TOTAL	399,903,000	144,341,000	(121,442,284)	84%

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 - M07 January

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	272	1,922	1,591	331	21%	2,827
Pension and UIF Contributions		413	431	431	36	253	253	0	0%	427
Medical Aid Contributions		87	106	106	9	63	58	5	8%	103
Motor Vehicle Allowance		896	1,277	1,277	73	493	719	(226)	-31%	876
Cellphone Allowance		227	552	552	19	133	287	(154)	-54%	254
Housing Allowances		12	493	493	1	7	345	(338)	-98%	10
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		4,981	5,690	5,690	410	2,871	3,252	(381)	-12%	4,498
%increase	4		14.2%	14.2%						-9.7%
Senior Managers of the Municipality										
Basic Salaries and Wages		5,498	5,709	5,590	494	3,444	3,298	146	4%	5,561
Pension and UIF Contributions		185	204	204	17	114	119	(5)	-5%	194
Medical Aid Contributions		108	113	113	9	65	67	(2)	-3%	106
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		1,192	1,897	1,897	-	1,236	2,002	(766)	-38%	1,301
Motor Vehicle Allowance		621	543	651	52	362	380	(18)	-5%	621
Cellphone Allowance		82	86	86	7	50	50	0	0%	84
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		135	164	164	11	90	99	(9)	-9%	130
Payments in lieu of leave		170	476	476	-	170	354	(184)	-52%	292
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7,990	9,192	9,180	591	5,530	6,368	(837)	-13%	8,289
%increase	4		15.0%	14.9%						3.7%
Other Municipal Staff										
Basic Salaries and Wages		75,578	99,427	94,822	6,380	53,210	49,756	3,454	7%	84,286
Pension and UIF Contributions		10,512	8,448	8,252	1,005	6,971	4,782	2,189	46%	8,895
Medical Aid Contributions		4,521	4,701	4,749	472	2,992	2,319	674	29%	4,492
Overtime		6,141	5,677	5,753	202	2,656	3,597	(941)	-26%	3,837
Performance Bonus		6,087	7,100	7,000	6	16,256	6,325	9,931	157%	16,467
Motor Vehicle Allowance		4,541	4,636	4,471	535	3,952	2,353	1,599	66%	5,095
Cellphone Allowance		1,103	1,185	1,240	97	685	655	29	4%	1,057
Housing Allowances		910	1,132	1,126	60	433	620	(187)	-30%	716
Other benefits and allowances		6,163	5,623	8,116	529	3,976	4,816	(840)	-17%	6,887
Payments in lieu of leave		2,194	2,670	2,746	-	5,306	1,789	3,517	197%	5,308
Long service awards		612	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1,817	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		120,180	140,599	138,277	9,285	96,435	77,012	19,424	25%	137,039
%increase	4		17.0%	15.1%						14.0%
Total Parent Municipality		133,151	155,480	153,146	10,286	104,836	86,632	18,205	21%	149,826

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.

- **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.

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 January 2015 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: 13.02.2015_____

