



*“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
July 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.

Table 1: Operating Revenue per category

	July Actual	YTD Actual	YTD Budget
Revenue by Source			
Government grants and subsidies	(77,540,391)	(77,540,391)	(77,494,773)
Public Contributions and Donations	0	0	-
Government Services	0	0	-
Interest earned - external investments	(196,175)	(196,175)	(159,825)
Other income	(59,430)	(59,430)	(677,000)
Service Charges: Water & Sanitation	(587,027)	(587,027)	(4,662,000)
TOTAL	(78,383,023)	(78,383,023)	(82,993,598)

In the beginning of the current financial year, the municipality has managed to raise 94 % of its total operating revenue against the year to date budget of R82, 994 million as at 31 July 2014, off which R78, 383 million is the Actual revenue collected.

Table 2: Operating Expenditure per category

	July Actual	YTD Actual	YTD Budget
Expenditure by Nature (GFS Function)			
Employee related costs	10,797,710	10,797,710	10,015,191
Remuneration of Councillors	410,107	410,107	445,440
Debt Impairment	0	0	2,174,242
Depreciation and Amortisation	3,863,121	3,863,121	102,960
Finance charges	58,237	58,237	31,736
Contracted services	457,895	457,895	472,903
Grants and Subsidies paid	243,062	243,062	2,074,484
General expenses	1,664,148	1,664,148	3,584,992
Drought Relief Water Carting	75,337	75,337	4,460,000
Repairs and Maintenance	123,392	123,392	717,647
TOTAL	17,693,008	17,693,008	24,079,595

In the first month of the current financial year, the municipality has actual spent 73% of its operating expenditure R17, 693 million being the Actual expenditure compared to year to date budget of R24, 080 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 (R10,797 million) 108% up-to date when compared to year to date budget of R10, 015 million, off which the municipality has overspent this line item by 8% compared to year-to-date budget.

- **Remuneration of Councillors**

The year-to-date budget for remuneration of councilors is R 445,440 off which R410, 107 is the year to date actual expenditure. As of this date the municipality has spent 92 % of its year-to-date budget.

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 R123, 392 which constitutes 17 % versus its year-to-date budget of R717,647.

The monthly ratio of this line item is 10%, which is above the norm ratio of 8%.

Contracted Services

The year to date shows 97 % (R457, 895) expenditure has been spent in this line item when compared to the year to date budget of R472, 903.

The monthly ratio of this line item is acceptable at 4% against the required norm of 2% - 5%.

- **Grants and Subsidies Paid**

In this line item, the municipality has reported an expenditure of R243, 062 as at 31 July 2014 which constitutes 12% of the year-to-date budget which is R2, 074 million.

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.

	July 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	245,803	-
Water	2,492,265	2,492,265	-
TOTAL	2,738,068	2,738,068	0

Capital Expenditure by Vote

The capital expenditure recognised for the month of July is R2,738 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 July 2014 in-year report is:

RESOLVED

- (a) That the Council take note of contents in the in-year monthly report for July 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 14 August 2014.
- (c) Any other resolutions required by the Council.

Section 3 – Executive Summary

3.1 Introduction

This Budget statement report for July 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 other sources of revenue that have material variances in rand value are:

- **Interest Earned – External investments**

The actual amount for Interest on Investments is R196, 175 and this amount constitutes 122% of the budgeted amount which is R159, 825.

- **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 July 2014.

The current accumulated surplus of the municipality as at 31 July 2014 is R1, 284 billion.

3.2.2.1 Current Assets

- **Cash**

The amount of R42,885 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 other debtors represent the movement which is due to monthly deductions from the staff member's salaries and ex staff members.

- **Inventory**

-The year to date value of inventory as at 31 July 2014 is R2,756 million.

3.2.2.2 Non-Current Assets

The year to date non-current assets is R1, 286,264 billion which constitutes 91% 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**

CREDITORS

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 Actual expenditure for the month of July 2014 is R10,193 .

3.2.2 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 R42, 519 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 - MD1 July

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	36,504	55,946	55,946	587	587	4,662	(4,075)	-87%	51,284
Investment revenue	3,240	2,394	2,394	196	196	160	36	23%	7,571
Transfers recognised - operational	247,303	254,204	254,204	77,282	77,282	77,495	(212)	-0%	308,659
Other own revenue	13,348	7,109	7,109	59	59	677	(618)	-91%	6,634
Total Revenue (excluding capital transfers and contributions)	300,393	319,653	319,653	78,125	78,125	82,994	(4,869)	-6%	374,148
Employee costs	128,150	149,844	149,434	10,798	10,798	10,491	307	3%	130,791
Remuneration of Councillors	4,981	5,650	5,650	410	410	445	(35)	-8%	4,481
Depreciation & asset impairment	3,771	46,357	46,357	3,863	3,863	3,874	(11)	-0%	46,254
Finance charges	3,968	4,121	4,121	58	58	32	27	84%	4,092
Materials and bulk purchases	–	5,069	5,069	–	–	422	(422)	-100%	4,646
Transfers and grants	97,181	89,730	80,319	243	243	2,074	(1,831)	-91%	75,557
Other expenditure	218,961	177,097	186,908	2,245	2,245	6,727	(4,482)	-67%	161,153
Total Expenditure	457,012	477,908	477,898	17,618	17,618	24,067	(6,449)	-27%	426,984
Surplus/(Deficit)	(156,619)	(158,255)	(158,245)	60,507	60,507	58,927	1,580	3%	(52,836)
Transfers recognised - capital	191,512	209,478	209,478	258	258	9,918	(9,660)	-97%	43,401
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	34,893	51,223	51,233	60,765	60,765	68,846	(8,080)	-12%	(9,436)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	34,893	51,223	51,233	60,765	60,765	68,846	(8,080)	-12%	(9,436)
Capital expenditure & funds sources									
Capital expenditure	–	119,405	119,405	2,738	2,738	17,187	(14,449)	-84%	119,431
Capital transfers recognised	–	106,519	174,574	16,978	91,704	174,174	(82,470)	-47%	174,980
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–
Total sources of capital funds	–	106,519	174,574	16,978	91,704	174,174	(82,470)	-47%	174,980
Financial position									
Total current assets	88,988	25,450	25,450		192,276				25,450
Total non current assets	1,232,917	1,286,264	1,286,264		1,286,563				1,286,264
Total current liabilities	70,054	59,128	59,128		125,944				59,128
Total non current liabilities	32,116	20,106	20,106		40,545				20,106
Community wealth/Equity	1,219,735	1,232,480	1,232,480		1,298,118				1,232,480
Cash flows									
Net cash from (used) operating	101,449	(149)	(149)	42,226	42,226	47	42,179	89672%	(149)
Net cash from (used) investing	(94,743)	107	107	(2,707)	(2,707)	–	(2,707)	#DIV/0!	107
Net cash from (used) financing	(229)	0	–	–	–	–	–	–	0
Cash/cash equivalents at the month/year end	23,846	(59)	(60)	–	42,869	30	42,839	141168%	3,308

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) - MD1 July

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>		357,505	371,992	371,992	77,796	77,796	84,758	(6,962)	-8%	264,545
Executive and council		5,937	5,493	5,493	1,445	1,445	1,643	(199)	-12%	5,009
Budget and treasury office		182,469	195,821	195,821	76,092	76,092	75,696	395	1%	252,428
Corporate services		169,109	170,678	170,678	260	260	7,418	(7,159)	-97%	7,107
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		48,159	52,014	52,014	-	-	109	(109)	-100%	51,905
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		27,603	37,393	37,393	-	-	109	(109)	-100%	37,284
Environmental protection		20,556	14,621	14,621	-	-	-	-	-	14,621
<i>Trading services</i>		90,783	105,125	105,125	587	587	8,045	(7,458)	-93%	97,236
Electricity		-	-	-	-	-	-	-	-	-
Water		74,771	73,462	73,462	587	587	5,407	(4,820)	-89%	68,212
Waste water management		16,012	31,663	31,663	-	-	2,639	(2,639)	-100%	29,024
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	496,447	529,131	529,131	78,383	78,383	92,912	(14,529)	-16%	413,686
Expenditure - Standard										
<i>Governance and administration</i>		177,022	196,529	196,519	8,154	8,154	8,938	(784)	-9%	190,215
Executive and council		44,623	41,333	41,323	2,772	2,772	2,688	84	3%	38,304
Budget and treasury office		19,746	26,869	26,869	898	898	1,070	(173)	-16%	25,094
Corporate services		112,653	128,337	128,337	4,485	4,485	5,180	(695)	-13%	126,817
<i>Community and public safety</i>		10,014	11,822	11,822	747	747	378	369	98%	10,536
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		10,014	11,822	11,822	747	747	378	369	98%	10,536
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		52,510	64,551	64,551	2,950	2,950	3,037	(87)	-3%	48,371
Planning and development		1	-	-	-	-	-	-	-	-
Road transport		27,375	37,393	37,393	1,745	1,745	898	847	94%	30,662
Environmental protection		25,134	27,158	27,158	1,205	1,205	2,139	(934)	-44%	17,709
<i>Trading services</i>		221,407	206,007	206,007	5,842	5,842	11,727	(5,885)	-50%	178,863
Electricity		-	-	-	-	-	-	-	-	-
Water		177,281	149,170	149,170	4,629	4,629	10,498	(5,869)	-56%	132,459
Waste water management		44,126	56,836	56,836	1,213	1,213	1,229	(16)	-1%	46,404
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	460,953	478,908	478,898	17,693	17,693	24,080	(6,387)	-27%	427,984
Surplus/ (Deficit) for the year		35,494	50,223	50,233	60,690	60,690	68,833	(8,143)	-12%	(14,299)

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) - MD1 July

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	1,445	1,445	1,578	(134)	-8.5%	4,944
Vote 2 - FINANCIAL SERVICES		182,624	195,886	195,886	76,092	76,092	75,761	330	0.4%	252,493
Vote 3 - CORPORATE SERVICES		479	1,209	1,209	2	2	1	1	128.8%	1,215
Vote 4 - TECHNICAL SERVICES		287,714	251,827	251,827	258	258	10,559	(10,301)	-97.6%	85,266
Vote 5 - COMMUNITY SERVICES		20,556	14,621	14,621	-	-	-	-	-	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	496,447	468,971	468,971	77,796	77,796	87,899	(10,103)	-11.5%	358,539
Expenditure by Vote	1									
Vote 1 - MANAGEMENT SERVICES		30,705	32,162	32,152	2,197	2,197	2,079	118	5.7%	29,559
Vote 2 - FINANCIAL SERVICES		21,888	29,108	29,108	1,066	1,066	1,205	(149)	-12.4%	27,283
Vote 3 - CORPORATE SERVICES		33,585	39,724	39,724	1,209	1,209	2,083	(874)	-41.9%	37,955
Vote 4 - TECHNICAL SERVICES		333,759	293,532	293,532	11,145	11,145	12,450	(1,305)	-10.5%	263,195
Vote 5 - COMMUNITY SERVICES		41,015	46,179	46,179	2,086	2,086	3,079	(994)	-32.3%	34,963
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	460,953	440,706	440,696	17,693	17,693	20,896	(3,203)	-15.3%	392,965
Surplus/ (Deficit) for the year	2	35,494	28,265	28,275	60,103	60,103	67,003	(6,900)	-10.3%	(34,426)

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) - M01 July

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		0	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		26,179	40,495	40,495	587	587	3,375	(2,788)	-83%	37,121
Service charges - sanitation revenue		10,324	15,450	15,450	-	-	1,288	(1,288)	-100%	14,163
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-
Interest earned - external investments		3,240	2,394	2,394	196	196	160	36	23%	3,708
Interest earned - outstanding debtors		4,139	4,214	4,214	-	-	351	(351)	-100%	3,863
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		2,929	-	-	-	-	-	-	-	-
Transfers recognised - operational		247,303	254,204	254,204	77,282	77,282	77,495	(212)	0%	308,659
Other revenue		6,304	2,895	2,895	59	59	326	(266)	-82%	2,771
Gains on disposal of PPE		(24)	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		300,393	319,653	319,653	78,125	78,125	82,994	(4,869)	-6%	370,285
Expenditure By Type										
Employee related costs		128,150	149,844	149,434	10,798	10,798	10,491	307	3%	130,791
Remuneration of councillors		4,981	5,690	5,690	410	410	445	(35)	-8%	4,481
Debt impairment		29,769	26,091	26,091	-	-	2,174	(2,174)	-100%	23,917
Depreciation & asset impairment		3,771	46,357	46,357	3,863	3,863	3,874	(11)	0%	46,254
Finance charges		3,968	4,121	4,121	58	58	32	27	84%	4,092
Bulk purchases		-	5,069	5,069	-	-	422	(422)	-100%	4,646
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		18,668	38,698	38,698	458	458	473	(15)	-3%	29,011
Transfers and grants		97,181	89,730	80,319	243	243	2,074	(1,831)	-88%	75,567
Other expenditure		170,524	111,990	121,791	1,788	1,788	4,053	(2,265)	-56%	107,925
Loss on disposal of PPE		-	328	328	-	-	27	(27)	-100%	301
Total Expenditure		457,012	477,908	477,898	17,618	17,618	24,067	(6,449)	-27%	426,984
Surplus/(Deficit)		(156,619)	(158,255)	(158,245)	60,507	60,507	58,927	1,580	0	(56,699)
Transfers recognised - capital		191,512	209,478	209,478	258	258	9,918	(9,660)	(0)	43,401
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		34,893	51,223	51,233	60,765	60,765	68,846			(13,299)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		34,893	51,223	51,233	60,765	60,765	68,846			(13,299)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		34,893	51,223	51,233	60,765	60,765	68,846			(13,299)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		34,893	51,223	51,233	60,765	60,765	68,846			(13,299)

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) - M01 July

Vote Description	Ref	Budget Year 2014/15								
		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	-	-	21	(21)	-100%	250
Vote 3 - CORPORATE SERVICES		-	654	654	-	-	54	(54)	-100%	654
Vote 4 - TECHNICAL SERVICES		-	117,802	117,802	2,738	2,738	17,054	(14,316)	-84%	117,827
Vote 5 - COMMUNITY SERVICES		-	700	700	-	-	58	(58)	-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	2,738	2,738	17,187	(14,449)	-84%	119,431
Total Capital Expenditure		-	119,405	119,405	2,738	2,738	17,187	(14,449)	-84%	119,431
Capital Expenditure - Standard Classification										
Governance and administration		-	904	904	-	-	75	(75)	-100%	904
Executive and council		-	-	-	-	-	-	-		-
Budget and treasury office		-	250	250	-	-	21	(21)	-100%	250
Corporate services		-	654	654	-	-	54	(54)	-100%	654
Community and public safety		-	700	700	-	-	58	(58)	-100%	700
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	700	700	-	-	58	(58)	-100%	700
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		-	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		-	117,802	117,802	2,738	2,738	17,054	(14,316)	-84%	117,827
Electricity		-	-	-	-	-	-	-		-
Water		-	74,819	74,819	2,492	2,492	13,472	(10,980)	-82%	74,819
Waste water management		-	42,982	42,982	246	246	3,582	(3,336)	-93%	43,008
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Standard Classification	3	-	119,405	119,405	2,738	2,738	17,187	(14,449)	-84%	119,431
Funded by:										
National Government		-	106,519	174,574	16,978	91,704	174,174	(82,470)	-47%	174,980
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		-	-	-	-	-	-	-		-
Transfers recognised - capital		-	106,519	174,574	16,978	91,704	174,174	(82,470)	-47%	174,980
Public contributions & donations	5	-	-	-	-	-	-	-		-
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		-	-	-	-	-	-	-		-
Total Capital Funding		-	106,519	174,574	16,978	91,704	174,174	(82,470)	-47%	174,980

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC14 Joe Gqabi - Table C6 Monthly Budget Statement - Financial Position - MD1 July

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		23,846	3,967	3,967	42,885	3,967
Call investment deposits		13,408	20,000	20,000	70,043	20,000
Consumer debtors		23,873	–	–	41,712	–
Other debtors		26,154	–	–	34,880	–
Current portion of long-term receivables		–	–	–	–	–
Inventory		1,707	1,483	1,483	2,756	1,483
Total current assets		88,988	25,450	25,450	192,276	25,450
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		3,097	3,860	3,860	3,199	3,860
Investment property		2,666	3,860	3,860	2,624	3,860
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,224,298	1,275,017	1,275,017	1,288,451	1,275,017
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		2,866	3,547	3,547	2,289	3,547
Other non-current assets		–	–	–	–	–
Total non current assets		1,232,917	1,286,264	1,286,264	1,296,563	1,286,264
TOTAL ASSETS		1,321,905	1,311,714	1,311,714	1,488,839	1,311,714
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		(1,213)	398	398	(814)	398
Consumer deposits		–	–	–	–	–
Trade and other payables		57,074	47,315	47,315	111,844	47,315
Provisions		14,193	11,415	11,415	14,914	11,415
Total current liabilities		70,054	59,128	59,128	125,944	59,128
Non current liabilities						
Borrowing		6,139	6,054	6,054	6,099	6,054
Provisions		25,977	14,052	14,052	34,446	14,052
Total non current liabilities		32,116	20,106	20,106	40,545	20,106
TOTAL LIABILITIES		102,170	79,235	79,235	166,490	79,235
NET ASSETS	2	1,219,735	1,232,480	1,232,480	1,322,349	1,232,480
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,219,735	1,232,480	1,232,480	1,298,118	1,232,480
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,219,735	1,232,480	1,232,480	1,298,118	1,232,480

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC14 Joe Gqabi - Table C7 Monthly Budget Statement - Cash Flow - MD1 July

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	29	29	84	84	1	83	10536%	29
Government - operating		311,264	244	244	108,069	108,069	81	107,978	132562%	244
Government - capital		96,876	-	-	17,057	17,057	-	17,057	#DIV/0!	-
Interest		4,535	3	3	39	39	0	39	17514%	3
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(345,992)	(361)	(361)	(82,769)	(82,769)	(30)	82,739	-275266%	(361)
Finance charges		(764)	(8)	(8)	-	-	(1)	(1)	100%	(8)
Transfers and Grants		(12,286)	(56)	(56)	(243)	(243)	(5)	238	-5099%	(56)
NET CASH FROM/(USED) OPERATING ACTIVITIES		101,449	(149)	(149)	42,226	42,226	47	42,179	88672%	(149)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		150	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	31	31	-	31	#DIV/0!	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		219	-	-	-	-	-	-	-	-
Payments										
Capital assets		(95,112)	107	107	(2,738)	(2,738)	-	2,738	#DIV/0!	107
NET CASH FROM/(USED) INVESTING ACTIVITIES		(94,743)	107	107	(2,707)	(2,707)	-	2,707	#DIV/0!	107
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		171	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(369)	0	-	-	-	-	-	-	0
NET CASH FROM/(USED) FINANCING ACTIVITIES		(229)	0	-	-	-	-	-	-	0
NET INCREASE/ (DECREASE) IN CASH HELD		6,478	(43)	(43)	39,519	39,519	47			(43)
Cash/cash equivalents at beginning		17,368	(17)	(17)		3,360	(17)			3,360
Cash/cash equivalents at month/year end		23,846	(59)	(60)		42,869	30			3,308

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.

Debtors are not being managed by means of the SAMRAS system. The debtors list is also not being balanced to the General Ledger. The amounts on the table below exclude debtor's information from all Local Municipalities as the information was not yet received when this report was being prepared.

DC14 Joe Gqabi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2014/15										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	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	2,304	623	426	571	468	6,369	-	-	10,741	7,388	-	-
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	234	166	141	132	381	3,707	-	-	4,760	4,220	-	-
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	2,538	789	567	704	839	10,066	-	-	15,502	11,608	-	-
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	288	-	-	476	330	-	-
Households	2400	2,322	716	512	657	566	9,724	-	-	14,496	10,946	-	-
Other	2500	70	32	22	19	216	54	-	-	412	289	-	-
Total By Customer Group	2600	2,538	789	567	704	839	10,066	-	-	15,502	11,608	-	-

Section 6 – Creditors' analysis

6.1 Supporting Table SC4

The table below is the reflection of the creditor's age analysis as at 31 July 2014. The total creditors is R10, 193 million.

DC14 Joe Gqabi - Supporting Table SC4 Monthly Budget Statement - aged creditors - MD1 July

Description R thousands	NT Code	Budget Year 2014/15									Prior year totals for chart (same period)	
		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	Total		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	3,366	-	5,900	906	-	-	-	-	-	10,193	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	3,366	-	5,900	906	-	-	-	-	-	10,193	-

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 3,199 million.

DC14 Joe Gqabi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - MD1 July

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	(337)	1,880
DBSA			Zero coupon		8		1,301	8	1,309
Municipality sub-total					8		3,528	(329)	3,199
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				8		3,528	(329)	3,199

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	(120,000)	-10%
EPWP Incentive	1,309,000	-	-	#DIV/0!
Municipal Water Infrastructure grant	20,009,000	-	-	#DIV/0!
Municipal Infrastructure grant	169,469,000	39,916,000	(257,940)	-1%
Municipal Systems Improvement	934,000	-	-	#DIV/0!
Rural Roads and Asset Management	2,084,000	-	-	#DIV/0!
Rural Households Infrastructure Grant	4,500,000	-	-	#DIV/0!
Water Services Operating Subsidy	10,000,000	-	-	#DIV/0!
TOTAL	404,403,000	118,292,000	(77,503,940.00)	-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 - MD1 July

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	280	280	212	67	32%	2,826
Pension and UIF Contributions		413	431	431	34	34	36	(2)	-6%	404
Medical Aid Contributions		87	106	106	8	8	8	0	6%	104
Motor Vehicle Allowance		866	1,277	1,277	68	68	99	(30)	-31%	884
Cellphone Allowance		227	552	552	19	19	41	(22)	-54%	252
Housing Allowances		12	493	493	1	1	49	(48)	-98%	10
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		4,981	5,690	5,690	410	410	445	(35)	-8%	4,481
%increase	4		14.2%	14.2%						-10.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		5,498	5,709	5,709	457	457	451	6	1%	5,680
Pension and UIF Contributions		185	204	204	16	16	17	(1)	-5%	194
Medical Aid Contributions		108	113	113	9	9	10	(1)	-8%	104
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		1,192	1,897	1,897	-	-	-	-	-	1,897
Motor Vehicle Allowance		621	543	543	52	52	45	6	14%	518
Cellphone Allowance		82	86	86	7	7	7	0	3%	84
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		135	164	164	11	11	429	(419)	-98%	130
Payments in lieu of leave		170	476	476	-	-	24	(24)	-100%	451
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7,990	9,192	9,192	551	551	983	(431)	-44%	9,038
%increase	4		15.0%	15.0%						13.1%
Other Municipal Staff										
Basic Salaries and Wages		75,578	99,427	99,217	7,140	7,140	7,307	(167)	-2%	84,775
Pension and UIF Contributions		10,512	8,448	8,448	950	950	618	332	54%	8,182
Medical Aid Contributions		4,521	4,701	4,701	408	408	322	86	27%	4,298
Overtime		6,080	5,677	5,677	445	445	297	149	50%	4,437
Performance Bonus		6,087	7,100	7,000	33	33	91	(58)	-64%	5,460
Motor Vehicle Allowance		7,035	2,946	9,962	537	1,797	6,943	(5,146)	-74%	4,381
Cellphone Allowance		1,103	1,185	1,185	97	97	82	14	17%	1,113
Housing Allowances		910	1,132	1,132	70	70	75	(6)	-8%	900
Other benefits and allowances		6,163	5,623	5,623	557	557	452	115	28%	5,576
Payments in lieu of leave		2,194	2,670	2,670	-	-	-	-	-	2,670
Long service awards		612	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1,817	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		122,613	138,909	145,614	10,246	11,507	16,187	(4,681)	-29%	121,792
%increase	4		13.3%	18.8%						-0.7%
Total Parent Municipality		135,584	153,790	160,496	11,208	12,468	17,615	(5,147)	-29%	135,311

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 - M01 July

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										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	115,847	115,877	2,738	2,738	16,921	14,183	83.8%	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	-	-	250	250	100.0%	3,000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	3,000	3,000	-	-	250	250	100.0%	3,000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	65,479	65,479	2,517	2,517	12,693	10,176	80.2%	65,504
Dams & Reservoirs		-	8,772	8,772	-	-	731	731	100.0%	8,772
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	56,707	56,707	2,517	2,517	11,962	9,445	79.0%	56,732
Infrastructure - Sanitation		-	47,368	47,368	221	221	3,947	3,727	94.4%	47,368
Reticulation		-	47,368	47,368	221	221	3,947	3,727	94.4%	47,368
Sewerage purification		-	-	30	-	-	-	-	-	-
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		-	3,108	3,108	-	-	259	259	100.0%	3,108
General vehicles		-	1,954	1,954	-	-	163	163	100.0%	1,954
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	700	700	-	-	58	58	100.0%	700
Computers - hardware/equipment		-	204	204	-	-	17	17	100.0%	204
Furniture and other office equipment		-	250	250	-	-	21	21	100.0%	250
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 new assets	1	-	118,955	118,985	2,738	2,738	17,180	14,442	84.1%	119,431

DC14 Joe Gqabi - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - MD1 July

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									
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	-	-	38	38	100.0%	-
General vehicles		-	450	450	-	-	38	38	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 subclass		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List subclass		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	450	450	-	-	38	38	100.0%	-

- 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 - M01 July

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		32,212	8,550	8,525	120	120	684	564	82.4%	8,557
Infrastructure - Road transport		2,734	2,476	2,446	109	109	102	(7)	-7.3%	2,366
Roads, Pavements & Bridges		2,734	2,476	2,446	109	109	102	(7)	-7.3%	2,366
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		29,479	6,074	6,079	11	11	582	571	98.1%	6,201
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		29,479	6,074	6,079	11	11	582	571	98.1%	6,201
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	3	3	34	30	90.4%	609
General vehicles		104	317	317	-	-	26	26	100.0%	290
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		2	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		39	53	53	3	3	7	5	63.9%	18
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		186	301	301	1	1	-	(1)	#DIV/0!	301
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 Repairs and Maintenance Expenditure		32,543	9,221	9,196	123	123	718	594	82.8%	9,176

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 July 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: 14.08.2014_____