



*“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
May 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 A summary of the operating revenue and expenditure and capital expenditure is presented in the following table:-

PARTICULARS	CAPITAL EXPENDITURE	OPERATING REVENUE	OPERATING EXPENDITURE
Original Budget	127,605,447.58	529,131,000.00	478,908,419.00
Adjustment Budget	190,255,395.00	598,834,978.00	509,772,709.00
Actual Result (YTD)	86,113,213.84	421,045,059.47	368,248,814.96
Variance	104,142,181.16	177,789,918.53	141,523,894.04
Variance %	55%	30%	28%

A more detailed explanation of the results presented in the summary above will be given throughout this report.

2.1.2 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	Feb Actual	Apr Actual	May Actual	YTD Actual
Revenue by Source											
Government grants and subsidies	(77,540,391)	(12,107,020)	(20,399,079)	(16,428,052)	(91,320,054)	(8,480,276)	(2,463,538)	(12,345,059)	(18,275,144)	(39,417,218)	(379,883,280)
Public Contributions and Donations	0	0	0	0	0	0	0	0	0	0	0
Government Services	0	0	0	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)	(136,771)	(575,564)	(416,596)	(3,631,095)
Other income	(92,774)	(5,498,634)	(58,652)	8,760,520	(660,060)	(490,305)	993,389	1,015,229	(56,679)	(725,762)	2,509,382
Service Charges: Water & Sanitation	(3,532,721)	(3,904,888)	(661,940)	(9,897,227)	(8,570,937)	(871,634)	(1,207,694)	(1,008,314)	(867,596)	(887,193)	(40,040,067)
TOTAL	(81,362,061)	(21,941,779)	(21,433,017)	(17,852,572)	(101,170,126)	(10,130,437)	(2,891,450)	(12,469,915)	(19,774,982)	(41,446,759)	(421,045,059)

The municipality has to date raised 77% of its operational revenue against year to date budget of R544.955 million. The main contributor is from government grants which reported at 80% of the total revenue received as at 31 May 2015. The municipality has raised about 65% of revenue on its trading services against the year to date budget of R61.475 million.

TABLE 2: OPERATING EXPENDITURE PER CATEGORY

	July Actual	Aug Actual	Sept. Actual	Oct Actual	Nov Actual	Dec Actual	Jan Actual	Feb Actual	Apr Actual	May Actual	YTD Actual
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	9,215,156	11,647,829	11,786,265	11,592,421	147,941,933
Remuneration of Councillors	413,509	413,460	413,460	413,460	0	826,928	413,463	413,463	677,774	442,727	4,841,714
Debt Impairment	(2,221,389)	(2,051,847)	0	966,408	1,713,889	0	0	(0)	0	0	(1,602,939)
Depreciation and Amortisation	0	7,520,323	3,760,161	3,760,161	3,760,161	3,760,161	3,760,161	3,760,161	3,760,161	3,760,161	41,361,775
Finance charges	58,237	58,237	134,844	58,237	58,237	58,237	56,240	56,240	56,240	56,240	707,228
Contracted services	0	0	0	0	0	0	0	0	0	0	0
Grants and Subsidies paid	0	0	0	0	0	0	0	0	0	0	0
General expenses	2,964,688	11,543,668	26,636,144	14,902,649	15,630,278	24,118,103	11,004,230	14,411,474	11,709,740	19,739,960	174,007,452
TOTAL	12,009,363	28,933,642	42,370,446	32,713,014	28,071,351	67,662,352	24,449,251	30,289,167	27,990,180	36,591,509	367,257,162

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 (R147.942 million) against a year to date budget of R140.991 million, which represents 5% over expenditure of the total year to date actual expenditure. R11.592 million is the expenditure for end of May. The employee related cost is a fixed expenditure item, and the variable figures that have been reported in the past months were due to notch increases and bonuses that were paid out.

REMUNERATION OF COUNCILLORS

The year-to-date budget for remuneration of councillors is R3.9 million off which R3.3 million is the year to date actual expenditure. As of this date the municipality has an actual expenditure of 85% against its year-to-date budget.

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

The implementation of the Gazette on upper limits is only expected in April 2015 hence the under expenditure to 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.

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	Feb Actual	Apr Actual	May Actual	YTD Actual
Capital Expenditure by GFS											
Executive & Council	-	-	-	-	-	-	-	-	-	-	-
Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-
Corporate Services	-	-	12,249	-	-	226,842	213,253	109,557	172,468	-	734,369
Planning & Development	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
Community & Social Services	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	1,167	-	-	-	-	-	-	1,167
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-
Road Transport	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Waste Management	245,803	1,410,301	-	1,853,025	(943,254)	1,007,795	284,703	230,379	-	680,017	5,533,077
Water	2,492,265	2,637,501	4,651,235	10,225,442	6,087,382	10,820,050	263,476	8,705,260	12,832,918	12,607,040	79,844,602
TOTAL	2,738,068	4,047,802	4,663,484	12,079,634	5,144,128	12,054,688	761,432	9,045,195	13,005,366	13,287,057	86,113,214

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 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 May 2015 in-year report is:

RESOLVED

- (a) That the Council take note of contents in the in-year monthly report for April as set out in the schedules contained in Section 4:
- a. Table C1 – Monthly Budget Statement Summary;
 - b. Table C2 – Monthly Budget Statement – Financial Performance (Standard classification);
 - c. Table C3 – Monthly Budget Statement – Financial Performance Standard classification (Revenue and expenditure by Municipal Vote)
 - d. Table C4 – Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)
 - e. Table C5 – Monthly Budget Statement – Capital Expenditure;
 - f. Table C6 – Monthly Budget statement – Financial Position; and
 - g. Table C7 – Monthly Budget statement – Cash Flows.
- (b) That the Council take note that the report was submitted to the Executive Mayor on 12 June 2015.
- (c) Any other resolutions required by the Council.

Section 3 – Executive Summary

3.1 INTRODUCTION

This Budget statement report for May 2015 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 have been met; in other words, it only reflects 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 R1.349 million against the budgeted amount of R2.391 million. The amount of interest received for the month in this line item is R214 thousand.

- **OTHER REVENUE**

Other Revenue is made up of contribution from LGSETA and sundry income which includes photostats and rental income.

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 May 2015 is R1.234 billion, which constitutes 100% against the year to date budget of R1.383 billion.

3.2.2.1 CURRENT ASSETS

- **CASH**

The amount of R 16.3 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.

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 R176 million of the year to date actual, off which it includes R6.370 million of creditors for the month of May 2015. It must be noted that the age analysis is based on invoice date not invoice received.

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 movement of R5.888 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 - M11 May

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	67,113	887	40,040	61,475	(21,435)	-35%	36,716
Investment revenue	3,240	2,394	4,353	417	3,631	3,807	(176)	-5%	4,985
Transfers recognised - operational	247,308	254,204	245,989	3,712	210,549	232,220	(21,671)	-9%	174,689
Other own revenue	13,827	7,109	8,263	726	(2,509)	7,379	(9,888)	-134%	(1,466)
Total Revenue (excluding capital transfers and contributions)	304,799	319,653	325,719	5,741	251,711	304,881	(53,170)	-17%	214,924
Employee costs	128,170	149,790	155,916	11,582	147,942	140,991	6,951	5%	154,875
Remuneration of Councillors	5,022	5,743	5,743	443	4,842	5,317	(475)	-9%	4,991
Depreciation & asset impairment	42,311	46,357	46,857	3,760	41,362	42,953	(1,591)	-4%	45,267
Finance charges	3,968	4,121	2,752	56	707	2,152	(1,445)	-67%	2,730
Materials and bulk purchases	2,474	5,852	11,769	992	992	10,788	(9,796)	-91%	1,082
Transfers and grants	-	1,598	-	-	-	-	-	-	-
Other expenditure	331,616	265,446	286,565	19,740	172,405	258,635	(86,231)	-33%	201,499
Total Expenditure	513,560	478,908	509,603	36,583	368,249	460,836	(92,587)	-20%	410,443
Surplus/(Deficit)	(208,761)	(159,255)	(183,884)	(30,842)	(116,538)	(155,955)	39,417	-25%	(195,519)
Transfers recognised - capital	191,525	209,478	273,116	35,705	169,334	240,075	(70,740)	-29%	194,359
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(17,236)	50,223	89,232	4,864	52,796	84,120	(31,323)	-37%	(1,160)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(17,236)	50,223	89,232	4,864	52,796	84,120	(31,323)	-37%	(1,160)
Capital expenditure & funds sources									
Capital expenditure	-	120,105	190,255	13,287	86,113	174,527	(88,413)	-51%	200,400
Capital transfers recognised	-	91,795	136,053	18,006	58,136	123,925	(65,788)	-53%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	10,000	-	124	10,000	(9,876)	-99%	10,000
Internally generated funds	-	28,311	44,203	(4,719)	27,853	40,602	(12,749)	-31%	180,255
Total sources of capital funds	-	120,105	190,255	13,287	86,113	174,527	(88,413)	-51%	190,255
Financial position									
Total current assets	112,999	65,922	65,922	-	164,804	-	-	-	65,922
Total non current assets	1,288,280	1,413,008	1,413,008	-	1,332,871	-	-	-	1,413,008
Total current liabilities	159,975	76,031	76,031	-	205,943	-	-	-	76,031
Total non current liabilities	35,866	20,106	20,106	-	33,499	-	-	-	20,106
Community wealth/Equity	1,205,438	1,382,793	1,382,793	-	1,240,746	-	-	-	1,382,793
Cash flows									
Net cash from (used) operating	101,449	105,576	(149)	10,401	51,748	51,297	451	1%	105,576
Net cash from (used) investing	(94,743)	(120,433)	107	(9,021)	(51,622)	(80,289)	28,667	-36%	(120,433)
Net cash from (used) financing	(229)	(1,001)	-	-	(216)	(667)	451	-68%	(1,001)
Cash/cash equivalents at the month/year end	23,846	(48,974)	(60)	-	38,134	(62,775)	100,908	-161%	22,365
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1,431	569	497	532	3,348	430	1,785	5,779	14,372
Creditors Age Analysis									
Total Creditors	2,794	1,977	170	139	13	821	141	314	6,370

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) - M11 May

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>		188,416	206,737	208,780	1,711	203,318	207,117	(3,799)	-2%	160,438
Executive and council		5,073	5,428	5,468	259	5,407	5,435	(28)	-1%	5,448
Budget and treasury office		182,863	200,100	202,096	1,066	197,019	200,560	(3,541)	-2%	154,023
Corporate services		479	1,209	1,216	385	892	1,122	(230)	-20%	957
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		218,280	221,483	215,860	32,802	164,478	191,573	(27,095)	-14%	184,066
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		196,945	206,862	204,588	32,802	168,996	181,241	(12,245)	-7%	187,995
Environmental protection		21,335	14,621	11,272	-	(4,517)	10,333	(14,850)	-144%	(3,928)
<i>Trading services</i>		93,491	100,911	174,195	6,934	53,248	146,265	(93,016)	-64%	63,978
Electricity		-	-	-	-	-	-	-	-	-
Water		80,382	70,960	146,810	6,934	46,776	121,208	(74,432)	-61%	56,686
Waste water management		13,109	29,950	27,384	-	6,472	25,057	(18,585)	-74%	7,311
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	500,187	529,131	598,835	41,447	421,045	544,955	(123,910)	-23%	408,482
Expenditure - Standard										
<i>Governance and administration</i>		86,342	139,197	166,651	8,651	98,324	152,705	(54,381)	-36%	109,343
Executive and council		30,873	32,162	34,961	4,145	31,470	31,792	(322)	-1%	33,124
Budget and treasury office		21,888	67,311	83,119	2,113	28,817	76,491	(47,675)	-62%	31,752
Corporate services		33,581	39,724	48,571	2,394	38,037	44,421	(6,385)	-14%	44,467
<i>Community and public safety</i>		15,775	14,009	14,059	993	11,202	13,301	(2,099)	-16%	12,126
Community and social services		5,761	2,187	2,187	140	1,799	2,039	(240)	-12%	1,926
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		10,014	11,822	11,872	853	9,403	11,262	(1,859)	-17%	10,200
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		180,418	157,898	152,768	16,689	134,208	133,899	308	0%	145,442
Planning and development		1	-	-	-	-	-	-	-	-
Road transport		155,283	130,740	126,945	15,460	118,878	109,356	9,521	9%	128,807
Environmental protection		25,134	27,158	25,823	1,229	15,330	24,543	(9,213)	-38%	16,635
<i>Trading services</i>		231,025	167,804	176,125	10,250	124,515	160,931	(36,415)	-23%	143,533
Electricity		-	-	-	-	-	-	-	-	-
Water		196,932	117,655	126,809	7,793	90,160	115,904	(25,744)	-22%	101,947
Waste water management		34,092	50,148	49,315	2,458	34,355	45,026	(10,671)	-24%	41,586
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	513,560	478,908	509,603	36,583	368,249	460,836	(92,587)	-20%	410,443
Surplus/ (Deficit) for the year		(13,374)	50,223	89,232	4,864	52,796	84,120	(31,323)	-37%	(1,961)

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) - M11 May

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	5,468	259	5,407	5,435	(28)	-0.5%	5,448
Vote 2 - FINANCIAL SERVICES		182,863	256,046	268,076	1,954	230,910	261,042	(30,132)	-11.5%	191,901
Vote 3 - CORPORATE SERVICES		479	1,209	1,216	385	892	1,122	(230)	-20.5%	967
Vote 4 - TECHNICAL SERVICES		290,436	251,827	312,802	38,849	188,353	267,023	(78,670)	-29.5%	214,094
Vote 5 - COMMUNITY SERVICES		21,335	14,621	11,272	-	(4,517)	10,333	(14,850)	-143.7%	(3,928)
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	598,835	41,447	421,045	544,955	(123,910)	-22.7%	408,482
Expenditure by Vote	1									
Vote 1 - MANAGEMENT SERVICES		30,874	32,162	34,961	4,145	31,470	31,792	(322)	-1.0%	33,124
Vote 2 - FINANCIAL SERVICES		21,888	67,311	83,119	2,788	28,817	76,491	(47,675)	-62.3%	31,752
Vote 3 - CORPORATE SERVICES		33,581	39,724	48,571	2,394	38,037	44,421	(6,385)	-14.4%	44,467
Vote 4 - TECHNICAL SERVICES		385,478	293,532	290,841	24,540	239,397	259,158	(19,761)	-7.6%	267,850
Vote 5 - COMMUNITY SERVICES		41,740	46,179	52,110	3,392	30,528	48,972	(18,445)	-37.7%	33,251
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	509,603	37,259	368,249	460,836	(92,587)	-20.1%	410,443
Surplus/ (Deficit) for the year	2	(13,374)	50,223	89,232	4,188	52,796	84,120	(31,323)	-37.2%	(1,961)

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) - M11 May

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	54,233	887	35,308	49,714	(14,405)	-29%	31,462	
Service charges - sanitation revenue	7,324	-	1,133	-	(1,174)	993	(2,167)	-218%	(1,162)	
Service charges - refuse revenue	-	15,450	11,747	-	5,906	10,769	(4,863)	-45%	6,417	
Service charges - other	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	
Interest earned - external investments	3,240	2,394	4,363	417	3,631	3,807	(176)	-5%	4,184	
Interest earned - outstanding debtors	4,379	4,214	4,214	-	1,119	3,863	(2,744)	-71%	801	
Dividends received	-	-	-	-	-	-	-	-	-	
Fines	-	-	-	-	-	-	-	-	-	
Licences and permits	-	-	-	-	-	-	-	-	-	
Agency services	2,929	-	1,072	-	(1,012)	993	(1,994)	-203%	(1,012)	
Transfers recognised - operational	247,308	254,204	245,989	3,712	210,549	232,220	(21,671)	-9%	174,689	
Other revenue	6,542	2,895	2,977	726	(2,617)	2,533	(5,150)	-203%	(1,255)	
Gains on disposal of PPE	(24)	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		304,799	319,653	325,719	5,741	251,711	304,881	(53,170)	-17%	214,123
Expenditure By Type										
Employee related costs		128,170	149,790	155,916	11,592	147,942	140,991	6,951	5%	154,875
Remuneration of councillors		5,022	5,743	5,743	443	4,842	5,317	(475)	-9%	4,991
Debt impairment		41,522	26,091	37,603	-	(1,603)	37,203	(38,806)	-104%	(1,264)
Depreciation & asset impairment		42,311	46,357	46,867	3,760	41,362	42,963	(1,591)	-4%	45,267
Finance charges		3,968	4,121	2,752	56	707	2,152	(1,445)	-67%	2,730
Bulk purchases		2,474	5,852	11,769	992	992	10,788	(9,796)	-91%	1,082
Other materials		-	-	-	-	-	-	-	-	
Contracted services		-	-	-	-	-	-	-	-	
Transfers and grants		-	1,598	-	-	-	-	-	-	
Other expenditure		286,916	239,027	248,634	19,740	174,007	221,132	(47,124)	-21%	202,735
Loss on disposal of PPE		3,177	328	328	-	-	301	(301)	-100%	27
Total Expenditure		513,560	478,908	509,603	36,583	368,249	460,836	(92,587)	-20%	410,443
Surplus/(Deficit)		(208,761)	(159,255)	(183,884)	(30,842)	(116,538)	(155,955)	39,417	(0)	(196,320)
Transfers recognised - capital		191,525	209,478	273,116	35,705	169,334	240,075	(70,740)	(0)	194,359
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(17,236)	50,223	89,232	4,864	52,796	84,120			(1,961)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(17,236)	50,223	89,232	4,864	52,796	84,120			(1,961)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(17,236)	50,223	89,232	4,864	52,796	84,120			(1,961)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(17,236)	50,223	89,232	4,864	52,796	84,120			(1,961)

**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) - M11 May

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	-	229	(229)	-100%	250	
Vote 3 - CORPORATE SERVICES		-	654	901	-	826	(91)	-11%	901	
Vote 4 - TECHNICAL SERVICES		-	118,502	188,325	13,287	85,378	(87,372)	-51%	198,469	
Vote 5 - COMMUNITY SERVICES		-	700	780	-	722	(720)	-100%	780	
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	-	120,105	190,255	13,287	86,113	174,527	(88,413)	-51%	200,400
Total Capital Expenditure		-	120,105	190,255	13,287	86,113	174,527	(88,413)	-51%	200,400
Capital Expenditure - Standard Classification										
Governance and administration		-	904	1,151	-	734	1,055	(321)	-30%	1,151
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	250	250	-	229	(229)	-100%	250	
Corporate services		-	654	901	-	826	(91)	-11%	901	
Community and public safety		-	700	780	-	722	(720)	-100%	780	
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	700	700	-	642	(640)	-100%	700	
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	80	-	80	(80)	-100%	80	
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	118,502	188,325	13,287	85,378	172,750	(87,372)	-51%	198,469
Electricity		-	-	-	-	-	-	-	-	-
Water		-	75,519	162,886	12,607	79,845	150,100	(70,255)	-47%	173,005
Waste water management		-	42,982	25,438	680	5,533	22,660	(17,117)	-76%	25,464
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	120,105	190,255	13,287	86,113	174,527	(88,413)	-51%	200,400
Funded by:										
National Government		-	91,795	136,053	18,006	58,136	123,925	(65,788)	-53%	146,172
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	(146,172)
Transfers recognised - capital		-	91,795	136,053	18,006	58,136	123,925	(65,788)	-53%	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	10,000	-	124	10,000	(9,876)	-99%	10,000
Internally generated funds		-	28,311	44,203	(4,719)	27,853	40,602	(12,749)	-31%	180,255
Total Capital Funding		-	120,105	190,255	13,287	86,113	174,527	(88,413)	-51%	190,255

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 - M11 May

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		38,102	3,729	3,729	16	3,729
Call investment deposits		35,091	20,000	20,000	92,220	20,000
Consumer debtors		43,602	30,621	30,621	67,278	30,621
Other debtors		(6,814)	–	–	3,226	–
Current portion of long-term receivables		–	10,000	10,000	–	10,000
Inventory		3,018	1,572	1,572	2,064	1,572
Total current assets		112,999	65,922	65,922	164,804	65,922
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		3,195	3,619	3,619	3,282	3,619
Investment property		2,621	3,078	3,078	2,579	3,078
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,280,256	1,403,453	1,403,453	1,325,372	1,403,453
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		2,208	2,858	2,858	1,638	2,858
Other non-current assets		–	–	–	–	–
Total non current assets		1,288,280	1,413,008	1,413,008	1,332,871	1,413,008
TOTAL ASSETS		1,401,279	1,478,930	1,478,930	1,497,675	1,478,930
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	30,465	–
Borrowing		(878)	398	398	1,327	398
Consumer deposits		–	–	–	–	–
Trade and other payables		143,960	47,315	47,315	144,998	47,315
Provisions		16,893	28,318	28,318	29,152	28,318
Total current liabilities		159,975	76,031	76,031	205,943	76,031
Non current liabilities						
Borrowing		5,740	6,054	6,054	5,893	6,054
Provisions		30,126	14,052	14,052	27,605	14,052
Total non current liabilities		35,866	20,106	20,106	33,499	20,106
TOTAL LIABILITIES		195,841	96,137	96,137	239,441	96,137
NET ASSETS	2	1,205,438	1,382,793	1,382,793	1,258,234	1,382,793
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,205,438	1,382,793	1,382,793	1,258,234	1,382,793
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,205,438	1,382,793	1,382,793	1,258,234	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.

DC14 Joe Gqabi - Table C7 Monthly Budget Statement - Cash Flow - M11 May

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	163	1,186	54,626	(53,440)	-98%	81,939
Government - operating		311,264	254,204	244	23,936	382,144	153,531	228,613	149%	254,204
Government - capital		96,876	209,478	-	9,705	145,439	139,652	5,787	4%	209,478
Interest		4,535	2,394	3	16	584	1,596	(1,012)	-63%	2,394
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(345,992)	(348,588)	(361)	(16,936)	(436,807)	(236,227)	200,580	-85%	(348,588)
Finance charges		(764)	(4,121)	(8)	-	(350)	(2,000)	(1,710)	83%	(4,121)
Transfers and Grants		(12,286)	(89,730)	(56)	(6,483)	(40,448)	(59,820)	(19,373)	32%	(89,730)
NET CASH FROM/(USED) OPERATING ACTIVITIES		101,449	105,576	(149)	10,401	51,748	51,297	451	1%	105,576
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		150	-	-	-	-	-	-		-
Decrease (increase) in non-current debtors		-	-	-	23	221	-	221	#DIV/0!	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		219	231	-	-	-	154	(154)	-100%	231
Payments										
Capital assets		(95,112)	(120,664)	107	(9,044)	(51,843)	(80,443)	(28,600)	36%	(120,664)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(94,743)	(120,433)	107	(9,021)	(51,622)	(80,289)	(28,667)	36%	(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)	(667)	(451)	68%	(1,001)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(229)	(1,001)	-	-	(216)	(667)	(451)	68%	(1,001)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning		17,368	(33,116)	(17)		38,223	(33,116)			38,223
Cash/cash equivalents at month/year end		23,846	(48,974)	(60)		38,134	(62,775)			22,365

PART 2 – IN-YEAR REPORT

Section 5 – Debtors' analysis

5.1 Supporting Table SC3

Since the municipality took over billing in 1 July 2014 from two of its four local municipalities, it has experienced some challenges. The figure in the table below excludes billing information due to corrective measures that are currently taking place. More accurate figures will be reported in next month's report. The movement on other debtors is due to monthly deductions on staff debtors.

DC14 Joe Gqabi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NT Code	Budget Year 2014/15									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	637	554	496	527	473	423	1,772	2,888	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	785	-	-	-	2,869	-	-	2,886	6,539	5,755	-	-
Total By Income Source	2000	1,431	569	497	532	3,348	430	1,785	5,779	14,372	11,875	-	-
2013/14 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	494	424	354	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	785	-	-	-	2,869	-	-	2,886	6,539	5,755	-	-
Total By Customer Group	2600	1,431	569	497	532	3,348	430	1,785	5,779	14,372	11,875	-	-

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 - M11 May

Description R thousands	NT Code	Budget Year 2014/15								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	12	-	-	-	-	-	-	12
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	2,794	1,965	170	139	13	821	141	314	6,358
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	2,794	1,977	170	139	13	821	141	314	6,370

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 3.2 million.

DC14 Joe Gqabi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
JOGEDA		NA	Entity	NA	NA	NA	2,226	(332)	1,894
DBSA			Zero coupon		8		1,301	86	1,388
Municipality sub-total					8		3,528	(246)	3,282
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				8		3,528	(246)	3,282

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

NAME OF GRANT	APPROVED ROLL-OVER 2013/14	ALLOCATIONS	RECEIPTS YTD	EXPENDITURE YTD	CLOSING BALANCE (UNSPENT)	% SPENT
FINANCE MANAGEMENT GRANT		1,250,000.00	1,250,000.00	(1,179,337.76)	70,662.24	-94%
MUNICIPAL INFRASTRUCTURE GRANT	19,525,842.00	171,469,000.00	190,994,842.00	(150,949,036.55)	40,045,805.45	-79%
MUNICIPAL SYSTEMS IMPROVEMENT GRANT		934,000.00	934,000.00	(815,797.21)	118,202.79	-87%
RURAL ROADS ASSET MANAGEMENT		2,084,000.00	2,084,000.00	(1,468,023.88)	615,976.12	-70%
EPWP INCENTIVE		1,309,000.00	1,309,000.00	(1,309,437.42)	(437.42)	-100%
WATER SERVICES OPERATING SUBSIDY	4,612,134.00	10,000,000.00	14,612,134.00	(5,902,994.00)	8,709,140.00	-40%
MUNICIPAL WATER INFRASTRUCTURE GRANT		20,009,000.00	20,009,000.00	(8,264,912.85)	11,744,087.15	-41%
TOTAL		207,055,000.00	231,192,976.00	(169,889,539.67)	61,303,436.33	-73%

At 31 May 2015 the overall expenditure on conditional grants shows a steady progress on certain grants, MIG reported at 79%, this is a reflection of service delivery by the municipality. Rural Roads Asset Management reported at 70%, FMG reported 94% of expenditure.

There are conditional grants that need to be monitored and the municipality needs to fast track expenditure on grants that have reported less than 60% of expenditure, to prevent having to surrender the unspent portion to the national revenue fund.

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 - M11 May

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	308	3,289	2,618	671	26%	3,313
Pension and UIF Contributions		413	431	431	38	402	395	7	2%	427
Medical Aid Contributions		87	106	106	9	99	98	2	2%	103
Motor Vehicle Allowance		866	1,277	1,277	67	797	1,178	(381)	-32%	864
Cellphone Allowance		227	552	552	16	203	511	(308)	-60%	219
Housing Allowances		12	493	493	1	11	493	(482)	-98%	11
Other benefits and allowances		41	54	54	4	40	24	16	68%	54
Sub Total - Councillors		5,022	5,743	5,743	443	4,842	5,317	(475)	-9%	4,991
%increase	4		14.4%	14.4%						-0.6%
Senior Managers of the Municipality										
Basic Salaries and Wages		5,498	5,709	5,710	391	5,308	5,254	54	1%	5,642
Pension and UIF Contributions		185	204	204	17	182	187	(5)	-3%	198
Medical Aid Contributions		108	113	113	7	100	103	(3)	-3%	109
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		1,192	1,897	1,797	-	1,236	1,707	(471)	-28%	1,301
Motor Vehicle Allowance		621	543	651	44	561	597	(36)	-6%	612
Cellphone Allowance		82	86	86	6	77	79	(2)	-3%	83
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		135	164	164	8	133	151	(18)	-12%	139
Payments in lieu of leave		170	476	476	-	170	451	(281)	-62%	195
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		7,990	9,192	9,200	472	7,768	8,531	(763)	-9%	8,278
%increase	4		15.0%	15.1%						3.6%
Other Municipal Staff										
Basic Salaries and Wages		75,578	99,427	92,400	7,833	84,581	83,904	677	1%	89,440
Pension and UIF Contributions		10,512	8,448	8,252	1,080	11,260	7,239	4,021	56%	11,482
Medical Aid Contributions		4,521	4,701	4,749	485	4,955	3,354	1,600	48%	5,161
Overtime		6,141	5,677	5,053	355	3,617	4,631	(1,014)	-22%	3,958
Performance Bonus		6,087	7,100	16,001	46	16,477	15,098	1,379	9%	16,557
Motor Vehicle Allowance		4,541	4,636	4,471	587	6,138	3,503	2,635	75%	6,228
Cellphone Allowance		1,103	1,185	1,240	97	1,074	825	249	30%	1,126
Housing Allowances		910	1,132	1,126	59	672	1,051	(379)	-36%	717
Other benefits and allowances		6,163	5,623	8,116	579	6,095	7,206	(1,111)	-15%	6,612
Payments in lieu of leave		2,194	2,670	5,308	-	5,306	5,650	(344)	-6%	5,308
Long service awards		612	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1,817	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		120,180	140,599	146,717	11,120	140,174	132,461	7,713	6%	146,598
%increase	4		17.0%	22.1%						22.0%
Total Parent Municipality		133,192	155,534	161,660	12,035	152,784	146,308	6,475	4%	159,866

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 - M11 May

Description	Ref	Budget Year 2014/15								
		2013/14 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	115,847	126,386	13,275	80,025	111,485	31,460	28.2%	136,530
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	3,000	2,000	-	1,582	1,750	168	9.6%	2,000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	3,000	2,000	-	1,582	1,750	168	9.6%	2,000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	65,479	105,682	12,595	72,547	94,184	21,638	23.0%	115,826
Dams & Reservoirs		-	8,772	12,818	4,602	4,602	8,041	3,439	42.8%	12,818
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	56,707	92,864	7,993	67,945	86,143	18,198	21.1%	103,008
Infrastructure - Sanitation		-	47,368	18,704	680	5,896	15,550	9,654	62.1%	18,704
Reticulation		-	47,368	18,674	680	5,896	15,550	9,654	62.1%	18,704
Sewerage purification		-	-	30	-	-	-	-	-	-
Infrastructure - Other		-	-	-	(0)	(0)	-	0	#DIV/0!	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	(0)	(0)	-	0	#DIV/0!	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	3,808	62,749	12	5,106	62,015	56,909	91.8%	62,749
General vehicles		-	1,954	10,500	-	241	10,458	10,218	97.7%	10,500
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	700	51,139	-	4,505	50,532	46,027	91.1%	51,139
Computers - hardware/equipment		-	204	-	-	-	-	-	-	-
Furniture and other office equipment		-	250	410	-	-	383	383	100.0%	410
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	700	700	12	360	642	282	43.9%	700
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	0	-	(0)	#DIV/0!	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	-	119,655	189,135	13,287	85,130	173,499	88,369	50.9%	199,279

- **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 - M11 May

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										
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		31,470	8,550	15,515	823	8,295	13,812	5,516	39.9%	11,965
Infrastructure - Road transport		2,716	2,476	3,799	405	3,128	3,221	93	2.9%	3,513
Roads, Pavements & Bridges		2,716	2,476	3,799	405	3,128	3,221	93	2.9%	3,513
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		28,754	6,074	11,716	418	5,167	10,591	5,423	51.2%	8,452
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		28,754	6,074	11,716	418	5,167	10,591	5,423	51.2%	8,452
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		329	671	794	158	407	741	334	45.1%	563
General vehicles		104	317	217	2	43	145	102	70.1%	128
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		39	53	277	96	98	253	155	61.1%	170
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		186	301	301	61	265	343	77	22.5%	265
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		31,798	9,221	16,309	981	8,703	14,553	5,850	40.2%	12,528

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 May 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: 12.06.2015_____

