



“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 December 2015

**JOE GQABI
DISTRICT
MUNICIPALITY**

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Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Virement – A transfer of budget.

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

MIG – Municipal Infrastructure Grant

MWIG – Municipal Water Infrastructure Grant

WSOS – Water Services Operating Subsidy

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

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

PART 1 – IN-YEAR REPORT

Section 1 –Mayor’s Report

1.1 PURPOSE

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

1.2 BACKGROUND

In terms of section 71(1) of the Municipal Finance Management Act (MFMA) the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant Provincial Treasury a statement in the prescribed format on the state of the municipality’s budget reflecting the following particulars for that month and for the financial year up to the end of that month:

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

2.1 In-Year Report - Monthly Budget Statement

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

Table 1: Operating Revenue per category

	July Actual	Aug Actual	Sept. Actual	Oct Actual	Nov Actual	Dec Actual	YTD Actual	YTD Budget
Revenue by Source								
Government grants and subsidies	(89,255,123)	(7,608,128)	(15,749,825)	(48,072,511)	(116,137,977)	(19,219,050)	(296,042,614)	(332,786,000)
Public Contributions and Donations	0	0	0	0	0	0	0	-
Government Services	0	0	0	0	0	0	0	-
Interest earned - external investments	(242,444)	0	(1,479,126)	(404,930)	(244,243)	(318,754)	(2,689,497)	(1,914,000)
Other income	(23,384)	(19,647)	(38,248)	(87,273)	(19,787)	(20,903)	(209,242)	(2,578,000)
Service Charges: Water & Sanitation	(1,367,383)	(895,180)	(1,227,081)	(1,565,708)	(1,606,162)	(1,565,281)	(8,226,795)	(42,016,000)
TOTAL	(90,888,333)	(8,522,955)	(18,494,279)	(50,130,423)	(118,008,170)	(21,123,988)	(307,168,148)	(379,294,000)

The municipality raised actual revenue of R307,168 million which represents 81% of the year to date budgeted operating revenue, R379,294 million as at 31 December 2015.

The actual revenue raised during December amounts to R21,123 million, this has decreased from the R118.008 million raised during November. This is due to the 2nd trench of equitable share and other government grants that the municipality received during November.

The Government grant is the major contributor in the municipality's revenue as it represents 96% of the total revenue collected to date.

The service charges collected during December amounts to R1,566 million.

Table 2: Operating Expenditure per category

	July Actual	Aug Actual	Sept. Actual	Oct Actual	Nov Actual	Dec Actual	YTD Actual	YTD Budget
Expenditure by Nature (GFS Function)								
Employee related costs	11,503,789	11,839,002	14,128,327	12,701,613	20,776,019	12,215,938	83,164,689	98,060,755
Remuneration of Councillors	423,426	419,350	419,341	419,336	419,345	419,339	2,520,136	2,896,802
Debt Impairment	0	0	0	0	0	0	0	11,035,488
Depreciation and Amortisation	0	0	11,059,957	3,686,652	3,686,652	3,686,652	22,119,913	108,390,448
Finance charges	0	0	258,528	0	0	0	258,528	305,682
Bulk Purchases	0	0	0	0	0	61,791	61,791	5,239,920
Contracted services	0	0	0	0	0	0	0	-
Grants and Subsidies paid	0	0	656,737	1,013,095	885,612	390,526	2,945,970	6,578,946
General expenses	6,386,874	3,860,831	18,908,950	23,842,244	19,885,312	5,486,060	78,370,271	85,400,294
TOTAL	18,314,089	16,119,184	45,431,839	41,662,939	45,662,941	22,260,306	189,441,299	317,908,335

The municipality actual spent 60% of its operating expenditure as compared to year to date budget of R317, 908 million as at 31 December 2015, of which R189,908 million is the actual expenditure to date.

The Actual expenditure of the municipality for the month is R22, 260 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**

Depreciation amounts to R3,686 million for the month of December. Monthly provisions will be made to ensure that the monthly figures reported on are more reliable.

- **Employee related costs**

The actual Employee related costs spent for the year to date amounts to R83,165 million, which represents 85% of year-to-date budget amount, R98,061 million.

- **Remuneration of councilors**

The actual Remuneration of councilors spent for the year to date amounts to R2,520 million. The year-to-date budget amounts to R2,897 million.

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

- **Grants And Subsidies Paid**

The municipality is spending on behalf of its entity, Jogeda. The actual year to date expenditure amounts to R3,571 million, Which represents 93% of the year to date budget amount, R3,858 million.

The expenditure for the month of December is R404,291.

- **General Expenses**

The municipality has reported an expenditure of R5,486 million for the month of December 2015. The year to date budget amounts to R85,400 million and the actual year to date expenditure to R78,370 million. This amount includes R400,000 of Repairs and Maintenance.

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	Aug Actual	Sept. Actual	Oct Actual	Nov Actual	Dec Actual	YTD Actual	YTD Budget
Capital Expenditure by GFS								
Executive & Council	-	-	-	-	-	-	-	-
Budget & Treasury	-	-	-	-	-	-	-	99,996.00
Corporate Services	-	23,000	12,800	11,750	31,772	59,365	138,707	1,737,598.00
Planning & Development	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Community & Social Services	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	5,000,000.00
Environmental Protection	-	-	-	-	-	-	-	-
Road Transport	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Waste Management	645,830	1,187,351	-	8,788,850	1,288,485	91,010	12,001,526	29,671,138.00
Water	2,265,897	266,786	2,659,751	29,951,482	13,517,236	15,425,700	64,086,853	107,569,959.00
TOTAL	2,911,728	1,477,136	2,672,551	38,752,083	14,837,493	15,576,095	76,227,086	144,078,691

Capital Expenditure by Vote

The capital expenditure recognised for the month of December is R15,576 million, being actual money spent on provision of service delivery in water and sanitation.

The monthly ratio of capital expenditure to total expenditure is at 26% which is slightly above the acceptable norm of 10% - 20%, this range reflects the higher spending of the municipality on infrastructure and acceleration in service delivery prioritising its expenditure towards current operations versus future capacity in terms of Municipal services, but could also hold financial sustainability risks if the infrastructure do not include both economic (revenue generating) and social type infrastructure.

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

2.1.2 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 December 2015 in-year report is:

RESOLVED

- (a) That the Council take note of contents in the in-year monthly report for December 2015 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 15 January 2016.
- (c) Any other resolutions required by the Council.

Section 3 – Executive Summary

3.1 Introduction

This Budget statement report for December 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 has been met, in other words 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 R2,689 million and the year to date budget amount is R1,914 million.

- **Other revenue**

Other Revenue is made up of contribution from LG Seta and revenue generated from Photostats.

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 considering things like the assets, liabilities and the equity at 31 December 2015.

The current accumulated surplus of the municipality as at 31 December 2015 is R1,322 billion.

3.2.2.1 Current Assets

- **Cash**

The amount of R8,136 million also includes cash floats of R16,300 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 December 2015 is R3,521million.

The current ratio for the month is 0.92, which is below the norm of 1.5 – 2.1, and this highlights serious financial challenges of the municipality and likely liquidity problems *i.e.* insufficient cash to meet short-term financial obligations. Current assets must therefore be increased in order to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities

3.2.2.2 Non-Current Assets

The year to date non-current assets is R1,386 billion which represents 41% of the year to date budget, R3,346 billion which is in line with its budget for this line item.

3.2.2.3 Current Liabilities

- **Trade and other payables**

The detail of this section can be found in Section 6 of this report Table C6 (Statement of Financial Position and SC4 (Aged Creditors)).

The amount of the trade and other payables as at 31 December 2015 is R160,459 million and this amount includes creditors, provisions, and unspent conditional grants.

The total actual amount of creditors as at 31 December 2015 amounts to R6,025 million.

It must be noted that the age analysis is based on invoice date not invoice received. So in terms of the MFMA requirements the DM is complying.

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 R41,200 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, we however faced challenges with it which resulted in us reverting back to the manual bank reconciliation. The information is derived from the system and the necessary journals are identified early and processed as and when they occur.

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

A monthly integrity report is run on a monthly basis which generates exceptions with regards to the creditor's module. This matter has been reported to the relevant manager and is being addressed.

3.4 Conclusion

JGDM had many challenges during the 2015/16 financial year due to the effects of taking over the water and sanitation services from the local municipalities.

The district municipality has declared a state of drought disaster in the region. A number of dams within the district reported to have below 40% capacity and this resulted in level 2 and 3 water restrictions, these restrictions amongst others, prohibits users of potable water to water their gardens and wash their cars with a hose pipe.

In terms of financial management, the municipality has established itself as a model in the province. This is supported by the fact that the Auditor General has issued the municipality with a clean audit opinion. There are still challenges with the Billing and the municipality is making efforts in implementing a credit control policy.

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 - MD6 December

Description	2014/15	Budget Year 2015/16							
	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	42,865	62,281	62,281	1,565	8,227	42,016	(33,789)	-80%	73,705
Investment revenue	3,901	3,368	3,368	319	2,689	1,914	775	41%	4,806
Transfers recognised - operational	236,192	351,410	351,410	8,957	176,632	223,131	(46,499)	-21%	265,009
Other own revenue	7,404	4,756	4,756	21	209	2,578	(2,369)	-92%	3,179
Total Revenue (excluding capital transfers and contributions)	289,362	421,815	421,815	10,862	187,758	269,639	(81,882)	-30%	376,700
Employee costs	153,749	179,963	179,373	12,216	83,165	98,061	(14,896)	-15%	164,091
Remuneration of Councillors	5,263	6,031	6,031	419	2,520	2,897	(377)	-13%	4,630
Depreciation & asset impairment	44,240	47,867	47,867	3,687	22,120	108,380	(86,271)	-80%	40,973
Finance charges	4,462	2,294	2,294	–	259	306	(47)	-15%	2,001
Materials and bulk purchases	3,004	10,480	10,480	62	62	5,240	(5,178)	-99%	4,686
Transfers and grants	–	26,316	26,316	391	2,946	6,579	(3,633)	-55%	19,403
Other expenditure	275,813	194,704	195,294	5,486	78,370	96,436	(18,066)	-19%	165,259
Total Expenditure	486,531	467,654	467,654	22,260	189,441	317,908	(128,467)	-40%	401,043
Surplus/(Deficit)	(197,169)	(45,839)	(45,839)	(11,399)	(1,684)	(48,269)	46,585	-97%	(24,344)
Transfers recognised - capital	209,242	238,814	238,814	10,262	119,411	109,654	9,756	9%	272,075
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	12,073	192,975	192,975	(1,136)	117,727	61,385	56,342	92%	247,731
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	12,073	192,975	192,975	(1,136)	117,727	61,385	56,342	92%	247,731
Capital expenditure & funds sources									
Capital expenditure	–	234,661	234,661	15,576	76,227	144,079	(67,852)	-47%	234,661
Capital transfers recognised	–	122,644	122,644	6,338	45,150	76,320	(31,170)	-41%	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	22,500	22,500	–	4,054	22,500	(18,446)	-82%	22,500
Internally generated funds	–	89,517	89,517	9,238	27,023	45,259	(18,236)	-40%	212,161
Total sources of capital funds	–	234,661	234,661	15,576	76,227	144,079	(67,852)	-47%	234,661
Financial position									
Total current assets	112,999	87,350	87,350	–	157,910	–	–	–	87,350
Total non current assets	1,288,280	1,479,021	1,479,021	–	1,386,177	–	–	–	1,479,021
Total current liabilities	159,975	36,770	36,770	–	189,402	–	–	–	36,770
Total non current liabilities	36,866	72,173	72,173	–	32,376	–	–	–	72,173
Community wealth/Equity	1,205,438	1,270,200	1,270,200	–	1,322,309	–	–	–	1,270,200
Cash flows									
Net cash from (used) operating	101,449	105,576	(149)	55,874	79,903	260,829	180,926	69%	105,576
Net cash from (used) investing	(94,743)	231	107	(14,674)	(73,712)	(60,217)	13,495	-22%	(120,433)
Net cash from (used) financing	(229)	–	–	–	–	(1,001)	(1,001)	100%	(2,002)
Cash/cash equivalents at the month/year end	23,846	105,807	(60)	–	39,984	199,585	159,612	80%	16,933
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	16,907	10,787	7,072	25,441	8,429	95,066	–	–	163,694
Creditors Age Analysis									
Total Creditors	2,866	689	205	114	561	1,153	15	432	6,025

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) - M06 December

Description	Ref	2014/15	Budget Year 2015/16							
		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>		202,935	226,453	226,453	415	160,615	170,385	(9,770)	-6%	216,965
Executive and council		5,490	6,800	6,800	-	-	3,613	(3,613)	-100%	3,800
Budget and treasury office		196,187	219,153	219,153	413	160,540	166,450	(5,910)	-4%	213,062
Corporate services		1,258	500	500	2	75	323	(247)	-77%	103
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		204,229	222,695	222,695	10,358	110,016	104,690	5,327	5%	262,436
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		199,980	211,729	211,729	10,358	110,016	102,404	7,612	7%	253,717
Environmental protection		4,249	10,966	10,966	-	-	2,286	(2,286)	-100%	8,719
<i>Trading services</i>		132,570	211,481	211,481	10,352	36,537	104,219	(67,682)	-65%	169,374
Electricity		-	-	-	-	-	-	-	-	-
Water		110,290	199,471	199,471	10,352	35,568	95,446	(59,878)	-63%	153,187
Waste water management		22,280	12,010	12,010	-	968	8,772	(7,804)	-89%	16,187
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	539,735	660,629	660,629	21,124	307,168	379,294	(72,126)	-19%	648,775
Expenditure - Standard										
<i>Governance and administration</i>		157,063	151,265	151,010	7,007	49,791	82,164	(32,373)	-39%	132,093
Executive and council		32,719	37,831	37,831	2,551	17,714	17,126	587	3%	29,594
Budget and treasury office		82,190	66,297	66,042	1,442	16,350	35,777	(19,427)	-54%	56,936
Corporate services		42,154	47,137	47,137	3,015	15,728	29,261	(13,533)	-46%	45,564
<i>Community and public safety</i>		13,851	14,087	14,087	1,063	7,387	7,316	71	1%	13,277
Community and social services		2,911	2,208	2,208	241	1,393	1,211	183	15%	2,522
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		10,940	11,879	11,879	822	5,994	6,106	(112)	-2%	10,754
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		141,862	149,646	149,646	5,801	71,902	79,307	(7,405)	-9%	123,784
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		125,639	126,614	126,614	4,482	64,126	59,155	4,971	8%	106,536
Environmental protection		16,223	23,032	23,032	1,319	7,776	20,151	(12,376)	-61%	17,248
<i>Trading services</i>		173,755	152,656	152,911	8,389	60,362	149,122	(88,760)	-60%	131,889
Electricity		-	-	-	-	-	-	-	-	-
Water		128,997	132,225	132,180	7,053	49,512	103,140	(53,628)	-52%	111,700
Waste water management		44,758	20,431	20,731	1,336	10,850	45,982	(35,132)	-76%	20,189
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	486,531	467,654	467,654	22,260	189,441	317,908	(128,467)	-40%	401,043
Surplus/ (Deficit) for the year		53,204	192,975	192,975	(1,136)	117,727	61,385	56,342	92%	247,731

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) - M06 December

Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MANAGEMENT SERVICES	1	5,490	6,800	6,800	-	-	3,613	(3,613)	-100.0%	3,800
Vote 2 - FINANCIAL SERVICES		280,182	281,434	281,434	1,978	168,767	208,465	(39,699)	-19.0%	286,768
Vote 3 - CORPORATE SERVICES		1,258	500	500	2	75	323	(247)	-76.6%	103
Vote 4 - TECHNICAL SERVICES		248,555	360,929	360,929	19,144	138,326	164,607	(26,280)	-16.0%	349,385
Vote 5 - COMMUNITY SERVICES		4,249	10,966	10,966	-	-	2,286	(2,286)	-100.0%	8,719
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	539,735	660,629	660,629	21,124	307,168	379,294	(72,126)	-19.0%	648,775
Expenditure by Vote										
Vote 1 - MANAGEMENT SERVICES	1	32,719	37,831	37,831	2,551	17,714	17,126	587	3.4%	29,594
Vote 2 - FINANCIAL SERVICES		82,190	66,297	66,042	1,453	16,350	35,777	(19,427)	-54.3%	56,936
Vote 3 - CORPORATE SERVICES		42,154	47,137	47,137	3,015	15,728	29,261	(13,533)	-46.3%	45,564
Vote 4 - TECHNICAL SERVICES		286,723	263,986	264,241	11,909	118,753	200,525	(81,771)	-40.8%	226,059
Vote 5 - COMMUNITY SERVICES		42,746	52,403	52,403	3,345	20,897	35,220	(14,323)	-40.7%	42,891
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	486,531	467,654	467,654	22,272	189,441	317,908	(128,467)	-40.4%	401,043
Surplus/ (Deficit) for the year	2	53,204	192,975	192,975	(1,148)	117,727	61,385	56,342	91.8%	247,731

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) - MD6 December

Description	Ref	2014/15	Budget Year 2015/16							
		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		24,734	50,271	50,271	1,565	8,227	33,243	(25,017)	-75%	57,518
Service charges - sanitation revenue		18,131	12,010	12,010	-	-	8,772	(8,772)	-100%	16,187
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-
Interest earned - external investments		3,901	3,368	3,368	319	2,689	1,914	775	41%	4,806
Interest earned - outstanding debtors		5,808	2,704	2,704	-	-	1,523	(1,523)	-100%	2,390
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	112	112	-	-	39	(39)	-100%	112
Transfers recognised - operational		235,192	351,410	351,410	8,957	176,632	223,131	(46,499)	-21%	295,009
Other revenue		1,668	1,940	1,940	21	209	1,016	(807)	-79%	677
Gains on disposal of PPE		(72)	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		289,362	421,815	421,815	10,862	187,758	269,639	(81,882)	-30%	376,700
Expenditure By Type										
Employee related costs		153,749	179,963	179,373	12,216	83,165	98,061	(14,896)	-15%	164,091
Remuneration of councillors		5,263	6,031	6,031	419	2,520	2,897	(377)	-13%	4,630
Debt impairment		74,777	19,583	19,583	-	-	11,035	(11,035)	-100%	18,668
Depreciation & asset impairment		44,240	47,867	47,867	3,687	22,120	108,330	(86,211)	-80%	40,973
Finance charges		4,462	2,294	2,294	-	259	306	(47)	-15%	2,001
Bulk purchases		3,004	10,480	10,480	62	62	5,240	(5,178)	-99%	4,686
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-
Transfers and grants		-	26,316	26,316	391	2,946	6,579	(3,633)	-55%	19,403
Other expenditure		196,880	175,121	175,711	5,486	78,370	85,400	(7,030)	-8%	146,601
Loss on disposal of PPE		4,156	-	-	-	-	-	-	-	-
Total Expenditure		486,531	467,654	467,654	22,260	189,441	317,908	(128,467)	-40%	401,043
Surplus/(Deficit)		(197,169)	(45,839)	(45,839)	(11,399)	(1,684)	(48,269)	46,585	(0)	(24,344)
Transfers recognised - capital		209,242	238,814	238,814	10,262	119,411	109,654	9,756	0	272,075
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		12,073	192,975	192,975	(1,136)	117,727	61,385			247,731
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		12,073	192,975	192,975	(1,136)	117,727	61,385			247,731
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		12,073	192,975	192,975	(1,136)	117,727	61,385			247,731
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		12,073	192,975	192,975	(1,136)	117,727	61,385			247,731

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) - M06 December

Vote Description	Ref	2014/15		Budget Year 2015/16						
		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		-	200	200	-	-	100	(100)	-100%	200
Vote 3 - CORPORATE SERVICES		-	2,475	2,475	59	139	1,738	(1,599)	-92%	2,475
Vote 4 - TECHNICAL SERVICES		-	226,986	226,986	15,517	76,088	137,241	(61,153)	-45%	226,986
Vote 5 - COMMUNITY SERVICES		-	5,000	5,000	-	-	5,000	(5,000)	-100%	5,000
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	-	234,661	234,661	15,576	76,227	144,079	(67,852)	-47%	234,661
Total Capital Expenditure		-	234,661	234,661	15,576	76,227	144,079	(67,852)	-47%	234,661
Capital Expenditure - Standard Classification										
Governance and administration		-	2,675	2,675	59	139	1,838	(1,699)	-92%	2,675
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	200	200	-	-	100	(100)	-100%	200
Corporate services		-	2,475	2,475	59	139	1,738	(1,599)	-92%	2,475
Community and public safety		-	5,000	5,000	-	-	5,000	(5,000)	-100%	5,000
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	5,000	5,000	-	-	5,000	(5,000)	-100%	5,000
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	226,986	226,986	15,517	76,088	137,241	(61,153)	-45%	226,986
Electricity		-	-	-	-	-	-	-	-	-
Water		-	170,258	174,258	15,426	64,087	107,570	(43,483)	-40%	174,258
Waste water management		-	56,728	52,728	91	12,002	29,671	(17,670)	-60%	52,728
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	234,661	234,661	15,576	76,227	144,079	(67,852)	-47%	234,661
Funded by:										
National Government		-	122,644	122,644	6,338	45,150	76,320	(31,170)	-41%	122,644
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	(122,644)
Transfers recognised - capital		-	122,644	122,644	6,338	45,150	76,320	(31,170)	-41%	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	22,500	22,500	-	4,054	22,500	(18,446)	-82%	22,500
Internally generated funds		-	89,517	89,517	9,238	27,023	45,259	(18,236)	-40%	212,161
Total Capital Funding		-	234,661	234,661	15,576	76,227	144,079	(67,852)	-47%	234,661

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC14 Joe Gqabi - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		38,102	3,505	3,505	8,136	3,505
Call investment deposits		35,091	17,469	17,469	61,771	17,469
Consumer debtors		43,602	52,808	52,808	66,400	52,808
Other debtors		(6,814)	10,000	10,000	18,082	10,000
Current portion of long-term receivables		–	–	–	–	–
Inventory		3,018	3,568	3,568	3,521	3,568
Total current assets		112,999	87,350	87,350	157,910	87,350
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		3,195	3,402	3,402	3,305	3,402
Investment property		2,621	2,894	2,894	2,553	2,894
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,280,256	1,469,379	1,469,379	1,378,941	1,469,379
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		2,208	3,346	3,346	1,378	3,346
Other non-current assets		–	–	–	–	–
Total non current assets		1,288,280	1,479,021	1,479,021	1,386,177	1,479,021
TOTAL ASSETS		1,401,279	1,566,371	1,566,371	1,544,088	1,566,371
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		(878)	1,350	1,350	936	1,350
Consumer deposits		–	1,250	1,250	–	1,250
Trade and other payables		143,960	4,153	4,153	160,459	4,153
Provisions		16,893	30,017	30,017	28,007	30,017
Total current liabilities		159,975	36,770	36,770	189,402	36,770
Non current liabilities						
Borrowing		5,740	42,723	42,723	5,653	42,723
Provisions		30,126	29,450	29,450	26,723	29,450
Total non current liabilities		35,866	72,173	72,173	32,376	72,173
TOTAL LIABILITIES		195,841	108,943	108,943	221,778	108,943
NET ASSETS	2	1,205,438	1,457,428	1,457,428	1,322,309	1,457,428
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,205,438	1,270,200	1,270,200	1,322,309	1,270,200
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,205,438	1,270,200	1,270,200	1,322,309	1,270,200

Successful

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC14 Joe Gqabi - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	Budget Year 2015/16								
		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	1,906	8,036	40,970	(32,934)	-80%	81,939
Government - operating		311,264	254,204	244	43,569	340,896	340,896	-		254,204
Government - capital		96,876	209,478	-	36,566	277,240	104,739	172,501	166%	209,478
Interest		4,535	2,394	3	13	147	1,197	(1,050)	-88%	2,394
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(345,992)	(348,588)	(361)	(26,181)	(546,065)	(180,047)	366,019	-203%	(348,588)
Finance charges		(764)	(4,121)	(8)	-	(350)	(2,060)	(1,710)	83%	(4,121)
Transfers and Grants		(12,286)	(89,730)	(55)	-	-	(44,865)	(44,865)	100%	(89,730)
NET CASH FROM/(USED) OPERATING ACTIVITIES		101,449	105,576	(149)	55,874	79,903	260,829	(180,926)	-69%	105,576
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		150	-	-	-	-	-	-		-
Decrease (increase) in non-current debtors		-	-	-	903	1,017	-	1,017	#DIV/0!	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		219	231	-	-	-	116	(116)	-100%	231
Payments										
Capital assets		(95,112)	(120,664)	107	(15,576)	(74,729)	(60,332)	14,397	-24%	(120,664)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(94,743)	(120,433)	107	(14,674)	(73,712)	(60,217)	13,495	-22%	(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)	(500)	(285)	57%	(1,001)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(229)	(1,001)	-	-	(216)	(500)	(285)	57%	(1,001)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning		17,368	(33,116)	(17)		33,792	(33,116)			33,792
Cash/cash equivalents at month/year end:		23,846	(48,974)	(60)		39,768	166,996			17,934

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 figures on the table below are not accurate as the debtor's list is also not being balanced to the General Ledger. The municipality is in the process of resolving this issue.

DC14 Joe Gqabi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2015/16								Total	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				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6,477	8,940	5,442	6,887	6,879	62,538	-	-	97,173	76,314	-	-
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	2,026	1,847	1,630	1,621	1,551	32,518	-	-	41,193	35,680	-	-
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	8,404	-	-	16,923	-	-	-	-	25,327	16,923	-	-
Total By Income Source	2000	16,907	10,787	7,072	25,441	8,429	95,056	-	-	163,684	128,927	-	-
2014/15 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	2300	-	-	-	-	-	-	-	-	-	-	-	-
Households	2400	8,503	10,787	7,072	8,518	8,429	95,056	-	-	138,367	112,004	-	-
Other	2500	8,404	-	-	16,923	-	-	-	-	25,327	16,923	-	-
Total By Customer Group	2600	16,907	10,787	7,072	25,441	8,429	95,056	-	-	163,684	128,927	-	-

Section 6–Creditors' analysis

6.1 Supporting Table SC4

The table below is the reflection of the creditor's age analysis as at 31 December 2015 with the total creditors of R6,025 million.

DC14 Joe Gqabi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2015/16								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	912	–	0	14	–	–	–	–	927
Bulk Water	0200	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	1,943	687	202	100	561	1,153	14	432	5,093
Auditor General	0800	–	–	–	–	–	–	–	–	–
Other	0900	–	2	2	–	–	–	1	–	5
Total By Customer Type	1000	2,856	689	205	114	561	1,153	15	432	6,025

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 3,305 million.

DC14 Joe Gqabi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - MD6 December

Investments by maturity Name of institution & investment ID R thousands	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							
Municipality									
JOGEDA		NA	Entity	NA	NA	NA	2,226	(332)	1,894
DBSA			Zero coupon		8		1,395	16	1,411
Municipality sub-total					8		3,622	(317)	3,305
Entities									
Entities sub-total					–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2				8		3,622	(317)	3,305

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

Grant Reconciliation JULY 2015 TO JUNE 2016						
Name of Grant		Opening Balance	Receipts YTD	TOTAL YTD Transferred to I/S	Closing Balance- UNSPENT	% spent
DWAF	OPEX	(5,749.63)	-	-	(5,749.63)	#DIV/0!
Environmental Health Practitioner	OPEX	(2,023,389.68)	-	-	(2,023,389.68)	#DIV/0!
Finance Management Grant	OPEX	35.70	1,250,000.00	(364,483.10)	885,552.60	-29%
MIG	CAPEX	23,634,898.00	116,520,000.00	(99,887,045.94)	40,267,852.06	-86%
MSIG	OPEX	1,122.00	940,000.00	(195,880.31)	745,241.69	-21%
Rural Roads Asset Management	OPEX	29,463.00	2,080,000.00	(853,296.61)	1,256,166.39	-41%
Expanded Public Works Programs	OPEX	(437.42)	966,000.00	(603,647.54)	361,915.04	-62%
Public Works Special Programs	OPEX	(5,193,332.94)	5,193,332.94	(11,804,378.60)	(11,804,378.60)	-227%
Water Services Operating Subsidy	CAPEX	34,433.00	3,750,000.00	-	3,784,433.00	0%
LGSETA	OPEX	(242,960.00)	204,654.47	(174,654.80)	(212,960.33)	-85%
MWIG	CAPEX	14,110.00	18,758,000.00	(5,252,808.76)	13,519,301.24	-28%
RBIG	CAPEX	(1,723,229.00)	-	(1,029,523.30)	(2,752,752.30)	#DIV/0!
Drought Relief	CAPEX	-	21,779,919.79	(21,779,919.78)	0.01	-100%
Department of Human Settlement	CAPEX	(5,134,499.00)	-	(308,688.68)	(5,443,187.68)	#DIV/0!
					-	#DIV/0!
		9,390,464.03	171,441,907.20	(142,254,327.42)	38,578,043.81	

To date the municipality has spent R142,254 million of its total allocation for the year and this amount is equivalent to 83%.

There has been slow expenditure on the highlighted conditional grants reported for the 2nd quarter under review. The municipality has spent 28% on MWIG, 21% in respect of MSIG and 29% in FMG.

There is a 86% expenditure reported for MIG.

One of the conditional grants (WSOS) remain unspent despite the fact that the 2nd quarter of the financial year has passed.

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 Section 66 of the MFMA regarding disclosure of expenditure on staff benefits.

DC14 Joe Gqabi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2014/15		Budget Year 2015/16						
		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		3,573	2,972	2,972	283	1,698	1,386	313	23%	2,972
Pension and UIF Contributions		441	453	453	38	231	227	3	1%	450
Medical Aid Contributions		108	111	111	9	55	56	(1)	-1%	100
Motor Vehicle Allowance		864	1,341	1,341	67	402	650	(248)	-38%	830
Cellphone Allowance		222	580	580	17	108	293	(185)	-63%	222
Housing Allowances		12	518	518	1	6	259	(253)	-98%	12
Other benefits and allowances		43	57	57	3	21	27	(6)	-22%	44
Sub Total - Councillors		5,263	6,031	6,031	419	2,520	2,897	(377)	-13%	4,630
% increase	4		14.6%	14.6%						-12.0%
Senior Managers of the Municipality										
Basic Salaries and Wages		5,702	6,307	6,307	394	2,365	3,190	(825)	-26%	5,964
Pension and UIF Contributions		199	213	213	18	105	104	1	1%	212
Medical Aid Contributions		107	121	121	7	39	60	(20)	-34%	118
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		1,202	1,321	1,321	–	–	1,060	(1,060)	-100%	1,321
Motor Vehicle Allowance		600	664	664	40	237	332	(95)	-29%	580
Cellphone Allowance		83	91	91	8	45	46	(1)	-2%	91
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		141	161	161	8	52	87	(34)	-40%	142
Payments in lieu of leave		183	492	492	–	171	337	(166)	-49%	326
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		8,219	9,370	9,370	473	3,015	5,215	(2,200)	-42%	8,754
% increase	4		14.0%	14.0%						6.9%
Other Municipal Staff										
Basic Salaries and Wages		93,710	108,594	108,004	8,573	50,750	51,078	(328)	-1%	95,307
Pension and UIF Contributions		12,332	11,267	11,267	1,179	7,034	5,622	1,412	25%	11,040
Medical Aid Contributions		5,386	5,749	5,749	494	2,990	2,743	247	9%	5,537
Overtime		4,509	4,378	4,378	225	2,976	2,225	751	34%	4,345
Performance Bonus		8,683	17,595	17,595	16	7,939	16,389	(8,450)	-52%	17,764
Motor Vehicle Allowance		4,525	7,302	7,302	561	3,344	3,702	(357)	-10%	6,385
Cellphone Allowance		1,157	1,279	1,279	105	644	649	(5)	-1%	1,136
Housing Allowances		730	783	783	86	513	389	124	32%	780
Other benefits and allowances		6,719	8,020	8,020	500	3,859	3,989	(130)	-3%	7,338
Payments in lieu of leave		4,548	5,628	5,628	3	100	6,060	(5,960)	-98%	5,693
Long service awards		690	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	2,542	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		145,530	170,593	170,003	11,742	80,149	92,845	(12,696)	-14%	155,337
% increase	4		17.2%	16.8%						6.7%
Total Parent Municipality		159,012	185,993	185,403	12,635	85,685	100,958	(15,273)	-15%	168,721

Section 10 – Capital programme performance

10.1 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 - MD6 December

Description	Ref	2014/15		Budget Year 2015/16						
		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		-	124,871	124,871	7,809	54,402	69,951	15,548	22.2%	124,871
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	79,897	83,897	6,247	40,308	51,157	10,848	21.2%	83,897
Dams & Reservoirs		-	4,386	4,386	-	-	2,193	2,193	100.0%	4,386
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	75,511	79,511	6,247	40,308	48,964	8,655	17.7%	79,511
Infrastructure - Sanitation		-	44,974	40,974	1,562	14,094	18,794	4,700	25.0%	40,974
Reticulation		-	44,974	40,944	1,562	14,094	18,794	4,700	25.0%	40,974
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		-	109,315	109,315	7,767	21,825	73,890	52,066	70.5%	109,315
General vehicles		-	12,754	12,754	-	-	11,877	11,877	100.0%	12,754
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	95,361	95,361	7,707	21,686	61,413	39,727	64.7%	95,361
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	1,200	1,000	59	72	500	428	85.6%	1,000
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	200	-	67	100	33	33.5%	200
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	-	234,186	234,186	15,576	76,227	143,841	67,614	47.0%	234,186
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

- SC13c: Expenditure on repairs and maintenance by asset class

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

DC14 Joe Gqabi - Supporting Table SC13c: Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	Ref	2014/15		Budget Year 2015/16						
		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		12,198	9,582	10,787	355	3,233	5,617	2,385	42.9%	6,762
Infrastructure - Road transport		3,894	1,283	2,283	43	1,360	852	(509)	-59.7%	2,103
Roads, Pavements & Bridges		3,894	1,283	2,283	43	1,360	852	(509)	-59.7%	2,103
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		8,305	8,299	8,504	312	1,872	4,766	2,893	60.7%	4,659
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		8,305	8,299	8,504	312	1,872	4,766	2,893	60.7%	4,659
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		815	930	810	49	120	509	389	76.4%	325
General vehicles		64	280	160	-	0	80	80	99.8%	52
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		92	50	50	-	7	60	54	89.0%	7
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		659	600	600	49	114	369	255	69.2%	267
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		13,013	10,512	11,597	404	3,353	6,127	2,774	45.3%	7,087
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

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, here by certifies that:

the monthly budget statement;

quarterly report on the implementation of the budget;

mid-year budget and performance assessment;

For the month ended in December 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: 15.01.2016_____