



“An improved quality of life for all residents”

In-Year Report

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

Monthly Budget Statement

January 2016

**JOE GQABI
DISTRICT
MUNICIPALITY**

Table of Contents

Glossary.....	3
PART 1 – IN-YEAR REPORT	5
Section 1 – Mayor’s Report.....	5
Section 2 - Resolutions	9
Section 3 – Executive Summary	10
Section 4 – In-year budget statement tables	14
PART 2 – IN-YEAR REPORT	22
Section 5 – Debtors' analysis	22
Section 6 – Creditors' analysis	23
Section 7 – Investment portfolio analysis	24
Section 8 – Allocation and grant receipts and expenditure.....	25
Section 9 – Expenditure on councillor and board members allowances and employee benefits.....	25
Section 10 – Capital programme performance.....	27
Section 11 – Material variances to the SDBIP.....	31
Section 12 – Other supporting documentation	31
Section 13 – Municipal Manager’s quality certification	32

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	Jan 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)	(21,038,869)	(15,492,271)	(313,354,704)	(344,291,000)
Public Contributions and Donations	0	0	0	0	0	0	0	0	-
Government Services	0	0	0	0	0	0	0	0	-
Interest earned - external investments	(242,444)	0	(1,479,126)	(404,930)	(244,243)	(318,754)	(318,516)	(3,008,014)	(2,103,846)
Other income	(23,384)	(19,647)	(38,248)	(87,273)	(19,787)	(20,903)	(21,192)	(230,434)	(2,698,000)
Service Charges: Water & Sanitation	(1,367,383)	(895,180)	(1,227,081)	(1,565,708)	(1,606,162)	(1,565,281)	(1,634,700)	(9,861,495)	(49,962,000)
TOTAL	(90,888,333)	(8,522,955)	(18,494,279)	(50,130,423)	(118,008,170)	(22,943,807)	(17,466,679)	(326,454,646)	(399,054,846)

The municipality raised actual revenue of R326,455 million which represents 82% of the year to date budgeted operating revenue of R399,055 million as at 31 January 2016.

The actual revenue raised during January amounts to R17,467 million. 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 January amounts to R1,634 million.

Table 2: Operating Expenditure per category

	July Actual	Aug Actual	Sept. Actual	Oct Actual	Nov Actual	Dec Actual	Jan Actual	YTD Actual	YTD Budget
Expenditure by Nature (GFS Function)									
Employee related costs	11,503,789	11,839,002	14,128,327	12,701,613	20,776,019	12,215,938	13,594,789	96,759,478	114,430,012
Remuneration of Councillors	423,426	419,360	419,341	419,336	419,345	419,339	419,326	2,939,462	3,382,185
Debt Impairment	0	0	0	0	0	0	0	0	11,189,664
Depreciation and Amortisation	0	0	11,069,957	3,686,652	3,686,652	3,686,652	3,686,652	25,806,566	126,455,448
Finance charges	0	0	258,528	0	0	0	0	258,528	360,893
Bulk Purchases	0	0	0	0	0	61,791	389,032	450,823	6,113,240
Contracted services	0	0	0	0	0	0	0	0	-
Grants and Subsidies paid	0	0	666,737	1,013,095	885,612	390,526	1,186,088	4,132,068	7,675,430
General expenses	6,386,874	3,860,831	18,908,950	23,842,244	19,885,312	5,486,060	19,243,777	97,614,049	93,661,635
TOTAL	18,314,089	16,119,184	45,431,839	41,662,939	45,662,941	22,260,306	38,519,665	227,960,964	363,248,496

The municipality incurred operating expenditure amounting to R277,961 million, which represents 63% of the year to date budget of R363,248 million as at 31 January 2016.

The actual expenditure incurred during the month is R38,520 million.

Detailed analysis follows:

Operating Expenditure by Nature

The figures in this section should represent the accrued amounts; in other words when goods have been ordered, received or invoice issued and completed (reconciled with goods received and prices quoted), only than should it captured as an expense. The financial system currently, do not account the expenses in a manner as mentioned above. 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 January. 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 R96,759 million, which represents 86% of the year-to-date budget amount, R112,532 million.

- **Remuneration of councilors**

The actual Remuneration of councilors spent for the year to date amounts to R2,939 million. The year-to-date budget amounts to R3,382 million.

More detail with regard to the employee related cost and Remuneration of councilors is provided in table SC8 on Page 26.

- **Grants And Subsidies Paid**

In this line item the municipality is spending on behalf of its entity, Jogeda. The actual year to date expenditure amounts to R4,132 million, Which represents 54% of the year to date budget amount of R7,675 million.

- **General Expenses**

The municipality has reported an expenditure of R19,244 million for the month of January 2016. The year to date budget amounts to R93,652 million and the actual year to date expenditure to R97,614 million. This amount includes R775,882 relating to 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	Jan Actual	YTD Actual	YTD Budget
Capital Expenditure by GFS									
Executive & Council	-	-	-	-	-	-	-	-	-
Budget & Treasury	-	-	-	-	-	-	-	-	116,662.00
Corporate Services	-	23,000	12,800	11,750	31,772	59,385	9,555	148,262	1,860,531.00
Planning & Development	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Community & Social Services	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	5,000,000.00
Environmental Protection	-	-	-	-	-	-	-	-	-
Road Transport	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Waste Management	645,830	1,187,351	-	8,788,860	1,288,485	91,010	1,165,074	13,166,601	33,566,141.00
Water	2,265,897	266,786	2,659,751	27,924,322	13,517,236	15,425,700	4,734,661	66,794,354	117,211,771.00
TOTAL	2,911,728	1,477,136	2,672,551	36,724,923	14,837,493	15,576,095	5,909,291	80,109,217	157,754,105

Capital Expenditure by Vote

The capital expenditure recognised for the month of January is R5,909 million, being actual money spent on provision of service delivery in water and sanitation. The year to date actual expenditure amounts to R80,109 million which represents 51% of the year to date budget, R157,754 million.

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 January 2016 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 February 2016.
- (c) Any other resolutions required by the Council.

Section 3 – Executive Summary

3.1 Introduction

This Budget statement report for January 2016 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 earned in the form of Interest on Investments amount to R3,008 million and the year to date budget, to R2,104million.

- **Other revenue**

Other Revenue is made up of contribution from LGSeta 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 the position of the Joe Gqabi District Municipality, after considering the municipality's assets, liabilities and the equity as at 31 January 2016.

The current accumulated surplus of the municipality as at 31 January 2016 is R1,303 billion.

3.2.2.1 Current Assets

- **Cash**

This line item 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.

- **Inventory**

The year to date value of inventory as at 31 January 2016 is R3,452 million.

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 R1,388 billion and the year to date budget is R1,292 billion.

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 January 2016 is R160,618 million and this amount includes creditors, provisions, and unspent conditional grants.

The total actual amount of creditors as at 31 January 2016 amounts to R11,120 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's operations during the month resulted in a cash outflow of R10,470 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 portable 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 - MD7 January

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	1,635	9,861	49,964	(40,103)	-80%	75,609
Investment revenue	3,901	3,368	3,368	319	3,008	2,104	904	43%	4,870
Transfers recognised - operational	235,192	351,410	351,410	2,056	180,508	222,651	(42,143)	-19%	426,793
Other own revenue	7,404	4,756	4,756	21	230	2,698	(2,465)	-91%	3,122
Total Revenue (excluding capital transfers and contributions)	289,362	421,815	421,815	4,031	193,608	277,418	(63,809)	-30%	510,393
Employee costs	153,749	179,963	179,373	13,595	96,759	114,430	(17,671)	-15%	166,531
Remuneration of Councillors	5,263	6,031	6,031	419	2,939	3,382	(443)	-13%	4,626
Depreciation & asset impairment	44,240	47,867	47,867	3,687	25,807	126,455	(100,649)	-80%	42,303
Finance charges	4,462	2,294	2,294	–	259	351	(92)	-26%	1,942
Materials and bulk purchases	3,004	10,480	10,480	389	451	6,113	(5,662)	-93%	4,082
Transfers and grants	–	26,316	26,316	1,186	4,132	7,675	(3,543)	-46%	20,464
Other expenditure	275,813	194,704	195,294	19,244	97,614	104,841	(7,227)	-7%	191,905
Total Expenditure	486,531	467,654	467,654	38,520	227,961	363,248	(135,288)	-37%	430,852
Surplus/(Deficit)	(197,169)	(45,839)	(45,839)	(34,489)	(34,353)	(85,831)	51,478	-60%	79,541
Transfers recognised - capital	209,242	238,814	238,814	13,436	132,846	121,639	11,207	9%	279,236
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	12,073	192,975	192,975	(21,053)	98,494	35,809	62,685	175%	358,777
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	12,073	192,975	192,975	(21,053)	98,494	35,809	62,685	175%	358,777
Capital expenditure & funds sources									
Capital expenditure	–	234,661	234,661	5,909	80,109	157,754	(77,645)	-49%	234,661
Capital transfers recognised	–	122,644	122,644	5,206	50,366	82,619	(32,263)	-39%	122,644
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	22,500	22,500	208	2,235	22,500	(20,265)	-90%	22,500
Internally generated funds	–	89,517	89,517	495	27,518	52,635	(25,117)	-48%	89,517
Total sources of capital funds	–	234,661	234,661	5,909	80,109	157,754	(77,645)	-49%	234,661
Financial position									
Total current assets	112,999	87,350	87,350		138,525				87,350
Total non current assets	1,288,280	1,291,793	1,291,793		1,388,400				1,291,793
Total current liabilities	159,975	36,770	36,770		191,936				36,770
Total non current liabilities	35,866	72,173	72,173		32,265				72,173
Community wealth/Equity	1,205,438	1,270,200	1,270,200		1,302,724				1,270,200
Cash flows									
Net cash from (used) operating	101,449	105,576	(149)	(4,578)	73,419	265,528	192,109	72%	105,576
Net cash from (used) investing	(94,743)	231	107	(5,892)	(79,618)	(70,272)	9,346	-13%	(120,433)
Net cash from (used) financing	(229)	–	–	–	–	(1,084)	(1,084)	100%	(2,002)
Cash/cash equivalents at the month/year end	23,846	105,807	(60)	–	27,593	194,155	166,562	86%	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	95,056	–	–	163,694
Creditors Age Analysis									
Total Creditors	2,994	3,500	1,780	1,124	108	9	1,173	432	11,120

4.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

(This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.)

DC14 Joe Gqabi - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M07 January

Description	Ref	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	413	161,029	171,474	(10,446)	-6%	216,470
Executive and council		5,490	6,800	6,800	-	-	4,206	(4,206)	-100%	3,300
Budget and treasury office		196,187	219,153	219,153	412	160,952	166,946	(5,994)	-4%	213,067
Corporate services		1,258	500	500	1	77	323	(246)	-76%	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	15,419	127,255	105,497	21,758	21%	408,182
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		199,980	211,729	211,729	15,419	127,255	102,875	24,380	24%	399,837
Environmental protection		4,249	10,966	10,966	-	-	2,622	(2,622)	-100%	8,345
<i>Trading services</i>		132,570	211,481	211,481	1,635	38,171	122,086	(83,915)	-69%	164,977
Electricity		-	-	-	-	-	-	-	-	-
Water		110,290	199,471	199,471	1,635	37,203	114,010	(76,807)	-67%	148,094
Waste water management		22,280	12,010	12,010	-	968	8,076	(7,108)	-88%	16,883
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	539,735	660,629	660,629	17,467	326,455	399,057	(72,602)	-18%	789,629
Expenditure - Standard										
<i>Governance and administration</i>		157,063	151,265	151,265	12,096	61,887	94,409	(32,522)	-34%	136,158
Executive and council		32,719	37,831	37,831	1,832	19,545	23,190	(3,645)	-16%	29,018
Budget and treasury office		82,190	66,297	66,297	7,710	24,059	39,988	(15,929)	-40%	61,337
Corporate services		42,154	47,137	47,137	2,555	18,283	31,232	(12,949)	-41%	45,803
<i>Community and public safety</i>		13,851	14,087	14,117	1,517	8,905	8,481	423	5%	13,724
Community and social services		2,911	2,208	2,238	237	1,630	1,379	251	18%	2,635
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		10,940	11,879	11,879	1,281	7,275	7,102	173	2%	11,089
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		141,862	149,646	149,616	11,389	83,291	87,603	(4,312)	-5%	47,772
Planning and development		-	-	-	0	0	-	0	#DIV/0!	0
Road transport		125,639	126,614	126,614	10,314	74,440	64,679	9,761	15%	30,247
Environmental protection		16,223	23,032	23,002	1,074	8,850	22,923	(14,073)	-61%	17,524
<i>Trading services</i>		173,755	152,656	152,656	13,517	73,879	172,756	(98,877)	-57%	156,788
Electricity		-	-	-	-	-	-	-	-	-
Water		128,997	132,225	131,791	10,861	60,373	119,219	(58,845)	-49%	135,916
Waste water management		44,758	20,431	20,865	2,656	13,505	53,537	(40,032)	-75%	20,872
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	486,531	467,654	467,654	38,520	227,961	363,248	(135,288)	-37%	354,442
Surplus/ (Deficit) for the year		53,204	192,975	192,975	(21,053)	98,494	35,809	62,685	175%	435,187

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

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

DC14 Joe Gqabi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

Vote Description	Ref	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	1									
Vote 1 - MANAGEMENT SERVICES		5,490	6,800	6,800	-	-	4,206	(4,206)	-100.0%	3,300
Vote 2 - FINANCIAL SERVICES		280,182	281,434	281,434	2,047	170,813	216,910	(46,097)	-21.3%	288,676
Vote 3 - CORPORATE SERVICES		1,258	500	500	1	77	323	(246)	-76.3%	103
Vote 4 - TECHNICAL SERVICES		248,555	360,929	360,929	15,419	155,555	174,997	(19,432)	-11.1%	489,205
Vote 5 - COMMUNITY SERVICES		4,249	10,966	10,966	-	-	2,622	(2,622)	-100.0%	8,345
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	17,467	326,455	399,057	(72,602)	-18.2%	789,629
Expenditure by Vote	1									
Vote 1 - MANAGEMENT SERVICES		32,719	37,831	37,831	1,832	19,545	23,190	(3,644)	-15.7%	29,018
Vote 2 - FINANCIAL SERVICES		82,190	66,297	66,297	7,710	24,059	39,988	(15,929)	-39.8%	35,018
Vote 3 - CORPORATE SERVICES		42,154	47,137	47,137	2,555	18,283	31,232	(12,949)	-41.5%	45,803
Vote 4 - TECHNICAL SERVICES		286,723	263,986	263,986	22,727	141,480	228,563	(87,082)	-38.1%	251,199
Vote 5 - COMMUNITY SERVICES		42,746	52,403	52,403	3,686	24,588	40,276	(15,688)	-38.9%	43,495
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	38,520	227,961	363,248	(135,288)	-37.2%	404,532
Surplus/ (Deficit) for the year	2	53,204	192,975	192,975	(21,053)	98,494	35,809	62,685	175.1%	385,097

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

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

DC14 Joe Gqabi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	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										
Revenue By Source										
Property rates		-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue	24,734	50,271	50,271	1,635	9,861	41,888	(32,026)	-76%	58,726	
Service charges - sanitation revenue	18,131	12,010	12,010	-	-	8,076	(8,076)	-100%	16,883	
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	
Service charges - other	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	
Interest earned - external investments	3,901	3,368	3,368	319	3,008	2,104	904	43%	4,870	
Interest earned - outstanding debtors	5,808	2,704	2,704	-	-	1,636	(1,636)	-100%	2,337	
Dividends received	-	-	-	-	-	-	-	-	-	
Fines	-	-	-	-	-	-	-	-	-	
Licences and permits	-	-	-	-	-	-	-	-	-	
Agency services	-	112	112	-	-	-	-	-	112	
Transfers recognised - operational	235,192	351,410	351,410	2,056	180,508	222,651	(42,143)	-19%	426,793	
Other revenue	1,668	1,940	1,940	21	230	1,062	(831)	-78%	673	
Gains on disposal of PPE	(72)	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		289,362	421,815	421,815	4,031	193,608	(227,717)	-30%	510,393	
Expenditure By Type										
Employee related costs		153,749	179,963	179,373	13,595	96,759	114,430	(17,671)	-15%	165,531
Remuneration of councillors		5,263	6,031	6,031	419	2,939	3,382	(443)	-13%	4,626
Debt impairment		74,777	19,583	19,583	-	-	11,190	(11,190)	-100%	18,504
Depreciation & asset impairment		44,240	47,867	47,867	3,687	25,807	126,455	(100,649)	-80%	42,303
Finance charges		4,462	2,294	2,294	-	259	351	(92)	-26%	1,942
Bulk purchases		3,004	10,480	10,480	389	451	6,113	(5,662)	-93%	4,082
Other materials		-	-	-	-	-	-	-	-	
Contracted services		-	-	-	-	-	-	-	-	
Transfers and grants		-	26,316	26,316	1,186	4,132	7,675	(3,543)	-46%	20,464
Other expenditure		196,880	175,121	175,711	19,244	97,614	93,662	3,962	4%	173,401
Loss on disposal of PPE		4,156	-	-	-	-	-	-	-	
Total Expenditure		486,531	467,654	467,654	38,520	227,961	(135,288)	-37%	430,852	
Surplus/(Deficit)		(197,169)	(45,839)	(45,839)	(34,489)	(34,353)	(85,831)	51,478	(0)	79,541
Transfers recognised - capital		209,242	238,814	238,814	13,436	132,846	121,639	11,207	0	279,236
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		12,073	192,975	192,975	(21,053)	98,494	35,809			358,777
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		12,073	192,975	192,975	(21,053)	98,494	35,809			358,777
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		12,073	192,975	192,975	(21,053)	98,494	35,809			358,777
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		12,073	192,975	192,975	(21,053)	98,494	35,809			358,777

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

DC14 Joe Gqabi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M07 January

Vote Description	Ref	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	-	117	(117)	-100%	200	
Vote 3 - CORPORATE SERVICES		-	2,475	2,475	10	148	1,861	(1,712)	-92%	2,475
Vote 4 - TECHNICAL SERVICES		-	226,986	226,986	5,900	79,961	150,777	(70,816)	-47%	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	5,909	80,109	157,754	(77,645)	-49%	234,661
Total Capital Expenditure		-	234,661	234,661	5,909	80,109	157,754	(77,645)	-49%	234,661
Capital Expenditure - Standard Classification										
Governance and administration		-	2,675	2,675	10	148	1,977	(1,829)	-93%	2,675
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	200	200	-	-	117	(117)	-100%	200
Corporate services		-	2,475	2,475	10	148	1,861	(1,712)	-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	5,900	79,961	150,777	(70,816)	-47%	226,986
Electricity		-	-	-	-	-	-	-	-	-
Water		-	170,258	174,258	4,735	66,794	117,212	(50,417)	-43%	174,258
Waste water management		-	56,728	52,728	1,165	13,167	33,565	(20,399)	-61%	52,728
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	234,661	234,661	5,909	80,109	157,754	(77,645)	-49%	234,661
Funded by:										
National Government		-	122,644	122,644	5,206	50,366	82,619	(32,263)	-39%	122,644
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	122,644	122,644	5,206	50,366	82,619	(32,263)	-39%	122,644
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	22,500	22,500	208	2,235	22,500	(20,265)	-90%	22,500
Internally generated funds		-	89,517	89,517	495	27,518	52,635	(25,117)	-48%	89,517
Total Capital Funding		-	234,661	234,661	5,909	80,109	157,754	(77,645)	-49%	234,661

4.1.6 Table C6: Monthly Budget Statement - Financial Position

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

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	16	3,505
Call investment deposits		35,091	17,469	17,469	57,874	17,469
Consumer debtors		43,602	52,808	52,808	66,400	52,808
Other debtors		(6,814)	10,000	10,000	10,783	10,000
Current portion of long-term receivables		–	–	–	–	–
Inventory		3,018	3,568	3,568	3,452	3,568
Total current assets		112,999	87,350	87,350	138,525	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	2,549	2,894
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,280,256	1,282,151	1,282,151	1,381,202	1,282,151
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		2,208	3,346	3,346	1,344	3,346
Other non-current assets		–	–	–	–	–
Total non current assets		1,288,280	1,291,793	1,291,793	1,388,400	1,291,793
TOTAL ASSETS		1,401,279	1,379,143	1,379,143	1,526,925	1,379,143
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	2,383	–
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	160,618	4,153
Provisions		16,893	30,017	30,017	27,998	30,017
Total current liabilities		159,975	36,770	36,770	191,936	36,770
Non current liabilities						
Borrowing		5,740	42,723	42,723	5,653	42,723
Provisions		30,126	29,450	29,450	26,612	29,450
Total non current liabilities		35,866	72,173	72,173	32,265	72,173
TOTAL LIABILITIES		195,841	108,943	108,943	224,201	108,943
NET ASSETS	2	1,205,438	1,270,200	1,270,200	1,302,724	1,270,200
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,205,438	1,270,200	1,270,200	1,302,724	1,270,200
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,205,438	1,270,200	1,270,200	1,302,724	1,270,200

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

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

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										
Property rates, penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges		47,817	81,939	29	1,906	8,036	40,970	(32,934)	-80%	81,939
Other revenue		-	-	-	-	-	-	-	-	-
Government - operating		311,264	254,204	244	22,611	363,507	363,507	-	-	254,204
Government - capital		96,876	209,478	-	12,908	230,148	122,196	167,953	137%	209,478
Interest		4,535	2,394	3	-	147	1,366	(1,250)	-89%	2,394
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(345,992)	(348,588)	(361)	(42,003)	(588,069)	(208,137)	379,932	-183%	(348,588)
Finance charges		(764)	(4,121)	(8)	-	(350)	(2,060)	(1,710)	83%	(4,121)
Transfers and Grants		(12,286)	(89,730)	(56)	-	-	(52,343)	(52,343)	100%	(89,730)
NET CASH FROM/(USED) OPERATING ACTIVITIES		101,449	105,576	(149)	(4,578)	73,419	265,528	192,109	72%	105,576
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		150	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	231	-	14	1,017	-	1,017	#DIV/0!	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		219	120,664	-	-	-	116	(116)	-100%	231
Payments										
Capital assets		(95,112)	(120,664)	107	(5,906)	(80,635)	(70,388)	10,247	-15%	(120,664)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(94,743)	231	107	(5,892)	(79,618)	(70,272)	9,346	-13%	(120,433)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		171	1,001	-	-	216	(584)	800	-137%	(1,001)
Payments										
Repayment of borrowing		(399)	(1,001)	-	-	(216)	(500)	(285)	57%	(1,001)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(229)	-	-	-	-	(1,084)	(1,084)	100%	(2,002)
NET INCREASE/ (DECREASE) IN CASH HELD		6,478	105,807	(43)	(10,470)	(6,199)	194,172			(16,859)
Cash/cash equivalents at beginning:		17,368	-	(17)		33,792	(17)			33,792
Cash/cash equivalents at month/year end:		23,846	105,807	(60)		27,593	194,155			16,933

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 - M07 January

Description	NT Code	Budget Year 2015/16									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	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	–	–	41,133	35,660	–	–
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	–	–	163,694	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	–	–	163,694	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 January 2016 with the total creditors of R11,120 million.

DC14 Joe Gqabi - Supporting Table SC4 Monthly Budget Statement - aged creditors - MD7 January

Description R thousands	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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	2,994	3,500	1,780	1,124	108	9	1,173	432	11,120
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	2,994	3,500	1,780	1,124	108	9	1,173	432	11,120

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 - M07 January

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		1,305	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
DMAF	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	(438,200.84)	885,552.60	-35%
MIG	CAPEX	23,634,898.00	116,520,000.00	(113,322,827.04)	40,267,852.06	-97%
M&IG	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	(771,011.64)	361,915.04	-80%
Public Works Special Programs	OPEX	(5,193,332.94)	7,060,051.87	(15,439,605.79)	(11,757,479.03)	-219%
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%
MMG	CAPEX	14,110.00	25,011,000.00	(5,377,341.04)	19,772,301.24	-21%
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!
		9,300,464.03	179,561,626.13	(159,690,949.83)	44,877,943.38	

To date the municipality has spent R159,691 million of its total allocation for the year and this amount is equivalent to 89%. The municipality spent 97% of its MIG allocation.

There has been slow expenditure on the highlighted conditional grants reported for the month of January 2016, the projects are in progress and the municipality is putting more effort in accelerating expenditure on the highlighted projects.

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 - M07 January

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										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		3,573	2,972	2,972	281	1,979	1,614	366	23%	2,972
Pension and UIF Contributions		441	453	453	38	269	265	3	1%	450
Medical Aid Contributions		108	111	111	11	66	65	1	2%	102
Motor Vehicle Allowance		864	1,341	1,341	67	469	763	(296)	-39%	824
Cellphone Allowance		222	580	580	17	125	342	(217)	-63%	221
Housing Allowances		12	518	518	1	7	302	(296)	-98%	12
Other benefits and allowances		43	57	57	3	24	31	(7)	-22%	44
Sub Total - Councillors		5,263	6,031	6,031	419	2,939	3,382	(443)	-13%	4,626
% increase	4		14.6%	14.6%						-12.1%
Senior Managers of the Municipality										
Basic Salaries and Wages		5,702	6,307	6,307	402	2,767	3,724	(957)	-26%	5,974
Pension and UIF Contributions		199	213	213	18	123	123	(0)	0%	212
Medical Aid Contributions		107	121	121	7	46	70	(24)	-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	277	387	(110)	-29%	580
Cellphone Allowance		83	91	91	8	53	54	(1)	-2%	91
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		141	161	161	8	61	99	(38)	-39%	143
Payments in lieu of leave		183	492	492	-	171	363	(192)	-53%	300
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8,219	9,370	9,370	482	3,497	5,879	(2,382)	-41%	8,740
% increase	4		14.0%	14.0%						6.3%
Other Municipal Staff										
Basic Salaries and Wages		93,710	108,594	108,004	8,651	59,401	64,484	(5,082)	-8%	95,956
Pension and UIF Contributions		12,332	11,267	11,267	1,193	8,226	6,588	1,638	25%	11,170
Medical Aid Contributions		5,386	5,749	5,749	526	3,516	3,263	253	8%	5,538
Overtime		4,509	4,378	4,378	1,122	4,088	2,047	2,051	100%	4,837
Performance Bonus		8,683	17,595	17,595	25	7,964	16,316	(8,352)	-51%	17,791
Motor Vehicle Allowance		4,525	7,302	7,302	567	3,911	4,202	(291)	-7%	6,442
Cellphone Allowance		1,157	1,279	1,279	116	760	754	6	1%	1,149
Housing Allowances		730	783	783	76	589	456	133	23%	797
Other benefits and allowances		6,719	8,020	8,020	837	4,696	4,394	302	7%	7,418
Payments in lieu of leave		4,548	5,628	5,628	-	100	6,046	(5,946)	-98%	5,663
Long service awards		690	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		2,542	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		145,530	170,593	170,003	13,113	93,262	108,551	(15,289)	-14%	156,791
% increase	4		17.2%	16.8%						7.7%
Total Parent Municipality		159,012	185,993	185,403	14,014	99,699	117,812	(18,113)	-15%	170,157

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 - M07 January

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										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	124,871	124,871	5,900	58,275	77,682	19,408	25.0%	124,871
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	79,897	83,897	4,366	42,647	55,141	12,493	22.7%	83,897
Dams & Reservoirs		-	4,386	4,386	-	-	2,558	2,558	100.0%	4,386
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	75,511	79,511	4,366	42,647	52,582	9,935	18.9%	79,511
Infrastructure - Sanitation		-	44,974	40,974	1,534	15,627	22,542	6,914	30.7%	40,974
Reticulation		-	44,974	40,944	1,534	15,627	22,542	6,914	30.7%	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	10	21,834	79,794	57,960	72.6%	109,315
General vehicles		-	12,754	12,754	-	-	12,023	12,023	100.0%	12,754
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	95,361	95,361	-	21,686	67,071	45,385	67.7%	95,361
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	1,200	1,000	6	78	583	505	86.6%	1,000
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	200	3	70	117	47	40.1%	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	5,909	80,109	157,477	77,368	49.1%	234,186

- 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 - M07 January

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	10,509	762	3,995	6,419	2,424	37.8%	29,604
Infrastructure - Road transport		3,894	1,283	2,283	201	1,562	1,009	(563)	-54.7%	2,036
Roads, Pavements & Bridges		3,894	1,283	2,283	201	1,562	1,009	(563)	-54.7%	2,036
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		8,305	8,299	8,226	561	2,433	5,410	2,977	55.0%	27,508
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		8,305	8,299	8,226	561	2,433	5,410	2,977	55.0%	27,508
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	14	134	540	406	75.2%	352
General vehicles		64	280	160	11	11	93	82	88.4%	44
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	3	116	386	270	69.9%	302
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	11,319	776	4,129	6,959	2,830	40.7%	29,956

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 January 2016 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: 12.02.2016 _____