



*“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 September 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	YTD Actual	YTD Budget
Revenue by Source					
Government grants and subsidies	(87,388,404)	(5,449,690)	(13,376,364)	(106,214,458)	(169,608,000)
Public Contributions and Donations	0	0	0	0	-
Government Services	0	0	0	0	-
Interest earned - external investments	(242,444)	0	(1,479,126)	(1,721,570)	(842,437)
Other income	(23,384)	(19,647)	(38,248)	(81,278)	(391,000)
Service Charges: Water & Sanitation	(1,367,383)	(895,180)	(1,227,081)	(3,489,644)	(13,263,000)
TOTAL	(89,021,615)	(6,364,518)	(16,120,818)	(111,506,951)	(184,104,437)

The municipality has managed to raise 61% of its total operating revenue against the year to date budget of R184.101 million as at 30 September 2015, off which R111.506 million is the Actual revenue collected.

The actual revenue raised for the month of September is R16.120 million and is higher when it is compared to the one of the previous month.

The Government grants and subsidies is the major contributor in the municipality's revenue as it constitutes 83 % of the total revenue.

Table 2: Operating Expenditure per category

	July Actual	Aug Actual	Sept. Actual	YTD Actual	YTD Budget
Expenditure by Nature (GFS Function)					
Employee related costs	11,503,789	11,839,002	14,128,327	37,471,119	35,737,631
Remuneration of Councillors	423,426	419,350	419,341	1,262,117	1,444,173
Debt Impairment	0	0	0	0	9,168,913
Depreciation and Amortisation	0	0	11,059,957	11,059,957	54,195,448
Finance charges	0	0	258,528	258,528	171,186
Contracted services	0	0	0	0	-
Grants and Subsidies paid	0	0	656,737	656,737	3,289,473
General expenses	6,386,874	3,860,831	18,908,950	29,156,655	47,108,089
TOTAL	18,314,089	16,119,184	45,431,839	79,865,113	151,114,913

The municipality has actual spent 53% of its operating expenditure when compared to year to date budget of R151.114 million as at the end of September 2015, of which R79,865 million is the actual expenditure as to date..

The Actual expenditure of the municipality for the month is R45.431 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 for the ,month of July and August has not yet been recognised and expensed in this current financial year and this will be corrected in next month's report and provision for November will be made to ensure that the monthly figures reported on are more reliable.
- The monthly depreciation recognised for the month of September is R11.059 million.

- **Employee related costs**

In this line item the municipality has spent R37.471 million which constitutes 104 % when compared to year to date budget of R35.737million.

The variance of 4% in this line item is made up of the salary increament and back pay for the month of July and August.

- **Remuneration of Councillors**

The year-to-date budget for remuneration of councilors is R1.444 million off which R1.262 million is the year to date actual expenditure. As of this date the municipality has spent 87 % of its year-to-date budget.

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

The ratio of 48% for the remuneration as % of total operating expenditure is above the norm of 25% - 40% as the municipality needs to be within.

- **Grants And Subsidies Paid**

In this line item, the municipality has reported an expenditure of R656.737 as at 30 September 2015 which constitutes 20 % of the year-to-date budget which is R3, 289 million.

The monthly expenditure for this line item is R656. 737, which is the first expenditure in this line item for the current financial year.

- **General Expenses**

In this line item, the municipality has reported an expenditure of R29.156 million as at 31 August 2015 which constitutes 101% of the year-to-date budget which is R47.108 million. The R29.156 million for General expenses includes the amount 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	YTD Actual	YTD Budget
Capital Expenditure by GFS					
Executive & Council	-	-	-	-	-
Budget & Treasury	-	-	-	-	49,998.00
Corporate Services	-	23,000	12,800	35,800	1,368,799.00
Planning & Development	-	-	-	-	-
Health	-	-	-	-	-
Community & Social Services	-	-	-	-	-
Public Safety	-	-	-	-	5,000,000.00
Environmental Protection	-	-	-	-	-
Road Transport	-	-	-	-	-
Other	-	-	-	-	-
Waste Management	645,830	1,187,351	-	1,833,181	21,682,009.00
Water	2,265,897	266,786	2,659,751	5,192,435	75,586,603.00
TOTAL	2,911,728	1,477,136	2,672,551	7,061,415	103,687,409

Capital Expenditure by Vote

The capital expenditure recognised for the month of August is R2.672 million being the actual money spent on provision of service delivery in water and sanitation.

The monthly ratio of capital expenditure to total expenditure is acceptable at 13 %, since it is within the norm of 10% - 20%, this range reflects that the municipality is prioritising its expenditure towards current operations versus future capacity in terms of Municipal services and also reflects a better spending in infrastructure and acceleration in service delivery.

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 September 2015 in-year report is:

RESOLVED

- (a) That the Council take note of contents in the in-year monthly report for September 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 14 October 2015.
- (c) Any other resolutions required by the Council.

Section 3 – Executive Summary

3.1 Introduction

This Budget statement report for September 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 otherwise only reflect the expenditure and not the receipts.

The other sources of revenue that have material variances in rand value are:

- **Interest Earned – External investments**

The actual amount for Interest on Investments is R1.721 million and this amount constitutes 204% of the year to date budget amount which is R842.437.

- **Other revenue**

Other Revenue is made up of contribution from LG Seta and 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 the end of September 2015.

The current accumulated surplus of the municipality as at 30 September 2015 is R1. 237 billion.

3.2.2.1 Current Assets

- **Cash**

The amount of R16 300 also includes cash floats in the form of petty cash and cashier floats. The rest is the “cashbook balance” of the primary bank account.

- **Call Investment Deposits**

Call investment deposits consist of investments made with various institutions when there is surplus cash available in the main bank account. These monies are then transferred to the general bank account and as when needed. The investment policy is used to determine what bank to invest money into.

A monthly investment register is submitted to management.

- **Other debtors**

The other debtors represent the movement which is due to monthly deductions from the staff member’s salaries and ex staff members.

- **Inventory**

-The year to date value of inventory as at 30 September 2015 is R3.536 million.

The current ratio of the month is 0.75 of 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 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 R1.329 billion which constitutes 90% of the adjustment budget of R 1.479 billion and this reflects that the municipality is still in line with its budget for this line item.

3.2.2.3 Current Liabilities

It is a common practice with Municipalities that the short-term portion of the long-term liabilities is not kept in a separate general ledger account. Nor is the balance of this account kept up-to-date on a monthly basis; although it would be a good practice. The BTO has taken a decision to split this in the records of JGDM in the next financial years.

- **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 30 September 2015 is R202.553 million and this amount includes creditors, provisions, and unspent conditional grants.

The actual total amount of creditors as at September 2015 is R39.019 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 R22.7 million.

3.3 Remedial or corrective steps

The remedial or corrective steps are listed in order of importance below:

3.3.1 Bank reconciliation

The daily automated bank reconciliation is functioning but we have faced challenges with it which led to us reverting back to the manual bank reconciliation. However, the information is derived from the system and the necessary journals are identified early and processed as and when they occur.

3.3.2 Monthly Procedures

To get the in-year figures more accurate the monthly actions with regard to the following have been instituted:

- Contributions of medical aid for pensioners;
- Creditors and Debtors reconciliations
- VAT reconciliation;
- Depreciation;
- Short term portion of long-term liabilities; and
- Recognition of interest earned both for call deposits and non-current investments
- Identifying incorrect allocations and wrong vote classifications

3.3.3 Recognition of Trade payables

There is a monthly integrity report that is throwing exceptions on the creditor's module. This matter has been reported to the relevant manager and is being addressed.

3.5 Conclusion

JGDM had many challenges during the last financial year due to the effects of taking over the water and sanitation services from the local municipalities. SCM issues like getting suppliers and making new arrangements have had challenges. These are expected to normalise.

The daily cash flow analysis is an issue that together with the daily bank reconciliations is assisting the Finance Department to continue with its determined goal of turning the cash flow crisis around. However, an aim for

the finance department is to have the daily cash flow generated directly from the system and not to be done manually.

The fact that the asset module and the payroll module of SAMRAS are not being used results in the SAMRAS system not being utilized to its full potential. Management is in the process of investigating this matter. The use of these two modules has many benefits and will eliminate any integration errors. A project plan is in place to implement these.

The efforts of the institution have paid off with an unqualified audit opinion being the outcome of the 2013/2014 audit. There are already measures in place to clear the few items still raised and to set the standards higher and higher for JGDM.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1: Monthly Budget Statement Summary (This table provide a summary of the most important information by pulling its information from the other tables to follow.)

DC14 Joe Gqabi - Table C1 Monthly Budget Statement Summary - M03 September

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	1,227	3,480	13,263	(9,773)	-74%	67,988
Investment revenue	3,901	3,368	3,368	1,479	1,722	842	879	104%	9,492
Transfers recognised - operational	235,192	351,410	351,410	256	87,793	122,494	(34,701)	-28%	324,435
Other own revenue	7,404	4,756	4,756	38	81	391	(310)	-79%	(3,327)
Total Revenue (excluding capital transfers and contributions)	289,362	421,815	421,815	3,000	93,085	136,990	(43,905)	-32%	398,593
Employee costs	153,749	179,963	179,403	14,128	37,471	35,738	1,733	5%	163,207
Remuneration of Councillors	5,263	6,031	6,031	419	1,262	1,444	(182)	-13%	4,657
Depreciation & asset impairment	44,240	47,867	47,867	11,060	11,060	54,195	(43,135)	-80%	36,983
Finance charges	4,462	2,294	2,294	259	259	171	87	51%	2,241
Materials and bulk purchases	3,004	10,480	10,480	–	–	2,620	(2,620)	-100%	7,860
Transfers and grants	–	26,316	26,316	657	657	3,289	(2,633)	-79%	16,074
Other expenditure	275,813	194,704	195,267	18,909	29,157	53,657	(24,500)	-46%	178,381
Total Expenditure	486,531	467,654	467,657	45,432	79,865	151,115	(71,250)	-47%	409,402
Surplus/(Deficit)	(197,169)	(45,839)	(45,842)	(42,431)	13,220	(14,125)	27,345	-194%	(10,809)
Transfers recognised - capital	209,242	238,814	238,814	13,120	18,421	47,114	(28,692)	-61%	196,307
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	12,073	192,975	192,972	(29,311)	31,642	32,989	(1,347)	-4%	185,498
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	12,073	192,975	192,972	(29,311)	31,642	32,989	(1,347)	-4%	185,498
Capital expenditure & funds sources									
Capital expenditure	–	234,661	234,661	2,673	7,061	103,687	(96,626)	-93%	234,661
Capital transfers recognised	–	122,644	122,644	2,660	3,955	58,058	(54,103)	-93%	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	22,500	22,500	–	–	22,500	(22,500)	-100%	22,500
Internally generated funds	–	89,517	89,517	13	3,106	23,129	(20,023)	-87%	212,161
Total sources of capital funds	–	234,661	234,661	2,673	7,061	103,687	(96,626)	-93%	234,661
Financial position									
Total current assets	112,999	87,350	87,350	–	176,391	–	–	–	87,350
Total non current assets	1,288,280	1,479,021	1,479,021	–	1,329,196	–	–	–	1,479,021
Total current liabilities	159,975	36,770	36,770	–	235,820	–	–	–	36,770
Total non current liabilities	35,866	72,173	72,173	–	32,688	–	–	–	72,173
Community wealth/Equity	1,205,438	1,270,200	1,270,200	–	1,237,079	–	–	–	1,270,200
Cash flows									
Net cash from (used) operating	101,449	105,576	(149)	36,717	85,835	(6,389)	92,224	-1443%	105,576
Net cash from (used) investing	(94,743)	(120,433)	107	(3,969)	(91,116)	(120,433)	29,317	-24%	(120,433)
Net cash from (used) financing	(229)	(1,001)	–	–	4,569	(1,001)	5,569	-556%	(1,001)
Cash/cash equivalents at the month/year end	23,846	(48,974)	(60)	–	37,511	(160,939)	198,450	-123%	22,365
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	16,907	10,787	7,072	25,441	8,429	95,056	–	–	163,694
Creditors Age Analysis									
Total Creditors	3,591	1,164	4,011	–	–	–	–	–	8,766

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) - M03 September

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									
Revenue - Standard										
<i>Governance and administration</i>		202,935	226,453	226,453	1,647	89,469	91,858	(2,388)	-3%	217,220
Executive and council		5,490	6,800	6,800	-	-	1,789	(1,789)	-100%	5,300
Budget and treasury office		196,187	219,153	219,153	1,646	89,464	90,020	(556)	-1%	211,420
Corporate services		1,258	500	500	1	5	49	(43)	-89%	500
<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	13,247	18,548	46,539	(27,991)	-60%	187,698
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		199,980	211,729	211,729	13,247	18,548	45,377	(26,829)	-59%	177,856
Environmental protection		4,249	10,966	10,966	-	-	1,162	(1,162)	-100%	9,843
<i>Trading services</i>		132,570	211,481	211,481	1,227	3,490	45,707	(42,218)	-92%	187,435
Electricity		-	-	-	-	-	-	-	-	-
Water		110,230	199,471	199,471	1,227	3,490	40,405	(36,915)	-91%	173,336
Waste water management		22,280	12,010	12,010	-	-	5,303	(5,303)	-100%	14,088
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	539,735	660,629	660,629	16,121	111,507	184,104	(72,597)	-39%	592,363
Expenditure - Standard										
<i>Governance and administration</i>		157,063	151,265	151,268	9,318	22,564	34,943	(12,379)	-35%	138,047
Executive and council		32,719	37,831	37,834	3,003	7,632	7,722	(89)	-1%	29,749
Budget and treasury office		82,190	66,297	66,297	3,087	7,793	21,415	(13,622)	-64%	63,947
Corporate services		42,154	47,137	47,137	3,228	7,139	5,806	1,332	23%	44,351
<i>Community and public safety</i>		13,851	14,087	14,087	1,780	3,474	3,088	387	13%	13,277
Community and social services		2,911	2,208	2,208	416	691	467	224	48%	2,405
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		10,940	11,879	11,879	1,364	2,783	2,621	162	6%	10,873
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		141,862	149,646	149,646	18,599	25,268	43,641	(18,373)	-42%	121,614
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		125,639	126,614	126,614	17,283	21,886	30,494	(8,607)	-28%	107,092
Environmental protection		16,223	23,032	23,032	1,316	3,382	13,147	(9,765)	-74%	14,522
<i>Trading services</i>		173,755	152,656	152,656	15,735	28,558	69,444	(40,885)	-59%	136,464
Electricity		-	-	-	-	-	-	-	-	-
Water		128,997	132,225	132,125	12,046	22,854	47,222	(24,368)	-52%	113,424
Waste water management		44,758	20,431	20,531	3,688	5,704	22,222	(16,517)	-74%	23,041
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	486,531	467,654	467,657	45,432	79,865	151,115	(71,250)	-47%	409,402
Surplus/ (Deficit) for the year		53,204	192,975	192,972	(29,311)	31,642	32,989	(1,347)	-4%	182,951

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) - M03 September

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	-	-	1,789	(1,789)	-100.0%	5,300
Vote 2 - FINANCIAL SERVICES		280,182	281,434	281,434	2,873	92,954	103,283	(10,329)	-10.0%	279,413
Vote 3 - CORPORATE SERVICES		1,258	500	500	1	5	49	(43)	-88.8%	500
Vote 4 - TECHNICAL SERVICES		248,555	360,929	360,929	13,247	18,548	77,821	(59,273)	-76.2%	297,297
Vote 5 - COMMUNITY SERVICES		4,249	10,966	10,966	-	-	1,162	(1,162)	-100.0%	9,843
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	16,121	111,507	184,104	(72,597)	-39.4%	592,353
Expenditure by Vote										
Vote 1 - MANAGEMENT SERVICES	1	32,719	37,831	37,834	3,003	7,632	7,722	(89)	-1.2%	29,749
Vote 2 - FINANCIAL SERVICES		82,190	66,297	66,297	3,087	7,793	21,415	(13,622)	-63.6%	63,947
Vote 3 - CORPORATE SERVICES		42,154	47,137	47,137	3,228	7,139	5,806	1,332	22.9%	44,351
Vote 4 - TECHNICAL SERVICES		286,723	263,986	263,986	30,638	47,608	96,356	(48,748)	-50.6%	229,629
Vote 5 - COMMUNITY SERVICES		42,746	52,403	52,403	5,475	9,693	19,816	(10,123)	-51.1%	41,727
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	467,657	45,432	79,865	151,115	(71,250)	-47.1%	409,402
Surplus/ (Deficit) for the year	2	53,204	192,975	192,972	(29,311)	31,642	32,989	(1,347)	-4.1%	182,951

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) - M03 September

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	1,227	3,490	7,980	(4,471)	-56%	53,894
Service charges - sanitation revenue		18,131	12,010	12,010	-	-	5,303	(5,303)	-100%	14,098
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-
Interest earned - external investments		3,901	3,368	3,368	1,479	1,722	842	879	104%	6,946
Interest earned - outstanding debtors		5,808	2,704	2,704	-	-	216	(216)	-100%	2,547
Dividends received		-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-
Licences and permits		-	-	-	-	-	-	-	-	-
Agency services		-	112	112	-	-	39	(39)	-100%	112
Transfers recognised - operational		235,192	351,410	351,410	256	87,793	122,494	(34,701)	-28%	324,435
Other revenue		1,668	1,940	1,940	38	81	136	(55)	-40%	(5,985)
Gains on disposal of PPE		(72)	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		289,362	421,815	421,815	3,000	93,085	136,990	(43,905)	-32%	396,046
Expenditure By Type										
Employee related costs		153,749	179,963	179,403	14,128	37,471	35,738	1,733	5%	163,207
Remuneration of councillors		5,263	6,031	6,031	419	1,262	1,444	(182)	-13%	4,657
Debt impairment		74,777	19,583	19,583	-	-	9,169	(9,169)	-100%	19,120
Depreciation & asset impairment		44,240	47,867	47,867	11,060	11,060	54,195	(43,135)	-80%	36,983
Finance charges		4,462	2,294	2,294	259	259	171	87	51%	2,241
Bulk purchases		3,004	10,480	10,480	-	-	2,620	(2,620)	-100%	7,860
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-
Transfers and grants		-	26,316	26,316	657	657	3,289	(2,633)	-80%	16,074
Other expenditure		196,880	175,121	175,684	18,909	29,157	44,488	(15,331)	-34%	159,260
Loss on disposal of PPE		4,156	-	-	-	-	-	-	-	-
Total Expenditure		486,531	467,654	467,657	45,432	79,865	151,115	(71,250)	-47%	409,402
Surplus/(Deficit)										
Transfers recognised - capital		(197,169)	(45,839)	(45,842)	(42,431)	13,220	(14,125)	27,345	(0)	(13,356)
Contributions recognised - capital		209,242	238,814	238,814	13,120	18,421	47,114	(28,692)	(0)	196,307
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		12,073	192,975	192,972	(29,311)	31,642	32,989			182,951
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		12,073	192,975	192,972	(29,311)	31,642	32,989			182,951
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		12,073	192,975	192,972	(29,311)	31,642	32,989			182,951
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		12,073	192,975	192,972	(29,311)	31,642	32,989			182,951

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) - M03 September

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	-	-	50	(50)	-100%	200
Vote 3 - CORPORATE SERVICES		-	2,475	2,475	13	36	1,369	(1,333)	-97%	2,475
Vote 4 - TECHNICAL SERVICES		-	226,986	226,986	2,660	7,026	97,269	(90,243)	-93%	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	2,673	7,061	103,667	(96,626)	-93%	234,661
Total Capital Expenditure		-	234,661	234,661	2,673	7,061	103,667	(96,626)	-93%	234,661
Capital Expenditure - Standard Classification										
Governance and administration		-	2,675	2,675	13	36	1,419	(1,333)	-97%	2,675
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	200	200	-	-	50	(50)	-100%	200
Corporate services		-	2,475	2,475	13	36	1,369	(1,333)	-97%	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	2,660	7,026	97,269	(90,243)	-93%	226,986
Electricity		-	-	-	-	-	-	-	-	-
Water		-	170,258	170,258	2,660	5,192	75,587	(70,394)	-93%	170,258
Waste water management		-	56,728	56,728	-	1,833	21,682	(19,849)	-92%	56,728
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	234,661	234,661	2,673	7,061	103,667	(96,626)	-93%	234,661
Funded by:										
National Government		-	122,644	122,644	2,660	3,955	58,058	(54,103)	-93%	122,644
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	(122,644)
Transfers recognised - capital		-	122,644	122,644	2,660	3,955	58,058	(54,103)	-93%	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	22,500	22,500	-	-	22,500	(22,500)	-100%	22,500
Internally generated funds		-	89,517	89,517	13	3,106	23,129	(20,023)	-87%	212,161
Total Capital Funding		-	234,661	234,661	2,673	7,061	103,667	(96,626)	-93%	234,661

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC14 Joe Gqabi - Table C6 Monthly Budget Statement - Financial Position - MD3 September

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	101,624	17,469
Consumer debtors		43,602	52,808	52,808	67,278	52,808
Other debtors		(6,814)	10,000	10,000	3,936	10,000
Current portion of long-term receivables		–	–	–	–	–
Inventory		3,018	3,568	3,568	3,537	3,568
Total current assets		112,999	87,350	87,350	176,391	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	2,564	2,894
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,280,256	1,469,379	1,469,379	1,321,844	1,469,379
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		2,208	3,346	3,346	1,482	3,346
Other non-current assets		–	–	–	–	–
Total non current assets		1,288,280	1,479,021	1,479,021	1,329,196	1,479,021
TOTAL ASSETS		1,401,279	1,566,371	1,566,371	1,505,586	1,566,371
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	3,871	–
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	202,553	4,153
Provisions		16,893	30,017	30,017	28,459	30,017
Total current liabilities		159,975	36,770	36,770	235,820	36,770
Non current liabilities						
Borrowing		5,740	42,723	42,723	5,653	42,723
Provisions		30,126	29,450	29,450	27,035	29,450
Total non current liabilities		35,866	72,173	72,173	32,688	72,173
TOTAL LIABILITIES		195,841	108,943	108,943	268,508	108,943
NET ASSETS	2	1,205,438	1,457,428	1,457,428	1,237,079	1,457,428
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,205,438	1,270,200	1,270,200	1,237,079	1,270,200
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1,205,438	1,270,200	1,270,200	1,237,079	1,270,200

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC14 Joe Gqabi - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		47,817	81,939	29	1,399	2,496	16,864	(14,368)	-85%	81,939
Government - operating		311,264	254,204	244	46,400	193,200	84,735	108,466	128%	254,204
Government - capital		96,876	209,478	-	20,887	100,916	50,000	50,916	102%	209,478
Interest		4,535	2,394	3	38	106	598	(492)	-82%	2,394
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(345,992)	(348,588)	(361)	(42,803)	(290,909)	(56,603)	234,306	-414%	(348,588)
Finance charges		(764)	(4,121)	(8)	(350)	(350)	(202)	148	-73%	(4,121)
Transfers and Grants		(12,286)	(89,730)	(56)	-	-	(22,433)	(22,433)	100%	(89,730)
NET CASH FROM/(USED) OPERATING ACTIVITIES		101,449	105,576	(149)	25,571	5,459	72,949	(67,491)	-93%	105,576
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		150	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	22	71	-	71	#DIV/0!	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		219	231	-	-	-	58	(58)	-100%	231
Payments										
Capital assets		(95,112)	(120,664)	107	(2,673)	(7,038)	(9,494)	(2,456)	26%	(120,664)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(94,743)	(120,433)	107	(2,650)	(6,968)	(9,437)	(2,469)	26%	(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)	(216)	-	216	#DIV/0!	(1,001)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(229)	(1,001)	-	(216)	(216)	-	216	#DIV/0!	(1,001)
NET INCREASE/ (DECREASE) IN CASH HELD		6,478	(15,858)	(43)	22,705	(1,725)	63,513			(15,858)
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)		32,067	30,397			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 - M03 September

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	6,897	6,879	62,538	–	–	97,173	76,314	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Nonexchange 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	35,690	–	–
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	2,886	–	–	2,886	31,082	22,678	–	–
Total By Customer Group	2600	16,907	10,787	7,072	25,441	11,298	95,056	–	2,886	168,448	134,681	–	–

Section 6 – Creditors' analysis

6.1 Supporting Table SC4

The table below is the reflection of the creditor's age analysis as at 31 July 2015 with the total creditors of R8.7 million.

DC14 Joe Gqabi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

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	28	4	-	-	-	-	-	-	32
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	3,561	1,158	4,011	-	-	-	-	-	8,730
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	2	2	-	-	-	-	-	-	4
Total By Customer Type	1000	3,591	1,164	4,011	-	-	-	-	-	8,766

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 - M03 September

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		1,385	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

Grants	ALLOCATIONS	RECEIVED TO DATE	SPENT TO DATE	% SPENT TO DATE
	R	R	R	
Equitable Share	R209,607,000	R87,336,000	(87,336,000)	100%
Finance Management Grant	R1,250,000	R1,250,000	(R141,250)	11%
EPWP Incentive	R1,379,000	R552,000	(R224,424)	41%
Municipal Water Infrastructure grant	R25,011,000	R6 253 000	(R2,982,190)	48%
Municipal Infrastructure grant	154,270,000	R77,500,000	(R25 158 769)	32%
Municipal Systems Improvement	R940,000	R940 000	(R189,239)	20%
Rural Roads and Asset Management	R2,080,000	R2 080 000	-	#DIV/0!
Water Services Operating Subsidy	R5,000,000	R1 250 000	-	#DIV/0!
TOTAL	R399 537 700	R177 161 000	(R116 031 872)	66%

Section 9 – Expenditure on councillor and board members allowances and employee benefits

9.1 Supporting Table C8

Table SC8 seeks to comply with the reporting requirements of Sect 66 of the MFMA regarding disclosure of expenditure on staff benefits.

DC14 Joe Gqabi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

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	849	689	151	22%	2,972
Pension and UIF Contributions		441	453	453	38	115	113	2	2%	450
Medical Aid Contributions		108	111	111	9	28	26	1	5%	100
Motor Vehicle Allowance		864	1,341	1,341	67	201	317	(116)	-37%	849
Cellphone Allowance		222	580	580	17	56	146	(91)	-62%	230
Housing Allowances		12	518	518	1	3	129	(126)	-98%	12
Other benefits and allowances		43	57	57	3	10	13	(3)	-22%	44
Sub Total - Councillors		5,263	6,031	6,031	419	1,262	1,444	(182)	-13%	4,657
% increase	4		14.6%	14.6%						-11.9%
Senior Managers of the Municipality										
Basic Salaries and Wages		5,702	6,307	6,307	394	1,182	1,483	(300)	-20%	6,291
Pension and UIF Contributions		199	213	213	18	53	52	1	2%	212
Medical Aid Contributions		107	121	121	7	20	30	(10)	-34%	117
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		1,202	1,321	1,321	-	-	-	-	-	1,321
Motor Vehicle Allowance		600	664	664	40	119	166	(47)	-29%	580
Cellphone Allowance		83	91	91	11	23	23	(0)	-2%	91
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		141	161	161	8	24	35	(10)	-30%	160
Payments in lieu of leave		183	492	492	-	-	78	(78)	-100%	415
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8,219	9,370	9,370	477	1,420	1,865	(445)	-24%	9,188
% increase	4		14.0%	14.0%						11.8%
Other Municipal Staff										
Basic Salaries and Wages		93,710	108,594	108,034	9,627	25,224	23,840	1,384	6%	95,934
Pension and UIF Contributions		12,332	11,267	11,267	1,297	3,461	2,714	746	27%	10,851
Medical Aid Contributions		5,386	5,749	5,749	506	1,497	1,342	155	12%	5,488
Overtime		4,509	4,378	4,378	602	1,458	1,399	59	4%	3,932
Performance Bonus		8,683	17,595	17,595	96	214	195	19	10%	16,493
Motor Vehicle Allowance		4,349	7,127	7,051	576	2,794	2,757	37	1%	6,448
Cellphone Allowance		1,157	1,279	1,279	125	324	320	5	1%	1,141
Housing Allowances		730	783	783	105	254	189	65	34%	715
Other benefits and allowances		6,719	8,020	8,020	718	1,909	2,026	(117)	-6%	7,318
Payments in lieu of leave		4,548	5,628	5,628	64	64	34	30	90%	5,657
Long service awards		690	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		2,542	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		145,354	170,418	169,782	13,716	37,199	34,816	2,384	7%	153,977
% increase	4		17.2%	16.8%						5.9%
Total Parent Municipality		158,836	185,819	185,183	14,612	39,882	38,125	1,757	5%	167,822

Section 10 – Capital programme performance

10. Supporting Table C13

Supporting Tables SC13 include the following:

- SC13a: Capital expenditure on new assets by asset class
- SC13b: Capital expenditure on renewal of existing assets by asset class

These two tables total to Table C5.

DC14 Joe Gqabi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September

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	2,660	7,026	47,391	40,365	85.2%	124,871
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	79,897	79,897	2,660	5,143	36,147	31,004	85.8%	79,897
Dams & Reservoirs		-	4,386	4,386	-	-	1,096	1,096	100.0%	4,386
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	75,511	75,511	2,660	5,143	35,051	29,908	85.3%	75,511
Infrastructure - Sanitation		-	44,974	44,974	-	1,883	11,243	9,361	83.3%	44,974
Reticulation		-	44,974	44,944	-	1,883	11,243	9,361	83.3%	44,974
Sewerage purification		-	-	30	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	0	-	(0)	#DIV/0!	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	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	13	36	56,178	56,142	99.9%	109,315
General vehicles		-	12,754	12,754	-	-	11,439	11,439	100.0%	12,754
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	95,361	95,361	-	-	44,439	44,439	100.0%	95,361
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	1,200	1,000	13	13	250	237	94.9%	1,000
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	200	-	23	50	27	54.0%	200
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	-	234,186	234,186	2,673	7,061	103,569	96,507	93.2%	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 - M03 September

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	10,582	796	1,546	1,554	8	0.5%	8,167
Infrastructure - Road transport		3,894	1,283	2,283	385	817	359	(458)	-127.8%	2,157
Roads, Pavements & Bridges		3,894	1,283	2,283	385	817	359	(458)	-127.8%	2,157
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		8,305	8,299	8,299	411	729	1,195	466	39.0%	6,010
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		8,305	8,299	8,299	411	729	1,195	466	39.0%	6,010
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	930	29	58	203	145	71.3%	500
General vehicles		64	280	280	-	0	-	(0)	#DIV/0!	280
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		92	50	50	5	7	6	(1)	-15.8%	50
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		659	600	600	23	51	197	146	73.9%	170
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	11,512	824	1,604	1,756	152	8.7%	8,667

Section 11 – Material variances to the SDBIP

11.1 Overview

No comments apart from those already mentioned in the executive summary.

Section 12 – Other supporting documentation

12.1 Other information

None

Section 13 – Municipal Manager’s quality certification

QUALITY CERTIFICATE

I, ZA Williams, the Municipal Manager of Joe Gqabi District Municipality, hereby certifies that:

the monthly budget statement;

quarterly report on the implementation of the budget;

mid-year budget and performance assessment;

For the month September 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: 14.10.2015_____