



2017/18 FINANCIAL YEAR

MONTHLY BUDGET STATEMENT

SEPTEMBER 2017

“ An improved quality of life for all residents”

Table of Contents

Glossary	3-5
----------------	-----

PART 1:

Section - 1. Purposeí í	.6
---	----

Section - 1 Vision of Joe Gqabi District Municipalityí í í í í í .í í í í í í í í	...6
---	------

Section - 1 Backgroundí .í6-7
--	----------

Section - 2 Executive summaryí í í í í í í í í í í í í í í í ..í í í í í í í í	8-15
--	------

Section - 3 Resolutions.....	16
------------------------------	----

Section ó 4 Monthly Budget Tables.....	Error!
--	---------------

Bookmark not defined.-24

PART 2 :

Section 5 - Performance Indicators.....	25
---	----

Section 6 ó Debtors' analysis.....	Error! Bookmark not defined.
------------------------------------	-------------------------------------

Section 7 ó Creditors' analysis.....	26
--------------------------------------	----

Section 8 ó Investment portfolio analysis	28
---	----

Section 9 ó Allocation and grant receipts and expenditure	29-30
---	-------

Section 10 ó Expenditure on councillor and employee benefits.....	31-32
---	-------

Section 11 ó Capital programme performance	33-38
--	-------

Section 12 ó Material variances to the SDBIP	39
--	----

Section 13 ó Other supporting documentation	39
---	----

Section 14 ó Municipal Managerø quality certification.....	40
--	----

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.

Virements – A transfer of budget.

Virements 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 ó Municipal Infrastructure Grant

MWIG – Municipal Water Infrastructure Grant

WSIG – Water Services Infrastructure Grant

RBIG - Regional Bulk Infrastructure Grant

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: SECTION 1

TO: THE EXECUTIVE MAYOR

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING 30 SEPTEMBER 2017

1. PURPOSE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

2. VISION OF JOE GQABI DISTRICT MUNICIPALITY

The vision of Joe Gqabi District is to provide an improved quality of life to all its residents.

3. BACKGROUND

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations" necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

"The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act."

Further, Section 71 of the MFMA requires that, "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 national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month." For the reporting period ending September 2017, the ten working day reporting limit expires on 13 October 2017.

National Treasury has indicated that they wish to continue to directly monitor municipalities that have a significant impact on the South African economy. For this purpose the required electronic return forms were progressively lodged with the National Treasury before or on 13 October 2017, (ten working day limit).

These return forms are:

- ❖ Statement of Financial Performance (OSA)
- ❖ Capital Expenditure Actual (CAA)
- ❖ Cash Flow Statement (CFA)
- ❖ Aged Debtors (AD)
- ❖ Aged Creditors (AC)
- ❖ Statement of Financial Position (BSAC)
- ❖ Repairs and Maintenance (RME)
- ❖ Grants Returns

SECTION 2 – EXECUTIVE SUMMARY

2.1 INTRODUCTION

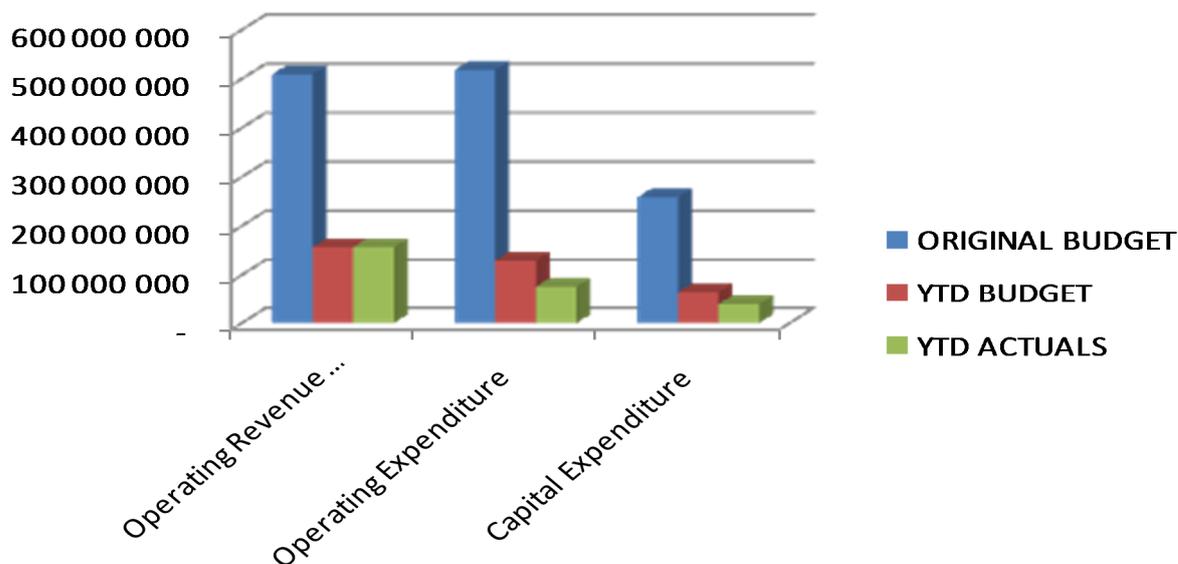
This report has been prepared in accordance with the Municipal Budget and Reporting Regulations, 2008 and in line with Section 87 of the Municipal Finance Management Act, 2003.

2.2 CONSOLIDATED PERFORMANCE

TABLE 1

Original Budget Vs Actuals (M03)

	Operating Revenue Excluding Capital Transfer & Contributions	Operating Expenditure	Capital Expenditure
ORIGINAL BUDGET	509 347 982	518 271 972	258 546 000
YTD BUDGET	156 909 638	129 567 993	64 636 500
YTD ACTUALS	156 909 638	75 965 665	38 608 881



The year-to-date operating revenue excluding capital transfer of the municipality in the 3rd month of the 2017/18 financial year is R156, 9 million, which constitutes 100 % of the year to date budget and 31 % of the Approved budget.

The year-to-date operating expenditure of the municipality in the 3rd month of the 2017/18 financial year is R75, 9 million, which constitutes 59 % of the year to date budget and 15 % of the Approved budget.

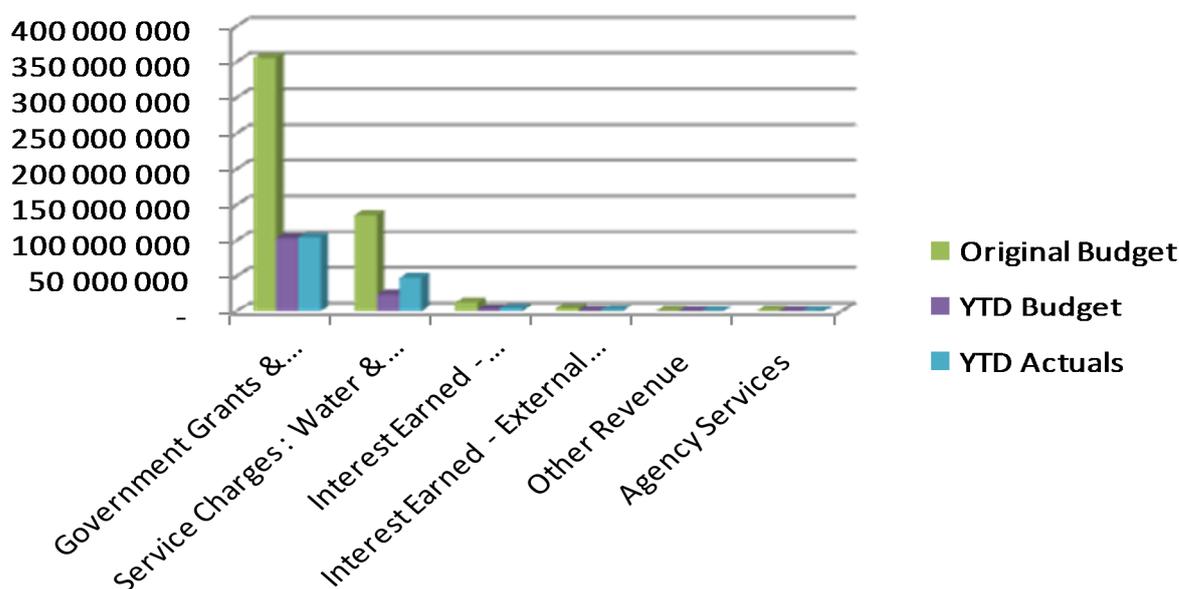
The year-to-date capital expenditure of the municipality in the 3rd month of the 2017/18 financial year is R38, 6 million, which constitutes 60 % of the year to date budget and 60 % of the Approved budget.

2.3 OPERATING REVENUE PER CATEGORY

TABLE 2

Original Budget Vs Actuals (M03)

	July Actuals	August Actuals	September Actuals	Original Budget	YTD Budget	YTD Actuals
Government Grants & Subsidies(Excl Cap)	-	102 983 000	1 024 925	355 444 400	104 007 925	104 007 925
Service Charges : Water & Sanitation	13 823 348	24 035 471	9 619 582	135 396 288	47 478 401	47 478 401
Interest Earned - Outstanding Debtors	1 874 576	30 115	1 898 973	13 078 000	3 803 664	3 803 664
Interest Earned - External Investments	198 826	741 180	468 327	4 040 000	1 408 333	1 408 333
Other Revenue	42 800	63 550	60 734	388 294	167 085	167 085
Agency Services	-	-	44 231	992 000	248 000	44 231
	15 939 550	127 853 317	13 116 772	509 338 982	157 113 408	156 909 639



In the Third month of the 2017/18 financial year the municipality recorded actual revenue of R156, 9 million. As it is indicated in **Table 2** above is the weighting of the YTD Actual on revenue per source as a percentage of YTD budget revenue as at 30 September 2017. The main contributors are Service Charges (**100%**), Interest earned on outstanding debtors (**100%**), Interest earned on external investment (**100%**), **Agency Services (18%)** and Other Revenue (**147%**).

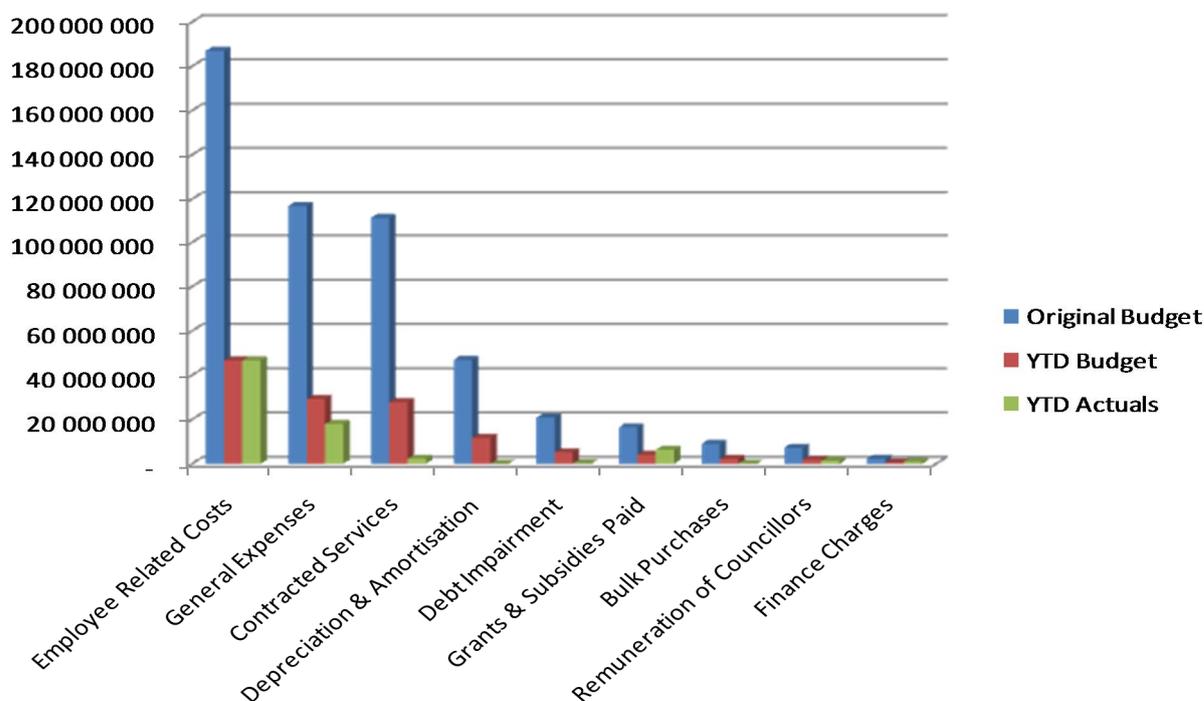
It must be noted that the total YTD actual revenue of the municipality is less than the YTD revenue anticipated for the period under review, and this has resulted to a YTD Variance of **1%**.

More detail with regard to municipality's operating expenditure is provided in table C1, C2, C3, C4 SC8, SC9, SC10 and SC11.

2.4 OPERATING EXPENDITURE PER CATEGORY

TABLE 3

Expenditure by Nature (GFS Function)	Original Budget	YTD Budget	YTD Actuals	September Actuals	August Actuals	July Actuals
Employee Related Costs	186 950 616	46 737 654	46 674 454	15 354 497	14 884 888	16 435 069
General Expenses	116 976 973	29 244 243	18 056 956	5 163 830	7 413 796	5 479 330
Contracted Services	111 507 005	27 876 751	2 350 733	1 024 105	751 228	575 400
Depreciation & Amortisation	46 920 616	11 730 154	-	-	-	-
Debt Impairment	20 875 142	5 218 786	146 063	1 853	11 941	132 269
Grants & Subsidies Paid	16 505 339	4 126 335	6 316 082	702 546	2 725 135	2 888 401
Bulk Purchases	9 000 000	2 250 000	98 041	-	98 041	-
Remuneration of Councillors	7 242 394	1 810 599	1 362 464	455 747	455 725	450 992
Finance Charges	2 293 887	573 472	960 872	437 312	523 560	-
	518 271 972	129 567 993	75 965 665	23 139 890	26 864 314	25 961 461



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 then 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 passed. 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.

In the Third month of the 2017/18 financial year the municipality incurred operating expenditure amounting to R 75, 9 million.

As it is indicated in the *Table 3* is the weighting of the YTD Actual on expenditure by nature as a percentage of total operational expenditure as at 30 September 2017. The main cost drivers of the municipality are Employee related costs (**99%**), Remuneration of councilors (**75%**), Debt impairment (**3%**), Finance Charges (**160%**), Bulk Purchases (**4%**), Contracted Services (**8%**), Grants and Subsidies paid (**153%**) and General Expenses (**62%**).

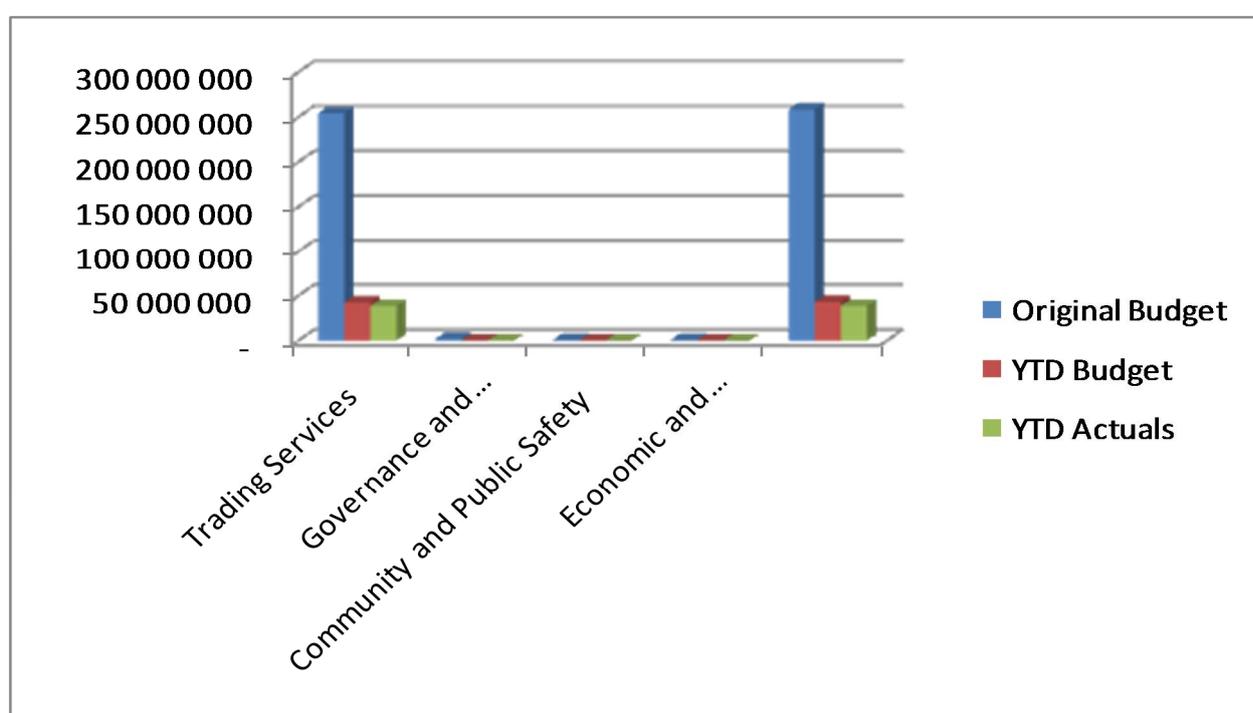
It must be noted that the total actual expenditure of the municipality is lower than the year to date budget anticipated for the period under review, and this has resulted to a YTD Variance of **41%**, due to the following cost drivers which had no expenditure for the period under review; Depreciation which will be provided for annually as part of year-end procedures.

More detail with regard to municipality's operating expenditure is provided in table C1, C2, C3, C4 SC8, SC9, SC10, SC11, SC13C and SC13D.

2.5 CAPITAL EXPENDITURE BY MUNICIPAL VOTE

TABLE 4

	Original Budget	YTD Budget	YTD Actuals	September Actuals	August Actuals	July Actuals
Trading Services	254 155 000	42 359 167	38 563 103	13 679 106	12 547 672	12 336 325
Governance and Administration	2 236 000	372 667	45 784	-	45 784	-
Community and Public Safety	1 145 000	190 833	-	-	-	-
Economic and Environmental Services	1 010 000	168 333	-	-	-	-
	258 546 000	43 091 000	38 608 887	13 679 106	12 593 456	12 336 325



In the Third month of the 2017/18 financial year the municipality incurred a capital expenditure amounting to R38,6 million. This represents the actual money spent on the provision of service delivery relating to water and sanitation. As it is indicated in **Table 4** above is the weighting of the YTD Actual on expenditure by municipal vote as a percentage of YTD budget expenditure as at 30 September 2017.

It is noted that only the Trading services (Municipal Infrastructure Grant) which is the main contributor have expenditure for the month and Governance and Administration, all other services have no expenditure, and this has resulted to a YTD Variance of **10%**.

2.6 *FINANCIAL POSITION*

The detail of this section can be found in Section 2 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 30 September 2017

The current accumulated surplus of the municipality as at 30 September 2017 amount to R 1, 8 billion.

2.6.1 CURRENT ASSETS

- ❖ **Cash** - The cash balance of R 60, 2 million comprises of cash floats in the form of petty cash, cashier floats and the cashbook balance of the primary bank account.
- ❖ **Call Investment Deposits** - Call investment deposits consist of investments made with various financial institutions when there is surplus cash available in the main bank account. These monies are then transferred to the general bank account 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 value of inventory as at 30 September 2017 amount to R 2, 9 million. The current ratio for the first month is 3, 3: 1, this means that the municipality will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels.

2.6.2 NON-CURRENT ASSETS

The non-current assets as at 30 September 2017 amount to R 1,710 billion, which represents 100% of the year to date budget (R 1,710 billion).

2.6.3 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 trade and other payables as at 30 September 2017 amount to R 74, 3 million, which include creditors, provisions, and unspent conditional grants. The total actual amount relating to creditors as at 30 September 2017 amounts to R 18, 4 million. It must be noted that the age analysis is based on invoice date not invoice received. The municipality is therefore in compliance with the MFMA requirements.

2.7 CASH FLOW

The detail of this section can be found in Section 4 of this report Table C7 (Cash Flow). The cash flow statement for the month indicates that the municipality's operations during the month resulted in a positive cash of R 166 million at the end of the month.

2.7.1 Remedial or corrective steps

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

- ❖ **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.

- ❖ **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

- ❖ **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.

2.8 OTHER INFORMATION

Additional clarity on the contents of this report or answers to any questions posed will be given at the Finance Committee by the Acting Chief Financial Officer.

2.9 CONCLUSION

JGDM had many challenges during the 2016/17 financial year due to the effects of taking over the water and sanitation services from the local municipalities in 2015/16. The effects of such challenges can still be felt in this current financial year.

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. There are still challenges with the Billing and the municipality is making efforts in implementing a credit control policy.

SECTION 3 – RESOLUTIONS

Recommended resolution to Council relating to the September 2017 in-year report are:

RESOLVED

- (a) That the Council take note of contents in the in-year monthly report for September 2017 as set out in the schedules contained in Section 4:
- a. Table C1 ó Monthly Budget Statement Summary;
 - b. Table C2 ó Monthly Budget Statement ó Financial Performance (Standard classification);
 - c. Table C3 ó Monthly Budget Statement ó Financial Performance Standard classification (Revenue and expenditure by Municipal Vote)
 - d. Table C4 ó Monthly Budget Statement ó Financial Performance (Revenue by Source and Expenditure by Type)
 - e. Table C5 ó Monthly Budget Statement ó Capital Expenditure;
 - f. Table C6 ó Monthly Budget statement ó Financial Position; and
 - g. Table C7 ó Monthly Budget statement ó Cash Flows.
- (b) That the Council take note that the report was submitted to the Executive Mayor on October 2017.
- (c) Any other resolutions required by the Council.

SECTION 4. MONTHLY BUDGET STATEMENT TABLES

The in-year budget statement tables must consist of the tables in the First Attachment to this Schedule, namely ó

- (a) Table C1 s71 Monthly Budget Statement Summary
- (b) Table C2 Monthly Budget Statement - Financial Performance (standard classification)
- (c) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
- (d) Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)
- (e) Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)
- (f) Table C6 Monthly Budget Statement - Financial Position
- (g) Table C7 Monthly Budget Statement - Cash Flow

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

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

Description	2016/17	Budget Year 2017/18							
	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	-	135 396	135 396	9 620	47 478	33 848	13 630	40%	135 396
Investment revenue	-	4 040	4 040	468	1 408	1 009	399	40%	4 040
Transfers and subsidies	-	355 444	355 444	1 025	104 008	88 860	15 148	17%	355 444
Other own revenue	-	14 467	14 467	2 004	3 971	3 365	606	18%	14 467
Total Revenue (excluding capital transfers and contributions)	-	509 348	509 348	13 117	156 865	127 082	29 783	23%	509 348
Employee costs	-	186 951	186 951	15 354	46 674	46 737	(63)	-0%	186 951
Remuneration of Councillors	-	7 242	7 242	456	1 362	1 811	(449)	-25%	7 242
Depreciation & asset impairment	-	46 921	46 921	-	-	11 730	(11 730)	-100%	46 921
Finance charges	-	2 294	2 294	437	961	573	388	68%	2 294
Materials and bulk purchases	-	9 000	9 000	-	98	2 250	(2 152)	-96%	9 000
Transfers and subsidies	-	16 505	16 505	703	6 316	4 126	2 190	53%	16 505
Other expenditure	-	249 358	249 358	6 190	20 554	62 340	(41 786)	-67%	249 358
Total Expenditure	-	518 272	518 272	23 140	75 966	129 567	(53 602)	-41%	518 272
Surplus/(Deficit)	-	(8 924)	(8 924)	(10 023)	80 900	(2 485)	83 385	-3355%	(8 924)
Transfers and subsidies - capital (monetary allocations)	-	254 155	254 155	6 771	123 073	63 539	59 534	94%	254 155
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	245 231	245 231	(3 252)	203 973	61 054	142 919	234%	245 231
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	245 231	245 231	(3 252)	203 973	61 054	142 919	234%	245 231
Capital expenditure & funds sources									
Capital expenditure	-	258 546	258 546	13 679	38 230	64 634	(26 404)	-41%	258 546
Capital transfers recognised	-	254 155	254 155	13 679	38 230	63 536	(25 306)	-40%	254 155
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	4 391	4 391	-	-	1 098	(1 098)	-100%	4 391
Total sources of capital funds	-	258 546	258 546	13 679	38 230	64 634	(26 404)	-41%	258 546
Financial position									
Total current assets	176 404	123 347	123 347		319 679				123 347
Total non current assets	1 677 781	1 710 971	1 710 971		1 710 904				1 710 971
Total current liabilities	142 256	97 876	97 876		95 501				97 876
Total non current liabilities	41 373	50 799	50 799		49 077				50 799
Community wealth/Equity	1 670 555	1 685 643	1 685 643		1 886 005				1 685 643
Cash flows									
Net cash from (used) operating	224 755	263 054	263 054	(5 685)	200 938	65 761	(135 177)	-206%	263 054
Net cash from (used) investing	(227 355)	(258 546)	(258 546)	(13 667)	(34 717)	(64 636)	(29 919)	46%	(258 546)
Net cash from (used) financing	(3 310)	(4 026)	(4 026)	-	-	(671)	(671)	100%	(4 026)
Cash/cash equivalents at the month/year end	(3 488)	2 903	2 903	-	166 220	2 876	(163 345)	-5681%	482
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	12 749	10 166	11 725	10 157	9 616	9 807	44 190	148 071	256 481
Creditors Age Analysis									
Total Creditors	4 682	123	-	-	-	-	-	-	4 805

4.2- 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 Financed 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 organizational structure used by the different institutions. The main functions are Government and Administration, Community and Public Safety, Economic and Environmental Services, Trading Services and Other Services.

DC14 Joe Gqabi - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		-	260 873	260 873	8 281	230 443	65 218	165 225	253%	260 873
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	260 873	260 873	8 281	230 443	65 218	165 225	253%	260 873
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	63 079	63 079	88	162	15 770	(15 608)	-99%	22 139
Planning and development		-	10 307	10 307	-	-	2 577	(2 577)	-100%	10 307
Road transport		-	40 940	40 940	88	162	10 235	(10 073)	-98%	-
Environmental protection		-	11 832	11 832	-	-	2 958	(2 958)	-100%	11 832
Trading services		-	439 551	439 551	11 519	49 377	109 887	(60 510)	-55%	439 551
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	315 113	315 113	7 776	36 587	78 778	(42 191)	-54%	315 113
Waste water management		-	124 438	124 438	3 742	12 790	31 109	(18 319)	-59%	124 438
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	763 503	763 503	19 888	279 982	190 875	89 107	47%	722 563
Expenditure - Functional										
Governance and administration		-	160 115	160 115	8 705	27 788	40 028	(12 240)	-31%	134 054
Executive and council		-	26 061	26 061	4 129	11 440	6 515	4 925	76%	-
Finance and administration		-	134 054	134 054	4 576	16 347	33 513	(17 166)	-51%	134 054
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	32 750	32 750	2 730	5 253	8 187	(2 934)	-36%	32 750
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	20 703	20 703	2 730	3 198	5 175	(1 977)	-38%	20 703
Housing		-	-	-	-	-	-	-	-	-
Health		-	12 048	12 048	-	2 055	3 012	(957)	-32%	12 048
Economic and environmental services		-	118 683	118 683	2 323	6 772	29 669	(22 897)	-77%	118 683
Planning and development		-	66 903	66 903	-	-	16 726	(16 726)	-100%	66 903
Road transport		-	40 180	40 180	2 203	6 345	10 044	(3 699)	-37%	40 180
Environmental protection		-	11 600	11 600	120	426	2 899	(2 473)	-85%	11 600
Trading services		-	206 724	206 724	9 382	33 198	43 169	(9 971)	-23%	206 724
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	104 580	104 580	7 227	24 838	26 145	(1 307)	-5%	104 580
Waste water management		-	102 143	102 143	2 155	8 360	-	8 360	#DIV/0!	102 143
Waste management		-	-	-	-	-	17 024	(17 024)	-100%	-
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	518 272	518 272	23 140	73 010	121 052	(48 042)	-40%	492 211
Surplus/ (Deficit) for the year		-	245 231	245 231	(3 252)	206 972	69 823	137 150	196%	230 352

4.4 Table C4 Monthly Budget Financial Performance

(Revenue and expenditure)

DC14 Joe Gqabi - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2016/17	Budget Year 2017/18							
		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								-		
Service charges - electricity revenue										
Service charges - water revenue		106 558	106 558	6 426	35 237	26 639	8 598	32%	106 558	
Service charges - sanitation revenue		28 838	28 838	3 194	12 242	7 209	5 033	70%	28 838	
Service charges - refuse revenue										
Service charges - other										
Rental of facilities and equipment		9	9						9	
Interest earned - external investments		4 040	4 040	468	1 408	1 009	399	40%	4 040	
Interest earned - outstanding debtors		13 078	13 078	1 899	3 804	3 269	535	16%	13 078	
Dividends received										
Fines, penalties and forfeits										
Licences and permits										
Agency services		992	992	44					992	
Transfers and subsidies		355 444	355 444	1 025	104 008	88 860	15 148	17%	355 444	
Other revenue		388	388	61	167	96	71	74%	388	
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		-	509 348	509 348	13 117	156 865	127 082	29 783	23%	509 348
Expenditure By Type										
Employee related costs			186 951	186 951	15 354	46 674	46 737	(63)	0%	186 951
Remuneration of councillors			7 242	7 242	456	1 362	1 811	(449)	-25%	7 242
Debt impairment			20 875	20 875	2	146	5 219	(5 073)	-97%	20 875
Depreciation & asset impairment			46 921	46 921	-	-	11 730	(11 730)	-100%	46 921
Finance charges			2 294	2 294	437	961	573	388	68%	2 294
Bulk purchases			9 000	9 000	-	98	2 250	(2 152)	-96%	9 000
Other materials			-	-	-	-	-	-		-
Contracted services			111 507	111 507	1 024	2 351	27 877	(25 526)	-92%	111 507
Transfers and subsidies			16 505	16 505	703	6 316	4 126	2 190	53%	16 505
Other expenditure			116 976	116 976	5 164	18 057	29 244	(11 187)	-38%	116 976
Loss on disposal of PPE										
Total Expenditure		-	518 272	518 272	23 140	75 966	129 567	(53 602)	-41%	518 272
Surplus/(Deficit)		-	(8 924)	(8 924)	(10 023)	80 900	(2 485)	83 385	(0)	(8 924)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			254 155	254 155	6 771	123 073	63 539	59 534	0	254 155
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)										
Transfers and subsidies - capital (in-kind - all)										
Surplus/(Deficit) after capital transfers & contributions		-	245 231	245 231	(3 252)	203 973	61 054			245 231
Taxation										
Surplus/(Deficit) after taxation		-	245 231	245 231	(3 252)	203 973	61 054			245 231
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	245 231	245 231	(3 252)	203 973	61 054			245 231
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	245 231	245 231	(3 252)	203 973	61 054			245 231

4.5 Table C5: Capital Expenditure Budget by vote and funding (municipal vote, standard classification and funding).

DC14 Joe Gqabi - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M03 September)

Vote Description	Ref	2016/17	Budget Year 2017/18							
		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									
Governance and administration		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Trading services		-	254 155	254 155	13 679	38 230	63 538	(25 308)	-40%	254 155
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	254 155	254 155	13 679	38 230	63 538	(25 308)	-40%	254 155
Single Year expenditure appropriation	2									
Governance and administration		-	2 236	2 236	-	-	558	(558)	-100%	2 236
Community and public safety		-	1 145	1 145	-	-	286	(286)	-100%	1 145
Economic and environmental services		-	1 010	1 010	-	-	252	(252)	-100%	1 010
Trading services		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	4 391	4 391	-	-	1 096	(1 096)	-100%	4 391
Total Capital Expenditure		-	258 546	258 546	13 679	38 230	64 634	(26 404)	-41%	258 546
Capital Expenditure - Functional Classification										
Governance and administration		1 405	2 236	2 236	-	-	88	(88)	-100%	2 236
Executive and council			50	50	-	-	12	(12)	-100%	50
Finance and administration			2 055	2 055	-	-	43	(43)	-100%	2 055
Internal audit		1 405	131	131	-	-	33	(33)	-100%	131
Community and public safety		-	1 145	1 145	-	-	286	(286)	-100%	1 145
Community and social services										
Sport and recreation										
Public safety										
Housing										
Health			1 145	1 145	-	-	286	(286)	-100%	1 145
Economic and environmental services		-	1 010	1 010	-	-	253	(253)	-100%	1 010
Planning and development			1 010	1 010	-	-	253	(253)	-100%	1 010
Road transport										
Environmental protection										
Trading services		225 949	254 155	254 155	13 679	38 230	63 537	(25 307)	-40%	254 155
Energy sources										
Water management		159 331	208 555	208 555	12 422	26 923	52 139	(25 216)	-48%	208 555
Waste water management		66 618	45 600	45 600	1 257	11 307	11 398	(91)	-1%	45 600
Waste management										
Other										
Total Capital Expenditure - Functional Classification	3	227 354	258 546	258 546	13 679	38 230	64 163	(25 934)	-40%	258 546
Funded by:										
National Government			174 155	174 155	12 178	26 923	43 539	(16 616)	-38%	174 155
Provincial Government			80 000	80 000	1 501	11 307	19 997	(8 690)	-43%	80 000
District Municipality										
Other transfers and grants										
Transfers recognised - capital		-	254 155	254 155	13 679	38 230	63 536	(25 306)	-40%	254 155
Public contributions & donations	5									
Borrowing	6									
Internally generated funds			4 391	4 391	-	-	1 098	(1 098)	-100%	4 391
Total Capital Funding		-	258 546	258 546	13 679	38 230	64 634	(26 404)	-41%	258 546

4.6. Table C6 Monthly Budget Statement-Financial Position

DC14 Joe Gqabi - Table C6 Consolidated Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2016/17	Budget Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		2 185	2 273	2 273	60 286	2 273
Call investment deposits			630	630		630
Consumer debtors		116 992	85 991	85 991	256 481	85 991
Other debtors		54 326	31 275	31 275		31 275
Current portion of long-term receivables						-
Inventory		2 900	3 178	3 178	2 912	3 178
Total current assets		176 404	123 347	123 347	319 679	123 347
Non current assets						
Long-term receivables						
Investments		3 478	3 305	3 305	3 478	3 305
Investment property		2 277	2 534	2 534	2 277	2 534
Investments in Associate						
Property, plant and equipment		1 671 125	1 704 252	1 704 252	1 704 249	1 704 252
Agricultural						
Biological assets						
Intangible assets		901	880	880	901	880
Other non-current assets						
Total non current assets		1 677 781	1 710 971	1 710 971	1 710 904	1 710 971
TOTAL ASSETS		1 854 184	1 834 318	1 834 318	2 030 583	1 834 318
LIABILITIES						
Current liabilities						
Bank overdraft		5 673				
Borrowing		5 947	2 684	2 684		2 684
Consumer deposits		935	890	890	944	890
Trade and other payables		104 765	71 392	71 392	74 314	71 392
Provisions		24 937	22 909	22 909	20 243	22 909
Total current liabilities		142 256	97 876	97 876	95 501	97 876
Non current liabilities						
Borrowing		6 667	11 552	11 552	12 286	11 552
Provisions		34 706	39 246	39 246	36 792	39 246
Total non current liabilities		41 373	50 799	50 799	49 077	50 799
TOTAL LIABILITIES		183 629	148 674	148 674	144 578	148 674
NET ASSETS	2	1 670 555	1 685 643	1 685 643	1 886 005	1 685 643
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 670 555	1 685 643	1 685 643	1 886 005	1 685 643
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	1 670 555	1 685 643	1 685 643	1 886 005	1 685 643

4.7 Table C7: Monthly Budget Statement - Cash Flow

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

Description	Ref	2016/17	Budget Year 2017/18							
		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								-		
Service charges		25 906	101 604	101 604	9 620	47 478	25 401	22 077	87%	101 604
Other revenue			1 389	1 389	61	167	347	(180)	-52%	1 389
Government - operating		262 319	355 444	355 444	1 025	104 008	88 860	15 148	17%	355 444
Government - capital		314 817	254 155	254 155	6 771	123 073	63 538	59 535	94%	254 155
Interest		3 309	4 040	4 040	2 367	4 567	1 009	3 558	353%	4 040
Dividends								-		
Payments										
Suppliers and employees		(368 310)	(437 074)	(437 074)	(22 000)	(68 689)	(109 268)	(40 579)	37%	(437 074)
Finance charges		(5 916)	-	-	(437)	(961)	-	961	#DIV/0!	-
Transfers and Grants		(7 370)	(16 505)	(16 505)	(3 092)	(8 706)	(4 126)	4 580	-111%	(16 505)
NET CASH FROM/(USED) OPERATING ACTIVITIES		224 755	263 054	263 054	(5 685)	200 938	65 761	(135 177)	-206%	263 054
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current debtors					13	39		39	#DIV/0!	
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(227 355)	(258 546)	(258 546)	(13 679)	(34 756)	(64 636)	(29 880)	46%	(258 546)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(227 355)	(258 546)	(258 546)	(13 667)	(34 717)	(64 636)	(29 919)	46%	(258 546)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		44						-		
Payments										
Repayment of borrowing		(3 354)	(4 026)	(4 026)	-	-	(671)	(671)	100%	(4 026)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3 310)	(4 026)	(4 026)	-	-	(671)	(671)	100%	(4 026)
NET INCREASE/(DECREASE) IN CASH HELD		(5 909)	482	482	(19 352)	166 220	454			482
Cash/cash equivalents at beginning:		2 422	2 422	2 422			2 422			-
Cash/cash equivalents at month/year end:		(3 488)	2 903	2 903		166 220	2 876			482

PART 2 – IN-YEAR REPORT

SECTION 5 .SUPPORTING DOCUMENTATION

DC14 Joe Gqabi - Supporting Table SC2 Monthly Budget Statement - performance indicators - M03 September

Description of financial indicator	Basis of calculation	Ref	2016/17	Budget Year 2017/18			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0,0%	9,5%	9,5%	1,3%	1,8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		7,4%	5,1%	5,1%	4,6%	5,1%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	0,0%	0,0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	124,0%	126,0%	126,0%	334,7%	126,0%
Liquidity Ratio	Monetary Assets/Current Liabilities		1,5%	3,0%	3,0%	63,1%	3,0%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0,0%	23,0%	23,0%	163,5%	23,0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0,0%	0,0%	0,0%	0,0%	0,0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		0,0%	36,7%	36,7%	29,8%	36,7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0,0%	0,0%	0,0%	0,0%	0,0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		0,0%	9,7%	9,7%	0,6%	1,9%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

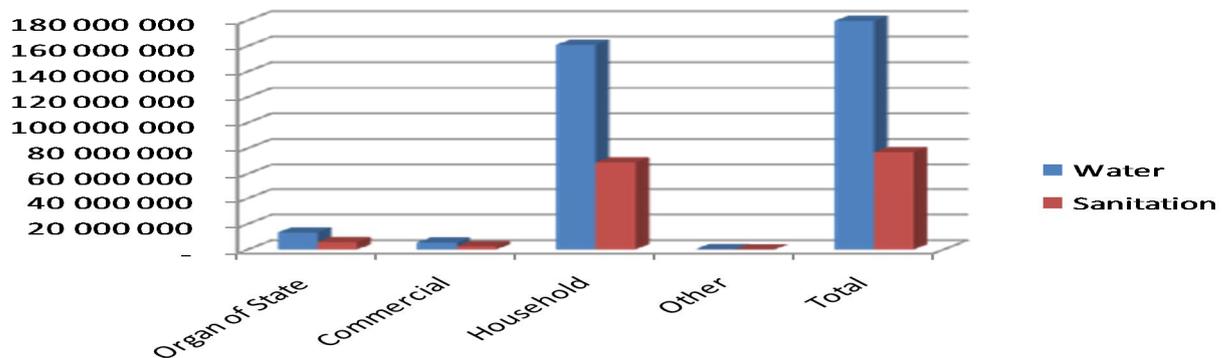
Section 6–Debtors' analysis

DC14 Joe Gqabi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2017/18									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	8 905	7 203	8 441	7 036	6 613	6 882	29 425	101 909	176 415	151 865		
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	3 751	2 959	3 267	3 083	2 979	2 907	14 640	46 054	79 641	69 663		
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	92	3	16	38	24	18	126	107	425	313		
Total By Income Source	2000	12 749	10 166	11 725	10 157	9 616	9 807	44 190	148 071	256 481	221 841	-	-
2016/17 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 003	637	651	613	585	666	7 518	7 229	18 902	16 611		
Commercial	2300	565	388	416	409	359	290	1 595	3 698	7 719	6 350		
Households	2400	11 171	9 132	10 648	9 129	8 664	8 846	35 048	137 058	229 696	198 745		
Other	2500	11	8	10	7	7	7	29	86	164	135		
Total By Customer Group	2600	12 749	10 166	11 725	10 157	9 616	9 807	44 190	148 071	256 481	221 841	-	-

	Organ of State	Commercial	Household	Other	Total
Water	13 231 737	5 403 295	160 787 023	114 464	179 536 519
Sanitation	5 670 744	2 315 698	68 908 724	49 056	76 944 222
	18 902 481	7 718 993	229 695 748	163 519	256 480 741

The age analysis for debtors only includes those amounts which are current or past due. The debtorsø age analysis includes pro-rata billing up to the current month. It is noted that are the leading sector owing the municipality for the services of Water and Sanitation, followed by the Organs of state, Commercial and Other.



Section 7–Creditors' analysis

7.1 Supporting Table SC4

The table below is the reflection of the creditors age analysis as at 30 September 2017 with total creditors amounting to R 4, 8 million.

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

Description R thousands	NT Code	Budget Year 2017/18								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	-	10							10
Bulk Water	0200	-	-							-
PAYE deductions	0300	-	-							-
VAT (output less input)	0400	-	-							-
Pensions / Retirement deductions	0500	-	-							-
Loan repayments	0600	-	-							-
Trade Creditors	0700	4 675	102							4 778
Auditor General	0800	-	-							-
Other	0900	6	10							17
Total By Customer Type	1000	4 682	123	-	-	-	-	-	-	4 805

Section 8–Investment portfolio analysis

8.1 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.

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									
Municipality sub-total					-		-	-	-
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				-		-	-	-

Section 9 – Allocation and grant receipts and expenditure to date

9.1 Grants Receipts

DC14 Joe Gqabi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2016/17		Budget Year 2017/18						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	246 454	246 454	-	102 978	102 978	-		246 454
Local Government Equitable Share			239 160	239 160		99 650	99 650	-		239 160
Finance Management			1 250	1 250		1 250	1 250	-		1 250
EPWP Incentive			2 227	2 227		552	552	-		2 227
Rural Roads Asset Management Systems								-		-
Grant			2 180	2 180		1 526	1 526	-		2 180
Municipal Systems Improvement	3		1 637	1 637				-		1 637
Rural Households Infrastructure Grant					-	-	-	-		-
Other transfers and grants [insert description]								-		-
Provincial Government:		-	49 600	49 600	-	-	-	-		49 600
Department of Roads and Public Works			38 000	38 000	-	-	-	-		38 000
Department of Environmental Affairs			11 600	11 600	-	-	-	-		11 600
Other transfers and grants [insert description]	4							-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		-
Other grant providers:		-	4 957	4 957	75	75	75	-		4 957
LG SETA			2 000	2 000	75	75	75	-		2 000
IDC - JoGEDA			2 000	2 000	-	-	-	-		2 000
DTI			957	957	-	-	-	-		957
Total Operating Transfers and Grants	5	-	301 011	301 011	75	103 053	103 053	-		301 011
Capital Transfers and Grants										
National Government:		-	230 225	230 225	-	100 107	100 107	-		230 225
Municipal Infrastructure Grant (MIG)			159 725	159 725		65 857	65 857	-		159 725
Housing Settlement								-		-
Water services infrastructure Grant			64 500	64 500		32 250	32 250	-		64 500
Regional Bulk Infrastructure			6 000	6 000		2 000	2 000	-		6 000
Other capital transfers [insert description]								-		-
Provincial Government:		-	80 000	80 000	6 771	22 966	22 966	-		80 000
Emergency Drought Relief			80 000	80 000	6 771	22 966	22 966	-		80 000
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		-
Total Capital Transfers and Grants	5	-	310 225	310 225	6 771	123 073	123 073	-		310 225
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	611 236	611 236	6 846	226 126	226 126	-		611 236

9.2 Grants Expenditure

DC14 Joe Gqabi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

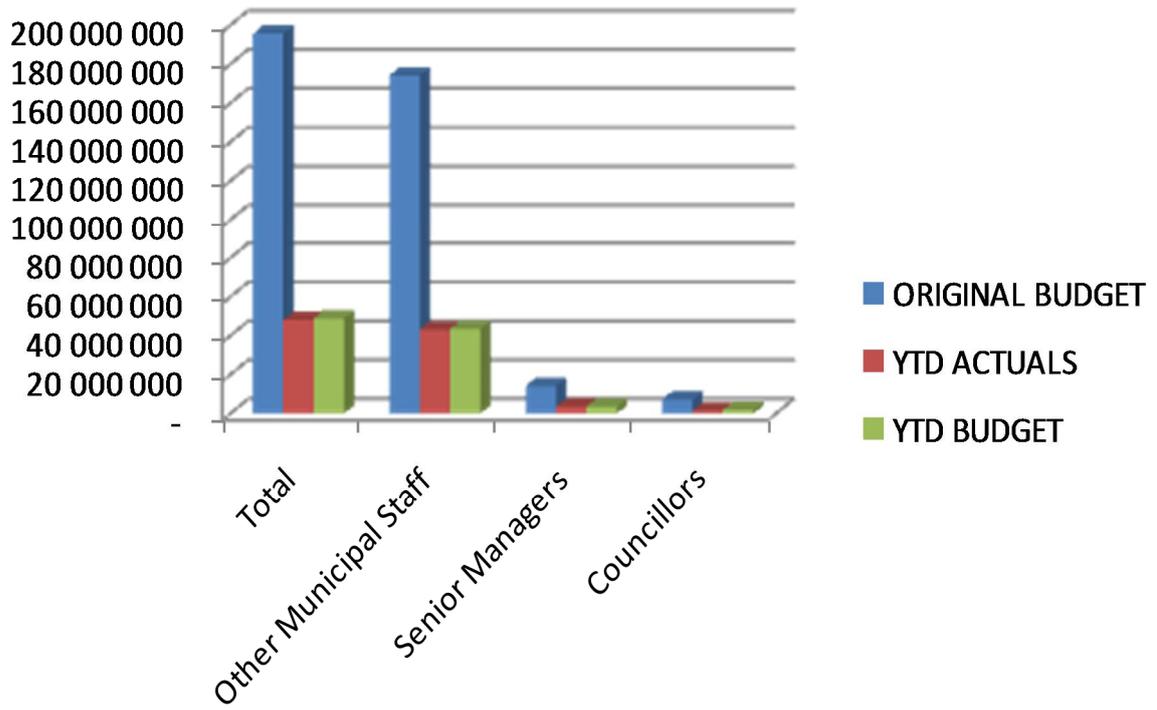
Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	246 454	246 454	216	1 359	101 008	(99 650)	-98,7%	246 454
Local Government Equitable Share			239 160	239 160			99 650	(99 650)	-100,0%	239 160
Finance Management			1 250	1 250	43	455	455	-		1 250
EPWP Incentive			2 227	2 227				-		2 227
Rural Roads Asset Management Systems								-		
Grant			2 180	2 180				-		2 180
Municipal Systems Improvement			1 637	1 637	173	903	903	0	0,1%	1 637
Other transfers and grants [insert description]								-		
Provincial Government:		-	38 000	38 000	2 256	6 009	9 499	(3 490)	-36,7%	38 000
Department of Roads and Public Works			38 000	38 000	2 256	6 009	9 499	(3 490)	-36,7%	38 000
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	2 000	2 000	66	101	500	(399)	-79,8%	2 000
LG SETA			2 000	2 000	66	101	500	(399)	-79,8%	2 000
Total operating expenditure of Transfers and Grants:		-	286 454	286 454	2 538	7 468	111 007	(103 539)	-93,3%	286 454
Capital expenditure of Transfers and Grants										
National Government:		-	230 225	230 225	17 101	43 934	57 556	(13 623)	-23,7%	230 225
Municipal Infrastructure Grant (MIG)			159 725	159 725	15 638	40 828	39 931	896	2,2%	159 725
Water services infrastructure Grant			64 500	64 500			16 125	(16 125)	-100,0%	64 500
Regional Bulk Infrastructure			6 000	6 000	1 464	3 106	1 500	1 606	107,1%	6 000
Other capital transfers [insert description]								-		
Provincial Government:		-	80 000	80 000	1 501	5 296	19 999	(14 703)	-73,5%	80 000
Emergency Drought Relief			80 000	80 000	1 501	5 296	19 999	(14 703)	-73,5%	80 000
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:								-		
Total capital expenditure of Transfers and Grants		-	310 225	310 225	18 602	49 229	77 555	(28 326)	-36,5%	310 225
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	596 679	596 679	21 140	56 698	188 563	(131 865)	-69,9%	596 679

Section 10 – Expenditure on councillor and board members allowances and employee benefits

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 - M03 September

Summary of Employee and Councillor remuneration	Ref	2016/17	Budget Year 2017/18							
		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			4 777	4 777	354	1 058	1 194	(136)	-11%	4 777
Pension and UIF Contributions			719	719	49	148	180	(31)	-17%	719
Medical Aid Contributions			1 304	1 304	11	43	326	(283)	-87%	1 304
Motor Vehicle Allowance			222	222	17	52	55	(3)	-6%	222
Cellphone Allowance			221	221	20	50	55	(5)	-10%	221
Housing Allowances								-		
Other benefits and allowances					4	11		11	#DIV/0!	
Sub Total - Councillors		-	7 242	7 242	456	1 362	1 811	(448)	-25%	7 242
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
Senior Managers of the Municipality										
Basic Salaries and Wages			9 435	9 435	987	2 994	2 359	636	27%	9 435
Pension and UIF Contributions			622	622	81	241	156	85	55%	622
Medical Aid Contributions			245	245	43	117	61	56	91%	245
Overtime			-	-				-		
Performance Bonus			1 958	1 958	-	-	490	(490)	-100%	1 958
Motor Vehicle Allowance			942	942	67	201	236	(34)	-15%	942
Cellphone Allowance			335	335	8	44	84	(40)	-47%	335
Housing Allowances			-	-				-		
Other benefits and allowances			125	125	-	-	31	(31)	-100%	125
Payments in lieu of leave			548	548	-	-	137	(137)	-100%	548
Long service awards								-		
Post-retirement benefit obligations	2							-		
Sub Total - Senior Managers of Municipality		-	14 211	14 211	1 187	3 598	3 553	46	1%	14 211
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages			114 799	114 799	9 755	29 020	28 700	320	1%	114 799
Pension and UIF Contributions			13 151	13 151	1 433	4 289	3 288	1 001	30%	13 151
Medical Aid Contributions			7 099	7 099	461	1 383	1 775	(392)	-22%	7 099
Overtime			8 554	8 554	811	3 220	2 139	1 081	51%	8 554
Performance Bonus			10 126	10 126	-	-	2 532	(2 532)	-100%	10 126
Motor Vehicle Allowance			2 776	2 776	446	1 275	694	581	84%	2 776
Cellphone Allowance			1 310	1 310	98	284	328	(43)	-13%	1 310
Housing Allowances			1 131	1 131	104	312	283	29	10%	1 131
Other benefits and allowances			9 611	9 611	1 059	3 295	2 403	892	37%	9 611
Payments in lieu of leave			2 064	2 064			516	(516)	-100%	2 064
Long service awards			844	844	-	-	211	(211)	-100%	844
Post-retirement benefit obligations	2		2 727	2 727			682	(682)	-100%	2 727
Sub Total - Other Municipal Staff		-	174 191	174 191	14 168	43 077	43 548	(471)	-1%	174 191
% increase	4		#DIV/0!	#DIV/0!						#DIV/0!
Total Parent Municipality		-	195 645	195 645	15 810	48 038	48 911	(874)	-2%	195 645



SECTION 11 – CAPITAL PROGRAMME PERFORMANCE

11.1 SUPPORTING TABLE C12 & 13

The disclosure on capital programme performance must include at least -

- ❖ SC12: Capital expenditure by month
- ❖ SC13a: Capital expenditure on new assets by asset class
- ❖ SC13b: Capital expenditure on renewal of existing assets by asset class
- ❖ SC13c: Expenditure on repairs and maintenance by asset class

DC14 Joe Gqabi - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M03 September

Month	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July		21 546	21 546	12 336	12 336	21 546	9 209	42,7%	5%
August		21 546	21 546	12 593	24 929	43 091	18 162	42,1%	10%
September		21 546	21 546	13 679	38 608	64 637	26 028	40,3%	15%
October		21 546	21 546			86 182	-		
November		21 546	21 546			107 728	-		
December		21 546	21 546			129 273	-		
January		21 546	21 546			150 819	-		
February		21 546	21 546			172 364	-		
March		21 546	21 546			193 910	-		
April		21 546	21 546			215 455	-		
May		21 546	21 546			237 001	-		
June		21 546	21 546			258 546	-		
Total Capital expenditure	-	258 546	258 546	38 608					

The Municipality has spent 15 percent of the capital budget as at 30 September 2017.

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

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

Description	Ref	2016/17	Budget Year 2017/18							
		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		224 003	101 800	101 800	10 844	29 787	205 892	176 104	85,5%	101 800
Roads Infrastructure		-	-	-	-	-	-	-		-
<i>Roads</i>										
<i>Road Structures</i>										
<i>Road Furniture</i>										
<i>Capital Spares</i>										
Storm water Infrastructure		-	-	-	-	-	-	-		-
<i>Drainage Collection</i>										
<i>Storm water Conveyance</i>										
<i>Attenuation</i>										
Electrical Infrastructure		-	-	-	751	2 520	-	(2 520)	#DIV/0!	-
<i>Power Plants</i>					751	2 520		(2 520)	#DIV/0!	
Water Supply Infrastructure		157 386	56 200	56 200	6 288	17 095	39 347	22 252	56,6%	56 200
<i>Dams and Weirs</i>										
<i>Boreholes</i>										
<i>Reservoirs</i>		157 386	56 200	56 200	6 288	17 095	39 347	22 252	56,6%	56 200
Sanitation Infrastructure		66 618	45 600	45 600	3 805	10 172	166 545	156 373	93,9%	45 600
<i>Pump Station</i>										
<i>Reticulation</i>		66 618	45 600	45 600	3 805	10 172	166 545	156 373	93,9%	45 600
Other assets		105	-	-	2 835	2 835	-	(2 835)	#DIV/0!	-
Operational Buildings		105	-	-	2 835	2 835	-	(2 835)	#DIV/0!	-
<i>Municipal Offices</i>										
<i>Pay/Enquiry Points</i>										
<i>Building Plan Offices</i>		105			2 835	2 835		(2 835)	#DIV/0!	

<u>Biological or Cultivated Assets</u>		-	1 010	1 010	-	-	-	-		1 010
Biological or Cultivated Assets			1 010	1 010				-		1 010
<u>Computer Equipment</u>		-	-	-	-	-	-	-		-
Computer Equipment								-		
<u>Furniture and Office Equipment</u>		328	2 281	2 281	-	-	-	-		2 281
Furniture and Office Equipment		328	2 281	2 281				-		2 281
<u>Machinery and Equipment</u>		50	500	500	-	-	-	-		500
Machinery and Equipment		50	500	500				-		500
<u>Transport Assets</u>		922	600	600	-	-	-	-		600
Transport Assets		922	600	600				-		600
<u>Libraries</u>		-	-	-	-	-	-	-		-
Libraries								-		
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
Total Capital Expenditure on new assets	1	227 355	106 191	106 191	13 679	32 622	205 892	173 269	84,2%	106 191

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

DC14 Joe Gqabi - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M03

Description	Ref	2016/17	Budget Year 2017/18								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class											
Infrastructure		-	152 355	152 355	-	-	152 355	152 355	100,0%	152 355	
Roads Infrastructure		-	-	-	-	-	-	-	-	-	
<i>Roads</i>											
<i>Road Structures</i>											
<i>Road Furniture</i>											
<i>Capital Spares</i>											
Sanitation Infrastructure		-	152 355	152 355	-	-	152 355	152 355	100,0%	152 355	
<i>Pump Station</i>			152 355	152 355			152 355	152 355	100,0%	152 355	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets											
Intangible Assets		-	-	-	-	-	-	-	-	-	
Servitudes											
Licences and Rights		-	-	-	-	-	-	-	-	-	
<i>Water Rights</i>											
<i>Effluent Licenses</i>											
<i>Solid Waste Licenses</i>											
<i>Computer Software and Applications</i>											
<i>Load Settlement Software Applications</i>											
<i>Unspecified</i>											
Computer Equipment		-	-	-	-	-	-	-	-	-	
Computer Equipment											
Furniture and Office Equipment		-	-	-	46	46	46	-	-	-	
Furniture and Office Equipment					46	46	46	-	-	-	
Machinery and Equipment		-	-	-	-	-	-	-	-	-	
Machinery and Equipment											
Transport Assets		-	-	-	-	-	-	-	-	-	
Transport Assets											
Libraries		-	-	-	-	-	-	-	-	-	
Libraries											
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals											
Total Capital Expenditure on renewal of existing assets	1	-	152 355	152 355	46	46	152 401	152 355	100,0%	152 355	

DC14 Joe Gqabi - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M03

Description	Ref	2016/17	Budget Year 2017/18							
		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		–	27 228	27 228	245	625	6 807	6 182	90,8%	16 165
Roads Infrastructure		–	6 900	6 900	–	–	1 725	1 725	100,0%	6 900
<i>Roads</i>								–		
<i>Road Structures</i>			6 900	6 900			1 725	1 725	100,0%	6 900
<i>Road Furniture</i>								–		
<i>Capital Spares</i>								–		
Water Supply Infrastructure		–	11 063	11 063	214	591	2 766	2 175	78,6%	11 063
<i>Dams and Weirs</i>								–		
<i>Boreholes</i>								–		
<i>Reservoirs</i>			11 063	11 063	214	591	2 766	2 175	78,6%	11 063
Sanitation Infrastructure		–	9 265	9 265	31	34	2 316	2 283	98,5%	9 265
<i>Pump Station</i>								–		
<i>Reticulation</i>								–		
<i>Waste Water Treatment Works</i>			9 265	9 265	31	34	2 316	2 283	98,5%	9 265
Other assets		–	1 000	1 000	3	20	250	230	92,0%	1 000
Operational Buildings		–	1 000	1 000	3	20	250	230	92,0%	1 000
<i>Municipal Offices</i>			1 000	1 000	3	20	250	230	92,0%	1 000
Computer Equipment		–	229	229	–	–	57	57	100,0%	229
Computer Equipment			229	229			57	57	100,0%	229
Machinery and Equipment		–	–	–	–	–	–	–		–
Machinery and Equipment								–		

Transport Assets		-	1 160	11 604	79	403	2 901	2 498	86,1%	-
Transport Assets			1 160	11 604	79	403	2 901	2 498	86,1%	
Libraries		-	-	-	-	-	-	-		-
Libraries										
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	-	29 617	40 061	327	1 048	10 015	8 967	89,5%	28 457

SECTION 12 – MATERIAL VARIANCES TO THE SDBIP

12.1 Overview

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

SECTION 13 – OTHER SUPPORTING DOCUMENTATION

13.1 Other information

None

SECTION 14 – 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 ended 30 September 2017 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: 13.10.2017_____