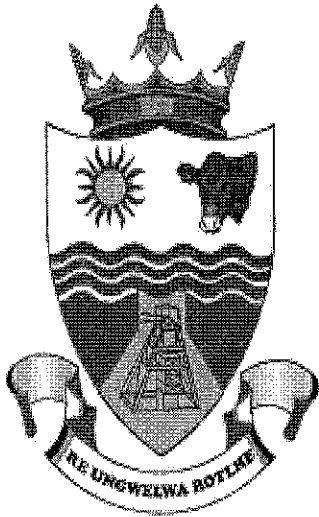


JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG
LOCAL MUNICIPALITY

(NC 451)

ADJUSTMENT BUDGET 2013/14

24 January 2014

TABLE OF CONTENTS

CONTENTS	Page No
Glossary	1
Section 1- Mayor's Report	3
Section 2- Resolution.....	4
Section 3 - Accounting Officer's Remark	5
Section 4 – Executive Summary	6
Section 5 – Adjustment Budget Tables	7
Section 6 – Adjustment Budget Assumptions.....	26
Section 7 – Quality Certificate	30

Glossary

Budget – The financial plan of the Municipality.

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

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

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

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

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure 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.

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.

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

Virement – A transfer of budget

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

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

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. Sometimes referred to as the Act.

JOE MOROLONG LOCAL MUNICIPALITY

MIG – Municipal Infrastructure Grant.

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.

Rates – Local Government tax based on the assessed 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 Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

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.

Vote – One of the main segments into which a budget.

JOE MOROLONG LOCAL MUNICIPALITY

Section 1 – Mayor’s Report

Speaker, members of the Executive Committee, Councillors, Municipal Manager, other Senior Manager, guests, ladies and gentlemen, good morning to all.

Speaker, the Joe Morolong Local Municipality is again with 2013/2014 Adjustment budget seek to provide sustainable and economically viable local governance to our communities as stipulated in the original approved budget.

For that reason this Adjustments Budget should be viewed as setting the scene for the forthcoming annual budget which will be tabled at the end of March for approval by Council in May. The Adjustments Budget before us is far more of a technical budget as prescribed under the MFMA Municipal Budget and Reporting Regulations.

It is required because of the additional grants and additional other income received, but it also allows Council the chance to move funding sources and to adjust spending priorities without moving too far away from the original approved budget.

Allocation and grant adjustments are as the result of additional grants received from National and Provincial Government departments being Water Affairs (RBIG), COGHSTA (housing), Provincial Public Works (EPWP) and Kumba Iron Ore.

Kumba Iron Ore (Sishen Mine) have transferred an amount of R 8,6 million for construction of access road in order for the municipality to speed up service delivery in terms of roads as we currently know that our municipal roads mostly are gravel roads.

The municipality have been affected by lack of rain in recent year and causing boreholes to dry up in some areas and it resulted in the municipality having to spend money on rehabilitation of those boreholes. These had effect on our approved repairs and maintenance budget and it resulted in increase of repairs and maintenance budget for water infrastructure as this is basic need for our community and important that it should be available at all times.

Thanks

JOE MOROLONG LOCAL MUNICIPALITY

Section 2 - Resolutions

Joe Morolong Local Municipality

BUDGET ADJUSTMENTS MTREF 2012/2013

- a) That the annual adjustments budget of Joe Morolong Local Municipality for the financial year 2013/2014, as set-out in the schedules has been approved as follows:
- Table B2: Adjustments Budget Financial Performance (expenditure by standard classification)
 - Table B3: Adjustments Budget Financial Performance (expenditure by municipal vote)
 - Table B4: Adjustments Budget Financial Performance (revenue by source)
 - Table B5: Adjustments Budget Capital Expenditure for both multi-year and single year by vote, standard classification and funding
- b) That the following adjustments permitted in terms of section 28(2) of the Municipal Finance Management Act and reflected in the tables referred to in resolution [a] above be approved:
- That the revenue and expenditure estimates be adjusted upwards as a result of additional grants and additional other income received
 - That those additional revenues that have become available over and above those anticipated in the annual budget be appropriated, but only to revise or accelerate spending programmes already budgeted for;
 - That the utilisation of projected savings in one vote toward spending under another vote be authorised; and
 - That any errors in the annual budget be corrected.

RESOLUTION NO: 179/2013/14

Section 3 - Accounting Officer's Remarks

The alignment of a budget to an IDP is vital to achieve on service delivery targets.

However, several factors influence the need to review spending priorities as originally approved by council mostly under the provision of basic services. These reviews allow for additions to revenue (mostly being grants) and changes to spending plans.

As will appear from the adjustment proposal tabled here, revenue is projected to increase by R 53, 2 million from the approved budget and the principal driver of this is increased conditional grants being Provincial EPWP, Regional Bulk Infrastructure Grant, Housing grant and Kumba Iron Ore(Sishen Mine).

For the period under review operating expenses are also to be increased and is mainly driven by contracted services, repairs and maintenance and general expenses.

Increases in capital allocations are mainly due to receipts of Kumba Iron Ore for access roads and Regional Bulk Infrastructure Grant to increase provision of water to the community.

The municipality will continue to strive and enforce proper implementation and compliance to MFMA. We will continue to improve in applying prudent financial management disciplines to sustain this status in the short term whilst putting in place programmes that will improve our rating.

Admittedly, much work lies ahead, but we can with confidence state that the Joe Morolong Local Municipality will function at a higher level.

T M BLOOM

Section 4 - Executive Summary

4.1. Compliance

Municipalities are required, in terms of Section 72 of Municipal Finance Management Act 56 Of 2003 (MFMA) to review the budget and its performance against the targets, and submit such a report to the Executive Mayor.

As such, from the assessment report, it was obvious that there is a need to review the original budget and align targets and outcomes based on the mid-term indicators and full year projection for operational revenue and expenditure as well as the capital expenditure and funding sources.

Section 28 of MFMA prescribes the following;

28. (1) A municipality may revise an approved annual budget through an adjustments budget.

(2) An adjustments budget—

- (a) must adjust the revenue and expenditure estimates downwards if there is material under collection of revenue during the current year;
- (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-

JOE MOROLONG LOCAL MUNICIPALITY

overs when the annual budget for the current year was approved by the council;

- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework.

At mid-term, most of the above conditions prevailed, and hence we are gathered here today to consider the adjustment budget for approval.

4.2. Outcomes of the mid-term budget and performance assessment

The mid-term performance report of the municipality revealed successes, challenges and opportunities for the review of appropriations and spending priorities of the municipality and allocating available resources where they are needed most.

The collection rate remains a challenge mainly caused by the fact that our billing system have been giving us problems despite the service provider personnel being around to assist with the problem. It is not our intention to adjust the collection rate downward. We have to work hard and ensure that the application of policies is maximized without prejudice to any customer and for any service.

Section 5 - Adjustment Budget Tables

Adjustment Budget Schedules

Table B1: Adjustments Budget Summary

Table B2: Adjustments Budget Financial Performance (standard classification)

Table B3: Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

Table B4: Adjustments Budget Financial Performance (revenue and expenditure)

Table B5: Adjustments Capital Expenditure Budget by vote and funding

Table B6: Adjustments Budget Financial Position

Table B7: Adjustments Budget Cash Flows

Table B8: Cash backed reserves/accumulated surplus reconciliation

JOE MOROLONG LOCAL MUNICIPALITY

Table B9: Asset Management

Table B10: Basic service delivery measurement

Contact Details

NC451 Joe Morolong - Contact Information

A. GENERAL INFORMATION	
Municipality	NC451 Joe Morolong
Grade	
Province	NC NORTHERN CAPE
Web Address	www.joemorolong.gov.za
e-mail Address	
B. CONTACT INFORMATION	
Postal address:	
P.O. Box	Private Bag x117
City / Town	Mothibistad
Postal Code	8474
Street address	
Building	D320 Cardington Road
Street No. & Name	Churchill
City / Town	Kuruman
Postal Code	8460
General Contacts	
Telephone number	537739300
Fax number	537739350
C. POLITICAL LEADERSHIP	
Speaker:	
Name	Mmasara Rejoice Maneng
Telephone number	537739300
Cell number	828292507
Fax number	537739350
E-mail address	
Secretary/PA to the Speaker:	
Name	Mosetsana Reginah Zimba
Telephone number	537739300
Cell number	828201769
Fax number	537739350
E-mail address	
Mayor/Executive Mayor:	
Name	Mosadiwathapelo Dorcas Moremi
Telephone number	53779300
Cell number	828292507
Secretary/PA to the Mayor/Executive Mayor:	
Name	Matshidiso Baby Thebeyagae
Telephone number	537739300
Cell number	824467909

Set name on 'Instructions' sheet

1 Grade in terms of the Remuneration of Public Office Bearers Act.

JOE MOROLONG LOCAL MUNICIPALITY

Fax number	537739350	Fax number	537739350
E-mail address		E-mail address	matshidishot@joemorolong.gov.za
Deputy Mayor/Executive Mayor:		Secretary/PA to the Deputy Mayor/Executive Mayor:	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
D. MANAGEMENT LEADERSHIP			
Municipal Manager:		Secretary/PA to the Municipal Manager:	
Name	Tshepo Macdonald Bloom	Name	Masego Daphney Morwagae
Telephone number	537739300	Telephone number	537739300
Cell number	0794897071/07615104014	Cell number	722794254
Fax number	537739350	Fax number	537739350
E-mail address	bloomt@joemorolong.gov.za	E-mail address	mmoroagae@joemorolong.gov.za
Chief Financial Officer		Secretary/PA to the Chief Financial Officer	
Name	Boipelo Dorcas Motlhaping	Name	
Telephone number	537739300	Telephone number	
Cell number	823501559	Cell number	
Fax number	537739350	Fax number	
E-mail address	motlhapingb@joemorolong.co.za	E-mail address	
Official responsible for submitting financial information			
Name	Itumeleng Thamane		
Telephone number	537739300		
Cell number	768042193		
Fax number	537739350		
E-mail address	ithamane@joemorolong.gov.za		
Official responsible for submitting financial information			
Name	Boipelo Dorcas Motlhaping		
Telephone number	537739300		
Cell number	823501559		
Fax number	537739350		
E-mail address	motlhapingb@joemorolong.co.za		
Official responsible for submitting financial information			

JOE MOROLONG LOCAL MUNICIPALITY

Table B1: Adjustments Budget Summary

NC451 Joe Morolong -
Table B1 Adjustments
Budget Summary -
24/01/2014

Description	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
Financial Performance											
Property rates	11,684	-	-	-	-	-	-	-	11,684	12,412	13,185
Service charges	13,943	-	-	-	-	-	878	878	14,821	16,638	18,725
Investment revenue	-	-	-	-	-	-	193	193	193	100	120
Transfers recognised - operational	94,721	-	-	-	-	4,809	-	4,809	99,530	103,464	120,119
Other own revenue	986	-	-	-	-	-	450	450	1,436	807	826
Total Revenue (excluding capital transfers and contributions)	121,334	-	-	-	-	4,809	1,521	6,330	127,663	133,421	152,975
Employee costs	35,713	-	-	-	-	-	(1,256)	(1,256)	34,457	38,006	39,985
Remuneration of councillors	7,438	-	-	-	-	-	(1,072)	(1,072)	6,366	6,921	7,159
Depreciation & asset impairment	5,615	-	-	-	-	-	(2,615)	(2,615)	3,000	5,902	6,191
Finance charges	900	-	-	-	-	-	(61)	(61)	839	957	1,004
Materials and bulk purchases	11,006	-	-	-	-	-	(700)	(700)	10,306	11,997	13,976
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	39,026	-	-	-	-	4,809	16,452	21,261	60,287	50,447	55,180
Total Expenditure	99,699	-	-	-	-	4,809	10,748	15,557	115,255	114,231	123,497
Surplus/(Deficit)	21,635	-	-	-	-	-	(9,227)	(9,227)	12,408	19,190	29,478
Transfers recognised - capital	60,224	-	-	-	-	38,274	-	38,274	98,498	69,721	63,211
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	8,579	8,579	8,579	-	-
Surplus/(Deficit) after capital transfers & contributions	81,859	-	-	-	-	38,274	(648)	37,627	119,485	88,910	92,689
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	81,859	-	-	-	-	38,274	(648)	37,627	119,485	88,910	92,689
Capital expenditure & funds sources											
Capital expenditure	81,859	-	-	-	-	38,274	(648)	37,627	119,485	89,910	92,689
Transfers recognised - capital	60,224	-	-	-	-	38,274	-	38,274	98,498	69,721	63,211
Public contributions & donations	-	-	-	-	-	-	8,579	8,579	8,579	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	21,635	-	-	-	-	-	(9,227)	(9,227)	12,408	20,189	29,478
Total sources of capital funds	81,859	-	-	-	-	38,274	(648)	37,627	119,485	89,910	92,689
Financial position											
Total current assets	25,552	-	-	-	-	-	4,416	4,416	29,968	35,410	38,712
Total non current assets	80,281	-	-	-	-	-	885,748	885,748	966,029	1,064,097	1,020,530
Total current liabilities	12,641	-	-	-	-	-	16,073	16,073	28,714	14,491	14,853
Total non current liabilities	9,659	-	-	-	-	-	2,006	2,006	11,665	11,020	10,553
Community wealth/Equity	83,533	-	-	-	-	-	872,085	872,085	955,618	96	35

JOE MOROLONG LOCAL MUNICIPALITY

Cash flows												
Net cash from (used) operating	82,104	-	-	-	-	38,274	10,492	48,767	130,871	90,877	97,132	
Net cash from (used) investing	(80,241)	-	-	-	-	(46,854)	-	(46,854)	(127,095)	(87,350)	(94,042)	
Net cash from (used) financing	(784)	-	-	-	-	-	-	-	(784)	(835)	(876)	
Cash/cash equivalents at the year end	1,446	-	-	-	-	(8,579)	10,146	1,567	3,013	2,692	2,213	
Cash backing/surplus reconciliation												
Cash and investments available	30	-	-	-	-	-	3,090	3,090	3,120	5,212	5,713	
Application of cash and investments	(12,003)	-	-	-	-	-	(19,220)	(19,220)	(31,223)	(11,850)	(14,380)	
Balance - surplus (shortfall)	12,033	-	-	-	-	-	22,309	22,309	34,343	17,062	20,093	
Asset Management												
Asset register summary (WDV)	-	-	-	-	-	-	976,897	976,897	976,897	1,064,097	1,088,698	
Depreciation & asset impairment	5,615	-	-	-	-	-	(2,615)	(2,615)	3,000	5,902	6,191	
Renewal of Existing Assets	500	-	-	-	-	-	(300)	(300)	200	-	-	
Repairs and Maintenance	9,233	-	-	-	-	-	8,574	8,574	17,808	16,452	15,150	
Free services												
Cost of Free Basic Services provided	1,923	-	-	-	-	-	(8)	(8)	1,915	2,021	3,178	
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-	
Households below minimum service level												
Water:	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewerage:	3	-	-	-	-	-	-	-	3	3	3	
Energy:	-	-	-	-	-	-	-	-	-	-	-	
Refuse:	22	-	-	-	-	-	-	-	22	22	22	

Table B2: Adjustments Budget Financial Performance (standard classification)

The table in terms of standard classification is required by National Treasury to be able to compare all local authorities and prepare consolidated governmental reports. For specific information relating to the macro structure of the municipality and specific revenue and expenditure types, refer to Table B3 and Table B4.

NC451 Joe Morolong - Table B2 Adjustments Budget Financial Performance (standard classification) - 24/01/2014

Standard Description	Ref	Budget Year 2013/14									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1,4	A	A1	B	C	D	E	F	G	H		
Revenue - Standard Governance and administration		95,309	-	-	-	-	-	643	643	95,953	108,726	131,023

JOE MOROLONG LOCAL MUNICIPALITY

Executive and council		4,581	-	-	-	-	-	-	4,581	5,322	5,525
Budget and treasury office		90,423	-	-	-	-	643	643	91,066	103,094	125,182
Corporate services		305	-	-	-	-	-	-	305	310	316
Community and public safety		462	-	-	-	-	2,352	-	2,352	2,814	468
Community and social services		452	-	-	-	-	-	-	452	458	465
Sport and recreation		10	-	-	-	-	-	-	10	11	11
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	2,352	-	2,352	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		63,454	-	-	-	-	2,457	8,579	11,036	74,490	72,269
Planning and development		62,454	-	-	-	-	2,457	8,579	11,036	73,490	72,269
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		1,000	-	-	-	-	-	-	1,000	-	-
Trading services		22,333	-	-	-	-	38,274	878	39,152	61,485	21,678
Electricity		6,751	-	-	-	-	-	-	6,751	7,723	8,835
Water		14,173	-	-	-	-	38,274	-	38,274	52,447	7,380
Waste water management		839	-	-	-	-	-	586	586	1,424	1,600
Waste management		571	-	-	-	-	-	292	292	863	950
Other		-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	181,557	-	-	-	-	43,083	10,101	53,184	234,741	203,141
Expenditure - Standard											
Governance and administration		48,084	-	-	-	-	-	2,824	2,824	50,908	52,186
Executive and council		18,523	-	-	-	-	-	(3,782)	(3,782)	14,741	17,797
Budget and treasury office		16,785	-	-	-	-	-	5,447	5,447	22,232	20,682
Corporate services		12,776	-	-	-	-	-	1,160	1,160	13,935	13,707
Community and public safety		7,358	-	-	-	-	2,352	6	2,358	9,716	8,164
Community and social services		7,358	-	-	-	-	-	6	6	7,364	8,164
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	2,352	-	2,352	2,352	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		18,729	-	-	-	-	2,457	(2,342)	115	18,844	18,938
Planning and development		17,729	-	-	-	-	2,457	(2,342)	115	17,844	18,938
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		1,000	-	-	-	-	-	-	1,000	-	-
Trading services		25,528	-	-	-	-	-	10,259	10,259	35,787	34,943
Electricity		-	-	-	-	-	-	-	-	-	-
Water		25,528	-	-	-	-	-	10,259	10,259	35,787	34,943
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	99,699	-	-	-	-	4,809	10,748	15,557	115,256	114,231
Surplus/ (Deficit) for the year		81,859	-	-	-	-	38,274	(647)	37,627	119,485	88,910

JOE MOROLONG LOCAL MUNICIPALITY

Table B3: Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the total budgeted operating and capital expenditure performance in relation to the organisational structure of the municipality. This table also present the overall surplus of the municipality for each budget year. The operating expenditure is separately presented on table A4 and the capital expenditure presented on table A5

NC451 Joe Morolong - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 24/01/2014

Vote Description <i>[insert departmental structure etc]</i> R thousands	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue by Vote	1											
Vote 1 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		4,581	-	-	-	-	-	-	-	4,581	5,322	5,525
Vote 3 - FINANCE		90,423	-	-	-	-	-	643	643	91,066	103,094	125,182
Vote 4 - CORPORATE SERVICES		305	-	-	-	-	-	-	-	305	310	316
Vote 5 - COMMUNITY SERVICES		10,159	-	-	-	-	-	878	878	11,037	11,433	12,137
Vote 6 - TECHNICAL SERVICES		33,861	-	-	-	-	-	8,579	8,579	42,440	38,407	38,627
Vote 7 - WATER UNIT		41,209	-	-	-	-	38,274	-	38,274	79,483	44,555	34,380
Vote 8 - PLANNING AND DEVELOPMENT		1,019	-	-	-	-	2,457	-	2,457	3,476	19	19
Vote 9 - DMA		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - MIG		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - HOUSING		-	-	-	-	-	2,352	-	2,352	2,352	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	181,557	-	-	-	-	43,083	10,100	53,183	234,741	203,141	216,186
Expenditure by Vote	1											
Vote 1 - MUNICIPAL MANGER		3,653	-	-	-	-	-	(900)	(900)	2,753	3,882	4,114
Vote 2 - COUNCIL		14,071	-	-	-	-	-	(2,083)	(2,083)	11,988	13,915	14,497
Vote 3 - FINANCE		16,785	-	-	-	-	-	5,447	5,447	22,232	20,682	21,774
Vote 4 - CORPORATE SERVICES		12,776	-	-	-	-	-	1,160	1,160	13,935	13,707	14,774
Vote 5 - COMMUNITY SERVICES		7,358	-	-	-	-	-	6	6	7,364	8,164	9,898
Vote 6 - TECHNICAL SERVICES		12,769	-	-	-	-	-	(1,924)	(1,924)	10,844	12,429	14,145

JOE MOROLONG LOCAL MUNICIPALITY

Vote 7 - WATER UNIT		26,317	-	-	-	-	9,470	9,470	35,787	34,943	37,228
Vote 8 - PLANNING AND DEVELOPMENT		5,972	-	-	-	2,457	(428)	2,028	8,000	6,509	7,067
Vote 9 - DMA		-	-	-	-	-	-	-	-	-	-
Vote 10 - MIG		-	-	-	-	-	-	-	-	-	-
Vote 11 - HOUSING		-	-	-	-	2,352	-	2,352	2,352	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	99,699	-	-	-	4,809	10,748	15,557	115,255	114,231	123,497
Surplus/ (Deficit) for the year	2	81,859	-	-	-	38,274	(648)	37,627	119,485	88,910	92,689

Table B4: Adjustments Budget Financial Performance (revenue and expenditure)

NC451 Joe Morolong - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 24/01/2014

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	11,684	-	-	-	-	-	-	-	11,684	12,412	13,185
Property rates - penalties & collection charges										-		
Service charges - electricity revenue	2	6,751	-	-	-	-	-	-	-	6,751	7,723	8,835
Service charges - water revenue	2	5,783	-	-	-	-	-	-	-	5,783	6,515	7,340
Service charges - sanitation revenue	2	839	-	-	-	-	-	586	586	1,424	1,500	1,600
Service charges - refuse revenue	2	571	-	-	-	-	-	292	292	863	900	950
Service charges - other										-		
Rental of facilities and equipment		66								66	73	82
Interest earned - external investments								193	193	193	100	120
Interest earned - outstanding debtors								450	450	450	150	150
Dividends received										-		
Fines										-		
Licences and permits										-		
Agency services										-		
Transfers recognised - operating		94,721					4,809		4,809	99,530	103,464	120,119
Other revenue	2	920	-	-	-	-	-	-	-	920	583	594
Gains on disposal of PPE										-		
Total Revenue (excluding capital transfers and contributions)		121,334	-	-	-	-	4,809	1,521	6,330	127,663	133,421	152,975
Expenditure By Type												
Employee related costs		35,713	-	-	-	-	-	(1,256)	(1,256)	34,457	38,006	39,985
Remuneration of councillors		7,438						(1,072)	(1,072)	6,366	6,921	7,159

JOE MOROLONG LOCAL MUNICIPALITY

Debt impairment	170								170	181	193
Depreciation & asset impairment	5,615	-	-	-	-	-	(2,615)	(2,615)	3,000	5,902	6,191
Finance charges	900						(61)	(61)	839	957	1,004
Bulk purchases	11,006	-	-	-	-	-	(700)	(700)	10,306	11,997	13,976
Other materials											
Contracted services	6,106	-	-	-	-	-	4,994	4,994	11,100	6,472	7,794
Transfers and grants											
Other expenditure	32,750	-	-	-	-	4,809	11,458	16,267	49,018	43,795	47,194
Loss on disposal of PPE											
Total Expenditure	99,699	-	-	-	-	4,809	10,748	15,557	115,255	114,231	123,497
Surplus/(Deficit)	21,635	-	-	-	-	-	(9,227)	(9,227)	12,408	19,190	29,478
Transfers recognised - capital	60,224					38,274		38,274	98,498	69,721	63,211
Contributions							8,579	8,579	8,579		
Contributed assets											
Surplus/(Deficit) before taxation	81,859	-	-	-	-	38,274	(648)	37,627	119,485	88,910	92,689
Taxation											
Surplus/(Deficit) after taxation	81,859	-	-	-	-	38,274	(648)	37,627	119,485	88,910	92,689
Attributable to minorities											
Surplus/(Deficit) attributable to municipality	81,859	-	-	-	-	38,274	(648)	37,627	119,485	88,910	92,689
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year	81,859	-	-	-	-	38,274	(648)	37,627	119,485	88,910	92,689

Total operating revenue is adjusted by R 6.3 million increasing the original budget operating from R 121.3 million to R 127.7 million the current years as result of additional R 4.8 million grants, R0.9 million for sewerage and refuse and R0.6 million for interest.

The total operational expenditure is adjusted by R 15.6 million increasing the operating expense from R 99.7 million to R 115.3 million. This increase is as result of R 8.6 million for repairs & maintenance and R5 million for contracted services. There is also decrease in employees costs, councillors remuneration and depreciation budget.

JOE MOROLONG LOCAL MUNICIPALITY

Table B5: Adjustments Capital Expenditure Budget by vote and funding

NC451 Joe Morolong - Table B5 Adjustments Capital Expenditure Budget
by vote and funding - 24/01/2014

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands												
Capital expenditure - Vote Multi-year expenditure to be adjusted	2											
Vote 1 - MUNICIPAL MANGER		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		8,288	-	-	-	-	-	(8,288)	(8,288)	-	8,564	9,111
Vote 6 - TECHNICAL SERVICES		24,723	-	-	-	-	-	5,288	5,288	30,011	28,157	27,100
Vote 7 - WATER UNIT		27,036	-	-	-	-	-	3,000	3,000	30,036	33,000	27,000
Vote 8 - PLANNING AND DEVELOPMENT		4,385	-	-	-	-	-	(4,385)	(4,385)	-	6,000	7,730
Vote 9 - DMA		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - MIG		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - HOUSING		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	64,432	-	-	-	-	-	(4,385)	(4,385)	60,047	75,721	70,941
Single-year expenditure to be adjusted	2											
Vote 1 - MUNICIPAL MANGER		800	-	-	-	-	-	(550)	(550)	250	-	-
Vote 2 - COUNCIL		1,100	-	-	-	-	-	(30)	(30)	1,070	-	-
Vote 3 - FINANCE		177	-	-	-	-	-	492	492	669	319	-
Vote 4 - CORPORATE SERVICES		80	-	-	-	-	-	108	108	188	-	300
Vote 5 - COMMUNITY SERVICES		9,815	-	-	-	-	-	(2,867)	(2,867)	6,948	8,300	12,616
Vote 6 - TECHNICAL SERVICES		3,085	-	-	-	-	-	8,106	8,106	11,191	3,200	6,275
Vote 7 - WATER UNIT		2,370	-	-	-	-	-	38,274	(1,620)	36,654	39,024	2,370
Vote 8 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	99	99	99	-	-
Vote 9 - DMA		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - MIG		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - HOUSING		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-

JOE MOROLONG LOCAL MUNICIPALITY

Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		17,427	-	-	-	-	38,274	3,737	42,012	59,439	14,189	21,748
Total Capital Expenditure - Vote		81,859	-	-	-	-	38,274	(648)	37,627	119,485	89,910	92,689
Capital Expenditure - Standard												
Governance and administration		2,157	-	-	-	-	-	19	19	2,176	21	300
Executive and council		1,900						(580)	(580)	1,320	-	-
Budget and treasury office		177						492	492	669	21	-
Corporate services		80						108	108	188	-	300
Community and public safety		18,103	-	-	-	-	-	(11,155)	(11,155)	6,948	16,864	21,727
Community and social services		9,815						(2,867)	(2,867)	6,948	8,300	12,616
Sport and recreation		8,288						(8,288)	(8,288)	-	8,564	9,111
Public safety												
Housing												
Health												
Economic and environmental services		17,193	-	-	-	-	-	12,108	12,108	29,301	24,226	30,105
Planning and development		7,470						(4,760)	(4,760)	2,710	9,570	14,006
Road transport		9,723						16,867	16,867	26,590	14,656	16,100
Environmental protection												
Trading services		44,406	-	-	-	-	-	36,654	36,654	81,060	48,798	40,557
Electricity												
Water		29,406						39,654	39,654	69,060	35,298	29,557
Waste water management		15,000						(3,000)	(3,000)	12,000	13,500	11,000
Waste management												
Other												
Total Capital Expenditure - Standard	3	81,859	-	-	-	-	-	37,627	37,627	119,485	89,910	92,689
Funded by:												
National Government		60,224					38,274		38,274	98,498	69,721	63,211
Provincial Government												
District Municipality												
Other transfers and grants												
Total Capital transfers recognised	4	60,224	-	-	-	-	38,274	-	38,274	98,498	69,721	63,211
Public contributions & donations								8,579	8,579	8,579		
Borrowing												
Internally generated funds		21,635						(9,227)	(9,227)	12,408	20,189	29,478
Total Capital Funding		81,859	-	-	-	-	38,274	(648)	37,627	119,485	89,910	92,689

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

JOE MOROLONG LOCAL MUNICIPALITY

Capital expenditure budget have been adjusted by R 37.6 million increasing the original capital budget from R 81.9 million to R 119.5 million. The increase is as a result of addition R 38.3 million for water (RBIG) and R 8.6 million from Kumba for access roads constructions.

This result in increasing Road Budget from R 9.7 million to R 26.6 million; Water budget from R 29.4 million to R 69.1 million. The budget for sports and recreation have been taken to road because the business plan for sports and recreations is not yet approved by MIG office including the reduction of R 3.0 million from sewerage.

The funding of capital expenditure are R 98.5 million from government (MIG & RBIG); R 8.6 million from Kumba (Sishen Mine) and R 12.4 own funds.

Table B6: Adjustments Budget Financial Position

NC451 Joe Morolong - Table B6 Adjustments Budget
Financial Position - 24/01/2014

Description	Ref	Budget Year 2013/14								Budget Year +1 2014/15	Budget Year +2 2015/16	
		Original Budget	Prior Adjusted	Accum. Funds	Mult-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget	Adjusted Budget	
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash		30					3,001	3,001	3,031	2,692	2,213	
Call investment deposits	1	-	-	-	-	-	89	89	89	2,520	3,500	
Consumer debtors	1	25,457	-	-	-	-	-	-	25,457	28,699	31,366	
Other debtors		66					-	-	66	73	82	
Current portion of long-term receivables												
Inventory							1,326	1,326	1,326	1,425	1,550	
Total current assets		25,552	-	-	-	-	4,416	4,416	29,968	35,410	38,712	
Non current assets												
Long-term receivables												
Investments												
Investment property												
Investment in Associate												
Property, plant and equipment	1	80,191	-	-	-	-	896,255	896,255	976,446	1,063,797	1,020,280	
Agricultural												

JOE MOROLONG LOCAL MUNICIPALITY

Biological Intangible Other non-current assets	90						360	360	450	300	250
Total non current assets	80,281	–	–	–	–	–	896,615	896,615	976,896	1,064,097	1,020,530
TOTAL ASSETS	105,833	–	–	–	–	–	901,031	901,031	1,006,864	1,099,507	1,059,242
LIABILITIES											
Current liabilities											
Bank overdraft							–	–	–		
Borrowing	784	–	–	–	–	–	–	–	784	784	784
Consumer deposits							–	–	–		
Trade and other payables	7,150	–	–	–	–	–	12,073	12,073	19,223	9,000	8,567
Provisions	4,706						4,000	4,000	8,706	4,706	5,502
Total current liabilities	12,641	–	–	–	–	–	16,073	16,073	28,714	14,491	14,853
Non current liabilities											
Borrowing	1 5,744	–	–	–	–	–	2,006	2,006	7,750	7,000	6,500
Provisions	1 3,915	–	–	–	–	–	–	–	3,915	4,020	4,053
Total non current liabilities	9,659	–	–	–	–	–	2,006	2,006	11,665	11,020	10,553
TOTAL LIABILITIES	22,300	–	–	–	–	–	18,079	18,079	40,379	25,511	25,406
NET ASSETS	2 83,533	–	–	–	–	–	882,952	882,952	966,485	1,073,996	1,033,835
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	83,533	–	–	–	–	–	882,952	882,952	966,485	1,073,996	1,033,835
Reserves	–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	83,533	–	–	–	–	–	882,952	882,952	966,485	1,073,996	1,033,835

The impact of the audited outcome on the budget projections will have to be taken into account in the adjustments budget that follows the mid-year review.

Table B7: Adjustments Budget Cash Flows

NC451 Joe Morolong - Table B7 Adjustments Budget Cash Flows - 24/01/2014

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unforeseen Unavoid.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		19,971						24,854	24,854	44,825	21,635	23,886
Government - operating	1	94,721					4,809		4,809	99,530	103,464	120,119
Government - capital	1	60,224					38,274		38,274	98,498	69,721	63,211

JOE MOROLONG LOCAL MUNICIPALITY

Interest							643	643	643		
Dividends								-	-		
Payments											
Suppliers and employees		(91,912)				(4,809)	(15,850)	(20,659)	(112,570)	(103,886)	(110,017)
Finance charges		(900)					845	845	(55)	(57)	(67)
Transfers and Grants	1							-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		82,104	-	-	-	-	38,274	10,492	48,767	130,871	90,877
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE								-	-		
Decrease (increase) in non-current debtors								-	-		
Decrease (increase) other non-current receivables								-	-		
Decrease (increase) in non-current investments								-	-		
Payments											
Capital assets		(80,241)				(46,854)		(46,854)	(127,095)	(87,350)	(94,042)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(80,241)	-	-	-	-	(46,854)	-	(46,854)	(127,095)	(87,350)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans								-	-		
Borrowing long term/refinancing								-	-		
Increase (decrease) in consumer deposits								-	-		
Payments											
Repayment of borrowing		(784)						-	(784)	(835)	(876)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(784)	-	-	-	-	-	-	(784)	(835)	(876)
NET INCREASE/ (DECREASE) IN CASH HELD		1,079	-	-	-	-	(8,579)	10,492	1,913	2,992	2,692
Cash/cash equivalents at the year begin:	2	367						(346)	(346)	21	
Cash/cash equivalents at the year end:	2	1,446					(8,579)	10,146	3,013	2,692	2,213

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table B8: Cash backed reserves/accumulated surplus reconciliation

NC451 Joe Morolong - Table B8 Cash backed reserves/accumulated surplus reconciliation - 24/01/2014

Description	Ref	Budget Year 2013/14									Budget Year +1 2014/15	Budget Year +2 2015/16
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoi d.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		

JOE MOROLONG LOCAL MUNICIPALITY

R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	1,446	-	-	-	-	(8,579)	10,146	1,567	3,013	2,692	2,213
Other current investments > 90 days		(1,416)	-	-	-	-	8,579	(7,057)	1,523	107	2,520	3,500
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		30	-	-	-	-	-	3,090	3,090	3,120	5,212	5,713
Applications of cash and investments												
Unspent conditional transfers		1,350	-	-	-	-	-	(1,350)	(1,350)	-	-	-
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	(13,353)	-					(17,870)	(17,870)	(31,223)	(11,850)	(14,380)
Other provisions												
Long term investments committed		-	-					-	-	-	-	-
Reserves to be backed by cash/investments		-	-					-	-	-	-	-
Total Application of cash and investments:		(12,003)	-	-	-	-	-	(19,220)	(19,220)	(31,223)	(11,850)	(14,380)
Surplus(shortfall)		12,033	-	-	-	-	-	22,309	22,309	34,343	17,062	20,093

In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

Table B9: Asset Management

NC451 Joe Morolong - Table B9 Asset Management - 24/01/2014

Description	R e f	Budget Year 2013/14									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unav. id.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7	8	9	10	11	12	13	14		
R thousands												
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	81,359	-	-	-	-	-	37,927	37,927	119,285	89,910	92,689

JOE MOROLONG LOCAL MUNICIPALITY

Infrastructure - Road transport	9,723	-	-	-	-	-	16,867	16,867	26,590	14,656	16,100
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water	27,036	-	-	-	-	-	41,274	41,274	68,310	33,000	27,000
Infrastructure - Sanitation	15,000	-	-	-	-	-	(3,000)	(3,000)	12,000	13,500	11,000
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	51,759	-	-	-	-	-	55,142	55,142	106,901	61,156	54,100
Community	13,768	-	-	-	-	-	(8,278)	(8,278)	5,490	14,464	18,911
Heritage assets	4,285	-	-	-	-	-	(4,285)	(4,285)	-	6,000	7,343
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Other assets	6 11,457	-	-	-	-	-	(5,021)	(5,021)	6,436	7,920	11,880
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Intangibles	90	-	-	-	-	-	368	368	458	369	454
Total Renewal of Existing Assets to be adjusted	2 500	-	-	-	-	-	(300)	(300)	200	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Other assets	6 500	-	-	-	-	-	(300)	(300)	200	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport	9,723	-	-	-	-	-	16,867	16,867	26,590	14,656	16,100
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water	27,036	-	-	-	-	-	41,274	41,274	68,310	33,000	27,000
Infrastructure - Sanitation	15,000	-	-	-	-	-	(3,000)	(3,000)	12,000	13,500	11,000
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	51,759	-	-	-	-	-	55,142	55,142	106,901	61,156	54,100
Community	13,768	-	-	-	-	-	(8,278)	(8,278)	5,490	14,464	18,911
Heritage assets	4,285	-	-	-	-	-	(4,285)	(4,285)	-	6,000	7,343

JOE MOROLONG LOCAL MUNICIPALITY

Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		11,957	-	-	-	-	-	(5,321)	(5,321)	6,636	7,920	11,880
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		90	-	-	-	-	-	368	368	458	369	454
TOTAL CAPITAL EXPENDITURE to be adjusted	2	81,859	-	-	-	-	-	37,627	37,627	119,485	89,910	92,689
ASSET REGISTER SUMMARY - PPE (WDV)	5											
<i>Infrastructure - Road transport</i>								761,090	761,090	761,090	784,590	794,590
<i>Infrastructure - Electricity</i>								6,054	6,054	6,054	6,054	6,054
<i>Infrastructure - Water</i>								78,806	78,806	78,806	133,806	141,306
<i>Infrastructure - Sanitation</i>								10,926	10,926	10,926	15,926	19,926
<i>Infrastructure - Other</i>								-	-	-	-	-
Infrastructure								856,875	856,875	856,875	940,375	961,875
Community								108,969	108,969	108,969	112,469	115,024
Heritage assets								-	-	-	-	-
Investment properties								3,085	3,085	3,085	3,085	3,085
Other assets								7,969	7,969	7,969	8,169	8,715
Intangibles								-	-	-	-	-
Agricultural Assets								-	-	-	-	-
Biological assets								-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	-	-	976,897	976,897	976,897	1,064,097	1,088,698
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		5,615	-	-	-	-	-	(2,615)	(2,615)	3,000	5,902	6,191
Repairs and Maintenance by asset class	3	9,233	-	-	-	-	-	8,574	8,574	17,808	16,452	15,150
<i>Infrastructure - Road transport</i>		220	-	-	-	-	-	-	-	220	234	849
<i>Infrastructure - Electricity</i>		-	-	-	-	-	-	215	215	215	200	250
<i>Infrastructure - Water</i>		6,169	-	-	-	-	-	8,502	8,502	14,671	12,823	10,565
<i>Infrastructure - Sanitation</i>		76	-	-	-	-	-	(44)	(44)	31	81	86
<i>Infrastructure - Other</i>		54	-	-	-	-	-	(2)	(2)	52	55	59
Infrastructure		6,518	-	-	-	-	-	8,671	8,671	15,190	13,393	11,809
Community		56	-	-	-	-	-	1	1	56	59	140
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	2,660	-	-	-	-	-	(97)	(97)	2,562	3,001	3,202
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		14,849	-	-	-	-	-	5,959	5,959	20,808	22,354	21,341
% of capital exp on renewal of assets		0.6%	0.0%							0.2%	0.0%	0.0%

JOE MOROLONG LOCAL MUNICIPALITY

Renewal of existing assets as % of deprecn	8.9%	0.0%						6.7%	0.0%	0.0%
R&M as a % of PPE	0.0%	0.0%						1.8%	1.5%	1.4%
Renewal and R&M as a % of PPE	0.0%	0.0%						1.8%	1.5%	1.4%

Table B10: Basic service delivery measurement

NC451 Joe Morolong - Table B10 Basic service delivery measurement - 24/01/2014

Description	Ref	Budget Year 2013/14									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		3,718							4	3,818	3,858	
Piped water inside yard (but not in dwelling)		-							-	-	-	
Using public tap (at least min.service level)	2	18,048							18	18,420	18,650	
Other water supply (at least min.service level)		0							-	-	-	
<i>Minimum Service Level and Above sub-total</i>		22	-	-	-	-	-	-	22	22	23	
Using public tap (< min.service level)	3								-	-	-	
Other water supply (< min.service level)	3,4								-	-	-	
No water supply									-	-	-	
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	
Total number of households	5	22	-	-	-	-	-	-	22	22	23	
Sanitation/sewerage:												
Flush toilet (connected to sewerage)									-	0	0	
Flush toilet (with septic tank)		2,131							2,131	2,131	2,231	
Chemical toilet									-	-	-	
Pit toilet (ventilated)		18,254							18,254	18,354	18,254	
Other toilet provisions (> min.service level)									-	-	-	
<i>Minimum Service Level and Above sub-total</i>		20,385	-	-	-	-	-	-	20,385	20,485	20,485	
Bucket toilet		469							469	469	469	
Other toilet provisions (< min.service level)									-	-	-	
No toilet provisions		2,432							2,432	2,432	2,432	
<i>Below Minimum Service Level sub-total</i>		2,901	-	-	-	-	-	-	2,901	2,901	2,901	
Total number of households	5	23,286	-	-	-	-	-	-	23,286	23,386	23,386	
Energy:												
Electricity (at least min. service level)									-	-	-	
Electricity - prepaid (> min.service level)		19,384							19,384	19,484	19,684	
<i>Minimum Service Level and Above sub-total</i>		19,384	-	-	-	-	-	-	19,384	19,484	19,684	
Electricity (< min.service level)									-	-	-	
Electricity - prepaid (< min. service level)									-	-	-	
Other energy sources									-	-	-	
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	

JOE MOROLONG LOCAL MUNICIPALITY

Total number of households	5	19,384	-	-	-	-	-	-	-	19,384	19,484	19,684
Refuse:												
Removed at least once a week (min.service)		1,581								1,581	1,691	1,750
Minimum Service Level and Above sub-total		1,581	-	-	-	-	-	-	-	1,581	1,691	1,750
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump		19,146								19,146	19,246	19,346
Other rubbish disposal												
No rubbish disposal		2,707								2,707	2,607	2,507
<i>Below Minimum Service Level sub-total</i>		21,853	-	-	-	-	-	-	-	21,853	21,853	21,853
Total number of households	5	23,434	-	-	-	-	-	-	-	23,434	23,544	23,603
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		8								8,480	8	8
Sanitation (free minimum level service)												
Electricity/other energy (50kwh per household per month)		8								8,480	8	8
Refuse (removed at least once a week)												
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		158					(58)	(58)	100	166	166	874
Sanitation (free sanitation service)												
Electricity/other energy (50kwh per household per month)												
Refuse (removed once a week)		1,765					50	50	1,815	1,855	1,855	2,303
Total cost of FBS provided (minimum social package)		1,923	-	-	-	-	(8)	(8)	1,915	2,021	2,021	3,178
Highest level of free service provided												
Property rates (R'000 value threshold)												
Water (kilolitres per household per month)												
Sanitation (kilolitres per household per month)												
Sanitation (Rand per household per month)												
Electricity (kw per household per month)												
Refuse (average litres per week)												
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)												
Property rates (other exemptions, reductions and rebates)												
Water												
Sanitation												
Electricity/other energy												
Refuse												
Municipal Housing - rental rebates												
Housing - top structure subsidies												
Other												
Total revenue cost of free services provided (total social package)	6	-	-	-	-	-	-	-	-	-	-	-

Section 6 - Adjustment Budget Assumptions

The following budget assumptions are the underlying principles for adjusting the budget;

6.1. Operational income

- Increase in sewerage and refuse income.
- Additional budget of in interest to be earned on external investment and outstanding debtors
- Grants received from the N.C Public Works and COGHSTA (housing) that were not included in the approved budget

6.2. Operational expenditure

- Decrease on Councillors allowances after implementation of 5% across the board increase (upper limits gazette) and decrease on employees related costs
- Decreased in bulk purchases especially water, and finance charges.
- Increase in general expenses as a result of expenditure to be incurred on repairs and maintenance, Provincial EPWP and Housing grants that the municipality received.

6.3. Capital expenditure

- Water project expenditure have increased as the result of on-going receipts of Regional Bulk Water Infrastructure Grant (Heuningvlei Bulk Water) for the projects which is under implementation
- Increase in Roads and Water allocations as the result of MIG projects under Sports and Recreation (15% of MIG allocation as per DORA) and Sanitation projects not registered with MIG as per their condition for any project

JOE MOROLONG LOCAL MUNICIPALITY

Table 1: Summary of Revenues and Financing Activities

Budgeted Standard Item	Original Budget R'000	Adjustments R'000	Adjustment Budget R'000
Own Revenue	26 612	1 521	28 133
Equitable Share	80 780	0	80 780
Conditional Grants- Operational	13 941	4 809	18 750
Sub-Total Operating Budget	121 33	6 330	127 663
Conditional Grants- Capital	60 224	46 854	107 078
Sub-Total Capital Budget	60 224	37 679	107 078
Total Revenue	181 557	45 176	234 741

The above table illustrates summaries of revenues and financing activities. The total estimated revenue is increased from R 181 557 000 to R 234 741 000. The changes of the budgeted revenues are as follows:

- Revenue from sanitation and refuse is increased with R 0.9m from R 1,4m to R 2.3m.
- Revenue from External Investments is increased by R 0.2 million.
- Interest on Outstanding Debtors is increased by R 0.5 million.
- Total operational allocation from Grants increased by R 4,8m from R 94.7 million to R 99.5 million.
- Total capital allocation from Grants increased by R 46,9m from R 60.2 million to R 107.1 million.

JOE MOROLONG LOCAL MUNICIPALITY

Table 2: Adjustment on Grants and Subsidies

Budgeted Standard Item	Original Budget R'000	Adjustments R'000	Adjustment Budget R'000
Operational & Capital Grants			
Finance Management Grant	1 550		1 550
Municipal System Improvement Grant	890		890
Equitable Share	80 780		80 780
Water Service Operating Grant	8 000		8 000
Municipal Infrastructure Grant	55 253		55 253
Provincial – Libraries	436		436
EPWP Incentives	1 000		1 000
Provincial – EPWP		2 456	2 456
Regional Bulk Infrastructure Grant		38 278	38 274
Kumba Iron Ore (Sishen)		8 579	8 579
Housing		2 352	2 352
TOTAL	154 945	43 083	206 608

Table 4: Adjustment of Budgeted Expenditures

EXPENDITURE	APPROVED BUDGET 2012/2013 R'000	(INCREASE)/DECREASE 2012/2013 R'000	ADJUSTMENT BUDGET 2012/2013 R'000
Employee Costs	35 713	(1 256)	34 457

JOE MOROLONG LOCAL MUNICIPALITY

Remuneration of Councillors	7 438	(1 072)	6 366
Depreciation	5 615	(2 615)	3 000
Debt Impairment	170		170
Bulk Purchases	11 006	(700)	10 306
Finance Charges	900	(61)	839
Contracted Services	6 106	4 994	11 100
Other Expenditure	32 750	16 267	49 018
TOTAL	99 699	15 557	115 255

The table above shows adjustments of main budget allocations per expenditure type. The total approved budget was R 99,699 million and the expenditure has been increased to R 115,255 million. The main adjustments are on

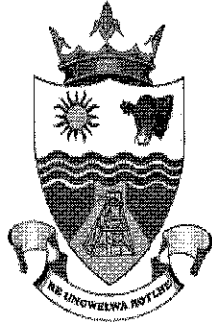
- employee related costs (-R 1,3 m),
- Remuneration of Councillors (-R 1,1m),
- Other Expenditure (R 16,2m)and
- Bulk Purchases (-R 0,7m).
- Contracted Services (R 5,0 m)

The total approved operational expenditure budget is increased by R 15, 6 million, increasing the total operating expenditure from R 99.7 million to R 115, 3 million.

JOE MOROLONG LOCAL MUNICIPALITY

Section 7 – Quality Certificate

JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG
LOCAL MUNICIPALITY

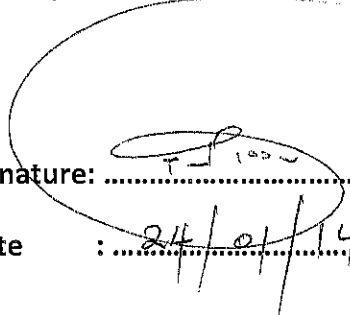
NC 451

QUALITY CERTIFICATE

I, Tshepo Macdonald Bloom, Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY, hereby certify that the Adjustment Budget and Supporting Documentation have been prepared in accordance with the Municipal Finance Management Act; (Act 56 of 2003) and regulations made under the act and that the Adjustment Budget are consistent with the Integrated Development Plan of the municipality.

PRINT NAME: Tshepo M Bloom

Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY (NC 451)

Signature: 

Date : 24/01/14