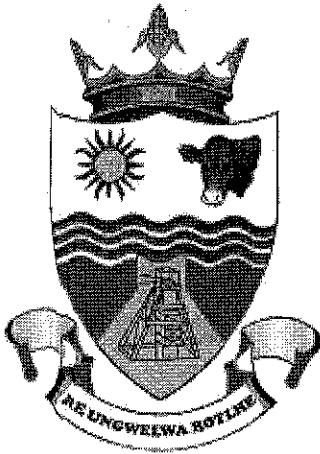


JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG
LOCAL MUNICIPALITY

(NC 451)

In-Year Report of the Municipality

Prepared in terms of Local Government: Municipal Finance Management Act No.56 of 2003; Municipal Budget and Reporting Regulations

Quarterly Budget

Statement

Quarter_1:2014/15 F.Y

Table of Contents

Content	Page No
Glossary	3
PART 1	
Section 1: Mayor's Report.....	5
Section 2: Council Resolutions	7
Section 3: Executive Summary	7
Section 4: In-Year budget tables	10
PART 2- SUPPORT DOCUMENTATION	
Section 5: Debtors Analysis.....	17
Section 6: Creditors' Analysis	17
Section 7: Investment Portfolio Analysis.....	18
Section 8: Allocation and Grant Receipts and Expenditure.....	19
Section 9: Expenditure on Councillors and Board Members	
Allowance and Employee Benefits.....	21
Section 10: Actual and Revised Targets for Cash Receipts.....	22
Section 11: Capital Programme Performance.....	23
Section 12: Parent Municipality Financial Performance	27
Section 13: Municipal Entity Summary	27
Section 14: In-year Report of Municipal Entities Attached to the Municipality's	
in-year Reports.....	27
Section 15: Other Supporting Documentation.....	27
Section 16: Municipal Manager's Quality Certificate	28

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

AFS- Annual Financial Statements

Budget – The financial plan of the Municipality

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

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance

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

CFO - Chief Financial Officer

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 and basis upon which AFS are prepared.

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

KPI's – Key Performance Indicators. Measures of service output and/or outcome

MFMA – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

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 three years and current years' financial position

NT – National Treasury

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

R&M – Repairs and maintenance on property, plant and equipment

SCM – Supply Chain Management

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

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

Vote means one of the main segment into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.

Zero Based Budgeting means as opposed to incremental budgeting, zero-based budgeting means that each year's budget is drawn up independently from that of the previous year. This means that items are not included simply because they were in the previous budget. Each item has to be justified and motivated for and the purpose of each item is considered. All items in the capital are treated on a "zero-basis"

PART 1

Section 1: Mayor's Report

Purpose

The purpose of this report is to submit to the Council the Quarterly Budget Statement and the implementation of 2014/15 Budget of Joe Morolong Local Municipality for the period ending 30th September 2014 in line with legislative requirement Section 52 of Municipal Finance Management Act. It incorporate the Section 71 Monthly budget statement, such that only the quarterly report is tabled before council.

Background

Section 71 of the MFMA No.56 of 2003 together with Municipal Budget and Reporting Regulations requires that financial affairs of the municipality be reported on within a prescribed format, hence we compile this report to comply with the legislative requirement.

Furthermore, section 52 of MFMA No.56 of 2003 requires the mayor of the municipality that must within 30 days after the end of each quarter submit a report to the council on the implementation of the budget and financial state of affairs of the municipality.

Overall Performance Information

SUMMARY OF FINANCIAL INFORMATION

DESCRIPTION	ORIGINAL BUDGET R'(000)	YTD BUDGET R'(000)	YTD ACTUALS R'(000)	YTD ACTUALS VS BUDGET %	ACTUALS VS ORIGINAL BUDGET %
TOTAL REVENUE	242 368	93 460	84 625	90.55%	34.92%
TOTAL OPERATING EXPENDITURE	109 273	23 692	28 414	119.93%	26.00%
TOTAL CAPITAL EXPENDITURE	133 095	32 177	25 831	80.28%	19.41%
SURPLUS/(DEFICIT)	—	37 590	30 380	80.82%	

➤ Revenue

The performance collection in terms of year-to-date actuals is 91%, but when we exclude grants and focus on the municipality's own revenue only the performance is 64%. The revenue that is not performing well is property rates, followed by other revenue then electricity which are all below 50%. In terms of grants the municipality

received R 5.5 million which was not budgeted for; and this grants are: Regional Bulk Infrastructure Grant, Housing Grants and other from Kumba Iron Ore for construction of access road (N14 via Khangkhudung to Camden). RBIG and Housing grants are gazetted as grants in kind in the Division of Revenue Act but the departments concerned have signed the Memorandum of Understanding with the municipality for implementation of the projects for those two grants.

➤ **Operating Expenditure**

Current expenditure is 20% or R 4.7 million above the year-to-date budget, the items that have overspent their year-to-date budget are contracted services, finance charges and other expenditure, the contracted services has already overspent it year budget. This expenditure item will need to be monitored and reduce the pattern of spending.

➤ **Capital Expenditure**

Current expenditure is 20% or R 6.3 million below the year-to-date budget, the assets that are under spending are water infrastructure, Sportsfields, halls, cemeteries and other assets. The slow spending of water infrastructure budget is as result the delay in the appointment due to procurement procedures.

Financial Problems or Risk Facing the Municipality

Currently there are no financial problems affecting the municipality. Operating revenues excluding grants is 44% less than the year-to-date budget and need closing monitoring to improve it, while operating expenditures to date are slightly above the projected year to date budget.

Monitoring and implementation of the capital project continues to receive attention. The municipal manager will continue to receive director's reports on each project to determine the project milestones and identify any possible risks for achieving the year end targets.

Other relevant information

The audited outcomes for 2013/2014 is not yet available as the municipality is currently under audit. The information under 2013/14 audited outcome is based on the Annual Financial Statements as submitted to Auditor General on the 31st August 2014.

Section 2: Resolutions

IN-YEAR REPORTS 2014/2015-Quarter 1

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

That Council takes cognizance of the quarterly report on the implementation of the budget and the financial affairs for Joe Morolong Local Municipality referred to in section 52(d) of the MFMA.

Section 3: Executive Summary

3.1 Introduction

As already stated in the Mayor's Report that the audited outcomes for 2013/2014 is not yet available as the municipality is currently under audit. The information under 2013/14 audited outcome is based on the Annual Financial Statements as submitted to Auditor General on the 31st August 2014.

3.2 Performance

3.2.1 Against annual budget (original approved and latest adjustments)

Revenue by Source

It is still difficult to measure performance meaningfully. However, the service charges that took place in first quarter is reflected in this report. Year-to-date fixed refuse and sanitation charges equate to 2% more than their year-to-date budget, while electricity is 62% less than the target and water is 17% above the year-to-date budgets. Year-to-date revenue 10%, R5.4 million below year-to-date budget projections for September 2014.

The municipality received R 5.5 million which was not budgeted for; and this grants are: Regional Bulk Infrastructure Grant (RBIG)' Housing Grants other from Kumba Iron Ore for construction of access road (N14 via Khangkhudung to Camden). RBIG and Housing grants are gazetted as grants in kind in the Division of Revenue Act but the departments concerned have signed the Memorandum of Understanding with the municipality for implementation of the projects for those two grants.

Operating expenditure by type

Current expenditure is 20% or R 4.7 million, above year-to-date budget projections for September 2014.

Refer to Section 4 – Table C4 for further details on both revenue by source and expenditure by type.

Capital expenditure

Year-to-date expenditure on capital amounts to R 25.8 million, or 80%, of year-to-date budget which is 20% below the year-to-date target for September 2014.

Refer to Section 4 – Table C5 for more detail.

Cash flows

The municipality started this month with a positive cash & cash equivalents balance of R 35.2 million and it decreased by R 6 million during September resulting in a closing balance of R 29.3 million (R 6.2 million cash and R 23.1 million investments). Refer to section 4 – Supporting Table SC5 & SC9 on Section 7 for more detail on the cash position

Material Variance from SDBIP

The first quarter SDBIP report will be completed and submitted after the reviews to be held on October or November 2014.

Remedial or Corrective Steps

No remedial or corrective steps are available at this time and the municipality may develop the corrective measure by November in order to address the challenges we may face in the future.

3.3 Conclusion

Performance of revenue by source compared to budget is not good. Operating expenditure currently reflects a variance of 20% above YTD budget while capital expenditure is 20% below YTD budget which is not good at all.

Section 4: In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1: s71 Monthly Budget Statement Summary

NC451 Joe Morolong - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description R thousands	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
Financial Performance									
Property rates	3 371	9 651	-	-	134	1 798	(1 664)	-93%	9 651
Service charges	12 190	16 093	-	687	3 180	4 023	(843)	-21%	16 093
Investment revenue	3 986	-	-	7	17	-	17	#DIV/0!	-
Transfers recognised - operational	84 755	111 580	-	221	44 445	47 477	(3 032)	-6%	112 297
Other own revenue	611	839	-	164	494	191	303	158%	839
Total Revenue (excluding capital transfers and contributions)	104 914	138 163	-	1 079	48 270	53 489	(5 219)	-10%	138 881
Employee costs	36 202	45 227	-	3 594	10 351	10 636	(285)	-3%	45 227
Remuneration of Councillors	8 331	8 226	-	674	2 089	2 056	33	2%	8 226
Depreciation & asset impairment	24 307	9 826	-	-	-	-	-	-	9 826
Finance charges	785	884	-	12	38	25	13	52%	884
Materials and bulk purchases	11 018	11 169	-	791	2 069	2 792	(723)	-26%	11 169
Transfers and grants	81 138	2 021	-	336	592	505	87	17%	2 021
Other expenditure	17 592	31 921	-	6 623	13 275	7 677	5 598	73%	32 416
Total Expenditure	179 371	109 273	-	12 029	28 414	23 692	4 722	20%	109 769
Surplus/(Deficit)	(74 458)	28 890	-	(10 950)	19 856	29 797	(9 942)	-33%	29 112
Transfers recognised - capital	101 485	104 205	-	377	36 355	39 970	(3 615)	-9%	108 950
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	27 028	133 095	-	(10 573)	56 211	69 768	(13 557)	-19%	138 062
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	27 028	133 095	-	(10 573)	56 211	69 768	(13 557)	-19%	138 062
Capital expenditure & funds sources									
Capital expenditure	107 847	133 095	-	8 339	25 831	32 177	(6 346)	-20%	137 463
Capital transfers recognised	103 938	104 205	-	7 005	21 935	39 970	(18 036)	-45%	105 371
Public contributions & donations	-	-	-	-	2 161	-	2 161	#DIV/0!	3 202
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	3 909	28 890	-	1 333	1 736	7 222	(5 487)	-76%	28 890
Total sources of capital funds	107 847	133 095	-	8 339	25 831	47 193	(21 361)	-45%	137 463
Financial position									
Total current assets	104 407	9 458	-	-	154 852				9 458
Total non current assets	1 125 199	1 017 648	-	-	1 438 508				1 017 648
Total current liabilities	128 925	11 190	-	-	18 926				11 190
Total non current liabilities	6 235	4 387	-	-	3 263				4 387
Community wealth/Equity	965 522	1 011 529	-	-	1 571 171				1 011 529
Cash flows									
Net cash from (used) operating	107 400	136 892	-	2 388	65 012	67 167	2 155	3%	141 260
Net cash from (used) investing	(107 092)	(133 073)	-	(8 339)	(38 831)	(33 268)	5 563	-17%	(137 441)
Net cash from (used) financing	785	(784)	-	-	-	-	-	-	(784)
Cash/cash equivalents at the month/year end	3 101	6 048	-	-	29 281	36 911	7 630	21%	6 135
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	6 541	2 742	1 496	895	965	1 860	4 494	105 200	124 192
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	229	229

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

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions. The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services. It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

NC451 Joe Morolong - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q1 First Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		81 387	105 857	--	150	40 067	41 739	(1 672)	-4%	105 857
Executive and council		4 581	5 317	--	30	5 347	5 317	30	1%	5 317
Budget and treasury office		76 532	100 285	--	50	34 632	36 358	(1 726)	-5%	100 285
Corporate services		274	256	--	70	88	64	24	37%	256
<i>Community and public safety</i>		608	2 966	--	379	2 151	795	1 356	171%	3 839
Community and social services		608	2 966	--	2	1 278	795	483	61%	2 966
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		--	--	--	--	--	--	--	--	--
Housing		--	--	--	377	873	--	873	#DIV/0!	873
Health		--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		60 565	57 235	--	--	22 821	22 867	(47)	0%	60 436
Planning and development		60 565	57 235	--	--	19 619	22 867	(3 248)	-14%	57 235
Road transport		--	--	--	--	3 202	--	3 202	#DIV/0!	3 202
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		63 839	76 310	--	927	19 587	28 059	(8 472)	-30%	77 697
Electricity		4 605	7 249	--	131	685	1 812	(1 127)	-62%	7 249
Water		56 957	66 636	--	546	18 284	25 640	(7 356)	-29%	68 024
Waste water management		1 439	1 510	--	160	394	377	17	4%	1 510
Waste management		838	915	--	90	223	229	(6)	-3%	915
<i>Other</i>	4	--	--	--	--	--	--	--	--	--
Total Revenue - Standard	2	206 399	242 368	--	1 456	84 625	93 460	(8 834)	-9%	247 831
Expenditure - Standard										
<i>Governance and administration</i>		112 264	54 818	--	6 980	15 505	10 501	5 004	48%	54 818
Executive and council		17 185	16 106	--	1 450	4 104	3 974	130	3%	16 106
Budget and treasury office		79 953	27 019	--	4 446	7 925	3 689	4 236	115%	27 019
Corporate services		15 125	11 693	--	1 084	3 476	2 839	637	22%	11 693
<i>Community and public safety</i>		12 244	10 528	--	1 597	2 988	2 528	460	18%	11 024
Community and social services		12 244	10 528	--	1 125	2 299	2 528	(229)	-9%	10 528
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		--	--	--	--	--	--	--	--	--
Housing		--	--	--	472	689	--	689	#DIV/0!	496
Health		--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		11 992	8 011	--	559	1 889	1 844	45	2%	8 011
Planning and development		11 992	8 011	--	559	1 889	1 844	45	2%	8 011
Road transport		--	--	--	--	--	--	--	--	--
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		42 871	35 916	--	2 894	8 032	8 819	(787)	-9%	35 916
Electricity		7 002	6 688	--	791	1 642	1 672	(30)	-2%	6 688
Water		35 868	29 228	--	2 103	6 390	7 147	(756)	-11%	29 228
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		--	--	--	--	--	--	--	--	--
<i>Other</i>		--	--	--	--	--	--	--	--	--
Total Expenditure - Standard	3	179 371	109 273	--	12 029	28 414	23 692	4 722	20%	109 769
Surplus/ (Deficit) for the year		27 028	133 095	--	(10 573)	56 211	69 768	(13 557)	-19%	138 062

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

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Executive & Council; Budget and Treasury Office; Corporate Support Services; Community Services;; Technical Services; Electrical Services; Water Unit and Planning & Development

NC451 Joe Morolong - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive & Council		4 581	5 317	–	30	5 347	5 317	30	0.6%	5 317
Vote 2 - Budget & Treasury Office		76 532	100 285	–	50	34 632	36 358	(1 726)	-4.7%	100 285
Vote 3 - Corporate Support Service		274	256	–	70	88	64	24	37.0%	256
Vote 4 - Community Service		2 885	5 391	–	629	2 768	1 401	1 367	97.6%	6 264
Vote 5 - Technical Services		58 069	57 211	–	–	22 821	22 861	(41)	-0.2%	60 412
Vote 6 - Electricity Services		4 605	7 249	–	131	685	1 812	(1 127)	-62.2%	7 249
Vote 7 - Water Services		56 957	66 636	–	546	18 284	25 640	(7 356)	-28.7%	68 024
Vote 8 - Development & Town Planning Services		2 496	24	–	–	–	6	(6)	-100.0%	24
Total Revenue by Vote	2	206 399	242 368	–	1 456	84 625	93 460	(8 834)	-9.5%	247 831
Expenditure by Vote	1									
Vote 1 - Executive & Council		17 185	16 106	–	1 450	4 104	3 974	130	3.3%	16 106
Vote 2 - Budget & Treasury Office		79 953	27 019	–	4 446	7 925	3 689	4 236	114.8%	27 019
Vote 3 - Corporate Support Service		15 125	11 693	–	1 084	3 476	2 839	637	22.4%	11 693
Vote 4 - Community Service		12 244	10 528	–	1 597	2 988	2 528	460	18.2%	11 024
Vote 5 - Technical Services		4 214	5 833	–	396	1 436	1 321	115	8.7%	5 833
Vote 6 - Electricity Services		7 002	6 688	–	791	1 642	1 672	(30)	-1.8%	6 688
Vote 7 - Water Services		35 868	29 228	–	2 103	6 390	7 147	(756)	-10.6%	29 228
Vote 8 - Development & Town Planning Services		7 778	2 178	–	162	453	523	(70)	-13.4%	2 178
Total Expenditure by Vote	2	179 371	109 273	–	12 029	28 414	23 692	4 722	19.9%	109 769
Surplus/ (Deficit) for the year	2	27 028	133 095	–	(10 573)	56 211	69 768	(13 557)	-19.4%	138 062

Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote/s were overspent.

For the quarter ended 30 September 2014, Executive & Council, Budget & Treasury Office (B.T.O), Corporate Services and Community Services reflect an over expenditure against the year-to-date budget forecasts. This is primarily as a result contracted services in B.T.O, Councilor's remuneration and target group in Executive & Council, while Corporate and Community Service is as result of general expense and free basic services.

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

NC451 Joe Morolong - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	3 371	9 651		-	134	1 798	(1 664)	-93%	9 651
Property rates - penalties & collection charges									
Service charges - electricity revenue	4 605	7 249		131	685	1 812	(1 127)	-62%	7 249
Service charges - water revenue	5 316	6 419		306	1 877	1 605	273	17%	6 419
Service charges - sanitation revenue	1 430	1 510		160	394	377	17	4%	1 510
Service charges - refuse revenue	838	915		90	223	229	(6)	-3%	915
Service charges - other									
Rental of facilities and equipment	100	95		6	17	24	(7)	-29%	95
Interest earned - external investments	3 986			7	17		17	#DIV/0!	
Interest earned - outstanding debtors	-	50		11	302	13	290	2319%	50
Dividends received									
Fines									
Licences and permits									
Agency services									
Transfers recognised - operational	84 755	111 580		221	44 445	47 477	(3 032)	-6%	112 297
Other revenue	512	694		148	174	155	20	13%	694
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	104 914	138 163	-	1 079	48 270	53 489	(5 219)	-10%	138 881
Expenditure By Type									
Employee related costs	36 202	45 227		3 594	10 351	10 836	(285)	-3%	45 227
Remuneration of councillors	8 331	8 226		674	2 089	2 056	33	2%	8 226
Debt impairment	(51 827)	1 213		-	-	-	-		1 213
Depreciation & asset impairment	24 307	9 826		-	-	-	-		9 826
Finance charges	785	884		12	38	25	13	52%	884
Bulk purchases	11 018	11 169		791	2 069	2 792	(723)	-26%	11 169
Other materials	-	-		-	-	-	-		-
Contracted services	-	4 636		3 839	5 360	1 159	4 200	362%	4 636
Transfers and grants	81 138	2 021		336	592	605	87	17%	2 021
Other expenditure	69 419	26 071		2 784	7 916	6 518	1 398	21%	26 567
Loss on disposal of PPE									
Total Expenditure	179 371	109 273	-	12 029	28 414	23 692	4 722	20%	109 769
Surplus/(Deficit)	(74 458)	28 890	-	(10 950)	19 856	29 797	(9 942)	(0)	29 112
Transfers recognised - capital	101 485	104 205		377	36 355	39 970	(3 615)	(0)	108 950
Contributions recognised - capital									
Contributed assets									
Surplus/(Deficit) after capital transfers & contributions	27 028	133 095	-	(10 573)	56 211	69 768			138 062
Taxation									
Surplus/(Deficit) after taxation	27 028	133 095	-	(10 573)	56 211	69 768			138 062
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	27 028	133 095	-	(10 573)	56 211	69 768			138 062
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	27 028	133 095	-	(10 573)	56 211	69 768			138 062

The year-to-date operating revenue actuals reflects an achievement of 90% of the year-to-date budget. The September revenue includes the service charges billed to consumers for the 2014/2015 financial year.

Current expenditure is 20%, R 4.7 million, above year-to-date budget projections for September 2014. The year-to-date over expenditure are: annual salary increase for employees has been implemented.

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

NC451 Joe Morolong - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q1 First Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive & Council		-	-	-	-	-	-	-		-
Vote 2 - Budget & Treasury Office		-	-	-	-	-	-	-		-
Vote 3 - Corporate Support Service		-	-	-	-	-	-	-		-
Vote 4 - Community Service		12 492	23 559	-	2 917	5 424	5 890	(466)	-8%	23 559
Vote 5 - Technical Services		16 297	16 788	-	2 232	8 032	4 197	3 835	91%	16 788
Vote 6 - Electricity Services		-	-	-	-	-	-	-		-
Vote 7 - Water Services		19 242	13 859	-	730	1 327	3 465	(2 138)	-62%	13 859
Vote 8 - Development & Town Planning Services		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	48 030	54 205	-	5 879	14 782	13 552	1 231	9%	54 205
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		842	622	-	-	-	622	(622)	-100%	622
Vote 2 - Budget & Treasury Office		455	231	-	-	10	20	(10)	-52%	231
Vote 3 - Corporate Support Service		327	1 105	-	-	185	550	(365)	-66%	1 105
Vote 4 - Community Service		2 125	12 533	-	1 333	1 557	2 059	(502)	-24%	12 533
Vote 5 - Technical Services		9 075	2 900	-	-	2 161	-	2 161	#DIV/0!	6 102
Vote 6 - Electricity Services		-	-	-	-	-	-	-		-
Vote 7 - Water Services		46 895	61 500	-	1 127	7 136	15 375	(8 239)	-54%	62 666
Vote 8 - Development & Town Planning Services		99	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	59 818	78 890	-	2 460	11 049	18 626	(7 577)	-41%	83 258
Total Capital Expenditure		107 847	133 095	-	8 339	25 831	32 177	(6 346)	-20%	137 463
Capital Expenditure - Standard Classification										
Governance and administration		1 624	1 958	-	-	195	1 192	(997)	-84%	1 958
Executive and council		842	622	-	-	-	622	(622)	-100%	622
Budget and treasury office		455	231	-	-	10	20	(10)	-52%	231
Corporate services		327	1 105	-	-	185	550	(365)	-66%	1 105
Community and public safety		2 125	21 092	-	1 333	1 557	4 199	(2 642)	-63%	21 092
Community and social services		2 125	12 533	-	1 333	1 557	2 059	(502)	-24%	12 533
Sport and recreation		-	8 559	-	-	-	2 140	(2 140)	-100%	8 559
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		25 470	19 688	-	2 232	10 193	4 197	5 996	143%	22 889
Planning and development		180	2 900	-	-	-	-	-		2 900
Road transport		25 310	16 788	-	2 232	10 193	4 197	5 996	143%	19 989
Environmental protection		-	-	-	-	-	-	-		-
Trading services		78 628	90 359	-	4 773	13 887	22 590	(8 703)	-39%	91 525
Electricity		-	-	-	-	-	-	-		-
Water		66 137	76 359	-	1 856	8 463	18 840	(10 377)	-55%	76 525
Waste water management		12 492	15 000	-	2 917	5 424	3 750	1 674	45%	15 000
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Standard Classification	3	107 847	133 095	-	8 339	25 831	32 177	(6 346)	-20%	137 463
Funded by:										
National Government		94 925	104 205	-	7 005	21 935	39 970	(18 036)	-45%	105 371
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		9 013	-	-	-	-	-	-		-
Transfers recognised - capital		103 938	104 205	-	7 005	21 935	39 970	(18 036)	-45%	105 371
Public contributions & donations	5	-	-	-	-	2 161	-	2 161	#DIV/0!	3 202
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		3 909	28 890	-	1 333	1 736	7 222	(5 487)	-76%	28 890
Total Capital Funding		107 847	133 095	-	8 339	25 831	47 193	(21 361)	-45%	137 463

4.1.6 Table C6: Monthly Budget Statement - Financial Position

NC451 Joe Morolong - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		-	3 013		6 227	3 013
Call investment deposits		7 500	218		23 187	218
Consumer debtors		93 938	4 727		19 592	4 727
Other debtors		1 657			104 600	
Current portion of long-term receivables						
Inventory		1 312	1 500		1 246	1 500
Total current assets		104 407	9 458	-	154 852	9 458
Non current assets						
Long-term receivables						
Investments						
Investment property			3 085		-	3 085
Investments in Associate						
Property, plant and equipment		1 125 177	1 014 183		1 438 508	1 014 183
Agricultural						
Biological assets						
Intangible assets		23	380		-	380
Other non-current assets						
Total non current assets		1 125 199	1 017 648	-	1 438 508	1 017 648
TOTAL ASSETS		1 229 606	1 027 106	-	1 593 360	1 027 106
LIABILITIES						
Current liabilities						
Bank overdraft		16 300				
Borrowing			784		-	784
Consumer deposits						
Trade and other payables		111 975	9 760		17 712	9 760
Provisions		650	645		1 214	645
Total current liabilities		128 925	11 190	-	18 926	11 190
Non current liabilities						
Borrowing		2 909	2 836		3 263	2 836
Provisions		3 326	1 551		-	1 551
Total non current liabilities		6 235	4 387	-	3 263	4 387
TOTAL LIABILITIES		135 160	15 577	-	22 189	15 577
NET ASSETS	2	1 094 446	1 011 529	-	1 571 171	1 011 529
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		27 028	1 011 529		1 571 171	1 011 529
Reserves		938 494				
TOTAL COMMUNITY WEALTH/EQUITY	2	965 522	1 011 529	-	1 571 171	1 011 529

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

NC451 Joe Morolong - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	29 158	25 103		13 853	16 136	5 553	10 582	191%	25 103
Government - operating	84 755	111 580		377	44 445	47 477	(3 032)	-6%	112 076
Government - capital	108 519	104 205		221	36 355	39 970	(3 615)	-9%	108 573
Interest	577	40		18	28	10	18	178%	40
Dividends	-						-		
Payments									
Suppliers and employees	(114 826)	(103 935)		(12 069)	(31 914)	(25 819)	6 095	-24%	(104 431)
Finance charges	(785)	(100)		(12)	(38)	(25)	13	-52%	(100)
Transfers and Grants							-		
NET CASH FROM/(USED) OPERATING ACTIVITIES	107 400	136 892	-	2 388	65 012	67 167	2 155	3%	141 260
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	756						-		
Decrease (Increase) in non-current debtors							-		
Decrease (Increase) other non-current receivables							-		
Decrease (Increase) in non-current investments							-		
Payments									
Capital assets	(107 847)	(133 073)		(8 339)	(38 831)	(33 268)	5 563	-17%	(137 441)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(107 092)	(133 073)	-	(8 339)	(38 831)	(33 268)	5 563	-17%	(137 441)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits							-		
Payments									
Repayment of borrowing	785	(784)		-	-	-	-		(784)
NET CASH FROM/(USED) FINANCING ACTIVITIES	785	(784)	-	-	-	-	-		(784)
NET INCREASE/ (DECREASE) IN CASH HELD	1 092	3 035	-	(5 950)	26 181	33 898			3 035
Cash/cash equivalents at beginning:	2 008	3 013			3 101	3 013			3 101
Cash/cash equivalents at month/year end:	3 101	6 048			29 281	36 911			6 135

Table C7 includes the balance of the Cashbook and Current Investment Deposits.

Refer to section 7 and 10 for a more comprehensive picture of the cash position of the municipality which is short investment and available cash in primary bank account. Kindly note that the over collection under Ratepayers and other is as a result of VAT claimed from SARS.

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Supporting Table SC3

NC451 Joe Morolong - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter

Description	NT Code	Budget Year 2014/15										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.to 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	507	804	491	882	230	320	1 451	5 966	9 952	8 349				
Trade and Other Receivables from Exchange Transactions - Electricity	1300	121	274	118	109	139	188	1 072	1 790	3 806	3 293				
Receivables from Non-exchange Transactions - Property Rates	1400	260	251	336	257	267	262	868	734	3 223	2 376				
Receivables from Exchange Transactions - Waste Water Management	1500	125	118	119	83	106	89	460	347	1 447	1 084				
Receivables from Exchange Transactions - Waste Management	1600	81	76	75	69	70	66	311	428	1 184	932				
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-				
Interest on Arrear Debtor Accounts	1810									-	-				
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-				
Other	1900	5 446	1 419	357	5	163	360	335	95 935	104 600	97 378				
Total By Income Source	2000	6 541	2 742	1 496	895	965	1 860	4 494	105 200	124 192	113 413	-	-	-	
2013/14 - totals only															
										-	-				
Debtors Age Analysis By Customer Group															
Organs of State	2200	5	14	4	-	0	0	11	(53)	(18)	(41)				
Commercial	2300	559	757	570	476	358	475	2 093	10 234	15 521	13 635				
Households	2400	5 977	1 971	322	419	507	1 388	2 389	95 019	108 689	99 819				
Other	2500									-	-				
Total By Customer Group	2600	6 541	2 742	1 496	895	965	1 860	4 494	105 200	124 192	113 413	-	-	-	

Section 6 – Creditors' analysis

Supporting Table SC4

NC451 Joe Morolong - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter

Description	NT Code	Budget Year 2014/15									Prior year totals for chart (same period)
		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	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700	-							228	228	192
Auditor General	0800									-	
Other	0900								1	1	
Total By Customer Type	1000	-	-	-	-	-	-	-	229	229	192

Section 7 – Investment portfolio analysis

Supporting Table SC5

NC451 Joe Morolong - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter

Investments by maturity Name of institution & investment ID	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
R thousands	Yrs/Months							
Municipality								
ABSA Bank-9288820487	Call Account	Call Deposit	Call Deposit	1		235	-	236
ABSA Bank-2073969801	Fixed Deposit	Fixed deposit		0		30	-	30
Standard Bank-548529973-003	Call Account	Money Market	Call Deposit	0		70	-	70
ABSA-9297200038	Depositor Plus	Depositor Plus	Depositor Plus	70		20 145	(10 000)	10 215
FNB-74487006569	Notice	Notice Account	Notice	54		12 553	-	12 607
FNB-82247117709				-		28	-	28
Municipality sub-total				125		33 061	(10 000)	23 187
Entities								
Entities sub-total				-		-	-	-
TOTAL INVESTMENTS AND INTEREST				125		33 061	(10 000)	23 187

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table SC6 – Grant Receipts

NC451 Joe Morolong - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	81 274	107 758	–	–	42 727	42 873	(389)	-0.9%	107 758
Local Government Equitable Share	71 227	93 255			36 913	37 302	(389)	-1.0%	93 255
Water Services Operating Subsidy	8 000	10 000			2 500	2 500			10 000
Finance Management	158	1 600			1 600	1 600			1 600
Municipal Systems Improvement	892	934			934	934			934
EPWP Incentive	1 000	1 969			760	537			1 969
Other transfers and grants [insert description]									
Provincial Government:	2 086	969	–	377	1 357	250	234	93.6%	1 842
Sport and Recreation	590	969			484	250	234	93.6%	969
Housing				377	873				873
EPWP	1 496								
District Municipality:	–	–	–	–	–	–	–		–
[insert description]									
Other grant providers:	–	–	–	–	–	–	–		–
[insert description]									
Total Operating Transfers and Grants	83 360	108 727	–	377	44 084	43 123	(155)	-0.4%	109 600
Capital Transfers and Grants									
National Government:	105 725	107 058	–	221	33 507	44 323	(12 204)	-27.5%	108 446
Municipal Infrastructure Grant (MIG)	55 253	57 058			19 619	22 823	(3 204)	-14.0%	57 058
Regional Bulk Infrastructure	43 436			221	1 368				1 368
Municipal Water Infrastructure Grant	7 036	50 000			12 500	21 500	(9 000)	-41.9%	50 000
Provincial Government:	–	–	–	–	–	–	–		–
[insert description]									
District Municipality:	–	–	–	–	–	–	–		–
[insert description]									
Other grant providers:	2 796	–	–	–	3 202	–	3 202	#DIV/0!	3 202
ACIP Sanitation	2 796				3 202				3 202
Kumba Iron Ore (Access Road)									
Total Capital Transfers and Grants	108 521	107 058	–	221	36 708	44 323	(9 002)	-20.3%	111 647
TOTAL RECEIPTS OF TRANSFERS & GRANTS	191 881	215 785	–	598	80 792	87 446	(9 157)	-10.5%	221 247

It should be noted that no provincial or national grants should be received during April to June of any year. This is to prevent confusion from the overlap of the national government and the local government financial years and the negative impact this has previously had on reporting.

The municipality received three types grants of grants which were not budgeted for, being Regional Bulk Infrastructure Grant(RBIG), Housing Grant and the other from Kumba Iron Ore(Sishen Mine) for access road construction (N14 via Khangkhudung to Camden). RBIG and Housing grants are gazetted as grants in kind in the Division of Revenue Act but the departments concerned have signed the Memorandum of Understanding with the municipality for implementation of the projects for those two grants.

8.2 Supporting Table SC7 (1) – Grant expenditure

NC451 Joe Morolong - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q1 First Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		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:		81 274	107 758	–	8 628	24 390	26 939	(2 550)	-9.5%	107 758
Local Government Equitable Share		71 227	93 255		7 771	23 314	23 314	–		93 255
Water Services Operating Subsidy		8 000	10 000		454	454	2 500	(2 046)	-81.8%	10 000
Finance Management		155	1 600		403	622	400	222	55.5%	1 600
Municipal Systems Improvement		892	934		–	–	233	(233)	-100.0%	934
EPWP Incentive		1 000	1 969		–	–	492	(492)	-100.0%	1 969
Other transfers and grants [insert description]								–		
Provincial Government:		2 086	969	–	569	875	220	655	297.0%	1 658
Sport and Recreation		590	969		97	186	220	(34)	-15.5%	969
Housing					472	689		689	#DIV/0!	689
EPWP		1 496						–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		83 360	108 727	–	9 196	25 265	27 160	(1 895)	-7.0%	109 416
Capital expenditure of Transfers and Grants										
National Government:		105 725	107 058	–	6 768	22 284	26 765	(4 481)	-16.7%	108 224
Municipal Infrastructure Grant (MIG)		55 253	57 058		6 095	15 602	14 264	1 337	9.4%	57 058
Regional Bulk Infrastructure		43 436				1 166		1 166	#DIV/0!	1 166
Municipal Water Infrastructure Grant		7 036	50 000		673	5 516	12 500	(6 984)	-55.9%	50 000
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		2 796	–	–	–	2 161	–	2 161	#DIV/0!	2 161
ACIP Sanitation		2 796						–		
Kumba Iron Ore (Access Road)						2 161		2 161	#DIV/0!	2 161
Total capital expenditure of Transfers and Grants		108 521	107 058	–	6 768	24 445	26 765	(2 320)	-8.7%	110 385
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		191 881	215 785	–	15 964	49 710	53 924	(4 215)	-7.8%	219 801

Municipal System Improvement Grant expenditure is below the target as the reviewed ward committee policy is to be adopted by council in November 2014, and their training will also be done the same month. The development of by-laws is progressing well and gazetting will be done after consultation is completed.

Municipal Water Infrastructure Grant expenditure is below the year-to-date budget due to community member refusing the contractor access to the borehole in both Bendell and Kiangkop village, which led to the delay of construction works.

Water Service Operating Subsidy Grant expenditure is below the target but the contractors are busy on site refurbishing some of the boreholes which are non-functional and the municipality has engaged the hydrologist for testing of all remaining borehole after it was discovered that the some borehole have dried up.

Municipal Infrastructure Grants projects going well except Sports and Recreation facilities as the municipality have just finished the business plans and they will be submitted to MIG office for approval by October 2014.

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

9.1 Supporting Table SC8

NC451 Joe Morolong - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5 223	4 648		453	973	1 162	(189)	-16%	4 648
Pension and UIF Contributions		827	820		-	-	205	(205)	-100%	820
Medical Aid Contributions		-	-		-	-	-	-		-
Motor Vehicle Allowance		1 928	2 056		171	341	514	(173)	-34%	2 056
Cellphone Allowance		353	701		50	101	175	(74)	-42%	701
Housing Allowances		-	-		-	-	-	-		-
Other benefits and allowances		-	-		-	-	-	-		-
Sub Total - Councillors		8 331	8 226	-	674	1 415	2 056	(641)	-31%	8 226
% increase	4		-1.3%							-1.3%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 900	2 904		192	617	726	(109)	-15%	2 904
Pension and UIF Contributions		-	564		31	100	141	(41)	-29%	564
Medical Aid Contributions		-	43		9	27	11	16	153%	43
Overtime		-	-		-	-	-	-		-
Performance Bonus		-	-		-	-	-	-		-
Motor Vehicle Allowance		1 522	1 552		121	363	388	(25)	-6%	1 552
Cellphone Allowance		61	91		2	7	23	(16)	-68%	91
Housing Allowances		-	436		48	132	109	23	21%	436
Other benefits and allowances		414	0		0	7	0	7	5650%	0
Payments in lieu of leave		-	-		-	-	-	-		-
Long service awards		-	-		-	-	-	-		-
Post-retirement benefit obligations	2	-	-		-	-	-	-		-
Sub Total - Senior Managers of Municipality		4 897	5 590	-	404	1 253	1 397	(144)	-10%	5 590
% increase	4		14.2%							14.2%
Other Municipal Staff										
Basic Salaries and Wages		17 794	25 429		1 809	5 530	6 357	(827)	-13%	25 429
Pension and UIF Contributions		3 705	5 184		330	984	1 296	(312)	-24%	5 184
Medical Aid Contributions		2 170	2 323		214	610	581	30	5%	2 323
Overtime		1 513	1 102		159	412	276	136	49%	1 102
Performance Bonus		1 679	2 526		-	6	-	6	#DIV/0!	2 526
Motor Vehicle Allowance		3 587	1 692		268	1 000	423	577	136%	1 692
Cellphone Allowance		434	410		41	122	102	20	19%	410
Housing Allowances		-	585		323	327	146	180	123%	585
Other benefits and allowances		631	316		37	98	79	19	24%	316
Payments in lieu of leave		-	70		-	-	-	-		70
Long service awards		-	-		-	-	-	-		-
Post-retirement benefit obligations	2	-	-		-	-	-	-		-
Sub Total - Other Municipal Staff		31 512	39 637	-	3 181	9 089	9 260	(172)	-2%	39 637
% increase	4		25.8%							25.8%
Total Parent Municipality		44 739	53 453	-	4 259	11 757	12 714	(957)	-8%	53 453
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Senior Managers of Entities										
Other Staff of Entities										
Total Municipal Entities										
TOTAL SALARY, ALLOWANCES & BENEFITS		44 739	53 453	-	4 259	11 757	12 714	(957)	-8%	53 453
% increase	4		19.5%							19.5%
TOTAL MANAGERS AND STAFF		36 408	45 227	-	3 585	10 342	10 658	(316)	-3%	45 227

Section 10 – Actual and Revised Targets for Cash Receipts

9.1 Supporting Table SC9

NC451 Joe Morolong - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q1 First Quarter

R thousands	Description	Ref	Budget Year 2014/15												2014/15 Medium Term Revenue & Expenditure Framework		
			July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source																	
	Property rates	1	136	134	134									8 765	9 664	10 185	
	Service charges - penalties & collection charges		—	—	—									—	—	—	
	Service charges - electricity revenue		387	382	556									5 551	7 396	7 942	
	Service charges - water revenue		143	870	786									4 298	6 769	7 514	
	Service charges - sanitation revenue		4	100	106									1 215	1 512	1 593	
	Service charges - refuse		5	63	36									785	916	965	
	Service charges - other		—	—	—									—	—	—	
	Rental of facilities and equipment		6	5	6									74	93	96	
	Interest earned - external investments		1	9	7									(17)	40	44	
	Interest earned - outstanding debtors		—	—	11									—	—	—	
	Dividends received		—	—	—									—	—	—	
	Fines		—	—	—									—	—	—	
	Licences and permits		—	—	—									—	—	—	
	Agency services		—	—	—									—	—	—	
	Transfer receipts - operating		41 518	2 550	377									67 135	137 022	140 449	
	Other revenue		10	18	12 229									(11 701)	708	721	
	Cash Receipts by Source		42 211	4 150	14 248									136 723	164 122	169 511	
Other Cash Flows by Source																	
	Transfer receipts - capital		32 607	3 627	221									67 850	116 398	131 879	
	Contributions & Contributed assets		—	—	—									—	—	—	
	Proceeds on disposal of PPE		—	—	—									—	—	—	
	Short term loans		—	—	—									—	—	—	
	Borrowing long term/refinancing		—	—	—									—	—	—	
	Increase in consumer deposits		—	—	—									—	—	—	
	Receipt of non-current debtors		—	—	—									—	—	—	
	Receipt of non-current receivables		—	—	—									—	—	—	
	Change in non-current investments		—	—	—									—	—	—	
	Total Cash Receipts by Source		74 818	7 677	14 469									240 928	280 520	301 490	
Cash Payments by Type																	
	Employee related costs		5 373	3 364	3 594									43 870	47 156	50 768	
	Remuneration of councillors		742	674	674									8 226	9 138	9 138	
	Interest paid		17	10	12									100	105	111	
	Bulk purchases - Electricity		30	821	791									4 847	7 011	7 577	
	Bulk purchases - Water & Sewer		—	427	—									6 488	5 055	5 458	
	Other materials		—	—	—									—	—	—	
	Contracted services		623	1 256	3 838									4 404	5 609	5 968	
	Grants and subsidies paid - other municipalities		—	—	—									—	—	—	
	Grants and subsidies paid - other		256	—	336									2 021	2 130	2 245	
	General expenses		3 684	5 129	2 836									34 246	45 710	46 845	
	Cash Payments by Type		8 725	11 700	12 081									104 035	121 485	127 912	
Other Cash Flows/Payments by Type																	
	Capital assets		16 586	13 896	8 339									94 242	139 049	149 403	
	Repayment of borrowing		—	—	—									784	784	784	
	Other Cash Flows/Payments		32 500	—	(10 000)									(22 500)	—	—	
	Total Cash Payments by Type		57 811	25 606	10 420									237 893	261 318	278 099	
NET INCREASE/(DECREASE) IN CASH HELD																	
	Cash/cash equivalents at the month/year beginning:		17 007	(17 929)	4 050									(92)	3 035	23 391	
	Cash/cash equivalents at the month/year end:		3 101	20 107	2 178									6 227	6 135	25 337	
	Cash/cash equivalents at the month/year end:		20 107	2 178	6 227									6 136	25 337	48 728	

Section 11 – Capital programme performance

11.1 Supporting Table SC12

NC451 Joe Morolong - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q1 First Quarter

Month	2013/14	Budget Year 2014/15							
	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	10 887	10 819		3 586	3 586	10 819	7 232	66.8%	3%
August	10 327	11 012		13 906	17 493	21 831	4 338	19.9%	13%
September	7 645	10 347		8 339	25 831	32 177	6 346	19.7%	19%
October	14 412	11 374				43 551	-		
November	18 255	14 118				57 670	-		
December	4 008	11 163				68 833	-		
January	9 336	11 991				80 824	-		
February	1 759	11 137				91 961	-		
March	11 842	11 137				103 098	-		
April	10 978	9 970				113 069	-		
May	5 701	9 970				123 039	-		
June	2 699	10 056				133 095	-		
Total Capital expenditure	107 847	133 095	-	25 831					

Chart C1 2014/15 Capital Expenditure Monthly Trend: actual v target

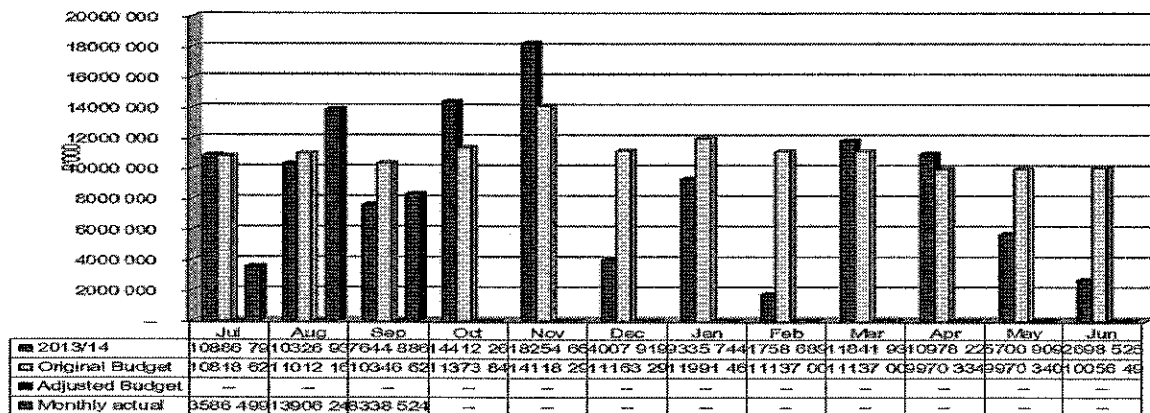
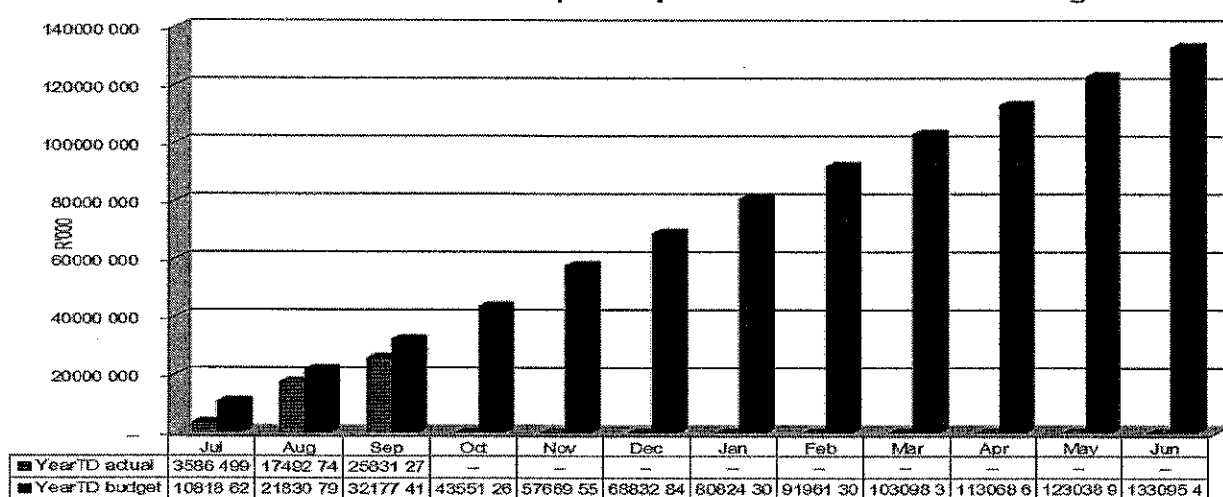


Chart C2 2014/15 Capital Expenditure: YTD actual v YTD target



11.2 Supporting Tables SC13

11.2.1 Supporting Table SC13a

NC451 Joe Morolong - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Q1 First Quarter

Description R thousands	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	103 938	95 646	—	6 552	23 625	24 328	703	2.9%	100 014
Infrastructure - Road transport	25 310	16 788	—	2 232	10 193	4 197	(5 996)	-142.9%	19 989
Roads, Pavements & Bridges	25 310	16 788	—	2 232	10 193	4 197	(5 996)	-142.9%	19 989
Storm water	—	—	—	—	—	—	—	—	—
Infrastructure - Electricity	—	—	—	—	—	—	—	—	—
Generation	—	—	—	—	—	—	—	—	—
Transmission & Reticulation	—	—	—	—	—	—	—	—	—
Street Lighting	—	—	—	—	—	—	—	—	—
Infrastructure - Water	66 137	63 859	—	1 403	8 009	16 381	8 373	51.1%	65 025
Dams & Reservoirs	—	—	—	—	—	—	—	—	—
Water purification	—	—	—	—	—	—	—	—	—
Reticulation	66 137	63 859	—	1 403	8 009	16 381	8 373	51.1%	65 025
Infrastructure - Sanitation	12 492	15 000	—	2 917	5 424	3 750	(1 674)	-44.6%	15 000
Reticulation	12 492	15 000	—	2 917	5 424	3 750	(1 674)	-44.6%	15 000
Sewerage purification	—	—	—	—	—	—	—	—	—
Infrastructure - Other	—	—	—	—	—	—	—	—	—
Waste Management	—	—	—	—	—	—	—	—	—
Transportation	—	—	—	—	—	—	—	—	—
Gas	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Community	2 016	18 354	—	1 333	1 557	4 652	3 095	66.5%	18 354
Parks & gardens	—	8 559	—	—	—	2 140	2 140	100.0%	8 559
Sportsfields & stadia	—	—	—	—	—	—	—	—	—
Swimming pools	—	—	—	—	—	—	—	—	—
Community halls	919	7 000	—	1 333	1 550	1 838	288	15.7%	7 000
Libraries	—	—	—	—	—	—	—	—	—
Recreational facilities	—	—	—	—	—	—	—	—	—
Fire, safety & emergency	—	100	—	—	—	—	—	—	100
Security and policing	—	—	—	—	—	—	—	—	—
Buses	—	—	—	—	—	—	—	—	—
Clinics	—	—	—	—	—	—	—	—	—
Museums & Art Galleries	—	—	—	—	—	—	—	—	—
Cemeteries	1 097	2 696	—	—	7	674	667	99.0%	2 696
Social rental housing	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Heritage assets	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Housing development	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—
Other assets	1 592	8 384	—	—	195	1 197	1 002	83.7%	8 384
General vehicles	621	6 250	—	—	—	600	600	100.0%	6 250
Specialised vehicles	—	—	—	—	—	—	—	—	—
Plant & equipment	—	—	—	—	—	—	—	—	—
Computers - hardware/equipment	588	220	—	—	195	22	(173)	-786.3%	220
Furniture and other office equipment	—	77	—	—	—	25	25	100.0%	77
Abattoirs	—	—	—	—	—	—	—	—	—
Markets	—	—	—	—	—	—	—	—	—
Civic Land and Buildings	—	—	—	—	—	—	—	—	—
Other Buildings	284	1 837	—	—	—	550	550	100.0%	1 837
Other Land	—	—	—	—	—	—	—	—	—
Surplus Assets - (Investment or Inventory)	—	—	—	—	—	—	—	—	—
Other	99	—	—	—	—	—	—	—	—
Agricultural assets	—	—	—	—	—	—	—	—	—
List sub-class	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
List sub-class	—	—	—	—	—	—	—	—	—
Intangibles	301	211	—	—	—	—	—	—	211
Computers - software & programming	301	211	—	—	—	—	—	—	211
Other	—	—	—	—	—	—	—	—	—
Total Capital Expenditure on new assets	107 847	122 595	—	7 885	25 377	30 177	4 800	15.9%	126 963
Specialised vehicles	—	—	—	—	—	—	—	—	—
Refuse	—	—	—	—	—	—	—	—	—
Fire	—	—	—	—	—	—	—	—	—
Conservancy	—	—	—	—	—	—	—	—	—
Ambulances	—	—	—	—	—	—	—	—	—

11.2.2 Supporting Table SC13b

NC451 Joe Morolong - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - Q1 First Quarter

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	10 000	-	454	454	2 000	1 546	77.3%	10 000
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	10 000	-	454	454	2 000	1 546	77.3%	10 000
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	-	10 000	-	454	454	2 000	1 546	77.3%	10 000
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	-	500	-	-	-	-	-	-	500
General vehicles	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	500	-	-	-	-	-	-	500
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	-	10 500	-	454	454	2 000	1 546	77.3%	10 500
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

11.2.2 Supporting Table SC13c

NC451 Joe Morolong - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q1 First Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		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		14 389	6 925	-	423	1 046	1 731	685	39.6%	6 925
Infrastructure - Road transport	78	205	-	-	-	51	51	100.0%	205	
Roads, Pavements & Bridges	78	205	-	-	-	51	51	100.0%	205	
Storm water	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	200	-	-	-	50	50	100.0%	200	
Generation	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	200	-	-	-	50	50	100.0%	200	
Street Lighting	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water	14 289	6 075	-	423	1 046	1 519	473	31.1%	6 075	
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-
Water purification	65	600	-	-	26	150	125	83.6%	600	
Reticulation	14 234	5 475	-	423	1 021	1 369	347	25.4%	5 475	
Infrastructure - Sanitation	13	135	-	-	-	34	34	100.0%	135	
Reticulation	13	35	-	-	-	9	9	100.0%	35	
Sewerage purification	-	100	-	-	-	25	25	100.0%	100	
Infrastructure - Other	9	310	-	-	-	77	77	100.0%	310	
Waste Management	9	10	-	-	-	2	2	100.0%	10	
Transportation	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-
Other	-	300	-	-	-	73	75	100.0%	300	
Community		224	80	-	-	-	20	20	100.0%	80
Parks & gardens	37	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	36	50	-	-	-	13	13	100.0%	50	
Swimming pools	-	-	-	-	-	-	-	-	-	-
Community halls	152	30	-	-	-	8	8	100.0%	30	
Libraries	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Other assets		16 097	725	-	99	174	181	7	4.0%	725
General vehicles	506	545	-	-	51	136	85	62.6%	545	
Specialised vehicles	-	-	-	-	-	-	-	-	-	-
Plant & equipment	40	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	92	50	-	-	-	13	13	100.0%	50	
Furniture and other office equipment	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-	-
Other Buildings	262	100	-	99	123	25	(98)	-391.9%	100	
Other Land	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-
Other	15 197	30	-	-	-	8	8	100.0%	30	
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure		30 710	7 730	-	522	1 220	1 932	712	36.9%	7 730
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-

Section 12 – Parent municipality financial performance

12.1 Supporting Table SC10

The tables contained in this report are for Joe Morolong Local Municipality as the parent municipality only.

Section 13 – Municipal entity summary

13.1 Supporting Table SC11

Not applicable.

Section 14 – In-year reports of municipal entities attached to the municipality's in-year report

14.1 Listing of in-year reports for municipal entities attached to this report

Not applicable.

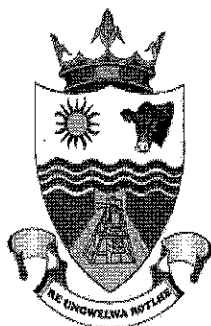
Section 15 – Other supporting documentation

15.1 Other information

None.

Section 16: Municipal Manager's 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-
(mark as appropriate)

☐

The monthly budget statement

☒

The quarterly report on the implementation of the budget and financial state of affairs of the municipality

☐

The mid-year budget and performance assessment

for the first Quarter of 2014/2015FY has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

PRINT NAME: Tshepo Macdonald Bloom

Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY (NC 451)

Signature: 

Date : 28/10/14