



**dr.jsmlm**

Dr JS Moroka Local Municipality

# **QUARTERLY BUDGET STATEMENT**

## **SECTION 52d**

### **FIRST QUARTER 2023/2024**

## **PART 1 – IN-YEAR REPORT**

### **1 Executive Summary**

#### **Table C1: Quarterly Budget Statement Summary**

For the first quarter from 01 July 2023 to 30 September 2023, revenue to the amount of R252-million was realized. This reflects a positive variance of 44% when comparing the year-to-date actual of R252-million against the year-to-date budget of R175,7-million. The variance on revenue is R77,1-million more than the planned budget.

The operating expenditure for the First quarter amounts to R168-million which reflects a negative variance of 2% when comparing the year-to-date actual of R168-million against the year-to-date budget of R171.6-million. The variance on operational expenditure is R3.6-million less than the budget.

Grants to an amount of R253-million were received to date, which was for the Equitable share, Expanded Public Works Programme, Electrification, Finance Management Grant, and Municipal Infrastructure Grant.

The capital expenditure for the first quarter amounts to R13-million which is 9% of the capital budget of R149-million.

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### **2. In-Year Budget Statements**

#### **Tables Table C2: Quarterly Financial Performance by Vote**

Table C2 measures the monthly actuals against the year-to-date figures which realized by vote for revenue and expenditure. The variances by vote are reflected in the year-to-date (YTD) variance column.

**Table C4: Quarterly Financial Performance by Revenue Source and Expenditure by Type**

Table C4 provides details of the service delivery targets for revenue by source and expenditure by type. For revenue, the main variances are on service charges, Interest earned-outstanding debtors, Interest earned-external investment, fines penalties and forfeits, licenses and permits agency services. In the case of expenditure, the main variances are on debt impairment, depreciation and asset impairment, finance charges, contracted services, transfers and subsidies, and other expenditure.

Tables C4 will be used to provide explanations on variances and reasons for variances will only be provided in cases where the percentages differ with more than 10% and can be viewed in supporting table SC1.

**Table C5: Quarterly Capital Expenditure by Vote**

Table C5 indicates the quarterly actuals on capital expenditure for all votes and measures the year-to-date actuals against the year to date planning figures. For the first quarter- 2023, capital expenditure to the amount of R13-million was realized. The year-to-date capital expenditure amounts to R13-million which is 9% of the total capital budget of R149-million.

Detailed capital expenditure by vote against original budget is as follows:

ROADS & STORMWATER PROJECTS	ORIGINAL BUDGET	JULY	AUGUST	SEPTEMBER	Q1 ACTUAL	Q1 %
Siyabuswa C bus and Taxi route at Vezulwazi	10 800 000	-	1 067 467	-	1 067 467	10
Construction of Mmametlake bus and taxi route	10 800 000	-	-	-	-	-
Construction of Radijoko bus and Taxi route	10 800 000	-	-	-	-	-
Upgrading of Matshiding Bus and Taxi Route	10 800 000	-	678 080	-	678 080	6
Construction of Katjibane Bus and Taxi Route	10 800 000	-	797 716	-	797 716	7
<b>SUB-TOTALS</b>	<b>54 000 000</b>	<b>-</b>	<b>2 543 263</b>	<b>-</b>	<b>2 543 263</b>	<b>5</b>
<b>WASTE WATER MANAGEMENT PROJECTS</b>						
Construction of Sewer reticulation at Thabana	26 620 190	-	1 700 654	-	1 700 654	6
1011 Construction of sewer reticulation at Ga-Phaahla	26 620 190	-	-	337 051	337 051	1
<b>SUB-TOTALS</b>	<b>53 240 380</b>	<b>-</b>	<b>1 700 654</b>	<b>337 051</b>	<b>2 037 705</b>	<b>4</b>
<b>WATER PROJECTS</b>						
Construction of Sewer reticulation at Thabana	-	-	-	-	-	-
1004 Replacement of asbestos bulk line water treatment plant	-	-	1 882 630	306 040	1 576 590	-
1005 Replacement of asbestos bulk line Bloedfontein	15 447 433	-	461 359	-	461 359	3
1006 Replacement of asbestos bulk Ga-Phahla and Siyabuswa A	20 042 245	4 356 024	3 854 059	1 512 759	9 722 842	49
<b>SUB-TOTALS</b>	<b>35 489 678</b>	<b>4 356 024</b>	<b>2 432 788</b>	<b>1 818 799</b>	<b>8 607 611</b>	<b>24</b>
<b>ELECTRICITY</b>						
200 household connections at Phake Ratlhagana	4 000 000	-	-	-	-	-
74 household connections at Libangeni	1 480 000	-	-	-	-	-
70 household connections at Madubaduba Moripe	1 400 000	-	-	-	-	-
<b>SUB-TOTALS</b>	<b>6 880 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTALS</b>	<b>149 610 058</b>	<b>4 356 024</b>	<b>6 676 705</b>	<b>2 155 850</b>	<b>13 188 579</b>	<b>9</b>

### Table C6: Quarterly Budget Statement Financial Position

In general, the community wealth of the municipality amounts to R2,30-billion. Total liabilities amount to R323-million, whilst total assets amount to R2,6-billion.

### Table C7: Quarterly Budget Statement Cash Flow

Table C7 provides detail of the quarterly cash in and outflow. For Q1, the net cash from operating activities was R294-million whilst net cash used for investing activities amounts to –R17,5-million.

## PART 2 – SUPPORTING DOCUMENTATION

### 1.1 The main deviations are as follows:

- Service charges-Water (R10.9-million less than YTD budget) Less revenue was billed for service charges – water than planned.
- Service charges -Sanitation (R720-thousand more than YTD budget) More revenue was billed for service charges – sanitation than planned.
- Service charges-Refuse (R276-thousand more than YTD budget) More revenue was billed for service charges - refuse than planned.
- Interest earned- external investments (R2.6-Million more than YTD budget) Interest on investment is only received when investment matures.

- Fines, penalties, and forfeits (R27-thousand less than YTD budget)
- Licences and permits (R1.2-Million less than YTD budget) The municipality is only entitled to 17% of the collection of licenses and permits.

1.2 The main deviations on operational expenditure are:

- Contracted services (R10,7-million more than YTD budget) The main contributing items were legal fees, consultant fees, Eskom, water chemicals and Security services.
- Debt impairment (R19,3-million less than YTD budget) The journal for debt impairment will only be done at year end.

## 2. Debtors' analysis

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors at the end of First Quarter 2023 amount to R666-million

MP316 Dr J.S. Moroka - Supporting Table SC3 Monthly Budget Statement - aged debtors - First Quarter

Description	NT Code	Budget Year 2023/24								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	2 416	4 121	3 530	3 851	2 564	3 749	6 789	326 445	363 465	343 398	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	0	0	0	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	3 546	3 486	3 254	7 985	1 939	1 926	1 845	90 768	114 749	104 462	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	1 007	1 005	982	1 535	628	572	480	25 018	31 227	28 233	-	-
Receivables from Exchange Transactions - Waste Management	1600	552	547	514	506	470	466	466	26 597	30 117	28 505	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	5 491	5 389	5 125	5 311	5 041	4 976	4 942	141 300	177 574	161 570	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	308	308	308	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>13 012</b>	<b>14 548</b>	<b>13 404</b>	<b>19 188</b>	<b>10 641</b>	<b>11 689</b>	<b>14 522</b>	<b>610 436</b>	<b>707 440</b>	<b>666 476</b>	-	-
<b>2022/23 - totals only</b>		<b>18 497</b>	<b>17 626</b>	<b>15 517</b>	<b>16 269</b>	<b>16 301</b>	<b>9 488</b>	<b>66 456</b>	<b>426 287</b>	<b>586 481</b>	<b>534 841</b>	-	-
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	5 221	6 464	5 744	5 720	3 991	5 170	8 108	321 227	361 644	344 216	-	-
Commercial	2300	1 674	2 014	1 643	4 537	1 447	1 355	1 287	72 162	86 120	80 789	-	-
Households	2400	6 117	6 069	6 017	8 930	5 202	5 185	5 128	217 047	259 675	241 472	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>13 012</b>	<b>14 548</b>	<b>13 404</b>	<b>19 188</b>	<b>10 641</b>	<b>11 689</b>	<b>14 522</b>	<b>610 436</b>	<b>707 440</b>	<b>666 476</b>	-	-

## 3. Creditors analysis

Supporting table SC4 provides detail on aged creditors. In terms of the MFMA all creditors are paid within thirty (30) days of receiving the invoice or statement. Outstanding Creditors amounted to R660-thousand for the first quarter of 2023-2024

MP316 Dr J.S. Moroka - Supporting Table SC4 Monthly Budget Statement - aged creditors - First Quarter

Description	NT Code	Budget Year 2023/24								Total	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		
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	658	1	-	277	(277)	-	-	1	660	605
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>658</b>	<b>1</b>	<b>-</b>	<b>277</b>	<b>(277)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>660</b>	<b>605</b>

#### 4. Allocation and grant receipts and expenditure

Supporting tables SC6 and SC7 provide detail of grants separately as income and expenditure, as far as revenue is recognized. On the receipt of grants and subsidies the year-to-date actual amounts to R253-million, which was for the equitable share, Expanded Public Works Programme, Finance Management Grant, Integrated National Electrification Programme Grant and Municipal Infrastructure Grant. On table SC7 the year-to-date grant expenditure amounts to R74-million.

MP316 Dr J.S. Moroka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - First Quarter

Description	Ref	2022/23	Budget Year 2023/24							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		419 133	494 159	-	207 329	207 329	121 081	86 248	71.2%	494 159
Expanded Public Works Programme Integrated Grant		-	-	-	(0)	(0)	-	(0)	#DIV/0!	-
Local Government Finance Management Grant	3	-	2 450	-	2 450	2 450	612	1 838	300.0%	2 450
Equitable Share		419 133	491 709	-	204 879	204 879	120 469	84 410	70.1%	491 709
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>		419 133	494 159	-	207 329	207 329	121 081	86 248	71.2%	494 159
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	157 099	-	44 816	44 816	41 355	3 461	8.4%	157 099
Municipal Infrastructure Grant		-	150 219	-	43 716	43 716	37 555	6 161	16.4%	150 219
Integrated National Electrification Programme Grant		-	6 880	-	1 100	1 100	3 800	(2 700)	-71.1%	6 880
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>		-	157 099	-	44 816	44 816	41 355	3 461	8.4%	157 099
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		419 133	651 258	-	252 145	252 145	162 436	89 709	55.2%	651 258

MP316 Dr J.S. Moroka - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - First Quarter

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		-	6 849	-	-	-	1 678	(1 678)	-100.0%	6 849
Expanded Public Works Programme Integrated Grant		-	4 399	-	-	-	1 078	(1 078)	-100.0%	4 399
Local Government Financial Management Grant	3	-	2 450	-	-	-	600	(600)	-100.0%	2 450
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		-	6 849	-	-	-	1 678	(1 678)	-100.0%	6 849
<b>Capital Transfers and Grants</b>										
National Government:		-	157 357	-	-	-	40 667	(40 667)	-100.0%	157 357
Municipal Infrastructure Grant		-	157 099	-	-	-	40 604	(40 604)	-100.0%	157 099
Integrated National Electrification Programme Grant		-	258	-	-	-	63	(63)	-100.0%	258
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		-	157 357	-	-	-	40 667	(40 667)	-100.0%	157 357
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		-	164 206	-	-	-	42 345	(42 345)	-100.0%	164 206

## 5. Investment

As at September 2023-2024, the balance on investments amounted to R74-million and the interest earned was R2-Million.

The following table shows the investments made during the First quarter:

MP316 Dr J.S. Moroka - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter

Investments by maturity Name of institution & investment ID	Ref	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands						
<b>Municipality</b>						
ABSA		7 302 106	1 420 410	108 004 397,00	143 716 000,00	44 434 119
FNB		12 509,58	124,99	12 634,59	-	0
STANDARD BANK		-	154 234,25	37 154 234,25	37 000 000,00	-
NEDBANK		-	425 827,40	45 425 827,40	75 000 000,00	30 000 000
<b>TOTAL INVESTMENTS AND INTEREST</b>		<b>7 314 616</b>	<b>2 000 597</b>	<b>190 597 093,24</b>	<b>255 716 000,00</b>	<b>74 434 119</b>

## 6. Councillors allowances and employees benefits

This table (SC8) provides the detail for councillor and employee benefits. For the first quarter 2023-2024, Councillors remuneration amounted to R9-million. The year-to-date figure amounts to R9-million

For the first quarter of 2023-2024, the total salaries, allowances and benefits paid amounts to R73-million. The year-to-date actual amounts to R73-million.



**MP316 Dr J.S. Moroka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - First Quarter**

Summary of Employee and Councillor remuneration	Ref	2022/23		Budget Year 2023/24						
		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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		13 001	17 433	-	5 499	5 499	4 271	1 228	29%	17 433
Pension and UIF Contributions		3 241	2 865	-	703	703	702	1	0%	2 865
Medical Aid Contributions		474	897	-	80	80	220	(140)	-64%	897
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		2 711	3 303	-	854	854	809	45	6%	3 303
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		4 166	3 726	-	2 024	2 024	913	1 111	122%	3 726
<b>Sub Total - Councillors</b>		<b>23 592</b>	<b>28 224</b>	<b>-</b>	<b>9 160</b>	<b>9 160</b>	<b>6 915</b>	<b>2 245</b>	<b>32%</b>	<b>28 224</b>
<b>% increase</b>	4		<b>19.6%</b>							<b>19.6%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		1 421	8 299	-	1 140	1 140	2 033	(893)	-44%	8 299
Pension and UIF Contributions		52	401	-	118	118	98	20	20%	401
Medical Aid Contributions		7	113	-	36	36	28	8	30%	113
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	482	-	57	57	118	(61)	-51%	482
Motor Vehicle Allowance		75	1 061	-	182	182	260	(78)	-30%	1 061
Cellphone Allowance		9	100	-	30	30	25	5	20%	100
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		0	0	-	0	0	0	0	38%	0
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		2 865	2 386	-	539	539	585	(46)	-8%	2 386
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 428</b>	<b>12 843</b>	<b>-</b>	<b>2 103</b>	<b>2 103</b>	<b>3 147</b>	<b>(1 044)</b>	<b>-33%</b>	<b>12 843</b>
<b>% increase</b>	4		<b>190.0%</b>							<b>190.0%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		133 056	151 194	-	46 937	46 937	37 043	9 895	27%	151 194
Pension and UIF Contributions		28 071	31 397	-	9 850	9 850	7 692	2 158	28%	31 397
Medical Aid Contributions		13 014	14 243	-	4 770	4 770	3 489	1 280	37%	14 243
Overtime		3 789	6 399	-	2 024	2 024	1 568	456	29%	6 399
Performance Bonus		10 406	12 491	-	3 899	3 899	3 060	839	27%	12 491
Motor Vehicle Allowance		4 523	5 873	-	2 281	2 281	1 439	842	59%	5 873
Cellphone Allowance		789	880	-	316	316	216	100	46%	880
Housing Allowances		822	853	-	229	229	209	20	10%	853
Other benefits and allowances		4 932	4 488	-	1 506	1 506	1 100	406	37%	4 488
Payments in lieu of leave		320	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	1 711	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>201 432</b>	<b>227 818</b>	<b>-</b>	<b>71 811</b>	<b>71 811</b>	<b>55 815</b>	<b>15 996</b>	<b>29%</b>	<b>227 818</b>
<b>% increase</b>	4		<b>13.1%</b>							<b>13.1%</b>
<b>Total Parent Municipality</b>		<b>229 453</b>	<b>268 885</b>	<b>-</b>	<b>83 074</b>	<b>83 074</b>	<b>65 877</b>	<b>17 197</b>	<b>26%</b>	<b>268 885</b>

**7. Repairs and maintenance analysis**



Supporting table SC13c measure the extent to which council's assets are maintained per asset class. For the first quarter of 2023-2024 repairs and maintenance amounted to R24,7-million. The year-to-date actual expenditure amounts to R24,7-

## **QUALITY CERTIFICATE**

Please find the quality certificate, as set out in the government gazette number 32141 dated 17 April 2009 of Dr JS Moroka Local Municipality.

I, M.M Mathebela the Municipal Manager of MP 316, Dr JS Moroka Local Municipality, hereby certify that the Section 52d report and the supporting documentation have been prepared in accordance with the Municipal Finance Management Act.

**MS. M M MATHEBELA**  
**MUNICIPAL MANAGER**

of

**DR JS MOROKA LOCAL MUNICIPALITY**  
**MP316**