

EPHRAIM MOGALE



LOCAL MUNICIPALITY (LIM471)

Monthly Budget Monitoring Report
(Section 71 of MFMA)

31 July 2016

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1.1 Executive summary

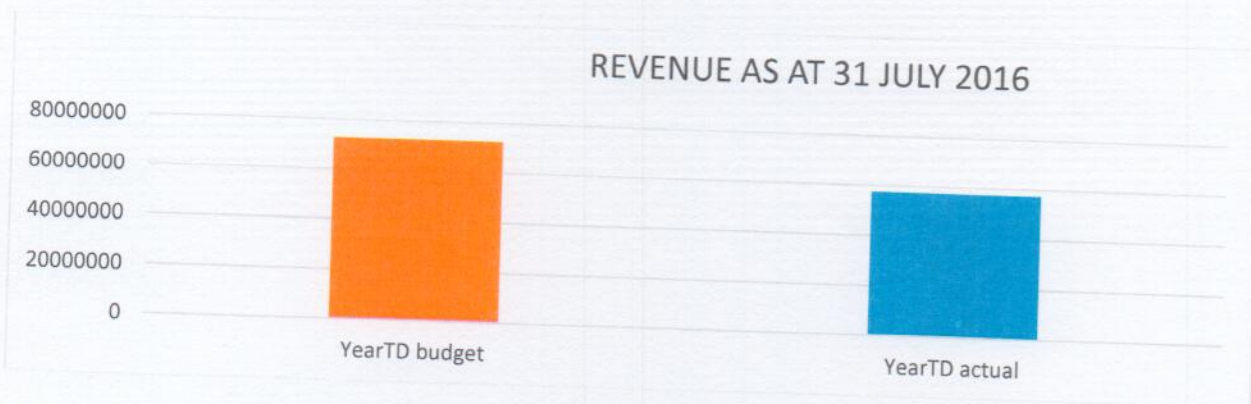
1.1.1 Introduction

Section 71(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the municipality's budget for that month and for the financial year up to the end of that month.

1.1.2 Consolidated Performance

1.1.2.1 Statement of financial performance (Table c2, c3, c4)

REVENUE (Table c2, c3, c4)

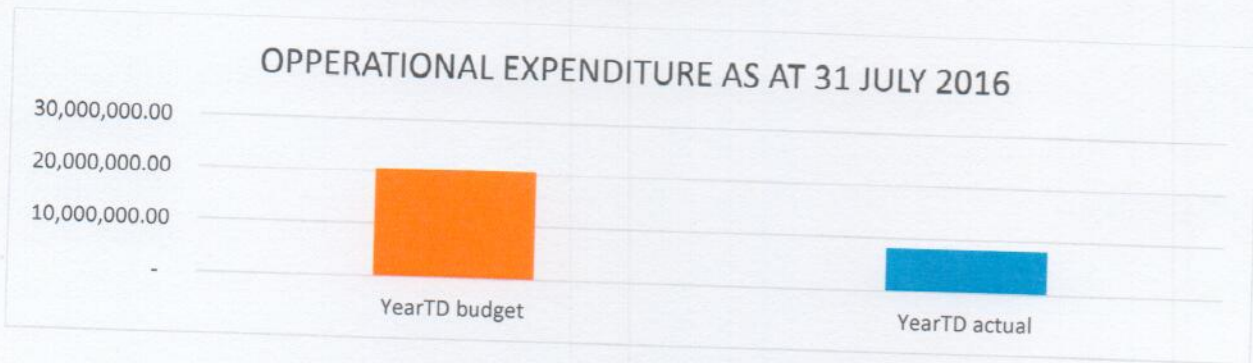


The total revenue received for the month of **July 2016** amounts to **R57 Million**, in comparison to a year to date budgeted figure of **R72 million**. There is an unfavorable variance of **R15 Million** is due to the following reasons.

1. Transfer recognized – capital

- The municipality is currently recognizing conditional grant such as Municipal Infrastructure Grant as liability which is the requirements if Generally Accepted Accounting Practice (GRAP). The municipality received R14 Million which was recognized as a liability and only recognize R99 Thousand as revenue in terms of GRAP.

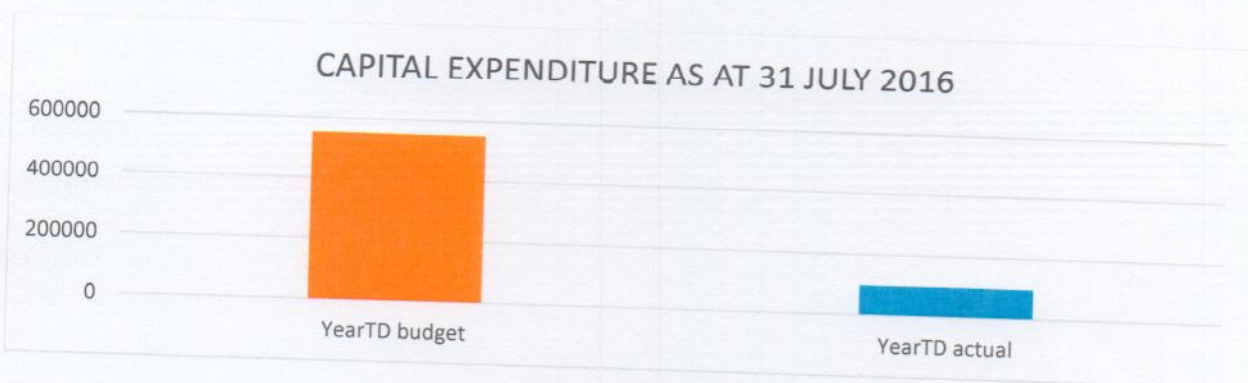
OPERATIONAL EXPENDITURE (Table c2, c3, c4)



Operating expenditure for the month of **July 2016** amounts to **R 8 Million** which is reported against a budget of **R20 Million**. There is a variance of **R12 Million** due to the following reasons.

1. Employee related cost
 - This major variance is due to critical vacant posts not yet filled .E.G Director Corporate services and Planning.
2. Depreciation and asserts impairment
 - Currently the municipality is accounting for depreciation at year end.
3. Debt Impairment
 - Currently the municipality is accounting for debt impairment at year end

1.1.2.2 CAPITAL EXPENDITURE (Table C5)



Capital expenditure for the month of **July 2016** amounts to **R 100 thousand**. The year to date budget in respect of the capital programme amounts to **R 533 Thousand**. The variance is **R433 thousand** is due to the fact that lots of projects are finalizing specification to go on advert. (See attached capital progress report below)

CAPITAL BUDGET AS AT 31 JULY 2016			FUNDING	CAPITAL BUDGET 2016/2017	YTD ACTUAL	VARIANCE
220	305021	EXTENSION OF OFFICES	OWN	500 000.00	-	500 000.00
220	305164	NEW ENTRANCE-BOOM GATE	OWN	250 000.00	-	250 000.00
220	305167	LEARNERS LICENSE SOFTWARE	OWN	284 000.00	-	284 000.00
220	305170	PALISADE FENCING	OWN	500 000.00	-	500 000.00
225	305070	MACHINERY & EQUIPMENT	OWN	190 000.00	-	190 000.00
225	305080	NEW VEHICLES	OWN	500 000.00	-	500 000.00
260	305162	MAST LIGHT CONNECTIONS	OWN	200 000.00	-	200 000.00
260	305165	NEW ENTRANCE-BOOM GATE	OWN	250 000.00	-	250 000.00
260	305169	MATLALA RAMOSHEBO MAST RETROIT	OWN	430 000.00	-	430 000.00
260	305171	ENERGY MASTERPLAN & OM PLAN	OWN	500 000.00	-	500 000.00
260	305173	GENERATOR FOR OFFICE FIN 100KV	OWN	515 357.50	-	515 357.50
260	305174	DENSIFICATION EXT 1 & 3	OWN	930 000.00	-	930 000.00
260	305176	INDUSTRIAL SUBSTATION 2ND SUPP	OWN	1 200 000.00	-	1 200 000.00
260	305179	UPGRADE EXT 2 PHASE 2	OWN	1 400 000.00	-	1 400 000.00
335	305166	RESURFACING OF TENNIS COURTS	OWN	250 000.00	-	250 000.00
360	305070	MACHINERY & EQUIPMENT	OWN	460 000.00	-	460 000.00
360	305159	FENCING OF ACCESS ROAD	OWN	160 000.00	-	160 000.00
360	305172	WEIGHBRIDGE WITH SOFTWARE	OWN	700 000.00	-	700 000.00
425	305070	MACHINERY & EQUIPMENT	OWN	980 000.00	-	980 000.00
425	305071	LANDSCAPING& GREENING PROJECT	OWN	1 120 000.00	-	1 120 000.00
425	305163	ELECTRONIC BILLBOARDS	OWN	200 000.00	-	200 000.00
500	305051	MAINTANANCE OF FIRE DETECTORS	OWN	21 600.00	-	21 600.00
500	305065	PURCHASE OF FURNITURE	OWN	550 000.00	-	550 000.00
500	305168	RECORD MANAGEMENT	OWN	400 000.00	795.80	399 204.20
505	305101	MAYORAL VEHICLE	OWN	800 000.00	-	800 000.00
625	305021	PROVISION OF OFFICE SPACE	OWN	800 000.00	-	800 000.00
650	305077	ROAD & STORM WATER MASTERPLAN	OWN	500 000.00	-	500 000.00
650	305080	VEHICLES	OWN	400 000.00	-	400 000.00
650	305146	CONSTRUCTION: N 11 DUALISATION	OWN	6 900 000.00	-	6 900 000.00
650	305147	STORMWATER EXT: 6	OWN	6 000 000.00	-	6 000 000.00
650	305175	CONSTRUCTION OF INDUSTRIA ROAD	OWN	1 000 000.00	-	1 000 000.00
650	305180	REHAB LEEWONTEIN INTERNAL STR	OWN	2 000 000.00	-	2 000 000.00
650	305183	CONSULTANCY SERVICES	OWN	200 000.00	-	200 000.00
650	305185	REHABILITATION INTERNAL STREET	OWN	2 500 000.00	-	2 500 000.00
300	260001	PMU ESTABLISHMENT	MIG	1 517 000.00	98 820.70	1 418 179.30
650	305137	ELANDSKRAAL INTERNAL STREETS	MIG	7 000 000.00	-	7 000 000.00
650	305177	MASHEMONG/MOIHOEK	MIG	1 200 000.00	-	1 200 000.00
650	305178	MAMPHOGO SPORTS COMPLEX	MIG	1 200 000.00	-	1 200 000.00
650	305181	RATHOKE INTERNAL STREET	MIG	7 000 000.00	-	7 000 000.00
650	305182	NGWALEMONG INTERNAL STREETS	MIG	7 000 000.00	-	7 000 000.00
650	305184	PHETWANE INT ROAD	MIG	7 000 000.00	-	7 000 000.00
				65 507 957.50	99 616.50	65 408 341.00

1.1.2.3 FINANCIAL POSITION (Table C6)

The municipality will be able to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels.(see Table c6)

1.1.2.4 CASH FLOW STATEMENT (Table C7)

The cash flow statement report for **July 2016** indicates a favourable/positive closing balance (cash and cash equivalents) of **R166 Million** which comprise of the opening balance of 01st of July 2016 of **R104 Million**

1.2.2.5 Conclusion

The total spending on the overall capital and operational budget of 2016/2017 financial year is **0.15%** and **3.32%** respectively, as at **30 July 2016**.

1.2 In-Year budget statement tables

1.2.1 Table C1: S71 Monthly Budget Statement Summary

LIM471 Ephraim Mogale - Table C1 Monthly Budget Statement Summary - M01 July

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	-	28 372	-	2 389	2 389	2 364	24	1%	28 372
Service charges	-	58 611	-	3 875	3 875	4 884	(1 010)	-21%	58 611
Investment revenue	-	1 241	-	138	138	103	34	33%	1 241
Transfers recognised - operational	-	120 624	-	49 031	49 031	51 299	(2 268)	-4%	120 624
Other own revenue	-	20 741	-	1 685	1 685	1 678	7	0%	20 741
Total Revenue (excluding capital transfers and contributions)	-	229 589	-	57 117	57 117	60 329	(3 213)	-5%	229 589
Employee costs	-	70 710	-	4 846	4 846	5 892	(1 046)	-18%	70 710
Remuneration of Councillors	-	11 663	-	832	832	972	(140)	-14%	11 663
Depreciation & asset impairment	-	44 944	-	-	-	3 745	(3 745)	-100%	44 944
Finance charges	-	798	-	-	-	66	(66)	-100%	798
Materials and bulk purchases	-	42 449	-	253	253	3 537	(3 285)	-93%	42 449
Transfers and grants	-	2 750	-	-	-	229	(229)	-100%	2 750
Other expenditure	-	74 943	-	2 317	2 317	6 245	(3 928)	-63%	74 943
Total Expenditure	-	248 256	-	8 248	8 248	20 688	(12 440)	-60%	248 256
Surplus/(Deficit)	-	(18 667)	-	48 869	48 869	39 641	9 227	23%	(18 667)
Transfers recognised - capital	-	31 917	-	99	99	12 374	(12 275)	-99%	31 917
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	13 250	-	48 968	48 968	52 015	(3 047)	-6%	13 250
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	13 250	-	48 968	48 968	52 015	(3 047)	-6%	13 250
Capital expenditure & funds sources									
Capital expenditure									
Capital transfers recognised	-	65 508	-	100	100	553	(453)	-82%	65 508
Public contributions & donations	-	31 917	-	99	99	335	(236)	-71%	31 917
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	33 591	-	1	1	218	(217)	-100%	33 591
Total sources of capital funds	-	65 508	-	100	100	553	(453)	-82%	65 508
Financial position									
Total current assets	-	106 507	-	-	165 354	-	-	-	106 507
Total non current assets	-	972 908	-	-	952 808	-	-	-	972 908
Total current liabilities	-	46 793	-	-	111 565	-	-	-	46 793
Total non current liabilities	-	28 830	-	-	-	-	-	-	28 830
Community wealth/Equity	-	1 003 792	-	-	1 006 598	-	-	-	1 003 792
Cash flows									
Net cash from (used) operating	-	52 996	-	61 912	61 912	54 447	(7 465)	-14%	52 996
Net cash from (used) investing	-	(63 658)	-	(100)	(100)	(533)	(433)	81%	(63 658)
Net cash from (used) financing	-	(1 865)	-	-	-	-	-	-	(1 865)
Cash/cash equivalents at the month/year end	-	62 352	-	-	166 271	128 793	(37 478)	-29%	91 932
Debtors & creditors analysis									
Debtors Age Analysis									
Total By Income Source	5 869	6 849	1 735	1 588	1 562	43 856	-	-	61 457
Creditors Age Analysis									
Total Creditors	13	-	-	-	-	-	-	-	13

1.2.2 Table C2: Monthly Budget Statement - Financial Performance (standard Classification)

LIM471 Ephraim Mogale - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M01 July

Description	Ref	2015/16	Budget Year 2016/17							
		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>		-	156 477	-	52 301	52 301	54 237	(1 936)	-4%	156 477
Executive and council		-	8 286	-	1	1	1 089	(1 088)	-100%	8 286
Budget and treasury office		-	148 190	-	52 300	52 300	53 148	(848)	-2%	148 190
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	2 570	-	13	13	214	(202)	-94%	2 570
Community and social services		-	30	-	-	-	2	(2)	-100%	30
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	2 275	-	-	-	190	(190)	-100%	2 275
Housing		-	265	-	13	13	22	(9)	-41%	265
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	43 848	-	921	921	14 362	(13 441)	-94%	43 848
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	43 848	-	921	921	14 362	(13 441)	-94%	43 848
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	58 611	-	3 978	3 978	4 884	(906)	-19%	58 611
Electricity		-	54 204	-	3 668	3 668	4 517	(849)	-19%	54 204
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	4 408	-	310	310	367	(57)	-16%	4 408
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	261 506	-	57 213	57 213	73 697	(16 484)	-22%	261 506
Expenditure - Standard										
<i>Governance and administration</i>		-	145 935	-	4 807	4 807	12 161	(7 354)	-60%	145 935
Executive and council		-	32 561	-	1 672	1 672	2 713	(1 041)	-38%	32 561
Budget and treasury office		-	88 570	-	1 274	1 274	7 381	(6 106)	-83%	88 570
Corporate services		-	24 804	-	1 861	1 861	2 067	(206)	-10%	24 804
<i>Community and public safety</i>		-	17 549	-	980	980	1 446	(466)	-32%	17 549
Community and social services		-	7 185	-	398	398	582	(184)	-32%	7 185
Sport and recreation		-	1 845	-	61	61	154	(93)	-60%	1 845
Public safety		-	3 331	-	285	285	278	7	3%	3 331
Housing		-	5 189	-	236	236	432	(196)	-45%	5 189
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	38 380	-	1 690	1 690	3 198	(1 508)	-47%	38 380
Planning and development		-	4 105	-	103	103	342	(239)	-70%	4 105
Road transport		-	34 275	-	1 587	1 587	2 856	(1 269)	-44%	34 275
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	46 391	-	771	771	3 866	(3 095)	-80%	46 391
Electricity		-	39 186	-	423	423	3 266	(2 842)	-87%	39 186
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	7 205	-	348	348	600	(253)	-42%	7 205
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	248 256	-	8 248	8 248	20 672	(12 424)	-60%	248 256
Surplus/ (Deficit) for the year		-	13 250	-	48 965	48 965	53 026	(4 060)	-8%	13 250

This table reflects the operating budget (Financial Performance) in the standard classifications which is the Government Finance Statistics Functions and Sub-function. These are used by National Treasury to assist in the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures being 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. (See executive summary for detail explanation on variances)

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

LIM471 Ephraim Mogale - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	2015/16	Budget Year 2016/17							
		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 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		-	8 286	-	1	1	1 089	(1 088)	-99.9%	8 286
Vote 3 - Financial Services		-	148 190	-	52 300	52 300	53 148	(848)	-1.6%	148 190
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Infrastructure Services		-	88 661	-	3 780	3 768	17 112	(13 344)	-78.0%	88 661
Vote 6 - Community Services		-	16 368	-	1 134	1 134	1 355	(221)	-16.3%	16 368
Vote 7 - Planning & Economic development		-	-	-	1	1	-	1	#DIV/0!	-
Total Revenue by Vote	2	-	261 506	-	57 216	57 204	72 704	(15 500)	-21.3%	261 506
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		-	4 264	-	253	253	355	(102)	-28.8%	4 264
Vote 2 - COUNCIL SUPPORT		-	28 297	-	1 419	1 419	2 358	(939)	-39.8%	28 297
Vote 3 - Financial Services		-	88 570	-	1 274	1 274	7 381	(6 106)	-82.7%	88 570
Vote 4 - Corporate Services		-	24 804	-	1 861	1 861	2 067	(206)	-10.0%	24 804
Vote 5 - Infrastructure Services		-	40 432	-	545	545	3 369	(2 824)	-83.8%	40 432
Vote 6 - Community Services		-	52 595	-	2 557	2 557	4 383	(1 826)	-41.7%	52 595
Vote 7 - Planning & Economic development		-	9 294	-	339	339	774	(435)	-56.2%	9 294
Total Expenditure by Vote	2	-	248 256	-	8 248	8 248	20 688	(12 440)	-60.1%	248 256
Surplus/ (Deficit) for the year	2	-	13 250	-	48 968	48 956	52 016	(3 060)	-5.9%	13 250

Reporting per municipal vote provide details on the spread of spending over the various functions of council. Income is mainly budgeted under Finance and infrastructure services due to Grants, and therefor the majority of the income will be reflected under this section. (See executive summary for detail explanation on variances)

1.1.3 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

LIM471 Ephraim Mogale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2015/16	Budget Year 2016/17								
		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			28 372		2 389	2 389	2 364	24	1%	28 372	
Property rates - penalties & collection charges					-	-	-	-			
Service charges - electricity revenue			54 204		3 565	3 565	4 517	(952)	-21%	54 204	
Service charges - water revenue											
Service charges - sanitation revenue											
Service charges - refuse revenue			4 408		310	310	367	(57)	-16%	4 408	
Service charges - other											
Rental of facilities and equipment			209		8	8	17	(10)	-55%	209	
Interest earned - external investments			1 241		138	138	103	34	33%	1 241	
Interest earned - outstanding debtors			2 376		379	379	198	181	91%	2 376	
Dividends received											
Fines			731		3	3					
Licences and permits			3 396		244	244	283	(39)	-14%	3 396	
Agency services			8 078		575	575	673	(98)	-15%	8 078	
Transfers recognised - operational			120 624		49 031	49 031	51 299	(2 268)	-4%	120 624	
Other revenue			5 350		476	476	446	30	7%	5 350	
Gains on disposal of PPE			600							600	
Total Revenue (excluding capital transfers and contributions)			-	229 589	-	57 117	57 117	60 329	(3 213)	-5%	229 589
Expenditure By Type											
Employee related costs			70 710		4 846	4 846	5 892	(1 046)	-18%	70 710	
Remuneration of councillors			11 663		832	832	972	(140)	-14%	11 663	
Debt impairment			7 314				610	(610)	-100%	7 314	
Depreciation & asset impairment			44 944				3 745	(3 745)	-100%	44 944	
Finance charges			798				66	(66)	-100%	798	
Bulk purchases			29 355				2 446	(2 446)	-100%	29 355	
Other materials			13 093		253	253	1 091	(839)	-77%	13 093	
Contracted services			8 821				735	(735)	-100%	8 821	
Transfers and grants			2 750				229	(229)	-100%	2 750	
Other expenditure			58 808		2 317	2 317	4 901	(2 584)	-53%	58 808	
Loss on disposal of PPE											
Total Expenditure			-	248 256	-	8 248	8 248	20 688	(12 440)	-60%	248 256
Surplus/(Deficit)											
Transfers recognised - capital			(18 667)		48 869	48 869	39 641	9 227	0	(18 667)	
Contributions recognised - capital			31 917		99	99	12 374	(12 275)	(0)	31 917	
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions			-	13 250	-	48 968	48 968	52 015		13 250	
Taxation											
Surplus/(Deficit) after taxation			-	13 250	-	48 968	48 968	52 015		13 250	
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			-	13 250	-	48 968	48 968	52 015		13 250	
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year			-	13 250	-	48 968	48 968	52 015		13 250	

Table C4 indicates revenue by source which indicates the types of income budgeted for and the performance of these items individually and expenditure by type reflecting operational budget per main type/category of expenditure. (See executive summary for detail explanation on variances)

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

LIM471 Ephraim Mogale - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M01 July

Vote Description	Ref	2015/16	Budget Year 2016/17							
		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 - MUNICIPAL MANAGER		-	800	-	-	-	-	-		800
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-		-
Vote 3 - Financial Services		-	-	-	-	-	-	-		-
Vote 4 - Corporate Services		-	972	-	-	-	33	(33)	-100%	972
Vote 5 - Infrastructure Services		-	56 842	-	100	100	335	(235)	-70%	56 842
Vote 6 - Community Services		-	6 094	-	-	-	185	(185)	-100%	6 094
Vote 7 - Planning & Economic development		-	800	-	-	-	-	-		800
Total Capital Multi-year expenditure	4,7	-	65 508	-	100	100	553	(453)	-82%	65 508

Table c5 indicates capital expenditure budget and performance by vote. (See executive summary for detail explanation on variances)

1.2.6 Table C6: Monthly Budget Statement - Financial Position

LIM471 Ephraim Mogale - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash			62 352		129 395	62 352
Call investment deposits			15 900		-	15 900
Consumer debtors			7 437		832	7 437
Other debtors			19 970		-	19 970
Current portion of long-term receivables					-	
Inventory			848		35 127	848
Total current assets			-	106 507	-	165 354
Non current assets						
Long-term receivables						
Investments						
Investment property			23 850		23 975	23 850
Investments in Associate			120 000		83 735	120 000
Property, plant and equipment						
Agricultural			829 058		845 098	829 058
Biological assets						
Intangible assets						
Other non-current assets						
Total non current assets			-	972 908	-	952 808
TOTAL ASSETS			-	1 079 415	-	1 118 163
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing					-	
Consumer deposits						
Trade and other payables			1 346		1 591	1 346
Provisions			45 240		77 675	45 240
			207		32 299	207
Total current liabilities			-	46 793	-	111 565
Non current liabilities						
Borrowing						
Provisions						
Total non current liabilities			-	28 830	-	28 830
TOTAL LIABILITIES			-	28 830	-	28 830
NET ASSETS	2		-	75 623	-	75 623
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)						
Reserves			1 003 792		972 432	1 003 792
					34 166	
TOTAL COMMUNITY WEALTH/EQUITY	2		-	1 003 792	-	1 006 598

This format of presenting the statement of financial position aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting"

Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first. (See executive summary for more detail)

1.2.7 Table C7: Monthly Budget Statement - Cash Flow

LIM471 Ephraim Mogale - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2015/16	Budget Year 2016/17								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges			24 116		1 364	1 364	2 184	(820)	-38%	24 116	
Service charges			49 351		3 211	3 211	3 163	48	2%	49 351	
Other revenue			17 767		1 332	1 332	1 161	171	15%	17 767	
Government - operating			120 624		49 031	49 031	51 299	(2 268)	-4%	120 624	
Government - capital			31 917		14 706	14 706	12 374	2 332	19%	31 917	
Interest			3 617		517	517	186	331	178%	3 617	
Dividends			-		-	-	-	-	-	-	
Payments											
Suppliers and employees			(190 848)		(8 248)	(8 248)	(15 714)	(7 466)	48%	(190 848)	
Finance charges			(798)				(76)	(76)	100%	(798)	
Transfers and Grants			(2 750)				(130)	(130)	100%	(2 750)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	52 996	-	61 912	61 912	54 447	(7 465)	-14%	52 996
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			1 850				154	(154)	-100%	1 850	
Payments											
Capital assets			(65 508)		(100)	(100)	(687)	(587)	85%	(65 508)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(63 658)	-	(100)	(100)	(533)	(433)	81%	(63 658)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing			(1 865)							(1 865)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	(1 865)	-	-	-	-	-	(1 865)	
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at beginning:			-	(12 527)	-	61 812	61 812	53 914		(12 527)	
Cash/cash equivalents at month/year end:			-	74 879	-	104 459	104 459	74 879		104 459	
			-	62 352	-	166 271	128 793			91 932	

The municipality cash flow shows a favourable/positive closing balance. . (See executive summary for more detail)

PART 2 – SUPPORTING DOCUMENTS

2.1 Debtors' Analysis

Supporting Table SC3

LIM471 Ephraim Mogale - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2016/17										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200													
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 170	404	221	191	199	2 352				6 537	2 742		
Receivables from Non-exchange Transactions - Property Rates	1400	261	76	57	57	55	1 348				1 853	1 460		
Receivables from Exchange Transactions - Waste Water Management	1500	2 009	5 984	1 125	988	973	30 874				41 954	32 836		
Receivables from Exchange Transactions - Waste Management	1600	429	385	331	351	334	9 282				11 112	9 967		
Receivables from Exchange Transactions - Property Rental Debtors	1700										-	-		
Interest on Arrear Debtor Accounts	1810										-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820										-	-		
Other	1900										-	-		
Total By Income Source	2000	5 869	6 849	1 735	1 588	1 562	43 856	-	-	61 457	47 005	-	-	
2015/16 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	490	1 618	196	219	222	8 243				10 988	8 684		
Commercial	2300	2 082	1 116	455	417	408	10 138				14 616	10 963		
Households	2400	3 297	4 114	1 084	952	931	25 475				35 853	27 358		
Other	2500										-	-		
Total By Customer Group	2600	5 869	6 849	1 735	1 588	1 562	43 856	-	-	61 457	47 005	-	-	

The Debtors report has been prepared on the basis of the format required to be lodged electronically with National Treasury. This format provides an extended aged analysis, as well as an aged analysis by debtor type. The summary report indicates that the debtors between 0-30, 31-60, 61-90 and over 90 days reflect **9.5%, 11.1%, 2.8% and 76.5% respectively as at 31 July 2016**

2.2 Creditors' Analysis

LIM471 Ephraim Mogale - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	NT Code	Budget Year 2016/17									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		
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										-	
Auditor General	0800										-	
Other	0900	13									-	
Total By Customer Type	1000	13	-	-	-	-	-	-	-	-	13	-

The Creditors report has been prepared on the basis of the format required to be lodged electronically with National Treasury. This format provides an extended aged analysis, as well as an aged analysis by creditor type. The annexure indicates that the Municipality is paying its creditors within 30 days as prescribed by MFMA.

2.3 Investment portfolio analysis

LIM471 Ephraim Mogale - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
Municipality									
NEDBANK		N/A	CALL DEPOS	MONTHLY	138	6.8%	23 837	139	23 975
Municipality sub-total					138		23 837	139	23 975
Entities									
Entities sub-total									
TOTAL INVESTMENTS AND INTEREST	2				138		23 837	139	23 975

The municipality has a NEDBANK call investment account amounting to **R23,9 Million** as at **31 July 2016** which include **R139 thousands** of July interest.

2.4 Allocation and grants receipts expenditure

LIM471 Ephraim Mogale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		-	120 624	-	48 982	48 982	51 299	(402)	-0.8%	122 434
Energy Efficiency and Demand Management			117 556		48 982	48 982	49 384	(402)	-0.8%	117 556
Finance Management			-				-			1 810
EPWP Incentive			1 810				1 810			1 810
			1 258				105			1 258
Total Operating Transfers and Grants	5	-	120 624	-	48 982	48 982	51 299	(402)	-0.8%	122 434
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		-	31 917	-	14 706	14 706	12 374	2 332	18.8%	31 917
			31 917		14 706	14 706	12 374	2 332	18.8%	31 917
Total Capital Transfers and Grants	5	-	31 917	-	14 706	14 706	12 374	2 332	18.8%	31 917
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	152 541	-	63 688	63 688	63 673	1 930	3.0%	154 351

The municipality has received **R48.9 Million** and **R14.9 Million** grants from equitable share and MIG respectively for the month ended **31st July 2016**.

2.5 Councillors allowances and Employee benefits

LIM471 Ephraim Mogale - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	Ref	Budget Year 2016/17									
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands		A	B	C					D		
Councillors (Political Office Bearers plus Other)	1										
Basic Salaries and Wages			7 212		549	549	601	(52)	-9%	7 212	
Pension and UIF Contributions			1 832		96	96	153	(57)	-37%	1 832	
Medical Aid Contributions					-	-	-	-			
Motor Vehicle Allowance			1 869		135	135	156	(21)	-13%	1 869	
Cellphone Allowance			750		53	53	63	(10)	-16%	750	
Housing Allowances											
Other benefits and allowances											
Sub Total - Councillors			-	11 663	-	832	832	972	(140)	-14%	11 663
Senior Managers of the Municipality	3										
Basic Salaries and Wages			4 087		188	188	341	(152)	-45%	4 087	
Pension and UIF Contributions			664		20	20	55	(36)	-65%	664	
Medical Aid Contributions			125		8	8	10	(3)	-24%	125	
Overtime											
Performance Bonus			247		-	-	-	-			
Motor Vehicle Allowance			294		-	-	21	(21)	-100%	294	
Cellphone Allowance			86		18	18	24	(7)	-27%	294	
Housing Allowances					4	4	7	(3)	-48%	86	
Other benefits and allowances											
Payments in lieu of leave			1		0	0	0	(0)	-50%	1	
Long service awards											
Post-retirement benefit obligations											
Sub Total - Senior Managers of Municipality	2		-	5 503	-	237	237	459	(221)	-48%	5 503
Other Municipal Staff											
Basic Salaries and Wages			42 947		3 068	3 068	3 579	(511)	-14%	42 947	
Pension and UIF Contributions			9 626		656	656	802	(146)	-18%	9 626	
Medical Aid Contributions			2 569		185	185	214	(29)	-13%	2 569	
Overtime			1 688		78	78	141	(62)	-44%	1 688	
Performance Bonus			3 428		51	51	286	(235)	-82%	3 428	
Motor Vehicle Allowance			3 426		216	216	286	(69)	-24%	3 426	
Cellphone Allowance			546		35	35	46	(11)	-23%	546	
Housing Allowances			457		38	38	38	0	1%	457	
Other benefits and allowances			520		280	-	43	(43)	-100%	520	
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations											
Sub Total - Other Municipal Staff	2		-	-	-	-	-	-	-	-	
Total Parent Municipality			-	65 206	-	4 609	4 329	5 434	(1 105)	-20%	65 206
TOTAL SALARY, ALLOWANCES & BENEFITS			-	82 373	-	5 679	5 398	6 864	(1 466)	-21%	82 373
TOTAL MANAGERS AND STAFF			-	70 710	-	4 846	4 566	5 892	(1 327)	-23%	70 710

Section 66 of the MFMA requires that the Accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure.

2.7 Municipal Manager Quality certificate

2.6 Municipal Manager Quality certificate



EPHRAIM MOGALE LOCAL MUNICIPALITY
QUALITY CERTIFICATE

I, **Mathebela MM** the municipal manager of **Ephraim Mogale Local Municipality**, here by certify that-

- the monthly budget statement

for the month of **July** of **2016** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act

Print name **Mathebela MM**

Municipal manager of **Ephraim Mogale Local Municipality (LIM471)**

Signature _____

Date 15-08-2016