

EPHRAIM MOGALE



LOCAL MUNICIPALITY (LIM471)

Monthly Budget Monitoring Report
(Section 71 of MFMA)

30 April 2020

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1.1 Executive summary

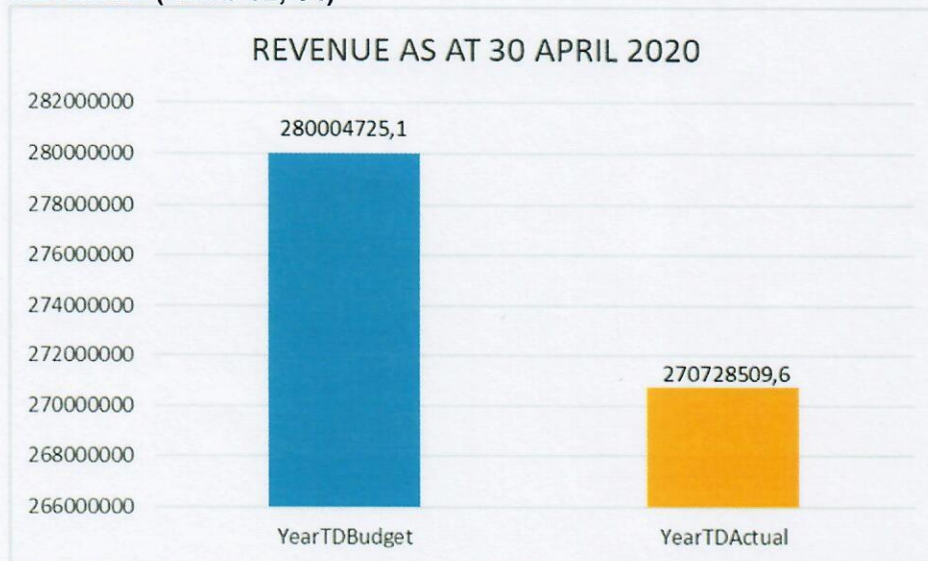
1.1.1 Introduction

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 and respective provincial treasury 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, c4)

REVENUE (Table c2, c4)



The total revenue received for the month of **April 2020** amount to **R 9.7 Million**, and the year to date revenue amount to **R 270 Million** in comparison to a year to date budgeted figure of **R280 Million**. There is an unfavorable variance of **R9.2 Million** which is due to the following reason.

1. The municipality is currently recognizing conditional grant such as Municipal Infrastructure Grant as liability which is the requirements with generally Accepted Accounting Practice (GRAP). This grants will only be recognized as revenue once they have meet conditions of those grants.

OPERATIONAL EXPENDITURE (Table c2, c4)



Operating expenditure for the month of **April 2020** amounts to **R13.6 Million**, and the year to date actual is **R154 Million** which is reported against a year to date budget of **R250 Million**. There is a favorable variance of **R 95 Million** due to the following reasons.

1. Employee related cost

This major variance is due to vacant posts not yet filled. Majority of this vacant position are already advertised and the process of shortlisting and interview will be finalised.

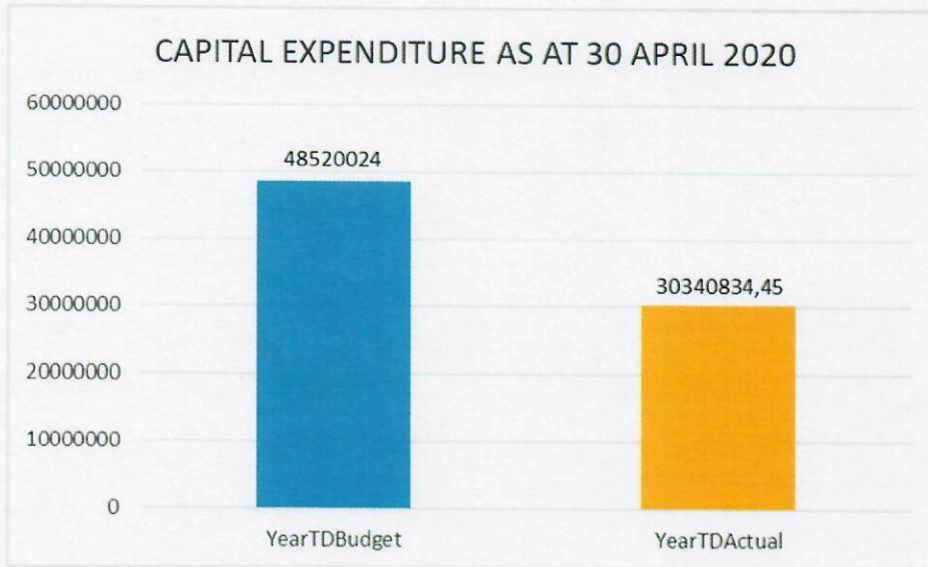
2. Depreciation and assets impairment

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 **April 2020** amounts to **R 0** and the year to date actual is **R30.3 Million** which is reported against a year to date budget of **R48.5 Million**. There is an unfavorable variance of **R18 Million**. There is currently no spending for the month of April 2020 due to current national COVIS-19 lockdown.

Capital budget as at 30 April 2020.

Function	SegmentDesc	TotalBudget	202004	TotalActual
Administration	Purchase of Furniture (500/305065)	300 000,00	-	-
Paks & Cemeteries	Landscaping & Greening (425/305071)	500 004,00	-	16 828,70
Paks & Cemeteries	Lawnmower	200 004,00	-	140 000,00
Electricity:Electricity	Upgrade Municipal ESKON Supply	1 590 695,00	-	44 049,00
Electricity:Electricity	Replace 50 kWh Meters	84 216,00	-	84 216,80
Electricity:Electricity	Replace PEX Cable in Ext 5	1 159 309,00	-	739 968,47
Electricity:Electricity	Replace Streetlight Wood Poles at Mamphokgo 20	200 004,00	-	-
Electricity:Electricity	Industrial Substation Second Supply Phase 3	3 250 008,00	-	-
Finance:Finance	CASH COUNTING MACHINES	60 000,00	-	-
Finance:Finance	Money-safe	10 008,00	-	-
Housing:Housing and Building	Air Conditioning	100 008,00	-	-
ICT	ICT Computers	280 002,00	-	150 271,68
ICT	Purchase Of ICT Equipments	137 004,00	-	58 619,09
ICT	Purchase of routers and wireless access point	100 008,00	-	5 857,81
ICT	Television	28 008,00	-	28 000,00
ICT	PURCHASE OF PRINTERS	130 008,00	-	17 500,00
ICT	Community wifi	1 000 008,00	-	-
ICT	master tower pole	95 004,00	-	-
Licensing and Traffic	Vehicle - Traffic	600 000,00	-	530 776,00
Roads:Roads & Stormwater 1	Leeufontein Sports Complex	-	-	836 282,88
Roads:Roads & Stormwater 1	Stormwater Extension 6(650/305147)	6 000 000,00	-	2 867 053,10
Roads:Roads & Stormwater 2	Mmakgatle A-B Bus Route	-	-	1 147 416,90
Roads:Roads & Stormwater 2	MAKGATLE	7 500 000,00	-	4 380 989,93
Roads:Roads& Stormwater (650)	Phetwane Internal Road (650/305184)	8 384 160,00	-	7 756 774,93
Roads:Roads& Stormwater (650)	Rehabilitation Leeuwfontein Internal Streets (650/305180)	2 500 008,00	-	-
Roads:Roads& Stormwater (650)	Mashemong/Mooihoek Internal Street	8 768 304,00	-	5 129 067,93
Roads:Roads& Stormwater (650)	Malebitsa internal road	7 384 152,00	-	6 407 161,23
TOTALS		50 360 922,00	-	30 340 834,45

1.1.2.3 FINANCIAL POSITION

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.

CASH FLOW STATEMENT

The cash flow statement report for **April 2020** indicates a favourable/positive closing balance (cash and cash equivalents).

1.2.2.5 Conclusion

The total spending on the overall capital and operational budget of 2019/2020 financial year is **60%** and **53%** respectively, as at **30 APRIL 2020**.

1.2 In-Year budget statement tables

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

LIM471 Ephraim Mogale - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M10 April

Description	Ref	Budget Year 2019/20								
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		181 161	198 754	200 840	3 947	189 916	191 920	(2 005)	-1%	200 840
Executive and council		2 472	2 287	2 173	-	1 117	1 906	(788)	-41%	2 173
Finance and administration		178 689	196 467	198 667	3 947	188 798	190 015	(1 216)	-1%	198 667
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		221	237	252	10	199	197	1	1%	252
Community and social services		54	53	53	-	39	44	(5)	-10%	53
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		167	184	199	10	159	154	6	4%	199
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		33 496	33 496	33 488	-	22 225	28 487	(6 262)	-22%	33 488
Planning and development		49	53	45	-	10	44	(34)	-77%	45
Road transport		33 446	33 443	33 443	-	22 215	28 443	(6 228)	-22%	33 443
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		61 387	67 465	64 854	5 728	56 253	56 220	33	0%	64 854
Energy sources		57 394	62 761	60 072	5 316	52 149	52 301	(152)	0%	60 072
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3 993	4 703	4 783	412	4 104	3 919	185	5%	4 783
<i>Other</i>	4	4 552	3 815	7 007	17	2 136	3 180	(1 044)	-33%	7 007
Total Revenue - Functional	2	280 817	303 766	306 442	9 703	270 729	280 005	(9 276)	-3%	306 442
Expenditure - Functional										
<i>Governance and administration</i>		157 208	181 487	178 107	6 104	76 977	151 239	(74 262)	-49%	178 107
Executive and council		42 057	47 087	44 745	2 904	31 708	39 239	(7 531)	-19%	44 745
Finance and administration		115 151	134 399	133 361	3 201	45 269	112 000	(66 731)	-60%	133 361
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		14 922	23 565	23 126	1 343	13 974	19 638	(5 664)	-29%	23 126
Community and social services		6 528	9 148	8 775	581	6 225	7 623	(1 398)	-18%	8 775
Sport and recreation		1 796	2 264	2 196	89	1 437	1 887	(450)	-24%	2 196
Public safety		-	-	-	-	-	-	-	-	-
Housing		3 037	7 807	7 753	370	3 253	6 506	(3 253)	-50%	7 753
Health		3 560	4 347	4 403	304	3 058	3 622	(564)	-16%	4 403
<i>Economic and environmental services</i>		15 254	20 929	22 733	1 223	13 879	17 441	(3 562)	-20%	22 733
Planning and development		5 365	9 368	11 212	176	3 032	7 807	(4 775)	-61%	11 212
Road transport		9 889	11 561	11 520	1 047	10 847	9 634	1 213	13%	11 520
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		50 961	62 249	57 576	4 051	41 376	51 874	(10 498)	-20%	57 576
Energy sources		46 093	56 177	51 782	3 577	37 058	46 814	(9 756)	-21%	51 782
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 868	6 071	5 794	475	4 318	5 060	(742)	-15%	5 794
<i>Other</i>		9 903	11 872	11 554	881	8 642	9 894	(1 252)	-13%	11 554
Total Expenditure - Functional	3	248 248	300 102	293 096	13 602	154 847	250 085	(95 238)	-38%	293 096
Surplus/ (Deficit) for the year		32 569	3 664	13 346	(3 900)	115 881	29 920	85 962	287%	13 346

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).

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

LIM471 Ephraim Mogale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

Description	Ref	2018/19	Budget Year 2019/20							
		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		36 282	37 509	37 406	3 108	31 077	31 257	(181)	-1%	37 406
Service charges - electricity revenue		50 358	61 224	60 000	5 316	52 149	51 020	1 129	2%	60 000
Service charges - water revenue										
Service charges - sanitation revenue										
Service charges - refuse revenue		3 994	4 464	4 783	398	3 980	3 720	259	7%	4 783
Rental of facilities and equipment		155	184	199	10	148	154	(6)	-4%	199
Interest earned - external investments		4 017	3 685	5 570	264	4 405	3 071	1 334	43%	5 570
Interest earned - outstanding debtors		7 477	7 463	7 900	573	6 514	6 219	296	5%	7 900
Dividends received										
Fines, penalties and forfeits		1 290	101	126	17	104	84	19	23%	126
Licences and permits		3 271	3 519	4 881		2 032	2 933	(900)	-31%	4 881
Agency services										
Transfers and subsidies		166 931	182 417	182 417		169 690	179 111	(9 421)	-5%	182 417
Other revenue		7 041	2 724	2 847	17	630	2 270	(1 640)	-72%	2 847
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		280 817	303 291	306 128	9 703	270 729	279 840	(9 111)	-3%	306 128
Expenditure By Type										
Employee related costs		77 767	87 715	90 067	7 147	66 264	73 096	(6 831)	-9%	90 067
Remuneration of councillors		13 236	14 533	14 533	1 098	11 060	12 111	(1 051)	-9%	14 533
Debt impairment		12 472	13 321	13 321			11 101	(11 101)	-100%	13 321
Depreciation & asset impairment		51 853	52 000	52 000			43 333	(43 333)	-100%	52 000
Finance charges		3 841	365	106		52	304	(252)	-83%	106
Bulk purchases		33 901	42 224	39 000	2 815	28 595	35 187	(6 592)	-19%	39 000
Other materials		15 024	36 355	38 287	299	5 141	30 296	(25 155)	-83%	1 881
Contracted services		1 425	1 275	1 881	517	9 625	1 063	8 562	806%	38 287
Transfers and subsidies		2 910	2 331	2 331		1 155	1 943	(787)	-41%	
Other expenditure		35 820	52 314	43 900	1 725	32 955	43 595	(10 640)	-24%	43 900
Loss on disposal of PPE										
Total Expenditure		248 248	302 433	295 427	13 602	154 847	252 027	(97 180)	-39%	293 096
Surplus/(Deficit)		32 569	858	10 701	(3 900)	115 881	27 812	88 069	0	13 032
Transfers and subsidies - capital (in-kind - all)										
(National / Provincial and District)			33 443			22 215	33 443	(11 228)	(0)	33 443
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)										
Transfers and subsidies - capital (in-kind - all)										
Surplus/(Deficit) after capital transfers & contributions		32 569	34 301	10 701	(3 900)	138 096	61 255			46 475
Taxation										
Surplus/(Deficit) after taxation		32 569	34 301	10 701	(3 900)	138 096	61 255			46 475
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		32 569	34 301	10 701	(3 900)	138 096	61 255			46 475
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		32 569	34 301	10 701	(3 900)	138 096	61 255			46 475

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)

1.1.3 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, functional classification and funding) - M10 April

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		1 673	370	370	-	-	308	(308)	-100%	370
Executive and council								-		
Finance and administration		1 673	370	370			308	(308)	-100%	370
Internal audit								-		
<i>Community and public safety</i>		1 546	2 570	2 570	-	157	2 058	(1 902)	-92%	2 570
Community and social services		1 377	2 470	2 470		157	2 058	(1 902)	-92%	2 470
Sport and recreation								-		
Public safety								-		
Housing		169	100	100			-	-		100
Health								-		
<i>Economic and environmental services</i>		28 954	40 537	40 537	-	28 525	40 537	(12 012)	-30%	40 537
Planning and development								-		
Road transport		28 954	40 537	40 537		28 525	40 537	(12 012)	-30%	40 537
Environmental protection								-		
<i>Trading services</i>		601	6 284	6 284	-	868	5 237	(4 369)	-83%	6 284
Energy sources		601	6 284	6 284		868	5 237	(4 369)	-83%	6 284
Water management								-		
Waste water management								-		
Waste management								-		
<i>Other</i>		646	456	600		791	380	411	108%	600
Total Capital Expenditure - Functional Classification	3	33 420	50 217	50 361	-	30 341	48 520	(18 179)	-37%	50 361
Funded by:										
National Government		28 954	33 443	33 443	-	24 821	8 361	16 461	197%	33 443
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		28 954	33 443	33 443	-	24 821	8 361	16 461	197%	33 443
Borrowing	6							-		
Internally generated funds		4 466	16 774	16 918	-	5 519	40 159	(34 640)	-86%	16 918
Total Capital Funding		33 420	50 217	50 361	-	30 341	48 520	(18 179)	-37%	50 361

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

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.

1.2.7 Table C7: Monthly Budget Statement - Cash Flow

The municipality cash flow shows a favourable/positive balance.

PART 2 – SUPPORTING DOCUMENTS

2.1 Debtors' Analysis

FINANCIAL YEAR 2019/20							
AGEING REPORT APRIL 2020 GL							
	30 Days	60 Days	90 Days	120 Days	150 Days	150 Plus	
Type of Service	202004	202003	202002	202001	2019/12	2019/11	Total
<i>Rates</i>	4435847,83	1531446,37	1462215,7	1443821,88	1417356,99	72316643,75	82 607 332,52
<i>Electricity</i>	5360954,98	165640,01	135697,46	117991,24	110091,7	4870672,4	10 761 047,79
<i>Refuse</i>	501819,64	110313,93	101510,54	95641,92	96020,07	3809195,37	4 714 501,47
<i>Other</i>	2290659,01	792071,58	759608,03	780375,05	755618,69	29510645,52	34 888 977,88
Total	12 589 281,46	2 599 471,89	2 459 031,73	2 437 830,09	2 379 087,45	110 507 157,04	132 971 859,66

Category	202004	202003	202002	202001	2019/12	2019/11	Total
<i>Psi</i>	4060,17	2032,24	2031,13	2028,66	2026,2	139632,01	151 810,41
<i>Farms / agri</i>	2964578,78	1408799,97	1399001,13	1369185,22	1352959,04	61256716,41	69 751 240,55
<i>Business</i>	4883621,5	288474,5	210403,83	217875,77	187928,11	5983896,21	11 772 199,92
<i>Churches</i>	19178,48	2317,41	2313,75	2305,72	2297,69	82765,3	111 178,35
<i>Commercial</i>	0	0	0	0	0	29221,64	29 221,64
<i>Domestic</i>	0	0	0	0	0	15373,47	15 373,47
<i>Industrial</i>	1135931,83	140593,68	142505,29	151378,34	153316,52	5705170,69	7 428 896,35
<i>Municipality</i>	980,54	146,22	145,2	144	236,08	38550,81	40 202,85
<i>Residential</i>	3536362,45	751416,47	698335,56	694721,54	680134,17	37246753,94	43 607 724,13
<i>School/hosp</i>	44567,71	5691,4	4295,84	190,84	189,64	9076,56	64 011,99
Total	12 589 281,46	2 599 471,89	2 459 031,73	2 437 830,09	2 379 087,45	110 507 157,04	132 971 859,66

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. Outstanding debtors as at **30 APRIL 2020** amount to **R132 Million**.

2.2 Creditors' Analysis

The Municipality is paying its creditors within 30 days as prescribed by MFMA.

2.3 Investment portfolio analysis

The municipality has invested R80 Million at a rate of 9.15% with VBS Mutual Bank that is currently under curatorship.

2.4 Allocation and grants receipts expenditure

No Grant received in April 2020

2.5 Councilors allowances and Employee benefits

The employee benefits and councilors allowance for **30 APRIL 2020** is **R7 Million** and **R1 Million** respectively



EPHRAIM MOGALE LOCAL MUNICIPALITY

QUALITY CERTIFICATE

I, **Kgopelo Phasha** the acting municipal manager of **Ephraim Mogale Local Municipality**, here by certify that-

- the monthly budget statement

For the month of **April 2020** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act

Print name **Kgopelo Phasha**

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

Signature 

Date 07/05/2020