

EPHRAIM MOGALE



LOCAL MUNICIPALITY (LIM471)

Monthly Budget Monitoring Report
(Section 71 of MFMA)

31 March 2020

Table of content

PART 1- IN-YEAR REPORT

1.1 Executive Summary	2
1.2 In-Year budget statement tables	3

PART 2 – SUPPORTING DOCUMENTS

2.1 Debtors' Analysis	9
2.2 Creditors' Analysis.....	10
2.3 Investment portfolio analysis.....	10
2.4 Allocation and grants receipts expenditure.....	10
2.5 Councilors allowances and Employee benefits.....	10

1.1 Executive summary

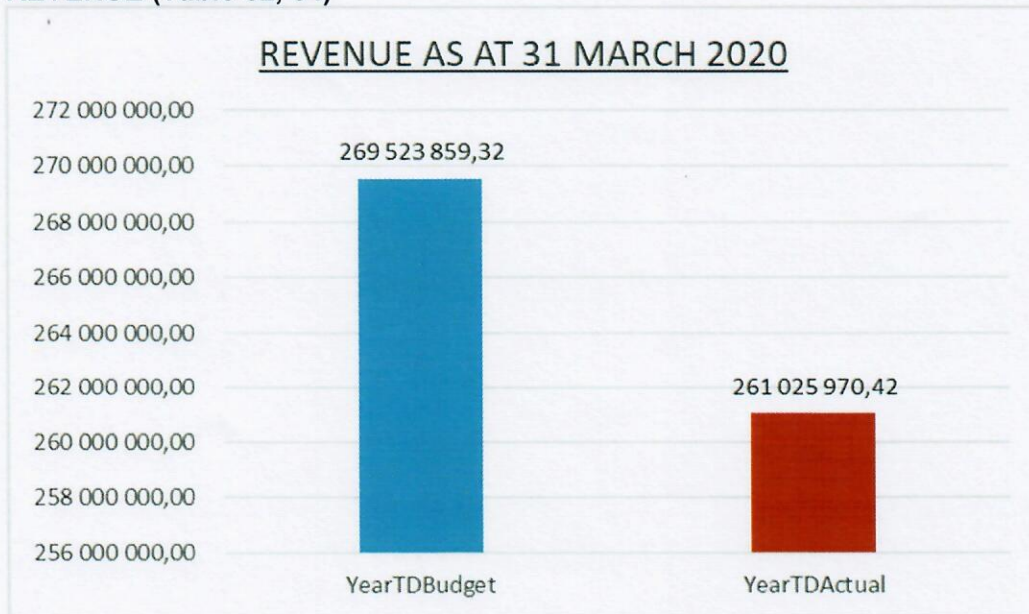
1.1.1 Introduction

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)

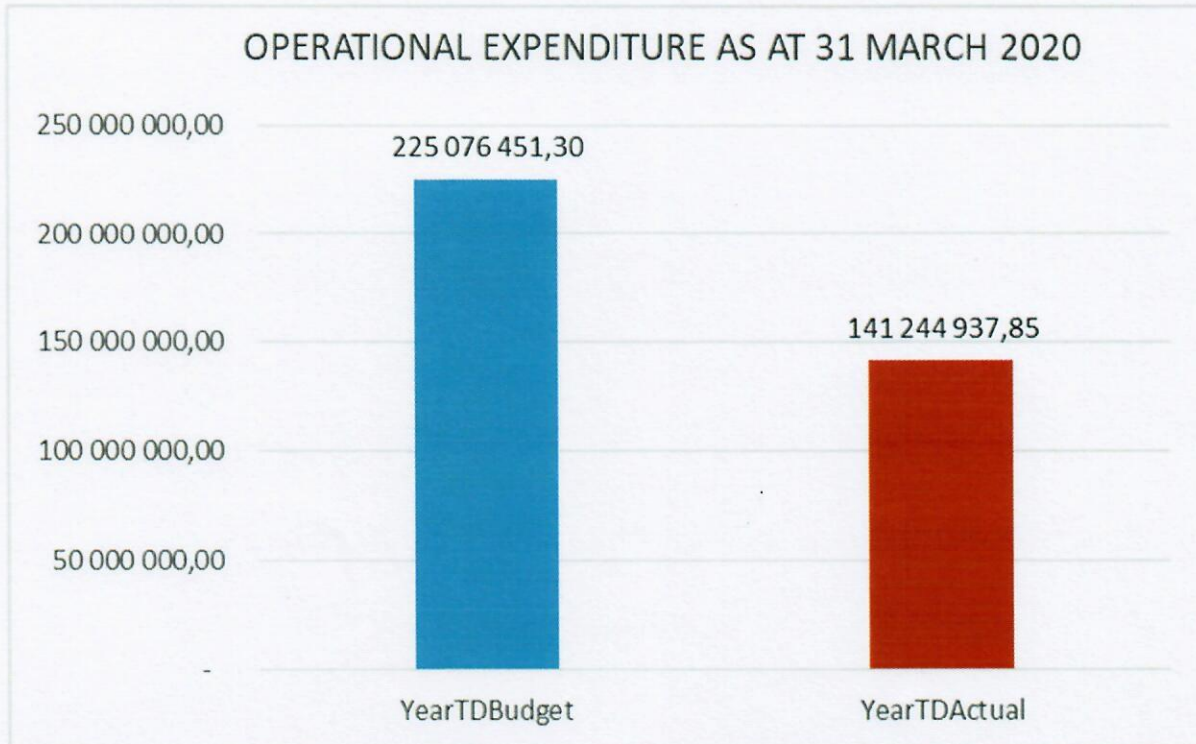
REVENUE (Table c2, c4)



The total revenue received for the month of **March 2020** amount to **R 71 Million**, and the year to date revenue amount to **R 261 Million** in comparison to a year to date budgeted figure of **R269 Million**. There is a favorable variance of **R8 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 **March 2020** amounts to **R15 Million**, and the year to date actual is **R141 Million** which is reported against a year to date budget of **R225 Million**. There is a favorable variance of **R 84 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.

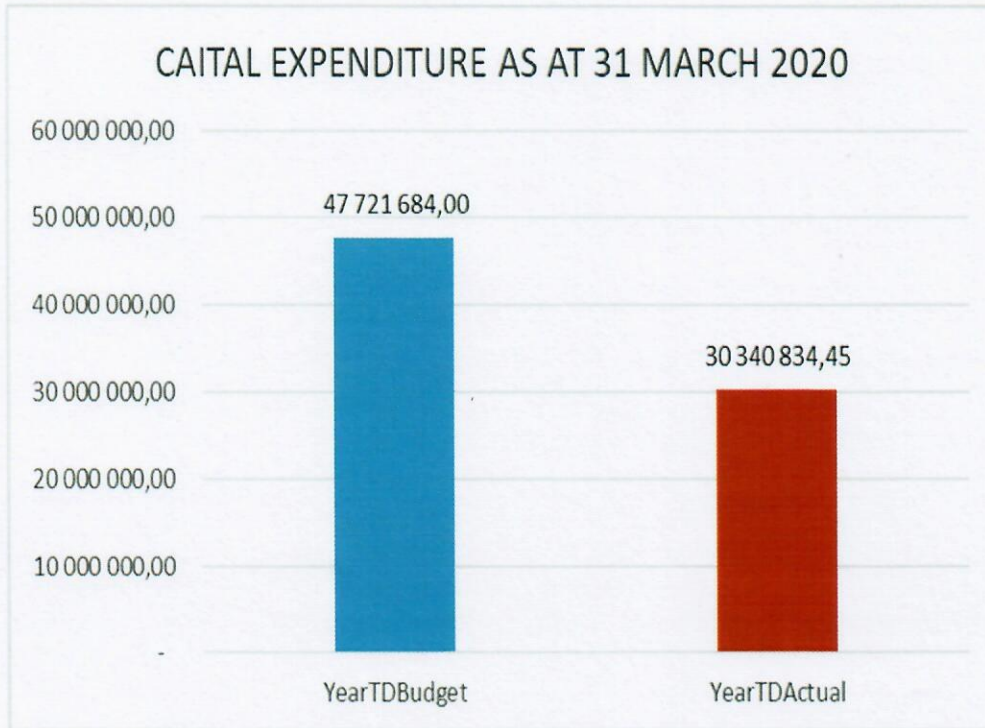
2. Depreciation and assets impairment

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 **March 2020** amounts to **R 6.8 Million** and the year to date actual is **R30.3 Million** which is reported against a year to date budget of **R47.7 Million**. There is an unfavorable variance of **R17 Million**.

Capital budget as at 31 MARCH 2020.

Function	SegmentDesc	TotalBudget	202003	TotalActual
Administration	Purchase of Furniture (500/305065)	300,000.00	-	-
Administration Total		300,000.00	-	-
Paks & Cemeteries	Lawnmower	200,004.00	140,000.00	140,000.00
Paks & Cemeteries	Landscaping & Greening (425/305071)	500,004.00	-	16,828.70
Paks & Cemeteries Total		700,008.00	140,000.00	156,828.70
Electricity:Electricity	Replace 50 kWh Meters	84,216.00	-	84,216.80
Electricity:Electricity	Replace Streetlight Wood Poles at Mamphokgo 20	200,004.00	-	-
Electricity:Electricity	Replace PEX Cable in Ext 5	1,159,309.00	-	739,968.47
Electricity:Electricity	Upgrade Municipal ESKON Supply	1,590,695.00	-	44,049.00
Electricity:Electricity	Industrial Substation Second Supply Phase 3	3,250,008.00	-	-
Electricity:Electricity Total		6,284,232.00	-	868,234.27
Finance:Finance	Money-safe	10,008.00	-	-
Finance:Finance	CASH cOUNTING MACHINES	60,000.00	-	-
Finance:Finance Total		70,008.00	-	-
Housing:Housing and Building	Air Conditioning	100,008.00	-	-
Housing:Housing and Building Total		100,008.00	-	-
Information Communication Technology	Television	28,008.00	-	28,000.00
Information Communication Technology	Purchase Of ICT Equipments	137,004.00	-	58,619.09
Information Communication Technology	Purchase of routers and wireless access point	100,008.00	5,857.81	5,857.81
Information Communication Technology	master tower pole	95,004.00	-	-
Information Communication Technology	PURCHASE OF PRINTERS	130,008.00	-	17,500.00
Information Communication Technology	ICT Computers	280,002.00	-	150,271.68
Information Communication Technology	Community wifi	1,000,008.00	-	-
Information Communication Technology Total		1,770,042.00	5,857.81	260,248.58
Licencing and Traffic	Vehicle - Traffic	600,000.00	530,776.00	530,776.00
Licencing and Traffic Total		600,000.00	530,776.00	530,776.00
Roads:Roads& Stormwater	Leeufontein Sports Complex	-	-	836,282.88
Roads:Roads& Stormwater	Stormwater Extension 6(650/305147)	6,000,000.00	302,275.63	2,867,053.10
Roads:Roads& Stormwater	MAKGATLE	7,500,000.00	1,289,022.20	5,528,406.83
Roads:Roads& Stormwater	Phetwane Internal Road (650/305184)	8,384,160.00	2,542,986.14	7,756,774.93
Roads:Roads& Stormwater	Malebitsa internal road	7,384,152.00	1,634,345.87	6,407,161.23
Roads:Roads& Stormwater	Rehabilitation Leeuwfontein Internal Streets (650/305180)	2,500,008.00	-	-
Roads:Roads& Stormwater	Mashemong/Mooihoek Internal Street	8,768,304.00	353,220.76	5,129,067.93
Roads:Roads& Stormwater (650) Total		40,536,624.00	6,121,850.60	28,524,746.90
Grand Total		50,360,922.00	6,798,484.41	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 **March 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 **48%** respectively, as at **31 MARCH 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) - M09 March

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									
Revenue - Functional										
<i>Governance and administration</i>		181 161	198 754	200 840	42 856	185 968	187 404	(1 435)	-1%	200 840
Executive and council		2 472	2 287	2 173	652	1 117	1 715	(598)	-35%	2 173
Finance and administration		178 689	196 467	198 667	42 204	184 851	185 689	(838)	0%	198 667
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		221	237	252	17	188	178	10	6%	252
Community and social services		54	53	53	4	39	39	(0)	-1%	53
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		167	184	199	12	149	138	11	8%	199
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		33 496	33 496	33 488	22 217	22 225	28 482	(6 257)	-22%	33 488
Planning and development		49	53	45	2	10	39	(29)	-75%	45
Road transport		33 446	33 443	33 443	22 215	22 215	28 443	(6 228)	-22%	33 443
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		61 387	67 465	64 854	5 906	50 526	50 598	(73)	0%	64 854
Energy sources		57 394	62 761	60 072	5 495	46 833	47 071	(238)	-1%	60 072
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3 993	4 703	4 783	411	3 692	3 527	165	5%	4 783
<i>Other</i>	4	4 552	3 815	7 007	13	2 119	2 862	(743)	-26%	7 007
Total Revenue - Functional	2	280 817	303 766	306 442	71 009	261 026	269 524	(8 498)	-3%	306 442
Expenditure - Functional										
<i>Governance and administration</i>		157 208	181 487	178 107	7 667	70 873	136 115	(65 242)	-48%	178 107
Executive and council		42 057	47 087	44 745	4 662	28 805	35 316	(6 511)	-18%	44 745
Finance and administration		115 151	134 399	133 361	3 005	42 068	100 800	(58 731)	-58%	133 361
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		14 922	23 565	23 126	1 658	12 631	17 674	(5 043)	-29%	23 126
Community and social services		6 528	9 148	8 775	752	5 645	6 861	(1 216)	-18%	8 775
Sport and recreation		1 796	2 264	2 196	206	1 348	1 698	(350)	-21%	2 196
Public safety		-	-	-	-	-	-	-	-	-
Housing		3 037	7 807	7 753	390	2 883	5 855	(2 972)	-51%	7 753
Health		3 560	4 347	4 403	311	2 755	3 260	(505)	-15%	4 403
<i>Economic and environmental services</i>		15 254	20 929	22 733	1 430	12 656	15 697	(3 040)	-19%	22 733
Planning and development		5 365	9 368	11 212	462	2 856	7 026	(4 170)	-59%	11 212
Road transport		9 889	11 561	11 520	967	9 801	8 671	1 130	13%	11 520
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		50 961	62 249	57 576	3 833	37 324	46 686	(9 362)	-20%	57 576
Energy sources		46 093	56 177	51 782	3 429	33 481	42 133	(8 652)	-21%	51 782
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 868	6 071	5 794	404	3 843	4 554	(710)	-16%	5 794
<i>Other</i>		9 903	11 872	11 554	800	7 761	8 904	(1 144)	-13%	11 554
Total Expenditure - Functional	3	248 248	300 102	293 096	15 388	141 245	225 076	(83 832)	-37%	293 096
Surplus/ (Deficit) for the year		32 569	3 664	13 346	55 620	119 781	44 447	75 334	169%	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) - M09 March

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	27,969	28,132	(163)	-1%	37,406
Service charges - electricity revenue		50,358	61,224	60,000	5,409	46,188	45,918	270	1%	60,000
Service charges - water revenue										
Service charges - sanitation revenue										
Service charges - refuse revenue		3,994	4,464	4,783	397	3,582	3,348	234	7%	4,783
Rental of facilities and equipment		155	184	199	12	137	138	(1)	-1%	199
Interest earned - external investments		4,017	3,685	5,570	416	4,141	2,764	1,377	50%	5,570
Interest earned - outstanding debtors		7,477	7,463	7,900	670	5,942	5,597	345	6%	7,900
Dividends received										
Fines, penalties and forfeits		1,290	101	126	18	95	76	19	25%	126
Licences and permits		3,271	3,519	4,881		2,032	2,639	(607)	-23%	4,881
Agency services										
Transfers and subsidies		166,931	182,417	182,417	60,942	169,690	179,111	(9,421)	-5%	182,417
Other revenue		7,041	2,724	2,847	36	1,250	1,800	(550)	-31%	2,847
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)		280,817	303,291	306,128	71,009	261,026	269,524	(8,498)	-3%	306,128
Expenditure By Type										
Employee related costs		77,767	87,715	90,067	6,271	59,117	65,786	(6,669)	-10%	90,067
Remuneration of councillors		13,236	14,533	14,533	1,099	9,962	10,900	(938)	-9%	14,533
Debt impairment		12,472	13,321	13,321			9,991	(9,991)	-100%	13,321
Depreciation & asset impairment		51,853	52,000	52,000			39,000	(39,000)	-100%	52,000
Finance charges		3,841	365	106		52	274	(222)	-81%	106
Bulk purchases		33,901	42,224	39,000	2,706	25,780	31,668	(5,888)	-19%	39,000
Other materials		15,024	36,355	38,287	669	4,842	27,266	(22,425)	-82%	1,881
Contracted services		1,425	1,275	1,881	1,324	9,107	957	8,151	852%	38,287
Transfers and subsidies		2,910	2,331	2,331	161	1,155	1,748	(593)	-34%	
Other expenditure		35,820	52,314	43,900	3,159	31,230	37,487	(6,257)	-17%	43,900
Loss on disposal of PPE										
Total Expenditure		248,248	302,433	295,427	15,388	141,245	225,076	(83,832)	-37%	293,096
Surplus/(Deficit)										
Transfers and subsidies - capital (financial institutions)		32,569	858	10,701	55,620	119,781	44,447	75,334	0	13,032
(National / Provincial and District)			33,443		22,215	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	77,835	141,996	77,890			46,475
Taxation										
Surplus/(Deficit) after taxation		32,569	34,301	10,701	77,835	141,996	77,890			46,475
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		32,569	34,301	10,701	77,835	141,996	77,890			46,475
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		32,569	34,301	10,701	77,835	141,996	77,890			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 - M09 March

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										
Governance and administration		1,673	370	370	-	-	278	(278)	-100%	370
Executive and council										
Finance and administration		1,673	370	370			278	(278)	-100%	370
Internal audit										
Community and public safety		1,546	2,570	2,570	140	157	1,853	(1,696)	-92%	2,570
Community and social services		1,377	2,470	2,470	140	157	1,853	(1,696)	-92%	2,470
Sport and recreation										
Public safety										
Housing		169	100	100						100
Health										
Economic and environmental services		28,954	40,537	40,537	6,122	28,525	40,537	(12,012)	-30%	40,537
Planning and development										
Road transport		28,954	40,537	40,537	6,122	28,525	40,537	(12,012)	-30%	40,537
Environmental protection										
Trading services		601	6,284	6,284	-	868	4,713	(3,845)	-82%	6,284
Energy sources		601	6,284	6,284	-	868	4,713	(3,845)	-82%	6,284
Water management										
Waste water management										
Waste management										
Other		646	456	600	537	791	342	449	131%	600
Total Capital	3	33,420	50,217	50,361	6,798	30,341	47,722	(17,381)	-36%	50,361
Funded by:										
National Government		28,954	33,443	33,443	6,122	24,821	8,361	16,461	197%	33,443
Transfers recognised - capital		28,954	33,443	33,443	6,122	24,821	8,361	16,461	197%	33,443
Borrowing	6									
Internally generated funds		4,466	16,774	16,918	677	5,519	39,361	(33,842)	-86%	16,918
Total Capital Funding		33,420	50,217	50,361	6,798	30,341	47,722	(17,381)	-36%	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

EPHRAIM MOGALE LOCAL MUNICIPALITY FINANCIAL YEAR 2019/20 AGEING REPORT MARCH 2020 GL							
Type of Service	30 Days 202003	60 Days 202002	90 Days 202001	120 Days 2019/12	150 Days 2019/11	150 Plus 2019/10	Total
<i>Rates</i>	2670470,16	1566019,98	1477253,7	1459328,65	1431867,44	72344015,18	80 948 955,11
<i>Electricity</i>	4013780,57	190299,88	150049,67	150043,6	110717,5	4877599,18	9 492 490,40
<i>Refuse</i>	307993,55	115798,48	103169	100459,36	96957,43	3809788,33	4 534 166,15
<i>Other</i>	1327430,4	780974,23	743758,34	783571,04	753577,51	29535531,07	33 924 842,59
Total	8 319 674,68	2 653 092,57	2 474 230,71	2 493 402,65	2 393 119,88	110 566 933,76	128 900 454,25
Category	202003	202002	202001	2019/12	2019/11	2019/10	Total
<i>Psi</i>	2034,66	2032,24	2031,13	2028,66	2026,2	139632,01	149 784,90
<i>Farms / agri</i>	1549247,03	1418774,32	1409205,22	1383609,01	1361819,53	61278865,11	68 401 520,22
<i>Business</i>	3421623,9	319158,78	200260,9	218154,18	188208,98	5994084,44	10 341 491,18
<i>Churches</i>	20674,66	2317,41	2313,75	2305,72	2297,69	82765,3	112 674,53
<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>	967933,75	140593,68	142505,29	151378,34	153316,52	5705170,69	7 260 898,27
<i>Municipality</i>	465,01	146,22	145,2	144	236,08	38550,81	39 687,32
<i>Residential</i>	2331741,11	764378,52	712029,47	731745,81	685025,24	37274193,79	42 499 113,94
<i>School/hosp</i>	25954,56	5691,4	5739,75	4036,93	189,64	9076,5	50 688,78
Total	8 319 674,68	2 653 092,57	2 474 230,71	2 493 402,65	2 393 119,88	110 566 933,76	128 900 454,25

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 **31 MARCH 2020** amount to **R128 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

The Municipality is receiving all the grants

2.5 Councilors allowances and Employee benefits

The employee benefits and councilors allowance for **MARCH 2020** is **R9 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

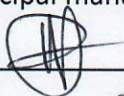
For the month of **March 2020** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act

Print name **Kgopelo Phasha**

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

Signature _____

Date _____


09/04/2020