

EPHRAIM MOGALE



LOCAL MUNICIPALITY (LIM471)

Monthly Budget Monitoring Report
(Section 71 of MFMA)

30 September 2016

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1.1 Executive summary

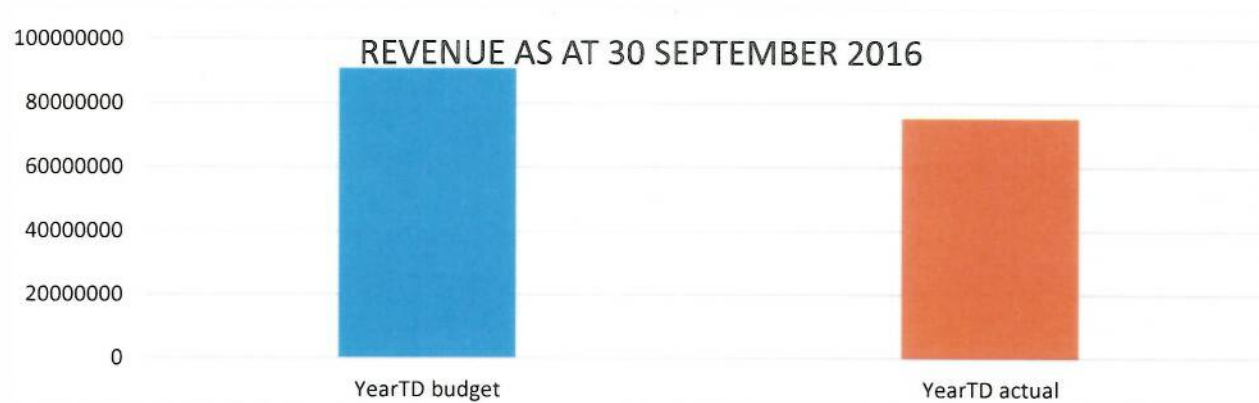
1.1.1 Introduction

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 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, c3, c4)

REVENUE (Table c2, c3, c4)

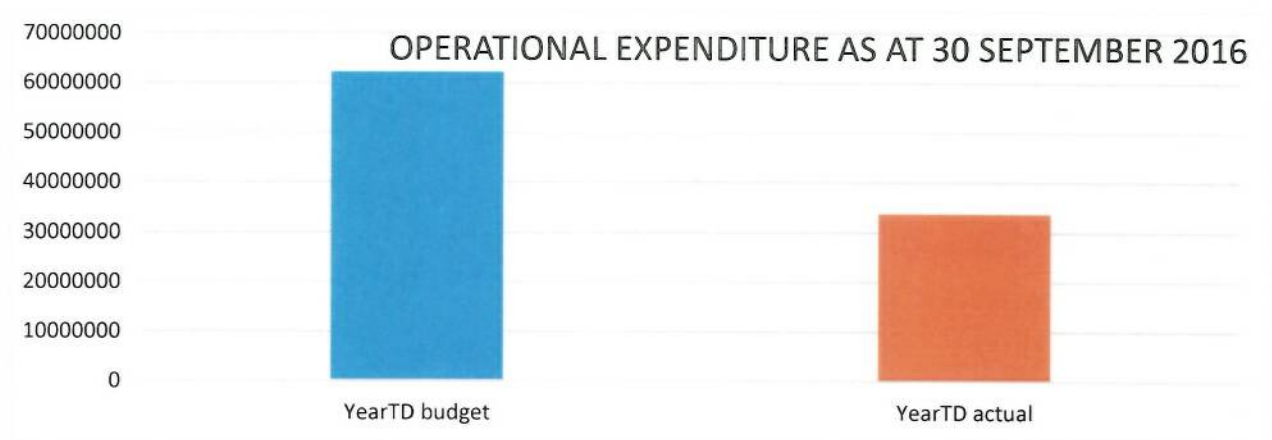


The total revenue received for the month of **September 2016** amounts to **R8.9 Million**, and the year to date revenue amount to **R75 Million** in comparison to a year to date budgeted figure of **R90.7 Million**. There is an unfavorable variance of **R15,4 Million** which is due to the following 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). This grants will only be recognized as revenue once they have meet conditions of those grants.

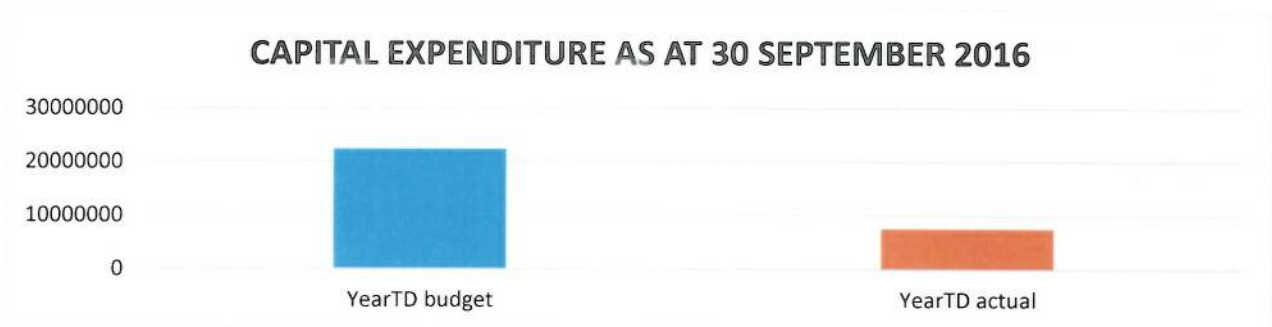
OPERATIONAL EXPENDITURE (Table c2, c3, c4)



Operating expenditure for the month of **September 2016** amounts to **R 11 Million**, and the year to date actual is **R33.6 Million** which is reported against a year to date budget of **R62 Million**. There is a variance of **R28 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
4. EPWP Grant
 - We have budgeted R1.2 Million on EPWP grant and there is no spending so far due to the fact that service provider for supply of personal protective closing has not been appointed. The project is now awaiting adjudication to seat.

1.1.2.2 CAPITAL EXPENDITURE (Table C5)



Capital expenditure for the month of **September 2016** amounts to **R 5 Million**. Capital expenditure year to date actual is **R7.5 Million**, compared to year to date budget of **R 22 Million**. The variance of **R14, 7 Million** is due to the following reasons. (See attached capital progress report below)

Phetwane Internal road

- The project has not yet appointed a contractor, it is on the stage of finalizing tender document to go on advert

Elandskraal internal Street

- The project has not yet appointed a contractor, it is on the stage of finalizing tender document to go on advert

Ngwalemong Internal Street

- Awaiting evaluation for the appointment of consultants

Construction N:11 Dualisation

- The municipality is still awaiting finalization of negotiations with SANRAL

Stormwater EXT:6

- Awaiting evaluation for the appointment of contractor.

Rehabilitation of leeufontein internal street

- Finalization of tender document in order to advertise for the appointment of contractor

Rathoke internal street

- Busy with the finalization of appointment letter

Capital budget as at 30 September 2016

DEP	ITEM	PROJECTS	FUNDING	CAPITAL BUDGET 2016/2017	Y.T.D ACTUALS	VARIANCE	%
220	305021	EXTENSION OF OFFICES	OWN	500 000.00	-	500 000.00	0%
220	305164	NEW ENTRANCE-BOOM GATE	OWN	250 000.00	-	250 000.00	0%
220	305167	LEARNERS LICENSE SOFTWARE	OWN	284 000.00	-	284 000.00	0%
220	305170	PALISADE FENCING	OWN	500 000.00	-	500 000.00	0%
225	305070	MACHINERY & EQUIPMENT	OWN	190 000.00	-	190 000.00	0%
225	305080	NEW VEHICLES	OWN	500 000.00	-	500 000.00	0%
260	305162	MAST LIGHT CONNECTIONS	OWN	200 000.00	-	200 000.00	0%
260	305165	NEW ENTRANCE-BOOM GATE	OWN	250 000.00	-	250 000.00	0%
260	305169	MATLALA RAMOSHEBO MAST RETROIT	OWN	430 000.00	-	430 000.00	0%
260	305171	ENERGY MASTERPLAN & OM PLAN	OWN	500 000.00	-	500 000.00	0%
260	305173	GENERATOR FOR OFFICE FIN 100KV	OWN	515 357.50	-	515 357.50	0%
260	305174	DENSIFICATION EXT 1 & 3	OWN	930 000.00	-	930 000.00	0%
260	305176	INDUSTRIAL SUBSTATION 2ND SUPP	OWN	1 200 000.00	-	1 200 000.00	0%
260	305179	UPGRADE EXT 2 PHASE 2	OWN	1 400 000.00	-	1 400 000.00	0%
335	305166	RESURFACING OF TENNIS COURTS	OWN	250 000.00	-	250 000.00	0%
360	305070	MACHINERY & EQUIPMENT	OWN	460 000.00	-	460 000.00	0%
360	305159	FENCING OF ACCESS ROAD	OWN	160 000.00	-	160 000.00	0%
360	305172	WEIGHBRIDGE WITH SOFTWARE	OWN	700 000.00	-	700 000.00	0%
425	305070	MACHINERY & EQUIPMENT	OWN	980 000.00	-	980 000.00	0%
425	305071	LANDSCAPING& GREENING PROJECT	OWN	1 120 000.00	-	1 120 000.00	0%
425	305163	ELECTRONIC BILLBOARDS	OWN	200 000.00	-	200 000.00	0%
500	305051	MAINTANANCE OF FIRE DETECTORS	OWN	21 600.00	-	21 600.00	0%
500	305065	PURCHASE OF FURNITURE	OWN	550 000.00	-	550 000.00	0%
500	305168	RECORD MANAGEMENT	OWN	400 000.00	34 361.00	398 408.40	9%
505	305101	MAYORAL VEHICLE	OWN	800 000.00	-	800 000.00	0%
625	305021	PROVISION OF OFFICE SPACE	OWN	800 000.00	-	800 000.00	0%
650	305077	ROAD & STORM WATER MASTERPLAN	OWN	500 000.00	-	500 000.00	0%
650	305080	VEHICLES	OWN	400 000.00	-	400 000.00	0%
650	305146	CONSTRUCTION: N 11 DUALISATION	OWN	6 900 000.00	-	6 900 000.00	0%
650	305147	STORMWATER EXT: 6	OWN	6 000 000.00	-	6 000 000.00	0%
650	305175	CONSTRUCTION OF INDUSTRIA ROAD	OWN	1 000 000.00	-	1 000 000.00	0%
650	305180	REHAB LEEWONTEIN INTERNAL STR	OWN	2 000 000.00	-	2 000 000.00	0%
650	305183	CONSULTANCY SERVICES	OWN	200 000.00	-	200 000.00	0%
650	305185	REHABILITATION INTERNAL STREET	OWN	2 500 000.00	-	2 500 000.00	0%
650	305143	MOHLALAOTWANE INTERNAL ST	OWN	-	7 183 445.00	(7 183 445.00)	-
				33 590 957.50	7 217 806.00	26 405 920.90	21%
						-	
300	260001	PMU ESTABLISHMENT	MIG	1 517 000.00	315 164.11	1 321 442.65	21%
650	305137	ELANDSKRAAL INTERNAL STREETS	MIG	7 000 000.00	-	7 000 000.00	0%
650	305177	MASHEMONG/MOIHOEK	MIG	1 200 000.00	-	1 200 000.00	0%
650	305178	MAMPHOGO SPORTS COMPLEX	MIG	1 200 000.00	-	1 200 000.00	0%
650	305181	RATHOKE INTERNAL STREET	MIG	7 000 000.00	-	7 000 000.00	0%
650	305182	NGWALEMONG INTERNAL STREETS	MIG	7 000 000.00	-	7 000 000.00	0%
650	305184	PHETWANE INT ROAD	MIG	7 000 000.00	-	7 000 000.00	0%
				31 917 000.00	315 164.11	31 721 442.65	1%
		TOTAL CAPITAL BUDGET		65 507 957.50	7 532 970.11	58 127 363.55	11%

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)

CASH FLOW STATEMENT (Table C7)

The cash flow statement report for **September 2016** indicates a favourable/positive closing balance (cash and cash equivalents) of **R147 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 **12%** and **14%** respectively, as at **30 September 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 - M03 September

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	-	2 403	7 179	7 093	85	1%	28 372
Service charges	-	58 611	-	4 601	12 903	14 653	(1 749)	-12%	58 611
Investment revenue	-	1 241	-	135	411	310	101	32%	1 241
Transfers recognised - operational	-	120 624	-	-	49 063	51 299	(2 236)	-4%	120 624
Other own revenue	-	20 741	-	1 714	5 481	5 035	446	9%	20 741
Total Revenue (excluding capital transfers and contributions)	-	229 589	-	8 852	75 037	78 390	(3 353)	-4%	229 589
Employee costs	-	70 710	-	4 731	14 434	17 677	(3 244)	-18%	70 710
Remuneration of Councillors	-	11 663	-	922	2 632	2 916	(283)	-10%	11 663
Depreciation & asset impairment	-	44 944	-	-	-	11 236	(11 236)	-100%	44 944
Finance charges	-	798	-	136	136	199	(63)	-32%	798
Materials and bulk purchases	-	42 449	-	-	3 888	10 612	(6 724)	-63%	42 449
Transfers and grants	-	2 750	-	-	126	687	(561)	-82%	2 750
Other expenditure	-	74 943	-	5 442	12 412	18 736	(6 323)	-34%	74 943
Total Expenditure	-	248 256	-	11 231	33 629	62 064	(28 435)	-46%	248 256
Surplus/(Deficit)	-	(18 667)	-	(2 378)	41 408	16 326	25 082	154%	(18 667)
Transfers recognised - capital	-	31 917	-	119	315	12 374	(12 059)	-97%	31 917
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	13 250	-	(2 259)	41 723	28 700	13 023	45%	13 250
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	13 250	-	(2 259)	41 723	28 700	13 023	45%	13 250
Capital expenditure & funds sources									
Capital expenditure	-	65 508	-	5 093	7 567	22 341	(14 774)	-66%	65 508
Capital transfers recognised	-	31 917	-	119	315	335	(20)	-6%	31 917
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	33 591	-	4 974	6 903	22 006	(15 103)	-69%	33 591
Total sources of capital funds	-	65 508	-	5 093	7 218	22 341	(15 124)	-68%	65 508
Financial position									
Total current assets	-	106 507	-	-	135 939	-	-	-	106 507
Total non current assets	-	972 908	-	-	881 369	-	-	-	972 908
Total current liabilities	-	46 793	-	-	73 884	-	-	-	46 793
Total non current liabilities	-	28 830	-	-	26 178	-	-	-	28 830
Community wealth/Equity	-	1 003 792	-	-	917 245	-	-	-	1 003 792
Cash flows									
Net cash from (used) operating	-	52 996	-	(4 605)	50 813	54 447	3 634	7%	52 996
Net cash from (used) investing	-	(63 658)	-	(5 093)	(7 567)	(22 187)	(14 620)	66%	(63 658)
Net cash from (used) financing	-	(1 865)	-	(109)	(109)	(466)	(357)	77%	(1 865)
Cash/cash equivalents at the month/year end	-	62 352	-	-	147 596	106 672	(40 923)	-38%	91 932
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	6 331	2 326	1 857	6 404	1 706	46 678	-	-	65 302
Creditors Age Analysis									
Total Creditors	2 491	-	-	-	-	-	-	-	2 491

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

LIM471 Ephraim Mogale - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M03 September

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										
Governance and administration		-	156 477	-	3 567	59 127	64 507	(5 380)	-8%	156 477
Executive and council		-	8 286	-	106	118	2 072	(1 953)	-94%	8 286
Budget and treasury office		-	148 190	-	3 461	59 008	62 435	(3 427)	-5%	148 190
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		-	2 570	-	6	398	642	(245)	-38%	2 570
Community and social services		-	30	-	-	11	7	4	53%	30
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	2 275	-	-	346	569	(223)	-39%	2 275
Housing		-	265	-	6	41	66	(26)	-39%	265
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	43 848	-	798	2 160	10 962	(8 802)	-80%	43 848
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	43 848	-	798	2 160	10 962	(8 802)	-80%	43 848
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	58 611	-	4 601	13 669	14 653	(984)	-7%	58 611
Electricity		-	54 204	-	4 268	12 890	13 551	(661)	-5%	54 204
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	4 408	-	333	779	1 102	(323)	-29%	4 408
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	261 506	-	8 972	75 353	90 764	(15 411)	-17%	261 506
Expenditure - Standard										
Governance and administration		-	145 935	-	6 232	17 574	37 084	(19 510)	-53%	145 935
Executive and council		-	32 561	-	1 618	5 104	8 140	(3 036)	-37%	32 561
Budget and treasury office		-	88 570	-	1 693	6 213	22 143	(15 929)	-72%	88 570
Corporate services		-	24 804	-	2 922	6 257	6 801	(545)	-8%	24 804
Community and public safety		-	17 549	-	1 779	3 475	4 387	(913)	-21%	17 549
Community and social services		-	7 185	-	1 090	1 907	1 796	111	6%	7 185
Sport and recreation		-	1 845	-	150	272	461	(189)	-41%	1 845
Public safety		-	3 331	-	268	789	833	(44)	-5%	3 331
Housing		-	5 189	-	270	507	1 297	(790)	-61%	5 189
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	38 380	-	2 515	6 771	9 595	(2 824)	-29%	38 380
Planning and development		-	4 105	-	259	542	1 026	(484)	-47%	4 105
Road transport		-	34 275	-	2 256	6 229	8 569	(2 340)	-27%	34 275
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	46 391	-	704	5 809	10 997	(5 188)	-47%	46 391
Electricity		-	39 186	-	397	4 791	9 797	(5 006)	-51%	39 186
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	7 205	-	307	1 018	1 201	(182)	-15%	7 205
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	248 256	-	11 231	33 629	62 064	(28 435)	-46%	248 256
Surplus/ (Deficit) for the year		-	13 250	-	(2 258)	41 724	28 700	13 024	45%	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) - M03 September										
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	-	106	166	2 072	(1 905)	-92.0%	8 286
Vote 3 - Financial Services		-	148 190	-	3 461	59 179	62 435	(3 256)	-5.2%	148 190
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Infrastructure Services		-	88 661	-	4 271	12 243	22 165	(9 922)	-44.8%	88 661
Vote 6 - Community Services		-	16 368	-	1 134	3 765	4 092	(327)	-8.0%	16 368
Vote 7 - Planning & Economic development		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	261 506	-	8 972	75 353	90 764	(15 411)	-17.0%	261 506
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		-	4 264	-	407	993	1 066	(73)	-6.9%	4 264
Vote 2 - COUNCIL SUPPORT		-	28 297	-	1 211	4 111	7 074	(2 963)	-41.9%	28 297
Vote 3 - Financial Services		-	88 570	-	1 693	7 585	22 143	(14 558)	-65.7%	88 570
Vote 4 - Corporate Services		-	24 804	-	2 922	4 615	6 201	(1 586)	-25.6%	24 804
Vote 5 - Infrastructure Services		-	52 595	-	2 256	10 622	13 149	(2 526)	-19.2%	52 595
Vote 6 - Community Services		-	40 432	-	1 779	3 950	10 108	(6 158)	-60.9%	40 432
Vote 7 - Planning & Economic development		-	9 294	-	963	1 753	2 323	(570)	-24.5%	9 294
Total Expenditure by Vote	2	-	248 256	-	11 231	33 629	62 064	(28 435)	-45.8%	248 256
Surplus/ (Deficit) for the year	2	-	13 250	-	(2 258)	41 724	28 700	13 024	45.4%	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 therefore the majority of the income will be reflected under this section. (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) - M03 September

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast	
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %		
R thousands											
Revenue By Source											
Property rates			28 372		2 403	7 179	7 093	85	1%	28 372	
Property rates - penalties & collection charges						-	-	-			
Service charges - electricity revenue			54 204		4 268	11 791	13 551	(1 760)	-13%	54 204	
Service charges - water revenue			-		-	-	-	-			
Service charges - sanitation revenue			-		-	-	-	-			
Service charges - refuse revenue			4 408		333	1 113	1 102	11	1%	4 408	
Service charges - other							-	-			
Rental of facilities and equipment			209		7	21	52	(31)	-59%	209	
Interest earned - external investments			1 241		135	411	310	101	32%	1 241	
Interest earned - outstanding debtors			2 376		404	1 158	594	564	95%	2 376	
Dividends received							-	-			
Fines			731		7	36	183	(147)	-80%	731	
Licences and permits			3 396		274	810	849	(39)	-5%	3 396	
Agency services			8 078		519	1 792	2 020	(227)	-11%	8 078	
Transfers recognised - operational			120 624			49 063	51 299	(2 236)	-4%	120 624	
Other revenue			5 350		503	1 664	1 337	326	24%	5 350	
Gains on disposal of PPE			600				-	-		600	
Total Revenue (excluding capital transfers and contributions)			-	229 589	-	8 852	75 037	78 390	(3 353)	-4%	229 589
Expenditure By Type											
Employee related costs			70 710		4 731	14 434	17 677	(3 244)	-18%	70 710	
Remuneration of councillors			11 663		922	2 632	2 916	(283)	-10%	11 663	
Debt impairment			7 314		-	-	1 829	(1 829)	-100%	7 314	
Depreciation & asset impairment			44 944		-	-	11 236	(11 236)	-100%	44 944	
Finance charges			798		136	136	199	(63)	-32%	798	
Bulk purchases			29 355		-	3 411	7 339	(3 928)	-54%	29 355	
Other materials			13 093			477	3 273	(2 796)	-85%	13 093	
Contracted services			8 821		-	1 446	2 205	(759)	-34%	8 821	
Transfers and grants			2 750			126	687	(561)	-82%	2 750	
Other expenditure			58 808		5 442	10 967	14 702	(3 735)	-25%	58 808	
Loss on disposal of PPE							-	-			
Total Expenditure			-	248 256	-	11 231	33 629	62 064	(28 435)	-46%	248 256
Surplus/(Deficit)											
Transfers recognised - capital											
Contributions recognised - capital											
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions			-	13 250	-	(2 259)	41 723	28 700		13 250	
Taxation											
Surplus/(Deficit) after taxation			-	13 250	-	(2 259)	41 723	28 700		13 250	
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			-	13 250	-	(2 259)	41 723	28 700		13 250	
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year			-	13 250	-	(2 259)	41 723	28 700		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)

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

LIM471 Ephraim Mogale - Table C5 Monthly Budget Statement - Capital Expenditure - M03 September										
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									
Vote 1 - MUNICIPAL MANAGER		-	800	-	-	-	-	-		800
Vote 2 - COUNCIL SUPPORT		-	-	-	-	-	-	-		-
Vote 3 - Financial Services		-	-	-	-	-	-	-		-
Vote 4 - Corporate Services		-	972	-	33	34	67	(32)	-48%	972
Vote 5 - Infrastructure Services		-	56 842	-	5 060	7 533	21 904	(14 371)	-66%	56 842
Vote 6 - Community Services		-	6 094	-	-	-	371	(371)	-100%	6 094
Vote 7 - Planning & Economic development		-	800	-	-	-	-	-		800
Total Capital single-year expenditure	4	-	65 508	-	5 093	7 567	22 341	(14 774)	-66%	65 508
Total Capital Expenditure		-	65 508	-	5 093	7 567	22 341	(14 774)	-66%	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 - M03 September

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		128 564	62 352	
Call investment deposits			15 900		-	15 900	
Consumer debtors			7 437		6 590	7 437	
Other debtors			19 970		-	19 970	
Current portion of long-term receivables					-		
Inventory			848		785	848	
Total current assets			-	106 507	-	135 939	106 507
Non current assets							
Long-term receivables							
Investments				23 850		24 248	23 850
Investment property				120 000			120 000
Investments in Associate							
Property, plant and equipment				829 058		857 121	829 058
Agricultural							
Biological assets							
Intangible assets							
Other non-current assets							
Total non current assets			-	972 908	-	881 369	972 908
TOTAL ASSETS			-	1 079 415	-	1 017 308	1 079 415
LIABILITIES							
Current liabilities							
Bank overdraft						-	
Borrowing							
Consumer deposits				1 346		1 585	1 346
Trade and other payables				45 240		38 808	45 240
Provisions				207		33 491	207
Total current liabilities			-	46 793	-	73 884	46 793
Non current liabilities							
Borrowing						2 071	
Provisions				28 830		24 108	28 830
Total non current liabilities			-	28 830	-	26 178	28 830
TOTAL LIABILITIES			-	75 623	-	100 063	75 623
NET ASSETS	2		-	1 003 792	-	917 245	1 003 792
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)				1 003 792		893 005	1 003 792
Reserves						24 241	
TOTAL COMMUNITY WEALTH/EQUITY	2		-	1 003 792	-	917 245	1 003 792

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 - M03 September

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		1 428	4 259	2 184	2 075	95%	24 116	
Service charges			49 351		3 303	10 489	3 163	7 326	232%	49 351	
Other revenue			17 767		699	3 634	1 161	2 473	213%	17 767	
Government - operating			120 624		-	49 063	51 299	(2 236)	-4%	120 624	
Government - capital			31 917		-	14 803	12 374	2 429	20%	31 917	
Interest			3 617		165	1 056	186	870	468%	3 617	
Dividends			-		-		-	-		-	
Payments											
Suppliers and employees			(190 848)		(10 173)	(32 409)	(15 714)	16 695	-106%	(190 848)	
Finance charges			(798)		(27)	(55)	(76)	(21)	27%	(798)	
Transfers and Grants			(2 750)			(26)	(130)	(104)	80%	(2 750)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	52 996	-	(4 605)	50 813	54 447	3 634	7%	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)		(5 093)	(7 567)	(22 341)	(14 774)	66%	(65 508)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(63 658)	-	(5 093)	(7 567)	(22 187)	(14 620)	66%	(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)		(109)	(109)	-466 296.79	(357)	77%	(1 865)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	(1 865)	-	(109)	(109)	(466)	(357)	77%	(1 865)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at beginning:			74 879			104 459	74 879			104 459	
Cash/cash equivalents at month/year end:			62 352			147 596	106 672			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 - M03 September										
Description	NT Code	Budget Year 2016/17							Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys			
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	3 300	545	463	263	209	2 626	7 406	3 098	
Receivables from Non-exchange Transactions - Property Rates	1400	2 059	1 199	1 055	5 714	1 103	32 645	43 774	39 461	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	340	198	74	60	55	1 451	2 178	1 566	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	
Other	1900	632	384	265	367	339	9 957	11 943	10 662	
Total By Income Source	2000	6 331	2 326	1 857	6 404	1 706	46 678	65 302	54 788	
2015/16 - totals only								-	-	
Debtors Age Analysis By Customer Group										
Organs of State	2200							-	-	
Commercial	2300							-	-	
Households	2400							-	-	
Other	2500	6 331	2 326	1 857	6 404	1 706	46 678	65 302	54 788	
Total By Customer Group	2600	6 331	2 326	1 857	6 404	1 706	46 678	65 302	54 788	

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 **9.7%**, **3.6%**, **2.8%** and **83.9%** respectively as at **30 September 2016**

2.2 Creditors' Analysis

LIM471 Ephraim Mogale - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September										
Description	NT Code	Budget Year 2016/17								Total
		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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	2 364								2 364
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	127								127
Total By Customer Type	1000	2 491	-	-	-	-	-	-	-	2 491

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 - M03 September									
Investments by maturity	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
Name of institution & investment ID									
<u>Municipality</u>									
NEDBANK		N/A	CALL DEPOS	MONTHLY	135	6.8%	24 114	135	24 248
TOTAL INVES	2				135		24 114	135	24 248

The municipality has a NEDBANK call investment account amounting to **R24,2 Million** as at **30 September 2016** which include **R135 thousands** of September interest.

2.4 Allocation and grants receipts expenditure

LIM471 Ephraim Mogale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September										
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:		-	120 624	-	1 810	51 107	51 299	(402)	-0.8%	122 434
Local Government Equitable Share			117 556			48 982	49 384	(402)	-0.8%	117 556
Energy Efficiency and Demand Management			-				-			1 810
Finance Management			1 810		1 810	1 810	1 810			1 810
EPWP Incentive			1 258		-	315	105			1 258
Total Operating Transfers and Grants	5	-	120 624	-	1 810	51 107	51 299	(402)	-0.8%	122 434
Capital Transfers and Grants										
National Government:		-	31 917	-	-	14 706	12 374	2 332	18.8%	31 917
Municipal Infrastructure Grant (MIG)			31 917			14 706	12 374	2 332	18.8%	31 917
Total Capital Transfers and Grants	5	-	31 917	-	-	14 706	12 374	2 332	18.8%	31 917
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	152 541	-	1 810	65 813	63 673	1 930	3.0%	154 351

The municipality has received **R1.8 Million** from **FMG** for the month ended **30th September 2016**.

Below is the performance of 2016/2017 conditional grant.

GRANTS	Allocation (DORA)	Actual Expenditure as at 30 September 2016	Variance	%
FMG	1 810 000.00	145 514.95	1 664 485.05	8%
EPWP	1 258 000.00	-	1 258 000.00	0%
MIG	31 917 000.00	315 164.00	31 601 836.00	1%

2.5 Councilors allowances and Employee benefits

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

LIM471 Ephraim Mogale - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration R thousands	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			7 212		717	1 957	1 803	154	9%	7 212
Pension and UIF Contributions			1 832		120	307	458	(151)	-33%	1 832
Medical Aid Contributions					5	-	-	-		
Motor Vehicle Allowance			1 869		10	187	467	(280)	-60%	1 869
Cellphone Allowance			750		69	176	188	(12)	-6%	750
Housing Allowances							-	-		
Other benefits and allowances							-	-		
Sub Total - Councillors			11 663		922	2 627	2 916	(288)	-10%	11 663
% increase	4		#DIV/0!							#DIV/0!
Senior Managers of the Municipality										
Basic Salaries and Wages			4 087		188	564	1 022	(457)	-45%	4 087
Pension and UIF Contributions			664		20	59	166	(107)	-65%	664
Medical Aid Contributions			125		8	24	31	(8)	-24%	125
Overtime							-	-		
Performance Bonus			247			-	62	(62)	-100%	247
Motor Vehicle Allowance			294		18	54	73	(20)	-27%	294
Cellphone Allowance			86		4	11	21	(10)	-48%	86
Housing Allowances							-	-		
Other benefits and allowances			1		0	0	0	0	3%	1
Payments in lieu of leave							-	-		
Long service awards							-	-		
Post-retirement benefit obligations							-	-		
Sub Total - Senior Managers of Municipality			5 503		237	712	1 376	(664)	-48%	5 503
% increase	4		#DIV/0!							#DIV/0!
Other Municipal Staff										
Basic Salaries and Wages			42 947		2 953	9 438	10 737	(1 299)	-12%	42 947
Pension and UIF Contributions			9 626		650	1 957	2 406	(449)	-19%	9 626
Medical Aid Contributions			2 569		182	533	642	(109)	-17%	2 569
Overtime			1 688		74	226	422	(196)	-46%	1 688
Performance Bonus			3 428			51	857	(806)	-94%	3 428
Motor Vehicle Allowance			3 426		218	616	857	(241)	-28%	3 426
Cellphone Allowance			546		36	99	137	(38)	-28%	546
Housing Allowances			457		38	115	114	1	0%	457
Other benefits and allowances			520		343	686	130	556	428%	520
Payments in lieu of leave							-	-		
Long service awards							-	-		
Post-retirement benefit obligations							-	-		
Sub Total - Other Municipal Staff			65 206		4 494	13 721	16 302	(2 580)	-16%	65 206
% increase	4		#DIV/0!							#DIV/0!
Total Parent Municipality			82 373		5 653	17 060	20 593	(3 533)	-17%	82 373



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 **September** 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 14/10/16