

EPHRAIM MOGALE



LOCAL MUNICIPALITY (LIM471)

Monthly Budget Monitoring Report
(Section 71 of MFMA)

31 August 2016

Table of content

PART 1- IN-YEAR REPORT

1.1 Executive Summary	2
1.2 In-Year budget statement tables	7

PART 2 – SUPPORTING DOCUMENTS

2.1 Debtors' Analysis	14
2.2 Creditors' Analysis.....	15
2.3 Investment portfolio analysis.....	15
2.4 Allocation and grants receipts expenditure.....	16
2.5 Councilors allowances and Employee benefits.....	17

1.1 Executive summary

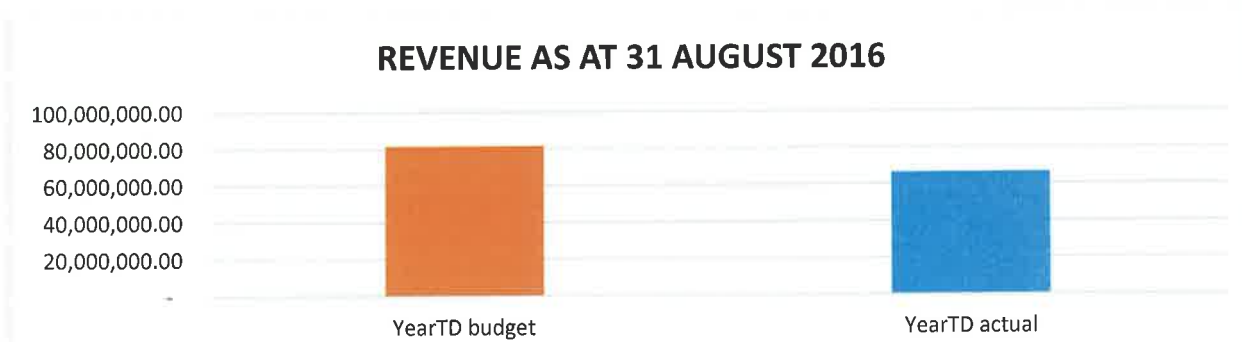
1.1.1 Introduction

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)

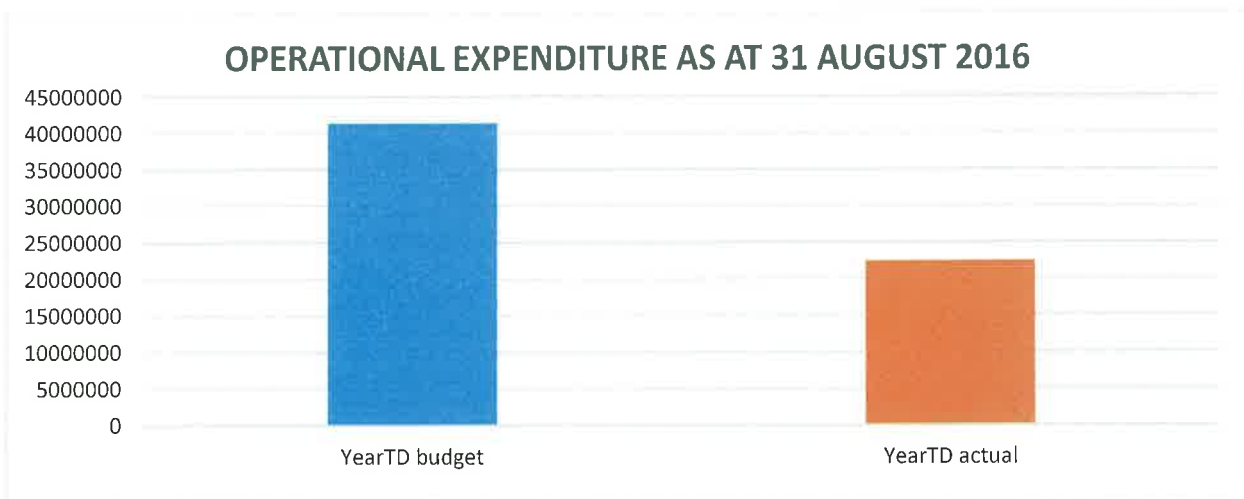


The total revenue received for the month of **August 2016** amounts to **R9 Million**, and the year to date revenue amount to **R66 Million** in comparison to a year to date budgeted figure of **R81.6 Million**. There is an unfavorable variance of **R15,6 Million** is due to the following reasons.

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). This grants will only be recognized as revenue once they have meet conditions of those grants.

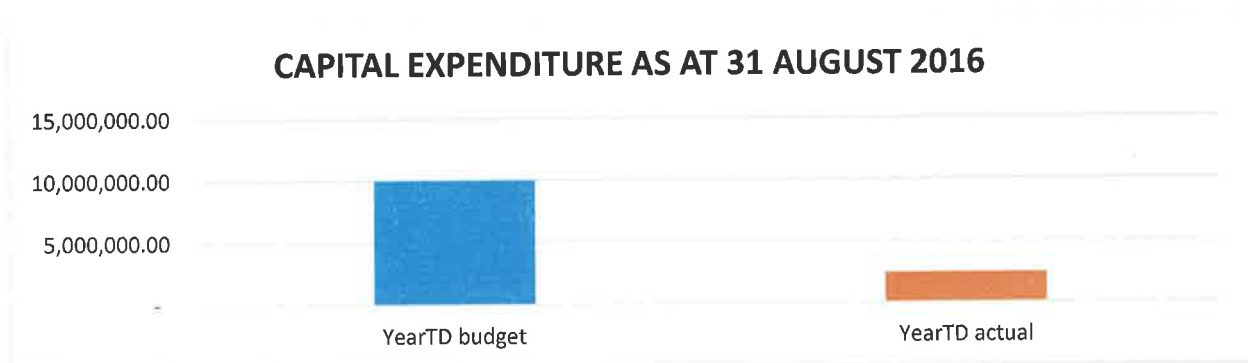
OPERATIONAL EXPENDITURE (Table c2, c3, c4)



Operating expenditure for the month of **August 2016** amounts to **R 14 Million**, and the year to date actual is **R22 Million** which is reported against a year to date budget of **R41 Million**. There is a variance of **R19 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 **August 2016** amounts to **R 2, 3 Million**. Capital expenditure year to date actual is **R2.4 Million**, compared to year to date budget of **R 10 Million**. The variance is **R7, 6 Million** is due to the fact that lots of projects are finalizing specification to go on advert. (See attached capital progress report below)

DEPT	ITEM	CAPITAL BUDGET AS AT 31 AUGUST 2016	FUNDING	CAPITAL BUDGET 2016/2017	Y.T.D ACTUALS	VARIENCE	ACTUAL %
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	1,591.60	398,408.40	0%
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	305143	MOHLALAOTWANE INTERNAL STREET	OWN	-	2,242,551.00	(2,242,551.00)	
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%
300	260001	PMU ESTABLISHMENT	MIG	1,517,000.00	195,557.35	1,321,442.65	13%
650	305137	ELANDSKRAAL INTERNAL STREETS	MIG	7,000,000.00	-	7,000,000.00	0%
650	305177	MASHMONG/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%
				65,507,957.50	2,439,699.95	63,068,257.55	4%

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 **August 2016** indicates a favourable/positive closing balance (cash and cash equivalents) of **R157 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 **4%** and **9%** respectively, as at **31 August 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 - M02 August

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	–	2 387	4 776	4 729	47	1%	28 372
Service charges	–	58 611	–	4 428	8 302	9 769	(1 466)	-15%	58 611
Investment revenue	–	1 241	–	138	276	103	173	167%	1 241
Transfers recognised - operational	–	120 624	–	32	49 063	51 299	(2 236)	-4%	120 624
Other own revenue	–	20 741	–	2 082	3 768	3 357	411	12%	20 741
Total Revenue (excluding capital transfers and contributions)	–	229 589	–	9 068	66 185	69 256	(3 072)	-4%	229 589
Employee costs	–	70 710	–	4 856	9 703	11 785	(2 082)	-18%	70 710
Remuneration of Councillors	–	11 663	–	878	1 711	1 944	(233)	-12%	11 663
Depreciation & asset impairment	–	44 944	–	–	–	7 491	(7 491)	-100%	44 944
Finance charges	–	798	–	–	–	133	(133)	-100%	798
Materials and bulk purchases	–	42 449	–	3 636	3 888	7 075	(3 187)	-45%	42 449
Transfers and grants	–	2 750	–	126	126	458	(332)	-72%	2 750
Other expenditure	–	74 943	–	4 654	6 970	12 490	(5 520)	-44%	74 943
Total Expenditure	–	248 256	–	14 151	22 399	41 376	(18 977)	-46%	248 256
Surplus/(Deficit)	–	(18 667)	–	(5 083)	43 786	27 880	15 906	57%	(18 667)
Transfers recognised - capital	–	31 917	–	97	196	12 374	(12 178)	-98%	31 917
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	13 250	–	(4 986)	43 982	40 254	3 728	9%	13 250
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	13 250	–	(4 986)	43 982	40 254	3 728	9%	13 250
Capital expenditure & funds sources									
Capital expenditure	–	65 508	–	2 340	2 440	10 007	(7 566)	-76%	65 508
Capital transfers recognised	–	31 917	–	97	196	335	(139)	-42%	31 917
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	33 591	–	2 243	2 245	9 672	(7 427)	-77%	33 591
Total sources of capital funds	–	65 508	–	2 340	2 440	10 007	(7 566)	-76%	65 508
Financial position									
Total current assets	–	106 507	–	–	150 729	–	–	–	106 507
Total non current assets	–	972 908	–	–	881 096	–	–	–	972 908
Total current liabilities	–	46 793	–	–	94 530	–	–	–	46 793
Total non current liabilities	–	28 830	–	–	2 071	–	–	–	28 830
Community wealth/Equity	–	1 003 792	–	–	935 223	–	–	–	1 003 792
Cash flows									
Net cash from (used) operating	–	52 996	–	(6 494)	55 418	54 447	(971)	-2%	52 996
Net cash from (used) investing	–	(63 658)	–	(2 340)	(2 440)	(533)	1 907	-358%	(63 658)
Net cash from (used) financing	–	(1 865)	–	(108)	(108)	–	108	#DIV/0!	(1 865)
Cash/cash equivalents at the month/year end	–	62 352	–	–	157 329	128 793	(28 536)	-22%	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	6 161	2 057	6 545	1 712	1 590	45 256	–	–	63 321
Creditors Age Analysis									
Total Creditors	3 276	–	–	–	–	–	–	–	3 276

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

LIM471 Ephraim Mogale - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

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	--	3 464	55 662	64 125	(8 463)	-13%	156 477
Executive and council		--	8 286	--	59	60	1 381	(1 321)	-96%	8 286
Budget and treasury office		--	148 190	--	3 406	55 603	62 744	(7 142)	-11%	148 190
Corporate services		--	--	--	--	--	--	--	--	--
<i>Community and public safety</i>		--	2 570	--	153	272	428	(156)	-36%	2 570
Community and social services		--	30	--	4	7	5	2	38%	30
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		--	2 275	--	121	225	379	(154)	-41%	2 275
Housing		--	265	--	28	41	44	(4)	-8%	265
Health		--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		--	43 848	--	1 120	2 041	7 308	(5 267)	-72%	43 848
Planning and development		--	--	--	--	--	--	--	--	--
Road transport		--	43 848	--	1 120	2 041	7 308	(5 267)	-72%	43 848
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		--	58 611	--	4 428	8 406	9 769	(1 363)	-14%	58 611
Electricity		--	54 204	--	3 958	7 626	9 034	(1 408)	-16%	54 204
Water		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		--	4 408	--	469	779	735	45	6%	4 408
<i>Other</i>	4	--	--	--	--	--	--	--	--	--
Total Revenue - Standard	2	--	261 506	--	9 165	66 381	81 630	(15 249)	-19%	261 506
Expenditure - Standard										
<i>Governance and administration</i>		--	145 935	--	6 265	11 072	24 323	(13 251)	-54%	145 935
Executive and council		--	32 561	--	1 815	3 486	5 427	(1 940)	-36%	32 561
Budget and treasury office		--	88 570	--	2 976	4 250	14 762	(10 511)	-71%	88 570
Corporate services		--	24 804	--	1 474	3 335	4 134	(799)	-19%	24 804
<i>Community and public safety</i>		--	17 549	--	986	1 966	2 925	(959)	-33%	17 549
Community and social services		--	7 185	--	419	817	1 198	(381)	-32%	7 185
Sport and recreation		--	1 845	--	61	122	307	(186)	-60%	1 845
Public safety		--	3 331	--	236	521	555	(34)	-6%	3 331
Housing		--	5 189	--	270	507	865	(358)	-41%	5 189
Health		--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		--	38 380	--	2 566	4 256	6 397	(2 141)	-33%	38 380
Planning and development		--	4 105	--	181	283	684	(401)	-59%	4 105
Road transport		--	34 275	--	2 385	3 972	5 712	(1 740)	-30%	34 275
Environmental protection		--	--	--	--	--	--	--	--	--
<i>Trading services</i>		--	46 391	--	4 334	5 105	7 732	(2 627)	-34%	46 391
Electricity		--	39 186	--	3 970	4 394	6 531	(2 138)	-33%	39 186
Water		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		--	7 205	--	364	711	1 201	(490)	-41%	7 205
<i>Other</i>		--	--	--	--	--	--	--	--	--
Total Expenditure - Standard	3	--	248 256	--	14 151	22 399	41 376	(18 977)	-46%	248 256
Surplus/ (Deficit) for the year		--	13 250	--	(4 986)	43 982	40 254	3 728	9%	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) - M02 August										
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	-	59	60	1 381	(1 321)	-95.7%	8 286
Vote 3 - Financial Services		-	148 190	-	3 406	55 718	62 744	(7 027)	-11.2%	148 190
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Infrastructure Services		-	88 661	-	4 204	7 972	14 777	(6 804)	-46.0%	88 661
Vote 6 - Community Services		-	16 368	-	1 497	2 631	2 728	(97)	-3.6%	16 368
Vote 7 - Planning & Economic development		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	261 506	-	9 165	66 381	81 630	(15 250)	-18.7%	261 506
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		-	4 264	-	333	586	711	(124)	-17.5%	4 264
Vote 2 - COUNCIL SUPPORT		-	28 297	-	1 481	2 900	4 716	(1 816)	-38.5%	28 297
Vote 3 - Financial Services		-	88 570	-	2 976	4 250	14 762	(10 511)	-71.2%	88 570
Vote 4 - Corporate Services		-	24 804	-	1 474	3 335	4 134	(799)	-19.3%	24 804
Vote 5 - Infrastructure Services		-	52 595	-	4 771	8 366	8 766	(400)	-4.6%	52 595
Vote 6 - Community Services		-	40 432	-	2 664	2 171	6 739	(4 568)	-67.8%	40 432
Vote 7 - Planning & Economic development		-	9 294	-	451	790	1 549	(759)	-49.0%	9 294
Total Expenditure by Vote	2	-	248 256	-	14 151	22 399	41 376	(18 977)	-45.9%	248 256
Surplus/ (Deficit) for the year	2	-	13 250	-	(4 986)	43 981	40 254	3 727	9.3%	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) - M02 August

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		2 387	4 776	4 729	47	1%	28 372
Property rates - penalties & collection charges						-	-	-		
Service charges - electricity revenue		54 204			3 958	7 523	9 034	(1 511)	-17%	54 204
Service charges - water revenue		-								
Service charges - sanitation revenue		-								
Service charges - refuse revenue		4 408			469	779	735	45	6%	4 408
Service charges - other										
Rental of facilities and equipment		209			7	15	35	(20)	-58%	209
Interest earned - external investments		1 241			138	276	103	173	167%	1 241
Interest earned - outstanding debtors		2 376			374	754	396	358	90%	2 376
Dividends received										
Fines		731			26	29	122	(93)	-76%	731
Licences and permits		3 396			293	537	566	(29)	-5%	3 396
Agency services		8 078			697	1 273	1 346	(74)	-5%	8 078
Transfers recognised - operational		120 624			32	49 063	51 299	(2 236)	-4%	120 624
Other revenue		5 350			685	1 161	892	269	30%	5 350
Gains on disposal of PPE		600								600
Total Revenue (excluding capital transfers and contributions)		-	229 589	-	9 068	66 185	69 256	(3 072)	-4%	229 589
Expenditure By Type										
Employee related costs			70 710		4 856	9 703	11 785	(2 082)	-18%	70 710
Remuneration of councillors			11 663		878	1 711	1 944	(233)	-12%	11 663
Debt impairment			7 314		-	-	1 219	(1 219)	-100%	7 314
Depreciation & asset impairment			44 944		-	-	7 491	(7 491)	-100%	44 944
Finance charges			798				133	(133)	-100%	798
Bulk purchases			29 355		3 411	3 411	4 893	(1 481)	-30%	29 355
Other materials			13 093		224	477	2 182	(1 705)	-78%	13 093
Contracted services			8 821		1 446	1 446	1 470	(24)	-2%	8 821
Transfers and grants			2 750		126	126	458	(332)	-72%	2 750
Other expenditure			58 808		3 208	5 525	9 801	(4 277)	-44%	58 808
Loss on disposal of PPE										
Total Expenditure		-	248 256	-	14 151	22 399	41 376	(18 977)	-46%	248 256
Surplus/(Deficit)		-	(18 667)	-	(5 083)	43 786	27 880	15 906	0	(18 667)
Transfers recognised - capital			31 917		97	196	12 374	(12 178)	(0)	31 917
Contributions recognised - capital										
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		-	13 250	-	(4 986)	43 982	40 254			13 250
Taxation										
Surplus/(Deficit) after taxation		-	13 250	-	(4 986)	43 982	40 254			13 250
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	13 250	-	(4 986)	43 982	40 254			13 250
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	13 250	-	(4 986)	43 982	40 254			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 (municipal vote, standard classification and funding) - M02 August

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	-	1	2	67	(65)	-98%	972
Vote 5 - Infrastructure Services		-	56 842	-	2 339	2 439	9 569	(7 131)	-75%	56 842
Vote 6 - Community Services		-	6 094	-	-	-	371	(371)	-100%	6 094
Vote 7 - Planning & Economic development		-	800	-	-	-	-	-		800
Total Capital Expenditure		-	65 508	-	2 340	2 440	10 007	(7 566)	-76%	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 - M02 August

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		143,430	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		709	848	
Total current assets			–	106,507	–	150,729	106,507
Non current assets							
Long-term receivables							
Investments				23,850		23,850	
Investment property				120,000		120,000	
Investments in Associate							
Property, plant and equipment				829,058		829,058	
Agricultural							
Biological assets							
Intangible assets							
Other non-current assets							
Total non current assets			–	972,908	–	881,096	972,908
TOTAL ASSETS			–	1,079,415	–	1,031,824	1,079,415
LIABILITIES							
Current liabilities							
Bank overdraft					–		
Borrowing							
Consumer deposits				1,346		1,346	
Trade and other payables				45,240		45,240	
Provisions				207		207	
Total current liabilities			–	46,793	–	94,530	46,793
Non current liabilities							
Borrowing					2,071		
Provisions				28,830		28,830	
Total non current liabilities			–	28,830	–	2,071	28,830
TOTAL LIABILITIES			–	75,623	–	96,601	75,623
NET ASSETS	2		–	1,003,792	–	935,223	1,003,792
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)				1,003,792		910,982	1,003,792
Reserves						24,241	
TOTAL COMMUNITY WEALTH/EQUITY	2		–	1,003,792	–	935,223	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 - M02 August

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		1,467	2,831	2,184	647	30%	24,116	
Service charges			49,351		3,975	7,185	3,163	4,022	127%	49,351	
Other revenue			17,767		1,604	2,936	1,161	1,775	153%	17,767	
Government - operating			120,624		32	49,063	51,299	(2,236)	-4%	120,624	
Government - capital			31,917		97	14,803	12,374	2,429	20%	31,917	
Interest			3,617		374	891	186	705	379%	3,617	
Dividends			-		-	-	-	-		-	
Payments											
Suppliers and employees			(190,848)		(13,989)	(22,236)	(15,714)	6,522	-42%	(190,848)	
Finance charges			(798)		(28)	(28)	(76)	(48)	63%	(798)	
Transfers and Grants			(2,750)		(26)	(26)	(130)	(104)	80%	(2,750)	
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	52,996	-	(6,494)	55,418	54,447	(971)	-2%	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)		(2,340)	(2,440)	(687)	1,753	-255%	(65,508)	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(63,658)	-	(2,340)	(2,440)	(533)	1,907	-358%	(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)		(108)	(108)	-	108	#DIV/0!	(1,865)	
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	(1,865)	-	(108)	(108)	-	108	#DIV/0!	(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			157,329	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 - M02 August

Description	NT Code	Budget Year 2016/17								Over 1Yr	Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr				
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	3 094	584	310	213	189	2 499			6 888	2 901	
Receivables from Non-exchange Transactions - Property Rates	1400	2 008	1 189	5 798	1 109	985	31 755			42 843	33 849	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-			-	-	
Receivables from Exchange Transactions - Waste Management	1600	420	87	65	55	55	1 400			2 082	1 510	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-			-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-			-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-			-	-	
Other	1900	638	198	373	335	361	9 602			11 508	10 298	
Total By Income Source	2000	6 161	2 057	6 545	1 712	1 590	45 256	-	-	63 321	48 558	
2015/16 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	2200											
Commercial	2300											
Households	2400											
Other	2500	6 161	2 057	6 545	1 712	1 590	45 256			63 321	48 558	
Total By Customer Group	2600	6 161	2 057	6 545	1 712	1 590	45 256	-	-	63 321	48 558	

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%, 3.2%, 10% and 2.7% respectively as at 31 August 2016**

2.2 Creditors' Analysis

LIM471 Ephraim Mogale - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

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		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	3,239									3,239	
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	37									37	
Total By Customer Type	1000	3,276	-	-	-	-	-	-	-	-	3,276	-

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 - M02 August

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%	23,975	138	24,114
Municipality sub-total					138		23,975	138	24,114
Entities									
					-		-	-	-
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				138		23,975	138	24,114

The municipality has a NEDBANK call investment account amounting to **R24,1 Million** as at **31 August 2016** which include **R138 thousands** of August interest.

2.4 Allocation and grants receipts expenditure

LIM471 Ephraim Mogale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

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	-	315	49 297	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
EPWP Incentive			1 258		315	315	105			1 258
Total Operating Transfers and Grants	5	-	120 624	-	315	49 297	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	-	315	64 003	63 673	1 930	3.0%	154 351

The municipality has received **R315 thousand** from **EPWP** for the month ended **31st August 2016**.

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 - M02 August

Summary of Employee and Councillor remuneration	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	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			7 212		691	1 240	601	639	106%	7 212
Pension and UIF Contributions			1 832		42	137	153	(15)	-10%	1 832
Medical Aid Contributions					-	-	-	-		
Motor Vehicle Allowance			1 869		91	226	156	71	45%	1 869
Cellphone Allowance			750		54	107	63	44	71%	750
Housing Allowances							-	-		
Other benefits and allowances							-	-		
Sub Total - Councillors			11 663		878	1 711	972	739	76%	11 663
Senior Managers of the Municipality										
Basic Salaries and Wages	3		4 087		188	376	341	36	10%	4 087
Pension and UIF Contributions			664		20	39	55	(16)	-29%	664
Medical Aid Contributions			125		8	16	10	5	52%	125
Overtime							-	-		
Performance Bonus			247				21	(21)	-100%	247
Motor Vehicle Allowance			294		18	36	24	11	46%	294
Cellphone Allowance			86		4	7	7	0	5%	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	2						-	-		
Sub Total - Senior Managers of Municipality			5 503		237	474	459	16	3%	5 503
Other Municipal Staff										
Basic Salaries and Wages			42 947		3 079	3 068	3 579	(511)	-14%	42 947
Pension and UIF Contributions			9 626		650	656	802	(146)	-18%	9 626
Medical Aid Contributions			2 569		182	178	214	(37)	-17%	2 569
Overtime			1 688		74	78	141	(62)	-44%	1 688
Performance Bonus			3 428			51	286	(235)	-82%	3 428
Motor Vehicle Allowance			3 426		218	198	286	(87)	-30%	3 426
Cellphone Allowance			546		36	31	46	(14)	-31%	546
Housing Allowances			457		38	38	38	0	1%	457
Other benefits and allowances			520		343	-	43	(43)	-100%	520
Payments in lieu of leave							-	-		
Long service awards							-	-		
Post-retirement benefit obligations	2						-	-		
Sub Total - Other Municipal Staff			65 206		4 619	4 299	5 434	(1 135)	-21%	65 206
Total Parent Municipality			82 373		5 735	6 484	6 864	(380)	-6%	82 373



EPHRAIM MOGALE LOCAL MUNICIPALITY

QUALITY CERTIFICATE

I, **Mathebela MM**, Municipal Manager of **Ephraim Mogale Local Municipality**, hereby certify that-


- the monthly budget statement

for the month of **August** 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 :

14/09/16
