

EPHRAIM MOGALE



LOCAL MUNICIPALITY (LIM471)

Monthly Budget Monitoring Report
(Section 71 of MFMA)

31 MARCH 2021

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

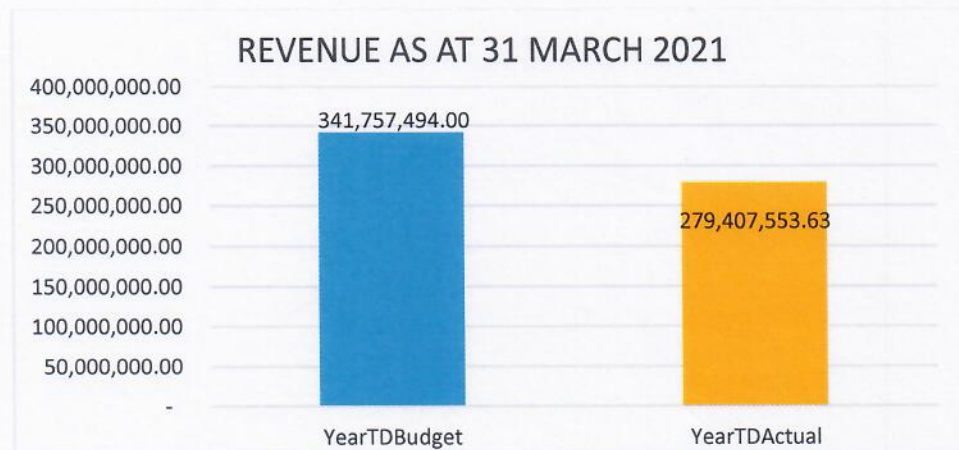
1.1.1 Introduction

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)

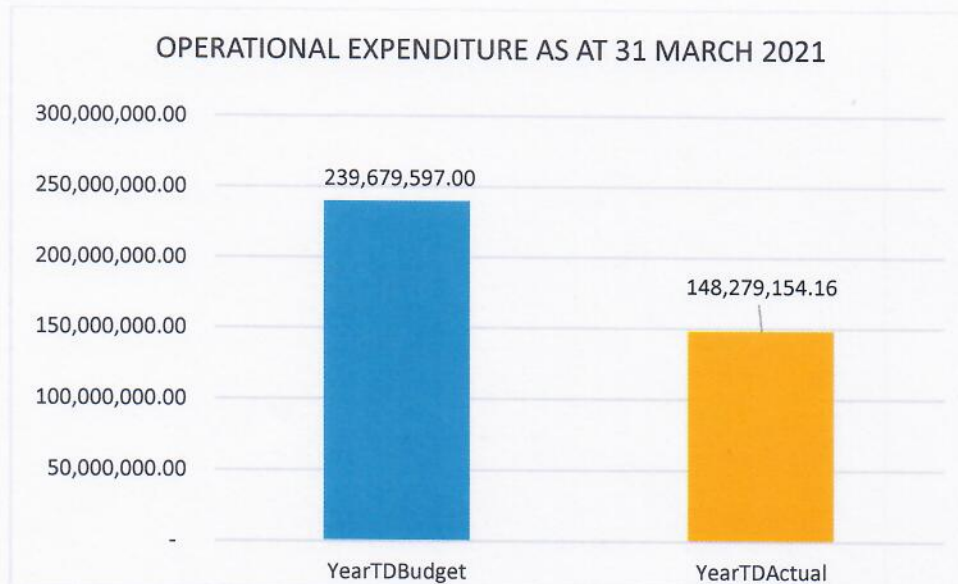
REVENUE (Table c2, c4)



The total revenue received for the month of **March 2021** amount to **R48.7 Million**, and the year to date Actual revenue amount to **R279 Million** in comparison to a year to date budgeted figure of **R341 Million**. There is an unfavorable variance of **R62 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 2021** amounts to **R16.8 Million**, and the year to date actual is **R148 Million** which is reported against a year to date budget of **R239 Million**. There is an unfavorable variance of **R91 Million** due to the following reasons.

1. Employee related cost

This major variance is due to vacant posts not yet filled.

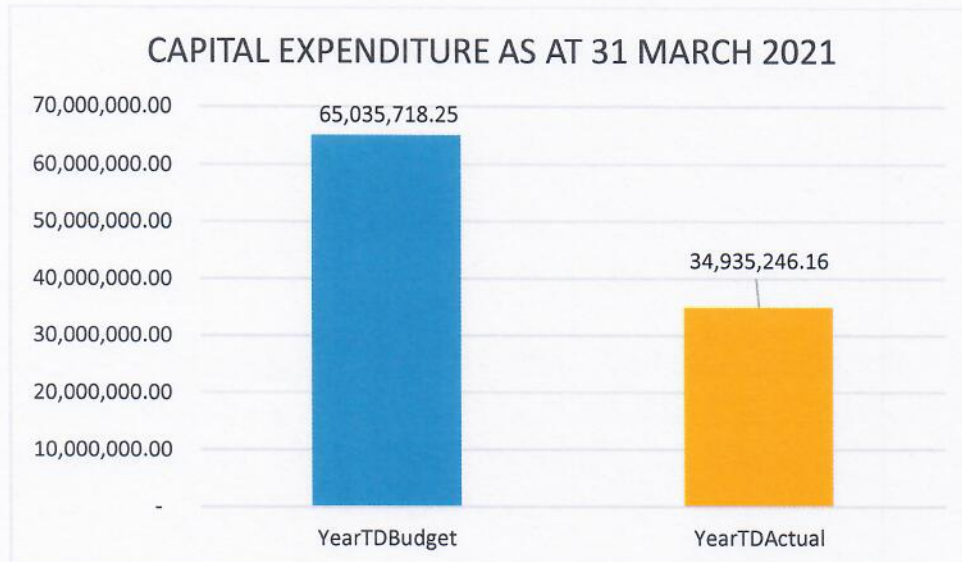
2. Depreciation and assets impairment

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 amounts to **R796 Thousands**, and the year to date actual is **R34.9 Million** which is reported against a year to date budget of **R67 Million**. There is an unfavorable variance of **R30 Million** due to non-spending in majority of internal funded project.

Capital budget as at 31 March 2021

Function	SegmentDesc	Total-Budget	2021-03	Total-Actual
Administration	Purchase of Furniture (500/305065)	350,000.00	-	24,200.00
Cemetries	Landscaping & Greening (425/305071)	450,000.00	13,750.00	13,750.00
Cemetries	Compactor Truck	1,800,000.00	-	-
Electricity	Network Design Software	80,000.00	-	-
Electricity	Upgrade Municipal ESKON Supply	3,000,000.00	-	-
Electricity	Install RMU Cable to Connect Ext 5&6	1,186,362.00	-	913,601.38
Electricity	Replace old PEX 11kV Cable from 713 to 561	1,600,000.00	-	-
Electricity	Manapyan High Mass Lights	4,000,000.00	-	-
Electricity	Uitvlucht Highmast Light	2,000,000.00	-	-
Electricity	Industrial Substation Second Supply Phase 3	1,162,003.00	-	1,162,002.86
Electricity	Replace Streetlight Wood Poles at Mamphokgo	500,000.00	-	-
Electricity	Truck Mounted Crane	950,000.00	-	-
Electricity	Tool sets	50,000.00	-	-
Health Services	Sanitising Equipment	150,000.00	-	-
Housing and Building	Air Conditioning	100,000.00	-	-
Human Resources	Shredding Machine and Recording System	90,000.00	-	-
Information Technology(ICT)	Purchase of routers and wireless access point	100,008.00	-	40,917.00
Information Technology(ICT)	ICT Computers	439,091.00	-	-
Information Technology(ICT)	Purchase of UPS	40,909.00	-	-
Information Technology(ICT)	PURCHASE OF PRINTERS	150,000.00	-	-
Information Technology(ICT)	Master tower pole	120,004.00	-	-
Licencing and Traffic	Speed Camera (225/305070)	300,000.00	-	-
Communication	Podium Camera Loud Healing	75,000.00	-	74,030.99
Roads & Stormwater 1	Leeufontein Sports Complex	6,500,000.00	782,712.20	782,712.20
Roads & Stormwater 1	Mamphokgo Sports Complex	1,000,000.00	-	343,528.78
Roads & Stormwater 1	Stormwater Extension 6(650/305147)	4,000,000.00	0.01	3,615,451.77
Roads & Stormwater 2	MAKGATLE	7,075,453.00	-	7,006,610.97
Roads& Stormwater (650)	Tshikanoshi Sports Complex	5,000,000.00	-	-
Roads& Stormwater (650)	Phetwane Internal Road (650/305184)	6,969,460.00	-	6,306,760.93
Roads& Stormwater (650)	Rehabilitation Leeuwfontein Internal Streets	4,000,000.00	-	-
Roads& Stormwater (650)	Regae Bus Route	5,000,000.00	-	-
Roads& Stormwater (650)	Morarela Internal Road	2,000,000.00	-	-
Roads& Stormwater (650)	Mabitsi Internal Road	5,000,000.00	-	-
Roads& Stormwater (650)	Mohlalaotwane	2,000,000.00	-	-
Roads& Stormwater (650)	Mashemong/Mooihoek Internal Street	7,600,000.00	(0.08)	7,397,568.01
Roads& Stormwater (650)	Malebitsa internal road	8,076,001.00	-	7,254,111.27
Roads& Stormwater (650)	Boreholes	200,000.00	-	-
Roads& Stormwater (650)	Purchasing of motor grader	3,600,000.00	-	-
TOTAL		86,714,291.00	796,462.13	34,935,246.16

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 2021** 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 2020/2021 financial year is **40%** and **46%** respectively, as at **31 March 2021**.

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	2019/20	Budget Year 2020/21							
		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>		-	212,046	241,399	43,017	222,320	257,549	(35,229)	-14%	241,399
Executive and council		-	2,060	2,081	33	72	1,561	(1,488)	-95%	2,081
Finance and administration		-	209,986	239,318	42,984	222,247	255,988	(33,740)	-13%	239,318
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	264	231	22	191	173	18	10%	231
Community and social services		-	56	54	8	56	40	15	38%	54
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	208	177	14	135	133	3	2%	177
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	33,285	33,269	2	20	24,952	(24,932)	-100%	33,269
Planning and development		-	47	31	2	20	23	(3)	-14%	31
Road transport		-	33,238	33,238	-	-	24,929	(24,929)	-100%	33,238
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	72,848	73,536	5,699	56,795	55,152	1,644	3%	73,536
Energy sources		-	67,845	68,192	5,239	52,656	51,144	1,512	3%	68,192
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	5,003	5,343	459	4,140	4,008	132	3%	5,343
<i>Other</i>	4	-	5,237	5,243	(2)	81	3,932	(3,851)	-98%	5,243
Total Revenue - Functional	2	-	323,680	353,678	48,738	279,408	341,757	(62,350)	-18%	353,678
Expenditure - Functional										
<i>Governance and administration</i>		-	184,595	188,543	8,750	69,880	141,407	(71,527)	-51%	188,543
Executive and council		-	41,138	41,768	2,878	26,189	31,326	(5,137)	-16%	41,768
Finance and administration		-	143,458	146,775	5,872	43,691	110,081	(66,390)	-60%	146,775
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	21,463	25,405	1,471	12,649	19,053	(6,404)	-34%	25,405
Community and social services		-	9,299	9,374	567	5,414	7,030	(1,617)	-23%	9,374
Sport and recreation		-	2,279	1,864	116	866	1,398	(533)	-38%	1,864
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	5,091	8,625	442	2,841	6,469	(3,628)	-56%	8,625
Health		-	4,794	5,541	346	3,529	4,156	(627)	-15%	5,541
<i>Economic and environmental services</i>		-	23,692	24,525	1,480	11,980	18,394	(6,414)	-35%	24,525
Planning and development		-	11,586	11,729	636	3,935	8,797	(4,862)	-55%	11,729
Road transport		-	12,106	12,796	845	8,045	9,597	(1,552)	-16%	12,796
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	65,375	67,500	4,081	44,625	50,625	(6,000)	-12%	67,500
Energy sources		-	58,859	60,838	3,687	40,835	45,629	(4,794)	-11%	60,838
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	6,517	6,661	395	3,790	4,996	(1,206)	-24%	6,661
<i>Other</i>		-	13,405	13,600	1,101	9,145	10,200	(1,055)	-10%	13,600
Total Expenditure - Functional	3	-	308,530	319,573	16,885	148,279	239,680	(91,400)	-38%	319,573
Surplus/ (Deficit) for the year		-	15,150	34,105	31,853	131,128	102,078	29,051	28%	34,105

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	2019/20	Budget Year 2020/21								
		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			39,126	40,118	3,349	30,107	30,088	19	0%	40,118	
Service charges - electricity revenue			69,370	64,575	5,136	51,708	48,431	3,276	7%	64,575	
Service charges - water revenue			-	-	-	-	-	-	-	-	
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	
Service charges - refuse revenue			5,003	5,343	444	4,004	4,008	(4)	0%	5,343	
Rental of facilities and equipment			190	173	14	131	130	2	1%	173	
Interest earned - external investments			324	4,000	117	943	3,000	(2,057)	-69%	4,000	
Interest earned - outstanding debtors			8,263	6,388	648	4,862	4,791	71	1%	6,388	
Dividends received			-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			140	154	(2)	81	115	(34)	-30%	154	
Licences and permits			5,102	5,102	-	-	3,827	(3,827)	-100%	5,102	
Agency services			-	-	-	-	-	-	-	-	
Transfers and subsidies			163,620	193,494	38,864	185,729	145,121	40,609	28%	193,494	
Other revenue			1,161	1,092	168	1,843	819	1,024	125%	1,092	
Gains			-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)			-	292,299	320,440	48,738	279,408	240,330	39,078	16%	320,440
Expenditure By Type											
Employee related costs			97,557	99,048	6,787	62,774	74,286	(11,512)	-15%	99,048	
Remuneration of councillors			15,623	15,623	1,052	9,966	11,718	(1,751)	-15%	15,623	
Debt impairment			13,987	13,987	-	-	10,490	(10,490)	-100%	13,987	
Depreciation & asset impairment			54,600	54,600	-	-	40,950	(40,950)	-100%	-	
Finance charges			41	46	-	-	34	(34)	-100%	46	
Bulk purchases			42,000	43,300	2,898	28,689	32,475	(3,786)	-12%	43,300	
Other materials			2,252	2,288	2	354	1,716	(1,362)	-79%	2,288	
Contracted services			44,323	45,637	2,404	22,815	34,228	(11,413)	-33%	45,637	
Transfers and subsidies			-	-	-	-	-	-	-	-	
Other expenditure			8,641	45,044	3,742	23,681	33,783	(10,102)	-30%	45,044	
Losses			-	-	-	-	-	-	-	-	
Total Expenditure			-	279,024	319,574	16,885	148,279	239,680	(91,401)	-38%	264,974
Surplus/(Deficit)											
Transfers and subsidies - capital (provincial and district)			-	13,276	866	31,853	131,128	650	130,479	0	55,466
(National / Provincial and District)			33,238	33,238	33,238	-	-	24,929	(24,929)	(0)	33,238
(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			33,238	46,514	34,104	31,853	131,128	25,578	-	88,704	
Taxation			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			33,238	46,514	34,104	31,853	131,128	25,578	-	88,704	
Attributable to minorities			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			33,238	46,514	34,104	31,853	131,128	25,578	-	88,704	
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year			33,238	46,514	34,104	31,853	131,128	25,578	-	88,704	

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) - M09 March

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification										
Governance and administration		-	1,055	1,365	-	24	1,024	(1,000)	-98%	1,365
Executive and council				-				-		
Finance and administration			1,055	1,365	-	24	1,024	(1,000)	-98%	1,365
Internal audit				-				-		
Community and public safety		-	825	2,500	14	129	1,875	(1,746)	-93%	2,500
Community and social services			575	2,250	14	129	1,688	(1,559)	-92%	2,250
Sport and recreation			-	-	-	-	-	-		-
Public safety			-	-	-	-	-	-		-
Housing			100	100	-	-	75	(75)	-100%	100
Health			150	150	-	-	113	(113)	-100%	150
Economic and environmental services		-	48,576	68,021	783	32,707	51,016	(18,309)	-36%	68,021
Planning and development				-				-		
Road transport			48,576	68,021	783	32,707	51,016	(18,309)	-36%	68,021
Environmental protection				-				-		
Trading services		-	6,860	14,528	-	2,076	10,896	(8,821)	-81%	14,528
Energy sources			6,860	14,528	-	2,076	10,896	(8,821)	-81%	14,528
Water management				-				-		
Waste water management				-				-		
Waste management				-				-		
Other			845	300	-	-	225	(225)	-100%	300
Total Capital	3	-	58,161	86,714	796	34,935	65,036	(30,100)	-46%	86,714
Funded by:										
National Government			42,576	42,576	(0)	20,518	28,907	(8,388)	-29%	42,576
Provincial Government								-		
District Municipality								-		
Transfers recognised - capital		-	42,576	42,576	(0)	20,518	28,907	(8,388)	-29%	42,576
Borrowing	6							-		
Internally generated funds			15,585	44,138	796	14,417	36,129	(21,712)	-60%	44,138
Total Capital Funding		-	58,161	86,714	796	34,935	65,036	(30,100)	-46%	86,714

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 2020/21 AGEING REPORT MARCH 2021 GL							
Type of Service	30 Days	60 Days	90 Days	120 Days	150 Days	150 Plus	Total
	202103	202102	202101	202012	202011	202010	
Rates	2970360.19	1775881.52	1670848.39	1650438.34	1602529.29	85061539.16	94,731,596.89
Electricity	3943215.2	239549.38	134663.62	117176.61	119599.56	6000780.4	10,554,984.77
Refuse	381745.22	166576.1	145686.21	141116.07	136003.01	5018980.86	5,990,107.47
Other	1291538.61	750619.05	751109.54	726086.26	746020.23	35863653.55	40,129,027.24
Total	8,586,859.22	2,932,626.05	2,702,307.76	2,634,817.28	2,604,152.09	131,944,953.97	151,405,716.37

Category	202103	202102	202101	202012	202011	202010	Total
Psi	2301.8	2298.74	2295.68	2292.63	2289.56	165853.21	177,331.62
Farms / agri	1800273.28	1456055.65	1445435.46	1429260.5	1418784.96	71735620.93	79,285,430.78
Business	3252906.05	320346	266905.9	231403.39	205067.31	8037094.17	12,313,722.82
Churches	23880.29	3686.32	3672.65	3658.99	3645.33	123915.49	162,459.07
Commercial	0	0	0	0	0	29221.64	29,221.64
Domestic	0	0	0	0	0	15873.28	15,873.28
Industrial	1090729.62	166604.52	159492.92	156598.06	163624.19	7544207.45	9,281,256.76
Municipality	1997.15	19099.85	202	200.8	199.6	57272.02	78,971.42
Residential	2380921.57	952132.91	811903.62	798969.27	798145.98	44198394.32	49,940,467.67
School/hosp	33849.46	12402.06	12399.53	12433.64	12395.16	37501.46	120,981.31
Total	8,586,859.22	2,932,626.05	2,702,307.76	2,634,817.28	2,604,152.09	131,944,953.97	151,405,716.37

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 2021** amount to **R151 Million**.

2.2 Creditors' Analysis

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

2.3 Investment portfolio analysis

There were no investments made.

2.4 Allocation and grants receipts expenditure

There were no Grants received for the month of March 2021,

2.5 Councilors allowances and Employee benefit

The employee benefits and councilors allowance for **31 March 2021** is **R6.7 Million** and **R1 Million** respectively



EPHRAIM MOGALE LOCAL MUNICIPALITY
QUALITY CERTIFICATE

I, **Harry Mantaneng Phaahla** the acting municipal manager of **Ephraim Mogale Local Municipality**, here by certify that-

- the monthly budget statement

For the month of **March 2021** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act

Print name **Harry Mantaneng Phaahla**

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

Signature  _____

Date 08-04-2021