

EPHRAIM MOGALE



LOCAL MUNICIPALITY (LIM471)

Monthly Budget Monitoring Report
(Section 71 of MFMA)

31 December 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 **December 2016** amounts to **R49.6 Million**, and the year to date revenue amount to **R142.7 Million** in comparison to a year to date budgeted figure of **R162 Million**. There is an unfavorable variance of **R39 Million** which is due to the following reasons.

1. Transfer recognized – capital

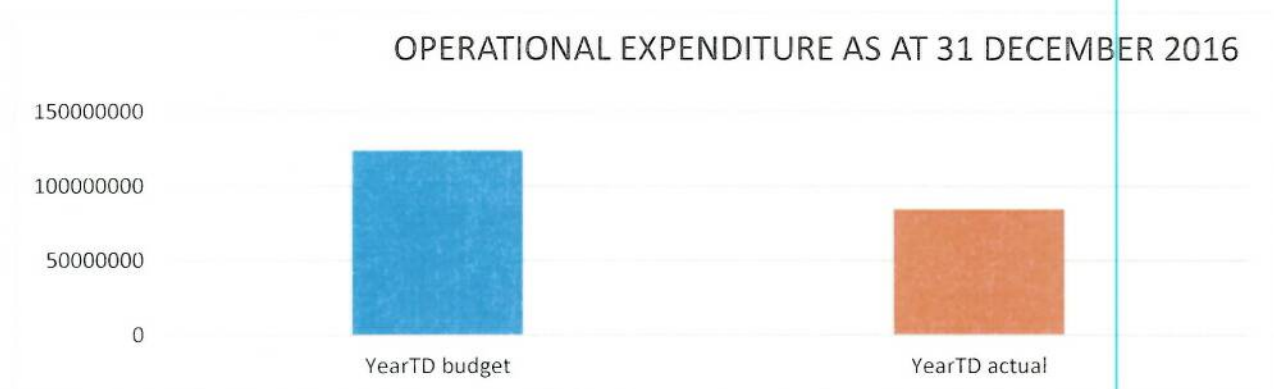
The municipality is currently recognizing conditional grant such as Municipal Infrastructure Grant as liability which is the requirements if Generally Accepted Accounting Practice (GRAP). This grants will only be recognized as revenue once they have meet conditions of those grants.

2. **Property rates** with a favorable variance of 6%, though it should be noted that this does not represent actual cash collected but total rates billed at half yearly. The

budgeted amount must be aligned to the current valuation roll and the actual receipts on property rates should also be borne in mind.

3. Electricity revenue which reflects 13% below expected amount this may be attributed to the seasonal weather conditions where less electricity is generally consumed in summer or Eskom Campaign to save electricity through load shedding.
4. **Fine revenue** reflects unfavorable variance of 66% which may be attributed to visibility of traffic officers to ensure public safety on our roads.
5. **Rental of facilities and equipment** also reflects unfavorable variance of 58% where it needs to be ascertained that the budgeted revenue is linked with the rental agreements wherein debt collection measures be improved.

OPERATIONAL EXPENDITURE (Table c2, c3, c4)



Operating expenditure for the month of **December 2016** amounts to **R 18 Million**, and the year to date actual is **R84.7 Million** which is reported against a year to date budget of **R124 Million**. There is a variance of **R39 Million** due to the following reasons.

1. Employee related cost

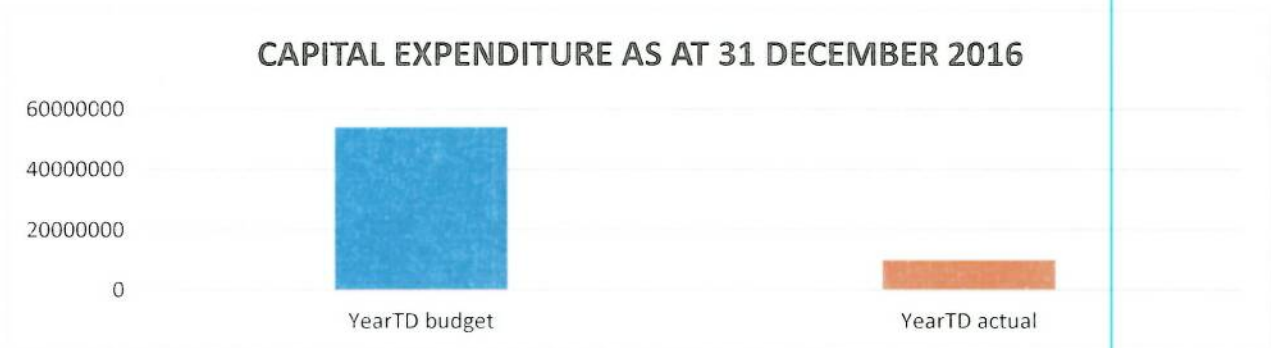
This major variance is due to critical vacant posts not yet filled .E.G Director Corporate services and Planning.

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 **December 2016** amounts to **R 2 Million**. Capital expenditure year to date actual is **R9.9 Million**, compared to year to date budget of **R 54 Million**. The variance of **R44 Million** is due to the following reasons. (See attached capital progress report below)

Phetwane Internal road

The project has appointed a contractor, he will be on site in January 2016.

Elandskraal internal Street

The project has not yet appointed a contractor, it is on the Adjudication stage.

Ngwalemong Internal Street

Consultant has been appointed, he is busy with designs

Construction N:11 Dualisation

The municipality is still awaiting regazeting of N11 by SANRAL

Stormwater EXT:6

The project has appointed a contractor, he will be on site in January 2016.

Rehabilitation of leeufontein internal street

Project is on evaluation stage for appointment of contractor

Rathoke internal street

Consultant finalizing tender document to go out on advert

Capital budget as at 31 December 2016

DEP	ITERM	PROJECTS	FUNDING	CAPITAL BUDGET 2016/2017	Y.T.D ACTUALS	VARIENCE	%
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	1 313,16	188 686,84	1%
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	4 864,00	16 736,00	23%
500	305065	PURCHASE OF FURNITURE	OWN	550 000,00	-	550 000,00	0%
500	305168	RECORD MANAGEMENT	OWN	400 000,00	132 799,00	267 201,00	33%
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	174 870,85	325 129,15	35%
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	-	8 890 618,00	(8 890 618,00)	-
				33 590 957,50	9 204 465,01	24 386 492,49	27%
300	260001	PMU ESTABLISHMENT	MIG	1 517 000,00	738 596,08	1 321 442,65	49%
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	738 596,08	31 721 442,65	2%
				65 507 957,50	9 943 061,09	56 107 935,14	15%

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 **December 2016** indicates a favourable/positive closing balance (cash and cash equivalents) of **R102 Million**.

1.2.2.5 Conclusion

The total spending on the overall capital and operational budget of 2016/2017 financial year is **15%** and **34%** respectively, as at **31 December 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 - M06 December

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	29 798	28 372	-	3 784	15 029	14 186	843	6%	28 372
Service charges	49 000	58 611	-	4 552	25 957	29 306	(3 349)	-11%	58 611
Investment revenue	4 677	1 241	-	142	829	620	209	34%	1 241
Transfers recognised - operational	121 961	120 624	-	39 281	88 569	88 570	(1)	-0%	120 624
Other own revenue	12 559	20 741	-	1 849	12 365	12 107	258	2%	20 741
Total Revenue (excluding capital transfers and contributions)	217 995	229 589	-	49 608	142 749	144 789	(2 040)	-1%	229 589
Employee costs	59 377	70 710	-	4 930	30 194	35 355	(5 161)	-15%	70 710
Remuneration of Councillors	10 633	11 663	-	878	5 266	5 832	(566)	-10%	11 663
Depreciation & asset impairment	41 399	44 944	-	-	-	22 472	(22 472)	-100%	44 944
Finance charges	2 429	798	-	23	129	399	(270)	-68%	798
Materials and bulk purchases	35 682	42 449	-	7 580	19 671	21 224	(1 553)	-7%	42 449
Transfers and grants	1 937	2 750	-	123	449	1 375	(926)	-67%	2 750
Other expenditure	45 211	74 943	-	5 377	28 997	37 471	(8 474)	-23%	74 943
Total Expenditure	196 668	248 256	-	18 910	84 706	124 128	(39 422)	-32%	248 256
Surplus/(Deficit)	21 327	(18 667)	-	30 697	58 043	20 661	37 382	181%	(18 667)
Transfers recognised - capital	46 309	31 917	-	110	741	17 288	(16 547)	-96%	31 917
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	67 636	13 250	-	30 807	58 784	37 949	20 835	55%	13 250
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	67 636	13 250	-	30 807	58 784	37 949	20 835	55%	13 250
Capital expenditure & funds sources									
Capital expenditure	64 980	65 508	-	2 029	9 943	54 000	(44 057)	-82%	65 508
Capital transfers recognised	46 309	31 917	-	110	741	17 288	(16 547)	-96%	31 917
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	18 671	33 591	-	1 920	9 202	36 712	(27 510)	-75%	33 591
Total sources of capital funds	64 980	65 508	-	2 029	9 943	54 000	(44 057)	-82%	65 508
Financial position									
Total current assets	163 982	106 507	-	-	179 286	-	-	-	106 507
Total non current assets	860 907	972 908	-	-	892 632	-	-	-	972 908
Total current liabilities	54 835	46 793	-	-	84 753	-	-	-	46 793
Total non current liabilities	28 489	28 830	-	-	22 620	-	-	-	28 830
Community wealth/Equity	941 565	1 003 792	-	-	964 546	-	-	-	1 003 792
Cash flows									
Net cash from (used) operating	98 831	52 996	-	28 117	46 368	48 479	2 111	4%	52 996
Net cash from (used) investing	(64 980)	(63 658)	-	(2 029)	(9 943)	(53 846)	(43 903)	82%	(63 658)
Net cash from (used) financing	(1 407)	(1 865)	-	-	(31 404)	(1 865)	29 539	-1584%	(1 865)
Cash/cash equivalents at the month/year end	113 249	62 352	-	-	102 822	67 647	(35 175)	-52%	85 274
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	7 117	2 116	2 089	1 812	1 769	54 123	-	-	69 026
Creditors Age Analysis									
Total Creditors	5 267	25	5	74	-	-	-	-	5 371

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

LIM471 Ephraim Mogale - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	2015/16	Budget Year 2016/17					YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget			
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		153 235	156 477	-	44 014	110 147	108 233	1 914	2%	156 477
Executive and council		7 526	8 286	-	65	290	4 143	(3 853)	-93%	8 286
Budget and treasury office		145 709	148 190	-	43 949	109 857	104 090	5 767	6%	148 190
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		173	2 570	-	76	775	1 285	(510)	-40%	2 570
Community and social services		34	30	-	1	17	15	2	12%	30
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	2 275	-	69	686	1 138	(451)	-40%	2 275
Housing		138	265	-	6	72	132	(61)	-46%	265
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		59 128	43 848	-	965	5 870	23 254	(17 383)	-75%	43 848
Planning and development		674	-	-	-	-	-	-	-	-
Road transport		58 454	43 848	-	965	5 870	23 254	(17 383)	-75%	43 848
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		51 768	58 611	-	4 552	25 957	29 306	(3 349)	-11%	58 611
Electricity		47 076	54 204	-	4 146	23 626	27 102	(3 476)	-13%	54 204
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 692	4 408	-	406	2 331	2 204	127	6%	4 408
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	264 304	261 506	-	49 608	142 749	162 077	(19 328)	-12%	261 506
Expenditure - Standard										
<i>Governance and administration</i>		102 594	145 935	-	7 301	40 330	72 968	(32 638)	-45%	145 935
Executive and council		25 027	32 561	-	2 461	12 874	16 281	(3 406)	-21%	32 561
Budget and treasury office		57 561	88 570	-	3 110	16 857	44 285	(27 428)	-62%	88 570
Corporate services		20 005	24 804	-	1 730	10 599	12 402	(1 803)	-15%	24 804
<i>Community and public safety</i>		13 272	17 549	-	1 319	7 029	8 775	(1 746)	-20%	17 549
Community and social services		4 810	7 185	-	514	2 668	3 593	(924)	-26%	7 185
Sport and recreation		1 121	1 845	-	154	700	922	(222)	-24%	1 845
Public safety		2 951	3 331	-	259	1 540	1 665	(125)	-8%	3 331
Housing		4 490	5 189	-	391	2 120	2 594	(474)	-18%	5 189
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		29 769	38 380	-	2 788	15 144	19 190	(4 046)	-21%	38 380
Planning and development		1 656	4 105	-	118	973	2 053	(1 080)	-53%	4 105
Road transport		28 113	34 275	-	2 671	14 171	17 137	(2 966)	-17%	34 275
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		51 033	46 391	-	7 502	22 203	23 196	(993)	-4%	46 391
Electricity		43 731	39 186	-	7 070	20 151	19 593	558	3%	39 186
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 302	7 205	-	432	2 052	3 602	(1 551)	-43%	7 205
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	196 668	248 256	-	18 910	84 706	124 128	(39 422)	-32%	248 256
Surplus/ (Deficit) for the year		67 636	13 250	-	30 697	58 043	37 949	20 094	53%	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) - M06 December

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		7 526	8 286	-	65	290	4 143	(3 853)	-93,0%	8 286
Vote 3 - Financial Services		145 709	148 190	-	43 949	109 857	104 090	5 767	5,5%	148 190
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Infrastructure Services		93 385	88 396	-	4 325	25 053	45 528	(20 474)	-45,0%	88 661
Vote 6 - Community Services		16 871	16 368	-	1 263	7 477	8 184	(708)	-8,6%	16 368
Vote 7 - Planning & Economic development		813	265	-	6	72	132	(51)	-45,8%	265
Total Revenue by Vote	2	264 304	261 506	-	49 608	142 749	162 077	(19 328)	-11,9%	261 771
Expenditure by Vote	1									
Vote 1 - MUNICIPAL MANAGER		3 817	4 264	-	347	1 954	2 132	(178)	-8,3%	4 264
Vote 2 - COUNCIL SUPPORT		21 211	28 297	-	2 114	10 920	14 148	(3 229)	-22,8%	28 297
Vote 3 - Financial Services		57 561	88 570	-	3 110	16 857	44 285	(27 428)	-61,9%	88 570
Vote 4 - Corporate Services		20 005	24 804	-	1 730	10 599	12 402	(1 803)	-14,5%	24 804
Vote 5 - Infrastructure Services		58 757	52 595	-	7 992	25 439	26 298	(859)	-3,3%	52 595
Vote 6 - Community Services		29 171	40 432	-	1 779	15 844	20 216	(4 372)	-21,6%	40 432
Vote 7 - Planning & Economic development		6 146	9 294	-	509	3 093	4 647	(1 554)	-33,4%	9 294
Total Expenditure by Vote	2	196 668	248 256	-	17 581	84 706	124 128	(39 422)	-31,8%	248 256
Surplus/ (Deficit) for the year	2	67 636	13 250	-	32 027	58 043	37 949	20 094	53,0%	13 515

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) - M06 December

Description	Ref	2015/16	Budget Year 2016/17							YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance			
R thousands											
Revenue By Source											
Property rates		29 798	28 372		3 784	15 029	14 186	843	6%	28 372	
Property rates - penalties & collection charges						-	-	-			
Service charges - electricity revenue		45 785	54 204		4 146	23 626	27 102	(3 476)	-13%	54 204	
Service charges - water revenue											
Service charges - sanitation revenue											
Service charges - refuse revenue		3 216	4 408		406	2 331	2 204	127	6%	4 408	
Service charges - other											
Rental of facilities and equipment		138	209		6	44	105	(61)	-58%	209	
Interest earned - external investments		4 677	1 241		142	829	620	209	34%	1 241	
Interest earned - outstanding debtors		3 502	2 376		420	2 374	1 188	1 186	100%	2 376	
Dividends received											
Fines		1 554	731		18	124	366	(242)	-66%	731	
Licences and permits		2 457	3 396		254	1 561	1 698	(137)	-8%	3 396	
Agency services		3 994	8 078		593	3 517	4 039	(522)	-13%	8 078	
Transfers recognised - operational		121 961	120 624		39 281	88 569	88 570	(1)	0%	120 624	
Other revenue		913	5 350		558	4 746	4 712	34	1%	5 350	
Gains on disposal of PPE			600							600	
Total Revenue (excluding capital transfers and contributions)		217 995	229 589	-	49 608	142 749	144 789	(2 040)	-1%	229 589	
Expenditure By Type											
Employee related costs		59 377	70 710		4 930	30 194	35 355	(5 161)	-15%	70 710	
Remuneration of councillors		10 633	11 663		878	5 266	5 832	(566)	-10%	11 663	
Debt impairment		3 497	7 314				3 657	(3 657)	-100%	7 314	
Depreciation & asset impairment		41 399	44 944				22 472	(22 472)	-100%	44 944	
Finance charges		2 429	798		23	129	399	(270)	-68%	798	
Bulk purchases		27 803	29 355		6 617	17 652	14 678	2 975	20%	29 355	
Other materials		7 879	13 093		963	2 019	6 547	(4 528)	-69%	13 093	
Contracted services		4 680	8 821		260	4 013	4 410	(397)	-9%	8 821	
Transfers and grants		1 937	2 750		123	449	1 375	(926)	-67%	2 750	
Other expenditure		37 034	58 808		5 116	24 984	29 404	(4 420)	-15%	58 808	
Loss on disposal of PPE											
Total Expenditure		196 668	248 256	-	18 910	84 706	124 128	(39 422)	-32%	248 256	
Surplus/(Deficit)											
Transfers recognised - capital		46 309	31 917		110	741	17 288	(16 547)	(0)	31 917	
Contributions recognised - capital											
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		67 636	13 250	-	30 807	58 784	37 949			13 250	
Taxation											
Surplus/(Deficit) after taxation		67 636	13 250	-	30 807	58 784	37 949			13 250	
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		67 636	13 250	-	30 807	58 784	37 949			13 250	
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year		67 636	13 250	-	30 807	58 784	37 949			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) - M06 December										
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									
Capital Expenditure - Standard Classification										
<i>Governance and administration</i>		140	1 772	-	38	138	333	(195)	-59%	1 772
Executive and council		82	800					-		800
Budget and treasury office								-		
Corporate services		58	972		38	138	333	(195)	-59%	972
<i>Community and public safety</i>		2 131	5 574	-	-	1	2 702	(2 701)	-100%	5 574
Community and social services		1 732	2 300				1 340	(1 340)	-100%	2 300
Sport and recreation			250				250	(250)	-100%	250
Public safety		399	2 224			1	1 112	(1 111)	-100%	2 224
Housing			800					-		800
Health								-		
<i>Economic and environmental services</i>		60 558	51 417	-	1 992	9 804	49 000	(39 166)	-80%	51 417
Planning and development								-		
Road transport		60 558	51 417		1 992	9 804	49 000	(39 166)	-80%	51 417
Environmental protection								-		
<i>Trading services</i>		2 151	6 745	-	-	-	1 965	(1 965)	-100%	6 745
Electricity		2 151	5 425				1 575	(1 575)	-100%	5 425
Water								-		
Waste water management								-		
Waste management			1 320				390	(390)	-100%	1 320
<i>Other</i>								-		
Total Capital Expenditure - Standard Classification	3	64 980	65 508	-	2 029	9 943	54 000	(44 057)	-82%	65 508
Funded by:										
National Government		46 309	31 917		110	741	17 288	(16 547)	-96%	31 917
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		46 309	31 917	-	110	741	17 288	(16 547)	-96%	31 917
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds		18 671	33 591		1 920	9 202	36 712	(27 510)	-75%	33 591
Total Capital Funding		64 980	65 508	-	2 029	9 943	54 000	(44 057)	-82%	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 - M06 December

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		113 249	62 352		102 822	62 352
Call investment deposits		340	15 900		-	15 900
Consumer debtors		9 399	7 437		69 026	7 437
Other debtors		40 203	19 970		6 576	19 970
Current portion of long-term receivables					-	
Inventory		792	848		862	848
Total current assets		163 982	106 507	-	179 286	106 507
Non current assets						
Long-term receivables						
Investments		-	23 850		24 666	23 850
Investment property		57 563	120 000	-	57 563	120 000
Investments in Associate						
Property, plant and equipment		803 262	829 058		810 403	829 058
Agricultural						
Biological assets						
Intangible assets						
Other non-current assets		82				
Total non current assets		860 907	972 908	-	892 632	972 908
TOTAL ASSETS		1 024 889	1 079 415	-	1 071 918	1 079 415
LIABILITIES						
Current liabilities						
Bank overdraft					-	
Borrowing		1 538				
Consumer deposits		1 530	1 346		1 569	1 346
Trade and other payables		50 961	45 240		69 465	45 240
Provisions		806	207		13 719	207
Total current liabilities		54 835	46 793	-	84 753	46 793
Non current liabilities						
Borrowing		2 071			2 071	
Provisions		26 419	28 830		20 549	28 830
Total non current liabilities		28 489	28 830	-	22 620	28 830
TOTAL LIABILITIES		83 324	75 623	-	107 372	75 623
NET ASSETS	2	941 565	1 003 792	-	964 546	1 003 792
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		941 484	1 003 792		964 546	1 003 792
Reserves		82			-	
TOTAL COMMUNITY WEALTH/EQUITY	2	941 565	1 003 792	-	964 546	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 - M06 December

Description	Ref	Budget Year 2016/17								
		2015/16 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		18 956	24 116		1 578	7 666	12 058	(4 392)	-36%	24 116
Service charges		40 335	49 351		4 068	20 907	24 676	(3 769)	-15%	49 351
Other revenue		3 503	17 767		1 429	13 191	12 727	464	4%	17 767
Government - operating		115 602	120 624		39 281	85 367	104 050	(18 683)	-18%	120 624
Government - capital		52 405	31 917		110	741	17 288	(16 547)	-96%	31 917
Interest		4 677	3 617		562	3 202	1 808	1 394	77%	3 617
Dividends			-		-		-			-
Payments										
Suppliers and employees		(134 334)	(190 848)		(18 764)	(84 128)	(122 354)	(38 226)	31%	(190 848)
Finance charges		(376)	(798)		(23)	(129)	(399)	(270)	68%	(798)
Transfers and Grants		(1 937)	(2 750)		(123)	(449)	(1 375)	(926)	67%	(2 750)
NET CASH FROM/(USED) OPERATING ACTIVITIES		98 831	52 996	-	28 117	46 368	48 479	2 111	4%	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		(64 980)	(65 508)		(2 029)	(9 943)	(54 000)	(44 057)	82%	(65 508)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(64 980)	(63 658)	-	(2 029)	(9 943)	(53 846)	(43 903)	82%	(63 658)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(1 407)	(1 865)		-	(31 404)	(1 865)	29 539	-1584%	(1 865)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 407)	(1 865)	-	-	(31 404)	(1 865)	29 539	-1584%	(1 865)
NET INCREASE/ (DECREASE) IN CASH HELD		32 444	(12 527)	-	26 088	5 021	(7 232)			(12 527)
Cash/cash equivalents at beginning:		80 805	74 879			97 801	74 879			97 801
Cash/cash equivalents at month/year end:		113 249	62 352			102 822	67 647			85 274

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 - M06 December

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	3 167	524	382	315	249	3 006	7 643	3 570	
Receivables from Non-exchange Transactions - Property Rates	1400	3 362	1 185	1 093	1 032	1 018	38 800	46 488	40 849	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	352	178	167	159	158	1 606	2 620	1 922	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	
Other	1900	236	228	448	307	344	10 712	12 275	11 363	
Total By Income Source	2000	7 117	2 116	2 089	1 812	1 769	54 123	69 026	57 704	
2015/16 - totals only								-	-	
Debtors Age Analysis By Customer Group										
Organs of State	2200							-	-	
Commercial	2300							-	-	
Households	2400							-	-	
Other	2500	7 117	2 116	2 089	1 812	1 769	54 123	69 026	57 704	
Total By Customer Group	2600	7 117	2 116	2 089	1 812	1 769	54 123	69 026	57 704	

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 December 2016 amount to R57 Million.

2.2 Creditors' Analysis

Description R thousands	NT Code	Budget Year 2016/17									Total	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				
Creditors Age Analysis By Customer Type													
Bulk Electricity	0100											-	
Bulk Water	0200											-	
PAYE deductions	0300											-	
VAT (output less input)	0400											-	
Pensions / Retirement deductions	0500											-	
Loan repayments	0600											-	
Trade Creditors	0700	5 267	25	5	74							5 371	
Auditor General	0800											-	
Other	0900											-	

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 - M06 December

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	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
Municipality									
NEDBANK		N/A	CALL DEPOS	MONTHLY	135	6,8%	24 525	142	24 666
Municipality sub-total					135		24 525	142	24 666
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				135		24 525	142	24 666

The municipality has a NEDBANK call investment account amounting to **R24,6 Million** as at **31 December 2016**.

2.4 Allocation and grants receipts expenditure

LIM471 Ephraim Mogale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December										
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:		110 374	120 624	-	39 096	90 203	101 058	(9 912)	-9,8%	122 434
Local Government Equitable Share		106 323	117 556		39 096	88 078	97 990	9 912	-10,1%	117 556
Energy Efficiency and Demand Management			-				-			1 810
Finance Management		1 675	1 810			1 810	1 810			1 810
EPWP Incentive		1 157	1 258			315	1 258			1 258
Municipal Systems Improvement		1 219								
Total Operating Transfers and Grants	5	110 374	120 624	-	39 096	90 203	101 058	(9 912)	-9,8%	122 434
Capital Transfers and Grants										
National Government:		52 405	31 917	-	14 607	29 313	22 779	6 534	28,7%	31 917
Municipal Infrastructure Grant (MIG)		52 405	31 917		14 607	29 313	22 779	6 534	28,7%	31 917
Total Capital Transfers and Grants	5	52 405	31 917	-	14 607	29 313	22 779	6 534	28,7%	31 917
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	162 779	152 541	-	53 703	119 516	123 837	(3 378)	-2,7%	154 351

The municipality has received **R39 Million** and **R14 Million** from **Equitable share and R14 Million** for the month ended **31st December 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 - M06 December

Summary of Employee and Councillor remuneration	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		A	B	C					%	D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		7 109	7 212		576	3 695	3 606	90	2%	7 212
Pension and UIF Contributions		1 194	1 832		102	616	916	(300)	-33%	1 832
Medical Aid Contributions					3	14	-	14	#DIV/0!	
Motor Vehicle Allowance		1 672	1 869		131	570	935	(365)	-39%	1 869
Cellphone Allowance		658	750		65	371	375	(4)	-1%	750
Housing Allowances							-	-		
Other benefits and allowances							-	-		
Sub Total - Councillors		10 633	11 663	-	878	5 266	5 832	(566)	-10%	11 663
% increase	4		9,7%							9,7%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	2 001	4 087		248	1 050	2 044	(983)	-49%	4 087
Pension and UIF Contributions		343	664		34	119	332	(213)	-64%	664
Medical Aid Contributions			125		8	40	63	(23)	-37%	125
Overtime							-	-		
Performance Bonus			247			-	123	(123)	-100%	247
Motor Vehicle Allowance		111	294		18	81	147	(65)	-45%	294
Cellphone Allowance		54	86		5	21	43	(22)	-51%	86
Housing Allowances							-	-		
Other benefits and allowances		230	1		59	98	0	98	37522%	1
Payments in lieu of leave							-	-		
Long service awards							-	-		
Post-retirement benefit obligations	2						-	-		
Sub Total - Senior Managers of Municipality		2 739	5 503	-	372	1 410	2 752	(1 342)	-49%	5 503
% increase	4		100,9%							100,9%
Other Municipal Staff										
Basic Salaries and Wages		36 842	42 947		3 193	19 170	21 473	(2 304)	-11%	42 947
Pension and UIF Contributions		6 938	9 626		661	3 967	4 813	(846)	-18%	9 626
Medical Aid Contributions		1 884	2 569		163	1 097	1 284	(188)	-15%	2 569
Overtime		1 250	1 688		91	516	844	(328)	-39%	1 688
Performance Bonus			3 428			51	1 714	(1 663)	-97%	3 428
Motor Vehicle Allowance		2 501	3 426		257	1 811	1 713	98	6%	3 426
Cellphone Allowance		1 518	546		38	227	273	(46)	-17%	546
Housing Allowances		431	457		34	210	228	(19)	-8%	457
Other benefits and allowances		5 274	520		121	1 736	260	1 476	567%	520
Payments in lieu of leave							-	-		
Long service awards							-	-		
Post-retirement benefit obligations	2						-	-		
Sub Total - Other Municipal Staff		56 638	65 206	-	4 558	28 784	32 603	(3 819)	-12%	65 206
% increase	4		15,1%							15,1%
Total Parent Municipality		70 010	82 373	-	5 808	35 459	41 186	(5 727)	-14%	82 373
			17,7%							17,7%
TOTAL SALARY, ALLOWANCES & BENEFITS		70 010	82 373	-	5 808	35 459	41 186	(5 727)	-14%	82 373
% increase	4		17,7%							17,7%
TOTAL MANAGERS AND STAFF		59 377	70 710	-	4 930	30 194	35 355	(5 161)	-15%	70 710



EPHRAIM MOGALE LOCAL MUNICIPALITY

QUALITY CERTIFICATE

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

- the monthly budget statement

for the month of **December** of **2016** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act

Print name Ramosibi K

Acting Municipal manager of Ephraim Mogale Local Municipality (LIM471)

Signature 

Date 13/01/2017