

**EPHRAIM MOGALE**



**LOCAL MUNICIPALITY (LIM471)**

Monthly Budget Monitoring Report  
(Section 71 of MFMA)

**31 October 2016**

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## 1.1 Executive summary

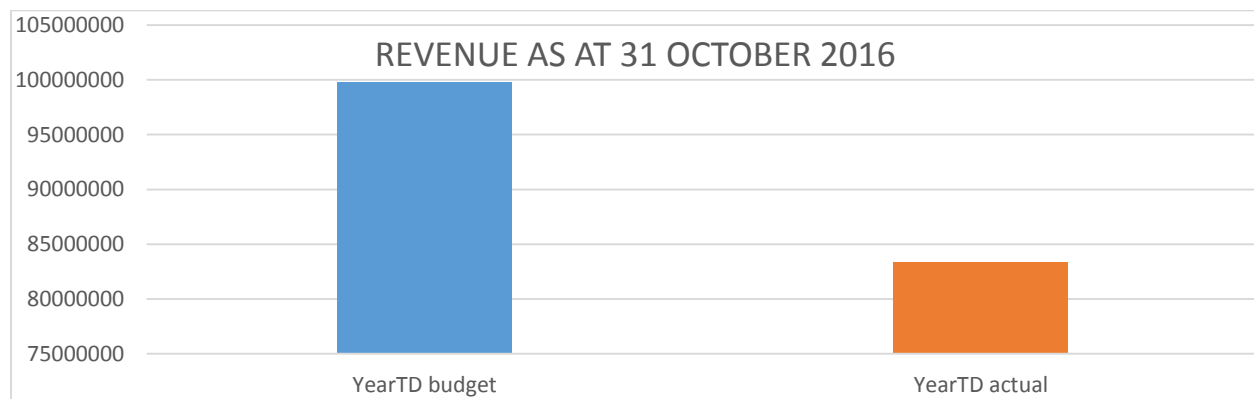
### 1.1.1 Introduction

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 & c4)

##### REVENUE (Table c2 & c4)

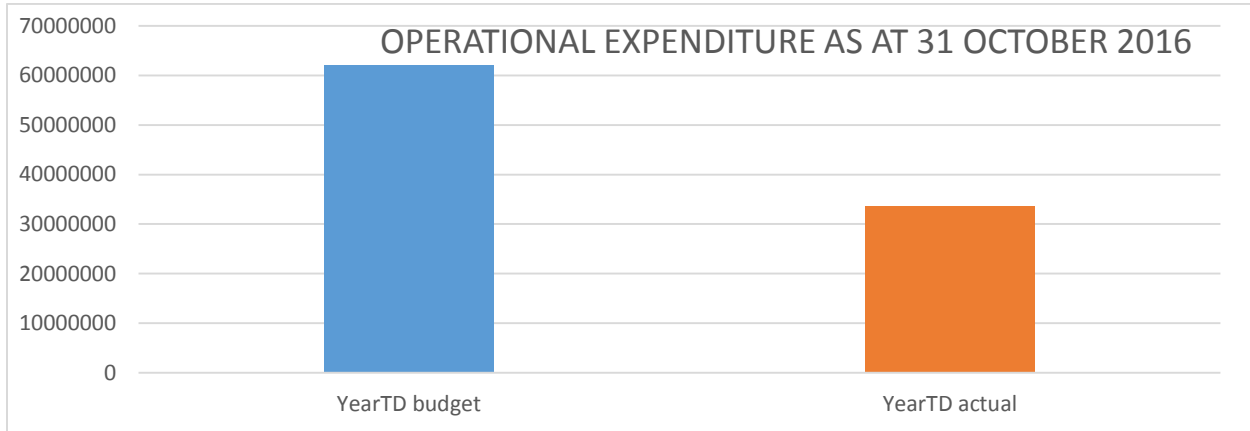


The total revenue received for the month of **October 2016** amounts to **R7.9 Million**, and the year to date revenue amount to **R83 Million** in comparison to a year to date budgeted figure of **R99 Million**. There is an unfavorable variance of **R16 Million** which is due to the following reasons.

#### 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.

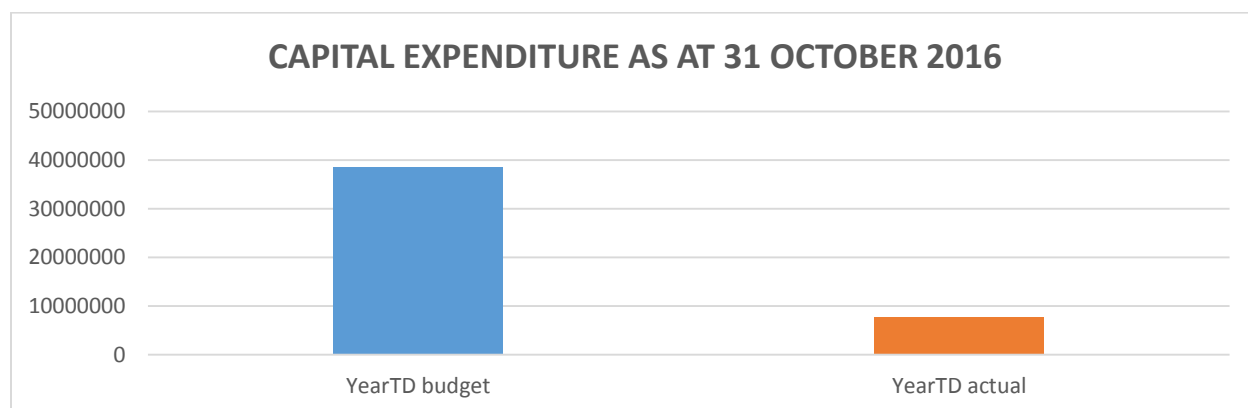
## OPERATIONAL EXPENDITURE (Table c2 & c4)



Operating expenditure for the month of **October 2016** amounts to **R 13.8 Million**, and the year to date actual is **R43.5 Million** which is reported against a year to date budget of **R83 Million**. There is a variance of **R39.5 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 **October 2016** amounts to **R 177 Thousand**. Capital expenditure year to date actual is **R7.7 Million**, compared to year to date budget of **R 38.6 Million**. The variance of **R30.9 Million** is due to the following reasons. (See attached capital progress report below)

#### Phetwane Internal road

- The project has not yet appointed a contractor. Remedial action is to convene a specification for appointment of contractor

#### Elandskraal internal Street

- Tender closed, awaiting evaluation to appoint a contractor.

#### Ngwalemong Internal Street

- Awaiting adjudication for the appointment of consultants

#### Construction N:11 Dualisation

- The municipality is still awaiting finalization of negotiations with SANRAL

#### Stormwater EXT:6

- Awaiting adjudication for the appointment of contractor.

#### Rehabilitation of leeufontein internal street

- Tender closed, awaiting evaluation to appoint a contractor.

#### Rathoke internal street

- To convene specification for the appointment of contractor.

### Capital budget as at 31 October 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	-	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	67 131.20	332 868.80	17%
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	MOHLALOTWANE INTERNAL ST	OWN	-	7 183 445.35	(7 183 445.35)	-
				<b>33 590 957.50</b>	<b>7 251 889.71</b>	<b>26 339 067.79</b>	<b>22%</b>
300	260001	PMU ESTABLISHMENT	MIG	1 517 000.00	457 322.72	1 321 442.65	30%
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%
				<b>31 917 000.00</b>	<b>457 322.72</b>	<b>31 721 442.65</b>	<b>1%</b>
				<b>65 507 957.50</b>	<b>7 709 212.43</b>	<b>58 060 510.44</b>	<b>12%</b>

### **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 **October 2016** indicates a favourable/positive closing balance (cash and cash equivalents) of **R150 Million** which comprise of the opening balance of 01<sup>st</sup> 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 **18%** respectively, as at **31 October 2016**.

## 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 (standard classification) - M04 October

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
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		-	156 477	-	2 686	65 380	70 197	(4 818)	-7%	156 477
Executive and council		-	8 286	-	0	225	2 762	(2 537)	-92%	8 286
Budget and treasury office		-	148 190	-	2 685	65 155	67 435	(2 281)	-3%	148 190
Corporate services		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	2 570	-	11	408	857	(448)	-52%	2 570
Community and social services		-	30	-	1	12	10	2	19%	30
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	2 275	-	-	346	758	(412)	-54%	2 275
Housing		-	265	-	10	51	88	(38)	-43%	265
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		-	43 848	-	893	3 851	11 956	(8 105)	-68%	43 848
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	43 848	-	893	3 851	11 956	(8 105)	-68%	43 848
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	58 611	-	4 375	13 678	16 784	(3 107)	-19%	58 611
Electricity		-	54 204	-	3 971	12 160	15 315	(3 155)	-21%	54 204
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	4 408	-	404	1 517	1 469	48	3%	4 408
<i><b>Other</b></i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	-	261 506	-	7 965	83 317	99 795	(16 477)	-17%	261 506
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		-	145 935	-	7 706	23 950	48 975	(25 025)	-51%	145 935
Executive and council		-	32 561	-	1 957	6 754	10 854	(4 100)	-38%	32 561
Budget and treasury office		-	88 570	-	3 938	10 151	29 523	(19 372)	-66%	88 570
Corporate services		-	24 804	-	1 811	7 045	8 598	(1 553)	-18%	24 804
<i><b>Community and public safety</b></i>		-	17 549	-	1 516	4 492	5 850	(1 358)	-23%	17 549
Community and social services		-	7 185	-	410	2 317	2 395	(78)	-3%	7 185
Sport and recreation		-	1 845	-	91	363	615	(252)	-41%	1 845
Public safety		-	3 331	-	516	1 305	1 110	195	18%	3 331
Housing		-	5 189	-	499	507	1 730	(1 223)	-71%	5 189
Health		-	-	-	-	-	-	-	-	-
<i><b>Economic and environmental services</b></i>		-	38 380	-	1 686	8 745	12 793	(4 048)	-32%	38 380
Planning and development		-	4 105	-	120	662	1 368	(706)	-52%	4 105
Road transport		-	34 275	-	1 566	8 083	11 425	(3 342)	-29%	34 275
Environmental protection		-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>		-	46 391	-	2 954	6 355	15 464	(9 108)	-59%	46 391
Electricity		-	39 186	-	2 408	4 791	13 062	(8 272)	-63%	39 186
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	7 205	-	546	1 565	2 402	(837)	-35%	7 205
<i><b>Other</b></i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	-	248 256	-	13 862	43 543	83 082	(39 539)	-48%	248 256
<b>Surplus/ (Deficit) for the year</b>		-	13 250	-	(5 897)	39 774	16 712	23 062	138%	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 (See executive summary for detail explanation on variances)

## 1.2.2 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

LIM471 Ephraim Mogale - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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	
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates			28 372		1 667	8 846	9 457	(611)	-6%	28 372	
Property rates - penalties & collection charges						-	-	-			
Service charges - electricity revenue			54 204		3 843	15 633	18 068	(2 435)	-13%	54 204	
Service charges - water revenue			-	-	-	-	-	-		-	
Service charges - sanitation revenue			-		-	-	-	-		-	
Service charges - refuse revenue			4 408		379	1 492	1 469	23	2%	4 408	
Service charges - other											
Rental of facilities and equipment			209		10	31	70	(38)	-55%	209	
Interest earned - external investments			1 241		140	551	414	137	33%	1 241	
Interest earned - outstanding debtors			2 376		399	1 557	792	765	97%	2 376	
Dividends received								-			
Fines			731		34	70	244	(174)	-71%	731	
Licences and permits			3 396		-	810	1 132	(322)	-28%	3 396	
Agency services			8 078		739	2 531	2 693	(162)	-6%	8 078	
Transfers recognised - operational			120 624			49 063	51 299	(2 236)	-4%	120 624	
Other revenue			5 350	-	584	2 248	1 783	465	26%	5 350	
Gains on disposal of PPE			600					-		600	
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>-</b>	<b>229 589</b>	<b>-</b>	<b>7 796</b>	<b>82 833</b>	<b>87 421</b>	<b>(4 588)</b>	<b>-5%</b>	<b>229 589</b>
<b>Expenditure By Type</b>											
Employee related costs			70 710	-	4 490	14 434	23 570	(9 136)	-39%	70 710	
Remuneration of councillors			11 663		878	2 632	3 888	(1 255)	-32%	11 663	
Debt impairment			7 314	-	-	-	2 438	(2 438)	-100%	7 314	
Depreciation & asset impairment			44 944		-	-	14 981	(14 981)	-100%	44 944	
Finance charges			798		136	136	266	(130)	-49%	798	
Bulk purchases			29 355		2 075	3 411	9 785	(6 374)	-65%	29 355	
Other materials			13 093		42	477	4 364	(3 887)	-89%	13 093	
Contracted services			8 821		1 898	1 446	2 940	(1 494)	-51%	8 821	
Transfers and grants			2 750			126	917	(790)	-86%	2 750	
Other expenditure			58 808		4 344	10 967	19 603	(8 636)	-44%	58 808	
Loss on disposal of PPE								-			
<b>Total Expenditure</b>			<b>-</b>	<b>248 256</b>	<b>-</b>	<b>13 862</b>	<b>33 629</b>	<b>82 752</b>	<b>(49 123)</b>	<b>-59%</b>	<b>248 256</b>
<b>Surplus/(Deficit)</b>			<b>-</b>	<b>(18 667)</b>	<b>-</b>	<b>(6 066)</b>	<b>49 204</b>	<b>4 669</b>	<b>44 535</b>	<b>0</b>	<b>(18 667)</b>
Transfers recognised - capital			31 917		169	484	12 374	(11 890)	(0)	31 917	
Contributions recognised - capital			-		-			-			
Contributed assets								-			
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>-</b>	<b>13 250</b>	<b>-</b>	<b>(5 897)</b>	<b>49 688</b>	<b>17 043</b>			<b>13 250</b>
Taxation			-	-	-	-	-	-			
<b>Surplus/(Deficit) after taxation</b>			<b>-</b>	<b>13 250</b>	<b>-</b>	<b>(5 897)</b>	<b>49 688</b>	<b>17 043</b>			<b>13 250</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>			<b>-</b>	<b>13 250</b>	<b>-</b>	<b>(5 897)</b>	<b>49 688</b>	<b>17 043</b>			<b>13 250</b>
Share of surplus/ (deficit) of associate											
<b>Surplus/ (Deficit) for the year</b>			<b>-</b>	<b>13 250</b>	<b>-</b>	<b>(5 897)</b>	<b>49 688</b>	<b>17 043</b>			<b>13 250</b>

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)

### 1.2.3 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) - M04 October										
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									
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		-	1 772	-	33	67	939	(872)	-93%	1 772
Executive and council			800				800	(800)	-100%	800
Budget and treasury office								-		
Corporate services			972		33	67	139	(72)	-52%	972
<b>Community and public safety</b>		-	5 574	-	1	1	371	(369)	-100%	5 574
Community and social services			2 300					-		2 300
Sport and recreation			250					-		250
Public safety			2 224		1	1	371	(369)	-100%	2 224
Housing			800					-		800
Health								-		
<b>Economic and environmental services</b>		-	51 417	-	143	7 641	37 339	(29 698)	-80%	51 417
Planning and development								-		
Road transport			51 417		143	7 641	37 339	(29 698)	-80%	51 417
Environmental protection								-		
<b>Trading services</b>		-	6 745	-	-	-	-	-		6 745
Electricity			5 425					-		5 425
Water								-		
Waste water management								-		
Waste management			1 320					-		1 320
<b>Other</b>								-		
<b>Total Capital Expenditure</b>	<b>3</b>	<b>-</b>	<b>65 508</b>	<b>-</b>	<b>177</b>	<b>7 709</b>	<b>38 649</b>	<b>(30 939)</b>	<b>-80%</b>	<b>65 508</b>
<b>Funded by:</b>										
National Government			31 917		143	457	22 599	(22 142)	-98%	31 917
Provincial Government							-	-		
District Municipality								-		
Other transfers and grants								-		
<b>Transfers recognised - capital</b>		<b>-</b>	<b>31 917</b>	<b>-</b>	<b>143</b>	<b>457</b>	<b>22 599</b>	<b>(22 142)</b>	<b>-98%</b>	<b>31 917</b>
<b>Public contributions &amp; donations</b>	<b>5</b>							-		
<b>Borrowing</b>	<b>6</b>							-		
<b>Internally generated funds</b>			33 591		34	7 252	16 050	(8 798)	-55%	33 591
<b>Total Capital Funding</b>		<b>-</b>	<b>65 508</b>	<b>-</b>	<b>177</b>	<b>7 709</b>	<b>38 649</b>	<b>(30 939)</b>	<b>-80%</b>	<b>65 508</b>

Table c5 indicates capital expenditure budget and performance by standard classification. (See executive summary for detail explanation on variances)

## 1.2.4 Table C6: Monthly Budget Statement - Financial Position

### LIM471 Ephraim Mogale - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2015/16	Budget Year 2016/17				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
<b>R thousands</b>	1						
<b>ASSETS</b>							
<b>Current assets</b>							
Cash			62 352		150 597	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	
<b>Total current assets</b>			<b>–</b>	<b>106 507</b>	<b>–</b>	<b>157 972</b>	<b>106 507</b>
<b>Non current assets</b>							
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							
<b>Total non current assets</b>			<b>–</b>	<b>972 908</b>	<b>–</b>	<b>881 369</b>	<b>972 908</b>
<b>TOTAL ASSETS</b>			<b>–</b>	<b>1 079 415</b>	<b>–</b>	<b>1 039 341</b>	<b>1 079 415</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
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	
<b>Total current liabilities</b>			<b>–</b>	<b>46 793</b>	<b>–</b>	<b>73 884</b>	<b>46 793</b>
<b>Non current liabilities</b>							
Borrowing					2 071		
Provisions			28 830		24 108	28 830	
<b>Total non current liabilities</b>			<b>–</b>	<b>28 830</b>	<b>–</b>	<b>26 178</b>	<b>28 830</b>
<b>TOTAL LIABILITIES</b>			<b>–</b>	<b>75 623</b>	<b>–</b>	<b>100 063</b>	<b>75 623</b>
<b>NET ASSETS</b>	2		<b>–</b>	<b>1 003 792</b>	<b>–</b>	<b>939 279</b>	<b>1 003 792</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)			1 003 792		915 038	1 003 792	
Reserves					24 241		
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2		<b>–</b>	<b>1 003 792</b>	<b>–</b>	<b>939 279</b>	<b>1 003 792</b>

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)

### 1.2.5 Table C7: Monthly Budget Statement - Cash Flow

LIM471 Ephraim Mogale - Table C7 Monthly Budget Statement - Cash Flow - M04 October

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	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges			24 116		1 619	4 449	2 184	2 265	104%	24 116	
Service charges			49 351		7 468	14 654	3 163	11 491	363%	49 351	
Other revenue			17 767		699	3 634	1 161	2 473	213%	17 767	
Government - operating			120 624		1 367	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		253	1 144	186	958	515%	3 617	
Dividends			-		-		-	-		-	
<b>Payments</b>											
Suppliers and employees			(190 848)		(13 726)	(33 629)	(63 616)	(29 987)	47%	(190 848)	
Finance charges			(798)		(136)	(136)	(266)	(130)	49%	(798)	
Transfers and Grants			(2 750)			(26)	(130)	(104)	80%	(2 750)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			-	52 996	-	(2 456)	53 956	6 355	(47 601)	-749%	52 996
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
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	
<b>Payments</b>											
Capital assets			(65 508)		(177)	(7 709)	(22 599)	(14 889)	66%	(65 508)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			-	(63 658)	-	(177)	(7 709)	(22 444)	(14 735)	66%	(63 658)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans								-			
Borrowing long term/refinancing								-			
Increase (decrease) in consumer deposits								-			
<b>Payments</b>											
Repayment of borrowing			(1 865)		(136)	(109)	(466)	(357)	77%	(1 865)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			-	(1 865)	-	(136)	(109)	(466)	(357)	77%	(1 865)
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			-	(12 527)	-	(2 769)	46 138	(16 556)			(12 527)
Cash/cash equivalents at beginning:			74 879				104 459	74 879			104 459
Cash/cash equivalents at month/year end:			-	62 352	-		150 597	58 323			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 - M04 October											
Description	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	181 Dys-1 Yr	Over 1Yr			
R thousands											
<b>Debtors Age Analysis By Income Source</b>											
Trade and Other Receivables from Exchange Transactions - Water											
Trade and Other Receivables from Exchange Transactions - Electricity	3 109	657	416	360	224	2 762				7 529	3 347
Receivables from Non-exchange Transactions - Property Rates	2 160	1 184	1 122	949	5 547	32 927				43 888	39 423
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-				-	-
Receivables from Exchange Transactions - Waste Management	350	178	169	66	57	1 501				2 321	1 624
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-				-	-
Interest on Arrear Debtor Accounts	-	-	-	-	-	-				-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-				-	-
Other	715	327	371	379	354	10 088				12 235	10 822
<b>Total By Income Source</b>	<b>6 333</b>	<b>2 346</b>	<b>2 078</b>	<b>1 754</b>	<b>6 183</b>	<b>47 278</b>	<b>-</b>	<b>-</b>		<b>65 973</b>	<b>55 215</b>
<b>2015/16 - totals only</b>											
<b>Debtors Age Analysis By Customer Group</b>											
Organs of State											
Commercial											
Households											
Other	6 333	2 346	2 078	1 754	6 183	47 278				65 973	55 215
<b>Total By Customer Group</b>	<b>6 333</b>	<b>2 346</b>	<b>2 078</b>	<b>1 754</b>	<b>6 183</b>	<b>47 278</b>	<b>-</b>	<b>-</b>		<b>65 973</b>	<b>55 215</b>

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 **9.6%, 3.6%, 3.1% and 83.7% respectively as at 31 October 2016**

## 2.2 Creditors' Analysis

LIM471 Ephraim Mogale - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

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		
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	2 731									2 731	
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	443									443	
<b>Total By Customer Type</b>	<b>1000</b>	<b>3 174</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 174</b>	<b>-</b>

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 - M04 October

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
R thousands		Yrs/Months							
<b>Municipality</b>									
NEDBANK		N/A	CALL DEPOSIT	MONTHLY	135	6.8%	24 248	140	24 388
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>135</b>		<b>24 248</b>	<b>140</b>	<b>24 388</b>

The municipality has a NEDBANK call investment account amounting to **R24, 3 Million** as at **31 October 2016** which includes **R140 thousands** of **October** interest.

## 2.4 Allocation and grants receipts expenditure

LIM471 Ephraim Mogale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October										
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										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	120 624	-	-	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
EPWP Incentive			1 258		-	315	105			1 258
<b>Total Operating Transfers and Grants</b>	5	-	120 624	-	-	51 107	51 299	(402)	-0.8%	122 434
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	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
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	152 541	-	-	65 813	63 673	1 930	3.0%	154 351

The municipality has received did not receive any grant in the month of **October 2016**.

## 2.5 Councilors allowances and Employee benefits

Total council allowance and employee related cost for the month ended 31<sup>st</sup> October 2016 amounted to R878 Thousand and R4.4 Million respectively.