

EPHRAIM MOGALE



LOCAL MUNICIPALITY (LIM471)

Monthly Budget Monitoring Report
(Section 71 of MFMA)

28 February 2017

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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 **February 2017** amounts to **R11.6 Million**, and the year to date revenue amount to **R163.5 Million** in comparison to a year to date budgeted figure of **R262 Million**. There is an unfavorable variance of **R98.5 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. **Service charges electricity** has unfavorable balance of 14% due to over budgeting which has been revised in the adjustment budget.

OPERATIONAL EXPENDITURE (Table c2, c3, c4)



Operating expenditure for the month of **February 2017** amounts to **R 12 Million**, and the year to date actual is **R110.5 Million** which is reported against a year to date budget of **R165 Million**. There is an unfavorable variance of **R54.9 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 **February 2017** amounts to **R 3.5 Million**. Capital expenditure year to date actual is **R13.6 Million**, compared to year to date budget of **R 55 Million**. The variance of **R41.6 Million** is due to the following reasons. (See attached capital progress report below)

MAMPHOGO SPORTS COMPLEX

- Consultant is buy with designs. First claim has been submitted.

Phetwane Internal road

- Contractor on site. Work has commenced.

Ngwalemong Internal Street

- Specification has been convened. Tender has been advertised, closing date if 17 March 2017.

Construction N:11 Dualisation

- Project to be implemented by SANRAL, Awaiting the process of incorporating N11 in town to R573 scope of work

Stormwater EXT:6

- Construction in progress, 21% has been spent as of 28 February 2017.

Rathoke internal street

- Contractor has been appointed.

Capital budget as at 28 February 2017

DEP	ITEM	PROJECTS	FUNDING	CAPITAL BUDGET 2016/2017	Y.T.D ACTUALS	VARIANCE	%
220	305021	EXTENSION OF OFFICES	OWN	500,000.00	-	500,000.00	0%
220	305164	NEW ENTRANCE-BOOM GATE	OWN	250,000.00	-	250,000.00	0%
220	305167	LEARNERS LICENSE SOFTWARE	OWN	284,000.00	-	284,000.00	0%
220	305170	PALISADE FENCING	OWN	500,000.00	-	500,000.00	0%
225	305070	MACHINERY & EQUIPMENT	OWN	190,000.00	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	198,468.00	201,532.00	50%
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	1,240,855.00	4,759,145.00	21%
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	-	8,890,617.67	(8,890,617.67)	-
				33,590,957.50	10,510,988.68	23,079,968.82	31%
300	260001	PMU ESTABLISHMENT	MIG	1,517,000.00	980,764.00	536,236.00	65%
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	410,143.00	6,589,857.00	6%
650	305182	NGWALEMONG INTERNAL STREETS	MIG	7,000,000.00	1,122,275.00	5,877,725.00	16%
650	305184	PHETWANE INT ROAD	MIG	7,000,000.00	628,984.00	6,371,016.00	9%
				31,917,000.00	3,142,166.00	28,774,834.00	10%
				65,507,957.50	13,653,154.68	51,854,802.82	21%

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 **February 2017** indicates a favourable/positive closing balance (cash and cash equivalents) of **R151.7 Million**.

1.2.2.5 Conclusion

The total spending on the overall capital and operational budget of 2016/2017 financial year is **21%** and **45%** respectively, as at **28 February 2017**.

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 - M08 February

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	-	2,788	22,326	18,915	3,411	18%	28,372
Service charges	49,000	58,611	-	6,449	35,950	39,074	(3,124)	-8%	58,611
Investment revenue	4,677	1,241	-	129	1,078	827	251	30%	1,241
Transfers recognised - operational	121,961	120,624	-	167	88,569	106,858	(18,289)	-17%	120,624
Other own revenue	12,559	20,741	-	1,647	14,917	79,155	(64,238)	-81%	20,741
Total Revenue (excluding capital transfers and contributions)	217,995	229,589	-	11,180	162,840	244,829	(81,990)	-33%	229,589
Employee costs	59,377	70,710	-	5,039	39,624	47,140	(7,516)	-16%	70,710
Remuneration of Councillors	10,633	11,663	-	896	7,042	7,775	(734)	-9%	11,663
Depreciation & asset impairment	41,399	44,944	-	-	-	29,963	(29,963)	-100%	44,944
Finance charges	2,429	798	-	22	184	532	(348)	-65%	798
Materials and bulk purchases	35,682	42,449	-	2,307	24,515	28,299	(3,784)	-13%	42,449
Transfers and grants	1,937	2,750	-	203	775	1,833	(1,058)	-58%	2,750
Other expenditure	45,211	74,943	-	3,541	38,434	49,962	(11,528)	-23%	74,943
Total Expenditure	196,668	248,256	-	12,008	110,573	165,504	(54,930)	-33%	248,256
Surplus/(Deficit)	21,327	(18,667)	-	(828)	52,266	79,325	(27,059)	-34%	(18,667)
Transfers recognised - capital	46,309	31,917	-	464	741	17,288	(16,547)	-96%	31,917
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	67,636	13,250	-	(364)	53,007	96,613	(43,606)	-45%	13,250
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	67,636	13,250	-	(364)	53,007	96,613	(43,606)	-45%	13,250
Capital expenditure & funds sources									
Capital expenditure	64,980	65,508	-	3,580	13,653	55,320	(41,667)	-75%	65,508
Capital transfers recognised	46,309	31,917	-	2,274	3,142	19,288	(16,146)	-84%	31,917
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	18,671	33,591	-	1,306	10,511	36,032	(25,521)	-71%	33,591
Total sources of capital funds	64,980	65,508	-	3,580	13,653	55,320	(41,667)	-75%	65,508
Financial position									
Total current assets	163,982	106,507	-	-	254,232	-	-	-	106,507
Total non current assets	860,907	972,908	-	-	899,029	-	-	-	972,908
Total current liabilities	54,835	46,793	-	-	78,490	-	-	-	46,793
Total non current liabilities	28,489	28,830	-	-	28,620	-	-	-	28,830
Community wealth/Equity	941,565	1,003,792	-	-	1,046,152	-	-	-	1,003,792
Cash flows									
Net cash from (used) operating	98,831	52,996	-	(4,566)	67,846	18,465	(49,381)	-267%	52,996
Net cash from (used) investing	(64,980)	(63,658)	-	(3,580)	(13,653)	(55,166)	(41,513)	75%	(63,658)
Net cash from (used) financing	(1,407)	(1,865)	-	(113)	(776)	(1,243)	(467)	38%	(1,865)
Cash/cash equivalents at the month/year end	113,249	62,352	-	-	151,218	36,934	(114,284)	-309%	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	6,645	2,489	3,355	1,867	1,864	56,855	-	-	73,074
Creditors Age Analysis									
Total Creditors	76	1	-	-	-	-	-	-	77

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

LIM471 Ephraim Mogale - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

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									
Revenue - Standard										
<i>Governance and administration</i>		153,235	156,477	-	3,973	119,369	194,088	(74,719)	-38%	156,477
Executive and council		7,526	8,286	-	186	565	5,524	(4,959)	-90%	8,286
Budget and treasury office		145,709	148,190	-	3,787	118,804	188,564	(69,760)	-37%	148,190
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		173	2,570	-	9	791	1,713	(923)	-54%	2,570
Community and social services		34	30	-	0	21	20	1	4%	30
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	2,275	-	-	686	1,517	(830)	-55%	2,275
Housing		138	265	-	9	84	177	(93)	-53%	265
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		59,128	43,848	-	1,317	7,471	27,242	(19,771)	-73%	43,848
Planning and development		674	-	-	-	-	-	-	-	-
Road transport		58,454	43,848	-	1,317	7,471	27,242	(19,771)	-73%	43,848
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		51,768	58,611	-	6,344	35,950	39,074	(3,124)	-8%	58,611
Electricity		47,076	54,204	-	4,037	31,021	36,136	(5,115)	-14%	54,204
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4,692	4,408	-	2,307	4,929	2,938	1,991	68%	4,408
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	264,304	261,506	-	11,644	163,581	262,117	(98,537)	-38%	261,506
Expenditure - Standard										
<i>Governance and administration</i>		107,397	145,935	-	5,197	52,707	97,290	(44,583)	-46%	145,935
Executive and council		25,027	32,561	-	2,299	17,707	21,707	(4,000)	-18%	32,561
Budget and treasury office		62,364	88,570	-	1,721	21,878	59,047	(37,169)	-63%	88,570
Corporate services		20,005	24,804	-	1,176	13,122	16,536	(3,414)	-21%	24,804
<i>Community and public safety</i>		13,272	17,549	-	1,163	9,082	11,700	(2,617)	-22%	17,549
Community and social services		4,810	7,185	-	773	3,879	4,790	(911)	-19%	7,185
Sport and recreation		1,121	1,845	-	108	984	1,230	(246)	-20%	1,845
Public safety		2,851	3,331	-	-	1,817	2,221	(403)	-18%	3,331
Housing		4,490	5,189	-	282	2,402	3,459	(1,057)	-31%	5,189
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		29,769	38,380	-	2,532	20,453	25,587	(5,133)	-20%	38,380
Planning and development		1,656	4,105	-	122	1,741	2,737	(996)	-36%	4,105
Road transport		28,113	34,275	-	2,410	18,713	22,850	(4,137)	-18%	34,275
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		51,033	46,391	-	3,116	28,331	30,928	(2,597)	-8%	46,391
Electricity		43,731	39,186	-	2,776	25,579	26,124	(546)	-2%	39,186
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7,302	7,205	-	340	2,752	4,803	(2,051)	-43%	7,205
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	201,471	248,256	-	12,008	110,573	165,504	(54,930)	-33%	248,256
Surplus/ (Deficit) for the year		62,833	13,250	-	(364)	53,007	96,613	(43,606)	-45%	13,250

This table reflects the operating budget (Financial Performance) in the standard classifications which is the Government Finance Statistics Functions and Sub-function.

These are used by National Treasury to assist in the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures being used by the different institutions. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services. It is for this

reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3. (See executive summary for detail explanation on variances)

1.2.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

LIM471 Ephraim Mogale - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote 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										
Revenue by Vote										
Vote 1 - MUNICIPAL MANAGER	1	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL SUPPORT		7,526	8,286	-	186	565	5,524	(4,959)	-89.8%	8,286
Vote 3 - Financial Services		145,709	148,190	-	3,787	118,804	188,564	(69,760)	-37.0%	148,190
Vote 4 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 5 - Infrastructure Services		93,385	88,396	-	4,501	32,912	56,941	(24,029)	-42.2%	88,661
Vote 6 - Community Services		16,871	16,368	-	3,160	11,216	10,912	304	2.8%	16,368
Vote 7 - Planning & Economic development		813	265	-	9	84	177	(93)	-52.6%	265
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	264,304	261,506	-	11,644	163,581	262,117	(98,537)	-37.6%	261,771
Expenditure by Vote										
Vote 1 - MUNICIPAL MANAGER	1	3,817	4,264	-	332	2,464	2,843	(378)	-13.3%	4,264
Vote 2 - COUNCIL SUPPORT		21,211	28,297	-	1,967	15,243	18,865	(3,622)	-19.2%	28,297
Vote 3 - Financial Services		62,364	88,570	-	1,721	21,878	59,047	(37,169)	-62.9%	88,570
Vote 4 - Corporate Services		20,005	24,804	-	1,176	13,122	16,536	(3,414)	-20.6%	24,804
Vote 5 - Infrastructure Services		53,954	52,595	-	3,446	32,333	35,063	(2,731)	-7.8%	52,595
Vote 6 - Community Services		29,171	40,432	-	2,961	21,391	26,955	(5,564)	-20.6%	40,432
Vote 7 - Planning & Economic development		6,146	9,294	-	404	4,143	6,196	(2,053)	-33.1%	9,294
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	196,668	248,256	-	12,008	110,573	165,504	(54,930)	-33.2%	248,256
Surplus/ (Deficit) for the year	2	67,636	13,250	-	(364)	53,007	96,613	(43,606)	-45.1%	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) - M08 February

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		29,798	28,372		2,788	22,326	18,915	3,411	18%	28,372
Property rates - penalties & collection charges						-	-	-		
Service charges - electricity revenue		45,785	54,204		4,037	30,916	36,136	(5,220)	-14%	54,204
Service charges - water revenue			-	-						
Service charges - sanitation revenue			-							
Service charges - refuse revenue		3,216	4,408		2,412	5,034	2,938	2,096	71%	4,408
Service charges - other										
Rental of facilities and equipment		138	209		9	56	140	(84)	-60%	209
Interest earned - external investments		4,677	1,241		129	1,078	827	251	30%	1,241
Interest earned - outstanding debtors		3,502	2,376		204	2,789	1,584	1,205	76%	2,376
Dividends received										
Fines		1,554	731		8	153	487	(334)	-69%	731
Licences and permits		2,457	3,396		249	1,640	2,264	(623)	-28%	3,396
Agency services		3,994	8,078		596	4,296	5,386	(1,090)	-20%	8,078
Transfers recognised - operational		121,961	120,624		167	88,569	106,858	(18,289)	-17%	120,624
Other revenue		913	5,350		581	5,983	69,295	(63,312)	-91%	5,350
Gains on disposal of PPE			600							600
Total Revenue (excluding capital transfers and contributions)		217,995	229,589	-	11,180	162,840	244,829	(81,990)	-33%	229,589
Expenditure By Type										
Employee related costs		59,377	70,710	-	5,039	39,624	47,140	(7,516)	-16%	70,710
Remuneration of councillors		10,633	11,663		896	7,042	7,775	(734)	-9%	11,663
Debt impairment		3,497	7,314	-	-	-	4,876	(4,876)	-100%	7,314
Depreciation & asset impairment		41,399	44,944		-	-	29,963	(29,963)	-100%	44,944
Finance charges		2,429	798		22	184	532	(348)	-65%	798
Bulk purchases		27,803	29,355		2,201	22,029	19,570	2,459	13%	29,355
Other materials		7,879	13,093		106	2,486	8,729	(6,243)	-72%	13,093
Contracted services		4,680	8,821		202	4,215	5,880	(1,665)	-28%	8,821
Transfers and grants		1,937	2,750		203	775	1,833	(1,058)	-58%	2,750
Other expenditure		37,034	58,808	-	3,338	34,219	39,205	(4,986)	-13%	58,808
Loss on disposal of PPE										
Total Expenditure		196,668	248,256	-	12,008	110,573	165,504	(54,930)	-33%	248,256
Surplus/(Deficit)										
Transfers recognised - capital		46,309	31,917		464	741	17,288	(16,547)	(0)	31,917
Contributions recognised - capital			-						(0)	
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		67,636	13,250	-	(364)	53,007	96,613			13,250
Taxation										
Surplus/(Deficit) after taxation		67,636	13,250	-	(364)	53,007	96,613			13,250
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		67,636	13,250	-	(364)	53,007	96,613			13,250
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		67,636	13,250	-	(364)	53,007	96,613			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 - M08 February

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	-	65	203	343	(140)	-41%	1,772
Executive and council		82	800					-		800
Budget and treasury office								-		
Corporate services		58	972		65	203	343	(140)	-41%	972
<i>Community and public safety</i>		2,131	5,574	-	-	1	2,802	(2,801)	-100%	5,574
Community and social services		1,732	2,300				1,440	(1,440)	-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	-	3,515	13,449	50,000	(36,551)	-73%	51,417
Planning and development								-		
Road transport		60,558	51,417		3,515	13,449	50,000	(36,551)	-73%	51,417
Environmental protection								-		
<i>Trading services</i>		2,151	6,745	-	-	-	2,175	(2,175)	-100%	6,745
Electricity		2,151	5,425				1,675	(1,675)	-100%	5,425
Water								-		
Waste water management								-		
Waste management			1,320				500	(500)	-100%	1,320
<i>Other</i>								-		
Total Capital Expenditure - Standard Classification	3	64,980	65,508	-	3,580	13,653	55,320	(41,667)	-75%	65,508
Funded by:										
National Government		46,309	31,917		2,274	3,142	19,288	(16,146)	-84%	31,917
Provincial Government							-	-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		46,309	31,917	-	2,274	3,142	19,288	(16,146)	-84%	31,917
Public contributions & donations	5							-		
Borrowing	6		-		-			-		
Internally generated funds		18,671	33,591	-	1,306	10,511	36,032	(25,521)	-71%	33,591
Total Capital Funding		64,980	65,508	-	3,580	13,653	55,320	(41,667)	-75%	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 - M08 February

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		151,787	62,352
Call investment deposits		340	15,900		24,809	15,900
Consumer debtors		9,399	7,437		70,722	7,437
Other debtors		40,203	19,970		6,071	19,970
Current portion of long-term receivables					-	
Inventory		792	848		844	848
Total current assets		163,982	106,507	-	254,232	106,507
Non current assets						
Long-term receivables						
Investments		-	23,850		24,938	23,850
Investment property		57,563	120,000	-	57,563	120,000
Investments in Associate						
Property, plant and equipment		803,262	829,058		816,528	829,058
Agricultural						
Biological assets						
Intangible assets						
Other non-current assets		82				
Total non current assets		860,907	972,908	-	899,029	972,908
TOTAL ASSETS		1,024,889	1,079,415	-	1,153,261	1,079,415
LIABILITIES						
Current liabilities						
Bank overdraft					-	
Borrowing		1,538				
Consumer deposits		1,530	1,346		1,520	1,346
Trade and other payables		50,961	45,240		68,465	45,240
Provisions		806	207		8,505	207
Total current liabilities		54,835	46,793	-	78,490	46,793
Non current liabilities						
Borrowing		2,071			2,071	
Provisions		26,419	28,830		26,549	28,830
Total non current liabilities		28,489	28,830	-	28,620	28,830
TOTAL LIABILITIES		83,324	75,623	-	107,110	75,623
NET ASSETS	2	941,565	1,003,792	-	1,046,152	1,003,792
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		941,484	1,003,792		1,046,152	1,003,792
Reserves		82			-	
TOTAL COMMUNITY WEALTH/EQUITY	2	941,565	1,003,792	-	1,046,152	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 - M08 February

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		18,956	24,116		1,799	11,164	16,077	(4,913)	-31%	24,116
Service charges		40,335	49,351		3,875	28,448	32,901	(4,453)	-14%	49,351
Other revenue		3,503	17,767		1,434	15,425	11,845	3,581	30%	17,767
Government - operating		115,602	120,624		-	90,203	103,447	(13,244)	-13%	120,624
Government - capital		52,405	31,917		-	29,313	17,288	12,025	70%	31,917
Interest		4,677	3,617		333	3,867	2,411	1,456	60%	3,617
Dividends			-		-		-	-		-
Payments										
Suppliers and employees		(134,334)	(190,848)		(11,782)	(109,615)	(159,091)	(49,477)	31%	(190,848)
Finance charges		(376)	(798)		(22)	(184)	(532)	(348)	65%	(798)
Transfers and Grants		(1,937)	(2,750)		(203)	(775)	(5,880)	(5,106)	87%	(2,750)
NET CASH FROM/(USED) OPERATING ACTIVITIES		98,831	52,996	-	(4,566)	67,846	18,465	(49,381)	-267%	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)		(3,580)	(13,653)	(55,320)	(41,667)	75%	(65,508)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(64,980)	(63,658)	-	(3,580)	(13,653)	(55,166)	(41,513)	75%	(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)		(113)	(776)	(1,243)	(467)	38%	(1,865)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,407)	(1,865)	-	(113)	(776)	(1,243)	(467)	38%	(1,865)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		80,805	74,879		(8,259)	53,417	(37,945)			(12,527)
Cash/cash equivalents at month/year end:		113,249	62,352			151,218	36,934			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 - M08 February

Description	NT Code	Budget Year 2016/17									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
		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				
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	3,965	605	525	367	255	3,171			8,888	3,793			
Receivables from Non-exchange Transactions - Property Rates	1400	2,377	1,212	2,311	1,039	1,019	40,513			48,471	42,571			
Receivables from Exchange Transactions - Waste Water Management	1500	396	205	184	158	155	1,901			2,999	2,213			
Receivables from Exchange Transactions - Waste Management	1600													
Receivables from Exchange Transactions - Property Rental Debtors	1700													
Interest on Arrear Debtor Accounts	1810													
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820													
Other	1900	(93)	466	335	303	436	11,270			12,716	12,008			
Total By Income Source	2000	6,645	2,489	3,355	1,867	1,864	56,855			73,074	60,586			
2015/16 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200													
Commercial	2300													
Households	2400													
Other	2500	6,645	2,489	3,355	1,867	1,864	56,855			73,074	60,586			
Total By Customer Group	2800	6,645	2,489	3,355	1,867	1,864	56,855			73,074	60,586			

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 28 February 2017 amount to R73 Million.

2.2 Creditors' Analysis

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 - M08 February

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							
R thousands									
Municipality									
NEDBANK		N/A	CALL DEPOS	MONTHLY	135	6.8%	24,796	129	24,925
Municipality sub-total					135		24,796	129	24,925
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				135		24,796	129	24,925

The municipality has a NEDBANK call investment account amounting to **R24,9 Million** as at **28 February 2018**.

2.4 Allocation and grants receipts expenditure

LIM471 Ephraim Mogale - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

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	-	-	90,203	105,858	(14,712)	-13.9%	122,434
Local Government Equitable Share		106,323	117,556		-	88,078	102,790	(14,712)	-14.3%	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	-	-	90,203	105,858	(14,712)	-13.9%	122,434
Capital Transfers and Grants										
National Government:		52,405	31,917	-	-	29,313	22,779	6,534	28.7%	31,917
Municipal Infrastructure Grant (MIG)		52,405	31,917		-	29,313	22,779	6,534	28.7%	31,917
Total Capital Transfers and Grants	5	52,405	31,917	-	-	29,313	22,779	6,534	28.7%	31,917
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	162,779	152,541	-	-	119,516	128,637	(8,178)	-6.4%	154,351

The municipality did not receive grant in **February 2017**.

2.5 Councilors allowances and Employee benefits

The employee benefits and councilors allowance for February 2017 Year to date is R39.6 Million and R7 Million respectively.



EPHRAIM MOGALE LOCAL MUNICIPALITY

QUALITY CERTIFICATE

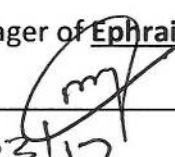
I, **Mathebela MM** the municipal manager of **Ephraim Mogale Local Municipality**, here by certify that-

- the monthly budget statement

for the month of **February** of **2017** 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 13/03/17