



**NGQUSHWA LOCAL MUNICIPALITY**  
**MONTHLY BUDGET STATEMENT**  
**APRIL 2017**

**MONTHLY BUDGET STATEMENT FOR APRIL2017**

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*Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.*

## PURPOSE

The purpose of this report is to submit the monthly budget statement of the municipal council, to the honourable mayor, as contemplated in section 71 of the Municipal Finance Management Act, Act 56 of 2003, for the month of April 2017

## BACKGROUND

The Local Government Municipal Finance Management Act, Act 56 of 2003 requires the accounting officer of a municipality to submit, to the mayor and provincial treasury, by no later than 10 working days after the end of each month, on the state of the municipality's budget reflecting *inter alia* the following particulars

- Actual revenue, per revenue source;
- Actual borrowings;
- Actual expenditure per vote;
- Actual capital expenditure;
- The amount of any allocations received;

## 1. DELIBERATIONS

An explanation is required of any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections by vote. Any material variances from the SDBIP, and any remedial or corrective steps taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

## 4. RECOMMENDATION

It is recommended that the mayor acknowledges receipt of the report and deal with it in accordance with the relevant prescripts of the legislation.

Yours faithfully,

\_\_\_\_\_

## MUNICIPAL MANAGER

Acknowledgement of receipt

\_\_\_\_\_

Cllr  
MAYOR

\_\_\_\_\_

Date

# In-Year Report of Municipalities

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 April 2009 and Schedule C.

## Monthly Budget Statement April 2017

## Table of Contents

Table of Contents .....	4
Glossary .....	5
Legislative Framework .....	7
PART 1 – IN-YEAR REPORT .....	8
<b>Section 1 – Mayor’s Report</b> .....	8
Section 2 - Resolutions .....	9
Section 3 – Executive Summary .....	10
3 Section 3 – Executive Summary .....	10
Section 9 – Expenditure on councillor and board members Allowances and employee benefits .....	26
Section 10 – Material variances to the SDBIP .....	27
Section 11 – Parent municipality financial performance .....	27
Section 12 – Municipal entity summary .....	27
Section 13 – Capital programme performance .....	28
Section 14 – Other supporting documentation .....	30
Section 15 – In-year reports of municipal entities attached to the municipality's in-year report .....	30
Section 16 – Municipal manager’s quality certification .....	31

## Glossary

**Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**Budget** – The financial plan of the Municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

**Capital expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Cash flow statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure** – Generally, is spending without, or in excess of, an approved budget.

**Virement** – A transfer of budget.

**Virement policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. . In Ngqushwa Municipality this means votes such as Executive & Council, Financial Services, Corporate Services, Public Safety etc.

## Legislative Framework

This report has been prepared in terms of the following enabling legislation.

### **The Municipal Finance Management Act – No. 56 of 2003**

Section 71: Monthly budget statements

### **Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations (MBRR)**

Highlighted in the text box below are the relevant sections from the MBRR:

#### ***Format of monthly budget statements***

*28. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.*

#### ***Tabling of monthly budget statements***

*29. The mayor may table in the municipal council a monthly budget statement submitted to the mayor in terms of section 71 (1) of the Act. If the mayor does so, the monthly budget statement must be accompanied by a mayor's report in a format set out in Schedule C.*

#### ***Publication of monthly budget statements***

*30. (1) The monthly budget statement of a municipality must be placed on the municipality's website.*

*(2) The municipal manager must publish on the municipality's website any other information that the municipal council considers appropriate to facilitate public awareness of the monthly budget statement, including -*

*(a) summaries of monthly budget statements in alternate languages predominant in the community; and*

*(b) information relevant to each ward in the municipality.*

Note: In the remainder of this report, the applicable sections from the MBRR, Schedule C will always be reflected in a text box as per above

## **PART 1 – IN-YEAR REPORT**

### **Section 1 – Mayor’s Report**

#### **1.1 In-Year Report - Monthly Budget Statement**

##### **Mayor’s report**

3. *The mayor’s report accompanying an in-year monthly budget statement must provide-*

*(a) a summary of whether the municipality’s budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;*

*(b) a summary of any financial problems or risks facing the municipality or any such entity; and*

*(c) any other information considered relevant by the mayor.*

##### **1.1.1 Implementation of budget in terms of SDBIP**

There are no deviations from the Service Delivery and Budget Implementation Plan and the budget is implemented according to the plan. The municipality is not facing any financial risk at the present moment.

##### **1.1.2 Other information**

The monthly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations.

Additional clarity on the content of this report or answers to any questions posed will be given at the next Finance Standing Committee meeting.



## Section 2 - Resolutions

### *Resolutions*

*5. If an in-year report is tabled in the municipal council, resolutions dealing with at least the following matters must be prepared and presented as part of the documentation, as may be relevant -*

- (a) noting the monthly budget statement and any supporting documents;*
- (b) noting the quarterly report on the implementation of the budget and the financial affairs for the municipality referred to in section 52(d) of the Act;*
- (c) noting the mid-year budget and performance assessment referred to in section 72 of the Act;*
- (d) noting the in-year reports of any municipal entities; and*
- (e) any other resolutions that may be required.*

### **IN-YEAR REPORTS 2016/2017**

#### **RECOMMENDATION:**

That the Municipal Manager/Mayor notes the monthly budget statement and supporting documentation.

## Section 3 – Executive Summary

### 3 Section 3 – Executive Summary

#### *Executive summary*

6. The executive summary of a monthly budget statement must cover at least the following -

(a) the municipality's consolidated performance, in relation to both the approved annual budget and the latest approved adjustments budget, with specific reference to the financial and non-financial impact of the performance of municipal entities on the consolidated performance making reference to the in-year report tables, charts and explanations;

(b) any material variances from the service delivery and budget implementation plan; and

(c) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's budget.

and note

12. If a municipality has municipal entities, the information in items 6 and 7 must be consolidated covering the parent municipality's monthly budget statement and municipal entities monthly budget statements.

### 3.1 Introduction

As was said in the Mayor's report, the monthly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations,

### 3.2 Consolidated performance

#### 3.2.1 Against annual budget

#### Revenue by Source

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

Description		Ref	2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2016/17 YearTD actual    YearTD budget    YTD variance    YTD variance %    Full Year Forecast				
R thousands											
Revenue By Source											
Property rates			17 137	17 236	17 236	268	22 819	12 927	9 893	77%	17 236
Property rates - penalties & collection charges							-	-	-		
Service charges - electricity revenue				-			-	-	-		
Service charges - water revenue				-			-	-	-		
Service charges - sanitation revenue				-			-	-	-		
Service charges - refuse revenue			572	674	674	50	498	506	(8)	-2%	674
Service charges - other				-			-	-	-		
Rental of facilities and equipment			193	122	138	11	111	103	7	7%	138
Interest earned - external investments			1 255	4 411	2 411	66	1 005	1 809	(804)	-44%	2 411
Interest earned - outstanding debtors			3 278	126	3 877	310	3 196	2 907	289	10%	3 877
Dividends received				-			-	-	-		
Fines			623	285	785	1	177	589	(412)	-70%	785
Licences and permits			1 639	2 526	1 666	99	1 324	1 250	74	6%	1 666
Agency services			316	254	454	17	286	341	(55)	-16%	454
Transfers recognised - operational			86 859	87 231	87 650	-	77 906	65 737	12 168	19%	87 650
Other revenue			2 329	29 441	27 923	37	7 376	20 942	(13 566)	-65%	27 923
Gains on disposal of PPE				350	350		-	263	(263)	-100%	350
Total Revenue (excluding capital transfers and contributions)			114 201	142 658	143 164	859	114 697	107 373	7 324	7%	143 164

Service charges levied as at 30 April 2017 are as follows;

### Property rates

Monthly property rates and service charges were billed to consumers and reflect as accrued income in the Statement of Financial Performance. Property rates is R 22 819 310 with 77% over billing variance when compared to the year to date budget. This is because of the customers that are billed annually and of the surveyed properties (rural Schools and Clinics) received from Department of Provincial Public works. These properties were only billed in March 2017.

### Service charges

Service charges on refuse service charges are 2% less billing than the year to date budget.

And Rental of facilities are 7 % over variance billing than the year to date budget.

The municipality is under collecting on other own revenue.

### Expenditure by Type

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April									
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									
<b>Expenditure By Type</b>									
Employee related costs	47 797	57 868	57 407	4 407	44 535	43 055	1 480	3%	57 407
Remuneration of councillors	7 758	8 416	8 416	616	6 155	6 312	(157)	-2%	8 416
Debt impairment	1 963	1 789	3 200			2 400	(2 400)	-100%	3 200
Depreciation & asset impairment	13 652	21 269	19 898			14 924	(14 924)	-100%	19 898
Finance charges	3 675	9 300	2 100		1 346	1 575	(229)	-15%	2 100
Bulk purchases									
Other materials	3 811	10 310	10 672	238	5 728	8 004	(2 277)	-28%	10 672
Contracted services									
Transfers and grants		1 600			179		179	#DIV/0!	
Other expenditure	41 846	48 408	64 569	2 970	46 363	48 427	(2 064)	-4%	64 569
Loss on disposal of PPE	225								
<b>Total Expenditure</b>	<b>120 728</b>	<b>158 959</b>	<b>166 263</b>	<b>8 230</b>	<b>104 304</b>	<b>124 697</b>	<b>(20 393)</b>	<b>-16%</b>	<b>166 263</b>

The actuals expenditure with regards to debt impairment and Depreciation are done on an annual basis in June. Other expenditure shows an under expenditure of -4 % or R2 064 111 compared to year to date budget for the month. Employee costs show an under expenditure of 7% or R3 304 199 this is because of the vacant posts budgeted but not yet filled

## Capital Expenditure

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M10 April

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>		2 673	2 483	1 931	649	1 251	1 609	(358)	-22%	1 931
Executive and council		—	—	—	—	—	—	—	—	—
Budget and treasury office		—	37	37	2	2	31	(28)	-92%	37
Corporate services		2 673	2 446	1 894	647	1 249	1 578	(329)	-21%	1 894
<b>Community and public safety</b>		81	301	351	281	412	292	120	41%	351
Community and social services		81	301	50	180	312	42	270	648%	50
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	301	101	101	251	(150)	-60%	301
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		34 747	24 734	24 891	559	12 834	20 742	(7 908)	-38%	24 891
Planning and development		—	852	1 009	—	—	841	(841)	-100%	1 009
Road transport		34 747	23 881	23 881	559	12 834	19 901	(7 067)	-36%	23 881
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		—	4 000	4 380	653	2 756	3 650	(894)	-24%	4 380
Electricity		—	4 000	4 380	653	2 756	3 650	(894)	-24%	4 380
Water		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—
<b>Other</b>		—	—	—	—	—	—	—	—	—
<b>Total Capital Expenditure - Standard Classification</b>	3	37 501	31 517	31 552	2 141	17 253	26 293	(9 040)	-34%	31 552
<b>Funded by:</b>										
National Government		23 484	24 761	24 761	1 392	15 515	20 634	(5 119)	-25%	24 761
Provincial Government		—	—	—	—	—	—	—	—	—
District Municipality		—	—	—	—	—	—	—	—	—
Other transfers and grants		—	—	—	—	—	—	—	—	—
Transfers recognised - capital		23 484	24 761	24 761	1 392	15 515	20 634	(5 119)	-25%	24 761
Public contributions & donations	5	—	—	—	—	—	—	—	—	—
Borrowing	6	10 171	—	—	—	—	—	—	—	—
Internally generated funds		3 847	6 756	6 790	750	1 738	5 659	(3 921)	-69%	6 790
<b>Total Capital Funding</b>		37 501	31 517	31 552	2 141	17 253	26 293	(9 040)	-34%	31 552

The expenditure for the month of April 2017 was R 2 141 487 and actual to date is at R17 253 324 which is 54.68 % of the total annual adjusted budget amount. It comprises:

- the construction of Tuku C Internal Roads R 77 073.39
- the construction of Tyhata Internal Road R 409 738.74
- the Construction of Prudhoe Internal Street R 21 984.40
- the Construction of Ngxakaxha Access Road R 49 849.35
- the Construction of Ntsinekana Community Hall R 72 095.57
- the Construction of Rhode Community Hall R 107 656.76
- And other fixed assets (office equipment, tools etc.) R 749 857.89

From above expenditure of R 2738 398.21 is funded form the Municipal Infrastructure Grant, R 653 231.64 form Energy Grant and R 749 857.89 from internal generated revenue.

### 3.4 Conclusion

The Municipality is trying to ensure expenditure limits are on target and that there will be no unspent at the end of the financial year.

## Section 4 – In-year budget statement tables

### 4.1 Monthly budget statements

#### *In-year budget statement tables*

9. If a municipality does not have any municipal entities, the in-year budget statement tables must consist of the tables in the First Attachment to this Schedule, namely -

(a) Table C1 s71 Monthly Budget Statement Summary

(b) Table C2 Monthly Budget Statement - Financial Performance (standard classification)

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

(d) Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)

(e) Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

(f) Table C6 Monthly Budget Statement - Financial Position

(g) Table C7 Monthly Budget Statement - Cash Flow

and note

11. Supporting information, charts and explanations of trends and anomalies must be presented for each table where such presentation will assist with understanding the information contained in the tables.

The tables included in section 4 to the end of this report are from the 'C Schedule Monthly Budget Statement' legislated as part of the MBRR.

## 4.1 Monthly budget tables

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
<b>R thousands</b>									
<b><u>Financial Performance</u></b>									
Property rates	17 137	17 236	17 236	268	22 819	12 927	9 893	77%	17 236
Service charges	572	674	674	50	498	506	(8)	-2%	674
Investment revenue	1 255	4 411	2 411	66	1 005	1 809	(804)	-44%	2 411
Transfers recognised - operational	86 859	87 231	87 650	–	77 906	65 737	12 168	19%	87 650
Other own revenue	8 377	33 106	35 193	475	12 470	26 395	(13 925)	-53%	35 193
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>114 201</b>	<b>142 658</b>	<b>143 164</b>	<b>859</b>	<b>114 697</b>	<b>107 373</b>	<b>7 324</b>	<b>7%</b>	<b>143 164</b>
Employee costs	47 797	57 868	57 407	4 407	44 535	47 839	(3 304)	-7%	57 407
Remuneration of Councillors	7 758	8 416	8 416	616	6 155	6 312	(157)	-2%	8 416
Depreciation & asset impairment	13 652	21 269	19 898	–	–	14 924	(14 924)	-100%	19 898
Finance charges	3 675	9 300	2 100	–	1 346	1 575	(229)	-15%	2 100
Materials and bulk purchases	3 811	10 310	10 672	238	5 728	8 004	(2 277)	-28%	10 672
Transfers and grants	–	1 600	–	–	179	–	179	#DIV/0!	–
Other expenditure	44 034	50 197	67 769	2 970	46 363	50 827	(4 464)	-9%	67 769
<b>Total Expenditure</b>	<b>120 728</b>	<b>158 959</b>	<b>166 263</b>	<b>8 230</b>	<b>104 304</b>	<b>129 481</b>	<b>(25 176)</b>	<b>-19%</b>	<b>166 263</b>
<b>Surplus/(Deficit)</b>	<b>(6 527)</b>	<b>(16 302)</b>	<b>(23 098)</b>	<b>(7 371)</b>	<b>10 393</b>	<b>(22 108)</b>	<b>32 501</b>	<b>-147%</b>	<b>(23 098)</b>
Transfers recognised - capital	23 484	24 761	24 761	–	–	18 571	(18 571)	-100%	24 761
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>16 957</b>	<b>8 460</b>	<b>1 663</b>	<b>(7 371)</b>	<b>10 393</b>	<b>(3 537)</b>	<b>13 930</b>	<b>-394%</b>	<b>1 663</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>16 957</b>	<b>8 460</b>	<b>1 663</b>	<b>(7 371)</b>	<b>10 393</b>	<b>(3 537)</b>	<b>13 930</b>	<b>-394%</b>	<b>1 663</b>
<b><u>Capital expenditure &amp; funds sources</u></b>									
<b>Capital expenditure</b>	<b>37 501</b>	<b>31 517</b>	<b>31 552</b>	<b>2 141</b>	<b>17 253</b>	<b>26 293</b>	<b>(9 040)</b>	<b>-34%</b>	<b>–</b>
Capital transfers recognised	23 484	24 761	24 761	1 392	15 515	20 634	(5 119)	-25%	24 761
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	10 171	–	–	–	–	–	–	–	–
Internally generated funds	3 847	6 756	6 790	750	1 738	5 659	(3 921)	-69%	6 790
<b>Total sources of capital funds</b>	<b>37 501</b>	<b>31 517</b>	<b>31 552</b>	<b>2 141</b>	<b>17 253</b>	<b>26 293</b>	<b>(9 040)</b>	<b>-34%</b>	<b>31 552</b>
<b><u>Financial position</u></b>									
Total current assets	34 393	30 024	34 393		49 804				34 393
Total non current assets	201 933	189 788	201 933		217 638				201 933
Total current liabilities	32 813	29 213	32 813		55 075				32 813
Total non current liabilities	9 868	–	9 868		9 868				9 868
<b>Community wealth/Equity</b>	<b>193 645</b>	<b>190 599</b>	<b>193 645</b>		<b>202 498</b>				<b>193 645</b>
<b><u>Cash flows</u></b>									
Net cash from (used) operating	220 020	31 167	11 950	(3 892)	25 795	9 958	(15 837)	-159%	11 950
Net cash from (used) investing	24 875	(31 167)	(31 310)	(1 030)	(14 076)	(26 092)	(12 016)	46%	(31 310)
Net cash from (used) financing	895	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the month/year end</b>	<b>245 954</b>	<b>755</b>	<b>(18 160)</b>	<b>–</b>	<b>12 919</b>	<b>(14 933)</b>	<b>(27 852)</b>	<b>187%</b>	<b>(18 161)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b><u>Debtors Age Analysis</u></b>									
Total By Income Source	642	5 960	565	513	506	526	12 592	19 151	40 455
<b><u>Creditors Age Analysis</u></b>									
Total Creditors	2 520	–	–	–	–	6	–	–	2 526

The tables included in section 4 to the end of this report are from the 'C Schedule Monthly Budget Statement' legislated as part of the MBRR.

### 4.1.2 Table C2: Monthly Budget Statement - Financial

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>Revenue - Standard</b>										
<i>Governance and administration</i>		110 824	136 233	137 223	678	112 016	114 352	(2 337)	-2%	137 223
Executive and council		1 956	6 300	6 300	-	4 850	5 250	(400)	-8%	6 300
Budget and treasury office		108 735	129 496	130 486	643	107 039	108 738	(1 699)	-2%	130 486
Corporate services		133	437	437	36	126	364	(238)	-65%	437
<i>Community and public safety</i>		2 779	3 627	3 818	130	2 165	3 182	(1 017)	-32%	3 818
Community and social services		1	59	1	117	1 391	1	1 390	139030%	1
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 779	3 568	3 758	-	747	3 132	(2 385)	-76%	3 758
Housing		-	-	59	13	26	49	(23)	-47%	59
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		23 509	22 884	21 884	1	19	18 237	(18 218)	-100%	21 884
Planning and development		25	30	30	1	19	25	(6)	-24%	30
Road transport		23 484	22 854	21 854	-	-	18 212	(18 212)	-100%	21 854
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		572	4 674	5 000	50	498	4 167	(3 669)	-88%	5 000
Electricity		-	4 000	4 000	-	-	3 333	(3 333)	-100%	4 000
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		572	674	1 000	50	498	833	(336)	-40%	1 000
<i>Other</i>	4	-	96 986	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	137 685	264 406	167 926	859	114 697	139 938	(25 241)	-18%	167 926
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		79 058	108 111	118 791	5 641	69 486	98 993	(29 506)	-30%	118 791
Executive and council		28 576	32 809	50 987	3 534	40 377	42 490	(2 112)	-5%	50 987
Budget and treasury office		31 056	55 912	49 756	734	15 464	41 463	(25 999)	-63%	49 756
Corporate services		19 427	19 389	18 048	1 374	13 645	15 040	(1 395)	-9%	18 048
<i>Community and public safety</i>		13 456	12 525	16 452	884	11 015	13 710	(2 695)	-20%	16 452
Community and social services		11 052	7 254	8 278	727	7 166	6 898	267	4%	8 278
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 403	5 271	5 176	26	3 263	4 314	(1 050)	-24%	5 176
Housing		-	-	2 998	131	586	2 498	(1 912)	-77%	2 998
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		15 936	26 301	18 164	802	14 900	15 137	(236)	-2%	18 164
Planning and development		3 036	2 936	891	157	2 892	742	2 149	290%	891
Road transport		12 900	23 365	17 273	645	12 009	14 394	(2 386)	-17%	17 273
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12 277	10 438	10 202	827	8 012	8 502	(490)	-6%	10 202
Electricity		2 404	3 796	3 760	271	2 711	3 134	(423)	-13%	3 760
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		9 873	6 641	6 442	556	5 301	5 368	(67)	-1%	6 442
<i>Other</i>		-	1 584	2 653	75	890	2 211	(1 321)	-60%	2 653
<b>Total Expenditure - Standard</b>	3	120 728	158 959	166 263	8 230	104 304	138 552	(34 248)	-25%	166 263
<b>Surplus/ (Deficit) for the year</b>		16 957	105 446	1 663	(7 371)	10 393	1 386	9 007	650%	1 663

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

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 - Council		-	-	-	-	3 913	-	3 913	#DIV/0!	-
Vote 2 - Municipal Manager		1 956	6 300	6 300	-	937	5 250	(4 313)	-82,2%	6 300
Vote 3 - Budget and treasury		108 735	129 496	130 486	643	107 039	108 738	(1 699)	-1,6%	130 486
Vote 4 - Corporate Services		133	437	437	36	126	364	(238)	-65,3%	437
Vote 5 - Community Services		3 351	4 301	4 818	180	2 662	3 584	(922)	-25,7%	4 818
Vote 6 - Technical Services		23 509	26 884	25 884	1	19	21 570	(21 551)	-99,9%	25 884
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
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	137 685	167 419	167 926	859	114 697	139 507	(24 810)	-17,8%	167 926
Expenditure by Vote	1									
Vote 1 - Council		12 742	12 159	16 912	944	12 396	14 093	(1 697)	-12,0%	16 912
Vote 2 - Municipal Manager		15 833	20 650	34 075	2 590	27 552	28 396	(845)	-3,0%	34 075
Vote 3 - Budget and treasury		31 056	55 912	49 756	734	15 281	41 463	(26 182)	-63,1%	49 756
Vote 4 - Corporate Services		19 427	19 389	18 048	1 374	13 318	15 040	(1 722)	-11,5%	18 048
Vote 5 - Community Services		23 572	23 687	26 438	1 621	18 684	22 032	(3 348)	-15,2%	26 438
Vote 6 - Technical Services		18 097	27 162	21 034	968	17 074	17 528	(454)	-2,6%	21 034
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
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	120 728	158 959	166 263	8 230	104 304	138 552	(34 248)	-24,7%	166 263
Surplus/ (Deficit) for the year	2	16 957	8 460	1 663	(7 371)	10 393	955	9 438	988,2%	1 663



### 4.1.4 Table C4: Monthly Budget Statement

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

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		17 137	17 236	17 236	268	22 819	12 927	9 893	77%	17 236
Property rates - penalties & collection charges						-	-	-		
Service charges - electricity revenue			-							
Service charges - water revenue			-							
Service charges - sanitation revenue			-							
Service charges - refuse revenue		572	674	674	50	498	506	(8)	-2%	674
Service charges - other			-							
Rental of facilities and equipment		193	122	138	11	111	103	7	7%	138
Interest earned - external investments		1 255	4 411	2 411	66	1 005	1 809	(804)	-44%	2 411
Interest earned - outstanding debtors		3 278	126	3 877	310	3 196	2 907	289	10%	3 877
Dividends received			-							
Fines		623	285	785	1	177	589	(412)	-70%	785
Licences and permits		1 639	2 526	1 666	99	1 324	1 250	74	6%	1 666
Agency services		316	254	454	17	286	341	(55)	-16%	454
Transfers recognised - operational		86 859	87 231	87 650	-	77 906	65 737	12 168	19%	87 650
Other revenue		2 329	29 441	27 923	37	7 376	20 942	(13 566)	-65%	27 923
Gains on disposal of PPE			350	350		-	263	(263)	-100%	350
Total Revenue (excluding capital transfers and contributions)		114 201	142 658	143 164	859	114 697	107 373	7 324	7%	143 164
Expenditure By Type										
Employee related costs		47 797	57 868	57 407	4 407	44 535	47 839	(3 304)	-7%	57 407
Remuneration of councillors		7 758	8 416	8 416	616	6 155	6 312	(157)	-2%	8 416
Debt impairment		1 963	1 789	3 200		-	2 400	(2 400)	-100%	3 200
Depreciation & asset impairment		13 652	21 269	19 898			14 924	(14 924)	-100%	19 898
Finance charges		3 675	9 300	2 100	-	1 346	1 575	(229)	-15%	2 100
Bulk purchases			-			-				
Other materials		3 811	10 310	10 672	238	5 728	8 004	(2 277)	-28%	10 672
Contracted services										
Transfers and grants		-	1 600			179		179	#DIV/0!	
Other expenditure		41 846	48 408	64 569	2 970	46 363	48 427	(2 064)	-4%	64 569
Loss on disposal of PPE		225								
Total Expenditure		120 728	158 959	166 263	8 230	104 304	129 481	(25 176)	-19%	166 263
Surplus/(Deficit)		(6 527)	(16 302)	(23 098)	(7 371)	10 393	(22 108)	32 501	(0)	(23 098)
Transfers recognised - capital		23 484	24 761	24 761		-	18 571	(18 571)	(0)	24 761
Contributions recognised - capital			-	-		-				
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		16 957	8 460	1 663	(7 371)	10 393	(3 537)			1 663
Taxation										
Surplus/(Deficit) after taxation		16 957	8 460	1 663	(7 371)	10 393	(3 537)			1 663
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		16 957	8 460	1 663	(7 371)	10 393	(3 537)			1 663
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		16 957	8 460	1 663	(7 371)	10 393	(3 537)			1 663

### 4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M10 April

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>		2 673	2 483	1 931	649	1 251	1 609	(358)	-22%	1 931
Executive and council			-			-	-	-		-
Budget and treasury office			37	37	2	2	31	(28)	-92%	37
Corporate services		2 673	2 446	1 894	647	1 249	1 578	(329)	-21%	1 894
<b>Community and public safety</b>		81	301	351	281	412	292	120	41%	351
Community and social services		81	301	50	180	312	42	270	648%	50
Sport and recreation			-				-	-		-
Public safety			-				-	-		-
Housing			-	301	101	101	251	(150)	-60%	301
Health			-				-	-		-
<b>Economic and environmental services</b>		34 747	24 734	24 891	559	12 834	20 742	(7 908)	-38%	24 891
Planning and development			852	1 009			841	(841)	-100%	1 009
Road transport		34 747	23 881	23 881	559	12 834	19 901	(7 067)	-36%	23 881
Environmental protection			-				-	-		-
<b>Trading services</b>		-	4 000	4 380	653	2 756	3 650	(894)	-24%	4 380
Electricity			4 000	4 380	653	2 756	3 650	(894)	-24%	4 380
Water			-		-		-	-		-
Waste water management			-				-	-		-
Waste management			-				-	-		-
<b>Other</b>			-				-	-		-
<b>Total Capital Expenditure - Standard Classification</b>	3	37 501	31 517	31 552	2 141	17 253	26 293	(9 040)	-34%	31 552
<b>Funded by:</b>										
National Government		23 484	24 761	24 761	1 392	15 515	20 634	(5 119)	-25%	24 761
Provincial Government							-	-		-
District Municipality							-	-		-
Other transfers and grants							-	-		-
<b>Transfers recognised - capital</b>		23 484	24 761	24 761	1 392	15 515	20 634	(5 119)	-25%	24 761
<b>Public contributions &amp; donations</b>	5						-	-		-
<b>Borrowing</b>	6	10 171					-	-		-
<b>Internally generated funds</b>		3 847	6 756	6 790	750	1 738	5 659	(3 921)	-69%	6 790
<b>Total Capital Funding</b>		37 501	31 517	31 552	2 141	17 253	26 293	(9 040)	-34%	31 552

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

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M10 April

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		1 201	755	1 201	12 920	1 201
Call investment deposits		68	–	–	–	–
Consumer debtors		–	–	7 828	137	7 828
Other debtors		32 856	29 000	25 028	–	25 028
Current portion of long-term receivables		–	–	68	36 477	68
Inventory		269	269	269	269	269
<b>Total current assets</b>		<b>34 393</b>	<b>30 024</b>	<b>34 393</b>	<b>49 804</b>	<b>34 393</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	4 411	–	–	–
Investment property		37 952	37 977	37 952	37 952	37 952
Investments in Associate		–	–	–	–	–
Property, plant and equipment		163 415	146 434	163 415	179 120	163 415
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		566	966	566	566	566
Other non-current assets		0	–	0	0	0
<b>Total non current assets</b>		<b>201 933</b>	<b>189 788</b>	<b>201 933</b>	<b>217 638</b>	<b>201 933</b>
<b>TOTAL ASSETS</b>		<b>236 326</b>	<b>219 812</b>	<b>236 326</b>	<b>267 441</b>	<b>236 326</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		4 762	2 500	4 762	780	4 762
Consumer deposits		–	–	–	–	–
Trade and other payables		28 051	23 713	28 051	54 295	28 051
Provisions		–	3 000	–	–	–
<b>Total current liabilities</b>		<b>32 813</b>	<b>29 213</b>	<b>32 813</b>	<b>55 075</b>	<b>32 813</b>
<b>Non current liabilities</b>						
Borrowing		7 020	–	7 020	7 020	7 020
Provisions		2 848	–	2 848	2 848	2 848
<b>Total non current liabilities</b>		<b>9 868</b>	<b>–</b>	<b>9 868</b>	<b>9 868</b>	<b>9 868</b>
<b>TOTAL LIABILITIES</b>		<b>42 681</b>	<b>29 213</b>	<b>42 681</b>	<b>64 943</b>	<b>42 681</b>
<b>NET ASSETS</b>	2	<b>193 645</b>	<b>190 599</b>	<b>193 645</b>	<b>202 498</b>	<b>193 645</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		193 645	190 599	193 645	202 498	193 645
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>193 645</b>	<b>190 599</b>	<b>193 645</b>	<b>202 498</b>	<b>193 645</b>

### MONTHLY BUDGET STATEMENT FOR APRIL2017

*Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.*

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

EC126 Ngqushwa - Table C7 Monthly Budget Statement - Cash Flow - M10 April

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			17 236	15 936	242	20 870	13 280	7 590	57%	15 936
Service charges		6 592	674	506	2	1 826	421	1 404	333%	506
Other revenue		4 877	32 630	20 942	3 493	11 886	17 452	(5 566)	-32%	20 942
Government - operating		86 859	87 231	87 650	36	83 582	73 042	10 541	14%	87 650
Government - capital		23 484	24 761	24 761		22 749	20 634	2 115	10%	24 761
Interest		1 255	4 537	5 319	66	982	4 432	(3 450)	-78%	5 319
Dividends			-			-	-	-		-
Payments										
Suppliers and employees		93 278	(134 302)	(143 164)	(7 730)	(116 099)	(119 304)	(3 204)	3%	(143 164)
Finance charges		3 675			-	-	-	-		-
Transfers and Grants			(1 600)		-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		220 020	31 167	11 950	(3 892)	25 795	9 958	(15 837)	-159%	11 950
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		347	350	242		-	201	(201)	-100%	242
Decrease (increase) in non-current debtors			-			-	-	-		
Decrease (increase) other non-current receivables			-			-	-	-		
Decrease (increase) in non-current investments			-			-	-	-		
Payments										
Capital assets		24 528	(31 517)	(31 552)	(1 030)	(14 076)	(26 293)	(12 217)	46%	(31 552)
NET CASH FROM/(USED) INVESTING ACTIVITIES		24 875	(31 167)	(31 310)	(1 030)	(14 076)	(26 092)	(12 016)	46%	(31 310)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			-					-		
Borrowing long term/refinancing			-					-		
Increase (decrease) in consumer deposits			-					-		
Payments										
Repayment of borrowing		895	-					-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		895	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD										
		245 790	0	(19 361)	(4 922)	11 719	(16 134)			(19 361)
Cash/cash equivalents at beginning:		164	755	1 201		1 200	1 201			1 200
Cash/cash equivalents at month/year end:		245 954	755	(18 160)		12 919	(14 933)			(18 161)

## PART 2 – SUPPORTING DOCUMENTATION

### Section 5 – Debtors' analysis

EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April

Description		Budget Year 2016/17									Total over 90 days
NT Code	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	–								–	–
Receivables from Non-exchange Transactions - Property Rates	1400	268	5 609	165	138	126	129	7 193	10 685	24 313	18 271
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	55	42	39	31	30	29	123	728	1 078	942
Receivables from Exchange Transactions - Property Rental Debtors	1700	1	–	–	–	–	–	–	–	1	–
Interest on Arrear Debtor Accounts	1810	286	282	321	311	318	335	2 960	5 017	9 830	8 941
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	32	28	40	32	31	34	2 315	2 721	5 234	5 134
Total By Income Source	2000	642	5 960	565	513	506	526	12 592	19 151	40 455	33 288
2015/16 - totals only										–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	191	5 599	228	231	232	261	8 013	9 301	24 055	18 037
Commercial	2300	163	119	112	83	78	76	1 067	2 365	4 063	3 669
Households	2400	240	201	182	161	163	154	2 314	4 772	8 186	7 564
Other	2500	48	41	44	38	33	36	1 198	2 713	4 151	4 018
Total By Customer Group	2600	642	5 960	565	513	506	526	12 592	19 151	40 455	33 288

### Debtors' age analysis

The age analysis for debtors only includes those amounts which are current or past due. The debtors' age analysis includes pro-rata billing up to the current month

### Section 6 – Creditors' analysis

#### 6.1 Supporting Table SC4

Table SC4 reflects the trade creditors and other creditors.

EC126 Ngqushwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

CG 120 August 2016 - Supporting Table 304 monthly Budget Statement - aged creditors - m10 April											
Description	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		
R thousands											
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	2 520	-	-	-	-	6	-	-	2 526	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	2 520	-	-	-	-	6	-	-	2 526	-

## Section 7 – Investment portfolio analysis

### 7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April

Investments by maturity Name of institution & investment ID	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
<b>R thousands</b>									
<b>Municipality</b>									
FNB74623818257		Months	Short terms	2017- Feb			4 000	–	4 000
FNB 62270667531		Months	Short terms	2017- Feb			12	1	13
FNB74623816491		Months	Short terms	2017- Feb			4 000		4 000
FNB74623820541		Months	Short terms	2017- Feb			4 000	(4 000)	–
FNB62606330463		Months	Short terms	2017- Feb			16	(10)	7
FNB74623816491		Months	Short terms	2017- Feb			–	–	–
FNB62414349763		Months	Short terms	2017- Feb			505	503	1 008
FNB62035920596		Months	Short terms	2017- Feb			4	0	4
<b>Municipality sub-total</b>					–		12 538	(3 506)	9 032
<b>TOTAL INVESTMENTS AND INTEREST</b>	2				–		12 538	(3 506)	9 032

### 7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	3 887 122.86
Call investment deposits Investments	9 032 231.63
<b>TOTAL</b>	<b>12 919 353.49</b>

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	7 362 721.32
Unpaid creditors	2 525 839.18
<b>TOTAL</b>	<b>9 888 110.50</b>

## Section 8 – Allocation and grant receipts and expenditure

### 8.1 Supporting Table SC6 – Grant receipts

EC126 Ngqushwa - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M10 April

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>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		86 659	87 231	87 231	–	84 444	65 423	18 269	27,9%	87 231
Local Government Equitable Share plus MIG Operations		82 854	77 921	77 921	–	77 522	58 441	19 081	32,7%	77 921
Finance Management		1 875	2 010	2 010		2 010	1 508			2 010
Municipal Systems Improvement		930	–	–			–			–
EPWP Incentive		1 000	1 000	1 000		1 000	750			1 000
							–			–
							–	–		–
							–	–		–
							–	–		–
							–	–		–
							–	–		–
Project Ceta			6 300	6 300	–	3 912	4 725	(813)	-17,2%	6 300
<b>Provincial Government:</b>		200	–	419	–	–	–	–		419
			–	–				–		–
								–		–
								–		–
Sport and Recreation		200	–	350				–		350
LG Seta				69				–		69
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		
								–		
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		–
								–		–
								–		–
								–		–
								–		–
								–		–
								–		–
<b>Total Operating Transfers and Grants</b>	5	86 859	87 231	87 650	–	84 444	65 423	18 269	27,9%	87 650
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		23 484	24 761	24 761	–	22 749	18 571	4 178	22,5%	24 761
Municipal Infrastructure Grant (MIG)		23 484	20 761	20 761	–	18 749	15 571	3 178	20,4%	20 761
							–			–
							–			–
							–			–
							–			–
							–			–
							–			–
							–			–
Energy			4 000	4 000	–	4 000	3 000	1 000	33,3%	4 000
<b>Provincial Government:</b>		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		
								–		
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		
								–		
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		
								–		
<b>Total Capital Transfers and Grants</b>	5	23 484	24 761	24 761	–	22 749	18 571	4 178	22,5%	24 761
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	110 343	111 992	112 411	–	107 193	83 994	22 447	26,7%	112 411

## 8.2 Supporting Table SC7 (1) – Grant expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M10 April

EC 126 Ngqushwa - Supporting Table 3C(1) Monthly Budget Statement - transfers and grant expenditure - w10 April										
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>EXPENDITURE</b>										
<b><u>Operating expenditure of Transfers and Grants</u></b>										
National Government:		86 659	87 231	87 231	4 483	70 904	72 167	(1 263)	-1,8%	87 231
Local Government Equitable Share plus MIG Operations		82 854	77 921	77 921	4 408	64 574	64 934	(360)	-0,6%	77 921
Finance Management		1 875	2 010	2 010	24	1 849	1 675	174	10,4%	2 010
Municipal Systems Improvement		930	–	–	–	–	–	–	–	–
EPWP Incentive		1 000	1 000	1 000	52	784	833	(50)	-6,0%	1 000
							–	–	–	–
							–	–	–	–
							–	–	–	–
Project Ceta			6 300	6 300	–	3 698	4 725	(1 027)	-21,7%	6 300
Provincial Government:		200	–	419	–	–	–	–	–	419
								–	–	–
								–	–	–
								–	–	–
Sport and Recreation		200		350				–	–	350
LG Seta				69				–	–	69
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>		<b>86 859</b>	<b>87 231</b>	<b>87 650</b>	<b>4 483</b>	<b>70 904</b>	<b>72 167</b>	<b>(1 263)</b>	<b>-1,8%</b>	<b>87 650</b>
<b><u>Capital expenditure of Transfers and Grants</u></b>										
National Government:		23 484	24 761	24 761	1 506	15 630	20 634	(5 004)	-24,3%	24 761
Municipal Infrastructure Grant (MIG)		23 484	20 761	20 761	852	13 049	17 301	(4 252)	-24,6%	20 761
							–	–	–	–
							–	–	–	–
							–	–	–	–
							–	–	–	–
Energy			4 000	4 000	653	2 582	3 333	(752)	-22,6%	4 000
Provincial Government:		–	–	–	–	–	–	–	–	–
								–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
								–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
								–	–	–
<b>Total capital expenditure of Transfers and Grants</b>		<b>23 484</b>	<b>24 761</b>	<b>24 761</b>	<b>1 506</b>	<b>15 630</b>	<b>20 634</b>	<b>(5 004)</b>	<b>-24,3%</b>	<b>24 761</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>110 343</b>	<b>111 992</b>	<b>112 411</b>	<b>5 989</b>	<b>86 535</b>	<b>92 802</b>	<b>(6 267)</b>	<b>-6,8%</b>	<b>112 411</b>

## Supporting Table SC7 (2) – Expenditure against approved rollovers

Not yet applicable

## 8.3 Comments

These tables do not reflect the opening unspent balances or unpaid balances on the individual grants.

For this reason a grant may show a receipt and no expenditure where the unpaid balance has subsequently been settled.

Alternatively a grant may show expenditure and no receipt where an unspent balance has been authorised for expenditure in the subsequent year.



**The unspent grant balances as at 30 April 2017 are:**

<b>Grant</b>	<b>R thousands</b>
Municipal Infrastructure Grant (MIG)	5 566 558.36
Financial Management Grant (FMG)	161 384.97
Integrated Electrification Municipal Programme	1 418 387.99
Extended Public Works Programme Grant (EPWP)	216 390.00
<b>Unspent grant balances</b>	<b>7 362 721.32</b>

**Section 8 – Allocation and grant receipts and expenditure***Allocation and grant receipts and expenditure*

16. The disclosure on allocation and grant receipts and expenditure must reflect particulars of -

(a) allocation and grant receipts and expenditure against each allocation or grant; and

(b) any change in allocations as a result of -

(i) an adjustments budget of the national or provincial government or district or local municipality; and

(ii) changes in grants from other providers

## Section 9 – Expenditure on councillor and board members Allowances and employee benefits

### 9.1 Supporting Table SC8

EC126 Ngqushwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 April

Summary of Employee and Councillor remuneration R thousands	Ref	2015/16	FALSE							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		4 093	3 843	3 843	518	4 356	3 203	1 153	36%	3 843
Pension and UIF Contributions		877	868	868	15	241	723	(482)	-67%	868
Medical Aid Contributions		482	715	715	3	50	596	(546)	-92%	715
Motor Vehicle Allowance		1 652	2 211	2 211	25	448	1 843	(1 395)	-76%	2 211
Cellphone Allowance		522	646	646	42	394	539	(145)	-27%	646
Housing Allowances										
Other benefits and allowances		133	133	133	13	667	111	556	502%	133
<b>Sub Total - Councillors</b>		7 758	8 416	8 416	616	6 155	7 013	(859)	-12%	8 416
<b>% increase</b>	4		8,5%	8,5%						8,5%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4 941	4 963	4 963	360	3 181	4 136	(955)	-23%	4 963
Pension and UIF Contributions										
Other benefits and allowances										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Senior Managers of Municipality</b>		4 941	4 963	4 963	360	3 181	4 136	(955)	-23%	4 963
<b>% increase</b>	4		0,4%	0,4%						0,4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		31 045	36 919	40 078	2 942	28 146	33 398	(5 252)	-16%	40 078
Pension and UIF Contributions		4 864	5 999	6 018	483	4 673	5 015	(342)	-7%	6 018
Medical Aid Contributions		1 993	2 116	1 794	196	1 868	1 495	373	25%	1 794
Overtime		296	100	200	22	253	167	86	52%	200
Performance Bonus				100			83	(83)	-100%	100
Motor Vehicle Allowance		2 878	1 798	2 735	176	1 982	2 279	(297)	-13%	2 735
Cellphone Allowance		335	426	483	25	267	402	(136)	-34%	483
Housing Allowances		118	296	49	14	428	41	387	943%	49
Other benefits and allowances		481	3 766	260	122	2 966	217	2 750	1270%	260
Payments in lieu of leave		737	1 160	612	66	746	510	236	46%	612
Long service awards		108	324	116		25	96	(71)	-74%	116
Post-retirement benefit obligations		4 392								
<b>Sub Total - Other Municipal Staff</b>		47 248	52 905	52 444	4 047	41 354	43 703	(2 350)	-5%	52 444
<b>% increase</b>	4		12,0%	11,0%						11,0%
<b>Total Parent Municipality</b>		59 947	66 284	65 823	5 023	50 690	54 852	(4 163)	-8%	65 823

## Section 10 – Material variances to the SDBIP

### *Material variances to the service delivery and budget implementation plan*

18. In the monthly financial statements provide a disclosure on monthly targets for revenue, expenditure and cash flow that includes a consolidated projection of cash flow for the budget year setting out receipts by source and payments by type, per month for the budget year with actual for past months and revised forecasts for future months, and shown in total for the two years following the budget year.

and note

21. Where (17), (18) and (19) indicate a material variance between the actual year-to-date performance compared with the monthly or quarterly targets from the service delivery and budget implementation plan, provide explanations for such variances and indicate the likely impact on annual performance agreements of the municipal manager and senior managers.

### 10.1 Over view

The SDBIP is essentially the municipality's business plan and is an integral part of the financial planning, implementation and measurement process. The SDBIP functions as the connection between the strategic plan "IDP", budget and management performance agreements, and includes detailed information on how the budget will be implemented, by means of forecast cash flows, service delivery targets and performance indicators.

## Section 11 – Parent municipality financial performance

### *Parent municipality financial performance*

22. If the municipality has municipal entities, provide the monthly statement of financial performance for the parent municipality only.

### 11.1 Supporting Table SC10

Not applicable to Ngqushwa Municipality.

## Section 12 – Municipal entity summary

### *Municipal entity summary*

23. If the municipality has municipal entities, provide a summary for all entities of revenue, operating expenditure and capital expenditure.

### 12.1 Supporting Table SC11

Not applicable to Ngqushwa Municipality

## Section 13 – Capital programme performance

### *Capital programme performance*

24. The disclosure on capital programme performance must include at least -

(a) capital expenditure by month; and

(b) a summary of capital expenditure by asset class and sub-class.

### 13.1 Supporting Table SC12

EC126 Ngqushwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M10 April

Month	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
<u>Monthly expenditure performance trend</u>								
July	3 125	2 626	2 629	336	336	2 629	2 293	87,2%
August	3 125	2 626	2 629	2 351	2 687	5 259	2 572	48,9%
September	3 125	2 626	2 629	1 128	3 815	7 888	4 073	51,6%
October	3 125	2 626	2 629	1 558	5 372	10 517	5 145	48,9%
November	3 125	2 626	2 629	267	5 639	13 147	7 507	57,1%
December	3 125	2 626	2 629	1 893	7 532	15 776	8 244	52,3%
January	3 125	2 626	2 629	2 831	10 363	18 405	8 042	43,7%
February	3 125	2 626	2 629	2 531	12 894	21 034	8 140	38,7%
March	3 125	2 626	2 629	2 218	15 112	23 664	8 552	36,1%
April	3 125	2 626	2 629	2 141	17 253	26 293	9 040	34,4%
May	3 125	2 626	2 629	–		28 922	–	
June	3 125	2 626	2 629			31 552	–	
<b>Total Capital expenditure</b>	<b>37 501</b>	<b>31 517</b>	<b>31 552</b>	<b>17 253</b>				

The Municipality has spent 48 percent of the capital budget as at 30 April 2017.

### 13.2 Supporting Table SC13

Supporting Tables SC13 include the following:

- SC13a: Capital expenditure on new assets by asset class
- SC13b: Capital expenditure on renewal of existing assets by asset class

Table SC13a totals to Table C5

SC13c: Expenditure on repairs and maintenance by asset class

### MONTHLY BUDGET STATEMENT FOR APRIL2017

*Disclaimer: The information provided by the municipality in this report has not been audited and is made available for providing guidance.*

## 13.2.2 Supporting Table SC13c

EC126 Ngqushwa - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M10 April

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>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 578	5 700	5 588	169	3 475	4 657	1 182	25,4%	5 588
Infrastructure - Road transport		889	4 000	3 115	–	1 961	2 596	635	24,5%	3 115
Roads, Pavements & Bridges		889	4 000	3 115	–	1 961	2 596	635	24,5%	3 115
Storm water										
Infrastructure - Electricity		689	1 700	2 350	169	1 514	1 958	445	22,7%	2 350
Generation										
Transmission & Reticulation		689	1 700	2 350	169	1 514	1 958	445	22,7%	2 350
Street Lighting										
Sewerage purification										
Infrastructure - Other		–	–	123	–	–	102	102	100,0%	123
Waste Management										
Transportation										
Gas										
Other				123			102	102	100,0%	123
<b>Community</b>		2 195	–	574	30	168	478	310	64,8%	574
Parks & gardens				25	–	0	21	21	99,2%	25
Sportsfields & stadia		49								
Swimming pools										
Cemeteries				37			31	31	100,0%	37
Social rental housing										
Other		2 145		512	30	168	427	259	60,6%	512
<b>Heritage assets</b>		–	–	–	–	–	–	–		–
Buildings										
Other										
<b>Investment properties</b>		–	–	–	–	–	–	–		–
Housing development										
Other										
<b>Other assets</b>		–	4 610	4 411	39	2 085	3 676	1 591	43,3%	4 411
General vehicles			1 000	2 818	38	1 228	2 348	1 120	47,7%	2 818
Specialised vehicles		–	–	–	–	–	–	–		–
Plant & equipment			810		–	1	–	(1)	#DIV/0!	–
Computers - hardware/equipment			387		–	50	–	(50)	#DIV/0!	–
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			1 700	1 100	1	450	917	466	50,9%	1 100
Other Land										
Surplus Assets - (Investment or Inventory)										
Other			713	493	–	355	410	55	13,4%	493
<b>Agricultural assets</b>		–	–	–	–	–	–	–		–
<b>Intangibles</b>		39	–	100	–	–	83	83	100,0%	100
Computers - software & programming		39								
Other				100			83	83	100,0%	100
<b>Total Repairs and Maintenance Expenditure</b>		<b>3 811</b>	<b>10 310</b>	<b>10 672</b>	<b>238</b>	<b>5 728</b>	<b>8 894</b>	<b>3 166</b>	<b>35,6%</b>	<b>10 672</b>

## Section 14 – Other supporting documentation

### *Other supporting documents*

25. A municipality must add to its in-year report any supporting documents not covered in this Schedule if such documents are necessary to fully explain the review of actual service delivery and financial performance compared to the approved annual budget and the latest approved adjustments budget.

### 14.1 Other information

None

## Section 15 – In-year reports of municipal entities attached to the municipality's in-year report

### *In-year reports of municipal entities attached to the in-year report*

26. Give a list of the municipal entity in-year reports attached to the in-year report.

Not Applicable to Ngqushwa Local Municipality

### 15.1 Listing of in-year reports for municipal entities attached to this report

Not applicable to Ngqushwa Municipality.

**Section 16 – Municipal manager's quality certification****QUALITY CERTIFICATE**

I, **Thandekile Mnyimba**, the municipal manager of **Ngqushwa Municipality**, hereby certify that -

(mark as appropriate)

- ☒ the monthly budget statement
- ☐ quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ mid-year budget and performance assessment

for the month of April 2017 of 2016/2017 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Mr. T.T. Mnyimba

Municipal Manager of Ngqushwa Municipality (EC126)

Signature \_\_\_\_\_

Date \_\_\_\_\_

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