



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
AUGUST 2016

MONTHLY BUDGET STATEMENT FOR AUGUST 2016

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

1. 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 August 2016

2. 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;

3. 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

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 August 2016

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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

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

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates			17 236		304	14 036	2 873	11 164	389%	
Property rates - penalties & collection charges					-	-	-	-		
Service charges - electricity revenue			-		-	-	-	-		
Service charges - water revenue			-		-	-	-	-		
Service charges - sanitation revenue			-		-	-	-	-		
Service charges - refuse revenue			674		49	97	112	(16)	-14%	
Service charges - other			-		-	-	-	-		
Rental of facilities and equipment			122		27	39	20	19	91%	
Interest earned - external investments			4 411		134	179	735	(556)	-76%	
Interest earned - outstanding debtors			126		281	566	21	545	2595%	
Dividends received			-		-	-	-	-		
Fines			285		19	41	48	(6)	-13%	
Licences and permits			2 526		144	305	421	(116)	-28%	
Agency services			254		31	75	42	33	77%	
Transfers recognised - operational			87 231		-	32 011	14 538	17 473	120%	
Other revenue			29 441		1 615	2 806	4 907	(2 101)	-43%	
Gains on disposal of PPE			350		-	-	58	(58)	-100%	
Total Revenue (excluding capital transfers and contributions)		-	142 658	-	2 603	50 156	23 776	26 380	111%	-

Service charges levied as at 31 August 2016 are as follows;

Property rates

Monthly property rates and service charges were billed to consumers in August and reflect as accrued income in the Statement of Financial Performance. Property rates is R 14 035 495 with 389 % over collection when compared to the year to date budget. This is because of the customers that are billed annually i.e. Government and farms.

Service charges

Service charges on refuse service charges are 14% less than the year to date budget.

And Rental of facilities are 91 % over than the year to date budget.

Expenditure by type

Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									%	
Expenditure By Type										
Employee related costs			57 868		4 281	8 423	9 645	(1 222)	-13%	
Remuneration of councillors			8 416		594	1 231	1 403	(172)	-12%	
Debt impairment			1 789		–	–	298	(298)	-100%	
Depreciation & asset impairment			21 269		–	–	3 545	(3 545)	-100%	
Finance charges					169	169	–	169	#DIV/0!	
Bulk purchases			–		–	–	–	–		
Other materials			10 310		351	817	1 718	(901)	-52%	
Contracted services					–	–	–	–		
Transfers and grants			1 600		–	–	267	(267)	-100%	
Other expenditure			57 708		5 042	10 517	9 618	899	9%	
Loss on disposal of PPE					–	–	–	–		
Total Expenditure		–	158 959	–	10 438	21 157	26 493	(5 337)	-20%	–

The actuals expenditure with regards to debt impairment and Depreciation are done on an annual basis in June. Other expenditure shows an over expenditure of 14% or R 899 000 compared to year to date budget for the month.

Capital expenditure

Vote Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1								%	
Capital Expenditure - Standard Classification										
Governance and administration		–	2 483	–	98	98	414	(316)	-76%	–
Executive and council		–	–	–	–	–	–	–	–	–
Budget and treasury office		–	37	–	–	–	6	(6)	-100%	–
Corporate services		–	2 446	–	98	98	408	(310)	-76%	–
Community and public safety		–	301	–	–	–	50	(50)	-100%	–
Community and social services		–	301	–	–	–	50	(50)	-100%	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Economic and environmental services		–	24 734	–	2 253	2 589	4 122	(1 533)	-37%	–
Planning and development		–	852	–	–	–	142	(142)	-100%	–
Road transport		–	23 881	–	2 253	2 589	3 980	(1 391)	-35%	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		–	4 000	–	–	–	667	(667)	-100%	–
Electricity		–	4 000	–	–	–	667	(667)	-100%	–
Water		–	–	–	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard Classification	3	–	31 517	–	2 351	2 687	5 253	(2 566)	-49%	–
Funded by:										
National Government		–	24 761	–	2 253	2 589	4 127	(1 538)	-37%	–
Provincial Government		–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		–	24 761	–	2 253	2 589	4 127	(1 538)	-37%	–
Public contributions & donations	5	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		–	6 756	–	98	98	1 126	(1 028)	-91%	–
Total Capital Funding		–	31 517	–	2 351	2 687	5 253	(2 566)	-49%	–

The actual expenditure for the month of August 2016 was R 2 350 967 which is 9 % of the total annual budget amount. It comprises:

- the construction of Tuku C Internal Roads R 54 537.78
- the construction of Rhode Community Hall R 372 956.13
- the construction of Ntsinekana Community Hall R 397 887.93
- the construction of Tuku A Internal Road R 48 159.32
- the construction of Lewis Internal Road R 92 467.97
- the construction of Hamburg Sport field R 349 992.37
- the construction of Ngxakaxha Access Road R 63 940.00
- the construction of Bell Community Hall R 873 030.71
- And other fixed assets (office equipment, tools etc.) R 97 995.00
- From the above R2 253 000 m was funded by Municipal Infrastructure grant (MIG) and R 98 000 from internal revenue.

3.4 Conclusion

The expenditure limits were on target 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.

EC126 Ngqushwa - Table C1 Monthly Budget Statement Summary - M02 August

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	-	17 236	-	304	14 036	2 873	11 164	389%	-
Service charges	-	674	-	49	97	112	(16)	-14%	-
Investment revenue	-	4 411	-	134	179	735	(556)	-76%	-
Transfers recognised - operational	-	87 231	-	-	32 011	14 538	17 473	120%	-
Other own revenue	-	33 106	-	2 116	3 833	5 518	(1 685)	-31%	-
Total Revenue (excluding capital transfers and contributions)	-	142 658	-	2 603	50 156	23 776	26 380	111%	-
Employee costs	-	57 868	-	4 281	8 423	9 645	(1 222)	-13%	-
Remuneration of Councillors	-	8 416	-	594	1 231	1 403	(172)	-12%	-
Depreciation & asset impairment	-	21 269	-	-	-	3 545	(3 545)	-100%	-
Finance charges	-	-	-	169	169	-	169	#DIV/0!	-
Materials and bulk purchases	-	10 310	-	351	817	1 718	(901)	-52%	-
Transfers and grants	-	1 600	-	-	-	267	(267)	-100%	-
Other expenditure	-	59 497	-	5 042	10 517	9 916	600	6%	-
Total Expenditure	-	158 959	-	10 438	21 157	26 493	(5 337)	-20%	-
Surplus/(Deficit)	-	(16 302)	-	(7 835)	29 000	(2 717)	31 716	-1167%	-
Transfers recognised - capital	-	24 761	-	-	-	4 127	(4 127)	-100%	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	8 460	-	(7 835)	29 000	1 410	27 590	1957%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	8 460	-	(7 835)	29 000	1 410	27 590	1957%	-
Capital expenditure & funds sources									
Capital expenditure	-	31 517	-	2 351	2 687	5 253	(2 566)	-49%	-
Capital transfers recognised	-	24 761	-	2 253	2 589	4 127	(1 538)	-37%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	6 756	-	98	98	1 126	(1 028)	-91%	-
Total sources of capital funds	-	31 517	-	2 351	2 687	5 253	(2 566)	-49%	-
Financial position									
Total current assets	-	30 024	-	-	79 749				-
Total non current assets	-	189 788	-	-	200 920				-
Total current liabilities	-	29 213	-	-	39 635				-
Total non current liabilities	-	-	-	-	8 544				-
Community wealth/Equity	-	190 599	-	-	232 490				-
Cash flows									
Net cash from (used) operating	-	31 167	-	(5 675)	22 573	5 195	(17 378)	-335%	-
Net cash from (used) investing	-	(31 167)	-	(563)	(1 004)	(5 195)	(4 190)	81%	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	755	-	-	22 769	755	(22 013)	-2914%	1 200
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	658	13 997	1 184	322	612	458	4 849	25 436	47 516
Creditors Age Analysis									
Total Creditors	6 774	105	-	-	-	6	-	-	6 884

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

This table (below) reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures 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.

EC126 Ngqushwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M02 August

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									
Revenue - Standard										
<i>Governance and administration</i>		-	136 233	-	2 361	49 638	22 706	26 932	119%	-
Executive and council		-	6 300	-	1 550	2 628	1 050	1 578	150%	-
Budget and treasury office		-	129 496	-	772	46 969	21 583	25 386	118%	-
Corporate services		-	437	-	39	42	73	(31)	-43%	-
<i>Community and public safety</i>		-	3 627	-	194	422	605	(183)	-30%	-
Community and social services		-	59	-	-	1	10	(9)	-94%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 568	-	194	421	595	(174)	-29%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	22 884	-	-	-	3 814	(3 814)	-100%	-
Planning and development		-	30	-	-	-	5	(5)	-100%	-
Road transport		-	22 854	-	-	-	3 809	(3 809)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	4 674	-	49	97	779	(682)	-88%	-
Electricity		-	4 000	-	-	-	667	(667)	-100%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	674	-	49	97	112	(16)	-14%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	167 419	-	2 603	50 156	27 903	22 253	80%	-
Expenditure - Standard										
<i>Governance and administration</i>		-	108 111	-	7 342	15 116	18 019	(2 902)	-16%	-
Executive and council		-	32 809	-	4 531	9 512	5 468	4 044	74%	-
Budget and treasury office		-	55 912	-	1 332	3 064	9 319	(6 255)	-67%	-
Corporate services		-	19 389	-	1 478	2 541	3 232	(691)	-21%	-
<i>Community and public safety</i>		-	12 525	-	911	1 842	2 088	(246)	-12%	-
Community and social services		-	7 254	-	720	1 113	1 209	(96)	-8%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	5 271	-	190	729	878	(150)	-17%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	26 301	-	1 338	2 524	4 384	(1 860)	-42%	-
Planning and development		-	2 936	-	266	606	489	116	24%	-
Road transport		-	23 365	-	1 073	1 918	3 894	(1 976)	-51%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	10 438	-	741	1 569	1 740	(171)	-10%	-
Electricity		-	3 796	-	124	366	633	(267)	-42%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	6 641	-	617	1 203	1 107	96	9%	-
<i>Other</i>		-	1 584	-	106	106	264	(158)	-60%	-
Total Expenditure - Standard	3	-	158 959	-	10 438	21 157	26 493	(5 337)	-20%	-
Surplus/ (Deficit) for the year		-	8 460	-	(7 835)	29 000	1 410	27 590	1957%	-

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

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Executive & Council; Corporate Services; Financial Services; Community and Planning Services; Technical Services.

EC126 Ngqushwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

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		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	6 300	-	1 550	2 628	1 050	1 578	150.2%	-
Vote 3 - Budget and treasury		-	129 496	-	772	47 009	21 583	25 427	117.8%	-
Vote 4 - Corporate Services		-	437	-	39	42	73	(31)	-43.0%	-
Vote 5 - Community Services		-	4 301	-	242	519	717	(198)	-27.7%	-
Vote 6 - Technical Services		-	26 884	-	-	-	4 481	(4 481)	-100.0%	-
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	-	167 419	-	2 603	50 197	27 903	22 294	79.9%	-
Expenditure by Vote	1									
Vote 1 - Council		-	12 159	-	1 120	2 565	2 027	539	26.6%	-
Vote 2 - Municipal Manager		-	20 650	-	3 411	6 947	3 442	3 505	101.8%	-
Vote 3 - Budget and treasury		-	55 912	-	1 332	3 151	9 319	(6 167)	-66.2%	-
Vote 4 - Corporate Services		-	19 389	-	1 478	2 541	3 232	(691)	-21.4%	-
Vote 5 - Community Services		-	23 687	-	1 762	3 171	3 948	(777)	-19.7%	-
Vote 6 - Technical Services		-	27 162	-	1 334	2 782	4 527	(1 745)	-38.6%	-
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	-	158 959	-	10 438	21 157	26 493	(5 337)	-20.1%	-
Surplus/ (Deficit) for the year	2	-	8 460	-	(7 835)	29 040	1 410	27 630	1959.7%	-

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

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Councils Aqueduct - Table 04 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - MozFragset										
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			17 236		304	14 036	2 873	11 164	389%	
Property rates - penalties & collection charges					-	-	-	-		
Service charges - electricity revenue			-		-	-	-	-		
Service charges - water revenue			-		-	-	-	-		
Service charges - sanitation revenue			-		-	-	-	-		
Service charges - refuse revenue			674		49	97	112	(16)	-14%	
Service charges - other			-		-	-	-	-		
Rental of facilities and equipment			122		27	39	20	19	91%	
Interest earned - external investments			4 411		134	179	735	(556)	-76%	
Interest earned - outstanding debtors			126		281	566	21	545	2595%	
Dividends received			-		-	-	-	-		
Fines			285		19	41	48	(6)	-13%	
Licences and permits			2 526		144	305	421	(116)	-28%	
Agency services			254		31	75	42	33	77%	
Transfers recognised - operational			87 231		-	32 011	14 538	17 473	120%	
Other revenue			29 441		1 615	2 806	4 907	(2 101)	-43%	
Gains on disposal of PPE			350		-	-	58	(58)	-100%	
Total Revenue (excluding capital transfers and contributions)		-	142 658	-	2 603	50 156	23 776	26 380	111%	-
Expenditure By Type										
Employee related costs			57 868		4 281	8 423	9 645	(1 222)	-13%	
Remuneration of councillors			8 416		594	1 231	1 403	(172)	-12%	
Debt impairment			1 789		-	-	298	(298)	-100%	
Depreciation & asset impairment			21 269		-	-	3 545	(3 545)	-100%	
Finance charges			-		169	169	-	169	#DIV/0!	
Bulk purchases			-		-	-	-	-		
Other materials			10 310		351	817	1 718	(901)	-52%	
Contracted services			-		-	-	-	-		
Transfers and grants			1 600		-	-	267	(267)	-100%	
Other expenditure			57 708		5 042	10 517	9 618	899	9%	
Loss on disposal of PPE			-		-	-	-	-		
Total Expenditure		-	158 959	-	10 438	21 157	26 493	(5 337)	-20%	-
Surplus/(Deficit)		-	(16 302)	-	(7 835)	29 000	(2 717)	31 716	(0)	-
Transfers recognised - capital			24 761		-	-	4 127	(4 127)	(0)	
Contributions recognised - capital			-		-	-	-	-		
Contributed assets			-		-	-	-	-		
Surplus/(Deficit) after capital transfers & contributions		-	8 460	-	(7 835)	29 000	1 410			-
Taxation								-		
Surplus/(Deficit) after taxation		-	8 460	-	(7 835)	29 000	1 410			-
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	8 460	-	(7 835)	29 000	1 410			-
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	8 460	-	(7 835)	29 000	1 410			-

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) - M02 August

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										
Governance and administration		-	2 483	-	98	98	414	(316)	-76%	-
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	37	-	-	-	6	(6)	-100%	-
Corporate services		-	2 446	-	98	98	408	(310)	-76%	-
Community and public safety		-	301	-	-	-	50	(50)	-100%	-
Community and social services		-	301	-	-	-	50	(50)	-100%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	24 734	-	2 253	2 589	4 122	(1 533)	-37%	-
Planning and development		-	852	-	-	-	142	(142)	-100%	-
Road transport		-	23 881	-	2 253	2 589	3 980	(1 391)	-35%	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	4 000	-	-	-	667	(667)	-100%	-
Electricity		-	4 000	-	-	-	667	(667)	-100%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	31 517	-	2 351	2 687	5 253	(2 566)	-49%	-
Funded by:										
National Government		-	24 761	-	2 253	2 589	4 127	(1 538)	-37%	-
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	24 761	-	2 253	2 589	4 127	(1 538)	-37%	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	6 756	-	98	98	1 126	(1 028)	-91%	-
Total Capital Funding		-	31 517	-	2 351	2 687	5 253	(2 566)	-49%	-

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M02 August

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			755		29 008	
Call investment deposits			–			
Consumer debtors			–			
Other debtors			29 000		50 473	–
Current portion of long-term receivables						
Inventory			269		269	
Total current assets		–	30 024	–	79 749	–
Non current assets						
Long-term receivables						
Investments			4 411			
Investment property			37 977		37 952	
Investments in Associate						
Property, plant and equipment			146 434		162 323	
Agricultural						
Biological assets						
Intangible assets			966		645	
Other non-current assets				–	0	
Total non current assets		–	189 788	–	200 920	–
TOTAL ASSETS		–	219 812	–	280 669	–
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing			2 500		4 812	
Consumer deposits					–	
Trade and other payables			23 713		29 868	
Provisions			3 000		4 955	
Total current liabilities		–	29 213	–	39 635	–
Non current liabilities						
Borrowing					6 263	
Provisions					2 281	
Total non current liabilities		–	–	–	8 544	–
TOTAL LIABILITIES		–	29 213	–	48 179	–
NET ASSETS	2	–	190 599	–	232 490	–
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)			190 599		232 490	
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	190 599	–	232 490	–

MONTHLY BUDGET STATEMENT FOR AUGUST 2016

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 - M02 August

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		902	1 618	2 873	(1 254)	-44%	
Service charges			674		1 616	1 617	112	1 505	1339%	
Other revenue			32 630		47	160	5 438	(5 278)	-97%	
Government - operating			87 231		2 260	35 349	14 538	20 811	143%	
Government - capital			24 761		-	4 955	4 127	828	20%	
Interest			4 537		134	179	756	(577)	-76%	
Dividends			-			-	-	-		
Payments										
Suppliers and employees			(134 302)		(10 633)	(21 128)	(22 384)	(1 256)	6%	
Finance charges						-	-	-		
Transfers and Grants			(1 600)		-	(178)	(267)	(88)	33%	
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	31 167	-	(5 675)	22 573	5 195	(17 378)	-335%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE			350			-	58	(58)	-100%	
Decrease (Increase) in non-current debtors			-			-		-		
Decrease (increase) other non-current receivables			-			-		-		
Decrease (increase) in non-current investments			-			-		-		
Payments										
Capital assets			(31 517)		(563)	(1 004)	(5 253)	(4 249)	81%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(31 167)	-	(563)	(1 004)	(5 195)	(4 190)	81%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			-					-		
Borrowing long term/refinancing			-					-		
Increase (decrease) in consumer deposits			-					-		
Payments										
Repayment of borrowing			-					-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD										
		-	0	-	(6 237)	21 569	0			-
Cash/cash equivalents at beginning:			755			1 200	755			1 200
Cash/cash equivalents at month/year end:		-	755	-		22 769	755			1 200

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Debtors' analysis

13. The debtors' analysis must contain -

(a) an aged analysis reconciled with the financial position grouped by -

(i) revenue source; and

(ii) customer group; and

(b) any bad debts written off by customer group.

5.1 Supporting Table SC3

Table SC3 is the only debtors report required by the MBRR. The tables that follow are included in addition to SC3.

EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description		Budget Year 2016/17									
	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	Total over 90 days
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-ex change Transactions - Property Rates	1400	245	12 922	974	(53)	236	115	2 849	15 279	32 568	18 426
Receivables from Exchange Transactions - Waste Water Management	1500									-	-
Receivables from Exchange Transactions - Waste Management	1600	51	49	49	44	45	28	150	1 100	1 514	1 366
Receivables from Exchange Transactions - Property Rental Debtors	1700	1	1	1	(0)	1	1	0	-	5	2
Interest on Arrear Debtor Accounts	1810	280	276	289	272	269	269	1 463	4 351	7 468	6 624
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-
Other	1900	81	750	(130)	59	62	46	387	4 706	5 961	5 259
Total By Income Source	2000	658	13 997	1 184	322	612	458	4 849	25 436	47 516	31 678
2015/16 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	208	12 925	808	(6)	553	178	3 110	13 204	30 980	17 039
Commercial	2300	134	121	64	84	(234)	86	490	2 438	3 182	2 864
Households	2400	235	201	(155)	185	231	149	862	5 089	6 797	6 516
Other	2500	81	750	467	59	62	46	387	4 706	6 557	5 259
Total By Customer Group	2600	658	13 997	1 184	322	612	458	4 849	25 436	47 516	31 678

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

Creditors' analysis

14. The creditors analysis must contain an aged analysis by customer type reconciled with the financial position.

6.1 Supporting Table SC4

Table SC4 reflects the trade creditors and other creditors.

EC126 Ngqushwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description		NT Code	Budget Year 2016/17								Total
			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	6 774	105	-	-	-	6	-	-	6 884	
Auditor General	0800	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type		1000	6 774	105	-	-	-	6	-	6 884	

Section 7 – Investment portfolio analysis

Investment portfolio analysis

15. The investment portfolio analysis must include information consistent with the requirements of the Municipal Investment Regulations, 2005 issued by the National Treasury.

7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Eco2o Ngqweni - Supporting table 000 Monthly Budget Statement - Investment portfolio - M20 August									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
<u>Municipality</u>									
FNB74623818257		Months	Short terms	09-2016	-	7.6%	8 500	-	8 500
FNB 62270667531		Months	Short terms		0		12	-	12
FNB74623816491		Months	Short terms	09-2016	-	7.6%	9 000	(9 000)	-
FNB74623820541		Months	Short terms	09-2016	42	7.6%	6 500	-	6 542
FNB62606330463		Months	Short terms		0		16	-	17
FNB62414349763		Months	Short terms		4	4.7%	505	(100)	409
FNB62035920596		Months	Short terms		0		4	-	4
Municipality sub-total					47		24 538	(9 100)	15 484
<u>Entities</u>									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST		2			47		24 538	(9 100)	15 484

7.2 Additional information

The statement of financial position includes the following:

Item	R thousands
Cash	7 284 752.55
Investments Call investment deposits Investments	15 483 891.24
TOTAL	22 768 643.79

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	4 389 570.26
Capital funding requirement 2016/17 (surplus cash resources)	0.00
Unpaid creditors	6 884 312.60
TOTAL	11 273 882.86

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.

8.2 Supporting Table SC7 (1) – Grant expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

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										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		–	87 231	–	10 538	22 398	14 538	7 859	54.1%	–
Local Government Equitable Share plus MIG Operations			77 921		9 648	20 320	12 987	7 334	56.5%	
Finance Management			2 010		33	75	335	(260)	-77.5%	
Municipal Systems Improvement			–				–	–	–	
EPWP Incentive			1 000		–		167	(167)	-100.0%	
							–	–	–	
							–	–	–	
Project Ceta			6 300		857	2 002	1 050	952	90.6%	
Provincial Government:		–	–	–	–	–	–	–	–	–
								–	–	
								–	–	
								–	–	
LG Seta								–	–	
District Municipality:		–	–	–	–	–	–	–	–	–
								–	–	
[insert description]								–	–	
Other grant providers:		–	–	–	–	–	–	–	–	–
								–	–	
[insert description]								–	–	
Total operating expenditure of Transfers and Grants:		–	87 231	–	10 538	22 398	14 538	7 859	54.1%	–
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		–	24 761	–	2 348	2 783	4 127	(1 343)	-32.6%	–
Municipal Infrastructure Grant (MIG)			20 761	–	2 348	2 783	3 460	(677)	-19.6%	
							–	–	–	
							–	–	–	
							–	–	–	
							–	–	–	
Rural Household Infrastructure			4 000				667	(667)	-100.0%	
Provincial Government:		–	–	–	–	–	–	–	–	–
								–	–	
District Municipality:		–	–	–	–	–	–	–	–	–
								–	–	
Other grant providers:		–	–	–	–	–	–	–	–	–
								–	–	
Total capital expenditure of Transfers and Grants		–	24 761	–	2 348	2 783	4 127	(1 343)	-32.6%	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	111 992	–	12 886	25 181	18 665	6 516	34.9%	–

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 August 2016 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	2 171 576.80
Financial Management Grant (FMG)	1 934 613.98
Integrated Electrification Municipal Programme	0.00
Extended Public Works Programme Grant (EPWP)	250 000
Unspent grant balances	4 356 189.98

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

Expenditure on councillor and board members allowances and employee benefits

17. The disclosure on councillor and board members allowances and employee benefits must include a comparison of actual expenditure and budgeted expenditure on -

- (a) councillor allowances;
- (b) board member allowances; and
- (c) employee benefits 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.

9.1 Supporting Table SC8

EC126 Ngqushwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

EC 126 Ngqushwa - Supporting table 3 to monthly Budget Statement - Councillor and staff benefits - Muz August										
Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages			3 843		442	772	641	132	21%	
Pension and UIF Contributions			868		32	120	145	(25)	-17%	
Medical Aid Contributions			715		6	27	119	(92)	-77%	
Motor Vehicle Allowance			2 211		77	224	369	(145)	-39%	
Cellphone Allowance			646		37	80	108	(27)	-25%	
Housing Allowances										
Other benefits and allowances			133		—	8	22	(15)	-66%	
Sub Total - Councillors		—	8 416	—	594	1 230	1 403	(172)	-12%	—
% increase	4		#DIV/0!							
Senior Managers of the Municipality	3									
Basic Salaries and Wages			4 963		333	681	414	267	65%	
Pension and UIF Contributions				—				—		
Medical Aid Contributions								—		
Overtime								—		
Performance Bonus				—				—		
Motor Vehicle Allowance								—		
Cellphone Allowance								—		
Housing Allowances								—		
Other benefits and allowances								—		
Payments in lieu of leave								—		
Long service awards								—		
Post-retirement benefit obligations								—		
Sub Total - Senior Managers of Municipality		—	4 963	—	333	681	414	267	65%	—
% increase	4		#DIV/0!							
Other Municipal Staff										
Basic Salaries and Wages			36 919		2 755	5 344	6 153	(810)	-13%	
Pension and UIF Contributions			5 999		463	889	1 000	(111)	-11%	
Medical Aid Contributions			2 116		180	357	353	4	1%	24
Overtime			100		20	46	17	29	176%	
Performance Bonus			—			—	—	—		
Motor Vehicle Allowance			1 798		164	354	300	54	18%	
Cellphone Allowance			426		25	52	71	(19)	-26%	
Housing Allowances			296		18	138	49	89	180%	37
Other benefits and allowances			3 766		303	478	628	(149)	-24%	18
Payments in lieu of leave			1 160		15	68	193	(125)	-65%	
Long service awards			324		5	10	54	(44)	-81%	
Post-retirement benefit obligations			—			—	—	—		
Sub Total - Other Municipal Staff		—	52 905	—	3 948	7 736	8 818	(1 081)	-12%	80
% increase	4		#DIV/0!							#DIV/0!
Total Parent Municipality		—	66 284	—	4 875	9 647	10 634	(986)	-9%	80
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages								—		
Pension and UIF Contributions								—		
Medical Aid Contributions								—		
Overtime								—		
Performance Bonus								—		
Motor Vehicle Allowance								—		
Cellphone Allowance								—		
Housing Allowances								—		
Other benefits and allowances								—		
Board Fees								—		
Payments in lieu of leave								—		
Long service awards								—		
Post-retirement benefit obligations								—		
Sub Total - Board Members of Entities		—	—	—	—	—	—	—		—
% Increase	4									
Senior Managers of Entities										
Basic Salaries and Wages								—		
Pension and UIF Contributions								—		
Medical Aid Contributions								—		
Overtime								—		
Performance Bonus								—		
Motor Vehicle Allowance								—		
Cellphone Allowance								—		
Housing Allowances								—		
Other benefits and allowances								—		
Payments in lieu of leave								—		
Long service awards								—		
Post-retirement benefit obligations								—		
Sub Total - Senior Managers of Entities		—	—	—	—	—	—	—		—
% Increase	4									
Other Staff of Entities										
Basic Salaries and Wages								—		
Pension and UIF Contributions								—		
Medical Aid Contributions								—		
Overtime								—		
Performance Bonus								—		
Motor Vehicle Allowance								—		
Cellphone Allowance								—		
Housing Allowances								—		
Other benefits and allowances								—		
Payments in lieu of leave								—		
Long service awards								—		
Post-retirement benefit obligations								—		
Sub Total - Other Staff of Entities		—	—	—	—	—	—	—		—
% increase	4									
Total Municipal Entities		—	—	—	—	—	—	—		—
TOTAL SALARY, ALLOWANCES & BENEFITS		—	66 284	—	4 875	9 647	10 634	(986)	-9%	80
% increase	4		#DIV/0!							#DIV/0!
TOTAL MANAGERS AND STAFF		—	57 868	—	4 281	8 417	9 231	(814)	-9%	80

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 - M02 August

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July		2 626		336	336	2 626	2 290	87.2%	1%
August		2 626		2 351	2 687	5 253	2 566	48.8%	9%
September		2 626				7 879	-		
October		2 626				10 506	-		
November		2 626				13 132	-		
December		2 626				15 759	-		
January		2 626				18 385	-		
February		2 626				21 012	-		
March		2 626				23 638	-		
April		2 626				26 264	-		
May		2 626				28 891	-		
June		2 626				31 517	-		
Total Capital expenditure	-	31 517	-	2 687					

The Municipality has spent 9 % of the capital budget as at 31 August 2016.

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 AUGUST 2016

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

13.2.1 Supporting Table SC13a

EC126 Ngqushwa - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M02 August

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 on new assets by Asset Class/Sub-class										
Infrastructure		-	19 471	-	259	268	3 245	2 977	91.7%	-
Infrastructure - Road transport		-	14 785	-	259	268	2 464	2 196	89.1%	-
Roads, Pavements & Bridges			14 785		259	268	2 464	2 196	89.1%	
Storm water										
Infrastructure - Electricity		-	4 000	-	-	-	667	667	100.0%	-
Generation							-	-		
Transmission & Reticulation							-	-		
Street Lighting			4 000				667	667	100.0%	
Infrastructure - Water		-	-	-	-	-	-	-		-
Dams & Reservoirs								-		
Water purification								-		
Reticulation								-		
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation								-		
Sewerage purification								-		
Infrastructure - Other		-	686	-	-	-	114	114	100.0%	-
Waste Management			135				22	22	100.0%	
Transportation							-	-		
Gas							-	-		
Other			551				92	92	100.0%	
Community		-	6 106	-	1 994	2 321	1 018	(1 303)	-128.1%	-
Parks & gardens							-	-		
Sportsfields & stadia			1 815		350	677	303	(375)	-123.8%	
Swimming pools							-	-		
Community halls			4 161		1 644	1 644	694	(950)	-137.0%	
Libraries							-	-		
Recreational facilities							-	-		
Fire, safety & emergency							-	-		
Security and policing							-	-		
Buses							-	-		
Clinics							-	-		
Museums & Art Galleries							-	-		
Cemeteries			130				22	22	100.0%	
Social rental housing							-	-		
Other							-	-		
Heritage assets		-	-	-	-	-	-	-		-
Buildings								-		
Other								-		
Investment properties		-	-	-	-	-	-	-		-
Housing development								-		
Other								-		
Other assets		-	5 350	-	98	98	892	794	89.0%	-
General vehicles			1 720				287	287	100.0%	
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			1 400				233	233	100.0%	
Computers - hardware/equipment			225		98	98	38	(60)	-161.0%	
Furniture and other office equipment			1 125				187	187	100.0%	
Abattoirs							-	-		
Markets							-	-		
Civic Land and Buildings							-	-		
Other Buildings							-	-		
Other Land							-	-		
Surplus Assets - (Investment or Inventory)							-	-		
Other			880				147	147	100.0%	
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class								-		
								-		
Biological assets		-	-	-	-	-	-	-		-
List sub-class								-		
								-		
Intangibles		-	590	-	-	-	98	98	100.0%	-
Computers - software & programming			590				98	98	100.0%	
Other							-	-		
Total Capital Expenditure on new assets	1	-	31 517	-	2 351	2 687	5 253	2 566	48.8%	-

13.2.2 Supporting Table SC13c

EC126 Nqgushwa - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M02 August

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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	5 700	-	183	513	950	437	46.0%	-
Infrastructure - Road transport		-	4 000	-	152	260	667	406	61.0%	-
Roads, Pavements & Bridges			4 000		152	260	667	406	61.0%	
Storm water										
Infrastructure - Electricity		-	1 700	-	30	253	283	30	10.8%	-
Generation						-	-	-		
Transmission & Reticulation						-	-	-		
Street Lighting			1 700		30	253	283	30	10.8%	
Infrastructure - Water		-	-	-	-	-	-	-		-
Dams & Reservoirs								-		
Water purification								-		
Reticulation								-		
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation								-		
Sewerage purification								-		
Infrastructure - Other		-	-	-	-	-	-	-		-
Waste Management								-		
Transportation								-		
Gas								-		
Other								-		
Community		-	-	-	-	-	-	-		-
Parks & gardens								-		
Sportsfields & stadia								-		
Swimming pools								-		
Community halls								-		
Libraries								-		
Recreational facilities								-		
Fire, safety & emergency								-		
Security and policing								-		
Buses								-		
Clinics								-		
Museums & Art Galleries								-		
Cemeteries								-		
Social rental housing								-		
Other								-		
Heritage assets		-	-	-	-	-	-	-		-
Buildings								-		
Other								-		
Investment properties		-	-	-	-	-	-	-		-
Housing development								-		
Other								-		
Other assets		-	4 610	-	168	304	768	464	60.4%	-
General vehicles			1 000		143	205	167	(39)	-23.2%	
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			810				135	135	100.0%	
Computers - hardware/equipment			387				64	64	100.0%	
Furniture and other office equipment							-	-		
Abattoirs							-	-		
Markets							-	-		
Civic Land and Buildings							-	-		
Other Buildings			1 700		2	2	283	282	99.4%	
Other Land							-	-		
Surplus Assets - (Investment or Inventory)							-	-		
Other			713		24	97	119	22	18.4%	
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class								-		
Biological assets		-	-	-	-	-	-	-		-
List sub-class								-		
Intangibles		-	-	-	-	-	-	-		-
Computers - software & programming								-		
Other								-		
Total Repairs and Maintenance Expenditure		-	10 310	-	351	817	1 718	901	52.4%	-

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

Municipal manager's quality certification

27. An in-year report must be covered by a quality certificate in the format described below:

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 August 2016 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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