



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
DECEMBER 2016

MONTHLY BUDGET STATEMENT FOR DECEMBER 2016

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 December 2016

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 December 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

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

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		281	16 288	8 618	7 670	89%	17 236
Property rates - penalties & collection charges						-	-	-		
Service charges - electricity revenue			-				-	-		-
Service charges - water revenue			-				-	-		-
Service charges - sanitation revenue			-				-	-		-
Service charges - refuse revenue			674		51	296	337	(41)	-12%	674
Service charges - other			-			-	-	-		-
Rental of facilities and equipment			122		10	80	61	19	30%	122
Interest earned - external investments			4 411		53	586	2 206	(1 620)	-73%	4 411
Interest earned - outstanding debtors			126		354	1 938	63	1 875	2977%	126
Dividends received			-			-	-	-		-
Fines			285		10	148	143	5	3%	285
Licences and permits			2 526		69	853	1 263	(411)	-32%	2 526
Agency services			254		21	214	127	87	68%	254
Transfers recognised - operational			87 231		25 609	58 698	43 615	15 083	35%	87 231
Other revenue			29 441		2 226	6 386	14 721	(8 334)	-57%	29 441
Gains on disposal of PPE			350			-	175	(175)	-100%	350
Total Revenue (excluding capital transfers and contributions)		-	142 658	-	28 684	85 486	71 329	14 157	20%	142 658

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

Property rates

Monthly property rates and service charges were billed to consumers in September and reflect as accrued income in the Statement of Financial Performance. Property rates is R 16 288 000 m with 89 % over collection when compared to the year to date budget. This is because of the customers that are billed annually

Service charges

Service charges on refuse service charges are 12% less billing than the year to date budget.

And Rental of facilities are 30 % over billing than the year to date budget.

The municipality has under collected on its own revenue this compared to the budget to date this may require the municipality to revise its budget for own revenue.

Expenditure by Type

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									%	
Expenditure By Type										
Employee related costs			57 868		5 152	26 756	28 934	(2 178)	-8%	57 868
Remuneration of councillors			8 416		593	3 626	4 208	(582)	-14%	8 416
Debt impairment			1 789			-	894	(894)	-100%	1 789
Depreciation & asset impairment			21 269			-	10 634	(10 634)	-100%	21 269
Finance charges			9 300		496	1 004	4 650	(3 646)	-78%	9 300
Bulk purchases			-			-	-	-		-
Other materials			10 310		1 635	3 922	5 155	(1 234)	-24%	10 310
Contracted services						-	-	-		
Transfers and grants			1 600		-	179	800	(621)	-78%	1 600
Other expenditure			48 408		6 475	28 977	24 204	4 773	20%	48 408
Loss on disposal of PPE					-	-	-	-		
Total Expenditure			158 959	-	14 351	64 463	79 480	(15 016)	-19%	158 959

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 20% or R 4 733 000 compared to year to date budget for the month. Employee costs show an under expenditure of 8% or R2 178 000 this is because of the vacant posts budgeted but not yet filled.

Capital Expenditure

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	-	195	487	1 241	(755)	-61%	-
Executive and council			-			-	-	-		
Budget and treasury office			37				19	(19)	-100%	
Corporate services			2 446	-	195	487	1 223	(736)	-60%	
Community and public safety		-	301	-	106	106	150	(44)	-29%	-
Community and social services			301		106	106	150	(44)	-29%	
Economic and environmental services		-	24 734	-	402	5 015	12 367	(7 352)	-59%	-
Planning and development			852				426	(426)	-100%	
Road transport			23 881	-	402	5 015	11 941	(6 926)	-58%	
Environmental protection			-				-	-		
Trading services		-	4 000	-	1 189	1 924	2 000	(76)	-4%	-
Electricity			4 000	-	1 189	1 924	2 000	(76)	-4%	
Water			-		-		-	-		
Other			-				-	-		
Total Capital Expenditure - Standard Classification	3	-	31 517	-	1 893	7 532	15 759	(8 227)	-52%	-
Funded by:										
National Government			24 761		1 585	6 765	12 381	(5 616)	-45%	
Provincial Government										
Transfers recognised - capital		-	24 761	-	1 585	6 765	12 381	(5 616)	-45%	-
Public contributions & donations	5									
Borrowing	6									
Internally generated funds			6 756		307	767	3 378	(2 611)	-77%	
Total Capital Funding		-	31 517	-	1 893	7 532	15 759	(8 227)	-52%	-

The expenditure for the month of December 2016 was R 1, 893 000 and actual to date is at R 7 532 000 which is 23.9 % of the total annual budget amount. It comprises:

- the construction of Tuku C Internal Roads R 77 920.00
- the construction of Tuku A Internal Road R 53 375.00
- the construction of Ngxakaxha Access Road R 67 120.00
- the construction of Ntsinekana Community Hall R 163 607.13
- the Construction of Prudhoe Internal Street R 40 450.00
- Electrification of houses project R 1 749 805.07
- And other fixed assets (office equipment, tools etc.) R 307 465.00

From above expenditure of R 402 000 is funded from the Municipal Infrastructure Grant, R 1 585 000 from Integrated Electrification (municipal) Programme Grant and R 307 465 from internal generated 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.

4.1 Monthly budget tables

EC126 Ngqushwa - Table C1 Monthly Budget Statement Summary - M06 December

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	–	17 236	–	281	16 288	8 618	7 670	89%	17 236
Service charges	–	674	–	51	296	337	(41)	-12%	674
Investment revenue	–	4 411	–	53	586	2 206	(1 620)	-73%	4 411
Transfers recognised - operational	–	87 231	–	25 609	58 698	43 615	15 083	35%	87 231
Other own revenue	–	33 106	–	2 690	9 619	16 553	(6 934)	-42%	33 106
Total Revenue (excluding capital transfers and contributions)	–	142 658	–	28 684	85 486	71 329	14 157	20%	142 658
Employee costs	–	57 868	–	5 152	26 756	28 934	(2 178)	-8%	57 868
Remuneration of Councillors	–	8 416	–	593	3 626	4 208	(582)	-14%	8 416
Depreciation & asset impairment	–	21 269	–	–	–	10 634	(10 634)	-100%	21 269
Finance charges	–	9 300	–	496	1 004	4 650	(3 646)	-78%	9 300
Materials and bulk purchases	–	10 310	–	1 635	3 922	5 155	(1 234)	-24%	10 310
Transfers and grants	–	1 600	–	–	179	800	(621)	-78%	1 600
Other expenditure	–	50 197	–	6 475	28 977	25 098	3 879	15%	50 197
Total Expenditure	–	158 959	–	14 351	64 463	79 480	(15 016)	-19%	158 959
Surplus/(Deficit)	–	(16 302)	–	14 333	21 023	(8 151)	29 173	-358%	(16 302)
Transfers recognised - capital	–	24 761	–	–	–	12 381	(12 381)	-100%	24 761
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	8 460	–	14 333	21 023	4 230	16 793	397%	8 460
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	8 460	–	14 333	21 023	4 230	16 793	397%	8 460
<u>Capital expenditure & funds sources</u>									
Capital expenditure	–	31 517	–	1 893	7 532	15 759	(8 227)	-52%	–
Capital transfers recognised	–	24 761	–	1 585	6 765	12 381	(5 616)	-45%	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	6 756	–	307	767	3 378	(2 611)	-77%	–
Total sources of capital funds	–	31 517	–	1 893	7 532	15 759	(8 227)	-52%	–
<u>Financial position</u>									
Total current assets	–	30 024	–	–	64 771				–
Total non current assets	–	189 788	–	–	208 619				–
Total current liabilities	–	29 213	–	–	50 436				–
Total non current liabilities	–	–	–	–	9 868				–
Community wealth/Equity	–	190 599	–	–	213 085				–
<u>Cash flows</u>									
Net cash from (used) operating	–	31 167	–	24 076	35 038	15 584	(19 454)	-125%	–
Net cash from (used) investing	–	(31 167)	–	(1 792)	(7 942)	(15 584)	(7 641)	49%	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	–	755	–	–	28 296	755	(27 540)	-3646%	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
<u>Debtors Age Analysis</u>									
Total By Income Source	640	669	1 901	770	772	6 539	8 361	19 181	38 832
<u>Creditors Age Analysis</u>									
Total Creditors	687	0	–	–	–	6	–	–	693

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

EC126 Ngqushwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		-	136 233	-	28 184	81 737	68 117	13 620	20%	-
Executive and council		-	6 300	-	1 874	3 913	3 150	763	24%	-
Budget and treasury office		-	129 496	-	26 311	77 766	64 748	13 018	20%	-
Corporate services		-	437	-	-	58	219	(161)	-74%	-
<i>Community and public safety</i>		-	3 627	-	449	1 565	1 814	(248)	-14%	-
Community and social services		-	59	-	449	932	29	903	3076%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 568	-	-	633	1 784	(1 151)	-65%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	22 884	-	-	14	11 442	(11 428)	-100%	-
Planning and development		-	30	-	-	14	15	(1)	-7%	-
Road transport		-	22 854	-	-	-	11 427	(11 427)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	4 674	-	51	296	2 337	(2 041)	-87%	-
Electricity		-	4 000	-	-	-	2 000	(2 000)	-100%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	674	-	51	296	337	(41)	-12%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	167 419	-	28 684	83 612	83 710	(97)	0%	-
Expenditure - Standard										
<i>Governance and administration</i>		-	108 111	-	8 764	41 609	54 056	(12 447)	-23%	-
Executive and council		-	32 809	-	4 899	25 161	16 405	8 756	53%	-
Budget and treasury office		-	55 912	-	2 390	8 792	27 956	(19 164)	-69%	-
Corporate services		-	19 389	-	1 475	7 656	9 695	(2 039)	-21%	-
<i>Community and public safety</i>		-	12 525	-	1 192	6 916	6 263	653	10%	-
Community and social services		-	7 254	-	935	5 132	3 627	1 505	41%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	5 271	-	-	1 527	2 635	(1 108)	-42%	-
Housing		-	-	-	256	256	-	256	#DIV/0!	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	26 301	-	2 582	10 592	13 151	(2 559)	-19%	-
Planning and development		-	2 936	-	1 214	2 386	1 468	918	63%	-
Road transport		-	23 365	-	1 369	8 207	11 683	(3 476)	-30%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	10 438	-	1 813	5 030	5 219	(189)	-4%	-
Electricity		-	3 796	-	1 113	2 002	1 898	104	5%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	6 641	-	700	3 028	3 321	(293)	-9%	-
<i>Other</i>		-	1 584	-	-	317	792	(475)	-60%	-
Total Expenditure - Standard	3	-	158 959	-	14 351	64 463	79 480	(15 016)	-19%	-
Surplus/ (Deficit) for the year		-	8 460	-	14 333	19 149	4 230	14 919	353%	-

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

EC126 Ngqushwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council		-	-	-	-	-	-	-		-
Vote 2 - Municipal Manager		-	6 300	-	-	3 913	3 150	763	24.2%	-
Vote 3 - Budget and treasury		-	129 496	-	26 311	77 766	64 748	13 018	20.1%	-
Vote 4 - Corporate Services		-	437	-	-	58	219	(161)	-73.6%	-
Vote 5 - Community Services		-	4 301	-	500	1 861	2 151	(290)	-13.5%	-
Vote 6 - Technical Services		-	26 884	-	-	14	13 442	(13 428)	-99.9%	-
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	-	26 810	83 612	83 710	(98)	-0.1%	-
Expenditure by Vote	1									
Vote 1 - Council		-	12 159	-	1 070	7 186	6 080	1 106	18.2%	-
Vote 2 - Municipal Manager		-	20 650	-	3 829	17 975	10 325	7 650	74.1%	-
Vote 3 - Budget and treasury		-	55 912	-	2 390	9 309	27 956	(18 647)	-66.7%	-
Vote 4 - Corporate Services		-	19 389	-	1 475	7 697	9 695	(1 998)	-20.6%	-
Vote 5 - Community Services		-	23 687	-	1 892	9 965	11 843	(1 878)	-15.9%	-
Vote 6 - Technical Services		-	27 162	-	3 696	12 331	13 581	(1 250)	-9.2%	-
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	-	14 351	64 463	79 480	(15 016)	-18.9%	-
Surplus/ (Deficit) for the year	2	-	8 460	-	12 459	19 149	4 230	14 919	352.7%	-

4.1.4 Table C4: Monthly Budget Statement

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description		Ref	2015/16	Budget Year 2016/17						
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
Revenue By Source										
Property rates			17 236		281	16 288	8 618	7 670	89%	17 236
Property rates - penalties & collection charges						-	-	-		
Service charges - electricity revenue			-			-	-	-		-
Service charges - water revenue			-			-	-	-		-
Service charges - sanitation revenue			-			-	-	-		-
Service charges - refuse revenue			674		51	296	337	(41)	-12%	674
Service charges - other			-			-	-	-		-
Rental of facilities and equipment			122		10	80	61	19	30%	122
Interest earned - external investments			4 411		53	586	2 206	(1 620)	-73%	4 411
Interest earned - outstanding debtors			126		354	1 938	63	1 875	2977%	126
Dividends received			-			-	-	-		-
Fines			285		10	148	143	5	3%	285
Licences and permits			2 526		69	853	1 263	(411)	-32%	2 526
Agency services			254		21	214	127	87	68%	254
Transfers recognised - operational			87 231		25 609	58 698	43 615	15 083	35%	87 231
Other revenue			29 441		2 226	6 386	14 721	(8 334)	-57%	29 441
Gains on disposal of PPE			350			-	175	(175)	-100%	350
Total Revenue (excluding capital transfers and contributions)		-	142 658	-	28 684	85 486	71 329	14 157	20%	142 658
Expenditure By Type										
Employee related costs			57 868		5 152	26 756	28 934	(2 178)	-8%	57 868
Remuneration of councillors			8 416		593	3 626	4 208	(582)	-14%	8 416
Debt impairment			1 789			-	894	(894)	-100%	1 789
Depreciation & asset impairment			21 269			-	10 634	(10 634)	-100%	21 269
Finance charges			9 300		496	1 004	4 650	(3 646)	-78%	9 300
Bulk purchases			-			-	-	-		-
Other materials			10 310		1 635	3 922	5 155	(1 234)	-24%	10 310
Contracted services			-			-	-	-		-
Transfers and grants			1 600		-	179	800	(621)	-78%	1 600
Other expenditure			48 408		6 475	28 977	24 204	4 773	20%	48 408
Loss on disposal of PPE			-		-	-	-	-		-
Total Expenditure		-	158 959	-	14 351	64 463	79 480	(15 016)	-19%	158 959
Surplus/(Deficit)		-	(16 302)	-	14 333	21 023	(8 151)	29 173	(0)	(16 302)
Transfers recognised - capital			24 761			-	12 381	(12 381)	(0)	24 761
Contributions recognised - capital			-			-	-	-		-
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions		-	8 460	-	14 333	21 023	4 230			8 460
Taxation								-		
Surplus/(Deficit) after taxation		-	8 460	-	14 333	21 023	4 230			8 460
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	8 460	-	14 333	21 023	4 230			8 460
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	8 460	-	14 333	21 023	4 230			8 460

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

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	-	195	487	1 241	(755)	-61%	-
Executive and council			-			-	-	-		
Budget and treasury office			37				19	(19)	-100%	
Corporate services			2 446	-	195	487	1 223	(736)	-60%	
Community and public safety		-	301	-	106	106	150	(44)	-29%	-
Community and social services			301		106	106	150	(44)	-29%	
Sport and recreation			-				-	-		
Public safety			-				-	-		
Housing			-				-	-		
Health			-				-	-		
Economic and environmental services		-	24 734	-	402	5 015	12 367	(7 352)	-59%	-
Planning and development			852				426	(426)	-100%	
Road transport			23 881	-	402	5 015	11 941	(6 926)	-58%	
Environmental protection			-				-	-		
Trading services		-	4 000	-	1 189	1 924	2 000	(76)	-4%	-
Electricity			4 000	-	1 189	1 924	2 000	(76)	-4%	
Water			-		-		-	-		
Waste water management			-				-	-		
Waste management			-				-	-		
Other			-				-	-		
Total Capital Expenditure - Standard Classification	3	-	31 517	-	1 893	7 532	15 759	(8 227)	-52%	-
Funded by:										
National Government			24 761		1 585	6 765	12 381	(5 616)	-45%	
Provincial Government								-		
District Municipality								-		-
Other transfers and grants								-		
Transfers recognised - capital		-	24 761	-	1 585	6 765	12 381	(5 616)	-45%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			6 756		307	767	3 378	(2 611)	-77%	
Total Capital Funding		-	31 517	-	1 893	7 532	15 759	(8 227)	-52%	

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash			755	–	28 296	
Call investment deposits			–	–	137	
Consumer debtors			–			
Other debtors			29 000			–
Current portion of long-term receivables				–	36 069	
Inventory			269	–	269	
Total current assets		–	30 024	–	64 771	–
Non current assets						
Long-term receivables						
Investments			4 411			
Investment property			37 977	–	37 952	
Investments in Associate						
Property, plant and equipment			146 434	–	170 101	
Agricultural						
Biological assets						
Intangible assets			966	–	566	
Other non-current assets				–	0	
Total non current assets		–	189 788	–	208 619	–
TOTAL ASSETS		–	219 812	–	273 390	–
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft						
Borrowing			2 500	–	1 996	
Consumer deposits						
Trade and other payables			23 713	–	48 440	
Provisions			3 000			
Total current liabilities		–	29 213	–	50 436	–
Non current liabilities						
Borrowing				–	7 020	
Provisions				–	2 848	
Total non current liabilities		–	–	–	9 868	–
TOTAL LIABILITIES		–	29 213	–	60 305	–
NET ASSETS	2	–	190 599	–	213 085	–
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)			190 599	–	213 085	
Reserves				–		
TOTAL COMMUNITY WEALTH/EQUITY	2	–	190 599	–	213 085	–

MONTHLY BUDGET STATEMENT FOR DECEMBER 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 - M06 December

Description	Ref	2015/16	Budget Year 2016/17								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges			17 236		2 934	13 938	8 618	5 320	62%		
Service charges			674		5	1 800	337	1 463	434%		
Other revenue			32 630		353	6 889	16 315	(9 426)	-58%		
Government - operating			87 231		28 129	63 928	43 615	20 313	47%		
Government - capital			24 761		12 287	21 242	12 381	8 862	72%		
Interest			4 537		53	563	2 269	(1 706)	-75%		
Dividends			-		-	-	-	-			
Payments											
Suppliers and employees			(134 302)		(19 684)	(73 323)	(67 151)	6 172	-9%		
Finance charges					-	-	-	-			
Transfers and Grants			(1 600)		-	-	(800)	(800)	100%		
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	31 167	-	24 076	35 038	15 584	(19 454)	-125%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				350		-	175	(175)	-100%		
Decrease (increase) in non-current debtors				-		-	-	-			
Decrease (increase) other non-current receivables				-		-	-	-			
Decrease (increase) in non-current investments				-		-	-	-			
Payments											
Capital assets				(31 517)		(1 792)	(7 942)	(15 759)	(7 816)	50%	
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(31 167)	-	(1 792)	(7 942)	(15 584)	(7 641)	49%	-
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											
Cash/cash equivalents at beginning:			-	0	-	22 285	27 096	0		-	
Cash/cash equivalents at month/year end:			-	755	-		1 200	755		1 200	
			-	755	-		28 296	755		1 200	

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Description	NT Code	Budget Year 2016/17									Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	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	247	235	1 491	108	126	5 299	3 422	9 807	20 736	18 762
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1600	54	52	30	25	22	21	87	681	972	836
Receivables from Exchange Transactions - Property Rental Debtors	1700	1	-	-	-	-	-	-	-	1	-
Interest on Arrear Debtor Accounts	1810	300	311	306	519	506	491	2 503	4 924	9 861	8 943
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	38	70	74	118	118	728	2 347	3 770	7 262	7 080
Total By Income Source	2000	640	669	1 901	770	772	6 539	8 361	19 181	38 832	35 622
2015/16 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	221	249	1 187	343	363	5 523	4 522	9 362	21 770	20 113
Commercial	2300	153	140	457	105	106	102	557	2 218	3 839	3 089
Households	2400	222	203	172	203	185	186	1 967	3 840	6 978	6 381
Other	2500	43	77	85	118	118	728	1 315	3 761	6 244	6 039
Total By Customer Group	2600	640	669	1 901	770	772	6 539	8 361	19 181	38 832	35 622

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 - M06 December

CG 120 Ngqushwa - Supporting Table CG4 monthly Budget Statement - aged creditors - mo0 December											
Description	NT Code	Budget Year 2016/17									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
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	687	0	-	-	-	6	-	-	693	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	687	0	-	-	-	6	-	-	693	-

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

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							
Municipality									
FNB74623818257		Months	Short terms	2017-Jan	0		2	–	2
FNB 62270667531		Months	Short terms	2017-Jan	0		12	–	13
FNB74623816491		Months	Short terms	2017-Jan	15		505	(463)	57
FNB74623820541		Months	Short terms	2017-Jan	0		1	–	1
FNB62606330463		Months	Short terms	2017-Jan	35		–	7 991	8 008
FNB74623816491		Months	Short terms		0		–	26	27
FNB62414349763		Months	Short terms	2017-Jan	128		–	14 873	15 000
FNB62035920596		Months	Short terms	2017-Jan	44		–	4 956	5 000
Municipality sub-total					222		520	27 383	28 107
TOTAL INVESTMENTS AND INTEREST	2				222		520	27 383	28 107

7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	188 997 .85
Call investment deposits Investments	28 106 745.00
TOTAL	29 295 743.85

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	16 303 480.16
Unpaid creditors	693 088.00
TOTAL	16 996 568.16

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table SC6 – Grant receipts

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		–	87 231	–	26 223	64 857	43 615	20 036	45.9%	–
Local Government Equitable Share plus MIG Operations			77 921		26 223	58 234	38 960	19 274	49.5%	
Finance Management			2 010			2 010	1 005			
Municipal Systems Improvement			–				–			
EPWP Incentive			1 000		–	700	500			
							–			
							–			
							–			
							–			
							–			
							–			
Project Ceta			6 300		–	3 912	3 150	762	24.2%	
Provincial Government:		–	–	–	–	–	–	–		–
			–					–		
								–		
								–		
LG Seta			–					–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
								–		
Total Operating Transfers and Grants	5	–	87 231	–	26 223	64 857	43 615	20 036	45.9%	–
Capital Transfers and Grants										
National Government:		–	24 761	–	12 287	21 242	12 381	8 862	71.6%	–
Municipal Infrastructure Grant (MIG)			20 761		12 287	17 242	10 381	6 862	66.1%	
							–			
							–			
							–			
							–			
							–			
							–			
							–			
Energy			4 000		–	4 000	2 000	2 000	100.0%	
Provincial Government:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
								–		
Total Capital Transfers and Grants	5	–	24 761	–	12 287	21 242	12 381	8 862	71.6%	–
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	–	111 992	–	38 511	86 099	55 996	28 898	51.6%	–

8.2 Supporting Table SC7 (1) – Grant expenditure

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	87 231	-	20 310	77 188	43 615	33 572	77.0%	-
Local Government Equitable Share plus MIG Operations			77 921		19 824	72 796	38 960	33 836	86.8%	
Finance Management			2 010		17	580	1 005	(425)	-42.3%	
Municipal Systems Improvement			-	-	-		-	-		
EPWP Incentive			1 000		207	407	500	(93)	-18.6%	
							-	-		
							-	-		
Project Ceta			6 300		262	3 404	3 150	254	8.1%	
Provincial Government:		-	-	-	-	-	-	-		-
								-		
								-		
								-		
LG Seta								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Total operating expenditure of Transfers and Grants:		-	87 231	-	20 310	77 188	43 615	33 572	77.0%	-
Capital expenditure of Transfers and Grants										
National Government:		-	24 761	-	1 585	7 071	12 381	(5 309)	-42.9%	-
Municipal Infrastructure Grant (MIG)			20 761	-	402	5 321	10 381	(5 059)	-48.7%	
							-	-		
							-	-		
							-	-		
Energy			4 000		1 183	1 750	2 000	(250)	-12.5%	
Provincial Government:		-	-	-	-	-	-	-		-
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
Total capital expenditure of Transfers and Grants		-	24 761	-	1 585	7 071	12 381	(5 309)	-42.9%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	111 992	-	21 895	84 259	55 996	28 263	50.5%	

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 31 December 2016 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	12 330 353.42
Financial Management Grant (FMG)	1 430 061.81
Integrated Electrification Municipal Programme	2 250 194.93
Extended Public Works Programme Grant (EPWP)	292 870.00
Unspent grant balances	16 303 480.16

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

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										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages			3 843		505	2 793	1 922	871	45%	
Pension and UIF Contributions			868		15	180	434	(254)	-58%	
Medical Aid Contributions			715		3	38	357	(319)	-89%	
Motor Vehicle Allowance			2 211		25	347	1 106	(759)	-69%	
Cellphone Allowance			646		38	234	323	(90)	-28%	
Housing Allowances					-	-	-	-		
Other benefits and allowances			133		7	35	66	(32)	-48%	
Sub Total - Councillors		-	8 416	-	593	3 626	4 208	(582)	-14%	-
% increase	4		#DIV/0!							
Senior Managers of the Municipality	3									
Basic Salaries and Wages			4 963		-	1 741	2 481	(740)	-30%	
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	2							-		
Sub Total - Senior Managers of Municipality		-	4 963	-	-	1 741	2 481	(740)	-30%	-
% increase	4		#DIV/0!							
Other Municipal Staff										
Basic Salaries and Wages			36 919		3 290	16 078	18 459	(2 381)	-13%	
Pension and UIF Contributions			5 999		475	2 787	3 000	(213)	-7%	
Medical Aid Contributions			2 116		181	1 085	1 058	27	3%	
Overtime			100		18	139	50	89	179%	
Performance Bonus			-		-	-	-	-		
Motor Vehicle Allowance			1 798		291	1 250	899	351	39%	
Cellphone Allowance			426		27	159	213	(54)	-25%	
Housing Allowances			296		68	353	148	204	138%	
Other benefits and allowances			3 766	-	333	2 610	1 883	727	39%	
Payments in lieu of leave			1 160		471	544	580	(37)	-6%	
Long service awards			324		-	10	162	(152)	-94%	
Post-retirement benefit obligations	2		-				-			
Sub Total - Other Municipal Staff		-	52 905	-	5 152	25 015	26 453	(1 438)	-5%	-
% increase	4		#DIV/0!							
Total Parent Municipality		-	66 284	-	5 746	30 382	33 142	(2 760)	-8%	-
Unpaid salary, allowances & benefits in arrears:										
Post-retirement benefit obligations								-		
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-		-
% increase	4									
Total Municipal Entities		-	2 610	-	-	-	-	-		-
TOTAL SALARY, ALLOWANCES & BENEFITS		-	68 893	-	5 746	30 382	33 142	(2 760)	-8%	-
% increase	4		#DIV/0!							
TOTAL MANAGERS AND STAFF		-	57 868	-	5 152	26 756	28 934	(2 178)	-8%	-

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

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									
<u>Monthly expenditure performance trend</u>									
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		1 128	3 815	7 879	4 065	51.6%	12%
October		2 626		1 558	5 372	10 506	5 133	48.9%	17%
November		2 626		267	5 639	13 132	7 493	57.1%	18%
December		2 626		1 893	7 532	15 759	8 227	52.2%	24%
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	–	7 532					

The Municipality has spent 24 percent of the capital budget as at 31 December 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 DECEMBER 2016

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 - M06 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	5 700	-	1 406	2 489	2 850	361	12.7%	-
Infrastructure - Road transport		-	4 000	-	454	1 285	2 000	715	35.8%	-
Roads, Pavements & Bridges			4 000		454	1 285	2 000	715	35.8%	
Storm water								-		
Infrastructure - Electricity		-	1 700	-	951	1 204	850	(354)	-41.7%	-
Generation						-	-	-		
Transmission & Reticulation						-	-	-		
Street Lighting			1 700		951	1 204	850	(354)	-41.7%	
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	-	229	1 433	2 305	872	37.8%	-
General vehicles			1 000		197	762	500	(262)	-52.3%	
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			810		-	1	405	404	99.8%	
Computers - hardware/equipment			387		1	42	193	151	78.1%	
Furniture and other office equipment								-		
Abattoirs								-		
Markets								-		
Civic Land and Buildings								-		
Other Buildings			1 700	-		275	850	575	67.7%	
Other Land								-		
Surplus Assets - (Investment or Inventory)								-		
Other			713		31	354	357	3	0.8%	
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class								-		
Biological assets		-	-	-	-	-	-	-		-
List sub-class								-		
Intangibles		-	-	-	-	-	-	-		-
Computers - software & programming								-		
Other								-		
Total Repairs and Maintenance Expenditure		-	10 310	-	1 635	3 922	5 155	1 233	23.9%	-

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 December 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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