



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
JANUARY 2017

MONTHLY BUDGET STATEMENT FOR JANUARY 2017

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 January 2017

BACKGROUND

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

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

1. DELIBERATIONS

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

4. RECOMMENDATION

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

Yours faithfully,

MUNICIPAL MANAGER

Acknowledgement of receipt

Cllr
MAYOR

Date

In-Year Report of Municipalities

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

Monthly Budget Statement January 2017

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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		17 137	17 236	17 236	281	16 569	10 054	6 515	65%	17 236
Property rates - penalties & collection charges					-	-	-	-		
Service charges - electricity revenue			-	-	-	-	-	-		
Service charges - water revenue			-	-	-	-	-	-		
Service charges - sanitation revenue			-	-	-	-	-	-		
Service charges - refuse revenue		572	674	674	51	346	393	(47)	-12%	674
Service charges - other			-	-	-	-	-	-		
Rental of facilities and equipment		193	122	138	9	88	80	8	10%	138
Interest earned - external investments		1 255	4 411	2 411	203	789	1 407	(618)	-44%	2 411
Interest earned - outstanding debtors		3 278	126	3 877	351	2 290	2 261	28	1%	3 877
Dividends received			-	-	-	-	-	-		
Fines		623	285	785	10	158	458	(300)	-66%	785
Licences and permits		1 639	2 526	1 666	93	946	972	(26)	-3%	1 666
Agency services		316	254	454	11	225	265	(40)	-15%	454
Transfers recognised - operational		86 859	87 231	87 650	-	58 698	51 129	7 569	15%	87 650
Other revenue		2 329	29 441	27 923	21	6 408	16 288	(9 881)	-61%	27 923
Gains on disposal of PPE			350	350	-	-	204	(204)	-100%	350
Total Revenue (excluding capital transfers and contributions)		114 201	142 658	143 164	1 030	86 516	83 513	3 004	4%	143 164

Service charges levied as at 31 January 2017 are as follows;

Property rates

Monthly property rates and service charges were billed to consumers reflect as accrued income in the Statement of Financial Performance. Property rates is R 16 569 316 with 65 % 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 10 % over billing than the year to date budget.

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		47 797	57 868	57 407	4 369	31 125	33 487	(2 362)	-7%	57 407
Remuneration of councillors		7 758	8 416	8 416	593	4 220	4 909	(690)	-14%	8 416
Debt impairment		1 963	1 789	3 200	–	–	1 867	(1 867)	-100%	3 200
Depreciation & asset impairment		13 652	21 269	19 898	–	–	11 607	(11 607)	-100%	19 898
Finance charges		3 675	9 300	2 100	0	1 004	1 225	(221)	-18%	2 100
Bulk purchases			–		–	–	–	–		
Other materials		3 811	10 310	10 672	542	4 464	6 226	(1 762)	-28%	10 672
Contracted services					–	–	–	–		
Transfers and grants			1 600		–	179	–	179	#DIV/0!	
Other expenditure		41 846	48 408	64 569	4 827	33 804	37 665	(3 861)	-10%	64 569
Loss on disposal of PPE		225			–		–	–		
Total Expenditure		120 728	158 959	166 263	10 332	74 795	96 986	(22 191)	-23%	166 263

The actuals expenditure with regards to debt impairment and Depreciation are done on an annual basis in June. Other expenditure shows an under expenditure of 10% or R 3 861 291 compared to year to date budget for the month. Employee costs show an under expenditure of 7% or R2 362 105 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 %
R thousands	1								
Capital Expenditure - Standard Classification									
Governance and administration		2 673	2 483	1 931	32	519	1 126	(607)	-54%
Executive and council			-			-		-	
Budget and treasury office			37	37			22	(22)	-100%
Corporate services		2 673	2 446	1 894	32	519	1 105	(585)	-53%
Community and public safety		81	301	351	26	132	205	(73)	-36%
Community and social services		81	301	50	26	132	29	103	352%
Housing			-	301			175	(175)	-100%
Health			-				-		
Economic and environmental services		34 747	24 734	24 891	2 773	7 788	14 519	(6 731)	-46%
Planning and development			852	1 009			589	(589)	-100%
Road transport		34 747	23 881	23 881	2 773	7 788	13 931	(6 143)	-44%
Environmental protection			-				-		
Trading services		-	4 000	4 380	-	1 924	2 555	(631)	-25%
Electricity			4 000	4 380	-	1 924	2 555	(631)	-25%
Water			-				-		
Other			-				-		
Total Capital Expenditure - Standard Classification	3	37 501	31 517	31 552	2 831	10 363	18 405	(8 042)	-44%
Funded by:									
National Government		23 484	24 761	24 761	2 773	9 538	14 444	(4 906)	-34%
Other transfers and grants							-		
Transfers recognised - capital		23 484	24 761	24 761	2 773	9 538	14 444	(4 906)	-34%
Public contributions & donations	5						-		
Borrowing	6	10 171					-		
Internally generated funds		3 847	6 756	6 790	58	825	3 961	(3 136)	-79%
Total Capital Funding		37 501	31 517	31 552	2 831	10 363	18 405	(8 042)	-44%

The expenditure for the month of January 2017 was R 2 363 275 and actual to date is at R10 363 275 which is 44 % of the total annual budget amount. It comprises:

- the construction of Tuku C Internal Roads R 871 410.49
- the construction of Tyhata Internal Road R 436 642.80
- the construction of Mabaleni Internal Road R 452 329.29
- the construction of Peddie Internal Street R 148 192.25
- the Construction of Prudhoe Internal Street R 864 744.86
- And other fixed assets (office equipment, tools etc.) R 58 127.00

From above expenditure of R 2 773 320 is funded form the Municipal Infrastructure Grant, and R 58 127.00 from internal generated revenue.

3.4 Conclusion

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

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

In-year budget statement tables

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

- (a) Table C1 s71 Monthly Budget Statement Summary
- (b) Table C2 Monthly Budget Statement - Financial Performance (standard classification)
- (c) Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)
- (d) Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)
- (e) Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)
- (f) Table C6 Monthly Budget Statement - Financial Position
- (g) Table C7 Monthly Budget Statement - Cash Flow

and note

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

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

4.1 Monthly budget tables

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	17 137	17 236	17 236	281	16 569	10 054	6 515	65%	17 236
Service charges	572	674	674	51	346	393	(47)	-12%	674
Investment revenue	1 255	4 411	2 411	203	789	1 407	(618)	-44%	2 411
Transfers recognised - operational	86 859	87 231	87 650	–	58 698	51 129	7 569	15%	87 650
Other own revenue	8 377	33 106	35 193	496	10 114	20 529	(10 415)	-51%	35 193
Total Revenue (excluding capital transfers and contributions)	114 201	142 658	143 164	1 030	86 516	83 513	3 004	4%	143 164
Employee costs	47 797	57 868	57 407	4 369	31 125	33 487	(2 362)	-7%	57 407
Remuneration of Councillors	7 758	8 416	8 416	593	4 220	4 909	(690)	-14%	8 416
Depreciation & asset impairment	13 652	21 269	19 898	–	–	11 607	(11 607)	-100%	19 898
Finance charges	3 675	9 300	2 100	0	1 004	1 225	(221)	-18%	2 100
Materials and bulk purchases	3 811	10 310	10 672	542	4 464	6 226	(1 762)	-28%	10 672
Transfers and grants	–	1 600	–	–	179	–	179	#DIV/0!	–
Other expenditure	44 034	50 197	67 769	4 827	33 804	39 532	(5 728)	-14%	67 769
Total Expenditure	120 728	158 959	166 263	10 332	74 795	96 986	(22 191)	-23%	166 263
Surplus/(Deficit)	(6 527)	(16 302)	(23 098)	(9 302)	11 721	(13 474)	25 195	-187%	(23 098)
Transfers recognised - capital	23 484	24 761	24 761	–	–	–	–	–	24 761
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	16 957	8 460	1 663	(9 302)	11 721	(13 474)	25 195	-187%	1 663
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	16 957	8 460	1 663	(9 302)	11 721	(13 474)	25 195	-187%	1 663
<u>Capital expenditure & funds sources</u>									
Capital expenditure	37 501	31 517	31 552	2 831	10 363	18 405	(8 042)	-44%	–
Capital transfers recognised	23 484	24 761	24 761	2 773	9 538	14 444	(4 906)	-34%	24 761
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	10 171	–	–	–	–	–	–	–	–
Internally generated funds	3 847	6 756	6 790	58	825	3 961	(3 136)	-79%	6 790
Total sources of capital funds	37 501	31 517	31 552	2 831	10 363	18 405	(8 042)	-44%	31 552
<u>Financial position</u>									
Total current assets	34 393	30 024	34 393		55 573				34 393
Total non current assets	201 933	189 788	201 933		211 323				201 933
Total current liabilities	32 813	29 213	32 813		51 672				32 813
Total non current liabilities	9 868	–	9 868		9 868				9 868
Community wealth/Equity	193 645	190 599	193 645		205 355				193 645
<u>Cash flows</u>									
Net cash from (used) operating	220 020	31 167	11 950	(8 148)	26 890	6 971	(19 919)	-286%	11 950
Net cash from (used) investing	24 875	(31 167)	(31 310)	(1 333)	(9 275)	(18 264)	(8 989)	49%	(31 310)
Net cash from (used) financing	895	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	245 954	755	(18 160)	–	18 814	(10 093)	(28 907)	286%	(18 161)
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	653	562	566	939	752	757	14 138	20 788	39 155
<u>Creditors Age Analysis</u>									
Total Creditors	2 271	6	0	–	–	6	–	–	2 284

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

4.1.2 Table C2: Monthly Budget Statement - Financial

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		110 824	136 233	137 223	862	84 473	80 047	4 426	6%	137 223
Executive and council		1 956	6 300	6 300	–	3 913	3 675	238	6%	6 300
Budget and treasury office		108 735	129 496	130 486	831	80 471	76 117	4 354	6%	130 486
Corporate services		133	437	437	31	89	255	(166)	-65%	437
<i>Community and public safety</i>		2 779	3 627	3 818	114	1 680	2 227	(548)	-25%	3 818
Community and social services		1	59	1	–	932	1	932	133076%	1
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		2 779	3 568	3 758	114	747	2 192	(1 445)	-66%	3 758
Housing		–	–	59	–	–	34	(34)	-100%	59
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		23 509	22 884	21 884	4	18	12 766	(12 748)	-100%	21 884
Planning and development		25	30	30	4	18	18	(0)	0%	30
Road transport		23 484	22 854	21 854	–	–	12 748	(12 748)	-100%	21 854
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		572	4 674	5 000	51	346	2 917	(2 570)	-88%	5 000
Electricity		–	4 000	4 000	–	–	2 333	(2 333)	-100%	4 000
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		572	674	1 000	51	346	583	(237)	-41%	1 000
<i>Other</i>	4	–	96 986	–	–	–	–	–	–	–
Total Revenue - Standard	2	137 685	264 406	167 926	1 030	86 516	97 957	(11 440)	-12%	167 926
Expenditure - Standard										
<i>Governance and administration</i>		79 058	108 111	118 791	7 073	48 938	69 295	(20 357)	-29%	118 791
Executive and council		28 576	32 809	50 987	3 082	28 243	29 743	(1 500)	-5%	50 987
Budget and treasury office		31 056	55 912	49 756	2 717	11 509	29 024	(17 515)	-60%	49 756
Corporate services		19 427	19 389	18 048	1 274	9 186	10 528	(1 342)	-13%	18 048
<i>Community and public safety</i>		13 456	12 525	16 452	1 221	7 881	9 597	(1 716)	-18%	16 452
Community and social services		11 052	7 254	8 278	317	5 449	4 829	620	13%	8 278
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		2 403	5 271	5 176	716	2 243	3 020	(777)	-26%	5 176
Housing		–	–	2 998	189	189	1 749	(1 560)	-89%	2 998
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		15 936	26 301	18 164	1 114	11 706	10 596	1 110	10%	18 164
Planning and development		3 036	2 936	891	84	2 469	520	1 949	375%	891
Road transport		12 900	23 365	17 273	1 031	9 237	10 076	(839)	-8%	17 273
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		12 277	10 438	10 202	738	5 768	5 951	(183)	-3%	10 202
Electricity		2 404	3 796	3 760	219	2 221	2 194	28	1%	3 760
Water		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		9 873	6 641	6 442	519	3 547	3 758	(211)	-6%	6 442
<i>Other</i>		–	1 584	2 653	186	503	1 548	(1 045)	-68%	2 653
Total Expenditure - Standard	3	120 728	158 959	166 263	10 332	74 795	96 986	(22 191)	-23%	166 263
Surplus/ (Deficit) for the year		16 957	105 446	1 663	(9 302)	11 721	970	10 751	1108%	1 663

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

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council		-		-	-	-	-	-		-
Vote 2 - Municipal Manager		1 956	6 300	6 300	-	3 913	3 675	238	6.5%	6 300
Vote 3 - Budget and treasury		108 735	129 496	130 486	831	80 471	76 117	4 354	5.7%	130 486
Vote 4 - Corporate Services		133	437	437	31	89	255	(166)	-65.1%	437
Vote 5 - Community Services		3 351	4 301	4 818	165	2 025	2 811	(785)	-27.9%	4 818
Vote 6 - Technical Services		23 509	26 884	25 884	4	18	15 099	(15 082)	-99.9%	25 884
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	137 685	167 419	167 926	1 030	86 516	97 957	(11 440)	-11.7%	167 926
Expenditure by Vote	1									
Vote 1 - Council		12 742	12 159	16 912	991	8 178	9 865	(1 688)	-17.1%	16 912
Vote 2 - Municipal Manager		15 833	20 650	34 075	2 090	20 065	19 877	188	0.9%	34 075
Vote 3 - Budget and treasury		31 056	55 912	49 756	2 717	12 026	29 024	(16 998)	-58.6%	49 756
Vote 4 - Corporate Services		19 427	19 389	18 048	1 274	8 972	10 528	(1 557)	-14.8%	18 048
Vote 5 - Community Services		23 572	23 687	26 438	1 926	11 891	15 422	(3 531)	-22.9%	26 438
Vote 6 - Technical Services		18 097	27 162	21 034	1 334	13 665	12 270	1 395	11.4%	21 034
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	120 728	158 959	166 263	10 332	74 795	96 986	(22 191)	-22.9%	166 263
Surplus/ (Deficit) for the year	2	16 957	8 460	1 663	(9 302)	11 721	970	10 751	1108.2%	1 663

4.1.4 Table C4: Monthly Budget Statement

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		17 137	17 236	17 236	281	16 569	10 054	6 515	65%	17 236
Property rates - penalties & collection charges					-	-	-	-		
Service charges - electricity revenue			-		-	-	-	-		
Service charges - water revenue			-		-	-	-	-		
Service charges - sanitation revenue			-		-	-	-	-		
Service charges - refuse revenue		572	674	674	51	346	393	(47)	-12%	674
Service charges - other			-		-	-	-	-		
Rental of facilities and equipment		193	122	138	9	88	80	8	10%	138
Interest earned - external investments		1 255	4 411	2 411	203	789	1 407	(618)	-44%	2 411
Interest earned - outstanding debtors		3 278	126	3 877	351	2 290	2 261	28	1%	3 877
Dividends received			-		-	-	-	-		
Fines		623	285	785	10	158	458	(300)	-66%	785
Licences and permits		1 639	2 526	1 666	93	946	972	(26)	-3%	1 666
Agency services		316	254	454	11	225	265	(40)	-15%	454
Transfers recognised - operational		86 859	87 231	87 650	-	58 698	51 129	7 569	15%	87 650
Other revenue		2 329	29 441	27 923	21	6 408	16 288	(9 881)	-61%	27 923
Gains on disposal of PPE			350	350	-	-	204	(204)	-100%	350
Total Revenue (excluding capital transfers and contributions)		114 201	142 658	143 164	1 030	86 516	83 513	3 004	4%	143 164
Expenditure By Type										
Employee related costs		47 797	57 868	57 407	4 369	31 125	33 487	(2 362)	-7%	57 407
Remuneration of councillors		7 758	8 416	8 416	593	4 220	4 909	(690)	-14%	8 416
Debt impairment		1 963	1 789	3 200	-	-	1 867	(1 867)	-100%	3 200
Depreciation & asset impairment		13 652	21 269	19 898	-	-	11 607	(11 607)	-100%	19 898
Finance charges		3 675	9 300	2 100	0	1 004	1 225	(221)	-18%	2 100
Bulk purchases			-		-	-	-	-		
Other materials		3 811	10 310	10 672	542	4 464	6 226	(1 762)	-28%	10 672
Contracted services					-	-	-	-		
Transfers and grants			1 600		-	179	-	179	#DIV/0!	
Other expenditure		41 846	48 408	64 569	4 827	33 804	37 665	(3 861)	-10%	64 569
Loss on disposal of PPE		225			-	-	-	-		
Total Expenditure		120 728	158 959	166 263	10 332	74 795	96 986	(22 191)	-23%	166 263
Surplus/(Deficit)		(6 527)	(16 302)	(23 098)	(9 302)	11 721	(13 474)	25 195	(0)	(23 098)
Transfers recognised - capital		23 484	24 761	24 761		-		-		24 761
Contributions recognised - capital			-			-		-		
Contributed assets							-	-		
Surplus/(Deficit) after capital transfers & contributions		16 957	8 460	1 663	(9 302)	11 721	(13 474)			1 663
Taxation								-		
Surplus/(Deficit) after taxation		16 957	8 460	1 663	(9 302)	11 721	(13 474)			1 663
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		16 957	8 460	1 663	(9 302)	11 721	(13 474)			1 663
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		16 957	8 460	1 663	(9 302)	11 721	(13 474)			1 663

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		2 673	2 483	1 931	32	519	1 126	(607)	-54%	1 931
Executive and council			-			-	-	-		-
Budget and treasury office			37	37			22	(22)	-100%	37
Corporate services		2 673	2 446	1 894	32	519	1 105	(585)	-53%	1 894
Community and public safety		81	301	351	26	132	205	(73)	-36%	351
Community and social services		81	301	50	26	132	29	103	352%	50
Sport and recreation			-				-	-		-
Public safety			-				-	-		-
Housing			-	301			175	(175)	-100%	301
Health			-				-	-		-
Economic and environmental services		34 747	24 734	24 891	2 773	7 788	14 519	(6 731)	-46%	24 891
Planning and development			852	1 009			589	(589)	-100%	1 009
Road transport		34 747	23 881	23 881	2 773	7 788	13 931	(6 143)	-44%	23 881
Environmental protection			-				-	-		-
Trading services		-	4 000	4 380	-	1 924	2 555	(631)	-25%	4 380
Electricity			4 000	4 380	-	1 924	2 555	(631)	-25%	4 380
Water			-		-		-	-		-
Waste water management			-				-	-		-
Waste management			-				-	-		-
Other			-				-	-		-
Total Capital Expenditure - Standard Classification	3	37 501	31 517	31 552	2 831	10 363	18 405	(8 042)	-44%	31 552
Funded by:										
National Government		23 484	24 761	24 761	2 773	9 538	14 444	(4 906)	-34%	24 761
Provincial Government							-	-		-
District Municipality							-	-		-
Other transfers and grants							-	-		-
Transfers recognised - capital		23 484	24 761	24 761	2 773	9 538	14 444	(4 906)	-34%	24 761
Public contributions & donations	5						-	-		-
Borrowing	6	10 171					-	-		-
Internally generated funds		3 847	6 756	6 790	58	825	3 961	(3 136)	-79%	6 790
Total Capital Funding		37 501	31 517	31 552	2 831	10 363	18 405	(8 042)	-44%	31 552

4.1.6 Table C6: Monthly Budget Statement - Financial Position

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		1 201	755	1 201	18 815	1 201
Call investment deposits		68	–	–	–	–
Consumer debtors		–	–	7 828	–	7 828
Other debtors		32 856	29 000	25 028	36 352	25 028
Current portion of long-term receivables		–	–	68	137	68
Inventory		269	269	269	269	269
Total current assets		34 393	30 024	34 393	55 573	34 393
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	4 411	–	–	–
Investment property		37 952	37 977	37 952	37 952	37 952
Investments in Associate		–	–	–	–	–
Property, plant and equipment		163 415	146 434	163 415	172 805	163 415
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		566	966	566	566	566
Other non-current assets		0	–	0	0	0
Total non current assets		201 933	189 788	201 933	211 323	201 933
TOTAL ASSETS		236 326	219 812	236 326	266 896	236 326
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		4 762	2 500	4 762	1 996	4 762
Consumer deposits		–	–	–	–	–
Trade and other payables		28 051	23 713	28 051	49 676	28 051
Provisions		–	3 000	–	–	–
Total current liabilities		32 813	29 213	32 813	51 672	32 813
Non current liabilities						
Borrowing		7 020	–	7 020	7 020	7 020
Provisions		2 848	–	2 848	2 848	2 848
Total non current liabilities		9 868	–	9 868	9 868	9 868
TOTAL LIABILITIES		42 681	29 213	42 681	61 540	42 681
NET ASSETS	2	193 645	190 599	193 645	205 355	193 645
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		193 645	190 599	193 645	205 355	193 645
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	193 645	190 599	193 645	205 355	193 645

MONTHLY BUDGET STATEMENT FOR JANUARY 2017

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

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges			17 236	15 936	487	14 426	9 296	5 130	55%	15 936
Service charges		6 592	674	506	4	1 804	295	1 509	512%	506
Other revenue		4 877	32 630	20 942	33	6 922	12 216	(5 294)	-43%	20 942
Government - operating		86 859	87 231	87 650	31	63 959	51 129	12 830	25%	87 650
Government - capital		23 484	24 761	24 761	-	21 242	14 444	6 798	47%	24 761
Interest		1 255	4 537	5 319	203	766	3 103	(2 337)	-75%	5 319
Dividends			-			-	-	-		-
Payments										
Suppliers and employees		93 278	(134 302)	(143 164)	(8 907)	(82 230)	(83 513)	(1 282)	2%	(143 164)
Finance charges		3 675			-	-	-	-		-
Transfers and Grants			(1 600)		-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		220 020	31 167	11 950	(8 148)	26 890	6 971	(19 919)	-286%	11 950
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		347	350	242		-	141	(141)	-100%	242
Decrease (increase) in non-current debtors			-			-	-	-		
Decrease (increase) other non-current receivables			-			-	-	-		
Decrease (increase) in non-current investments			-			-	-	-		
Payments										
Capital assets		24 528	(31 517)	(31 552)	(1 333)	(9 275)	(18 405)	(9 130)	50%	(31 552)
NET CASH FROM/(USED) INVESTING ACTIVITIES		24 875	(31 167)	(31 310)	(1 333)	(9 275)	(18 264)	(8 989)	49%	(31 310)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			-					-		
Borrowing long term/refinancing			-					-		
Increase (decrease) in consumer deposits			-					-		
Payments										
Repayment of borrowing		895	-					-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		895	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		245 790	0	(19 361)	(9 482)	17 614	(11 294)			(19 361)
Cash/cash equivalents at beginning:		164	755	1 201		1 200	1 201			1 200
Cash/cash equivalents at month/year end:		245 954	755	(18 160)		18 814	(10 093)			(18 161)

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	243	180	148	534	94	120	8 534	11 020	20 872	20 302	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	53	48	33	27	24	21	91	713	1 009	876	
Receivables from Exchange Transactions - Property Rental Debtors	1700	1	-	-	-	-	-	-	-	1	-	
Interest on Arrear Debtor Accounts	1810	291	299	316	306	518	505	2 583	5 203	10 021	9 115	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	65	35	71	71	116	112	2 931	3 852	7 252	7 081	
Total By Income Source	2000	653	562	566	939	752	757	14 138	20 788	39 155	37 373	
2015/16 - totals only										-	-	
Debtors Age Analysis By Customer Group												
Organs of State	2200	220	220	249	281	343	363	9 673	10 756	22 105	21 417	
Commercial	2300	152	122	89	439	105	106	570	2 246	3 830	3 466	
Households	2400	202	180	152	134	188	176	1 973	3 943	6 949	6 415	
Other	2500	79	40	75	84	116	112	1 921	3 844	6 271	6 076	
Total By Customer Group	2600	653	562	566	939	752	757	14 138	20 788	39 155	37 373	

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.

Description	NT Code	Budget Year 2016/17									Prior year
		0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total	totals for chart
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year		(same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	2 271	6	0	-	-	6	-	-	2 284	
Auditor General	0800	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	2 271	6	0	-	-	6	-	-	2 284	-

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

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- Feb	0		505	(185)	320
FNB 62270667531		Months	Short terms	2017- Feb	0		12	0	13
FNB74623816491		Months	Short terms	2017- Feb	15		1	0	16
FNB74623820541		Months	Short terms	2017- Feb	0		2	0	2
FNB62606330463		Months	Short terms	2017- Feb	35		2	0	18
FNB74623816491		Months	Short terms	2017- Feb	0		–	5 000	5 000
FNB62414349763		Months	Short terms	2017- Feb	128		16	(10)	7
FNB62035920596		Months	Short terms	2017- Feb	44		–	–	–
Municipality sub-total					222		538	4 806	5 376
TOTAL INVESTMENTS AND INTEREST	2				222		538	4 806	5 376

7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	13 470 388.58
Call investment deposits Investments	
	5 343 830.00
TOTAL	18 814 218.58

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	12 339 386.27
Unpaid creditors	2 283 669.00
TOTAL	14 623 055.27

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:		86 659	87 231	87 231	–	64 857	50 885	13 018	25.6%	87 231
Local Government Equitable Share plus MIG Operations		82 854	77 921	77 921	–	58 234	45 454	12 781	28.1%	77 921
Finance Management		1 875	2 010	2 010		2 010	1 173			2 010
Municipal Systems Improvement		930	–				–			–
EPWP Incentive		1 000	1 000	1 000	–	700	583			1 000
							–			–
							–	–		–
							–	–		–
							–	–		–
							–	–		–
Project Cela			6 300	6 300	–	3 912	3 675	237	6.5%	6 300
Provincial Government:		200	–	419	–	–	–	–		419
			–					–		–
								–		–
								–		–
Sport and Recreation		200	–	350				–		350
LG Seta				69				–		69
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		–
								–		–
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		–
								–		–
								–		–
								–		–
								–		–
								–		–
Total Operating Transfers and Grants	5	86 859	87 231	87 650	–	64 857	50 885	13 018	25.6%	87 650
Capital Transfers and Grants										
National Government:		23 484	24 761	24 761	–	21 242	14 444	6 798	47.1%	24 761
Municipal Infrastructure Grant (MIG)		23 484	20 761	20 761	–	17 242	12 111	5 132	42.4%	20 761
							–			–
							–			–
							–			–
							–	–		–
							–	–		–
							–	–		–
							–	–		–
Energy			4 000	4 000	–	4 000	2 333	1 667	71.4%	4 000
Provincial Government:		–	–	–	–	–	–	–		–
[insert description]								–		–
								–		–
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		–
								–		–
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		–
								–		–
Total Capital Transfers and Grants	5	23 484	24 761	24 761	–	21 242	14 444	6 798	47.1%	24 761
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	110 343	111 992	112 411	–	86 099	65 329	19 816	30.3%	112 411

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:		86 659	87 231	87 231	8 907	86 095	50 885	35 210	69.2%	87 231
Local Government Equitable Share plus MIG Operations		82 854	77 921	77 921	7 682	80 479	45 454	35 025	77.1%	77 921
Finance Management		1 875	2 010	2 010	937	1 517	1 173	344	29.4%	2 010
Municipal Systems Improvement		930	–	–	–	–	–	–	–	–
EPWP Incentive		1 000	1 000	1 000	161	568	583	(15)	-2.6%	1 000
							–	–	–	–
							–	–	–	–
Project Cela			6 300	6 300	127	3 531	3 675	(144)	-3.9%	6 300
Provincial Government:		200	–	419	–	–	–	–	–	419
								–	–	–
								–	–	–
Sport and Recreation		200		350				–	–	350
LG Seta				69				–	–	69
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]								–	–	–
Total operating expenditure of Transfers and Grants:		86 859	87 231	87 650	8 907	86 095	50 885	35 210	69.2%	87 650
Capital expenditure of Transfers and Grants										
National Government:		23 484	24 761	24 761	2 773	9 845	14 444	(4 599)	-31.8%	24 761
Municipal Infrastructure Grant (MIG)		23 484	20 761	20 761	2 773	8 095	12 111	(4 016)	-33.2%	20 761
							–	–	–	–
							–	–	–	–
							–	–	–	–
Energy			4 000	4 000	–	1 750	2 333	(584)	-25.0%	4 000
Provincial Government:		–	–	–	–	–	–	–	–	–
								–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
								–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
								–	–	–
Total capital expenditure of Transfers and Grants		23 484	24 761	24 761	2 773	9 845	14 444	(4 599)	-31.8%	24 761
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		110 343	111 992	112 411	11 681	95 940	65 329	30 611	46.9%	112 411

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 January 2017 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	9 464 217.69
Financial Management Grant (FMG)	493 263.65
Integrated Electrification Municipal Programme	2 250 194.93
Extended Public Works Programme Grant (EPWP)	131 710.00
Unspent grant balances	12 339 386.27

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										
		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4 093	3 843	3 843	505	2 711	2 242	469	21%	3 843
Pension and UIF Contributions		877	868	868	15	195	506	(311)	-61%	868
Medical Aid Contributions		482	715	715	3	41	417	(376)	-90%	715
Motor Vehicle Allowance		1 652	2 211	2 211	25	372	1 290	(918)	-71%	2 211
Cellphone Allowance		522	646	646	38	272	377	(105)	-28%	646
Housing Allowances						-	-	-		-
Other benefits and allowances		133	133	133	7	628	78	550	709%	133
Sub Total - Councillors		7 758	8 416	8 416	593	4 220	4 909	(690)	-14%	8 416
% increase	4		8.5%	8.5%						8.5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 941	4 963	4 963	360	2 101	2 895	(794)	-27%	4 963
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		4 941	4 963	4 963	360	2 101	2 895	(794)	-27%	4 963
% increase	4		0.4%	0.4%						0.4%
Other Municipal Staff										
Basic Salaries and Wages		31 045	36 919	40 078	2 971	19 049	23 379	(4 330)	-19%	40 078
Pension and UIF Contributions		4 864	5 999	6 018	470	3 257	3 511	(254)	-7%	6 018
Medical Aid Contributions		1 993	2 116	1 794	202	1 286	1 047	240	23%	1 794
Overtime		296	100	200	38	178	117	61	52%	200
Performance Bonus			-	100			58	(58)	-100%	100
Motor Vehicle Allowance		2 878	1 798	2 735	190	1 440	1 596	(155)	-10%	2 735
Cellphone Allowance		335	426	483	27	186	282	(96)	-34%	483
Housing Allowances		118	296	49	27	380	29	351	1225%	49
Other benefits and allowances		481	3 766	260	57	2 666	152	2 515	1659%	260
Payments in lieu of leave		737	1 160	612	27	571	357	214	60%	612
Long service awards		108	324	116		10	67	(57)	-85%	116
Post-retirement benefit obligations			-			-	-	-		
Sub Total - Other Municipal Staff		42 856	52 905	52 444	4 009	29 024	30 592	(1 568)	-5%	52 444
% increase	4		23.4%	22.4%						22.4%
Total Parent Municipality		55 555	66 284	65 823	4 963	35 345	38 397	(3 052)	-8%	65 823
Unpaid salary, allowances & benefits in arrears:										
Post-retirement benefit obligations			-				-	-		-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-		-
% increase	4									
Total Municipal Entities		-	2 666	-	-	-	-	-		-
TOTAL SALARY, ALLOWANCES & BENEFITS		55 555	68 950	65 823	4 963	35 345	38 397	(3 052)	-8%	65 823
% increase	4		24.1%	18.5%						18.5%
TOTAL MANAGERS AND STAFF		47 797	57 868	57 407	4 369	31 125	33 487	(2 362)	-7%	57 407

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									
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		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		2 831	10 363	18 385	8 022	43.6%	33%
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	–	10 363					

The Municipality has spent 43, 6 percent of the capital budget as at 31 January 2017.

13.2 Supporting Table SC13

Supporting Tables SC13 include the following:

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

Table SC13a totals to Table C5

SC13c: Expenditure on repairs and maintenance by asset class

MONTHLY BUDGET STATEMENT FOR JANUARY 2017

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

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		1 578	5 700	5 588	209	2 698	3 260	562	17.2%	5 588
Infrastructure - Road transport		889	4 000	3 115	98	1 383	1 817	435	23.9%	3 115
Roads, Pavements & Bridges		889	4 000	3 115	98	1 383	1 817	435	23.9%	3 115
Storm water										
Infrastructure - Electricity		689	1 700	2 350	111	1 315	1 371	56	4.0%	2 350
Generation										
Transmission & Reticulation		689	1 700	2 350	111	1 315	1 371	56	4.0%	2 350
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-		-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	123	-	-	72	72	100.0%	123
Waste Management										
Transportation										
Gas										
Other				123			72	72	100.0%	123
Community		2 195	-	574	-	-	335	335	100.0%	574
Parks & gardens				25			15	15	100.0%	25
Sportsfields & stadia	49									
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries				37			21	21	100.0%	37
Social rental housing										
Other		2 145		512			299	299	100.0%	512
Heritage assets		-	-	-	-	-	-	-		-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-		-
Housing development										
Other										
Other assets		-	4 610	4 411	333	1 766	2 573	807	31.4%	4 411
General vehicles			1 000	2 818	245	1 007	1 644	637	38.8%	2 818
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			810			1		(1)	#DIV/0!	
Computers - hardware/equipment			387			42		(42)	#DIV/0!	
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			1 700	1 100	86	361	642	280	43.7%	1 100
Other Land										
Surplus Assets - (Investment or Inventory)										
Other			713	493	2	355	287	(68)	-23.7%	493
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class										
Biological assets		-	-	-	-	-	-	-		-
List sub-class										
Intangibles		39	-	100	-	-	58	58	100.0%	100
Computers - software & programming		39								
Other				100			58	58	100.0%	100
Total Repairs and Maintenance Expenditure		3 811	10 310	10 672	542	4 464	6 226	1 761	28.3%	10 672

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

Print Name: Mr. T.T. Mnyimba

Municipal Manager of Ngqushwa Municipality (EC126)

Signature _____

Date _____

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