



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
MARCH 2017

MONTHLY BUDGET STATEMENT FOR MARCH 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 March 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 March 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

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

EC120 Ngqushwa - Table C4 monthly Budget Statement - Financial Performance (Revenue and Expenditure) - MoS March										
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	5 713	22 551	12 927	9 624	74%	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	448	506	(58)	-11%	674
Service charges - other						-	-	-		
Rental of facilities and equipment		193	122	138	10	99	103	(4)	-4%	138
Interest earned - external investments		1 255	4 411	2 411	19	939	1 809	(870)	-48%	2 411
Interest earned - outstanding debtors		3 278	126	3 877	323	2 886	2 907	(21)	-1%	3 877
Div idends received										
Fines		623	285	785	4	176	589	(413)	-70%	785
Licences and permits		1 639	2 526	1 666	143	1 225	1 250	(25)	-2%	1 666
Agency services		316	254	454	24	269	341	(71)	-21%	454
Transfers recognised - operational		86 859	87 231	87 650	19 208	77 906	65 737	12 168	19%	87 650
Other revenue		2 329	29 441	27 923	3	7 339	20 942	(13 603)	-65%	27 923
Gains on disposal of PPE			350	350		-	263	(263)	-100%	350
Total Revenue (excluding capital transfers and contributions)		114 201	142 658	143 164	25 498	113 838	107 373	6 465	6%	143 164

Service charges levied as at 31 March 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 22 550 879 with 74 % over billing when compared to the year to date budget. This is because of the customers that are billed annually and of the surveyed properties (rural Schools and Clinics) received from Department of Provincial Public works. These properties were only billed in March 2017.

Service charges

Service charges on refuse service charges are 11% less billing than the year to date budget.

And Rental of facilities are 4 % under billing than the year to date budget.

The municipality is under collecting on other own revenue.

Expenditure by Type

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March										
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	4 610	40 128	43 055	(2 927)	-7%	57 407
Remuneration of councillors		7 758	8 416	8 416	720	5 539	6 312	(773)	-12%	8 416
Debt impairment		1 963	1 789	3 200		–	2 400	(2 400)	-100%	3 200
Depreciation & asset impairment		13 652	21 269	19 898		–	14 924	(14 924)	-100%	19 898
Finance charges		3 675	9 300	2 100	108	1 346	1 575	(229)	-15%	2 100
Bulk purchases			–					–		
Other materials		3 811	10 310	10 672	253	5 490	8 004	(2 514)	-31%	10 672
Contracted services						–	–	–		–
Transfers and grants		–	1 600			179	–	179	#DIV/0!	
Other expenditure		41 846	48 408	64 569	4 057	43 393	48 427	(5 034)	-10%	64 569
Loss on disposal of PPE		225					–	–		
Total Expenditure		120 728	158 959	166 263	9 748	96 074	124 697	(28 623)	-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 5 034 048 compared to year to date budget for the month. Employee costs show an under expenditure of 7% or R2 927 423 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										
Expenditure - Standard		2 673	2 483	1 931	23	602	1 448	(846)	-58%	1 931
Executive and council			37	37			28	(28)	-100%	37
Budget and treasury office		2 673	2 446	1 894	23	602	1 420	(818)	-58%	1 894
Corporate services		81	301	351	-	132	263	(131)	-50%	351
Community and public safety		81	301	50	-	132	38	94	251%	50
Public safety			-	301			225	(225)	-100%	301
Health		34 747	24 734	24 891	2 016	12 275	18 668	(6 393)	-34%	24 891
Economic and environmental services			852	1 009			757	(757)	-100%	1 009
Planning and development		34 747	23 881	23 881	2 016	12 275	17 911	(5 636)	-31%	23 881
Road transport			-				-	-		-
Environmental protection		-	4 000	4 380	179	2 103	3 285	(1 182)	-36%	4 380
Trading services			4 000	4 380	179	2 103	3 285	(1 182)	-36%	4 380
Total Capital Expenditure - Standard Cl	3	37 501	31 517	31 552	2 218	15 112	23 664	(8 552)	-36%	31 552
Funded by:										
National Government		23 484	24 761	24 761	2 115	14 124	18 571	(4 447)	-24%	24 761
Other transfers and grants							-	-		-
Transfers recognised - capital		23 484	24 761	24 761	2 115	14 124	18 571	(4 447)	-24%	24 761
Borrowing	6	10 171					-	-		-
Internally generated funds		3 847	6 756	6 790	103	988	5 093	(4 105)	-81%	6 790
Total Capital Funding		37 501	31 517	31 552	2 218	15 112	23 664	(8 552)	-36%	31 552

The expenditure for the month of March 2017 was R 2 217 702 and actual to date is at R15 111 837 which is 48 % of the total annual adjusted budget amount. It comprises:

- the construction of Tuku C Internal Roads R 34 820.00
- the construction of Tyhata Internal Road R 316 035.11
- the construction of Mabaleni Internal Road R386 644.27
- the construction of Peddie Internal Street R 501 714.00
- the Construction of Prudhoe Internal Street R 55 335.00
- the Construction of Ngxakaxha Access Road R 49 756.00
- the Construction of Ntsinekana Community Hall R 134 224.80
- the Construction of Rhode Community Hall R 458 819.53
- And other fixed assets (office equipment, tools etc.) R 102 894.00

From above expenditure of R 2 114 808 is funded form the Municipal Infrastructure Grant, and R 102 894.00 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	5 713	22 551	12 927	9 624	74%	17 236
Service charges	572	674	674	51	448	506	(58)	-11%	674
Investment revenue	1 255	4 411	2 411	19	939	1 809	(870)	-48%	2 411
Transfers recognised - operational	86 859	87 231	87 650	19 208	77 906	65 737	12 168	19%	87 650
Other own revenue	8 377	33 106	35 193	507	11 995	26 395	(14 400)	-55%	35 193
Total Revenue (excluding capital transfers and contributions)	114 201	142 658	143 164	25 498	113 838	107 373	6 465	6%	143 164
Employee costs	47 797	57 868	57 407	4 610	40 128	43 055	(2 927)	-7%	57 407
Remuneration of Councillors	7 758	8 416	8 416	720	5 539	6 312	(773)	-12%	8 416
Depreciation & asset impairment	13 652	21 269	19 898	—	—	14 924	(14 924)	-100%	19 898
Finance charges	3 675	9 300	2 100	108	1 346	1 575	(229)	-15%	2 100
Materials and bulk purchases	3 811	10 310	10 672	253	5 490	8 004	(2 514)	-31%	10 672
Transfers and grants	—	1 600	—	—	179	—	179	#DIV/0!	—
Other expenditure	44 034	50 197	67 769	4 057	43 393	50 827	(7 434)	-15%	67 769
Total Expenditure	120 728	158 959	166 263	9 748	96 074	124 697	(28 623)	-23%	166 263
Surplus/(Deficit)	(6 527)	(16 302)	(23 098)	15 749	17 764	(17 324)	35 088	-203%	(23 098)
Transfers recognised - capital	23 484	24 761	24 761	—	—	18 571	(18 571)	-100%	24 761
Contributions & Contributed assets	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	16 957	8 460	1 663	15 749	17 764	1 247	16 517	1324%	1 663
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	16 957	8 460	1 663	15 749	17 764	1 247	16 517	1324%	1 663
<u>Capital expenditure & funds sources</u>									
Capital expenditure	37 501	31 517	31 552	2 218	15 112	23 664	(8 552)	-36%	—
Capital transfers recognised	23 484	24 761	24 761	2 115	14 124	18 571	(4 447)	-24%	24 761
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	10 171	—	—	—	—	—	—	—	—
Internally generated funds	3 847	6 756	6 790	103	988	5 093	(4 105)	-81%	6 790
Total sources of capital funds	37 501	31 517	31 552	2 218	15 112	23 664	(8 552)	-36%	31 552
<u>Financial position</u>									
Total current assets	34 393	30 024	34 393	—	56 437	—	—	—	34 393
Total non current assets	201 933	189 788	201 933	—	215 677	—	—	—	201 933
Total current liabilities	32 813	29 213	32 813	—	51 718	—	—	—	32 813
Total non current liabilities	9 868	—	9 868	—	9 868	—	—	—	9 868
Community wealth/Equity	193 645	190 599	193 645	—	210 528	—	—	—	193 645
<u>Cash flows</u>									
Net cash from (used) operating	220 020	31 167	11 950	15 502	29 687	8 962	(20 725)	-231%	11 950
Net cash from (used) investing	24 875	(31 167)	(31 310)	(2 223)	(13 046)	(23 483)	(10 437)	44%	(31 310)
Net cash from (used) financing	895	—	—	—	—	—	—	—	—
Cash/cash equivalents at the month/year end	245 954	755	(18 160)	—	17 841	(13 320)	(31 161)	234%	(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	6 045	589	521	512	531	917	12 440	18 294	39 849
<u>Creditors Age Analysis</u>									
Total Creditors	112	—	—	—	—	0	6	—	118

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	25 276	111 338	102 917	8 420	8%	137 223
Executive and council		1 956	6 300	6 300	-	4 850	4 725	125	3%	6 300
Budget and treasury office		108 735	129 496	130 486	25 276	106 397	97 864	8 532	9%	130 486
Corporate services		133	437	437	-	91	328	(237)	-72%	437
<i>Community and public safety</i>		2 779	3 627	3 818	170	2 035	2 864	(829)	-29%	3 818
Community and social services		1	59	1	170	1 275	1	1 274	141527%	1
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 779	3 568	3 758	-	747	2 819	(2 072)	-73%	3 758
Housing		-	-	59	-	13	44	(31)	-70%	59
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		23 509	22 884	21 884	1	18	16 413	(16 395)	-100%	21 884
Planning and development		25	30	30	1	18	23	(4)	-19%	30
Road transport		23 484	22 854	21 854	-	-	16 391	(16 391)	-100%	21 854
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		572	4 674	5 000	51	448	3 750	(3 302)	-88%	5 000
Electricity		-	4 000	4 000	-	-	3 000	(3 000)	-100%	4 000
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		572	674	1 000	51	448	750	(302)	-40%	1 000
<i>Other</i>	4	-	96 986	-	-	-	-	-	-	-
Total Revenue - Standard	2	137 685	264 406	167 926	25 498	113 838	125 944	(12 106)	-10%	167 926
Expenditure - Standard										
<i>Governance and administration</i>		79 058	108 111	118 791	6 833	63 845	89 093	(25 249)	-28%	118 791
Executive and council		28 576	32 809	50 987	4 086	36 843	38 241	(1 397)	-4%	50 987
Budget and treasury office		31 056	55 912	49 756	1 261	14 730	37 317	(22 586)	-61%	49 756
Corporate services		19 427	19 389	18 048	1 486	12 271	13 536	(1 265)	-9%	18 048
<i>Community and public safety</i>		13 456	12 525	16 452	1 042	10 131	12 339	(2 208)	-18%	16 452
Community and social services		11 052	7 254	8 278	768	6 439	6 208	230	4%	8 278
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2 403	5 271	5 176	138	3 237	3 882	(645)	-17%	5 176
Housing		-	-	2 998	136	455	2 248	(1 793)	-80%	2 998
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		15 936	26 301	18 164	1 012	14 098	13 623	475	3%	18 164
Planning and development		3 036	2 936	891	152	2 735	668	2 067	309%	891
Road transport		12 900	23 365	17 273	860	11 363	12 955	(1 592)	-12%	17 273
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12 277	10 438	10 202	668	7 185	7 652	(467)	-6%	10 202
Electricity		2 404	3 796	3 760	94	2 440	2 820	(381)	-13%	3 760
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		9 873	6 641	6 442	574	4 745	4 832	(86)	-2%	6 442
<i>Other</i>		-	1 584	2 653	193	815	1 990	(1 174)	-59%	2 653
Total Expenditure - Standard	3	120 728	158 959	166 263	9 748	96 074	124 697	(28 623)	-23%	166 263
Surplus/ (Deficit) for the year		16 957	105 446	1 663	15 749	17 764	1 247	16 517	1324%	1 663

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

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council		-		-	-	3 913	-	3 913	#DIV/0!	-
Vote 2 - Municipal Manager		1 956	6 300	6 300	-	937	4 725	(3 788)	-80,2%	6 300
Vote 3 - Budget and treasury		108 735	129 496	130 486	25 276	106 397	97 864	8 532	8,7%	130 486
Vote 4 - Corporate Services		133	437	437	-	91	328	(237)	-72,3%	437
Vote 5 - Community Services		3 351	4 301	4 818	221	2 483	3 614	(1 131)	-31,3%	4 818
Vote 6 - Technical Services		23 509	26 884	25 884	1	18	19 413	(19 395)	-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	25 498	113 838	125 944	(12 106)	-9,6%	167 926
Expenditure by Vote	1									
Vote 1 - Council		12 742	12 159	16 912	1 637	11 452	12 684	(1 232)	-9,7%	16 912
Vote 2 - Municipal Manager		15 833	20 650	34 075	2 448	24 962	25 557	(594)	-2,3%	34 075
Vote 3 - Budget and treasury		31 056	55 912	49 756	1 261	14 547	37 317	(22 769)	-61,0%	49 756
Vote 4 - Corporate Services		19 427	19 389	18 048	1 486	11 944	13 536	(1 592)	-11,8%	18 048
Vote 5 - Community Services		23 572	23 687	26 438	1 864	17 063	19 828	(2 766)	-13,9%	26 438
Vote 6 - Technical Services		18 097	27 162	21 034	1 052	16 106	15 775	331	2,1%	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	9 748	96 074	124 697	(28 623)	-23,0%	166 263
Surplus/ (Deficit) for the year	2	16 957	8 460	1 663	15 749	17 764	1 247	16 517	1324,2%	1 663

4.1.4 Table C4: Monthly Budget Statement

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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	5 713	22 551	12 927	9 624	74%	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	448	506	(58)	-11%	674	
Service charges - other			-			-	-	-			
Rental of facilities and equipment		193	122	138	10	99	103	(4)	-4%	138	
Interest earned - external investments		1 255	4 411	2 411	19	939	1 809	(870)	-48%	2 411	
Interest earned - outstanding debtors		3 278	126	3 877	323	2 886	2 907	(21)	-1%	3 877	
Dividends received			-			-	-	-			
Fines		623	285	785	4	176	589	(413)	-70%	785	
Licences and permits		1 639	2 526	1 666	143	1 225	1 250	(25)	-2%	1 666	
Agency services		316	254	454	24	269	341	(71)	-21%	454	
Transfers recognised - operational		86 859	87 231	87 650	19 208	77 906	65 737	12 168	19%	87 650	
Other revenue		2 329	29 441	27 923	3	7 339	20 942	(13 603)	-65%	27 923	
Gains on disposal of PPE			350	350		-	263	(263)	-100%	350	
Total Revenue (excluding capital transfers and contributions)		114 201	142 658	143 164	25 498	113 838	107 373	6 465	6%	143 164	
Expenditure By Type											
Employee related costs		47 797	57 868	57 407	4 610	40 128	43 055	(2 927)	-7%	57 407	
Remuneration of councillors		7 758	8 416	8 416	720	5 539	6 312	(773)	-12%	8 416	
Debt impairment		1 963	1 789	3 200		-	2 400	(2 400)	-100%	3 200	
Depreciation & asset impairment		13 652	21 269	19 898		-	14 924	(14 924)	-100%	19 898	
Finance charges		3 675	9 300	2 100	108	1 346	1 575	(229)	-15%	2 100	
Bulk purchases			-			-	-	-			
Other materials		3 811	10 310	10 672	253	5 490	8 004	(2 514)	-31%	10 672	
Contracted services						-	-	-			
Transfers and grants			1 600			179	-	179	#DIV/0!		
Other expenditure		41 846	48 408	64 569	4 057	43 393	48 427	(5 034)	-10%	64 569	
Loss on disposal of PPE		225					-	-			
Total Expenditure		120 728	158 959	166 263	9 748	96 074	124 697	(28 623)	-23%	166 263	
Surplus/(Deficit)		(6 527)	(16 302)	(23 098)	15 749	17 764	(17 324)	35 088	(0)	(23 098)	
Transfers recognised - capital		23 484	24 761	24 761		-	18 571	(18 571)	(0)	24 761	
Contributions recognised - capital			-	-		-	-	-			
Contributed assets							-	-			
Surplus/(Deficit) after capital transfers & contributions		16 957	8 460	1 663	15 749	17 764	1 247			1 663	
Taxation								-			
Surplus/(Deficit) after taxation		16 957	8 460	1 663	15 749	17 764	1 247			1 663	
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		16 957	8 460	1 663	15 749	17 764	1 247			1 663	
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year		16 957	8 460	1 663	15 749	17 764	1 247			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	23	602	1 448	(846)	-58%	1 931
Executive and council			-			-	-	-		-
Budget and treasury office			37	37			28	(28)	-100%	37
Corporate services		2 673	2 446	1 894	23	602	1 420	(818)	-58%	1 894
Community and public safety		81	301	351	-	132	263	(131)	-50%	351
Community and social services		81	301	50	-	132	38	94	251%	50
Sport and recreation			-				-	-		-
Public safety			-				-	-		-
Housing			-	301			225	(225)	-100%	301
Health			-				-	-		-
Economic and environmental services		34 747	24 734	24 891	2 016	12 275	18 668	(6 393)	-34%	24 891
Planning and development			852	1 009			757	(757)	-100%	1 009
Road transport		34 747	23 881	23 881	2 016	12 275	17 911	(5 636)	-31%	23 881
Environmental protection			-				-	-		-
Trading services		-	4 000	4 380	179	2 103	3 285	(1 182)	-36%	4 380
Electricity			4 000	4 380	179	2 103	3 285	(1 182)	-36%	4 380
Water			-		-		-	-		-
Waste water management			-				-	-		-
Waste management			-				-	-		-
Other			-				-	-		-
Total Capital Expenditure - Standard Classification	3	37 501	31 517	31 552	2 218	15 112	23 664	(8 552)	-36%	31 552
Funded by:										
National Government		23 484	24 761	24 761	2 115	14 124	18 571	(4 447)	-24%	24 761
Provincial Government							-	-		-
District Municipality							-	-		-
Other transfers and grants							-	-		-
Transfers recognised - capital		23 484	24 761	24 761	2 115	14 124	18 571	(4 447)	-24%	24 761
Public contributions & donations	5						-	-		-
Borrowing	6	10 171					-	-		-
Internally generated funds		3 847	6 756	6 790	103	988	5 093	(4 105)	-81%	6 790
Total Capital Funding		37 501	31 517	31 552	2 218	15 112	23 664	(8 552)	-36%	31 552

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M09 March

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	17 842	1 201
Call investment deposits		68	–	–	137	–
Consumer debtors		–	–	7 828	–	7 828
Other debtors		32 856	29 000	25 028	–	25 028
Current portion of long-term receivables		–	–	68	38 189	68
Inventory		269	269	269	269	269
Total current assets		34 393	30 024	34 393	56 437	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	177 159	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	215 677	201 933
TOTAL ASSETS		236 326	219 812	236 326	272 114	236 326
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		4 762	2 500	4 762	780	4 762
Consumer deposits		–	–	–	–	–
Trade and other payables		28 051	23 713	28 051	50 938	28 051
Provisions		–	3 000	–	–	–
Total current liabilities		32 813	29 213	32 813	51 718	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	61 587	42 681
NET ASSETS	2	193 645	190 599	193 645	210 528	193 645
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		193 645	190 599	193 645	210 528	193 645
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	193 645	190 599	193 645	210 528	193 645

MONTHLY BUDGET STATEMENT FOR MARCH 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

EC126 Ngqushwa - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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	4 694	20 627	11 952	8 675	73%	15 936
Service charges		6 592	674	506	12	1 824	379	1 445	381%	506
Other revenue		4 877	32 630	20 942	1 329	8 393	15 707	(7 314)	-47%	20 942
Government - operating		86 859	87 231	87 650	19 287	83 547	65 737	17 809	27%	87 650
Government - capital		23 484	24 761	24 761	1 507	22 749	18 571	4 178	22%	24 761
Interest		1 255	4 537	5 319	19	916	3 989	(3 073)	-77%	5 319
Dividends			-			-	-	-		-
Payments										
Suppliers and employees		93 278	(134 302)	(143 164)	(11 346)	(108 369)	(107 373)	996	-1%	(143 164)
Finance charges		3 675			-	-	-	-		-
Transfers and Grants			(1 600)		-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		220 020	31 167	11 950	15 502	29 687	8 962	(20 725)	-231%	11 950
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		347	350	242		-	181	(181)	-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)	(2 223)	(13 046)	(23 664)	(10 618)	45%	(31 552)
NET CASH FROM/(USED) INVESTING ACTIVITIES		24 875	(31 167)	(31 310)	(2 223)	(13 046)	(23 483)	(10 437)	44%	(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)	13 279	16 641	(14 520)			(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)		17 841	(13 320)			(18 161)

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description		Budget Year 2016/17									
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200									-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-								-	-
Receivables from Non-exchange Transactions - Property Rates	1400	5 675	187	146	130	132	531	7 173	10 225	24 199	18 191
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	54	42	33	31	30	24	115	719	1 048	919
Receivables from Exchange Transactions - Property Rental Debtors	1700	1	-	-	-	-	-	-	-	1	-
Interest on Arrear Debtor Accounts	1810	283	322	312	319	336	327	2 880	4 693	9 471	8 555
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	32	38	31	31	33	34	2 273	2 666	5 129	5 028
Total By Income Source	2000	6 045	589	521	512	531	917	12 440	18 294	39 849	32 694
2015/16 - totals only										-	-
Debtors Age Analysis By Customer Group											
Organs of State	2200	5 600	228	231	232	261	293	8 239	8 771	23 854	17 796
Commercial	2300	163	117	83	78	76	438	697	2 273	3 924	3 561
Households	2400	233	200	169	168	158	140	2 286	4 602	7 957	7 354
Other	2500	49	44	38	33	36	47	1 218	2 648	4 114	3 983
Total By Customer Group	2600	6 045	589	521	512	531	917	12 440	18 294	39 849	32 694

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 - M09 March

EC-120 Ingqiswisa - Supporting Table SC4 Monthly Budget Statement - aged creditors - mus march											
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	112	-	-	-	-	0	6	-	118	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	112	-	-	-	-	0	6	-	118	

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

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			4 000	–	4 000
FNB 62270667531		Months	Short terms	2017- Feb			12	1	13
FNB74623816491		Months	Short terms	2017- Feb			4 000		4 000
FNB74623820541		Months	Short terms	2017- Feb			4 000		4 000
FNB62606330463		Months	Short terms	2017- Feb			16	(10)	7
FNB74623816491		Months	Short terms	2017- Feb			–	–	–
FNB62414349763		Months	Short terms	2017- Feb			505	300	805
FNB62035920596		Months	Short terms	2017- Feb			4	0	4
Municipality sub-total					–		12 538	291	12 829
TOTAL INVESTMENTS AND INTEREST	2				–		12 538	291	12 829

7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	5 012 316.00
Call investment deposits Investments	12 828 776.51
TOTAL	17 841 092.51

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	8 944 220.72
Unpaid creditors	118 111.18
TOTAL	9 062 331.90

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table SC6 – Grant receipts

EC126 Ngqushwa - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

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	19 287	84 444	65 423	18 269	27,9%	87 231
Local Government Equitable Share plus MIG Operations		82 854	77 921	77 921	19 287	77 522	58 441	19 081	32,7%	77 921
Finance Management		1 875	2 010	2 010		2 010	1 508			2 010
Municipal Systems Improvement		930	-				-			-
EPWP Incentive		1 000	1 000	1 000		1 000	750			1 000
							-			-
							-	-		-
							-	-		-
							-	-		-
							-	-		-
							-	-		-
Project Ceta			6 300	6 300	-	3 912	4 725	(813)	-17,2%	6 300
Provincial Government:		200	-	419	-	-	-	-		419
Sport and Recreation		200	-	350						350
LG Seta				69						69
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										

8.2 Supporting Table SC7 (1) – Grant expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

Description		Ref	2015/16	Budget Year 2016/17							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
<u>EXPENDITURE</u>											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:			86 659	87 231	87 231	6 469	70 828	65 423	5 405	8,3%	87 231
Local Government Equitable Share plus MIG Operations			82 854	77 921	77 921	6 340	64 574	58 441	6 133	10,5%	77 921
Finance Management			1 875	2 010	2 010	25	1 825	1 508	317	21,1%	2 010
Municipal Systems Improvement			930	–	–	–	–	–	–	–	–
EPWP Incentive			1 000	1 000	1 000	86	732	750	(18)	-2,5%	1 000
								–	–	–	–
								–	–	–	–
								–	–	–	–
Project Ceta				6 300	6 300	18	3 698	4 725	(1 027)	-21,7%	6 300
Provincial Government:			200	–	419	–	–	–	–	–	419
									–	–	–
									–	–	–
									–	–	–
Sport and Recreation			200		350				–	–	350
LG Seta					69				–	–	69
District Municipality:			–	–	–	–	–	–	–	–	–
[insert description]									–	–	–
Other grant providers:			–	–	–	–	–	–	–	–	–
[insert description]									–	–	–
Total operating expenditure of Transfers and Grants:			86 859	87 231	87 650	6 469	70 828	65 423	5 405	8,3%	87 650
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			23 484	24 761	24 761	2 246	14 125	18 571	(4 446)	-23,9%	24 761
Municipal Infrastructure Grant (MIG)			23 484	20 761	20 761	2 068	12 196	15 571	(3 375)	-21,7%	20 761
								–	–	–	–
								–	–	–	–
								–	–	–	–
Energy				4 000	4 000	179	1 928	3 000	(1 072)	-35,7%	4 000
Provincial Government:			–	–	–	–	–	–	–	–	–
									–	–	–
District Municipality:			–	–	–	–	–	–	–	–	–
							–	–	–	–	–
Other grant providers:			–	–	–	–	–	–	–	–	–
									–	–	–
Total capital expenditure of Transfers and Grants			23 484	24 761	24 761	2 246	14 125	18 571	(4 446)	-23,9%	24 761

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 March 2017 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	6 419 004.46
Financial Management Grant (FMG)	185 116.63
Integrated Electrification Municipal Programme	2 071 619.63
Extended Public Works Programme Grant (EPWP)	268 480.00
Unspent grant balances	8 944 220.72

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

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

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

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

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

(ii) changes in grants from other providers

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

9.1 Supporting Table SC8

EC126 Ngqushwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration R thousands	Ref	2015/16	FALSE							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 093	3 843	3 843	622	3 838	2 882	956	33%	3 843
Pension and UIF Contributions		877	868	868	15	226	651	(425)	-65%	868
Medical Aid Contributions		482	715	715	3	47	536	(489)	-91%	715
Motor Vehicle Allowance		1 652	2 211	2 211	25	423	1 658	(1 236)	-75%	2 211
Cellphone Allowance		522	646	646	42	352	485	(133)	-27%	646
Housing Allowances										
Other benefits and allowances		133	133	133	13	654	100	554	555%	133
Sub Total - Councillors		7 758	8 416	8 416	720	5 539	6 312	(773)	-12%	8 416
% increase	4		8,5%	8,5%						8,5%
Senior Managers of the Municipality										
Basic Salaries and Wages		4 941	4 963	4 963	360	2 821	3 722	(901)	-24%	4 963
Pension and UIF Contributions										
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	2 821	3 722	(901)	-24%	4 963
% increase	4		0,4%	0,4%						0,4%
Other Municipal Staff										
Basic Salaries and Wages		31 045	36 919	40 078	3 122	25 204	30 058	(4 854)	-16%	40 078
Pension and UIF Contributions		4 864	5 999	6 018	486	4 190	4 514	(324)	-7%	6 018
Medical Aid Contributions		1 993	2 116	1 794	197	1 672	1 346	326	24%	1 794
Overtime		296	100	200	17	230	150	80	54%	200
Performance Bonus				100			75	(75)	-100%	100
Motor Vehicle Allowance		2 878	1 798	2 735	183	1 806	2 051	(245)	-12%	2 735
Cellphone Allowance		335	426	483	28	241	362	(121)	-33%	483
Housing Allowances		118	296	49	18	414	37	377	1022%	49
Other benefits and allowances		481	3 766	260	86	2 844	195	2 649	1359%	260
Payments in lieu of leave		737	1 160	612	109	680	459	221	48%	612
Long service awards		108	324	116	6	25	87	(62)	-71%	116
Post-retirement benefit obligations		4 392								
Sub Total - Other Municipal Staff		47 248	52 905	52 444	4 250	37 307	39 333	(2 027)	-5%	52 444
% increase	4		12,0%	11,0%						11,0%
Total Parent Municipality		59 947	66 284	65 823	5 330	45 667	49 367	(3 700)	-7%	65 823

Section 10 – Material variances to the SDBIP

Material variances to the service delivery and budget implementation plan

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

and note

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

10.1 Over view

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

Section 11 – Parent municipality financial performance

Parent municipality financial performance

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

11.1 Supporting Table SC10

Not applicable to Ngqushwa Municipality.

Section 12 – Municipal entity summary

Municipal entity summary

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

12.1 Supporting Table SC11

Not applicable to Ngqushwa Municipality

Section 13 – Capital programme performance

Capital programme performance

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

(a) capital expenditure by month; and

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

13.1 Supporting Table SC12

EC126 Ngqushwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M09 March

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	3 125	2 626	2 629	336	336	2 629	2 293	87,2%	1%
August	3 125	2 626	2 629	2 351	2 687	5 259	2 572	48,9%	9%
September	3 125	2 626	2 629	1 128	3 815	7 888	4 073	51,6%	12%
October	3 125	2 626	2 629	1 558	5 372	10 517	5 145	48,9%	17%
November	3 125	2 626	2 629	267	5 639	13 147	7 507	57,1%	18%
December	3 125	2 626	2 629	1 893	7 532	15 776	8 244	52,3%	24%
January	3 125	2 626	2 629	2 831	10 363	18 405	8 042	43,7%	33%
February	3 125	2 626	2 629	2 531	12 894	21 034	8 140	38,7%	41%
March	3 125	2 626	2 629	2 218	15 112	23 664	8 552	36,1%	48%
April	3 125	2 626	2 629			26 293	–		
May	3 125	2 626	2 629			28 922	–		
June	3 125	2 626	2 629			31 552	–		
Total Capital expenditure	37 501	31 517	31 552	15 112					

The Municipality has spent 48 percent of the capital budget as at 31 March 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 MARCH 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

EC126 Ngqushwa - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M09 March

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	104	3 306	4 191	885	21,1%	5 588
Infrastructure - Road transport		889	4 000	3 115	104	1 961	2 336	375	16,1%	3 115
Roads, Pavements & Bridges		889	4 000	3 115	104	1 961	2 336	375	16,1%	3 115
Storm water										
Infrastructure - Electricity		689	1 700	2 350	-	1 345	1 762	418	23,7%	2 350
Generation										
Transmission & Reticulation		689	1 700	2 350	-	1 345	1 762	418	23,7%	2 350
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-		-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-		-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	123	-	-	92	92	100,0%	123
Waste Management										
Transportation										
Gas										
Other				123			92	92	100,0%	123
Community		2 195	-	574	76	138	430	292	67,8%	574
Parks & gardens				25	-	0	19	19	99,1%	25
Sportsfields & stadia		49								
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries				37			28	28	100,0%	37
Social rental housing										
Other		2 145		512	76	138	384	246	64,0%	512
Heritage assets		-	-	-	-	-	-	-		-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-		-
Housing development										
Other										
Other assets		-	4 610	4 411	74	2 046	3 308	1 262	38,2%	4 411
General vehicles			1 000	2 818	36	1 191	2 114	923	43,7%	2 818
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			810		-	1	-	(1)	#DIV/0!	-
Computers - hardware/equipment			387		7	50		(50)	#DIV/0!	-
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			1 700	1 100	30	449	825	376	45,6%	1 100
Other Land										
Surplus Assets - (Investment or Inventory)										
Other			713	493	-	355	369	14	3,8%	493
Agricultural assets		-	-	-	-	-	-	-		-
List sub-class										
Biological assets		-	-	-	-	-	-	-		-
List sub-class										
Intangibles		39	-	100	-	-	75	75	100,0%	100
Computers - software & programming		39								
Other				100			75	75	100,0%	100
Total Repairs and Maintenance Expenditure		3 811	10 310	10 672	253	5 490	8 004	2 514	31,4%	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 March 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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