



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
NOVEMBER 2016

MONTHLY BUDGET STATEMENT FOR NOVEMBER 2016

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

PURPOSE

The purpose of this report is to submit the monthly budget statement of the municipal council, to the honourable mayor, as contemplated in section 71 of the Municipal Finance Management Act, Act 56 of 2003, for the month of November 2016

BACKGROUND

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

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

1. DELIBERATIONS

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

4. RECOMMENDATION

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

Yours faithfully,

MUNICIPAL MANAGER

Acknowledgement of receipt

Cllr

MAYOR

Date

In-Year Report of Municipalities

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

Monthly Budget Statement November 2016

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Glossary

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

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

Budget – The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Virement – A transfer of budget.

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

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

Legislative Framework

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

The Municipal Finance Management Act – No. 56 of 2003

Section 71: Monthly budget statements

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

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

Format of monthly budget statements

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

Tabling of monthly budget statements

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

Publication of monthly budget statements

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

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

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

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

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

PART 1 – IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1 In-Year Report - Monthly Budget Statement

Mayor’s report

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

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

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

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

1.1.1 Implementation of budget in terms of SDBIP

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

1.1.2 Other information

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

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

Section 2 - Resolutions

Resolutions

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

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

IN-YEAR REPORTS 2016/2017

RECOMMENDATION:

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

Section 3 – Executive Summary

3 Section 3 – Executive Summary

Executive summary

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

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

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

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

and note

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

3.1 Introduction

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

3.2 Consolidated performance

3.2.1 Against annual budget

Revenue by Source

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates			17 236		228	16 007	7 182	8 825	123%	
Property rates - penalties & collection charges						-	-	-		
Service charges - electricity revenue			-			-	-	-		
Service charges - water revenue			-			-	-	-		
Service charges - sanitation revenue			-			-	-	-		
Service charges - refuse revenue			674		47	245	281	(36)	-13%	
Service charges - other			-			-	-	-		
Rental of facilities and equipment			122		10	69	51	18	36%	
Interest earned - external investments			4 411		69	533	1 838	(1 305)	-71%	
Interest earned - outstanding debtors			126		369	1 584	53	1 531	2917%	
Dividends received			-			-	-	-		
Fines			285		31	138	119	19	16%	
Licences and permits			2 526		144	784	1 053	(269)	-26%	
Agency services			254		37	193	106	87	82%	
Transfers recognised - operational			87 231			32 011	36 346	(4 335)	-12%	
Other revenue			29 441		34	4 160	12 267	(8 107)	-66%	
Gains on disposal of PPE			350			-	146	(146)	-100%	
Total Revenue (excluding capital transfers and contributions)		-	142 658	-	970	55 724	59 441	(3 717)	-6%	-

Service charges levied as at 30 November 2016 are as follows;

Property rates

Monthly property rates and service charges were billed to consumers in September and reflect as accrued income in the Statement of Financial Performance. Property rates is R 16 007 000 with 123 % 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 13% less billing than the year to date budget.

And Rental of facilities are 36 % over billing than the year to date budget

Expenditure by Type

Description	Ref	2015/16	Budget Year 2016/17						
		Audited	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
Expenditure By Type									
Employee related costs			57 868		4 419	21 603	24 112	(2 508)	-10%
Remuneration of councillors			8 416		593	3 033	3 507	(474)	-14%
Debt impairment			1 789			-	745	(745)	-100%
Depreciation & asset impairment			21 269			-	8 862	(8 862)	-100%
Finance charges						508	-	508	#DIV/0!
Bulk purchases			-			-	-	-	
Other materials			10 310		554	2 287	4 296	(2 009)	-47%
Contracted services						-	-	-	
Transfers and grants			1 600		-	179	667	(488)	-73%
Other expenditure			57 708		3 527	22 324	24 045	(1 721)	-7%
Loss on disposal of PPE					-	-	-	-	
Total Expenditure		-	158 959	-	9 092	49 933	66 233	(16 300)	-25%

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 7% or R1 721 000 compared to year to date budget for the month. Employee costs show an under expenditure of 10% or R2 509 000 this is because of the vacant posts budgeted but not yet filled.

Capital Expenditure

Vote Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Capital Expenditure - Standard Classification										
Governance and administration		-	2 483	-	-	292	1 035	(743)	-72%	-
Executive and council			-			-	-	-		
Budget and treasury office			37				15	(15)	-100%	
Corporate services			2 446	-	-	292	1 019	(727)	-71%	
Community and public safety		-	301	-	-	-	125	(125)	-100%	-
Community and social services			301				125	(125)	-100%	
Sport and recreation			-				-	-		
Health			-				-	-		
Economic and environmental services		-	24 734	-	267	4 612	10 306	(5 693)	-55%	-
Planning and development			852				355	(355)	-100%	
Road transport			23 881		267	4 612	9 951	(5 338)	-54%	
Environmental protection			-				-	-		
Trading services		-	4 000	-	-	735	1 667	(931)	-56%	-
Electricity			4 000		-	735	1 667	(931)	-56%	
Water			-				-	-		
Other			-				-	-		
Total Capital Expenditure - Standard Classification	3	-	31 517	-	267	5 639	13 132	(7 493)	-57%	-
Funded by:										
National Government			24 761		267	5 180	10 317	(5 138)	-50%	
Provincial Government								-		
Transfers recognised - capital		-	24 761	-	267	5 180	10 317	(5 138)	-50%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			6 756			460	2 815	(2 355)	-84%	
Total Capital Funding		-	31 517	-	267	5 639	13 132	(7 493)	-57%	-

The actual to date is at R 5, 6 m, expenditure for the month of November 2016 was R 267 thousands which is 18 % of the total annual budget amount. It comprises:

- the construction of Tuku C Internal Roads R 62 705.00
- the construction of Tyhata Internal Road R 67 036.71
- the construction of Ngxakaxha Access Road R 1 000.00
- the construction of Mabaleni Internal Road R 80 174.78
- the Construction of Prudhoe Internal Street R 55 981.07
- From the above the expenditure incurred R267 000 was funded by Municipal Infrastructure grant (MIG)

3.4 Conclusion

The expenditure limits were on target there will be no unspent at the end of the financial year.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

In-year budget statement tables

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

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

and note

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

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

4.1 Monthly budget tables

EC126 Ngqushwa - Table C1 Monthly Budget Statement Summary - M05 November

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	–	17 236	–	228	16 007	7 182	8 825	123%	–
Service charges	–	674	–	47	245	281	(36)	-13%	–
Investment revenue	–	4 411	–	69	533	1 838	(1 305)	-71%	–
Transfers recognised - operational	–	87 231	–	–	32 011	36 346	(4 335)	-12%	–
Other own revenue	–	33 106	–	626	6 929	13 794	(6 865)	-50%	–
Total Revenue (excluding capital transfers and contributions)	–	142 658	–	970	55 724	59 441	(3 717)	-6%	–
Employee costs	–	57 868	–	4 419	21 603	24 112	(2 508)	-10%	–
Remuneration of Councillors	–	8 416	–	593	3 033	3 507	(474)	-14%	–
Depreciation & asset impairment	–	21 269	–	–	–	8 862	(8 862)	-100%	–
Finance charges	–	–	–	–	508	–	508	#DIV/0!	–
Materials and bulk purchases	–	10 310	–	554	2 287	4 296	(2 009)	-47%	–
Transfers and grants	–	1 600	–	–	179	667	(488)	-73%	–
Other expenditure	–	59 497	–	3 527	22 324	24 790	(2 466)	-10%	–
Total Expenditure	–	158 959	–	9 092	49 933	66 233	(16 300)	-25%	–
Surplus/(Deficit)	–	(16 302)	–	(8 122)	5 791	(6 792)	12 583	-185%	–
Transfers recognised - capital	–	24 761	–	–	–	10 317	(10 317)	-100%	–
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	8 460	–	(8 122)	5 791	3 525	2 266	64%	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	–	8 460	–	(8 122)	5 791	3 525	2 266	64%	–
<u>Capital expenditure & funds sources</u>									
Capital expenditure	–	31 517	–	267	5 639	13 132	(7 493)	-57%	–
Capital transfers recognised	–	24 761	–	267	5 180	10 317	(5 138)	-50%	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	6 756	–	–	460	2 815	(2 355)	-84%	–
Total sources of capital funds	–	31 517	–	267	5 639	13 132	(7 493)	-57%	–
<u>Financial position</u>									
Total current assets	–	30 024	–	–	43 770				–
Total non current assets	–	189 788	–	–	206 898				–
Total current liabilities	–	29 213	–	–	44 202				–
Total non current liabilities	–	–	–	–	9 111				–
Community wealth/Equity	–	190 599	–	–	197 355				–
<u>Cash flows</u>									
Net cash from (used) operating	–	31 167	–	(6 410)	10 962	12 986	2 025	16%	–
Net cash from (used) investing	–	(31 167)	–	(1 556)	(6 151)	(12 986)	(6 836)	53%	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	–	755	–	–	6 011	755	(5 256)	-696%	1 200
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>									
Total By Income Source	298	1 998	836	798	7 613	3 511	5 918	21 119	42 089
<u>Creditors Age Analysis</u>									
Total Creditors	3 541	–	–	–	–	6	–	–	3 547

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

4.1.2 Table C2: Monthly Budget Statement - Financial

EC126 Ngqushwa - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M05 November

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		-	136 233	-	706	54 349	56 764	(2 415)	-4%	-
Executive and council		-	6 300	-	-	3 913	2 625	1 288	49%	-
Budget and treasury office		-	129 496	-	706	50 378	53 957	(3 579)	-7%	-
Corporate services		-	437	-	-	58	182	(124)	-68%	-
<i>Community and public safety</i>		-	3 627	-	212	1 116	1 511	(395)	-26%	-
Community and social services		-	59	-	0	483	24	459	1875%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	3 568	-	212	633	1 487	(854)	-57%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	22 884	-	5	14	9 535	(9 521)	-100%	-
Planning and development		-	30	-	5	14	13	1	12%	-
Road transport		-	22 854	-	-	-	9 523	(9 523)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	4 674	-	47	245	1 948	(1 703)	-87%	-
Electricity		-	4 000	-	-	-	1 667	(1 667)	-100%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	674	-	47	245	281	(36)	-13%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	167 419	-	970	55 724	69 758	(14 034)	-20%	-
Expenditure - Standard										
<i>Governance and administration</i>		-	108 111	-	5 409	33 839	45 046	(11 207)	-25%	-
Executive and council		-	32 809	-	2 850	20 262	13 671	6 591	48%	-
Budget and treasury office		-	55 912	-	1 401	7 396	23 297	(15 901)	-68%	-
Corporate services		-	19 389	-	1 158	6 181	8 079	(1 898)	-23%	-
<i>Community and public safety</i>		-	12 525	-	1 105	5 724	5 219	505	10%	-
Community and social services		-	7 254	-	874	4 197	3 023	1 174	39%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	5 271	-	231	1 527	2 196	(669)	-30%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	26 301	-	1 788	6 837	10 959	(4 122)	-38%	-
Planning and development		-	2 936	-	586	1 172	1 223	(52)	-4%	-
Road transport		-	23 365	-	1 202	5 665	9 736	(4 070)	-42%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	10 438	-	789	3 217	4 349	(1 132)	-26%	-
Electricity		-	3 796	-	243	889	1 582	(693)	-44%	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	6 641	-	546	2 328	2 767	(439)	-16%	-
<i>Other</i>		-	1 584	-	-	317	660	(343)	-52%	-
Total Expenditure - Standard	3	-	158 959	-	9 092	49 933	66 233	(16 300)	-25%	-
Surplus/ (Deficit) for the year		-	8 460	-	(8 122)	5 791	3 525	2 266	64%	-

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

EC126 Ngqushwa - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	6 300	-	-	3 913	2 625	1 288	49.1%	-
Vote 3 - Budget and treasury		-	129 496	-	706	50 378	53 957	(3 579)	-6.6%	-
Vote 4 - Corporate Services		-	437	-	-	58	182	(124)	-68.3%	-
Vote 5 - Community Services		-	4 301	-	259	1 361	1 792	(431)	-24.1%	-
Vote 6 - Technical Services		-	26 884	-	5	14	11 202	(11 188)	-99.9%	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	167 419	-	970	55 724	69 758	(14 034)	-20.1%	-
Expenditure by Vote	1									
Vote 1 - Council		-	12 159	-	877	6 116	5 066	1 050	20.7%	-
Vote 2 - Municipal Manager		-	20 650	-	1 973	14 146	8 604	5 542	64.4%	-
Vote 3 - Budget and treasury		-	55 912	-	1 401	7 355	23 297	(15 942)	-68.4%	-
Vote 4 - Corporate Services		-	19 389	-	1 158	6 222	8 079	(1 857)	-23.0%	-
Vote 5 - Community Services		-	23 687	-	1 651	8 619	9 869	(1 251)	-12.7%	-
Vote 6 - Technical Services		-	27 162	-	2 032	7 476	11 317	(3 842)	-33.9%	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	158 959	-	9 092	49 933	66 233	(16 300)	-24.6%	-
Surplus/ (Deficit) for the year	2	-	8 460	-	(8 122)	5 790	3 525	2 265	64.3%	-

4.1.4 Table C4: Monthly Budget Statement

EC126 Nggushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates			17 236		228	16 007	7 182	8 825	123%	
Property rates - penalties & collection charges						-	-	-		
Service charges - electricity revenue			-			-	-	-		
Service charges - water revenue			-			-	-	-		
Service charges - sanitation revenue			-			-	-	-		
Service charges - refuse revenue			674		47	245	281	(36)	-13%	
Service charges - other			-			-	-	-		
Rental of facilities and equipment			122		10	69	51	18	36%	
Interest earned - external investments			4 411		69	533	1 838	(1 305)	-71%	
Interest earned - outstanding debtors			126		369	1 584	53	1 531	2917%	
Dividends received			-			-	-	-		
Fines			285		31	138	119	19	16%	
Licences and permits			2 526		144	784	1 053	(269)	-26%	
Agency services			254		37	193	106	87	82%	
Transfers recognised - operational			87 231			32 011	36 346	(4 335)	-12%	
Other revenue			29 441		34	4 160	12 267	(8 107)	-66%	
Gains on disposal of PPE			350			-	146	(146)	-100%	
Total Revenue (excluding capital transfers and contributions)		-	142 658	-	970	55 724	59 441	(3 717)	-6%	-
Expenditure By Type										
Employee related costs			57 868		4 419	21 603	24 112	(2 508)	-10%	
Remuneration of councillors			8 416		593	3 033	3 507	(474)	-14%	
Debt impairment			1 789			-	745	(745)	-100%	
Depreciation & asset impairment			21 269			-	8 862	(8 862)	-100%	
Finance charges						508	-	508	#DIV/0!	
Bulk purchases			-			-	-	-		
Other materials			10 310		554	2 287	4 296	(2 009)	-47%	
Contracted services						-	-	-		
Transfers and grants			1 600		-	179	667	(488)	-73%	
Other expenditure			57 708		3 527	22 324	24 045	(1 721)	-7%	
Loss on disposal of PPE						-	-	-		
Total Expenditure		-	158 959	-	9 092	49 933	66 233	(16 300)	-25%	-
Surplus/(Deficit)		-	(16 302)	-	(8 122)	5 791	(6 792)	12 583	(0)	-
Transfers recognised - capital			24 761			-	10 317	(10 317)	(0)	
Contributions recognised - capital			-			-	-	-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		-	8 460	-	(8 122)	5 791	3 525			-
Taxation								-		
Surplus/(Deficit) after taxation		-	8 460	-	(8 122)	5 791	3 525			-
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		-	8 460	-	(8 122)	5 791	3 525			-
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		-	8 460	-	(8 122)	5 791	3 525			

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

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Standard Classification										
Governance and administration		-	2 483	-	-	292	1 035	(743)	-72%	-
Executive and council			-			-	-	-		
Budget and treasury office			37				15	(15)	-100%	
Corporate services			2 446	-	-	292	1 019	(727)	-71%	
Community and public safety		-	301	-	-	-	125	(125)	-100%	-
Community and social services			301				125	(125)	-100%	
Sport and recreation			-				-	-		
Public safety			-				-	-		
Housing			-				-	-		
Health			-				-	-		
Economic and environmental services		-	24 734	-	267	4 612	10 306	(5 693)	-55%	-
Planning and development			852				355	(355)	-100%	
Road transport			23 881		267	4 612	9 951	(5 338)	-54%	
Environmental protection			-				-	-		
Trading services		-	4 000	-	-	735	1 667	(931)	-56%	-
Electricity			4 000		-	735	1 667	(931)	-56%	
Water			-				-	-		
Waste water management			-				-	-		
Waste management			-				-	-		
Other			-				-	-		
Total Capital Expenditure - Standard Classification	3	-	31 517	-	267	5 639	13 132	(7 493)	-57%	-
Funded by:										
National Government			24 761		267	5 180	10 317	(5 138)	-50%	
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		-	24 761	-	267	5 180	10 317	(5 138)	-50%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds			6 756			460	2 815	(2 355)	-84%	
Total Capital Funding		-	31 517	-	267	5 639	13 132	(7 493)	-57%	-

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash			755		6 011	
Call investment deposits			–		–	
Consumer debtors			–		35 085	
Other debtors			29 000		2 267	–
Current portion of long-term receivables					137	
Inventory			269		269	
Total current assets		–	30 024	–	43 770	–
Non current assets						
Long-term receivables						
Investments			4 411			
Investment property			37 977		37 952	
Investments in Associate						
Property, plant and equipment			146 434		168 380	
Agricultural						
Biological assets						
Intangible assets			966		566	
Other non-current assets				–	0	
Total non current assets		–	189 788	–	206 898	–
TOTAL ASSETS		–	219 812	–	250 668	–
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft						
Borrowing			2 500		4 762	
Consumer deposits					–	
Trade and other payables			23 713		27 775	
Provisions			3 000		11 665	
Total current liabilities		–	29 213	–	44 202	–
Non current liabilities						
Borrowing					6 263	
Provisions					2 848	
Total non current liabilities		–	–	–	9 111	–
TOTAL LIABILITIES		–	29 213	–	53 313	–
NET ASSETS	2	–	190 599	–	197 355	–
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)			190 599		197 355	
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	–	190 599	–	197 355	–

MONTHLY BUDGET STATEMENT FOR NOVEMBER 2016

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

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

EC126 Ngqushwa - Table C7 Monthly Budget Statement - Cash Flow - M05 November

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		653	11 005	7 182	3 823	53%		
Service charges			674		2	1 796	281	1 515	539%		
Other revenue			32 630		1 624	6 536	13 596	(7 060)	-52%		
Government - operating			87 231		450	35 799	36 346	(547)	-2%		
Government - capital			24 761		1 000	8 955	10 317	(1 362)	-13%		
Interest			4 537		69	510	1 891	(1 381)	-73%		
Dividends			-		-	-	-	-			
Payments											
Suppliers and employees			(134 302)		(10 208)	(53 639)	(55 959)	(2 320)	4%		
Finance charges					-	-	-	-			
Transfers and Grants			(1 600)		-	-	(667)	(667)	100%		
NET CASH FROM/(USED) OPERATING ACTIVITIES											
			-	31 167	-	(6 410)	10 962	12 986	2 025	16%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			350			-	146	(146)	-100%		
Decrease (Increase) in non-current debtors			-			-	-	-			
Decrease (increase) other non-current receivables			-			-	-	-			
Decrease (increase) in non-current investments			-			-	-	-			
Payments											
Capital assets			(31 517)		(1 556)	(6 151)	(13 132)	(6 982)	53%		
NET CASH FROM/(USED) INVESTING ACTIVITIES											
			-	(31 167)	-	(1 556)	(6 151)	(12 986)	(6 836)	53%	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-					-			
Borrowing long term/refinancing			-					-			
Increase (decrease) in consumer deposits			-					-			
Payments											
Repayment of borrowing			-					-			
NET CASH FROM/(USED) FINANCING ACTIVITIES											
			-	-	-	-	-	-		-	
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at beginning:			0	-	(7 966)	4 811	0			-	
Cash/cash equivalents at beginning:			755			1 200	755			1 200	
Cash/cash equivalents at month/year end:			755	-		6 011	755			1 200	

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Description	NT Code	Budget Year 2016/17									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L. Council Policy
		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	256	1 571	153	141	6 345	1 114	2 594	11 860	24 034	22 054	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	55	44	41	28	24	20	96	691	1 000	860	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1	-	-	-	-	-	-	-	1	-	-	-
Interest on Arrear Debtor Accounts	1810	313	307	521	509	504	472	2 666	4 879	10 171	9 031	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(326)	75	120	119	740	1 905	562	3 688	6 883	7 014	-	-
Total By Income Source	2000	298	1 998	836	798	7 613	3 511	5 918	21 119	42 089	38 958	-	-
2015/16 - totals only		-	-	-	-	-	-	-	-	-	-	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	74	1 234	352	367	6 569	1 343	3 849	11 483	25 271	23 611	-	-
Commercial	2300	53	477	126	110	106	102	558	2 181	3 712	3 056	-	-
Households	2400	109	201	238	202	198	1 201	950	3 774	6 873	6 326	-	-
Other	2500	62	86	120	119	740	865	562	3 680	6 234	5 965	-	-
Total By Customer Group	2600	298	1 998	836	798	7 613	3 511	5 918	21 119	42 089	38 958	-	-

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 - M05 November

Description	NT Code	Budget Year 2016/17									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	3 541	-	-	-	-	6	-	-	3 547	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	3 541	-	-	-	-	6	-	-	3 547	-

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November

2019/2020 Ngqushwa - Supporting table 006 monthly Budget statement - Investment portfolio - Indaba November									
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	11-2016	0	7.6%	2	-	2
FNB 62270667531		Months	Short terms		0		12	-	13
FNB74623816491		Months	Short terms	-	12	0.0%	505	71	588
FNB74623820541		Months	Short terms	11-2016	0	0.0%	1	-	1
FNB62606330463		Months	Short terms		0		2	(10)	7
FNB62414349763		Months	Short terms		0		16	(10)	7
FNB62035920596		Months	Short terms						
Municipality sub-total					13		538	51	617
TOTAL INVESTMENTS AND INTEREST	2				13		538	51	617

7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	5 368 457.20
Investments Call investment deposits Investments	642 575.49
TOTAL	6 011 032.69

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	5 318 856.55
Unpaid creditors	3 546 582.00
TOTAL	8 865 438.55

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table SC6 – Grant receipts

EC126 Nqgushwa - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M05 November

Description		Ref	2015/16 Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2016/17					Full Year Forecast
R thousands						Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
RECEIPTS:		1,2									
Operating Transfers and Grants											
National Government:			-	87 231	-	450	36 623	36 346	831	2.3%	-
Local Government Equitable Share plus MIG Operations				77 921		-	32 011	32 467	(456)	-1.4%	
Finance Management				2 010				838			
Municipal Systems Improvement				-				-			
EPWP Incentive				1 000		450	700	417			
								-			
								-	-		
								-	-		
								-	-		
								-	-		
Project Cela				6 300		-	3 912	2 625	1 287	49.0%	
Provincial Government:			-	-	-	-	-	-	-		-
				-					-		
									-		
				-					-		
LG Seta				-					-		
District Municipality:			-	-	-	-	-	-	-		-
[insert description]									-		
			-	-	-	-	-	-	-		-
Other grant providers:									-		
[insert description]									-		
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8.2 Supporting Table SC7 (1) – Grant expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M05 November

Description		Ref	2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
<u>EXPENDITURE</u>											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:			–	87 231	–	11 497	55 891	36 346	19 545	53.8%	10 086
Local Government Equitable Share plus MIG Operations				77 921		11 057	52 972	32 467	20 505	63.2%	
Finance Management				2 010		385	562	838	(275)	-32.8%	
Municipal Systems Improvement				–		–	–	–	–		
EPWP Incentive				1 000		55	200	417	(216)	-51.9%	
								–	–		10 086
								–	–		
Project Ceta				6 300		–	2 156	2 625	(469)	-17.8%	
Provincial Government:			–	–	–	–	–	–	–		–
									–		
									–		
LG Seta									–		
District Municipality:			–	–	–	–	–	–	–		–
[insert description]									–		
Other grant providers:			–	–	–	–	–	–	–		–
[insert description]									–		
Total operating expenditure of Transfers and Grants:			–	87 231	–	11 497	55 891	36 346	19 545	53.8%	10 086
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			–	24 761	–	267	5 486	10 317	(4 831)	-46.8%	–
Municipal Infrastructure Grant (MIG)				20 761	–	267	4 919	8 651	(3 732)	-43.1%	
								–	–		
								–	–		
								–	–		
Energy				4 000		–	567	1 667	(1 099)	-66.0%	
Provincial Government:			–	–	–	–	–	–	–		–
									–		
									–		
District Municipality:			–	–	–	–	–	–	–		–
									–		
Other grant providers:			–	–	–	–	–	–	–		–
									–		
Total capital expenditure of Transfers and Grants			–	24 761	–	267	5 486	10 317	(4 831)	-46.8%	–
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			–	111 992	–	11 764	61 378	46 663	14 714	31.5%	10 086

Supporting Table SC7 (2) – Expenditure against approved rollovers

Not yet applicable

8.3 Comments

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

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

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

The unspent grant balances as at 30 November 2016 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	-61 147.02
Financial Management Grant (FMG)	1 447 503.17
Integrated Electrification Municipal Programme	3 432 790.40
Extended Public Works Programme Grant (EPWP)	499 710.00
Unspent grant balances	5 318 856.55

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 - M05 November

Summary of Employee and Councillor remuneration	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands		A	B	C					%	D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages			3 843		505	2 288	1 601	686	43%	
Pension and UIF Contributions			868		15	165	362	(197)	-54%	
Medical Aid Contributions			715		3	35	298	(262)	-88%	
Motor Vehicle Allowance			2 211		25	321	921	(600)	-65%	
Cellphone Allowance			646		38	195	269	(74)	-27%	
Housing Allowances					–	–	–	–		
Other benefits and allowances			133		7	34	55	(22)	-39%	
Sub Total - Councillors		–	8 416	–	593	3 039	3 507	(468)	-13%	–
% increase	4		#DIV/0!							
Senior Managers of the Municipality	3									
Basic Salaries and Wages			4 963		358	1 741	2 068	(327)	-16%	
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	2	–	4 963	–	358	1 741	2 068	(327)	-16%	–
% increase	4		#DIV/0!							
Other Municipal Staff										
Basic Salaries and Wages			36 919		3 036	14 529	15 383	(854)	-6%	
Pension and UIF Contributions			5 999		464	2 312	2 500	(187)	-7%	
Medical Aid Contributions			2 116		181	904	881	23	3%	
Overtime			100		23	122	42	80	192%	
Performance Bonus			–		–	–	–	–		
Motor Vehicle Allowance			1 798		204	959	749	210	28%	
Cellphone Allowance			426		26	132	178	(46)	-26%	
Housing Allowances			296		57	285	123	161	131%	
Other benefits and allowances			3 766		69	929	1 569	(640)	-41%	
Payments in lieu of leave			1 160		–	73	484	(411)	-85%	
Long service awards			324		–	10	135	(125)	-92%	
Post-retirement benefit obligations			–		–	–	–	–		
Sub Total - Other Municipal Staff	2	–	52 905	–	4 061	20 256	22 044	(1 788)	-8%	–
% increase	4		#DIV/0!							
Total Parent Municipality		–	66 284	–	5 012	25 035	27 618	(2 583)	-9%	–

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 - M05 November

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July		2 626		336	336	2 626	2 290	87.2%	1%
August		2 626		2 351	2 687	5 253	2 566	48.8%	9%
September		2 626		1 128	3 815	7 879	4 065	51.6%	12%
October		2 626		1 558	5 372	10 506	5 133	48.9%	17%
November		2 626		267	5 639	13 132	7 493	57.1%	18%
December		2 626				15 759	-		
January		2 626				18 385	-		
February		2 626				21 012	-		
March		2 626				23 638	-		
April		2 626				26 264	-		
May		2 626				28 891	-		
June		2 626				31 517	-		
Total Capital expenditure	-	31 517	-	5 639					

The Municipality has spent 18 % of the capital budget as at 30 November 2016.

13.2 Supporting Table SC13

Supporting Tables SC13 include the following:

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

Table SC13a totals to Table C5

SC13c: Expenditure on repairs and maintenance by asset class

MONTHLY BUDGET STATEMENT FOR NOVEMBER 2016

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

13.2.2 Supporting Table SC13c

EC126 Ngqushwa - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M05 November

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	5 700	-	277	1 352	2 375	1 023	43.1%	-
Infrastructure - Road transport		-	4 000	-	277	1 099	1 667	567	34.0%	-
Roads, Pavements & Bridges			4 000		277	1 099	1 667	567	34.0%	
Storm water										
Infrastructure - Electricity		-	1 700	-	-	253	708	455	64.3%	-
Generation										
Transmission & Reticulation										
Street Lighting			1 700		-	253	708	455	64.3%	
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	4 610	-	276	934	1 921	986	51.4%	-
General vehicles			1 000		127	564	417	(148)	-35.4%	
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment			810		-	1	338	337	99.8%	
Computers - hardware/equipment			387		-	41	161	120	74.3%	
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings			1 700	-	2	4	708	704	99.4%	
Other Land										
Surplus Assets - (Investment or Inventory)										
Other			713		148	324	297	(27)	-8.9%	
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other										
Total Repairs and Maintenance Expenditure		-	10 310	-	554	2 287	4 296	2 009	46.8%	-

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.

MONTHLY BUDGET STATEMENT FOR NOVEMBER 2016

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

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

Print Name: Mr. T.T. Mnyimba

Municipal Manager of Ngqushwa Municipality (EC126)

Signature _____

Date _____

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