



**NGQUSHWA LOCAL MUNICIPALITY**  
**MONTHLY BUDGET STATEMENT**  
**AUGUST 2019**

**MONTHLY BUDGET STATEMENT FOR AUGUST 2019**

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*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 August 2019.

## 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 municipalities 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**

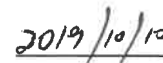
Acknowledgement of receipt



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 May2009 and Schedule C.

## **Monthly Budget Statement August 2019**

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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 Management / 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 2019-2020**

#### **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

Service charges levied as at 31 August 2019 are as follows;

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

C2020 Acquisition - Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August										
Description	Ref	2018/19	Budget Year 2019/20							
		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		31,240	38,821		388	35,631	6,470	29,161	451%	
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue		806	636		123	247	106	141	133%	
Rental of facilities and equipment		157	686		31	60	114	(54)	-48%	
Interest earned - external investments		1,212	2,916		122	166	486	(320)	-86%	
Interest earned - outstanding debtors		2,086	5,032		214	410	839	(429)	-51%	
Dividends received					-	-		-		
Fines, penalties and forfeits		1,155	5,681		28	93	947	(854)	-90%	
Licences and permits		1,756	2,366		192	416	394	22	5%	
Agency services		392	536		45	84	89	(5)	-5%	
Transfers and subsidies		88,625	89,199		2,880	37,384	14,867	22,518	151%	
Other revenue		955	4,860		16	25	810	(785)	-97%	
Gains on disposal of PPE					-			-		
Total Revenue (excluding capital transfers and contributions)		128,384	150,732	-	4,039	74,516	25,122	49,394	197%	-

### Property rates

Monthly property rates and service charges were billed to consumers and reflect as accrued income in the Statement of Financial Performance. Property rates are at R 29 160 957.50 with 450.69 % over billing variance when compared to the year to date budget. This is because of the customers that are billed annually and these customers were billed in the month of July 2019. The Municipality is implementing a new General Valuation in the financial year 2019/20, and the properties have increased since.

### Service charges

Service charges on refuse service charges are R 246 877.58 or 133% over billed than the year to date budget. This is because of the customers that are billed annually and these customers were billed in the month of July 2019. These properties are mainly government departments.

And Rental of facilities are at -47.58 % under billed with the year to date budget.

The municipality has under collected on other own revenue with -96.90% compared to year to date budget.

### Expenditure by Type

<b>Expenditure By Type</b>									
Employee related costs	66,713	69,482		5,253	10,846	11,580	(735)	-6%	
Remuneration of councillors	8,575	9,051		737	1,482	1,509	(26)	-2%	
Debt impairment	399	1,756		-	-	293	(293)	-100%	
Depreciation & asset impairment	20,894	10,576		-	-	1,763	(1,763)	-100%	
Finance charges	788			-	-	-	-		
Bulk purchases				-	-	-	-		
Other materials	2,820	2,630		154	198	438	(241)	-55%	
Contracted services	27,183	18,954		1,349	1,919	3,159	(1,240)	-39%	
Transfers and subsidies	50	53		-	-	9	(9)	-100%	
Other expenditure	19,385	19,585		1,406	3,776	3,264	512	16%	
Loss on disposal of PPE				-	-	-	-		
<b>Total Expenditure</b>	<b>146,807</b>	<b>132,087</b>	<b>-</b>	<b>8,898</b>	<b>18,221</b>	<b>22,014</b>	<b>(3,794)</b>	<b>-17%</b>	<b>-</b>

The actuals expenditure with regards to debt impairment will be reported annually and depreciation will be reported half yearly. Employee costs show an under expenditure of 6% or R -734 744.25 this under spending variance relates to annual bonuses yet to be paid. Year to date budget has been set on a straight line method which divide it evenly.

## Capital Expenditure

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description R thousands	Ref	2018/19	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2018/20		YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome				YearTD actual	YearTD budget			
<b>Total Capital Expenditure</b>		33,582	30,449	-	1,949	3,250	5,075	(1,825)	-36%	-
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		2,077	2,660	-	61	258	443	(185)	-42%	-
Executive and council								-		
Finance and administration		2,077	2,660		61	258	443	(185)	-42%	
Internal audit								-		
<i>Community and public safety</i>		15,666	1,200	-	-	1,104	200	904	452%	-
Community and social services		15,666						-		
Sport and recreation			1,200		-	1,104	200	904	452%	
Public safety								-		
Housing								-		
Health								-		
<i>Economic and environmental services</i>		15,838	21,429	-	1,888	1,888	3,571	(1,684)	-47%	-
Planning and development								-		
Road transport		15,838	21,429		1,888	1,888	3,571	(1,684)	-47%	
Environmental protection								-		
<i>Trading services</i>		-	5,160	-	-	-	860	(860)	-100%	-
Energy sources			5,160				860	(860)	-100%	
Water management								-		
Waste water management								-		
Waste management								-		
<i>Other</i>								-		
<b>Total Capital Expenditure - Functional Classification</b>	3	33,582	30,449	-	1,949	3,250	5,075	(1,825)	-36%	-
<b>Funded by:</b>										
National Government		31,332	26,639		1,888	2,992	4,440	(1,448)	-33%	
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		31,332	26,639	-	1,888	2,992	4,440	(1,448)	-33%	-
Borrowing	6							-		
Internally generated funds		2,249	3,810		61	258	635	(377)	-59%	
<b>Total Capital Funding</b>		33,582	30,449	-	1,949	3,250	5,075	(1,825)	-36%	-

The expenditure for the month of August 2019 was R1, 9 million that is 11 % of the total annual capital budget amount. This month it comprises:

- the Construction Hamburg Internal Streets
- the Construction Qugqwala Internal Streets
- the Construction Lewis Community Hall
- the Construction Mpekweni Internal Streets
- the Construction Legeni Internal Streets
- the Construction Rura Internal Streets
- And other fixed assets (office equipment, tools etc.) R 61 125

The total expenditure above is funded form the Municipal Infrastructure Grant and other own operational revenue.

### 3.4 Conclusion

The Municipality ensures 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

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

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

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	31,240	38,821	—	388	35,631	6,470	29,161	451%	—
Service charges	806	636	—	123	247	106	141	133%	—
Investment revenue	1,212	2,916	—	122	166	486	(320)	-66%	—
Transfers and subsidies	88,625	89,199	—	2,880	37,384	14,867	22,518	151%	—
Other own revenue	6,501	19,160	—	526	1,088	3,193	(2,105)	-66%	—
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>128,384</b>	<b>150,732</b>	<b>—</b>	<b>4,039</b>	<b>74,516</b>	<b>25,122</b>	<b>49,394</b>	<b>197%</b>	<b>—</b>
Employee costs	66,713	69,482	—	5,253	10,846	11,580	(735)	-6%	—
Remuneration of Councillors	8,575	9,051	—	737	1,482	1,509	(26)	-2%	—
Depreciation & asset impairment	20,894	10,576	—	—	—	1,763	(1,763)	-100%	—
Finance charges	788	—	—	—	—	—	—	—	—
Materials and bulk purchases	2,820	2,630	—	154	198	438	(241)	-55%	—
Transfers and subsidies	50	53	—	—	—	9	(9)	-100%	—
Other expenditure	46,966	40,296	—	2,754	5,695	6,716	(1,021)	-15%	—
<b>Total Expenditure</b>	<b>146,807</b>	<b>132,087</b>	<b>—</b>	<b>8,898</b>	<b>18,221</b>	<b>22,014</b>	<b>(3,794)</b>	<b>-17%</b>	<b>—</b>
<b>Surplus/(Deficit)</b>	<b>(18,423)</b>	<b>18,645</b>	<b>—</b>	<b>(4,859)</b>	<b>56,295</b>	<b>3,108</b>	<b>53,188</b>	<b>1712%</b>	<b>—</b>
Transfers and subsidies - capital (monetary allocation)	31,816	26,539	—	—	—	4,423	(4,423)	-100%	—
Contributions & Contributed assets	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>13,393</b>	<b>45,184</b>	<b>—</b>	<b>(4,859)</b>	<b>56,295</b>	<b>7,531</b>	<b>48,765</b>	<b>648%</b>	<b>—</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus/ (Deficit) for the year</b>	<b>13,393</b>	<b>45,184</b>	<b>—</b>	<b>(4,859)</b>	<b>56,295</b>	<b>7,531</b>	<b>48,765</b>	<b>648%</b>	<b>—</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>33,582</b>	<b>30,449</b>	<b>—</b>	<b>1,949</b>	<b>3,250</b>	<b>5,075</b>	<b>(1,825)</b>	<b>-36%</b>	<b>—</b>
Capital transfers recognised	31,332	26,639	—	1,888	2,992	4,440	(1,448)	-33%	—
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	2,249	3,810	—	61	258	635	(377)	-59%	—
<b>Total sources of capital funds</b>	<b>33,582</b>	<b>30,449</b>	<b>—</b>	<b>1,949</b>	<b>3,250</b>	<b>5,075</b>	<b>(1,825)</b>	<b>-36%</b>	<b>—</b>
<b>Financial position</b>									
Total current assets	34,929	39,121	—	—	98,953	—	—	—	39,121
Total non current assets	279,932	311,745	—	—	283,183	—	—	—	311,745
Total current liabilities	21,253	14,624	—	—	32,232	—	—	—	14,624
Total non current liabilities	13,829	12,806	—	—	13,829	—	—	—	—
Community wealth/Equity	279,779	278,252	—	—	336,074	—	—	—	278,252
<b>Cash flows</b>									
Net cash from (used) operating	—	34,069	—	(4,090)	31,134	5,678	(25,455)	-448%	—
Net cash from (used) investing	—	(25,449)	—	(783)	(2,085)	(4,241)	(2,157)	51%	—
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
<b>Cash/cash equivalents at the month/year end</b>	<b>—</b>	<b>10,124</b>	<b>—</b>	<b>—</b>	<b>30,361</b>	<b>2,940</b>	<b>(27,420)</b>	<b>-933%</b>	<b>1,312</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	717	35,391	405	356	391	340	2,263	18,155	58,018
<b>Creditors Age Analysis</b>									
Total Creditors	3,865	84	13	—	—	—	(79)	79	3,962

### 4.1.2 Table C2: Monthly Budget Statement - Financial

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

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		155,653	167,290	—	3,651	73,687	27,882	45,805	164%	—
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		155,653	167,290	—	3,651	73,687	27,882	45,805	164%	—
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		455	670	—	5	8	112	(104)	-93%	—
Community and social services		455	649	—	5	8	108	(101)	-93%	—
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	21	—	—	—	4	(4)	-100%	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		3,267	8,616	—	257	571	1,436	(865)	-60%	—
Planning and development		63	220	—	4	5	37	(32)	-87%	—
Road transport		3,203	8,396	—	253	567	1,399	(833)	-60%	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		825	695	—	126	250	116	135	116%	—
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		19	59	—	2	4	10	(6)	-64%	—
Waste management		806	636	—	123	247	106	141	133%	—
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	2	160,200	177,271	—	4,039	74,516	29,545	44,971	152%	—
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		100,927	85,297	—	5,245	10,499	14,216	(3,717)	-26%	—
Executive and council		24,243	18,852	—	1,287	2,758	3,142	(384)	-12%	—
Finance and administration		75,055	64,443	—	3,796	7,421	10,741	(3,320)	-31%	—
Internal audit		1,629	2,002	—	162	320	334	(14)	-4%	—
<i>Community and public safety</i>		13,966	15,120	—	1,003	1,979	2,520	(541)	-21%	—
Community and social services		1,928	2,315	—	73	135	386	(251)	-65%	—
Sport and recreation		1,685	1,830	—	135	282	305	(23)	-8%	—
Public safety		9,099	9,634	—	689	1,380	1,606	(226)	-14%	—
Housing		1,254	1,341	—	106	183	224	(40)	-18%	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		10,256	8,660	—	846	1,817	1,443	374	26%	—
Planning and development		4,760	4,852	—	400	912	809	104	13%	—
Road transport		5,496	3,807	—	446	905	635	270	43%	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		17,695	18,385	—	1,578	3,512	3,064	448	15%	—
Energy sources		5,087	5,014	—	593	954	836	118	14%	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		12,608	13,370	—	985	2,558	2,228	330	15%	—
<i>Other</i>		3,963	4,625	—	227	413	771	(358)	-46%	—
<b>Total Expenditure - Functional</b>	3	146,807	132,087	—	8,898	18,221	22,014	(3,794)	-17%	—
<b>Surplus/ (Deficit) for the year</b>		13,393	45,184	—	(4,859)	56,295	7,531	48,765	648%	—

### 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) - M02 August

Vote Description		Ref	2018/19	Budget Year 2019/20						
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
Revenue by Vote										
Vote 1 - Vote 1 - Executive and Council			-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration			155,653	167,290	-	3,651	73,687	27,882	45,805	164.3%
Vote 3 - [NAME OF VOTE 3]			-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services			455	649	-	5	8	108	(101)	-93.0%
Vote 5 - Energy services			-	-	-	-	-	-	-	-
Vote 6 - Road Transport			3,203	8,417	-	253	567	1,403	(836)	-59.6%
Vote 7 - Other			-	-	-	-	-	-	-	-
Vote 8 - Planning and Development			63	220	-	4	5	37	(32)	-86.9%
Vote 9 - Sport and Recreation			-	-	-	-	-	-	-	-
Vote 10 - Vote 10 - Housing			-	-	-	-	-	-	-	-
Vote 11 - Internal Audit			-	-	-	-	-	-	-	-
Vote 12 - Waste Management			806	636	-	123	247	106	141	133.0%
Vote 13 - Waste Water Management			19	59	-	2	4	10	(6)	-64.0%
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-
Total Revenue by Vote		2	160,200	177,271	-	4,039	74,516	29,545	44,971	152.2%
Expenditure by Vote										
Vote 1 - Vote 1 - Executive and Council		1	24,243	18,852	-	1,287	2,758	3,142	(384)	-12.2%
Vote 2 - Finance and Administration			75,055	64,443	-	3,796	7,421	10,741	(3,320)	-30.9%
Vote 3 - [NAME OF VOTE 3]			-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services			1,928	2,315	-	73	135	386	(251)	-65.0%
Vote 5 - Energy services			5,087	5,014	-	593	954	836	118	14.2%
Vote 6 - Road Transport			14,594	13,441	-	1,135	2,284	2,240	44	2.0%
Vote 7 - Other			3,963	4,625	-	227	413	771	(358)	-46.5%
Vote 8 - Planning and Development			4,760	4,852	-	400	912	809	104	12.8%
Vote 9 - Sport and Recreation			1,685	1,830	-	135	282	305	(23)	-7.6%
Vote 10 - Vote 10 - Housing			1,254	1,341	-	106	183	224	(40)	-18.1%
Vote 11 - Internal Audit			1,629	2,002	-	162	320	334	(14)	-4.1%
Vote 12 - Waste Management			12,608	13,370	-	985	2,568	2,228	330	14.8%
Vote 13 - Waste Water Management			-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]			-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]			-	-	-	-	-	-	-	-
Total Expenditure by Vote		2	146,807	132,087	-	8,898	18,221	22,014	(3,794)	-17.2%
Surplus/ (Deficit) for the year		2	13,393	45,184	-	(4,859)	56,295	7,531	48,765	647.5%

### 4.1.4 Table C4: Monthly Budget Statement

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

EC120 Ngqushwa - Table C4: Monthly Budget Statement - Financial Performance (Revenue and expenditure) - Moz August										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue By Source</b>										
Property rates		31,240	38,821		388	35,631	6,470	29,161	451%	
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue		806	636		123	247	106	141	133%	
Rental of facilities and equipment		157	686		31	60	114	(54)	-48%	
Interest earned - external investments		1,212	2,916		122	166	486	(320)	-66%	
Interest earned - outstanding debtors		2,086	5,032		214	410	839	(429)	-51%	
Dividends received					-	-				
Fines, penalties and forfeits		1,155	5,681		28	93	947	(854)	-90%	
Licences and permits		1,756	2,366		192	416	394	22	5%	
Agency services		392	536		45	84	89	(5)	-5%	
Transfers and subsidies		88,625	89,199		2,880	37,384	14,867	22,518	151%	
Other revenue		955	4,860		16	25	810	(785)	-97%	
Gains on disposal of PPE					-	-		-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>128,384</b>	<b>150,732</b>	<b>-</b>	<b>4,039</b>	<b>74,516</b>	<b>25,122</b>	<b>49,394</b>	<b>197%</b>	<b>-</b>
<b>Expenditure By Type</b>										
Employee related costs		66,713	69,482		5,253	10,846	11,580	(735)	-6%	
Remuneration of councillors		8,575	9,051		737	1,482	1,509	(26)	-2%	
Debt impairment		399	1,756		-	-	293	(293)	-100%	
Depreciation & asset impairment		20,894	10,576		-	-	1,763	(1,763)	-100%	
Finance charges		788			-	-		-		
Bulk purchases					-	-		-		
Other materials		2,820	2,630		154	198	438	(241)	-55%	
Contracted services		27,183	18,954		1,349	1,919	3,159	(1,240)	-39%	
Transfers and subsidies		50	53		-	-	9	(9)	-100%	
Other expenditure		19,385	19,585		1,406	3,776	3,264	512	16%	
Loss on disposal of PPE					-	-		-		
<b>Total Expenditure</b>		<b>146,807</b>	<b>132,087</b>	<b>-</b>	<b>8,898</b>	<b>18,221</b>	<b>22,014</b>	<b>(3,794)</b>	<b>-17%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>		<b>(18,423)</b>	<b>18,645</b>	<b>-</b>	<b>(4,859)</b>	<b>56,295</b>	<b>3,108</b>	<b>53,186</b>	<b>0</b>	<b>-</b>
Transfers and subsidies - capital (in-kind - all)										
(National / Provincial and District)		31,816	26,539				4,423	(4,423)	(0)	
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)							-	-		
Transfers and subsidies - capital (in-kind - all)							-	-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>13,393</b>	<b>45,184</b>	<b>-</b>	<b>(4,859)</b>	<b>56,295</b>	<b>7,531</b>			<b>-</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>13,393</b>	<b>45,184</b>	<b>-</b>	<b>(4,859)</b>	<b>56,295</b>	<b>7,531</b>			<b>-</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>13,393</b>	<b>45,184</b>	<b>-</b>	<b>(4,859)</b>	<b>56,295</b>	<b>7,531</b>			<b>-</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>13,393</b>	<b>45,184</b>	<b>-</b>	<b>(4,859)</b>	<b>56,295</b>	<b>7,531</b>			<b>-</b>

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

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Economic and Financial Statements - Capital Expenditure (municipal vote, functional classification and funding) - 1st August										
Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		2,077	2,660	-	61	258	443	(185)	-42%	-
Executive and council								-		
Finance and administration		2,077	2,660		61	258	443	(185)	-42%	
Internal audit								-		
<b>Community and public safety</b>		15,666	1,200	-	-	1,104	200	904	452%	-
Community and social services		15,666						-		
Sport and recreation			1,200		-	1,104	200	904	452%	
Public safety								-		
Housing								-		
Health								-		
<b>Economic and environmental services</b>		15,838	21,429	-	1,888	1,888	3,571	(1,684)	-47%	-
Planning and development								-		
Road transport		15,838	21,429		1,888	1,888	3,571	(1,684)	-47%	
Environmental protection								-		
<b>Trading services</b>		-	5,160	-	-	-	860	(860)	-100%	-
Energy sources			5,160				860	(860)	-100%	
Water management								-		
Waste water management								-		
Waste management								-		
<b>Other</b>								-		
<b>Total Capital Expenditure - Functional Classification</b>	3	33,582	30,449	-	1,949	3,250	5,075	(1,825)	-36%	-
<b>Funded by:</b>										
National Government		31,332	26,639		1,888	2,992	4,440	(1,448)	-33%	
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
<b>Transfers recognised - capital</b>		31,332	26,639	-	1,888	2,992	4,440	(1,448)	-33%	-
<b>Borrowing</b>	6									
Internally generated funds		2,249	3,810		61	258	635	(377)	-59%	
<b>Total Capital Funding</b>		33,582	30,449	-	1,949	3,250	5,075	(1,825)	-36%	-

#### 4.1.6 Table C6: Monthly Budget Statement - Financial Position

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

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		1,312	10,124		7,784	10,124
Call investment deposits		–	–		22,533	
Consumer debtors		6,796	13,490		56,672	13,490
Other debtors		16,658	5,654		2,112	5,654
Current portion of long-term receivables		311	–		–	–
Inventory		9,853	9,853		9,853	9,853
<b>Total current assets</b>		<b>34,929</b>	<b>39,121</b>	<b>–</b>	<b>98,953</b>	<b>39,121</b>
<b>Non current assets</b>						
Long-term receivables						
Investments						
Investment property		26,674	28,095		26,673	28,095
Investments in Associate			–			
Property, plant and equipment		252,588	282,775		255,838	282,775
Biological						
Intangible		671	875		671	875
Other non-current assets		0			0	
<b>Total non current assets</b>		<b>279,932</b>	<b>311,745</b>	<b>–</b>	<b>283,183</b>	<b>311,745</b>
<b>TOTAL ASSETS</b>		<b>314,861</b>	<b>350,866</b>	<b>–</b>	<b>382,136</b>	<b>350,866</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing						
Consumer deposits					73	
Trade and other payables		21,253	14,624		27,123	14,624
Provisions					5,036	
<b>Total current liabilities</b>		<b>21,253</b>	<b>14,624</b>	<b>–</b>	<b>32,232</b>	<b>14,624</b>
<b>Non current liabilities</b>						
Borrowing			–			–
Provisions		13,829	12,806		13,829	
<b>Total non current liabilities</b>		<b>13,829</b>	<b>12,806</b>	<b>–</b>	<b>13,829</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>		<b>35,082</b>	<b>27,430</b>	<b>–</b>	<b>46,062</b>	<b>14,624</b>
<b>NET ASSETS</b>	<b>2</b>	<b>279,779</b>	<b>323,436</b>	<b>–</b>	<b>336,074</b>	<b>336,242</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		279,779	278,252		117,727	278,252
Reserves					218,347	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>279,779</b>	<b>278,252</b>	<b>–</b>	<b>336,074</b>	<b>278,252</b>

#### MONTHLY BUDGET STATEMENT FOR AUGUST 2019

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

### 4.1.7 Table C7: Monthly Budget Statement - Cash Flow

EC126 Ngqushwa - Table C7 Monthly Budget Statement - Cash Flow - M02 August

EC120 Ngqushwa - Table C7: Monthly Budget Statement - Cash Flow - MVZ August											
Description	Ref	2018/19	Budget Year 2019/20								
		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			23,293		332	762	3,882	(3,120)	-80%		
Service charges			381		16	113	64	50	78%		
Other revenue			8,477		1,079	1,485	1,413	53	4%		
Government - operating			89,199		3,356	38,310	14,867	23,444	158%		
Government - capital			26,539		-	8,552	4,423	4,129	93%		
Interest			5,935		122	166	989	(824)	-83%		
Dividends						-		-			
Payments											
Suppliers and employees			(119,702)		(8,995)	(18,235)	(19,950)	(1,715)	9%		
Finance charges								-			
Transfers and Grants			(53)				(9)	(9)	100%		
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	34,089	-	(4,090)	31,134	5,878	(25,455)	-448%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE					9	9		9	#DIV/0!		
Decrease (Increase) in non-current debtors			5,000				833	(833)	-100%		
Decrease (Increase) other non-current receivables								-			
Decrease (Increase) in non-current investments								-			
Payments											
Capital assets			(30,449)		(792)	(2,094)	(5,075)	(2,981)	59%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(25,449)	-	(783)	(2,085)	(4,241)	(2,157)	51%	-
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											
			-	8,620	-	(4,874)	29,049	1,437		-	
Cash/cash equivalents at beginning:				1,504			1,312	1,504		1,312	
Cash/cash equivalents at month/year end:			-	10,124	-		30,361	2,940		1,312	

## PART 2 – SUPPORTING DOCUMENTATION

### Section 5 – Debtors' analysis

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

Description		Budget Year 2019/20											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.o Council Policy
		NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-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	343	35,035	155	109	147	95	541	10,333	48,756	11,226	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1800	130	126	33	34	27	24	151	838	1,362	1,074	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	30	27	6	9	-	-	-	110	182	119	-	-	-
Interest on Arrear Debtor Accounts	1810	214	204	212	204	217	220	1,570	6,874	9,715	6,086	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	717	35,391	405	356	391	340	2,263	18,156	58,018	21,505	-	-	-
2018/19 - totals only												-	-	-
Debtors Age Analysis By Customer Group														
Organs of State	2200	109	31,475	70	49	79	81	511	5,333	37,706	6,052	-	-	-
Commercial	2300	225	2,930	85	79	101	64	389	2,334	6,217	2,977	-	-	-
Households	2400	277	300	174	171	163	147	1,026	5,984	8,241	7,490	-	-	-
Other	2500	126	686	77	58	49	49	327	4,503	5,654	4,955	-	-	-
Total By Customer Group	2600	717	35,391	405	356	391	340	2,263	18,156	58,018	21,505	-	-	-

### 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 - M02 August

2019 August - Supporting Table 504 Monthly Budget Statement - aged creditors - m02 August											
Description	NT Code	Budget Year 2019/20									Prior year
		0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total	totals for cha
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year		(same perio
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	3,584	84	13	-	-	-	(79)	79	3,681	
Auditor General	0800	-	-	-	-	-	-	-	-	-	
Other	0900	281	-	-	-	-	-	-	-	281	
Total By Customer Type	1000	3,865	84	13	-	-	-	(79)	79	3,962	

## Section 7 – Investment portfolio analysis

### 7.1 Supporting Table SC5

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

Investments by maturity Name of institution & Investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate +	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
FNB 74818040061		3MNTHS	Short term	Yes		0	0	0	28/09/2019	43,000	120	(20,567)		22,533
														-
														-
														-
														-
Municipality sub-total										43,000		(20,567)	-	22,533
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									43,000		(20,567)	-	22,533

### 7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	7 187 651
Call investment deposits Investments	23 172 957
<b>TOTAL</b>	<b>30 360 609.00</b>

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	10 451 489.55
Unpaid creditors	3 961 596.00
<b>TOTAL</b>	<b>14 413 085.55</b>

## 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 - M02 August

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		–	88,602	–	3,356	37,813	14,767	20,487	138.7%	–
Local Government Equitable Share			82,896	–	–	34,007	13,783	20,224	146.7%	
Finance Management			2,880	–	2,880	2,880	480			
Municipal Systems Improvement			1,901	–	476	476	317			
EPWP Incentive										
	3							–		
								–		
								–		
								–		
PMU			1,125	–	–	450	188	263	140.0%	
<b>Provincial Government:</b>		–	–	–	–	–	–	–		–
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
<b>Other grant providers:</b>		–	597	–	–	47	100	(52)	-52.5%	–
Construction Ceta						–		–		
LG Seta			176	–	–	47	29			
Education Seta										
Sports and Recreation			421	–	–	–	70			
								–		
<b>Total Operating Transfers and Grants</b>	5	–	89,199	–	3,356	37,860	14,867	20,435	137.5%	–
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		–	26,539	–	–	11,002	4,423	6,579	148.7%	–
Municipal Infrastructure Grant (MIG)			21,379	–	–	9,002	3,563	5,439	152.6%	
								–		
								–		
								–		
Energy			5,160	–	–	2,000	860	1,140	132.6%	
<b>Provincial Government:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
<b>District Municipality:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
<b>Other grant providers:</b>		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
<b>Total Capital Transfers and Grants</b>	5	–	26,539	–	–	11,002	4,423	6,579	148.7%	–
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	–	115,738	–	3,356	48,862	19,290	27,013	140.0%	–

## 8.2 Supporting Table SC7 (1) – Grant expenditure

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

Description	Ref	2018/19	Budget Year 2019/20							
		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:		-	88,602	-	8,981	18,205	14,787	3,438	23.3%	-
Local Government Equitable Share			82,696		8,694	17,739	13,783	3,956	28.7%	
Finance Management			2,880		93	167	480	(313)	-65.3%	
Municipal Systems Improvement								-		
EPWP Incentive			1,901		87	87	317	(230)	-72.5%	
								-		
PMU			1,125		106	212	188	25	13.2%	
Provincial Government:		-	-	-	-	-	-	-		-
								-		
								-		
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		-	597	-	15	30	100	(50)	(0)	-
Construction Ceta										
LG Seta			176		6	9	29			
Education Seta								-		
library			421		9	21	70	(50)	-70.8%	
Total operating expenditure of Transfers and Grants:		-	89,199	-	8,995	18,235	14,867	3,388	22.8%	-
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	26,539	-	2,171	3,440	4,423	(983)	-22.2%	-
Municipal Infrastructure Grant (MIG)			21,379		2,171	3,440	3,563	(123)	-3.4%	
								-		
								-		
Energy			5,160		-	-	860	(860)	-100.0%	
Provincial Government:		-	-	-	-	-	-	-		-
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
Total capital expenditure of Transfers and Grants		-	26,539	-	2,171	3,440	4,423	(983)	-22.2%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	115,738	-	11,168	21,675	19,290	2,406	12.5%	-

## Supporting Table SC7 (2) – Expenditure against approved rollovers

Not yet applicable

## 8.3 Comments

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

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

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

**The unspent grant balances as at 31 August 2019 are:**

<b>Grant</b>	<b>R thousands</b>
Municipal Infrastructure Grant (MIG)	5,349,351.68
Financial Management Grant (FMG)	2,713,220.07
Integrated Electrification Municipal Programme	2 000 000.00
Extended Public Works Programme Grant (EPWP)	388,917.80
<b>Unspent grant balances</b>	<b>10 451 489.55</b>

**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 - M02 August

Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages			7,257		556	1,115	1,209	(94)	-8%	
Pension and UIF Contributions			182		15	30	30	-		
Medical Aid Contributions			34		3	6	6	-		
Motor Vehicle Allowance			473		-	-	79	(79)	-100%	
Cellphone Allowance			1,031		86	174	172	2	1%	
Housing Allowances			-		-	-	-	-		
Other benefits and allowances			74		77	157	12	144	1172%	
<b>Sub Total - Councillors</b>		-	9,051	-	737	1,482	1,509	(26)	-2%	-
<b>% Increase</b>	4		#DIV/0!							
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages			7,131		157	314	1,189	(875)	-74%	
Pension and UIF Contributions			62		0	1	10	(10)	-94%	
Medical Aid Contributions			32		-	-	5	(5)	-100%	
Overtime			-		-	-	-	-		
Performance Bonus			-		-	-	-	-		
Motor Vehicle Allowance			770		42	83	128	(45)	-35%	
Cellphone Allowance			46		4	8	8	(0)	-1%	
Housing Allowances			-		-	-	-	-		
Other benefits and allowances			15		(170)	(170)	3	(173)	-6765%	
Payments in lieu of leave			2		-	-	0	(0)	-100%	
Long service awards			-		-	-	-	-		
Post-retirement benefit obligations	2		-		-	-	-	-		
<b>Sub Total - Senior Managers of Municipality</b>		-	8,058	-	33	235	1,343	(1,108)	-82%	-
<b>% Increase</b>	4		#DIV/0!							
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			44,059		3,789	7,771	7,343	428	6%	
Pension and UIF Contributions			6,506		577	1,176	1,084	91	8%	
Medical Aid Contributions			2,547		234	468	424	44	10%	
Overtime			744		39	83	124	(41)	-33%	
Performance Bonus			-		-	-	-	-		
Motor Vehicle Allowance			2,318		159	323	386	(63)	-16%	
Cellphone Allowance			345		23	47	58	(11)	-19%	
Housing Allowances			104		8	16	17	(1)	-5%	
Other benefits and allowances			3,412		381	619	569	50	9%	
Payments in lieu of leave			1,167		11	106	195	(88)	-45%	
Long service awards			222		-	-	37	#VALUE!	#VALUE!	
Post-retirement benefit obligations	2		-		-	-	-	-		
<b>Sub Total - Other Municipal Staff</b>		-	61,424	-	5,221	10,610	10,237	373	4%	-
<b>% Increase</b>	4		#DIV/0!							
<b>Total Parent Municipality</b>		-	78,533	-	5,990	12,328	13,089	(761)	-8%	-

## Section 10 – Material variances to the SDBIP

### *Material variances to the service delivery and budget implementation plan*

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

and note

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

### 10.1 Over view

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

## Section 11 – Parent municipality financial performance

### *Parent municipality financial performance*

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

### 11.1 Supporting Table SC10

Not applicable to Ngqushwa Municipality.

## Section 12 – Municipal entity summary

### *Municipal entity summary*

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

### 12.1 Supporting Table SC11

Not applicable to Ngqushwa Municipality

## Section 13 – Capital programme performance

### **Capital programme performance**

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

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

### 13.1 Supporting Table SC12

EC126 Ngqushwa - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

Month	2018/19	Budget Year 2019/20							
	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		2,371		1,301	1,301	2,371	1,069	45.1%	4%
August		2,371		1,949	3,250	4,741	1,491	31.5%	11%
September		2,371				7,112	-		
October		2,371				9,483	-		
November		2,371				11,854	-		
December		2,371				14,224	-		
January		2,371				16,595	-		
February		2,371				18,966	-		
March		2,371				21,337	-		
April		2,371				23,707	-		
May		2,371				26,078	-		
June		4,371				30,449	-		
Total Capital expenditure	-	30,449	-	3,250					

The Municipality has spent 11% percent of the annual capital budget and 69 % compared to year to date budget as at 31 August 2019.

### 13.2 Supporting Table SC13

Supporting Tables SC13 include the following:

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

Table SC13a totals to Table C5

SC13c: Expenditure on repairs and maintenance by asset class

## MONTHLY BUDGET STATEMENT FOR AUGUST 2019

*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 - M02 August

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	554	-	195	195	92	(103)	-111.3%	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	554	-	195	195	92	(103)	-111.3%	-
Power Plants		-	554	-	195	195	92	(103)	-111.3%	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	480	-	28	53	80	26	33.1%	-
Operational Buildings		-	480	-	28	53	80	26	33.1%	-
Municipal Offices		-	480	-	28	53	80	26	33.1%	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	120	-	54	54	20	(34)	-172.2%	-
Computer Equipment		-	120	-	54	54	20	(34)	-172.2%	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	1,052	-	255	273	175	(98)	-55.9%	-
Transport Assets		-	1,052	-	255	273	175	(98)	-55.9%	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	-	2,205	-	532	576	368	(208)	-56.8%	-

## **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 AUGUST 2019**

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*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, **Misiwe P. Mpahlwa** municipal manager of **Ngqushwa Municipality**, hereby certify that -

(Mark as appropriate)

- ☒ the monthly budget statement
- ☐ quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ Mid-year budget and performance assessment

for the month of August 2019 of 2019/2020 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Mrs. M.P Mpahlwa

Acting Municipal Manager of Ngqushwa Municipality (EC126)

Signature



Date

2019/10/07