



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
JULY 2019

MONTHLY BUDGET STATEMENT FOR JULY 2019

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;

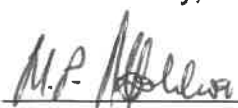
1. DELIBERATIONS

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

2019/10/10

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 July 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 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 May2009 and Schedule C.

Monthly Budget Statement July 2019

Table of Contents

Table of Contents	4
Glossary	5
Legislative Framework	7
PART 1 – IN-YEAR REPORT	8
Section 1 – Mayor’s Report	8
Section 2 - Resolutions	9
Section 3 – Executive Summary	10
3 Section 3 – Executive Summary.....	10
Section 9 – Expenditure on councillor and board members Allowances and employee benefits.....	26
Section 10 – Material variances to the SDBIP	27
Section 11 – Parent municipality financial performance.....	27
Section 12 – Municipal entity summary	27
Section 13 – Capital programme performance	28
Section 14 – Other supporting documentation	30
Section 15 – In-year reports of municipal entities attached to the municipality's in-year report	30
Section 16 – Municipal manager’s quality certification	31

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 July 2019 are as follows;

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

2018/19										
Description	Ref	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		35,243	35,243	3,235	32,008	989%	
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue		806	636		123	123	53	70	133%	
Rental of facilities and equipment		157	686		29	29	57	(29)	-50%	
Interest earned - external investments		1,212	2,916		44	44	243	(199)	-82%	
Interest earned - outstanding debtors		2,086	5,032		196	196	419	(223)	-53%	
Dividends received						-		-		
Fines, penalties and forfeits		1,155	5,681		65	65	473	(408)	-86%	
Licences and permits		1,756	2,366		224	224	197	27	14%	
Agency services		392	536		39	39	45	(5)	-12%	
Transfers and subsidies		88,625	89,199		34,504	34,504	7,433	27,071	364%	
Other revenue		955	4,860		9	9	405	(396)	-98%	
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		128,384	150,732	-	70,477	70,477	12,561	57,916	461%	-

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 35 243 067.55 with 989% 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 123 438.79 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.

And Rental of facilities are at 50% under billed with the year to date budget.

The municipality has under collected on other own revenue with 98% compared to year to date budget.

Expenditure by Type

Expenditure By Type									
Employee related costs	66,713	69,482		5,592	5,592	5,790	(198)	-3%	
Remuneration of councillors	8,575	9,051		745	745	754	(9)	-1%	
Debt impairment	399	1,756		-	-	146	(146)	-100%	
Depreciation & asset impairment	20,894	10,576		-	-	881	(881)	-100%	
Finance charges	788			-	-		-		
Bulk purchases				-	-		-		
Other materials	2,820	2,630		44	44	219	(175)	-80%	
Contracted services	27,183	18,954		571	571	1,580	(1,009)	-64%	
Transfers and subsidies	50	53		-	-	4	(4)	-100%	
Other expenditure	19,385	19,585		2,370	2,370	1,632	738	45%	
Loss on disposal of PPE				-	-		-		
Total Expenditure	146,807	132,087	-	9,322	9,322	11,007	(1,685)	-15%	-

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 3% or R 197 777.90 this 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) - M01 July

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									
Capital Expenditure - Functional Classification										
Governance and administration		2,077	2,660	-	197	197	222	(24)	-11%	-
Executive and council								-		
Finance and administration		2,077	2,660		197	197	222	(24)	-11%	
Internal audit								-		
Community and public safety		15,666	1,200	-	1,104	1,104	100	1,004	1004%	-
Community and social services		15,666						-		
Sport and recreation			1,200		1,104	1,104	100	1,004	1004%	
Public safety								-		
Housing								-		
Health								-		
Economic and environmental services		15,838	21,429	-	-	-	1,786	(1,786)	-100%	-
Planning and development								-		
Road transport		15,838	21,429				1,786	(1,786)	-100%	
Environmental protection								-		
Trading services		-	5,160	-	-	-	430	(430)	-100%	-
Energy sources			5,160				430	(430)	-100%	
Water management								-		
Waste water management								-		
Waste management								-		
Other								-		
Total Capital Expenditure - Functional Classification	3	33,582	30,449	-	1,301	1,301	2,537	(1,236)	-49%	-
Funded by:										
National Government		31,332	26,639		1,104	1,104	2,220	(1,116)	-50%	
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
Transfers recognised - capital		31,332	26,639	-	1,104	1,104	2,220	(1,116)	-50%	-
Borrowing	6							-		
Internally generated funds		2,249	3,810		197	197	318	(120)	-38%	
Total Capital Funding		33,582	30,449	-	1,301	1,301	2,537	(1,236)	-49%	-

The expenditure for the month of July 2019 was R1, 3 million that is 4.2 % 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 Mpekwani Internal Streets
- the Construction Wesley Internal Streets

The total expenditure above is funded form the Municipal Infrastructure Grant.

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 - M01 July

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
R thousands									
Financial Performance									
Property rates	31,240	38,821	–	35,243	35,243	3,235	32,008	989%	–
Service charges	806	636	–	123	123	53	70	133%	–
Investment revenue	1,212	2,916	–	44	44	243	(199)	-82%	–
Transfers and subsidies	88,625	89,199	–	34,504	34,504	7,433	27,071	364%	–
Other own revenue	6,501	19,160	–	562	562	1,597	(1,035)	-65%	–
Total Revenue (excluding capital transfers and contributions)	128,384	150,732	–	70,477	70,477	12,561	57,916	461%	–
Employee costs	66,713	69,482	–	5,592	5,592	5,790	(198)	-3%	–
Remuneration of Councillors	8,575	9,051	–	745	745	754	(9)	-1%	–
Depreciation & asset impairment	20,894	10,576	–	–	–	881	(881)	-100%	–
Finance charges	788	–	–	–	–	–	–	–	–
Materials and bulk purchases	2,820	2,630	–	44	44	219	(175)	-80%	–
Transfers and subsidies	50	53	–	–	–	4	(4)	-100%	–
Other expenditure	46,966	40,296	–	2,941	2,941	3,358	(417)	-12%	–
Total Expenditure	146,807	132,087	–	9,322	9,322	11,007	(1,685)	-15%	–
Surplus/(Deficit)	(18,423)	18,645	–	61,154	61,154	1,554	59,601	3836%	–
Transfers and subsidies - capital (monetary alloc	31,816	26,539	–	–	–	2,212	(2,212)	-100%	–
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	13,393	45,184	–	61,154	61,154	3,765	57,389	1524%	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	13,393	45,184	–	61,154	61,154	3,765	57,389	1524%	–
Capital expenditure & funds sources									
Capital expenditure	33,582	30,449	–	1,301	1,301	2,537	(1,236)	-49%	–
Capital transfers recognised	31,332	26,639	–	1,104	1,104	2,220	(1,116)	-50%	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	2,249	3,810	–	197	197	318	(120)	-38%	–
Total sources of capital funds	33,582	30,449	–	1,301	1,301	2,537	(1,236)	-49%	–
Financial position									
Total current assets	34,929	39,121	–	–	102,680	–	–	–	39,121
Total non current assets	279,932	311,745	–	–	261,234	–	–	–	311,745
Total current liabilities	21,253	14,624	–	–	29,151	–	–	–	14,624
Total non current liabilities	13,829	12,806	–	–	13,829	–	–	–	–
Community wealth/Equity	279,779	278,252	–	–	340,933	–	–	–	278,252
Cash flows									
Net cash from (used) operating	–	34,069	–	35,224	35,224	2,839	(32,385)	-1141%	–
Net cash from (used) investing	–	(25,449)	–	(1,301)	(1,301)	(2,121)	(819)	39%	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	–	10,124	–	–	35,234	2,222	(33,012)	-1486%	1,312
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
Debtors Age Analysis									
Total By Income Source	35,483	439	383	408	349	346	3,898	16,305	57,611
Creditors Age Analysis									
Total Creditors	2,015	123	–	–	–	–	(79)	82	2,142

4.1.2 Table C2: Monthly Budget Statement - Financial

EC126 Ngqushwa - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

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									
Revenue - Functional										
<i>Governance and administration</i>		155,653	167,290	-	70,035	70,035	13,941	56,094	402%	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		155,653	167,290	-	70,035	70,035	13,941	56,094	402%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		455	670	-	2	2	56	(53)	-98%	-
Community and social services		455	649	-	2	2	54	(52)	-96%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	21	-	-	-	2	(2)	-100%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3,267	8,616	-	314	314	718	(404)	-56%	-
Planning and development		63	220	-	1	1	18	(17)	-94%	-
Road transport		3,203	8,396	-	313	313	700	(387)	-55%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		825	695	-	125	125	58	67	116%	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		19	59	-	1	1	5	(4)	-72%	-
Waste management		806	636	-	123	123	53	70	133%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	160,200	177,271	-	70,477	70,477	14,773	55,704	377%	-
Expenditure - Functional										
<i>Governance and administration</i>		100,927	85,297	-	5,254	5,254	7,108	(1,854)	-28%	-
Executive and council		24,243	18,852	-	1,471	1,471	1,571	(100)	-6%	-
Finance and administration		75,055	64,443	-	3,625	3,625	5,370	(1,745)	-32%	-
Internal audit		1,629	2,002	-	158	158	167	(9)	-5%	-
<i>Community and public safety</i>		13,966	15,120	-	977	977	1,260	(283)	-22%	-
Community and social services		1,928	2,315	-	62	62	193	(131)	-68%	-
Sport and recreation		1,685	1,830	-	146	146	152	(6)	-4%	-
Public safety		9,089	9,634	-	691	691	803	(112)	-14%	-
Housing		1,254	1,341	-	77	77	112	(34)	-31%	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10,256	8,660	-	971	971	722	249	35%	-
Planning and development		4,760	4,852	-	512	512	404	108	27%	-
Road transport		5,496	3,807	-	459	459	317	141	45%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17,695	18,385	-	1,934	1,934	1,532	402	28%	-
Energy sources		5,087	5,014	-	361	361	418	(57)	-14%	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		12,608	13,370	-	1,573	1,573	1,114	459	41%	-
<i>Other</i>		3,963	4,625	-	186	186	385	(199)	-52%	-
Total Expenditure - Functional	3	146,807	132,087	-	9,322	9,322	11,007	(1,685)	-15%	-
Surplus/ (Deficit) for the year		13,393	45,184	-	61,154	61,154	3,765	57,389	1524%	-

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) - M01 July

Vote Description		2018/19	Budget Year 2019/20							
	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		155,653	167,290	-	70,035	70,035	13,941	56,094	402.4%	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		455	649	-	2	2	54	(52)	-95.5%	-
Vote 5 - Energy services		-	-	-	-	-	-	-	-	-
Vote 6 - Road Transport		3,203	8,417	-	313	313	701	(388)	-55.4%	-
Vote 7 - Other		-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		63	220	-	1	1	18	(17)	-94.1%	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 10 - Vote 10 - Housing		-	-	-	-	-	-	-	-	-
Vote 11 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		806	636	-	123	123	53	70	133.0%	-
Vote 13 - Waste Water Management		19	59	-	1	1	5	(4)	-72.3%	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	160,200	177,271	-	70,477	70,477	14,773	55,704	377.1%	-
Expenditure by Vote										
Vote 1 - Vote 1 - Executive and Council		24,243	18,852	-	1,471	1,471	1,571	(100)	-6.4%	-
Vote 2 - Finance and Administration		75,055	64,443	-	3,625	3,625	5,370	(1,745)	-32.5%	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		1,928	2,315	-	62	62	193	(131)	-67.7%	-
Vote 5 - Energy services		5,087	5,014	-	361	361	418	(57)	-13.6%	-
Vote 6 - Road Transport		14,594	13,441	-	1,149	1,149	1,120	29	2.6%	-
Vote 7 - Other		3,963	4,625	-	186	186	385	(199)	-51.7%	-
Vote 8 - Planning and Development		4,760	4,852	-	512	512	404	108	26.7%	-
Vote 9 - Sport and Recreation		1,685	1,830	-	146	146	152	(6)	-4.0%	-
Vote 10 - Vote 10 - Housing		1,254	1,341	-	77	77	112	(34)	-30.8%	-
Vote 11 - Internal Audit		1,629	2,002	-	158	158	167	(9)	-5.2%	-
Vote 12 - Waste Management		12,608	13,370	-	1,573	1,573	1,114	459	41.2%	-
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	-	9,322	9,322	11,007	(1,685)	-15.3%	-
Surplus/ (Deficit) for the year	2	13,393	45,184	-	61,154	61,154	3,765	57,389	1524.1%	-

4.1.4 Table C4: Monthly Budget Statement

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

		2018/19	Budget Year 2019/20							
Description	Ref	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		35,243	35,243	3,235	32,008	989%	
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue		806	636		123	123	53	70	133%	
Rental of facilities and equipment		157	686		29	29	57	(29)	-50%	
Interest earned - external investments		1,212	2,916		44	44	243	(199)	-82%	
Interest earned - outstanding debtors		2,086	5,032		196	196	419	(223)	-53%	
Dividends received						-		-		
Fines, penalties and forfeits		1,155	5,681		65	65	473	(408)	-86%	
Licences and permits		1,756	2,366		224	224	197	27	14%	
Agency services		392	536		39	39	45	(5)	-12%	
Transfers and subsidies		88,625	89,199		34,504	34,504	7,433	27,071	364%	
Other revenue		955	4,860		9	9	405	(396)	-98%	
Gains on disposal of PPE								-		
Total Revenue (excluding capital transfers and contributions)		128,384	150,732	-	70,477	70,477	12,561	57,916	461%	-
Expenditure By Type										
Employee related costs		66,713	69,482		5,592	5,592	5,790	(198)	-3%	
Remuneration of councillors		8,575	9,051		745	745	754	(9)	-1%	
Debt impairment		399	1,756		-	-	146	(146)	-100%	
Depreciation & asset impairment		20,894	10,576		-	-	881	(881)	-100%	
Finance charges		788			-	-		-		
Bulk purchases					-	-		-		
Other materials		2,820	2,630		44	44	219	(175)	-80%	
Contracted services		27,183	18,954		571	571	1,580	(1,009)	-64%	
Transfers and subsidies		50	53		-	-	4	(4)	-100%	
Other expenditure		19,385	19,585		2,370	2,370	1,632	738	45%	
Loss on disposal of PPE					-	-		-		
Total Expenditure		146,807	132,087	-	9,322	9,322	11,007	(1,685)	-15%	-
Surplus/(Deficit)		(18,423)	18,645	-	61,154	61,154	1,554	59,601	0	-
Transfers and subsidies - capital (financially accounted for)										
(National / Provincial and District)		31,816	26,539				2,212	(2,212)	(0)	
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)							-	-		
Transfers and subsidies - capital (in-kind - all)							-	-		
Surplus/(Deficit) after capital transfers & contributions		13,393	45,184	-	61,154	61,154	3,765			-
Taxation								-		
Surplus/(Deficit) after taxation		13,393	45,184	-	61,154	61,154	3,765			-
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		13,393	45,184	-	61,154	61,154	3,765			-
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		13,393	45,184	-	61,154	61,154	3,765			

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) - M01 July

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									
Capital Expenditure - Functional Classification										
Governance and administration		2,077	2,660	–	197	197	222	(24)	-11%	–
Executive and council								–		
Finance and administration		2,077	2,660		197	197	222	(24)	-11%	
Internal audit								–		
Community and public safety		15,666	1,200	–	1,104	1,104	100	1,004	1004%	–
Community and social services		15,666						–		
Sport and recreation			1,200		1,104	1,104	100	1,004	1004%	
Public safety								–		
Housing								–		
Health								–		
Economic and environmental services		15,838	21,429	–	–	–	1,786	(1,786)	-100%	–
Planning and development								–		
Road transport		15,838	21,429				1,786	(1,786)	-100%	
Environmental protection								–		
Trading services		–	5,160	–	–	–	430	(430)	-100%	–
Energy sources			5,160				430	(430)	-100%	
Water management								–		
Waste water management								–		
Waste management								–		
Other								–		
Total Capital Expenditure - Functional Classification	3	33,582	30,449	–	1,301	1,301	2,537	(1,236)	-49%	–
Funded by:										
National Government		31,332	26,639		1,104	1,104	2,220	(1,116)	-50%	
Provincial Government								–		
District Municipality								–		
Other transfers and grants								–		
Transfers recognised - capital		31,332	26,639	–	1,104	1,104	2,220	(1,116)	-50%	–
Borrowing	6							–		
Internally generated funds		2,249	3,810		197	197	318	(120)	-38%	
Total Capital Funding		33,582	30,449	–	1,301	1,301	2,537	(1,236)	-49%	–

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1,312	10,124		3,670	10,124
Call investment deposits		–	–		31,500	
Consumer debtors		6,796	13,490		55,287	13,490
Other debtors		16,658	5,654		2,370	5,654
Current portion of long-term receivables		311	–		–	–
Inventory		9,853	9,853		9,853	9,853
Total current assets		34,929	39,121	–	102,680	39,121
Non current assets						
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		253,889	282,775
Biological						
Intangible		671	875		671	875
Other non-current assets		0			0	
Total non current assets		279,932	311,745	–	281,234	311,745
TOTAL ASSETS		314,861	350,866	–	383,914	350,866
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing						
Consumer deposits					73	
Trade and other payables		21,253	14,624		24,041	14,624
Provisions					5,036	
Total current liabilities		21,253	14,624	–	29,151	14,624
Non current liabilities						
Borrowing			–			–
Provisions		13,829	12,806		13,829	
Total non current liabilities		13,829	12,806	–	13,829	–
TOTAL LIABILITIES		35,082	27,430	–	42,980	14,624
NET ASSETS	2	279,779	323,436	–	340,933	336,242
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		279,779	278,252		340,933	278,252
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	279,779	278,252	–	340,933	278,252

MONTHLY BUDGET STATEMENT FOR JULY 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 - M01 July

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		430	430	1,941	(1,511)	-78%		
Service charges			381		97	97	32	65	204%		
Other revenue			8,477		387	387	706	(319)	-45%		
Government - operating			89,199		34,954	34,954	7,433	27,521	370%		
Government - capital			26,539		8,552	8,552	2,212	6,340	287%		
Interest			5,935		44	44	495	(451)	-91%		
Dividends						-		-			
Payments											
Suppliers and employees			(119,702)		(9,240)	(9,240)	(9,975)	(735)	7%		
Finance charges								-			
Transfers and Grants			(53)				(4)	(4)	100%		
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	34,069	-	35,224	35,224	2,839	(32,385)	-1141%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE								-			
Decrease (increase) in non-current debtors			5,000				417	(417)	-100%		
Decrease (increase) other non-current receivables								-			
Decrease (increase) in non-current investments								-			
Payments											
Capital assets			(30,449)		(1,301)	(1,301)	(2,537)	(1,236)	49%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(25,449)	-	(1,301)	(1,301)	(2,121)	(819)	39%	-
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	-	33,923	33,923	718		-	
Cash/cash equivalents at beginning:				1,504			1,312	1,504		1,312	
Cash/cash equivalents at month/year end:			-	10,124	-		35,234	2,222		1,312	

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description		Budget Year 2019/20											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L. 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	35,123	172	121	162	103	103	2,217	8,638	46,640	11,225	—	—	—
Receivables from Exchange Transactions - Waste Water Management	1500	—	—	—	—	—	—	—	—	—	—	—	—	—
Receivables from Exchange Transactions - Waste Management	1600	126	39	36	28	25	25	150	623	1,263	1,051	—	—	—
Receivables from Exchange Transactions - Property Rental Debtors	1700	30	16	20	—	—	—	—	112	178	112	—	—	—
Interest on Arrear Debtor Accounts	1810	204	213	205	218	221	218	1,531	6,731	9,540	8,818	—	—	—
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1920	—	—	—	—	—	—	—	—	—	—	—	—	—
Other	1900	—	—	—	—	—	—	—	—	—	—	—	—	—
Total By Income Source	2000	35,483	439	383	408	349	346	3,898	16,305	67,611	21,306	—	—	—
2019/19 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	31,476	76	51	80	82	82	1,759	4,009	37,615	6,011	—	—	—
Commercial	2300	2,968	86	79	106	65	57	396	2,217	6,073	2,941	—	—	—
Households	2400	347	190	183	173	154	159	1,020	5,614	8,141	7,421	—	—	—
Other	2500	692	87	105	49	46	48	723	4,065	5,781	4,933	—	—	—
Total By Customer Group	2600	35,483	438	383	408	349	346	3,898	16,305	67,611	21,306	—	—	—

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 - M01 July

2019/2020 Annual Budget Statement - aged creditors - 30/04/20												Prior year
Description	NT Code	Budget Year 2019/20									Total	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			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	28	-	-	-	-	-	-	-	28		
Bulk Water	0200	-	-	-	-	-	-	-	-	-		
PAYE deductions	0300	-	-	-	-	-	-	-	-	-		
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-		
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-		
Loan repayments	0600	-	-	-	-	-	-	-	-	-		
Trade Creditors	0700	1,760	123	-	-	-	-	(79)	82	1,887		
Auditor General	0800	-	-	-	-	-	-	-	-	-		
Other	0900	227	-	-	-	-	-	-	-	227		
Total By Customer Type	1000	2,015	123	-	-	-	-	(79)	82	2,142		

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July

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 74819040051		3MONTHS	Short term	Yes		0	0	0	25/09/2019	43,000	24	(11,524)		31,500
														-
														-
														-
Municipality sub-total										43,000		(11,524)	-	31,500
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									43,000		(11,524)	-	31,500

7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	3 371 667
Call investment deposits Investments	31 500 000
TOTAL	35 234 498.53

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	9 626 300.13
Unpaid creditors	2 141 606
TOTAL	11 767 906.13

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 - M01 July

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	88,602	-	34,457	34,457	7,384	27,472	372.1%	-
Local Government Equitable Share			82,696		34,007	34,007	6,891	27,116	393.5%	
Finance Management			2,880		-	-	240	-	-	
Municipal Systems Improvement					-	-		-	-	
EPWP Incentive			1,901		-	-	158	-	-	
	3									
PMU			1,125		450	450	94	356	380.0%	
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers and grants (insert description)										
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		-	597	-	47	47	50	(2)	-4.9%	-
Construction Ceta										
LG Seta			176		47	47	15	-	-	
Education Seta										
Sports and Recreation			421				35	-	-	
Total Operating Transfers and Grants	5	-	89,199	-	34,504	34,504	7,433	27,469	369.5%	-
Capital Transfers and Grants										
National Government:		-	26,539	-	10,552	10,552	2,212	8,340	377.1%	-
Municipal Infrastructure Grant (MIG)			21,379		8,552	8,552	1,782	6,770	380.0%	
Energy			5,160		2,000	2,000	430	1,570	365.1%	
Provincial Government:		-	-	-	-	-	-	-	-	-
(insert description)										
District Municipality:		-	-	-	-	-	-	-	-	-
(insert description)										
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)										
Total Capital Transfers and Grants	5	-	26,539	-	10,552	10,552	2,212	8,340	377.1%	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	115,738	-	45,056	45,056	9,645	35,810	371.3%	-

8.2 Supporting Table SC7 (1) – Grant expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July

Description		Ref	2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2019/20 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
EXPENDITURE											
Operating expenditure of Transfers and Grants											
National Government:			-	88,602	-	9,224	9,224	7,384	1,841	24.9%	-
Local Government Equitable Share				82,696		9,045	9,045	6,891	2,154	31.3%	
Finance Management				2,880		73	73	240	(167)	-69.4%	
Municipal Systems Improvement									-		
EPWP Incentive				1,901				158	(158)	-100.0%	
									-		
									-		
PMU				1,125		106	106	94	12	13.2%	
Provincial Government:			-	-	-	-	-	-	-		-
									-		
									-		
									-		
Other transfers and grants [insert description]									-		
District Municipality:			-	-	-	-	-	-	-		-
[insert description]									-		
Other grant providers:			-	597	-	15	15	50	(23)	(0)	-
Construction Ceta											
LG Seta				178		3	3	15			
Education Seta									-		
library				421		12	12	35	(23)	-65.8%	
Total operating expenditure of Transfers and Grants:			-	89,199	-	9,240	9,240	7,433	1,818	24.5%	-
Capital expenditure of Transfers and Grants											
National Government:			-	26,539	-	1,270	1,270	2,212	(942)	-42.8%	-
Municipal Infrastructure Grant (MIG)				21,379		1,270	1,270	1,782	(512)	-28.7%	
									-		
									-		
									-		
Energy				5,160		-	-	430	(430)	-100.0%	
Provincial Government:			-	-	-	-	-	-	-		-
									-		
									-		
District Municipality:			-	-	-	-	-	-	-		-
									-		
									-		
Other grant providers:			-	-	-	-	-	-	-		-
									-		
Total capital expenditure of Transfers and Grants			-	26,539	-	1,270	1,270	2,212	(942)	-42.8%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			-	115,738	-	10,509	10,509	9,645	878	9.1%	-

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 July 2019 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	7 626 300.13
Financial Management Grant (FMG)	(73,370.39)
Integrated Electrification Municipal Programme	2 000 000.00
Extended Public Works Programme Grant (EPWP)	0.00
Unspent grant balances	9 626 300.13

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 - M01 July

Summary of Employee and Councillor remuneration		Ref	2018/19 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
		1	A	B	C						D
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages				7,257		560	560	605	(45)	-7%	
Pension and UIF Contributions				182		15	15	15	-		
Medical Aid Contributions				34		3	3	3	-		
Motor Vehicle Allowance				473		-	-	39	(39)	-100%	
Cellphone Allowance				1,031		88	88	86	2	2%	
Housing Allowances				-		-	-	-	-		
Other benefits and allowances				74		80	80	6	74	1199%	
Sub Total - Councillors			-	9,051	-	745	745	754	(9)	-1%	-
% increase		4		#DIV/0!							
Senior Managers of the Municipality											
Basic Salaries and Wages				7,131		157	157	594	(437)	-74%	
Pension and UIF Contributions				62		0	0	5	(5)	-94%	
Medical Aid Contributions				32		-	-	3	(3)	-100%	
Overtime				-		-	-	-	-		
Performance Bonus				-		-	-	-	-		
Motor Vehicle Allowance				770		42	42	64	(23)	-35%	
Cellphone Allowance				46		4	4	4	(0)	-1%	
Housing Allowances				-		-	-	-	-		
Other benefits and allowances				15		0	0	1	(1)	-99%	
Payments in lieu of leave				2		-	-	0	(0)	-100%	
Long service awards				-		-	-	-	-		
Post-retirement benefit obligations				-		-	-	-	-		
Sub Total - Senior Managers of Municipality			-	8,058	-	203	203	672	(469)	-70%	-
% increase		4		#DIV/0!							
Other Municipal Staff											
Basic Salaries and Wages				44,059		3,983	3,983	3,672	311	8%	
Pension and UIF Contributions				6,506		599	599	542	57	11%	
Medical Aid Contributions				2,547		234	234	212	22	10%	
Overtime				744		44	44	62	(18)	-29%	
Performance Bonus				-		-	-	-	-		
Motor Vehicle Allowance				2,318		165	165	193	(28)	-15%	
Cellphone Allowance				345		24	24	29	(5)	-17%	
Housing Allowances				104		8	8	9	(0)	-5%	
Other benefits and allowances				3,412		238	238	284	(46)	-16%	
Payments in lieu of leave				1,167		95	95	97	(2)	-2%	
Long service awards				222		-	-	19	(19)	-100%	
Post-retirement benefit obligations				-		-	-	-	-		
Sub Total - Other Municipal Staff			-	61,424	-	5,390	5,390	5,119	271	5%	-
% Increase		4		#DIV/0!							
Total Parent Municipality			-	78,533	-	6,338	6,338	6,544	(207)	-3%	-

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 - M01 July

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				4,741	-		
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	-	1,301					

The Municipality has spent 4.2 percent of the annual capital budget and 54 % compared to year to date budget as at 31 July 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 JULY 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 - M01 July

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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	554	-	-	-	46	46	100.0%	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads			-				-	-		
Road Structures							-	-		
Road Furniture							-	-		
Capital Spares							-	-		
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection							-	-		
Storm water Conveyance							-	-		
Attenuation							-	-		
Electrical Infrastructure		-	554	-	-	-	46	46	100.0%	-
Power Plants		-	554				46	46	100.0%	
Unimproved Property							-	-		
Other assets		-	480	-	25	25	40	15	37.3%	-
Operational Buildings		-	480	-	25	25	40	15	37.3%	-
Municipal Offices		-	480		25	25	40	15	37.3%	
Pay/Enquiry Points							-	-		
Computer Software and Applications							-	-		
Load Settlement Software Applications							-	-		
Unspecified							-	-		
Computer Equipment		-	120	-	-	-	10	10	100.0%	-
Computer Equipment		-	120				10	10	100.0%	
Furniture and Office Equipment		-	-	-	-	-	-	-		-
Furniture and Office Equipment							-	-		
Machinery and Equipment		-	-	-	-	-	-	-		-
Machinery and Equipment			-				-	-		
Transport Assets		-	1,052	-	19	19	88	69	78.5%	-
Transport Assets		-	1,052		19	19	88	69	78.5%	
Land		-	-	-	-	-	-	-		-
Land							-	-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals							-	-		
Total Repairs and Maintenance Expenditure	1	-	2,205	-	44	44	184	140	76.1%	-

Section 14 – Other supporting documentation

Other supporting documents

25. A municipality must add to its in-year report any supporting documents not covered in this Schedule if such documents are necessary to fully explain the review of actual service delivery and financial performance compared to the approved annual budget and the latest approved adjustments budget.

14.1 Other information

None

Section 15 – In-year reports of municipal entities attached to the municipality's in-year report

In-year reports of municipal entities attached to the in-year report

26. Give a list of the municipal entity in-year reports attached to the in-year report.

Not Applicable to Ngqushwa Local Municipality

15.1 Listing of in-year reports for municipal entities attached to this report

Not applicable to Ngqushwa Municipality.

Section 16 – Municipal manager's quality certification**QUALITY CERTIFICATE**

I, **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 July 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

M.P. Mpahlwa

Date

2019/07/07