



NGQUSHWA LOCAL MUNICIPALITY
MONTHLY BUDGET STATEMENT
MAY 2019

MONTHLY BUDGET STATEMENT FOR MAY 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 May 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;

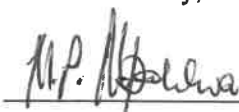
1. DELIBERATIONS

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

27/06/2019

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 May 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 Finance Standing Committee or Management 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 2018/2019

RECOMMENDATION:

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

Section 3 – Executive Summary

3 Section 3 – Executive Summary

Executive summary

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

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

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

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

and note

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

3.1 Introduction

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

3.2 Consolidated performance

3.2.1 Against annual budget

Revenue by Source

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

EC120 ngqushwa - Table C-4 monthly Budget Statement - Financial Performance (revenue and expenditure) - m11 May										
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		25,081	28,780	25,468	424	30,816	23,346	7,471	32%	
Service charges - electricity revenue				-			-	-		
Service charges - water revenue				-			-	-		
Service charges - sanitation revenue				-			-	-		
Service charges - refuse revenue		759	755	604	64	736	554	182	33%	
Service charges - other				-			-	-		
Rental of facilities and equipment		156	572	652	28	193	598	(404)	-68%	
Interest earned - external investments		755	2,702	2,772	-	616	2,541	(1,925)	-76%	
Interest earned - outstanding debtors		1,985	4,343	3,986	367	2,639	3,654	(1,014)	-28%	
Dividends received				-			-	-		
Fines, penalties and forfeits		450	3,900	5,400	10	253	4,950	(4,697)	-95%	
Licences and permits		1,715	2,249	2,249	180	1,588	2,061	(473)	-23%	
Agency services		310	509	509	34	358	467	(109)	-23%	
Transfers and subsidies		135,032	95,935	96,057	-	82,331	88,052	(5,721)	-6%	
Other revenue		1,078	4,468	4,620	28	407	4,235	(3,828)	-90%	
Gains on disposal of PPE				-			-	-		
Total Revenue (excluding capital transfers and contributions)		167,320	144,213	142,316	1,134	119,939	130,457	(10,518)	-8%	-

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

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 30 816 377.06 with 32 % 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 2018. The adjusted budget for rates has been reduced due to compliance to the property rates Act section 34.

Service charges

Service charges on refuse service charges are R 735 825.49 or 33% over billed than the year to date budget.

And Rental of facilities are at -68 % under billed with the year to date budget. The municipality has over budgeted on rental of facilities.

The municipality has under collected on other own revenue with -90 % compared to year to date budget. The other own revenue year to date collection is low, due restricted or no activities in Other revenue – Cemetery fees, Tender fees, Building Plans, Pound fees)

Expenditure by Type

Expenditure By Type									
Employee related costs	58,806	66,807	65,119	5,387	60,620	59,692	927	2%	
Remuneration of councillors	9,521	9,439	8,483	583	7,886	7,776	110	1%	
Debt impairment	545	2,170	1,670	-	-	1,530	(1,530)	-100%	
Depreciation & asset impairment	33,458	15,053	10,053	-	-	9,215	(9,215)	-100%	
Finance charges	886	2,100	-	3	134	-	134	#DIV/0!	
Bulk purchases	-	-	-	-	-	-	-		
Other materials	-	1,911	2,433	22	2,156	2,231	(74)	-3%	
Contracted services	18,254	23,482	32,056	2,772	28,738	29,385	(647)	-2%	
Transfers and subsidies	-	25	50	-	-	46	(46)	-100%	
Other expenditure	28,239	16,893	18,543	2,458	12,225	16,998	(4,773)	-28%	
Loss on disposal of PPE	(3,538)	-	-	-	-	-	-		
Total Expenditure	146,173	137,881	138,407	11,225	111,759	126,873	(15,114)	-12%	-

The actuals expenditure for to debt impairment will be reported annually at the end of financial year, depreciation - the asset section is busy with integrating the final fixed asset register in the financial system with the system Vendor. Other expenditure shows an under expenditure of 28% compared to year to date this because the internal management decision to prioritise the Capital infrastructure projects funded by conditional grants.

Capital Expenditure

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May

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		59,619	4,318	2,235	16	2,368	2,048	320	16%	-
Executive and council			10	10			9	(9)	-100%	
Finance and administration		59,619	4,308	2,225	16	2,368	2,039	329	16%	
Internal audit										
Community and public safety		-	3,400	2,064	3,780	5,248	1,892	3,356	177%	-
Community and social services			1,500	564	2,882	4,350	517	3,833	742%	
Sport and recreation			1,900	1,500	898	898	1,375	(477)	-35%	
Public safety										
Housing										
Health										
Economic and environmental services		30,241	19,631	20,628	158	21,893	18,909	2,984	16%	-
Planning and development			15	15			14	(14)	-100%	
Road transport		30,241	19,616	20,613	158	21,893	18,895	(18,737)	-99%	
Environmental protection										
Trading services		3,900	5,332	5,332	375	5,558	4,888	670	14%	-
Energy services		3,900	5,332	5,332	375	5,558	4,888	670	14%	
Water management										
Waste water management										
Waste management										
Other										
Total Capital Expenditure - Functional Classification	3	93,759	32,681	30,258	4,329	35,067	27,736	7,331	26%	-
Funded by:										
National Government		34,141	26,348	26,348	3,414	31,792	24,152	7,639	32%	
Provincial Government										
District Municipality		47,436								
Other transfers and grants										
Transfers recognised - capital		81,577	26,348	26,348	3,414	31,792	24,152	7,639	32%	-
Public contributions & donations	5									
Borrowing	6									
Internally generated funds		12,183	6,333	3,910	914	3,267	3,584	(317)	-8%	
Total Capital Funding		93,759	32,681	30,258	4,329	35,058	27,736	7,322	26%	-

The expenditure for the month of May 2019 was R 4 328 811.34 year to date expenditure is R 35 058 180.74 with 26 % over variance compared to year to date of the total annual capital budget amount. This month expenditure comprises of:

- The electrification of household project R 374,556.50
- Construction of Dube Community Hall R 385,721.36
- Construction of Mabhongo Community Hall R 472,206.33
- Construction of Mtati Community Hall R 417,626.85
- Construction of Mthombe Community Hall R 648,149.43
- Construction of Peddie Community Hall R 184,827.15
- Construction of Bingqala Community Hall R 773,213.31
- And other fixed assets (office equipment, tools etc.) R 914 409.74
- The total expenditure above is funded from Energy grant, MIG grant and Municipal own 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 - M11 May

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	25,081	28,780	25,468	424	30,816	23,346	7,471	32%	30,816
Service charges	759	755	604	64	736	554	182	33%	736
Investment revenue	755	2,702	2,772	-	616	2,541	(1,925)	-76%	616
Transfers and subsidies	135,032	95,935	96,057	-	82,331	88,052	(5,721)	-6%	82,331
Other own revenue	5,693	16,041	17,416	646	5,439	15,965	(10,525)	-66%	5,439
Total Revenue (excluding capital transfers and contributions)	167,320	144,213	142,316	1,134	119,939	130,457	(10,518)	-8%	119,939
Employee costs	58,806	66,807	65,119	5,387	60,620	59,692	927	2%	-
Remuneration of Councillors	9,521	9,439	8,483	583	7,886	7,776	110	1%	-
Depreciation & asset impairment	33,458	15,053	10,053	-	-	9,215	(9,215)	-100%	-
Finance charges	886	2,100	-	3	134	-	134	#DIV/0!	-
Materials and bulk purchases	-	1,911	2,433	22	2,156	2,231	(74)	-3%	-
Transfers and subsidies	-	25	50	-	-	46	(46)	-100%	-
Other expenditure	43,500	42,545	52,269	5,230	40,962	47,913	(6,951)	-15%	-
Total Expenditure	146,173	137,881	138,407	11,225	111,759	126,873	(15,114)	-12%	-
Surplus/(Deficit)	21,148	6,333	3,910	(10,091)	8,180	3,584	4,596	128%	119,939
Transfers and subsidies - capital (monetary alloc	35,733	26,348	26,348	-	-	24,152	(24,152)	-100%	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	56,880	32,681	30,258	(10,091)	8,180	27,736	(19,556)	-71%	119,939
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	56,880	32,681	30,258	(10,091)	8,180	27,736	(19,556)	-71%	119,939
Capital expenditure & funds sources									
Capital expenditure	93,759	32,681	30,258	4,329	35,058	27,736	7,322	26%	-
Capital transfers recognised	81,577	26,348	26,348	3,414	31,792	24,152	7,639	32%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	12,183	6,333	3,910	914	3,267	3,584	(317)	-9%	-
Total sources of capital funds	93,759	32,681	30,258	4,329	35,058	27,736	7,322	26%	-
Financial position									
Total current assets	30,498	34,146	34,146	-	44,825	-	-	-	34,146
Total non current assets	279,029	210,439	208,016	-	299,945	-	-	-	210,439
Total current liabilities	20,042	22,346	22,346	-	35,867	-	-	-	22,346
Total non current liabilities	12,806	3,191	3,191	-	12,806	-	-	-	3,191
Community wealth/Equity	276,680	219,048	183,022	-	296,098	-	-	-	219,048
Cash flows									
Net cash from (used) operating	35,964	78,864	78,864	(9,797)	39,183	72,292	33,109	46%	-
Net cash from (used) investing	(35,726)	(63,811)	(63,811)	(6,070)	(29,403)	(58,493)	(29,090)	50%	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	1,504	16,253	16,253	-	11,283	14,998	3,715	25%	1,504
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	649	491	392	759	(6)	530	3,628	16,345	22,789
Creditors Age Analysis									
Total Creditors	284	-	-	-	-	-	-	-	284

4.1.2 Table C2: Monthly Budget Statement - Financial

EC126 Ngqushwa - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

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>		145,895	162,572	159,177	845	116,578	145,912	(29,334)	-20%	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		145,895	162,572	159,177	845	116,578	145,912	(29,334)	-20%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		57,478	586	637	3	438	584	(146)	-25%	-
Community and social services		57,478	586	617	3	438	586	(128)	-23%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	20	-	-	18	(18)	-100%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2,439	6,592	6,190	220	2,170	7,507	(5,338)	-71%	-
Planning and development		73	91	209	5	59	192	(133)	-69%	-
Road transport		2,366	6,501	7,981	215	2,111	7,316	(5,205)	-71%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		779	811	860	66	753	605	148	24%	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		21	56	56	2	17	51	(34)	-86%	-
Waste management		759	755	804	64	736	554	182	33%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	206,591	170,561	168,664	1,134	119,939	154,609	(34,670)	-22%	-
Expenditure - Functional										
<i>Governance and administration</i>		110,250	94,311	95,287	7,026	69,032	87,346	(18,314)	-21%	-
Executive and council		27,399	28,080	32,711	1,409	22,458	29,985	(7,527)	-25%	-
Finance and administration		82,850	64,163	62,576	5,480	45,066	57,361	(12,295)	-21%	-
Internal audit		-	2,068	-	137	1,508	-	1,508	#DIV/0!	-
<i>Community and public safety</i>		4,609	5,390	14,101	354	4,448	4,641	(192)	-4%	-
Community and social services		1,351	2,127	2,173	129	1,771	1,992	(221)	-11%	-
Sport and recreation		1,674	994	1,628	152	1,511	1,491	20	1%	-
Public safety		-	-	9,039	-	-	-	-	-	-
Housing		1,585	2,269	1,263	72	1,166	1,157	9	1%	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		19,330	19,881	7,666	1,585	17,724	7,027	10,697	152%	-
Planning and development		4,329	6,081	4,090	332	4,356	3,749	607	16%	-
Road transport		15,002	13,800	3,576	1,253	13,368	3,278	10,090	308%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12,368	15,681	17,480	1,930	16,679	16,024	856	5%	-
Energy sources		3,809	4,897	4,754	361	4,682	4,358	323	7%	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		8,559	10,784	12,726	1,570	12,198	11,665	532	5%	-
<i>Other</i>		3,153	2,618	3,873	330	3,675	3,550	125	4%	-
Total Expenditure - Functional	3	149,711	137,881	138,407	11,225	111,759	118,587	(6,829)	-6%	-
Surplus/ (Deficit) for the year		56,880	32,681	30,258	(10,091)	8,180	36,022	(27,842)	-77%	-

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) - M11 May

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										
Revenue by Vote										
Vote 1 - Council General	1	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		145,895	162,572	159,177	845	116,578	145,912	(29,334)	-20.1%	-
Vote 3 - Budget and Treasury		57,478	586	637	3	438	584	(146)	-25.0%	-
Vote 4 - Corporate Services		-	-	660	-	-	605	(605)	-100.0%	-
Vote 5 - Community & Social Services		2,366	6,501	-	215	2,111	-	2,111	#DIV/0!	-
Vote 6 - Technical services		-	-	-	-	-	-	-	-	-
Vote 7 - other		73	91	8,190	5	61	7,507	(7,447)	-99.2%	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		779	755	-	64	736	-	736	#DIV/0!	-
Vote 12 - [NAME OF VOTE 12]		-	56	-	2	16	-	16	#DIV/0!	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	206,591	170,561	168,664	1,134	119,939	154,609	(34,670)	-22.4%	-
Expenditure by Vote										
Vote 1 - Council General	1	27,399	28,080	32,711	1,247	21,049	29,985	(8,936)	-29.8%	-
Vote 2 - Municipal Manager		82,850	64,163	62,576	4,034	39,586	57,361	(17,775)	-31.0%	-
Vote 3 - Budget and Treasury		1,351	2,127	14,101	2,267	12,868	12,926	(59)	-0.5%	-
Vote 4 - Corporate Services		3,809	4,897	-	560	4,321	-	4,321	#DIV/0!	-
Vote 5 - Community & Social Services		15,002	13,800	-	1,122	12,115	-	12,115	#DIV/0!	-
Vote 6 - Technical services		3,153	2,618	3,873	289	3,344	3,550	(206)	-5.8%	-
Vote 7 - other		4,329	6,081	7,666	542	4,024	7,027	(3,002)	-42.7%	-
Vote 8 - [NAME OF VOTE 8]		1,674	994	-	129	1,358	-	1,358	#DIV/0!	-
Vote 9 - [NAME OF VOTE 9]		1,585	2,269	-	92	1,094	-	1,094	#DIV/0!	-
Vote 10 - [NAME OF VOTE 10]		-	2,068	-	126	1,371	-	1,371	#DIV/0!	-
Vote 11 - [NAME OF VOTE 11]		8,559	10,784	17,480	817	10,628	16,024	(5,396)	-33.7%	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	149,711	137,881	138,407	11,225	111,759	126,873	(15,114)	-11.9%	-
Surplus/ (Deficit) for the year	2	56,880	32,680	30,258	(10,091)	8,180	27,736	(19,556)	-70.5%	-

4.1.4 Table C4: Monthly Budget Statement

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

EC 126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - W17 May										
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		25,081	28,780	25,468	424	30,816	23,346	7,471	32%	
Service charges - electricity revenue				-			-	-		
Service charges - water revenue				-			-	-		
Service charges - sanitation revenue				-			-	-		
Service charges - refuse revenue		759	755	604	64	736	554	182	33%	
Service charges - other				-	-		-	-		
Rental of facilities and equipment		156	572	652	28	193	598	(404)	-68%	
Interest earned - external investments		755	2,702	2,772		616	2,541	(1,925)	-76%	
Interest earned - outstanding debtors		1,985	4,343	3,986	367	2,639	3,654	(1,014)	-28%	
Dividends received				-	-		-	-		
Fines, penalties and forfeits		450	3,900	5,400	10	253	4,950	(4,697)	-95%	
Licences and permits		1,715	2,249	2,249	180	1,588	2,061	(473)	-23%	
Agency services		310	509	509	34	358	467	(109)	-23%	
Transfers and subsidies		135,032	95,935	96,057	-	82,331	88,052	(5,721)	-6%	
Other revenue		1,078	4,468	4,620	28	407	4,235	(3,828)	-90%	
Gains on disposal of PPE				-	-		-	-		
Total Revenue (excluding capital transfers and contributions)		167,320	144,213	142,316	1,134	118,939	130,457	(10,518)	-8%	-
Expenditure By Type										
Employee related costs		58,806	66,807	65,119	5,387	60,620	59,692	927	2%	
Remuneration of councillors		9,521	9,439	8,483	583	7,886	7,776	110	1%	
Debt impairment		545	2,170	1,670	-		1,530	(1,530)	-100%	
Depreciation & asset impairment		33,458	15,053	10,053	-	-	9,215	(9,215)	-100%	
Finance charges		886	2,100	-	3	134	-	134	#DIV/0!	
Bulk purchases			-	-	-		-	-		
Other materials			1,911	2,433	22	2,156	2,231	(74)	-3%	
Contracted services		18,254	23,482	32,056	2,772	28,738	29,385	(647)	-2%	
Transfers and subsidies		-	25	50			46	(46)	-100%	
Other expenditure		28,239	16,893	18,543	2,458	12,225	16,998	(4,773)	-28%	
Loss on disposal of PPE		(3,538)	-	-	-		-	-		
Total Expenditure		146,173	137,681	138,407	11,225	111,759	126,873	(15,114)	-12%	-
Surplus/(Deficit)		21,148	6,333	3,910	(10,091)	8,180	3,584	4,598	0	-
Transfers and subsidies - capital (in-kind - all)										
(National / Provincial and District)		35,733	26,348	26,348	-	-	24,152	(24,152)	(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		56,880	32,681	30,258	(10,091)	8,180	27,736			-
Taxation								-		
Surplus/(Deficit) after taxation		56,880	32,681	30,258	(10,091)	8,180	27,736			-
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		56,880	32,681	30,258	(10,091)	8,180	27,736			-
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		56,880	32,681	30,258	(10,091)	8,180	27,736			

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) - M11 May

Vote Description	Ref	2018/19	Budget Year 2019/20							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Capital Expenditure - Functional Classification										
Governance and administration		59,619	4,318	2,235	16	2,368	2,048	320	16%	-
Executive and council			10	10			9	(9)	-100%	
Finance and administration		59,619	4,308	2,225	16	2,368	2,039	329	16%	
Internal audit							-	-		
Community and public safety		-	3,400	2,064	3,780	5,248	1,892	3,356	177%	-
Community and social services			1,500	564	2,882	4,350	517	3,833	742%	
Sport and recreation			1,900	1,500	898	898	1,375	(477)	-35%	
Public safety							-	-		
Housing							-	-		
Health							-	-		
Economic and environmental services		30,241	19,631	20,628	158	21,893	18,909	2,984	16%	-
Planning and development			15	15			14	(14)	-100%	
Road transport		30,241	19,616	20,613	158	21,893	18,895	(18,737)	-99%	
Environmental protection							-	-		
Trading services		3,900	5,332	5,332	375	5,558	4,888	670	14%	-
Energy sources		3,900	5,332	5,332	375	5,558	4,888	670	14%	
Water management							-	-		
Waste water management							-	-		
Waste management							-	-		
Other							-	-		
Total Capital Expenditure - Functional Classification	3	93,759	32,681	30,258	4,329	35,067	27,736	7,331	26%	-
Funded by:										
National Government		34,141	26,348	26,348	3,414	31,792	24,152	7,639	32%	
Provincial Government								-		
District Municipality		47,436						-		
Other transfers and grants								-		
Transfers recognised - capital		81,577	26,348	26,348	3,414	31,792	24,152	7,639	32%	-
Public contributions & donations	5							-		
Borrowing	6							-		
Internally generated funds		12,183	6,333	3,910	914	3,267	3,584	(317)	-9%	
Total Capital Funding		93,759	32,681	30,258	4,329	35,058	27,736	7,322	26%	-

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M11 May

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		1,504	1,266	1,266	13,291	1,266
Call investment deposits			-	-	-	-
Consumer debtors		5,257	19,546	19,546	7,559	19,546
Other debtors		13,488	9,988	9,988	13,732	9,988
Current portion of long-term receivables		397	-	-	391	-
Inventory		9,853	3,346	3,346	9,853	3,346
Total current assets		30,498	34,146	34,146	44,825	34,146
Non current assets						
Long-term receivables			-	-	-	-
Investments			-	-	-	-
Investment property		28,003	24,058	24,058	28,095	24,058
Investments in Associate			-	-	-	-
Property, plant and equipment		250,155	185,133	182,980	271,197	185,133
Agricultural			-	-	-	-
Biological			-	-	-	-
Intangible		871	1,248	979	653	1,248
Other non-current assets		0	-	-	0	-
Total non current assets		279,029	210,439	208,016	299,945	210,439
TOTAL ASSETS		309,528	244,585	242,162	344,771	244,585
LIABILITIES						
Current liabilities						
Bank overdraft			-	-	-	-
Borrowing			-	-	-	-
Consumer deposits			-	-	-	-
Trade and other payables		20,042	22,346	22,346	35,867	22,346
Provisions			-	-	-	-
Total current liabilities		20,042	22,346	22,346	35,867	22,346
Non current liabilities						
Borrowing			-	-	-	-
Provisions		12,806	3,191	3,191	12,806	3,191
Total non current liabilities		12,806	3,191	3,191	12,806	3,191
TOTAL LIABILITIES		32,848	25,537	25,537	48,673	25,537
NET ASSETS	2	276,680	219,048	216,626	296,098	219,048
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		276,680	219,048	183,022	296,098	219,048
Reserves					-	
TOTAL COMMUNITY WEALTH/EQUITY	2	276,680	219,048	183,022	296,098	219,048

MONTHLY BUDGET STATEMENT FOR MAY 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 - M11 May

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		40,286	58,798	58,798	2,403	33,454	53,898	(20,444)	-38%	
Service charges		869	1,511	1,511	75	715	1,385	(670)	-48%	
Other revenue		301	12,054	12,054	1,360	16,993	11,050	5,943	54%	
Government - operating		79,173	95,935	95,935	-	81,001	87,941	(6,940)	-8%	
Government - capital		34,141	26,348	26,348		36,816	24,152	12,664	52%	
Interest		754	7,045	7,045	157	1,095	6,458	(5,363)	-83%	
Dividends		-	-	-			-	-		
Payments										
Suppliers and employees		(119,580)	(120,703)	(120,703)	(13,792)	(130,890)	(110,644)	20,246	-18%	
Finance charges			(2,100)	(2,100)			(1,925)	(1,925)	100%	
Transfers and Grants			(25)	(25)			(23)	(23)	100%	
NET CASH FROM/(USED) OPERATING ACTIVITIES		35,964	78,884	78,884	(9,797)	39,183	72,292	33,109	46%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		944						-		
Decrease (Increase) in non-current debtors								-		
Decrease (Increase) other non-current receivables								-		
Decrease (Increase) in non-current investments			(31,130)	(31,130)			(28,536)	28,536	-100%	
Payments										
Capital assets		(38,670)	(32,681)	(32,681)	(6,070)	(29,403)	(29,957)	(554)	2%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(35,726)	(63,811)	(63,811)	(6,070)	(29,403)	(58,493)	(28,090)	50%	-
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		238	15,053	15,053	(15,867)	9,780	13,798			-
Cash/cash equivalents at beginning:		1,266	1,200	1,200		1,504	1,200			1,504
Cash/cash equivalents at month/year end:		1,504	16,253	16,253		11,283	14,998			1,504

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Ezizwe Ngqushwa - Supporting Table 3.3: monthly budget statement - aged debtors - M11 May													
Description	NT Code	Budget Year 2019/20									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-180 Days	181-180 Days	181 Days-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	333	216	135	257	(4)	109	2,161	8,778	11,983	11,269	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	78	48	30	55	(1)	26	151	827	1,212	1,058	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	28	8	–	–	–	–	(3)	114	146	114	–	–
Interest on Arrear Debtor Accounts	1810	210	224	227	448	–	365	1,316	6,626	9,446	8,785	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	–	–	–	–	–	–	–	–	–	–	–	–
Total By Income Source	2000	649	481	392	759	(4)	530	3,628	16,345	22,789	21,256	–	–
2018/19 - totals only		–	–	–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	33	67	83	165	–	150	1,574	3,917	6,008	5,806	–	–
Commercial	2300	255	135	81	153	(1)	103	423	2,421	3,570	3,059	–	–
Households	2400	281	214	190	345	(9)	226	925	6,012	8,177	7,503	–	–
Other	2500	51	56	49	95	(3)	50	707	3,995	5,053	4,848	–	–
Total By Customer Group	2900	649	491	392	759	(8)	530	3,628	16,345	22,789	21,256	–	–

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 - M11 May

Budget Year 2019/20												Prior year
Description	NT Code	0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total		
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year		totals for chart (same period)	
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-		
Bulk Water	0200	-	-	-	-	-	-	-	-	-		
PAYE deductions	0300	-	-	-	-	-	-	-	-	-		
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-		
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-		
Loan repayments	0600	-	-	-	-	-	-	-	-	-		
Trade Creditors	0700	284	-	-	-	-	-	-	-	284		
Auditor General	0800	-	-	-	-	-	-	-	-	-		
Other	0900	-	-	-	-	-	-	-	-	-		
Total By Customer Type	1000	284	-	-	-	-	-	-	-	284		

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of Investment	Accrued Interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
62414349763		Months	Short-term	30-06-2019	-		485	330	815
74773942899		Months	Short-term	30-06-2019	-		-	10,037	10,037
Municipality sub-total					-		485	10,368	10,852
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				-		485	10,368	10,852

7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	431,044
Call investment /deposits Investments	10,852,151.94
TOTAL	11,283,196.26

The following commitments exist against these available resources:

Item	R thousands
Unspent grants	6,758,985.23
Unpaid creditors	283 648
TOTAL	7 042 633.23

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 - M11 May

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:		79,083	80,489	80,489	–	81,029	73,782	6,923	9.4%	–
Local Government Equitable Share		73,615	75,488	75,488		75,488	69,197	6,291	9.1%	
Finance Management		2,345	2,415	2,415		2,415	2,214			
EPWP Incentive		1,531	1,480	1,480		1,480	1,357			
							–			
							–			
							–			
							–			
							–			
PMU		1,592	1,106	1,106		1,646	1,014	632	62.3%	
Provincial Government:		350	369	400	–	400	387	33	9.1%	–
								–		
Sport and Recreation		350	369	400	–	400	366,666.67	33	9.1%	
								–		
Other transfers and grants (insert description)								–		
District Municipality:		–	–	–	–	–	–	–		–
								–		
Other grant providers:		90	78	15,168	–	2,863	13,904	(11,041)	-79.4%	–
LG Sets		90	78	168	–	211	153,634.25	58	37.6%	
Education Sets				15,000		2,651	13,750			
								–		
Total Operating Transfers and Grants	5	79,523	80,935	96,057	–	84,292	88,052	(4,085)	-4.8%	–
Capital Transfers and Grants										
National Government:		34,140	26,348	26,348	–	36,608	24,152	12,456	51.8%	–
Municipal Infrastructure Grant (MIG)		30,241	21,016	21,016		31,276	19,265	12,011	62.3%	
INEP		3,899	5,332	5,332		5,332	4,688	444	9.1%	
Provincial Government:		–	–	–	–	–	–	–		–
(insert description)								–		
District Municipality:		–	–	–	–	–	–	–		–
(insert description)								–		
Other grant providers:		–	–	–	–	–	–	–		–
(insert description)								–		
Total Capital Transfers and Grants	5	34,140	26,348	26,348	–	36,608	24,152	12,456	51.8%	–
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	113,663	107,283	122,405	–	120,900	112,204	8,371	7.5%	

8.2 Supporting Table SC7 (1) – Grant expenditure

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

LURUQUA - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - in R										
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:		79,083	80,489	80,489	13,786	71,580	73,782	(2,222)	-3.0%	-
Local Government Equitable Share		73,615	75,488	75,488	13,238	66,962	68,197	(2,236)	-3.2%	
Finance Management		2,345	2,415	1,480	71	2,016	1,357	660	48.6%	
EPWP Incentive		1,531	1,480	2,415	278	1,476	2,214	(738)	-33.3%	
							-	-		
							-	-		
							-	-		
PMU		1,592	1,106	1,106	200	1,106	1,014	92	9.1%	
Provincial Government:		350	369	400	-	95	367	(272)	-74.1%	-
								-		
Sport and Recreation		350	369	400	-	95	367	(272)	-74.1%	
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		90	78	15,188	8	7,098	13,904	(6,806)	-49.0%	-
				15,000	6	7,098	13,750	(6,652)	-48.4%	
LG Seta		90	78	168			154	(154)	-100.0%	
Total operating expenditure of Transfers and Grants:		79,523	80,935	98,057	13,782	78,753	88,052	(9,299)	-10.6%	-
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		34,140	26,348	26,348	3,414	31,792	24,152	7,639	31.6%	-
Municipal Infrastructure Grant (MIG)		30,241	21,016	21,016	3,040	26,243	19,265	6,978	36.2%	
							-	-		
							-	-		
							-	-		
INEP		3,899	5,332	5,332	375	5,549	4,888	661	13.5%	
Provincial Government:		-	-	-	-	-	-	-		-
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
Total capital expenditure of Transfers and Grants		34,140	26,348	26,348	3,414	31,792	24,152	7,639	31.6%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		113,663	107,283	122,405	17,206	110,544	112,204	(1,660)	-1.5%	-

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 period.

The unspent grant balances as at 31 May 2019 are:

Grant	R thousands
Municipal Infrastructure Grant (MIG)	5,573,041.53
Financial Management Grant (FMG)	398,733.67
Integrated Electrification Municipal Programme	783,249.77
Extended Public Works Programme Grant (EPWP)	3,960.26
Unspent grant balances	6,758,985.23

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 - M11 May

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 %
R thousands									
	1	A	B	C					D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages		8,623	8,454	7,498	560	6,505	6,073	(368)	-5%
Pension and UIF Contributions		9	—	—	15	152	—	152	#DIV/0!
Medical Aid Contributions		—	—	—	3	28	—	28	#DIV/0!
Motor Vehicle Allowance		259	353	353	59	537	323	214	66%
Cellphone Allowance		7	633	633	(54)	664	580	84	15%
Housing Allowances		—	—	—	—	—	—	—	—
Other benefits and allowances		623	—	—	—	—	—	—	—
Sub Total - Councillors		9,521	9,439	8,483	583	7,886	7,776	110	1%
% Increase	4		-0.9%	-10.9%					
Senior Managers of the Municipality	3								
Basic Salaries and Wages		3,207	4,642	4,642	425	4,376	4,255	120	3%
Pension and UIF Contributions		—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—
Motor Vehicle Allowance		—	—	—	—	—	—	—	—
Cellphone Allowance		—	—	—	—	—	—	—	—
Housing Allowances		—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality	2	3,207	4,642	4,642	425	4,376	4,255	120	3%
% Increase	4		44.7%	44.7%					
Other Municipal Staff									
Basic Salaries and Wages		42,672	52,947	51,253	3,691	42,192	46,982	(4,790)	-10%
Pension and UIF Contributions		5,756	415	415	582	6,409	380	6,028	1585%
Medical Aid Contributions		2,149	2,054	2,054	238	2,456	1,883	573	30%
Overtime		323	454	454	131	466	416	50	12%
Performance Bonus		—	3,347	3,346	—	—	3,068	(3,068)	-100%
Motor Vehicle Allowance		2,659	1,888	1,888	240	2,746	1,731	1,015	59%
Cellphone Allowance		326	—	—	30	332	—	332	#DIV/0!
Housing Allowances		196	183	183	—	77	168	(91)	-54%
Other benefits and allowances		448	—	—	—	238	—	238	#DIV/0!
Payments in lieu of leave		655	765	765	37	1,153	701	452	64%
Long service awards		415	112	112	13	176	102	73	72%
Post-retirement benefit obligations		—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff	2	55,599	62,165	60,470	4,962	56,244	55,431	813	1%
% Increase	4		11.8%	8.8%					
Total Parent Municipality		68,328	76,247	73,595	5,970	68,506	67,462	1,044	2%

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 - M11 May

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									
Monthly expenditure performance trend									
July	482	3,082		2,823	2,823	3,082	260	8.4%	9%
August	1,594	3,082		1,437	4,260	6,165	1,905	30.9%	13%
September	816	3,082		4,896	9,156	9,247	91	1.0%	28%
October	1,761	3,082		3,416	12,572	12,329	(243)	-2.0%	38%
November	2,163	3,082		6,900	19,472	15,412	(4,060)	-26.3%	60%
December	3,390	3,082		1,869	21,340	18,494	(2,846)	-15.4%	65%
January	3,180	3,082		3,443	24,784	21,576	(3,207)	-14.9%	76%
February	4,366	3,082		2,130	26,913	24,659	(2,254)	-9.1%	82%
March	3,749	3,082		1,198	28,111	27,741	(370)	-1.3%	86%
April	3,067	3,082		2,618	30,729	30,824	94	0.3%	0
May	5,747	3,082		4,329	35,058	33,908	(1,152)	-3.4%	0
June	63,445	(1,225)				32,681	-		
Total Capital expenditure	93,759	32,681	-	35,058					

The Municipality has spent 107 % of the total Adjusted capital budget and has an over expenditure variance of 37% % compared to year to date budget as at 31 May 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 MAY 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 - M11 May

Description		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									
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			-	850	524	-	855	462	(393)	-85.1%	-
Roads Infrastructure			-	624	298	-	357	273	(84)	-30.6%	-
Roads				624	298	-	357	273	(84)	-30.6%	
Road Structures									-		
Road Furniture									-		
Capital Spares									-		
Storm water Infrastructure			-	-	-	-	-	-	-		
Drainage Collection									-		
Storm water Conveyance									-		
Attenuation									-		
Electrical Infrastructure			-	226	226	-	498	189	(309)	-164.0%	-
Power Plants				226	226	-	498	189	(309)	-164.0%	
HV Substations									-		
HV Switching Station									-		
HV Transmission Conductors									-		
MV Substations									-		
MV Switching Stations									-		
MV Networks									-		
LV Networks									-		
Capital Spares									-		
Other assets			-	131	305	-	431	280	(152)	-54.2%	-
Operational Buildings			-	131	305	-	431	280	(152)	-54.2%	-
Municipal Offices				131	305		431	280	(152)	-54.2%	
Pay/Enquiry Points									-		
Building Plan Offices									-		
Workshops									-		
Yards									-		
Stores									-		
Laboratories									-		
Training Centres									-		
Manufacturing Plant									-		
Depots									-		
Capital Spares									-		
Housing			-	-	-	-	-	-	-		-
Staff Housing									-		
Social Housing									-		
Capital Spares									-		
Biological or Cultivated Assets			-	-	-	-	-	-	-		-
Biological or Cultivated Assets									-		
Intangible Assets			-	-	-	-	-	-	-		-
Servitudes									-		
Licences and Rights			-	-	-	-	-	-	-		-
Water Rights									-		
Effluent Licenses									-		
Solid Waste Licenses									-		
Computer Software and Applications									-		
Load Settlement Software Applications									-		
Unspecified									-		
Computer Equipment			-	78	78	22	85	72	(13)	-18.9%	-
Computer Equipment				78	78	22	85	72	(13)	-18.9%	
Furniture and Office Equipment			-	-	601	-	-	-	-		-
Furniture and Office Equipment					601				-		
Machinery and Equipment			-	150	150	-	-	138	138	100.0%	-
Machinery and Equipment				150	150			138	138	100.0%	
Transport Assets			-	600	774	-	785	710	(76)	-10.7%	-
Transport Assets				600	774	-	785	710	(76)	-10.7%	
Land			-	-	-	-	-	-	-		-
Land									-		
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals									-		
Total Repairs and Maintenance Expenditure			1	-	1,810	2,433	22	2,156	1,660	(496)	-29.9%

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 MAY 2019

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 May 2019 of 2018/2019 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Mrs. M.P Mpahlwa

Municipal Manager of Ngqushwa Municipality (EC126)

Signature



Date

