



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

**MONTHLY BUDGET STATEMENT FOR OCTOBER 2019**

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

## PURPOSE

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

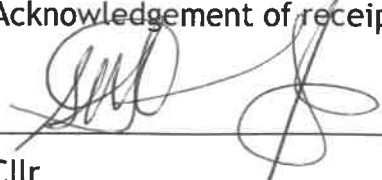
It is recommended that the mayor acknowledges receipt of the report and deal with it in accordance with the relevant prescripts of the legislation.

Yours faithfully,

  
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**MUNICIPAL MANAGER**

Acknowledgement of receipt

  
\_\_\_\_\_

Cllr

**MAYOR**

Date

29/11/2019

# **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 May 2009 and Schedule C.

## **Monthly Budget Statement October 2019**

## Table of Contents

Table of Contents .....	4
Glossary .....	5
Legislative Framework .....	7
PART 1 – IN-YEAR REPORT .....	8
<b>Section 1 – Mayor’s Report</b> .....	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 October 2019 are as follows;

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		31 240	38 821		837	36 870	12 940	23 929	185%	
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue		806	636		123	494	212	282	133%	
Rental of facilities and equipment		157	686		28	115	229	(114)	-50%	
Interest earned - external investments		1 212	2 916		121	557	972	(415)	-43%	
Interest earned - outstanding debtors		2 086	5 032		463	1 080	1 677	(587)	-35%	
Dividends received					-	-		-		
Fines, penalties and forfeits		1 155	5 681		22	125	1 894	(1 769)	-93%	
Licences and permits		1 756	2 366		220	814	789	25	3%	
Agency services		392	536		34	144	179	(35)	-20%	
Transfers and subsidies		88 625	89 199		63	37 947	29 733	8 214	28%	
Other revenue		955	4 860		35	96	1 620	(1 524)	-94%	
Gains on disposal of PPE					-			-		
Total Revenue (excluding capital transfers and contributions)		128 384	150 732	-	1 947	78 250	50 244	28 006	56%	-

### 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 R36 869 766.56 with 85% over billing variance when compared to the year to date budget. This is due to 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 revenue are R493 755.16 or 33% over billed than the year to date budget. This is due to the customers that are billed annually and were billed in the month of July 2019. These are mainly properties owned by the government departments.

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

The municipality has under collected on other own revenue with 94% compared to year to date budget.

### Expenditure by Type

<b>Expenditure By Type</b>									
Employee related costs	66 713	69 482		5 536	22 956	23 161	(205)	-1%	
Remuneration of councillors	8 575	9 051		722	2 926	3 017	(91)	-3%	
Debt impairment	399	1 756		-	-	585	(585)	-100%	
Depreciation & asset impairment	20 894	10 576		-	-	3 525	(3 525)	-100%	
Finance charges	788			1	4	-	4	#DIV/0!	
Bulk purchases				-	-	-	-		
Other materials	2 820	2 630		481	813	877	(64)	-7%	
Contracted services	27 183	18 954		2 392	6 055	6 318	(263)	-4%	
Transfers and subsidies	50	53		-	50	18	32	185%	
Other expenditure	19 385	19 585		1 791	6 934	6 528	405	6%	
Loss on disposal of PPE				-	-	-	-		
<b>Total Expenditure</b>	<b>146 807</b>	<b>132 087</b>	<b>-</b>	<b>10 923</b>	<b>39 737</b>	<b>44 029</b>	<b>(4 292)</b>	<b>-10%</b>	<b>-</b>

The actual expenditure with regards to debt impairment will be reported annually and depreciation will be reported half yearly.

General expenditure shows an over expenditure of 6% or R 405 350.22 compared to the year to date budget.

## Capital Expenditure

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		2 077	2 660	-	140	201	887	(686)	-77%	140
Executive and council								-		
Finance and administration		2 077	2 660		140	201	887	(686)	-77%	140
Internal audit								-		
<b>Community and public safety</b>		15 666	1 200	-	8	206	400	(194)	-49%	258
Community and social services		15 666						-		
Sport and recreation			1 200		8	206	400	(194)	-49%	61
Public safety								-		
Housing								-		197
Health								-		
<b>Economic and environmental services</b>		15 838	21 429	-	1 861	5 755	7 143	(1 388)	-19%	-
Planning and development								-		
Road transport		15 838	21 429		1 861	5 755	7 143	(1 388)	-19%	
Environmental protection								-		
<b>Trading services</b>		-	5 160	-	-	-	1 720	(1 720)	-100%	-
Energy sources			5 160				1 720	(1 720)	-100%	
Water management								-		
Waste water management								-		
Waste management								-		
<b>Other</b>								-		
<b>Total Capital Expenditure - Functional Classification</b>	3	33 582	30 449	-	2 009	6 162	10 150	(3 988)	-39%	398
<b>Funded by:</b>										
National Government		31 332	26 639		1 861	5 755	8 880	(3 125)	-35%	
Provincial Government								-		
District Municipality								-		
Other transfers and grants								-		
<b>Transfers recognised - capital</b>		31 332	26 639	-	1 861	5 755	8 880	(3 125)	-35%	-
<b>Borrowing</b>	6							-		
<b>Internally generated funds</b>		2 249	3 810		148	407	1 270	(863)	-68%	258
<b>Total Capital Funding</b>		33 582	30 449	-	2 009	6 162	10 150	(3 988)	-39%	258

The expenditure for the month of October 2019 is R 2 009 426.88 which is 6.6 % of the total annual capital budget amount. The expenditure this month comprises:

- Construction of Runlets Internal Streets
- Construction of Legeni Community Hall
- Construction of Lewis Community Hall
- Construction of Rura Internal Streets
- Construction of Mpekwani Internal Streets
- Construction of Hamburg Internal Streets
- Construction of Peddie Town Streets
- And other fixed assets (office equipment, tools etc.)

A portion of the total expenditure that is stated above is funded from the Municipal Infrastructure Grant (MIG) and the other from internally generated funds.

### 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 - M04 October

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	31 240	38 821	-	837	36 870	12 940	23 929	185%	-
Service charges	806	636	-	123	494	212	282	133%	-
Investment revenue	1 212	2 916	-	121	557	972	(415)	-43%	-
Transfers and subsidies	88 625	89 199	-	63	37 947	29 733	8 214	28%	-
Other own revenue	6 501	19 160	-	803	2 383	6 387	(4 004)	-63%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>128 384</b>	<b>150 732</b>	<b>-</b>	<b>1 947</b>	<b>78 250</b>	<b>50 244</b>	<b>28 006</b>	<b>56%</b>	<b>-</b>
Employee costs	66 713	69 482	-	5 536	22 956	23 161	(205)	-1%	-
Remuneration of Councillors	8 575	9 051	-	722	2 926	3 017	(91)	-3%	-
Depreciation & asset impairment	20 894	10 576	-	-	-	3 525	(3 525)	-100%	-
Finance charges	788	-	-	1	4	-	4	#DIV/0!	-
Materials and bulk purchases	2 820	2 630	405	481	813	877	(64)	-7%	-
Transfers and subsidies	50	53	-	-	50	18	32	185%	-
Other expenditure	46 866	40 296	-	4 183	12 989	13 432	(443)	-3%	-
<b>Total Expenditure</b>	<b>146 807</b>	<b>132 087</b>	<b>405</b>	<b>10 923</b>	<b>39 737</b>	<b>44 029</b>	<b>(4 292)</b>	<b>-10%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>	<b>(18 423)</b>	<b>18 645</b>	<b>(405)</b>	<b>(8 976)</b>	<b>38 513</b>	<b>6 215</b>	<b>32 298</b>	<b>520%</b>	<b>-</b>
Transfers and subsidies - capital (monetary allocation)	31 816	26 539	-	-	-	8 846	(8 846)	-100%	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>13 393</b>	<b>45 184</b>	<b>(405)</b>	<b>(8 976)</b>	<b>38 513</b>	<b>15 061</b>	<b>23 452</b>	<b>156%</b>	<b>-</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>13 393</b>	<b>45 184</b>	<b>(405)</b>	<b>(8 976)</b>	<b>38 513</b>	<b>15 061</b>	<b>23 452</b>	<b>156%</b>	<b>-</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>33 582</b>	<b>30 449</b>	<b>-</b>	<b>2 009</b>	<b>6 162</b>	<b>10 150</b>	<b>(3 988)</b>	<b>-39%</b>	<b>-</b>
Capital transfers recognised	31 332	26 639	-	1 861	5 755	8 880	(3 125)	-35%	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	2 249	3 810	-	148	407	1 270	(863)	-68%	258
<b>Total sources of capital funds</b>	<b>33 582</b>	<b>30 449</b>	<b>-</b>	<b>2 009</b>	<b>6 162</b>	<b>10 150</b>	<b>(3 988)</b>	<b>-39%</b>	<b>258</b>
<b>Financial position</b>									
Total current assets	34 929	39 121	-	-	75 651	-	-	-	39 121
Total non current assets	279 932	311 745	-	-	286 094	-	-	-	311 745
Total current liabilities	21 253	14 624	-	-	29 624	-	-	-	14 624
Total non current liabilities	13 829	12 806	-	-	13 829	-	-	-	-
Community wealth/Equity	279 779	278 252	-	-	318 292	-	-	-	278 252
<b>Cash flows</b>									
Net cash from (used) operating	-	34 069	-	(6 835)	19 740	11 356	(8 383)	-74%	-
Net cash from (used) investing	-	(25 449)	-	1 968	(117)	(8 483)	(8 366)	99%	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the month/year end</b>	<b>-</b>	<b>10 124</b>	<b>-</b>	<b>-</b>	<b>20 934</b>	<b>4 377</b>	<b>(16 557)</b>	<b>-378%</b>	<b>1 312</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	1 606	539	505	24 919	362	318	2 430	18 507	49 187
<b>Creditors Age Analysis</b>									
Total Creditors	358	2	1	3	(6)	-	(79)	79	359

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

EC126 Ngqushwa - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

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									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		155 653	167 290	-	1 529	76 170	55 763	20 406	37%	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		155 653	167 290	-	1 529	76 170	55 763	20 406	37%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		455	670	-	2	510	223	286	128%	-
Community and social services		455	649	-	2	510	216	293	135%	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	21	-	-	-	7	(7)	-100%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3 267	8 616	-	291	1 071	2 872	(1 801)	-63%	-
Planning and development		63	220	-	29	34	73	(39)	-53%	-
Road transport		3 203	8 396	-	261	1 036	2 799	(1 782)	-63%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		625	695	-	126	500	232	269	116%	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		19	59	-	2	7	20	(13)	-86%	-
Waste management		806	636	-	123	494	212	282	133%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	160 200	177 271	-	1 947	78 250	59 090	19 160	32%	-
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		100 927	85 297	-	6 366	23 261	28 432	(5 171)	-18%	-
Executive and council		24 243	18 852	-	1 662	8 371	6 284	87	1%	-
Finance and administration		75 055	64 443	-	4 474	16 024	21 481	(5 457)	-25%	-
Internal audit		1 629	2 002	-	210	866	667	199	30%	-
<i>Community and public safety</i>		13 966	15 120	-	1 531	4 736	5 040	(304)	-6%	-
Community and social services		1 928	2 315	-	125	326	772	(446)	-58%	-
Sport and recreation		1 685	1 830	-	143	629	610	19	3%	-
Public safety		9 099	9 834	-	996	3 208	3 211	(3)	0%	-
Housing		1 254	1 341	-	267	572	447	125	28%	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10 256	8 660	-	1 052	3 845	2 887	959	33%	-
Planning and development		4 760	4 852	-	385	1 715	1 617	97	6%	-
Road transport		5 496	3 807	-	667	2 130	1 269	861	68%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17 895	18 385	-	1 765	7 071	6 128	943	15%	-
Energy sources		5 087	5 014	-	555	2 079	1 671	408	24%	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		12 608	13 370	-	1 210	4 992	4 457	535	12%	-
<i>Other</i>		3 963	4 625	-	209	824	1 542	(718)	-47%	-
<b>Total Expenditure - Functional</b>	3	146 807	132 087	-	10 923	39 737	44 029	(4 292)	-10%	-
<b>Surplus/ (Deficit) for the year</b>		13 393	45 184	-	(8 976)	38 513	15 061	23 452	156%	-

### 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) - M04 October

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	1									
Vote 1 - Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		155 653	167 290	-	1 529	76 170	55 763	20 406	36.6%	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		455	649	-	2	510	216	293	135.5%	-
Vote 5 - Energy services		-	-	-	-	-	-	-	-	-
Vote 6 - Road Transport		3 203	8 417	-	261	1 036	2 806	(1 769)	-63.1%	-
Vote 7 - Other		-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		63	220	-	29	34	73	(39)	-53.3%	-
Vote 9 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 10 - Vote 10 - Housing		-	-	-	-	-	-	-	-	-
Vote 11 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 12 - Waste Management		806	636	-	123	494	212	282	133.0%	-
Vote 13 - Waste Water Management		19	59	-	2	6	20	(13)	-67.4%	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	160 200	177 271	-	1 947	78 250	59 090	19 160	32.4%	-
Expenditure by Vote	1									
Vote 1 - Vote 1 - Executive and Council		24 243	18 852	-	1 682	6 371	6 284	87	1.4%	-
Vote 2 - Finance and Administration		75 055	64 443	-	4 474	16 024	21 481	(5 457)	-25.4%	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		1 928	2 315	-	125	326	772	(446)	-57.7%	-
Vote 5 - Energy services		5 087	5 014	-	555	2 079	1 671	408	24.4%	-
Vote 6 - Road Transport		14 594	13 441	-	1 663	5 338	4 480	858	19.1%	-
Vote 7 - Other		3 963	4 625	-	209	824	1 542	(718)	-46.5%	-
Vote 8 - Planning and Development		4 760	4 852	-	385	1 715	1 617	97	6.0%	-
Vote 9 - Sport and Recreation		1 685	1 830	-	143	629	610	19	3.2%	-
Vote 10 - Vote 10 - Housing		1 254	1 341	-	267	572	447	125	28.0%	-
Vote 11 - Internal Audit		1 629	2 002	-	210	866	667	199	29.8%	-
Vote 12 - Waste Management		12 608	13 370	-	1 210	4 992	4 457	535	12.0%	-
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	-	10 923	39 737	44 029	(4 292)	-9.7%	-
Surplus/ (Deficit) for the year	2	13 393	45 184	-	(8 976)	38 513	15 061	23 452	155.7%	-

### 4.1.4 Table C4: Monthly Budget Statement

EC126 Ngqushwa - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

EC-120 Ngqushwa - Table 04 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - mo4 October										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue By Source</b>										
Property rates		31 240	38 821		837	36 870	12 940	23 929	185%	
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue		806	636		123	494	212	282	133%	
Rental of facilities and equipment		157	686		28	115	229	(114)	-50%	
Interest earned - external investments		1 212	2 916		121	557	972	(415)	-43%	
Interest earned - outstanding debtors		2 086	5 032		463	1 090	1 677	(587)	-35%	
Dividends received					-	-		-		
Fines, penalties and forfeits		1 155	5 681		22	125	1 894	(1 769)	-93%	
Licences and permits		1 756	2 366		220	814	789	25	3%	
Agency services		392	536		34	144	179	(35)	-20%	
Transfers and subsidies		88 625	89 199		63	37 947	29 733	8 214	28%	
Other revenue		955	4 860		35	96	1 620	(1 524)	-94%	
Gains on disposal of PPE					-	-		-		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>128 384</b>	<b>150 732</b>	<b>-</b>	<b>1 947</b>	<b>78 250</b>	<b>50 244</b>	<b>28 006</b>	<b>56%</b>	<b>-</b>
<b>Expenditure By Type</b>										
Employee related costs		66 713	69 482		5 536	22 956	23 161	(205)	-1%	
Remuneration of councillors		8 575	9 061		722	2 926	3 017	(91)	-3%	
Debt impairment		399	1 756		-	-	585	(585)	-100%	
Depreciation & asset impairment		20 894	10 576		-	-	3 525	(3 525)	-100%	
Finance charges		788			1	4	-	4	#DIV/0!	
Bulk purchases				405	-	-	-	-		
Other materials		2 820	2 630		481	813	877	(64)	-7%	
Contracted services		27 183	18 954		2 392	6 055	6 318	(263)	-4%	
Transfers and subsidies		50	53		-	50	18	32	185%	
Other expenditure		19 385	19 585		1 791	6 934	6 528	405	6%	
Loss on disposal of PPE					-	-	-	-		
<b>Total Expenditure</b>		<b>146 807</b>	<b>132 087</b>	<b>405</b>	<b>10 923</b>	<b>39 737</b>	<b>44 029</b>	<b>(4 292)</b>	<b>-10%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>		<b>(18 423)</b>	<b>18 645</b>	<b>(405)</b>	<b>(8 976)</b>	<b>38 513</b>	<b>6 215</b>	<b>32 298</b>	<b>0</b>	<b>-</b>
Transfer and subsidies - capital (in-kind - all)										
(National / Provincial and District)		31 816	26 539				8 846	(8 846)	(0)	
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)							-	-		
Transfers and subsidies - capital (in-kind - all)							-	-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>13 393</b>	<b>45 184</b>	<b>(405)</b>	<b>(8 976)</b>	<b>38 513</b>	<b>15 061</b>			<b>-</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>13 393</b>	<b>45 184</b>	<b>(405)</b>	<b>(8 976)</b>	<b>38 513</b>	<b>15 061</b>			<b>-</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>13 393</b>	<b>45 184</b>	<b>(405)</b>	<b>(8 976)</b>	<b>38 513</b>	<b>15 061</b>			<b>-</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>13 393</b>	<b>45 184</b>	<b>(405)</b>	<b>(8 976)</b>	<b>38 513</b>	<b>15 061</b>			<b>-</b>

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

EC126 Ngqushwa - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

Vote 2018/19										
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#### 4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC126 Ngqushwa - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		1 312	10 124		6 412	10 124
Call investment deposits		–	–		8 149	
Consumer debtors		6 796	13 490		47 796	13 490
Other debtors		16 658	5 654		3 442	5 654
Current portion of long-term receivables		311	–		–	–
Inventory		9 853	9 853		9 853	9 853
<b>Total current assets</b>		<b>34 929</b>	<b>39 121</b>	<b>–</b>	<b>75 651</b>	<b>39 121</b>
<b>Non current assets</b>						
Long-term receivables						
Investments						
Investment property		26 674	28 095		26 673	28 095
Investments in Associate			–			
Property, plant and equipment		252 588	282 775		258 749	282 775
Biological						
Intangible		671	875		671	875
Other non-current assets		0			0	
<b>Total non current assets</b>		<b>279 932</b>	<b>311 745</b>	<b>–</b>	<b>286 094</b>	<b>311 745</b>
<b>TOTAL ASSETS</b>		<b>314 861</b>	<b>350 866</b>	<b>–</b>	<b>361 745</b>	<b>350 866</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing						
Consumer deposits					73	
Trade and other payables		21 253	14 624		24 514	14 624
Provisions					5 036	
<b>Total current liabilities</b>		<b>21 253</b>	<b>14 624</b>	<b>–</b>	<b>29 624</b>	<b>14 624</b>
<b>Non current liabilities</b>						
Borrowing			–			–
Provisions		13 829	12 806		13 829	
<b>Total non current liabilities</b>		<b>13 829</b>	<b>12 806</b>	<b>–</b>	<b>13 829</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>		<b>35 082</b>	<b>27 430</b>	<b>–</b>	<b>43 453</b>	<b>14 624</b>
<b>NET ASSETS</b>	<b>2</b>	<b>279 779</b>	<b>323 436</b>	<b>–</b>	<b>318 292</b>	<b>336 242</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		279 779	278 252		99 945	278 252
Reserves					218 347	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>279 779</b>	<b>278 252</b>	<b>–</b>	<b>318 292</b>	<b>278 252</b>

#### MONTHLY BUDGET STATEMENT FOR OCTOBER 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 - M04 October

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		5 181	14 244	7 764	6 480	83%	
Service charges			381		148	315	127	188	148%	
Other revenue			8 477		298	2 002	2 826	(824)	-29%	
Government - operating			89 199		63	38 873	29 733	9 140	31%	
Government - capital			26 539			8 552	8 846	(294)	-3%	
Interest			5 935		121	557	1 978	(1 421)	-72%	
Dividends						-		-		
Payments										
Suppliers and employees			(119 702)		(12 645)	(44 804)	(39 901)	4 903	-12%	
Finance charges								-		
Transfers and Grants			(53)				(18)	(18)	100%	
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	34 069	-	(6 835)	19 740	11 356	(8 383)	-74%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE					-	9		9	#DIV/0!	
Decrease (Increase) in non-current debtors			5 000				1 667	(1 667)	-100%	
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets			(30 449)		1 968	(126)	(10 150)	(10 024)	99%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(25 449)	-	1 968	(117)	(8 483)	(8 366)	99%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		-	8 620	-	(4 867)	19 623	2 873			
Cash/cash equivalents at month/year end:		-	1 504	-		1 312	1 504			1 312
		-	10 124	-		20 934	4 377			1 312

## PART 2 – SUPPORTING DOCUMENTATION

### Section 5 – Debtors' analysis

EC126 Ngqushwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 October

Description		Budget Year 2019/20											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L.L.C 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	964	200	194	24 629	120	87	624	10 338	37 184	35 798			
Receivables from Exchange Transactions - Waste Water Management	1500													
Receivables from Exchange Transactions - Waste Management	1600	136	91	76	69	29	28	155	659	1 443	1 140			
Receivables from Exchange Transactions - Property Rental Debtors	1700	23	23	23	17				109	195	126			
Interest on Arrears Debtor Accounts	1810	463	216	213	204	213	204	1 661	7 202	10 365	9 473			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820													
Other	1900													
Total By Income Source	2000	1 606	539	505	24 919	362	318	2 430	18 507	48 187	46 536			
2018/19 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	967	48	100	22 067	69	48	613	5 385	29 328	28 212			
Commercial	2300	248	166	116	1 909	65	61	437	2 407	5 406	4 879			
Households	2400	267	225	161	245	157	161	1 036	6 136	8 441	7 738			
Other	2500	104	96	98	668	71	49	340	4 578	6 006	5 708			
Total By Customer Group	2600	1 606	539	505	24 919	362	318	2 430	18 507	48 187	46 536			

### 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.

EC126 Ngqushwa - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

2019/2020 - Supporting Table 04 Monthly Budget Statement - aged creditors - 31st October											
Description	NT Code	Budget Year 2019/20									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
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	351	2	1	3	(6)	-	(79)	79	351	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	7	-	-	-	-	-	-	-	7	-
Total By Customer Type	1000	358	2	1	3	(6)	-	(79)	79	359	-

## Section 7 – Investment portfolio analysis

### 7.1 Supporting Table SC5

EC126 Ngqushwa - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October

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 (R)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
FND 74819040061		3MNTHS	Short term	Yes		0	0	0	26/05/2019	43 000	499	(35 310)		8 149
														-
														-
														-
														-
Municipality sub-total										43 000		(35 310)	-	8 149
Entities														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									43 000		(35 310)	-	8 149

### 7.2 Additional Information

The Statement of financial position includes the following:

Item	R thousands
Cash	6 434 701.40
Call investment deposits Investments	8 149 008.94
<b>TOTAL</b>	<b>14 583 710.34</b>

The following commitments for the month October 2019 exist against these available resources:

Item	R thousands
Unspent grants	4 679 422.84
Unpaid creditors	358 685
<b>TOTAL</b>	<b>5 038 107.84</b>

## Section 8 – Allocation and grant receipts and expenditure

### 8.1 Supporting Table SC6 – Grant receipts

EC126 Ngqushwa - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

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 %	
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	88 802	-	-	37 813	29 534	6 517	22.1%	-
Local Government Equitable Share			82 696		-	34 007	27 565	6 442	23.4%	
Finance Management			2 880		-	2 880	960			
Municipal Systems Improvement										
EPWP Incentive			1 901		-	476	634			
	3									
PMU			1 125		-	450	375	75	20.0%	
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]										
<b>District Municipality:</b>	4	-	-	-	-	-	-	-		-
[insert description]										
<b>Other grant providers:</b>		-	597	-	63	610	199	411	206.4%	-
Construction Ceta										
LG Seta			176		63	110	59			
Education Seta										
Sports and Recreation			421		-	500	140 266.67			
<b>Total Operating Transfers and Grants</b>	5	-	89 198	-	63	38 423	29 733	8 927	23.3%	-
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	26 539	-	-	11 002	8 846	2 156	24.4%	-
Municipal Infrastructure Grant (MIG)			21 379		-	9 002	7 126	1 876	26.3%	
Energy			5 160		-	2 000	1 720	280	16.3%	
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	-	26 539	-	-	11 002	8 846	2 156	24.4%	-
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	115 738	-	63	49 425	38 579	9 083	23.5%	-

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

EC126 Ngqushwa - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

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											
<b>EXPENDITURE</b>											
<b>Operating expenditure of Transfers and Grants</b>											
National Government:			-	88 802	-	12 546	43 175	29 534	13 641	46.2%	-
Local Government Equitable Share				82 696		12 186	41 608	27 565	14 043	50.9%	
Finance Management				2 880		85	652	960	(308)	-32.1%	
Municipal Systems Improvement								960			
EPWP Incentive				1 901		170	475	634	(158)	-25.0%	
PMU				1 125		106	439	375	64	17.2%	
Provincial Government:			-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]											
District Municipality:			-	-	-	-	-	-	-	-	-
[insert description]											
Other grant providers:			-	597	-	99	135	199	(27)	(0)	-
Construction Ceta											
LG Seta				176		6	22	59			
Education Seta											
library				421		93	113	140	(27)	-19.2%	
Total operating expenditure of Transfers and Grants:			-	89 199	-	12 645	43 310	29 733	13 614	45.8%	-
<b>Capital expenditure of Transfers and Grants</b>											
National Government:			-	26 539	-	2 140	8 112	8 846	(734)	-8.3%	-
Municipal Infrastructure Grant (MIG)				21 379		2 140	6 618	7 126	(505)	-7.1%	
Energy				5 160		-	1 494	1 720	(226)	-13.1%	
Provincial Government:			-	-	-	-	-	-	-	-	-
District Municipality:			-	-	-	-	-	-	-	-	-
Other grant providers:			-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants			-	26 539	-	2 140	8 112	8 846	(734)	-8.3%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			-	115 738	-	14 786	51 422	38 579	12 880	33.4%	

## 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 October 2019 are:**

Grant	R thousands
Municipal Infrastructure Grant (MIG)	1 944 365.87
Financial Management Grant (FMG)	2 228 474.37
Integrated Electrification Municipal Programme	506 004.2
Extended Public Works Programme Grant (EPWP)	578.40
<b>Unspent grant balances</b>	<b>4 679 422.84</b>

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

*Allocation and grant receipts and expenditure*

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

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

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

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

(ii) changes in grants from other providers

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

### 9.1 Supporting Table SC8

EC126 Ngqushwa - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

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					
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages			7 257		544	2 203	2 419	(216)	-9%
Pension and UIF Contributions			182		15	61	61	—	—
Medical Aid Contributions			34		3	11	11	—	—
Motor Vehicle Allowance			473		—	—	158	(158)	-100%
Cellphone Allowance			1 031		85	345	343 727.44	1	0%
Housing Allowances			—		—	—	—	—	—
Other benefits and allowances			74		75	306	25	282	1143%
<b>Sub Total - Councillors</b>			9 051	—	722	2 926	3 017	(91)	-3%
<b>% increase</b>	4		#DIV/0!						
<b>Senior Managers of the Municipality</b>	3								
Basic Salaries and Wages			7 131		85	556	2 377	(1 821)	-77%
Pension and UIF Contributions			62		0	1	21	(20)	-98%
Medical Aid Contributions			32		—	—	11	(11)	-100%
Overtime			—		—	—	—	—	—
Performance Bonus			—		—	—	—	—	—
Motor Vehicle Allowance			770		23	148	257	(109)	-43%
Cellphone Allowance			46		—	11	15	(4)	-26%
Housing Allowances			—		—	—	—	—	—
Other benefits and allowances			15		68	(102)	5	(107)	-2098%
Payments in lieu of leave			2		—	—	1	(1)	-100%
Long service awards			—		—	—	—	—	—
Post-retirement benefit obligations			—		—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>	2		8 058	—	176	614	2 686	(2 072)	-77%
<b>% increase</b>	4		#DIV/0!						
<b>Other Municipal Staff</b>									
Basic Salaries and Wages			44 059		3 852	16 445	14 686	1 759	12%
Pension and UIF Contributions			6 506		588	2 340	2 169	171	8%
Medical Aid Contributions			2 547		227	926	849	78	9%
Overtime			744		52	182	248	(66)	-27%
Performance Bonus			—		—	—	—	—	—
Motor Vehicle Allowance			2 318		157	638	773	(134)	-17%
Cellphone Allowance			345		23	92	115	(23)	-20%
Housing Allowances			104		9	34	35	(1)	-3%
Other benefits and allowances			3 412		297	1 344	1 137	206	18%
Payments in lieu of leave			1 167		138	284	389	(105)	-27%
Long service awards			222		17	56	74	(18)	-24%
Post-retirement benefit obligations			—		—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>	2		61 424	—	5 359	22 341	20 475	1 867	9%
<b>% increase</b>	4		#DIV/0!						
<b>Total Parent Municipality</b>			78 533	—	6 258	25 882	26 178	(296)	-1%

## 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 Local 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 Local 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 - M04 October

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									
<b>Monthly expenditure performance trend</b>									
July		2 371		1 301	1 301	2 371	1 069	45.1%	4%
August		2 371		1 049	3 250	4 741	1 491	31.5%	11%
September		2 371		902	4 152	7 112	2 960	41.6%	14%
October		2 371		2 009	6 162	9 483	3 321	35.0%	20%
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	—		
<b>Total Capital expenditure</b>	—	30 449	—	6 162					

The Municipality has spent 20% percent of the annual capital budget and 35.0 % compared to year to date budget as at 31 October 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
- SC13c: Expenditure on repairs and maintenance by asset class

### MONTHLY BUDGET STATEMENT FOR OCTOBER 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 - M04 October

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	554	-	185	380	185	(195)	-105.9%	-
Roads Infrastructure		-	-	-	185	185	-	(185)	#DIV/0!	-
Roads		-	-	-	185	185	-	(185)	#DIV/0!	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	554	-	-	195	185	(10)	-5.6%	-
Power Plants		-	554	-	-	195	185	(10)	-5.6%	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	480	-	346	555	160	(395)	-246.9%	-
Operational Buildings		-	480	-	346	555	160	(395)	-246.9%	-
Municipal Offices		-	480	-	346	555	160	(395)	-246.9%	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Local Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	120	-	2	57	40	(17)	-41.3%	-
Computer Equipment		-	120	-	2	57	40	(17)	-41.3%	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	1 052	-	170	547	351	(196)	-55.9%	-
Transport Assets		-	1 052	-	170	547	351	(196)	-55.9%	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	-	2 205	-	702	1 538	735	(803)	-109.2%	-

## **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 OCTOBER 2019**

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

## Section 16 – Municipal manager's quality certification

### QUALITY CERTIFICATE

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

(Mark as appropriate)

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

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

Print Name: Mrs. M.P Mpahlwa

Acting Municipal Manager of Ngqushwa Municipality (EC126)

Signature \_\_\_\_\_

Date \_\_\_\_\_