

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
First Quarterly Budget
Statement
SEPTEMBER 2013**

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1. 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.

IHHS – Informal Housing and Human Settlements, provincial grant.

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.

MIG – Municipal Infrastructure Grant.

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 of the budget. In Laingsburg Municipality this means at department level.

2. Legislative framework

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on services delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Sections 71 & 52,
- And The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the 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.”

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of Municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

3. Mayors Report

In accordance with Section 52(d) of the Act, I submit a report to the Council within 30 days after the end of the first quarter of 2013/2014 on the implementation of the budget and the financial state of affairs of the Laingsburg Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a Municipality, and is intended to inform and enable the Council to fulfil its oversight responsibility.

The section 52 report on the implementation of the budget and the financial affairs of the Municipality is prepared as required by the MFMA.

The quarterly financial information has already been presented in the section 71, monthly budget statement for September 2013. The monthly and quarterly reports for September 2013 should be read in conjunction with one another.

4. Executive Summary

4.1.1 Implementation of the budget in accordance with the SDBIP

The first quarter review of the SDBIP/performance report is scheduled to take place during January 2014, where after a report will be submitted to Council.

4.1.2 Financial problems or risks facing the Municipality

There are no financial problems facing the Municipality. Operating revenues and expenditures to date remain in line with the projected year to date budgets taking accruals and prior year trends into account.

The new financial year started on 1 July 2013, and no major spending has occurred during the first three months. The process of compiling the annual financial statements have been finished on the 31 August and it was submitted to the Auditor General on the due date. The Auditors are in the auditing process of the financial affairs of the Municipality.

4.1.3 Other relevant information

Year-to-date revenue raised is 25% over the projected year-to-date budget for the first quarter. Operating expenditure incurred amounts to 90% of year-to-date budget.

The Table below illustrates an overview of the Budget implementation of Laingsburg Municipality for the quarter ended 30 September 2013.

R thousands	Original	YTD Actual	YTD %
Total Revenue (Excl. Capital transfers and contributions)	36 198	13 130	36.00
Total Expenditure	34 588	9 997	29.00
Surplus (Deficit) (Exl Capital transfers)	1 610	3 133	
Capital Expenditure			
Sources of Finance			
Transfers from Grants	11 943	2 843	24.00
Transfers from Internal funds	541	71	13.00
Capital Expenditure	12 484	2 914	23.00

Operating Revenue

The Municipality have generated 36.0% or R13,130 million of the Budgeted Revenue to date which is in line with the budgeted amounts. During the first quarter of the financial year operating grants totalling R5,276 million were received.

Operating Expenditure

For the quarter ending September 2013, the Municipality managed to spend within the budgeted norms. An amount of R9,997 million or 29,0% have been spent to date.

Capital Expenditure

The Municipality has incurred R71 000 or 13.0% of the internal funded Capital Budget to date. The MIG spendings for the first quarter totalled to R2.843 million or 24.0% to date.

Cash Flow

The Municipality started off with a cash flow balance of R7, 960 million at the beginning of the year and increased it with R5,180 million. The closing balance for this quarter is R13,140 million. The

increase in cash flow is due to the receipt of the operational grants as well as the first payment on the MIG that were received during this quarter. The Municipal Cash flow is mainly from Operating Activities as no Borrowing or Investments are budgeted for the 2013/2014 financial year.

Debtors

The Outstanding Debtors of the Municipality amounts to R7,246 million for the quarter ending September 2013. The outstanding debt for more than 90 days amounts to 46.59% which is a slight increase since the last quarter. The payment rate for 2012/2013 financial year was 95.28% The Municipality is fully implementing the Debt Collection and Credit Control Policy. It should be noted that the Municipal debt collection and credit control policy was revised during August 2013.

Creditors

Total outstanding creditors amount to R0.165 million for the quarter ending September 2013 . All the outstanding amounts are within the 30 days outstanding categories which is compliant with Section 65 of the MFMA. Cases occur where suppliers issue their invoices more than 30 days after the date of the invoice, for payment, but in most cases the payments are made at presentation of the invoices.

5. In year Budget Statement Tables

Table C1: Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2012/13	Budget Year 2013/14							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	2 312	2 216	2 216	(9)	2 592	2 136	456	21%	2 216
Service charges	12 830	14 440	14 440	1 186	3 701	3 531	171	5%	14 440
Investment revenue	861	591	591	34	98	148	(50)	-34%	591
Transfers recognised - operational	13 994	15 286	15 286	–	5 276	3 821	1 454	38%	15 286
Other own revenue	5 185	3 666	3 666	467	1 463	877	586	67%	3 666
Total Revenue (excluding capital transfers and contributions)	35 181	36 198	36 198	1 678	13 130	10 513	2 617	25%	36 198
Employee costs	9 481	12 809	12 809	808	2 483	2 825	(342)	-12%	12 809
Remuneration of Councillors	2 079	2 109	2 109	173	520	527	(7)	-1%	2 109
Depreciation & asset impairment	9 687	9 526	9 526	900	2 581	2 853	(272)	-10%	9 526
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	5 677	5 848	5 848	–	1 493	1 462	31	2%	5 848
Transfers and grants	4 468	3 576	3 576	215	607	894	(287)	–	3 576
Other expenditure	13 910	12 662	12 662	909	2 313	2 577	(263)	-10%	12 662
Total Expenditure	45 303	46 531	46 531	3 006	9 997	11 137	(1 140)	-10%	46 531
Surplus/(Deficit)	(10 121)	(10 333)	(10 333)	(1 328)	3 133	(624)	3 757	-602%	(10 333)
Transfers recognised - capital	10 387	11 943	11 943	–	2 202	2 986	(784)	-26%	11 943
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	266	1 610	1 610	(1 328)	5 335	2 362	2 973	126%	1 610
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	266	1 610	1 610	(1 328)	5 335	2 362	2 973	126%	1 610
<u>Capital expenditure & funds sources</u>									
Capital expenditure	12 301	12 484	12 484	694	2 914	2 914	–		12 484
Capital transfers recognised	12 284	11 943	11 943	687	2 843	2 843	–		11 943
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	17	541	541	6	71	71	–		541
Total sources of capital funds	12 301	12 484	12 484	694	2 914	2 914	–		12 484
<u>Financial position</u>									
Total current assets	14 776	12 564	12 564		6 715				12 564
Total non current assets	143 795	148 151	148 151		(1 847)				148 151
Total current liabilities	6 145	10 302	10 302		2 241				10 302
Total non current liabilities	7 300	7 913	7 913		–				7 913
Community wealth/Equity	145 125	142 500	142 500		2 627				142 500
<u>Cash flows</u>									
Net cash from (used) operating	12 486	12 490	–	694	8 094	–	8 094	#DIV/0!	12 490
Net cash from (used) investing	(8 988)	(12 484)	–	(694)	(2 914)	–	(2 914)	#DIV/0!	(12 484)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	7 960	7 966	7 960	–	13 140	7 960	5 180	65%	7 966
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>									
Total By Revenue Source	3 681	89	100	98	94	101	97	2 986	7 246
<u>Creditors Age Analysis</u>									
Total Creditors	165	–	–	–	–	–	–	–	165

Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q1 First Quarter

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		27 488	29 616	29 616	157	10 320	8 986	1 334	15%	29 616
Executive and council		10 205	22 319	22 319	48	4 319	5 580	(1 261)	-23%	22 319
Budget and treasury office		14 188	4 200	4 200	(9)	4 726	2 632	2 095	80%	4 200
Corporate services		3 094	3 097	3 097	117	1 275	774	501	65%	3 097
<i>Community and public safety</i>		3 847	2 718	2 718	342	1 355	679	675	99%	2 718
Community and social services		596	653	653	4	189	163	25	16%	653
Sport and recreation		1	1	1	-	-	0	(0)	-100%	1
Public safety		3 237	2 054	2 054	337	1 163	514	649	126%	2 054
Housing		12	10	10	1	3	2	1	21%	10
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 479	1 031	1 031	0	4	258	(254)	-98%	1 031
Planning and development		98	-	-	-	-	-	-	-	-
Road transport		1 381	1 031	1 031	0	4	258	(254)	-98%	1 031
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12 562	14 303	14 303	1 179	3 652	3 576	77	2%	14 303
Electricity		7 864	8 899	8 899	866	2 420	2 225	196	9%	8 899
Water		1 748	1 860	1 860	36	409	465	(56)	-12%	1 860
Waste water management		1 627	1 916	1 916	139	413	479	(66)	-14%	1 916
Waste management		1 323	1 628	1 628	137	410	407	4	1%	1 628
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	45 375	47 669	47 669	1 678	15 331	13 499	1 833	14%	47 669
Expenditure - Standard										
<i>Governance and administration</i>		21 361	22 257	22 257	1 595	4 291	5 283	(993)	-19%	22 257
Executive and council		8 398	9 516	9 516	723	1 889	2 156	(267)	-12%	9 516
Budget and treasury office		5 471	5 554	5 554	308	906	1 349	(443)	-33%	5 554
Corporate services		7 492	7 187	7 187	564	1 496	1 778	(282)	-16%	7 187
<i>Community and public safety</i>		5 217	4 810	4 810	460	1 314	1 162	152	13%	4 810
Community and social services		1 543	1 532	1 532	84	253	366	(113)	-31%	1 532
Sport and recreation		46	408	408	28	84	101	(17)	-17%	408
Public safety		3 335	2 497	2 497	323	914	602	312	52%	2 497
Housing		261	255	255	25	64	64	(0)	0%	255
Health		32	118	118	-	-	30	(30)	-100%	118
<i>Economic and environmental services</i>		8 497	6 353	6 353	512	1 549	1 550	(1)	0%	6 353
Planning and development		428	389	389	31	120	93	28	30%	389
Road transport		8 070	5 964	5 964	481	1 429	1 457	(29)	-2%	5 964
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		10 026	12 624	12 624	438	2 841	3 138	(297)	-9%	12 624
Electricity		6 169	6 652	6 652	30	1 624	1 663	(38)	-2%	6 652
Water		1 589	3 483	3 483	248	745	863	(117)	-14%	3 483
Waste water management		1 154	1 253	1 253	89	257	311	(54)	-17%	1 253
Waste management		1 114	1 238	1 238	71	214	302	(88)	-29%	1 238
<i>Other</i>	9	14	14	14	1	2	4	(2)	-54%	14
Total Expenditure - Standard	3	45 110	46 058	46 058	3 006	9 997	11 137	(1 141)	-10%	46 058
Surplus/ (Deficit) for the year		265	1 610	1 610	(1 328)	5 335	2 362	2 973	126%	1 610

Table C3: Financial Performance (Revenue and Expenditure by Municipal Vote)**WC051 Laingsburg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q1 First Quarter**

Vote Description	Ref	2012/13	Budget Year 2013/14							
		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 - MAYORAL & COUNCIL		10 205	22 319	22 319	48	4 319	5 580	(1 261)	-22.6%	22 319
Vote 2 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—
Vote 3 - CORPORATE SERVICES		3 094	3 097	3 097	117	1 275	774	501	64.7%	3 097
Vote 4 - BUDGET & TREASURY		14 188	4 200	4 200	(9)	4 726	2 632	2 095	79.6%	4 200
Vote 5 - PLANNING AND DEVEOLPMENT		98	—	—	—	—	—	—	—	—
Vote 6 - COMMUNITY AND SOCIAL SERV		597	653	653	4	189	163	25	15.6%	653
Vote 7 - SPORTS AND RECREATION		1	1	1	—	—	0	(0)	-100.0%	1
Vote 8 - HOUSING		12	10	10	1	3	2	1	20.6%	10
Vote 9 - PUBLIC SAFETY		3 237	2 054	2 054	337	1 163	514	649	126.5%	2 054
Vote 10 - ROAD TRANSPORT		1 381	1 031	1 031	0	4	258	(254)	-98.5%	1 031
Vote 11 - WASTE MANAGEMENT		1 323	1 628	1 628	137	410	407	4	0.9%	1 628
Vote 12 - WASTE WATER MANAGEMENT		1 627	1 916	1 916	139	413	479	(66)	-13.8%	1 916
Vote 13 - WATER		1 748	1 860	1 860	36	409	465	(56)	-12.1%	1 860
Vote 14 - ELECTRICITY		7 864	8 899	8 899	866	2 420	2 225	196	8.8%	8 899
Vote 15 -		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	45 376	47 669	47 669	1 678	15 331	13 499	1 833	13.6%	47 669
Expenditure by Vote	1									
Vote 1 - MAYORAL & COUNCIL		6 019	6 882	6 882	527	1 278	1 532	(254)	-16.6%	6 882
Vote 2 - MUNICIPAL MANAGER		2 379	2 633	2 633	196	611	624	(13)	-2.1%	2 633
Vote 3 - CORPORATE SERVICES		7 492	7 187	7 187	564	1 496	1 778	(282)	-15.9%	7 187
Vote 4 - BUDGET & TREASURY		5 471	5 554	5 554	308	906	1 349	(443)	-32.8%	5 554
Vote 5 - PLANNING AND DEVEOLPMENT		428	389	389	31	120	93	28	29.9%	389
Vote 6 - COMMUNITY AND SOCIAL SERV		779	895	895	42	124	215	(91)	-42.3%	895
Vote 7 - SPORTS AND RECREATION		851	1 178	1 178	70	214	285	(70)	-24.7%	1 178
Vote 8 - HOUSING		261	255	255	25	64	64	(0)	-0.1%	255
Vote 9 - PUBLIC SAFETY		3 335	2 497	2 497	323	914	602	312	51.9%	2 497
Vote 10 - ROAD TRANSPORT		8 070	5 964	5 964	481	1 429	1 457	(29)	-2.0%	5 964
Vote 11 - WASTE MANAGEMENT		1 114	1 238	1 238	71	214	302	(88)	-29.1%	1 238
Vote 12 - WASTE WATER MANAGEMENT		1 154	1 253	1 253	89	257	311	(54)	-17.3%	1 253
Vote 13 - WATER		1 589	3 483	3 483	248	745	863	(117)	-13.6%	3 483
Vote 14 - ELECTRICITY		6 169	6 652	6 652	30	1 624	1 663	(38)	-2.3%	6 652
Vote 15 -		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	45 110	46 058	46 058	3 006	9 997	11 137	(1 140)	-10.2%	46 058
Surplus/ (Deficit) for the year	2	266	1 610	1 610	(1 328)	5 335	2 362	2 973	125.9%	1 610

Table C4: Financial Performance (Revenue and Expenditure)**WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter**

WCO51 Langsburg - Table C4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - Q1 First Quarter										
Description	Ref	2012/13	Budget Year 2013/14							
		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		2 118	2 156	2 156	(14)	2 581	2 121	460	22%	2 156
Property rates - penalties & collection charges		194	60	60	5	11	15	(4)	-28%	60
Service charges - electricity revenue		7 864	9 178	9 178	866	2 420	2 225	196	9%	9 178
Service charges - water revenue		1 748	1 618	1 618	36	409	390	19	5%	1 618
Service charges - sanitation revenue		1 627	1 897	1 897	139	413	433	(20)	-5%	1 897
Service charges - refuse revenue		1 503	1 669	1 669	137	410	407	4	1%	1 669
Service charges - other		88	78	78	7	49	76	(27)	-36%	78
Rental of facilities and equipment		910	829	829	80	230	207	23	11%	829
Interest earned - external investments		659	433	433	19	40	108	(68)	-63%	433
Interest earned - outstanding debtors		202	158	158	15	57	40	18	45%	158
Dividends received		-	-	-	-	-	-	-	-	-
Fines		2 325	1 755	1 755	253	860	439	421	96%	1 755
Licences and permits		860	248	248	69	264	62	202	326%	248
Agency services		102	95	95	-	-	24	(24)	-100%	95
Transfers recognised - operational		13 994	15 286	15 286	-	5 276	3 821	1 454	38%	15 286
Other revenue		988	738	738	65	109	146	(37)	-25%	738
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		35 181	36 198	36 198	1 678	13 130	10 513	2 617	25%	36 198
Expenditure By Type										
Employee related costs		9 481	12 809	12 809	808	2 483	2 825	(342)	-12%	12 809
Remuneration of councillors		2 079	2 109	2 109	173	520	527	(7)	-1%	2 109
Debt impairment		218	191	191	-	-	48	(48)	-100%	191
Depreciation & asset impairment		9 687	9 526	9 526	900	2 581	2 853	(272)	-10%	9 526
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		5 677	5 848	5 848	-	1 493	1 462	31	2%	5 848
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		2 178	2 181	2 181	168	411	545	(134)	-25%	2 181
Transfers and grants		4 468	3 576	3 576	215	607	894	(287)	-32%	3 576
Other expenditure		11 514	10 279	10 279	742	1 902	1 981	(78)	-4%	10 279
Loss on disposal of PPE		-	12	12	-	-	3	(3)	-100%	12
Total Expenditure		45 303	46 531	46 531	3 006	9 997	11 137	(1 140)	-10%	46 531
Surplus/(Deficit)		(10 121)	(10 333)	(10 333)	(1 328)	3 133	(624)	3 757	(0)	(10 333)
Transfers recognised - capital		10 387	11 943	11 943	-	2 202	2 986	(784)	(0)	11 943
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		266	1 610	1 610	(1 328)	5 335	2 362			1 610
Taxation								-		
Surplus/(Deficit) after taxation		266	1 610	1 610	(1 328)	5 335	2 362			1 610
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		266	1 610	1 610	(1 328)	5 335	2 362			1 610
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		266	1 610	1 610	(1 328)	5 335	2 362			1 610

Table C5: Capital Expenditure (Municipal Vote, Standard Classification and Funding)

WC051 Laingsburg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q1 First Quarter

Vote Description	Ref	2012/13	Budget Year 2013/14							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Multi-Year expenditure appropriation	2									
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - MAYORAL & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES	17	149	149	149	-	-	-	-	-	149
Vote 4 - BUDGET & TREASURY	-	30	30	30	6	59	59	-	-	30
Vote 5 - PLANNING AND DEVELOPMENT	-	12	12	12	-	-	-	-	-	12
Vote 6 - COMMUNITY AND SOCIAL SERV	-	185	185	185	-	-	-	-	-	185
Vote 7 - SPORTS AND RECREATION	247	1 589	1 589	1 589	-	-	-	-	-	1 589
Vote 8 - HOUSING	909	4 048	4 048	4 048	-	-	-	-	-	4 048
Vote 9 - PUBLIC SAFETY	-	70	70	70	-	-	-	-	-	70
Vote 10 - ROAD TRANSPORT	769	10	10	10	-	228	228	-	-	10
Vote 11 - WASTE MANAGEMENT	-	-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT	7 567	2 823	2 823	2 823	687	2 616	2 616	-	-	2 823
Vote 13 - WATER	2 672	3 567	3 567	3 567	-	11	11	-	-	3 567
Vote 14 - ELECTRICITY	121	-	-	-	-	-	-	-	-	-
Vote 15 -	-	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	12 301	12 484	12 484	694	2 914	2 914	-	-	12 484
Total Capital Expenditure		12 301	12 484	12 484	694	2 914	2 914	-	-	12 484
Capital Expenditure - Standard Classification										
Governance and administration		17	179	179	6	59	59	-	-	179
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	30	30	6	59	59	-	-	30
Corporate services	17	149	149	149	-	-	-	-	-	149
Community and public safety		1 156	5 892	5 892	-	-	-	-	-	5 892
Community and social services		-	115	115	-	-	-	-	-	115
Sport and recreation	247	1 589	1 589	1 589	-	-	-	-	-	1 589
Public safety	-	70	70	70	-	-	-	-	-	70
Housing	909	4 048	4 048	4 048	-	-	-	-	-	4 048
Health	-	70	70	70	-	-	-	-	-	70
Economic and environmental services		769	22	22	-	228	228	-	-	22
Planning and development		-	12	12	-	-	-	-	-	12
Road transport	769	10	10	10	-	228	228	-	-	10
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services		10 359	6 391	6 391	687	2 627	2 627	-	-	6 391
Electricity	121	-	-	-	-	-	-	-	-	-
Water	2 672	3 567	3 567	3 567	-	11	11	-	-	3 567
Waste water management	7 567	2 823	2 823	2 823	687	2 616	2 616	-	-	2 823
Waste management	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	12 301	12 484	12 484	694	2 914	2 914	-	-	12 484
Funded by:										
National Government		10 675	10 218	10 218	687	2 843	2 843	-	-	10 218
Provincial Government		1 609	1 725	1 725	-	-	-	-	-	1 725
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		12 284	11 943	11 943	687	2 843	2 843	-	-	11 943
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		17	541	541	6	71	71	-	-	541
Total Capital Funding		12 301	12 484	12 484	694	2 914	2 914	-	-	12 484

Table C6: Financial Position**WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter**

Description	Ref	2012/13	Budget Year 2013/14			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		9 824	2	2	–	2
Call investment deposits		–	7 397	7 397	5 175	7 397
Consumer debtors		1 127	1 138	1 138	1 833	1 138
Other debtors		2 712	2 623	2 623	(90)	2 623
Current portion of long-term receivables		–	–	–	–	–
Inventory		1 112	1 404	1 404	(203)	1 404
Total current assets		14 776	12 564	12 564	6 715	12 564
Non current assets						
Long-term receivables		0	–	–	2	–
Investments		–	–	–	–	–
Investment property		4 934	4 934	4 934	(2 382)	4 934
Investments in Associate		–	–	–	–	–
Property, plant and equipment		138 052	142 284	142 284	533	142 284
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		760	885	885	–	885
Other non-current assets		48	48	48	–	48
Total non current assets		143 795	148 151	148 151	(1 847)	148 151
TOTAL ASSETS		158 570	160 715	160 715	4 868	160 715
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		319	355	355	21	355
Trade and other payables		3 036	9 609	9 609	2 220	9 609
Provisions		2 791	338	338	–	338
Total current liabilities		6 145	10 302	10 302	2 241	10 302
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		7 300	7 913	7 913	–	7 913
Total non current liabilities		7 300	7 913	7 913	–	7 913
TOTAL LIABILITIES		13 445	18 215	18 215	2 241	18 215
NET ASSETS	2	145 125	142 500	142 500	2 627	142 500
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		107 613	139 734	139 734	2 627	139 734
Reserves		37 512	2 765	2 765	–	2 765
TOTAL COMMUNITY WEALTH/EQUITY	2	145 125	142 500	142 500	2 627	142 500

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	2012/13	Budget Year 2013/14							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		17 570	18 605	–	2 039	8 963	–	8 963	#DIV/0!	18 605
Government - operating		19 039	14 786	–	–	4 453	–	4 453	#DIV/0!	14 786
Government - capital		–	11 943	–	–	4 330	–	4 330	#DIV/0!	11 943
Interest		768	591	–	34	98	–	98	#DIV/0!	591
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		(24 721)	(32 929)	–	(1 265)	(9 418)	–	(9 418)	#DIV/0!	(32 929)
Finance charges		(171)	–	–	–	–	–	–	–	–
Transfers and Grants		–	(505)	–	(114)	(332)	–	(332)	#DIV/0!	(505)
NET CASH FROM/(USED) OPERATING ACTIVITIES		12 486	12 490	–	694	8 094	–	27 593	#DIV/0!	12 490
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(8 543)	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		104	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–
Payments										
Capital assets		(549)	(12 484)	–	(694)	(2 914)	–	(2 914)	#DIV/0!	(12 484)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 988)	(12 484)	–	(694)	(2 914)	–	2 914	#DIV/0!	(12 484)
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		3 498	6	–	0	5 180	–			6
Cash/cash equivalents at beginning:		4 462	7 960	7 960		7 960	7 960			7 960
Cash/cash equivalents at month/year end:		7 960	7 966	7 960		13 140	7 960			7 966

6. Supporting Documentation

Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter

W0031 Langsburg - Supporting Table SCS Monthly Budget Statement - aged Debtors - Q1 First Quarter												
Description		NT Code	Budget Year 2013/14									
R thousands			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	Bad Debts
Debtors Age Analysis By Revenue Source												
Trade and Other Receivables from Ex change Transactions - Water		1200	211	25	25	23	23	26	25	358	717	-
Trade and Other Receivables from Ex change Transactions - Electricity		1300	882	2	6	4	5	6	5	61	971	-
Receivables from Non-ex change Transactions - Property Rates		1400	1 698	-	9	9	9	9	9	1 641	3 383	-
Receivables from Ex change Transactions - Waste Water Management		1500	291	27	31	30	31	29	32	430	902	-
Receivables from Ex change Transactions - Waste Management		1600	141	20	18	17	17	16	17	295	540	-
Receivables from Ex change Transactions - Property Rental Debtors		1700	36	14	9	14	8	15	8	189	294	-
Interest on Arrear Debtor Accounts		1810	426	-	-	-	-	-	-	-	426	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure		1820	-	-	-	-	-	-	-	-	-	-
Other		1900	(3)	1	1	1	1	1	1	12	13	-
Total By Revenue Source		2000	3 681	89	100	98	94	101	97	2 986	7 246	-
2012/13 - totals only			1 134 153	125 473	122 078	126 815	132 152	142 277	107 756	3 239 901	5 131	0
Debtors Age Analysis By Customer Category												
Organs of State		2200	512	12	4	6	3	6	9	215	766	-
Commercial		2300	497	6	5	5	5	5	5	95	624	-
Households		2400	2 667	70	89	86	85	87	82	2 673	5 839	-
Other		2500	6	2	2	1	1	3	1	3	18	-
Total By Customer Category		2600	3 681	89	100	98	94	101	97	2 986	7 246	-

Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter

Woods Llangysbury - Supporting Table 004 Monthly Budget Statement - aged creditors - Q1 First Quarter										
Description	NT Code	Budget Year 2013/14								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-								-
Bulk Water	0200	-								-
PAYE deductions	0300	-								-
VAT (output less input)	0400	-								-
Pensions / Retirement deductions	0500	-								-
Loan repayments	0600	-								-
Trade Creditors	0700	165								165
Auditor General	0800	-								-
Other	0900	-								-
Total By Customer Type	2600	165	-	-	-	-	-	-	-	165

Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q1 First Quarter

Description of financial indicator	Basis of calculation	Ref	2012/13	Budget Year 2013/14			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		2.1%	6.7%	6.7%	84.5%	6.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	240.4%	122.0%	122.0%	299.6%	122.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		159.9%	71.8%	71.8%	230.9%	71.8%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		10.9%	10.4%	10.4%	13.3%	10.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		90.0%	90.0%	90.0%	92.0%	90.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	9.1%	9.0%	9.0%	10.2%	9.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	29.8%	25.0%	25.0%	32.7%	25.0%
Employee costs	Employee costs/Total Revenue - capital revenue		26.9%	35.4%	35.4%	18.9%	35.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.0%	5.2%	5.2%	1.5%	5.2%
Interest & Depreciation	I&D/Total Revenue - capital revenue		27.5%	26.3%	26.3%	0.0%	5.8%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		30.7%	31.8%	31.8%	11.0%	31.8%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		8.8%	7.9%	7.9%	12.9%	7.7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		3.8%	3.2%	3.2%	7.4%	3.2%

7. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the 1st quarter of 2013/2014 financial year.
- (b) That Managers ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan projections and spending of funds, and that revenue collection proceeds in accordance with the budget.