

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
Third Quarterly Budget
Statement
JUNE 2015**

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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 each quarter 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 June 2015. The monthly and quarterly reports for June 2015 should be read in conjunction with one another.

4. Executive Summary

4.1.1 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 2014, and no major spending has occurred during the financial year.

4.1.2 Other relevant information

Year-to-date revenue raised is 96.65% over the projected year-to-date budget for the forth quarter. Operating expenditure incurred amounts to 96.32% of year-to-date budget.

The Table below illustrates an overview of the Budget implementation of Laingsburg Municipality for the quarter ended June 2015.

R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Revenue (Excl. Capital transfers and contributions)	52 825	53 924	52 118	96.65
Total Expenditure	50 953	52 599	50 666	96.32
Depriciation	12 160	11 228	9 136	81.37
Surplus (Deficit) (Exl Capital transfers)	1 872	1 325	1 452	109.61
Capital Expenditure				
Sources of Finance				
Transfers from Grants	11 306	44 555	18 012	40.43
Government - MIG	6 272	6 272	327 471	5 221.33
Government - Other	5 034	8 972	925	10.31
Housing	4 048	29 311	1 253	4.27
Transfers from Internal funds	673	715	478	66.87
Capital Expenditure	11 979	45 271	18 491	40.85

Operating Revenue

The Municipality have generated 96.6% or R52,118 million of the Budgeted Revenue to date which is in line with the budgeted amounts. During the financial year operating grants totalling R14,882 million were received. Revenue from electricity is 4% under the year to date budget. The net revenue from traffic fines exceeds the year to date budgeted amount with 85.0%. This amounts to more than R3m over the projected amount for the period. The largest part of the grants received forms part of the Equitable share allocation for the financial year.

Operating Expenditure

For the quarter ending June 2015, the Municipality managed to spend within the budgeted norms. An amount of R R80,666 million or 96,3% have been spent to date. As reported in previous

months there are also some variances in terms of the budgeted and actual year to date figures due to the fact that Provisions will only be processed at year end.

Some items are exceeding the year to date budget but are not recurring items, like audit fees. Bulk purchase of electricity is exceeding the budgeted year to date amount by 9%. The main reason for this deviation is due to the cold winter periods when the maximum demand was exceeded. Depreciation costs as well as the departmental charges were accounted for during the year. During this quarter the actual depreciation costs were accounted for.

The year to date actual employee costs is 14% under the year to date budget. This is due to the provision for the deferred benefit plan that will only be calculated on year end.

Capital Expenditure

The Municipality has incurred R478 000 or 66.8% of the internal funded Capital Budget to date. The MIG spending for the three quarters totals to R18,012 million to date.

Cash Flow

The Municipality started off with a cash flow balance of R8,317 million at the beginning of the year and increased it with R6,065 million. The closing balance for this quarter is R14,382 million. The increase in cash flow is due to the receipt of the operational grants. The Municipal Cash flow is mainly from Operating Activities as no Borrowing or Investments are budgeted for the 2014/2015 financial year.

Debtors

The Outstanding Debtors of the Municipality amounts to R R6,536 million for the quarter ending June 2015. The outstanding debt for more than 90 days amounts to 74.5% which is an increase of R0,521 million since the last quarter. The payment rate for 2013/2014 financial year was 94.43%. For the financial year to date the payment rate is 87.9%. This is a decrease since the previous financial year. 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 R0.00 for the quarter ending June 2015 . 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 - Q4 Fourth Quarter

Description	2013/14	Budget Year 2014/15							
	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	2 787	2 938	2 995	39	3 040	2 995	45	2%	2 995
Service charges	13 234	16 438	15 590	3 480	15 392	15 590	(198)	-1%	15 590
Investment revenue	793	660	789	103	713	789	(77)	-10%	789
Transfers recognised - operational	16 648	15 656	16 968	55	14 935	16 466	(1 532)	-9%	16 968
Other own revenue	20 458	5 241	5 176	2 117	8 735	5 176	3 560	69%	5 176
Total Revenue (excluding capital transfers and contributions)	53 921	40 932	41 518	5 795	42 815	41 016	1 799	4%	41 518
Employee costs	9 736	13 790	13 788	2 936	11 722	13 706	(1 984)	-14%	13 788
Remuneration of Councillors	2 201	2 336	2 336	659	2 297	2 336	(40)	-2%	2 336
Depreciation & asset impairment	9 266	12 160	11 228	1 882	9 136	11 225	(2 089)	-19%	11 228
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	6 648	6 523	7 286	1 476	6 662	7 286	(624)	-9%	7 286
Transfers and grants	3 649	4 215	4 219	1 211	4 834	4 219	615		4 219
Other expenditure	26 195	11 930	13 742	4 759	16 016	13 742	2 273	17%	13 742
Total Expenditure	57 696	50 953	52 599	12 924	50 666	52 514	(1 848)	-4%	52 599
Surplus/(Deficit)	(3 775)	(10 021)	(11 081)	(7 129)	(7 851)	(11 498)	3 647	-32%	(11 081)
Transfers recognised - capital	12 394	11 893	12 407	2 811	9 304	12 407	(3 103)	-25%	12 407
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8 619	1 872	1 325	(4 319)	1 452	908	544	60%	1 325
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8 619	1 872	1 325	(4 319)	1 452	908	544	60%	1 325
<u>Capital expenditure & funds sources</u>									
Capital expenditure	8 631	11 979	45 271	4 360	18 491	11 615	6 876	59%	45 271
Capital transfers recognised	8 631	11 306	44 555	3 907	18 012	44 555	(26 543)	-60%	44 555
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	0	673	715	453	478	715	(237)	-33%	715
Total sources of capital funds	8 631	11 979	45 271	4 360	18 491	45 271	(26 780)	-59%	45 271
<u>Financial position</u>									
Total current assets	13 322	17 580	17 580		18 790				17 580
Total non current assets	152 008	152 538	152 538		163 340				152 538
Total current liabilities	7 208	8 678	8 678		19 540				8 678
Total non current liabilities	8 351	4 190	7 400		4 159				4 190
Community wealth/Equity	149 771	146 300	146 300		121 494				120 313
<u>Cash flows</u>									
Net cash from (used) operating	10 581	12 949	12 949	(1 383)	24 556	12 949	11 607	90%	12 949
Net cash from (used) investing	(10 223)	(11 619)	(11 619)	(4 372)	(18 491)	(11 619)	(6 872)	59%	(11 619)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	8 317	9 647	9 647	-	14 382	9 647	4 735	49%	9 647
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	746	767	150	122	125	129	114	4 384	6 536
<u>Creditors Age Analysis</u>									
Total Creditors	-	-	-	-	-	-	-	-	-

Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q4 Fourth Quarter

Description	Ref	2013/14	Budget Year 2014/15							
		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>		32 223	30 840	32 193	3 020	27 326	30 258	(2 932)	-10%	30 783
Executive and council		19 602	22 917	22 917	2 811	19 809	22 917	(3 108)	-14%	22 917
Budget and treasury office		8 699	5 064	5 984	(67)	4 692	4 049	643	16%	4 574
Corporate services		3 921	2 859	3 292	276	2 824	3 292	(467)	-14%	3 292
<i>Community and public safety</i>		19 836	4 751	4 596	1 847	8 303	4 596	3 708	81%	4 596
Community and social services		780	918	918	4	920	918	2	0%	918
Sport and recreation		1	1	2	0	3	2	1	29%	2
Public safety		19 044	3 822	3 665	1 841	7 370	3 665	3 705	101%	3 665
Housing		11	11	11	3	11	11	0	4%	11
Health		-	0	0	0	-	0	(0)	-100%	0
<i>Economic and environmental services</i>		1 139	1 124	1 273	271	1 031	1 122	(91)	-8%	1 273
Planning and development		25	90	242	-	-	90	(90)	-100%	242
Road transport		1 115	1 034	1 032	271	1 031	1 032	(1)	0%	1 032
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		13 116	16 109	15 862	3 466	15 306	15 862	(556)	-4%	15 862
Electricity		9 049	10 346	9 671	2 218	9 320	9 671	(350)	-4%	9 671
Water		673	2 024	2 479	422	2 361	2 479	(118)	-5%	2 479
Waste water management		1 749	1 955	1 915	425	1 895	1 915	(20)	-1%	1 915
Waste management		1 645	1 785	1 797	400	1 730	1 797	(67)	-4%	1 797
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	66 314	52 825	53 924	8 605	51 966	51 837	129	0%	52 514
Expenditure - Standard										
<i>Governance and administration</i>		18 004	24 107	24 070	5 459	21 668	24 070	(2 402)	-10%	24 070
Executive and council		5 418	9 800	9 923	2 248	8 880	9 923	(1 043)	-11%	9 923
Budget and treasury office		6 611	6 697	6 803	1 376	7 217	6 803	414	6%	6 803
Corporate services		5 975	7 611	7 344	1 835	5 571	7 344	(1 773)	-24%	7 344
<i>Community and public safety</i>		18 898	6 337	6 522	1 745	7 604	6 522	1 082	17%	6 522
Community and social services		1 789	1 564	1 894	410	1 637	1 894	(257)	-14%	1 894
Sport and recreation		33	430	430	6	63	430	(367)	-85%	430
Public safety		16 698	3 973	3 929	1 245	5 590	3 929	1 661	42%	3 929
Housing		342	277	188	78	287	188	99	53%	188
Health		36	93	81	7	26	81	(55)	-68%	81
<i>Economic and environmental services</i>		9 335	6 919	9 349	3 270	10 066	9 264	802	9%	9 349
Planning and development		398	617	620	120	630	535	96	18%	620
Road transport		8 937	6 302	8 729	3 150	9 436	8 729	707	8%	8 729
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		11 452	13 579	12 647	2 449	11 323	12 647	(1 324)	-10%	12 647
Electricity		7 050	7 246	7 822	1 578	7 086	7 822	(737)	-9%	7 822
Water		1 755	3 734	2 081	310	1 583	2 081	(498)	-24%	2 081
Waste water management		1 413	1 214	1 427	342	1 423	1 427	(4)	0%	1 427
Waste management		1 234	1 385	1 316	218	1 231	1 316	(85)	-6%	1 316
<i>Other</i>		7	11	11	1	5	11	(6)	-55%	11
Total Expenditure - Standard	3	57 696	50 953	52 599	12 924	50 666	52 514	(1 848)	-4%	52 599
Surplus/ (Deficit) for the year		8 618	1 872	1 325	(4 319)	1 300	(677)	1 977	-292%	(85)

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) - Q4 Fourth Quarter**

Vote Description	Ref	2013/14	Budget Year 2014/15							
		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		19 602	22 917	22 917	2 811	19 809	22 917	(3 108)	-13.6%	22 917
Vote 2 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 3 - CORPORATE SERVICES		3 908	2 859	3 292	276	2 824	3 292	(468)	-14.2%	3 292
Vote 4 - BUDGET & TREASURY		8 699	5 064	5 984	(67)	4 692	5 634	(942)	-16.7%	5 984
Vote 5 - PLANNING AND DEVEOLPMENT		25	90	242	–	152	90	62	68.5%	242
Vote 6 - COMMUNITY AND SOCIAL SERV		781	918	918	4	920	918	2	0.2%	918
Vote 7 - SPORTS AND RECREATION		1	1	2	0	3	2	1	29.2%	2
Vote 8 - HOUSING		11	11	11	3	11	11	0	4.0%	11
Vote 9 - PUBLIC SAFETY		19 044	3 822	3 665	1 841	7 370	3 665	3 705	101.1%	3 665
Vote 10 - ROAD TRANSPORT		1 115	1 034	1 032	271	1 031	1 032	(1)	-0.1%	1 032
Vote 11 - WASTE MANAGEMENT		1 451	1 785	1 797	400	1 730	1 797	(67)	-3.7%	1 797
Vote 12 - WASTE WATER MANAGEMENT		1 749	1 955	1 915	425	1 895	1 915	(20)	-1.0%	1 915
Vote 13 - WATER		673	2 024	2 479	422	2 361	2 479	(118)	-4.8%	2 479
Vote 14 - ELECTRICITY		9 049	10 346	9 671	2 218	9 320	9 671	(350)	-3.6%	9 671
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	66 108	52 825	53 924	8 605	52 118	53 423	(1 305)	-2.4%	53 924
Expenditure by Vote	1									
Vote 1 - MAYORAL & COUNCIL		2 760	6 960	7 006	1 527	6 039	7 006	(968)	-13.8%	7 006
Vote 2 - MUNICIPAL MANAGER		2 658	2 840	2 916	721	2 841	2 916	(75)	-2.6%	2 916
Vote 3 - CORPORATE SERVICES		5 962	7 611	7 344	1 835	5 571	7 344	(1 773)	-24.1%	7 344
Vote 4 - BUDGET & TREASURY		6 611	6 697	6 803	1 376	7 217	6 803	414	6.1%	6 803
Vote 5 - PLANNING AND DEVEOLPMENT		398	617	620	120	630	535	96	17.9%	620
Vote 6 - COMMUNITY AND SOCIAL SERV		1 116	850	1 017	282	1 007	1 017	(9)	-0.9%	1 017
Vote 7 - SPORTS AND RECREATION		749	1 249	1 400	141	724	1 400	(676)	-48.3%	1 400
Vote 8 - HOUSING		342	277	188	78	287	188	99	52.9%	188
Vote 9 - PUBLIC SAFETY		16 698	3 973	3 929	1 245	5 590	3 929	1 661	42.3%	3 929
Vote 10 - ROAD TRANSPORT		8 937	6 302	8 729	3 150	9 436	8 729	707	8.1%	8 729
Vote 11 - WASTE MANAGEMENT		1 041	1 385	1 316	218	1 231	1 316	(85)	-6.5%	1 316
Vote 12 - WASTE WATER MANAGEMENT		1 413	1 214	1 427	342	1 423	1 427	(4)	-0.3%	1 427
Vote 13 - WATER		1 755	3 734	2 081	310	1 583	2 081	(498)	-23.9%	2 081
Vote 14 - ELECTRICITY		7 050	7 246	7 822	1 578	7 086	7 822	(737)	-9.4%	7 822
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	57 489	50 953	52 599	12 924	50 666	52 514	(1 849)	-3.5%	52 599
Surplus/ (Deficit) for the year	2	8 619	1 872	1 325	(4 319)	1 452	908	544	59.9%	1 325

Table C4: Financial Performance (Revenue and Expenditure)**WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter**

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - Q4 Fourth Quarter										
Description	Ref	2013/14	Budget Year 2014/15							
		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		2 615	2 875	2 875	(23)	2 794	2 875	(80)	-3%	2 875
Property rates - penalties & collection charges		173	63	120	62	246	120	126	105%	120
Service charges - electricity revenue		9 049	10 346	9 671	2 218	9 320	9 671	(350)	-4%	9 671
Service charges - water revenue		673	2 024	1 903	422	2 361	1 903	457	24%	1 903
Service charges - sanitation revenue		1 749	1 955	1 915	425	1 895	1 915	(20)	-1%	1 915
Service charges - refuse revenue		1 645	1 785	1 797	400	1 730	1 797	(67)	-4%	1 797
Service charges - other		118	329	304	14	87	304	(218)	-72%	304
Rental of facilities and equipment		929	881	846	243	1 060	846	214	25%	846
Interest earned - external investments		557	493	622	51	468	622	(154)	-25%	622
Interest earned - outstanding debtors		236	167	167	53	245	167	78	46%	167
Dividends received		-	-	-	-	-	-	-	-	-
Fines		17 986	3 305	3 300	1 504	6 092	3 300	2 793	85%	3 300
Licences and permits		887	363	240	296	1 115	240	875	364%	240
Agency services		120	100	100	33	81	100	(19)	-19%	100
Transfers recognised - operational		16 648	15 656	16 968	55	14 935	16 466	(1 532)	-9%	16 968
Other revenue		536	592	690	40	387	690	(303)	-44%	690
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		53 921	40 932	41 518	5 795	42 815	41 016	1 799	4%	41 518
Expenditure By Type										
Employee related costs		9 736	13 790	13 788	2 936	11 722	13 706	(1 984)	-14%	13 788
Remuneration of councillors		2 201	2 336	2 336	659	2 297	2 336	(40)	-2%	2 336
Debt impairment		13 041	201	201	-	19	201	(182)	-90%	201
Depreciation & asset impairment		9 266	12 160	11 228	1 882	9 136	11 225	(2 089)	-19%	11 228
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		6 648	6 523	7 286	1 476	6 662	7 286	(624)	-9%	7 286
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		2 728	2 887	3 240	609	3 138	3 240	(102)	-3%	3 240
Transfers and grants		3 649	4 215	4 219	1 211	4 834	4 219	615	15%	4 219
Other expenditure		10 426	8 842	10 302	4 151	12 859	10 302	2 557	25%	10 302
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		57 696	50 953	52 599	12 924	50 666	52 514	(1 848)	-4%	52 599
Surplus/(Deficit)		(3 775)	(10 021)	(11 081)	(7 129)	(7 851)	(11 498)	3 647	(0)	(11 081)
Transfers recognised - capital		12 394	11 893	12 407	2 811	9 304	12 407	(3 103)	(0)	12 407
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		8 619	1 872	1 325	(4 319)	1 452	908			1 325
Taxation								-		
Surplus/(Deficit) after taxation		8 619	1 872	1 325	(4 319)	1 452	908			1 325
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		8 619	1 872	1 325	(4 319)	1 452	908			1 325
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		8 619	1 872	1 325	(4 319)	1 452	908			1 325

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) - Q4 Fourth Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - MAYORAL & COUNCIL		-	-	-	-	6	-	6	#DIV/0!	-
Vote 2 - MUNICIPAL MANAGER		-	-	37	5	5	-	5	#DIV/0!	37
Vote 3 - CORPORATE SERVICES		-	48	569	68	196	44	152	346%	569
Vote 4 - BUDGET & TREASURY		-	65	65	347	347	65	282	435%	65
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		-	1 658	110	35	35	110	(75)	-68%	110
Vote 7 - SPORTS AND RECREATION		2 095	-	1 147	9	1 180	-	1 180	#DIV/0!	1 147
Vote 8 - HOUSING		-	-	29 311	-	6 827	-	6 827	#DIV/0!	29 311
Vote 9 - PUBLIC SAFETY		-	350	350	1	1	-	1	#DIV/0!	350
Vote 10 - ROAD TRANSPORT		2 748	3 446	7 591	1 014	6 190	2 706	3 484	129%	7 591
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		1 568	481	634	628	1 127	1 036	91	9%	634
Vote 13 - WATER		2 185	897	422	353	576	2 620	(2 044)	-78%	422
Vote 14 - ELECTRICITY		35	5 034	5 034	1 900	1 999	5 034	(3 035)	-60%	5 034
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	8 631	11 979	45 271	4 360	18 491	11 615	6 876	59%	45 271
Total Capital Expenditure		8 631	11 979	45 271	4 360	18 491	11 615	6 876	59%	45 271
Capital Expenditure - Standard Classification										
Governance and administration		-	113	671	420	555	109	446	409%	671
Executive and council		-	-	37	5	11	-	11	#DIV/0!	37
Budget and treasury office		-	65	65	347	347	65	282	435%	65
Corporate services		-	48	569	68	196	44	152	346%	569
Community and public safety		2 095	2 008	30 919	45	8 044	110	7 934	7212%	30 919
Community and social services		-	1 588	40	35	35	40	(5)	-12%	40
Sport and recreation		2 095	-	1 147	9	1 180	-	1 180	#DIV/0!	1 147
Public safety		-	350	350	1	1	-	1	#DIV/0!	350
Housing		-	-	29 311	-	6 827	-	6 827	#DIV/0!	29 311
Health		-	70	70	-	-	70	(70)	-100%	70
Economic and environmental services		2 748	3 446	7 591	1 014	6 190	7 591	(1 401)	-18%	7 591
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		2 748	3 446	7 591	1 014	6 190	7 591	(1 401)	-18%	7 591
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		3 788	6 412	6 090	2 881	3 703	6 090	(2 387)	-39%	6 090
Electricity		35	5 034	5 034	1 900	1 999	5 034	(3 035)	-60%	5 034
Water		2 185	897	422	353	576	422	154	37%	422
Waste water management		1 568	481	634	628	1 127	634	493	78%	634
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	8 631	11 979	45 271	4 360	18 491	13 900	4 591	33%	45 271
Funded by:										
National Government		8 631	11 306	44 555	3 907	18 012	44 555	(26 543)	-60%	44 555
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		8 631	11 306	44 555	3 907	18 012	44 555	(26 543)	-60%	44 555
Public contributions & donations	5									
Borrowing	6									
Internally generated funds		0	673	715	453	478	715	(237)	-33%	715
Total Capital Funding		8 631	11 979	45 271	4 360	18 491	45 271	(26 780)	-59%	45 271

Table C6: Financial Position**WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter**

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		7 960	8 317	8 317	14 382	8 317
Call investment deposits		–	–	–	–	–
Consumer debtors		1 392	3 112	3 112	3 744	3 112
Other debtors		2 763	452	452	(4 828)	452
Current portion of long-term receivables		4	–	–	–	–
Inventory		1 203	5 698	5 698	5 492	5 698
Total current assets		13 322	17 580	17 580	18 790	17 580
Non current assets						
Long-term receivables		10	12	12	9	12
Investments		–	–	–	–	–
Investment property		4 564	4 440	4 440	4 317	4 440
Investments in Associate		–	–	–	–	–
Property, plant and equipment		146 856	147 619	147 619	158 838	147 619
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		534	343	343	164	343
Other non-current assets		43	123	123	11	123
Total non current assets		152 008	152 538	152 538	163 340	152 538
TOTAL ASSETS		165 330	170 117	170 117	182 130	170 117
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		351	396	396	406	396
Trade and other payables		6 485	4 409	4 409	15 271	4 409
Provisions		372	3 873	3 873	3 863	3 873
Total current liabilities		7 208	8 678	8 678	19 540	8 678
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		8 351	4 190	7 400	4 159	4 190
Total non current liabilities		8 351	4 190	7 400	4 159	4 190
TOTAL LIABILITIES		15 559	12 868	16 078	23 699	12 868
NET ASSETS	2	149 771	157 249	154 039	158 431	157 249
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		149 771	146 300	146 300	121 494	120 313
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	149 771	146 300	146 300	121 494	120 313

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description	Ref	2013/14	Budget Year 2014/15							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		20 561	22 893	22 893	8 561	37 289	22 893	14 397	63%	22 893
Government - operating		16 648	15 656	15 656	2	20 188	15 656	4 532	29%	15 656
Government - capital		12 423	11 893	11 893	2 811	12 055	11 893	162	1%	11 893
Interest		966	660	660	240	713	660	53	8%	660
Dividends					-	-	-	-		-
Payments										
Suppliers and employees		(38 712)	(37 625)	(37 625)	(12 221)	(42 536)	(37 625)	(4 911)	13%	(37 625)
Finance charges		(206)	-	-	-	-	-	-		-
Transfers and Grants		(1 099)	(528)	(528)	(775)	(3 153)	(528)	(2 626)	498%	(528)
NET CASH FROM/(USED) OPERATING ACTIVITIES		10 581	12 949	12 949	(1 383)	24 556	12 949	26 680	206%	12 949
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(10 223)	(11 619)	(11 619)	(4 372)	(18 491)	(11 619)	(6 872)	59%	(11 619)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10 223)	(11 619)	(11 619)	(4 372)	(18 491)	(11 619)	6 872	-59%	(11 619)
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		358	1 330	1 330	(5 755)	6 065	1 330			1 330
Cash/cash equivalents at beginning:		7 960	8 317	8 317		8 317	8 317			8 317
Cash/cash equivalents at month/year end:		8 317	9 647	9 647		14 382	9 647			9 647

6. Supporting Documentation

Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

W0031 Langsburg - Supporting Table SCS Monthly Budget Statement - aged Debtors - Q4 Fourth Quarter												
Description	NT Code	Budget Year 2014/15									Total	Bad Debts
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Revenue Source												
Trade and Other Receivables from Ex change Transactions - Water	1200	26	32	30	27	32	26	25	650	847	-	
Trade and Other Receivables from Ex change Transactions - Electricity	1300	548	30	21	12	9	11	9	249	889	-	
Receivables from Non-ex change Transactions - Property Rates	1400	(1)	31	23	21	21	20	21	2 022	2 157	-	
Receivables from Ex change Transactions - Waste Water Management	1500	65	32	30	28	26	26	25	668	898	-	
Receivables from Ex change Transactions - Waste Management	1600	89	25	22	18	17	18	17	400	607	-	
Receivables from Ex change Transactions - Property Rental Debtors	1700	23	12	24	15	17	22	18	207	339	-	
Interest on Arrear Debtor Accounts	1810	13	606	-	-	-	-	-	160	779	-	
Recoverable unauthorised, irregular or fruitless and wasteful Ex penditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(16)	0	1	1	1	6	-	27	19	-	
Total By Revenue Source	2000	746	767	150	122	125	129	114	4 384	6 536	-	
2013/14 - totals only		1 191 575	136 117	135 362	101 861	143 858	802 699	359 906	3 143 366	6 015	0	
Debtors Age Analysis By Customer Category												
Organs of State	2200	4	28	16	9	12	12	11	1 123	1 214	-	
Commercial	2300	303	11	12	7	3	0	2	37	375	-	
Households	2400	369	727	121	103	108	115	99	3 186	4 829	-	
Other	2500	71	2	1	2	1	1	1	38	118	-	
Total By Customer Category	2600	746	767	150	122	125	129	114	4 384	6 536	-	

Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

Woods Llangsbury - Supporting Table 004 Monthly Budget Statement - aged creditors - Q47 fourth quarter										
Description	NT Code	Budget Year 2014/15								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	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	2600	-	-	-	-	-	-	-	-	-

Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q4 Fourth Quarter

Description of financial indicator	Basis of calculation	Ref	2013/14	Budget Year 2014/15			
			Audited Outcome	Original Budget	Adjusted Budget	Year TD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	23.9%	21.3%	0.0%	4.4%
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		4.3%	3.0%	3.0%	12.6%	3.7%
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	184.8%	202.6%	202.6%	96.2%	202.6%
Liquidity Ratio	Monetary Assets/Current Liabilities		110.4%	95.8%	95.8%	73.6%	95.8%
<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		7.7%	8.7%	8.6%	-2.5%	8.6%
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		18.1%	33.7%	33.2%	27.4%	33.2%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.4%	5.1%	5.1%	3.7%	4.7%
Interest & Depreciation	I&D/Total Revenue - capital revenue		17.2%	29.7%	27.0%	0.0%	5.6%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		38.7%	13.2%	13.3%	18.6%	13.3%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		10.5%	18.9%	20.0%	9.0%	5.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		3.8%	3.5%	3.5%	2.1%	3.5%

7. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the 4th quarter of 2014/2015 financial year.
- (b) That the 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.