

# LAINGSBURG MUNICIPALITY



**MONTHLY BUDGET STATEMENTS FOR THE MONTH ENDING  
JANUARY 2020**

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## 1. Mayors Report

The monthly budget statement for January 2020 has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations. The January 2020 Monthly budget statement is the seventh report for the 2019/20 financial year.

## 2. Executive Summary

Section 71 of the MFMA states that the Accounting Officer of a Municipality must by no later than 10 working days after the end of each month submit to the Mayor of the Municipality and the relevant Provincial Treasury a statement in the prescribed format on the state of the Municipality's budget.

This report presents the current state of the budget implementation and reasons for variances and possible action to be taken. Section 54 of the MFMA states that the Mayor of the Municipality must consider and check whether the approved budget is implemented in accordance with the Service Delivery and Budget Implementation Plan (SDBIP), and consider revisions.

The Table below illustrates an overview of the Budget implementation of Laingsburg Municipality for the month ended January 2020.

R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Revenue (Incl. Capital transfers and contributions)	94 630	94 630	55 655	58.81
Total Expenditure	94 052	94 052	54 736	58.20
Depreciation	11 752	11 752	5 677	48.31
Surplus (Deficit) (Incl Capital transfers)	577	577	919	159.24

Capital Expenditure				
Sources of Finance				
Transfers from Grants	10 436	10 436	4 272	40.93
Government	10 436	10 436	4 272	40.93
Transfers from Internal funds	-	-	-	-
Capital Expenditure	10 436	10 436	4 272	40.93

### Operating Revenue

The Municipality have generated 56.64% or R 55,655 million of the Budgeted Revenue to date which is lower than the budgeted amount. Year-to-date operating revenue is 2,9% lower than the year-to-date budget and stands at 97,1%. The projected budgeted revenue amounts to R 57,320 million. The actual revenue as at the end of January 2020 is thus R 1,665 million under the budget. This amount includes the operational grants to date.

### Operating Expenditure

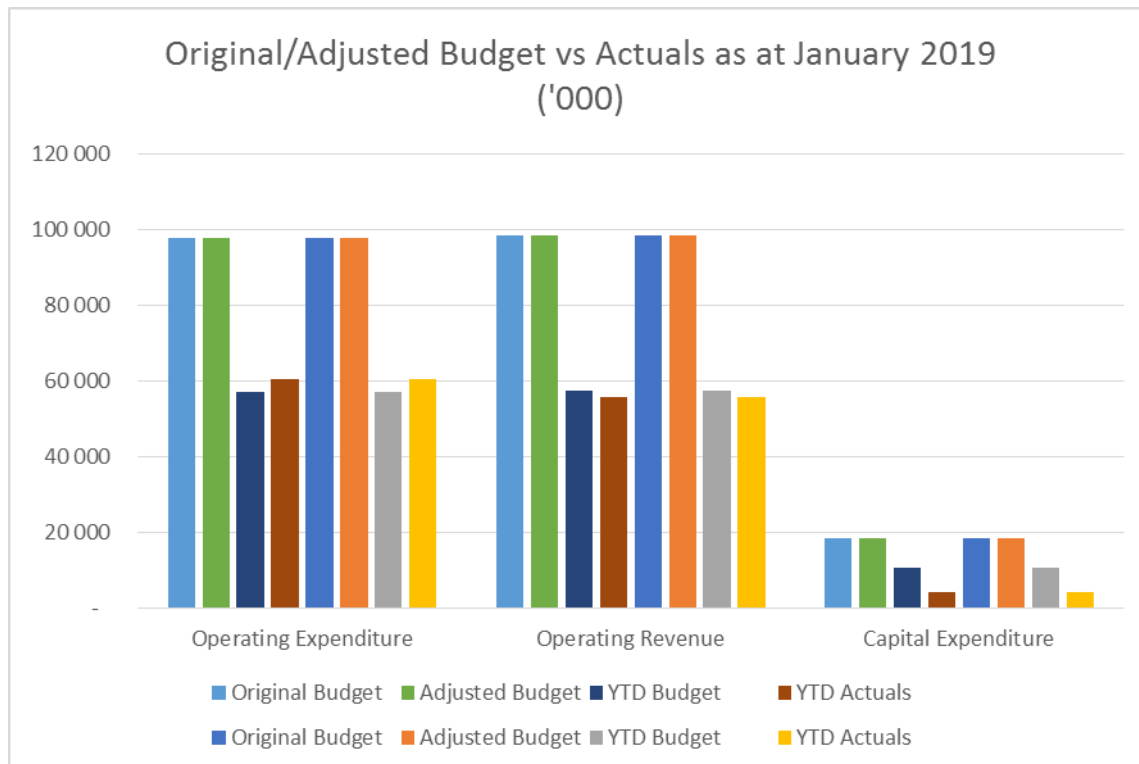
Operating expenditure of R 54,736 million for the period up to January 2020 does not include part of the annual calculation for provisions. The total amount for the year-to-date portion of provisions is R 5,552 million. That will bring the total expenditure effectively at R 60,287 million to date. The expenditure to date is higher than the budget year-to-date amount and stands on 105,8%. This means that the Municipality has spent 5.68% over the budget.

### Capital Expenditure

Year-to-date capital expenditure is lower than the year-to-date budget and stands on 23,1%.

The projected year-to-date capital expenditure amounted to R 10,788 million and the actual expenditure as at the end of January 2020 amounted to R 4,272 million.

The following graph shows the performance of the municipality against the Budget (Operating and Capital) as at the end of January 2020:



## Cash Flow

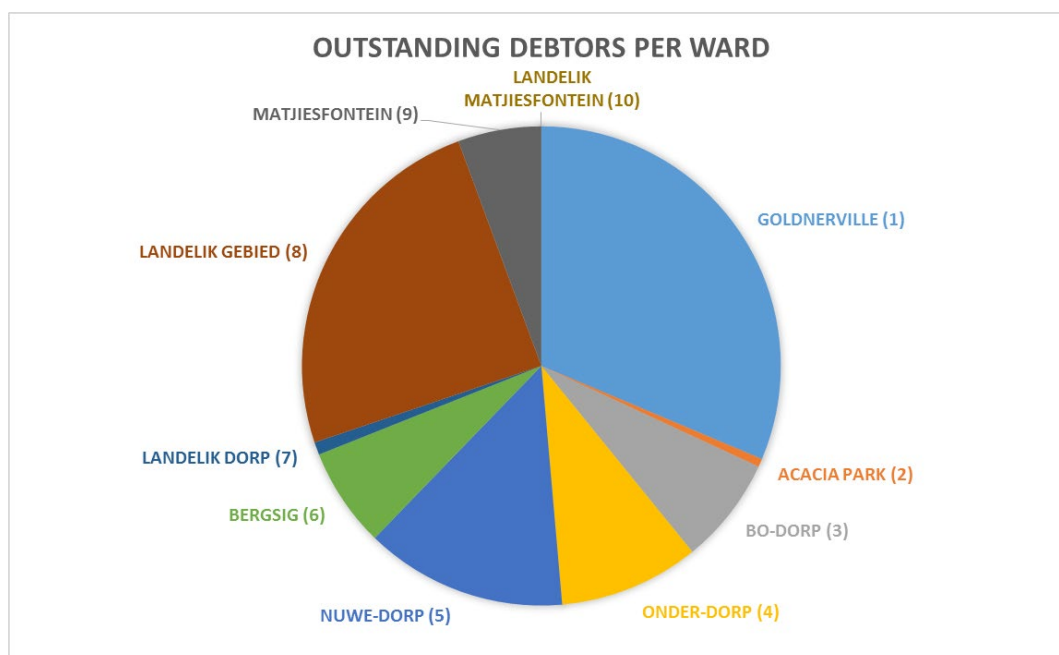
The Municipality started off with a cash flow balance of R 6,552 million at the beginning of the year after corrections and increased with R 309 thousand. The closing balance for the month ended January 2020 is R 6,861 million. That is a nett cash outflow of R 854 11 from the previous month. The Municipal Cash flow is mainly from Operating Activities and Grants as no Borrowing or Investments are budgeted for the 2019/2020 financial year.

During the budget process assumptions were made that the payment ratio for all debtors will be at 95%. Currently the ratio is 83.58% and way below the target. That means that the inflow of cash is much lower as the assumptions. The total value of accounts sent out during this period was just over R 2,184 million. The total amount collected on those accounts amounted to R 1,969 million. That leaves an under collection of nearly R 215 000. The total amount that is under collected since the beginning of this financial year amounts to more than R 1,500 million. At the current spending pattern and the under collection the municipality is facing severe cash flow problems.

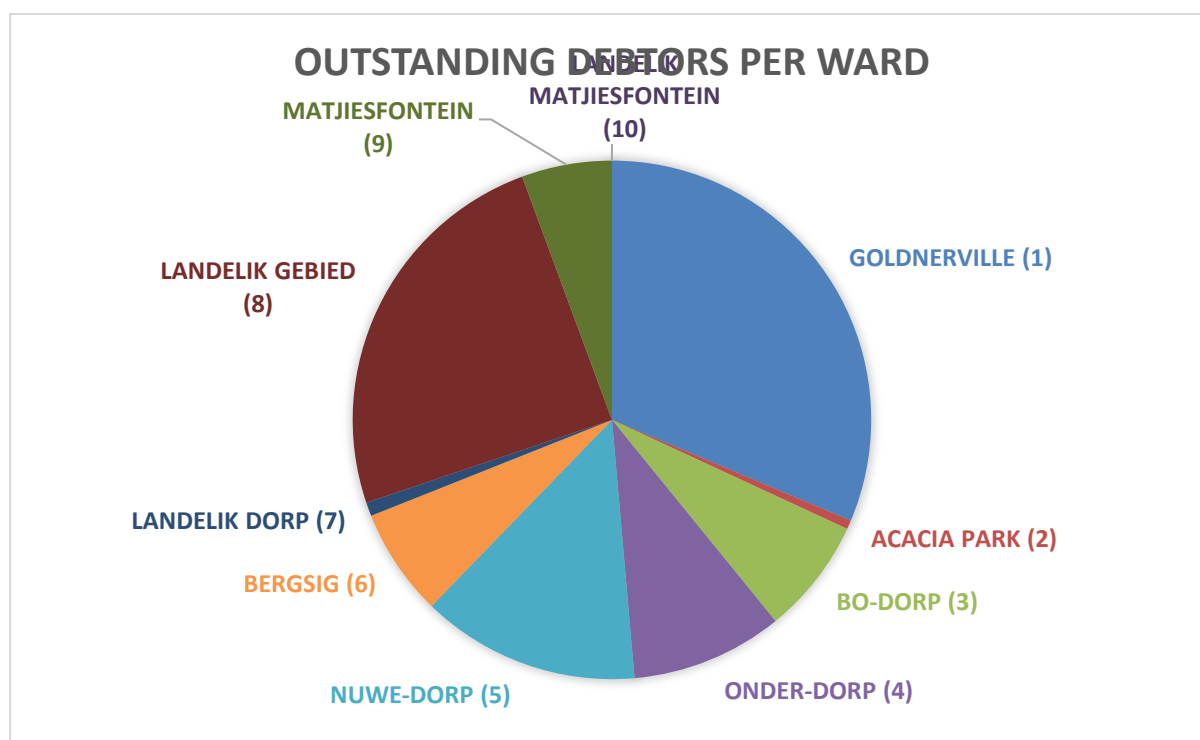
## Debtors

The Outstanding Debtors of the Municipality amounts to R 9,758 million for the month ended January 2020, (R 9,543 million previous month). There was an increase of R 0.215 million in the total outstanding amount since the previous month (increase of R 0.114 million previous month). The payment rate for 2018/2019 financial year was 89%. The total amount outstanding for longer than 12 months is R 4,341 million and this amounts to 44,49% of all the debtors outstanding. The total cash trapped in outstanding debtors older than 90 Days amount to R 5,938 million. The Municipality is implementing the Debt Collection and Credit Control Policy. Outstanding amounts in the areas where the Municipality is not the supplier of electricity are increasing rapidly.

The following graph shows the the outstanding debtors per ward as at the end of January 2020:



The following graph shows the the outstanding debtors per service type as at the end of January 2020:



### Creditors

Total outstanding creditors amount to R 0 for the month ending January 2020. All the outstanding amounts are within the 30 days outstanding categories which is compliant with Section 65 of the MFMA. One case occurred where a supplier issued 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.

### Cost Containment Measures

The Local Government: Municipal Cost Containment Regulations (MCCR), were promulgated on 7 June 2019, and came into effect on 1 July 2019.

Sections 62(1)(a) and 95(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality or municipal entity is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of MFMA Circular 97 issued on 1 July 2019 municipalities are required to utilise existing reporting requirements, to report internally and externally on cost saving measures.

The following table summarizes the main items as prescribed in the circular and MCCR.

Total cost saving disclosure in the In-Year Reoprt							
Cost Containment In-Year Reoprt							
Cost containment Measures	ANNUAL BUDGET	MONTHLY BUDGET	BUDGET YTD	EXPENCE THIS PERIOD	EXPENCE YTD	OVER OR (SAVINGS) THIS PERIOD	OVER OR (SAVINGS) YTD
	R'	R'	R'	R'	R'	R'	R'
Use of consultants	5 698 900	474 908	4 749 083	226 744	3 690 474	(248 164)	(1 058 609)
Vehicles used for political office bearers	-	-	-	-	-	-	-
Travel and subsistence	1 068 900	89 075	623 525	70 073	835 941	(19 002)	212 416
Domestic accommodation	279 500	23 292	163 042	31 383	302 016	8 091	138 974
Sponsorships, events and catering	168 700	14 058	98 408	1 669	64 509	(12 389)	(33 899)
Communication	620 000	51 667	361 667	20 004	242 114	(31 663)	(119 553)
Other related expenditure items		-	-			-	-
<b>Total</b>	<b>R 7 836 000</b>	<b>R 653 000</b>	<b>R 5 995 725</b>	<b>R 349 873</b>	<b>R 5 135 054</b>	<b>(303 127)</b>	<b>(860 671)</b>

Red flagged amounts are items that exceed the budgeted amount. The main problem areas are travel and subsistence and accommodation. The travel claims exceeds the year-to-date budget amount with 34.1% and accommodation exceeds with 85.2%. At this trend the total budget for the financial year will be depleted by the end of February 2020.

During the budget period for 2019/2020 there was no needs need for training other than the normal scheduled annual sessions, but early in the beginning of the financial year it was decided to send municipal officials to technical training for which the SETA pays the cost of the training but the Council must pay the cost of travel and accommodation. This unbudgeted expenditure is causing that the budget for the travel and accommodation is exceeding with more than R 200 000.

The current situation with the provision of water to the consumers of the town has a direct consequence that the overtime of the technical department already exceeds the total annual budgeted amount. The year-to-date budget is exceeded with R 174 500. For the period November 2019 till 15 January 2020 an amount of R 327 000 was paid as overtime.

Overtime paid to the traffic officials also exceeds the year-to-date budgeted amount with nearly R 20 000. Traffic fines paid for the period until the end of January 2020 stands on 94% of the budget.

The amounts collected to date are as follows:

Traffic fines accounts	YTD Budget	YTD Fines Paid	YTD undercollection
Municipal Traffic Fines	418 520	393 402	25 118
Speed over distance	1 629 552	1 531 753	97 799
Provincial Traffic Fines	971 350	913 054	58 296
	<b>R 3 019 422</b>	<b>R 2 838 209</b>	<b>R 181 213</b>

That means that the Traffic department on its own contributes to a cash loss of nearly R 200 000.

In view of the many overspendings and budget cash shortfalls, serious measures that could bring about savings will have to be considered. Currently the recovery plan that was put into effect during 2017 is still operational and not yet withdrawn. Urgent review of the content of the recovery plan must be made.

### 3. In year Budget Statement Tables

If a municipality does not have any municipal entities, the in-year budget statement tables must consist of the tables in First Attachment to this Schedule, namely-

- (a) Table C1 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



Table C1: Summary

## WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - M07 January

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	3 990	4 656	4 656	26	4 267	1 940	2 327	120%	4 656
Service charges	17 178	20 941	20 941	1 961	13 933	8 726	5 207	60%	20 941
Investment revenue	146	811	811	33	494	338	156	46%	811
Transfers and subsidies	21 464	21 623	21 623	507	12 347	9 010	3 337	37%	21 623
Other own revenue	35 451	34 544	34 544	2 861	20 342	14 393	5 948	41%	34 544
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>78 229</b>	<b>82 575</b>	<b>82 575</b>	<b>5 389</b>	<b>51 383</b>	<b>34 406</b>	<b>16 977</b>	<b>49%</b>	<b>82 575</b>
Employee costs	20 912	26 131	26 131	1 863	14 231	10 888	3 343	31%	26 131
Remuneration of Councillors	2 770	2 801	2 801	227	1 588	1 167	421	36%	2 801
Depreciation & asset impairment	8 667	11 752	11 752	1 622	5 677	4 897	781	16%	11 752
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	7 899	7 923	7 923	655	5 030	3 301	1 728	52%	7 923
Transfers and subsidies	4 113	2 522	2 522	54	2 007	1 051	956	91%	2 522
Other expenditure	43 900	42 924	42 924	3 660	26 203	17 885	8 318	47%	42 924
<b>Total Expenditure</b>	<b>88 261</b>	<b>94 052</b>	<b>94 052</b>	<b>8 082</b>	<b>54 736</b>	<b>39 188</b>	<b>15 547</b>	<b>40%</b>	<b>94 052</b>
<b>Surplus/(Deficit)</b>	<b>(10 033)</b>	<b>(11 477)</b>	<b>(11 477)</b>	<b>(2 693)</b>	<b>(3 352)</b>	<b>(4 782)</b>	<b>1 430</b>	<b>-30%</b>	<b>(11 477)</b>
Transfers and subsidies - capital (monetary alloc	19 268	12 054	12 054	59	4 272	5 023	(751)	-15%	12 054
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>9 235</b>	<b>577</b>	<b>577</b>	<b>(2 634)</b>	<b>919</b>	<b>241</b>	<b>679</b>	<b>282%</b>	<b>577</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>9 235</b>	<b>577</b>	<b>577</b>	<b>(2 634)</b>	<b>919</b>	<b>241</b>	<b>679</b>	<b>282%</b>	<b>577</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>28 105</b>	<b>8 064</b>	<b>8 064</b>	<b>59</b>	<b>4 272</b>	<b>-</b>	<b>4 272</b>	<b>#DIV/0!</b>	<b>8 064</b>
Capital transfers recognised	16 764	10 436	10 436	59	4 272	-	4 272	#DIV/0!	10 436
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	18	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>16 781</b>	<b>10 436</b>	<b>10 436</b>	<b>59</b>	<b>4 272</b>	<b>-</b>	<b>4 272</b>	<b>#DIV/0!</b>	<b>10 436</b>
<b>Financial position</b>									
Total current assets	21 864	21 864	21 864		25 004				21 864
Total non current assets	192 687	192 687	192 687		191 282				192 687
Total current liabilities	14 112	14 112	14 112		14 950				14 112
Total non current liabilities	14 490	14 490	14 490		14 490				14 490
Community wealth/Equity	185 950	185 950	185 950		186 847				185 950
<b>Cash flows</b>									
Net cash from (used) operating	(2 752)	10 455	10 455	(801)	4 125	4 852	727	15%	10 455
Net cash from (used) investing	(3 035)	(11 976)	(11 976)	(59)	(3 858)	-	3 858	#DIV/0!	(11 976)
Net cash from (used) financing	91	34	34	6	43	20	(23)	-112%	34
<b>Cash/cash equivalents at the month/year end</b>	<b>856</b>	<b>5 065</b>	<b>5 065</b>	<b>-</b>	<b>6 861</b>	<b>11 423</b>	<b>4 562</b>	<b>40%</b>	<b>5 065</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	1 882	1 726	212	158	1 254	185	3 470	871	9 758
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

**Table C2: Financial Performance (Standard Classification)**

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Financed Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structure used by the different institutions.

The main functions are Government and Administration, Community and Public Safety, Economic and Environmental Services, Trading Services and Other Services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

**WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January**

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>1</b>									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		<b>39 203</b>	<b>34 585</b>	<b>34 585</b>	<b>314</b>	<b>21 222</b>	<b>14 411</b>	6 812	47%	<b>34 585</b>
Executive and council		905	2 521	2 521	–	446	1 050	(604)	-58%	2 521
Finance and administration		38 298	32 065	32 065	314	20 776	13 360	7 416	56%	32 065
Internal audit		–	–	–	–	–	–	–	–	–
<i><b>Community and public safety</b></i>		<b>34 965</b>	<b>34 140</b>	<b>34 140</b>	<b>3 394</b>	<b>19 757</b>	<b>14 225</b>	5 532	39%	<b>34 140</b>
Community and social services		1 274	1 265	1 265	731	740	527	213	40%	1 265
Sport and recreation		4	24	24	–	1	10	(9)	-92%	24
Public safety		33 670	32 839	32 839	2 662	19 009	13 683	5 326	39%	32 839
Housing		16	11	11	1	7	5	3	57%	11
Health		2	0	0	–	0	0	(0)	-50%	1
<i><b>Economic and environmental services</b></i>		<b>1 013</b>	<b>1 304</b>	<b>1 304</b>	<b>(222)</b>	<b>738</b>	<b>543</b>	195	36%	<b>1 304</b>
Planning and development		–	–	–	–	–	–	–	–	–
Road transport		1 013	1 304	1 304	(222)	738	543	195	36%	1 304
Environmental protection		–	–	–	–	–	–	–	–	–
<i><b>Trading services</b></i>		<b>22 429</b>	<b>24 600</b>	<b>24 600</b>	<b>1 962</b>	<b>13 938</b>	<b>10 250</b>	3 688	36%	<b>24 600</b>
Energy sources		14 443	15 414	15 414	1 246	8 886	6 422	2 464	38%	15 414
Water management		2 922	4 009	4 009	280	1 935	1 670	264	16%	4 009
Waste water management		2 818	2 793	2 793	240	1 697	1 164	533	46%	2 793
Waste management		2 247	2 385	2 385	197	1 421	994	427	43%	2 385
<i><b>Other</b></i>	<b>4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>97 610</b>	<b>94 630</b>	<b>94 630</b>	<b>5 448</b>	<b>55 655</b>	<b>39 429</b>	<b>16 226</b>	<b>41%</b>	<b>94 630</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		<b>28 723</b>	<b>28 259</b>	<b>28 259</b>	<b>2 162</b>	<b>17 500</b>	<b>11 774</b>	5 726	49%	<b>28 259</b>
Executive and council		8 078	9 682	9 682	643	6 625	4 034	2 590	64%	9 682
Finance and administration		20 645	18 577	18 577	1 518	10 876	7 740	3 135	41%	18 577
Internal audit		–	–	–	–	–	–	–	–	–
<i><b>Community and public safety</b></i>		<b>32 769</b>	<b>36 208</b>	<b>36 208</b>	<b>2 744</b>	<b>19 588</b>	<b>15 087</b>	4 501	30%	<b>36 208</b>
Community and social services		1 340	2 188	2 188	222	1 247	912	336	37%	2 188
Sport and recreation		9	26	26	0	22	11	12	107%	26
Public safety		31 207	33 784	33 784	2 490	18 206	14 076	4 129	29%	33 784
Housing		209	207	207	31	111	86	25	29%	207
Health		4	4	4	–	2	2	0	13%	4
<i><b>Economic and environmental services</b></i>		<b>1 583</b>	<b>3 556</b>	<b>3 556</b>	<b>236</b>	<b>1 658</b>	<b>1 481</b>	177	12%	<b>3 556</b>
Planning and development		329	1 324	1 324	25	304	552	(248)	-45%	1 324
Road transport		1 254	2 231	2 231	211	1 355	930	425	46%	2 231
Environmental protection		–	–	–	–	–	–	–	–	–
<i><b>Trading services</b></i>		<b>25 187</b>	<b>26 022</b>	<b>26 022</b>	<b>2 939</b>	<b>15 985</b>	<b>10 843</b>	5 142	47%	<b>26 022</b>
Energy sources		8 511	9 270	9 270	856	5 870	3 863	2 008	52%	9 270
Water management		4 535	2 933	2 933	371	1 896	1 222	674	55%	2 933
Waste water management		10 453	12 195	12 195	1 573	7 302	5 081	2 221	44%	12 195
Waste management		1 688	1 625	1 625	139	916	677	239	35%	1 625
<i><b>Other</b></i>		<b>–</b>	<b>7</b>	<b>7</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>40%</b>	<b>7</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>88 261</b>	<b>94 052</b>	<b>94 052</b>	<b>8 082</b>	<b>54 736</b>	<b>39 188</b>	<b>15 547</b>	<b>40%</b>	<b>94 052</b>
<b>Surplus/ (Deficit) for the year</b>		<b>9 349</b>	<b>577</b>	<b>577</b>	<b>(2 634)</b>	<b>919</b>	<b>241</b>	<b>679</b>	<b>282%</b>	<b>578</b>

**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) - M07 January**

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>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - MAYORAL & COUNCIL		905	2 521	2 521	–	446	1 050	(604)	-57.5%	2 521
Vote 2 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 3 - CORPORATE SERVICES		1 770	1 632	1 632	204	1 662	680	982	144.4%	1 632
Vote 4 - BUDGET & TREASURY		36 529	30 433	30 433	109	19 114	12 680	6 434	50.7%	30 433
Vote 5 - PLANNING AND DEVELOPMENT		–	–	–	–	–	–	–	–	–
Vote 6 - COMMUNITY AND SOCIAL SERV		1 276	1 266	1 266	731	740	527	212	40.3%	1 266
Vote 7 - SPORTS AND RECREATION		4	24	24	–	1	10	(9)	-91.5%	24
Vote 8 - HOUSING		16	11	11	1	7	5	3	57.1%	11
Vote 9 - PUBLIC SAFETY		33 670	32 839	32 839	2 662	19 009	13 683	5 326	38.9%	32 839
Vote 10 - ROAD TRANSPORT		1 100	1 321	1 321	(221)	739	551	188	34.2%	1 321
Vote 11 - WASTE MANAGEMENT		2 247	2 385	2 385	197	1 421	994	427	42.9%	2 385
Vote 12 - WASTE WATER MANAGEMENT		2 731	2 776	2 776	239	1 696	1 157	540	46.7%	2 776
Vote 13 - WATER		2 922	4 009	4 009	280	1 935	1 670	264	15.8%	4 009
Vote 14 - ELECTRICITY		14 443	15 414	15 414	1 246	8 886	6 422	2 464	38.4%	15 414
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>97 610</b>	<b>94 630</b>	<b>94 630</b>	<b>5 448</b>	<b>55 655</b>	<b>39 429</b>	<b>16 226</b>	<b>41.2%</b>	<b>94 630</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - MAYORAL & COUNCIL		5 043	6 339	6 339	432	4 672	2 641	2 031	76.9%	6 339
Vote 2 - MUNICIPAL MANAGER		3 035	3 343	3 343	211	1 952	1 393	559	40.1%	3 343
Vote 3 - CORPORATE SERVICES		7 705	6 738	6 738	432	3 422	2 808	614	21.9%	6 738
Vote 4 - BUDGET & TREASURY		12 940	11 838	11 838	1 086	7 454	4 933	2 521	51.1%	11 838
Vote 5 - PLANNING AND DEVELOPMENT		329	1 324	1 324	25	304	552	(248)	-45.0%	1 324
Vote 6 - COMMUNITY AND SOCIAL SERV		1 184	1 619	1 619	143	919	675	245	36.3%	1 619
Vote 7 - SPORTS AND RECREATION		169	606	606	80	357	253	104	41.2%	606
Vote 8 - HOUSING		209	207	207	31	111	86	25	28.5%	207
Vote 9 - PUBLIC SAFETY		31 207	33 784	33 784	2 490	18 206	14 076	4 129	29.3%	33 784
Vote 10 - ROAD TRANSPORT		9 673	11 913	11 913	1 488	7 315	4 964	2 351	47.4%	11 913
Vote 11 - WASTE MANAGEMENT		1 688	1 625	1 625	139	916	677	239	35.3%	1 625
Vote 12 - WASTE WATER MANAGEMENT		2 034	2 513	2 513	296	1 342	1 047	295	28.2%	2 513
Vote 13 - WATER		4 535	2 933	2 933	371	1 896	1 222	674	55.2%	2 933
Vote 14 - ELECTRICITY		8 511	9 270	9 270	856	5 870	3 863	2 008	52.0%	9 270
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	2	<b>88 261</b>	<b>94 052</b>	<b>94 052</b>	<b>8 082</b>	<b>54 736</b>	<b>39 188</b>	<b>15 547</b>	<b>39.7%</b>	<b>94 052</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>9 349</b>	<b>577</b>	<b>577</b>	<b>(2 634)</b>	<b>919</b>	<b>241</b>	<b>679</b>	<b>282.2%</b>	<b>577</b>

Table C4: Financial Performance (Revenue and Expenditure)

## WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Worcester Municipality - Table 04 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - 1st January 2019										
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		3 990	4 656	4 656	26	4 267	1 940	2 327	120%	4 656
Service charges - electricity revenue		11 861	15 055	15 055	1 246	8 886	6 273	2 613	42%	15 055
Service charges - water revenue		1 096	1 628	1 628	280	1 935	678	1 256	185%	1 628
Service charges - sanitation revenue		2 731	2 776	2 776	239	1 696	1 157	540	47%	2 776
Service charges - refuse revenue		1 490	1 483	1 483	196	1 416	618	798	129%	1 483
Service charges - other		—	—	—	—	—	—	—	—	—
Rental of facilities and equipment		1 354	711	711	117	831	296	535	181%	711
Interest earned - external investments		146	811	811	33	494	338	156	46%	811
Interest earned - outstanding debtors		282	40	40	53	294	16	277	1684%	40
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		33 342	31 775	31 775	2 649	18 538	13 239	5 299	40%	31 775
Licences and permits		228	1 072	1 072	13	475	447	29	6%	1 072
Agency services		151	122	122	18	92	51	41	82%	122
Transfers and subsidies		21 464	21 623	21 623	507	12 347	9 010	3 337	37%	21 623
Other revenue		94	825	825	11	111	344	(233)	-68%	825
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>78 229</b>	<b>82 575</b>	<b>82 575</b>	<b>5 389</b>	<b>51 383</b>	<b>34 406</b>	<b>16 977</b>	<b>49%</b>	<b>82 575</b>
<b>Expenditure By Type</b>										
Employee related costs		20 912	26 131	26 131	1 863	14 231	10 888	3 343	31%	26 131
Remuneration of councillors		2 770	2 801	2 801	227	1 588	1 167	421	36%	2 801
Debt impairment		25 618	26 442	26 442	2 144	15 009	11 018	3 992	36%	26 442
Depreciation & asset impairment		8 667	11 752	11 752	1 622	5 677	4 897	781	16%	11 752
Finance charges		—	—	—	—	—	—	—	—	—
Bulk purchases		7 899	7 923	7 923	655	5 030	3 301	1 728	52%	7 923
Other materials		—	—	—	—	—	—	—	—	—
Contracted services		2 445	3 813	3 813	94	998	1 589	(591)	-37%	3 813
Transfers and subsidies		4 113	2 522	2 522	54	2 007	1 051	956	91%	2 522
Other expenditure		15 837	12 669	12 669	1 422	10 196	5 279	4 917	93%	12 669
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>88 261</b>	<b>94 052</b>	<b>94 052</b>	<b>8 082</b>	<b>54 736</b>	<b>39 188</b>	<b>15 547</b>	<b>40%</b>	<b>94 052</b>
<b>Surplus/(Deficit)</b>		<b>(10 033)</b>	<b>(11 477)</b>	<b>(11 477)</b>	<b>(2 693)</b>	<b>(3 352)</b>	<b>(4 782)</b>	<b>1 430</b>	<b>(0)</b>	<b>(11 477)</b>
Transfers and subsidies - capital (monetary allocations)		—	—	—	—	—	—	—	—	—
(National / Provincial and District)		19 268	12 054	12 054	59	4 272	5 023	(751)	(0)	12 054
(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>9 235</b>	<b>577</b>	<b>577</b>	<b>(2 634)</b>	<b>919</b>	<b>241</b>			<b>577</b>
Taxation		—	—	—	—	—	—	—		—
<b>Surplus/(Deficit) after taxation</b>		<b>9 235</b>	<b>577</b>	<b>577</b>	<b>(2 634)</b>	<b>919</b>	<b>241</b>			<b>577</b>
Attributable to minorities		—	—	—	—	—	—			—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>9 235</b>	<b>577</b>	<b>577</b>	<b>(2 634)</b>	<b>919</b>	<b>241</b>			<b>577</b>
Share of surplus/ (deficit) of associate		—	—	—	—	—	—			—
<b>Surplus/ (Deficit) for the year</b>		<b>9 235</b>	<b>577</b>	<b>577</b>	<b>(2 634)</b>	<b>919</b>	<b>241</b>			<b>577</b>

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

**WC051 Laingsburg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January**

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

<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		35	-	-	-	-	-	-		-
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		35	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		25	-	-	-	-	-	-		-
Community and social services		11	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		14	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		238	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		238	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		27 806	8 064	8 064	59	4 272	-	4 272	#DIV/0!	8 064
Energy sources		8 424	-	-	-	413	-	413	#DIV/0!	-
Water management		19 383	6 064	6 064	59	3 858	-	3 858	#DIV/0!	6 064
Waste water management		-	2 000	2 000	-	-	-	-		2 000
Waste management		-	-	-	-	-	-	-		-
<b>Other</b>		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure - Functional Classification</b>	3	28 105	8 064	8 064	59	4 272	-	4 272	#DIV/0!	8 064
<b>Funded by:</b>										
National Government		(832)	10 436	10 436	59	4 272	-	4 272	#DIV/0!	10 436
Provincial Government		17 596	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		-	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		16 764	10 436	10 436	59	4 272	-	4 272	#DIV/0!	10 436
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-		-
<b>Borrowing</b>	6	-	-	-	-	-	-	-		-
<b>Internally generated funds</b>		18	-	-	-	-	-	-		-
<b>Total Capital Funding</b>		16 781	10 436	10 436	59	4 272	-	4 272	#DIV/0!	10 436

**Table C6: Financial Position****WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - M07 January**

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		6 552	6 552	6 552	6 856	6 552
Call investment deposits		–	–	–	–	–
Consumer debtors		10 509	10 509	10 509	(1 897)	10 509
Other debtors		3 915	3 915	3 915	19 247	3 915
Current portion of long-term receivables		0	0	0	0	0
Inventory		889	889	889	797	889
<b>Total current assets</b>		<b>21 864</b>	<b>21 864</b>	<b>21 864</b>	<b>25 004</b>	<b>21 864</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		24 801	24 801	24 801	24 743	24 801
Investments in Associate		–	–	–	–	–
Property, plant and equipment		167 473	167 473	167 473	166 125	167 473
Agricultural		–	–	–	–	–
Biological		–	–	–	–	–
Intangible		370	370	370	370	370
Other non-current assets		43	43	43	45	43
<b>Total non current assets</b>		<b>192 687</b>	<b>192 687</b>	<b>192 687</b>	<b>191 282</b>	<b>192 687</b>
<b>TOTAL ASSETS</b>		<b>214 551</b>	<b>214 551</b>	<b>214 551</b>	<b>216 287</b>	<b>214 551</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		17	17	17	17	17
Consumer deposits		674	674	674	685	674
Trade and other payables		12 262	12 262	12 262	13 125	12 262
Provisions		1 159	1 159	1 159	1 123	1 159
<b>Total current liabilities</b>		<b>14 112</b>	<b>14 112</b>	<b>14 112</b>	<b>14 950</b>	<b>14 112</b>
<b>Non current liabilities</b>						
Borrowing		6	6	6	6	6
Provisions		14 483	14 483	14 483	14 483	14 483
<b>Total non current liabilities</b>		<b>14 490</b>	<b>14 490</b>	<b>14 490</b>	<b>14 490</b>	<b>14 490</b>
<b>TOTAL LIABILITIES</b>		<b>28 601</b>	<b>28 601</b>	<b>28 601</b>	<b>29 440</b>	<b>28 601</b>
<b>NET ASSETS</b>	2	<b>185 950</b>	<b>185 950</b>	<b>185 950</b>	<b>186 847</b>	<b>185 950</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		185 950	185 950	185 950	186 847	185 950
Reserves		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>185 950</b>	<b>185 950</b>	<b>185 950</b>	<b>186 847</b>	<b>185 950</b>

Table C7: Cash Flow

## WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - M07 January

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>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		4 237	3 846	3 846	197	2 846	2 457	388	16%	3 846
Service charges		16 072	19 696	19 696	1 624	10 731	11 867	(1 136)	-10%	19 696
Other revenue		23 281	8 263	8 263	1 903	13 990	4 616	9 374	203%	8 263
Government - operating		15 542	22 612	22 612	-	13 413	11 364	2 048	18%	22 612
Government - capital		8 476	11 723	11 723	-	-	6 448	(6 448)	-100%	11 723
Interest		911	1 195	1 195	53	558	720	(162)	-22%	1 195
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(74 809)	(56 874)	(56 874)	(4 560)	(37 291)	(32 617)	4 674	-14%	(56 874)
Finance charges		-	(7)	(7)	-	-	(4)	(4)	100%	(7)
Transfers and Grants		3 537	-	-	(17)	(121)	-	121	#DIV/0!	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(2 752)</b>	<b>10 455</b>	<b>10 455</b>	<b>(801)</b>	<b>4 125</b>	<b>4 852</b>	<b>727</b>	<b>15%</b>	<b>10 455</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		8 000	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(11 035)	(11 976)	(11 976)	(59)	(3 858)	-	3 858	#DIV/0!	(11 976)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(3 035)</b>	<b>(11 976)</b>	<b>(11 976)</b>	<b>(59)</b>	<b>(3 858)</b>	<b>-</b>	<b>3 858</b>	<b>#DIV/0!</b>	<b>(11 976)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		91	34	34	6	43	20	23	112%	34
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>91</b>	<b>34</b>	<b>34</b>	<b>6</b>	<b>43</b>	<b>20</b>	<b>(23)</b>	<b>-112%</b>	<b>34</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(5 696)</b>	<b>(1 486)</b>	<b>(1 486)</b>	<b>(854)</b>	<b>309</b>	<b>4 872</b>			<b>(1 486)</b>
Cash/cash equivalents at beginning:		6 552	6 552	6 552		6 552	6 552			6 552
Cash/cash equivalents at month/year end:		856	5 065	5 065		6 861	11 423			5 065

## 4. Supporting Documentation

### Variance explanations

WC051 Laingsburg - Supporting Table SC1 Material variance explanations - M07 January

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
1	<b>Revenue By Source</b>			
	Property rates	120%	Property rates are levied in July for the financial year	Will balance out to end of financial year
	Service charges - water revenue	185%	Consumers move into the higher price brackets with consum	Will have to investigate
2	<b>Expenditure By Type</b>			
	Transfers and subsidies	91%	More transfers to indigent consumers	
3	<b>Capital Expenditure</b>			
	Water management	1%	Project are in process	Payment will accelerate in the third quarter
4	<b>Financial Position</b>			
	0	-	0	0
5	<b>Cash Flow</b>			
	Service charges	-16%	Poor payment ratio from debtors	0
6	<b>Measureable performance</b>			
7	<b>Municipal Entities</b>			

### Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description		Budget Year 2019/20												
R thousands	NT Code	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	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o. Council Policy	
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	28	149	50	36	35	29	460	214	1 000	773	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	971	142	36	27	267	21	294	111	1 869	719	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	467	32	31	19	873	14	1 246	78	2 761	2 231	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	203	127	35	30	32	28	533	242	1 230	865	-	-	
Receivables from Exchange Transactions - Waste Management	1600	187	108	30	23	25	19	224	147	763	438	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	24	38	29	21	20	21	641	77	872	780	-	-	
Interest on Arrear Debtor Accounts	1810	-	1 128	-	-	-	-	-	-	1 128	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	1	0	1	2	1	53	73	1	134	132	-	-	
Total By Income Source	2000	1 882	1 726	212	158	1 254	185	3 470	871	9 758	5 938	-	-	
2018/19 - totals only		1214938	869849	180608	126680	205828	127452	3232686	886727	6 845	4 579	-	-	
Debtors Age Analysis By Customer Group														
Organs of State	2200	48	185	32	15	274	15	436	-	1 004	740	-	-	
Commercial	2300	709	466	36	24	845	10	1 129	147	3 366	2 155	-	-	
Households	2400	1 126	1 075	144	119	135	159	1 905	725	5 387	3 042	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	1 882	1 726	212	158	1 254	185	3 470	871	9 758	5 938	-	-	



## Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

W0001 - Longstanding - Supporting Table 004 monthly Budget Statement - aged creditors - prior January											
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	
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	1000	-	-	-	-	-	-	-	-	-	-

Notes

## 5. Other Information or Documentation

### Municipal Manager's Quality Certificate

The in-year report must be covered by a quality certificate in the format described below:

## QUALITY CERTIFICATE

I, Alida Groenewald, the Senior Manager Finance and Corporate Services of Laingsburg Municipality, hereby certify that –

(mark as appropriate)

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

For the month of January 2020 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: A S Groenewald

for: Municipal Manager of Laingsburg Municipality (WC051)

Signature *pp. Groenewald* .....

Date *2020-02-13* .....



## 6. Recommendation

It is recommended that Council / Finance Committee take note of this report.