

LAINGSBURG MUNICIPALITY



MONTHLY BUDGET STATEMENTS FOR THE MONTH ENDING
NOVEMBER 2019

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1. Mayors Report

The monthly budget statement for November 2019 has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations. The November 2019 Monthly budget statement is the fifth report for the 2019/20 financial year. The audit process for the 2018/2019 financial year is completed. A total of 58 Comafs were issued which points out many deficiencies in controls. The final audit report was submitted and will be distributed separately. The internal auditor is currently busy preparing an audit action plan to address the audit recommendations and will include a specific target completion date.

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 November 2019.

R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Revenue (Incl. Capital transfers and contributions)	94 630	94 630	37 616	39.75
Total Expenditure	94 052	94 052	40 165	42.70
Depreciation	11 752	11 752	4 055	34.51
Surplus (Deficit) (Incl Capital transfers)	577	577	-2 549	(441.48)

Capital Expenditure				
<i>Sources of Finance</i>				
Transfers from Grants	10 436	10 436	2 301	22.05
<i>Government</i>	<i>10 436</i>	<i>10 436</i>	<i>2 301</i>	<i>22.05</i>
Transfers from Internal funds	-	-	-	-
Capital Expenditure	10 436	10 436	2 301	22.05

Operating Revenue

The Municipality have generated 38.28% or R37,616 million of the Budgeted Revenue to date which is lower than the budgeted amounts. Year-to-date operating revenue is 8,13% lower than the year-to-date budget and stands on 91,87%. The projected revenue amounted to R40 943 million and the actual revenue as at the end of November 2019 amounted to R 37 616 million. This amount includes the operational grants to date.

Operating Expenditure

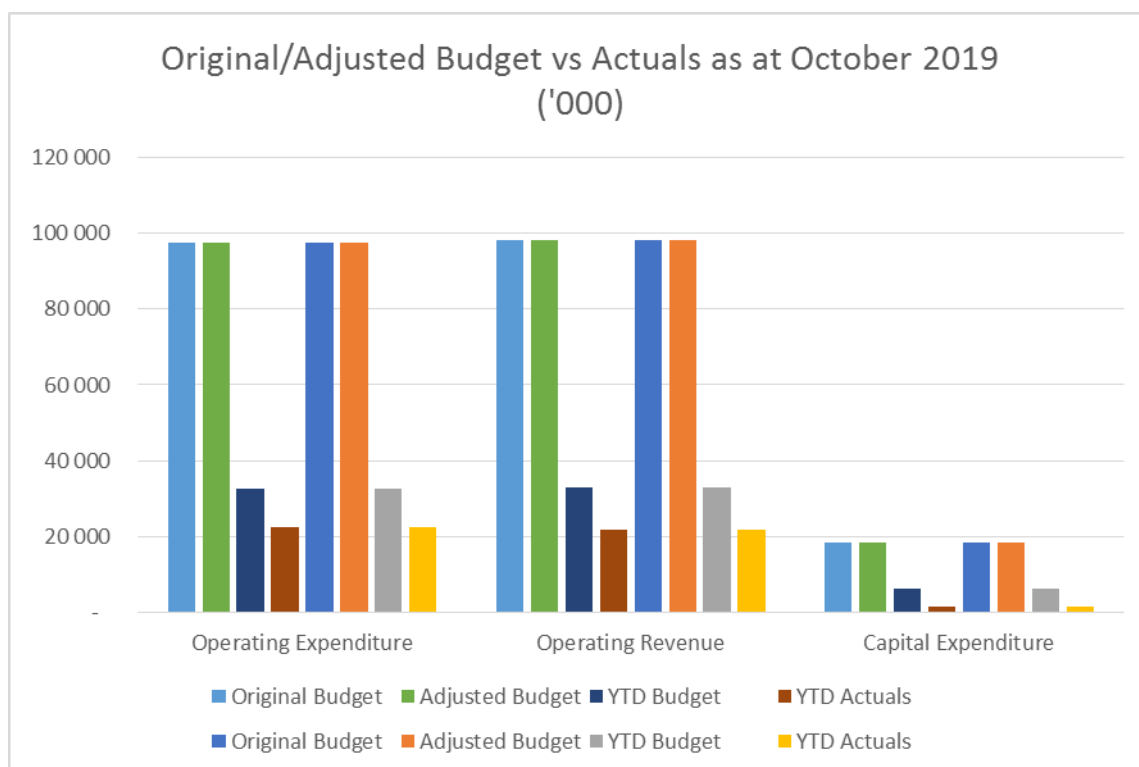
Operating expenditure of R40,702 million for the period up to November 2019 does not include part of the annual calculation for provisions. The total amount for the year-to-date portion of provisions is R4,782 million. That will bring the total expenditure effectively at R44,946 million to date. The expenditure to date is higher than the budget year-to-date amount and stands on 110,43%. This means that the Municipality has spent 10.43% over the budget.

Capital Expenditure

Year-to-date capital expenditure is lower than the year-to-date budget and stands on 29,86%.

The projected year-to-date capital expenditure amounted to R7 705 million and the actual expenditure as at the end of November 2019 amounted to R 2 301 million.

The following graph shows the performance of the municipality against the Budget (Operating and Capital) as at the end of November 2019:



Cash Flow

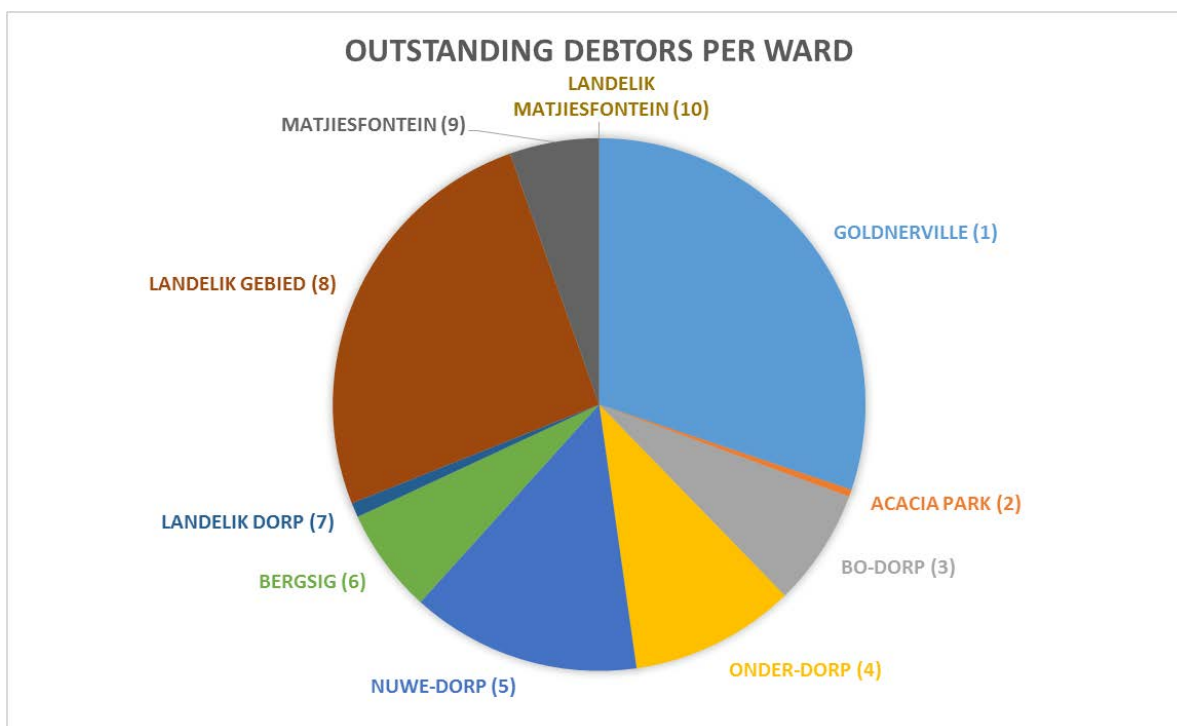
The Municipality started off with a cash flow balance of R6,552 million at the beginning of the year after corrections and increased with R1,083 million. The closing balance for the month ended November 2019 is R7,634 million. That is a nett cash outflow of R4,005 from the previous month. The Municipal Cash flow is mainly from Operating Activities and Grants as no Borrowing or Investments are budgeted for the 2019/2020 financial year. The equitable share grant was received during the previous month.

During the budget process assumptions were made that the payment ratio for all debtors will be at 95%. Currently the ratio is 76.93% and way below the target. That means that the inflow of cash flow is much lower as the assumptions. The total value of accounts sent out during November was just over R2,000 million. The total amount collected on those accounts amounted to R1,764 million. That leaves an under collection of just over R236 000. The total amount that is under collected since the beginning of this financial year amounts to more than R830 000. At the current spending pattern and the under collection the municipality can experience severe cash flow problems before the end of the financial year.

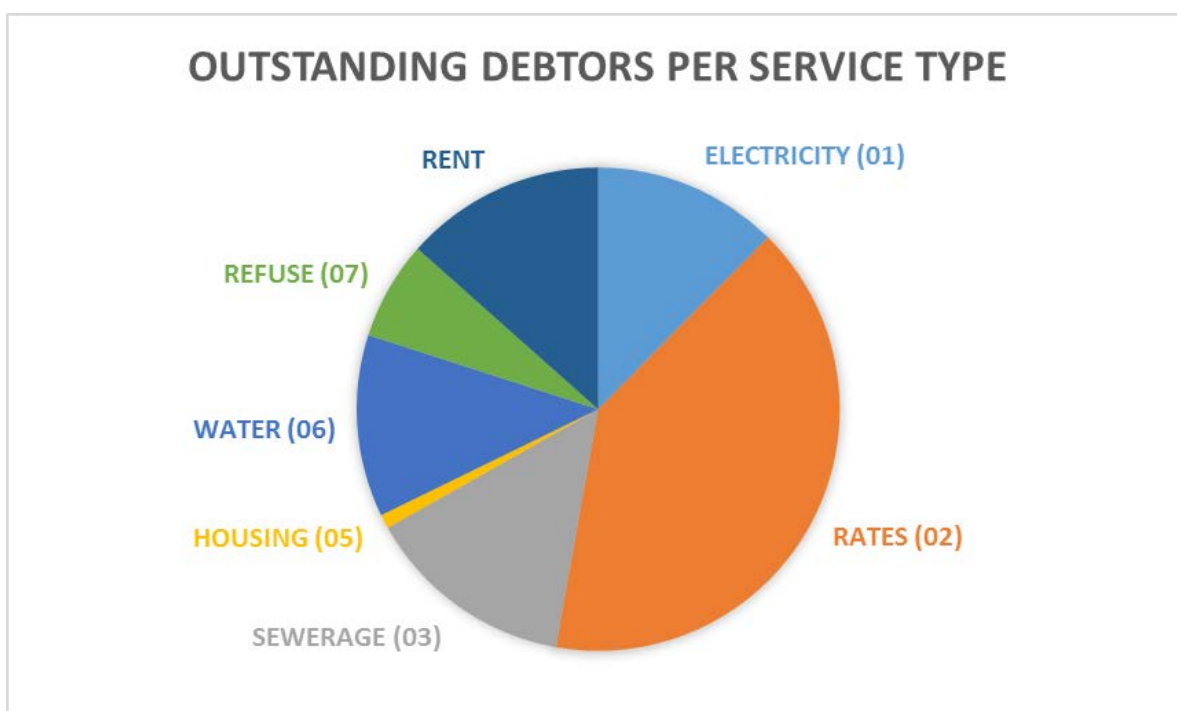
Debtors

The Outstanding Debtors of the Municipality amounts to R9,440 million for the month ended November 2019, (R9,180 million previous month). There was an increase of R0.260 million in the total outstanding amount since the previous month (decrease of R0.974 million). The payment rate for 2018/2019 financial year was 89%. The total amount outstanding for longer than 12 months is R4,961 million and this amounts to 52,55% of all the debtors outstanding. The total cash trapped in outstanding debtors older than 90 Days amount to R5,528 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 November 2019:



The following graph shows the the outstanding debtors per service type as at the end of November 2019:



Creditors

Total outstanding creditors amount to R0 for the month ending November 2019. 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	2 374 542	196 126	989 320	(278 782)	(1 385 222)
Vehicles used for political office bearers	-	-	-	-	-	-	-
Travel and subsistence	1 068 900	89 075	445 375	160 762	738 717	71 687	293 342
Domestic accommodation	279 500	23 292	116 458	61 576	270 133	38 284	153 675
Sponsorships, events and catering	168 700	14 058	70 292	2 280	57 896	(11 778)	(12 396)
Communication	620 000	51 667	258 333	56 318	196 493	4 652	(61 840)
Other related expenditure items		-	-			-	-
Total	R 7 836 000	R 653 000	R 3 265 000	R 477 063	R 2 252 559	(175 937)	(1 012 441)

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 66% and accommodation exceeds with 132%. At this trend the total budget for the financial year will be depleted by the end of January 2020.

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-

- Table C1 Monthly Budget Statement Summary
- Table C2 Monthly Budget Statement -Financial Performance (standard classification)
- Tale C3 Monthly Budget Statement- Financial Performance (revenue and expenditure by municipal vote)
- Table C4 Monthly Budget Statement-Financial Performance (revenue and expenditure)
- 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 - M05 November

Description	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	3 990	4 656	4 656	51	4 215	1 940	2 275	117%	4 656
Service charges	17 178	20 941	20 941	2 074	10 021	8 726	1 296	15%	20 941
Investment revenue	146	811	811	210	397	338	59	17%	811
Transfers and subsidies	21 464	21 623	21 623	–	6 918	9 010	(2 092)	-23%	21 623
Other own revenue	35 451	34 544	34 544	13 482	14 640	14 393	247	2%	34 544
Total Revenue (excluding capital transfers and contributions)	78 229	82 575	82 575	15 817	36 191	34 406	1 785	5%	82 575
Employee costs	20 912	26 131	26 131	3 301	10 435	10 888	(453)	-4%	26 131
Remuneration of Councillors	2 770	2 801	2 801	227	1 134	1 167	(33)	-3%	2 801
Depreciation & asset impairment	8 667	11 752	11 752	4 055	4 055	4 897	(841)	-17%	11 752
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	7 899	7 923	7 923	–	3 696	3 301	395	12%	7 923
Transfers and subsidies	4 113	2 522	2 522	346	1 896	1 051	845	80%	2 522
Other expenditure	43 900	42 924	42 924	13 540	18 948	17 885	1 064	6%	42 924
Total Expenditure	88 261	94 052	94 052	21 469	40 165	39 188	976	2%	94 052
Surplus/(Deficit)	(10 033)	(11 477)	(11 477)	(5 652)	(3 974)	(4 782)	809	-17%	(11 477)
Transfers and subsidies - capital (monetary alloc	19 268	12 054	12 054	–	1 425	5 023	(3 598)	-72%	12 054
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	9 235	577	577	(5 652)	(2 549)	241	(2 789)	-1160%	577
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	9 235	577	577	(5 652)	(2 549)	241	(2 789)	-1160%	577
Capital expenditure & funds sources									
Capital expenditure	28 105	8 064	8 064	876	2 301	–	2 301	#DIV/0!	8 064
Capital transfers recognised	16 764	10 436	10 436	876	2 301	–	2 301	#DIV/0!	10 436
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	18	–	–	–	–	–	–	–	–
Total sources of capital funds	16 781	10 436	10 436	876	2 301	–	2 301	#DIV/0!	10 436
Financial position									
Total current assets	21 864	21 864	21 864		25 450				21 864
Total non current assets	192 687	192 687	192 687		190 933				192 687
Total current liabilities	14 112	14 112	14 112		18 500				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		183 393				185 950
Cash flows									
Net cash from (used) operating	(2 752)	10 455	10 455	(3 136)	2 939	3 291	351	11%	10 455
Net cash from (used) investing	(3 035)	(11 976)	(11 976)	(876)	(1 887)	–	1 887	#DIV/0!	(11 976)
Net cash from (used) financing	91	34	34	7	31	14	(16)	-115%	34
Cash/cash equivalents at the month/year end	856	5 065	5 065	–	7 634	9 857	2 222	23%	5 065
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	2 186	307	1 419	231	205	130	4 079	883	9 440
Creditors Age Analysis									
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) - M05 November

Description	Ref	2018/19	Budget Year 2019/20							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		39 203	34 585	34 585	480	13 880	14 411	(531)	-4%	34 585
Executive and council		905	2 521	2 521	21	434	1 050	(616)	-59%	2 521
Finance and administration		38 298	32 065	32 065	459	13 445	13 360	85	1%	32 065
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		34 965	34 140	34 140	13 261	13 707	14 225	(518)	-4%	34 140
Community and social services		1 274	1 265	1 265	0	7	527	(521)	-99%	1 265
Sport and recreation		4	24	24	0	1	10	(9)	-92%	24
Public safety		33 670	32 839	32 839	13 260	13 694	13 683	12	0%	32 839
Housing		16	11	11	1	5	5	1	12%	11
Health		2	0	0	-	0	0	(0)	-50%	1
<i>Economic and environmental services</i>		1 013	1 304	1 304	1	5	543	(538)	-99%	1 304
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 013	1 304	1 304	1	5	543	(538)	-99%	1 304
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		22 429	24 600	24 600	2 075	10 024	10 250	(226)	-2%	24 600
Energy sources		14 443	15 414	15 414	1 311	6 419	6 422	(4)	0%	15 414
Water management		2 922	4 009	4 009	303	1 365	1 670	(305)	-18%	4 009
Waste water management		2 818	2 793	2 793	246	1 217	1 164	54	5%	2 793
Waste management		2 247	2 385	2 385	215	1 023	994	29	3%	2 385
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	97 610	94 630	94 630	15 817	37 616	39 429	(1 813)	-5%	94 630
Expenditure - Functional										
<i>Governance and administration</i>		28 723	28 259	28 259	4 850	13 400	11 774	1 626	14%	28 259
Executive and council		8 078	9 682	9 682	1 586	5 343	4 034	1 309	32%	9 682
Finance and administration		20 645	18 577	18 577	3 264	8 057	7 740	317	4%	18 577
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		32 769	36 208	36 208	11 826	14 062	15 087	(1 025)	-7%	36 208
Community and social services		1 340	2 188	2 188	499	929	912	17	2%	2 188
Sport and recreation		9	26	26	4	19	11	8	76%	26
Public safety		31 207	33 784	33 784	11 244	13 033	14 076	(1 043)	-7%	33 784
Housing		209	207	207	79	79	86	(7)	-8%	207
Health		4	4	4	-	2	2	0	13%	4
<i>Economic and environmental services</i>		1 583	3 556	3 556	450	1 225	1 481	(256)	-17%	3 556
Planning and development		329	1 324	1 324	33	245	552	(307)	-56%	1 324
Road transport		1 254	2 231	2 231	417	980	930	51	5%	2 231
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		25 187	26 022	26 022	4 339	11 474	10 843	631	6%	26 022
Energy sources		8 511	9 270	9 270	498	4 278	3 863	416	11%	9 270
Water management		4 535	2 933	2 933	608	1 307	1 222	85	7%	2 933
Waste water management		10 453	12 195	12 195	3 019	5 208	5 081	127	3%	12 195
Waste management		1 688	1 625	1 625	214	680	677	3	0%	1 625
<i>Other</i>		-	7	7	3	3	3	0	0%	7
Total Expenditure - Functional	3	88 261	94 052	94 052	21 469	40 165	39 188	976	2%	94 052
Surplus/ (Deficit) for the year		9 349	577	577	(5 652)	(2 549)	241	(2 789)	-1160%	578

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) - M05 November

Vote Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - MAYORAL & COUNCIL		905	2 521	2 521	21	434	1 050	(616)	-58.6%	2 521
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		1 770	1 632	1 632	391	1 230	680	550	80.9%	1 632
Vote 4 - BUDGET & TREASURY		36 529	30 433	30 433	68	12 215	12 680	(465)	-3.7%	30 433
Vote 5 - PLANNING AND DEVEOLPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		1 276	1 266	1 266	0	7	527	(521)	-98.7%	1 266
Vote 7 - SPORTS AND RECREATION		4	24	24	0	1	10	(9)	-91.5%	24
Vote 8 - HOUSING		16	11	11	1	5	5	1	12.2%	11
Vote 9 - PUBLIC SAFETY		33 670	32 839	32 839	13 260	13 694	13 683	12	0.1%	32 839
Vote 10 - ROAD TRANSPORT		1 100	1 321	1 321	1	5	551	(545)	-99.0%	1 321
Vote 11 - WASTE MANAGEMENT		2 247	2 385	2 385	215	1 023	994	29	2.9%	2 385
Vote 12 - WASTE WATER MANAGEMENT		2 731	2 776	2 776	245	1 217	1 157	61	5.2%	2 776
Vote 13 - WATER		2 922	4 009	4 009	303	1 365	1 670	(305)	-18.3%	4 009
Vote 14 - ELECTRICITY		14 443	15 414	15 414	1 311	6 419	6 422	(4)	-0.1%	15 414
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	97 610	94 630	94 630	15 817	37 616	39 429	(1 813)	-4.6%	94 630
Expenditure by Vote	1									
Vote 1 - MAYORAL & COUNCIL		5 043	6 339	6 339	1 028	3 833	2 641	1 192	45.1%	6 339
Vote 2 - MUNICIPAL MANAGER		3 035	3 343	3 343	558	1 511	1 393	118	8.4%	3 343
Vote 3 - CORPORATE SERVICES		7 705	6 738	6 738	753	2 560	2 808	(248)	-8.8%	6 738
Vote 4 - BUDGET & TREASURY		12 940	11 838	11 838	2 511	5 497	4 933	564	11.4%	11 838
Vote 5 - PLANNING AND DEVEOLPMENT		329	1 324	1 324	33	245	552	(307)	-55.6%	1 324
Vote 6 - COMMUNITY AND SOCIAL SERV		1 184	1 619	1 619	310	692	675	17	2.6%	1 619
Vote 7 - SPORTS AND RECREATION		169	606	606	196	261	253	9	3.4%	606
Vote 8 - HOUSING		209	207	207	79	79	86	(7)	-8.2%	207
Vote 9 - PUBLIC SAFETY		31 207	33 784	33 784	11 244	13 033	14 076	(1 043)	-7.4%	33 784
Vote 10 - ROAD TRANSPORT		9 673	11 913	11 913	2 873	5 226	4 964	262	5.3%	11 913
Vote 11 - WASTE MANAGEMENT		1 688	1 625	1 625	214	680	677	3	0.4%	1 625
Vote 12 - WASTE WATER MANAGEMENT		2 034	2 513	2 513	563	963	1 047	(84)	-8.1%	2 513
Vote 13 - WATER		4 535	2 933	2 933	608	1 307	1 222	85	7.0%	2 933
Vote 14 - ELECTRICITY		8 511	9 270	9 270	498	4 278	3 863	416	10.8%	9 270
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	88 261	94 052	94 052	21 469	40 165	39 188	976	2.5%	94 052
Surplus/ (Deficit) for the year	2	9 349	577	577	(5 652)	(2 549)	241	(2 789)	-1159.5%	577

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - Mo3 November										
Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		3 990	4 656	4 656	51	4 215	1 940	2 275	117%	4 656
Service charges - electricity revenue		11 861	15 055	15 055	1 311	6 419	6 273	146	2%	15 055
Service charges - water revenue		1 096	1 628	1 628	303	1 365	678	687	101%	1 628
Service charges - sanitation revenue		2 731	2 776	2 776	245	1 217	1 157	61	5%	2 776
Service charges - refuse revenue		1 490	1 483	1 483	215	1 021	618	403	65%	1 483
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 354	711	711	116	594	296	298	101%	711
Interest earned - external investments		146	811	811	210	397	338	59	17%	811
Interest earned - outstanding debtors		282	40	40	64	198	16	181	1100%	40
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		33 342	31 775	31 775	13 239	13 240	13 239	1	0%	31 775
Licences and permits		228	1 072	1 072	22	459	447	12	3%	1 072
Agency services		151	122	122	12	68	51	18	35%	122
Transfers and subsidies		21 464	21 623	21 623	-	6 918	9 010	(2 092)	-23%	21 623
Other revenue		94	825	825	29	81	344	(263)	-76%	825
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		78 229	82 575	82 575	15 817	36 191	34 406	1 785	5%	82 575
Expenditure By Type										
Employee related costs		20 912	26 131	26 131	3 301	10 435	10 888	(453)	-4%	26 131
Remuneration of councillors		2 770	2 801	2 801	227	1 134	1 167	(33)	-3%	2 801
Debt impairment		25 618	26 442	26 442	10 721	10 721	11 018	(297)	-3%	26 442
Depreciation & asset impairment		8 667	11 752	11 752	4 055	4 055	4 897	(841)	-17%	11 752
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		7 899	7 923	7 923	-	3 696	3 301	395	12%	7 923
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		2 445	3 813	3 813	149	637	1 589	(951)	-60%	3 813
Transfers and subsidies		4 113	2 522	2 522	346	1 896	1 051	845	80%	2 522
Other expenditure		15 837	12 669	12 669	2 670	7 590	5 279	2 312	44%	12 669
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		88 261	94 052	94 052	21 469	40 165	39 188	976	2%	94 052
Surplus/(Deficit)		(10 033)	(11 477)	(11 477)	(5 652)	(3 974)	(4 782)	809	(0)	(11 477)
Transfers and subsidies - capital (financial contributions)		-	-	-	-	-	-	-	-	-
(National / Provincial and District)		19 268	12 054	12 054	-	1 425	5 023	(3 598)	(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)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		9 235	577	577	(5 652)	(2 549)	241			577
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		9 235	577	577	(5 652)	(2 549)	241			577
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		9 235	577	577	(5 652)	(2 549)	241			577
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		9 235	577	577	(5 652)	(2 549)	241			577

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) - A - M05 November

Woodsburg Table 03 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - FY 2019 November										
Vote Description R thousand	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
<u>Capital Expenditure - Functional Classification</u>										
<i>Governance and administration</i>		35	-	-	-	-	-	-		-
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		35	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		25	-	-	-	-	-	-		-
Community and social services		11	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		14	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		238	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		238	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		27 806	8 064	8 064	876	2 301	-	2 301	#DIV/0!	8 064
Energy sources		8 424	-	-	-	413	-	413	#DIV/0!	-
Water management		19 383	6 064	6 064	876	1 887	-	1 887	#DIV/0!	6 064
Waste water management		-	2 000	2 000	-	-	-	-		2 000
Waste management		-	-	-	-	-	-	-		-
<i>Other</i>		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	28 105	8 064	8 064	876	2 301	-	2 301	#DIV/0!	8 064
<u>Funded by:</u>										
National Government		(832)	10 436	10 436	876	2 301	-	2 301	#DIV/0!	10 436
Provincial Government		17 596	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		-	-	-	-	-	-	-		-
Transfers recognised - capital		16 764	10 436	10 436	876	2 301	-	2 301	#DIV/0!	10 436
Public contributions & donations	5	-	-	-	-	-	-	-		-
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		18	-	-	-	-	-	-		-
Total Capital Funding		16 781	10 436	10 436	876	2 301	-	2 301	#DIV/0!	10 436

Table C6: Financial Position

WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		6 552	6 552	6 552	7 629	6 552
Call investment deposits		–	–	–	–	–
Consumer debtors		10 509	10 509	10 509	2 074	10 509
Other debtors		3 915	3 915	3 915	14 992	3 915
Current portion of long-term receivables		0	0	0	0	0
Inventory		889	889	889	754	889
Total current assets		21 864	21 864	21 864	25 450	21 864
Non current assets						
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	165 776	167 473
Agricultural		–	–	–	–	–
Biological		–	–	–	–	–
Intangible		370	370	370	370	370
Other non-current assets		43	43	43	44	43
Total non current assets		192 687	192 687	192 687	190 933	192 687
TOTAL ASSETS		214 551	214 551	214 551	216 383	214 551
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		17	17	17	17	17
Consumer deposits		674	674	674	681	674
Trade and other payables		12 262	12 262	12 262	16 643	12 262
Provisions		1 159	1 159	1 159	1 159	1 159
Total current liabilities		14 112	14 112	14 112	18 500	14 112
Non current liabilities						
Borrowing		6	6	6	6	6
Provisions		14 483	14 483	14 483	14 483	14 483
Total non current liabilities		14 490	14 490	14 490	14 490	14 490
TOTAL LIABILITIES		28 601	28 601	28 601	32 989	28 601
NET ASSETS	2	185 950	185 950	185 950	183 393	185 950
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		185 950	185 950	185 950	183 393	185 950
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	185 950	185 950	185 950	183 393	185 950

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - M05 November

Description	Ref	2018/19	Budget Year 2019/20							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		4 237	3 846	3 846	262	2 457	1 848	609	33%	3 846
Service charges		16 072	19 696	19 696	1 347	7 385	8 806	(1 421)	-16%	19 696
Other revenue		23 281	8 263	8 263	2 142	11 245	3 234	8 011	248%	8 263
Government - operating		15 542	22 612	22 612	-	9 445	6 307	3 138	50%	22 612
Government - capital		8 476	11 723	11 723	-	-	5 073	(5 073)	-100%	11 723
Interest		911	1 195	1 195	110	430	468	(38)	-8%	1 195
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(74 809)	(56 874)	(56 874)	(6 982)	(27 934)	(22 441)	5 493	-24%	(56 874)
Finance charges		-	(7)	(7)	-	-	(3)	(3)	100%	(7)
Transfers and Grants		3 537	-	-	(14)	(87)	-	87	#DIV/0!	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(2 752)	10 455	10 455	(3 136)	2 939	3 291	351	11%	10 455
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		8 000	-	-	-	-	-	-		-
Payments										
Capital assets		(11 035)	(11 976)	(11 976)	(876)	(1 887)	-	1 887	#DIV/0!	(11 976)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(3 035)	(11 976)	(11 976)	(876)	(1 887)	-	1 887	#DIV/0!	(11 976)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		91	34	34	7	31	14	16	115%	34
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		91	34	34	7	31	14	(16)	-115%	34
NET INCREASE/ (DECREASE) IN CASH HELD		(5 696)	(1 486)	(1 486)	(4 005)	1 083	3 305			(1 486)
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		7 634	9 857			5 065

4. Supporting Documentation

Variance explanations

WC051 Laingsburg - Supporting Table SC1 Material variance explanations - M05 November

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	<u>Revenue By Source</u>			
	Property rates	117%	Property rates are levied in July for the financial year	Will balance out to end of financial year
	Service charges - water revenue	101%	Consumers move into the higher price brackets with consum	Will have to investigate
2	<u>Expenditure By Type</u>			
	Transfers and subsidies	80%	More transfers to indigent consumers	
3	<u>Capital Expenditure</u>			
	Water management	38%	Project are in process	Payment will accelerate in the third quarter
4	<u>Financial Position</u>			
	0	-	0	0
5	<u>Cash Flow</u>			
	Service charges	-16%	Poor payment ratio from debtors	0
6	<u>Measureable performance</u>			
7	<u>Municipal Entities</u>			

Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mus November														
Description	NT Code	Budget Year 2019/20										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	171	56	45	36	36	31	483	216	1 074	801	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	943	99	312	36	40	13	337	113	1 894	539	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	827	38	956	23	30	13	1 712	81	3 680	1 859	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	98	45	42	35	37	30	587	244	1 118	933	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	124	36	35	22	24	20	207	149	617	422	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	19	30	27	26	37	22	680	77	918	842	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	4	3	2	53	2	2	72	1	139	131	-	-	-
Total By Income Source	2000	2 186	307	1 419	231	205	130	4 079	883	9 440	5 528	-	-	-
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	101	54	319	20	22	15	474	-	1 006	532	-	-	-
Commercial	2300	1 089	96	925	26	60	17	1 392	148	3 752	1 643	-	-	-
Households	2400	997	157	175	185	123	98	2 212	735	4 682	3 353	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	2 186	307	1 419	231	205	130	4 079	883	9 440	5 528	-	-	-

Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description	NT Code	Budget Year 2019/20								
		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	-	-	-	-	-	-	-	-	-

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 November 2019 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: A S Groenewald for PA Williams
Municipal Manager of Laingsburg Municipality (WC051)

Signature Alida Groenewald

Date 2019-12-12



6. Recommendation

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