

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
Third Quarterly Budget
Statement
MARCH 2021**

Table of Contents

1. Glossary.....	3
2. Legislative framework.....	5
3. Mayors Report	5
4. Executive Summary.....	5
5. In year Budget Statement Tables.....	9
6. Supporting Documentation	17
7. Recommendation.....	21

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 Third 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

The quarterly financial information has already been presented in the section 71, monthly budget statement for March 2021. The monthly and quarterly reports for March 2021 should be read in conjunction with one another.

4. Executive Summary

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 quarter ended March 2021.

Operating Budget				
R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Revenue (Incl. Capital transfers and contributions)	120 208 516	111 870 616	92 223 392	82.44
Total Expenditure	115 549 488	97 462 484	80 081 637	82.17
Surplus (Deficit) (Incl Capital transfers)	4 659 028	14 408 132	12 141 755	84.27
Capital Budget				
R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Capital expenditure	10 005 550	25 421 515	15 457 445	60.80
Sources of Finance				
<i>National Government - MIG</i>	1 110 000	1 288 730	1 890 080	146.66
<i>National Government - WSIG</i>	-	7 496 000	-	-
<i>Provincial Government - SMME Booster Funds</i>	717 000	717 000	138 230	19.28
<i>Provincial Government - Cultural Affairs and Sport</i>	6 278 550	6 198 550	11 503 202	185.58
<i>Provincial Government - Municipal Drought Relief</i>	1 900 000	9 721 235	1 925 933	19.81
Total Funding Sources of Capital	10 005 550	25 421 515	15 457 445	60.80

4.1.1 Financial problems or risks facing the Municipality

At the end of the Third quarter the Municipality have generated only 78.02% of the annual budgeted revenue. This amount includes the operational grants to date.

Payment for debtors for the third quarter was 91.09% and is lower than the budgeted rate of 95% for service charges. Annual rates are levied during July for the financial year and is payable in monthly instalments over 11 months. The collection of service charges were as follow: 96.75% for electricity, 89.87% for water, 93.25 for refuse, 94.9% for sewerage and 92.51% for other debtors. All services are also rising at a constant rate. It is therefore a clear fact that consumers in the Eskom supply area do not pay for their services. After a year of relief with the execution of normal credit control measures, the Council has decided to apply the normal processes again. The effect should be seen from April 2021. The current credit control process is a lengthy process and gives the consumer too much space not to pay promptly. Very drastic and effective action will have to be taken to encourage the group of defaulters to pay for the services they receive.

The poor payment of debtors causes the cash flow of the Municipality to decrease further. The debtors grew from 1 July 2020 to 30 March 2021 with R1,881 million.

4.1.2 Other relevant information

Year-to-date revenue raised is 78,02% of the projected year-to-date budget for the Third quarter. Operating expenditure incurred amounts to 83.85% of year-to-date budget. The depreciation and annual journals will be processed after the finalization of the audit.

Operating Revenue

The Municipality have generated 78.02% or R80,801 million of the Budgeted Revenue to date which is higher than the budgeted amounts. This amount includes the operational grants to date.

Operating Expenditure

Operating expenditure of R82,935 million for the Third quarter does not include part of the depreciation costs, annual bonuses and exclude the annual calculation for provisions. The total amount for the year-to-date portion of provisions is R14,276 million. That will bring the total expenditure effectively at R97,211 million to date. The expenditure to date is higher than the budget year-to-date amount. This means that the Municipality has spent 8.85% more than the year-to-date budget.

Capital Expenditure

The Municipality has incurred R15,457 million of the external funded Capital Budget to date. The MIG spending for the Third quarter totals to R9,973.

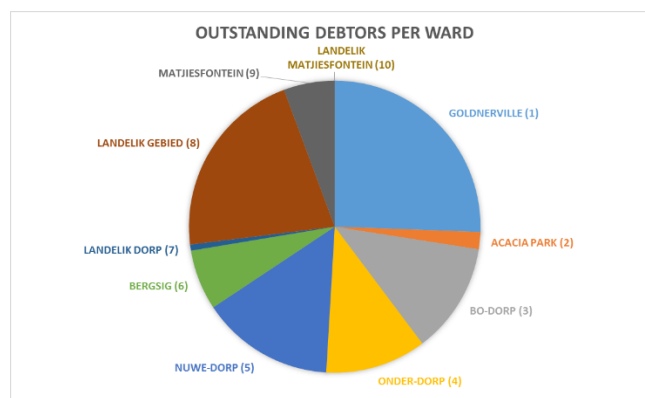
Cash Flow

The Municipality started off with a cash flow balance of R12,306 million at the beginning of the quarter and increased it with R8,520 million. The closing balance for the quarter is R20,826 million. 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 and other capital grants were received during the quarter. Additional capital grants were received during the end of the quarter.

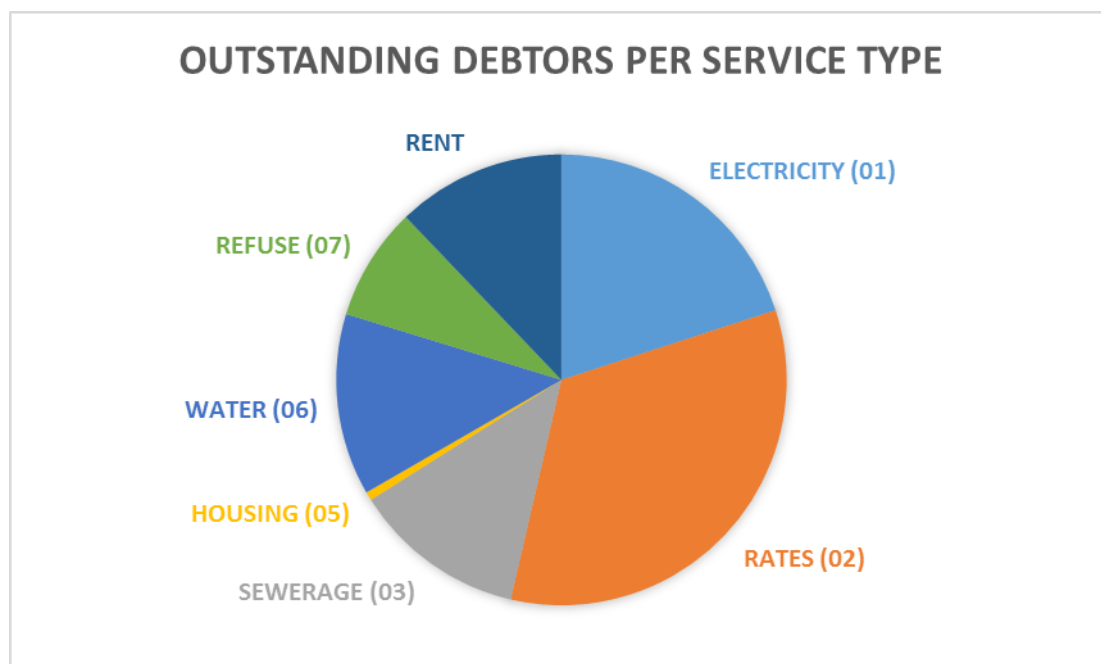
Debtors

The Outstanding Debtors of the Municipality amounts to R11,014million at the end of the Third quarter.

The following graph shows the outstanding debtors per ward as at the end of March 2021:



The following graph shows the outstanding debtors per service type as at the end of March 2021:



Creditors

Total outstanding creditors amount to R0 for the Third quarter. 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 March 2021.

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 30 March 2021 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.

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	13 159 393	1 096 616	9 869 545	656 426	5 739 452	(440 190)	(4 130 093)
Vehicles used for political office bearers	-	-	-	-	-	-	-
Travel and subsistence	791 424	65 952	593 568	40 147	326 994	(25 805)	(266 574)
Domestic accommodation	531 432	44 286	398 574	4 495	50 879	(39 791)	(347 695)
Sponsorships, events and catering	120 000	10 000	90 000	1 331	32 928	(8 669)	(57 072)
Communication	570 072	47 506	427 554	39 608	366 968	(7 898)	(60 586)
Overtime	697 296	58 108	522 972	90 666	884 708	32 558	361 736
Total	R 15 869 617	R 1 322 468	R 11 902 213	R 832 672	R 7 401 929	(489 796)	(4 500 284)

5. 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) Tale 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)

Table C1: Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q3 Third Quarter

Description	2019/20	Budget Year 2020/21							
	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	4 933	5 004	21	4 427	8 558	(4 131)	-48%	5 004
Service charges	17 178	25 063	35 414	6 449	19 090	19 218	(127)	-1%	35 414
Investment revenue	146	673	485	117	356	505	(149)	-29%	485
Transfers and subsidies	21 464	27 228	12 201	4 601	22 082	24 348	(2 266)	-9%	12 201
Other own revenue	35 451	35 664	29 754	4 660	22 282	26 645	(4 363)	-16%	29 754
Total Revenue (excluding capital transfers and contributions)	78 229	93 561	82 859	15 848	68 238	79 274	(11 036)	-14%	82 859
Employee costs	20 912	27 474	28 544	6 831	20 133	20 603	(469)	-2%	28 544
Remuneration of Councillors	2 770	2 973	2 973	686	1 863	2 229	(367)	-16%	2 973
Depreciation & asset impairment	8 667	7 930	7 829	1 427	4 282	5 952	(1 670)	-28%	7 829
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	7 899	9 150	8 735	2 250	6 374	6 863	(488)	-7%	8 735
Transfers and subsidies	4 113	2 051	1 395	1 283	3 640	1 537	2 102	137%	1 395
Other expenditure	43 900	49 330	47 986	8 521	31 928	37 008	(5 080)	-14%	47 986
Total Expenditure	88 261	98 908	97 462	20 998	68 220	74 192	(5 972)	-8%	97 462
Surplus/(Deficit)	(10 033)	(5 347)	(14 603)	(5 151)	19	5 082	(5 063)	-100%	(14 603)
Transfers and subsidies - capital (monetary alloc	19 268	10 006	29 012	3 373	12 857	10 006	2 852	29%	29 012
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	9 235	4 659	14 408	(1 778)	12 876	15 087	(2 211)	-15%	14 408
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	9 235	4 659	14 408	(1 778)	12 876	15 087	(2 211)	-15%	14 408
Capital expenditure & funds sources									
Capital expenditure	28 105	14 181	25 422	5 973	15 457	7 504	7 953	106%	25 422
Capital transfers recognised	28 052	14 181	25 422	5 973	15 457	7 504	7 953	106%	8 064
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	52	-	-	-	-	-	-	-	-
Total sources of capital funds	28 105	14 181	25 422	5 973	15 457	7 504	7 953	106%	8 064
Financial position									
Total current assets	21 864	21 864	21 864		20 008				21 864
Total non current assets	192 687	192 687	192 687		202 534				192 687
Total current liabilities	14 112	14 112	14 112		11 543				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		196 509				185 950
Cash flows									
Net cash from (used) operating	11 012	11 537	11 537	14 459	24 093	8 701	(15 392)	-177%	11 537
Net cash from (used) investing	(5 469)	(9 754)	(9 754)	(5 973)	(15 457)	(7 504)	7 953	-106%	(11 976)
Net cash from (used) financing	60	43	43	34	99	32	(67)	-205%	34
Cash/cash equivalents at the month/year end	17 695	13 918	13 918	-	20 826	13 321	(7 505)	-56%	11 687
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	2 054	370	321	189	152	219	7 709	-	11 014
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) - Q3 Third Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		39 203	37 868	54 465	10 115	38 131	39 614	(1 483)	-4%	34 585
Executive and council		905	-	-	-	-	-	-	-	2 521
Finance and administration		38 298	37 868	54 465	10 115	38 131	39 614	(1 483)	-4%	32 065
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		34 965	34 764	28 648	4 267	21 279	26 423	(5 144)	-19%	34 140
Community and social services		1 274	1 412	1 415	3	594	1 408	(814)	-58%	1 265
Sport and recreation		4	4	1	138	139	3	136	5031%	24
Public safety		33 670	33 335	27 213	4 119	20 530	25 003	(4 473)	-18%	32 839
Housing		16	12	17	5	13	9	4	46%	11
Health		2	0	2	2	3	-	3	#DIV/0!	1
<i>Economic and environmental services</i>		1 013	1 319	1 320	7	543	689	(145)	-21%	1 304
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 013	1 319	1 320	7	543	689	(145)	-21%	1 304
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		22 429	29 616	27 438	4 832	21 143	22 554	(1 411)	-6%	24 600
Energy sources		14 443	16 847	14 934	4 030	11 917	13 061	(1 144)	-9%	15 414
Water management		2 922	7 033	7 538	(672)	4 744	5 190	(446)	-9%	4 009
Waste water management		2 818	2 891	3 239	783	2 406	2 169	237	11%	2 793
Waste management		2 247	2 845	1 726	691	2 076	2 134	(58)	-3%	2 385
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	97 610	103 567	111 871	19 221	81 096	89 279	(8 184)	-9%	94 630
Expenditure - Functional										
<i>Governance and administration</i>		28 723	33 711	35 803	7 608	24 220	25 292	(1 072)	-4%	28 259
Executive and council		8 078	8 903	8 356	3 090	9 191	6 676	2 515	38%	9 682
Finance and administration		20 645	24 808	27 447	4 518	15 029	18 616	(3 587)	-19%	18 577
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		32 769	34 547	29 792	6 169	22 054	25 909	(3 855)	-15%	36 208
Community and social services		1 340	1 934	1 766	410	1 320	1 449	(129)	-9%	2 188
Sport and recreation		9	53	60	15	41	39	2	5%	26
Public safety		31 207	32 046	27 375	5 678	20 435	24 036	(3 601)	-15%	33 784
Housing		209	500	490	66	200	374	(175)	-47%	207
Health		4	14	101	-	59	11	48	447%	4
<i>Economic and environmental services</i>		1 583	3 885	5 587	731	2 205	2 918	(713)	-24%	3 556
Planning and development		329	1 394	3 255	149	436	1 047	(611)	-58%	1 324
Road transport		1 254	2 491	2 332	582	1 769	1 871	(102)	-5%	2 231
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		25 187	26 753	26 251	6 487	19 731	20 064	(333)	-2%	26 022
Energy sources		8 511	10 388	10 273	2 524	7 355	7 792	(437)	-6%	9 270
Water management		4 535	3 910	3 839	956	2 682	2 933	(251)	-9%	2 933
Waste water management		10 453	10 421	9 987	2 422	8 336	7 814	523	7%	12 195
Waste management		1 688	2 034	2 152	585	1 357	1 525	(167)	-11%	1 625
<i>Other</i>		-	12	30	3	9	9	0	2%	7
Total Expenditure - Functional	3	88 261	98 908	97 462	20 998	68 220	74 192	(5 972)	-8%	94 052
Surplus/ (Deficit) for the year		9 349	4 659	14 408	(1 778)	12 876	15 087	(2 211)	-15%	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) - Q3 Third Quarter**

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MAYORAL & COUNCIL	1	905	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		1 770	2 528	2 350	646	1 747	1 874	(127)	-6.8%	2 350
Vote 4 - BUDGET & TREASURY		36 529	35 340	52 115	9 469	36 384	37 740	(1 356)	-3.6%	52 115
Vote 5 - PLANNING AND DEVEOLPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		1 276	1 413	1 417	5	597	1 408	(811)	-57.6%	1 417
Vote 7 - SPORTS AND RECREATION		4	4	1	138	139	3	136	5031.1%	1
Vote 8 - HOUSING		16	12	17	5	13	9	4	46.1%	17
Vote 9 - PUBLIC SAFETY		33 670	33 335	27 213	4 119	20 530	25 003	(4 473)	-17.9%	27 213
Vote 10 - ROAD TRANSPORT		1 100	1 337	1 470	8	625	702	(77)	-11.0%	1 470
Vote 11 - WASTE MANAGEMENT		2 247	2 845	1 726	691	2 076	2 134	(58)	-2.7%	1 726
Vote 12 - WASTE WATER MANAGEMENT		2 731	2 873	3 089	782	2 325	2 156	169	7.8%	3 089
Vote 13 - WATER		2 922	7 033	7 538	(672)	4 744	5 190	(446)	-8.6%	7 538
Vote 14 - ELECTRICITY		14 443	16 847	14 934	4 030	11 917	13 061	(1 144)	-8.8%	14 934
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	97 610	103 567	111 871	19 221	81 096	89 279	(8 184)	-9.2%	111 871
Expenditure by Vote										
Vote 1 - MAYORAL & COUNCIL	1	5 043	5 206	4 949	2 259	6 598	3 902	2 696	69.1%	4 949
Vote 2 - MUNICIPAL MANAGER		3 035	3 697	3 407	831	2 593	2 774	(181)	-6.5%	3 407
Vote 3 - CORPORATE SERVICES		7 705	7 572	8 633	1 640	5 977	5 687	290	5.1%	8 633
Vote 4 - BUDGET & TREASURY		12 940	17 236	18 814	2 878	9 053	12 929	(3 877)	-30.0%	18 814
Vote 5 - PLANNING AND DEVEOLPMENT		329	1 394	3 255	149	436	1 047	(611)	-58.4%	3 255
Vote 6 - COMMUNITY AND SOCIAL SERV		1 184	1 745	1 655	363	1 225	1 309	(83)	-6.4%	1 655
Vote 7 - SPORTS AND RECREATION		169	268	302	64	203	199	4	2.1%	302
Vote 8 - HOUSING		209	500	490	66	200	374	(175)	-46.7%	490
Vote 9 - PUBLIC SAFETY		31 207	32 046	27 375	5 678	20 435	24 036	(3 601)	-15.0%	27 375
Vote 10 - ROAD TRANSPORT		9 673	11 049	10 520	2 655	8 881	8 278	603	7.3%	10 520
Vote 11 - WASTE MANAGEMENT		1 688	2 034	2 152	585	1 357	1 525	(167)	-11.0%	2 152
Vote 12 - WASTE WATER MANAGEMENT		2 034	1 962	1 921	349	1 224	1 470	(246)	-16.7%	1 921
Vote 13 - WATER		4 535	3 910	3 839	956	2 682	2 933	(251)	-8.6%	3 839
Vote 14 - ELECTRICITY		8 511	10 388	10 273	2 524	7 355	7 792	(437)	-5.6%	10 273
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	88 261	99 008	97 586	20 998	68 220	74 255	(6 035)	-8.1%	97 586
Surplus/ (Deficit) for the year	2	9 349	4 559	14 285	(1 778)	12 876	15 024	(2 148)	-14.3%	14 285

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		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	4 933	5 004	21	4 427	8 558	(4 131)	-48%	5 004
Service charges - electricity revenue		11 861	15 788	14 934	4 030	11 917	12 241	(324)	-3%	14 934
Service charges - water revenue		1 096	4 576	1 305	966	2 818	3 346	(529)	-16%	1 305
Service charges - sanitation revenue		2 731	2 873	3 089	782	2 325	2 156	169	8%	3 089
Service charges - refuse revenue		1 490	1 826	1 658	667	2 016	1 370	647	47%	1 658
Service charges - other		-	-	14 428	5	14	105	(91)	-86%	14 428
Rental of facilities and equipment		1 354	1 139	1 670	422	1 246	854	392	46%	1 670
Interest earned - external investments		146	673	485	117	356	505	(149)	-29%	485
Interest earned - outstanding debtors		282	544	-	(2)	(15)	409	(423)	-104%	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		33 342	32 410	26 936	4 033	20 299	24 308	(4 009)	-16%	26 936
Licences and permits		228	935	288	88	239	702	(463)	-66%	288
Agency services		151	166	212	44	155	125	30	24%	212
Transfers and subsidies		21 464	27 228	12 201	4 601	22 082	24 348	(2 266)	-9%	12 201
Other revenue		94	470	649	76	359	248	111	45%	649
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		78 229	93 561	82 859	15 848	68 238	79 274	(11 036)	-14%	82 859
Expenditure By Type										
Employee related costs		20 912	27 474	28 544	6 831	20 133	20 603	(469)	-2%	28 544
Remuneration of councillors		2 770	2 973	2 973	686	1 863	2 229	(367)	-16%	2 973
Debt impairment		25 618	27 277	24 246	4 208	17 171	20 459	(3 288)	-16%	24 246
Depreciation & asset impairment		8 667	7 930	7 829	1 427	4 282	5 952	(1 670)	-28%	7 829
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		7 899	9 150	8 735	2 250	6 374	6 863	(488)	-7%	8 735
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		2 445	2 215	902	424	661	1 661	(1 000)	-60%	902
Transfers and subsidies		4 113	2 051	1 395	1 283	3 640	1 537	2 102	137%	1 395
Other expenditure		15 837	19 838	22 838	3 888	14 096	14 888	(793)	-5%	22 838
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		88 261	98 908	97 462	20 998	68 220	74 192	(5 972)	-8%	97 462
Surplus/(Deficit)		(10 033)	(5 347)	(14 603)	(5 151)	19	5 082	(5 063)	(0)	(14 603)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		19 268	10 006	29 012	3 373	12 857	10 006	2 852	0	29 012
(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	4 659	14 408	(1 778)	12 876	15 087			14 408
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		9 235	4 659	14 408	(1 778)	12 876	15 087			14 408
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		9 235	4 659	14 408	(1 778)	12 876	15 087			14 408
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		9 235	4 659	14 408	(1 778)	12 876	15 087			14 408

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) - Q3 Third Quarter

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									

Capital Expenditure - Functional Classification										
Governance and administration		35	1 110	1 289	505	1 890	833	1 058	127%	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		35	1 110	1 289	505	1 890	833	1 058	127%	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		25	717	717	138	138	538	(400)	-74%	-
Community and social services		11	-	-	-	-	-	-	-	-
Sport and recreation		-	717	717	138	138	538	(400)	-74%	-
Public safety		14	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		238	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		238	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		27 806	12 354	23 416	5 330	13 429	6 134	7 296	119%	8 064
Energy sources		8 424	4 576	-	-	-	-	-	-	-
Water management		19 383	7 779	18 420	5 330	13 429	6 134	7 296	119%	6 064
Waste water management		-	-	4 996	-	-	-	-	-	2 000
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	28 105	14 181	25 422	5 973	15 457	7 504	7 953	106%	8 064
Funded by:										
National Government		10 584	12 354	20 482	4 360	11 692	6 134	5 558	91%	8 064
Provincial Government		17 468	1 827	4 939	1 613	3 766	1 371	2 395	175%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		28 052	14 181	25 422	5 973	15 457	7 504	7 953	106%	8 064
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		52	-	-	-	-	-	-	-	-
Total Capital Funding		28 105	14 181	25 422	5 973	15 457	7 504	7 953	106%	8 064

Table C6: Financial Position**WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q3 Third Quarter**

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		6 552	6 552	6 552	(234)	6 552
Call investment deposits		-	-	-	-	-
Consumer debtors		10 509	10 509	10 509	(5 064)	10 509
Other debtors		3 915	3 915	3 915	24 464	3 915
Current portion of long-term receivables		0	0	0	0	0
Inventory		889	889	889	841	889
Total current assets		21 864	21 864	21 864	20 008	21 864
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		24 801	24 801	24 801	24 751	24 801
Investments in Associate		-	-	-	-	-
Property, plant and equipment		167 473	167 473	167 473	177 369	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	202 534	192 687
TOTAL ASSETS		214 551	214 551	214 551	222 541	214 551
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		17	17	17	17	17
Consumer deposits		674	674	674	723	674
Trade and other payables		12 262	12 262	12 262	9 875	12 262
Provisions		1 159	1 159	1 159	928	1 159
Total current liabilities		14 112	14 112	14 112	11 543	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	26 032	28 601
NET ASSETS	2	185 950	185 950	185 950	196 509	185 950
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		185 950	185 950	185 950	196 509	185 950
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	185 950	185 950	185 950	196 509	185 950

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter

Description	Ref	2019/20	Budget Year 2020/21							
		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		3 456	4 480	4 480	554	3 308	3 537	(229)	-6%	4 480
Service charges		18 023	24 030	24 030	6 042	18 817	18 795	22	0%	24 030
Other revenue		27 260	8 809	8 809	14 941	21 197	6 650	14 548	219%	8 809
Government - operating		17 756	27 558	27 558	6 329	26 984	20 669	6 315	31%	27 558
Government - capital		3 725	10 006	10 006	-	2 799	7 504	(4 705)	-63%	10 006
Interest		748	1 314	1 314	35	157	986	(829)	-84%	1 314
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(59 599)	(63 261)	(63 261)	(13 405)	(48 996)	(48 389)	607	-1%	(63 261)
Finance charges		-	(795)	(795)	-	-	(596)	(596)	100%	(795)
Transfers and Grants		(356)	(605)	(605)	(38)	(175)	(454)	(279)	62%	(605)
NET CASH FROM/(USED) OPERATING ACTIVITIES		11 012	11 537	11 537	14 459	24 093	8 701	(15 392)	-177%	11 537
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		(5 469)	(9 754)	(9 754)	(5 973)	(15 457)	(7 504)	7 953	-106%	(11 976)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(5 469)	(9 754)	(9 754)	(5 973)	(15 457)	(7 504)	7 953	-106%	(11 976)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		60	43	43	34	99	32	67	205%	34
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		60	43	43	34	99	32	(67)	-205%	34
NET INCREASE/ (DECREASE) IN CASH HELD										
		5 603	1 826	1 826	8 521	8 734	1 229			(405)
Cash/cash equivalents at beginning:		12 092	12 092	12 092		12 092	12 092			12 092
Cash/cash equivalents at month/year end:		17 695	13 918	13 918		20 826	13 321			11 687

6. Supporting Documentation

Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q3 Third Quarter

Description	NT Code	Budget Year 2020/21								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.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				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	183	66	74	41	37	43	993	-	1 436	1 114	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 052	130	116	41	33	62	769	-	2 202	905	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	411	36	26	33	18	33	3 148	-	3 704	3 231	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	159	47	42	32	28	29	1 033	-	1 370	1 122	-	-
Receivables from Exchange Transactions - Waste Management	1600	157	41	36	24	24	27	586	-	895	661	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	88	49	27	18	12	25	1 073	-	1 291	1 127	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	5	1	1	1	1	1	106	-	115	109	-	-
Total By Income Source	2000	2 054	370	321	189	152	219	7 709	-	11 014	8 269	-	-
2019/20 - totals only		934762	399801	445737	396926	321119	268103	6366770	0	9 133	7 353	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	186	38	16	18	6	26	1 077	-	1 367	1 128	-	-
Commercial	2300	1 113	162	134	44	19	60	2 646	-	4 177	2 768	-	-
Households	2400	756	170	171	127	127	133	3 986	-	5 470	4 373	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	2 054	370	321	189	152	219	7 709	-	11 014	8 269	-	-

Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third Quarter

Description	NT Code	Budget Year 2020/21								Total	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		
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	-	-	-	-	-	-	-	-	-	-

Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q3 Third Quarter

Description of financial indicator	Basis of calculation	Ref	2019/20	Budget Year 2020/21			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	8.0%	8.0%	0.0%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		6.6%	6.6%	6.6%	5.0%	6.6%
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	154.9%	154.9%	154.9%	173.3%	154.9%
Liquidity Ratio	Monetary Assets/Current Liabilities		46.4%	46.4%	46.4%	-2.0%	46.4%
<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		18.4%	15.4%	17.4%	28.4%	17.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		100.0%	100.0%	100.0%	100.0%	100.0%
<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	11.2%	7.0%	7.0%	7.0%	7.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	64.3%	55.0%	55.0%	40.0%	30.0%
Employee costs	Employee costs/Total Revenue - capital revenue		26.7%	29.4%	34.4%	29.5%	34.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.9%	2.4%	2.6%	2.4%	2.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		11.1%	8.5%	9.4%	0.0%	3.6%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		393.6%	459.9%	489.9%	0.0%	0.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		49.6%	35.0%	26.0%	-21.5%	26.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		9.7%	9.1%	0.0%	0.0%	9.1%

7. 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:

Munisipaliteit • LAINGSBURG • Municipality

Munisipale-geboue, Van Riebeeckstraat

PRIVAATSAK X4
LAINGSBURG
6900



Municipal Buildings, Van Riebeeck Street

PRIVATE BAG X4
LAINGSBURG
6900

OFFICE OF THE MUNICIPAL MANAGER

VERWYSINGSNOMMER :
REFERENCE NUMBER :
NAVRAE :
ENQUIRIES :

Tel. (023) 551 1019
Faks/Fax (023) 5511019

QUALITY CERTIFICATE

I, Jafta Booysen, Municipal Manager of Laingsburg Municipality, hereby certify that –

- 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 third quarter of 2020/2021 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Mr. Jafta Booysen

Municipal Manager of Laingsburg Municipality (WC051)

Signature 

Date *16/4/2021*

8. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the Third quarter of 2020/2021 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.