

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
Third Quarterly Budget
Statement
MARCH 2022**

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1. Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

IHHS – Informal Housing and Human Settlements, provincial grant.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed current 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 2022. The monthly and quarterly reports for March 2022 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 2022.

Operating Budget				
R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Revenue (Incl. Capital transfers and contributions)	107 234 824	105 083 572	80 970 832	77.00%
Total Expenditure	98 615 738	102 245 724	70 684 768	69.00%
Surplus (Deficit) (Incl Capital transfers)	8 619 086	2 837 848	10 286 064	362.46
Capital Budget				
R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Capital expenditure	14 461 457	14 470 097	2 118 112	14.64
Sources of Finance				
<i>National Government - MIG</i>	6 964 970	6 383 050	959 612	15.03
<i>National Government - WSIG</i>	7 496 487	7 496 487	621 653	8.29
<i>Provincial Government: Western Cape</i>	-	101 960	48 248	47.32
<i>Municipal Interventions Grant</i>	-	488 600	488 600	-
Total Funding Sources of Capital	14 461 457	14 470 097	2 118 112	14.64

4.1.1 Financial problems or risks facing the Municipality

At the end of the third quarter the Municipality have generated 77.05% or R 80,971 of the annual budgeted revenue. This amount includes the operational grants to date.

Total operating expenditure year-to-date inclusive of provisions stands at R75,390 million.

The total year to date cash generated amounts to R61,981 million which includes an amount of R1,718 million capital grants. Nett cash generated from operating grants and service charges amounts to R60,263 million. Total cash paid out amounts to R60,001 million.

Payment for debtors for the third quarter was 92.73%. 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: 98.95% for electricity, 88.63% for water, 89.58% for refuse, 86.14% for sewerage and 89.72% for other debtors. From this it can be derived that the collection percentage of all debtors with the exception of electricity is far less than the budgeted 95%. This means that the cash for the day - to - day running of the municipality is not up to par. The outstanding total amount for debtors has risen from 1 July 2021 to the end of the third quarter with R1,733 million.

4.1.2 Other relevant information

Operating Revenue

The Municipality have generated 77.05% or R 80,971 million of the Budgeted Revenue to date which is lower than the budgeted amounts. This amount includes the operational grants to date.

Operating Expenditure

Operating expenditure of R 70,685 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 R 4,705 million. That will bring the total expenditure effectively at R 75,390 million to date. The expenditure to date is higher than the budget year-to-date amount. This means that the Municipality has spent 1.69% more than the year-to-date budget.

Capital Expenditure

The Municipality has incurred R 2,118 million of the external funded Capital Budget to date.

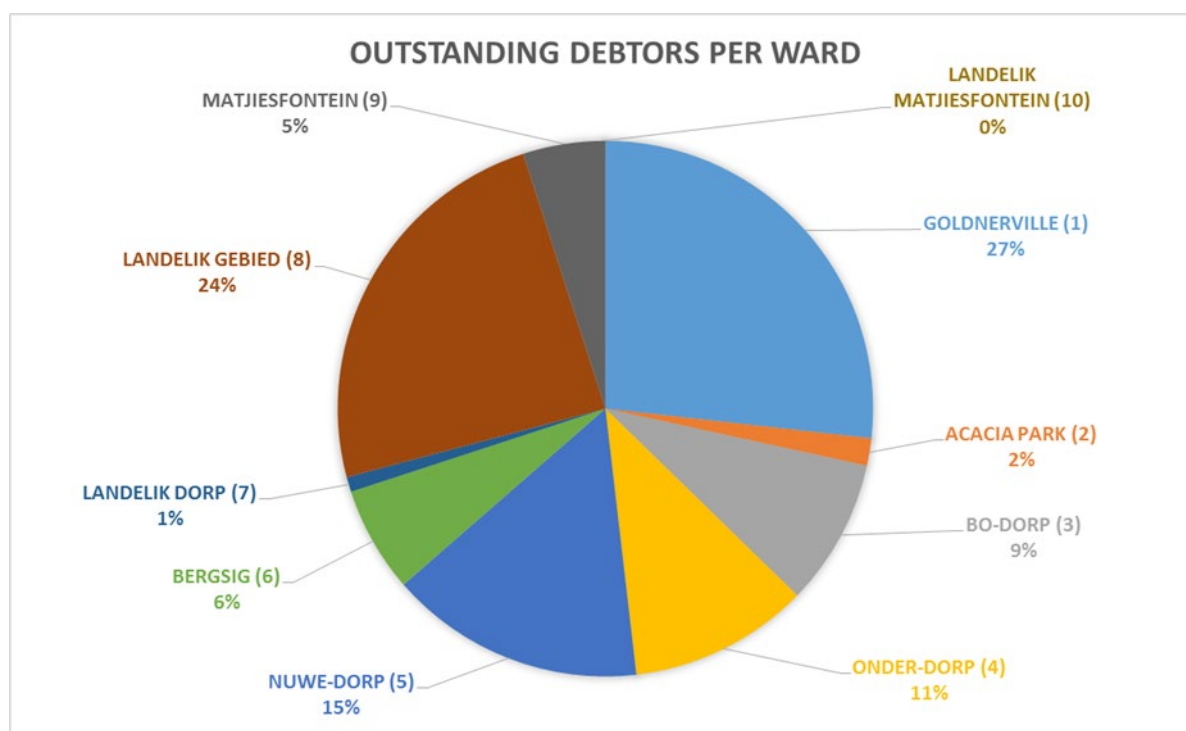
Cash Flow

The Municipality started off with a cash flow balance of R 5,709 million at the beginning of the quarter and increased it with R 8,735 million. The closing balance for the quarter is R 14,444 million. The Municipal Cash flow is mainly from Operating Activities and Grants as no Borrowing or Investments are budgeted for the 2021/2022 financial year. The last transfers of equitable share grant and other capital grants were received during the quarter.

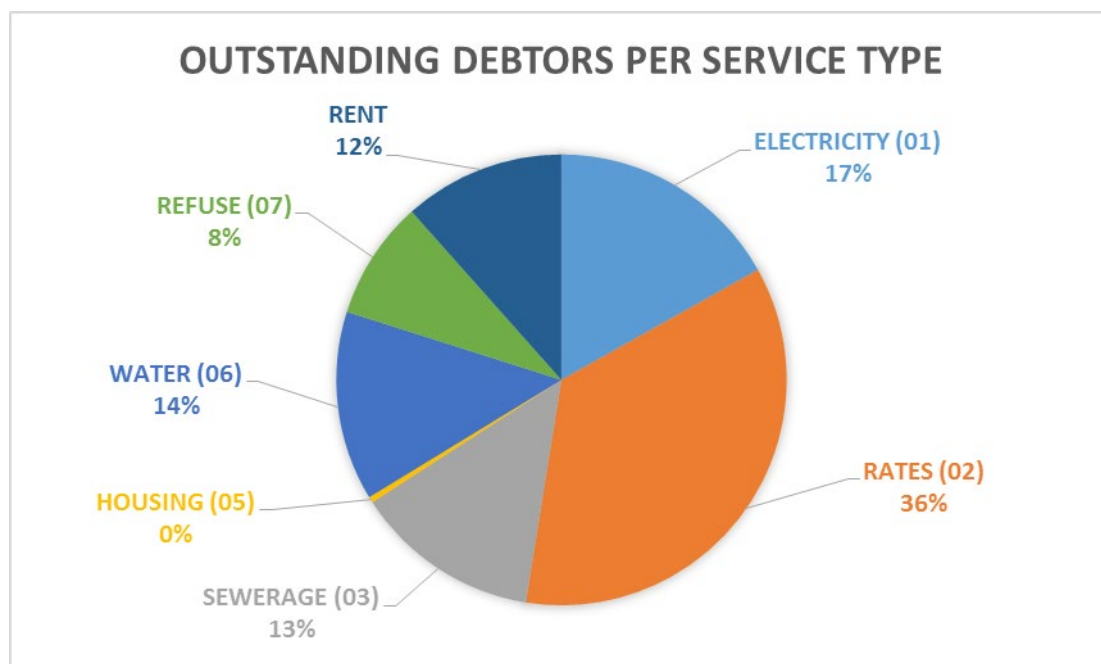
Debtors

The Outstanding Debtors of the Municipality amounts to R 10,958million at the end of the third quarter.

The following graph shows the outstanding debtors per ward as at the end of March 2022:



The following graph shows the outstanding debtors per service type as at the end of March 2022:



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.

Unfunded Budget

During August 2021, the Provincial Treasury expressed in writing its concern that the Municipality is facing fiscal difficulties, which may challenge its ability to effectively and efficiently perform its functions and mandate. Meetings were held between the PT and the Municipality to discuss the unfunded budget. Recommendations were made that a budget funding plan be drawn up as soon as possible. The funding plan should include cuts to the budgeted expense and other savings measures.

A draft budget funding plan was prepared and submitted to PT. Amendments and further cuts were recommended and the final funding plan was submitted to Council for approval for the implementation of the measures.

As a result, the Municipality is now committed to serious action to cut spending. The recommendation of PT is that the municipality must continue with a strong focus on cost savings measures with managing both regulated and non-regulated measures and key activities identified in the Budget funding plan.

The outcome of the funding plan meant that cuts of R1.5 million had to be made to the approved budget. Unfortunately, this did not materialize and expenditure increased from R98,616 million to R102,246 million.

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.

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	9 656 340	804 695	7 242 255	308 771	4 531 161	(495 924)	(2 711 094)
Vehicles used for political office bearers	-	-	-	-	-	-	-
Travel and subsistence	547 848	45 654	410 886	70 143	367 187	24 489	(43 699)
Domestic accommodation	205 956	17 163	154 467	42 807	131 047	25 644	(23 420)
Sponsorships, events and catering	48 516	4 043	36 387	764	24 464	(3 279)	(11 923)
Communication	329 004	27 417	246 753	37 531	206 858	10 114	(39 895)
Overtime	1 017 468	84 789	763 101	53 039	760 415	(31 750)	(2 686)
Total	R 11 805 132	R 983 761	R 8 853 849	R 513 055	R 6 021 134	(470 706)	(2 832 715)

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 attached 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	2020/21	Budget Year 2021/22							
	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	4 454	4 914	4 820	87	4 860	3 686	1 174	32%	4 914
Service charges	20 173	23 343	24 475	3 255	17 683	17 507	176	1%	23 343
Investment revenue	366	673	398	113	354	504	(150)	-30%	673
Transfers and subsidies	29 142	29 002	26 325	13 406	23 094	21 751	1 343	6%	29 002
Other own revenue	22 645	35 424	34 587	10 886	32 909	26 568	6 342	24%	35 424
Total Revenue (excluding capital transfers and contributions)	76 780	93 356	90 605	27 747	78 901	70 017	8 884	13%	93 356
Employee costs	29 735	29 911	28 854	7 214	22 777	22 433	344	2%	29 911
Remuneration of Councillors	3 104	3 300	3 359	785	2 411	2 475	(64)	-3%	3 300
Depreciation & asset impairment	6 356	6 053	6 053	1 513	4 538	4 540	(2)	-0%	6 053
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	10 238	10 463	11 719	2 602	8 461	7 847	614	8%	10 463
Transfers and subsidies	351	449	354	(2 291)	125	337	(212)	-63%	449
Other expenditure	43 844	48 439	51 908	9 759	32 373	36 330	(3 957)	-11%	48 439
Total Expenditure	93 628	98 616	102 246	19 581	70 685	73 962	(3 277)	-4%	98 616
Surplus/(Deficit)	(16 848)	(5 260)	(11 641)	8 166	8 216	(3 945)	12 161	-308%	(5 260)
Transfers and subsidies - capital (monetary alloc	21 200	13 879	14 479	945	2 070	10 409	(8 339)	-80%	13 879
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	4 352	8 619	2 838	9 110	10 286	6 464	3 822	59%	8 619
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	4 352	8 619	2 838	9 110	10 286	6 464	3 822	59%	8 619
Capital expenditure & funds sources									
Capital expenditure	28 105	14 662	14 673	993	2 118	10 997	(8 879)	-81%	14 662
Capital transfers recognised	28 052	14 662	14 673	993	2 118	10 997	(8 879)	-81%	8 064
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	52	-	-	-	-	-	-	-	-
Total sources of capital funds	28 105	14 662	14 673	993	2 118	10 997	(8 879)	-81%	8 064
Financial position									
Total current assets	27 860	27 008	27 967		41 845				27 008
Total non current assets	200 927	186 958	187 809		198 508				186 958
Total current liabilities	24 307	43 195	39 110		37 979				43 195
Total non current liabilities	33 639	4 354	13 120		13 119				4 354
Community wealth/Equity	170 840	166 417	163 546		189 255				166 417
Cash flows									
Net cash from (used) operating	13 891	10 524	10 524	9 699	4 008	7 721	3 713	48%	10 524
Net cash from (used) investing	(16 639)	(6 338)	(6 338)	(993)	882	(4 754)	(5 636)	119%	(11 976)
Net cash from (used) financing	120	-	-	29	90	-	(90)	#DIV/0!	34
Cash/cash equivalents at the month/year end	6 836	13 650	13 650	-	14 444	12 431	(2 013)	-16%	8 047
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	2 080	351	3	-	793	214	7 516	-	10 958
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	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		38 468	42 872	39 291	9 823	25 862	32 154	(6 293)	-20%	34 585
Executive and council		-	-	-	-	-	-	-	-	2 521
Finance and administration		38 468	42 872	39 291	9 823	25 862	32 154	(6 293)	-20%	32 065
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		22 773	34 934	34 462	10 775	32 309	26 201	6 109	23%	34 140
Community and social services		2 222	1 583	1 716	444	1 237	1 188	50	4%	1 265
Sport and recreation		0	4	4	-	2	3	(1)	-24%	24
Public safety		20 533	33 335	32 725	10 327	31 054	25 001	6 053	24%	32 839
Housing		18	12	15	4	13	9	4	48%	11
Health		-	-	2	0	3	-	3	#DIV/0!	1
Economic and environmental services		4 256	3 550	5 918	3 645	4 507	2 662	1 845	69%	1 304
Planning and development		1 419	1 183	1 973	1 215	1 502	887	615	69%	-
Road transport		2 837	2 367	3 945	2 430	3 005	1 775	1 230	69%	1 304
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		35 320	28 245	29 359	6 878	21 299	21 184	115	1%	24 600
Energy sources		19 440	18 604	18 846	4 226	13 324	13 953	(629)	-5%	15 414
Water management		10 011	4 193	4 216	1 101	3 248	3 145	103	3%	4 009
Waste water management		3 107	3 187	3 302	832	2 453	2 390	63	3%	2 793
Waste management		2 763	2 261	2 995	719	2 274	1 696	578	34%	2 385
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	100 817	109 601	109 030	31 121	83 977	82 201	1 776	2%	94 630
Expenditure - Functional										
Governance and administration		37 308	33 583	32 824	3 173	21 002	25 187	(4 185)	-17%	28 259
Executive and council		8 000	8 653	8 367	(487)	5 913	6 490	(577)	-9%	9 682
Finance and administration		29 308	24 930	24 458	3 660	15 089	18 698	(3 608)	-19%	18 577
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		23 194	33 740	33 969	8 132	24 538	25 305	(768)	-3%	36 208
Community and social services		1 541	1 709	2 066	415	1 400	1 281	118	9%	2 188
Sport and recreation		53	51	38	5	22	39	(16)	-42%	26
Public safety		21 480	31 639	31 539	7 643	22 907	23 729	(822)	-3%	33 784
Housing		7	299	300	69	209	224	(16)	-7%	207
Health		114	42	27	-	-	32	(32)	-100%	4
Economic and environmental services		37 879	37 838	37 428	10 367	30 537	28 379	2 158	8%	3 556
Planning and development		13 881	14 672	14 036	3 745	11 165	11 004	162	1%	1 324
Road transport		23 997	23 167	23 392	6 622	19 372	17 375	1 996	11%	2 231
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		20 541	18 688	22 975	4 820	14 962	14 016	946	7%	26 022
Energy sources		11 521	11 293	13 864	2 990	9 506	8 470	1 036	12%	9 270
Water management		4 436	3 721	3 634	936	2 613	2 791	(178)	-6%	2 933
Waste water management		2 544	1 610	2 431	417	1 332	1 207	124	10%	12 195
Waste management		2 041	2 064	3 047	477	1 511	1 548	(37)	-2%	1 625
Other		16	12	14	-	4	9	(5)	-56%	7
Total Expenditure - Functional	3	118 938	123 862	127 211	26 493	91 043	92 897	(1 854)	-2%	94 052
Surplus/ (Deficit) for the year		(18 121)	(14 261)	(18 181)	4 629	(7 066)	(10 696)	3 630	-34%	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	2020/21	Budget Year 2021/22							
		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	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		2 192	2 616	2 865	578	1 982	1 962	20	1.0%	2 616
Vote 4 - BUDGET & TREASURY		36 277	40 257	36 426	9 245	23 880	30 192	(6 313)	-20.9%	40 257
Vote 5 - PLANNING AND DEVEOLPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		1 504	1 583	1 717	444	1 239	1 188	51	4.3%	1 583
Vote 7 - SPORTS AND RECREATION		718	4	4	-	2	3	(1)	-24.4%	4
Vote 8 - HOUSING		18	12	15	4	13	9	4	47.7%	12
Vote 9 - PUBLIC SAFETY		20 533	33 335	32 725	10 327	31 054	25 001	6 053	24.2%	33 335
Vote 10 - ROAD TRANSPORT		1 419	1 183	1 973	1 215	1 502	887	615	69.3%	1 183
Vote 11 - WASTE MANAGEMENT		2 763	2 261	2 995	719	2 274	1 696	578	34.1%	2 261
Vote 12 - WASTE WATER MANAGEMENT		3 107	3 187	3 302	832	2 453	2 390	63	2.6%	3 187
Vote 13 - WATER		10 011	4 193	4 216	1 101	3 248	3 145	103	3.3%	4 193
Vote 14 - ELECTRICITY		19 440	18 604	18 846	4 226	13 324	13 953	(629)	-4.5%	18 604
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	97 980	107 235	105 084	28 692	80 971	80 426	545	0.7%	107 235
Expenditure by Vote										
Vote 1 - MAYORAL & COUNCIL	1	4 178	5 183	4 880	(1 301)	3 372	3 888	(516)	-13.3%	5 183
Vote 2 - MUNICIPAL MANAGER		3 822	3 469	3 487	814	2 541	2 602	(61)	-2.4%	3 469
Vote 3 - CORPORATE SERVICES		7 514	7 690	8 442	1 585	4 962	5 768	(806)	-14.0%	7 690
Vote 4 - BUDGET & TREASURY		21 795	17 240	16 015	2 075	10 128	12 930	(2 802)	-21.7%	17 240
Vote 5 - PLANNING AND DEVEOLPMENT		628	1 029	780	145	493	772	(279)	-36.1%	1 029
Vote 6 - COMMUNITY AND SOCIAL SERV		1 405	1 525	1 865	375	1 257	1 143	113	9.9%	1 525
Vote 7 - SPORTS AND RECREATION		262	269	266	45	169	201	(32)	-16.0%	269
Vote 8 - HOUSING		7	299	300	69	209	224	(16)	-6.9%	299
Vote 9 - PUBLIC SAFETY		21 480	31 639	31 539	7 643	22 907	23 729	(822)	-3.5%	31 639
Vote 10 - ROAD TRANSPORT		12 246	11 683	11 696	3 311	9 686	8 750	936	10.7%	11 683
Vote 11 - WASTE MANAGEMENT		2 041	2 064	3 047	477	1 511	1 548	(37)	-2.4%	2 064
Vote 12 - WASTE WATER MANAGEMENT		2 544	1 610	2 431	417	1 332	1 207	124	10.3%	1 610
Vote 13 - WATER		4 436	3 721	3 634	936	2 613	2 791	(178)	-6.4%	3 721
Vote 14 - ELECTRICITY		11 521	11 293	13 864	2 990	9 506	8 470	1 036	12.2%	11 293
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	93 876	98 716	102 246	19 581	70 685	74 024	(3 340)	-4.5%	98 716
Surplus/ (Deficit) for the year	2	4 104	8 519	2 838	9 110	10 286	6 402	3 884	60.7%	8 519

Table C4: Financial Performance (Revenue and Expenditure)

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

Description	Ref	2020/21	Budget Year 2021/22							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		4 454	4 914	4 820	87	4 860	3 686	1 174	32%	4 914
Service charges - electricity revenue		14 591	17 391	17 633	3 238	12 336	13 043	(708)	-5%	17 391
Service charges - water revenue		2 203	2 926	2 948	161	2 307	2 194	113	5%	2 926
Service charges - sanitation revenue		1 753	1 861	1 979	(90)	1 538	1 396	142	10%	1 861
Service charges - refuse revenue		1 626	1 166	1 915	(53)	1 502	874	628	72%	1 166
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 624	1 212	1 698	416	1 262	909	354	39%	1 212
Interest earned - external investments		366	673	398	113	354	504	(150)	-30%	673
Interest earned - outstanding debtors		105	559	500	59	320	419	(99)	-24%	559
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		20 170	32 410	32 514	10 180	30 689	24 308	6 382	26%	32 410
Licences and permits		363	927	213	148	366	695	(330)	-47%	927
Agency services		180	166	210	51	160	125	35	28%	166
Transfers and subsidies		29 142	29 002	26 325	13 406	23 094	21 751	1 343	6%	29 002
Other revenue		201	150	(548)	32	112	112	(0)	0%	150
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		76 780	93 356	90 605	27 747	78 901	70 017	8 884	13%	93 356
Expenditure By Type										
Employee related costs		29 735	29 911	28 854	7 214	22 777	22 433	344	2%	29 911
Remuneration of councillors		3 104	3 300	3 359	785	2 411	2 475	(64)	-3%	3 300
Debt impairment		17 726	25 105	21 389	6 482	19 445	18 828	616	3%	25 105
Depreciation & asset impairment		6 356	6 053	6 053	1 513	4 538	4 540	(2)	0%	6 053
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		10 238	10 463	11 719	2 602	8 461	7 847	614	8%	10 463
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		6 446	6 502	6 893	553	3 710	4 877	(1 166)	-24%	6 502
Transfers and subsidies		351	449	354	(2 291)	125	337	(212)	-63%	449
Other expenditure		19 402	16 833	23 626	2 725	9 218	12 625	(3 407)	-27%	16 833
Loss on disposal of PPE		270	-	-	-	-	-	-	-	-
Total Expenditure		93 628	98 616	102 246	19 581	70 685	73 962	(3 277)	-4%	98 616
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		(16 848)	(5 260)	(11 641)	8 166	8 216	(3 945)	12 161	(0)	(5 260)
(National / Provincial and District)		21 200	13 879	14 479	945	2 070	10 409	(8 339)	(0)	13 879
(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		4 352	8 619	2 838	9 110	10 286	6 464			8 619
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		4 352	8 619	2 838	9 110	10 286	6 464			8 619
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		4 352	8 619	2 838	9 110	10 286	6 464			8 619
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		4 352	8 619	2 838	9 110	10 286	6 464			8 619

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	2020/21	Budget Year 2021/22							
		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	-	48	-	48	-	48	#DIV/0!	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		35	-	48	-	48	-	48	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		25	-	196	57	154	-	154	#DIV/0!	-
Community and social services		11	-	102	48	48	-	48	#DIV/0!	-
Sport and recreation		-	-	-	9	12	-	12	#DIV/0!	-
Public safety		14	-	94	-	94	-	94	#DIV/0!	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		238	1 448	1 703	872	846	1 086	(241)	-22%	-
Planning and development		-	-	-	290	-	-	-	-	-
Road transport		238	1 448	1 703	292	846	1 086	(241)	-22%	-
Environmental protection		-	-	-	290	-	-	-	-	-
Trading services		27 806	13 214	12 726	606	1 070	9 911	(8 840)	-89%	8 064
Energy sources		8 424	582	-	292	126	436	(310)	-71%	-
Water management		19 383	8 636	8 637	62	474	6 477	(6 003)	-93%	6 064
Waste water management		-	3 996	3 996	92	378	2 997	(2 619)	-87%	2 000
Waste management		-	-	92	160	92	-	92	#DIV/0!	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	28 105	14 662	14 673	1 534	2 118	10 997	(8 879)	-81%	8 064
Funded by:										
National Government		10 584	14 662	14 174	403	1 581	10 997	(9 416)	-86%	8 064
Provincial Government		17 468	-	499	590	537	-	537	#DIV/0!	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		28 052	14 662	14 673	993	2 118	10 997	(8 879)	-81%	8 064
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		52	-	-	-	-	-	-	-	-
Total Capital Funding		28 105	14 662	14 673	993	2 118	10 997	(8 879)	-81%	8 064

Table C6: Financial Position

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

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		9 617	12 092	27 866	11 597	12 092
Call investment deposits		-	-	-	-	-
Consumer debtors		10 044	11 785	(8 745)	19 765	11 785
Other debtors		7 558	2 489	8 206	9 832	2 489
Current portion of long-term receivables		-	1	-	-	1
Inventory		641	641	641	652	641
Total current assets		27 860	27 008	27 967	41 845	27 008
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		23 480	23 544	23 480	23 480	23 544
Investments in Associate		-	-	-	-	-
Property, plant and equipment		177 200	163 084	164 083	174 781	163 084
Agricultural		-	-	-	-	-
Biological		-	-	-	-	-
Intangible		202	286	202	202	286
Other non-current assets		43	43	43	43	43
Total non current assets		200 927	186 958	187 809	198 508	186 958
TOTAL ASSETS		228 787	213 966	215 776	240 353	213 966
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		1	6	-	(0)	6
Consumer deposits		800	715	800	831	715
Trade and other payables		20 947	18 631	15 231	14 127	18 631
Provisions		2 560	23 843	23 079	23 021	23 843
Total current liabilities		24 307	43 195	39 110	37 979	43 195
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		33 639	4 354	13 120	13 119	4 354
Total non current liabilities		33 639	4 354	13 120	13 119	4 354
TOTAL LIABILITIES		57 946	47 549	52 230	51 098	47 549
NET ASSETS	2	170 840	166 417	163 546	189 255	166 417
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		170 840	166 417	163 546	189 255	166 417
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	170 840	166 417	163 546	189 255	166 417

Table C7: Cash Flow

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

Description	Ref	Budget Year 2021/22								
		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		3 706	4 792	4 792	374	1 895	3 594	(1 699)	-47%	4 792
Service charges		25 893	23 225	23 225	7 906	22 927	17 419	5 508	32%	23 225
Other revenue		22 823	9 082	9 082	11 995	18 397	6 811	11 586	170%	9 082
Government - operating		27 000	24 103	24 103	4 706	16 530	18 077	(1 547)	-9%	24 103
Government - capital		2 799	13 879	13 879	-	1 718	10 409	(8 691)	-83%	13 879
Interest		218	673	673	87	424	504	(80)	-16%	673
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(67 975)	(64 007)	(64 007)	(15 327)	(55 785)	(48 177)	7 608	-16%	(64 007)
Finance charges		-	(773)	(773)	-	-	(579)	(579)	100%	(773)
Transfers and Grants		(571)	(449)	(449)	(43)	(2 098)	(337)	1 761	-523%	(449)
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 891	10 524	10 524	9 699	4 008	7 721	3 713	48%	10 524
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		-	-	-	-	3 000	-	3 000	#DIV/0!	-
Payments										
Capital assets		(16 639)	(6 338)	(6 338)	(993)	(2 118)	(4 754)	(2 636)	55%	(11 976)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(16 639)	(6 338)	(6 338)	(993)	882	(4 754)	(5 636)	119%	(11 976)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		120	-	-	29	90	-	90	#DIV/0!	34
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		120	-	-	29	90	-	(90)	#DIV/0!	34
NET INCREASE/ (DECREASE) IN CASH HELD		(2 628)	4 186	4 186	8 735	4 980	2 967			(1 417)
Cash/cash equivalents at beginning:		9 464	9 464	9 464		9 464	9 464			9 464
Cash/cash equivalents at month/year end:		6 836	13 650	13 650		14 444	12 431			8 047

6. Supporting Documentation

Debtors Analysis

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

Description	NT Code	Budget Year 2021/22										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	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	213	71	0	–	171	41	994	–	1 490	1 206	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	958	99	0	–	230	19	544	–	1 850	793	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	429	47	1	–	95	39	3 295	–	3 906	3 430	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	187	59	0	–	116	39	1 061	–	1 461	1 215	–	–
Receivables from Exchange Transactions - Waste Management	1600	186	49	0	–	94	27	578	–	935	700	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	87	24	–	–	82	47	944	–	1 184	1 073	–	–
Interest on Arrear Debtor Accounts	1810	–	–	–	–	–	–	–	–	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	21	2	–	–	5	2	100	–	130	107	–	–
Total By Income Source	2000	2 080	351	3	–	793	214	7 516	–	10 958	8 524	–	–
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	137	55	–	–	87	9	793	–	1 082	890	–	–
Commercial	2300	977	76	1	–	253	75	2 872	–	4 255	3 200	–	–
Households	2400	966	220	2	–	453	130	3 851	–	5 621	4 434	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	2 080	351	3	–	793	214	7 516	–	10 958	8 524	–	–

Creditors Analysis

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

Description	NT Code	Budget Year 2021/22									
		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	–	–	–	–	–	–	–	–	–	–

Performance Indicators

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

Description of financial indicator	Basis of calculation	Ref	2020/21	Budget Year 2021/22			
			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%	6.1%	5.9%	0.0%	3.3%
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		12.3%	11.2%	9.3%	7.5%	11.2%
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	114.6%	62.5%	71.5%	110.2%	62.5%
Liquidity Ratio	Monetary Assets/Current Liabilities		39.6%	28.0%	71.3%	30.5%	28.0%
<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		22.9%	15.3%	-0.6%	37.5%	15.3%
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		38.7%	32.0%	31.8%	28.9%	32.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.9%	2.1%	0.0%	0.4%	2.1%
Interest & Depreciation	I&D/Total Revenue - capital revenue		8.3%	6.5%	6.7%	0.0%	3.5%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		234.7%	450.9%	#DIV/0!	0.0%	0.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		60.7%	41.7%	#DIV/0!	152.0%	41.7%
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
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OFFICE OF THE MUNICIPAL MANAGER

VERWYSINGSNOMMER : REFERENCE NUMBER : NAURAE : ENQUIRIES :	Tel. (023) 551 1019 Faks/Fax (023) 5511019
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QUALITY CERTIFICATE

I, Alida Groenewald, Senior Manager Finance and Corporate Services, 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 2021/2022 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Ms. A Groenewald

for: Municipal Manager of Laingsburg Municipality (WC051)

Signature *Alida Groenewald*

Date *2022-04-13*

8. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the third quarter of 2021/2022 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.