

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
Second Quarterly Budget
Statement
DECEMBER 2013**

Table of Contents

1. Glossary.....	3
2. Legislative framework.....	5
3. Mayors Report	5
4. Executive Summary.....	5
5. In year Budget Statement Tables.....	8
6. Supporting Documentation	15
7. Recommendation.....	17

1. Glossary

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

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

Budget – The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

IHHS – Informal Housing and Human Settlements, provincial grant.

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

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

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, is spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments of the budget. In Laingsburg Municipality this means at department level.

2. Legislative framework

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on services delivery.

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Sections 71 & 52,
- And The Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

“28. The monthly budget statement of a Municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of Municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

3. Mayors Report

In accordance with Section 52(d) of the Act, I submit a report to the Council within 30 days after the end of the first quarter of 2013/2014 on the implementation of the budget and the financial state of affairs of the Laingsburg Municipality.

The submission of this report forms part of the general responsibilities of the Mayor of a Municipality, and is intended to inform and enable the Council to fulfil its oversight responsibility.

The section 52 report on the implementation of the budget and the financial affairs of the Municipality is prepared as required by the MFMA.

The quarterly financial information has already been presented in the section 71, monthly budget statement for December 2013. The monthly and quarterly reports for December 2013 should be read in conjunction with one another.

4. Executive Summary

4.1.1 Implementation of the budget in accordance with the SDBIP

The second quarter review of the SDBIP/performance report is scheduled to take place during January 2014, where after a report will be submitted to Council.

4.1.2 Financial problems or risks facing the Municipality

There are no financial problems facing the Municipality. Operating revenues and expenditures to date remain in line with the projected year to date budgets taking accruals and prior year trends into account.

The new financial year started on 1 July 2013, and no major spending has occurred during the first three months. The process of compiling the annual financial statements have been finished on the 31 August and it was submitted to the Auditor General on the due date. The Auditors are in the auditing process of the financial affairs of the Municipality.

4.1.3 Other relevant information

Year-to-date revenue raised is 12% over the projected year-to-date budget for the first quarter. Operating expenditure incurred amounts to 100% of year-to-date budget.

The Table below illustrates an overview of the Budget implementation of Laingsburg Municipality for the quarter ended 31 December 2013.

R thousands	Original	YTD Actual	YTD %
Total Revenue (Excl. Capital transfers and contributions)	36 198	22 698	62.70
Total Expenditure	34 588	23 210	49.00
Surplus (Deficit) (Exl Capital transfers)	1 610	(512)	
Capital Expenditure			
Sources of Finance			
Transfers from Grants	11 943	5 013	41.97
Transfers from Internal funds	541	91	16.80
Capital Expenditure	12 484	5 104	40.80

Operating Revenue

The Municipality have generated 62.7% or R22,698 million of the Budgeted Revenue to date which is over the budgeted amounts. This is the result of operating grants received during December 2013. During the first two quarters of the financial year operating grants totalling R9,821 million were received. Revenue from electricity, sanitation and refuse is in line with the year to date budget, but the sale of water is 10% under the budgeted sales figures for the period. The forecast is that sales will rise during the summer period. The net revenue from traffic fines exceeds the year to date budgeted amount with 12%. Grants revenue exceeds the year to date budgeted amount with R1.19 million. The largest part of the grants received is part of the Equitable share allocation for the financial year.

Operating Expenditure

For the quarter ending December 2013, the Municipality managed to spend within the budgeted norms. An amount of R23,210 million or 49,0% have been spent to date. Most expenditure items are in line with budgeted amounts. Some items are exceeding the year to date budget but are not recurring items, like audit fees. Bulk purchase of electricity is exceeding the budgeted year to date amount by 23%. The main reason for this deviation is due to the cold period during August 2013 when the maximum demand was exceeded. Depreciation cost as well as the departmental charges were accounted for during the year.

Capital Expenditure

The Municipality has incurred R91 000 or 16.8% of the internal funded Capital Budget to date. The MIG spending for the first two quarters totalled to R5.013 million or 42.0% to date. The housing project will be starting during January 2014.

Cash Flow

The Municipality started off with a cash flow balance of R7, 960 million at the beginning of the year and increased it with R6,504 million. The closing balance for this quarter is R14,464 million. The increase in cash flow is due to the receipt of the operational grants. The Municipal Cash flow is mainly from Operating Activities as no Borrowing or Investments are budgeted for the 2013/2014 financial year.

Debtors

The Outstanding Debtors of the Municipality amounts to R6,803 million for the quarter ending December 2013. The outstanding debt for more than 90 days amounts to 48.4% which is a slight increase since the last quarter. The payment rate for 2012/2013 financial year was 95.28%. For the financial year to date the payment rate was 84.6%. The Municipality is fully implementing the Debt Collection and Credit Control Policy. It should be noted that the Municipal debt collection and credit control policy was revised during August 2013.

Creditors

Total outstanding creditors amount to R1.714 million for the quarter ending December 2013 . All the outstanding amounts are within the 30 days outstanding categories which is compliant with Section 65 of the MFMA. Cases occur where suppliers issue their invoices more than 30 days after the date of the invoice, for payment, but in most cases the payments are made at presentation of the invoices.

5. In year Budget Statement Tables

Table C1: Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

Description	2012/13	Budget Year 2013/14							
	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	2 312	2 216	2 216	18	2 634	2 162	472	22%	2 216
Service charges	11 934	14 440	14 440	1 074	7 090	7 062	28	0%	14 440
Investment revenue	861	591	591	90	264	295	(32)	-11%	591
Transfers recognised - operational	13 994	15 286	15 286	4 352	9 821	7 643	2 178	29%	15 286
Other own revenue	5 185	3 666	3 666	485	2 889	1 755	1 134	65%	3 666
Total Revenue (excluding capital transfers and contributions)	34 285	36 198	36 198	6 020	22 698	18 917	3 781	20%	36 198
Employee costs	9 481	12 809	12 809	872	5 507	6 421	(914)	-14%	12 809
Remuneration of Councillors	2 079	2 109	2 109	173	1 040	1 055	(15)	-1%	2 109
Depreciation & asset impairment	9 687	9 526	9 526	948	5 386	5 705	(319)	-6%	9 526
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	5 677	5 848	5 848	545	3 603	2 924	679	23%	5 848
Transfers and grants	3 572	3 576	3 576	311	1 655	1 788	(133)	-	3 576
Other expenditure	14 714	12 662	12 662	1 299	6 019	5 153	866	17%	12 662
Total Expenditure	45 211	46 531	46 531	4 148	23 210	23 046	164	1%	46 531
Surplus/(Deficit)	(10 926)	(10 333)	(10 333)	1 871	(512)	(4 129)	3 616	-88%	(10 333)
Transfers recognised - capital	10 387	11 943	11 943	-	4 985	5 972	(987)	-17%	11 943
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(539)	1 610	1 610	1 871	4 472	1 843	2 630	143%	1 610
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(539)	1 610	1 610	1 871	4 472	1 843	2 630	143%	1 610
Capital expenditure & funds sources									
Capital expenditure	12 301	12 484	12 484	25	5 104	5 558	(454)	-8%	12 484
Capital transfers recognised	12 284	11 943	11 943	13	5 013	5 418	(405)	-7%	11 943
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17	541	541	12	91	140	(49)	-35%	541
Total sources of capital funds	12 301	12 484	12 484	25	5 104	5 558	(454)	-8%	12 484
Financial position									
Total current assets	13 322	12 564	-		3 661				12 564
Total non current assets	152 008	148 151	-		(1 269)				148 151
Total current liabilities	7 208	10 302	-		2 639				10 302
Total non current liabilities	8 351	7 913	-		-				7 913
Community wealth/Equity	149 771	142 500	-		(247)				142 500
Cash flows									
Net cash from (used) operating	8 961	12 490	-	3 826	11 608	-	11 608	#DIV/0!	12 490
Net cash from (used) investing	(11 004)	(12 484)	-	(25)	(5 104)	-	(5 104)	#DIV/0!	(12 484)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	7 960	7 966	7 960	-	14 464	7 960	6 504	82%	7 966
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 Revenue Source	3 202	200	107	82	92	89	91	2 940	6 803
Creditors Age Analysis									
Total Creditors	1 714	-	-	-	-	-	-	-	1 714

Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q2 Second Quarter

Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		27 488	29 616	29 616	3 744	17 121	15 863	1 258	8%	29 616
Executive and council		10 205	22 319	22 319	3 408	7 727	11 160	(3 433)	-31%	22 319
Budget and treasury office		14 188	4 200	4 200	86	7 620	3 154	4 466	142%	4 200
Corporate services		3 094	3 097	3 097	251	1 774	1 548	226	15%	3 097
<i>Community and public safety</i>		3 847	2 718	2 718	548	2 872	1 359	1 513	111%	2 718
Community and social services		596	653	653	221	592	327	266	81%	653
Sport and recreation		1	1	1	-	-	0	(0)	-100%	1
Public safety		3 237	2 054	2 054	326	2 274	1 027	1 247	121%	2 054
Housing		12	10	10	1	6	5	1	20%	10
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 479	1 031	1 031	661	668	516	153	30%	1 031
Planning and development		98	-	-	-	-	-	-	-	-
Road transport		1 381	1 031	1 031	661	668	516	153	30%	1 031
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		11 666	14 303	14 303	1 067	7 021	7 152	(130)	-2%	14 303
Electricity		7 864	8 899	8 899	654	4 525	4 450	75	2%	8 899
Water		852	1 860	1 860	148	859	930	(71)	-8%	1 860
Waste water management		1 627	1 916	1 916	132	818	958	(140)	-15%	1 916
Waste management		1 323	1 628	1 628	134	819	814	6	1%	1 628
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	44 479	47 669	47 669	6 020	27 683	24 889	2 794	11%	47 669
Expenditure - Standard										
<i>Governance and administration</i>		21 064	22 257	22 257	1 941	10 384	10 951	(567)	-5%	22 257
Executive and council		7 502	9 516	9 516	592	3 862	4 466	(604)	-14%	9 516
Budget and treasury office		6 071	5 554	5 554	855	3 171	2 855	316	11%	5 554
Corporate services		7 492	7 187	7 187	493	3 351	3 630	(280)	-8%	7 187
<i>Community and public safety</i>		5 422	4 810	4 810	572	3 017	2 488	529	21%	4 810
Community and social services		1 543	1 532	1 532	101	593	800	(207)	-26%	1 532
Sport and recreation		46	408	408	30	171	207	(36)	-17%	408
Public safety		3 540	2 497	2 497	412	2 110	1 294	816	63%	2 497
Housing		261	255	255	29	136	127	8	7%	255
Health		32	118	118	1	6	60	(53)	-89%	118
<i>Economic and environmental services</i>		8 497	6 353	6 353	525	3 340	3 252	88	3%	6 353
Planning and development		428	389	389	30	231	203	28	14%	389
Road transport		8 070	5 964	5 964	495	3 109	3 049	60	2%	5 964
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		10 026	12 624	12 624	1 110	6 466	6 348	118	2%	12 624
Electricity		6 169	6 652	6 652	600	3 896	3 326	570	17%	6 652
Water		1 589	3 483	3 483	253	1 494	1 757	(262)	-15%	3 483
Waste water management		1 154	1 253	1 253	96	548	631	(83)	-13%	1 253
Waste management		1 114	1 238	1 238	161	527	634	(107)	-17%	1 238
<i>Other</i>		9	14	14	1	3	6	(3)	-50%	14
Total Expenditure - Standard	3	45 019	46 058	46 058	4 148	23 210	23 046	165	1%	46 058
Surplus/ (Deficit) for the year		(539)	1 610	1 610	1 871	4 472	1 843	2 629	143%	1 610

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) - Q2 Second Quarter**

Vote Description	Ref	2012/13	Budget Year 2013/14							
		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		10 205	22 319	22 319	3 408	7 727	11 160	(3 433)	-30.8%	22 319
Vote 2 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—
Vote 3 - CORPORATE SERVICES		3 094	3 097	3 097	251	1 774	1 548	226	14.6%	3 097
Vote 4 - BUDGET & TREASURY		14 188	4 200	4 200	86	7 620	3 154	4 466	141.6%	4 200
Vote 5 - PLANNING AND DEVEOLPMENT		98	—	—	—	—	—	—	—	—
Vote 6 - COMMUNITY AND SOCIAL SERV		597	653	653	221	592	327	266	81.3%	653
Vote 7 - SPORTS AND RECREATION		1	1	1	—	—	0	(0)	-100.0%	1
Vote 8 - HOUSING		12	10	10	1	6	5	1	19.9%	10
Vote 9 - PUBLIC SAFETY		3 237	2 054	2 054	326	2 274	1 027	1 247	121.4%	2 054
Vote 10 - ROAD TRANSPORT		1 381	1 031	1 031	661	668	516	153	29.6%	1 031
Vote 11 - WASTE MANAGEMENT		1 323	1 628	1 628	134	819	814	6	0.7%	1 628
Vote 12 - WASTE WATER MANAGEMENT		1 627	1 916	1 916	132	818	958	(140)	-14.6%	1 916
Vote 13 - WATER		852	1 860	1 860	148	859	930	(71)	-7.6%	1 860
Vote 14 - ELECTRICITY		7 864	8 899	8 899	654	4 525	4 450	75	1.7%	8 899
Vote 15 -		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	44 480	47 669	47 669	6 020	27 683	24 889	2 794	11.2%	47 669
Expenditure by Vote	1									
Vote 1 - MAYORAL & COUNCIL		5 123	6 882	6 882	397	2 587	3 080	(494)	-16.0%	6 882
Vote 2 - MUNICIPAL MANAGER		2 379	2 633	2 633	195	1 275	1 385	(110)	-7.9%	2 633
Vote 3 - CORPORATE SERVICES		7 492	7 187	7 187	493	3 351	3 630	(280)	-7.7%	7 187
Vote 4 - BUDGET & TREASURY		6 071	5 554	5 554	855	3 171	2 855	316	11.1%	5 554
Vote 5 - PLANNING AND DEVEOLPMENT		428	389	389	30	231	203	28	13.6%	389
Vote 6 - COMMUNITY AND SOCIAL SERV		779	895	895	56	308	465	(157)	-33.8%	895
Vote 7 - SPORTS AND RECREATION		851	1 178	1 178	75	467	608	(142)	-23.3%	1 178
Vote 8 - HOUSING		261	255	255	29	136	127	8	6.7%	255
Vote 9 - PUBLIC SAFETY		3 540	2 497	2 497	412	2 110	1 294	816	63.1%	2 497
Vote 10 - ROAD TRANSPORT		8 070	5 964	5 964	495	3 109	3 049	60	2.0%	5 964
Vote 11 - WASTE MANAGEMENT		1 114	1 238	1 238	161	527	634	(107)	-16.9%	1 238
Vote 12 - WASTE WATER MANAGEMENT		1 154	1 253	1 253	96	548	631	(83)	-13.1%	1 253
Vote 13 - WATER		1 589	3 483	3 483	253	1 494	1 757	(262)	-14.9%	3 483
Vote 14 - ELECTRICITY		6 169	6 652	6 652	600	3 896	3 326	570	17.2%	6 652
Vote 15 -		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	45 019	46 058	46 058	4 148	23 210	23 046	165	0.7%	46 058
Surplus/ (Deficit) for the year	2	(539)	1 610	1 610	1 871	4 472	1 843	2 630	142.7%	1 610

Table C4: Financial Performance (Revenue and Expenditure)**WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter**

Woolf Langsbury - Table 04 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - Q2 Second Quarter										
Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		2 118	2 156	2 156	5	2 583	2 132	450	21%	2 156
Property rates - penalties & collection charges		194	60	60	13	52	30	22	72%	60
Service charges - electricity revenue		7 864	9 178	9 178	654	4 525	4 450	75	2%	9 178
Service charges - water revenue		852	1 618	1 618	148	859	780	79	10%	1 618
Service charges - sanitation revenue		1 627	1 897	1 897	132	818	866	(47)	-5%	1 897
Service charges - refuse revenue		1 503	1 669	1 669	134	819	814	6	1%	1 669
Service charges - other		88	78	78	8	69	153	(84)	-55%	78
Rental of facilities and equipment		910	829	829	161	546	415	131	32%	829
Interest earned - external investments		659	433	433	15	102	216	(114)	-53%	433
Interest earned - outstanding debtors		202	158	158	75	162	79	82	104%	158
Dividends received		-	-	-	-	-	-	-	-	-
Fines		2 325	1 755	1 755	248	1 707	877	830	95%	1 755
Licences and permits		860	248	248	69	499	124	375	302%	248
Agency services		102	95	95	-	-	48	(48)	-100%	95
Transfers recognised - operational		13 994	15 286	15 286	4 352	9 821	7 643	2 178	29%	15 286
Other revenue		988	738	738	8	137	291	(154)	-53%	738
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		34 285	36 198	36 198	6 020	22 698	18 917	3 781	20%	36 198
Expenditure By Type										
Employee related costs		9 481	12 809	12 809	872	5 507	6 421	(914)	-14%	12 809
Remuneration of councillors		2 079	2 109	2 109	173	1 040	1 055	(15)	-1%	2 109
Debt impairment		218	191	191	-	-	95	(95)	-100%	191
Depreciation & asset impairment		9 687	9 526	9 526	948	5 386	5 705	(319)	-6%	9 526
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		5 677	5 848	5 848	545	3 603	2 924	679	23%	5 848
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		2 383	2 181	2 181	260	1 079	1 091	(11)	-1%	2 181
Transfers and grants		3 572	3 576	3 576	311	1 655	1 788	(133)	-7%	3 576
Other expenditure		12 114	10 279	10 279	1 040	4 940	3 962	979	25%	10 279
Loss on disposal of PPE		-	12	12	-	-	6	(6)	-100%	12
Total Expenditure		45 211	46 531	46 531	4 148	23 210	23 046	164	1%	46 531
Surplus/(Deficit)										
Transfers recognised - capital		(10 926)	(10 333)	(10 333)	1 871	(512)	(4 129)	3 616	(0)	(10 333)
Contributions recognised - capital		10 387	11 943	11 943	-	4 985	5 972	(987)	(0)	11 943
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		(539)	1 610	1 610	1 871	4 472	1 843			1 610
Taxation								-		
Surplus/(Deficit) after taxation		(539)	1 610	1 610	1 871	4 472	1 843			1 610
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(539)	1 610	1 610	1 871	4 472	1 843			1 610
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(539)	1 610	1 610	1 871	4 472	1 843			1 610

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

WC051 Laingsburg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q2 Second Quarter

Vote Description	Ref	2012/13	Budget Year 2013/14							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - MAYORAL & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	3	-	3	#DIV/0!	-
Vote 3 - CORPORATE SERVICES		17	149	149	12	12	85	(73)	-86%	149
Vote 4 - BUDGET & TREASURY		-	30	30	-	65	25	40	159%	30
Vote 5 - PLANNING AND DEVELOPMENT		-	12	12	-	-	-	-	-	12
Vote 6 - COMMUNITY AND SOCIAL SERV		-	185	185	-	-	115	(115)	-100%	185
Vote 7 - SPORTS AND RECREATION		247	1 589	1 589	-	-	-	-	-	1 589
Vote 8 - HOUSING		909	4 048	4 048	-	-	-	-	-	4 048
Vote 9 - PUBLIC SAFETY		-	70	70	-	-	20	(20)	-100%	70
Vote 10 - ROAD TRANSPORT		769	10	10	10	246	10	236	2358%	10
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		7 567	2 823	2 823	4	4 768	5 303	(535)	-10%	2 823
Vote 13 - WATER		2 672	3 567	3 567	-	11	-	11	#DIV/0!	3 567
Vote 14 - ELECTRICITY		121	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	12 301	12 484	12 484	25	5 104	5 558	(454)	-8%	12 484
Total Capital Expenditure		12 301	12 484	12 484	25	5 104	5 558	(454)	-8%	12 484
Capital Expenditure - Standard Classification										
Governance and administration		17	179	179	12	79	110	(31)	-28%	179
Executive and council		-	-	-	-	3	-	3	#DIV/0!	-
Budget and treasury office		-	30	30	-	65	25	40	159%	30
Corporate services		17	149	149	12	12	85	(73)	-86%	149
Community and public safety		1 156	5 892	5 892	-	-	135	(135)	-100%	5 892
Community and social services		-	115	115	-	-	115	(115)	-100%	115
Sport and recreation		247	1 589	1 589	-	-	-	-	-	1 589
Public safety		-	70	70	-	-	20	(20)	-100%	70
Housing		909	4 048	4 048	-	-	-	-	-	4 048
Health		-	70	70	-	-	-	-	-	70
Economic and environmental services		769	22	22	10	246	10	236	2358%	22
Planning and development		-	12	12	-	-	-	-	-	12
Road transport		769	10	10	10	246	10	236	2358%	10
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		10 359	6 391	6 391	4	4 779	5 303	(524)	-10%	6 391
Electricity		121	-	-	-	-	-	-	-	-
Water		2 672	3 567	3 567	-	11	-	11	#DIV/0!	3 567
Waste water management		7 567	2 823	2 823	4	4 768	5 303	(535)	-10%	2 823
Waste management		-	-	-	-	-	-	-	-	-
Other										
Total Capital Expenditure - Standard Classification	3	12 301	12 484	12 484	25	5 104	5 558	(454)	-8%	12 484
Funded by:										
National Government		10 675	10 218	10 218	10	5 009	3 693	1 316	36%	10 218
Provincial Government		1 609	1 725	1 725	4	4	1 725	(1 721)	-100%	1 725
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		12 284	11 943	11 943	13	5 013	5 418	(405)	-7%	11 943
Public contributions & donations	5									
Borrowing	6									
Internally generated funds		17	541	541	12	91	140	(49)	-35%	541
Total Capital Funding		12 301	12 484	12 484	25	5 104	5 558	(454)	-8%	12 484

Table C6: Financial Position**WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter**

Description	Ref	2012/13	Budget Year 2013/14			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		7 960	2	-	-	2
Call investment deposits		-	7 397	-	2 698	7 397
Consumer debtors		1 392	1 138	-	1 343	1 138
Other debtors		2 763	2 623	-	(177)	2 623
Current portion of long-term receivables		4	-	-	-	-
Inventory		1 203	1 404	-	(203)	1 404
Total current assets		13 322	12 564	-	3 661	12 564
Non current assets						
Long-term receivables		10	-	-	3	-
Investments		-	-	-	-	-
Investment property		4 564	4 934	-	(3 175)	4 934
Investments in Associate		-	-	-	-	-
Property, plant and equipment		146 856	142 284	-	1 903	142 284
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		534	885	-	-	885
Other non-current assets		43	48	-	-	48
Total non current assets		152 008	148 151	-	(1 269)	148 151
TOTAL ASSETS		165 330	160 715	-	2 392	160 715
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		351	355	-	26	355
Trade and other payables		6 485	9 609	-	2 760	9 609
Provisions		372	338	-	(147)	338
Total current liabilities		7 208	10 302	-	2 639	10 302
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		8 351	7 913	-	-	7 913
Total non current liabilities		8 351	7 913	-	-	7 913
TOTAL LIABILITIES		15 559	18 215	-	2 639	18 215
NET ASSETS	2	149 771	142 500	-	(247)	142 500
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		149 771	139 734	-	(247)	139 734
Reserves		-	2 765	-	-	2 765
TOTAL COMMUNITY WEALTH/EQUITY	2	149 771	142 500	-	(247)	142 500

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

Description	Ref	2012/13	Budget Year 2013/14							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		18 742	18 605	—	2 959	19 431	—	19 431	#DIV/0!	18 605
Government - operating		25 334	14 786	—	3 626	8 273	—	8 273	#DIV/0!	14 786
Government - capital		—	11 943	—	—	4 330	—	4 330	#DIV/0!	11 943
Interest		1 056	591	—	78	259	—	259	#DIV/0!	591
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		(35 863)	(32 929)	—	(2 627)	(19 610)	—	(19 610)	#DIV/0!	(32 929)
Finance charges		(307)	—	—	—	—	—	—	—	—
Transfers and Grants		—	(505)	—	(210)	(1 074)	—	(1 074)	#DIV/0!	(505)
NET CASH FROM/(USED) OPERATING ACTIVITIES		8 961	12 490	—	3 826	11 608	—	52 977	#DIV/0!	12 490
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		(11 004)	(12 484)	—	(25)	(5 104)	—	(5 104)	#DIV/0!	(12 484)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(11 004)	(12 484)	—	(25)	(5 104)	—	5 104	#DIV/0!	(12 484)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—
Payments										
Repayment of borrowing		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—	—	—
NET INCREASE/ (DECREASE) IN CASH HELD		(2 043)	6	—	3 801	6 504	—			6
Cash/cash equivalents at beginning:		10 002	7 960	7 960		7 960	7 960			7 960
Cash/cash equivalents at month/year end:		7 960	7 966	7 960		14 464	7 960			7 966

6. Supporting Documentation

Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

W0031 Langsburg - Supporting Table SCS Monthly Budget Statement - aged Debtors - Q2 Second Quarter												
Description		NT Code	Budget Year 2013/14									
R thousands			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	Bad Debts
Debtors Age Analysis By Revenue Source												
Trade and Other Receivables from Ex change Transactions - Water		1200	216	42	26	21	23	23	23	379	753	-
Trade and Other Receivables from Ex change Transactions - Electricity		1300	720	46	16	4	4	4	5	66	864	-
Receivables from Non-ex change Transactions - Property Rates		1400	1 267	15	7	5	8	7	7	1 516	2 832	-
Receivables from Ex change Transactions - Waste Water Management		1500	274	59	27	28	29	30	29	464	940	-
Receivables from Ex change Transactions - Waste Management		1600	169	19	18	16	17	16	16	310	581	-
Receivables from Ex change Transactions - Property Rental Debtors		1700	40	12	12	8	10	8	10	195	294	-
Interest on Arrear Debtor Accounts		1810	524	-	-	-	-	-	-	-	524	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure		1820	-	-	-	-	-	-	-	-	-	-
Other		1900	(8)	8	2	1	1	1	1	10	15	-
Total By Revenue Source		2000	3 202	200	107	82	92	89	91	2 940	6 803	-
2012/13 - totals only			1 134 153	125 473	122 078	126 815	132 152	142 277	107 756	3 239 901	5 131	0
Debtors Age Analysis By Customer Category												
Organs of State		2200	430	9	3	3	3	3	4	219	674	-
Commercial		2300	620	4	8	7	5	5	5	104	758	-
Households		2400	2 134	185	93	71	83	80	81	2 614	5 341	-
Other		2500	18	1	2	2	1	1	1	4	30	-
Total By Customer Category		2600	3 202	200	107	82	92	89	91	2 940	6 803	-

Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

Woods Llangsbury - Supporting Table 004 Monthly Budget Statement - aged creditors - Q2 Second Quarter										
Description	NT Code	Budget Year 2013/14								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	622								622
Bulk Water	0200	-								-
PAYE deductions	0300	-								-
VAT (output less input)	0400	-								-
Pensions / Retirement deductions	0500	-								-
Loan repayments	0600	-								-
Trade Creditors	0700	518								518
Auditor General	0800	575								575
Other	0900	-								-
Total By Customer Type	2600	1 714	-	-	-	-	-	-	-	1 714

Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q2 Second Quarter

Description of financial indicator	Basis of calculation	Ref	2012/13	Budget Year 2013/14			
			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%	20.5%	20.5%	0.0%	4.5%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		4.3%	6.7%	0.0%	-1116.1%	6.7%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	184.8%	122.0%	0.0%	138.7%	122.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		110.4%	71.8%	0.0%	102.2%	71.8%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		12.2%	10.4%	0.0%	5.1%	10.4%
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))		90.0%	90.0%	90.0%	92.0%	90.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	9.1%	9.0%	9.0%	10.2%	9.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	29.8%	25.0%	25.0%	32.7%	25.0%
Employee costs	Employee costs/Total Revenue - capital revenue		27.7%	35.4%	35.4%	24.3%	35.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.1%	5.2%	5.2%	2.7%	5.2%
Interest & Depreciation	I&D/Total Revenue - capital revenue		28.3%	26.3%	26.3%	0.0%	5.8%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		24.6%	31.8%	31.8%	53.8%	31.8%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		11.7%	7.9%	7.9%	10.4%	4.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		3.8%	3.2%	3.2%	6.1%	3.2%

7. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the 2nd quarter of 2013/2014 financial year.
- (b) That Manager's 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.