

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
Third Quarterly Budget
Statement
MARCH 2013**

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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 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 each quarter 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 March 2013. The monthly and quarterly reports for March 2013 should be read in conjunction with one another.

4. Executive Summary

4.1.1 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 nine months of the financial year.

4.1.2 Other relevant information

Year-to-date revenue raised is 12% over the projected year-to-date budget for the third 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 March 2013.

R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Revenue (Excl. Capital transfers and contributions)	36 198	39 697	30 787	78.00
Total Expenditure	34 588	37 806	25 628	68.00
Surplus (Deficit) (Exl Capital transfers)	1 610	1 890	5 159	273.00
Capital Expenditure				
Sources of Finance				
Transfers from Grants	11 943	14 824	6 491	44.00
<i>MIG and Government Grants</i>	<i>7 895</i>	<i>10 776</i>	<i>6 491</i>	<i>60.24</i>
<i>HOUSING</i>	<i>4 048</i>	<i>4 048</i>	-	-
Transfers from Internal funds	541	481	105	22.00
Capital Expenditure	12 484	15 305	6 595	43.00

Operating Revenue

The Municipality have generated 78.0% or R R30,787 million of the Budgeted Revenue to date which is over the budgeted amounts. This is the result of operating grants received during March 2013. During the first two quarters of the financial year operating grants totalling R12,691 million were received. Revenue from electricity, sanitation and refuse is in line with the year to date budget, but the sale of water is 19% over the budgeted sales figures for the period. This is due to the higher sales during the summer period. The net revenue from traffic fines exceeds the year to date budgeted amount with 8.4%. The largest part of the grants received forms part of the Equitable share allocation for the financial year.

Operating Expenditure

For the quarter ending March 2013, the Municipality managed to spend within the budgeted norms. An amount of R R25,628 million or 68,0% have been spent to date. As reported in previous months

there are also some variances in terms of the budgeted and actual year to date figures due to the fact that Provisions will only be processed at year end.

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 8%. 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.

The year to date actual employee costs is 13% under the year to date budget. This is due to the provision for the deferred benefit plan that will only be calculated on year end.

Capital Expenditure

The Municipality has incurred R104 500 or 21.6% of the internal funded Capital Budget to date. The MIG spending for the three quarters totals to R6,491 million or 60.2% to date. The housing project has started during February 2014. All houses are completed and occupied by the approved residents.

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 R10,256 million. The closing balance for this quarter is R18,216 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 R R6,599 million for the quarter ending March 2013. The outstanding debt for more than 90 days amounts to 58.8% 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 90.5%. This is a slight increase since the previous quarter. 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 R0.7 million for the quarter ending March 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 - Q3 Third 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	2 590	79	2 714	2 561	153	6%	2 590
Service charges	11 934	14 440	14 294	3 638	10 728	10 721	7	0%	14 294
Investment revenue	861	591	625	79	331	469	(138)	-29%	625
Transfers recognised - operational	13 994	15 286	16 779	2 870	12 691	12 584	107	1%	16 779
Other own revenue	5 185	3 666	5 409	1 435	4 324	4 057	267	7%	5 409
Total Revenue (excluding capital transfers and contributions)	34 285	36 198	39 697	8 101	30 787	30 391	395	1%	39 697
Employee costs	9 481	12 809	12 978	2 660	8 167	9 372	(1 205)	-13%	12 978
Remuneration of Councillors	2 079	2 109	2 249	616	1 656	1 687	(31)	-2%	2 249
Depreciation & asset impairment	9 687	9 526	11 486	2 768	8 154	8 614	(460)	-5%	11 486
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	5 677	5 848	6 300	1 506	5 109	4 725	384	8%	6 300
Transfers and grants	3 572	3 576	3 983	949	2 604	2 987	(384)	-	3 983
Other expenditure	14 714	12 662	12 753	2 690	8 710	9 565	(855)	-9%	12 753
Total Expenditure	45 211	46 531	49 749	11 189	34 399	36 951	(2 552)	-7%	49 749
Surplus/(Deficit)	(10 926)	(10 333)	(10 053)	(3 088)	(3 612)	(6 560)	2 948	-45%	(10 053)
Transfers recognised - capital	10 387	11 943	11 943	3 786	8 770	8 957	(187)	-2%	11 943
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(539)	1 610	1 890	698	5 158	2 397	2 761	115%	1 890
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(539)	1 610	1 890	698	5 158	2 397	2 761	115%	1 890
Capital expenditure & funds sources									
Capital expenditure	12 301	12 484	15 305	1 491	6 595	11 069	(4 474)	-40%	15 305
Capital transfers recognised	12 284	11 943	14 824	1 478	6 491	10 728	(4 237)	-39%	14 824
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	17	541	481	13	105	341	(236)	-69%	481
Total sources of capital funds	12 301	12 484	15 305	1 491	6 595	11 069	(4 474)	-40%	15 305
Financial position									
Total current assets	13 322	15 040	15 040		23 521				23 521
Total non current assets	152 008	145 256	145 256		144 870				144 870
Total current liabilities	7 208	6 596	6 596		9 599				9 599
Total non current liabilities	8 351	7 400	7 400		8 351				8 351
Community wealth/Equity	149 771	146 300	146 300		150 441				150 441
Cash flows									
Net cash from (used) operating	8 961	12 490	12 490	5 244	16 852	686	16 166	2358%	12 490
Net cash from (used) investing	(11 004)	(12 484)	(12 484)	(1 491)	(6 595)	(1 907)	(4 688)	246%	(12 484)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	7 960	7 966	7 966	-	18 216	6 738	11 478	170%	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	1 688	177	857	435	181	100	77	3 084	6 599
Creditors Age Analysis									
Total Creditors	-	7	-	-	-	-	-	-	7

Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q3 Third 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	31 194	6 801	23 910	24 014	(104)	0%	31 194
Executive and council		10 205	22 319	22 277	9 051	16 778	16 708	70	0%	22 277
Budget and treasury office		14 188	4 200	4 574	(2 581)	5 039	4 049	990	24%	4 574
Corporate services		3 094	3 097	4 343	331	2 093	3 257	(1 164)	-36%	4 343
<i>Community and public safety</i>		3 847	2 718	4 288	1 180	4 053	3 216	836	26%	4 288
Community and social services		596	653	659	35	627	494	133	27%	659
Sport and recreation		1	1	1	0	0	0	(0)	-69%	1
Public safety		3 237	2 054	3 619	1 143	3 417	2 715	702	26%	3 619
Housing		12	10	10	3	9	7	1	16%	10
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1 479	1 031	1 143	283	951	857	94	11%	1 143
Planning and development		98	-	107	-	-	80	(80)	-100%	107
Road transport		1 381	1 031	1 036	283	951	777	174	22%	1 036
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		11 666	14 303	15 015	3 622	10 643	11 261	(618)	-5%	15 015
Electricity		7 864	8 899	9 058	2 268	6 793	6 793	(0)	0%	9 058
Water		852	1 860	2 502	533	1 392	1 877	(485)	-26%	2 502
Waste water management		1 627	1 916	1 821	411	1 230	1 366	(136)	-10%	1 821
Waste management		1 323	1 628	1 634	409	1 229	1 226	3	0%	1 634
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	44 479	47 669	51 640	11 886	39 556	39 348	208	1%	51 640
Expenditure - Standard										
<i>Governance and administration</i>		21 064	22 257	24 001	5 073	15 457	17 543	(2 086)	-12%	24 001
Executive and council		7 502	9 516	9 418	1 939	5 801	6 548	(748)	-11%	9 418
Budget and treasury office		6 071	5 554	6 350	1 598	4 770	4 801	(32)	-1%	6 350
Corporate services		7 492	7 187	8 233	1 536	4 887	6 193	(1 306)	-21%	8 233
<i>Community and public safety</i>		5 422	4 810	5 933	1 392	4 409	4 491	(82)	-2%	5 933
Community and social services		1 543	1 532	1 520	321	914	1 157	(243)	-21%	1 520
Sport and recreation		46	408	408	89	260	307	(47)	-15%	408
Public safety		3 540	2 497	3 626	903	3 013	2 742	271	10%	3 626
Housing		261	255	262	78	214	196	18	9%	262
Health		32	118	118	2	8	88	(80)	-91%	118
<i>Economic and environmental services</i>		8 497	6 353	6 460	1 627	4 967	4 883	84	2%	6 460
Planning and development		428	389	495	104	335	376	(41)	-11%	495
Road transport		8 070	5 964	5 964	1 523	4 632	4 507	126	3%	5 964
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		10 026	12 624	13 345	3 096	9 562	10 026	(464)	-5%	13 345
Electricity		6 169	6 652	6 985	1 641	5 537	5 238	299	6%	6 985
Water		1 589	3 483	3 802	904	2 398	2 859	(461)	-16%	3 802
Waste water management		1 154	1 253	1 287	331	878	967	(89)	-9%	1 287
Waste management		1 114	1 238	1 271	221	748	961	(213)	-22%	1 271
<i>Other</i>		9	14	11	-	3	7	(4)	-56%	11
Total Expenditure - Standard	3	45 019	46 058	49 749	11 189	34 399	36 950	(2 552)	-7%	49 749
Surplus/ (Deficit) for the year		(539)	1 610	1 890	697	5 158	2 398	2 760	115%	1 890

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	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										
Vote 1 - MAYORAL & COUNCIL	1	10 205	22 319	22 277	9 051	16 778	16 708	70	0.4%	22 277
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		3 094	3 097	4 343	331	2 093	3 257	(1 164)	-35.7%	4 343
Vote 4 - BUDGET & TREASURY		14 188	4 200	4 574	(2 581)	5 039	4 049	990	24.5%	4 574
Vote 5 - PLANNING AND DEVEOLPMENT		98	-	107	-	-	80	(80)	-100.0%	-
Vote 6 - COMMUNITY AND SOCIAL SERV		597	653	659	35	628	494	134	27.1%	659
Vote 7 - SPORTS AND RECREATION		1	1	1	0	0	0	(0)	-68.7%	1
Vote 8 - HOUSING		12	10	10	3	9	7	1	16.4%	10
Vote 9 - PUBLIC SAFETY		3 237	2 054	3 619	1 143	3 417	2 715	702	25.9%	3 619
Vote 10 - ROAD TRANSPORT		1 381	1 031	1 036	283	951	777	174	22.4%	1 036
Vote 11 - WASTE MANAGEMENT		1 323	1 628	1 634	409	1 229	1 226	3	0.2%	1 634
Vote 12 - WASTE WATER MANAGEMENT		1 627	1 916	1 821	411	1 230	1 366	(136)	-10.0%	1 821
Vote 13 - WATER		852	1 860	2 502	533	1 392	1 877	(485)	-25.8%	2 502
Vote 14 - ELECTRICITY		7 864	8 899	9 058	2 268	6 793	6 793	(0)	0.0%	9 058
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	44 480	47 669	51 640	11 886	39 557	39 349	209	0.5%	51 533
Expenditure by Vote										
Vote 1 - MAYORAL & COUNCIL	1	5 123	6 882	6 699	1 362	3 949	4 475	(526)	-11.7%	6 699
Vote 2 - MUNICIPAL MANAGER		2 379	2 633	2 719	577	1 852	2 074	(222)	-10.7%	2 719
Vote 3 - CORPORATE SERVICES		7 492	7 187	8 233	1 536	4 887	6 193	(1 306)	-21.1%	8 233
Vote 4 - BUDGET & TREASURY		6 071	5 554	6 350	1 598	4 770	4 801	(32)	-0.7%	6 350
Vote 5 - PLANNING AND DEVEOLPMENT		428	389	495	104	335	376	(41)	-11.0%	495
Vote 6 - COMMUNITY AND SOCIAL SERV		779	895	884	180	488	672	(184)	-27.4%	884
Vote 7 - SPORTS AND RECREATION		851	1 178	1 172	231	698	888	(191)	-21.5%	1 172
Vote 8 - HOUSING		261	255	262	78	214	196	18	9.1%	262
Vote 9 - PUBLIC SAFETY		3 540	2 497	3 626	903	3 013	2 742	271	9.9%	3 626
Vote 10 - ROAD TRANSPORT		8 070	5 964	5 964	1 523	4 632	4 507	126	2.8%	5 964
Vote 11 - WASTE MANAGEMENT		1 114	1 238	1 271	221	748	961	(213)	-22.2%	1 271
Vote 12 - WASTE WATER MANAGEMENT		1 154	1 253	1 288	331	878	967	(89)	-9.2%	1 288
Vote 13 - WATER		1 589	3 483	3 802	904	2 398	2 859	(461)	-16.1%	3 802
Vote 14 - ELECTRICITY		6 169	6 652	6 984	1 641	5 537	5 238	299	5.7%	6 984
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	45 019	46 058	49 750	11 189	34 398	36 951	(2 553)	-6.9%	49 750
Surplus/ (Deficit) for the year	2	(539)	1 610	1 890	698	5 159	2 397	2 761	115.2%	1 783

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third 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	2 530	15	2 597	2 516	81	3%	2 530
Property rates - penalties & collection charges		194	60	60	65	116	45	71	159%	60
Service charges - electricity revenue		7 864	9 178	9 058	2 268	6 793	6 793	(0)	0%	9 058
Service charges - water revenue		852	1 618	1 560	533	1 392	1 170	222	19%	1 560
Service charges - sanitation revenue		1 627	1 897	1 731	411	1 230	1 298	(69)	-5%	1 731
Service charges - refuse revenue		1 503	1 669	1 634	409	1 229	1 226	3	0%	1 634
Service charges - other		88	78	311	16	85	233	(148)	-64%	311
Rental of facilities and equipment		910	829	834	241	787	625	162	26%	834
Interest earned - external investments		659	433	467	48	138	350	(211)	-60%	467
Interest earned - outstanding debtors		202	158	158	30	192	119	73	62%	158
Dividends received		-	-	-	-	-	-	-	-	-
Fines		2 325	1 755	3 130	837	2 544	2 347	197	8%	3 130
Licences and permits		860	248	344	268	767	258	509	198%	344
Agency services		102	95	95	-	-	71	(71)	-100%	95
Transfers recognised - operational		13 994	15 286	16 779	2 870	12 691	12 584	107	1%	16 779
Other revenue		988	738	1 007	89	225	755	(530)	-70%	1 007
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		34 285	36 198	39 697	8 101	30 787	30 391	395	1%	39 697
Expenditure By Type										
Employee related costs		9 481	12 809	12 978	2 660	8 167	9 372	(1 205)	-13%	12 978
Remuneration of councillors		2 079	2 109	2 249	616	1 656	1 687	(31)	-2%	2 249
Debt impairment		218	191	190	-	-	143	(143)	-100%	190
Depreciation & asset impairment		9 687	9 526	11 486	2 768	8 154	8 614	(460)	-5%	11 486
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		5 677	5 848	6 300	1 506	5 109	4 725	384	8%	6 300
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		2 383	2 181	4 230	512	1 591	3 173	(1 581)	-50%	4 230
Transfers and grants		3 572	3 576	3 983	949	2 604	2 987	(384)	-13%	3 983
Other expenditure		12 114	10 279	8 325	2 178	7 118	6 243	875	14%	8 325
Loss on disposal of PPE		-	12	9	-	-	7	(7)	-100%	9
Total Expenditure		45 211	46 531	49 749	11 189	34 399	36 951	(2 552)	-7%	49 749
Surplus/(Deficit)										
Transfers recognised - capital		10 387	11 943	11 943	3 786	8 770	8 957	(187)	(0)	11 943
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(539)	1 610	1 890	698	5 158	2 397			1 890
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(539)	1 610	1 890	698	5 158	2 397			1 890
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(539)	1 610	1 890	698	5 158	2 397			1 890
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(539)	1 610	1 890	698	5 158	2 397			1 890

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) - Q3 Third 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	87	2	13	149	(136)	-91%	87
Vote 4 - BUDGET & TREASURY		-	30	105	-	65	30	35	116%	105
Vote 5 - PLANNING AND DEVELOPMENT		-	12	12	-	-	12	(12)	-100%	12
Vote 6 - COMMUNITY AND SOCIAL SERV		-	185	192	-	-	185	(185)	-100%	192
Vote 7 - SPORTS AND RECREATION		247	1 589	3 336	40	40	1 006	(966)	-96%	3 336
Vote 8 - HOUSING		909	4 048	4 048	-	-	4 048	(4 048)	-100%	4 048
Vote 9 - PUBLIC SAFETY		-	70	40	-	-	20	(20)	-100%	40
Vote 10 - ROAD TRANSPORT		769	10	391	83	329	10	319	3193%	391
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		7 567	2 823	5 557	1 353	6 121	5 303	818	15%	5 557
Vote 13 - WATER		2 672	3 567	1 537	13	24	306	(282)	-92%	1 537
Vote 14 - ELECTRICITY		121	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	12 301	12 484	15 305	1 491	6 595	11 069	(4 474)	-40%	15 305
Total Capital Expenditure		12 301	12 484	15 305	1 491	6 595	11 069	(4 474)	-40%	15 305
Capital Expenditure - Standard Classification										
Governance and administration		17	179	192	2	81	179	(98)	-55%	192
Executive and council		-	-	-	-	3	-	3	#DIV/0!	-
Budget and treasury office		-	30	105	-	65	30	35	116%	105
Corporate services		17	149	87	2	13	149	(136)	-91%	87
Community and public safety		1 156	5 892	7 616	40	40	5 259	(5 219)	-99%	7 616
Community and social services		-	115	122	-	-	115	(115)	-100%	122
Sport and recreation		247	1 589	3 336	40	40	1 006	(966)	-96%	3 336
Public safety		-	70	40	-	-	20	(20)	-100%	40
Housing		909	4 048	4 048	-	-	4 048	(4 048)	-100%	4 048
Health		-	70	70	-	-	70	(70)	-100%	70
Economic and environmental services		769	22	403	83	329	22	307	1397%	403
Planning and development		-	12	12	-	-	12	(12)	-100%	12
Road transport		769	10	391	83	329	10	319	3193%	391
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		10 359	6 391	7 094	1 366	6 145	5 609	536	10%	7 094
Electricity		121	-	-	-	-	-	-	-	-
Water		2 672	3 567	1 537	13	24	306	(282)	-92%	1 537
Waste water management		7 567	2 823	5 557	1 353	6 121	5 303	818	15%	5 557
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	12 301	12 484	15 305	1 491	6 595	11 069	(4 474)	-40%	15 305
Funded by:										
National Government		10 675	10 218	11 587	1 438	6 447	9 003	(2 556)	-28%	11 587
Provincial Government		1 609	1 725	3 237	40	44	1 725	(1 681)	-97%	3 237
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		12 284	11 943	14 824	1 478	6 491	10 728	(4 237)	-39%	14 824
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		17	541	481	13	105	341	(236)	-69%	481
Total Capital Funding		12 301	12 484	15 305	1 491	6 595	11 069	(4 474)	-40%	15 305

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

Description	Ref	2012/13	Budget Year 2013/14			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		7 960	2	2	10 782	10 782
Call investment deposits		–	9 798	9 798	7 421	7 421
Consumer debtors		1 392	1 250	1 250	1 293	1 293
Other debtors		2 763	2 690	2 690	2 816	2 816
Current portion of long-term receivables		4	–	–	4	4
Inventory		1 203	1 300	1 300	1 203	1 203
Total current assets		13 322	15 040	15 040	23 521	23 521
Non current assets						
Long-term receivables		10	–	–	18	18
Investments		–	–	–	–	–
Investment property		4 564	4 934	4 934	4 564	4 564
Investments in Associate		–	–	–	–	–
Property, plant and equipment		146 856	139 327	139 327	139 711	139 711
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		534	947	947	534	534
Other non-current assets		43	48	48	43	43
Total non current assets		152 008	145 256	145 256	144 870	144 870
TOTAL ASSETS		165 330	160 297	160 297	168 391	168 391
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		351	335	335	316	316
Trade and other payables		6 485	5 941	5 941	8 764	8 764
Provisions		372	320	320	519	519
Total current liabilities		7 208	6 596	6 596	9 599	9 599
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		8 351	7 400	7 400	8 351	8 351
Total non current liabilities		8 351	7 400	7 400	8 351	8 351
TOTAL LIABILITIES		15 559	13 996	13 996	17 950	17 950
NET ASSETS	2	149 771	146 300	146 300	150 441	150 441
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		149 771	146 300	146 300	150 441	150 441
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	149 771	146 300	146 300	150 441	150 441

Table C7: Cash Flow

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

Description	Ref	Budget Year 2013/14								
		2012/13 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										
Ratepayers and other		18 742	18 605	18 605	6 404	25 823	1 449	24 374	1682%	18 605
Government - operating		25 334	14 786	14 786	2 607	10 880	181	10 699	5912%	14 786
Government - capital		-	11 943	11 943	5 505	9 835	1 493	8 342	559%	11 943
Interest		1 056	591	591	79	350	49	301	611%	591
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(35 863)	(32 929)	(32 929)	(8 745)	(28 355)	(2 461)	(25 894)	1052%	(32 929)
Finance charges		(307)	-	-	-	-	-	-	-	-
Transfers and Grants		-	(505)	(505)	(607)	(1 681)	(25)	(1 656)	6514%	(505)
NET CASH FROM/(USED) OPERATING ACTIVITIES		8 961	12 490	12 490	5 244	16 852	686	71 265	10395%	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)	(12 484)	(1 491)	(6 595)	(1 907)	(4 688)	246%	(12 484)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(11 004)	(12 484)	(12 484)	(1 491)	(6 595)	(1 907)	4 688	-246%	(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	6	3 752	10 256	(1 222)			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	7 966		18 216	6 738			7 966

6. Supporting Documentation

Debtors Analysis

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

Description	NT Code	Budget Year 2013/14									Total	Bad Debts
		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 Revenue Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	91	37	37	103	41	25	20	431	784	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	632	41	34	53	34	13	3	76	887	-	
Receivables from Non-exchange Transactions - Property Rates	1400	197	18	703	40	12	6	3	1 473	2 452	-	
Receivables from Exchange Transactions - Waste Water Management	1500	90	55	51	136	57	26	27	527	970	-	
Receivables from Exchange Transactions - Waste Management	1600	113	17	23	55	18	17	16	349	611	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	25	9	8	39	11	11	8	219	330	-	
Interest on Arrear Debtor Accounts	1810	550	-	-	-	-	-	-	-	550	-	
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(10)	1	1	3	8	2	1	10	15	-	
Total By Revenue Source	2000	1 688	177	857	435	181	100	77	3 084	6 599	-	
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	49	69	294	60	6	3	3	228	712	-	
Commercial	2300	552	14	14	25	4	8	5	111	734	-	
Households	2400	1 077	93	546	346	169	87	66	2 738	5 122	-	
Other	2500	10	1	4	4	1	2	2	7	31	-	
Total By Customer Category	2600	1 688	177	857	435	181	100	77	3 084	6 599	-	

Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q3 Third 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	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	7	-	-	-	-	-	-	-	7
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	2600	-	7	-	-	-	-	-	-	-	7

Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q3 Third 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%	23.1%	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%	4.1%	4.1%	5.8%	5.8%
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%	228.0%	228.0%	245.0%	245.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		110.4%	148.6%	148.6%	189.6%	189.6%
<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%	10.9%	9.9%	13.4%	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%	32.7%	26.5%	32.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.1%	5.2%	4.9%	3.3%	4.9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		28.3%	26.3%	28.9%	0.0%	5.7%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		24.6%	28.9%	31.7%	75.2%	31.7%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		11.7%	8.7%	8.7%	3.0%	3.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		3.8%	3.2%	3.1%	2.5%	3.1%

7. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the 3rd quarter of 2013/2014 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.