

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
Third Quarterly Budget
Statement
MARCH 2015**

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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 2015. The monthly and quarterly reports for March 2015 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 2014, and no major spending has occurred during the financial year.

4.1.2 Other relevant information

Year-to-date revenue raised is 12.72% over the projected year-to-date budget for the third quarter. Operating expenditure incurred amounts to 50.45% of year-to-date budget.

The Table below illustrates an overview of the Budget implementation of Laingsburg Municipality for the quarter ended March 2015.

R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Revenue (Excl. Capital transfers and contributions)	52 825	52 825	43 378	82.12
Total Expenditure	50 953	50 953	37 219	73.05
Less Depreciation	12 160	12 160	6 752	55.53
Surplus (Deficit) (Exl Capital transfers)	1 872	1 872	6 158	328.90
Capital Expenditure				
<i>Sources of Finance</i>				
Transfers from Grants	11 306	44 555	14 105	31.66
<i>Government - MIG</i>	<i>6 272</i>	<i>6 272</i>	<i>-</i>	<i>-</i>
<i>Government - Other</i>	<i>5 034</i>	<i>8 972</i>	<i>3</i>	<i>0.04</i>
<i>Housing</i>	<i>4 048</i>	<i>29 311</i>	<i>3</i>	<i>0.01</i>
Transfers from Internal funds	673	715	13	1.85
Capital Expenditure	11 979	45 271	14 119	31.19

Operating Revenue

The Municipality have generated 82.12% or R43,378 million of the Budgeted Revenue to date which is in line with the budgeted amounts. During the financial year operating grants totalling R14,882 million were received. Revenue from electricity is 5% over the year to date budget. The net revenue from traffic fines exceeds the year to date budgeted amount with 95.0%. This amounts to more than R1m over the projected amount for the period. 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 2015, the Municipality managed to spend within the budgeted norms. An amount of R 3,219 million or 73,05% 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 10%. The main reason for this deviation is due to the cold winter periods when the maximum demand was exceeded. Depreciation costs as well as the departmental charges were accounted for during the year. During this quarter the actual depreciation costs were accounted for.

The year to date actual employee costs is 6% 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 R177 000 or 25.8% of the internal funded Capital Budget to date. The MIG spending for the three quarters totals to R7,110 million to date.

Cash Flow

The Municipality started off with a cash flow balance of R8,317 million at the beginning of the year and increased it with R11,820 million. The closing balance for this quarter is R20,137 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 2014/2015 financial year.

Debtors

The Outstanding Debtors of the Municipality amounts to R R7,181 million for the quarter ending March 2015. The outstanding debt for more than 90 days amounts to 82.8% which is an increase of R1,272 million since the last quarter. The payment rate for 2013/2014 financial year was 94.43%. For the financial year to date the payment rate is 87.9%. This is a decrease since the previous financial year. 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 R0.00 million for the quarter ending March 2015 . 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	2013/14	Budget Year 2014/15							
	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	2 787	2 938	2 938	(7)	2 920	2 561	359	14%	2 590
Service charges	13 234	16 438	16 438	3 777	7 981	10 721	(2 740)	-26%	14 294
Investment revenue	793	660	660	169	350	469	(119)	-25%	625
Transfers recognised - operational	16 648	15 656	15 656	4 514	11 376	12 584	(1 208)	-10%	16 779
Other own revenue	20 458	5 241	5 241	2 072	4 040	4 057	(17)	-0%	5 409
Total Revenue (excluding capital transfers and contributions)	53 921	40 932	40 932	10 525	26 667	30 391	(3 725)	-12%	39 697
Employee costs	9 736	13 790	13 790	3 348	6 077	9 372	(3 296)	-35%	12 978
Remuneration of Councillors	2 201	2 336	2 336	546	1 092	1 687	(595)	-35%	2 249
Depreciation & asset impairment	9 266	12 160	12 160	745	4 590	8 614	(4 024)	-47%	11 486
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	6 648	6 523	6 523	1 476	3 643	4 725	(1 082)	-23%	6 300
Transfers and grants	3 649	4 215	4 215	1 030	2 301	2 987	(687)	-	3 983
Other expenditure	26 195	11 930	11 930	6 451	8 001	9 565	(1 564)	-16%	12 753
Total Expenditure	57 696	50 953	50 953	13 596	25 704	36 951	(11 248)	-30%	49 749
Surplus/(Deficit)	(3 775)	(10 021)	(10 021)	(3 071)	963	(6 560)	7 523	-115%	(10 053)
Transfers recognised - capital	12 394	11 893	11 893	6 136	6 463	8 957	(2 494)	-28%	11 943
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	8 619	1 872	1 872	3 065	7 426	2 397	5 029	210%	1 890
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	8 619	1 872	1 872	3 065	7 426	2 397	5 029	210%	1 890
Capital expenditure & funds sources									
Capital expenditure	8 631	11 979	11 979	11 137	12 542	6 945	5 597	81%	15 305
Capital transfers recognised	8 631	11 306	11 306	11 125	12 529	11 306	1 223	11%	14 824
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	0	673	673	12	13	673	(660)	-98%	481
Total sources of capital funds	8 631	11 979	11 979	11 137	12 542	11 979	563	5%	15 305
Financial position									
Total current assets	13 322	15 040	15 040		28 193				28 193
Total non current assets	152 008	145 256	145 256		149 235				149 235
Total current liabilities	7 208	6 596	6 596		7 493				7 493
Total non current liabilities	8 351	7 400	7 400		6 872				6 872
Community wealth/Equity	149 771	146 300	146 300		163 063				163 063
Cash flows									
Net cash from (used) operating	10 581	12 949	12 949	5 769	18 771	13 766	5 005	36%	12 949
Net cash from (used) investing	(10 223)	(11 619)	(11 619)	(11 137)	(12 542)	(5 049)	(7 493)	148%	(11 619)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	8 317	9 647	9 647	-	14 546	17 034	(2 487)	-15%	9 647
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	2 311	153	799	119	94	65	75	3 579	7 195
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Table C2: Financial Performance (Standard Classification)

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

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
Governance and administration		32 223	30 840	30 840	10 427	20 670	24 014	(3 344)	-14%	31 194
Executive and council		19 602	22 917	22 917	9 286	14 013	16 708	(2 694)	-16%	22 277
Budget and treasury office		8 699	5 064	5 064	647	4 648	4 049	599	15%	4 574
Corporate services		3 921	2 859	2 859	495	2 009	3 257	(1 248)	-38%	4 343
Community and public safety		19 836	4 751	4 751	2 035	3 883	3 216	667	21%	4 288
Community and social services		780	918	918	304	613	494	119	24%	659
Sport and recreation		1	1	1	2	2	0	2	517%	1
Public safety		19 044	3 822	3 822	1 726	3 262	2 715	548	20%	3 619
Housing		11	11	11	3	5	7	(2)	-26%	10
Health		-	-	-	0	-	-	-	-	-
Economic and environmental services		1 139	1 124	1 124	434	508	857	(349)	-41%	1 143
Planning and development		25	90	90	152	-	80	(80)	-100%	107
Road transport		1 115	1 034	1 034	282	508	777	(269)	-35%	1 036
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		13 116	16 109	16 109	3 765	7 917	11 261	(3 345)	-30%	15 015
Electricity		9 049	10 346	10 346	2 246	4 781	6 793	(2 012)	-30%	9 058
Water		673	2 024	2 024	603	1 189	1 877	(687)	-37%	2 502
Waste water management		1 749	1 955	1 955	452	1 021	1 366	(345)	-25%	1 821
Waste management		1 645	1 785	1 785	465	926	1 226	(300)	-24%	1 634
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	66 314	52 825	52 825	16 661	32 978	39 348	(6 370)	-16%	51 640
Expenditure - Standard										
Governance and administration		18 004	24 107	24 107	6 286	11 375	17 543	(6 168)	-35%	24 001
Executive and council		5 418	9 800	9 800	2 242	4 638	6 548	(1 910)	-29%	9 418
Budget and treasury office		6 611	6 697	6 697	2 620	4 218	4 801	(583)	-12%	6 350
Corporate services		5 975	7 611	7 611	1 423	2 518	6 193	(3 675)	-59%	8 233
Community and public safety		18 898	6 337	6 337	1 950	3 562	4 491	(929)	-21%	5 933
Community and social services		1 789	1 564	1 564	446	854	1 157	(303)	-26%	1 520
Sport and recreation		33	430	430	26	46	307	(262)	-85%	408
Public safety		16 698	3 973	3 973	1 416	2 535	2 742	(207)	-8%	3 626
Housing		342	277	277	52	110	196	(86)	-44%	262
Health		36	93	93	9	17	88	(72)	-81%	118
Economic and environmental services		9 335	6 919	6 919	2 431	4 598	4 883	(285)	-6%	6 460
Planning and development		398	617	617	252	371	376	(5)	-1%	495
Road transport		8 937	6 302	6 302	2 179	4 227	4 507	(280)	-6%	5 964
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		11 452	13 579	13 579	2 928	6 167	10 026	(3 860)	-38%	13 345
Electricity		7 050	7 246	7 246	1 568	3 844	5 238	(1 395)	-27%	6 985
Water		1 755	3 734	3 734	468	774	2 859	(2 085)	-73%	3 802
Waste water management		1 413	1 214	1 214	381	731	967	(237)	-24%	1 287
Waste management		1 234	1 385	1 385	512	818	961	(143)	-15%	1 271
Other		7	11	11	1	3	7	(5)	-65%	11
Total Expenditure - Standard	3	57 696	50 953	50 953	13 596	25 704	36 950	(11 247)	-30%	49 749
Surplus/ (Deficit) for the year		8 618	1 872	1 872	3 065	7 274	2 398	4 876	203%	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) - Q2 Second Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		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	19 602	22 917	22 917	9 286	14 013	16 708	(2 694)	-16.1%	22 277
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		3 908	2 859	2 859	495	2 009	3 257	(1 248)	-38.3%	4 343
Vote 4 - BUDGET & TREASURY		8 699	5 064	5 064	647	4 648	4 049	599	14.8%	4 574
Vote 5 - PLANNING AND DEVELOPMENT		25	90	90	152	152	80	72	89.5%	-
Vote 6 - COMMUNITY AND SOCIAL SERV		781	918	918	304	613	494	119	24.1%	659
Vote 7 - SPORTS AND RECREATION		1	1	1	2	2	0	2	517.3%	1
Vote 8 - HOUSING		11	11	11	3	5	7	(2)	-26.4%	10
Vote 9 - PUBLIC SAFETY		19 044	3 822	3 822	1 726	3 262	2 715	548	20.2%	3 619
Vote 10 - ROAD TRANSPORT		1 115	1 034	1 034	282	508	777	(269)	-34.6%	1 036
Vote 11 - WASTE MANAGEMENT		1 451	1 785	1 785	465	926	1 226	(300)	-24.5%	1 634
Vote 12 - WASTE WATER MANAGEMENT		1 749	1 955	1 955	452	1 021	1 366	(345)	-25.3%	1 821
Vote 13 - WATER		673	2 024	2 024	603	1 189	1 877	(687)	-36.6%	2 502
Vote 14 - ELECTRICITY		9 049	10 346	10 346	2 246	4 781	6 793	(2 012)	-29.6%	9 058
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	66 108	52 825	52 825	16 661	33 130	39 349	(6 219)	-15.8%	51 533
Expenditure by Vote										
Vote 1 - MAYORAL & COUNCIL	1	2 760	6 960	6 960	1 467	3 180	4 475	(1 295)	-28.9%	6 699
Vote 2 - MUNICIPAL MANAGER		2 658	2 840	2 840	775	1 458	2 074	(616)	-29.7%	2 719
Vote 3 - CORPORATE SERVICES		5 962	7 611	7 611	1 423	2 518	6 193	(3 675)	-59.3%	8 233
Vote 4 - BUDGET & TREASURY		6 611	6 697	6 697	2 620	4 218	4 801	(583)	-12.1%	6 350
Vote 5 - PLANNING AND DEVELOPMENT		398	617	617	252	371	376	(5)	-1.3%	495
Vote 6 - COMMUNITY AND SOCIAL SERV		1 116	850	850	255	487	672	(185)	-27.6%	884
Vote 7 - SPORTS AND RECREATION		749	1 249	1 249	227	432	888	(457)	-51.4%	1 172
Vote 8 - HOUSING		342	277	277	52	110	196	(86)	-43.8%	262
Vote 9 - PUBLIC SAFETY		16 698	3 973	3 973	1 416	2 535	2 742	(207)	-7.5%	3 626
Vote 10 - ROAD TRANSPORT		8 937	6 302	6 302	2 179	4 227	4 507	(280)	-6.2%	5 964
Vote 11 - WASTE MANAGEMENT		1 041	1 385	1 385	512	818	961	(143)	-14.8%	1 271
Vote 12 - WASTE WATER MANAGEMENT		1 413	1 214	1 214	381	731	967	(237)	-24.5%	1 288
Vote 13 - WATER		1 755	3 734	3 734	468	774	2 859	(2 085)	-72.9%	3 802
Vote 14 - ELECTRICITY		7 050	7 246	7 246	1 568	3 844	5 238	(1 395)	-26.6%	6 984
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	57 489	50 953	50 953	13 596	25 704	36 951	(11 247)	-30.4%	49 750
Surplus/ (Deficit) for the year	2	8 619	1 872	1 872	3 065	7 426	2 397	5 029	209.7%	1 783

Table C4: Financial Performance (Revenue and Expenditure)

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

Description	Ref	2013/14	Budget Year 2014/15							
		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		2 615	2 875	2 875	(73)	2 801	2 516	285	11%	2 530
Property rates - penalties & collection charges		173	63	63	65	119	45	74	164%	60
Service charges - electricity revenue		9 049	10 346	10 346	2 246	4 781	6 793	(2 012)	-30%	9 058
Service charges - water revenue		673	2 024	2 024	603	1 189	1 170	19	2%	1 560
Service charges - sanitation revenue		1 749	1 955	1 955	452	1 021	1 298	(278)	-21%	1 731
Service charges - refuse revenue		1 645	1 785	1 785	465	926	1 226	(300)	-24%	1 634
Service charges - other		118	329	329	12	64	233	(169)	-72%	311
Rental of facilities and equipment		929	881	881	302	550	625	(76)	-12%	834
Interest earned - external investments		557	493	493	116	209	350	(141)	-40%	467
Interest earned - outstanding debtors		236	167	167	53	141	119	22	19%	158
Dividends received		-	-	-	-	-	-	-	-	-
Fines		17 986	3 305	3 305	1 464	2 681	2 347	334	14%	3 130
Licences and permits		887	363	363	225	523	258	266	103%	344
Agency services		120	100	100	11	11	71	(60)	-85%	95
Transfers recognised - operational		16 648	15 656	15 656	4 514	11 376	12 584	(1 208)	-10%	16 779
Other revenue		536	592	592	70	275	755	(480)	-64%	1 007
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		53 921	40 932	40 932	10 525	26 667	30 391	(3 725)	-12%	39 697
Expenditure By Type										
Employee related costs		9 736	13 790	13 790	3 348	6 077	9 372	(3 296)	-35%	12 978
Remuneration of councillors		2 201	2 336	2 336	546	1 092	1 687	(595)	-35%	2 249
Debt impairment		13 041	201	201	(14)	19	143	(123)	-87%	190
Depreciation & asset impairment		9 266	12 160	12 160	745	4 590	8 614	(4 024)	-47%	11 486
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		6 648	6 523	6 523	1 476	3 643	4 725	(1 082)	-23%	6 300
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		2 728	2 887	2 887	792	1 416	3 173	(1 757)	-55%	4 230
Transfers and grants		3 649	4 215	4 215	1 030	2 301	2 987	(687)	-23%	3 983
Other expenditure		10 426	8 842	8 842	5 674	6 566	6 243	323	5%	8 325
Loss on disposal of PPE		-	-	-	-	-	7	(7)	-100%	9
Total Expenditure		57 696	50 953	50 953	13 596	25 704	36 951	(11 248)	-30%	49 749
Surplus/(Deficit)		(3 775)	(10 021)	(10 021)	(3 071)	963	(6 560)	7 523	(0)	(10 053)
Transfers recognised - capital		12 394	11 893	11 893	6 136	6 463	8 957	(2 494)	(0)	11 943
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		8 619	1 872	1 872	3 065	7 426	2 397			1 890
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		8 619	1 872	1 872	3 065	7 426	2 397			1 890
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		8 619	1 872	1 872	3 065	7 426	2 397			1 890
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		8 619	1 872	1 872	3 065	7 426	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) - Q2 Second Quarter

Vote Description	Ref	2013/14	Budget Year 2014/15							
		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		-	-	-	6	6	-	6	#DIV/0!	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	(1)	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	13	13	129	129	13	116	889%	87
Vote 4 - BUDGET & TREASURY		-	65	65	-	-	65	(65)	-100%	105
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	12
Vote 6 - COMMUNITY AND SOCIAL SERV		-	1 658	1 658	-	-	1 658	(1 658)	-100%	192
Vote 7 - SPORTS AND RECREATION		2 095	-	-	71	1 147	-	1 147	#DIV/0!	3 336
Vote 8 - HOUSING		-	-	-	5 297	5 297	-	5 297	#DIV/0!	4 048
Vote 9 - PUBLIC SAFETY		-	350	350	-	-	350	(350)	-100%	40
Vote 10 - ROAD TRANSPORT		2 748	3 481	3 481	4 823	5 151	3 481	1 670	48%	391
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		1 568	481	481	499	499	481	18	4%	5 557
Vote 13 - WATER		2 185	897	897	213	213	897	(684)	-76%	1 537
Vote 14 - ELECTRICITY		35	5 034	5 034	100	100	-	100	#DIV/0!	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	8 631	11 979	11 979	11 137	12 542	6 945	5 597	81%	15 305
Total Capital Expenditure		8 631	11 979	11 979	11 137	12 542	6 945	5 597	81%	15 305
Capital Expenditure - Standard Classification										
Governance and administration		-	78	78	134	135	78	57	73%	192
Executive and council		-	-	-	5	6	-	6	#DIV/0!	-
Budget and treasury office		-	65	65	-	-	65	(65)	-100%	105
Corporate services		-	13	13	129	129	13	116	889%	87
Community and public safety		2 095	2 008	2 008	5 368	6 444	2 008	4 436	221%	7 616
Community and social services		-	1 588	1 588	-	-	1 588	(1 588)	-100%	122
Sport and recreation		2 095	-	-	71	1 147	-	1 147	#DIV/0!	3 336
Public safety		-	350	350	-	-	350	(350)	-100%	40
Housing		-	-	-	5 297	5 297	-	5 297	#DIV/0!	4 048
Health		-	70	70	-	-	70	(70)	-100%	70
Economic and environmental services		2 748	3 481	3 481	4 823	5 151	3 481	1 670	48%	403
Planning and development		-	-	-	-	-	-	-	-	12
Road transport		2 748	3 481	3 481	4 823	5 151	3 481	1 670	48%	391
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		3 788	6 412	6 412	812	812	6 412	(5 600)	-87%	7 094
Electricity		35	5 034	5 034	100	100	5 034	(4 934)	-98%	-
Water		2 185	897	897	213	213	897	(684)	-76%	1 537
Waste water management		1 568	481	481	499	499	481	18	4%	5 557
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	8 631	11 979	11 979	11 137	12 542	11 979	563	5%	15 305
Funded by:										
National Government		8 631	11 306	11 306	11 125	12 529	11 306	1 223	11%	11 587
Provincial Government		-	-	-	-	-	-	-	-	3 237
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		8 631	11 306	11 306	11 125	12 529	11 306	1 223	11%	14 824
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		0	673	673	12	13	673	(660)	-98%	481
Total Capital Funding		8 631	11 979	11 979	11 137	12 542	11 979	563	5%	15 305

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

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		7 960	2	2	10 268	10 268
Call investment deposits		–	9 798	9 798	7 771	7 771
Consumer debtors		1 392	1 250	1 250	1 082	1 082
Other debtors		2 763	2 690	2 690	3 373	3 373
Current portion of long-term receivables		4	–	–	3	3
Inventory		1 203	1 300	1 300	5 696	5 696
Total current assets		13 322	15 040	15 040	28 193	28 193
Non current assets						
Long-term receivables		10	–	–	10	10
Investments		–	–	–	–	–
Investment property		4 564	4 934	4 934	4 440	4 440
Investments in Associate		–	–	–	–	–
Property, plant and equipment		146 856	139 327	139 327	144 472	144 472
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		534	947	947	269	269
Other non-current assets		43	48	48	43	43
Total non current assets		152 008	145 256	145 256	149 235	149 235
TOTAL ASSETS		165 330	160 297	160 297	177 428	177 428
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		351	335	335	381	381
Trade and other payables		6 485	5 941	5 941	6 826	6 826
Provisions		372	320	320	286	286
Total current liabilities		7 208	6 596	6 596	7 493	7 493
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		8 351	7 400	7 400	6 872	6 872
Total non current liabilities		8 351	7 400	7 400	6 872	6 872
TOTAL LIABILITIES		15 559	13 996	13 996	14 365	14 365
NET ASSETS	2	149 771	146 300	146 300	163 063	163 063
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		149 771	146 300	146 300	163 063	163 063
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	149 771	146 300	146 300	163 063	163 063

Table C7: Cash Flow

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

Description	Ref	2013/14		Budget Year 2014/15						
		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		20 561	22 893	22 893	(2 400)	15 698	11 700	3 998	34%	22 893
Government - operating		16 648	15 656	15 656	11 463	16 923	11 640	5 283	45%	15 656
Government - capital		12 423	11 893	11 893	8 895	8 895	10 425	(1 530)	-15%	11 893
Interest		966	660	660	169	350	330	20	6%	660
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(38 712)	(37 625)	(37 625)	(11 551)	(21 591)	(19 970)	(1 621)	8%	(37 625)
Finance charges		(206)	-	-	-	-	-	-	-	-
Transfers and Grants		(1 099)	(528)	(528)	(807)	(1 505)	(360)	(1 145)	318%	(528)
NET CASH FROM/(USED) OPERATING ACTIVITIES		10 581	12 949	12 949	5 769	18 771	13 766	10 537	77%	12 949
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		(10 223)	(11 619)	(11 619)	(11 137)	(12 542)	(5 049)	(7 493)	148%	(11 619)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10 223)	(11 619)	(11 619)	(11 137)	(12 542)	(5 049)	7 493	-148%	(11 619)
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		358	1 330	1 330	(5 368)	6 229	8 716			1 330
Cash/cash equivalents at beginning:		7 960	8 317	8 317		8 317	8 317			8 317
Cash/cash equivalents at month/year end:		8 317	9 647	9 647		14 546	17 034			9 647

6. Supporting Documentation

Debtors Analysis

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

Description	NT Code	Budget Year 2014/15									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	159	33	47	30	24	32	16	528	869	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	561	18	29	13	6	4	10	198	838	-	
Receivables from Non-exchange Transactions - Property Rates	1400	630	23	630	15	-	1	11	1 643	2 953	-	
Receivables from Exchange Transactions - Waste Water Management	1500	143	32	53	27	22	10	17	559	863	-	
Receivables from Exchange Transactions - Waste Management	1600	128	21	20	20	19	10	10	350	578	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	57	22	18	14	22	8	11	278	430	-	
Interest on Arrear Debtor Accounts	1810	645	-	-	-	-	-	-	-	645	-	
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(13)	5	2	-	1	1	1	22	19	-	
Total By Revenue Source	2000	2 311	153	799	119	94	65	75	3 579	7 195	-	
2013/14 - totals only		1 191 575	136 117	135 362	101 861	143 858	802 699	359 906	3 143 366	6 015	0	
Debtors Age Analysis By Customer Category												
Organs of State	2200	138	13	341	5	8	2	7	607	1 121	-	
Commercial	2300	570	11	9	1	3	20	1	10	624	-	
Households	2400	1 552	123	445	111	81	42	66	2 937	5 357	-	
Other	2500	51	6	5	1	2	1	1	25	94	-	
Total By Customer Category	2600	2 311	153	799	119	94	65	75	3 579	7 195	-	

Creditors Analysis

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

Description	NT Code	Budget Year 2014/15									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	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	2600	-	-	-	-	-	-	-	-	-	-

Performance Indicators

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

Description of financial indicator	Basis of calculation	Ref	2013/14	Budget Year 2014/15			
			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%	23.9%	23.9%	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%	4.2%	4.2%
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	184.8%	228.0%	228.0%	376.3%	376.3%
Liquidity Ratio	Monetary Assets/Current Liabilities		110.4%	148.6%	148.6%	240.7%	240.7%
<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		7.7%	9.6%	9.6%	16.8%	11.3%
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))		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		18.1%	33.7%	33.7%	22.8%	32.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.4%	5.1%	5.1%	3.0%	4.9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		17.2%	29.7%	29.7%	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)		38.7%	32.7%	32.7%	116.8%	32.7%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		10.5%	7.6%	7.6%	2.4%	3.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		3.8%	3.5%	3.5%	2.0%	3.5%

7. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the 3rd quarter of 2014/2015 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.