

# LAINGSBURG MUNICIPALITY



In-Year Report for the Municipality  
Third Quarterly Budget  
Statement  
MARCH 2017

## 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.....	18

## 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 2017. The monthly and quarterly reports for March 2017 should be read in conjunction with one another.

## 4. Executive Summary

### 4.1.1 Financial problems or risks facing the Municipality

There are no serious 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 2016, and no major spending has occurred during the financial year.

The availability of grants funding is limited and a large portion of the MIG is still unspent due to various reasons.

The cash flow of the municipality is currently under extreme pressure. Reasons for this are the growth in debtors, the new housing project that was completed and most of the new consumers are on the indigent lists but the equitable share grant did not increase in the same proportion.

It will be necessary to monitor spending very closely and more attention to the collection of outstanding amounts must be given.

#### 4.1.2 Other relevant information

Year-to-date revenue raised is 98.68% of the projected year-to-date budget for the third quarter. Operating expenditure incurred amounts to 94.18% of year-to-date budget.

The Table below illustrates an overview of the Budget implementation of Laingsburg Municipality for the quarter ended March 2017.

##### Operating Revenue

The Municipality have generated 71.7% or R56,850 million of the Budgeted Revenue to date which exceeds the budgeted amounts. During the financial year operating grants totalling R10,591 million were received. 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 2017, the Municipality managed to spend within the budgeted norms. An amount of R R59,889 million or 61,66% have been spent to date.

##### Capital Expenditure

The Municipality has incurred R203 000 or 13.16% of the internal funded Capital Budget to date. The external spending for the year to date totals to R5,105 million to date.

##### Cash Flow

The Municipality started off with a cash flow balance of R9,964 million at the beginning of the year and increased it with R2,138 million. The closing balance for this quarter is R12,103 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 2016/2017 financial year.

##### Debtors

The Outstanding Debtors of the Municipality amounts to R R5,938 million for the quarter ending March 2017. The outstanding debt for more than 90 days amounts to 70.66%. The payment rate for

2015/2016 financial year was 105%. For the financial year to date the payment rate is 89.74%. This is a decrease since the previous financial year. The Municipality is fully implementing the Debt Collection and Credit Control Policy.

### Creditors

Total outstanding creditors amount to R2 748 for the quarter ending March 2017 . 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	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b><u>Financial Performance</u></b>									
Property rates	3 129	4 004	3 501	(146)	3 559	2 843	716	25%	3 501
Service charges	15 324	16 567	16 192	4 338	12 797	12 255	541	4%	16 192
Investment revenue	1 429	1 119	843	122	524	840	(316)	-38%	843
Transfers recognised - operational	18 084	18 429	20 806	2 228	10 591	12 732	(2 141)	-17%	20 806
Other own revenue	23 063	38 575	37 914	9 760	29 379	28 942	437	2%	37 914
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>61 030</b>	<b>78 695</b>	<b>79 257</b>	<b>16 302</b>	<b>56 850</b>	<b>57 612</b>	<b>(762)</b>	<b>-1%</b>	<b>79 257</b>
Employee costs	15 198	20 664	20 543	4 682	14 009	15 129	(1 120)	-7%	20 543
Remuneration of Councillors	2 408	2 619	2 619	604	1 853	1 945	(92)	-5%	2 619
Depreciation & asset impairment	9 275	12 303	12 473	5 360	5 360	2 547	2 813	110%	12 473
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	7 487	8 713	7 500	1 600	5 707	6 667	(960)	-14%	7 500
Transfers and grants	35 659	4 559	4 619	622	1 913	2 440	(527)	-	4 619
Other expenditure	32 010	46 740	49 371	9 936	31 047	34 862	(3 815)	-11%	49 371
<b>Total Expenditure</b>	<b>102 038</b>	<b>95 598</b>	<b>97 123</b>	<b>22 805</b>	<b>59 889</b>	<b>63 591</b>	<b>(3 702)</b>	<b>-6%</b>	<b>97 123</b>
<b>Surplus/(Deficit)</b>	<b>(41 008)</b>	<b>(16 903)</b>	<b>(17 867)</b>	<b>(6 504)</b>	<b>(3 039)</b>	<b>(5 979)</b>	<b>2 940</b>	<b>-49%</b>	<b>(17 867)</b>
Transfers recognised - capital	29 323	8 159	10 680	296	5 105	6 657	(1 552)	-23%	10 680
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(11 685)</b>	<b>(8 744)</b>	<b>(7 187)</b>	<b>(6 208)</b>	<b>2 066</b>	<b>678</b>	<b>1 388</b>	<b>205%</b>	<b>(7 187)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(11 685)</b>	<b>(8 744)</b>	<b>(7 187)</b>	<b>(6 208)</b>	<b>2 066</b>	<b>678</b>	<b>1 388</b>	<b>205%</b>	<b>(7 187)</b>
<b><u>Capital expenditure &amp; funds sources</u></b>									
<b>Capital expenditure</b>	<b>25 889</b>	<b>14 703</b>	<b>11 724</b>	<b>419</b>	<b>5 308</b>	<b>10 936</b>	<b>(5 628)</b>	<b>-51%</b>	<b>11 724</b>
Capital transfers recognised	24 530	13 160	10 181	273	5 105	9 263	(4 158)	-45%	10 181
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	168	1 543	1 543	147	203	1 673	(1 470)	-88%	1 543
<b>Total sources of capital funds</b>	<b>24 699</b>	<b>14 703</b>	<b>11 724</b>	<b>419</b>	<b>5 308</b>	<b>10 936</b>	<b>(5 628)</b>	<b>-51%</b>	<b>11 724</b>
<b><u>Financial position</u></b>									
Total current assets	18 711	17 729	17 729		23 461				17 729
Total non current assets	152 413	161 963	161 963		161 912				161 963
Total current liabilities	7 003	14 140	14 140		18 495				14 140
Total non current liabilities	6 872	3 429	3 429		3 421				3 429
<b>Community wealth/Equity</b>	<b>157 249</b>	<b>162 123</b>	<b>162 123</b>		<b>163 456</b>				<b>162 123</b>
<b><u>Cash flows</u></b>									
Net cash from (used) operating	25 325	3 247	3 247	2 157	7 362	2 664	4 697	176%	3 247
Net cash from (used) investing	(30 689)	(12 484)	(12 484)	(313)	(5 308)	(7 430)	2 122	-29%	(12 484)
Net cash from (used) financing	99	24	24	7	85	18	67	373%	24
<b>Cash/cash equivalents at the month/year end</b>	<b>4 699</b>	<b>751</b>	<b>751</b>	<b>-</b>	<b>12 103</b>	<b>5 216</b>	<b>6 886</b>	<b>132%</b>	<b>751</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b><u>Debtors Age Analysis</u></b>									
Total By Income Source	741	862	139	174	114	783	104	3 021	5 938
<b><u>Creditors Age Analysis</u></b>									
Total Creditors	3	-	-	-	-	-	-	-	3



Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q3 Third Quarter

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		49 665	29 464	32 735	3 131	17 009	22 487	(5 478)	-24%	22 186
Executive and council		20 302	14 647	14 625	2 599	11 093	11 484	(392)	-3%	14 625
Budget and treasury office		5 267	12 272	15 123	112	3 884	9 041	(5 157)	-57%	4 574
Corporate services		24 097	2 545	2 987	420	2 032	1 961	71	4%	2 987
<i>Community and public safety</i>		22 187	38 153	37 278	9 491	29 363	28 602	761	3%	37 278
Community and social services		971	993	995	19	1 001	744	257	35%	995
Sport and recreation		4	3	16	1	15	2	13	734%	16
Public safety		21 201	37 145	36 255	9 468	28 339	27 847	492	2%	36 255
Housing		11	12	12	3	8	9	(1)	-11%	12
Health		-	0	0	1	-	-	-	-	0
<i>Economic and environmental services</i>		1 341	1 059	1 083	182	717	795	(78)	-10%	1 083
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 341	1 059	1 083	182	717	795	(78)	-10%	1 083
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17 158	18 178	18 842	4 849	14 867	12 386	2 480	20%	18 842
Electricity		11 108	11 367	11 658	3 064	9 361	8 052	1 309	16%	11 658
Water		2 316	2 746	2 890	648	2 039	1 428	612	43%	2 890
Waste water management		1 998	2 117	2 302	621	1 873	1 513	360	24%	2 302
Waste management		1 736	1 948	1 992	516	1 594	1 394	200	14%	1 992
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	90 352	86 854	89 937	17 652	61 955	64 270	(2 314)	-4%	79 388
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		59 689	30 650	33 491	6 102	17 040	19 991	(2 951)	-15%	33 491
Executive and council		38 675	11 773	11 861	2 480	6 395	6 552	(157)	-2%	11 861
Budget and treasury office		13 864	9 971	12 848	1 944	6 477	7 752	(1 275)	-16%	12 848
Corporate services		7 151	8 907	8 782	1 678	4 168	5 687	(1 519)	-27%	8 782
<i>Community and public safety</i>		20 500	37 945	37 772	8 786	25 229	27 640	(2 411)	-9%	37 772
Community and social services		2 030	2 041	2 041	1 114	1 483	1 132	351	31%	2 041
Sport and recreation		45	481	481	9	21	83	(62)	-74%	481
Public safety		18 220	35 148	34 975	7 477	23 600	26 329	(2 730)	-10%	34 975
Housing		187	190	190	185	124	32	92	292%	190
Health		19	85	85	-	1	64	(63)	-99%	85
<i>Economic and environmental services</i>		10 230	11 778	11 778	6 412	7 837	5 851	1 985	34%	11 778
Planning and development		1 063	1 043	1 043	379	768	761	7	1%	1 043
Road transport		9 167	10 734	10 734	6 033	7 069	5 090	1 979	39%	10 734
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		11 611	15 212	14 070	3 934	9 779	10 101	(321)	-3%	14 070
Electricity		7 812	9 292	8 149	1 874	6 110	6 918	(809)	-12%	8 149
Water		1 211	2 454	2 454	335	1 385	1 351	33	2%	2 454
Waste water management		1 858	2 013	2 013	1 321	1 342	935	407	44%	2 013
Waste management		730	1 454	1 454	404	943	896	47	5%	1 454
<i>Other</i>		6	13	13	-	5	9	(4)	-48%	13
<b>Total Expenditure - Standard</b>	3	102 038	95 598	97 123	25 234	59 889	63 591	(3 702)	-6%	97 123
<b>Surplus/ (Deficit) for the year</b>		(11 686)	(8 744)	(7 187)	(7 582)	2 066	678	1 388	205%	(17 735)

**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	2015/16	Budget Year 2016/17							
		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		20 302	14 647	14 625	2 599	11 092	11 484	(392)	-3.4%	14 625
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		24 096	2 545	2 987	420	2 032	1 961	71	3.6%	2 987
Vote 4 - BUDGET & TREASURY		5 267	12 272	15 123	112	3 884	9 041	(5 157)	-57.0%	15 123
Vote 5 - PLANNING AND DEVEOLPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		972	994	995	19	1 001	744	257	34.5%	995
Vote 7 - SPORTS AND RECREATION		4	3	16	1	15	2	13	733.6%	16
Vote 8 - HOUSING		11	12	12	3	8	9	(1)	-11.4%	12
Vote 9 - PUBLIC SAFETY		21 201	37 145	36 255	9 468	28 339	27 847	492	1.8%	36 255
Vote 10 - ROAD TRANSPORT		1 341	1 059	1 083	182	717	795	(78)	-9.8%	1 083
Vote 11 - WASTE MANAGEMENT		1 581	1 948	1 992	516	1 594	1 394	200	14.4%	1 992
Vote 12 - WASTE WATER MANAGEMENT		1 998	2 117	2 302	621	1 873	1 513	360	23.8%	2 302
Vote 13 - WATER		2 316	2 746	2 890	648	2 039	1 428	612	42.8%	2 890
Vote 14 - ELECTRICITY		11 108	11 367	11 658	3 064	9 361	8 052	1 309	16.3%	11 658
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	90 197	86 854	89 937	17 652	61 954	64 270	(2 315)	-3.6%	89 937
Expenditure by Vote	1									
Vote 1 - MAYORAL & COUNCIL		35 464	7 713	7 737	1 351	4 001	3 714	288	7.7%	7 737
Vote 2 - MUNICIPAL MANAGER		3 210	4 060	4 125	1 129	2 394	2 838	(444)	-15.7%	4 125
Vote 3 - CORPORATE SERVICES		7 150	8 907	8 782	1 678	4 168	5 687	(1 519)	-26.7%	8 782
Vote 4 - BUDGET & TREASURY		13 864	9 971	12 848	1 944	6 477	7 752	(1 275)	-16.4%	12 848
Vote 5 - PLANNING AND DEVEOLPMENT		1 063	1 043	1 043	379	768	761	7	0.9%	1 043
Vote 6 - COMMUNITY AND SOCIAL SERV		1 231	1 389	1 389	616	886	807	79	9.8%	1 389
Vote 7 - SPORTS AND RECREATION		868	1 230	1 230	508	624	481	142	29.6%	1 230
Vote 8 - HOUSING		187	190	190	185	124	32	92	292.3%	190
Vote 9 - PUBLIC SAFETY		18 220	35 148	34 975	7 477	23 600	26 329	(2 730)	-10.4%	34 975
Vote 10 - ROAD TRANSPORT		9 167	10 734	10 734	6 033	7 069	5 090	1 979	38.9%	10 734
Vote 11 - WASTE MANAGEMENT		576	1 454	1 454	404	943	896	47	5.3%	1 454
Vote 12 - WASTE WATER MANAGEMENT		1 858	2 013	2 013	1 321	1 342	935	407	43.6%	2 013
Vote 13 - WATER		1 211	2 454	2 454	335	1 385	1 351	33	2.5%	2 454
Vote 14 - ELECTRICITY		7 812	9 292	8 149	1 874	6 110	6 918	(809)	-11.7%	8 149
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	101 882	95 598	97 123	25 234	59 889	63 591	(3 702)	-5.8%	97 123
Surplus/ (Deficit) for the year	2	(11 685)	(8 744)	(7 187)	(7 582)	2 065	678	1 387	204.4%	(7 187)

**Table C4: Financial Performance (Revenue and Expenditure)**

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

Woods Ealingbury - Table 04 Monthly Budget Statement - Financial Performance (Revenue and expenditure) - Q3 Third Quarter										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>Revenue By Source</u>										
Property rates		2 934	3 870	3 281	(236)	3 293	2 748	545	20%	3 281
Property rates - penalties & collection charges		195	134	220	90	266	95	171	179%	220
Service charges - electricity revenue		10 901	11 163	11 204	3 069	9 088	8 052	1 036	13%	11 204
Service charges - water revenue		1 061	1 499	1 143	938	1 370	1 428	(58)	-4%	1 143
Service charges - sanitation revenue		1 998	2 117	2 302	(48)	1 200	1 513	(313)	-21%	2 302
Service charges - refuse revenue		1 249	1 446	1 490	328	1 061	1 017	44	4%	1 490
Service charges - other		115	341	52	51	78	245	(168)	-68%	52
Rental of facilities and equipment		1 108	812	1 078	230	798	634	164	26%	1 078
Interest earned - external investments		1 270	906	833	134	546	680	(133)	-20%	833
Interest earned - outstanding debtors		159	213	10	(12)	(22)	160	(183)	-114%	10
Dividends received		-	-	-	-	-	-	-	-	-
Fines		19 962	36 737	35 823	9 184	27 550	27 541	9	0%	35 823
Licences and permits		1 145	273	298	285	797	204	592	290%	298
Agency services		142	107	107	35	90	80	10	12%	107
Transfers recognised - operational		18 084	18 429	20 806	2 228	10 591	12 732	(2 141)	-17%	20 806
Other revenue		706	647	609	26	145	483	(338)	-70%	609
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		61 030	78 695	79 257	16 302	56 850	57 612	(762)	-1%	79 257
<u>Expenditure By Type</u>										
Employee related costs		15 198	20 664	20 543	4 682	14 009	15 129	(1 120)	-7%	20 543
Remuneration of councillors		2 408	2 619	2 619	604	1 853	1 945	(92)	-5%	2 619
Debt impairment		14 311	25 424	25 251	6 300	18 900	18 893	7	0%	25 251
Depreciation & asset impairment		9 275	12 303	12 473	5 360	5 360	2 547	2 813	110%	12 473
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		7 487	8 713	7 500	1 600	5 707	6 667	(960)	-14%	7 500
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		3 267	7 765	7 765	848	2 473	5 822	(3 349)	-58%	7 765
Transfers and grants		35 659	4 559	4 619	622	1 913	2 440	(527)	-22%	4 619
Other expenditure		14 432	13 551	16 355	2 789	9 674	10 147	(473)	-5%	16 355
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		102 038	95 598	97 123	22 805	59 889	63 591	(3 702)	-6%	97 123
Surplus/(Deficit)		(41 008)	(16 903)	(17 867)	(6 504)	(3 039)	(5 979)	2 940	(0)	(17 867)
Transfers recognised - capital		29 323	8 159	10 680	296	5 105	6 657	(1 552)	(0)	10 680
Contributions recognised - capital								-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		(11 685)	(8 744)	(7 187)	(6 208)	2 066	678			(7 187)
Taxation								-		
Surplus/(Deficit) after taxation		(11 685)	(8 744)	(7 187)	(6 208)	2 066	678			(7 187)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		(11 685)	(8 744)	(7 187)	(6 208)	2 066	678			(7 187)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		(11 685)	(8 744)	(7 187)	(6 208)	2 066	678			(7 187)

**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	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	

R thousands

<b>Capital Expenditure - Standard Classification</b>										
<i>Governance and administration</i>		-	583	583	120	145	583	(438)	-75%	583
Executive and council		-	-	-	-	19	-	19	#DIV/0!	-
Budget and treasury office		-	40	40	-	4	40	(36)	-89%	40
Corporate services		-	543	543	120	122	543	(421)	-78%	543
<i>Community and public safety</i>		1 949	2 169	2 281	38	2 258	2 020	238	12%	2 281
Community and social services		361	1 300	1 303	38	897	1 300	(403)	-31%	1 303
Sport and recreation		1 072	429	538	-	95	-	95	#DIV/0!	538
Public safety		-	-	-	-	-	-	-	-	-
Housing		516	160	160	-	1 266	160	1 106	691%	160
Health		-	280	280	-	-	560	(560)	-100%	280
<i>Economic and environmental services</i>		12 148	430	2 148	67	869	430	439	102%	2 148
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		12 148	430	2 148	67	869	430	439	102%	2 148
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		11 792	11 521	6 712	195	2 036	7 903	(5 867)	-74%	6 712
Electricity		7 696	2 000	2 000	58	1 869	2 000	(131)	-7%	2 000
Water		2 140	6 371	4 562	110	114	2 903	(2 789)	-96%	4 562
Waste water management		1 956	3 150	150	27	53	3 000	(2 947)	-98%	150
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	3	25 889	14 703	11 724	419	5 308	10 936	(5 628)	-51%	11 724
<b>Funded by:</b>										
National Government		24 530	13 160	10 181	273	5 105	9 263	(4 158)	-45%	10 181
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24 530	13 160	10 181	273	5 105	9 263	(4 158)	-45%	10 181
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		168	1 543	1 543	147	203	1 673	(1 470)	-88%	1 543
<b>Total Capital Funding</b>		24 699	14 703	11 724	419	5 308	10 936	(5 628)	-51%	11 724

**Table C6: Financial Position**

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

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		8 317	9 964	9 964	12 103	9 964
Call investment deposits		–	–	–	–	–
Consumer debtors		4 336	6 053	6 053	(12 942)	6 053
Other debtors		360	116	116	22 317	116
Current portion of long-term receivables		–	–	–	–	–
Inventory		5 698	1 597	1 597	1 983	1 597
<b>Total current assets</b>		<b>18 711</b>	<b>17 729</b>	<b>17 729</b>	<b>23 461</b>	<b>17 729</b>
<b>Non current assets</b>						
Long-term receivables		9	3	3	3	3
Investments		–	–	–	–	–
Investment property		4 440	4 392	4 392	4 302	4 392
Investments in Associate		–	–	–	–	–
Property, plant and equipment		147 576	156 917	156 917	157 043	156 917
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		343	640	640	551	640
Other non-current assets		43	12	12	13	12
<b>Total non current assets</b>		<b>152 413</b>	<b>161 963</b>	<b>161 963</b>	<b>161 912</b>	<b>161 963</b>
<b>TOTAL ASSETS</b>		<b>171 124</b>	<b>179 693</b>	<b>179 693</b>	<b>185 373</b>	<b>179 693</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		396	437	437	483	437
Trade and other payables		6 322	8 812	8 812	13 144	8 812
Provisions		286	4 891	4 891	4 868	4 891
<b>Total current liabilities</b>		<b>7 003</b>	<b>14 140</b>	<b>14 140</b>	<b>18 495</b>	<b>14 140</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	–	–
Provisions		6 872	3 429	3 429	3 421	3 429
<b>Total non current liabilities</b>		<b>6 872</b>	<b>3 429</b>	<b>3 429</b>	<b>3 421</b>	<b>3 429</b>
<b>TOTAL LIABILITIES</b>		<b>13 875</b>	<b>17 569</b>	<b>17 569</b>	<b>21 917</b>	<b>17 569</b>
<b>NET ASSETS</b>	2	<b>157 249</b>	<b>162 123</b>	<b>162 123</b>	<b>163 456</b>	<b>162 123</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		120 313	125 678	125 678	127 010	125 678
Reserves		36 937	36 445	36 445	36 445	36 445
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>157 249</b>	<b>162 123</b>	<b>162 123</b>	<b>163 456</b>	<b>162 123</b>

Table C7: Cash Flow

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

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates, penalties & collection charges		2 528	3 604	3 604	–	2 324	2 843	(519)	-18%	3 604
Service charges		14 606	17 002	17 002	1 621	12 739	12 631	107	1%	17 002
Other revenue		47 562	13 055	13 055	1 025	10 742	9 813	929	9%	13 055
Government - operating		19 559	16 793	16 793	3 373	12 921	12 593	328	3%	16 793
Government - capital		–	8 159	8 159	574	8 315	6 657	1 658	25%	8 159
Interest		1 041	1 120	1 120	(44)	244	840	(596)	-71%	1 120
Dividends		–	–	–	–	–	–	–		–
<b>Payments</b>										
Suppliers and employees		(58 195)	(55 858)	(55 858)	(4 341)	(40 054)	(42 084)	(2 031)	5%	(55 858)
Finance charges		–	–	–	–	–	–	–		–
Transfers and Grants		(1 777)	(628)	(628)	(51)	131	(628)	(760)	121%	(628)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>25 325</b>	<b>3 247</b>	<b>3 247</b>	<b>2 157</b>	<b>7 362</b>	<b>2 664</b>	<b>4 697</b>	<b>176%</b>	<b>3 247</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
<b>Payments</b>										
Capital assets		(30 689)	(12 484)	(12 484)	(313)	(5 308)	(7 430)	2 122	-29%	(12 484)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(30 689)</b>	<b>(12 484)</b>	<b>(12 484)</b>	<b>(313)</b>	<b>(5 308)</b>	<b>(7 430)</b>	<b>(2 122)</b>	<b>29%</b>	<b>(12 484)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		99	24	24	7	85	18	67	373%	24
<b>Payments</b>										
Repayment of borrowing		–	–	–	–	–	–	–		–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>99</b>	<b>24</b>	<b>24</b>	<b>7</b>	<b>85</b>	<b>18</b>	<b>(67)</b>	<b>-373%</b>	<b>24</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(5 265)</b>	<b>(9 213)</b>	<b>(9 213)</b>	<b>1 851</b>	<b>2 139</b>	<b>(4 748)</b>			<b>(9 213)</b>
Cash/cash equivalents at beginning:		9 964	9 964	9 964		9 964	9 964			9 964
Cash/cash equivalents at month/year end:		4 699	751	751		12 103	5 216			751

## 6. Supporting Documentation

### Debtors Analysis

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

Description		NT Code	Budget Year 2016/17										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.o Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water		1200	123	25	65	35	25	22	23	244	561	349	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity		1300	223	34	39	25	21	16	15	164	537	241	-	-	
Receivables from Non-exchange Transactions - Property Rates		1400	160	18	93	41	17	669	11	1 612	2 622	2 350	-	-	
Receivables from Exchange Transactions - Waste Water Management		1500	139	24	65	38	20	22	20	302	631	402	-	-	
Receivables from Exchange Transactions - Waste Management		1600	114	21	45	19	15	17	17	88	336	156	-	-	
Receivables from Exchange Transactions - Property Rental Debtors		1700	(51)	16	120	16	13	37	18	284	453	368	-	-	
Interest on Arrear Debtor Accounts		1810	-	724	-	-	-	-	-	724	-	-	-	-	
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure		1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other		1900	32	0	(286)	0	2	0	0	327	75	330	-	-	
Total By Income Source		2000	741	862	139	174	114	783	104	3 021	5 938	4 196	-	-	
2015/16 - totals only			702 023	782 644	114 632	86 396	97 643	97 937	89 788	3 573 353	5 544	3 945	-	-	0
Debtors Age Analysis By Customer Group															
Organs of State		2200	(632)	121	32	24	14	294	27	577	457	936	-	-	
Commercial		2300	891	41	18	6	15	4	6	136	1 116	167	-	-	
Households		2400	541	661	86	139	81	458	67	2 120	4 153	2 865	-	-	
Other		2500	(59)	38	3	6	4	28	3	188	211	229	-	-	
Total By Customer Group		2600	741	862	139	174	114	783	104	3 021	5 938	4 196	-	-	

### Creditors Analysis

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

Wessex Langsbury - Supporting Table 564 Monthly Budget Statement - aged creditors - Q3 third Quarter											
Description	NT Code	Budget Year 2016/17									
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	3	-	-	-	-	-	-	-	3	
Auditor General	0800	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	2600	3	-	-	-	-	-	-	-	3	

## Material variance explanations

WC051 Laingsburg - Supporting Table SC1 Material variance explanations - Q3 Third Quarter

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	<b>R thousands</b>			
1	<b>Revenue By Source</b>			
	Property rates	1 754	Property rates levied in July for FY not on a monthly basis	None
	Property rates - penalties & collection charge	71	Interest are now levied on all outstanding rates 30+	None
	Transfers recognised - operational	5 691	More grants were received during quarter	None
2	<b>Expenditure By Type</b>			
	Employee related costs	486	Bonusses are now accrued on a monthly basis, but were paid in cash at the end of November	
	Depreciation & asset impairment	(1 733)	Depreciation for new aquisitions during fin year will only be accounted for during end of fy	
	Remuneration of councillors	(214)	Increase in Councillors salaries normally during March	
	Other expenditure	39	Few items under this vote exceeds ytd budget for instance	None but will monitor
3	<b>Capital Expenditure</b>			
	Road transport	1 471	Construction work on the project accelerated and will be finished	none - MIG grant
	Housing	(163)	project is in process - payment was made during November	
4	<b>Financial Position</b>			
5	<b>Cash Flow</b>			
	Ratepayers and other	16 965	Inflow of debtors paying rates higher and rise in traffic fines	None
	Transfers and Grants	397	Indigent subsidies transferred to qualifying accounts	None
	Suppliers and employees	(8 742)	Some expenditure items are before the ytd budget but will stabilize during the fin year	
	Government - capital	(7 051)	Not all capitals grants budgeted for were received till this month - housing still to be claimed	
6	<b>Measureable performance</b>			
7	<b>Municipal Entities</b>			



## Performance Indicators

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

Description of financial indicator	Basis of calculation	Ref	2015/16	Budget Year 2016/17			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	12.9%	12.8%	0.0%	2.7%
Borrowed funding of 'own n' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		4.0%	5.4%	5.4%	8.0%	5.4%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	267.2%	125.4%	125.4%	126.8%	125.4%
Liquidity Ratio	Monetary Assets/Current Liabilities		118.8%	70.5%	70.5%	65.4%	70.5%
<b><u>Revenue Management</u></b>							
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%	7.8%	7.8%	16.5%	7.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		90.0%	90.0%	90.0%	92.0%	90.0%
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
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		24.9%	26.3%	25.9%	24.6%	25.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.5%	4.3%	4.3%	2.2%	4.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		15.2%	15.6%	15.7%	0.0%	3.3%
<b><u>IDP regulation financial viability indicators</u></b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		14.1%	13.0%	13.1%	-15.1%	13.1%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		28.3%	36.5%	37.4%	-24.9%	11.8%
iii. Cost coverage	(Availible cash + Investments)/monthly fixed operational expenditure		3.8%	0.2%	0.2%	1.0%	0.2%

## 7. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the 3rd quarter of 2016/2017 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.
- (c) That Council must give its full support in the collection of outstanding amounts.