

LAINGSBURGMUNICIPALITY

SECTION 52 REPORT

QUARTERLY PERFORMANCE

2018/19 ASSESSMENT REPORT- Q 1

01 July – 30 September 2018

A municipality that works



Table of Contents

SECTION 1 - INTRODUCTION	6
SECTION 2 – EXECUTIVE MAYOR’S REPORT	7
SECTION 3 – RESOLUTIONS.....	7
SECTION 4 – EXECUTIVE SUMMARY	7
4.1 Financial problems or risks facing the Municipality	7
4.3 Operating Revenue.....	8
4.4 Operating Expenditure	8
4.5 Capital Expenditure.....	8
4.6 Cash Flow.....	9
4.7 Debtors.....	9
4.8 Creditors.....	9
SECTION 5 - FINANCIAL KEY PERFORMANCE INDICATORS.....	9
5.1 Key Financial Indicators.....	11
5.2 Borrowing, funding and reserves policy	12
5.2.1 Purpose/ Use of the Ratio and Norm	12
5.2.2 Interpretation of Results	12
5.2.4 Interpretation of Results	12
5.2.5 Purpose/ Use of the Ratio and Norm	13
5.2.6 Interpretation of Results	13
5.2.7 Purpose/ Use of the Ratio and Norm	13
5.2.8 Interpretation of Results	13
5.3 Liquidity policy	14
5.3.1 Purpose/ Use of the Ratio and Norm	14
5.3.2 Interpretation of Results	15
5.3.3 Purpose/ Use of the Ratio and Norm	15
5.3.4 Interpretation of Results	15
5.3.5 Interpretation of Results	17
5.4 Other ratios of importance	17
5.4.1 Purpose/ Use of the Ratio and Norm	17
5.4.2 Interpretation of Results	18
5.4.3 Purpose/ Use of the Ratio and Norm	18
5.4.4 Interpretation of Results	18
5.4.5 Purpose/ Use of the Ratio and Norm	19
5.4.6 Interpretation of Results	19
5.4.7 Purpose/ Use of the Ratio and Norm	19

5.4.8 Interpretation of Results	20
4.5.9 Purpose/ Use of the Ratio and Norm	20
4.5.10 Interpretation of Results	20
SECTION 6 - NON - FINANCIAL PERFORMANCE REPORT	21
6.1 Background	21
6.1.1 Legislative Requirements	21
6.1.2 Definition of Performance Management	21
6.1.3 Institutionalising Performance Management	21
6.1.4 Strategic Performance	22
6.1.5 Definition of Service Delivery Budget Implementation Plan	22
6.1.6 The IDP and the Budget	22
6.1.7 Municipal Scorecard	23
6.1.8 Background to the format of SDBIP	23
6.1.9 Monitoring and Evaluation	25
6.2 Actual Performance for the 1 st Quarter	25
6.2.1 Overall Performance of the Municipality	26
Laingsburg Municipality	28
Toplayer SDBIP	28
Summary of Results	38
SECTION 7 – IN-YEAR BUDGET STATEMENT TABLES	38
Table C1: Monthly Budget Statement Summary	39
Table C2: Financial Performance (Standard Classification)	40
Table C3: Financial Performance (Revenue and Expenditure by Municipal Vote)	41
Table C4: Financial Performance (Revenue and Expenditure)	42
Table C5: Capital Expenditure (Municipal Vote, Standard Classification and Funding)	43
Table C6: Financial Position	44
Table C7: Cash Flow	46
Table SC1 Material variance explanations	47
SECTION 8 – DEBTOR ANALYSIS	48
Table SC3 Debtors Analysis	48
SECTION 9 – CREDITOR ANALYSIS (TRADE AND OTHER PAYABLES)	51
Table SC4 Creditors Analysis	51
SECTION 10 – INVESTMENT PORTFOLIO	52
Table SC5 Investment Portfolio	52
SECTION 11 - COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS	53
Table SC 8 Councilor and staff benefits	53
SECTION 12 - RECEIPT AND EXPENDITURE ON GRANT PROGRAMMES	54

SC6 Transfers and Grant Receipts	54
SECTION 13 – MATERIAL VARIANCES TO THE SDBIP	55
SECTION 14 – CAPITAL PROGRAMME PERFORMANCE	56
Table SC12 – Capital expenditure trend.....	56
SECTION 15 – OTHER SUPPORTING DOCUMENTATION	56
Table SC9 – Cash flow per month by source of revenue and type of expenditure.....	57
Table SC13 a – Capital expenditure on new assets by asset class	58
Table SC13 c – Expenditure on Repairs and Maintenance by asset class	59
Table SC13 d – Depreciation charges by asset class	60
Schedule C – National Treasury Formats graphs	61
Capital Expenditure monthly trend: Actual VS Target.....	61
Capital Expenditure: YTD Actual VS YTD Target.....	61
Aged Consumer Debtors analysis	62
Aged Creditors analysis	63
SECTION 16 - WARD COMMITTEES	63
SECTION 17 - RECOMMENDATIONS	63
SECTION 18 - CONCLUSION	63

QUALITY CERTIFICATE

I, PA Williams the acting municipal manager of Laingsburg Local Municipality, hereby certify that the quarterly report on the implementation of the budget and financial state affairs

For the period of 1 July 2018 until 30 September 2018 has been prepared in accordance of the Municipal Finance Management Act and regulations made under the Act.

PA Williams

PA WILLIAMS

ACTING MUNICIPAL MANAGER

31 October 2018

SECTION 1 - INTRODUCTION

The purpose of this report is firstly to comply with section 52(d) of the Municipal Finance Management Act (MFMA), by submission of a report to the Council on the implementation of the budget.

The report provides a quarterly overview of the financial performance of the municipality, whilst it also provides a monitoring tool for Council on the non-financial indicators which is part of the service delivery and budget implementation plan.

The reports strategic objective is to ensure good governance, provide a monitor tool for financial viability as well as to provide Council with the necessary information to make informed decisions.

Section 52 (d) of the MFMA requires that:

“the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.”

Section 75 (1) (k) of the MFMA requires that one should place the following documents of the municipality on the website:

“all quarterly reports tabled in the council in terms of section 52 (d).”

Council must therefore take note that this report will be published on the official website of the Municipality.

The report provides a quarterly overview of the municipal financial and non-financial performance to give council a monitoring tool to review performance as part of the Service Delivery and Budget Implementation plan (SDBIP) regarding the progress made with the implementation of Key Performance Indicators (KPI's) in the realisation of the developmental priorities and strategic objectives as determined in the Municipality's Integrated Development Plan (IDP) as well as in the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP) for the first quarter (01 July 2018 – 30 September 2018) of the 2018/2019 financial year.

SECTION 2 – EXECUTIVE MAYOR’S REPORT

Schedule C (In-Year Reports of Municipalities) of the Local Government: Municipal Finance Management Act Municipal Budget and Reporting Regulations, relating to the Mayor’s report states that:

“3. Mayor’s report - The mayor’s report accompanying an in-year must provide-

- a) A summary of whether the municipality’s budget is being implemented in accordance with the service delivery and budget implementation plan and any service delivery agreements with municipal entities;”**

Refer to Section 3 – Executive summary for the measurement of financial (Section 3.1) and non-financial (Section 3.2) key performance indicators.

- b) “A summary of any financial problems or risks facing the municipality or any such entity; and”**

I am not aware of any financial problems or risks facing the municipality.

- c) “Any other information considered relevant by the mayor.”**

There is no other information considered to be relevant.

SECTION 3 – RESOLUTIONS

The draft resolution tabled to Council by the Executive Mayor for consideration regarding the Section 52 report is:

- That Council takes cognizance of the Finance Management Report (MFMA Section 52 report) for the quarter ending 30 September 2018 on the implementation of the budget and the financial state of affairs of the municipality.

SECTION 4 – EXECUTIVE SUMMARY

The quarterly report, the so called MFMA Section 52 report, is a monitoring tool for the approved service delivery and budget implementation plan, which can be divided into two parts namely the financial and non-financial key performance indicators.

4.1 Financial problems or risks facing the Municipality

The Municipality is still facing financial and cash flow problems. There was no dramatic change in the situation that was experienced during the first quarter of 2017/2018 and the rest of that financial period. Discussions were held on various occasions for the preparation of a financial regression plan.

Attention has been given to smaller expense items but without focusing on actual problem areas. At the end of this quarter the total amount of budgeted items that exceeds the year-to-date budget amounts to just over R946 000. The status of subsistence and traveling for the first quarter is in excess of the year to date budget in excess of R94 000. The operating revenue and expenditure to date are however within the budget limits. The main reason for expenditure to be in the total budgeting norms are due to the none cash items like depreciation and provisions that will be accounted for at the end of the financial year. The majority of the operating grants were received during the first quarter. Payment for debtors for the first quarter was low and an increase in service charges is a reality irrespective of the efforts being made to encourage recovery of the debt. Annual rates are levied during July for the financial year and is payable in monthly installments.

The table below shows items that were placed on the original curtailment list and which should be within the budget:

ITEMS	OPER BUDGET ORIGINAL	BUDGE T YTD %	BUDGET YTD	YTD SPENT	% YTD SPENT	% OF FULL BUDGET	OVERSPENT
SUBSISTANCE & TRAVEL							
COUNCIL GENERAL EXPENCES	179 040.00	25.00	44 760.00	97 215.11	217.19	54.30	52 455.11
MUNICIPAL MANAGER	58 200.00	25.00	14 550.00	49 681.62	341.45	85.36	35 131.62
FINANCIAL SERVICES	68 880.00	25.00	17 220.00	21 207.51	123.16	30.79	3 987.51
LIBRARY	12 480.00	25.00	3 120.00	5 756.40	184.50	46.13	2 636.40
PUBLIC ENTERTAINMENT	10 560.00	25.00	2 640.00	15 608.25	591.22	147.81	12 968.25
FUEL & OIL	247 680.00	25.00	61 920.00	84 915.61	137.14	34.28	22 995.61
REPAIRS - VEHICLES	57 480.00	25.00	14 370.00	37 023.68	257.65	64.41	22 653.68
WYKSKOMITEE 2	80 280.00	25.00	20 070.00	26 397.46	131.53	32.88	6 327.46
WYKSKOMITEE 4	80 280.00	25.00	20 070.00	38 633.33	192.49	48.12	18 563.33

4.2 Other relevant information

Year-to-date revenue raised is 80.41% of the projected year-to-date budget for the first quarter. Operating expenditure incurred amounts to 54.29% of year-to-date budget. The depreciation and annual journals will be processed at the end of the second quarter after the finalization of the audit.

4.3 Operating Revenue

The Municipality have generated 20.1% or R16,448 million of the Budgeted Revenue to date which is lower than the budgeted amounts. During the first quarter operating grants totaling R6,298 million were received. The largest share of the grants received forms part of the Equitable share allocation for the financial year.

4.4 Operating Expenditure

For the quarter ending September 2018, the Municipality managed to spend within the budgeted norms, if the non-cash transactions are not taken into account. An amount of R12,343 million or 13,55% have been spent to date. This amounts to 54,29% of the budgeted quarterly expenditure. As mentioned above the depreciation and annual journals will be processed at the end of the financial year.

4.5 Capital Expenditure

The Municipality has incurred R3,358 million or 32,40% of the external funded Capital Budget to date. The MIG spending for the first quarter totals to R3,358 to date.

4.6 Cash Flow

The Municipality started off with a cash flow balance of R10,078 million at the beginning of the year and increased it with R9,555 million. The closing balance for this quarter is R19,633 million. The increase in cash flow is due to the receipt of the operational grants and unspent capital grants. The Municipal cash flow is mainly from Operating Activities as no Borrowing or Investments are budgeted for the 2017/2018 financial year.

4.7 Debtors

The Outstanding Debtors of the Municipality amounts to R R10,356 million for the quarter ending September 2018. The outstanding debt for more than 90 days amounts to 46.6% to 42.35% at the end of the first quarter 2017. That means that the debtors book over 90 days has grown with 4.25% over the past financial year. We must keep in mind that the average consumer account increase for the 2017/2018 financial year was less than 6%. The likelihood of recovering amounts over 90 days is getting worse. The payment rate for 2017/2018 financial year was 84.47%. This includes the transfers to indigent accounts

4.8 Creditors

Total outstanding creditors amount to R0 for the quarter ending September 2018. 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.

SECTION 5 - FINANCIAL KEY PERFORMANCE INDICATORS

The financial performance indicators as prescribed by National Treasury is provided in Table SC 2.

Table SC2 – Financial Performance indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q1 First Quarter

Description of financial indicator	Basis of calculation	Ref	2017/18	Budget Year 2018/19			
			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%	11.6%	11.6%	0.0%	3.1%
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		8.0%	8.3%	8.3%	12.1%	8.3%
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	106.4%	72.4%	72.4%	93.9%	72.4%
Liquidity Ratio	Monetary Assets/Current Liabilities		42.8%	47.9%	47.9%	69.9%	47.9%
<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		10.6%	4.6%	4.6%	32.7%	4.6%
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))						
<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					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		28.6%	29.9%	29.9%	29.0%	29.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		2.3%	12.9%	12.9%	0.0%	3.4%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		9.7%	9.1%		0.0%	9.1%

The other financial performance indicators are discussed below:

Table 5.1 provides a high level summary of the municipality's performance on the capital and operational revenue and expenditure measured against the budget as at 30 September 2018.

5.1 Key Financial Indicators

Description	Operating Revenue	Operating Expenditure	Capital Expenditure
	R'000	R'000	R'000
Year-to-date budget CY	20 455 143	22 736 241	3 358 323
Actuals as at Current Quarter	16 448 329	12 342 587	3 358 323
Variance between YTD Budget and YTD Actuals	4 006 814	10 393 654	-
Variance %	19.59	45.71	100.00

Table 5. 2 Actual Budget Spending

Description	Operating Revenue	Operating Expenditure	Capital Expenditure
	R'000	R'000	R'000
Annual Budget	81 820 589	91 087 400	10 366 598
Actuals as at Current Quarter	16 448 329	12 342 587	3 358 323
Actual as % of total Budget	20.10	13.55	32.40

Table 5.3 provide the key financial indicators, comparing the 2017/18 financial performance of the municipality to the 2018/19 year to date figures as at 30 September 2018.

RATION DESCRIPTION	CY	PY
<u>Revenue Management</u>		
Level of reliance on Government grants	24.31	23.42
Actual income vs Budgeted Income	80.41	91.08
<u>Expenditure Management</u>		
Personnel Costs to total Expenditure	38.65	27.03
Actual expenditure vs Budgeted Expenditure	54.29	84.05
Interest Paid as a percentage of total expenditure	-	-
Repairs and maintenance / PPE (carry amount)	0.19	0.69
Repairs and maintenance / total expenditure	2.53	1.59
<u>Asset Management</u>		
Actual versus Budgeted Capital Expenditure	32.40	48.47
Stockholding period(Days)		

Debt Management			
Creditors payment period (Days)	30		30
Arrear debtors collection period (Days)	246	124	
Liquidity			
Current ratio	93.90	71.01	
Acid Test ratio	89.00	65.63	
Turnover of accounts receivable	1.09	5.90	
Cash to interest	0		0
Debt to cash	-485.63	-4.10	
CASH TO income	2.07	0.66	
Total Liabilities / Total Assets	15.85	13.53	

5.2 Borrowing, funding and reserves policy

The borrowing, funding and reserves policy makes the measurement of the following ratios compulsory:

- a) Interest paid to total expenditure

5.2.1 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the interest paid to total expenditure may not exceed 5%.

5.2.2 Interpretation of Results

Interest paid to total expenditure is well within the norm of 5% Interest payments are currently made bi-annually.

- b) Total long term debt to total operating revenue

5.2.3 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the total long term debt to total operating revenue (excluding conditional grants and transfers) must not exceed 45%. Table 5.4 provide the year to date measurement against the results of 2017/18.

Table 5.4 Long Term Revenue

5.2.4 Interpretation of Results

This percentage of long-term debt to operating revenue is well within the approved policy of Council of 45%.

- c) Cash generation from operating activities

5.2.5 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the cash generation from operating activities must at least cover the annual loan repayments 1 time. Table 5.5 provide the year to date measurement against the results of 2017/18.

Table 5.5 Loan Repayments Vs Cash

Description	CY	PY
Coverage of Annual Loan Repayments by cash generated from operating	0	0
Cash generated from operating activities	6 908 707	12 533 755
Annual Loan Repayments	0	0

5.2.6 Interpretation of Results

Laingsburg Municipality does not have a high reliance on loans. Thus the ratio will always be favorable. The coverage of cash generated from operating activities to the annual loan repayment is well above the norm of 1 time.

- d) Percentage of annual loan repayment to total operating expenditure

5.2.7 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the percentage of total annual loan repayment (Capital and Interest) to total operating expenditure must not be more than 10%. Table 5.6 provide the year to date measurement against the results of 2017/18.

Table 5.6 Loan Repayments

Description	CY	PY
Percentage of annual loan repayments to total operating expenditure	0	0
Annual loan repayments (interest & Capital)	0	0
Total Operating Expenditure	12 342 587	72 300 953.90

5.2.8 Interpretation of Results

Laingsburg Municipality does not have a high reliance on loans and thus the amounts relating to repayment of loans are low. Thus the ratio will always be favorable. The percentage of

annual loan repayment to total operating expenditure is well within the norm of 10%.

5.3 Liquidity policy

The liquidity policy makes the measurement of the following ratios compulsory:

- a) Cash/Cost Coverage Ratio

5.3.1 Purpose/ Use of the Ratio and Norm

The approved policy by Council determines that the Cash/Cost Coverage Ratio (Excluding Unspent Conditional Grants) must be calculated as ((Cash and Cash Equivalents – Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortization, Provision for Bad Debts, Impairment and Loss on Disposal of Assets) and that a coverage of 1-3 times is acceptable.

Table 5.7 provide the measurement based on the last month of the quarter measured against the last month of 2017/18.

Table 5.7 Cash and Cash Equivalents

DESCRIPTION	CY	PY
<u>Cash/Cost Coverage Ratio (Times)</u>		
Cash and Cash equivalents	19 641 787	13 654 410
Monthly Fixed Operational Expenditure	3 147 180.00	3 028 341.67
<u>Cash and Cash Equivalents:</u>		
Petty Cash and bank Balances	20 195 862	8 631 927
Less:		
Unspent Conditional Grants	21 922 861	14 335 184
Overdraft	0	0
Plus:		
Short-term investments	-554 575	1 445 425
<u>Monthly Fixed Operational Expenditure</u>		
Total average monthly expenditure for the year	7 590 617	6 025 079
Less:		
Depreciation & Amortisation	878 647	32 365
Provision for bad debt	2 158 990	2 179 230
Impairment and loss on Disposal of Assets	0	0
Fair Value Adjustments	0	0

5.3.2 Interpretation of Results

The cash/cost coverage ratio is less than the norm of 1-3 times as per liquidity policy and improved from 2017/18 to 2018/19 mainly because of the increase in “Short-term investments”.

b) Current ratio

5.3.3 Purpose/ Use of the Ratio and Norm

The purpose of this ratio is to measure the Municipality’s ability to meets its short-term commitments.

The higher the current Ratio, the more capable the Municipality will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A financial ratio under 1 suggests that the Municipality would be unable to pay all its current or short-term obligations if they fall due at any specific point.

If current liabilities exceed current assets, it highlights serious financial challenges and likely liquidity problems i.e. insufficient cash to meet short-term financial obligations. Current assets must therefore be increased to appropriately cover current liabilities otherwise there is a risk that non-current assets will need to be liquidated to settle current liabilities.

The approved policy by Council determines that the current ratio must be between 1.5:1 and 2:1. Table 5.8 provides the calculated current year ratio.

Table 5.8 Current Assets and Liabilities

Description	CY	PY
Current Ratio	93.90	71.01
Current Assets	26 397 798	18 199 310
Current Liabilities	28 112 638	25 628 810

5.3.4 Interpretation of Results

The municipality operates above the norm set by Council. The ratio improved since the end of the previous year.

The liquidity policy goes a step further and prescribes the calculation formula to determine a

minimum liquidity requirement, it differs from the normal generally recognised calculation method as used above. Table 5.9 provides the measurement method as prescribed in the policy, it measures the year to date results against the results of 2017/18.

Table 5.9 Liquidity Requirement Calculation

Liquidity Requirement Calculation	CY R	PY R
All earmarked and/or conditional grants received but not yet utilised	0	0
Value of the provisions held in cash for the clearing of alien vegetation and the rehabilitation of landfill sites to the extent that these funds are required within the following 5 years	0	0
Value of legally entrenched short term rights and benefits of employees related to Medical benefits & Retirement benefits	3 509 000	3 509 000.0
Unspent Loan Funds	0	0
Funds held for agency services not yet performed	0	0
Reserve funds reflected in Statement of Financial Position that are assumed to be held in cash	1 260 637	1 260 637
Capital redemption and interest payments on external loans not reflected as part of normal operational expenditure	0	0
1 months operational expenditure excluding non-cash items	3 147 180	3 028 342
Consumer Deposits	500 051	505 849
Other Deposits and Other Advance Payments:		
- Retentions	0	0
- Payments Received in Advance	0	0
- Other Deposits	0	0
Non-current Deposit: Pavilion	0	0
Commitments resulting from contracts concluded as part of Capex Programme, not reflected in operational budget	6 162 844	8 794 844

Table 5.10 Actual Liquidity

Actual available liquidity held [reference paragraph 4.2.]	CY R	PY R
Bank Balance at e.g.:		
- ABSA, FNB, Standard Bank, Nedbank, Investec, Money Market		
Bank balance sub total	20 194 312	8 630 377
95% of all other term investments with Banks	-526 846	1 373 154
90% of Market value of all Bonds on the JSE that are held	0	0
Consumer debtors (current – 60 days)	5 320 748	685 168
Other reserves held in cash not reflected in bank balances mentioned above for e.g.:	0	0
- Unspent conditional grants	0	0
- Payments received for agency functions not yet performed	0	0
- The cash value of reserves held	0	0
- Cash deposits held as part of loan covenants or ceded	0	0
- Undrawn bank overdraft facility or committed liquidity lines available	0	0
TOTAL LIQUIDITY AVAILABLE	24 988 214	10 688 698
LIQUIDITY SURPLUS (SHORT FALL)		
SURPLUS THAT COULD BE APPROPRIATED TO CAPITAL REPLACEMENT RESERVE		

5.3.5 Interpretation of Results

It is clear from above that the Municipality does meet the minimum level set by the approved policy. The liquidity surplus improved measured against the result of the last financial year.

5.4 Other ratios of importance

The following ratios are important within this quarterly report.

- a) Debtors collection period in days

5.4.1 Purpose/ Use of the Ratio and Norm

This ratio reflects the collection period. The debtor days refers to the average number of days required for the Municipality to receive payment from its consumers for bills/invoices issued to them for services.

The ratio is also a good indication of the effectiveness of credit control procedures within the Municipality. If the ratio is above the norm, it indicates that the Municipality is exposed to significant cash flow risk.

This is also an indication that the municipality is experiencing challenges in the collection of outstanding amounts due to it. In addition, this indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.

Table 5.11 Debt Collection

Description	CY	PY
Debtors collection period (days)		
Consumer debtors*365	246	124
Rates revenue + Services revenue + Debtors income		

5.4.2 Interpretation of Results

The municipality does not operate within the norm. The ration has weakened measured against the result of the last financial year. The reason for the increase in the collection period is due to raising of annual rates in the first quarter of the financial year for the financial period as a whole.

b) Level of reliance on government grants

5.4.3 Purpose/ Use of the Ratio and Norm

The Ratio measures the extent to which the municipality's Expenditure is funded through government grants and subsidies.

No norm is proposed at this time by National Treasury. It must be mentioned that National Treasury does promote a healthy balance of funding sources.

Table 5.12 Grant Reliance

Description	CY	PY
Level of reliance on government grants	24.31	23.42
Government Grants and subsidies	6 297 782.89	17 823 000.00
Total Revenue	16 448 329.32	69 313 755.78

5.4.4 Interpretation of Results

The results indicates that the municipality is dependent on grant funding to run its normal operations.

b) Implementation of the Capital program

5.4.5 Purpose/ Use of the Ratio and Norm

This ratio measures the extent to which Budgeted Capital Expenditure has been spent during the financial year, under review. Further, this ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation.

The ratio also assesses whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget. Any variance above 5% indicates discrepancies in planning and budgeting which should be investigated and corrective measures implemented. Under-spending is also an indicator that the Municipality might be experiencing possible cash flow difficulties to implement projects.

Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programs and/or projects. Overspending may also indicate inaccurate budgeting or poor financial management control.

The norm range between 0% and 5% variance

Table 5.13 Actual Budget Spending

Description				CY	PY
Actual	versus	Budgeted	Capital	3 358 323	7 812 843
Expenditure					
Actual Capital Expenditure – Budgeted Capital Expenditure				0.32	0.48
Budgeted Capital Expenditure				10 366 598	16 117 505

5.4.6 Interpretation of Results

The Municipality is functioning within the norm and is on track as per the YTD Budget allocation.

c) Implementation: Operational Revenue

5.4.7 Purpose/ Use of the Ratio and Norm

This ratio measures the extent of actual operating revenue (Excl. Capital Grant Revenue) received in relation to budgeted operating revenue during the financial year, under review.

A ratio outside the norm indicates either a challenge in capacity to implement, ineffective billing and credit control, weakness in compilation of budgets or issues of financial controls and management of the Municipality.

The norm range between 0% and 5% variance.

5.4.8 Interpretation of Results

With the conversion from old vote numbers used in the old chart of accounts to the new mSCOA short codes and especially the new mSCOA item segment it was difficult to budget monthly projections for the 2017/18 budget with no available history on this new chart of accounts. The budget was therefore only divided equally amongst the 12 months on the financial system. The municipality will only have a more reliable budget per month with the next budget period. It can be mentioned that the actual income collection is in line with previous year actuals and projected collection rates.

d) Implementation: Operational Expenditure

4.5.9 Purpose/ Use of the Ratio and Norm

This ratio measures the extent to which Budgeted Operating Expenditure has been spent during the financial year, under review. The ratio also assesses whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget. Any variance outside the norm either indicate a challenge in capacity to implement, issues of financial controls and management and/or poor budgeting.

Under-spending normally is an indicator that the Municipality experiences possible cash flow difficulties or capacity challenges to undertake budgeted/ planned service delivery, and/ or does not prepare accurate and credible budgets. Ideally, under-spending should be the result of improved efficiencies and not as a result of non-implementation of programs and/or projects.

Overspending may also indicate inaccurate budgeting or poor financial management control in respect of budget control.

The norm range between 0% and 5% variance.

Table 5.15 Budget Expenditure

Description	CY	PY
Actual operating expenditure VS Budgeted operating expenditure	16 448 329	69 313 756
Actual Expenditure – Budgeted Expenditure	0.80	0.87
Budgeted Expenditure	20 455 143	79 481 738

4.5.10 Interpretation of Results

The Municipality is functioning outside the norm. With the conversion from old vote numbers used in the old chart of accounts to the new mSCOA short codes and especially the new mSCOA item segment it was difficult to budget monthly projections for the 2017/18 budget with no available history on this new chart of accounts. The budget was therefore only

divided equally amongst the 12 months on the financial system. The municipality will only have a more reliable budget per month with the next budget period.

SECTION 6 - NON - FINANCIAL PERFORMANCE REPORT

6.1 Background

6.1.1 Legislative Requirements

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

6.1.2 Definition of Performance Management

Performance management is a process which measures the implementation of the organisation’s strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

6.1.3 Institutionalising Performance Management

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether the strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local

government paves the way for performance management with the requirements for an “accountable government”. The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community, and
- to facilitate a culture of public service and accountability amongst staff.

6.1.4 Strategic Performance

This report highlight the strategic performance in terms of the municipality’s Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the IDP Strategic objectives, performance on the National Key Performance Indicators prescribed in terms of Regulation 796. Details regarding specific basic service delivery targets, achievements and challenges will be included in the Annual Report of the municipality.

6.1.5 Definition of Service Delivery Budget Implementation Plan

The SDBIP is defined in terms of Section 1 of the Municipal Finance Management Act (MFMA), no. 56 of 2003, and the format of the SDBIP is prescribed by MFMA Circular 13.

Section 41(1) (e) of the Municipal Systems Act (MSA), no 32 of 2000, prescribes that a process must be established of regular reporting to Council.

The Report is a requirement in terms of section 52 of the Local Government: Municipal Financial Management Act, no. 56 of 2003 which provide for:

- a) The Executive Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality;
- b) The Accounting Officer, while conducting the above, must take into account:
 - Section 71 Reports;
 - Performance in line with the Service Delivery & Budget Implementation Plans.

6.1.6 The IDP and the Budget

The Draft IDP 2017/2022 Review Year 1 and the Draft Budget was approved by Council

the 4th of April 2018. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

6.1.7 Municipal Scorecard

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

- One-year detailed plan, but should include a three-year capital plan
- The 5 necessary components includes:
- Monthly projections of revenue to be collected for each source
- Expected revenue to be collected NOT billed
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Section 71 format (Monthly budget statements)
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators
- Output not input / internal management objectives
- Level and standard of service being provided to the community
- Ward information for expenditure and service delivery
- Detailed capital project plan broken down by ward over three years

6.1.8 Background to the format of SDBIP

The Municipality's SDBIP consists of a Top Layer (TL) as well as a Departmental Plan for each individual Department. For purposes of reporting, the TL SDBIP is used to report to Council and the Community on the organisational performance of the Municipality. The TL SDBIP measure the achievement of performance indicators with regards to the provision of basic services as prescribed in Section 10 of the Local Government: Municipal Planning and Performance Regulations of 2001, National Key Performance Areas and Strategic

Objectives as detailed in the Integrated Development Plan (IDP) of the Laingsburg Local Municipality (LLM).

The Top Layer SDBIP was approved by the Mayor on the 12th of June 2018. The Departmental SDBIP's measure the achievement of performance indicators that have been determined with regard to operational service delivery within each department and have been aligned with the Top Layer SDBIP. The Departmental Plans have been approved by the Municipal Manager. This Quarterly Performance Assessment Report are based on the seven (7) Strategic Objectives of the municipality.

The overall assessment of actual performance against targets set for the key performance indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

Colour	Category	Explanation
	KPI Not Yet	KPI's with no targets or actual results for the
	KPI Not Met	Actual vs. target less than 75%
	KPI Almost Met	Actual vs. target between 75% and 100%
	KPI Met	Actual vs. target 100% achieved
	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
	KPI Extremely Well Met	Actual vs. target more than 150% achieved

Table 3. 1: SDBIP Measurement Categories

The Performance Management System is an internet based system and it uses the Service Delivery Budget Implementation Plan (SDBIP) which is approved as its basis. The SDBIP is a layered plan comprising Top Layer SDBIP and Departmental SDBIPs. The performance reporting on the top layer SDBIP is done to Council on a quarterly, half yearly (Mid-year Budget and Performance Assessment Report) and annual basis. Annual amendments to the Top Layer SDBIP must be approved by Council following the submission of the Mid-year Budget and Performance Assessment Report as well as the approved adjustment budget.

This non-financial part of the report is based on the Top Layer SDBIP and comprises the following;

- Summary of the quarterly performance of the Municipality in terms of the seven (7) Municipal Strategic Objective; and
- A detailed performance review per Municipal directorate.

6.1.9 Monitoring and Evaluation

The performance is monitored and evaluated via the SDBIP system. The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets every month for the previous month's performance.

The system close every month between the 10th to the 18th day for updates of the previous month's actual performance as a control measure to ensure that performance is updated and monitored on a monthly basis. No access is available to a month's performance indicators after closure of the system. This is to ensure that the level of performance is consistent for a particular period in the various levels at which reporting take place. Departments must motivate to the Municipal Manager should they require the system to be re-opened once the system is closed.

The system provides management information in tables and graphs, indicating actual performance against targets. The graphs provide a good indication of performance progress and where corrective action is required.

The system requires key performance indicator owners to update performance comment for each actual captured, which provides a clear indication of how the actual was calculated/reached and serves as part of the portfolio of evidence for audit purposes.

In terms of Section 46(1) (a) (iii) of the Municipal Systems Act the Municipality must reflect annually in the Annual Performance Report on measures taken to improve performance, in other words targets not achieved. The system utilised requires corrective actions to be captured for targets not achieved.

6.2 Actual Performance for the 1st Quarter

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of the municipality in terms of the strategic intent and deliverables

achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements)

The Top Layer SDBIP contains performance indicators per Municipal Key Performance Area and comments with corrective measures with regard to indicators not achieved. A detailed analysis of actual performance for the 1st quarter of the financial year 2018/2019 is provided for in section 6 of this report.

Overall performance (dashboard) per National and Municipal Key Performance Area will be provided for in this report.

6.2.1 Overall Performance of the Municipality

The following graphs illustrate the overall performance of the LLM measured in terms of the Top Layer (strategic) SDBIP 2018/2019(1st quarter).

The performance is also measured and reported on; per National and Municipal Key Performance Area.

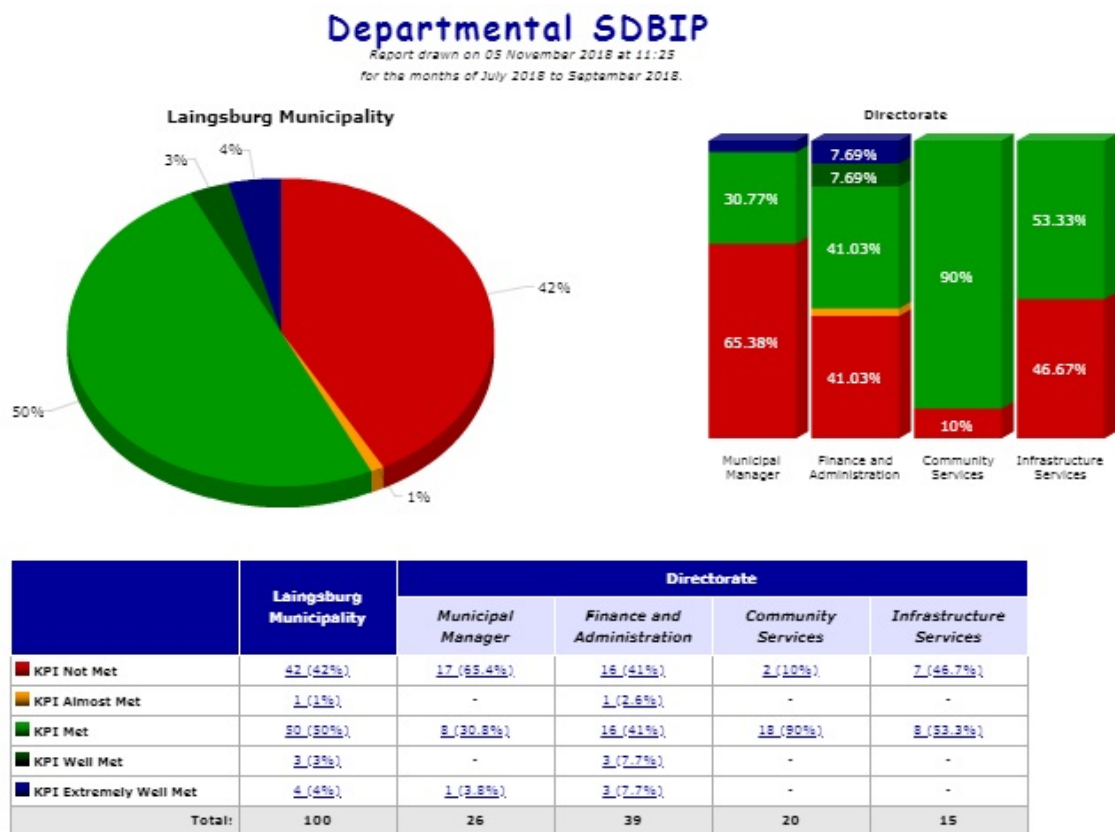


Diagram 6.1 Departmental KPI's Performance

The following graphs and tables give an overview on Top Level performance per Pre-Determined Objective(PDO's) for the term under review (01 July 2018 to 30 September 2018).

The following table shows the top level key performance indicators (KPIs), what the target was for each KPI and what the actual performance was for the quarter.

Table 6.1 Top layer SDBIP 2018/19 Financial Year

Laingsburg Municipality

Toplayer SDBIP

Ref	Directorate	Provincial Strategic Outcome	ID P Ref	Pre-determined Objectives	Municipal KPA	KPI	Unit of Measurement	KPI Calculation Type	September 2018		
									Target	Actual	R
TL 1	Finance and Administration	Embed good governance and integrated service delivery through partnerships and spatial alignment		To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	Limit the vacancy rate to less than 10% of budgeted posts by 30 June 2019 ((Number of posts filled/Total number of budgeted posts)x100)	% vacancy rate of budgeted posts by 30 June 2019	Reverse Last Value	0%	0%	N/A
TL 2	Municipal Manager	Embed good governance and integrated service delivery through partnerships and spatial alignment		To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	The number of people from employment equity target groups employed (to be appointed) by 30 June 2019 in the three highest levels of management in compliance with the equity plan	Number of people employed (to be appointed) by 30 June 2019	Accumulative	0	0	N/A
TL 3	Finance and Administration	Embed good governance and integrated service delivery through partnerships		To create an institution with skilled employees to	Institutional Development	The percentage of the Municipality's personnel budget actually spent on	% of the Municipality's personnel budget on implementing its workplace	Last Value	0%	0%	N/A

		and spatial alignment	provide a professional service to its clientele guided by municipal values		implementing its workplace skills plan by 30 June 2019 [(Actual amount spent on training/total operational budget)x100]	skills plan by 30 June 2019				
TL 4	Community Services	Enable a resilient, sustainable, quality and inclusive living environment	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	Participate in the Provincial Traffic Departments' Public Safety initiatives during the 2018/19 financial year	Number of initiatives participated in	Accumulative	0	0	N/A
TL 5	Finance and Administration	Enable a resilient, sustainable, quality and inclusive living environment	To achieve financial viability in order to render affordable services to residents	Financial Development	Achieve a debtor payment percentage of 65% by 30 June 2019 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	% debtor payment achieved	Last Value	65%	70%	G 2
TL 6	Finance and Administration	Embed good governance and integrated service delivery through partnerships	To achieve financial viability in order to render affordable	Financial Development	Number of formal residential properties connected to the municipal electrical infrastructure	Number of residential properties which are billed for electricity or have pre paid	Last Value	855	855	G

		and spatial alignment		services to residents		network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2019	meters (Excluding Eskom areas) as at 30 June 2019				
TL 7	Finance and Administration	Embed good governance and integrated service delivery through partnerships and spatial alignment		Provision of infrastructure to deliver improved services to all residents and business	Infrastructure Development	Number of formal residential properties that receive piped water (credit) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	Number of residential properties which are billed for water	Last Value	1,339	1,339	G
TL 8	Finance and Administration	Enable a resilient, sustainable, quality and inclusive living environment		Provision of infrastructure to deliver improved services to all residents and business	Infrastructure Development	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2019	Number of residential properties which are billed for sewerage	Last Value	1,300	0	R
TL 9	Finance and Administration	Enable a resilient, sustainable, quality and inclusive living environment		Provision of infrastructure to deliver improved services to all	Infrastructure Development	Number of formal residential properties for which refuse is removed once per week and billed for the	Number of residential properties which are billed for refuse removal	Last Value	1,348	0	R

			residents and business		service as at 30 June 2019					
TL 10	Finance and Administration	Enable a resilient, sustainable, quality and inclusive living environment	Provision of infrastructure to deliver improved services to all residents and business	Infrastructure Development	Provide free 50kWh electricity to indigent households as at 30 June 2019	Number of households receiving free basic electricity	Last Value	900	0	R
TL 11	Finance and Administration	Enable a resilient, sustainable, quality and inclusive living environment	Improve the standards of living of all people in Laingsburg	Social Development	Provide free 6kl water to indigent households as at 30 June 2019	Number of households receiving free basic water	Last Value	800	0	R
TL 12	Finance and Administration	Enable a resilient, sustainable, quality and inclusive living environment	Improve the standards of living of all people in Laingsburg	Social Development	Provide free basic sanitation to indigent households as at 30 June 2019	Number of households receiving free basic sanitation services	Last Value	780	0	R
TL 13	Finance and Administration	Enable a resilient, sustainable, quality and inclusive living environment	Improve the standards of living of all people in Laingsburg	Social Development	Provide free basic refuse removal to indigent households as at 30 June 2019	Number of households receiving free basic refuse removal services	Last Value	800	0	R
TL 14	Finance and Administration	Enable a resilient, sustainable, quality and inclusive living environment	Improve the standards of living of all people in Laingsburg	Social Development	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June [(Short Term Borrowing + Bank Overdraft +	Debt coverage ratio as at 30 June	Reverse Last Value	0%	0%	N/A

					Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant)x 100]					
TL 15	Finance and Administration	Enable a resilient, sustainable, quality and inclusive living environment	To achieve financial viability in order to render affordable services to residents	Financial Development	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2019 [(Total outstanding service debtors/annual revenue received for services)x 100]	% outstanding service debtors at 30 June	Last Value	0	0	N/A
TL 16	Finance and Administration	Embed good governance and integrated service delivery through partnerships and spatial alignment	To achieve financial viability in order to render affordable services to residents	Financial Development	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational	Cost coverage ratio as at 30 June	Last Value	0	0	N/A

					Expenditure excluding (Depreciation , Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))					
TL 17	Municipal Manager	Enable a resilient, sustainable, quality and inclusive living environment	Improve the standards of living of all people in Laingsburg	Social Development	Create job opportunities through EPWP and LED projects by 30 June 2019	Number of job opportunities created by 30 June 2019	Accumulative	0	0	N/A
TL 18	Municipal Manager	Embed good governance and integrated service delivery through partnerships and spatial alignment	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	Develop a Risk Based Audit Plan and submit to the audit committee for consideration by 30 June 2019	RBAP submitted to the audit committee by 30 June 2019	Carry Over	0	0	N/A
TL 19	Finance and Administration	Embed good governance and integrated service delivery through partnerships and spatial alignment	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal	Institutional Development	Spend 80% of the budget allocated on the INEP Programme by 30 June 2019 {(Actual expenditure divided by the total approved budget)x100 } [(Actual expenditure on capital projects	% of project budget spent	Last Value	0%	0%	N/A

				I values		/Total amount budgeted for capital projects)X100]					
TL 20	Infrastructure Services	Embed good governance and integrated service delivery through partnerships and spatial alignment		Effective Maintenance and management of municipal assets and natural resources	Infrastructure Development	Spend 70% of the electricity maintenance budget by 30 June 2019 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100 }	% of the maintenance budget spent	Last Value	0%	0%	N/A
TL 21	Infrastructure Services	Embed good governance and integrated service delivery through partnerships and spatial alignment		Effective Maintenance and management of municipal assets and natural resources	Infrastructure Development	Spend 70% of the water maintenance budget by 30 June 2019 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100 }	% of the maintenance budget spent	Last Value	0%	0%	N/A
TL 22	Infrastructure Services	Embed good governance and integrated service delivery through partnerships and spatial alignment		Effective Maintenance and management of municipal assets and natural resources	Infrastructure Development	Spend 70% of the sewerage maintenance budget by 30 June 2019 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100 }	% of the maintenance budget spent	Last Value	0%	0%	N/A
TL 23	Infrastructure Services	Embed good governance and		Effective Maintenance and	Infrastructure Development	Spend 70% of the refuse removal	% of the maintenance budget	Last Value	0%	0%	N/A







		integrated service delivery through partnerships and spatial alignment	manage of municipal assets and natural resources	ment	maintenance budget by 30 June 2019 {(Actual expenditure on maintenance divided by the total approved maintenance budget)x100 }	spent				
TL 24	Infrastructure Services	Embed good governance and integrated service delivery through partnerships and spatial alignment	Effective Maintenance and manage of municipal assets and natural resources	Infrastructure Development	Limit the % electricity unaccounted for to less than 10% by 30 June [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) × 100]	% electricity unaccounted for by 30 June	Reverse Last Value	0%	0%	N/A
TL 25	Infrastructure Services	Enable a resilient, sustainable, quality and inclusive living environment	Effective Maintenance and manage of municipal assets and natural resources	Infrastructure Development	Limit unaccounted for water to less than 50% by 30 June 2019 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100}	% of water unaccounted	Reverse Last Value	0%	0%	N/A
TL 26	Infrastructure Services	Enable a resilient, sustainable, quality and inclusive	Developing a safe, clean, healthy	Environmental & Spatial Development	87% of water samples comply with SANS241 micro	% of water samples compliant	Last Value	0%	0%	N/A

		living environment	and sustainable environment for communities		biological indicators {(Number of water samples that comply with SANS241 indicators/Number of water samples tested)x100}					
TL 27	Infrastructure Services	Enable a resilient, sustainable, quality and inclusive living environment	Developing a safe, clean, healthy and sustainable environment for communities	Environmental & Spatial Development	91% of effluent samples comply with permit values in terms of SANS 242 by 30 June 2019 {(Number of effluent samples that comply with permit values/Number of effluent samples tested)x100}	% of effluent samples compliant	Last Value	0%	0%	N/A
TL 28	Municipal Manager	Enable a resilient, sustainable, quality and inclusive living environment	Effective Maintenance and management of municipal assets and natural resources	Infrastructure Development	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2019 [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]	% of capital budget spent on capital projects	Last Value	0%	0%	N/A
TL 29	Finance and Administration	Embed good governance and integrated service delivery through	To create an institution with skilled employees	Institutional Development	Spend 80% of the budget allocated on the Main Water Pipeline in Southkloof by	% of project budget spent	Last Value	0%	0%	N/A

		partnerships and spatial alignment	es to provide a professional service to its clientele guided by municipal values		30 June 2019 {(Actual expenditure divided by the total approved budget)x100 } [(Actual expenditure on capital projects /Total amount budgeted for capital projects)X100]					
TL 30	Finance and Administration	Embed good governance and integrated service delivery through partnerships and spatial alignment	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	Spend 80% of the budget allocated on the 2ML Reservoir by 30 June 2019 {(Actual expenditure divided by the total approved budget)x100 } [(Actual expenditure on capital projects /Total amount budgeted for capital projects)X100]	% of project budget spent	Last Value	0%	0%	N/A
TL 31	Finance and Administration	Embed good governance and integrated service delivery through partnerships and spatial alignment	To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	Spend 80% of the budget allocated on the Electricity and Equipment for Boreholes by 30 June 2019 {(Actual expenditure divided by the total approved budget)x100 } [(Actual expenditure on capital	% of project budget spent	Last Value	0%	0%	N/A

						projects /Total amount budgeted for capital projects)X100]					
TL 32	Finance and Administration	Embed good governance and integrated service delivery through partnerships and spatial alignment		To create an institution with skilled employees to provide a professional service to its clientele guided by municipal values	Institutional Development	Spend 80% of the budget allocated on the Water Treatment Project by 30 June 2019 {(Actual expenditure divided by the total approved budget)x100} [(Actual expenditure on capital projects /Total amount budgeted for capital projects)X100]	% of project budget spent	Last Value	0%	0%	N/A

Summary of Results

	KPI Not Yet Measured	KPIs with no targets or actuals in the selected period.	23
	KPI Not Met	0% <= Actual/Target <= 74.999%	6
	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
	KPI Met	Actual meets Target (Actual/Target = 100%)	2
	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
	KPI Extremely Well Met	150.000% <= Actual/Target	0
Total KPIs			32

SECTION 7 – IN-YEAR BUDGET STATEMENT TABLES

The tables included in section 4 of this report are from the C Schedule Monthly Budget Statements legislated as part of the Municipal Budget and Reporting Regulations (MBRR) and reflects the figures of last month of the quarter. All material variances, in other words variances of more than 10%, regarding the financial performance as per table C4; Capital expenditure table as per C5; Financial Position as per table C6 and/or Cash flow as per table C7 are listed with reasons and remedial/corrective measures in table SC1 following table C7.

Table C1: Monthly Budget Statement Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2017/18	Budget Year 2018/19							
	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	3 788	4 373	4 373	3 896	3 896	1 093	2 803	256%	4 373
Service charges	15 767	18 727	18 727	5 273	5 273	4 682	591	13%	18 727
Investment revenue	850	845	845	228	228	211	17	8%	845
Transfers and subsidies	13 791	19 893	19 893	6 298	6 298	4 973	1 325	27%	19 893
Other own revenue	34 961	37 983	37 983	754	754	9 496	(8 742)	-92%	37 983
Total Revenue (excluding capital transfers and contributions)	69 156	81 821	81 821	16 448	16 448	20 455	(4 007)	-20%	81 821
Employee costs	19 808	24 468	24 468	4 771	4 771	6 081	(1 311)	-22%	24 468
Remuneration of Councillors	2 374	2 803	2 803	667	667	701	(34)	-5%	2 803
Depreciation & asset impairment	1 595	10 544	10 544	-	-	2 636	(2 636)	-100%	10 544
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	7 911	8 109	8 109	1 805	1 805	2 027	(222)	-11%	8 109
Transfers and subsidies	890	2 235	2 235	1 048	1 048	559	489	88%	2 235
Other expenditure	40 907	42 929	42 929	4 052	4 052	10 732	(6 680)	-62%	42 929
Total Expenditure	73 485	91 087	91 087	12 343	12 343	22 736	(10 394)	-46%	91 087
Surplus/(Deficit)	(4 329)	(9 267)	(9 267)	4 106	4 106	(2 281)	6 387	-280%	(9 267)
Transfers and subsidies - capital (monetary allocation)	7 545	10 367	10 367	3 358	3 358	2 592	767	30%	10 367
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	3 216	1 100	1 100	7 464	7 464	311	7 154	2303%	1 100
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	3 216	1 100	1 100	7 464	7 464	311	7 154	2303%	1 100
Capital expenditure & funds sources									
Capital expenditure	19 542	10 367	10 367	3 358	3 358	-	3 358	#DIV/0!	10 367
Capital transfers recognised	17 801	10 367	10 367	3 358	3 358	-	3 358	#DIV/0!	10 367
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	571	-	-	-	-	-	-	-	-
Total sources of capital funds	18 372	10 367	10 367	3 358	3 358	-	3 358	#DIV/0!	10 367
Financial position									
Total current assets	14 599	15 229	15 229		26 398				15 229
Total non current assets	163 379	172 504	172 504		175 862				172 504
Total current liabilities	13 718	21 033	21 033		28 113				21 033
Total non current liabilities	8 795	3 953	3 953		3 953				3 953
Community wealth/Equity	155 467	162 748	162 748		170 194				162 748
Cash flows									
Net cash from (used) operating	12 534	6 711	6 711	6 909	6 909	(736)	(7 645)	1038%	6 711
Net cash from (used) investing	(7 413)	(10 367)	(10 367)	2 642	2 642	(10 367)	(13 008)	125%	(10 367)
Net cash from (used) financing	58	33	33	14	5	3	(2)	-76%	33
Cash/cash equivalents at the month/year end	11 054	6 455	6 455	-	19 633	(1 022)	(20 656)	2020%	6 455
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	3 897	1 424	209	165	144	166	150	4 202	10 356
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		23 537	29 067	29 067	14 192	14 192	7 267	6 925	95%	29 067
Executive and council		7 738	1 561	1 561	(14)	(14)	390	(404)	-103%	1 561
Finance and administration		15 800	27 506	27 506	14 205	14 205	6 877	7 329	107%	27 506
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		33 335	37 015	37 015	354	354	9 254	(8 900)	-96%	37 015
Community and social services		20	1 268	1 268	5	5	317	(312)	-98%	1 268
Sport and recreation		2	2	2	1	1	1	0	22%	2
Public safety		33 310	35 733	35 733	345	345	8 933	(8 588)	-96%	35 733
Housing		11	12	12	3	3	3	0	3%	12
Health		(8)	0	0	0	0	0	(0)	-95%	0
<i>Economic and environmental services</i>		58	1 067	1 067	2	2	267	(264)	-99%	1 067
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		58	1 067	1 067	2	2	267	(264)	-99%	1 067
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		19 771	25 038	25 038	5 258	5 258	6 259	(1 001)	-16%	25 038
Energy sources		12 303	16 833	16 833	3 278	3 278	4 208	(931)	-22%	16 833
Water management		2 652	3 216	3 216	715	715	804	(89)	-11%	3 216
Waste water management		2 601	2 613	2 613	694	694	653	40	6%	2 613
Waste management		2 215	2 375	2 375	573	573	594	(21)	-4%	2 375
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	76 701	92 187	92 187	19 807	19 807	23 047	(3 240)	-14%	92 187
Expenditure - Functional										
<i>Governance and administration</i>		20 983	29 886	29 886	6 212	6 212	7 436	(1 224)	-16%	29 886
Executive and council		6 613	9 017	9 017	2 765	2 765	2 219	546	25%	9 017
Finance and administration		14 370	20 869	20 869	3 447	3 447	5 217	(1 770)	-34%	20 869
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		33 337	33 508	33 508	1 787	1 787	8 377	(6 590)	-79%	33 508
Community and social services		1 107	2 169	2 169	291	291	542	(252)	-46%	2 169
Sport and recreation		36	28	28	6	6	7	(1)	-10%	28
Public safety		32 180	31 114	31 114	1 490	1 490	7 778	(6 288)	-81%	31 114
Housing		3	193	193	-	-	48	(48)	-100%	193
Health		10	4	4	-	-	1	(1)	-100%	4
<i>Economic and environmental services</i>		2 402	3 445	3 445	263	263	861	(598)	-69%	3 445
Planning and development		898	1 319	1 319	57	57	330	(272)	-83%	1 319
Road transport		1 503	2 127	2 127	206	206	532	(325)	-61%	2 127
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		16 760	24 241	24 241	4 080	4 080	6 060	(1 980)	-33%	24 241
Energy sources		6 867	8 760	8 760	1 904	1 904	2 190	(286)	-13%	8 760
Water management		1 956	3 028	3 028	456	456	757	(301)	-40%	3 028
Waste water management		6 878	10 872	10 872	1 409	1 409	2 718	(1 309)	-48%	10 872
Waste management		1 060	1 581	1 581	311	311	395	(84)	-21%	1 581
<i>Other</i>		8	8	8	-	-	2	(2)	-100%	8
Total Expenditure - Functional	3	73 489	91 087	91 087	12 343	12 343	22 736	(10 394)	-46%	91 087
Surplus/ (Deficit) for the year		3 212	1 100	1 100	7 464	7 464	311	7 154	2303%	1 100

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) - Q1 First Quarter

Vote Description	Ref	2017/18	Budget Year 2018/19							
		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		7 738	1 561	1 561	(14)	(14)	390	(404)	-103.5%	1 561
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-		
Vote 3 - CORPORATE SERVICES		2 569	2 771	2 771	618	618	693	(75)	-10.8%	2 771
Vote 4 - BUDGET & TREASURY		13 230	24 735	24 735	13 587	13 587	6 184	7 403	119.7%	24 735
Vote 5 - PLANNING AND DEVEOLPMENT		-	-	-	-	-	-	-		
Vote 6 - COMMUNITY AND SOCIAL SERV		13	1 268	1 268	5	5	317	(312)	-98.3%	1 268
Vote 7 - SPORTS AND RECREATION		2	2	2	1	1	1	0	22.2%	2
Vote 8 - HOUSING		11	12	12	3	3	3	0	3.1%	12
Vote 9 - PUBLIC SAFETY		33 310	35 733	35 733	345	345	8 933	(8 588)	-96.1%	35 733
Vote 10 - ROAD TRANSPORT		85	1 085	1 085	2	2	271	(269)	-99.1%	1 085
Vote 11 - WASTE MANAGEMENT		2 215	2 375	2 375	573	573	594	(21)	-3.6%	2 375
Vote 12 - WASTE WATER MANAGEMENT		2 574	2 595	2 595	694	694	649	45	6.9%	2 595
Vote 13 - WATER		2 652	3 216	3 216	715	715	804	(89)	-11.1%	3 216
Vote 14 - ELECTRICITY		12 303	16 833	16 833	3 278	3 278	4 208	(931)	-22.1%	16 833
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	76 701	92 187	92 187	19 807	19 807	23 047	(3 240)	-14.1%	92 187
Expenditure by Vote	1									
Vote 1 - MAYORAL & COUNCIL		4 105	5 254	5 254	2 009	2 009	1 278	731	57.2%	5 254
Vote 2 - MUNICIPAL MANAGER		2 508	3 763	3 763	756	756	941	(184)	-19.6%	3 763
Vote 3 - CORPORATE SERVICES		6 185	6 872	6 872	1 900	1 900	1 718	182	10.6%	6 872
Vote 4 - BUDGET & TREASURY		8 185	13 997	13 997	1 547	1 547	3 499	(1 952)	-55.8%	13 997
Vote 5 - PLANNING AND DEVEOLPMENT		898	1 319	1 319	57	57	330	(272)	-82.6%	1 319
Vote 6 - COMMUNITY AND SOCIAL SERV		823	1 334	1 334	254	254	334	(79)	-23.8%	1 334
Vote 7 - SPORTS AND RECREATION		338	874	874	43	43	219	(176)	-80.5%	874
Vote 8 - HOUSING		3	193	193	-	-	48	(48)	-100.0%	193
Vote 9 - PUBLIC SAFETY		32 180	31 114	31 114	1 490	1 490	7 778	(6 288)	-80.8%	31 114
Vote 10 - ROAD TRANSPORT		5 604	10 609	10 609	1 404	1 404	2 652	(1 248)	-47.1%	10 609
Vote 11 - WASTE MANAGEMENT		1 060	1 581	1 581	311	311	395	(84)	-21.3%	1 581
Vote 12 - WASTE WATER MANAGEMENT		2 777	2 390	2 390	211	211	597	(386)	-64.7%	2 390
Vote 13 - WATER		1 956	3 028	3 028	456	456	757	(301)	-39.8%	3 028
Vote 14 - ELECTRICITY		6 867	8 760	8 760	1 904	1 904	2 190	(286)	-13.1%	8 760
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	73 489	91 087	91 087	12 343	12 343	22 736	(10 394)	-45.7%	91 087
Surplus/ (Deficit) for the year	2	3 212	1 100	1 100	7 464	7 464	311	7 154	2303.5%	1 100

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		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		3 788	4 373	4 373	3 896	3 896	1 093	2 803	256%	4 373
Service charges - electricity revenue		11 098	14 398	14 398	3 278	3 278	3 599	(322)	-9%	14 398
Service charges - water revenue		658	302	302	720	720	76	645	854%	302
Service charges - sanitation revenue		2 574	2 595	2 595	694	694	649	45	7%	2 595
Service charges - refuse revenue		1 370	1 323	1 323	573	573	331	242	73%	1 323
Service charges - other		67	109	109	9	9	27	(18)	-67%	109
Rental of facilities and equipment		1 324	1 461	1 461	328	328	365	(37)	-10%	1 461
Interest earned - external investments		850	845	845	228	228	211	17	8%	845
Interest earned - outstanding debtors		233	276	276	62	62	69	(7)	-10%	276
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		31 809	34 488	34 488	2	2	8 622	(8 620)	-100%	34 488
Licences and permits		1 343	1 250	1 250	343	343	313	31	10%	1 250
Agency services		144	125	125	33	33	31	1	4%	125
Transfers and subsidies		13 791	19 893	19 893	6 298	6 298	4 973	1 325	27%	19 893
Other revenue		109	384	384	(14)	(14)	96	(110)	-115%	384
Gains on disposal of PPE		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		69 156	81 821	81 821	16 448	16 448	20 455	(4 007)	-20%	81 821
Expenditure By Type										
Employee related costs		19 808	24 468	24 468	4 771	4 771	6 081	(1 311)	-22%	24 468
Remuneration of councillors		2 374	2 803	2 803	667	667	701	(34)	-5%	2 803
Debt impairment		26 151	25 908	25 908	—	—	6 477	(6 477)	-100%	25 908
Depreciation & asset impairment		1 595	10 544	10 544	—	—	2 636	(2 636)	-100%	10 544
Finance charges		—	—	—	—	—	—	—	—	—
Bulk purchases		7 911	8 109	8 109	1 805	1 805	2 027	(222)	-11%	8 109
Other materials		—	—	—	—	—	—	—	—	—
Contracted services		2 582	2 077	2 077	549	549	519	30	6%	2 077
Transfers and subsidies		890	2 235	2 235	1 048	1 048	559	489	88%	2 235
Other expenditure		12 174	14 944	14 944	3 503	3 503	3 736	(233)	-6%	14 944
Loss on disposal of PPE		—	—	—	—	—	—	—	—	—
Total Expenditure		73 485	91 087	91 087	12 343	12 343	22 736	(10 394)	-46%	91 087
Surplus/(Deficit)		(4 329)	(9 267)	(9 267)	4 106	4 106	(2 281)	6 387	(0)	(9 267)
Transfers and subsidies - capital (inter-municipal and provincial)		—	—	—	—	—	—	—	—	—
(National / Provincial and District)		7 545	10 367	10 367	3 358	3 358	2 592	767	0	10 367
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		3 216	1 100	1 100	7 464	7 464	311			1 100
Taxation		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		3 216	1 100	1 100	7 464	7 464	311			1 100
Attributable to minorities		—	—	—	—	—	—			—
Surplus/(Deficit) attributable to municipality		3 216	1 100	1 100	7 464	7 464	311			1 100
Share of surplus/ (deficit) of associate		—	—	—	—	—	—			—
Surplus/ (Deficit) for the year		3 216	1 100	1 100	7 464	7 464	311			1 100

The Municipality has generated 20.10% or R16, 448 million of the Budgeted Revenue to date which is lower than the budgeted amounts. During the financial year operating grants totaling R6, 298 million were received. The largest part of the grants received forms part of the Equitable Share Allocation for the financial year.

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

WC051 Laingsburg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q1 First Quarter

Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		136	-	-	-	-	-	-		-
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		-	-	-	-	-	-	-		-
Internal audit		136	-	-	-	-	-	-		-
<i>Community and public safety</i>		1 577	-	-	-	-	-	-		-
Community and social services		1 253	-	-	-	-	-	-		-
Sport and recreation		318	-	-	-	-	-	-		-
Public safety		6	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		816	-	-	-	-	-	-		-
Planning and development		-	-	-	-	-	-	-		-
Road transport		816	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		17 013	10 367	10 367	3 358	3 358	-	3 358	#DIV/0!	10 367
Energy sources		9 354	2 000	2 000	-	-	-	-		2 000
Water management		6 856	8 367	8 367	3 358	3 358	-	3 358	#DIV/0!	8 367
Waste water management		804	-	-	-	-	-	-		-
Waste management		-	-	-	-	-	-	-		-
<i>Other</i>		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	19 542	10 367	10 367	3 358	3 358	-	3 358	#DIV/0!	10 367
Funded by:										
National Government		14 793	10 367	10 367	3 358	3 358	-	3 358	#DIV/0!	10 367
Provincial Government		3 007	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		-	-	-	-	-	-	-		-
Transfers recognised - capital		17 801	10 367	10 367	3 358	3 358	-	3 358	#DIV/0!	10 367
Public contributions & donations	5	-	-	-	-	-	-	-		-
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		571	-	-	-	-	-	-		-
Total Capital Funding		18 372	10 367	10 367	3 358	3 358	-	3 358	#DIV/0!	10 367

The Municipality has incurred R3, 358 000 or 32.40% of the external funded Capital Budget to date. The MIG spending for the second quarter totals to R3, 358 000 to date.

Table C6: Financial Position

WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		5 875	10 078	10 078	19 642	10 078
Call investment deposits		—	—	—	—	—
Consumer debtors		3 499	(3 332)	(3 332)	(40)	(3 332)
Other debtors		3 846	7 105	7 105	5 418	7 105
Current portion of long-term receivables		1	—	—	—	—
Inventory		1 378	1 378	1 378	1 378	1 378
Total current assets		14 599	15 229	15 229	26 398	15 229
Non current assets						
Long-term receivables		—	—	—	—	—
Investments		—	—	—	—	—
Investment property		4 273	4 273	4 273	4 273	4 273
Investments in Associate		—	—	—	—	—
Property, plant and equipment		158 542	167 698	167 698	171 057	167 698
Agricultural		—	—	—	—	—
Biological		—	—	—	—	—
Intangible		522	522	522	522	522
Other non-current assets		43	12	12	11	12
Total non current assets		163 379	172 504	172 504	175 862	172 504
TOTAL ASSETS		177 979	187 733	187 733	202 260	187 733
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		485	506	506	512	506
Trade and other payables		12 487	13 576	13 576	20 650	13 576
Provisions		745	6 951	6 951	6 951	6 951
Total current liabilities		13 718	21 033	21 033	28 113	21 033
Non current liabilities						
Borrowing		—	—	—	—	—
Provisions		8 795	3 953	3 953	3 953	3 953
Total non current liabilities		8 795	3 953	3 953	3 953	3 953
TOTAL LIABILITIES		22 512	24 986	24 986	32 065	24 986
NET ASSETS	2	155 467	162 748	162 748	170 194	162 748
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		155 467	126 228	126 228	133 675	126 228
Reserves		—	36 520	36 520	36 520	36 520
TOTAL COMMUNITY WEALTH/EQUITY	2	155 467	162 748	162 748	170 194	162 748

Explanatory notes to Table C6 – Financial Position

Current Assets

It must be noted that the classification requirements (As per the tables in Section 4) as prescribe by National Treasury in terms of the MBRR, does not fully comply with GRAP. The current assets amounted to R 26 398 as at 30 September 2018 (R 18 199 as at 30 June 2018), the classification below complies with the GRAP disclosure format.

Non-Current Assets

The classification requirements are almost aligned to the GRAP requirements. The depreciation and amortization run on all applicable capital assets still needs to be performed.

Current Liabilities

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). There is no known reason as to why the municipality will not be able to meet its obligations. Current Liabilities amounted to R 28,113 mil as at 30 September 2018 (R 25, 629 mil as at 30 June 2018).

Non-Current Liabilities

The non-current provisions are created in order to enable the municipality to be in a position to fulfill its known legal obligations when they become due and payable. Non -current provisions (R 3 953 000), National Treasury's budget formats do not provide for a line item where non-current deposits can be accounted for and thus was included in non-current provisions.

Community wealth/Equity

The reserves amount is represented by the Capital Replacement Reserve as at 30 September 2018 amounted to R 36 520 (R 36 445 as at 30 June 2018).

The Capital Replacement Reserve is a cash-backed reserve established to enable the municipality to finance future capital expenditure. Cash contributions, depending on the availability thereof, are made annually to the reserve. The municipality is not able to finance its annual infrastructure capital program by means of this reserve.

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		3 057	3 785	3 785	1 434	1 434	946	488	52%	3 785
Service charges		14 494	16 362	16 362	3 473	3 473	4 091	(617)	-15%	16 362
Other revenue		31 891	9 776	9 776	13 062	13 062	2 437	10 625	436%	9 776
Government - operating		11 695	20 222	20 222	8 768	8 768	5 066	3 702	73%	20 222
Government - capital		3 993	10 367	10 367	-	-	312	(312)	-100%	10 367
Interest		589	1 324	1 324	290	290	328	(39)	-12%	1 324
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(56 094)	(55 117)	(55 117)	(20 059)	(20 059)	(13 914)	6 145	-44%	(55 117)
Finance charges		-	(7)	(7)	-	-	(2)	(2)	100%	(7)
Transfers and Grants		2 908	-	-	(58)	(58)	-	58	#DIV/0!	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		12 534	6 711	6 711	6 909	6 909	(736)	(7 645)	1038%	6 711
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		400	-	-	6 000	6 000	-	6 000	#DIV/0!	-
Payments										
Capital assets		(7 813)	(10 367)	(10 367)	(3 358)	(3 358)	(10 367)	(7 008)	68%	(10 367)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7 413)	(10 367)	(10 367)	2 642	2 642	(10 367)	(13 008)	125%	(10 367)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		58	33	33	14	5	3	2	76%	33
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		58	33	33	14	5	3	(2)	-76%	33
NET INCREASE/ (DECREASE) IN CASH HELD		5 179	(3 622)	(3 622)	9 565	9 555	(11 100)			(3 622)
Cash/cash equivalents at beginning:		5 875	10 078	10 078		10 078	10 078			10 078
Cash/cash equivalents at month/year end:		11 054	6 455	6 455		19 633	(1 022)			6 455

The Municipality started off with a cash flow balance of R10 078 million at the beginning of the year and increased it with R 9 555 million. The closing balance for this quarter is R19, 633 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 2017/2018 financial year.

Table SC1 Material variance explanations

WC051 Laingsburg - Supporting Table SC1 Material variance explanations - Q1 First Quarter

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Property rates	2 803	Property rates are levied during July for the financial year	
	0	-	0	
	0	-	0	
	0	-	0	
2	Expenditure By Type			
	Employee related costs	(1 311)	Bonusses are only paid in November	
	Depreciation & asset impairment	(2 636)	Depreciation charges will be accounted for at the end of the financial yer	
	0	-	0	
	0	-	0	
3	Capital Expenditure			
	All	-	no pay ments during September	
	0	-	0	
	0	-	0	
	0	-	0	
4	Financial Position			
	No comment for September	-		
	0	-	0	
	0	-	0	
	0	-	0	
	0	-	0	
5	Cash Flow			
	No comment for September	-		
	0	-	0	
	0	-	0	
	0	-	0	
6	Measureable performance			
7	Municipal Entities			

SECTION 8 – DEBTOR ANALYSIS

Table SC3 provides an age analysis of consumer debtors as at 30 September 2018.

Table SC3 Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q1 First Quarter

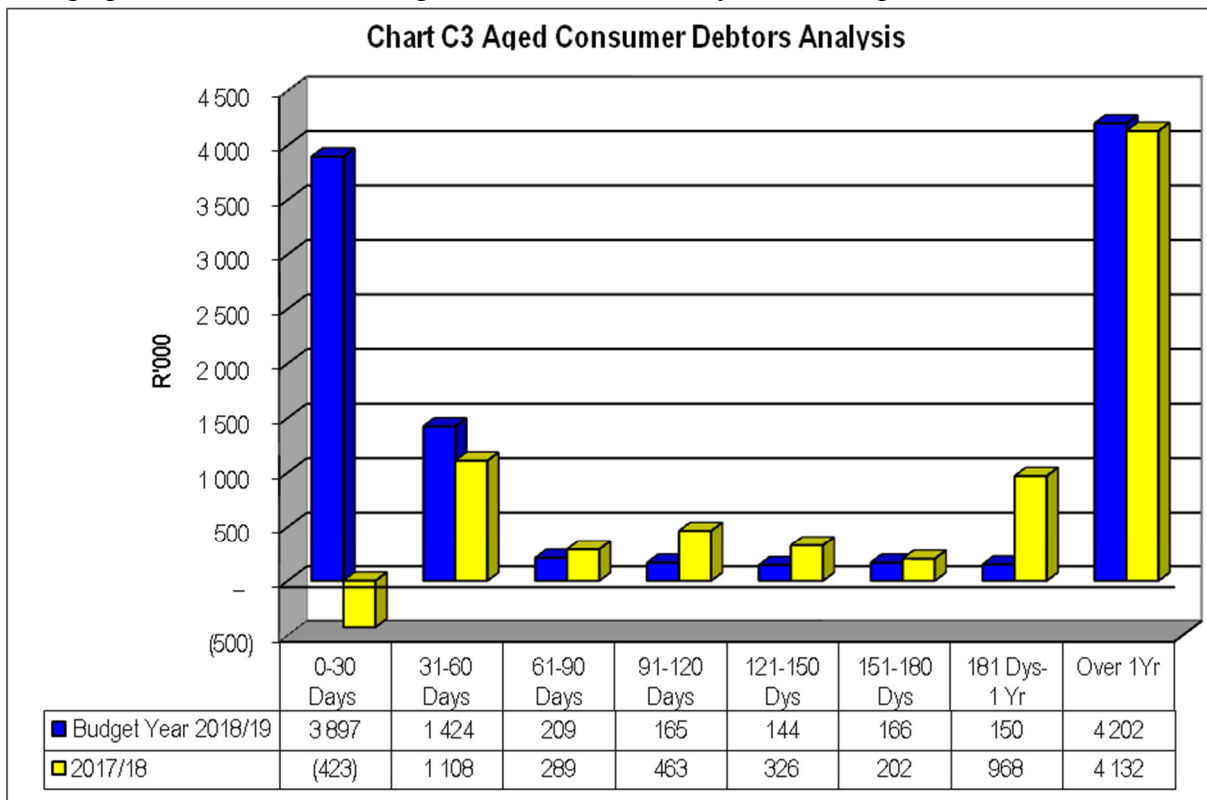
Description	NT Code	Budget Year 2018/19										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	200	31	36	21	22	41	20	429	799	532			
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 069	74	74	50	41	48	47	516	1 920	703			
Receivables from Non-exchange Transactions - Property Rates	1400	2 347	22	1	29	20	15	16	2 031	4 481	2 110			
Receivables from Exchange Transactions - Waste Water Management	1500	(5)	39	31	28	28	24	22	526	693	628			
Receivables from Exchange Transactions - Waste Management	1600	160	27	19	13	14	18	12	208	470	264			
Receivables from Exchange Transactions - Property Rental Debtors	1700	103	33	34	21	19	20	26	450	707	537			
Interest on Arrear Debtor Accounts	1810	-	1 195	-	-	-	-	-	-	1 195	-			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	23	2	15	2	1	1	7	41	91	52			
Total By Income Source	2000	3 897	1 424	209	165	144	166	150	4 202	10 356	4 826	-	-	
2017/18 - totals only		-422794	1107962	288985	463281	326242	201562	967628	4131704	7 065	6 090			
Debtors Age Analysis By Customer Group														
Organs of State	2200	635	386	55	47	38	52	36	1 106	2 355	1 279			
Commercial	2300	1 954	387	70	48	40	53	50	1 154	3 756	1 346			
Households	2400	1 308	651	84	70	65	61	64	1 942	4 245	2 202			
Other	2500	-	-	-	-	-	-	-	-	-	-			
Total By Customer Group	2600	3 897	1 424	209	165	144	166	150	4 202	10 356	4 826	-	-	

Table C6 (Statement of Financial Position) as at 30 September 2018 shows the total outstanding debtors is R 10, 356 mil.

The Outstanding Debtors of the Municipality amounts to R10,356 million for the quarter ending September 2018. The outstanding debt for more than 90 days amounts to 46.6% to 42.35% at the end of the first quarter 2018. That means that the debtors' book over 90 days has grown with 4.25% over the past financial year. We must keep in mind that the average consumer account increase for the 2017/2018 financial year was less than 6%. The likelihood of recovering amounts over 90 days is getting worse. The payment rate for 2017/2018 financial year was 84.47%. This includes the transfers to indigent accounts

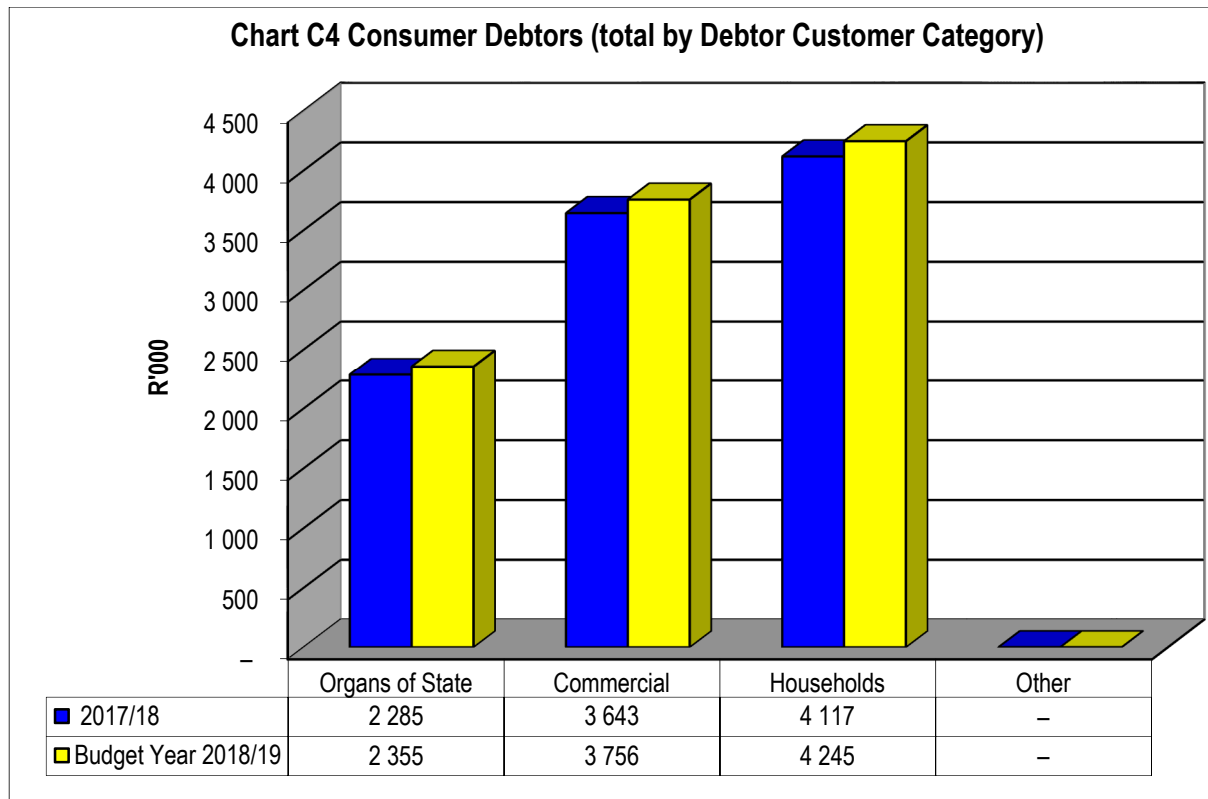
The above tables explain the movement of the debtors in arrear as at 30 September 2018 as per the days outstanding.

The graph below illustrate the aged consumer debt analysis at 30 September 2018 date.



The graph indicates that the outstanding debt are increasing on a monthly basis but it is slightly higher than 2017/18 financial year, indicating the municipality must put measures in place to prevent it from escalating as the municipality is experiencing cash flow problems.

The graph below illustrates the consumer category debtor arrears. The category is the households followed by the organs of state.



The above tables explain that the debtor arrears have increased from July 2017 up to the end of September 2018. Household arrears are the highest but all other categories show an increase in outstanding debtors.

SECTION 9 – CREDITOR ANALYSIS (TRADE AND OTHER PAYABLES)

Table SC4 provide an age analysis of the creditors (Trade payables) as at 30 June 2018.

Table SC4 Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q1 First Quarter

Description R thousands	NT Code	Budget Year 2018/19									Prior year totals for chart (same period)
		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	
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	-	-	-	-	-	-	-	-	-	19
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	19

Total outstanding creditors amount to R 19, 000 for the quarter ending September 2018.

SECTION 10 – INVESTMENT PORTFOLIO

Table SC5 provides the investment portfolio in the prescribed format of National Treasury. It includes all investments except call deposits. It does not reconcile with the values as per Table C6, the reason being that values in table SC5 is measured at market value. The Municipality normally invests money with interest at maturity. This interest, with the exception of those on a call deposits, is only recognised on date of maturity or the accrued interest as on 30 June of each year. Even with this recognition of accrued interest, the accrual is classified in terms of GRAP as other receivables and not as part of the investments or call deposits.

In order to be classified as an Investment in terms of GRAP the investment must be made for a period longer than 12 months, otherwise it is classified as cash and cash equivalents. Laingsburg Municipality does have monetary investments at present. For the purpose of this section, investments held for a period until maturity are also viewed as investments.

Table SC5 Investment Portfolio

WC051 Laingsburg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q1 First Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands									
Municipality									
Laingsburg		0	Call	-	7	0.0%	1 556	-	1 563
						0.0%	-	-	-
						0.0%	-	-	-
						0.0%	-	-	-
						0.0%	-	-	-
						0.0%	-	-	-
Municipality sub-total					7		1 556	-	1 563
Entities									
						0.0%	-	-	-
						0.0%	-	-	-
						0.0%	-	-	-
						0.0%	-	-	-
						0.0%	-	-	-
						0.0%	-	-	-
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				7		1 556	-	1 563

Table SC5 above shows the investment portfolio per month of September 2018. The total investment portfolio at September 2018 of R 1 556 000 is R7 000 more at the 30 September 2018.

SECTION 11 - COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Table SC 8 provides the councilor and staff benefits per employee related cost type.

Table SC 8 Councilor and staff benefits

WC051 Laingsburg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q1 First Quarter

Summary of Employee and Councillor remuneration	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		1 900	1 461	1 461	301	445	365	80	22%	1 461
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	1	1	-	-	0	(0)	-100%	1
Motor Vehicle Allowance		267	255	255	48	73	64	9	14%	255
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		2 166	1 717	1 717	349	518	429	88	21%	1 717
% increase	4		-20.8%	-20.8%						-20.8%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 047	915	915	604	664	229	435	190%	915
Pension and UIF Contributions		123	141	141	25	36	35	1	3%	141
Medical Aid Contributions		90	77	77	16	23	19	4	20%	77
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		232	235	235	34	51	59	(8)	-14%	235
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	6	6	2	3	1	2	113%	6
Other benefits and allowances		162	226	226	74	107	57	50	88%	226
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	46	48	48	15	23	12	11	88%	48
Sub Total - Senior Managers of Municipality		2 699	1 649	1 649	770	906	412	494	120%	1 649
% increase	4		-38.9%	-38.9%						-38.9%
Other Municipal Staff										
Basic Salaries and Wages		6 939	9 034	9 034	2 227	3 197	2 259	939	42%	9 034
Pension and UIF Contributions		883	1 201	1 201	326	469	300	169	56%	1 201
Medical Aid Contributions		227	314	314	83	124	79	45	57%	314
Overtime		372	280	280	98	126	70	56	80%	280
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		299	546	546	108	158	136	21	16%	546
Cellphone Allowance		12	20	20	16	22	5	17	344%	20
Housing Allowances		21	80	80	22	32	20	12	57%	80
Other benefits and allowances		255	282	282	60	88	70	18	25%	282
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	5	5	-	-	1	(1)	-100%	-
Sub Total - Other Municipal Staff		9 008	11 761	11 761	2 940	4 216	2 940	1 276	43%	11 756
% increase	4		30.6%	30.6%						30.5%
Total Parent Municipality		13 874	15 126	15 126	4 059	5 639	3 782	1 858	49%	15 122
TOTAL SALARY, ALLOWANCES & BENEFITS		13 874	15 126	15 126	4 059	5 639	3 782	1 858	49%	15 122
% increase	4		9.0%	9.0%						9.0%
TOTAL MANAGERS AND STAFF		11 707	13 410	13 410	3 710	5 122	3 352	1 769	53%	13 405

SECTION 12 - RECEIPT AND EXPENDITURE ON GRANT PROGRAMMES

The measurement of actual versus planned receipting of transfers and grants are provided in Table SC 6.

SC6 Transfers and Grant Receipts

WC051 Laingsburg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		16 418	17 800	17 800	6 250	6 250	4 450	2 500	56.2%	17 800
Local Government Equitable Share		13 576	15 000	15 000	6 250	6 250	3 750	2 500	66.7%	15 000
Finance Management		1 811	1 800	1 800	-	-	450			1 800
Municipal Systems Improvement		-	-	-	-	-	-			-
EPWP Incentive		1 031	1 000	1 000	-	-	250			1 000
Integrated National Electrification Programme		-	-	-	-	-	-			-
GRANT - WORKFORCE	3	-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		1 351	2 093	2 093	48	-	523	(500)	-95.6%	2 093
Sport and Recreation		1 063	1 260	1 260	-	-	315	(315)	-100.0%	1 260
CDW		93	93	93	-	-	23			93
GRANT - WCFMSG		154	690	690	-	-	173	(173)	-100.0%	690
MAIN ROAD SUBSIDY	4	42	50	50	-	-	13	(13)	-100.0%	50
GRANT - WCFMSG: REV MANAGEMENT		-	-	-	-	-	-	-		-
GRANT - LOCAL GRADUATE INTERNSHIP		-	-	-	-	-	-	-		-
GRANT - SUPPORT		-	-	-	48	-	-	-		-
District Municipality:		-	-	-	-	48	-	48	#DIV/0!	-
GRANT - MSCOA SKDM		-	-	-	-	48	-	48	#DIV/0!	-
		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	6 298	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-		-
		-	-	-	6 298	-	-	-		-
Total Operating Transfers and Grants	5	17 769	19 893	19 893	12 596	6 298	4 973	2 048	41.2%	19 893
Capital Transfers and Grants										
National Government:		7 545	10 367	10 367	3 358	3 358	1 592	1 767	111.0%	10 367
Municipal Infrastructure Grant (MIG)		5 459	8 367	8 367	3 358	3 358	2 092	1 267	60.6%	8 367
GRANT - EEDSM		-	-	-	-	-	-			-
GRANT - MIG UNSPEND ROLLOVER		-	-	-	-	-	-			-
GRANT - MASIBAMBANE		-	-	-	-	-	-			-
SEWER MASTER PLAN		-	-	-	-	-	-			-
FLOOD DAMAGES		-	-	-	-	-	-	-		-
SPATIAL DEV INVESTIGATION		-	-	-	-	-	-	-		-
GRANT - DEPT OF WATER AFFAIRS		-	-	-	-	-	-	-		-
GRANT - INEP ELEC		2 086	2 000	2 000	-	-	(500)	500	-100.0%	2 000
Other capital transfers [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-

QUARTERLY PERFORMANCE ASSESSMENT REPORT Q 1 of 2018/2019

District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	7 545	10 367	10 367	3 358	3 358	1 592	1 767	111.0%	10 367
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	25 315	30 260	30 260	15 954	9 656	6 565	3 814	58.1%	30 260

SECTION 13 – MATERIAL VARIANCES TO THE SDBIP

The following graphs provides the Top Level key performance indicators of the municipality per directorate and whether these KPI's were met for the quarter ending September 2018.



Material variances have occurred. For explanations and corrective measures of all immaterial variances to the financial and non-financial indicators please refer to Sections 6.

SECTION 14 – CAPITAL PROGRAMME PERFORMANCE

The measurement of actual versus planned capital expenditure are provided Table SC 12. The year to date values and percentage variances are also indicated.

Table SC12 – Capital expenditure trend

WC051 Laingsburg - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - Q1 First Quarter

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	18 372	10 367	10 367	-		10 367	-		
August	18 372	10 367	10 367	3 358	#VALUE!	20 733	#VALUE!	#VALUE!	#VALUE!
September	18 372	10 367	10 367	-		31 100	-		
October	-	-	-	-		31 100	-		
November	-	-	-	-		31 100	-		
December	-	-	-	-		31 100	-		
January	-	-	-	-		31 100	-		
February	-	-	-	-		31 100	-		
March	-	-	-	-		31 100	-		
April	-	-	-	-		31 100	-		
May	-	-	-	-		31 100	-		
June	-	-	-	-		31 100	-		
Total Capital expenditure	55 115	31 100	31 100	3 358					

SECTION 15 – OTHER SUPPORTING DOCUMENTATION

Other National Treasury prescribed supporting documentation not used elsewhere in this document is listed below.

Table SC9 – Cash flow per month by source of revenue and type of expenditure

WC051 Laingsburg - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - Q1 First Quarter

Description	Ref	Budget Year 2018/19												2018/19 Medium Term Revenue & Expenditure Framework		
		July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
Cash Receipts By Source																
Property rates		201	861	372	315	315	315	315	315	315	315	315	(172)	3 785	4 164	4 497
Service charges - electricity revenue		793	872	694	1 056	1 056	1 056	1 056	1 056	1 056	1 056	1 056	1 864	12 670	13 937	15 052
Service charges - water revenue		108	136	106	119	119	119	119	119	119	119	119	125	1 425	1 567	1 693
Service charges - sanitation revenue		98	147	122	94	94	94	94	94	94	94	94	9	1 126	1 239	1 338
Service charges - refuse		102	124	108	95	95	95	95	95	95	95	95	46	1 141	1 255	1 356
Service charges - other		44	13	6	—	—	—	—	—	—	—	—	(63)	—	—	—
Rental of facilities and equipment		57	62	49	108	108	108	108	108	108	108	108	295	1 328	1 461	1 578
Interest earned - external investments		49	80	99	70	70	70	70	70	70	70	70	54	845	929	1 003
Interest earned - outstanding debtors		16	22	24	39	39	39	39	39	39	39	39	105	479	527	569
Dividends received		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		2	0	0	575	575	575	575	575	575	575	575	2 298	6 899	7 589	8 196
Licences and permits		117	124	103	104	104	104	104	104	104	104	104	72	1 247	1 372	1 482
Agency services		—	—	—	10	10	10	10	10	10	10	10	42	125	138	149
Transfer receipts - operating		6 718	2 050	—	1 689	1 689	1 689	1 689	1 689	1 689	1 689	1 689	(2 055)	20 222	22 245	24 024
Other revenue		2 730	4 790	(3 447)	15	15	15	15	15	15	15	15	(4 014)	176	193	209
Cash Receipts by Source		11 034	9 280	(1 764)	4 289	4 289	4 289	4 289	4 289	4 289	4 289	4 289	(1 395)	51 469	56 616	61 145
Other Cash Flows by Source																
Transfer receipts - capital		6 368	2 108	—	104	104	104	104	104	104	104	104	1 059	10 367	11 403	12 316
Contributions & Contributed assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase in consumer deposits		5	6	3	3	3	3	3	3	3	3	3	(3)	33	36	39
Receipt of non-current debtors		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Receipt of non-current receivables		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Change in non-current investments		—	—	6 000	—	—	—	—	—	—	—	—	(6 000)	—	—	—
Total Cash Receipts by Source		17 407	11 394	4 239	4 396	4 396	4 396	4 396	4 396	4 396	4 396	4 396	(6 339)	61 869	68 055	73 500
Cash Payments by Type																
Employee related costs		281	1 566	3 523	2 067	2 067	2 067	2 067	2 067	2 067	2 067	2 067	2 380	24 283	26 712	28 849
Remuneration of councillors		—	218	449	261	261	261	261	261	261	261	261	379	3 136	3 450	3 726
Interest paid		—	—	—	1	1	1	1	1	1	1	1	(5)	—	—	—
Bulk purchases - Electricity		—	868	938	659	659	659	659	659	659	659	659	831	7 908	8 699	9 395
Bulk purchases - Water & Sewer		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials		1	118	38	80	80	80	80	80	80	80	80	162	958	1 054	1 138
Contracted services		2	—	501	525	525	525	525	525	525	525	525	1 595	6 295	6 924	7 478
Grants and subsidies paid - other municipalities		—	—	—	29	29	29	29	29	29	29	29	94	328	361	390
Grants and subsidies paid - other		12	27	20	—	—	—	—	—	—	—	—	(58)	—	—	—
General expenses		2 999	7 631	927	1 017	1 017	1 017	1 017	1 017	1 017	1 017	1 017	(7 487)	12 210	13 430	14 505
Cash Payments by Type		3 295	10 427	6 395	4 639	4 639	4 639	4 639	4 639	4 639	4 639	4 639	(2 110)	55 117	60 629	65 479
Other Cash Flows/Payments by Type																
Capital assets		—	3 358	—	—	—	—	—	—	—	—	—	7 008	10 367	11 403	12 316
Repayment of borrowing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Cash Flows/Payments		—	—	—	7	7	7	7	7	7	7	7	(58)	—	—	—
Total Cash Payments by Type		3 295	13 786	6 395	4 646	4 646	4 646	4 646	4 646	4 646	4 646	4 646	4 840	65 484	72 032	77 795
NET INCREASE/(DECREASE) IN CASH HELD		14 112	(2 392)	(2 156)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(11 179)	(3 615)	(3 977)	(4 295)
Cash/cash equivalents at the month/year beginning:		10 078	24 190	21 798	19 642	19 392	19 142	18 892	18 642	18 392	18 142	17 892	17 641	10 078	6 463	2 486
Cash/cash equivalents at the month/year end:		24 190	21 798	19 642	19 392	19 142	18 892	18 642	18 392	18 142	17 892	17 641	6 463	6 463	2 486	(1 809)

Table SC13 a – Capital expenditure on new assets by asset class

WC051 Laingsburg - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		12 243	-	-	-	-	-	-	-	-
Roads Infrastructure		474	-	-	-	-	-	-	-	-
Roads		474	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		(522)	-	-	-	-	-	-	-	-
Drainage Collection		(522)	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		7 183	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		7 183	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		5 094	-	-	-	-	-	-	-	-
Dams and Weirs		3 938	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		1 156	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		14	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		14	-	-	-	-	-	-	-	-
Community Assets		1 512	-	-	-	-	-	-	-	-
Community Facilities		1 194	-	-	-	-	-	-	-	-
Libraries		29	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		1 165	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		318	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		318	-	-	-	-	-	-	-	-
Other assets		69	-	-	-	-	-	-	-	69
Operational Buildings		69	-	-	-	-	-	-	-	69
Municipal Offices		69	-	-	-	-	-	-	-	69
Furniture and Office Equipment		5 399	10 367	10 367	3 358	3 358	-	(3 358)	#DIV/0!	10 367
Furniture and Office Equipment		5 399	10 367	10 367	3 358	3 358	-	(3 358)	#DIV/0!	10 367
Machinery and Equipment		318	-	-	-	-	-	-	-	-
Machinery and Equipment		318	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	19 542	10 367	10 367	3 358	3 358	-	(3 358)	#DIV/0!	10 436

Table SC13 c – Expenditure on Repairs and Maintenance by asset class

WC051 Laingsburg - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q1 First Quarter

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		217	729	729	56	56	182	127	69.5%	729
Roads Infrastructure		0	12	12	-	-	3	3	100.0%	12
Roads		0	12	12	-	-	3	3	100.0%	12
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		235	317	317	56	56	79	24	29.9%	317
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		181	253	253	39	39	63	25	38.9%	253
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		54	65	65	17	17	16	(1)	-5.3%	65
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		112	79	79	-	-	20	20	100.0%	79
Dams and Weirs		-	11	11	-	-	3	3	100.0%	11
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		112	68	68	-	-	17	17	100.0%	68
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		54	320	320	-	-	80	80	100.0%	320
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		53	297	297	-	-	74	74	100.0%	297
Waste Water Treatment Works		1	23	23	-	-	6	6	100.0%	23
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		(184)	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		(184)	-	-	-	-	-	-	-	-
Community Assets		1	3	3	-	-	1	1	100.0%	3
Community Facilities		1	3	3	-	-	1	1	100.0%	3
Halls		1	3	3	-	-	1	1	100.0%	3
Investment properties		140	287	287	3	9	72	63	88.1%	287
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		140	287	287	3	9	72	63	88.1%	287
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		140	287	287	3	9	72	63	88.1%	287
Other assets		1 329	2 253	2 253	87	87	388	301	77.7%	2 253
Operational Buildings		1 330	2 235	2 235	87	87	383	297	77.4%	2 235
Municipal Offices		1 330	2 235	2 235	87	87	383	297	77.4%	2 235
Housing		(1)	18	18	-	-	5	5	100.0%	18
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		(1)	18	18	-	-	5	5	100.0%	18

Furniture and Office Equipment		362	318	318	71	71	79	8	10.1%	318
Furniture and Office Equipment		362	318	318	71	71	79	8	10.1%	318
Machinery and Equipment		143	115	115	6	6	29	23	79.9%	115
Machinery and Equipment		143	115	115	6	6	29	23	79.9%	115
Transport Assets		477	509	509	85	85	127	42	33.3%	509
Transport Assets		477	509	509	85	85	127	42	33.3%	509
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	2 668	4 213	4 213	308	313	877	565	64.4%	4 213

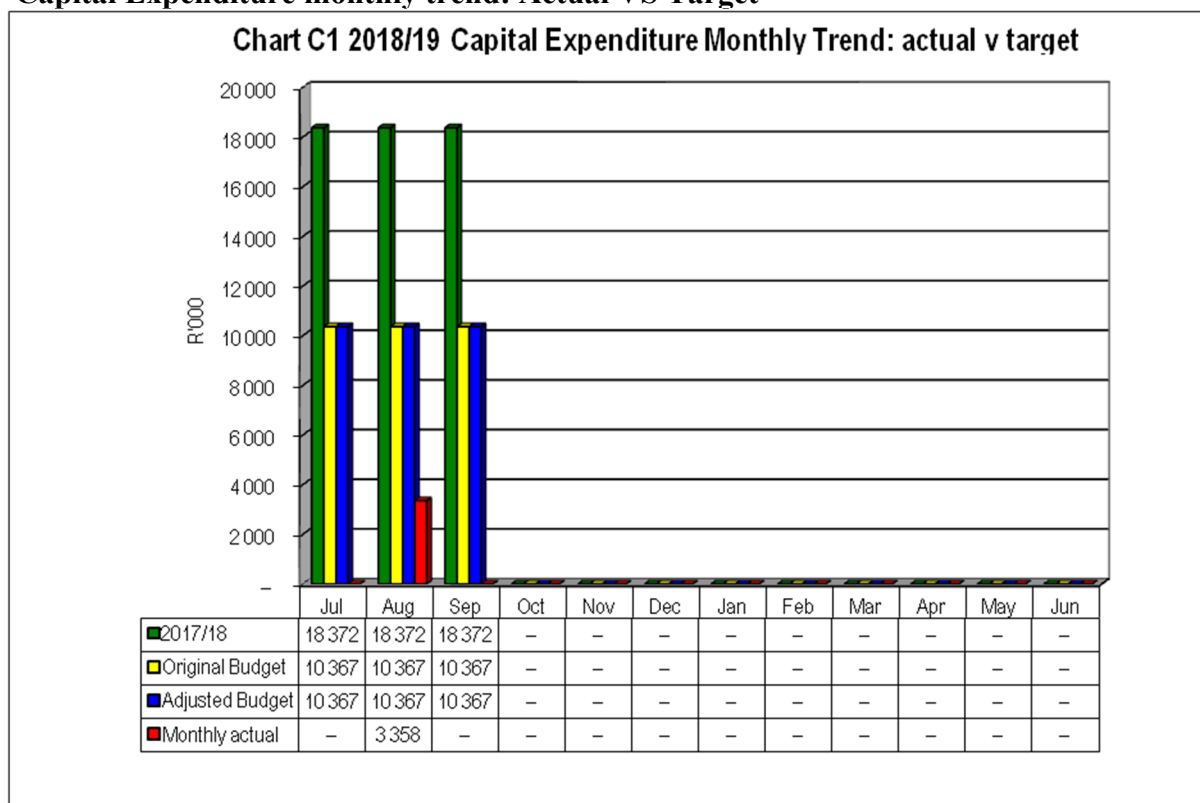
Table SC13 d – Depreciation charges by asset class

WC051 Laingsburg - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - Q1 First Quarter

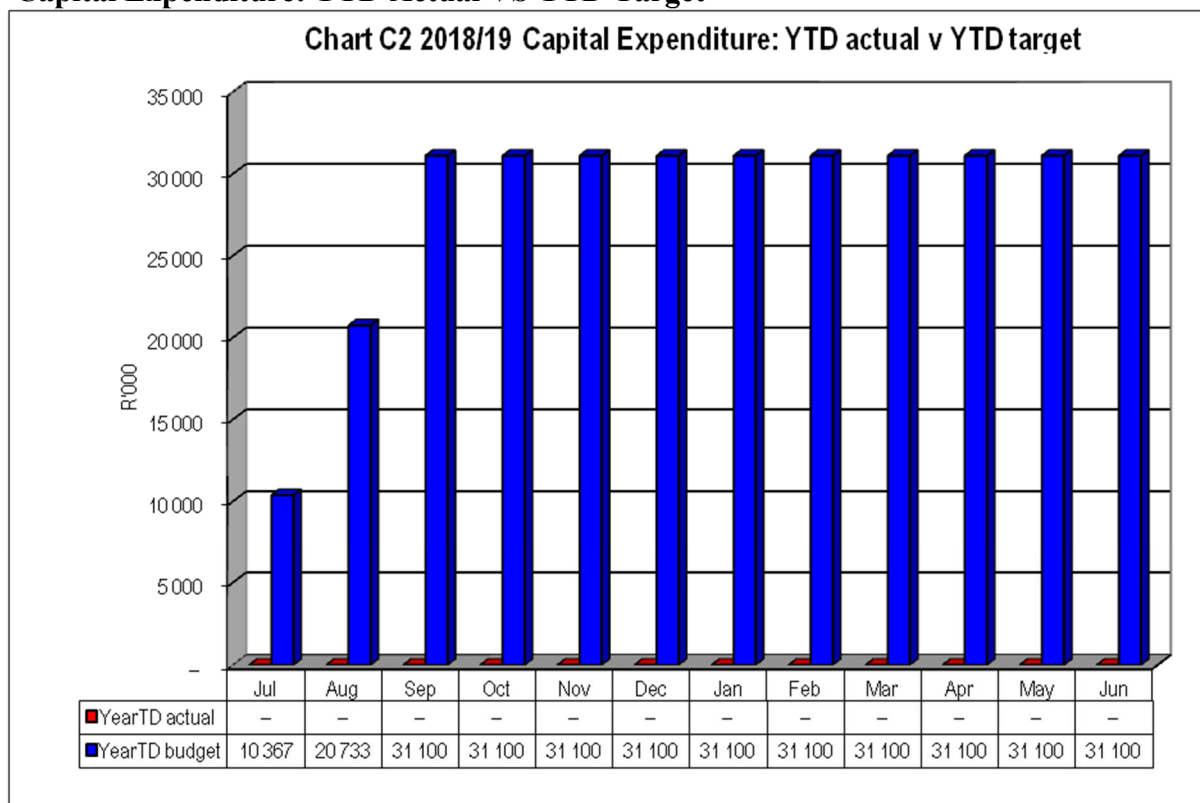
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		6	6 039	6 039	-	-	1 007	1 007	100.0%	6 039
Roads Infrastructure		6	4 089	4 089	-	-	682	682	100.0%	4 089
Roads		6	4 089	4 089	-	-	682	682	100.0%	4 089
Electrical Infrastructure		-	209	209	-	-	35	35	100.0%	209
MV Substations		-	209	209	-	-	35	35	100.0%	209
Water Supply Infrastructure		-	658	658	-	-	110	110	100.0%	658
Distribution		-	658	658	-	-	110	110	100.0%	658
Sanitation Infrastructure		-	887	887	-	-	148	148	100.0%	887
Pump Station		-	887	887	-	-	148	148	100.0%	887
Solid Waste Infrastructure		-	196	196	-	-	33	33	100.0%	196
Landfill Sites		-	196	196	-	-	33	33	100.0%	196
Waste Transfer Stations		-	196	196	-	-	33	33	100.0%	196
Community Assets		20	718	718	-	-	60	60	100.0%	718
Community Facilities		20	718	718	-	-	60	60	100.0%	718
Halls		15	-	-	-	-	-	-	-	-
Libraries		2	33	33	-	-	3	3	100.0%	33
Cemeteries/Crematoria		(0)	318	318	-	-	26	26	100.0%	318
Public Open Space		4	368	368	-	-	31	31	100.0%	368
Investment properties		-	126	126	-	-	11	11	100.0%	-
Revenue Generating		-	126	126	-	-	11	11	100.0%	-
Improved Property		-	126	126	-	-	11	11	100.0%	-
Unimproved Property		-	126	126	-	-	11	11	100.0%	-
Other assets		-	171	171	-	-	28	28	100.0%	171
Housing		-	171	171	-	-	28	28	100.0%	171
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	171	171	-	-	28	28	100.0%	171
Computer Equipment		0	301	301	-	-	50	50	100.0%	301
Computer Equipment		0	301	301	-	-	50	50	100.0%	301
Furniture and Office Equipment		362	1 201	1 201	-	-	200	200	100.0%	1 201
Furniture and Office Equipment		362	1 201	1 201	-	-	200	200	100.0%	1 201
Total Depreciation	1	388	8 557	8 557	-	-	1 356	1 356	100.0%	8 431

Schedule C – National Treasury Formats graphs

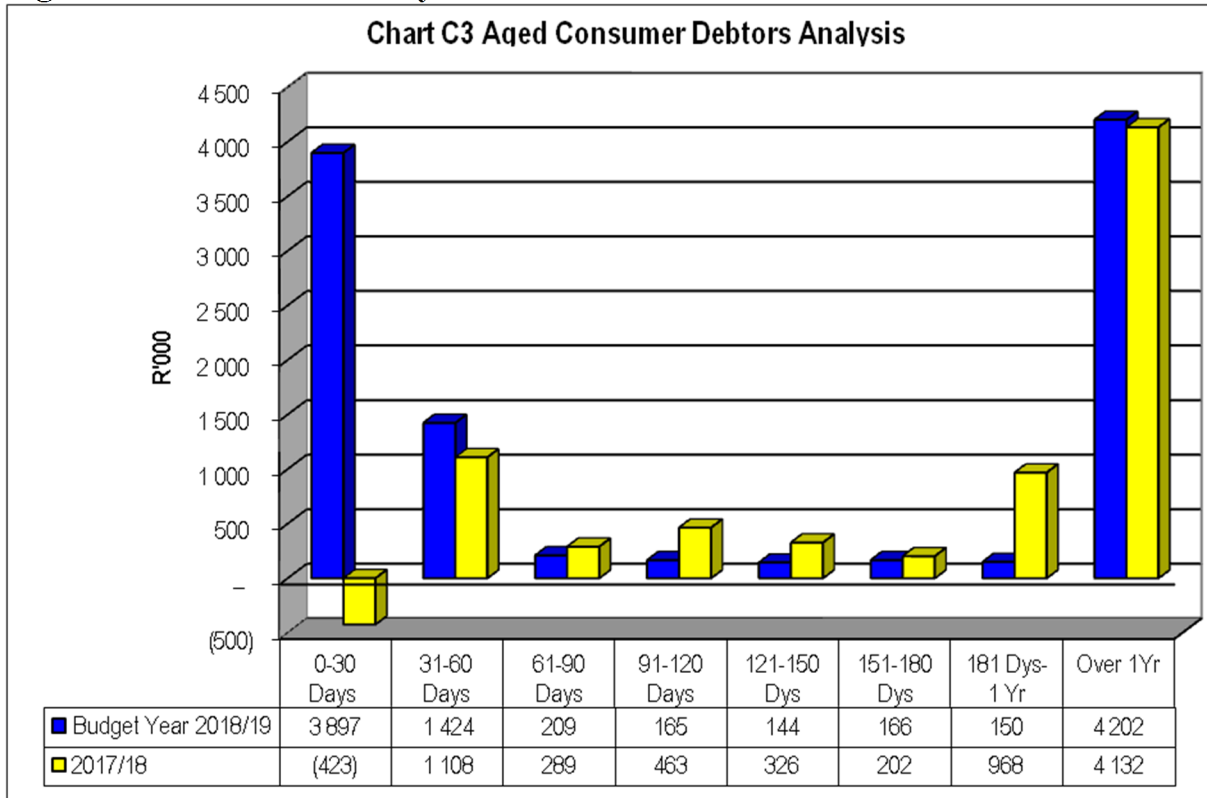
Capital Expenditure monthly trend: Actual VS Target



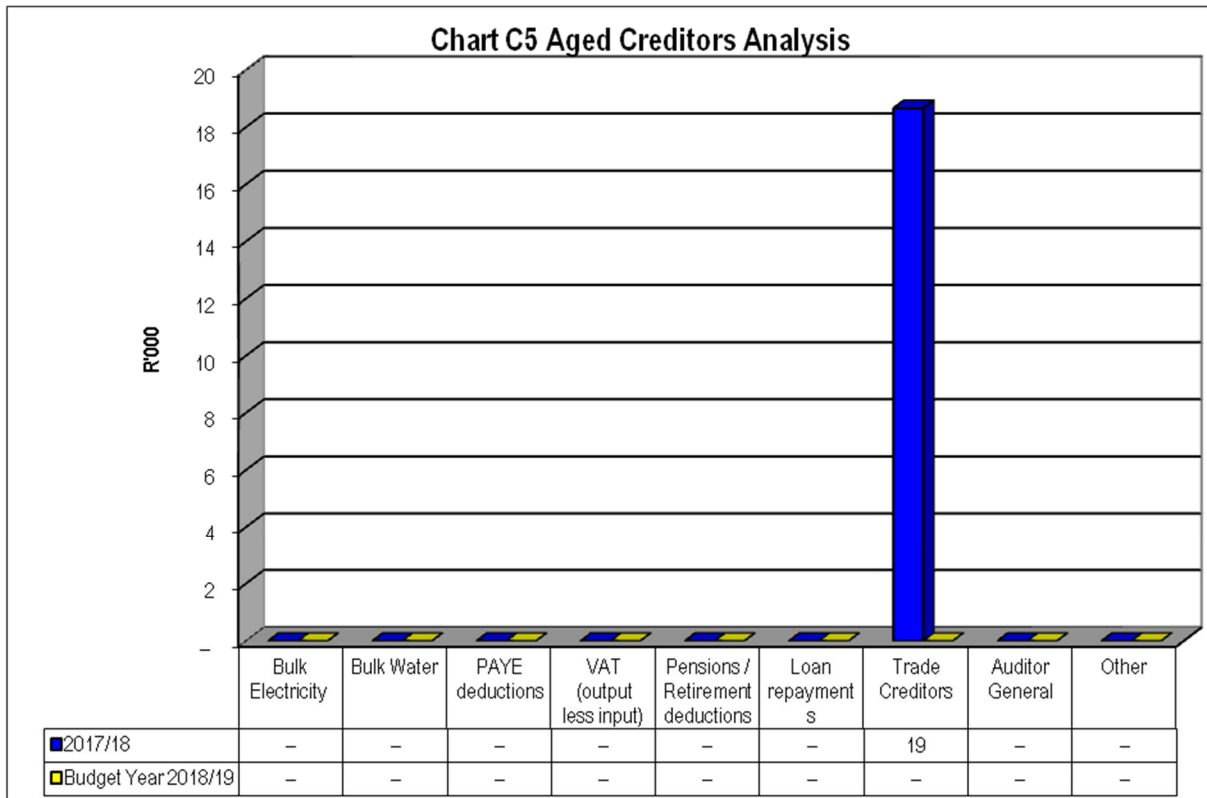
Capital Expenditure: YTD Actual VS YTD Target



Aged Consumer Debtors analysis



Aged Creditors analysis



SECTION 16 - WARD COMMITTEES

The municipal public participation policy and ward committee policy is in place. All four (4) ward committees are established and in fully functional. Monthly ward committee meetings take place and ward committee members are working within their wards as per their assigned portfolios.

There are currently a few vacancies in ward committees within the municipality.

SECTION 17 - RECOMMENDATIONS

- (a) That Council notes the contents of this report and supporting documentations for the 1st quarter of 2018/2019 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.

SECTION 18 - CONCLUSION

The above-mentioned report outline the performance of the municipality with regards to the overall Performance of the municipality, Financial Performance as well as Non- financial Performance with regards legislative compliance. The overall performance was good, but there are still areas that requires intervention and mitigation measures to prevent it in the

following quarters of the year as well as improve the reporting on the system.

The municipal manager will conduct a quarterly review and the outcome of the Performance Review will be recorded to rectify non-performance to ensure that all targets can be achieved before year-end.