

LAINGSBURG MUNICIPALITY



In-Year Report for the Municipality
Forth Quarterly Budget
Statement
JUNE 2017

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1. Glossary

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

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

Budget – The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

IHHS – Informal Housing and Human Settlements, provincial grant.

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

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

MIG – Municipal Infrastructure Grant.

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

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

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

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

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

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

Virement – A transfer of budget.

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

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

2. Legislative framework

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

3. Mayors Report

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

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

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

The quarterly financial information has already been presented in the section 71, monthly budget statement for June 2017. The monthly and quarterly reports for June 2017 should be read in conjunction with one another.

4. Executive Summary

4.1.1 Financial problems or risks facing the Municipality

The cash flow of the Municipality has decreased drastically during the last quarter. Operating revenues and expenditures to date remain in line with the projected year to date budgets taking accruals and prior year trends into account.

The new financial year started on 1 July 2016, and no major spending has occurred during the financial year.

The availability of grants funding is limited and a large amount of the MIG was paid out during June after the purchase of the material for a water project.

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

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

4.1.2 Other relevant information

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

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

Operating Revenue

The Municipality have generated 86.26% or R68,368 million of the Budgeted Revenue to date which is lower than the budgeted amounts. During the financial year operating grants totalling R10,908 million were received. The largest part of the grants received forms part of the Equitable share allocation for the financial year.

Operating Expenditure

For the quarter ending June 2017, the Municipality managed to spend within the budgeted norms. An amount of R 78,377 million or 80,7% have been spent to date. The amount spent exceeds the total amount of the revenue billed and received for the year to date

Capital Expenditure

The Municipality has incurred R410 000 or 26.6% of the internal funded Capital Budget to date. The reason for the low spending was due to the restricted cash available for spending on the capital programme. The external spending for the year to date totals to R9,2365 million to date.

Cash Flow

The Municipality started off with a cash flow balance of R9,964 million at the beginning of the year and decreased it with R7,092 million. The closing balance for this quarter is R2,872 million. The decrease in cash flow is due to the spending according to the budget and the revenue that is less than the year to date budgeted portion. The Municipal Cash flow is mainly from Operating Activities as no Borrowing or Investments are budgeted for the 2016/2017 financial year.

Debtors

The Outstanding Debtors of the Municipality amounts to R R4,971 million for the quarter ending June 2017. The outstanding debt for more than 90 days amounts to 75.79%. The payment rate for 2015/2016 financial year was 105%. For the financial year to date the payment rate is 82%. This is a decrease since the previous financial year. The Municipality is fully implementing the Debt Collection and Credit Control Policy.

Creditors

Total outstanding creditors amount to R63,883 for the quarter ending June 2017 . The amount is before invoices older than 30 days are received. Year-end journals will be passed for payments that are outstanding on 30 June. All the outstanding amounts are within the 30 days outstanding categories which is compliant with Section 65 of the MFMA. Cases occur where suppliers issue their invoices more than 30 days after the date of the invoice, for payment, but in most cases the payments are made at presentation of the invoices.

5. In year Budget Statement Tables

Table C1: Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	3 129	4 004	3 501	12	3 571	3 604	(33)	-1%	3 501
Service charges	15 324	16 567	16 192	4 110	16 907	16 500	407	2%	16 192
Investment revenue	1 429	1 119	843	251	775	1 120	(345)	-31%	843
Transfers recognised - operational	18 084	18 429	20 806	317	10 908	16 979	(6 071)	-36%	20 806
Other own revenue	23 063	38 575	37 914	6 827	36 206	38 571	(2 365)	-6%	37 914
Total Revenue (excluding capital transfers and contributions)	61 030	78 695	79 257	11 518	68 368	76 774	(8 406)	-11%	79 257
Employee costs	15 198	20 664	20 543	4 574	18 583	19 836	(1 252)	-6%	20 543
Remuneration of Councillors	2 408	2 619	2 619	648	2 501	2 619	(117)	-4%	2 619
Depreciation & asset impairment	9 275	12 303	12 473	1 213	6 574	3 397	3 177	94%	12 473
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	7 487	8 713	7 500	1 076	6 782	8 712	(1 930)	-22%	7 500
Transfers and grants	35 659	4 559	4 619	1 119	3 032	2 440	592		4 619
Other expenditure	32 010	46 740	49 371	9 858	40 904	46 498	(5 594)	-12%	49 371
Total Expenditure	102 038	95 598	97 123	18 488	78 377	83 502	(5 125)	-6%	97 123
Surplus/(Deficit)	(41 008)	(16 903)	(17 867)	(6 970)	(10 009)	(6 728)	(3 281)	49%	(17 867)
Transfers recognised - capital	29 323	8 159	10 680	729	5 834	8 159	(2 325)	-28%	10 680
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(11 685)	(8 744)	(7 187)	(6 241)	(4 175)	1 431	(5 606)	-392%	(7 187)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(11 685)	(8 744)	(7 187)	(6 241)	(4 175)	1 431	(5 606)	-392%	(7 187)
Capital expenditure & funds sources									
Capital expenditure	25 889	14 703	11 724	4 367	9 676	-	9 676	#DIV/0!	11 724
Capital transfers recognised	24 530	13 160	10 181	3 959	9 265	-	9 265	#DIV/0!	10 181
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	168	1 543	1 543	408	410	-	410	#DIV/0!	1 543
Total sources of capital funds	24 699	14 703	11 724	4 367	9 676	-	9 676	#DIV/0!	11 724
Financial position									
Total current assets	18 711	17 729	17 729		9 803				17 729
Total non current assets	152 413	161 963	161 963		165 089				161 963
Total current liabilities	7 003	14 140	14 140		14 350				14 140
Total non current liabilities	6 872	3 429	3 429		3 374				3 429
Community wealth/Equity	157 249	162 123	162 123		157 168				162 123
Cash flows									
Net cash from (used) operating	25 325	3 247	3 247	(868)	(1 143)	3 247	(4 389)	-135%	3 247
Net cash from (used) investing	(30 689)	(12 484)	(12 484)	(3 052)	(6 044)	(12 484)	6 440	-52%	(12 484)
Net cash from (used) financing	99	24	24	5	94	24	70	293%	24
Cash/cash equivalents at the month/year end	4 699	751	751	-	2 872	751	2 121	282%	751
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	36	1 032	136	141	108	107	419	2 992	4 971
Creditors Age Analysis									
Total Creditors	64	-	-	-	-	-	-	-	64

Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q4 Fourth Quarter

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		49 665	29 464	32 735	823	17 833	29 046	(11 214)	-39%	22 186
Executive and council		20 302	14 647	14 625	230	11 323	14 647	(3 324)	-23%	14 625
Budget and treasury office		5 267	12 272	15 123	55	3 939	11 872	(7 933)	-67%	4 574
Corporate services		24 097	2 545	2 987	538	2 571	2 528	43	2%	2 987
<i>Community and public safety</i>		22 187	38 153	37 278	6 477	35 840	38 151	(2 311)	-6%	37 278
Community and social services		971	993	995	3	1 004	993	11	1%	995
Sport and recreation		4	3	16	1	16	2	14	580%	16
Public safety		21 201	37 145	36 255	6 473	34 811	37 144	(2 333)	-6%	36 255
Housing		11	12	12	1	9	12	(3)	-27%	12
Health		-	0	0	0	-	-	-	-	0
<i>Economic and environmental services</i>		1 341	1 059	1 083	346	1 062	1 060	2	0%	1 083
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 341	1 059	1 083	346	1 062	1 060	2	0%	1 083
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17 158	18 178	18 842	4 600	19 467	16 675	2 792	17%	18 842
Electricity		11 108	11 367	11 658	2 828	12 189	10 905	1 283	12%	11 658
Water		2 316	2 746	2 890	652	2 691	1 903	788	41%	2 890
Waste water management		1 998	2 117	2 302	618	2 490	2 010	480	24%	2 302
Waste management		1 736	1 948	1 992	503	2 097	1 857	240	13%	1 992
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	90 352	86 854	89 937	12 247	74 202	84 933	(10 731)	-13%	79 388
Expenditure - Standard										
<i>Governance and administration</i>		59 689	30 650	33 491	6 874	23 914	25 710	(1 796)	-7%	33 491
Executive and council		38 675	11 773	11 861	2 165	8 560	8 508	52	1%	11 861
Budget and treasury office		13 864	9 971	12 848	2 369	8 845	9 656	(811)	-8%	12 848
Corporate services		7 151	8 907	8 782	2 340	6 508	7 545	(1 037)	-14%	8 782
<i>Community and public safety</i>		20 500	37 945	37 772	6 178	31 406	36 804	(5 398)	-15%	37 772
Community and social services		2 030	2 041	2 041	462	1 946	1 489	456	31%	2 041
Sport and recreation		45	481	481	7	28	109	(81)	-74%	481
Public safety		18 220	35 148	34 975	5 675	29 274	35 079	(5 804)	-17%	34 975
Housing		187	190	190	32	155	42	113	270%	190
Health		19	85	85	2	3	85	(82)	-97%	85
<i>Economic and environmental services</i>		10 230	11 778	11 778	2 687	10 524	7 709	2 815	37%	11 778
Planning and development		1 063	1 043	1 043	270	1 038	1 002	37	4%	1 043
Road transport		9 167	10 734	10 734	2 417	9 486	6 707	2 779	41%	10 734
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		11 611	15 212	14 070	2 733	12 512	13 268	(755)	-6%	14 070
Electricity		7 812	9 292	8 149	1 250	7 360	9 047	(1 687)	-19%	8 149
Water		1 211	2 454	2 454	649	2 034	1 791	243	14%	2 454
Waste water management		1 858	2 013	2 013	499	1 841	1 244	597	48%	2 013
Waste management		730	1 454	1 454	334	1 278	1 186	92	8%	1 454
<i>Other</i>		6	13	13	16	21	12	9	73%	13
Total Expenditure - Standard	3	102 038	95 598	97 123	18 488	78 377	83 502	(5 125)	-6%	97 123
Surplus/ (Deficit) for the year		(11 686)	(8 744)	(7 187)	(6 241)	(4 175)	1 431	(5 606)	-392%	(17 735)

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in the Financial Performance Statement
3. Total Expenditure by standard classification must reconcile to total operating expenditure shown in 'Financial Performance Statement'
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

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) - Q4 Fourth Quarter

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - MAYORAL & COUNCIL	1	20 302	14 647	14 625	230	11 322	14 647	(3 325)	-22.7%	14 625
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		24 096	2 545	2 987	538	2 571	2 528	43	1.7%	2 987
Vote 4 - BUDGET & TREASURY		5 267	12 272	15 123	55	3 939	11 872	(7 933)	-66.8%	15 123
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		972	994	995	3	1 004	993	11	1.1%	995
Vote 7 - SPORTS AND RECREATION		4	3	16	1	16	2	14	580.1%	16
Vote 8 - HOUSING		11	12	12	1	9	12	(3)	-27.4%	12
Vote 9 - PUBLIC SAFETY		21 201	37 145	36 255	6 473	34 811	37 144	(2 333)	-6.3%	36 255
Vote 10 - ROAD TRANSPORT		1 341	1 059	1 083	346	1 062	1 060	2	0.2%	1 083
Vote 11 - WASTE MANAGEMENT		1 581	1 948	1 992	503	2 097	1 857	240	12.9%	1 992
Vote 12 - WASTE WATER MANAGEMENT		1 998	2 117	2 302	618	2 490	2 010	480	23.9%	2 302
Vote 13 - WATER		2 316	2 746	2 890	652	2 691	1 903	788	41.4%	2 890
Vote 14 - ELECTRICITY		11 108	11 367	11 658	2 828	12 189	10 905	1 283	11.8%	11 658
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	90 197	86 854	89 937	12 247	74 201	84 933	(10 732)	-12.6%	89 937
Expenditure by Vote										
Vote 1 - MAYORAL & COUNCIL	1	35 464	7 713	7 737	1 737	5 738	4 760	978	20.5%	7 737
Vote 2 - MUNICIPAL MANAGER		3 210	4 060	4 125	428	2 822	3 748	(925)	-24.7%	4 125
Vote 3 - CORPORATE SERVICES		7 150	8 907	8 782	2 340	6 508	7 545	(1 037)	-13.7%	8 782
Vote 4 - BUDGET & TREASURY		13 864	9 971	12 848	2 369	8 845	9 656	(811)	-8.4%	12 848
Vote 5 - PLANNING AND DEVELOPMENT		1 063	1 043	1 043	270	1 038	1 002	37	3.7%	1 043
Vote 6 - COMMUNITY AND SOCIAL SERV		1 231	1 389	1 389	309	1 195	1 059	136	12.8%	1 389
Vote 7 - SPORTS AND RECREATION		868	1 230	1 230	178	802	636	166	26.1%	1 230
Vote 8 - HOUSING		187	190	190	32	155	42	113	269.7%	190
Vote 9 - PUBLIC SAFETY		18 220	35 148	34 975	5 675	29 274	35 079	(5 804)	-16.5%	34 975
Vote 10 - ROAD TRANSPORT		9 167	10 734	10 734	2 417	9 486	6 707	2 779	41.4%	10 734
Vote 11 - WASTE MANAGEMENT		576	1 454	1 454	334	1 278	1 186	92	7.7%	1 454
Vote 12 - WASTE WATER MANAGEMENT		1 858	2 013	2 013	499	1 841	1 244	597	48.0%	2 013
Vote 13 - WATER		1 211	2 454	2 454	649	2 034	1 791	243	13.6%	2 454
Vote 14 - ELECTRICITY		7 812	9 292	8 149	1 250	7 360	9 047	(1 687)	-18.6%	8 149
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	101 882	95 598	97 123	18 488	78 377	83 502	(5 125)	-6.1%	97 123
Surplus/ (Deficit) for the year	2	(11 685)	(8 744)	(7 187)	(6 241)	(4 176)	1 431	(5 607)	-391.9%	(7 187)

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		2 934	3 870	3 281	(36)	3 258	3 483	(226)	-6%	3 281
Property rates - penalties & collection charges		195	134	220	47	313	121	193	160%	220
Service charges - electricity revenue		10 901	11 163	11 204	2 763	11 851	10 905	946	9%	11 204
Service charges - water revenue		1 061	1 499	1 143	496	1 866	1 903	(37)	-2%	1 143
Service charges - sanitation revenue		1 998	2 117	2 302	460	1 660	2 010	(350)	-17%	2 302
Service charges - refuse revenue		1 249	1 446	1 490	380	1 441	1 355	86	6%	1 490
Service charges - other		115	341	52	11	89	327	(237)	-73%	52
Rental of facilities and equipment		1 108	812	1 078	303	1 100	811	289	36%	1 078
Interest earned - external investments		1 270	906	833	181	727	906	(179)	-20%	833
Interest earned - outstanding debtors		159	213	10	71	48	214	(166)	-77%	10
Dividends received		-	-	-	-	-	-	-	-	-
Fines		19 962	36 737	35 823	6 138	33 688	36 736	(3 048)	-8%	35 823
Licences and permits		1 145	273	298	336	1 133	273	860	316%	298
Agency services		142	107	107	37	127	107	20	19%	107
Transfers recognised - operational		18 084	18 429	20 806	317	10 908	16 979	(6 071)	-36%	20 806
Other revenue		706	647	609	13	158	645	(487)	-76%	609
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		61 030	78 695	79 257	11 518	68 368	76 774	(8 406)	-11%	79 257
Expenditure By Type										
Employee related costs		15 198	20 664	20 543	4 574	18 583	19 836	(1 252)	-6%	20 543
Remuneration of councillors		2 408	2 619	2 619	648	2 501	2 619	(117)	-4%	2 619
Debt impairment		14 311	25 424	25 251	4 272	23 172	25 200	(2 028)	-8%	25 251
Depreciation & asset impairment		9 275	12 303	12 473	1 213	6 574	3 397	3 177	94%	12 473
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		7 487	8 713	7 500	1 076	6 782	8 712	(1 930)	-22%	7 500
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		3 267	7 765	7 765	600	3 073	7 766	(4 692)	-60%	7 765
Transfers and grants		35 659	4 559	4 619	1 119	3 032	2 440	592	24%	4 619
Other expenditure		14 432	13 551	16 355	4 985	14 659	13 532	1 127	8%	16 355
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		102 038	95 598	97 123	18 488	78 377	83 502	(5 125)	-6%	97 123
Surplus/(Deficit)		(41 008)	(16 903)	(17 867)	(6 970)	(10 009)	(6 728)	(3 281)	0	(17 867)
Transfers recognised - capital		29 323	8 159	10 680	729	5 834	8 159	(2 325)	(0)	10 680
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(11 685)	(8 744)	(7 187)	(6 241)	(4 175)	1 431			(7 187)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(11 685)	(8 744)	(7 187)	(6 241)	(4 175)	1 431			(7 187)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(11 685)	(8 744)	(7 187)	(6 241)	(4 175)	1 431			(7 187)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(11 685)	(8 744)	(7 187)	(6 241)	(4 175)	1 431			(7 187)

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

WC051 Laingsburg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - Q4 Fourth Quarter

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Standard Classification										
<i>Governance and administration</i>		-	583	583	95	241	-	241	#DIV/0!	583
Executive and council		-	-	-	62	81	-	81	#DIV/0!	-
Budget and treasury office		-	40	40	20	24	-	24	#DIV/0!	40
Corporate services		-	543	543	14	136	-	136	#DIV/0!	543
<i>Community and public safety</i>		1 949	2 169	2 281	309	2 480	-	2 480	#DIV/0!	2 281
Community and social services		361	1 300	1 303	29	926	-	926	#DIV/0!	1 303
Sport and recreation		1 072	429	538	193	288	-	288	#DIV/0!	538
Public safety		-	-	-	-	-	-	-	-	-
Housing		516	160	160	-	1 266	-	1 266	#DIV/0!	160
Health		-	280	280	87	-	-	-	-	280
<i>Economic and environmental services</i>		12 148	430	2 148	169	1 038	-	1 038	#DIV/0!	2 148
Planning and development		-	-	-	87	-	-	-	-	-
Road transport		12 148	430	2 148	82	1 038	-	1 038	#DIV/0!	2 148
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		11 792	11 521	6 712	3 881	5 918	-	5 918	#DIV/0!	6 712
Electricity		7 696	2 000	2 000	325	1 994	-	1 994	#DIV/0!	2 000
Water		2 140	6 371	4 562	3 556	3 870	-	3 870	#DIV/0!	4 562
Waste water management		1 956	3 150	150	-	53	-	53	#DIV/0!	150
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	25 889	14 703	11 724	4 454	9 676	-	9 676	#DIV/0!	11 724
Funded by:										
National Government		24 530	13 160	10 181	3 959	9 265	-	9 265	#DIV/0!	10 181
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		24 530	13 160	10 181	3 959	9 265	-	9 265	#DIV/0!	10 181
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		168	1 543	1 543	408	410	-	410	#DIV/0!	1 543
Total Capital Funding		24 699	14 703	11 724	4 367	9 676	-	9 676	#DIV/0!	11 724

Table C6: Financial Position

WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		8 317	9 964	9 964	(760)	9 964
Call investment deposits		-	-	-	-	-
Consumer debtors		4 336	6 053	6 053	(18 207)	6 053
Other debtors		360	116	116	26 786	116
Current portion of long-term receivables		-	-	-	-	-
Inventory		5 698	1 597	1 597	1 983	1 597
Total current assets		18 711	17 729	17 729	9 803	17 729
Non current assets						
Long-term receivables		9	3	3	3	3
Investments		-	-	-	-	-
Investment property		4 440	4 392	4 392	4 282	4 392
Investments in Associate		-	-	-	-	-
Property, plant and equipment		147 576	156 917	156 917	160 259	156 917
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		343	640	640	531	640
Other non-current assets		43	12	12	13	12
Total non current assets		152 413	161 963	161 963	165 089	161 963
TOTAL ASSETS		171 124	179 693	179 693	174 891	179 693
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		396	437	437	485	437
Trade and other payables		6 322	8 812	8 812	9 001	8 812
Provisions		286	4 891	4 891	4 864	4 891
Total current liabilities		7 003	14 140	14 140	14 350	14 140
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		6 872	3 429	3 429	3 374	3 429
Total non current liabilities		6 872	3 429	3 429	3 374	3 429
TOTAL LIABILITIES		13 875	17 569	17 569	17 724	17 569
NET ASSETS	2	157 249	162 123	162 123	157 168	162 123
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		120 313	125 678	125 678	120 722	125 678
Reserves		36 937	36 445	36 445	36 445	36 445
TOTAL COMMUNITY WEALTH/EQUITY	2	157 249	162 123	162 123	157 168	162 123

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description	Ref	Budget Year 2016/17								
		2015/16 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, penalties & collection charges		2 528	3 604	3 604	591	3 044	3 604	(560)	-16%	3 604
Service charges		14 606	17 002	17 002	1 093	16 380	17 002	(622)	-4%	17 002
Other revenue		47 562	13 055	13 055	756	13 184	13 055	129	1%	13 055
Government - operating		19 559	16 793	16 793	-	12 941	16 793	(3 851)	-23%	16 793
Government - capital		-	8 159	8 159	-	8 315	8 159	156	2%	8 159
Interest		1 041	1 120	1 120	47	371	1 120	(749)	-67%	1 120
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(58 195)	(55 858)	(55 858)	(2 994)	(55 115)	(55 858)	(743)	1%	(55 858)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		(1 777)	(628)	(628)	(360)	(263)	(628)	(365)	58%	(628)
NET CASH FROM/(USED) OPERATING ACTIVITIES		25 325	3 247	3 247	(868)	(1 143)	3 247	(4 389)	-135%	3 247
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		-	-	-	500	3 631	-	3 631	#DIV/0!	-
Payments										
Capital assets		(30 689)	(12 484)	(12 484)	(3 552)	(9 676)	(12 484)	2 808	-22%	(12 484)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(30 689)	(12 484)	(12 484)	(3 052)	(6 044)	(12 484)	(6 440)	52%	(12 484)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		99	24	24	5	94	24	70	293%	24
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		99	24	24	5	94	24	(70)	-293%	24
NET INCREASE/ (DECREASE) IN CASH HELD		(5 265)	(9 213)	(9 213)	(3 915)	(7 092)	(9 213)			(9 213)
Cash/cash equivalents at beginning:		9 964	9 964	9 964		9 964	9 964			9 964
Cash/cash equivalents at month/year end:		4 699	751	751		2 872	751			751

6. Supporting Documentation

Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2016/17									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	69	34	69	23	20	20	28	275	538	367	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	42	98	48	29	23	19	18	191	467	280	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	(153)	18	78	13	12	14	35	1 713	1 730	1 786	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	(52)	33	71	21	21	20	33	339	486	434	-	-
Receivables from Exchange Transactions - Waste Management	1600	86	21	43	17	18	16	13	108	322	172	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	40	18	116	7	15	18	14	314	543	368	-	-
Interest on Arrear Debtor Accounts	1810	-	809	-	-	-	-	-	-	809	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	3	0	(288)	31	0	0	278	51	75	361	-	-
Total By Income Source	2000	36	1 032	136	141	108	107	419	2 992	4 971	3 767	-	-
2015/16 - totals only		702 023	782 644	114 632	86 396	97 643	97 937	89 788	3 573 353	5 544	3 945	-	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	(754)	197	31	33	30	26	288	587	437	964	-	-
Commercial	2300	415	72	15	32	6	8	2	33	582	81	-	-
Households	2400	316	715	81	72	69	70	123	2 217	3 662	2 551	-	-
Other	2500	59	49	10	4	3	3	6	155	289	171	-	-
Total By Customer Group	2600	36	1 032	136	141	108	107	419	2 992	4 971	3 767	-	-

Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2016/17									Total	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			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	64	-	-	-	-	-	-	-	-	-	64
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	2600	64	-	-	-	-	-	-	-	-	-	64

Material variance explanations

WC051 Laingsburg - Supporting Table SC1 Material variance explanations - Q4 Fourth Quarter

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

Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q4 Fourth Quarter

Description of financial indicator	Basis of calculation	Ref	2015/16	Budget Year 2016/17			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	12.9%	12.8%	0.0%	2.7%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		4.0%	5.4%	5.4%	5.7%	5.4%
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	267.2%	125.4%	125.4%	68.3%	125.4%
Liquidity Ratio	Monetary Assets/Current Liabilities		118.8%	70.5%	70.5%	-5.3%	70.5%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		7.7%	7.8%	7.8%	12.6%	7.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		90.0%	90.0%	90.0%	92.0%	90.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	9.1%	9.0%	9.0%	10.2%	9.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	29.8%	25.0%	25.0%	32.7%	25.0%
Employee costs	Employee costs/Total Revenue - capital revenue		24.9%	26.3%	25.9%	27.2%	25.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.5%	4.3%	4.3%	2.5%	4.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue		15.2%	15.6%	15.7%	0.0%	3.3%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		14.1%	13.0%	13.1%	-7.6%	13.1%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		28.3%	36.5%	37.4%	-36.9%	9.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		3.8%	0.2%	0.2%	0.4%	0.2%

7. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the 3rd quarter of 2016/2017 financial year.
- (b) That the Managers ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan projections and spending of funds, and that revenue collection proceeds in accordance with the budget.
- (c) That Council must give its full support in the collection of outstanding amounts.