

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
First Quarterly Budget
Statement
SEPTEMBER 2015**

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1. Glossary

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

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

Budget – The financial plan of the Municipality.

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

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

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

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

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

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

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

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

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

IHHS – Informal Housing and Human Settlements, provincial grant.

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

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

MIG – Municipal Infrastructure Grant.

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

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

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

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

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

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

Virement – A transfer of budget.

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

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

2. Legislative framework

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

3. Mayors Report

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

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

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

The quarterly financial information has already been presented in the section 71, monthly budget statement for September 2015. The monthly and quarterly reports for September 2015 should be read in conjunction with one another.

4. Executive Summary

4.1.1 Financial problems or risks facing the Municipality

There are no financial problems facing the Municipality. Operating revenues and expenditures to date remain in line with the projected year to date budgets taking accruals and prior year trends into account.

The new financial year started on 1 July 2015, and no major spending has occurred during the financial year.

4.1.2 Other relevant information

Year-to-date revenue raised is 98.8% of the projected year-to-date budget for the first quarter. Operating expenditure incurred amounts to 93.39% of year-to-date budget.

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

Operating Revenue

The Municipality have generated 24.6% or R23,393 million of the Budgeted Revenue to date which is in line with the budgeted amounts. During the financial year operating grants totalling R6,170 million were received. Revenue from electricity is 4% under the year to date budget. The largest part of the grants received forms part of the Equitable share allocation for the financial year.

Operating Expenditure

For the quarter ending September 2015, the Municipality managed to spend within the budgeted norms. An amount of R R17,556 million or 22,6% have been spent to date.

The year to date actual employee costs is 14% under the year to date budget. This is due to the provision for the deferred benefit plan that will only be calculated on year end and the payment of annual bonuses that will be paid during November 2015.

Capital Expenditure

The Municipality has incurred R346 000 or 20.8% of the internal funded Capital Budget to date. The MIG spending for the first quarter totals to R1,993 million to date.

Cash Flow

The Municipality started off with a cash flow balance of R14,758 million at the beginning of the year and increased it with R2,962 million. The closing balance for this quarter is R17,721 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 2015/2016 financial year.

Debtors

The Outstanding Debtors of the Municipality amounts to R R8,627 million for the quarter ending September 2015. The outstanding debt for more than 90 days amounts to 54.7%. The payment rate for 2015/2016 financial year was 96.9%. For the financial year to date the payment rate is 52.26%. This is a decrease since the previous financial year. The Municipality is fully implementing the Debt Collection and Credit Control Policy. It should be noted that the Municipal debt collection and credit control policy was revised during August 2013.

Creditors

Total outstanding creditors amount to R0.00 for the quarter ending September 2015 . All the outstanding amounts are within the 30 days outstanding categories which is compliant with Section 65 of the MFMA. Cases occur where suppliers issue their invoices more than 30 days after the date of the invoice, for payment, but in most cases the payments are made at presentation of the invoices.

5. In year Budget Statement Tables

Table C1: Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q1 First 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	3 040	3 000	3 000	3 265	3 265	750	2 515	335%	3 000
Service charges	13 318	17 826	17 826	4 237	4 237	4 457	(219)	-5%	17 826
Investment revenue	1 101	827	827	209	209	207	3	1%	827
Transfers recognised - operational	19 788	16 841	16 841	6 170	6 170	4 123	2 046	50%	16 841
Other own revenue	31 675	29 483	29 483	7 518	7 518	7 371	148	2%	29 483
Total Revenue (excluding capital transfers and contributions)	68 921	67 977	67 977	21 400	21 400	16 907	4 493	27%	67 977
Employee costs	12 930	17 096	17 096	3 432	3 432	4 005	(573)	-14%	17 096
Remuneration of Councillors	2 220	2 453	2 453	579	579	613	(35)	-6%	2 453
Depreciation & asset impairment	9 523	12 073	12 073	2 005	2 361	2 786	(425)	-15%	12 073
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	6 573	6 523	6 523	1 635	1 635	1 631	4	0%	6 523
Transfers and grants	2 633	4 231	4 231	1 047	1 047	1 058	(11)	-	4 231
Other expenditure	36 534	35 159	35 159	8 860	8 504	8 708	(204)	-2%	35 159
Total Expenditure	70 412	77 536	77 536	17 556	17 556	18 800	(1 244)	-7%	77 536
Surplus/(Deficit)	(1 490)	(9 559)	(9 559)	3 843	3 843	(1 893)	5 736	-303%	(9 559)
Transfers recognised - capital	19 173	27 082	27 082	1 993	1 993	6 770	(4 778)	-71%	27 082
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	17 682	17 523	17 523	5 836	5 836	4 878	959	20%	17 523
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	17 682	17 523	17 523	5 836	5 836	4 878	959	20%	17 523
Capital expenditure & funds sources									
Capital expenditure	27 814	28 419	28 419	2 339	2 339	5 655	(3 315)	-59%	28 419
Capital transfers recognised	27 300	26 754	26 754	1 993	1 993	26 754	(24 761)	-93%	26 754
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	514	1 666	1 665	346	346	1 665	(1 319)	-79%	1 665
Total sources of capital funds	27 814	28 419	28 419	2 339	2 339	28 419	(26 080)	-92%	28 419
Financial position									
Total current assets	18 711	26 606	26 606		31 230				26 606
Total non current assets	152 413	166 145	166 145		166 706				166 145
Total current liabilities	7 003	13 768	13 768		13 121				13 768
Total non current liabilities	6 872	4 051	7 400		4 051				4 051
Community wealth/Equity	157 249	146 300	146 300		180 764				174 931
Cash flows									
Net cash from (used) operating	25 335	22 257	22 257	5 302	5 302	19 652	(14 351)	-73%	22 257
Net cash from (used) investing	(18 491)	(12 484)	(12 484)	(2 339)	(2 339)	(58)	(2 282)	3968%	(12 484)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	21 602	24 532	24 532	-	17 721	34 353	(16 632)	-48%	24 532
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Revenue Source	2 938	841	131	100	94	100	76	4 347	8 627
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - Q1 First 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										
Governance and administration		38 892	47 523	47 523	11 883	11 883	14 636	(2 753)	-19%	46 964
Executive and council		19 336	39 219	39 219	7 102	7 102	9 805	(2 703)	-28%	39 219
Budget and treasury office		8 102	5 134	5 134	3 294	3 294	4 049	(755)	-19%	4 574
Corporate services		11 454	3 171	3 171	1 487	1 487	782	705	90%	3 171
Community and public safety		31 008	28 900	28 900	7 155	7 155	7 149	6	0%	28 900
Community and social services		920	974	974	6	6	167	(160)	-96%	974
Sport and recreation		3	2	2	0	0	1	(1)	-86%	2
Public safety		29 723	27 913	27 913	7 146	7 146	6 978	167	2%	27 913
Housing		363	11	11	3	3	3	(0)	-1%	11
Health		-	0	0	0	-	0	(0)	-100%	0
Economic and environmental services		2 737	1 129	1 129	169	169	282	(114)	-40%	1 129
Planning and development		-	90	90	-	-	23	(23)	-100%	90
Road transport		2 737	1 039	1 039	169	169	260	(91)	-35%	1 039
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		15 456	17 507	17 507	4 186	4 186	4 377	(191)	-4%	17 507
Electricity		9 471	11 352	11 352	2 717	2 717	2 838	(121)	-4%	11 352
Water		2 361	2 078	2 078	543	543	520	23	5%	2 078
Waste water management		1 895	2 106	2 106	526	526	526	(1)	0%	2 106
Waste management		1 730	1 971	1 971	400	400	493	(93)	-19%	1 971
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	88 093	95 059	95 059	23 393	23 393	26 444	(3 051)	-12%	94 500
Expenditure - Standard										
Governance and administration		19 947	25 722	25 722	5 373	5 373	5 927	(553)	-9%	25 722
Executive and council		6 891	10 920	10 920	2 528	2 528	2 521	7	0%	10 920
Budget and treasury office		7 939	7 610	7 610	1 626	1 626	1 995	(369)	-18%	7 610
Corporate services		5 116	7 193	7 193	1 219	1 219	1 411	(192)	-14%	7 193
Community and public safety		27 650	28 460	28 460	7 063	7 063	7 045	18	0%	28 460
Community and social services		1 851	1 904	1 904	404	404	476	(72)	-15%	1 904
Sport and recreation		65	451	451	11	11	102	(91)	-89%	451
Public safety		25 523	25 828	25 828	6 605	6 605	6 398	207	3%	25 828
Housing		186	188	188	42	42	47	(5)	-11%	188
Health		26	90	90	1	1	23	(21)	-95%	90
Economic and environmental services		10 742	11 199	11 199	2 252	2 252	2 792	(540)	-19%	11 199
Planning and development		660	774	774	144	144	186	(42)	-22%	774
Road transport		10 082	10 425	10 425	2 108	2 108	2 606	(498)	-19%	10 425
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		12 067	12 143	12 143	2 867	2 867	3 033	(166)	-5%	12 143
Electricity		7 183	7 077	7 077	1 719	1 719	1 769	(50)	-3%	7 077
Water		1 775	2 172	2 172	614	614	543	71	13%	2 172
Waste water management		1 677	1 505	1 505	325	325	376	(51)	-14%	1 505
Waste management		1 432	1 390	1 390	209	209	345	(136)	-39%	1 390
Other		5	12	12	2	2	3	(1)	-48%	12
Total Expenditure - Standard	3	70 412	77 536	77 536	17 556	17 556	18 800	(1 244)	-7%	77 536
Surplus/ (Deficit) for the year		17 682	17 523	17 523	5 836	5 836	7 644	(1 807)	-24%	16 964

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	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	19 336	39 219	39 219	7 102	7 102	9 805	(2 703)	-27.6%	39 219
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		11 454	3 171	3 171	1 487	1 487	782	705	90.2%	3 171
Vote 4 - BUDGET & TREASURY		8 102	5 134	5 134	3 294	3 294	1 283	2 011	156.7%	5 134
Vote 5 - PLANNING AND DEVELOPMENT		-	90	90	-	-	23	(23)	-100.0%	90
Vote 6 - COMMUNITY AND SOCIAL SERV		920	974	974	7	7	167	(160)	-96.1%	974
Vote 7 - SPORTS AND RECREATION		3	2	2	0	0	1	(1)	-86.0%	2
Vote 8 - HOUSING		363	11	11	3	3	3	(0)	-0.9%	11
Vote 9 - PUBLIC SAFETY		29 723	27 913	27 913	7 146	7 146	6 978	167	2.4%	27 913
Vote 10 - ROAD TRANSPORT		2 737	1 039	1 039	169	169	260	(91)	-35.1%	1 039
Vote 11 - WASTE MANAGEMENT		1 506	1 971	1 971	400	400	493	(93)	-18.8%	1 971
Vote 12 - WASTE WATER MANAGEMENT		1 895	2 106	2 106	526	526	526	(1)	-0.1%	2 106
Vote 13 - WATER		2 361	2 078	2 078	543	543	520	23	4.5%	2 078
Vote 14 - ELECTRICITY		9 471	11 352	11 352	2 717	2 717	2 838	(121)	-4.3%	11 352
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	87 870	95 059	95 059	23 393	23 393	23 678	(285)	-1.2%	95 059
Expenditure by Vote										
Vote 1 - MAYORAL & COUNCIL	1	4 204	7 231	7 231	1 847	1 847	1 599	248	15.5%	7 231
Vote 2 - MUNICIPAL MANAGER		2 687	3 689	3 689	681	681	922	(241)	-26.1%	3 689
Vote 3 - CORPORATE SERVICES		5 116	7 193	7 193	1 219	1 219	1 411	(192)	-13.6%	7 193
Vote 4 - BUDGET & TREASURY		7 940	7 610	7 610	1 626	1 626	1 995	(369)	-18.5%	7 610
Vote 5 - PLANNING AND DEVELOPMENT		660	774	774	144	144	186	(42)	-22.4%	774
Vote 6 - COMMUNITY AND SOCIAL SERV		1 193	1 306	1 306	246	246	326	(80)	-24.6%	1 306
Vote 7 - SPORTS AND RECREATION		754	1 151	1 151	171	171	277	(106)	-38.3%	1 151
Vote 8 - HOUSING		186	188	188	42	42	47	(5)	-10.6%	188
Vote 9 - PUBLIC SAFETY		25 523	25 828	25 828	6 605	6 605	6 398	207	3.2%	25 828
Vote 10 - ROAD TRANSPORT		10 082	10 425	10 425	2 108	2 108	2 606	(498)	-19.1%	10 425
Vote 11 - WASTE MANAGEMENT		1 208	1 390	1 390	209	209	345	(136)	-39.4%	1 390
Vote 12 - WASTE WATER MANAGEMENT		1 677	1 505	1 505	325	325	376	(51)	-13.6%	1 505
Vote 13 - WATER		1 775	2 172	2 172	614	614	543	71	13.1%	2 172
Vote 14 - ELECTRICITY		7 183	7 077	7 077	1 719	1 719	1 769	(50)	-2.8%	7 077
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	70 188	77 536	77 536	17 556	17 556	18 800	(1 244)	-6.6%	77 536
Surplus/ (Deficit) for the year	2	17 682	17 523	17 523	5 836	5 836	4 878	959	19.7%	17 523

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First 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		2 794	2 875	2 875	3 207	3 207	719	2 488	346%	2 875
Property rates - penalties & collection charges		246	126	126	58	58	31	27	85%	126
Service charges - electricity revenue		9 312	11 352	11 352	2 717	2 717	2 838	(121)	-4%	11 352
Service charges - water revenue		875	2 078	2 078	543	543	520	23	5%	2 078
Service charges - sanitation revenue		1 314	2 106	2 106	526	526	526	(1)	0%	2 106
Service charges - refuse revenue		1 730	1 971	1 971	400	400	493	(93)	-19%	1 971
Service charges - other		87	319	319	51	51	80	(29)	-36%	319
Rental of facilities and equipment		1 275	887	887	235	235	222	14	6%	887
Interest earned - external investments		856	652	652	153	153	163	(10)	-6%	652
Interest earned - outstanding debtors		245	175	175	57	57	44	13	30%	175
Dividends received		-	-	-	-	-	-	-	-	-
Fines		28 433	27 530	27 530	6 883	6 883	6 883	0	0%	27 530
Licences and permits		1 115	252	252	253	253	63	190	301%	252
Agency services		84	105	105	28	28	26	2	6%	105
Transfers recognised - operational		19 788	16 841	16 841	6 170	6 170	4 123	2 046	50%	16 841
Other revenue		769	709	709	120	120	177	(57)	-32%	709
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		68 921	67 977	67 977	21 400	21 400	16 907	4 493	27%	67 977
Expenditure By Type										
Employee related costs		12 930	17 096	17 096	3 432	3 432	4 005	(573)	-14%	17 096
Remuneration of councillors		2 220	2 453	2 453	579	579	613	(35)	-6%	2 453
Debt impairment		19 976	21 682	21 682	5 368	5 368	5 420	(53)	-1%	21 682
Depreciation & asset impairment		9 523	12 073	12 073	2 005	2 361	2 786	(425)	-15%	12 073
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		6 573	6 523	6 523	1 635	1 635	1 631	4	0%	6 523
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		3 210	2 976	2 976	579	579	744	(165)	-22%	2 976
Transfers and grants		2 633	4 231	4 231	1 047	1 047	1 058	(11)	-1%	4 231
Other expenditure		13 347	10 502	10 502	2 912	2 557	2 543	13	1%	10 502
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		70 412	77 536	77 536	17 556	17 556	18 800	(1 244)	-7%	77 536
Surplus/(Deficit)		(1 490)	(9 559)	(9 559)	3 843	3 843	(1 893)	5 736	(0)	(9 559)
Transfers recognised - capital		19 173	27 082	27 082	1 993	1 993	6 770	(4 778)	(0)	27 082
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		17 682	17 523	17 523	5 836	5 836	4 878			17 523
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		17 682	17 523	17 523	5 836	5 836	4 878			17 523
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		17 682	17 523	17 523	5 836	5 836	4 878			17 523
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		17 682	17 523	17 523	5 836	5 836	4 878			17 523

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) - Q1 First Quarter

Vote Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - MAYORAL & COUNCIL		6	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		6	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		159	16	16	3	3	6	(3)	-52%	16
Vote 4 - BUDGET & TREASURY		284	20	20	-	-	-	-	-	20
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		99	1 646	1 646	-	-	-	-	-	1 646
Vote 7 - SPORTS AND RECREATION		2 950	572	572	-	-	-	-	-	572
Vote 8 - HOUSING		8 067	14 520	14 520	-	-	4 840	(4 840)	-100%	14 520
Vote 9 - PUBLIC SAFETY		10	-	-	332	332	-	332	#DIV/0!	-
Vote 10 - ROAD TRANSPORT		8 936	3 659	3 659	1 695	1 695	539	1 156	215%	3 659
Vote 11 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-
Vote 12 - WASTE WATER MANAGEMENT		2 535	1 788	1 788	199	199	72	128	178%	1 788
Vote 13 - WATER		2 725	198	198	110	110	198	(88)	-44%	198
Vote 14 - ELECTRICITY		2 037	6 000	6 000	-	-	-	-	-	6 000
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	27 814	28 419	28 419	2 339	2 339	5 655	(3 315)	-59%	28 419
Total Capital Expenditure		27 814	28 419	28 419	2 339	2 339	5 655	(3 315)	-59%	28 419
Capital Expenditure - Standard Classification										
Governance and administration		455	36	36	3	3	6	(3)	-52%	36
Executive and council		12	-	-	-	-	-	-	-	-
Budget and treasury office		284	20	20	-	-	-	-	-	20
Corporate services		159	16	16	3	3	6	(3)	-52%	16
Community and public safety		11 126	16 738	16 738	332	332	4 840	(4 508)	-93%	16 738
Community and social services		35	1 566	1 566	-	-	-	-	-	1 566
Sport and recreation		2 950	572	572	-	-	-	-	-	572
Public safety		10	-	-	332	332	-	332	#DIV/0!	-
Housing		8 067	14 520	14 520	-	-	4 840	(4 840)	-100%	14 520
Health		64	80	80	-	-	-	-	-	80
Economic and environmental services		8 936	3 659	3 659	1 695	1 695	3 659	(1 964)	-54%	3 659
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8 936	3 659	3 659	1 695	1 695	3 659	(1 964)	-54%	3 659
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		7 297	7 986	7 986	309	309	7 986	(7 677)	-96%	7 986
Electricity		2 037	6 000	6 000	-	-	6 000	(6 000)	-100%	6 000
Water		2 725	198	198	110	110	198	(88)	-44%	198
Waste water management		2 535	1 788	1 788	199	199	1 788	(1 589)	-89%	1 788
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	27 814	28 419	28 419	2 339	2 339	16 491	(14 152)	-86%	28 419
Funded by:										
National Government		27 300	26 754	26 754	1 993	1 993	26 754	(24 761)	-93%	26 754
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		27 300	26 754	26 754	1 993	1 993	26 754	(24 761)	-93%	26 754
Public contributions & donations	5									
Borrowing	6									
Internally generated funds		514	1 666	1 665	346	346	1 665	(1 319)	-79%	1 665
Total Capital Funding		27 814	28 419	28 419	2 339	2 339	28 419	(26 080)	-92%	28 419

Table C6: Financial Position**WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q1 First 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	14 758	14 758	17 721	14 758
Call investment deposits		-	-	-	-	-
Consumer debtors		4 336	6 127	6 127	2 850	6 127
Other debtors		360	408	408	5 347	408
Current portion of long-term receivables		-	-	-	-	-
Inventory		5 698	5 313	5 313	5 313	5 313
Total current assets		18 711	26 606	26 606	31 230	26 606
Non current assets						
Long-term receivables		9	9	9	9	9
Investments		-	-	-	-	-
Investment property		4 440	4 511	4 511	4 501	4 511
Investments in Associate		-	-	-	-	-
Property, plant and equipment		147 576	161 067	161 067	161 661	161 067
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		343	547	547	523	547
Other non-current assets		43	11	11	12	11
Total non current assets		152 413	166 145	166 145	166 706	166 145
TOTAL ASSETS		171 124	192 751	192 751	197 936	192 751
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		396	406	406	387	406
Trade and other payables		6 322	7 594	7 594	6 965	7 594
Provisions		286	5 768	5 768	5 768	5 768
Total current liabilities		7 003	13 768	13 768	13 121	13 768
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		6 872	4 051	7 400	4 051	4 051
Total non current liabilities		6 872	4 051	7 400	4 051	4 051
TOTAL LIABILITIES		13 875	17 820	21 168	17 173	17 820
NET ASSETS	2	157 249	174 931	171 583	180 764	174 931
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		120 313	146 300	146 300	143 834	138 001
Reserves		36 937	-	-	36 930	36 930
TOTAL COMMUNITY WEALTH/EQUITY	2	157 249	146 300	146 300	180 764	174 931

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q1 First 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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		37 289	21 696	21 696	8 614	8 614	5 811	2 803	48%	21 696
Government - operating		20 188	16 751	16 751	8 430	8 430	8 118	311	4%	16 751
Government - capital		12 055	27 082	27 082	10 969	10 969	16 527	(5 558)	-34%	27 082
Interest		1 491	827	827	209	209	207	3	1%	827
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(42 536)	(43 562)	(43 562)	(22 483)	(22 483)	(10 728)	(11 755)	110%	(43 562)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		(3 153)	(537)	(537)	(438)	(438)	(283)	(155)	55%	(537)
NET CASH FROM/(USED) OPERATING ACTIVITIES		25 335	22 257	22 257	5 302	5 302	19 652	9 469	48%	22 257
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(18 491)	(12 484)	(12 484)	(2 339)	(2 339)	(58)	(2 282)	3968%	(12 484)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(18 491)	(12 484)	(12 484)	(2 339)	(2 339)	(58)	2 282	-3968%	(12 484)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		6 844	9 773	9 773	2 962	2 962	19 595			9 773
Cash/cash equivalents at beginning:		14 758	14 758	14 758		14 758	14 758			14 758
Cash/cash equivalents at month/year end:		21 602	24 532	24 532		17 721	34 353			24 532

6. Supporting Documentation

Debtors Analysis

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

Description	NT Code	Budget Year 2016/17									Total	Bad Debts
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
R thousands												
Debtors Age Analysis By Revenue Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	59	46	26	23	23	22	20	652	871	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	655	21	32	10	11	10	6	251	996	-	
Receivables from Non-exchange Transactions - Property Rates	1400	2 025	22	14	15	14	9	5	1 901	4 007	-	
Receivables from Exchange Transactions - Waste Water Management	1500	124	37	24	22	21	22	20	681	950	-	
Receivables from Exchange Transactions - Waste Management	1600	69	29	17	16	16	17	13	396	574	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	13	14	17	13	9	20	13	250	349	-	
Interest on Arrear Debtor Accounts	1810	11	647	-	-	-	-	-	185	844	-	
Recoverable unauthorised, irregular or fruitless and wasteful Ex penditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	(19)	23	-	1	-	0	-	29	36	-	
Total By Revenue Source	2000	2 938	841	131	100	94	100	76	4 347	8 627	-	
2015/16 - totals only		1 191 575	136 117	135 362	101 861	143 858	802 699	359 906	3 143 366	6 015	0	
Debtors Age Analysis By Customer Category												
Organs of State	2200	379	19	30	10	6	14	7	1 161	1 626	-	
Commercial	2300	557	38	10	2	5	2	0	41	656	-	
Households	2400	1 906	783	90	85	81	83	66	3 105	6 200	-	
Other	2500	96	1	1	2	1	1	2	40	146	-	
Total By Customer Category	2600	2 938	841	131	100	94	100	76	4 347	8 627	-	

Creditors Analysis

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

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

Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q1 First 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%	15.6%	15.6%	0.0%	3.2%
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%	5.2%	5.2%	3.9%	4.3%
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	267.2%	193.2%	193.2%	238.0%	193.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		118.8%	107.2%	107.2%	135.1%	107.2%
<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		6.8%	9.6%	9.6%	38.3%	9.6%
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))		90.0%	90.0%	90.0%	92.0%	90.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	9.1%	9.0%	9.0%	10.2%	9.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	29.8%	25.0%	25.0%	32.7%	25.0%
Employee costs	Employee costs/Total Revenue - capital revenue		18.8%	25.2%	25.2%	16.0%	25.2%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		1.9%	3.1%	3.1%	0.0%	2.9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		13.8%	17.8%	17.8%	0.0%	3.6%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		15.9%	11.1%	11.1%	90.1%	11.1%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		32.6%	34.4%	34.4%	5.6%	36.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		3.8%	8.1%	8.1%	2.1%	8.1%

7. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the 1st quarter of 2015/2016 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.