

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
First Quarterly Budget
Statement
SEPTEMBER 2018**

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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 2018. The monthly and quarterly reports for September 2018 should be read in conjunction with one another.

4. Executive Summary

4.1.1 Financial problems or risks facing the Municipality

The Municipality is still facing financial and cashflow 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 instalments.

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							
<i>COUNCIL GENERAL EXPENCES</i>	179 040.00	25.00	44 760.00	97 215.11	217.19	54.30	52 455.11
<i>MUNICIPAL MANAGER</i>	58 200.00	25.00	14 550.00	49 681.62	341.45	85.36	35 131.62
<i>FINANCIAL SERVICES</i>	68 880.00	25.00	17 220.00	21 207.51	123.16	30.79	3 987.51
<i>LIBRARY</i>	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

4.1.2 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.

The Table below illustrates an overview of the Budget implementation of Laingsburg Municipality for the quarter ended September 2018.

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 totalling R6,298 million were received. The largest share of the grants received forms part of the Equitable share allocation for the financial year.

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 R 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.

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.

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.

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

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.

5. In year Budget Statement Tables

Table C1: 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 alloc	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										
Governance and administration		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		-	-	-	-	-	-	-	-	-
Community and public safety		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
Economic and environmental services		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		-	-	-	-	-	-	-	-	-
Trading services		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
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	76 701	92 187	92 187	19 807	19 807	23 047	(3 240)	-14%	92 187
Expenditure - Functional										
Governance and administration		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		-	-	-	-	-	-	-	-	-
Community and public safety		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
Economic and environmental services		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		-	-	-	-	-	-	-	-	-
Trading services		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
Other		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										
Vote 1 - MAYORAL & COUNCIL	1	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 DEVELOPMENT		-	-	-	-	-	-	-	-	-
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										
Vote 1 - MAYORAL & COUNCIL	1	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 DEVELOPMENT		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 (monetary allocations) (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

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										
Governance and administration		136	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		136	-	-	-	-	-	-	-	-
Community and public safety		1 577	-	-	-	-	-	-	-	-
Community and social services		1 253	-	-	-	-	-	-	-	-
Sport and recreation		318	-	-	-	-	-	-	-	-
Public safety		6	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		816	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		816	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		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		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
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

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

Table C7: Cash Flow

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

Description	Ref	Budget Year 2018/19								
		2017/18 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										
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

6. Supporting Documentation

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.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	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	3 796	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		

Creditors Analysis

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

Description	NT Code	Budget Year 2018/19									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	-	-	-	-	-	-	-	-	-	-	19
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-	19

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%

7. Recommendation

- (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.