

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
Second Quarterly Budget
Statement
DECEMBER 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 Second 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 December 2017. The monthly and quarterly reports for December 2017 should be read in conjunction with one another.

4. Executive Summary

4.1.1 Financial problems or risks facing the Municipality

The Municipality is currently experiencing financial difficulties in its cash flow. The operating revenue and expenditure to date are however within the budget limits. This is due to the equitable share grant that was received during the Second quarter. Payment for debtors for the Second

quarter was only 30% of the total amount billed for services and rates for this period. Annual rates are levied during July for the financial year.

4.1.2 Other relevant information

Year-to-date revenue raised is 117.53% of the projected year-to-date budget for the Second quarter. Operating expenditure incurred amounts to 92.92% 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 December 2017.

Operating Revenue

The Municipality have generated 56.04% or R42,643 million of the Budgeted Revenue to date which is lower than the budgeted amounts. During the financial year operating grants totalling R10,285 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 December 2017, the Municipality managed to spend within the budgeted norms. An amount of R 37,994 million or 44,17% have been spent to date. As mentioned above the depreciation and annual journals will be processed at the end of the second quarter after the finalization of the audit.

Capital Expenditure

The Municipality has incurred R4,324 million or 47.44% of the external funded Capital Budget to date. The MIG spending for the Second quarter totals to R3,652 million to date.

Cash Flow

The Municipality started off with a cash flow balance of R5,875 million at the beginning of the year and increased it with R7,682 million. The closing balance for this quarter is R13,557 million. The increase in cash flow is due to the receipt of the operational grants. The Municipal Cash flow is mainly from Operating Activities as no Borrowing or Investments are budgeted for the 2017/2018 financial year.

Debtors

The Outstanding Debtors of the Municipality amounts to R 8,503 million for the quarter ending December 2017. The outstanding debt for more than 90 days amounts to 60.85%. The payment rate for 2016/2017 financial year was 63.47%. For the financial year to date the payment rate is 68.69% on services and rates. 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. Outstanding amounts in the areas where the Municipality is not the supplier of electricity are increasing rapidly.

Creditors

Total outstanding creditors amount to R85 923 for the quarter ending December 2017. All the outstanding amounts are within the 30 days outstanding categories which is compliant with Section 65 of the MFMA. Cases occur where suppliers issue their invoices more than 30 days after the date of the invoice, for payment, but in most cases the payments are made at presentation of the invoices.

5. In year Budget Statement Tables

Table C1: Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter

| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| | 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 | 3 571 | 4 151 | - | 0 | 3 797 | 2 283 | 1 514 | 66% | 4 151 |
| Service charges | 16 908 | 18 608 | - | 6 706 | 10 636 | 7 700 | 2 937 | 38% | 18 608 |
| Investment revenue | 818 | 818 | - | 307 | 341 | 409 | (67) | -16% | 818 |
| Transfers and subsidies | 17 034 | 17 823 | - | 4 620 | 10 285 | 8 925 | 1 361 | 15% | 17 823 |
| Other own revenue | 27 943 | 34 699 | - | 16 744 | 17 583 | 16 966 | 617 | 4% | 34 699 |
| Total Revenue (excluding capital transfers and contributions) | 66 273 | 76 100 | - | 28 377 | 42 643 | 36 282 | 6 361 | 18% | 76 100 |
| Employee costs | 19 124 | 22 885 | - | 7 099 | 9 798 | 11 647 | (1 849) | -16% | 22 885 |
| Remuneration of Councillors | 2 507 | 2 606 | - | 768 | 1 182 | 1 276 | (95) | -7% | 2 606 |
| Depreciation & asset impairment | 9 901 | 10 092 | - | - | 388 | 989 | (600) | -61% | 10 092 |
| Finance charges | - | - | - | - | - | - | - | - | - |
| Materials and bulk purchases | 7 460 | 6 854 | - | 2 547 | 4 443 | 3 687 | 757 | 21% | 6 854 |
| Transfers and subsidies | 3 941 | 2 485 | - | 1 455 | 2 678 | 2 485 | 193 | 8% | 2 485 |
| Other expenditure | 38 606 | 41 103 | - | 18 033 | 19 504 | 20 802 | (1 298) | -6% | 41 103 |
| Total Expenditure | 81 539 | 86 025 | - | 29 901 | 37 994 | 40 886 | (2 893) | -7% | 86 025 |
| Surplus/(Deficit) | (15 266) | (9 925) | - | (1 524) | 4 649 | (4 604) | 9 254 | -201% | (9 925) |
| Transfers and subsidies - capital (monetary alloc | 9 213 | 8 654 | - | 6 319 | 4 324 | 4 826 | (502) | -10% | 8 654 |
| Contributions & Contributed assets | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (6 053) | (1 271) | - | 4 795 | 8 973 | 222 | 8 752 | 3951% | (1 271) |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | (6 053) | (1 271) | - | 4 795 | 8 973 | 222 | 8 752 | 3951% | (1 271) |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 11 413 | 9 115 | - | 3 652 | 4 324 | - | 4 324 | #DIV/0! | 9 115 |
| Capital transfers recognised | 10 887 | 8 321 | - | 4 324 | 4 324 | - | 4 324 | #DIV/0! | 8 321 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 436 | 794 | - | (672) | 0 | - | 0 | #DIV/0! | 794 |
| Total sources of capital funds | 11 323 | 9 115 | - | 3 652 | 4 324 | - | 4 324 | #DIV/0! | 9 115 |
| Financial position | | | | | | | | | |
| Total current assets | 14 599 | 8 561 | 8 561 | | 19 537 | | | | 8 561 |
| Total non current assets | 163 379 | 163 393 | 163 393 | | 167 715 | | | | 163 393 |
| Total current liabilities | 13 718 | 12 534 | 12 534 | | 18 860 | | | | 12 534 |
| Total non current liabilities | 8 795 | 3 953 | 3 953 | | 3 953 | | | | 3 953 |
| Community wealth/Equity | 155 467 | 155 467 | 155 467 | | 164 439 | | | | 155 467 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 2 820 | 6 843 | 6 843 | (3 974) | 11 569 | (621) | (12 190) | 1962% | 6 843 |
| Net cash from (used) investing | (6 909) | (9 115) | (9 115) | (2 017) | (3 924) | (3 224) | 700 | -22% | (6 071) |
| Net cash from (used) financing | - | 24 | 24 | 14 | 37 | 6 | (31) | -514% | 16 603 |
| Cash/cash equivalents at the month/year end | 5 875 | 3 627 | 3 627 | - | 13 557 | 2 036 | (11 521) | -566% | 23 251 |
| 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 | 2 097 | 1 058 | 1 320 | 166 | 190 | 87 | 106 | 3 479 | 8 503 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | - | - | - | - | 23 | - | - | 63 | 86 |

Table C2: Financial Performance (Standard Classification)

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q2 Second Quarter

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 30 561 | 27 303 | - | 11 651 | 19 642 | 14 354 | 5 288 | 37% | 27 303 |
| Executive and council | | 20 986 | 3 636 | - | 4 128 | 7 801 | 2 318 | 5 483 | 237% | 3 636 |
| Finance and administration | | 9 575 | 23 667 | - | 7 524 | 11 841 | 12 036 | (195) | -2% | 23 667 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 24 343 | 34 720 | - | 16 343 | 16 694 | 16 977 | (283) | -2% | 34 720 |
| Community and social services | | 995 | 1 077 | - | 1 | 3 | 538 | (535) | -99% | 1 077 |
| Sport and recreation | | 16 | 24 | - | 1 | 1 | 12 | (11) | -91% | 24 |
| Public safety | | 23 323 | 33 606 | - | 16 338 | 16 685 | 16 421 | 264 | 2% | 33 606 |
| Housing | | 10 | 11 | - | 3 | 6 | 5 | 0 | 5% | 11 |
| Health | | 0 | 0 | - | (1) | (1) | - | (1) | #DIV/0! | 0 |
| <i>Economic and environmental services</i> | | 1 066 | 1 097 | - | 4 | 9 | 549 | (540) | -98% | 1 097 |
| Planning and development | | - | - | - | - | - | - | - | - | - |
| Road transport | | 1 066 | 1 097 | - | 4 | 9 | 549 | (540) | -98% | 1 097 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 19 515 | 21 634 | - | 6 698 | 10 621 | 9 228 | 1 394 | 15% | 21 634 |
| Energy sources | | 12 190 | 13 678 | - | 4 172 | 6 892 | 5 341 | 1 551 | 29% | 13 678 |
| Water management | | 2 691 | 3 389 | - | 918 | 1 312 | 1 981 | (669) | -34% | 3 389 |
| Waste water management | | 2 538 | 2 502 | - | 869 | 1 306 | 1 044 | 262 | 25% | 2 502 |
| Waste management | | 2 097 | 2 066 | - | 739 | 1 111 | 862 | 250 | 29% | 2 066 |
| <i>Other</i> | 4 | - | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | 75 486 | 84 754 | - | 34 696 | 46 967 | 41 108 | 5 859 | 14% | 84 754 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 32 538 | 25 703 | - | 7 117 | 12 234 | 13 209 | (975) | -7% | 25 703 |
| Executive and council | | 9 369 | 8 704 | - | 3 188 | 5 324 | 4 145 | 1 179 | 28% | 8 704 |
| Finance and administration | | 23 169 | 17 000 | - | 3 929 | 6 910 | 9 064 | (2 154) | -24% | 17 000 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | 23 370 | 34 634 | - | 14 927 | 15 877 | 17 352 | (1 475) | -8% | 34 634 |
| Community and social services | | 2 178 | 1 738 | - | 423 | 581 | 553 | 28 | 5% | 1 738 |
| Sport and recreation | | 30 | 26 | - | 9 | 16 | 13 | 3 | 23% | 26 |
| Public safety | | 20 988 | 32 683 | - | 14 484 | 15 270 | 16 774 | (1 504) | -9% | 32 683 |
| Housing | | 171 | 183 | - | 2 | 1 | 10 | (9) | -90% | 183 |
| Health | | 3 | 4 | - | 9 | 9 | 2 | 7 | 394% | 4 |
| <i>Economic and environmental services</i> | | 2 968 | 3 368 | - | 783 | 1 229 | 1 602 | (373) | -23% | 3 368 |
| Planning and development | | 1 077 | 1 241 | - | 286 | 434 | 643 | (208) | -32% | 1 241 |
| Road transport | | 1 891 | 2 127 | - | 497 | 795 | 959 | (164) | -17% | 2 127 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 22 644 | 22 312 | - | 7 070 | 8 649 | 8 721 | (72) | -1% | 22 312 |
| Energy sources | | 8 446 | 7 503 | - | 2 683 | 3 231 | 3 912 | (680) | -17% | 7 503 |
| Water management | | 2 128 | 2 628 | - | 682 | 707 | 1 036 | (329) | -32% | 2 628 |
| Waste water management | | 10 399 | 10 828 | - | 3 314 | 4 259 | 3 174 | 1 086 | 34% | 10 828 |
| Waste management | | 1 671 | 1 354 | - | 391 | 452 | 599 | (147) | -25% | 1 354 |
| <i>Other</i> | | 19 | 8 | - | 5 | 5 | 4 | 1 | 36% | 8 |
| Total Expenditure - Functional | 3 | 81 539 | 86 025 | - | 29 901 | 37 994 | 40 886 | (2 893) | -7% | 86 025 |
| Surplus/ (Deficit) for the year | | (6 053) | (1 271) | - | 4 795 | 8 973 | 222 | 8 752 | 3951% | (1 271) |

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) - Q2 Second Quarter

| Vote Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - MAYORAL & COUNCIL | | 20 986 | 3 636 | - | 4 128 | 7 801 | 2 318 | 5 483 | 236.6% | 3 636 |
| Vote 2 - MUNICIPAL MANAGER | | - | - | - | - | - | - | - | - | - |
| Vote 3 - CORPORATE SERVICES | | 3 090 | 1 741 | - | 773 | 1 268 | 868 | 400 | 46.1% | 1 741 |
| Vote 4 - BUDGET & TREASURY | | 6 472 | 21 925 | - | 6 751 | 10 573 | 11 168 | (595) | -5.3% | 21 925 |
| Vote 5 - PLANNING AND DEVELOPMENT | | - | - | - | - | - | - | - | - | - |
| Vote 6 - COMMUNITY AND SOCIAL SERV | | 995 | 1 078 | - | 0 | 2 | 538 | (536) | -99.6% | 1 078 |
| Vote 7 - SPORTS AND RECREATION | | 16 | 24 | - | 1 | 1 | 12 | (11) | -91.0% | 24 |
| Vote 8 - HOUSING | | 10 | 11 | - | 3 | 6 | 5 | 0 | 4.5% | 11 |
| Vote 9 - PUBLIC SAFETY | | 23 323 | 33 606 | - | 16 338 | 16 685 | 16 421 | 264 | 1.6% | 33 606 |
| Vote 10 - ROAD TRANSPORT | | 1 113 | 1 115 | - | 6 | 13 | 557 | (545) | -97.7% | 1 115 |
| Vote 11 - WASTE MANAGEMENT | | 1 903 | 2 066 | - | 739 | 1 111 | 862 | 250 | 29.0% | 2 066 |
| Vote 12 - WASTE WATER MANAGEMENT | | 2 490 | 2 485 | - | 867 | 1 303 | 1 036 | 267 | 25.8% | 2 485 |
| Vote 13 - WATER | | 2 691 | 3 389 | - | 918 | 1 312 | 1 981 | (669) | -33.8% | 3 389 |
| Vote 14 - ELECTRICITY | | 12 190 | 13 678 | - | 4 172 | 6 892 | 5 341 | 1 551 | 29.0% | 13 678 |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 75 278 | 84 754 | - | 34 696 | 46 967 | 41 108 | 5 859 | 14.3% | 84 754 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - MAYORAL & COUNCIL | | 6 382 | 5 127 | - | 2 444 | 4 179 | 2 579 | 1 600 | 62.0% | 5 127 |
| Vote 2 - MUNICIPAL MANAGER | | 2 987 | 3 577 | - | 744 | 1 145 | 1 566 | (421) | -26.9% | 3 577 |
| Vote 3 - CORPORATE SERVICES | | 5 983 | 6 099 | - | 1 370 | 2 915 | 2 921 | (5) | -0.2% | 6 099 |
| Vote 4 - BUDGET & TREASURY | | 17 172 | 10 900 | - | 2 559 | 3 995 | 6 144 | (2 149) | -35.0% | 10 900 |
| Vote 5 - PLANNING AND DEVELOPMENT | | 1 077 | 1 241 | - | 286 | 434 | 643 | (208) | -32.4% | 1 241 |
| Vote 6 - COMMUNITY AND SOCIAL SERV | | 1 286 | 1 247 | - | 268 | 403 | 478 | (75) | -15.6% | 1 247 |
| Vote 7 - SPORTS AND RECREATION | | 944 | 529 | - | 178 | 208 | 94 | 114 | 121.2% | 529 |
| Vote 8 - HOUSING | | 171 | 183 | - | 2 | 1 | 10 | (9) | -90.0% | 183 |
| Vote 9 - PUBLIC SAFETY | | 20 988 | 32 683 | - | 14 484 | 15 270 | 16 774 | (1 504) | -9.0% | 32 683 |
| Vote 10 - ROAD TRANSPORT | | 10 284 | 10 724 | - | 1 542 | 2 817 | 3 419 | (602) | -17.6% | 10 724 |
| Vote 11 - WASTE MANAGEMENT | | 1 476 | 1 354 | - | 391 | 452 | 599 | (147) | -24.6% | 1 354 |
| Vote 12 - WASTE WATER MANAGEMENT | | 2 006 | 2 231 | - | 2 269 | 2 237 | 714 | 1 523 | 213.5% | 2 231 |
| Vote 13 - WATER | | 2 128 | 2 628 | - | 682 | 707 | 1 036 | (329) | -31.8% | 2 628 |
| Vote 14 - ELECTRICITY | | 8 446 | 7 503 | - | 2 683 | 3 231 | 3 912 | (680) | -17.4% | 7 503 |
| Vote 15 - [NAME OF VOTE 15] | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 81 331 | 86 025 | - | 29 901 | 37 994 | 40 886 | (2 893) | -7.1% | 86 025 |
| Surplus/ (Deficit) for the year | 2 | (6 053) | (1 271) | - | 4 795 | 8 973 | 222 | 8 752 | 3951.1% | (1 271) |

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|----------------|----------------|--------------------|
| | | 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 | | 3 571 | 4 151 | - | 0 | 3 797 | 2 283 | 1 514 | 66% | 4 151 |
| Service charges - electricity revenue | | 11 852 | 13 369 | - | 4 172 | 6 892 | 5 187 | 1 705 | 33% | 13 369 |
| Service charges - water revenue | | 1 866 | 1 327 | - | 918 | 1 312 | 951 | 361 | 38% | 1 327 |
| Service charges - sanitation revenue | | 1 660 | 2 485 | - | 867 | 1 303 | 1 036 | 267 | 26% | 2 485 |
| Service charges - refuse revenue | | 1 441 | 1 313 | - | 739 | 1 111 | 470 | 641 | 136% | 1 313 |
| Service charges - other | | 89 | 114 | - | 9 | 19 | 56 | (38) | -67% | 114 |
| Rental of facilities and equipment | | 1 271 | 718 | - | 290 | 680 | 358 | 322 | 90% | 718 |
| Interest earned - external investments | | 818 | 818 | - | 307 | 341 | 409 | (67) | -16% | 818 |
| Interest earned - outstanding debtors | | 48 | 40 | - | 74 | 123 | 20 | 104 | 523% | 40 |
| Dividends received | | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 22 198 | 32 532 | - | 15 900 | 15 901 | 15 885 | 16 | 0% | 32 532 |
| Licences and permits | | 1 134 | 1 082 | - | 272 | 620 | 541 | 79 | 15% | 1 082 |
| Agency services | | 127 | 123 | - | 30 | 58 | 61 | (4) | -6% | 123 |
| Transfers and subsidies | | 17 034 | 17 823 | - | 4 620 | 10 285 | 8 925 | 1 361 | 15% | 17 823 |
| Other revenue | | 3 164 | 204 | - | 178 | 201 | 101 | 100 | 99% | 204 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 66 273 | 76 100 | - | 28 377 | 42 643 | 36 282 | 6 361 | 18% | 76 100 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 19 124 | 22 885 | - | 7 099 | 9 798 | 11 647 | (1 849) | -16% | 22 885 |
| Remuneration of councillors | | 2 507 | 2 606 | - | 768 | 1 182 | 1 276 | (95) | -7% | 2 606 |
| Debt impairment | | 21 335 | 26 359 | - | 14 828 | 13 286 | 12 860 | 426 | 3% | 26 359 |
| Depreciation & asset impairment | | 9 901 | 10 092 | - | - | 388 | 989 | (600) | -61% | 10 092 |
| Finance charges | | - | - | - | - | - | - | - | - | - |
| Bulk purchases | | 7 460 | 6 854 | - | 2 547 | 4 443 | 3 687 | 757 | 21% | 6 854 |
| Other materials | | - | - | - | - | - | - | - | - | - |
| Contracted services | | 3 084 | 3 064 | - | 584 | 611 | 1 906 | (1 294) | -68% | 3 064 |
| Transfers and subsidies | | 3 941 | 2 485 | - | 1 455 | 2 678 | 2 485 | 193 | 8% | 2 485 |
| Other expenditure | | 14 188 | 11 680 | - | 2 621 | 5 607 | 6 037 | (430) | -7% | 11 680 |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 81 539 | 86 025 | - | 29 901 | 37 994 | 40 886 | (2 893) | -7% | 86 025 |
| Surplus/(Deficit) | | | | | | | | | | |
| Transfers and subsidies - Capital (monetary allocations) (National / Provincial and District) | | (15 266) | (9 925) | - | (1 524) | 4 649 | (4 604) | 9 254 | (0) | (9 925) |
| (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | 9 213 | 8 654 | - | 6 319 | 4 324 | 4 826 | (502) | (0) | 8 654 |
| Transfers and subsidies - capital (in-kind - all) | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | (6 053) | (1 271) | - | 4 795 | 8 973 | 222 | | | (1 271) |
| Taxation | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | (6 053) | (1 271) | - | 4 795 | 8 973 | 222 | | | (1 271) |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | (6 053) | (1 271) | - | 4 795 | 8 973 | 222 | | | (1 271) |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | | (6 053) | (1 271) | - | 4 795 | 8 973 | 222 | | | (1 271) |

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) - Q2 Second Quarter

| Vote Description | Ref | 2016/17 | Budget Year 2017/18 | | | | | | | |
|------------------|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |

| Capital Expenditure - Functional Classification | | | | | | | | | | |
|--|---|--------|-------|---|-------|-------|---|-------|---------|-------|
| Governance and administration | | 11 | 74 | - | (672) | - | - | - | - | 74 |
| Executive and council | | - | - | - | - | - | - | - | - | - |
| Finance and administration | | - | 30 | - | - | - | - | - | - | 30 |
| Internal audit | | 11 | 44 | - | (672) | - | - | - | - | 44 |
| Community and public safety | | 1 593 | 470 | - | - | - | - | - | - | 470 |
| Community and social services | | 1 276 | - | - | - | - | - | - | - | - |
| Sport and recreation | | 318 | 140 | - | - | - | - | - | - | 140 |
| Public safety | | - | 50 | - | - | - | - | - | - | 50 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | 280 | - | - | - | - | - | - | 280 |
| Economic and environmental services | | 39 | 770 | - | 532 | 532 | - | 532 | #DIV/0! | 770 |
| Planning and development | | - | - | - | - | - | - | - | - | - |
| Road transport | | 39 | 770 | - | 532 | 532 | - | 532 | #DIV/0! | 770 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 9 770 | 7 801 | - | 3 792 | 3 792 | - | 3 792 | #DIV/0! | 7 801 |
| Energy sources | | 7 094 | 2 000 | - | 2 132 | 2 132 | - | 2 132 | #DIV/0! | 2 000 |
| Water management | | 1 853 | 5 641 | - | 1 660 | 1 660 | - | 1 660 | #DIV/0! | 5 641 |
| Waste water management | | 823 | 160 | - | - | - | - | - | - | 160 |
| Waste management | | - | - | - | - | - | - | - | - | - |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | 11 413 | 9 115 | - | 3 652 | 4 324 | - | 4 324 | #DIV/0! | 9 115 |
| Funded by: | | | | | | | | | | |
| National Government | | 10 887 | 8 321 | - | 4 324 | 4 324 | - | 4 324 | #DIV/0! | 8 321 |
| Provincial Government | | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | | 10 887 | 8 321 | - | 4 324 | 4 324 | - | 4 324 | #DIV/0! | 8 321 |
| Public contributions & donations | 5 | - | - | - | - | - | - | - | - | - |
| Borrowing | 6 | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | 436 | 794 | - | (672) | 0 | - | 0 | #DIV/0! | 794 |
| Total Capital Funding | | 11 323 | 9 115 | - | 3 652 | 4 324 | - | 4 324 | #DIV/0! | 9 115 |

Table C6: Financial Position**WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter**

| Description | Ref | 2016/17 | Budget Year 2017/18 | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | 5 875 | 5 875 | 5 875 | 13 157 | 5 875 |
| Call investment deposits | | - | - | - | - | - |
| Consumer debtors | | 3 499 | 20 291 | 20 291 | 10 953 | 20 291 |
| Other debtors | | 3 846 | (18 984) | (18 984) | (5 951) | (18 984) |
| Current portion of long-term receivables | | 1 | - | - | - | - |
| Inventory | | 1 378 | 1 378 | 1 378 | 1 378 | 1 378 |
| Total current assets | | 14 599 | 8 561 | 8 561 | 19 537 | 8 561 |
| 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 | 158 585 | 158 585 | 162 910 | 158 585 |
| Agricultural | | - | - | - | - | - |
| Biological assets | | - | - | - | - | - |
| Intangible assets | | 522 | 522 | 522 | 522 | 522 |
| Other non-current assets | | 43 | 13 | 13 | 11 | 13 |
| Total non current assets | | 163 379 | 163 393 | 163 393 | 167 715 | 163 393 |
| TOTAL ASSETS | | 177 979 | 171 953 | 171 953 | 187 252 | 171 953 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | - | - | - |
| Borrowing | | - | - | - | - | - |
| Consumer deposits | | 485 | 485 | 485 | 516 | 485 |
| Trade and other payables | | 12 487 | 4 911 | 4 911 | 11 214 | 4 911 |
| Provisions | | 745 | 7 138 | 7 138 | 7 130 | 7 138 |
| Total current liabilities | | 13 718 | 12 534 | 12 534 | 18 860 | 12 534 |
| 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 | 16 487 | 16 487 | 22 813 | 16 487 |
| NET ASSETS | 2 | 155 467 | 155 467 | 155 467 | 164 439 | 155 467 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 155 467 | 119 021 | 119 021 | 127 994 | 119 021 |
| Reserves | | - | 36 445 | 36 445 | 36 445 | 36 445 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 155 467 | 155 467 | 155 467 | 164 439 | 155 467 |

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter

| Description | Ref | Budget Year 2017/18 | | | | | | | | |
|---|-----|-------------------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | 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 | | | | | | | | | | |
| Property rates | | 3 571 | 4 151 | 4 151 | – | 1 631 | 1 494 | 136 | 9% | 4 151 |
| Service charges | | 21 991 | 18 481 | 18 481 | 3 928 | 7 234 | 3 778 | 3 456 | 91% | 18 481 |
| Other revenue | | 4 517 | 43 290 | 43 290 | 6 262 | 19 833 | 10 817 | 9 016 | 83% | 43 290 |
| Government - operating | | 14 650 | 17 973 | 17 973 | 31 | 8 183 | 4 492 | 3 691 | 82% | 17 973 |
| Government - capital | | 8 315 | – | – | – | – | – | – | – | – |
| Interest | | 866 | 860 | 860 | 81 | 266 | 215 | 51 | 24% | 860 |
| Dividends | | – | – | – | – | – | – | – | – | – |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (51 088) | (77 464) | (77 464) | (14 062) | (24 622) | (20 989) | 3 633 | -17% | (77 464) |
| Finance charges | | – | – | – | – | – | – | – | – | – |
| Transfers and Grants | | – | (447) | (447) | (214) | (955) | (428) | 527 | -123% | (447) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 2 820 | 6 843 | 6 843 | (3 974) | 11 569 | (621) | (12 190) | 1962% | 6 843 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | (37) | – | – | – | – | – | – | – | – |
| Decrease (Increase) in non-current debtors | | – | – | – | – | – | – | – | – | – |
| Decrease (increase) other non-current receivables | | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current investments | | – | – | – | – | 400 | – | 400 | #DIV/0! | 3 044 |
| Payments | | | | | | | | | | |
| Capital assets | | (6 872) | (9 115) | (9 115) | (2 017) | (4 324) | (3 224) | 1 100 | -34% | (9 115) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (6 909) | (9 115) | (9 115) | (2 017) | (3 924) | (3 224) | 700 | -22% | (6 071) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | – | 4 151 |
| Borrowing long term/refinancing | | – | – | – | – | – | – | – | – | 4 151 |
| Increase (decrease) in consumer deposits | | – | 24 | 24 | 14 | 37 | 6 | 31 | 514% | 4 151 |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | – | – | – | – | – | – | – | – | 4 151 |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | – | 24 | 24 | 14 | 37 | 6 | (31) | -514% | 16 603 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | (4 089) | (2 248) | (2 248) | (5 976) | 7 682 | (3 839) | | | 17 375 |
| Cash/cash equivalents at beginning: | | 9 964 | 5 875 | 5 875 | | 5 875 | 5 875 | | | 5 875 |
| Cash/cash equivalents at month/year end: | | 5 875 | 3 627 | 3 627 | | 13 557 | 2 036 | | | 23 251 |

6. Supporting Documentation

Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

| Description | NT Code | Budget Year 2017/18 | | | | | | | | | | 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 | Total over 90 days | | |
| R thousands | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 164 | 27 | 79 | 31 | 23 | 17 | 16 | 341 | 699 | 428 | - | - |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 1 239 | 147 | 110 | 53 | 88 | 12 | 11 | 293 | 1 953 | 458 | - | - |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 510 | 24 | 1 139 | 20 | 27 | 16 | 12 | 1 583 | 3 330 | 1 658 | - | - |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | (33) | 32 | 58 | 27 | 23 | 20 | 20 | 424 | 571 | 514 | - | - |
| Receivables from Exchange Transactions - Waste Management | 1600 | 126 | 25 | 35 | 17 | 14 | 11 | 11 | 144 | 383 | 196 | - | - |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 82 | 18 | 92 | 14 | 13 | 11 | 16 | 280 | 527 | 335 | - | - |
| Interest on Arrear Debtor Accounts | 1810 | - | 958 | - | - | - | - | - | - | 958 | - | - | - |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1900 | 9 | (173) | (192) | 4 | 2 | 0 | 19 | 414 | 83 | 439 | - | - |
| Total By Income Source | 2000 | 2 097 | 1 058 | 1 320 | 166 | 190 | 87 | 106 | 3 479 | 8 503 | 4 028 | - | - |
| 2016/17 - totals only | | 35 981 | 1 031 845 | 135 650 | 141 386 | 107 720 | 107 420 | 418 783 | 2 991 957 | 4 971 | 3 767 | 0 | 0 |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 30 | 25 | 498 | 25 | 16 | 5 | 29 | 860 | 1 488 | 935 | - | - |
| Commercial | 2300 | 543 | 114 | 100 | 35 | 30 | 11 | 13 | 139 | 985 | 228 | - | - |
| Households | 2400 | 804 | 804 | 676 | 99 | 84 | 65 | 60 | 2 318 | 4 911 | 2 626 | - | - |
| Other | 2500 | 720 | 115 | 46 | 7 | 61 | 5 | 4 | 162 | 1 120 | 239 | - | - |
| Total By Customer Group | 2600 | 2 097 | 1 058 | 1 320 | 166 | 190 | 87 | 106 | 3 479 | 8 503 | 4 028 | - | - |

Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter

| Description | NT Code | Budget Year 2017/18 | | | | | | | | | 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 | - | - | - | - | - | 23 | - | - | 63 | 86 |
| Auditor General | 0800 | - | - | - | - | - | - | - | - | - | - |
| Other | 0900 | - | - | - | - | - | - | - | - | - | - |
| Total By Customer Type | 1000 | - | - | - | - | - | 23 | - | - | 63 | 86 |

Material variance explanations

WC051 Laingsburg - Supporting Table SC1 Material variance explanations - Q2 Second Quarter

| Ref | Description | Variance | Reasons for material deviations | Remedial or corrective steps/remarks |
|-----|---------------------------------------|----------|--|--------------------------------------|
| | R thousands | | | |
| 1 | Revenue By Source | | | |
| | Property rates | 1 514 | Property rates are levied during July for the financial year | 0 |
| | Service charges - electricity revenue | 1 705 | The curve of consumption during the colder period was large | 0 |
| | Service charges - water revenue | 361 | Consumption of water is still higher than what was planned | 0 |
| | 0 | - | 0 | 0 |
| 2 | Expenditure By Type | | | |
| | Employee related costs | (1 849) | Bonusses are paid during November but accounted for at 1/ | 0 |
| | Depreciation & asset impairment | (600) | Depreciation charges will be accounted for at the end of the | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| 3 | Capital Expenditure | | | |
| | All | 4 324 | Capital projects have started but will accelerate during January | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| 4 | Financial Position | | | |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| 5 | Cash Flow | | | |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| 6 | Measureable performance | | | |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| 7 | Municipal Entities | | | |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |
| | 0 | - | 0 | 0 |

Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q2 Second Quarter

| Description of financial indicator | Basis of calculation | Ref | 2016/17 | Budget Year 2017/18 | | | |
|---|--|-----|-----------------|---------------------|-----------------|---------------|--------------------|
| | | | 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% | 11.7% | 0.0% | 0.0% | 3.0% |
| 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% | 3.2% | 3.2% | 6.8% | 3.2% |
| 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% | 68.3% | 68.3% | 103.6% | 68.3% |
| Liquidity Ratio | Monetary Assets/Current Liabilities | | 42.8% | 46.9% | 46.9% | 69.8% | 46.9% |
| <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 | | 11.1% | 1.7% | 0.0% | 11.7% | 1.7% |
| 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 | | 28.9% | 30.1% | 0.0% | 23.0% | 30.1% |
| Repairs & Maintenance | R&M/Total Revenue - capital revenue | | 3.0% | 2.6% | 0.0% | 0.2% | 0.5% |
| Interest & Depreciation | I&D/Total Revenue - capital revenue | | 14.9% | 13.3% | 0.0% | 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) | | 14.1% | 13.0% | 13.1% | -1.2% | 13.1% |
| ii. O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | | 28.3% | 36.5% | 37.4% | -98.2% | 9.0% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | | 3.8% | 0.2% | 0.2% | 1.6% | 0.2% |

7. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the 2nd quarter of 2017/2018 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.