

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
Fourth Quarterly Budget
Statement
JUNE 2020**

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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 Fourth year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

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

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

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

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

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

Virement – A transfer of budget.

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

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

2. Legislative framework

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

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

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

The MBRR highlights the format of the monthly budget statements.

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

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

3. Mayors Report

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

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

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

The quarterly financial information has already been presented in the section 71, monthly budget statement for June 2020. The monthly and quarterly reports for June 2020 should be read in conjunction with one another.

4. Executive Summary

4.1.1 Financial problems or risks facing the Municipality

At the end of the Fourth quarter the Municipality have generated only 83.80% of the annual budgeted revenue. This amount includes the operational grants to date.

Payment for debtors for the fourth quarter was 91.16% and is lower than the budgeted rate of 95% for service charges. Annual rates are levied during July for the financial year and is payable in monthly instalments over 11 months. The collection of service charges were as follow: 97.34% for electricity, 88.58% for water, 87.65 for refuse, 92.22% for sewerage and 70.52% for other debtors. During this quarter the applications for indigent subsidy for the second half of the financial year were approved. All services are also rising at a constant rate. It is therefore a clear fact that consumers in the Eskom supply area do not pay for their services. The current credit control process is a lengthy process and gives the consumer too much space not to pay promptly. Very drastic and effective action will have to be taken to encourage the group of defaulters to pay for the services they receive. During the lock-down period no credit control was enforced and many consumers failed to pay for service and unfortunately now gets away with it.

4.1.2 Other relevant information

Year-to-date revenue raised is 83,80% of the projected year-to-date budget for the fourth quarter. Operating expenditure incurred amounts to 91.87% of year-to-date budget. The depreciation and annual journals will be processed after the finalization of the audit.

Operating Revenue

The Municipality have generated 83.80% or R87,219 million of the Budgeted Revenue to date which is higher than the budgeted amounts. This amount includes the operational grants to date.

Operating Expenditure

Operating expenditure of R92,268 million for the Fourth quarter does not include part of the depreciation costs, annual bonuses and exclude the annual calculation for provisions. The total amount for the year-to-date portion of provisions is R9,517 million. That will bring the total expenditure effectively at R101,885 million to date. The expenditure to date is higher than the budget year-to-date amount. This means that the Municipality will spent 1,34% more than the year-to-date budget.

Capital Expenditure

The Municipality has incurred R6,743 million of the external funded Capital Budget to date. The MIG spending for the fourth quarter totals to R0,210.

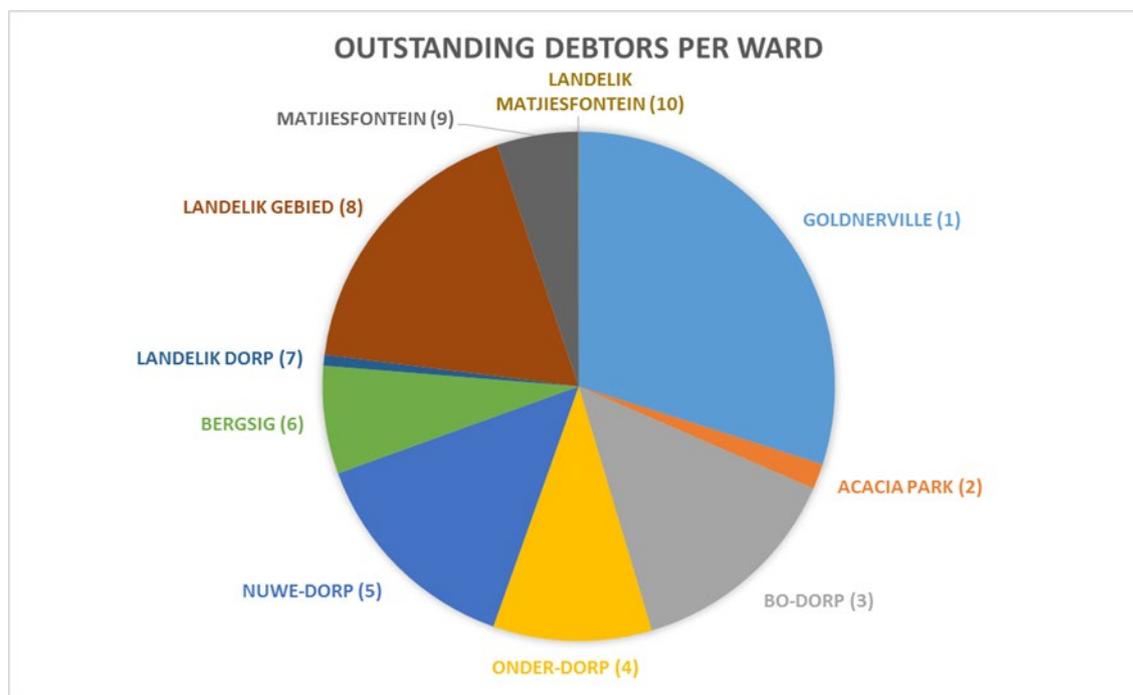
Cash Flow

The Municipality started off with a cash flow balance of R19,080 million at the beginning of the quarter and used R6,926 million. The closing balance for the quarter is R12,154 million. The Municipal Cash flow is mainly from Operating Activities and Grants as no Borrowing or Investments are budgeted for the 2019/2020 financial year. The equitable share grant and other capital grants were received during the quarter.

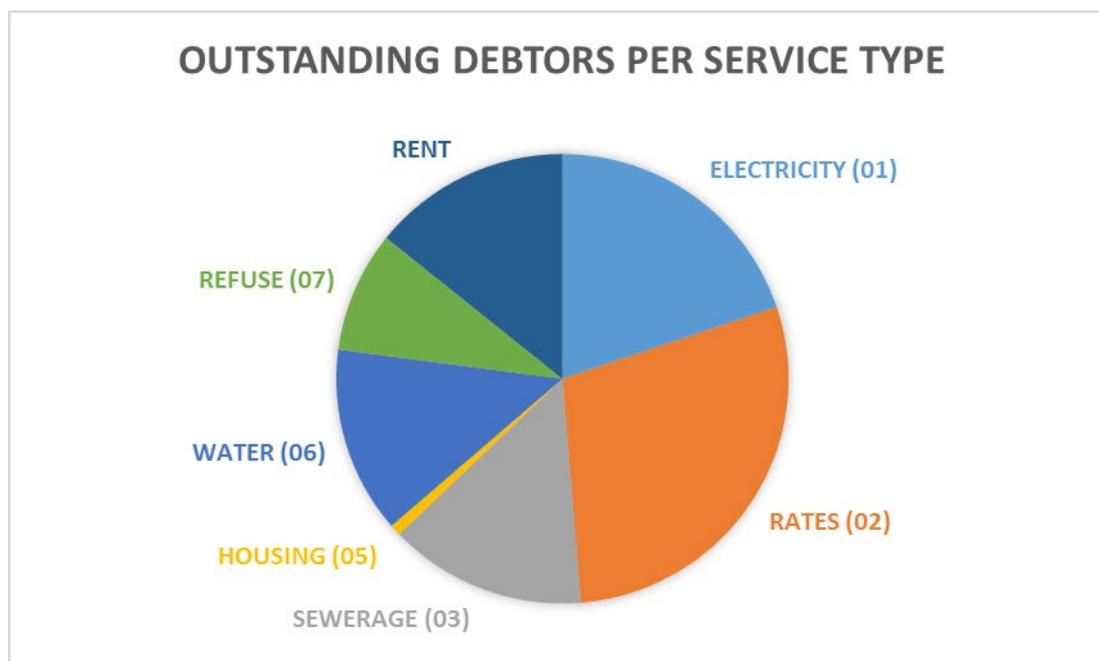
Debtors

The Outstanding Debtors of the Municipality amounts to R9,133 million at the end of the fourth quarter.

The following graph shows the outstanding debtors per ward as at the end of June 2020:



The following graph shows the outstanding debtors per service type as at the end of June 2020:



Creditors

Total outstanding creditors amount to R0 for the Fourth quarter. All the outstanding amounts are within the 30 days outstanding categories which is compliant with Section 65 of the MFMA. One case occurred where a supplier issued 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.

Cost Containment Measures

The Local Government: Municipal Cost Containment Regulations (MCCR), were promulgated on 7 June 2019, and came into effect on 1 June 2020.

Sections 62(1)(a) and 95(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality or municipal entity is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of MFMA Circular 97 issued on 30 June 2020 municipalities are required to utilise existing reporting requirements, to report internally and externally on cost saving measures.

The following table summarizes the main items as prescribed in the circular and MCCR.

Cost Containment In-Year Reoprt							
Cost containment Measures	ANNUAL BUDGET	MONTHLY BUDGET	BUDGET YTD	EXPENCE THIS PERIOD	EXPENCE YTD	OVER OR (SAVING S) THIS PERIOD	OVER OR (SAVING S) YTD
	R'	R'	R'	R'	R'	R'	R'
Use of consultants	5 698 900	474 908	6 648 717	91 865	4 233 262	(383 043)	(2 415 455)
Vehicles used for political office bearers	-	-	-	-	-	-	-
Travel and subsistence	1 077 112	89 759	987 353	31 458	1 073 527	(58 301)	86 175
Domestic accommodation	279 500	23 292	256 208	860	341 810	(22 432)	85 602
Sponsorships, events and catering	168 700	14 058	154 642	1 154	77 435	(12 905)	(77 206)
Communication	620 000	51 667	568 333	92 965	412 443	41 298	(155 891)
Other related expenditure items		-	-			-	-
Total	R 7 844 212	R 653 684	R 8 615 253	R 218 302	R 6 138 477	(435 383)	(2 476 775)

5. In year Budget Statement Tables

Table C1: Summary

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

Description	2018/19	Budget Year 2019/20							
	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	3 990	4 656	4 319	(1)	4 310	1 800	2 511	140%	4 319
Service charges	17 178	20 941	20 621	5 520	23 139	8 592	14 547	169%	20 621
Investment revenue	146	811	841	246	841	350	491	140%	841
Transfers and subsidies	21 464	21 623	25 689	961	17 832	10 704	7 128	67%	25 689
Other own revenue	35 451	34 544	33 349	10 951	34 354	13 895	20 459	147%	33 349
Total Revenue (excluding capital transfers and contributions)	78 229	82 575	84 819	17 678	80 476	35 341	45 135	128%	84 819
Employee costs	20 912	26 131	25 670	5 629	23 435	10 696	12 740	119%	25 670
Remuneration of Councillors	2 770	2 801	2 801	781	2 822	1 167	1 655	142%	2 801
Depreciation & asset impairment	8 667	11 752	11 978	2 433	9 732	4 991	4 741	95%	11 978
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	7 899	7 923	8 383	2 008	9 140	3 493	5 647	162%	8 383
Transfers and subsidies	4 113	2 522	2 108	1 195	4 567	879	3 688	420%	2 108
Other expenditure	43 900	42 924	46 459	11 672	42 670	19 358	23 312	120%	46 459
Total Expenditure	88 261	94 052	97 400	23 718	92 368	40 583	51 785	128%	97 400
Surplus/(Deficit)	(10 033)	(11 477)	(12 581)	(6 040)	(11 892)	(5 242)	(6 650)	127%	(12 581)
Transfers and subsidies - capital (monetary alloc	19 268	12 054	15 626	1 767	6 743	6 511	232	4%	15 626
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	9 235	577	3 045	(4 274)	(5 149)	1 269	(6 418)	-506%	3 045
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	9 235	577	3 045	(4 274)	(5 149)	1 269	(6 418)	-506%	3 045
Capital expenditure & funds sources									
Capital expenditure	28 105	6 588	10 321	978	6 743	-	6 743	#DIV/0!	10 321
Capital transfers recognised	16 764	12 233	14 321	1 070	6 743	-	6 743	#DIV/0!	8 064
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	18	-	-	-	-	-	-	-	-
Total sources of capital funds	16 781	12 233	14 321	1 070	6 743	-	6 743	#DIV/0!	8 064
Financial position									
Total current assets	21 864	21 864	21 864		31 256				21 864
Total non current assets	192 687	192 687	192 687		189 699				192 687
Total current liabilities	14 112	14 112	14 112		26 438				14 112
Total non current liabilities	14 490	14 490	14 490		14 490				14 490
Community wealth/Equity	185 950	185 950	185 950		180 028				185 950
Cash flows									
Net cash from (used) operating	(2 752)	10 455	10 455	(6 718)	11 012	10 455	(557)	-5%	10 455
Net cash from (used) investing	(3 035)	(11 976)	(11 976)	(210)	(5 469)	(11 976)	(6 507)	54%	(11 976)
Net cash from (used) financing	91	34	34	3	60	34	(26)	-74%	34
Cash/cash equivalents at the month/year end	856	5 065	5 065	-	12 154	5 065	(7 089)	-140%	5 065
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	935	400	446	397	321	268	6 367	-	9 133
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Table C2: Financial Performance (Standard Classification)

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

Description	Ref	2018/19	Budget Year 2019/20							
		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		39 203	34 585	42 967	2 369	29 147	17 903	11 244	63%	34 585
Executive and council		905	2 521	2 431	860	1 306	1 013	293	29%	2 521
Finance and administration		38 298	32 065	40 536	1 510	27 841	16 890	10 951	65%	32 065
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		34 965	34 140	31 893	11 128	33 669	13 289	20 380	153%	34 140
Community and social services		1 274	1 265	1 269	535	1 370	529	842	159%	1 265
Sport and recreation		4	24	4	-	1	2	(0)	-25%	24
Public safety		33 670	32 839	30 609	10 590	32 285	12 754	19 531	153%	32 839
Housing		16	11	11	3	12	5	8	165%	11
Health		2	0	0	-	0	0	0	77%	1
Economic and environmental services		1 013	1 304	1 304	423	1 251	543	708	130%	1 304
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 013	1 304	1 304	423	1 251	543	708	130%	1 304
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		22 429	24 600	24 280	5 524	23 152	10 117	13 035	129%	24 600
Energy sources		14 443	15 414	15 214	3 344	14 472	6 339	8 133	128%	15 414
Water management		2 922	4 009	3 709	835	3 330	1 545	1 785	116%	4 009
Waste water management		2 818	2 793	2 913	721	2 902	1 214	1 688	139%	2 793
Waste management		2 247	2 385	2 445	623	2 448	1 019	1 429	140%	2 385
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	97 610	94 630	100 445	19 444	87 219	41 852	45 367	108%	94 630
Expenditure - Functional										
Governance and administration		28 723	28 259	32 049	6 002	28 190	13 354	14 836	111%	28 259
Executive and council		8 078	9 682	8 172	3 132	12 106	3 405	8 701	256%	9 682
Finance and administration		20 645	18 577	23 877	2 870	16 084	9 949	6 135	62%	18 577
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		32 769	36 208	33 906	10 288	33 265	14 127	19 138	135%	36 208
Community and social services		1 340	2 188	2 176	501	2 085	907	1 178	130%	2 188
Sport and recreation		9	26	45	0	36	19	18	93%	26
Public safety		31 207	33 784	31 456	9 319	30 521	13 107	17 415	133%	33 784
Housing		209	207	207	48	191	86	104	121%	207
Health		4	4	22	419	432	9	423	4700%	4
Economic and environmental services		1 583	3 556	3 578	647	2 866	1 491	1 375	92%	3 556
Planning and development		329	1 324	988	91	474	412	62	15%	1 324
Road transport		1 254	2 231	2 590	556	2 391	1 079	1 312	122%	2 231
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		25 187	26 022	27 860	6 778	28 039	11 608	16 431	142%	26 022
Energy sources		8 511	9 270	9 912	2 428	10 687	4 130	6 557	159%	9 270
Water management		4 535	2 933	3 438	735	3 124	1 432	1 692	118%	2 933
Waste water management		10 453	12 195	12 880	3 310	12 822	5 367	7 455	139%	12 195
Waste management		1 688	1 625	1 631	306	1 407	679	727	107%	1 625
Other		-	7	7	3	8	3	5	160%	7
Total Expenditure - Functional	3	88 261	94 052	97 400	23 718	92 368	40 583	51 785	128%	94 052
Surplus/ (Deficit) for the year		9 349	577	3 045	(4 274)	(5 149)	1 269	(6 418)	-506%	578

Table C3: Financial Performance (Revenue and Expenditure by Municipal Vote)

WC051 Laingsburg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter

Vote Description	Ref	2018/19	Budget Year 2019/20							
		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	905	2 521	2 431	860	1 306	1 013	293	28.9%	2 431
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		1 770	1 632	3 124	591	2 868	1 302	1 566	120.3%	3 124
Vote 4 - BUDGET & TREASURY		36 529	30 433	37 412	919	24 973	15 588	9 384	60.2%	37 412
Vote 5 - PLANNING AND DEVEOLPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		1 276	1 266	1 270	535	1 371	529	842	159.1%	1 270
Vote 7 - SPORTS AND RECREATION		4	24	4	-	1	2	(0)	-25.0%	4
Vote 8 - HOUSING		16	11	11	3	12	5	8	164.7%	11
Vote 9 - PUBLIC SAFETY		33 670	32 839	30 609	10 590	32 285	12 754	19 531	153.1%	30 609
Vote 10 - ROAD TRANSPORT		1 100	1 321	1 321	423	1 252	551	701	127.3%	1 321
Vote 11 - WASTE MANAGEMENT		2 247	2 385	2 445	623	2 448	1 019	1 429	140.2%	2 445
Vote 12 - WASTE WATER MANAGEMENT		2 731	2 776	2 896	721	2 901	1 207	1 695	140.5%	2 896
Vote 13 - WATER		2 922	4 009	3 709	835	3 330	1 545	1 785	115.5%	3 709
Vote 14 - ELECTRICITY		14 443	15 414	15 214	3 344	14 472	6 339	8 133	128.3%	15 214
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	97 610	94 630	100 445	19 444	87 219	41 852	45 367	108.4%	100 445
Expenditure by Vote										
Vote 1 - MAYORAL & COUNCIL	1	5 043	6 339	5 205	2 376	9 046	2 169	6 877	317.1%	5 205
Vote 2 - MUNICIPAL MANAGER		3 035	3 343	2 967	756	3 060	1 236	1 824	147.6%	2 967
Vote 3 - CORPORATE SERVICES		7 705	6 738	6 600	1 214	5 645	2 750	2 895	105.3%	6 600
Vote 4 - BUDGET & TREASURY		12 940	11 838	17 277	1 656	10 438	7 199	3 240	45.0%	17 277
Vote 5 - PLANNING AND DEVEOLPMENT		329	1 324	988	91	474	412	62	15.2%	988
Vote 6 - COMMUNITY AND SOCIAL SERV		1 184	1 619	1 613	786	1 957	672	1 285	191.2%	1 613
Vote 7 - SPORTS AND RECREATION		169	606	637	138	604	265	338	127.6%	637
Vote 8 - HOUSING		209	207	207	48	191	86	104	120.6%	207
Vote 9 - PUBLIC SAFETY		31 207	33 784	31 456	9 319	30 521	13 107	17 415	132.9%	31 456
Vote 10 - ROAD TRANSPORT		9 673	11 913	12 809	3 350	12 987	5 337	7 650	143.3%	12 809
Vote 11 - WASTE MANAGEMENT		1 688	1 625	1 631	306	1 407	679	727	107.0%	1 631
Vote 12 - WASTE WATER MANAGEMENT		2 034	2 513	2 661	516	2 226	1 109	1 117	100.8%	2 661
Vote 13 - WATER		4 535	2 933	3 438	735	3 124	1 432	1 692	118.1%	3 438
Vote 14 - ELECTRICITY		8 511	9 270	9 912	2 428	10 687	4 130	6 557	158.8%	9 912
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	88 261	94 052	97 400	23 718	92 368	40 583	51 785	127.6%	97 400
Surplus/ (Deficit) for the year	2	9 349	577	3 045	(4 274)	(5 149)	1 269	(6 418)	-505.8%	3 045

Table C4: Financial Performance (Revenue and Expenditure)

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

Description	Ref	2018/19	Budget Year 2019/20							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		3 990	4 656	4 319	(1)	4 310	1 800	2 511	140%	4 319
Service charges - electricity revenue		11 861	15 055	14 855	3 344	14 472	6 190	8 283	134%	14 855
Service charges - water revenue		1 096	1 628	1 328	835	3 330	553	2 777	502%	1 328
Service charges - sanitation revenue		2 731	2 776	2 896	721	2 901	1 207	1 695	140%	2 896
Service charges - refuse revenue		1 490	1 483	1 543	620	2 435	643	1 792	279%	1 543
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 354	711	1 456	350	1 416	607	810	133%	1 456
Interest earned - external investments		146	811	841	246	841	350	491	140%	841
Interest earned - outstanding debtors		282	40	509	(27)	343	212	131	62%	509
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		33 342	31 775	29 736	10 592	31 782	12 390	19 392	157%	29 736
Licences and permits		228	1 072	882	(2)	508	367	141	38%	882
Agency services		151	122	157	9	132	65	67	102%	157
Transfers and subsidies		21 464	21 623	25 689	961	17 832	10 704	7 128	67%	25 689
Other revenue		94	825	610	29	172	254	(82)	-32%	610
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		78 229	82 575	84 819	17 678	80 476	35 341	45 135	128%	84 819
Expenditure By Type										
Employee related costs		20 912	26 131	25 670	5 629	23 435	10 696	12 740	119%	25 670
Remuneration of councillors		2 770	2 801	2 801	781	2 822	1 167	1 655	142%	2 801
Debt impairment		25 618	26 442	25 392	8 577	25 730	10 580	15 151	143%	25 392
Depreciation & asset impairment		8 667	11 752	11 978	2 433	9 732	4 991	4 741	95%	11 978
Finance charges		-	-	-	-	-	-	-	-	-
Bulk purchases		7 899	7 923	8 383	2 008	9 140	3 493	5 647	162%	8 383
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		2 445	3 813	2 183	139	1 586	909	676	74%	2 183
Transfers and subsidies		4 113	2 522	2 108	1 195	4 567	879	3 688	420%	2 108
Other expenditure		15 837	12 669	18 885	2 956	15 354	7 869	7 485	95%	18 885
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		88 261	94 052	97 400	23 718	92 368	40 583	51 785	128%	97 400
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(10 033)	(11 477)	(12 581)	(6 040)	(11 892)	(5 242)	(6 650)	0	(12 581)
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		19 268	12 054	15 626	1 767	6 743	6 511	232	0	15 626
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		9 235	577	3 045	(4 274)	(5 149)	1 269			3 045
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		9 235	577	3 045	(4 274)	(5 149)	1 269			3 045
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		9 235	577	3 045	(4 274)	(5 149)	1 269			3 045
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		9 235	577	3 045	(4 274)	(5 149)	1 269			3 045

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) - Q4 Fourth Quarter

Vote Description	Ref	2018/19	Budget Year 2019/20							
		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		35	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		35	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		25	-	-	-	-	-	-	-	-
Community and social services		11	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		14	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		238	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		238	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		27 806	6 588	10 321	1 070	6 743	-	6 743	#DIV/0!	8 064
Energy sources		8 424	4 576	4 372	860	1 273	-	1 273	#DIV/0!	-
Water management		19 383	2 012	5 949	210	5 469	-	5 469	#DIV/0!	6 064
Waste water management		-	-	-	-	-	-	-	-	2 000
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	28 105	6 588	10 321	1 070	6 743	-	6 743	#DIV/0!	8 064
Funded by:										
National Government		(704)	12 233	14 321	1 070	6 743	-	6 743	#DIV/0!	8 064
Provincial Government		17 468	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		16 764	12 233	14 321	1 070	6 743	-	6 743	#DIV/0!	8 064
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		18	-	-	-	-	-	-	-	-
Total Capital Funding		16 781	12 233	14 321	1 070	6 743	-	6 743	#DIV/0!	8 064

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

Description	Ref	2018/19	Budget Year 2019/20			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		6 552	6 552	6 552	12 149	6 552
Call investment deposits		-	-	-	-	-
Consumer debtors		10 509	10 509	10 509	(13 249)	10 509
Other debtors		3 915	3 915	3 915	31 537	3 915
Current portion of long-term receivables		0	0	0	0	0
Inventory		889	889	889	818	889
Total current assets		21 864	21 864	21 864	31 256	21 864
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		24 801	24 801	24 801	24 743	24 801
Investments in Associate		-	-	-	-	-
Property, plant and equipment		167 473	167 473	167 473	164 540	167 473
Agricultural		-	-	-	-	-
Biological		-	-	-	-	-
Intangible		370	370	370	370	370
Other non-current assets		43	43	43	45	43
Total non current assets		192 687	192 687	192 687	189 699	192 687
TOTAL ASSETS		214 551	214 551	214 551	220 955	214 551
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		17	17	17	17	17
Consumer deposits		674	674	674	699	674
Trade and other payables		12 262	12 262	12 262	24 656	12 262
Provisions		1 159	1 159	1 159	1 066	1 159
Total current liabilities		14 112	14 112	14 112	26 438	14 112
Non current liabilities						
Borrowing		6	6	6	6	6
Provisions		14 483	14 483	14 483	14 483	14 483
Total non current liabilities		14 490	14 490	14 490	14 490	14 490
TOTAL LIABILITIES		28 601	28 601	28 601	40 927	28 601
NET ASSETS	2	185 950	185 950	185 950	180 028	185 950
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		185 950	185 950	185 950	180 028	185 950
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	185 950	185 950	185 950	180 028	185 950

Table C7: Cash Flow

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

Description	Ref	2018/19		Budget Year 2019/20						
		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		4 237	3 846	3 846	236	3 456	3 846	(390)	-10%	3 846
Service charges		16 072	19 696	19 696	4 279	18 023	19 696	(1 674)	-8%	19 696
Other revenue		23 281	8 263	8 263	2 140	30 985	8 263	22 722	275%	8 263
Government - operating		15 542	22 612	22 612	-	17 756	22 612	(4 857)	-21%	22 612
Government - capital		8 476	11 723	11 723	-	-	11 723	(11 723)	-100%	11 723
Interest		911	1 195	1 195	70	748	1 195	(447)	-37%	1 195
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(74 809)	(56 874)	(56 874)	(13 339)	(59 599)	(56 874)	2 726	-5%	(56 874)
Finance charges		-	(7)	(7)	-	-	(7)	(7)	100%	(7)
Transfers and Grants		3 537	-	-	(104)	(356)	-	356	#DIV/0!	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(2 752)	10 455	10 455	(6 718)	11 012	10 455	(557)	-5%	10 455
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		8 000	-	-	-	-	-	-	-	-
Payments										
Capital assets		(11 035)	(11 976)	(11 976)	(210)	(5 469)	(11 976)	(6 507)	54%	(11 976)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(3 035)	(11 976)	(11 976)	(210)	(5 469)	(11 976)	(6 507)	54%	(11 976)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		91	34	34	3	60	34	26	74%	34
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		91	34	34	3	60	34	(26)	-74%	34
NET INCREASE/ (DECREASE) IN CASH HELD		(5 696)	(1 486)	(1 486)	(6 926)	5 603	(1 486)			(1 486)
Cash/cash equivalents at beginning:		6 552	6 552	6 552		6 552	6 552			6 552
Cash/cash equivalents at month/year end:		856	5 065	5 065		12 154	5 065			5 065

6. Supporting Documentation

Debtors Analysis

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

Description	NT Code	Budget Year 2019/20										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	124	64	50	58	51	46	834	-	1 227	989	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	725	128	115	136	105	69	533	-	1 810	842	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	(144)	54	37	53	35	37	2 565	-	2 638	2 690	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	(33)	61	168	57	48	53	939	-	1 292	1 096	-	-	
Receivables from Exchange Transactions - Waste Management	1600	153	52	38	44	32	31	445	-	795	553	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	94	41	37	48	49	32	926	-	1 228	1 055	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	15	0	0	2	1	0	125	-	143	128	-	-	
Total By Income Source	2000	935	400	446	397	321	268	6 367	-	9 133	7 353	-	-	
2018/19 - totals only		1214938	869849	180608	126680	205828	127452	3232686	886727	6 845	4 579	-	-	
Debtors Age Analysis By Customer Group														
Organs of State	2200	115	82	110	122	59	83	809	-	1 380	1 073	-	-	
Commercial	2300	316	138	186	84	113	39	2 122	-	2 998	2 359	-	-	
Households	2400	504	180	150	191	149	146	3 435	-	4 755	3 922	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	935	400	446	397	321	268	6 367	-	9 133	7 353	-	-	

Creditors Analysis

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

Description	NT Code	Budget Year 2019/20									
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
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	1000	-	-	-	-	-	-	-	-	-	-

Performance Indicators

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

Description of financial indicator	Basis of calculation	Ref	2018/19	Budget Year 2019/20			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	12.5%	12.3%	0.0%	2.9%
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		6.6%	6.6%	6.6%	13.7%	6.6%
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	154.9%	154.9%	154.9%	118.2%	154.9%
Liquidity Ratio	Monetary Assets/Current Liabilities		46.4%	46.4%	46.4%	46.0%	46.4%
<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		18.4%	17.5%	17.0%	22.7%	17.0%
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))		100.0%	100.0%	100.0%	100.0%	100.0%
<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	11.2%	7.0%	7.0%	7.0%	7.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	64.3%	55.0%	55.0%	40.0%	30.0%
Employee costs	Employee costs/Total Revenue - capital revenue		26.7%	31.6%	30.3%	29.1%	30.3%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.9%	2.4%	2.6%	1.6%	2.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		11.1%	14.2%	14.1%	0.0%	3.3%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		393.6%	422.6%	410.0%	0.0%	0.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		49.6%	41.1%	42.1%	-48.3%	42.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		9.7%	9.1%	0.0%	0.0%	9.1%

7. Other Information or Documentation

Municipal Manager's Quality Certificate

The in-year report must be covered by a quality certificate in the format described below:

Munisipaliteit • LAINGSBURG • Municipality

Munisipale-geboue, Van Riebeeckstraat

PRIVAATSAK X4
LAINGSBURG
6900



Municipal Buildings, Van Riebeeck Street

PRIVATE BAG X4
LAINGSBURG
6900

OFFICE OF THE MUNICIPAL MANAGER

VERWYSINGSNOMMER :
REFERENCE NUMBER :
NAVRAE :
ENQUIRIES :

Tel. (023) 551 1019
Faks/Fax (023) 5511019

QUALITY CERTIFICATE

I, Alida Groenewald, the Senior Manager Finance and Corporate Services of Laingsburg Municipality, hereby certify that –

- The monthly budget statement
- Quarterly report on the implementation of the budget and financial state affairs of the municipality**
- Mid-year budget and performance assessment

For the month of June 2020 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: A S Groenewald

for: Municipal Manager of Laingsburg Municipality (WC051)

Signature *Alida Groenewald*

Date *2020-07-15*

8. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the Fourth quarter of 2019/2020 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.