

LAINGSBURG MUNICIPALITY



**In-Year Report for the Municipality
First Quarterly Budget
Statement
SEPTEMBER 2021**

Table of Contents

1. Glossary.....	3
2. Legislative framework.....	5
3. Mayors Report	5
4. Executive Summary.....	5
5. In year Budget Statement Tables.....	9
6. Supporting Documentation	17
7. Recommendation.....	21

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

The quarterly financial information has already been presented in the section 71, monthly budget statement for September 2021. The monthly and quarterly reports for September 2021 should be read in conjunction with one another.

4. Executive Summary

This report presents the current state of the budget implementation and reasons for variances and possible action to be taken. Section 54 of the MFMA states that the Mayor of the Municipality must consider and check whether the approved budget is implemented in accordance with the Service Delivery and Budget Implementation Plan (SDBIP), and consider revisions.

The Table below illustrates an overview of the Budget implementation of Laingsburg Municipality for the quarter ended September 2021.

Operating Budget				
R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Revenue (Incl. Capital transfers and contributions)	107 234 824	-	31 472 276	29.35
Total Expenditure	99 468 746	-	23 095 504	23.22
Surplus (Deficit) (Incl Capital transfers)	7 766 078	-	8 376 772	107.86
Capital Budget				
R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Capital expenditure	10 005 550	25 421 515	504 320	5.04
Sources of Finance				#DIV/0!
<i>National Government - MIG</i>	6 278 550	-	-	-
<i>National Government - WSIG</i>	-	-	15 720	#DIV/0!
<i>Municipal Interventions Grant</i>	-	-	488 600	#DIV/0!
<i>Provincial Government - SMME Booster Funds</i>	1 110 000	-	-	-
<i>Provincial Government - Cultural Affairs and Sport</i>	717 000	-	-	-
<i>Provincial Government - Municipal Drought Relief</i>	1 900 000	-	-	-
Total Funding Sources of Capital	10 005 550	-	504 320	5.04

4.1.1 Financial problems or risks facing the Municipality

At the end of the First quarter the Municipality have generated only 29.35% or R 31,473 of the annual budgeted revenue. This amount includes the operational grants to date.

Payment for debtors for the First quarter was 77.83%. 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: 95.11% for electricity, 84.16% for water, 90.17% for refuse, 91.90% for sewerage and 107.89% for other debtors.

4.1.2 Other relevant information

Year-to-date revenue raised is 74,30% of the projected year-to-date budget for the First quarter. Operating expenditure incurred amounts to 78.47% 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 29.35% or R 31,473 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 R 23,096 million for the First 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 R 1,568 million. That will bring the total expenditure effectively at R 24,664 million to date. The expenditure to date is lower than the budget year-to-date amount. This means that the Municipality has spent 0.2% less than the year-to-date budget.

Capital Expenditure

The Municipality has incurred R 0,504 million of the external MIG funded Capital Budget to date.

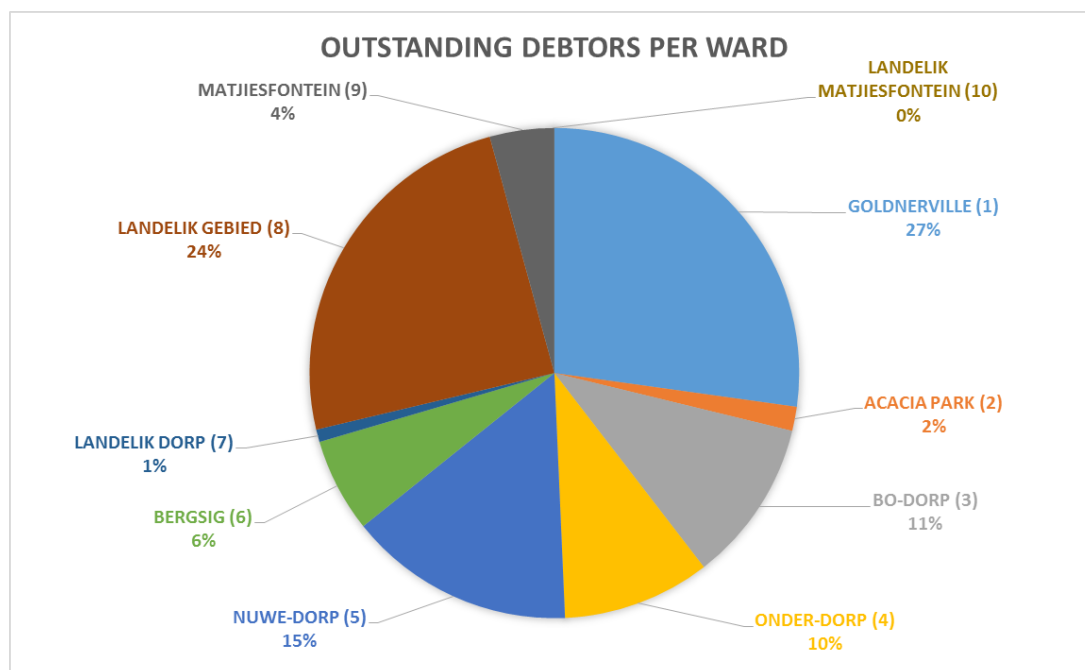
Cash Flow

The Municipality started off with a cash flow balance of R 9,464 million at the beginning of the quarter and increased it with R 6,291 million. The closing balance for the quarter is R 15,754 million. The Municipal Cash flow is mainly from Operating Activities and Grants as no Borrowing or Investments are budgeted for the 2021/2022 financial year. The last transfers of equitable share grant and other capital grants were received during the quarter.

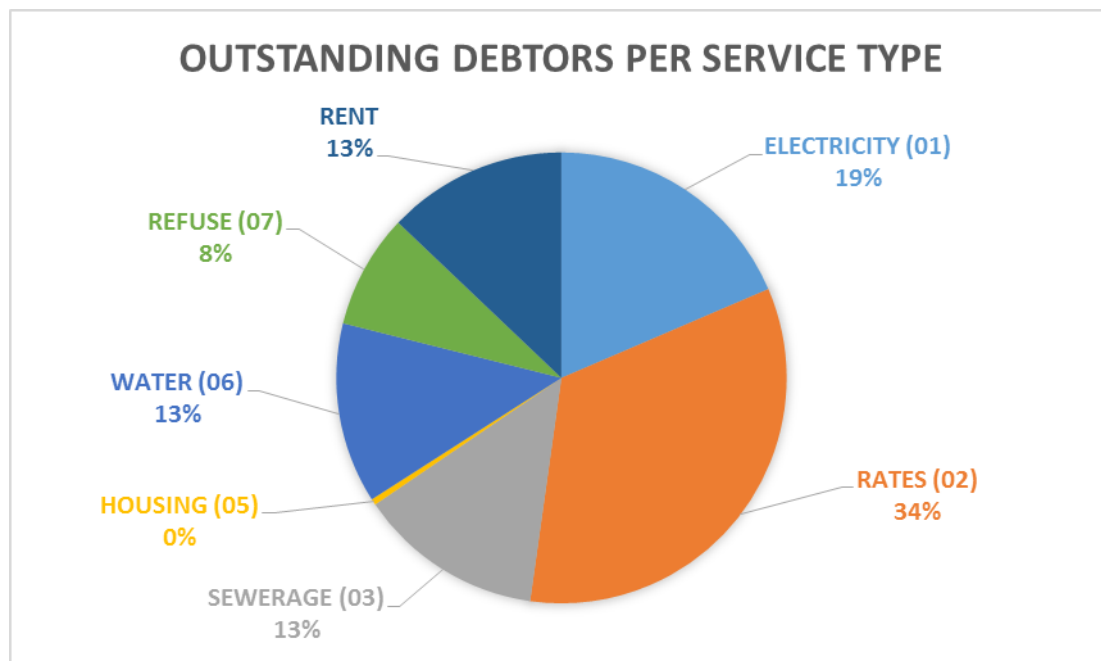
Debtors

The Outstanding Debtors of the Municipality amounts to R 11,733million at the end of the first quarter.

The following graph shows the outstanding debtors per ward as at the end of September 2021:



The following graph shows the outstanding debtors per service type as at the end of September 2021:



Creditors

Total outstanding creditors amount to R0 for the First 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.

Unfunded Budget

During August 2021, the Provincial Treasury expressed in writing its concern that the Municipality is facing fiscal difficulties, which may challenge its ability to effectively and efficiently perform its functions and mandate. Meetings were held between the PT and the Municipality to discuss the unfunded budget. Recommendations were made that a budget funding plan be drawn up as soon as possible. The funding plan should include cuts to the budgeted expense and other savings measures.

A draft budget funding plan was prepared and submitted to PT. Amendments and further cuts were recommended and the final funding plan was submitted to Council on 27 September 2021 for approval for the implementation of the measures.

As a result, the Municipality is now committed to serious action to cut spending. The recommendation of PT is that the municipality must continue with a strong focus on cost savings measures with managing both regulated and non-regulated measures and key activities identified in the Budget funding plan.

Cost Containment Measures

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

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 1 July 2019 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 (SAVINGS) THIS PERIOD	OVER OR (SAVINGS) YTD
	R'	R'	R'	R'	R'	R'	R'
Use of consultants	9 511 932	792 661	2 377 983	1 066 641	1 290 830	273 980	(1 087 153)
Vehicles used for political office bearers	-	-	-	-	-	-	-
Travel and subsistence	546 216	45 518	136 554	60 993	125 997	15 475	(10 557)
Domestic accommodation	393 372	32 781	98 343	15 848	28 631	(16 933)	(69 712)
Sponsorships, events and catering	69 480	5 790	17 370	3 445	5 812	(2 345)	(11 558)
Communication	528 588	44 049	132 147	17 357	68 569	(26 692)	(63 578)
Overtime	719 688	59 974	179 922	67 203	262 254	7 229	82 332
Total	R 11 769 276	R 980 773	R 2 942 319	R 1 231 487	R 1 782 091	250 714	(1 160 228)

5. In year Budget Statement Tables

If a municipality does not have any municipal entities, the in-year budget statement tables must consist of the tables in First Attachment to this Schedule, namely-

- Table C1 Monthly Budget Statement Summary
- Table C2 Monthly Budget Statement -Financial Performance (standard classification)
- Table C3 Monthly Budget Statement- Financial Performance (revenue and expenditure by municipal vote)
- Table C4 Monthly Budget Statement-Financial Performance (revenue and expenditure)
- Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote, standard classification and funding)

Table C1: Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - Q1 First Quarter

Description	2020/21	Budget Year 2021/22							
	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	4 505	4 914	-	4 688	4 688	1 229	3 460	282%	4 914
Service charges	20 173	23 343	-	7 333	7 333	5 836	1 497	26%	23 343
Investment revenue	366	673	-	139	139	168	(29)	-17%	673
Transfers and subsidies	29 142	29 002	-	8 406	8 406	7 250	1 156	16%	29 002
Other own revenue	22 598	35 424	-	10 890	10 890	8 856	2 034	23%	35 424
Total Revenue (excluding capital transfers and contributions)	76 785	93 356	-	31 457	31 457	23 339	8 118	35%	93 356
Employee costs	29 731	29 911	-	6 870	6 870	7 478	(608)	-8%	29 911
Remuneration of Councillors	3 104	3 300	-	828	828	825	3	0%	3 300
Depreciation & asset impairment	6 356	6 053	-	1 513	1 513	1 513	(1)	-0%	6 053
Finance charges	1 083	-	-	-	-	-	-	-	-
Materials and bulk purchases	10 238	10 463	-	2 963	2 963	2 616	347	13%	10 463
Transfers and subsidies	336	449	-	1 156	1 156	112	1 043	930%	449
Other expenditure	42 673	49 292	-	9 767	9 767	12 323	(2 556)	-21%	49 292
Total Expenditure	93 521	99 469	-	23 096	23 096	24 867	(1 771)	-7%	99 469
Surplus/(Deficit)	(16 737)	(6 113)	-	8 360	8 360	(1 528)	9 888	-647%	(6 113)
Transfers and subsidies - capital (monetary alloc	21 200	13 879	-	16	16	3 470	(3 454)	-100%	13 879
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	4 463	7 766	-	8 376	8 376	1 942	6 434	331%	7 766
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	4 463	7 766	-	8 376	8 376	1 942	6 434	331%	7 766
Capital expenditure & funds sources									
Capital expenditure	28 105	14 662	-	504	504	3 666	(3 161)	-86%	14 662
Capital transfers recognised	28 052	14 662	-	504	504	-	504	#DIV/0!	8 064
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	52	-	-	-	-	-	-	-	-
Total sources of capital funds	28 105	14 662	-	504	504	-	504	#DIV/0!	8 064
Financial position									
Total current assets	30 561	27 008	-	-	43 255	-	-	-	27 008
Total non current assets	199 936	186 958	-	-	198 928	-	-	-	186 958
Total current liabilities	24 238	43 195	-	-	44 733	-	-	-	43 195
Total non current liabilities	33 639	4 354	-	-	13 120	-	-	-	4 354
Community wealth/Equity	172 620	166 417	-	-	184 330	-	-	-	166 417
Cash flows									
Net cash from (used) operating	13 891	10 524	-	6 766	6 766	2 574	(4 192)	-163%	10 524
Net cash from (used) investing	(16 639)	(6 338)	-	(504)	(504)	(1 585)	(1 080)	68%	(11 976)
Net cash from (used) financing	120	-	-	29	29	-	(29)	#DIV/0!	34
Cash/cash equivalents at the month/year end	6 836	13 650	9 464	-	15 754	10 453	(5 301)	-51%	8 047
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	4 146	439	284	160	142	123	6 440	-	11 733
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

Table C2: Financial Performance (Standard Classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Financed Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structure used by the different institutions.

The main functions are Government and Administration, Community and Public Safety, Economic and Environmental Services, Trading Services and Other Services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

WC051 Laingsburg - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q1 First Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		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		38 473	42 872	-	13 187	13 187	10 718	2 469	23%	34 585
Executive and council		-	-	-	-	-	-	-		2 521
Finance and administration		38 473	42 872	-	13 187	13 187	10 718	2 469	23%	32 065
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		22 773	34 934	-	10 673	10 672	8 734	1 939	22%	34 140
Community and social services		2 222	1 583	-	401	401	396	5	1%	1 265
Sport and recreation		0	4	-	-	-	1	(1)	-100%	24
Public safety		20 533	33 335	-	10 267	10 267	8 334	1 934	23%	32 839
Housing		18	12	-	5	5	3	2	53%	11
Health		-	-	-	0	-	-	-		1
Economic and environmental services		1 419	1 183	-	281	281	296	(15)	-5%	1 304
Planning and development		-	-	-	-	-	-	-		-
Road transport		1 419	1 183	-	281	281	296	(15)	-5%	1 304
Environmental protection		-	-	-	-	-	-	-		-
Trading services		35 320	28 245	-	7 332	7 332	7 061	271	4%	24 600
Energy sources		19 440	18 604	-	4 697	4 697	4 651	46	1%	15 414
Water management		10 011	4 193	-	1 031	1 031	1 048	(17)	-2%	4 009
Waste water management		3 107	3 187	-	826	826	797	30	4%	2 793
Waste management		2 763	2 261	-	778	778	565	213	38%	2 385
Other	4	-	-	-	-	-	-	-		-
Total Revenue - Functional	2	97 985	107 235	-	31 473	31 472	26 809	4 664	17%	94 630
Expenditure - Functional										
Governance and administration		38 051	33 890	-	7 347	7 347	8 473	(1 126)	-13%	28 259
Executive and council		8 001	8 653	-	3 127	3 127	2 163	964	45%	9 682
Finance and administration		30 050	25 237	-	4 219	4 219	6 309	(2 090)	-33%	18 577
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		23 163	33 719	-	7 976	7 975	8 430	(454)	-5%	36 208
Community and social services		1 585	1 709	-	471	471	427	44	10%	2 188
Sport and recreation		53	51	-	7	7	13	(6)	-49%	26
Public safety		21 461	31 639	-	7 428	7 428	7 910	(481)	-6%	33 784
Housing		7	299	-	70	70	75	(4)	-6%	207
Health		57	21	-	(0)	(1)	5	(6)	-116%	4
Economic and environmental services		12 614	12 613	-	2 953	2 953	3 153	(200)	-6%	3 556
Planning and development		628	1 029	-	150	150	257	(107)	-42%	1 324
Road transport		11 987	11 583	-	2 802	2 802	2 896	(94)	-3%	2 231
Environmental protection		-	-	-	-	-	-	-		-
Trading services		19 677	19 234	-	4 818	4 818	4 809	9	0%	26 022
Energy sources		11 346	11 635	-	3 169	3 169	2 909	261	9%	9 270
Water management		4 160	3 721	-	789	789	930	(141)	-15%	2 933
Waste water management		2 190	1 787	-	428	428	447	(19)	-4%	12 195
Waste management		1 981	2 092	-	431	431	523	(92)	-18%	1 625
Other		16	12	-	3	3	3	-		7
Total Expenditure - Functional	3	93 521	99 469	-	23 096	23 096	24 867	(1 772)	-7%	94 052
Surplus/ (Deficit) for the year		4 463	7 766	-	8 377	8 377	1 942	6 435	331%	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) - Q1 First Quarter

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		2 192	2 616	-	703	703	654	49	7.5%	2 616
Vote 4 - BUDGET & TREASURY		36 281	40 257	-	12 483	12 483	10 064	2 419	24.0%	40 257
Vote 5 - PLANNING AND DEVEOLPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		1 504	1 583	-	401	401	396	5	1.2%	1 583
Vote 7 - SPORTS AND RECREATION		718	4	-	-	-	1	(1)	-100.0%	4
Vote 8 - HOUSING		18	12	-	5	5	3	2	53.3%	12
Vote 9 - PUBLIC SAFETY		20 533	33 335	-	10 267	10 267	8 334	1 934	23.2%	33 335
Vote 10 - ROAD TRANSPORT		1 419	1 183	-	281	281	296	(15)	-4.9%	1 183
Vote 11 - WASTE MANAGEMENT		2 763	2 261	-	778	778	565	213	37.6%	2 261
Vote 12 - WASTE WATER MANAGEMENT		3 107	3 187	-	826	826	797	30	3.7%	3 187
Vote 13 - WATER		10 011	4 193	-	1 031	1 031	1 048	(17)	-1.6%	4 193
Vote 14 - ELECTRICITY		19 440	18 604	-	4 697	4 697	4 651	46	1.0%	18 604
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	97 985	107 235	-	31 473	31 472	26 809	4 664	17.4%	107 235
Expenditure by Vote										
Vote 1 - MAYORAL & COUNCIL	1	4 179	5 183	-	2 322	2 322	1 296	1 026	79.2%	5 183
Vote 2 - MUNICIPAL MANAGER		3 822	3 469	-	806	806	867	(62)	-7.1%	3 469
Vote 3 - CORPORATE SERVICES		8 297	7 742	-	1 524	1 524	1 936	(411)	-21.3%	7 742
Vote 4 - BUDGET & TREASURY		21 753	17 495	-	2 695	2 695	4 374	(1 679)	-38.4%	17 495
Vote 5 - PLANNING AND DEVEOLPMENT		628	1 029	-	150	150	257	(107)	-41.5%	1 029
Vote 6 - COMMUNITY AND SOCIAL SERV		1 436	1 525	-	423	423	381	42	10.9%	1 525
Vote 7 - SPORTS AND RECREATION		275	269	-	57	57	67	(10)	-15.2%	269
Vote 8 - HOUSING		7	299	-	70	70	75	(4)	-6.0%	299
Vote 9 - PUBLIC SAFETY		21 461	31 639	-	7 428	7 428	7 910	(481)	-6.1%	31 639
Vote 10 - ROAD TRANSPORT		11 987	11 683	-	2 802	2 802	2 896	(94)	-3.2%	11 683
Vote 11 - WASTE MANAGEMENT		1 981	2 092	-	431	431	523	(92)	-17.5%	2 092
Vote 12 - WASTE WATER MANAGEMENT		2 190	1 787	-	428	428	447	(19)	-4.2%	1 787
Vote 13 - WATER		4 160	3 721	-	789	789	930	(141)	-15.2%	3 721
Vote 14 - ELECTRICITY		11 346	11 635	-	3 169	3 169	2 909	261	9.0%	11 635
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	93 521	99 569	-	23 096	23 096	24 867	(1 772)	-7.1%	99 519
Surplus/ (Deficit) for the year	2	4 463	7 666	-	8 377	8 377	1 942	6 435	331.5%	7 716

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q1 First Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		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		4 505	4 914	-	4 688	4 688	1 229	3 460	282%	4 914
Service charges - electricity revenue		14 591	17 391	-	4 697	4 697	4 348	349	8%	17 391
Service charges - water revenue		2 203	2 926	-	1 031	1 031	731	300	41%	2 926
Service charges - sanitation revenue		1 753	1 861	-	828	828	465	362	78%	1 861
Service charges - refuse revenue		1 626	1 166	-	778	778	291	486	167%	1 166
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 624	1 212	-	398	398	303	95	31%	1 212
Interest earned - external investments		366	673	-	139	139	168	(29)	-17%	673
Interest earned - outstanding debtors		53	559	-	113	113	140	(27)	-19%	559
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		20 170	32 410	-	10 145	10 145	8 103	2 042	25%	32 410
Licences and permits		363	927	-	122	122	232	(109)	-47%	927
Agency services		180	166	-	62	62	42	20	49%	166
Transfers and subsidies		29 142	29 002	-	8 406	8 406	7 250	1 156	16%	29 002
Other revenue		206	150	-	49	49	37	12	32%	150
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		76 785	93 356	-	31 457	31 457	23 339	8 118	35%	93 356
Expenditure By Type										
Employee related costs		29 731	29 911	-	6 870	6 870	7 478	(608)	-8%	29 911
Remuneration of councillors		3 104	3 300	-	828	828	825	3	0%	3 300
Debt impairment		16 630	25 958	-	6 482	6 482	6 489	(8)	0%	25 958
Depreciation & asset impairment		6 356	6 053	-	1 513	1 513	1 513	(1)	0%	6 053
Finance charges		1 083	-	-	-	-	-	-	-	-
Bulk purchases		10 238	10 463	-	2 963	2 963	2 616	347	13%	10 463
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		7 813	6 502	-	1 028	1 028	1 626	(597)	-37%	6 502
Transfers and subsidies		336	449	-	1 156	1 156	112	1 043	930%	449
Other expenditure		17 967	16 833	-	2 257	2 257	4 208	(1 951)	-46%	16 833
Loss on disposal of PPE		263	-	-	-	-	-	-	-	-
Total Expenditure		93 521	99 469	-	23 096	23 096	24 867	(1 771)	-7%	99 469
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		(16 737)	(6 113)	-	8 360	8 360	(1 528)	9 888	(0)	(6 113)
(National / Provincial and District)		21 200	13 879	-	16	16	3 470	(3 454)	(0)	13 879
(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		4 463	7 766	-	8 376	8 376	1 942			7 766
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		4 463	7 766	-	8 376	8 376	1 942			7 766
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		4 463	7 766	-	8 376	8 376	1 942			7 766
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		4 463	7 766	-	8 376	8 376	1 942			7 766

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	2020/21	Budget Year 2021/22							
		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	-	-	48	48	-	48	#DIV/0!	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		35	-	-	48	48	-	48	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		14	-	-	94	94	-	94	#DIV/0!	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		14	-	-	94	94	-	94	#DIV/0!	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		238	1 448	-	255	255	362	(108)	-30%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		238	1 448	-	255	255	362	(108)	-30%	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		27 806	13 214	-	108	108	3 304	(3 196)	-97%	8 064
Energy sources		8 424	582	-	-	-	145	(145)	-100%	-
Water management		19 383	8 636	-	8	8	2 159	(2 151)	-100%	6 064
Waste water management		-	3 996	-	8	8	999	(991)	-99%	2 000
Waste management		-	-	-	92	92	-	92	#DIV/0!	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	28 094	14 662	-	504	504	3 666	(3 161)	-86%	8 064
Funded by:										
National Government		10 584	14 662	-	16	16	-	16	#DIV/0!	8 064
Provincial Government		17 468	-	-	489	489	-	489	#DIV/0!	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		28 052	14 662	-	504	504	-	504	#DIV/0!	8 064
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		52	-	-	-	-	-	-	-	-
Total Capital Funding		28 105	14 662	-	504	504	-	504	#DIV/0!	8 064

Table C6: Financial Position**WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - Q1 First Quarter**

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		9 617	12 092	-	15 907	12 092
Call investment deposits		-	-	-	-	-
Consumer debtors		14 981	11 785	-	18 270	11 785
Other debtors		5 316	2 489	-	8 430	2 489
Current portion of long-term receivables		-	1	-	-	1
Inventory		647	641	-	648	641
Total current assets		30 561	27 008	-	43 255	27 008
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		23 480	23 544	-	23 480	23 544
Investments in Associate		-	-	-	-	-
Property, plant and equipment		176 253	163 084	-	175 245	163 084
Agricultural		-	-	-	-	-
Biological		-	-	-	-	-
Intangible		202	286	-	202	286
Other non-current assets		-	43	-	-	43
Total non current assets		199 936	186 958	-	198 928	186 958
TOTAL ASSETS		230 497	213 966	-	242 183	213 966
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		1	6	-	(0)	6
Consumer deposits		800	715	-	810	715
Trade and other payables		20 877	18 631	-	20 847	18 631
Provisions		2 560	23 843	-	23 077	23 843
Total current liabilities		24 238	43 195	-	44 733	43 195
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		33 639	4 354	-	13 120	4 354
Total non current liabilities		33 639	4 354	-	13 120	4 354
TOTAL LIABILITIES		57 876	47 549	-	57 853	47 549
NET ASSETS	2	172 620	166 417	-	184 330	166 417
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		172 620	166 417	-	184 330	166 417
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	172 620	166 417	-	184 330	166 417

Table C7: Cash Flow

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

Description	Ref	Budget Year 2021/22								
		2020/21 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		3 706	4 792	-	1 104	1 104	1 198	(94)	-8%	4 792
Service charges		25 893	23 225	-	7 439	7 439	5 806	1 632	28%	23 225
Other revenue		22 823	9 082	-	4 177	4 177	2 270	1 907	84%	9 082
Government - operating		27 000	24 103	-	11 302	11 302	6 026	5 277	88%	24 103
Government - capital		2 799	13 879	-	1 718	1 718	3 470	(1 752)	-50%	13 879
Interest		218	673	-	169	169	168	1	1%	673
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(67 975)	(64 007)	-	(18 392)	(18 392)	(16 059)	2 332	-15%	(64 007)
Finance charges		-	(773)	-	-	-	(193)	(193)	100%	(773)
Transfers and Grants		(571)	(449)	-	(753)	(753)	(112)	640	-571%	(449)
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 891	10 524	-	6 766	6 766	2 574	(4 192)	-163%	10 524
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(16 639)	(6 338)	-	(504)	(504)	(1 585)	(1 080)	68%	(11 976)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(16 639)	(6 338)	-	(504)	(504)	(1 585)	(1 080)	68%	(11 976)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		120	-	-	29	29	-	29	#DIV/0!	34
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		120	-	-	29	29	-	(29)	#DIV/0!	34
NET INCREASE/ (DECREASE) IN CASH HELD		(2 628)	4 186	-	6 291	6 291	989			(1 417)
Cash/cash equivalents at beginning:		9 464	9 464	9 464		9 464	9 464			9 464
Cash/cash equivalents at month/year end:		6 836	13 650	9 464		15 754	10 453			8 047

6. Supporting Documentation

Debtors Analysis

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

Description	NT Code	Budget Year 2021/22									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	187	78	67	32	32	30	886	-	1 313	980	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 017	171	49	38	23	9	614	-	1 920	684	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 533	54	44	20	30	31	2 501	-	5 214	2 583	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	166	64	54	27	28	23	914	-	1 276	991	-	-
Receivables from Exchange Transactions - Waste Management	1600	162	53	44	20	19	15	501	-	814	555	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	73	17	22	21	12	15	930	-	1 090	977	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	8	2	3	1	1	0	92	-	108	95	-	-
Total By Income Source	2000	4 146	439	284	160	142	123	6 440	-	11 733	6 864	-	-
2019/20 - totals only		1381815	235224	187114	202731	132708	132551	6952566	0	9 225	7 421	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	259	89	38	21	8	13	729	-	1 157	771	-	-
Commercial	2300	2 401	90	37	36	28	21	2 276	-	4 890	2 362	-	-
Households	2400	1 487	260	209	102	106	89	3 435	-	5 687	3 732	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	4 146	439	284	160	142	123	6 440	-	11 733	6 864	-	-

Creditors Analysis

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

Description	NT Code	Budget Year 2021/22									Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-

Performance Indicators

WC051 Laingsburg - Supporting Table SC2 Monthly Budget Statement - performance indicators - Q1 First Quarter

Description of financial indicator	Basis of calculation	Ref	2020/21	Budget Year 2021/22			
			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		1.2%	6.1%	0.0%	0.0%	3.3%
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		12.1%	11.2%	0.0%	11.3%	11.2%
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	126.1%	62.5%	0.0%	96.7%	62.5%
Liquidity Ratio	Monetary Assets/Current Liabilities		39.7%	28.0%	0.0%	35.6%	28.0%
<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		26.4%	15.3%	0.0%	84.9%	15.3%
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		38.7%	32.0%	0.0%	21.8%	32.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.9%	2.1%	0.0%	0.9%	2.1%
Interest & Depreciation	I&D/Total Revenue - capital revenue		9.7%	6.5%	0.0%	0.0%	3.5%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		234.7%	450.9%	#DIV/0!	0.0%	0.0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		60.7%	41.7%	#DIV/0!	152.0%	41.7%
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, 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 first quarter of 2021/2022 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Ms. A Groenewald

for: Municipal Manager of Laingsburg Municipality (WC051)

Signature *Alida Groenewald*

Date *2021-10-14*

8. Recommendation

- (a) That Council notes the contents of this report and supporting documentations for the First quarter of 2021/2022 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.