

LAINGSBURG MUNICIPALITY



**MONTHLY BUDGET STATEMENTS FOR THE MONTH ENDING
DECEMBER 2021**

Table of Contents

1. Mayors Report 3

2. Executive Summary..... 3

3. In year Budget Statement Tables..... 7

4. Supporting Documentation 15

5. Other Information or Documentation 18

6. Recommendation..... 19

1. Mayors Report

The monthly budget statement for December 2021 has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations. The December 2021 Monthly budget statement is the Sixth report for the 2021/22 financial year.

2. Executive Summary

Section 71 of the MFMA states that the Accounting Officer of a Municipality must by no later than 10 working days after the end of each month submit to the Mayor of the Municipality and the relevant Provincial Treasury a statement in the prescribed format on the state of the Municipality's budget.

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 month ended December 2021.

Operating Budget				
R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Revenue (Incl. Capital transfers and contributions)	107 234 824	-	52 279 330	48.75
Total Expenditure	99 468 746	-	51 103 474	51.38
Surplus (Deficit) (Incl Capital transfers)	7 766 078	-	1 175 856	15.14
Capital Budget				
R thousands	Original Budget	Adjusted Budget	YTD Actual	YTD %
Total Capital expenditure	13 879 050	25 421 515	1 125 246	8.11
Sources of Finance				
<i>National Government - MIG</i>	6 383 050	-	242 741	3.80
<i>National Government - WSIG</i>	7 496 000	-	393 905	5.25
<i>Municipal Interventions Grant</i>	-	-	488 600	-
Total Funding Sources of Capital	13 879 050	-	1 125 246	8.11

Operating Revenue

The Municipality have generated 48.75% or R 52,279 million of the Budgeted Revenue to date which is higher than the budgeted amount. Year-to-date operating revenue is at 117,01% of the year-to-date budget. The projected budgeted revenue for the full financial year amounts to R 107,235 million. The actual revenue as at the end of December 2021 was R 2,374 million under the budget.

Operating Expenditure

Operating expenditure of R 51,103 million for the period up to the end of December 2021 does not include part of the annual calculation for provisions. The total amount for the year-to-date portion of provisions is R3,136 million. That will bring the total expenditure effectively at R 54,240 million to date. The expenditure to date is over the budget year-to-date amount and stands on 9,06% over.

Capital Expenditure

The total capital payments done during December 2021 amounted to R418 336 .

Cash Flow

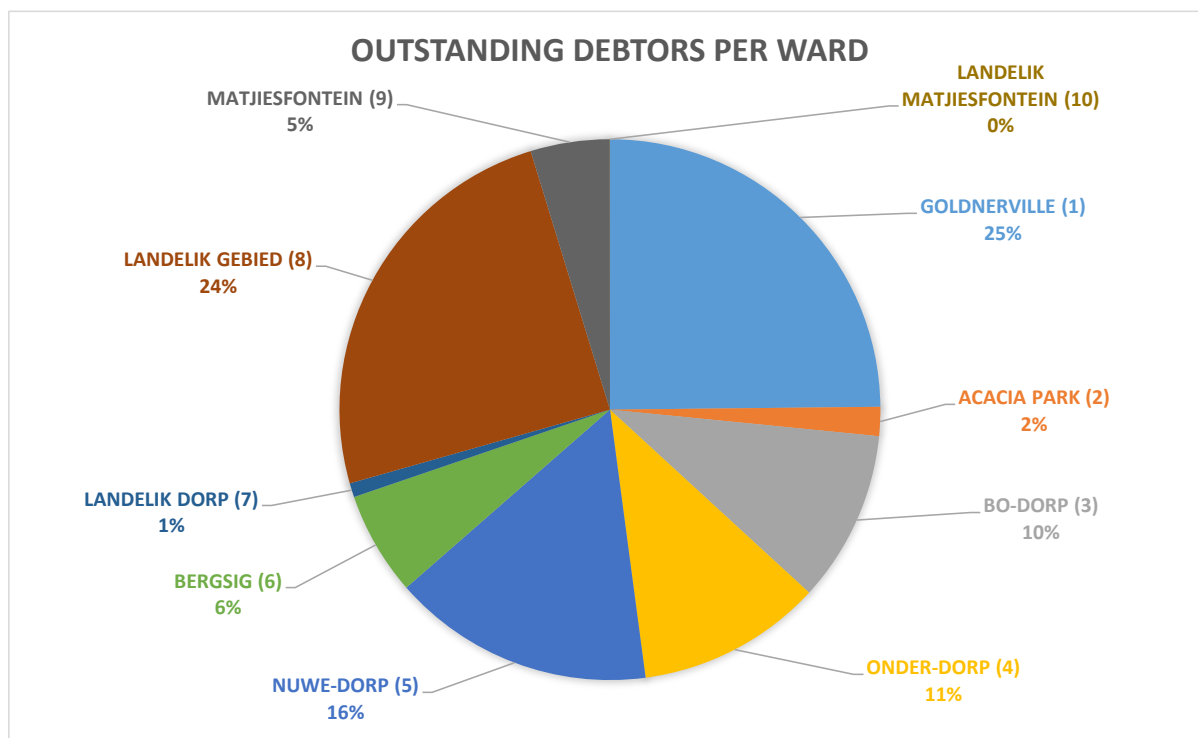
The Municipality started off with a cash flow balance of R 9,464 million at the beginning of the year after corrections and increased with R 3,755. The closing balance for the month ended December 2021 is R5,709 million. The Municipal Cash flow is mainly from Operating Activities and Grants as no Borrowing or Investments are budgeted for the 2021/2022 financial year.

During the budget process assumptions were made that the payment ratio for all debtors will be at 95%.

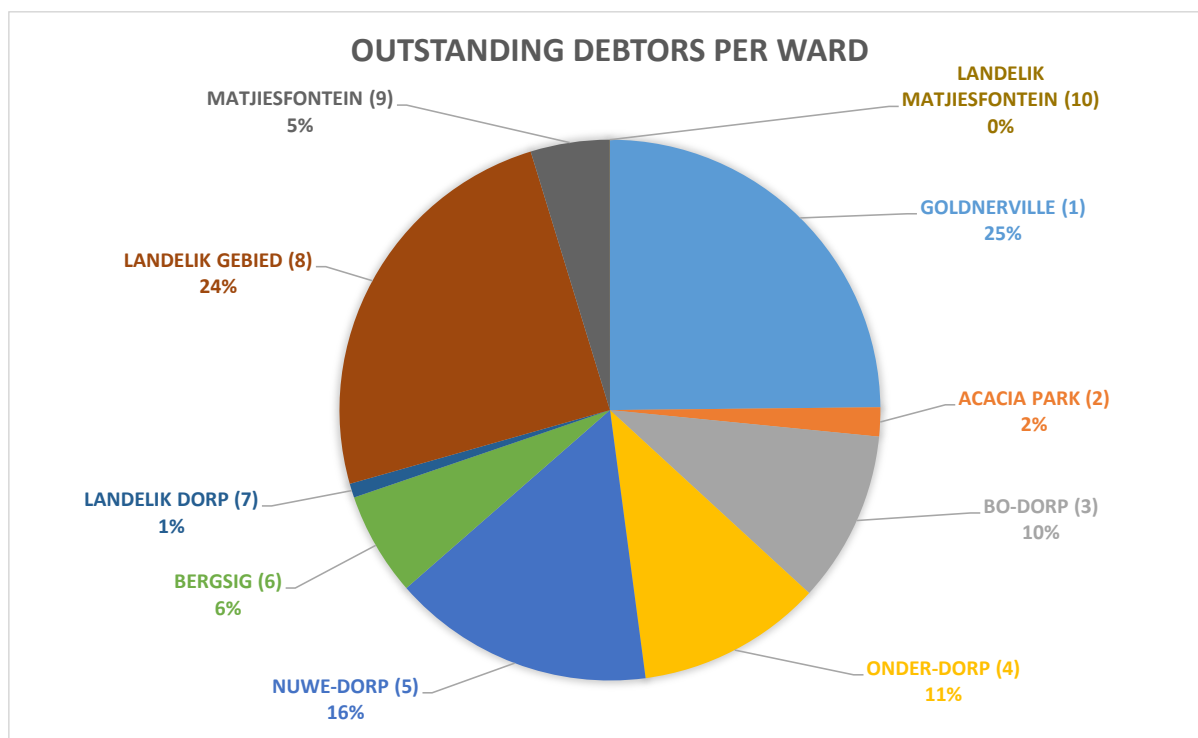
Debtors

The Outstanding Debtors of the Municipality amounts to R 11,392 million for the month ended December 2021, (R 11,392 million previous month). There was a increase of R 0.199 million in the total outstanding amount since the previous month (decrease of R 0,258 million previous month). The payment rate for 2020/2021 financial year was 99,67%. At the end of December 2021 the payment rate was 86.69% (previous month 86.14%). The total amount outstanding for longer than 12 months is R 6,442 million and this amounts to 55,58% of all the debtors outstanding. The total cash trapped in outstanding debtors older than 90 days amount to R 7,035 million. The Municipality is implementing the Debt Collection and Credit Control Policy. Outstanding amounts in the areas where the Municipality is not the supplier of electricity are increasing rapidly.

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



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



Creditors

Total outstanding creditors amount to R 0 for the month ending December 2021. 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 August 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 August 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	4 755 966	615 573	3 693 726	(177 088)	(1 062 240)
Vehicles used for political office bearers	-	-	-	-	-	-	-
Travel and subsistence	546 216	45 518	273 108	29 822	239 712	(15 697)	(33 396)
Domestic accommodation	393 372	32 781	196 686	18 320	71 005	(14 461)	(125 681)
Sponsorships, events and catering	69 480	5 790	34 740	1 469	15 775	(4 321)	(18 965)
Communication	528 588	44 049	264 294	20 189	135 206	(23 860)	(129 088)
Overtime	719 688	59 974	359 844	72 539	498 738	12 565	138 894
Total	R 11 769 276	R 980 773	R 5 884 638	R 757 911	R 4 654 163	(222 862)	(1 230 475)

Red flagged amounts are items that exceed the budgeted amount. No problem areas for December 2021. Overtime management is currently the biggest item that needs urgent attention.

3. 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-

- (a) Table C1 Monthly Budget Statement Summary
- (b) Table C2 Monthly Budget Statement -Financial Performance (standard classification)
- (c) Tale C3 Monthly Budget Statement- Financial Performance (revenue and expenditure by municipal vote)
- (d) Table C4 Monthly Budget Statement-Financial Performance (revenue and expenditure)
- (e) Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote, standard classification and funding)
- (f) Table C6 Monthly Budget Statement- Financial Position
- (g) Table C7 Monthly Budget Statement Cash Flow

Table C1: Summary

WC051 Laingsburg - Table C1 Monthly Budget Statement Summary - M06 December

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	-	31	4 773	2 457	2 316	94%	4 914
Service charges	20 173	23 343	-	2 179	14 428	11 672	2 756	24%	23 343
Investment revenue	366	673	-	6	241	336	(96)	-28%	673
Transfers and subsidies	29 142	29 002	-	276	9 688	14 501	(4 813)	-33%	29 002
Other own revenue	22 598	35 424	-	3 653	22 024	17 712	4 312	24%	35 424
Total Revenue (excluding capital transfers and contributions)	76 785	93 356	-	6 144	51 154	46 678	4 476	10%	93 356
Employee costs	29 731	29 911	-	2 604	15 563	14 956	608	4%	29 911
Remuneration of Councillors	3 104	3 300	-	314	1 626	1 650	(24)	-1%	3 300
Depreciation & asset impairment	6 356	6 053	-	504	3 025	3 026	(1)	-0%	6 053
Finance charges	1 083	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	10 238	10 463	-	800	5 859	5 232	628	12%	10 463
Transfers and subsidies	336	449	-	384	2 416	224	2 191	976%	449
Other expenditure	42 673	49 292	-	4 700	22 614	24 646	(2 032)	-8%	49 292
Total Expenditure	93 521	99 469	-	9 306	51 103	49 734	1 369	3%	99 469
Surplus/(Deficit)	(16 737)	(6 113)	-	(3 162)	51	(3 056)	3 107	-102%	(6 113)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	21 200	13 879	-	418	1 125	6 940	###	-84%	13 879
Transfers and subsidies - capital (monetary allocations) (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	-	(2 743)	1 176	3 883	(2 707)	-70%	7 766
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	4 463	7 766	-	(2 743)	1 176	3 883	(2 707)	-70%	7 766
Capital expenditure & funds sources									
Capital expenditure	28 105	14 461	-	418	1 125	7 231	(6 105)	-84%	14 461
Capital transfers recognised	28 052	14 461	-	418	1 125	7 231	(6 105)	-84%	14 461
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	52	-	-	-	-	-	-		-
Total sources of capital funds	28 105	14 461	-	418	1 125	7 231	(6 105)	-84%	14 461
Financial position									
Total current assets	30 561	27 008	-		32 915				27 008
Total non current assets	199 936	186 958	-		198 036				186 958
Total current liabilities	24 238	43 195	-		38 588				43 195
Total non current liabilities	33 639	4 354	-		13 119				4 354
Community wealth/Equity	172 620	166 417	-		179 245				166 417
Cash flows									
Net cash from (used) operating	13 891	10 524	-	(3 777)	(5 691)	5 147	10 838	211%	10 524
Net cash from (used) investing	(16 639)	(6 338)	-	(418)	1 875	(3 169)	(5 044)	159%	(6 338)
Net cash from (used) financing	120	-	-	2	61	-	(61)	#DIV/0!	-
Cash/cash equivalents at the month/year end	6 836	13 650	9 464	-	5 709	11 442	5 733	50%	13 650
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	3 088	288	1 180	256	207	130	6 442	-	11 591
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) - M06 December

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										
<i>Governance and administration</i>		38 473	42 872	-	792	16 039	21 436	(5 398)	-25%	42 872
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		38 473	42 872	-	792	16 039	21 436	(5 398)	-25%	42 872
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		22 773	34 934	-	3 595	21 533	17 467	4 066	23%	34 934
Community and social services		2 222	1 583	-	130	793	792	2	0%	1 583
Sport and recreation		0	4	-	-	2	2	0	13%	4
Public safety		20 533	33 335	-	3 463	20 727	16 667	4 059	24%	33 335
Housing		18	12	-	2	9	6	3	53%	12
Health		-	-	-	0	1	1	1	#DIV/0!	-
<i>Economic and environmental services</i>		1 419	1 183	-	1	288	592	(304)	-51%	1 183
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		1 419	1 183	-	1	288	592	(304)	-51%	1 183
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		35 320	28 245	-	2 174	14 420	14 122	298	2%	28 245
Energy sources		19 440	18 604	-	1 284	9 098	9 302	(204)	-2%	18 604
Water management		10 011	4 193	-	358	2 147	2 097	50	2%	4 193
Waste water management		3 107	3 187	-	276	1 621	1 593	27	2%	3 187
Waste management		2 763	2 261	-	257	1 555	1 130	425	38%	2 261
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	97 985	107 235	-	6 563	52 279	53 617	(1 338)	-2%	107 235
Expenditure - Functional										
<i>Governance and administration</i>		38 051	33 890	-	3 789	17 829	16 945	884	5%	33 890
Executive and council		8 001	8 653	-	1 103	6 400	4 326	2 073	48%	8 653
Finance and administration		30 050	25 237	-	2 686	11 429	12 619	(1 190)	-9%	25 237
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		23 163	33 719	-	2 762	16 406	16 860	(454)	-3%	33 719
Community and social services		1 585	1 709	-	156	985	854	130	15%	1 709
Sport and recreation		53	51	-	2	17	26	(9)	-35%	51
Public safety		21 461	31 639	-	2 580	15 264	15 819	(555)	-4%	31 639
Housing		7	299	-	23	140	150	(10)	-7%	299
Health		57	21	-	-	-	11	(11)	-100%	21
<i>Economic and environmental services</i>		12 614	12 613	-	1 155	6 723	6 306	417	7%	12 613
Planning and development		628	1 029	-	56	348	515	(166)	-32%	1 029
Road transport		11 987	11 583	-	1 099	6 375	5 792	583	10%	11 583
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		19 677	19 234	-	1 599	10 142	9 617	525	5%	19 234
Energy sources		11 346	11 635	-	941	6 516	5 817	699	12%	11 635
Water management		4 160	3 721	-	282	1 678	1 861	(183)	-10%	3 721
Waste water management		2 190	1 787	-	163	914	893	21	2%	1 787
Waste management		1 981	2 092	-	214	1 034	1 046	(12)	-1%	2 092
<i>Other</i>		16	12	-	-	4	6	(2)	-33%	12
Total Expenditure - Functional	3	93 521	99 469	-	9 306	51 103	49 734	1 369	3%	99 469
Surplus/ (Deficit) for the year		4 463	7 766	-	(2 743)	1 176	3 883	(2 707)	-70%	7 766

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) - M06 December

Vote 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										
Revenue by Vote										
Vote 1 - MAYORAL & COUNCIL	1	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		2 192	2 616	-	182	1 405	1 308	97	7.4%	2 616
Vote 4 - BUDGET & TREASURY		36 281	40 257	-	611	14 634	20 128	(5 494)	-27.3%	40 257
Vote 5 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY AND SOCIAL SERV		1 504	1 583	-	131	795	792	3	0.4%	1 583
Vote 7 - SPORTS AND RECREATION		718	4	-	-	2	2	0	13.5%	4
Vote 8 - HOUSING		18	12	-	2	9	6	3	53.3%	12
Vote 9 - PUBLIC SAFETY		20 533	33 335	-	3 463	20 727	16 667	4 059	24.4%	33 335
Vote 10 - ROAD TRANSPORT		1 419	1 183	-	1	288	592	(304)	-51.4%	1 183
Vote 11 - WASTE MANAGEMENT		2 763	2 261	-	257	1 555	1 130	425	37.6%	2 261
Vote 12 - WASTE WATER MANAGEMENT		3 107	3 187	-	276	1 621	1 593	27	1.7%	3 187
Vote 13 - WATER		10 011	4 193	-	358	2 147	2 097	50	2.4%	4 193
Vote 14 - ELECTRICITY		19 440	18 604	-	1 284	9 098	9 302	(204)	-2.2%	18 604
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	97 985	107 235	-	6 563	52 279	53 617	(1 338)	-2.5%	107 235
Expenditure by Vote										
Vote 1 - MAYORAL & COUNCIL	1	4 179	5 183	-	827	4 673	2 592	2 081	80.3%	5 183
Vote 2 - MUNICIPAL MANAGER		3 822	3 469	-	276	1 727	1 735	(8)	-0.5%	3 469
Vote 3 - CORPORATE SERVICES		8 297	7 742	-	603	3 377	3 871	(494)	-12.8%	7 742
Vote 4 - BUDGET & TREASURY		21 753	17 495	-	2 083	8 052	8 748	(695)	-7.9%	17 495
Vote 5 - PLANNING AND DEVELOPMENT		628	1 029	-	56	348	515	(166)	-32.3%	1 029
Vote 6 - COMMUNITY AND SOCIAL SERV		1 436	1 525	-	138	882	762	119	15.6%	1 525
Vote 7 - SPORTS AND RECREATION		275	269	-	20	124	134	(10)	-7.7%	269
Vote 8 - HOUSING		7	299	-	23	140	150	(10)	-6.6%	299
Vote 9 - PUBLIC SAFETY		21 461	31 639	-	2 580	15 264	15 819	(555)	-3.5%	31 639
Vote 10 - ROAD TRANSPORT		11 987	11 583	-	1 099	6 375	5 792	583	10.1%	11 583
Vote 11 - WASTE MANAGEMENT		1 981	2 092	-	214	1 034	1 046	(12)	-1.1%	2 092
Vote 12 - WASTE WATER MANAGEMENT		2 190	1 787	-	163	914	893	21	2.3%	1 787
Vote 13 - WATER		4 160	3 721	-	282	1 678	1 861	(183)	-9.8%	3 721
Vote 14 - ELECTRICITY		11 346	11 635	-	941	6 516	5 817	699	12.0%	11 635
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	93 521	99 469	-	9 306	51 103	49 734	1 369	2.8%	99 469
Surplus/ (Deficit) for the year	2	4 463	7 766	-	(2 743)	1 176	3 883	(2 707)	-69.7%	7 766

Table C4: Financial Performance (Revenue and Expenditure)

WC051 Laingsburg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2021/22								Full Year Forecast
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		4 505	4 914	–	31	4 773	2 457	2 316	94%	4 914
Service charges - electricity revenue		14 591	17 391	–	1 284	9 098	8 695	402	5%	17 391
Service charges - water revenue		2 203	2 926	–	358	2 147	1 463	684	47%	2 926
Service charges - sanitation revenue		1 753	1 861	–	280	1 628	931	698	75%	1 861
Service charges - refuse revenue		1 626	1 166	–	257	1 555	583	972	167%	1 166
Rental of facilities and equipment		1 624	1 212	–	136	847	606	241	40%	1 212
Interest earned - external investments		366	673	–	6	241	336	(96)	-28%	673
Interest earned - outstanding debtors		53	559	–	36	262	279	(18)	-6%	559
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		20 170	32 410	–	3 438	20 510	16 205	4 305	27%	32 410
Licences and permits		363	927	–	24	218	464	(246)	-53%	927
Agency services		180	166	–	13	108	83	25	30%	166
Transfers and subsidies		29 142	29 002	–	276	9 688	14 501	(4 813)	-33%	29 002
Other revenue		206	150	–	4	80	75	5	7%	150
Gains		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		76 785	93 356	–	6 144	51 154	46 678	4 476	10%	93 356
Expenditure By Type										
Employee related costs		29 731	29 911	–	2 604	15 563	14 956	608	4%	29 911
Remuneration of councillors		3 104	3 300	–	314	1 626	1 650	(24)	-1%	3 300
Debt impairment		16 630	25 958	–	2 161	12 963	12 979	(16)	0%	25 958
Depreciation & asset impairment		6 356	6 053	–	504	3 025	3 026	(1)	0%	6 053
Finance charges		1 083	–	–	–	–	–	–	–	–
Bulk purchases - electricity		10 238	10 463	–	800	5 859	5 232	628	12%	10 463
Inventory consumed		–	–	–	–	–	–	–	–	–
Contracted services		7 813	6 502	–	523	3 158	3 251	(93)	-3%	6 502
Transfers and subsidies		336	449	–	384	2 416	224	2 191	976%	449
Other expenditure		17 967	16 833	–	2 016	6 493	8 416	(1 923)	-23%	16 833
Losses		263	–	–	–	–	–	–	–	–
Total Expenditure		93 521	99 469	–	9 306	51 103	49 734	1 369	3%	99 469
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(16 737)	(6 113)	–	(3 162)	51	(3 056)	3 107	(0)	(6 113)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		21 200	13 879	–	418	1 125	6 940	(5 814)	(0)	13 879
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		4 463	7 766	–	(2 743)	1 176	3 883			7 766
Taxation		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		4 463	7 766	–	(2 743)	1 176	3 883			7 766
Attributable to minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		4 463	7 766	–	(2 743)	1 176	3 883			7 766
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		4 463	7 766	–	(2 743)	1 176	3 883			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) - M06
December

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	#DIV/0!	-	
Executive and council		-	-	-	-	-	-	-	-	-	
Finance and administration		35	-	-	-	48	-	48	#DIV/0!	-	
Internal audit		-	-	-	-	-	-	-	-	-	
Community and public safety		-	-	-	4	98	-	98	#DIV/0!	-	
Community and social services		-	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	4	4	-	4	#DIV/0!	-	
Public safety		-	-	-	-	94	-	94	#DIV/0!	-	
Housing		-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
Economic and environmental services		-	1 448	-	9	264	724	(461)	-64%	1 448	
Planning and development		-	-	-	-	-	-	-	-	-	
Road transport		-	1 448	-	9	264	724	(461)	-64%	1 448	
Environmental protection		-	-	-	-	-	-	-	-	-	
Trading services		19 383	13 013	-	406	716	6 507	(5 790)	-89%	13 013	
Energy sources		-	582	-	75	86	291	(205)	-71%	582	
Water management		19 383	8 435	-	271	320	4 217	(3 897)	-92%	8 435	
Waste water management		-	3 996	-	60	218	1 998	(1 780)	-89%	3 996	
Waste management		-	-	-	-	92	-	92	#DIV/0!	-	
Other		-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional Classification	3	19 417	14 461	-	418	1 125	7 231	(6 105)	-84%	14 461	
Funded by:											
National Government		10 584	14 461	-	418	637	7 231	(6 594)	-91%	14 461	
Provincial Government		17 468	-	-	-	489	-	489	#DIV/0!	-	
District Municipality		-	-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-	
Transfers recognised - capital		28 052	14 461	-	418	1 125	7 231	(6 105)	-84%	14 461	
Borrowing	6	-	-	-	-	-	-	-	-	-	
Internally generated funds		52	-	-	-	-	-	-	-	-	
Total Capital Funding		28 105	14 461	-	418	1 125	7 231	(6 105)	-84%	14 461	

Table C6: Financial Position

WC051 Laingsburg - Table C6 Monthly Budget Statement - Financial Position - M06 December

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	-	2 862	12 092
Call investment deposits		-	-	-	-	-
Consumer debtors		14 981	11 785	-	20 151	11 785
Other debtors		5 316	2 489	-	9 249	2 489
Current portion of long-term receivables		-	1	-	-	1
Inventory		647	641	-	653	641
Total current assets		30 561	27 008	-	32 915	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	-	174 354	163 084
Biological		-	-	-	-	-
Intangible		202	286	-	202	286
Other non-current assets		-	43	-	-	43
Total non current assets		199 936	186 958	-	198 036	186 958
TOTAL ASSETS		230 497	213 966	-	230 951	213 966
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		1	6	-	(0)	6
Consumer deposits		800	715	-	816	715
Trade and other payables		20 877	18 631	-	14 701	18 631
Provisions		2 560	23 843	-	23 071	23 843
Total current liabilities		24 238	43 195	-	38 588	43 195
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		33 639	4 354	-	13 119	4 354
Total non current liabilities		33 639	4 354	-	13 119	4 354
TOTAL LIABILITIES		57 876	47 549	-	51 707	47 549
NET ASSETS	2	172 620	166 417	-	179 245	166 417
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		172 620	166 417	-	179 245	166 417
Reserves		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	172 620	166 417	-	179 245	166 417

Table C7: Cash Flow

WC051 Laingsburg - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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	-	90	1 520	2 396	(875)	-37%	4 792
Service charges		25 893	23 225	-	2 004	15 021	11 612	3 408	29%	23 225
Other revenue		22 823	9 082	-	907	6 402	4 541	1 861	41%	9 082
Transfers and Subsidies - Operational		27 000	24 103	-	-	11 824	12 051	(228)	-2%	24 103
Transfers and Subsidies - Capital		2 799	13 879	-	-	1 718	6 940	(5 222)	-75%	13 879
Interest		218	673	-	51	338	336	1	0%	673
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(67 975)	(64 007)	-	(6 574)	(40 458)	(32 118)	(8 340)	26%	(64 007)
Finance charges		-	(773)	-	-	-	(386)	386	-100%	(773)
Transfers and Grants		(571)	(449)	-	(256)	(2 055)	(224)	(1 830)	815%	(449)
NET CASH FROM/(USED) OPERATING ACTIVITIES		13 891	10 524	-	(3 777)	(5 691)	5 147	10 838	211%	10 524
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	3 000	-	3 000	#DIV/0!	-
Payments										
Capital assets		(16 639)	(6 338)	-	(418)	(1 125)	(3 169)	2 044	-64%	(6 338)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(16 639)	(6 338)	-	(418)	1 875	(3 169)	(5 044)	159%	(6 338)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		120	-	-	2	61	-	61	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		120	-	-	2	61	-	(61)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		(2 628)	4 186	-	(4 193)	(3 755)	1 978			4 186
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		5 709	11 442			13 650

4. Supporting Documentation

Variance explanations

WC051 Laingsburg - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Property rates	2 316	Levied during July for full financial year	Will equal during the year
	Service charges - water revenue	684	Normal consumption periods - no water restrictions	Consumption will lower during water restriction periods
	Service charges - sanitation revenue	698	Extra sewer dumpings by wind farms	Will be adjusted in first adj budget
	Service charges - refuse revenue	972	Annual levies added during July	Will equal during the year
2	Expenditure By Type			
	Contracted services	(914)	First payments to consultants compiling AFS will be paid	Will equal during the year
	Transfers and subsidies	1 516	Transfers from eq share to indigent households are included	Will be corrected at year end
	Bulk purchases - electricity	723	Winter consumption higher than average	Will level out during summer period
	Employee related costs	608	Bonusses were paid during November	Will equal during the year
3	Capital Expenditure			
			Capital projects for the year just started late	First payment will be during Nov
4	Financial Position			
	Consumer debtors	11 785	Annual levies are made during July and paid over 11 months	Will equal during the year
5	Cash Flow			
	Government - operating		Eq grant was received during first quarter	
	Government - capital		MIG started slow -	Projects will accelerate during October
6	Measureable performance			
7	Municipal Entities			

Debtors Analysis

WC051 Laingsburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.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	331	70	45	52	50	24	903	-	1 475	1 028		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 139	59	52	66	32	32	563	-	1 943	693		
Receivables from Non-exchange Transactions - Property Rates	1400	971	43	991	43	39	19	2 474	-	4 581	2 575		
Receivables from Exchange Transactions - Waste Water Management	1500	246	54	43	43	40	20	953	-	1 398	1 056		
Receivables from Exchange Transactions - Waste Management	1600	235	42	33	36	32	14	508	-	900	590		
Receivables from Exchange Transactions - Property Rental Debtors	1700	151	18	15	16	12	20	947	-	1 179	995		
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	14	1	1	1	3	1	94	-	115	99		
Total By Income Source	2000	3 088	288	1 180	256	207	130	6 442	-	11 591	7 035	-	-
2020/21 - totals only		934762	395801	445737	396926	321119	268103	6366770	0	9 133	7 353		
Debtors Age Analysis By Customer Group													
Organs of State	2200	232	23	106	28	22	20	734	-	1 165	804		
Commercial	2300	1 443	61	879	67	36	34	2 221	-	4 739	2 357		
Households	2400	1 414	204	195	161	150	76	3 487	-	5 687	3 874		
Other	2500	-	-	-	-	-	-	-	-	-	-		
Total By Customer Group	2600	3 088	288	1 180	256	207	130	6 442	-	11 591	7 035	-	-

Creditors Analysis

WC051 Laingsburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2021/22									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	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 - M06 December

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%	8.2%	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%	85.3%	62.5%
Liquidity Ratio	Monetary Assets/Current Liabilities		39.7%	28.0%	0.0%	7.4%	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%	57.5%	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%	30.4%	32.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		2.9%	2.1%	0.0%	0.6%	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!		
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%	9.1%

5. 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 month of December 2021 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: Ms. Alida Groenewald

for: Municipal Manager of Laingsburg Municipality (WC051)

Signature *Alida Groenewald*

Date *2022-01-17*

6. Recommendation

It is recommended that Council / Finance Committee take note of this report.