

9. MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR DECEMBER 2015

5/15/1//2/1

BA King

(028) 3138154

Corporate Head Office

15 January 2016

1. Executive Summary

Report prepared as part of the reporting obligations arising from section 72 and 54(1)(f) of the Local Government: Municipal Finance Management Act, 2003 (MFMA).

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate Finance

Financial Services

3. Compliance with Strategic Priority

Provision of democratic, accountable and ethical governance

4. Delegated Authority

None

5. Legal Requirements

No. 56 of 2003: Local Government: Municipal Finance Management Act, 2003

6. Background/Discussion/Evaluation/Conclusion

Background

This report has been prepared as part of the reporting obligations arising from the MFMA. Under these obligations the Municipal Manager, as Accounting Officer, must report to the Executive Mayor on the mid-year budget and performance assessment by 25 January 2016.

The Executive Mayor must table a mid-year budget and performance assessment report in Council by 31 January 2016.

The report is attached as Annexure A.

7. Financial Implications

As stated in the report.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Mid-Year Budget and Performance Assessment Report

Annexure B: Operational and Capital Budget Review

Annexure C: Top Layer SDBIP Report - Mid Year Assessment Report - 1 July 2015 till 31 December 2015

RECOMMENDATION TO THE COUNCIL:

that the Mid-Year Budget and Performance Assessment Report, **be noted**.

RESPONSIBLE OFFICIAL :**B KING****TARGET DATE FOR IMPLEMENTATION :****TO BE NOTED**



EXECUTIVE MAYOR'S MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

2015/2016

Compiled in terms of Section 54(1)(f) of the Local Government: Municipal Finance Management Act, 2003
(Act 56 of 2003) (MFMA)

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INTRODUCTION

In terms of Section 72 of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the budget and performance of the municipality during the first half of the financial year. A report on such assessment must in terms of Section 72(1)(b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the report, she must submit the report to Council by 31 January in terms of Section 54 of the MFMA.

The mid-year performance supporting tables were prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

Mayor's Report

1.1 In-Year Report - Mid Year Review

1.1.1 Implementation of the budget in accordance with the SDBIP

The results of the SDBIP for the second quarter ended 31 December 2015 are included in this report under the Service Delivery Performance Analysis section.

1.1.2 Financial problems or risks facing the municipality

No potential financial problems or risks. All the major sources of revenue are within acceptable norms.

1.1.3 Other relevant information

The year to date actual operating revenue at the end of the second quarter for 2015/2016 is at 51.59% of the adjusted budgeted revenue. The year to date actual expenditure reflects spending of 45.49% against the adjusted budgeted expenditure. YTD Capital expenditure amounts to R46.55m, or 44.14%, at the end of December 2015.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2015.

The positive cash flow remains stable.

1.1.4 Comments on the past year's annual report and audit report

In terms of Section 72(1)(a)(iii) the following is submitted regarding progress on resolving problems identified in the 2013/2014 Annual Report:

Auditor-General Report on Financial Performance 2014/15	
Audit Report Status:	Unqualified (Clean Audit)
Non-Compliance Issues	Remedial Action Taken
There were no findings of any material misstatements in the financial statements prepared by the Municipality in accordance with S122 of the MFMA.	
There were no material findings of any instances of material non-compliance with specific matters in laws and regulations applicable to the Municipality.	

AG Report on Financial Performance 2014/15

Auditor-General Report on Service Delivery Performance: 2014/15	
Audit Report Status:	Unqualified (Clean Audit)
Non-Compliance Issues	Remedial Action Taken
There were no material findings on the annual performance report concerning the usefulness and the reliability of the information reported by the Municipality.	

AG Report on Service Delivery Performance 2014/15

1.1.5 National and Provincial Adjustments Budget

The following additional grants were appropriated during the Provincial Adjustments Budget:

Western Cape Financial Management Support Grant	800 000
Human Settlement Grant (Housing)	6 256 000
Thusong Service Centre Grant	200 000

Provincial Treasury allocated an amount of R800 000 in terms of the FMSG funding which formed part of the 2015 Main Budget Estimates of Provincial Expenditure gazetted in the Provincial Gazette No. 7360 dated 5 March 2015.

A Roll over application was submitted to Provincial Treasury & National Treasury during August 2015 for the unspent FMSG and FMG funds. We received approval from National Treasury for the FMG roll over funds but are awaiting the approval letter from Provincial Treasury. The Gazette for the FMG roll over allocations must also still published.

Resolutions

IN-YEAR REPORTS 2015/2016

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

(a) That the Mid-Year Budget and Performance Assessment report **be noted**.

Executive Summary

The Auditor General has completed the audit of the 2014/2015 financial statements and the 'Audit Outcome' for 2014/2015 will be included with the tabling of the Annual Report on 22 January 2016.

Revenue by Source

The Year-to-Date actual revenue is 0.96% above the YTD budget projections at the end of December 2015.

Borrowings

The balance of borrowings amounts to R421m at the end of December 2015.

Operating expenditure by vote & type

Current expenditure is 1.50% below YTD budget projections as at December 2015.

Capital expenditure

YTD Capital expenditure amounts to R46.55m or 44.14% of the total adjusted budget of R105.4m. The current capital commitments of orders in progress amounts to R13.6m giving total capital spend and committed at 57.06% at the end of December 2015. The capital expenditure is progressing more rapidly than anticipated, due to spending on the housing projects.

Cash flows

The municipality started the year with a positive cash balance of R104,9 million. The December closing balance is R151.9 million. Refer to Supporting Table SC9 for more details on the cash position.

Allocations received (National & Provincial Grants)

Housing Grant totaling R2.68m was received during December 2015.

Spending on Grants

Spending on grants amounts to R13.10m for December 2015 which includes FMG, MSIG, MIG, INEP, Housing, Library Grant, CDW & EPWP. The rapid spending on the housing grant contributed to the increased expenditure on grants.

Material variances

The table below summarises variances for projected revenue and expenditure.

WC032 Overstrand - Supporting Table SC1 Material variance explanations - M06 December			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue By Source</u>	0.96%	Not material	
<u>Expenditure By Type</u>	-1.50%	Not material	
<u>Capital Expenditure</u>	46%	Capital Commitments = R13.6m	
<u>Financial Position</u>			
In order			
<u>Cash Flow</u>			
In order			

Performance in relation to SDBIP targets

See the comprehensive report tabled in Council.

Remedial or corrective steps

No remedial or corrective steps are required at this time.

BUDGET & FINANCIAL PERFORMANCE ANALYSIS

In-year budget statement tables

BUDGET STATEMENT SUMMARY – DECEMBER 2015

WC032 Overstrand - Table C1 Monthly Budget Statement Summary - M06 December

Description	2014/15	Budget Year 2015/16							
	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	-	163 621	163 621	13 544	83 913	83 107	805	1%	163 621
Service charges	-	566 784	566 784	49 440	280 255	277 943	2 313	1%	566 784
Investment revenue	-	6 348	6 348	843	5 860	4 496	1 363	30%	6 348
Transfers recognised - operational	-	90 324	90 324	6 473	62 405	62 405	-		90 324
Other own revenue	-	67 957	67 957	6 495	33 670	33 730	(61)	-0%	67 957
Total Revenue (excluding capital transfers and contributions)	-	895 035	895 035	76 794	466 102	461 682	4 421	1%	895 035
Employee costs	-	291 593	291 593	22 257	140 095	142 208	(2 113)	-1%	291 593
Remuneration of Councillors	-	8 674	8 674	683	4 052	4 337	(285)	-7%	8 674
Depreciation & asset impairment	-	111 362	111 362	9 280	55 681	55 681	-		111 362
Finance charges	-	46 895	46 895	8 511	15 553	15 553	-		46 895
Materials and bulk purchases	-	251 374	251 374	22 758	114 801	118 450	(3 649)	-3%	251 374
Transfers and grants	-	48 497	48 497	3 955	25 297	25 297	-		48 497
Other expenditure	-	206 135	206 135	20 238	83 343	83 969	(627)	-1%	206 135
Total Expenditure	-	964 529	964 529	87 681	438 821	445 495	(6 674)	-1%	964 529
Surplus/(Deficit)	-	(69 494)	(69 494)	(10 887)	27 281	16 186	11 094	69%	(69 494)
Transfers recognised - capital	-	63 354	63 354	6 636	28 889	28 889	-		63 354
Contributions & Contributed assets	-	1 000	1 000	-	-	-	-		1 000
Surplus/(Deficit) after capital transfers & contributions	-	(5 140)	(5 140)	(4 251)	56 170	45 076	11 094	25%	(5 140)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	-	(5 140)	(5 140)	(4 251)	56 170	45 076	11 094	25%	(5 140)
Capital expenditure & funds sources									
Capital expenditure	-	103 914	105 479	12 084	46 555	31 850	14 705	46%	103 914
Capital transfers recognised	-	64 354	64 354	7 774	30 962	16 115	14 847	92%	64 354
Public contributions & donations	-	462	462	300	300	231	69	30%	462
Borrowing	-	32 346	33 419	2 619	12 919	13 089	(170)	-1%	32 346
Internally generated funds	-	6 753	7 245	1 391	2 373	2 415	(42)	-2%	6 753
Total sources of capital funds	-	103 914	105 479	12 084	46 555	31 850	14 705	46%	103 914
Financial position									
Total current assets	-	207 929	207 929		275 485				207 929
Total non current assets	-	3 320 511	3 320 511		3 299 658				3 320 511
Total current liabilities	-	174 459	174 459		156 705				174 459
Total non current liabilities	-	617 668	617 668		588 511				617 668
Community wealth/Equity	-	2 736 314	2 736 314		2 829 926				2 736 314
Cash flows									
Net cash from (used) operating	-	110 861	110 861	(8 673)	107 582	107 342	(241)	-0%	110 861
Net cash from (used) investing	-	(110 144)	(111 709)	(12 790)	(49 886)	(49 886)	-		(110 144)
Net cash from (used) financing	-	7 409	7 409	(2 981)	(10 693)	(10 693)	-		7 409
Cash/cash equivalents at the month	-	97 547	97 547	-	151 990	137 748	(14 242)	-10%	113 113
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	50 980	3 576	1 326	1 172	751	723	3 867	17 318	79 713
Creditors Age Analysis									
Total Creditors	3 482	-	-	-	-	-	-	-	3 482

Financial Performance (revenue and expenditure by standard classification) – December 2015

WC032 Overstrand - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Standard									
<i>Governance and administration</i>	-	255 994	255 994	17 094	149 206	147 344	1 862	1%	255 994
Executive and council	-	64 861	64 861	130	48 690	48 690	-		64 861
Budget and treasury office	-	180 339	180 339	15 025	93 889	93 175	714	1%	180 339
Corporate services	-	10 795	10 795	1 939	6 627	5 479	1 148	21%	10 795
<i>Community and public safety</i>	-	101 843	101 843	12 905	51 954	49 493	2 461	5%	101 843
Community and social services	-	4 657	4 657	263	2 200	2 366	(166)	-7%	4 657
Sport and recreation	-	11 942	11 942	2 495	4 528	5 971	(1 443)	-24%	11 942
Public safety	-	37 676	37 676	2 540	17 062	16 976	86	1%	37 676
Housing	-	47 567	47 567	7 607	28 164	24 180	3 984	16%	47 567
Health	-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>	-	20 033	20 033	2 709	9 029	9 082	(53)	-1%	20 033
Planning and development	-	9 043	9 043	724	5 794	4 597	1 197	26%	9 043
Road transport	-	10 890	10 890	1 985	3 217	4 435	(1 218)	-27%	10 890
Environmental protection	-	101	101	-	18	50	(32)	-64%	101
<i>Trading services</i>	-	581 518	581 518	50 723	284 803	284 652	150	0%	581 518
Electricity	-	346 361	346 361	28 218	163 475	165 015	(1 540)	-1%	346 361
Water	-	106 211	106 211	10 692	52 894	53 991	(1 097)	-2%	106 211
Waste water management	-	69 402	69 402	6 631	37 629	35 280	2 349	7%	69 402
Waste management	-	59 544	59 544	5 182	30 805	30 368	438	1%	59 544
<i>Other</i>	-	-	-	-	-	-	-		-
Total Revenue - Standard	-	959 389	959 389	83 430	494 992	490 571	4 421	1%	959 389
Expenditure - Standard									
<i>Governance and administration</i>	-	237 278	237 278	20 178	114 182	113 261	921	1%	237 278
Executive and council	-	92 565	92 565	7 528	45 377	45 379	(2)	0%	92 565
Budget and treasury office	-	69 750	69 750	5 512	33 383	32 841	542	2%	69 750
Corporate services	-	74 963	74 963	7 138	35 421	35 040	381	1%	74 963
<i>Community and public safety</i>	-	141 933	141 933	15 649	64 078	62 792	1 286	2%	141 933
Community and social services	-	31 368	31 368	2 390	15 007	13 943	1 064	8%	31 368
Sport and recreation	-	18 220	18 220	2 835	8 520	8 427	93	1%	18 220
Public safety	-	69 453	69 453	5 489	31 589	31 460	129	0%	69 453
Housing	-	22 892	22 892	4 935	8 963	8 963	-		22 892
Health	-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>	-	132 046	132 046	13 618	61 194	59 554	1 639	3%	132 046
Planning and development	-	40 308	40 308	3 135	18 756	18 978	(222)	-1%	40 308
Road transport	-	84 786	84 786	10 075	39 925	37 575	2 349	6%	84 786
Environmental protection	-	6 952	6 952	409	2 513	3 001	(488)	-16%	6 952
<i>Trading services</i>	-	453 273	453 273	38 236	199 368	209 889	(10 521)	-5%	453 273
Electricity	-	257 278	257 278	20 999	117 931	124 612	(6 681)	-5%	257 278
Water	-	78 253	78 253	7 519	31 661	33 290	(1 630)	-5%	78 253
Waste water management	-	63 478	63 478	5 560	27 025	28 698	(1 673)	-6%	63 478
Waste management	-	54 264	54 264	4 158	22 751	23 288	(537)	-2%	54 264
<i>Other</i>	-	-	-	-	-	-	-		-
Total Expenditure - Standard	-	964 529	964 529	87 681	438 821	445 495	(6 674)	-1%	964 529
Surplus/ (Deficit) for the year	-	(5 140)	(5 140)	(4 251)	56 170	45 076	11 094	25%	(5 140)

Financial Performance (revenue and expenditure by municipal vote) – December 2015

WC032 Overstrand - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	2014/15	Budget Year 2015/16							
	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 - Council	-	64 808	64 808	19	48 557	48 557	-		64 808
Vote 2 - Municipal Manager	-	-	-	-	-	-	-		-
Vote 3 - Management Services	-	991	991	226	654	496	159	32.1%	991
Vote 4 - Finance	-	180 339	180 339	15 025	93 889	93 175	714	0.8%	180 339
Vote 5 - Community Services	-	272 957	272 957	29 097	137 571	138 226	(655)	-0.5%	272 957
Vote 6 - Local Economic Development	-	3 091	3 091	267	2 061	1 511	551	36.4%	3 091
Vote 7 - Infrastructure & Planning	-	399 527	399 527	36 255	195 197	191 631	3 567	1.9%	399 527
Vote 8 - Protection Services	-	37 676	37 676	2 540	17 062	16 976	86	0.5%	37 676
Total Revenue by Vote	-	959 389	959 389	83 430	494 992	490 571	4 421	0.9%	959 389
Expenditure by Vote									
Vote 1 - Council	-	71 496	71 496	5 619	35 168	35 188	(20)	-0.1%	71 496
Vote 2 - Municipal Manager	-	4 489	4 489	348	2 153	2 244	(92)	-4.1%	4 489
Vote 3 - Management Services	-	43 327	43 327	2 904	19 178	21 279	(2 101)	-9.9%	43 327
Vote 4 - Finance	-	69 750	69 750	5 512	33 383	32 845	538	1.6%	69 750
Vote 5 - Community Services	-	341 492	341 492	36 250	159 773	157 005	2 768	1.8%	341 492
Vote 6 - Local Economic Development	-	8 731	8 731	653	4 478	4 006	472	11.8%	8 731
Vote 7 - Infrastructure & Planning	-	355 793	355 793	30 906	153 099	161 467	(8 368)	-5.2%	355 793
Vote 8 - Protection Services	-	69 453	69 453	5 489	31 589	31 460	128	0.4%	69 453
Total Expenditure by Vote	-	964 529	964 529	87 681	438 821	445 495	(6 674)	-1.5%	964 529
Surplus/ (Deficit) for the year	-	(5 140)	(5 140)	(4 251)	56 170	45 076	11 094	24.6%	(5 140)

Financial Performance (revenue and expenditure by source/type) – December 2015

WC032 Overstrand - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2014/15	Budget Year 2015/16							
	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		162 730	162 730	13 509	83 562	82 721	841	1%	162 730
Property rates - penalties & collection charges		891	891	35	350	386	(36)	-9%	891
Service charges - electricity revenue		338 877	338 877	27 095	162 121	163 790	(1 669)	-1%	338 877
Service charges - water revenue		102 045	102 045	10 564	52 325	50 172	2 153	4%	102 045
Service charges - sanitation revenue		66 375	66 375	6 614	35 040	33 740	1 300	4%	66 375
Service charges - refuse revenue		59 488	59 488	5 168	30 769	30 240	529	2%	59 488
Service charges - other							-		
Rental of facilities and equipment		11 859	11 859	2 450	6 489	6 176	313	5%	11 859
Interest earned - external investments		6 348	6 348	843	5 860	4 496	1 363	30%	6 348
Interest earned - outstanding debtors		2 437	2 437	232	1 327	1 218	108	9%	2 437
Dividends received							-		
Fines		31 859	31 859	2 064	13 266	14 602	(1 336)	-9%	31 859
Licences and permits		2 190	2 190	166	1 089	1 095	(6)	-1%	2 190
Agency services		2 970	2 970	309	1 525	1 485	40	3%	2 970
Transfers recognised - operational		90 324	90 324	6 473	62 405	62 405	-		90 324
Other revenue		16 643	16 643	1 275	9 974	9 154	820	9%	16 643
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers and contributions)	-	895 035	895 035	76 794	466 102	461 682	4 421	1%	895 035
Expenditure By Type									
Employee related costs		291 593	291 593	22 257	140 095	142 208	(2 113)	-1%	291 593
Remuneration of councillors		8 674	8 674	683	4 052	4 337	(285)	-7%	8 674
Debt impairment		22 792	22 792	1 899	11 396	11 396	-		22 792
Depreciation & asset impairment		111 362	111 362	9 280	55 681	55 681	-		111 362
Finance charges		46 895	46 895	8 511	15 553	15 553	-		46 895
Bulk purchases		193 573	193 573	14 721	91 982	94 367	(2 385)	-3%	193 573
Other materials		57 801	57 801	8 037	22 819	24 084	(1 264)	-5%	57 801
Contracted services		125 322	125 322	12 115	38 238	41 774	(3 536)	-8%	125 322
Transfers and grants		48 497	48 497	3 955	25 297	25 297	-		48 497
Other expenditure		58 021	58 021	6 224	33 709	30 800	2 909	9%	58 021
Loss on disposal of PPE							-		
Total Expenditure	-	964 529	964 529	87 681	438 821	445 495	(6 674)	-1%	964 529
Surplus/(Deficit)	-	(69 494)	(69 494)	(10 887)	27 281	16 186	11 094	0	(69 494)
Transfers recognised - capital		63 354	63 354	6 636	28 889	28 889	-		63 354
Contributions recognised - capital		1 000	1 000				-		1 000
Contributed assets							-		
Surplus/(Deficit) after capital transfers & contributions	-	(5 140)	(5 140)	(4 251)	56 170	45 076			(5 140)
Taxation							-		
Surplus/(Deficit) after taxation	-	(5 140)	(5 140)	(4 251)	56 170	45 076			(5 140)
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	-	(5 140)	(5 140)	(4 251)	56 170	45 076			(5 140)
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	-	(5 140)	(5 140)	(4 251)	56 170	45 076			(5 140)

Capital Expenditure (Mun. vote, standard classification and funding) – December 2015

WC032 Overstrand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) -

Vote Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Management Services	-	-	-	-	-	-	-	-	-
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	21 911	21 911	1 467	9 437	9 733	(296)	-3%	21 911
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	-	11 451	13 016	-	3 931	3 974	(43)	-1%	11 451
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	-	33 362	34 927	1 467	13 367	13 706	(339)	-2%	33 362
Total Capital Expenditure	-	103 914	105 479	12 084	46 555	31 850	14 705	46%	103 914
Capital Expenditure - Standard Classification									
Governance and administration	-	2 648	2 648	164	586	662	(76)	-12%	2 648
Executive and council							-		
Budget and treasury office							-		
Corporate services		2 648	2 648	164	586	662	(76)	-12%	2 648
Community and public safety	-	39 768	39 768	4 437	23 258	7 141	16 117	226%	39 768
Community and social services		3 520	3 520	1 139	2 102	1 173	929	79%	3 520
Sport and recreation		5 981	5 981	328	401	997	(595)	-60%	5 981
Public safety		295	295	63	127	123	4	3%	295
Housing		29 973	29 973	2 907	20 627	4 848	15 779	325%	29 973
Health							-		
Economic and environmental services	-	12 128	12 128	2 093	3 980	4 045	(64)	-2%	12 128
Planning and development		25	25			10	(10)	-100%	25
Road transport		12 103	12 103	2 093	3 980	4 034	(54)	-1%	12 103
Environmental protection							-		
Trading services	-	49 370	50 935	5 391	18 731	20 002	(1 271)	-6%	49 370
Electricity		21 726	23 291	3 223	7 154	7 376	(222)	-3%	21 726
Water		16 390	16 390	2 055	8 420	8 878	(458)	-5%	16 390
Waste water management		11 244	11 244	113	3 157	3 748	(591)	-16%	11 244
Waste management		10	10				-		10
Other							-		
Total Capital Expenditure - Standard Classification	-	103 914	105 479	12 084	46 555	31 850	14 705	46%	103 914

Financial Position - December 2015

WC032 Overstrand - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	2014/15	Budget Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash		97 547	97 547	27 351	97 547
Call investment deposits			-	124 639	
Consumer debtors		51 774	51 774	62 919	51 774
Other debtors		44 112	44 112	49 965	44 112
Current portion of long-term receivables		13	13	13	13
Inventory		14 483	14 483	10 598	14 483
Total current assets	-	207 929	207 929	275 485	207 929
Non current assets					
Long-term receivables		41	41	47	41
Investments		28 455	28 455	26 489	28 455
Investment property		164 501	164 501	159 761	164 501
Investments in Associate					
Property, plant and equipment		3 122 147	3 122 147	3 108 599	3 122 147
Agricultural					
Biological assets					
Intangible assets		5 368	5 368	4 762	5 368
Other non-current assets					
Total non current assets	-	3 320 511	3 320 511	3 299 658	3 320 511
TOTAL ASSETS	-	3 528 441	3 528 441	3 575 143	3 528 441
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing		28 113	28 113	25 660	28 113
Consumer deposits		43 801	43 801	42 606	43 801
Trade and other payables		74 229	74 229	60 123	74 229
Provisions		28 317	28 317	28 317	28 317
Total current liabilities	-	174 459	174 459	156 705	174 459
Non current liabilities					
Borrowing		415 999	415 999	395 369	415 999
Provisions		201 669	201 669	193 143	201 669
Total non current liabilities	-	617 668	617 668	588 511	617 668
TOTAL LIABILITIES	-	792 127	792 127	745 216	792 127
NET ASSETS	-	2 736 314	2 736 314	2 829 926	2 736 314
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)		2 733 677	2 733 677	2 827 353	2 733 677
Reserves		2 637	2 637	2 573	2 637
TOTAL COMMUNITY WEALTH/EQUITY	-	2 736 314	2 736 314	2 829 926	2 736 314

Cash Flow - December 2015

WC032 Overstrand - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	2014/15	Budget Year 2015/16							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges		163 800	163 800	10 312	82 624	82 583	41		163 800
Service charges		567 409	567 409	49 567	277 345	277 558	(213)	()	567 409
Other revenue		76 884	76 884	5 835	33 867	33 957	(90)	0%	76 884
Government - operating		90 324	90 324	6 473	62 405	62 405	-		90 324
Government - capital		64 354	64 354	6 636	28 889	28 889	-		64 354
Interest		8 784	8 784	1 074	7 186	7 186	-		8 784
Dividends							-		-
Payments									
Suppliers and employees		(765 303)	(765 303)	(76 105)	(343 883)	(344 387)	(503)	0%	(765 303)
Finance charges		(46 895)	(46 895)	(8 511)	(15 553)	(15 553)	-		(46 895)
Transfers and Grants		(48 497)	(48 497)	(3 955)	(25 297)	(25 297)	-		(48 497)
NET CASH FROM/(USED) OPERATING ACTIVITIES	-	110 861	110 861	(8 673)	107 582	107 342	(241)	0%	110 861
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		18	18	7	8	8	-		18
Decrease (increase) in non-current investments		(6 248)	(6 248)	(713)	(3 340)	(3 340)	-		(6 248)
Payments									
Capital assets		(103 914)	(105 479)	(12 084)	(46 555)	(46 555)	-		(103 914)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	(110 144)	(111 709)	(12 790)	(49 886)	(49 886)	-		(110 144)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		(1 135)	(1 135)	-	-	-	-		(1 135)
Borrowing long term/refinancing		30 000	30 000	-	-	-	-		30 000
Increase (decrease) in consumer deposits		2 479	2 479	17	863	863	-		2 479
Payments									
Repayment of borrowing		(23 936)	(23 936)	(2 998)	(11 556)	(11 556)	-		(23 936)
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	7 409	7 409	(2 981)	(10 693)	(10 693)	-		7 409
NET INCREASE/ (DECREASE) IN CASH HELD									
Cash/cash equivalents at beginning:		89 421	90 986		104 987	90 986			104 987
Cash/cash equivalents at month/year end:		97 547	97 547		151 990	137 748			113 113

SUPPORTING DOCUMENTATION

Debtors' analysis

Supporting Table SC3 Debtors' age analysis

WC032 Overstrand - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2015/16										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	12 022	420	276	140	117	114	570	2 601	16 261	3 543	247	3 478
Trade and Other Receivables from Exchange Transactions - Electricity	1300	12 454	332	184	156	122	111	470	2 170	16 000	3 030	70	3 629
Receivables from Non-exchange Transactions - Property Rates	1400	13 790	473	275	544	182	150	653	2 253	18 321	3 782	25	4 196
Receivables from Exchange Transactions - Waste Water Management	1500	6 197	203	129	100	85	74	342	1 791	8 920	2 391	35	2 090
Receivables from Exchange Transactions - Waste Management	1600	4 472	168	98	74	126	62	267	1 284	6 551	1 813	68	1 631
Receivables from Exchange Transactions - Property Rental Debtors	1700	242	37	8	6	2	3	30	113	442	154	-	103
Interest on Arrear Debtor Accounts	1810	47	62	35	40	33	39	297	4 730	5 285	5 141	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	1 755	1 880	320	112	84	169	1 238	2 375	7 933	3 978	60	1 850
Total By Income Source	2000	50 980	3 576	1 326	1 172	751	723	3 867	17 318	79 713	23 831	505	16 977
2014/15 - totals only		45 343	1 634	1 127	1 001	715	627	3 220	16 155	69 821	21 717	374	16 359
Debtors Age Analysis By Customer Group													
Organs of State	2200	486	1 087	53	378	19	26	51	167	2 266	641	-	203
Commercial	2300	7 251	168	90	39	43	36	113	684	8 424	914	19	614
Households	2400	43 560	2 310	1 176	744	685	657	3 674	16 125	68 931	21 885	485	16 158
Other	2500	(317)	10	8	11	5	4	29	342	91	390	-	2
Total By Customer Group	2600	50 980	3 576	1 326	1 172	751	723	3 867	17 318	79 713	23 831	505	16 977

Debtors' levels remain stable. The increased debtors results from the year-on-year increase in billings from increased tariffs at the start of the new financial year. This conclusion can be drawn from the increase in the 0-30 days (current) debtors.

Debtors' levels at the end of December 2015 indicate an increase due to the seasonal billing over the holiday period.

Summary of Indigent Households

Indigent Household Statistics					
	Indigent Households	Amount	Other Households	Total Households	
2 015					
July	8 337	3 352 279	23 998	32 335	25.78%
August	8 336	5 479 944	24 348	32 684	25.50%
September	8 124	4 328 481	24 548	32 672	24.87%
October	7 352	3 956 639	25 312	32 664	22.51%
November	7 302	3 946 768	25 478	32 780	22.28%
December	7 317	3 954 562	25 626	32 943	22.21%
2016					
January					
February					
March					
April					
May					
June					

Summary of Debtors Age Analysis

MONTH	< 30 Days	< 60 Days	< 90 Days	< 120 Days	< 150 Days	<180 Days	<365 Days	>365 Days	Total	Older than 30 Days	Older than 90 days
2015/16											
June											
May											
April											
March											
February											
January											
December	50 979 761	3 575 536	1 326 225	1 171 863	751 095	722 960	3 867 237	17 317 935	79 712 612	28 732 851	23 831 090
November	50 643 681	1 865 830	1 382 058	883 165	1 207 525	716 440	3 302 097	17 250 921	77 251 716	26 608 035	23 360 147
October	49 425 659	1 871 479	1 091 183	917 433	1 256 247	684 420	3 393 009	17 188 366	75 827 795	26 402 136	23 439 474
September	48 308 730	1 643 242	1 609 916	963 407	757 166	752 650	3 326 448	16 930 901	74 292 460	25 983 730	22 730 572
Augustus	50 057 274	2 342 293	1 199 288	879 106	834 921	808 181	3 292 068	16 645 645	76 058 775	26 001 502	22 459 921
July	51 621 817	1 729 149	1 088 910	946 724	893 543	663 928	3 250 785	16 514 546	76 709 402	25 087 584	22 269 526

Creditors' analysis**Supporting Table SC4****WC032 Overstrand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December**

Description	NT Code	Budget Year 2015/16								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	2 550								2 550
VAT (output less input)	0400									-
Pensions / Retirement deductions	0500									-
Loan repayments	0600									-
Trade Creditors	0700	932								932
Auditor General	0800									-
Other	0900									-
Total By Customer Type	1000	3 482	-	-	-	-	-	-	-	3 482

Supporting Table SC4 reflects creditors paid during December 2015.

The payment of creditors is within requirements of the MFMA

Investment portfolio analysis

Supporting Table SC5

WC032 Overstrand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands	Yrs/Months							
Municipality								
LIBERTY 15934476	15 YEARS	Policy	01/09/2025	313		9 295	125	9 733
LIBERTY 21196964	14 YEARS	Policy	01/09/2025	6		14 703	260	14 969
MOMENTUM MP 3853776	14 YEARS	Policy	01/07/2026	(21)		1 778	30	1 787
ABSA 4074809272	DAILY	CALL		2	6.0%	421		423
ABSA 9284200168	DEP PLUS	DEP PLUS		130	6.3%	24 468		24 598
ABSA 9295906141	DAILY	DEP PLUS		130	6.3%	14 489	10 000	24 619
INVESTEC 1400-196164-452	60 days	FIXED DEP	29/01/2016		6.8%	50 000		50 000
NEDBANK 03/7881534451	45 days	FIXED DEP	14/01/2016		6.7%	25 000		25 000
Municipality sub-total				560		140 153	10 415	151 128
TOTAL INVESTMENTS AND INTEREST				560		140 153	10 415	151 128

Surplus cash not immediately required is invested in call and monthly deposits.

Long term investments relate to the sinking fund investments.

Allocation and grant receipts and expenditure

Supporting Table SC6 – Grant receipts

WC032 Overstrand - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	-	67 709	67 709	-	51 061	51 061	-		67 709
Local Government Equitable Share		64 598	64 598		48 448	48 448	-		64 598
Finance Management		1 450	1 450		1 450	1 450			1 450
Municipal Systems Improvement									
EPWP Incentive		1 661	1 661		1 163	1 163			1 661
Provincial Government:	-	22 615	22 615	2 681	13 402	13 402	-		22 615
Housing		17 141	17 141	2 681	7 242	7 242	-		17 141
Provincial Library Grant		5 288	5 288		5 288	5 288			5 288
Community Development Worker Grant		72	72		72	72	-		72
Main Road Subsidy		114	114				-		114
Financial Management Support Grant					800	800	-		
District Municipality:	-	-	-	-	-	-	-		-
[insert description]							-		
Total Operating Transfers and Grants	-	90 324	90 324	2 681	64 463	64 463	-		90 324
Capital Transfers and Grants									
National Government:	-	30 347	30 347	-	22 991	22 991	-		30 347
Municipal Infrastructure Grant (MIG)		21 417	21 417		14 061	14 061	-		21 417
Municipal Systems Improvement		930	930		930	930			930
INEP		8 000	8 000		8 000	8 000			8 000
Provincial Government:	-	33 007	33 007	-	26 560	26 560	-		33 007
Housing		29 973	29 973		25 300	25 300	-		29 973
Provincial Library Grant		3 034	3 034		1 260	1 260			3 034
Other grant providers:	-	1 000	1 000	-	-	-	-		1 000
National Lotto		1 000	1 000				-		1 000
Total Capital Transfers and Grants	-	64 354	64 354	-	49 551	49 551	-		64 354
TOTAL RECEIPTS OF TRANSFERS & GRANTS	-	154 678	154 678	2 681	114 014	114 014	-		154 678

Grant receipts are monitored according to the payment schedules. Year to date actual only reflects actual receipts for 2015/2016.