

OVERSTRAND MUNICIPALITY



Monthly Budget Statement

December 2014

In-Year Report of the Municipality

Prepared in terms of Section 71 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 28 of the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009.

Table of Contents

Glossary	3
PART 1 – IN-YEAR REPORT	5
Executive Summary	5
In-year budget statement tables.....	7
PART 2 – SUPPORTING DOCUMENTATION	16
Debtors' analysis	16
Creditors' analysis	17
Investment portfolio analysis	18
Allocation and grant receipts and expenditure	19
Councillor allowances and employee benefits	21
Material variances to the SDBIP.....	22
Municipal financial performance.....	23
Capital programme performance	24
Other supporting documentation	29
Municipal manager's quality certification	32

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.

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

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 legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

NDPG – Neighbourhood Development Partnership Grant.

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

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 (SDBIP). A detailed plan comprising annual and quarterly performance information.

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.

Vote – A main appropriation segment of the budget. In Overstrand Municipality this relates to the directorate level for operating expenditure and the GFS classification for capital expenditure.

YTD – Year to date

PART 1 – IN-YEAR REPORT

Executive Summary

Revenue by Source

The Year-to-Date actual revenue is 0.27% above the YTD budget projections at the end of December 2014.

Borrowings

The balance of borrowings amounts to R401.8m at the end of December 2014.

Operating expenditure by vote & type

Current expenditure is 1.01% below YTD budget projections as at December 2014.

Capital expenditure

YTD Capital Expenditure amounts to R37.3m or 31.98% of a total adjusted budget of R116.7m. The current capital commitments of orders in progress amounts to R20.1m, giving total capital spend and committed at 49.20% at the end of December 2014.

Allocations received (National & Provincial Grants)

Grants totaling R18.6m were received during December 2014. The grant receipts were for Housing, CDW and MIG.

Spending on Grants

Spending on grants amounts to R10.1m for December 2014 which includes FMG, Library Grant, CDW, EPWP, MIG, INEP, Housing and FMSG. The finalization of the roll over process for the Housing and the FMSG contributed to the increase spending in 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>	0.27%	Not material	
<u>Expenditure By Type</u>	-1.01%	Not material	
<u>Capital Expenditure</u>	8.30%	Capital Commitments = R20.1m	
<u>Financial Position</u>			
In order			
<u>Cash Flow</u>			
In order			

Performance in relation to SDBIP targets

SDBIP performance is tabled in Council in a separate comprehensive report.

Remedial or corrective steps

No remedial or corrective steps are required at this time.

In-year budget statement tables

Table C1: s71 Monthly Budget Statement Summary
WC032 Overstrand - Table C1 Monthly Budget Statement Summary - M06 December

Description	2013/14	Budget Year 2014/15							
	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	135 633	149 690	149 690	12 612	77 818	77 408	410	1%	149 690
Service charges	479 253	525 567	525 567	41 806	258 029	257 603	426	0%	525 567
Investment revenue	6 352	6 166	6 166	666	3 310	3 083	226	7%	6 166
Transfers recognised - operational	67 835	58 407	59 505	1 549	43 030	43 030	-		59 505
Other own revenue	47 302	44 644	44 644	4 977	22 415	22 368	47	0%	44 644
Total Revenue (excluding capital transfers and contributions)	736 376	784 474	785 572	61 609	404 602	403 492	1 110	0%	785 572
Employee costs	260 645	280 066	280 066	22 428	134 257	134 863	(606)	-0%	280 066
Remuneration of Councillors	7 933	8 516	8 516	652	3 799	3 938	(140)	-4%	8 516
Depreciation & asset impairment	99 361	109 265	109 265	9 105	54 633	54 633	-		109 265
Finance charges	39 927	45 162	45 162	8 813	15 584	15 584	-		45 162
Materials and bulk purchases	170 650	186 739	186 739	13 592	85 594	87 566	(1 971)	-2%	186 739
Transfers and grants	38 749	41 370	41 370	3 571	21 122	21 122	-		41 370
Other expenditure	214 757	198 469	199 568	17 489	80 452	81 751	(1 298)	-2%	199 568
Total Expenditure	832 022	869 588	870 687	75 649	395 441	399 455	(4 015)	-1%	870 687
Surplus/(Deficit)	(95 646)	(85 115)	(85 115)	(14 040)	9 161	4 037	5 124	127%	(85 115)
Transfers recognised - capital	38 090	34 234	50 867	8 593	16 032	16 032	-		50 867
Contributions & Contributed assets	12 542	2 134	2 134	-	1 000	1 000	-		2 134
Surplus/(Deficit) after capital transfers & contributions	(45 015)	(48 747)	(32 114)	(5 447)	26 193	21 069	5 124	24%	(32 114)
Surplus/ (Deficit) for the year	(45 015)	(48 747)	(32 114)	(5 447)	26 193	21 069	5 124	24%	(32 114)
Capital expenditure & funds sources									
Capital expenditure	119 972	97 721	116 752	15 052	37 336	34 474	2 862	8%	116 752
Capital transfers recognised	34 207	35 234	51 867	8 593	17 225	17 000	225	1%	51 867
Public contributions & donations	1 199	1 134	1 134	-	55	567	(512)	-90%	1 134
Borrowing	70 634	46 923	48 770	5 395	16 965	13 807	3 158	23%	48 770
Internally generated funds	13 933	14 430	14 982	1 064	3 091	3 100	(9)	-0%	14 982
Total sources of capital funds	119 972	97 721	116 752	15 052	37 336	34 474	2 862	8%	116 752
Financial position									
Total current assets	175 465	197 146	194 747		215 121				194 747
Total non current assets	3 302 111	3 316 479	3 321 767		3 287 575				3 321 767
Total current liabilities	148 801	153 849	153 849		125 487				153 849
Total non current liabilities	520 970	549 267	549 267		542 202				549 267
Community wealth/Equity	2 807 805	2 810 509	2 813 398		2 835 007				2 813 398
Cash flows									
Net cash from (used) operating	76 616	80 014	82 903	5 816	91 281	55 547	(35 734)	-64%	82 903
Net cash from (used) investing	(130 368)	(103 533)	(108 821)	(15 461)	(40 096)	(24 636)	15 461	-63%	(108 821)
Net cash from (used) financing	32 764	27 163	27 163	(2 812)	(7 010)	(4 197)	2 812	-67%	27 163
Cash/cash equivalents at the month/year end	63 158	88 050	85 651	-	107 333	111 120	3 787	3%	64 404
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	46 369	1 515	1 023	960	685	665	3 179	15 510	69 905
Creditors Age Analysis									
Total Creditors	9 107	-	-	-	-	-	-	-	9 107

Table C2: Monthly Budget Statement – Financial Performance (standard classification)

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

Description	2013/14	Budget Year 2014/15							
	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>	199 504	231 071	231 748	14 983	128 343	128 133	210	0%	231 748
Executive and council	42 355	52 442	52 442	18	38 079	38 079	-		52 442
Budget and treasury office	150 786	169 095	169 854	14 206	86 166	86 343	(176)	0%	169 854
Corporate services	6 363	9 534	9 452	759	4 098	3 712	386	10%	9 452
<i>Community and public safety</i>	71 418	33 726	50 781	11 685	21 726	21 268	457	2%	50 781
Community and social services	2 574	2 402	2 402	228	1 216	1 201	15	1%	2 402
Sport and recreation	11 427	9 565	9 565	1 959	4 677	4 185	492	12%	9 565
Public safety	28 300	13 184	13 184	1 143	7 232	6 592	641	10%	13 184
Housing	29 116	8 576	25 630	8 355	8 601	9 291	(690)	-7%	25 630
<i>Economic and environmental services</i>	30 962	13 939	13 939	776	8 585	6 817	1 768	26%	13 939
Planning and development	12 853	8 465	8 465	700	5 179	4 080	1 099	27%	8 465
Road transport	17 790	5 397	5 397	38	3 346	2 699	648	24%	5 397
Environmental protection	319	76	76	38	60	38	22	57%	76
<i>Trading services</i>	485 124	542 106	542 106	42 759	262 981	264 306	(1 325)	-1%	542 106
Electricity	270 880	313 388	313 388	22 641	150 577	150 998	(422)	0%	313 388
Water	96 086	96 872	96 872	9 297	47 819	47 721	97	0%	96 872
Waste water management	65 091	72 155	72 155	6 077	32 748	33 751	(1 003)	-3%	72 155
Waste management	53 066	59 691	59 691	4 744	31 838	31 835	3	0%	59 691
<i>Other</i>	-	-	-	-	-	-	-		-
Total Revenue - Standard	787 007	820 842	838 573	70 202	421 634	420 524	1 110	0%	838 573
Expenditure - Standard									
<i>Governance and administration</i>	119 512	127 368	128 145	9 664	57 715	61 381	(3 665)	-6%	128 145
Executive and council	71 355	66 867	66 867	5 385	33 082	33 133	(51)	0%	66 867
Budget and treasury office	23 830	24 503	25 262	2 523	13 995	12 631	1 364	11%	25 262
Corporate services	24 327	35 998	36 016	1 756	10 639	15 617	(4 978)	-32%	36 016
<i>Community and public safety</i>	134 133	113 536	113 857	10 505	51 552	50 551	1 000	2%	113 857
Community and social services	30 255	32 563	32 563	2 523	15 962	15 253	709	5%	32 563
Sport and recreation	18 637	22 245	22 245	2 856	9 945	9 547	398	4%	22 245
Public safety	56 923	49 173	49 173	4 074	21 724	21 513	211	1%	49 173
Housing	28 318	9 554	9 875	1 053	3 920	4 238	(318)	-8%	9 875
<i>Economic and environmental services</i>	130 335	139 514	139 514	12 049	59 875	61 943	(2 068)	-3%	139 514
Planning and development	30 370	37 314	37 314	3 148	15 752	16 312	(560)	-3%	37 314
Road transport	92 659	95 166	95 166	8 313	41 159	42 612	(1 452)	-3%	95 166
Environmental protection	7 306	7 035	7 035	588	2 964	3 019	(55)	-2%	7 035
<i>Trading services</i>	448 042	489 171	489 171	43 432	226 299	225 581	718	0%	489 171
Electricity	247 859	272 386	272 386	22 828	127 518	128 868	(1 349)	-1%	272 386
Water	99 439	93 157	93 157	9 214	40 742	39 980	762	2%	93 157
Waste water management	64 659	67 138	67 138	6 531	31 904	30 795	1 109	4%	67 138
Waste management	36 085	56 489	56 489	4 858	26 134	25 938	196	1%	56 489
<i>Other</i>	-	-	-	-	-	-	-		-
Total Expenditure - Standard	832 022	869 588	870 687	75 649	395 441	399 455	(4 015)	-1%	870 687
Surplus/ (Deficit) for the year	(45 015)	(48 747)	(32 114)	(5 447)	26 193	21 069	5 124	24%	(32 114)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the GFS 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 structures used by the different institutions.

The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

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

Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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

Vote Description	2013/14	Budget Year 2014/15							
	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	42 274	52 401	52 401	16	38 030	38 030	-		52 401
Vote 2 - Municipal Manager	-	-	-	-	-	-	-		-
Vote 3 - Management Services	1 286	2 410	2 410	3	199	455	(255)	-56.2%	2 410
Vote 4 - Finance	150 786	169 095	169 854	14 206	86 166	86 343	(176)	-0.2%	169 854
Vote 5 - Community Services	276 626	261 822	278 794	31 456	134 191	133 386	805	0.6%	278 794
Vote 6 - Local Economic Development	6 431	2 968	2 968	289	1 241	1 484	(243)	-16.4%	2 968
Vote 7 - Infrastructure & Planning	281 304	318 962	318 962	23 090	154 574	154 235	339	0.2%	318 962
Vote 8 - Protection Services	28 300	13 184	13 184	1 143	7 232	6 592	641	9.7%	13 184
Total Revenue by Vote	787 007	820 842	838 573	70 202	421 634	420 524	1 110	0.3%	838 573
Expenditure by Vote									
Vote 1 - Council	68 239	63 289	63 289	4 963	32 029	32 059	(31)	-0.1%	63 289
Vote 2 - Municipal Manager	1 295	1 003	1 003	20	308	501	(193)	-38.5%	1 003
Vote 3 - Management Services	5 492	15 189	15 189	435	2 676	5 667	(2 991)	-52.8%	15 189
Vote 4 - Finance	23 830	24 503	25 262	2 523	13 995	12 631	1 364	10.8%	25 262
Vote 5 - Community Services	394 516	386 685	387 024	36 026	172 431	177 077	(4 647)	-2.6%	387 024
Vote 6 - Local Economic Development	9 945	11 140	11 140	952	4 613	4 874	(261)	-5.3%	11 140
Vote 7 - Infrastructure & Planning	271 782	318 607	318 607	26 655	147 665	145 132	2 533	1.7%	318 607
Vote 8 - Protection Services	56 923	49 173	49 173	4 074	21 724	21 513	211	1.0%	49 173
Total Expenditure by Vote	832 022	869 588	870 687	75 649	395 441	399 455	(4 015)	-1.0%	870 687
Surplus/ (Deficit) for the year	(45 015)	(48 747)	(32 114)	(5 447)	26 193	21 069	5 124	24.3%	(32 114)

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Council; Municipal Manager; Management Services; Finance; Community Services; Local Economic Development; Infrastructure & Planning and Protection Services.

Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote/s were overspent. During the financial year some of the figures are influenced by transactions that occur annually only.

Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)

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

Description	2013/14	Budget Year 2014/15							
	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	134 813	148 640	148 640	12 552	77 428	76 883	546	1%	148 640
Property rates - penalties & collection charges	821	1 050	1 050	60	390	525	(135)	-26%	1 050
Service charges - electricity revenue	268 362	310 085	310 085	21 966	149 851	150 133	(282)	0%	310 085
Service charges - water revenue	95 136	95 897	95 897	9 153	47 448	47 149	299	1%	95 897
Service charges - sanitation revenue	62 798	63 455	63 455	5 962	32 435	32 256	179	1%	63 455
Service charges - refuse revenue	52 957	56 130	56 130	4 725	28 294	28 065	229	1%	56 130
Rental of facilities and equipment	7 591	7 966	7 966	2 089	5 268	4 481	787	18%	7 966
Interest earned - external investments	6 352	6 166	6 166	666	3 310	3 083	226	7%	6 166
Interest earned - outstanding debtors	2 118	2 288	2 288	181	1 103	1 144	(41)	-4%	2 288
Fines	22 739	7 965	7 965	699	4 557	3 983	575	14%	7 965
Licences and permits	1 956	2 229	2 229	143	973	1 115	(142)	-13%	2 229
Agency services	2 395	2 480	2 480	230	1 405	1 240	165	13%	2 480
Transfers recognised - operational	67 835	58 407	59 505	1 549	43 030	43 030	-		59 505
Other revenue	10 504	21 717	21 717	1 635	9 109	10 406	(1 297)	-12%	21 717
Gains on disposal of PPE							-		
Total Revenue (excluding capital transfers and contributions)	736 376	784 474	785 572	61 609	404 602	403 492	1 110	0%	785 572
Expenditure By Type									
Employee related costs	260 645	280 066	280 066	22 428	134 257	134 863	(606)	0%	280 066
Remuneration of councillors	7 933	8 516	8 516	652	3 799	3 938	(140)	-4%	8 516
Debt impairment	12 526	-	-	-	-	-	-		-
Depreciation & asset impairment	99 361	109 265	109 265	9 105	54 633	54 633	-		109 265
Finance charges	39 927	45 162	45 162	8 813	15 584	15 584	-		45 162
Bulk purchases	157 055	169 444	169 444	12 257	78 307	79 639	(1 331)	-2%	169 444
Other materials	13 595	17 295	17 295	1 335	7 287	7 927	(640)	-8%	17 295
Contracted services	72 754	81 062	81 062	7 067	29 897	30 398	(501)	-2%	81 062
Transfers and grants	38 749	41 370	41 370	3 571	21 122	21 122	-		41 370
Other expenditure	117 460	117 407	118 506	10 422	50 555	51 352	(797)	-2%	118 506
Loss on disposal of PPE	12 017						-		
Total Expenditure	832 022	869 588	870 687	75 649	395 441	399 455	(4 015)	-1%	870 687
Surplus/(Deficit)	(95 646)	(85 115)	(85 115)	(14 040)	9 161	4 037	5 124	0	(85 115)
Transfers recognised - capital	38 090	34 234	50 867	8 593	16 032	16 032	-		50 867
Contributions recognised - capital	4 671	2 134	2 134	-	1 000	1 000	-		2 134
Contributed assets	7 871						-		
Surplus/(Deficit) after capital transfers & Taxation	(45 015)	(48 747)	(32 114)	(5 447)	26 193	21 069	-		(32 114)
Surplus/(Deficit) after taxation	(45 015)	(48 747)	(32 114)	(5 447)	26 193	21 069			(32 114)
Surplus/(Deficit) attributable to municipality	(45 015)	(48 747)	(32 114)	(5 447)	26 193	21 069			(32 114)
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	(45 015)	(48 747)	(32 114)	(5 447)	26 193	21 069			(32 114)

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 0.27% above the YTD budget.

Current expenditure is 1.01% below YTD budget projections for December 2014.

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

WC032 Overstrand - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December

Vote Description	2013/14	Budget Year 2014/15							
	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	1 790	2 548	2 548	597	825	1 274	(449)	-35%	2 548
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	79 428	76 938	95 640	12 638	33 235	29 618	3 618	12%	95 640
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	38 755	18 235	18 565	1 817	3 275	3 582	(307)	-9%	18 565
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	119 972	97 721	116 752	15 052	37 336	34 474	2 862	8%	116 752
Total Capital Expenditure	119 972	97 721	116 752	15 052	37 336	34 474	2 862	8%	116 752
Capital Expenditure - Standard Classification									
Governance and administration	10 735	16 815	17 145	769	1 791	2 500	(709)	-28%	17 145
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	10 735	16 815	17 145	769	1 791	2 500	(709)	-28%	17 145
Community and public safety	19 582	21 205	37 928	8 213	10 077	11 295	(1 218)	-11%	37 928
Community and social services	3 482	5 635	5 725	245	1 070	1 300	(230)	-18%	5 725
Sport and recreation	5 696	3 090	2 990	-	639	1 495	(856)	-57%	2 990
Public safety	-	-	-	-	-	-	-	-	-
Housing	10 404	12 480	29 213	7 968	8 367	8 500	(133)	-2%	29 213
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	16 051	5 400	5 400	-	3 244	2 700	544	20%	5 400
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	16 051	5 400	5 400	-	3 244	2 700	544	20%	5 400
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	73 605	54 300	56 278	6 071	22 224	17 979	4 245	24%	56 278
Electricity	36 731	17 000	17 000	1 817	2 792	3 500	(708)	-20%	17 000
Water	23 631	12 800	12 980	3 217	11 249	5 500	5 749	105%	12 980
Waste water management	10 202	14 300	16 099	898	3 398	3 879	(481)	-12%	16 099
Waste management	3 041	10 200	10 200	138	4 785	5 100	(315)	-6%	10 200
Total Capital Expenditure - Standard Classification	119 972	97 721	116 752	15 052	37 336	34 474	2 862	8%	116 752
Funded by:									
National Government	21 131	24 174	24 174	676	8 115	8 300	(185)	-2%	24 174
Provincial Government	12 996	10 060	26 693	7 917	8 110	8 200	(90)	-1%	26 693
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	81	1 000	1 000	-	1 000	500	500	100%	1 000
Transfers recognised - capital	34 207	35 234	51 867	8 593	17 225	17 000	225	1%	51 867
Public contributions & donations	1 199	1 134	1 134	-	55	567	(512)	-90%	1 134
Borrowing	70 634	46 923	48 770	5 395	16 965	13 807	3 158	23%	48 770
Internally generated funds	13 933	14 430	14 982	1 064	3 091	3 100	(9)	0%	14 982
Total Capital Funding	119 972	97 721	116 752	15 052	37 336	34 474	2 862	8%	116 752

Table C6: Monthly Budget Statement - Financial Position

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

Description	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	63 158	88 050	85 651	31 423	85 651
Call investment deposits	–	–	–	75 911	–
Consumer debtors	47 451	52 591	52 591	53 510	52 591
Other debtors	51 704	44 398	44 398	43 721	44 398
Current portion of long-term receivables	15	14	14	14	14
Inventory	13 137	12 092	12 092	10 542	12 092
Total current assets	175 465	197 146	194 747	215 121	194 747
Non current assets					
Long-term receivables	68	57	57	62	57
Investments	16 965	22 207	22 207	19 732	22 207
Investment property	164 501	175 866	175 866	164 501	175 866
Investments in Associate			–		–
Property, plant and equipment	3 111 056	3 072 423	3 077 711	3 093 759	3 077 711
Agricultural			–		–
Biological assets			–		–
Intangible assets	5 220	6 426	6 426	5 220	6 426
Other non-current assets	4 301	39 500	39 500	4 301	39 500
Total non current assets	3 302 111	3 316 479	3 321 767	3 287 575	3 321 767
TOTAL ASSETS	3 477 576	3 513 625	3 516 514	3 502 696	3 516 514
LIABILITIES					
Current liabilities					
Bank overdraft			–		–
Borrowing	20 443	25 105	25 105	22 014	25 105
Consumer deposits	37 751	41 321	41 321	40 699	41 321
Trade and other payables	64 943	55 831	55 831	62 774	55 831
Provisions	25 663	31 592	31 592		31 592
Total current liabilities	148 801	153 849	153 849	125 487	153 849
Non current liabilities					
Borrowing	392 444	411 766	411 766	380 915	411 766
Provisions	128 527	137 501	137 501	161 287	137 501
Total non current liabilities	520 970	549 267	549 267	542 202	549 267
TOTAL LIABILITIES	669 772	703 116	703 116	667 690	703 116
NET ASSETS	2 807 805	2 810 509	2 813 398	2 835 007	2 813 398
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	2 805 240	2 808 575	2 811 464	2 832 439	2 811 464
Reserves	2 565	1 934	1 934	2 568	1 934
TOTAL COMMUNITY WEALTH/EQUITY	2 807 805	2 810 509	2 813 398	2 835 007	2 813 398

The statement of financial position is in line with expectations.

Table C7: Monthly Budget Statement - Cash Flow

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

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	683 018	716 842	716 842	60 693	360 091	298 684	61 407	21%	716 842
Government - operating	63 477	58 407	58 407	1 549	43 030	41 482	1 549	4%	58 407
Government - capital	38 090	36 368	39 257	8 593	17 032	8 439	8 593	102%	39 257
Interest	8 470	8 454	8 454	847	4 413	3 566	847	24%	8 454
Dividends							-		
Payments									
Suppliers and employees	(637 833)	(653 525)	(653 525)	(53 482)	(296 580)	(272 302)	24 279	-9%	(653 525)
Finance charges	(39 858)	(45 162)	(45 162)	(8 813)	(15 584)	(6 771)	8 813	-130%	(45 162)
Transfers and Grants	(38 749)	(41 370)	(41 370)	(3 571)	(21 122)	(17 551)	3 571	-20%	(41 370)
NET CASH FROM/(USED) OPERATING ACTIVITIES	76 616	80 014	82 903	5 816	91 281	55 547	(35 734)	-64%	82 903
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	5 073	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	18	15	15	6	7	0	6	1311%	15
Decrease (increase) in non-current investments	(4 529)	(5 827)	(5 827)	(415)	(2 767)	(2 352)	(415)	18%	(5 827)
Payments									
Capital assets	(130 930)	(97 721)	(103 008)	(15 052)	(37 336)	(22 284)	15 052	-68%	(103 008)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(130 368)	(103 533)	(108 821)	(15 461)	(40 096)	(24 636)	15 461	-63%	(108 821)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	(730)	5 520	5 520	-	-	-	-		5 520
Borrowing long term/refinancing	51 300	40 000	40 000	-	-	-	-		40 000
Increase (decrease) in consumer deposits	2 819	2 703	2 703	116	2 948	2 832	116	4%	2 703
Payments									
Repayment of borrowing	(20 626)	(21 061)	(21 061)	(2 928)	(9 958)	(7 030)	2 928	-42%	(21 061)
NET CASH FROM/(USED) FINANCING ACTIVITIES	32 764	27 163	27 163	(2 812)	(7 010)	(4 197)	2 812	-67%	27 163
NET INCREASE/ (DECREASE) IN CASH HELD	(20 989)	3 644	1 245	(12 457)	44 175	26 714			1 245
Cash/cash equivalents at beginning:	84 147	84 406	84 406		63 158	84 406			63 158
Cash/cash equivalents at month/year end:	63 158	88 050	85 651		107 333	111 120			64 404

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R107.3 million.

The municipality started the year with a positive cashbook balance of R63.1 million. The December closing balance is R107.3 million. Refer to Supporting Table SC9 for more details on the cash position.

Supporting Table SC9: Monthly Budget Statement – Actual & revised targets for cash receipts & cash flows

WC032 Overstrand - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Budget Year 2014/15												2014/15 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget				
Cash Receipts By Source																
Property rates	9 003	8 379	8 158	8 671	9 522	10 921						93 600	148 254	157 839	165 416	
Property rates - penalties & collection charge	62	63	61	81	63	60						660	1 050	1 103	1 158	
Service charges - electricity revenue	25 001	27 340	27 658	24 003	22 447	22 705						160 130	309 285	332 754	349 694	
Service charges - water revenue	9 288	11 928	11 744	11 690	11 222	10 711						29 066	95 648	99 825	105 450	
Service charges - sanitation revenue	4 675	5 264	5 004	5 252	5 286	6 027						31 781	63 290	66 918	70 723	
Service charges - refuse	4 359	4 714	4 641	4 800	4 609	4 708						28 154	55 984	59 430	63 042	
Rental of facilities and equipment	662	593	495	729	661	2 089						2 716	7 946	8 729	9 610	
Interest earned - external investments	349	372	654	648	620	666						2 857	6 166	6 210	6 255	
Interest earned - outstanding debtors	179	187	180	192	184	181						1 185	2 288	2 234	2 322	
Fines	750	666	769	811	863	699						3 408	7 965	7 378	7 817	
Licences and permits	184	159	176	156	154	143						1 256	2 229	2 447	2 686	
Agency services	253	223	229	239	230	230						1 075	2 480	2 727	3 000	
Transfer receipts - operating	20 617	518	568	1 353	18 426	1 549						15 377	58 407	84 037	99 909	
Other revenue	5 490	2 308	5 612	1 237	760	2 399						4 905	22 712	21 458	15 264	
Cash Receipts by Source	80 874	62 714	65 949	59 862	75 048	63 088	-	-	-	-	-	376 169	783 704	853 087	902 344	
Other Cash Flows by Source																
Transfer receipts - capital	-	-	1 568	2 754	4 118	8 593							17 202	34 234	39 487	31 388
Contributions & Contributed assets													2 134	2 134	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-							-	-	-	-
Borrowing long term/refinancing													40 000	40 000	45 000	45 000
Increase in consumer deposits	1 976	35	293	125	402	116							(245)	2 703	2 893	3 095
Receipt of non-current debtors	-	-	-	-	-	-							-	-	-	39 500
Receipt of non-current receivables	0	0	0	0	0	6							8	15	14	14
Change in non-current investments	(483)	(461)	(483)	(384)	(541)	(415)							(3 060)	(5 827)	(5 618)	(5 683)
Total Cash Receipts by Source	82 367	62 288	67 327	62 357	79 027	71 389	-	-	-	-	-	437 729	862 483	933 687	1 014 335	
Cash Payments by Type																
Employee related costs	17 618	19 612	19 235	19 888	30 766	21 546							147 568	276 233	293 352	313 219
Remuneration of councillors	665	665	644	590	583	652							4 717	8 516	9 109	9 744
Interest paid	131	-	1 147	4 171	1 323	8 813							29 579	45 162	47 472	49 508
Bulk purchases - Electricity	2 871	19 612	19 716	12 716	11 135	12 257							91 137	169 444	183 000	197 640
Bulk purchases - Water & Sewer													-	-	-	-
Other materials	637	801	963	1 915	1 636	1 335							10 008	17 295	20 201	19 151
Contracted services	1 153	5 174	4 882	5 876	5 746	7 067							51 165	81 062	95 248	100 837
Grants and subsidies paid - other municipalities													-	-	-	-
Grants and subsidies paid - other	3 380	3 446	3 478	3 723	3 523	3 571							20 249	41 370	44 065	46 708
General expenses	17 319	(5 199)	4 140	16 158	5 580	10 626							52 350	100 975	126 184	166 754
Cash Payments by Type	43 775	44 111	54 206	65 036	60 292	65 866	-	-	-	-	-	406 772	740 057	818 632	903 561	
Other Cash Flows/Payments by Type																
Capital assets	-	2 668	5 907	5 597	8 111	15 052							60 385	97 721	86 162	80 118
Repayment of borrowing	978	-	678	4 408	965	2 928							11 103	21 061	23 929	27 220
Total Cash Payments by Type	44 754	46 779	60 792	75 041	69 369	83 846	-	-	-	-	-	478 260	858 839	928 723	1 010 898	
NET INCREASE/(DECREASE) IN CASH HELD	37 614	15 509	6 535	(12 684)	9 658	(12 457)	-	-	-	-	-	(40 531)	3 644	4 964	3 437	
Cash/cash equivalents at the month/year beginning	63 158	100 772	116 281	122 817	110 133	119 791	107 333	107 333	107 333	107 333	107 333	107 333	63 158	66 802	71 767	71 767
Cash/cash equivalents at the month/year end	100 772	116 281	122 817	110 133	119 791	107 333	107 333	107 333	107 333	107 333	107 333	66 802	66 802	71 767	75 204	

This supporting table gives a detailed breakdown of information summarised in Table C7

PART 2 – 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 2014/15									Total over 90 days	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			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions	1200	10 740	246	166	125	115	120	579	2 510	14 600	3 449		4 264
Trade and Other Receivables from Exchange Transactions	1300	11 012	303	170	121	98	98	492	1 917	14 212	2 727		1 270
Receivables from Non-exchange Transactions - Property R	1400	12 502	365	265	382	155	142	680	1 969	16 461	3 328		3 907
Receivables from Exchange Transactions - Waste Water	1500	5 827	177	131	102	88	79	401	1 746	8 549	2 415		2 853
Receivables from Exchange Transactions - Waste Manage	1600	4 304	170	107	83	65	62	297	1 186	6 274	1 693		1 573
Receivables from Exchange Transactions - Property Rent	1700	146	15	11	18	5	3	11	108	316	144		221
Interest on Arrear Debtor Accounts	1810	65	25	26	31	30	34	246	3 897	4 355	4 238		-
Recoverable unauthorised, irregular, fruitless and wastefu	1820	-	-	-	-	-	-	-	-	-	-		-
Other	1900	1 773	214	147	97	129	127	475	2 177	5 138	3 004		2 826
Total By Income Source	2000	46 369	1 515	1 023	960	685	665	3 179	15 510	69 905	20 998	-	16 916
2013/14 - totals only		40 768	1 793	1 018	900	671	681	3 567	14 971	64 369	20 790		
Debtors Age Analysis By Customer Group													
Organs of State	2200	356	40	30	214	9	2	10	139	800	374		-
Commercial	2300	6 193	120	43	31	28	26	147	554	7 143	786		646
Households	2400	39 819	1 354	950	715	648	636	3 022	14 817	61 962	19 839		16 270
Other	2500	1	-	-	-	-	-	-	-	1	-		-
Total By Customer Group	2600	46 369	1 515	1 023	960	685	665	3 179	15 510	69 905	20 998	-	16 916

Debtors' levels remain stable with a marginal increase in debtor's over 90 days. The overall 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.

Summary of Indigent Households

Indigent Household Statistics

	Indigent Households	Amount	Other Households	Total Households	
2014					
July	6 707	R 3 380 401.08	25 312	32 019	20.95%
August	6 754	R 3 445 538.35	25 323	32 077	21.06%
September	6 787	R 3 478 481.11	25 278	32 065	21.17%
October	6 811	R 3 491 939.24	25 248	32 059	21.25%
November	6 871	R 3 523 219.35	25 188	32 059	21.43%
December	6 879	R 3 523 975.13	25 184	32 063	21.45%
2015					
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
2014/15											
June											
May											
April											
March											
February											
January											
December	46 368 826	1 514 662	1 023 404	959 559	685 466	664 871	3 178 795	15 509 796	69 905 379	23 536 554	20 998 488
November	47 840 253	1 678 825	1 191 565	815 207	763 985	720 817	3 223 342	15 530 619	71 764 613	23 924 360	21 053 970
October	45 088 960	2 739 014	978 467	859 443	778 230	691 071	3 158 221	15 440 013	69 733 419	24 644 459	20 926 979
September	46 339 807	1 494 208	1 062 779	898 730	770 427	629 082	3 186 388	15 451 882	69 833 303	23 493 496	20 936 509
Augustus	46 985 962	1 496 643	1 072 568	867 040	682 671	638 983	3 313 154	15 272 132	70 329 153	23 343 191	20 773 980
July	48 340 306	1 606 250	1 095 723	779 178	717 927	600 015	3 493 980	15 089 303	71 722 682	23 382 376	20 680 403

Creditors' analysis

Supporting Table SC4

WC032 Overstrand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2014/15									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		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-									-	1 234
Bulk Water	0200										-	
PAYE deductions	0300	2 356									2 356	2 162
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500	-									-	
Loan repayments	0600										-	
Trade Creditors	0700	6 751									6 751	3 737
Auditor General	0800										-	
Other	0900										-	
Total By Customer Type	1000	9 107	-	-	-	-	-	-	-	-	9 107	7 133

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		01/09/2025	2		7 160	125	7 287
LIBERTY 21196964	14 YEARS		01/09/2025	1		10 847	260	11 108
MOMENTUM MP 3853776	14 YEARS		01/07/2026	4		1 311	30	1 345
ABSA 4074809272	DAILY	CALL		2	4.8%	398		400
ABSA 9284200168	DEP PLUS	CALL		4	5.5%	910		915
ABSA 9295906141	DAILY	CALL		120	5.5%	24 477		24 596
NEDBANK 1232086916	33 DAYS	FIXED	19/01/2014		6.2%		50 000	50 000
Municipality sub-total				133		45 102	50 415	95 650
TOTAL INVESTMENTS AND INTEREST				133		45 102	50 415	95 650

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	2013/14	Budget Year 2014/15							
	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:	44 493	54 673	54 673	-	40 053	40 053	-		54 673
Local Government Equitable Share	41 949	52 021	52 021		37 932	37 932	-		52 021
Finance Management	1 300	884	884		884	884			884
EPWP Incentive	1 244	1 768	1 768		1 237	1 237			1 768
Provincial Government:	4 673	3 734	4 266	235	3 417	3 417	-		4 266
Housing		183	183	183	183	183	-		183
Emergency Housing Programme (EHP)		220	220						220
Provincial Library Grant	805	3 182	3 182		3 182	3 182	-		3 182
Community Development Worker Grant	49	52	70	52	52	52	-		70
Main Road Subsidy	2 651	97	97				-		97
Thusong Service centre grant	218								
Nelson Mandela commemoration Grant	100								
Greenest Municipality	50								
Financial Management Support Grant	800		514				-		514
Total Operating Transfers and Grants	49 166	58 407	58 939	235	43 470	43 470	-		58 939
Capital Transfers and Grants									
National Government:	26 608	24 174	24 174	11 995	20 535	20 535	-		24 174
Municipal Infrastructure Grant (MIG)	18 755	20 674	20 674	11 995	17 035	17 035	-		20 674
Finance Management		566	566		566	566	-		566
Municipal Systems Improvement	890	934	934		934	934	-		934
INEP	3 000	2 000	2 000		2 000	2 000	-		2 000
Neighbourhood Development Partnership	3 963						-		
Provincial Government:	27 477	10 060	25 319	6 450	16 729	16 729	-		25 319
Housing	26 395	7 810	23 169	6 450	15 639	15 639	-		23 169
Sport & Recreation Grant	100	100	-						-
Provincial Library Grant		2 150	2 150		1 089	1 089			2 150
Public transport non-motorised infrastructure grant	982								
Other grant providers:	-	1 051	1 051	-	1 000	876	124	14.2%	1 051
DWA ACIP		1 000	1 000		1 000	876	124	14.2%	1 000
Spaces 4 Sport		51	51						51
Total Capital Transfers and Grants	54 085	35 285	50 544	18 445	38 264	38 139	124	0.3%	50 544
TOTAL RECEIPTS OF TRANSFERS & GRANTS	103 252	93 692	109 483	18 681	81 734	81 610	124	0.2%	109 483

Grant receipts are monitored according to the payment schedules. Year to date actual only reflects actual receipts for 2014/2015.

Supporting Table SC7 – Grant expenditure

WC032 Overstrand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	3 084	2 652	2 652	186	909	909	-		2 652
Local Government Equitable Share							-		
Finance Management	1 300	884	884	49	458	458	-		884
EPWP Incentive	1 244	1 768	1 768	137	450	450	-		1 768
Municipal Systems Improvement	540						-		
Provincial Government:	22 802	3 734	4 832	1 126	3 696	3 696	-		4 832
Housing	18 669	183	504	426	426	426	-		504
Emergency Housing Programme (EHP)		220	220				-		220
Provincial Library Grant	795	3 182	3 182	439	2 992	2 992	-		3 182
Community Development Worker Grant	49	52	70	14	32	32	-		70
Financial Management Support Grant	155		759	247	247	247			759
Thusong Service centre grant	218								
Nelson Mandela commemoration Grant	100								
Greenest Municipality	12								
HCE	47								
Mobility Strategy	106								
'Main Road Subsidy	2 651	97	97				-		97
Total operating expenditure of Transfers and Grants:	25 886	6 386	7 484	1 311	4 605	4 605	-		7 484
Capital expenditure of Transfers and Grants									
National Government:	25 094	24 174	24 174	676	8 115	8 115	-		24 174
Municipal Infrastructure Grant (MIG)	18 755	20 674	20 674		7 439	7 439	-		20 674
Finance Management		566	566				-		566
Municipal Systems Improvement	350	934	934				-		934
INEP	2 026	2 000	2 000	676	676	676	-		2 000
Neighbourhood Development Partnership	3 963						-		
Provincial Government:	12 996	10 060	26 693	8 155	8 410	8 410	-		26 693
Housing	10 404	7 810	24 543	7 917	7 917	7 917	-		24 543
Sport & Recreation Grant	100	100	-				-		-
Public transport non-motorised infrastructure grant	2 482								
Provincial Library Grant	10	2 150	2 150	238	493	493	-		2 150
	-	-	-	-	-	-	-		-
Other grant providers:	-	2 134	2 134	-	1 000	1 000	-		2 134
DWA ACIP		1 000	1 000		1 000	1 000	-		1 000
Spaces 4 Sport		51	51						51
Eskom Rebate/National Lotto		1 083	1 083				-		1 083
Total capital expenditure of Transfers and Grants	38 090	36 368	53 001	8 830	17 525	17 525	-		53 001
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	63 976	42 754	60 485	10 142	22 131	22 131	-		60 485

Grant expenditure is monitored against grant receipts.

Expenditure on councillor allowances and employee benefits

Supporting Table SC8

WC032 Overstrand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	7 415	7 968	7 968	607	3 548	3 685	(137)	-4%	7 968
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Motor Vehicle Allowance							-		
Cellphone Allowance	518	548	548	45	251	253	(3)	-1%	548
Housing Allowances							-		
Other benefits and allowances							-		
Sub Total - Councillors	7 933	8 516	8 516	652	3 799	3 938	(140)	-4%	8 516
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	8 566	9 190	9 190	766	4 595	4 595	-		9 190
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Overtime							-		
Performance Bonus							-		
Motor Vehicle Allowance							-		
Cellphone Allowance	139	163	163	12	70	82	(12)	-15%	163
Housing Allowances							-		
Other benefits and allowances							-		
Payments in lieu of leave							-		
Long service awards							-		
Post-retirement benefit obligations							-		
Sub Total - Senior Managers of Municipality	8 706	9 354	9 354	777	4 665	4 677	(12)	0%	9 354
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	158 389	175 220	175 220	14 358	88 318	88 501	(183)	0%	175 220
Pension and UIF Contributions	25 104	29 321	29 321	2 279	13 361	13 317	44	0%	29 321
Medical Aid Contributions	8 828	11 463	11 463	741	4 477	4 537	(61)	-1%	11 463
Overtime	14 370	13 913	13 913	1 128	5 160	5 275	(115)	-2%	13 913
Performance Bonus		-	-		-	-	-		-
Motor Vehicle Allowance	9 750	11 760	11 760	809	4 794	4 753	41	1%	11 760
Cellphone Allowance	1 541	1 474	1 474	103	619	645	(26)	-4%	1 474
Housing Allowances	967	1 018	1 018	75	462	504	(42)	-8%	1 018
Other benefits and allowances	9 944	11 118	11 118	871	4 689	4 725	(36)	-1%	11 118
Payments in lieu of leave	1 659	2 350	2 350	196	1 175	1 175	(0)	0%	2 350
Long service awards	3 587	1 200	1 200	100	600	600	-		1 200
Post-retirement benefit obligations	17 799	11 875	11 875	990	5 937	5 938	(0)	0%	11 875
Sub Total - Other Municipal Staff	251 939	270 713	270 713	21 650	129 592	129 970	(378)	0%	270 713
TOTAL SALARY, ALLOWANCES & BENEFITS	268 577	288 582	288 582	23 080	138 056	138 586	(530)	0%	288 582
TOTAL MANAGERS AND STAFF	260 645	280 066	280 066	22 428	134 257	134 647	(390)	0%	280 066

SDBIP

The results of the SDBIP are included in a separate comprehensive report that is tabled quarterly in Council.

Financial Performance

Supporting Table SC2

WC032 Overstrand - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December

Description of financial indicator	Basis of calculation	2013/14	Budget Year 2014/15			
		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	2.3%	17.8%	17.7%	3.9%	6.2%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	58.9%	48.0%	41.8%	45.4%	41.8%
<u>Safety of Capital</u>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	17.0%	17.5%	17.5%	16.4%	17.5%
Gearing	Long Term Borrowing/ Funds & Reserves	15300.9%	21294.4%	21294.4%	14833.4%	21294.4%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	117.9%	128.1%	126.6%	171.4%	126.6%
Liquidity Ratio	Monetary Assets/Current Liabilities	42.4%	57.2%	55.7%	85.5%	55.7%
<u>Revenue Management</u>						
Annual Debtors Collection Rate (Pavment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.5%	12.4%	12.4%	24.1%	12.4%
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))	97.8%	95.0%	95.0%	95.0%	95.0%
<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	6.0%	6.7%	6.7%	5.7%	6.7%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	21.5%	20.2%	20.2%	22.1%	20.2%
Employee costs	Employee costs/Total Revenue - capital revenue	35.4%	35.7%	35.7%	33.2%	35.7%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	0.0%	0.0%	0.0%	0.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	18.9%	19.7%	19.7%	3.9%	6.8%
<u>IDP regulation financial viability indicators</u>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	16.9	22.4	22.4	Annual Indicator	22.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	10.4%	14.2%	14.2%	Annual Indicator	14.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.3	1.6	1.6	4.0	1.6

Capital programme performance

Supporting Table SC12

WC032 Overstrand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	-	7 724		-		7 724	-		
August	11 416	7 539	7 539	2 668	2 668	7 539	4 871	64.6%	3%
September	15 798	7 061	7 061	5 907	8 576	14 600	6 024	41.3%	9%
October	4 426	8 993	7 993	5 597	14 173	22 592	8 420	37.3%	15%
November	4 002	4 385	4 385	8 111	22 284	26 977	4 693	17.4%	23%
December	7 794	9 498	7 498	15 052	37 336	34 474	(2 861)	-8.3%	38%
January	2 910	7 604	7 604			42 079	-		
February	7 811	6 486	8 517			50 596	-		
March	15 322	6 893	9 020			59 617	-		
April	5 445	7 743	10 470			70 086	-		
May	14 253	4 673	7 400			77 486	-		
June	30 795	19 122	39 266			116 752	-		
Total Capital expenditure	119 972	97 721	116 752	37 336					

Supporting Table SC13a

WC032 Overstrand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	50 127	34 500	35 252	2 562	9 576	11 356	1 780	15.7%	35 252
Infrastructure - Road transport	9 203	800	932	-	83	466	383	82.2%	932
<i>Roads, Pavements & Bridges</i>	9 160						-		
<i>Storm water</i>	43	800	932		83	466	383	82.2%	932
Infrastructure - Electricity	23 776	13 900	13 900	1 805	2 617	3 500	883	25.2%	13 900
<i>Generation</i>							-		
<i>Transmission & Reticulation</i>	23 776	13 900	13 900	1 805	2 617	3 500	883	25.2%	13 900
<i>Street Lighting</i>							-		
Infrastructure - Water	7 300	-	180	-	-	90	90	100.0%	180
<i>Dams & Reservoirs</i>							-		
<i>Water purification</i>							-		
<i>Reticulation</i>	7 300		180			90	90	100.0%	180
Infrastructure - Sanitation	8 449	9 600	10 041	619	2 091	2 500	409	16.4%	10 041
<i>Reticulation</i>							-		
<i>Sewerage purification</i>	8 449	9 600	10 041	619	2 091	2 500	409	16.4%	10 041
Infrastructure - Other	1 400	10 200	10 200	138	4 785	4 800	15	0.3%	10 200
<i>Waste Management</i>	1 400	10 200	10 200	138	4 785	4 800	15	0.3%	10 200
Community	13 896	18 266	32 100	5 983	7 335	5 129	(2 207)	-43.0%	32 100
Parks & gardens							-		
Sportsfields & stadia	5 471	151	51		127	26	(102)	-399.1%	51
Libraries		2 000	2 000		193	1 000	807	80.7%	2 000
Recreational facilities							-		
Fire, safety & emergency							-		
Security and policing							-		
Cemeteries							-		
Social rental housing	4 943	12 480	26 324	5 738	6 137	2 853	(3 284)	-115.1%	26 324
Other	3 482	3 635	3 725	245	877	1 250	373	29.8%	3 725
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	8 918	16 815	17 145	769	1 791	2 732	942	34.5%	17 145
General vehicles	4 520	10 525	10 525			500	500	100.0%	10 525
Computers - hardware/equipment	957	2 548	2 548	597	825	950	125	13.1%	2 548
Furniture and other office equipment		2 508	2 508	48	358	500	142	28.4%	2 508
Other	3 441	1 235	1 565	124	607	782	175	22.4%	1 565
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming							-		
Other							-		
Total Capital Expenditure on new assets	72 941	69 581	84 498	9 313	18 701	19 216	515	2.7%	84 498

Supporting Table SC13b

WC032 Overstrand - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	39 529	25 200	26 427	3 509	15 893	13 213	(2 679)	-20.3%	26 427
Infrastructure - Road transport	6 892	5 400	5 400	-	3 244	2 700	(544)	-20.2%	5 400
Roads, Pavements & Bridges	6 892	5 400	5 400		3 244	2 700	(544)	-20.2%	5 400
Storm water							-		
Infrastructure - Electricity	12 955	3 100	3 100	13	175	1 550	1 375	88.7%	3 100
Generation							-		
Transmission & Reticulation	12 955	3 100	3 100	13	175	1 550	1 375	88.7%	3 100
Street Lighting							-		
Infrastructure - Water	16 331	12 800	12 800	3 217	11 249	6 400	(4 849)	-75.8%	12 800
Dams & Reservoirs							-		
Water purification							-		
Reticulation	16 331	12 800	12 800	3 217	11 249	6 400	(4 849)	-75.8%	12 800
Infrastructure - Sanitation	1 711	3 900	5 126	279	1 225	2 563	1 339	52.2%	5 126
Reticulation							-		
Sewerage purification	1 711	3 900	5 126	279	1 225	2 563	1 339	52.2%	5 126
Infrastructure - Other	1 641	-	-	-	-	-	-		-
Waste Management	1 641						-		
Community	5 686	2 939	5 828	2 230	2 742	2 044	(697)	-34.1%	5 828
Parks & gardens							-		
Sportsfields & stadia	225	2 939	2 939		512	600	88	14.7%	2 939
Swimming pools							-		
Community halls							-		
Libraries							-		
Recreational facilities							-		
Fire, safety & emergency							-		
Security and policing							-		
Cemeteries							-		
Social rental housing	5 461		2 889	2 230	2 230	1 444	(786)	-54.4%	2 889
Other							-		
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Housing development							-		
Other							-		
Other assets	1 817	-	-	-	-	-	-		-
General vehicles							-		
Specialised vehicles	-	-	-	-	-	-	-		-
Total Capital Expenditure on renewal of	47 032	28 139	32 255	5 739	18 634	15 258	(3 377)	-22.1%	32 255

Supporting Table SC13c

WC032 Overstrand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	129 145	136 752	136 752	11 569	62 048	68 376	6 329	9.3%	136 752
Infrastructure - Road transport	63 749	68 540	68 540	5 564	28 630	34 270	5 640	16.5%	68 540
<i>Roads, Pavements & Bridges</i>	60 016	62 232	62 232	5 209	25 375	31 116	5 741	18.5%	62 232
<i>Storm water</i>	3 732	6 308	6 308	355	3 255	3 154	(101)	-3.2%	6 308
Infrastructure - Electricity	20 488	25 491	25 491	2 219	12 483	12 746	263	2.1%	25 491
<i>Generation</i>							-		
<i>Transmission & Reticulation</i>	20 488	25 491	25 491	2 219	12 483	12 746	263	2.1%	25 491
<i>Street Lighting</i>							-		
Infrastructure - Water	27 931	26 775	26 775	2 158	12 472	13 387	915	6.8%	26 775
<i>Dams & Reservoirs</i>							-		
<i>Water purification</i>							-		
<i>Reticulation</i>	27 931	26 775	26 775	2 158	12 472	13 387	915	6.8%	26 775
Infrastructure - Sanitation	15 486	14 146	14 146	1 349	7 407	7 073	(334)	-4.7%	14 146
<i>Reticulation</i>							-		
<i>Sewerage purification</i>	15 486	14 146	14 146	1 349	7 407	7 073	(334)	-4.7%	14 146
Infrastructure - Other	1 491	1 800	1 800	279	1 055	900	(155)	-17.2%	1 800
<i>Waste Management</i>	1 491	1 800	1 800	279	1 055	900	(155)	-17.2%	1 800
Community	7 349	9 298	9 298	838	3 337	4 649	1 311	28.2%	9 298
Parks & gardens	2 504	2 819	2 819	294	1 475	1 409	(66)	-4.7%	2 819
Sportsfields & stadia	853	1 023	1 023	38	240	511	272	53.2%	1 023
Swimming pools	279	302	302	103	165	151	(14)	-9.4%	302
Community halls	814	906	906	103	366	453	87	19.1%	906
Libraries	194	171	171	3	27	85	58	67.9%	171
Recreational facilities							-		
Fire, safety & emergency	787	1 185	1 185	98	343	592	249	42.0%	1 185
Security and policing	575	781	781	90	343	391	47	12.1%	781
Cemeteries	53	53	53	5	18	26	9	33.2%	53
Social rental housing	224	335	335	14	69	167	99	58.9%	335
Other	1 066	1 724	1 724	88	291	862	571	66.2%	1 724
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development							-		
Other assets	13 864	16 218	16 218	1 037	5 847	8 109	2 262	27.9%	16 218
General vehicles							-		
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment							-		
Computers - hardware/equipment	4 441	6 157	6 157	89	1 883	3 079	1 196	38.8%	6 157
Other Buildings	824	1 214	1 214	66	280	607	328	54.0%	1 214
Other	8 599	8 846	8 846	882	3 685	4 423	738	16.7%	8 846
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expendit	150 358	162 268	162 268	13 444	71 232	81 134	9 902	12.2%	162 268

Supporting Table SC13d

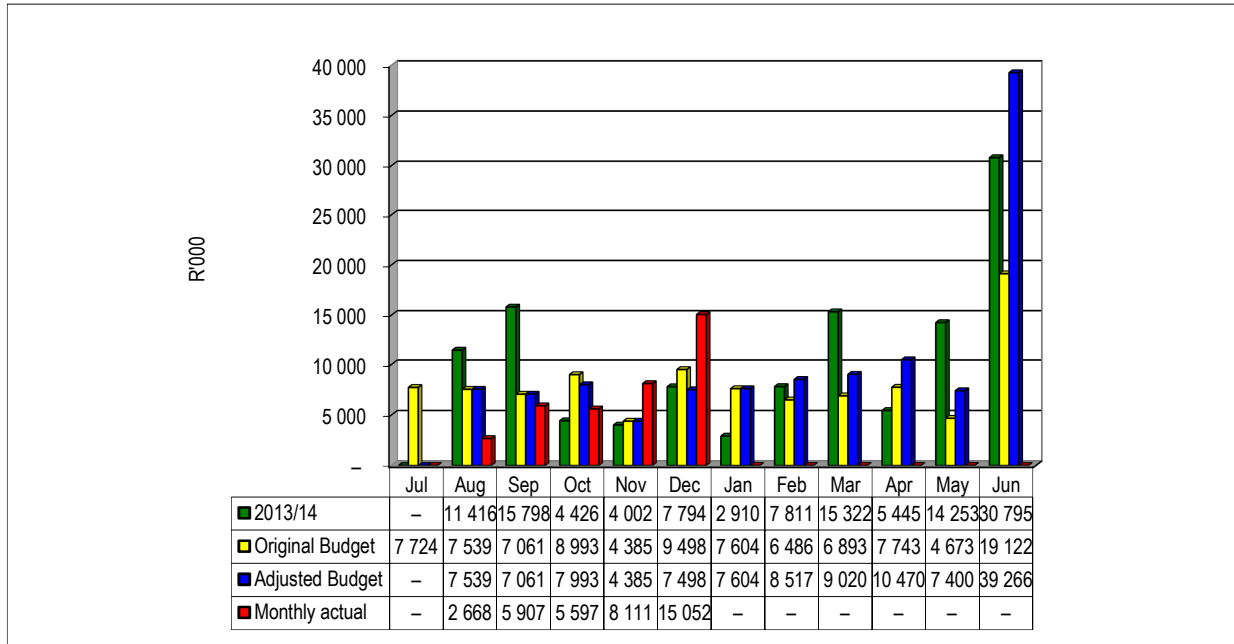
WC032 Overstrand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Depreciation by Asset Class/Sub-class</u>									
<u>Infrastructure</u>	85 101	93 344	93 344	7 779	46 672	41 420	(5 252)	-12.7%	93 344
Infrastructure - Road transport	30 210	31 514	31 514	2 626	15 757	10 505	(5 252)	-50.0%	31 514
<i>Roads, Pavements & Bridges</i>	27 965	29 493	29 493	2 458	14 746	9 831	(4 915)	-50.0%	29 493
<i>Storm water</i>	2 245	2 021	2 021	168	1 011	674	(337)	-50.0%	2 021
Infrastructure - Electricity	18 887	22 789	22 789	1 899	11 394	11 394	-		22 789
<i>Generation</i>							-		
<i>Transmission & Reticulation</i>	18 887	22 789	22 789	1 899	11 394	11 394	-		22 789
<i>Street Lighting</i>							-		
Infrastructure - Water	18 974	20 368	20 368	1 697	10 184	10 184	-		20 368
<i>Dams & Reservoirs</i>	18 974	20 368	20 368	1 697	10 184	10 184	-		20 368
<i>Water purification</i>							-		
<i>Reticulation</i>							-		
Infrastructure - Sanitation	14 103	15 067	15 067	1 256	7 533	7 533	-		15 067
<i>Reticulation</i>	14 103	15 067	15 067	1 256	7 533	7 533	-		15 067
<i>Sewerage purification</i>							-		
Infrastructure - Other	2 928	3 607	3 607	301	1 804	1 804	-		3 607
<i>Waste Management</i>	2 928	3 607	3 607	301	1 804	1 804	-		3 607
<i>Other</i>							-		
<u>Community</u>	2 961	4 822	4 822	402	2 411	2 411	-		4 822
Recreational facilities	2 961	4 822	4 822	402	2 411	2 411	-		4 822
<u>Heritage assets</u>	-	-	-	-	-	-	-		-
<u>Investment properties</u>	-	-	-	-	-	-	-		-
<u>Other assets</u>	10 670	10 216	10 216	851	5 108	5 108	-		10 216
General vehicles	2 588	2 360	2 360	197	1 180	1 180	-		2 360
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment							-		
Computers - hardware/equipment	2 213	1 948	1 948	162	974	974	-		1 948
Furniture and other office equipment	261	254	254	21	127	127	-		254
Other Buildings	5 608	5 654	5 654	471	2 827	2 827	-		5 654
Other Land							-		
Surplus Assets - (Investment or Inventory)							-		
Other							-		
<u>Agricultural assets</u>	-	-	-	-	-	-	-		-
<u>Biological assets</u>	-	-	-	-	-	-	-		-
<u>Intangibles</u>	629	883	883	74	441	441	-		883
Computers - software & programming	629	883	883	74	441	441	-		883
Other							-		
Total Depreciation	99 361	109 265	109 265	9 105	54 633	49 380	(5 252)	-10.6%	109 265

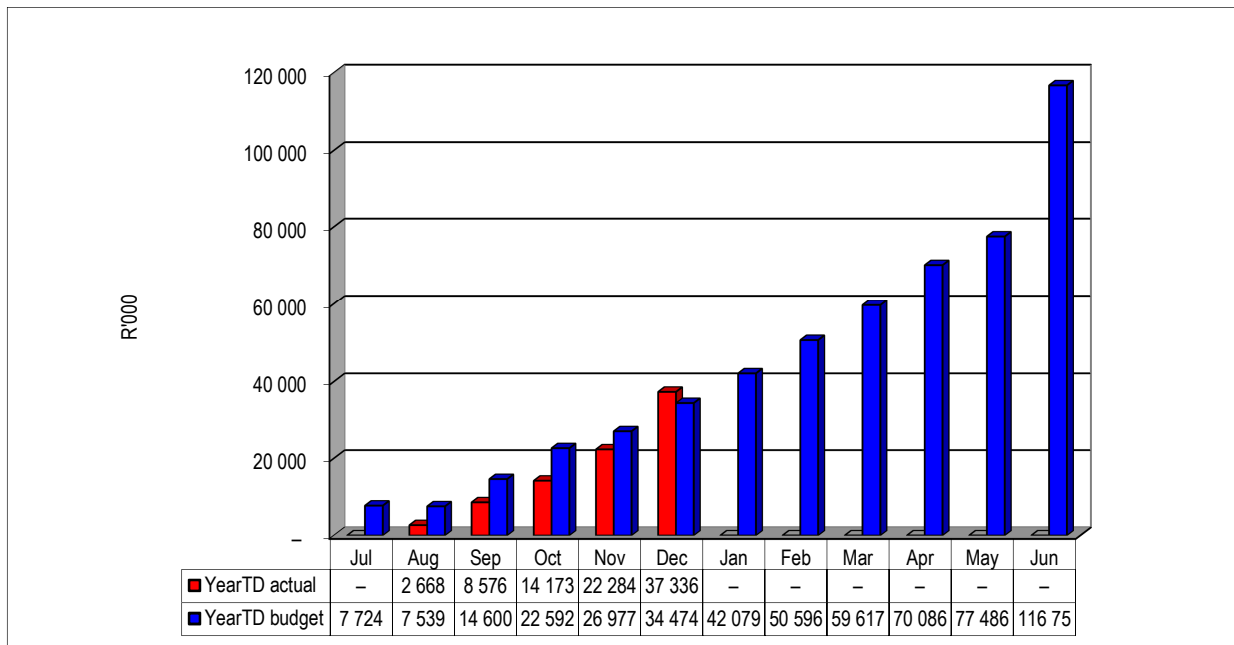
Other supporting documentation

Section 71 charts

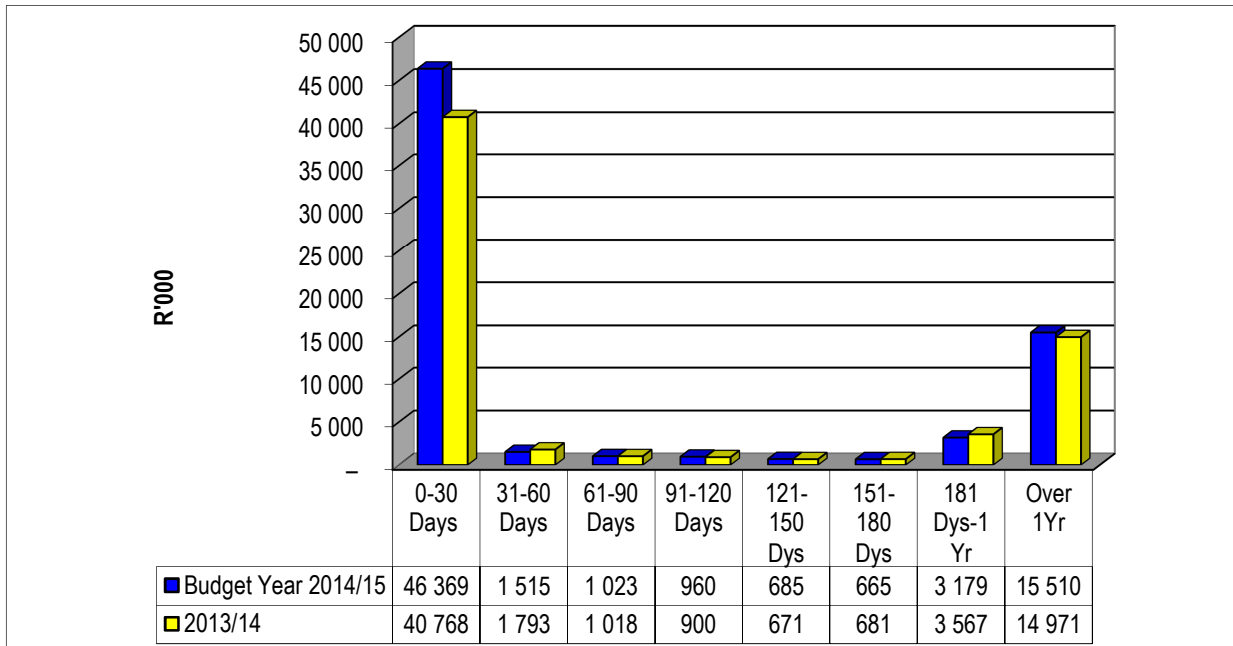
Capital expenditure monthly trend - actual vs target



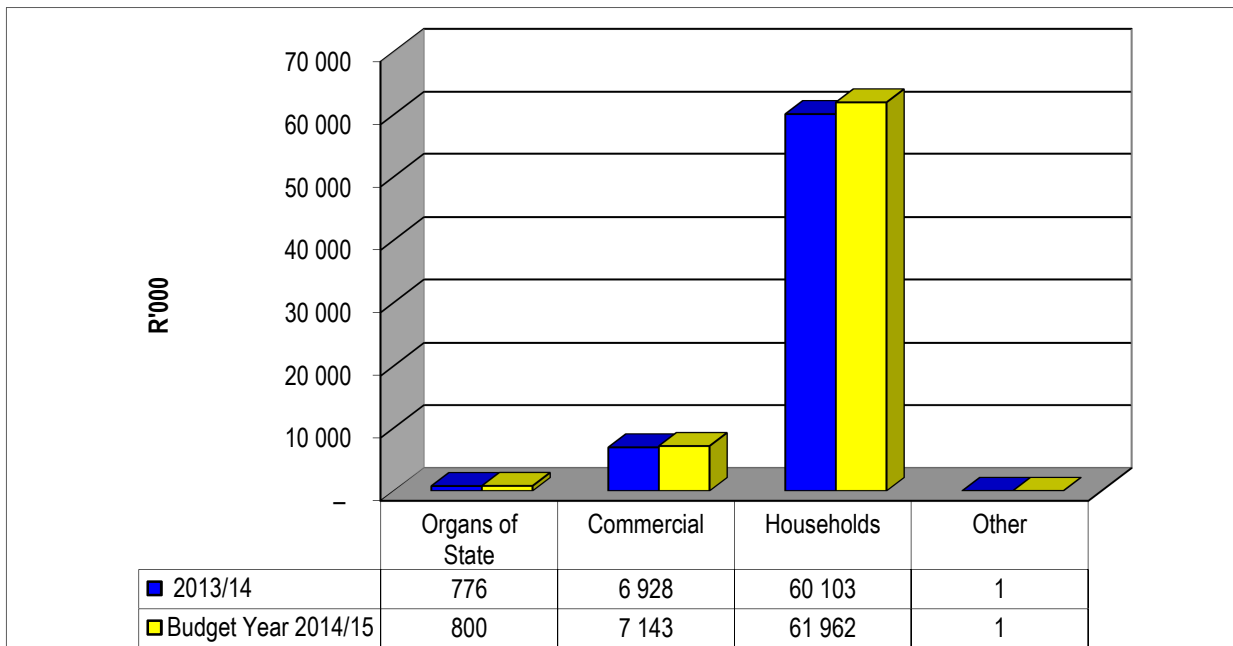
Capital expenditure – YTD actual vs YTD trend



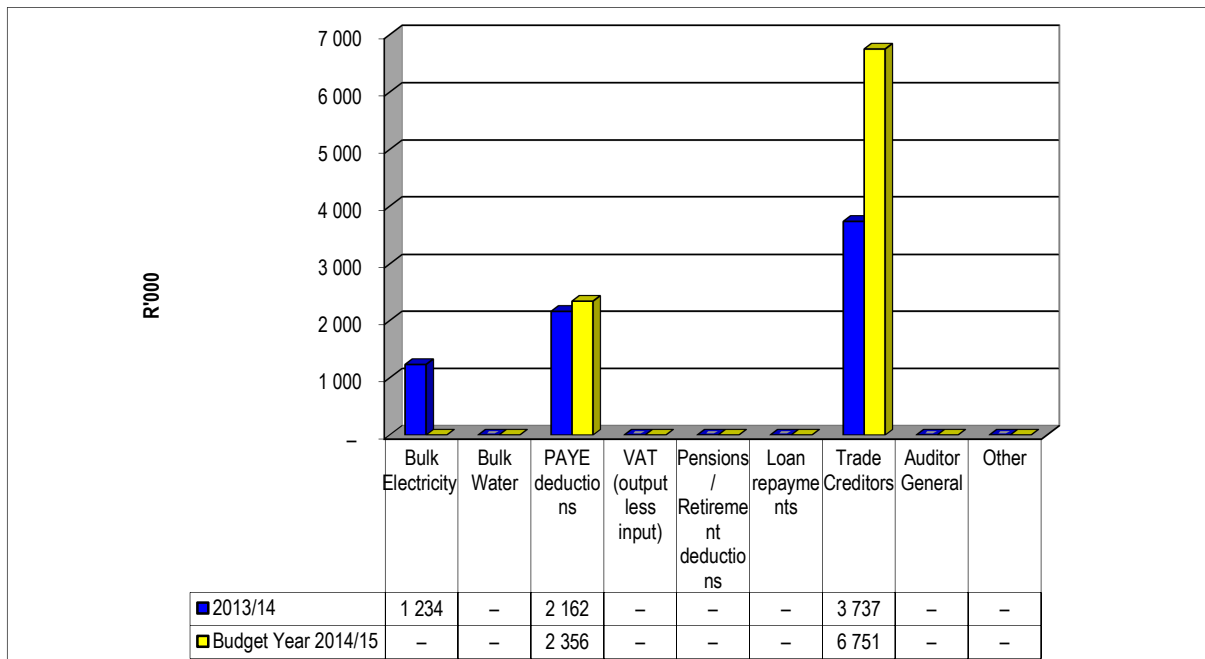
Debtors Age Analysis



Debtors by Type



Creditor Payments



Municipal manager's quality certification

I, Santie Reyneke-Naude, the acting Municipal Manager of Overstrand Municipality, hereby certify that the –

Monthly Budget Statement

for the month of **December 2014** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name: **S Reyneke-Naude**

Acting Municipal Manager of **Overstrand Municipality (WC032)**

Signature: 

Date: 14/01/2015