

OVERSTRAND MUNICIPALITY



Monthly Budget Statement January 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.

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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 0.44% below the YTD budget. The revenue for water consumption is 5% below the expected revenue and it is evident that the budgeted revenue will not materialise for the financial year. This revenue has been reviewed for a reduction in the adjustments budget to be tabled at the end of February 2014.

Borrowings

The balance of borrowings amounts to R369.7m at the end of January 2014.

Operating expenditure by vote & type

Current expenditure is 1.47% below YTD budget projections for January 2014.

Capital expenditure

YTD expenditure on capital amounts to R46,3m or 37.5%, of a total budget of R123,5m. The expenditure is funded by means of grants, public contributions, borrowings and internally generated cash.

The current capital commitments of orders in progress amounts to R39,8m, giving a total capital spent and committed at 69.7% at the end of January 2014.

Allocations received (National & Provincial Grants)

Grants totaling R149 200 were received during January 2014. The main receipt was for Nelson Mandela Commemoration and Community Development Workers.

Spending on Grants

Spending on grants amounts to R179 066 for January 2014 which includes FMG, EPWP, and Provincial Library etc.

Material variances

The table below summarises variances for projected revenue and expenditure.

WC032 Overstrand - Supporting Table SC1 Material variance explanations - M07 January

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue By Source</u>	-0.44%	Not material	
<u>Expenditure By Type</u>	-1.47%	Not material	
<u>Capital Expenditure</u>	29%	Commitments amounts to R39.8m Actual & commitments = R86.1m	
<u>Financial Position</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 - M07 January

Description	2012/13	Budget Year 2013/14							
	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	117 235	127 921	127 921	10 796	77 421	76 653	768	1%	127 921
Service charges	437 030	497 429	497 429	46 492	284 521	287 346	(2 825)	-1%	497 429
Investment revenue	7 553	7 714	7 714	417	3 333	3 664	(331)	-9%	9 918
Transfers recognised - operational	41 680	68 984	68 984	328	40 897	40 897	-		68 984
Other own revenue	91 506	41 093	41 093	3 423	24 548	24 073	475	2%	41 093
Total Revenue (excluding capital transfers and contributions)	695 005	743 141	743 141	61 456	430 720	432 634	(1 914)	-0%	745 345
Employee costs	231 527	250 842	250 842	22 762	147 419	147 611	(192)	-0%	250 842
Remuneration of Councillors	7 084	7 577	7 577	622	4 333	4 344	(11)	-0%	7 577
Depreciation & asset impairment	105 280	103 810	103 810	8 651	60 556	60 556	-		103 810
Finance charges	37 310	42 292	42 292	1 794	16 320	16 320	-		42 292
Materials and bulk purchases	157 458	171 947	171 947	13 374	92 014	93 290	(1 276)	-1%	171 947
Transfers and grants	35 856	38 766	38 766	3 214	22 195	22 452	(257)		38 766
Other expenditure	172 397	208 825	208 825	15 093	96 986	101 802	(4 817)	-5%	208 825
Total Expenditure	746 914	824 059	824 059	65 510	439 823	446 375	(6 552)	-1%	824 059
Surplus/(Deficit)	(51 909)	(80 918)	(80 918)	(4 054)	(9 104)	(13 742)	4 638	-34%	(78 714)
Transfers recognised - capital	53 809	39 387	39 434	(47)	11 754	11 754	-		39 434
Contributions & Contributed assets	5 289	3 583	3 583	-	-	-	-		3 583
Surplus/(Deficit) after capital transfers & contributions	7 189	(37 947)	(37 901)	(4 101)	2 650	(1 988)	4 638	-233%	(35 697)
Surplus/ (Deficit) for the year	7 189	(37 947)	(37 901)	(4 101)	2 650	(1 988)	4 638	-233%	(35 697)
Capital expenditure & funds sources									
Capital expenditure	143 764	109 897	123 509	2 910	46 347	35 892	10 455	29%	123 509
Capital transfers recognised	53 809	36 028	36 074	(44)	7 608	10 492	(2 883)	-27%	36 074
Public contributions & donations	5 067	3 583	3 583	-	-	-	-		3 583
Borrowing	67 544	59 861	73 427	2 568	36 413	22 367	14 046	63%	73 427
Internally generated funds	17 345	10 425	10 425	386	2 326	3 034	(708)	-23%	10 425
Total sources of capital funds	143 764	109 897	123 509	2 910	46 347	35 892	10 455	29%	123 509
Financial position									
Total current assets	198 535	183 501	183 501		190 450				183 501
Total non current assets	3 298 669	3 188 259	3 188 259		3 287 453				3 188 259
Total current liabilities	155 486	130 310	130 263		122 125				130 263
Total non current liabilities	483 973	527 115	527 115		495 630				527 115
Community wealth/Equity	2 857 746	2 714 336	2 714 382		2 860 148				2 714 382
Cash flows									
Net cash from (used) operating	75 915	71 124	71 124	292	49 525	36 329	13 196	36%	71 124
Net cash from (used) investing	(146 949)	(115 209)	(115 209)	(3 630)	(49 322)	(49 322)	0	-0%	(115 209)
Net cash from (used) financing	28 482	36 973	36 973	(888)	(10 497)	(10 497)	-		36 973
Cash/cash equivalents at the month/year end	84 147	84 406	84 406	-	73 853	68 028	5 825	9%	77 035
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	51 755	2 151	1 167	1 027	929	788	3 194	15 740	76 752
Creditors Age Analysis									
Total Creditors	7 660	-	-	-	-	-	-	-	7 660

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

WC032 Overstrand - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M07 January

Description	2012/13	Budget Year 2013/14							
	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>	231 849	193 558	193 558	12 486	120 711	120 396	315	0%	193 558
Executive and council	38 353	43 363	43 363	40	31 656	31 656	-		43 363
Budget and treasury office	137 194	147 919	147 919	12 193	87 981	87 519	462	1%	147 919
Corporate services	56 303	2 277	2 277	253	1 075	1 222	(147)	-12%	2 277
<i>Community and public safety</i>	41 938	57 725	57 772	2 057	23 239	23 886	(647)	-3%	57 772
Community and social services	2 990	2 078	2 078	221	1 396	1 212	184	15%	2 078
Sport and recreation	7 762	11 549	11 549	740	4 621	5 919	(1 298)	-22%	11 549
Public safety	12 541	12 393	12 393	1 085	7 656	7 229	427	6%	12 393
Housing	18 645	31 705	31 752	12	9 566	9 526	40	0%	31 752
<i>Economic and environmental services</i>	18 567	25 383	25 383	367	12 933	13 355	(422)	-3%	25 383
Planning and development	7 907	11 377	11 377	402	6 973	6 637	337	5%	11 377
Road transport	10 595	13 938	13 938	(47)	5 896	6 679	(782)	-12%	13 938
Environmental protection	65	68	68	12	63	39	24	61%	68
<i>Trading services</i>	461 748	509 446	509 446	46 498	285 590	286 751	(1 160)	0%	509 446
Electricity	249 503	289 279	289 279	23 377	163 849	163 363	485	0%	289 279
Water	96 579	99 562	99 562	11 815	53 867	55 959	(2 092)	-4%	99 562
Waste water management	68 756	67 584	67 584	6 881	36 946	36 550	396	1%	67 584
Waste management	46 911	53 020	53 020	4 425	30 929	30 878	51	0%	53 020
<i>Other</i>	-	-	-	-	-	-	-		-
Total Revenue - Standard	754 103	786 112	786 158	61 408	442 473	444 387	(1 914)	0%	786 158
Expenditure - Standard									
<i>Governance and administration</i>	205 256	120 523	120 523	6 910	59 139	64 961	(5 822)	-9%	120 523
Executive and council	67 621	64 562	64 562	4 506	33 480	34 727	(1 247)	-4%	64 562
Budget and treasury office	51 351	24 726	24 726	1 222	13 143	13 290	(147)	-1%	24 726
Corporate services	86 284	31 236	31 236	1 183	12 516	16 944	(4 428)	-26%	31 236
<i>Community and public safety</i>	83 226	122 599	122 599	10 379	65 598	64 339	1 259	2%	122 599
Community and social services	26 064	30 554	30 554	2 338	16 779	17 123	(344)	-2%	30 554
Sport and recreation	16 070	21 105	21 105	3 056	12 001	11 520	481	4%	21 105
Public safety	36 834	44 185	44 185	4 693	26 295	25 173	1 122	4%	44 185
Housing	4 258	26 754	26 754	292	10 522	10 522	-		26 754
<i>Economic and environmental services</i>	112 994	135 645	135 645	11 168	73 149	74 695	(1 546)	-2%	135 645
Planning and development	36 263	31 326	31 326	2 111	14 417	17 754	(3 337)	-19%	31 326
Road transport	71 107	96 482	96 482	8 484	54 881	52 663	2 218	4%	96 482
Environmental protection	5 624	7 837	7 837	574	3 851	4 277	(426)	-10%	7 837
<i>Trading services</i>	345 437	445 293	445 293	37 053	241 938	242 381	(444)	0%	445 293
Electricity	198 902	244 304	244 304	18 720	130 885	131 839	(953)	-1%	244 304
Water	60 489	92 079	92 079	7 353	47 923	47 190	733	2%	92 079
Waste water management	45 945	60 149	60 149	6 258	34 666	34 909	(243)	-1%	60 149
Waste management	40 102	48 760	48 760	4 722	28 463	28 443	20	0%	48 760
<i>Other</i>	-	-	-	-	-	-	-		-
Total Expenditure - Standard	746 914	824 059	824 059	65 510	439 823	446 375	(6 552)	-1%	824 059
Surplus/ (Deficit) for the year	7 189	(37 947)	(37 901)	(4 101)	2 650	(1 988)	4 638	-233%	(37 901)

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) - M07 January

Vote Description	2012/13	Budget Year 2013/14							
	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	38 353	42 395	42 395	15	31 605	31 605	-		42 395
Vote 2 - Municipal Manager	-	-	-	-	-	-	-		-
Vote 3 - Management Services	1 476	1 216	1 216	10	267	547	(280)	-51.1%	1 216
Vote 4 - Finance	137 194	147 919	147 919	12 193	87 981	87 519	462	0.5%	147 919
Vote 5 - Community Services	253 342	280 926	280 972	24 315	144 079	147 102	(3 023)	-2.1%	280 972
Vote 6 - Local Economic Development	3 750	5 214	5 214	103	4 543	4 543	-		5 214
Vote 7 - Infrastructure & Planning	307 447	295 950	295 950	23 688	166 342	165 792	550	0.3%	295 950
Vote 8 - Protection Services	12 541	12 493	12 493	1 085	7 656	7 279	377	5.2%	12 493
Total Revenue by Vote	754 103	786 112	786 158	61 408	442 473	444 387	(1 914)	-0.4%	786 158
Expenditure by Vote									
Vote 1 - Council	64 385	56 809	56 809	4 511	33 142	33 139	3	0.0%	56 809
Vote 2 - Municipal Manager	3 243	1 949	1 949	94	790	1 137	(347)	-30.5%	1 949
Vote 3 - Management Services	30 872	11 031	11 031	(71)	2 407	6 435	(4 028)	-62.6%	11 031
Vote 4 - Finance	51 351	24 726	24 726	1 222	13 143	13 290	(147)	-1.1%	24 726
Vote 5 - Community Services	297 734	389 757	389 757	32 630	208 164	206 556	1 608	0.8%	389 757
Vote 6 - Local Economic Development	7 716	8 303	8 303	675	4 624	4 532	92	2.0%	8 303
Vote 7 - Infrastructure & Planning	254 779	287 299	287 299	21 756	151 259	156 114	(4 855)	-3.1%	287 299
Vote 8 - Protection Services	36 834	44 185	44 185	4 693	26 295	25 173	1 122	4.5%	44 185
Total Expenditure by Vote	746 914	824 059	824 059	65 510	439 823	446 375	(6 552)	-1.5%	824 059
Surplus/ (Deficit) for the year	7 189	(37 947)	(37 901)	(4 101)	2 650	(1 988)	4 638	-233.3%	(37 901)

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) - M07 January

Description	2012/13	Budget Year 2013/14							
	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	116 321	126 921	126 921	10 727	76 940	76 153	788	1%	126 921
Property rates - penalties & collection charges	914	1 000	1 000	69	480	500	(20)	-4%	1 000
Service charges - electricity revenue	247 521	284 936	284 936	23 377	163 399	163 363	36	0%	284 936
Service charges - water revenue	85 498	98 642	98 642	11 815	53 617	56 555	(2 938)	-5%	98 642
Service charges - sanitation revenue	57 223	60 917	60 917	6 881	36 631	36 550	81	0%	60 917
Service charges - refuse revenue	46 788	52 934	52 934	4 419	30 873	30 878	(5)	0%	52 934
Rental of facilities and equipment	7 208	8 551	8 551	836	5 425	5 413	12	0%	8 551
Interest earned - external investments	7 553	7 714	7 714	417	3 333	3 664	(331)	-9%	7 714
Interest earned - outstanding debtors	2 199	2 204	2 204	173	1 208	1 221	(14)	-1%	2 204
Fines	6 644	6 079	6 079	543	3 960	3 546	414	12%	6 079
Licences and permits	1 968	2 046	2 046	196	1 193	1 185	8	1%	2 046
Agency services	2 025	2 250	2 250	216	1 386	1 313	73	6%	2 250
Transfers recognised - operational	41 680	68 984	68 984	328	40 897	40 897	-		68 984
Other revenue	71 461	19 963	19 963	1 458	11 377	11 396	(19)	0%	19 963
Gains on disposal of PPE							-		
contributions)	695 005	743 141	743 141	61 456	430 720	432 634	(1 914)	0%	743 141
Expenditure By Type									
Employee related costs	231 527	250 842	250 842	22 762	147 419	147 611	(192)	0%	250 842
Remuneration of councillors	7 084	7 577	7 577	622	4 333	4 344	(11)	0%	7 577
Debt impairment	934						-		
Depreciation & asset impairment	105 280	103 810	103 810	8 651	60 556	60 556	-		103 810
Finance charges	37 310	42 292	42 292	1 794	16 320	16 320	-		42 292
Bulk purchases	145 022	156 893	156 893	12 430	84 956	85 637	(681)	-1%	156 893
Other materials	12 437	15 055	15 055	944	7 059	7 653	(594)	-8%	15 055
Contracted services	67 601	74 909	74 909	6 113	35 092	36 518	(1 426)	-4%	74 909
Transfers and grants	35 856	38 766	38 766	3 214	22 195	22 452	(257)	-1%	38 766
Other expenditure	102 107	133 917	133 917	8 980	61 894	65 284	(3 390)	-5%	133 917
Loss on disposal of PPE	1 756						-		
Total Expenditure	746 914	824 059	824 059	65 510	439 823	446 375	(6 552)	-1%	824 059
Surplus/(Deficit)	(51 909)	(80 918)	(80 918)	(4 054)	(9 104)	(13 742)	4 638	(0)	(80 918)
Transfers recognised - capital	53 809	39 387	39 434	(47)	11 754	11 754	-		39 434
Contributions recognised - capital	5 289	3 583	3 583	-	-	-	-		3 583
Contributed assets							-		
Surplus/(Deficit) after capital transfers & Taxation	7 189	(37 947)	(37 901)	(4 101)	2 650	(1 988)	-		(37 901)
Surplus/(Deficit) after taxation	7 189	(37 947)	(37 901)	(4 101)	2 650	(1 988)			(37 901)
Surplus/(Deficit) attributable to municipality	7 189	(37 947)	(37 901)	(4 101)	2 650	(1 988)			(37 901)
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	7 189	(37 947)	(37 901)	(4 101)	2 650	(1 988)			(37 901)

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 0.44% below the YTD budget.

Current expenditure is 1.47%, below year-to-date budget projections for January 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) - M07 January

Vote Description	2012/13	Budget Year 2013/14							
	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	1 274	1 439	1 439	-	833	419	414	99%	1 439
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	110 111	68 764	80 217	539	22 667	21 260	1 407	7%	80 217
Vote 6 - Local Economic Development	945	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	31 434	39 694	41 853	2 372	22 847	14 213	8 634	61%	41 853
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	143 764	109 897	123 509	2 910	46 347	35 892	10 455	29%	123 509
Total Capital Expenditure	143 764	109 897	123 509	2 910	46 347	35 892	10 455	29%	123 509
Capital Expenditure - Standard Classification									
Governance and administration	7 154	9 977	10 961	58	2 187	3 190	(1 003)	-31%	10 961
Executive and council							-		
Budget and treasury office							-		
Corporate services	7 154	9 977	10 961	58	2 187	3 190	(1 003)	-31%	10 961
Community and public safety	7 268	16 405	16 452	31	1 913	4 788	(2 874)	-60%	16 452
Community and social services	4 666			52	431	-	431	#DIV/0!	
Sport and recreation	2 601	5 225	5 225	(21)	-	1 520	(1 520)	-100%	5 225
Public safety	-						-		
Housing	-	11 180	11 227		1 482	3 267	(1 785)	-55%	11 227
Health							-		
Economic and environmental services	25 552	17 870	17 870	253	6 130	5 200	929	18%	17 870
Planning and development	945						-		
Road transport	24 607	17 870	17 870	253	6 130	5 200	929	18%	17 870
Environmental protection							-		
Trading services	103 790	65 644	78 226	2 568	36 118	22 715	13 403	59%	78 226
Electricity	26 768	37 194	38 369	2 372	21 999	13 199	8 800	67%	38 369
Water	50 766	15 900	24 144	144	9 728	7 425	2 303	31%	24 144
Waste water management	20 728	11 150	12 672	52	3 698	1 712	1 986	116%	12 672
Waste management	5 528	1 400	3 041		693	379	314	83%	3 041
Total Capital Expenditure - Standard Classification	143 764	109 897	123 509	2 910	46 347	35 892	10 455	29%	123 509
Funded by:									
National Government	19 964	22 355	22 355	(47)	5 181	6 505	(1 324)	-20%	22 355
Provincial Government	33 845	13 673	13 719	3	2 427	3 986	(1 559)	-39%	13 719
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	53 809	36 028	36 074	(44)	7 608	10 492	(2 883)	-27%	36 074
Public contributions & donations	5 067	3 583	3 583						3 583
Borrowing	67 544	59 861	73 427	2 568	36 413	22 367	14 046	63%	73 427
Internally generated funds	17 345	10 425	10 425	386	2 326	3 034	(708)	-23%	10 425
Total Capital Funding	143 764	109 897	123 509	2 910	46 347	35 892	10 455	29%	123 509

Table C6: Monthly Budget Statement - Financial Position

WC032 Overstrand - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	2012/13	Budget Year 2013/14			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	29 106	84 406	84 406	28 564	84 406
Call investment deposits	55 042	–	–	45 289	–
Consumer debtors	49 080	50 826	50 826	59 279	50 826
Other debtors	46 353	40 769	40 769	38 636	40 769
Current portion of long-term receivables	17	14	14		14
Inventory	18 937	7 486	7 486	18 681	7 486
Total current assets	198 535	183 501	183 501	190 450	183 501
Non current assets					
Long-term receivables	84	73	73	92	73
Investments	11 597	16 379	16 379	14 581	16 379
Investment property	175 866	87 289	87 289	175 866	87 289
Investments in Associate			–		–
Property, plant and equipment	3 105 649	3 080 474	3 080 474	3 091 441	3 080 474
Agricultural			–		–
Biological assets			–		–
Intangible assets	4 449	4 043	4 043	4 449	4 043
Other non-current assets	1 025		–	1 025	–
Total non current assets	3 298 669	3 188 259	3 188 259	3 287 453	3 188 259
TOTAL ASSETS	3 497 204	3 371 760	3 371 760	3 477 903	3 371 760
LIABILITIES					
Current liabilities					
Bank overdraft			–		
Borrowing	18 241	20 623	20 623	27 749	20 623
Consumer deposits	34 932	38 618	38 618	36 890	38 618
Trade and other payables	74 643	64 237	64 191	57 486	64 191
Provisions	27 670	6 831	6 831		6 831
Total current liabilities	155 486	130 310	130 263	122 125	130 263
Non current liabilities					
Borrowing	364 654	391 789	391 789	342 692	391 789
Provisions	119 319	135 325	135 325	152 938	135 325
Total non current liabilities	483 973	527 115	527 115	495 630	527 115
TOTAL LIABILITIES	639 459	657 425	657 378	617 754	657 378
NET ASSETS	2 857 746	2 714 336	2 714 382	2 860 148	2 714 382
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	2 855 854	2 397 233	2 397 279	2 858 253	2 397 279
Reserves	1 891	317 103	317 103	1 895	317 103
TOTAL COMMUNITY WEALTH/EQUITY	2 857 746	2 714 336	2 714 382	2 860 148	2 714 382

The statement of financial position is in line with expectations for the financial year.

Table C7: Monthly Budget Statement - Cash Flow

WC032 Overstrand - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	2012/13	Budget Year 2013/14							
	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	591 940	652 431	652 431	56 042	382 553	380 585	1 968	1%	652 431
Government - operating	44 908	68 984	68 984	328	40 897	40 897	-		68 984
Government - capital	53 809	42 971	43 017	(47)	11 754	11 754	-		43 017
Interest	9 752	9 918	9 918	590	4 540	4 540	-		9 918
Dividends	-	-	-	-	-	-	-		-
Payments									
Suppliers and employees	(551 464)	(622 122)	(622 169)	(51 613)	(351 704)	(362 932)	(11 228)	3%	(622 169)
Finance charges	(37 174)	(42 292)	(42 292)	(1 794)	(16 320)	(16 320)	-		(42 292)
Transfers and Grants	(35 856)	(38 766)	(38 766)	(3 214)	(22 195)	(22 195)	-		(38 766)
NET CASH FROM/(USED) OPERATING ACTIVITIES	75 915	71 124	71 124	292	49 525	36 329	13 196	36%	71 124
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	1 725	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	50	48	48	0	9	9	0	1%	48
Decrease (increase) in non-current investments	(4 960)	(5 359)	(5 359)	(720)	(2 984)	(2 984)	-		(5 359)
Payments									
Capital assets	(143 764)	(109 897)	(109 897)	(2 910)	(46 347)	(46 347)	-		(109 897)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(146 949)	(115 209)	(115 209)	(3 630)	(49 322)	(49 322)	(0)	0%	(115 209)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	(389)	-	-	-	-	-	-		-
Borrowing long term/refinancing	38 700	51 300	51 300	-	-	-	-		51 300
Increase (decrease) in consumer deposits	3 726	3 704	3 704	15	1 958	1 958	-		3 704
Payments									
Repayment of borrowing	(13 554)	(18 032)	(18 032)	(903)	(12 455)	(12 455)	-		(18 032)
NET CASH FROM/(USED) FINANCING ACTIVITIES	28 482	36 973	36 973	(888)	(10 497)	(10 497)	-		36 973
NET INCREASE/ (DECREASE) IN CASH HELD	(42 552)	(7 112)	(7 112)	(4 225)	(10 295)	(23 490)			(7 112)
Cash/cash equivalents at beginning:	126 699	91 518	91 518		84 147	91 518			84 147
Cash/cash equivalents at month/year end:	84 147	84 406	84 406		73 853	68 028			77 035

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column which is R73,8 million.

The municipality started the year with a positive cashbook balance of R84,1 million. The January closing balance is R73,8 million. Refer to Supporting Table SC9 for more detail 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 - M07 January

Description	Budget Year 2013/14												2012/13 Medium Term Revenue		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Budget	June Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source															
Property rates	9 587	10 305	12 301	7 375	7 461	7 305	7 655					64 828	126 817	140 698	148 882
Property rates - penalties & collection charges	67	67	67	72	67	70	69					520	1 000	1 060	1 124
Service charges - electricity revenue	30 300	25 361	25 762	22 110	21 494	21 188	20 856					117 632	284 704	308 530	332 503
Service charges - water revenue	5 396	6 771	6 957	10 568	10 649	10 281	10 741					37 197	98 561	105 919	112 777
Service charges - sanitation revenue	3 354	4 742	4 754	5 090	4 960	5 096	5 870					27 000	60 867	64 048	67 458
Service charges - refuse	4 031	4 385	4 130	4 525	4 396	4 314	4 256					22 854	52 891	56 442	59 822
Rental of facilities and equipment	627	519	504	542	623	1 624	831					3 273	8 544	9 213	9 941
Interest earned - external investments	531	490	457	488	523	427	417					4 381	7 714	7 714	7 714
Interest earned - outstanding debtors	172	175	177	164	173	174	173					996	2 204	2 336	2 476
Fines	559	595	503	562	665	533	543					2 119	6 079	6 444	6 830
Licences and permits	184	164	155	190	155	148	196					853	2 046	2 116	2 243
Agency services	191	179	175	217	198	211	216					864	2 250	2 332	2 477
Transfer receipts - operating	17 561	715	235	3 331	479	18 247	328					28 087	68 984	55 324	72 061
Other revenue	3 409	625	(134)	2 814	1 795	2 615	4 807					(7 260)	8 672	18 286	17 797
Cash Receipts by Source	75 969	55 094	56 043	58 050	53 638	72 233	56 961	-	-	-	-	303 345	731 333	780 461	844 105
Other Cash Flows by Source															
Transfer receipts - capital		890	2 610	4 862	2 151	1 287	(47)					27 680	39 434	23 687	24 006
Contributions & Contributed assets												3 583	3 583	-	-
Proceeds on disposal of PPE												-	-	-	-
Borrowing long term/refinancing												51 300	51 300	40 000	45 000
Increase in consumer deposits	1 072	(92)	447	396	6	114	15					1 747	3 704	4 097	4 532
Receipt of non-current debtors												-	-	-	-
Receipt of non-current receivables	0	0	0	0	1	8	0					38	48	14	14
Change in non-current investments	(428)	(5)	(469)	(472)	(415)	(476)	(720)					(2 375)	(5 359)	(5 411)	(5 454)
Total Cash Receipts by Source	76 613	55 887	58 631	62 836	55 381	73 167	56 209	-	-	-	-	385 318	824 043	842 848	912 203
Cash Payments by Type															
Employee related costs	16 754	18 746	18 367	19 007	29 410	18 997	22 173					98 423	241 876	265 932	283 228
Remuneration of councillors	605	619	622	622	622	622	622					2 863	7 197	7 677	8 189
Interest paid	138	-	15	4 427	1 386	8 560	1 794					25 971	42 292	44 326	46 628
Bulk purchases - Electricity	2 686	19 572	16 768	12 236	10 603	10 660	12 430					71 937	156 893	172 582	189 840
Bulk purchases - Water & Sewer												-	-	-	-
Other materials	440	728	973	961	1 580	1 433	944					7 996	15 055	16 219	16 968
Contracted services	1 219	5 446	6 013	3 601	5 591	7 109	6 113					39 817	74 909	84 966	91 230
Grants and subsidies paid - other municipalities												-	-	-	-
Grants and subsidies paid - other	3 132	3 136	3 156	3 179	3 181	3 198	3 214					16 571	38 766	41 092	43 557
General expenses	24 888	1 733	(3 353)	31 005	9 217	3 986	9 332					49 430	126 239	114 413	127 308
Cash Payments by Type	49 862	49 980	42 561	75 039	61 590	54 564	56 621	-	-	-	-	313 009	703 226	747 206	806 949
Other Cash Flows/Payments by Type															
Capital assets	-	11 416	15 798	4 426	4 002	7 794	2 910					63 550	109 897	69 756	75 208
Repayment of borrowing	3 755		51	3 979	886	2 881	903					5 577	18 032	21 220	23 920
Total Cash Payments by Type	53 618	61 396	58 410	83 444	66 478	65 239	60 434	-	-	-	-	382 136	831 155	838 183	906 076
NET INCREASE/(DECREASE) IN CASH HELD	22 995	(5 509)	222	(20 608)	(11 097)	7 928	(4 225)	-	-	-	-	3 182	(7 112)	4 665	6 127
Cash/cash equivalents at the month/year beginning	84 147	107 143	101 633	101 855	81 247	70 150	78 078	73 853	73 853	73 853	73 853	73 853	84 147	77 035	81 700
Cash/cash equivalents at the month/year end	107 143	101 633	101 855	81 247	70 150	78 078	73 853	73 853	73 853	73 853	73 853	77 035	77 035	81 700	87 827

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 - M07 January

Description	NT Code	Budget Year 2013/14										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	1200	13 667	388	175	138	125	158	665	2 197	17 514	3 283	-	4 264
Trade and Other Receivables from Exchange Transactions	1300	13 941	458	237	270	108	113	466	1 792	17 384	2 749	-	1 270
Receivables from Non-exchange Transactions - Property R	1400	11 542	505	292	248	358	193	684	2 813	16 636	4 297	-	3 907
Receivables from Exchange Transactions - Waste Water R	1500	6 559	219	142	118	97	96	400	1 904	9 535	2 615	-	2 853
Receivables from Exchange Transactions - Waste Manage	1600	4 131	176	106	82	73	72	284	1 177	6 102	1 689	-	1 573
Receivables from Exchange Transactions - Property Renta	1700	160	14	12	10	7	6	44	71	324	138	-	221
Interest on Arrear Debtor Accounts	1810	52	34	29	34	37	37	226	3 686	4 134	4 019	-	-
Recoverable unauthorised, irregular, fruitless and wasteful	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	1 702	357	175	128	124	112	424	2 100	5 122	2 888	-	2 826
Total By Income Source	2000	51 755	2 151	1 167	1 027	929	788	3 194	15 740	76 752	21 679	-	16 916
2012/13 - totals only		37 069	1 863	1 267	919	1 321	974	5 034	14 791	63 238	23 039		
Debtors Age Analysis By Customer Group													
Organs of State	2200	455	172	71	21	166	4	18	284	1 190	493	-	-
Commercial	2300	7 791	184	45	182	24	28	77	460	8 790	770	-	646
Households	2400	43 511	1 795	1 052	825	739	756	3 099	14 997	66 773	20 415	-	16 270
Other	2500	(2)	-	-	-	-	-	-	-	(2)	-	-	-
Total By Customer Group	2600	51 755	2 151	1 167	1 027	929	788	3 194	15 740	76 752	21 679	-	16 916

Debtors' levels remain stable after the slight year-on-year decrease from 2012 to 2013. The increased debtors results from the year-on-year increase in billings from increased tariffs at the start of the new financial year.

Summary of Indigent Households

Indigent Household Statistics

	Indigent Households	Amount	Other Households	Total Households	
2013					
July	6 427	R 3 131 936.92	25 314	31 741	20.25%
August	6 446	R 3 136 845.78	25 419	31 865	20.23%
September	6 514	R 3 155 566.56	25 335	31 849	20.45%
October	6 558	R 3 178 923.86	25 277	31 835	20.60%
November	6 576	R 3 180 868.61	25 256	31 832	20.66%
December	6 596	R 3 197 612.69	25 237	31 833	20.72%
2014					
January	6 729	R 3 214 251.25	25 102	31 831	21.14%
February			0		
March			0		
April			0		
May			0		
June			0		

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
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2013/14

June									0.00	0.00	0.00
May									0.00	0.00	0.00
April									0.00	0.00	0.00
March									0.00	0.00	0.00
February									0.00	0.00	0.00
January	51 754 513	2 150 900	1 167 346	1 027 233	929 440	788 178	3 193 513	15 740 415	76 751 539	24 997 026	21 678 780
December	44 762 720	1 814 647	1 215 241	1 024 154	849 478	741 520	3 220 885	15 517 894	69 146 539	24 383 819	21 353 931
November	43 115 553	1 843 348	1 225 556	955 383	802 976	690 983	3 310 665	15 212 067	67 156 532	24 040 978	20 972 074
October	44 055 624	2 002 136	1 302 808	964 851	768 525	671 903	3 312 809	15 359 800	68 438 457	24 382 832	21 077 888
September	39 383 044	1 861 255	1 259 835	957 082	814 639	712 400	3 576 463	15 399 007	63 963 724	24 580 680	21 459 590
Augustus	38 856 787	1 937 928	1 226 689	1 016 753	830 184	696 009	3 529 750	15 530 145	63 624 245	24 767 458	21 602 841
July	41 116 113	1 847 114	1 256 338	962 460	773 328	685 374	3 784 937	15 375 903	65 801 568	24 685 456	21 582 003

Creditors' analysis

Supporting Table SC4

WC032 Overstrand - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	NT Code	Budget Year 2013/14									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	1 326									1 326	12 199
Bulk Water	0200										-	
PAYE deductions	0300	2 549									2 549	2 250
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	2 864
Loan repayments	0600										-	
Trade Creditors	0700	3 786									3 786	25 269
Auditor General	0800										-	906
Other	0900										-	
Total By Customer Type	1000	7 660	-	-	-	-	-	-	-	-	7 660	43 488

Investment portfolio analysis

Supporting Table SC5

WC032 Overstrand - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID R thousands	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
	Yrs/Months							
Municipality								
LIBERTY 15934476	15 YEARS		01/09/2025	133		5 430	125	5 688
LIBERTY 21196964	14 YEARS		01/09/2025	185		7 488	260	7 932
MOMENTUM MP 3853776	14 YEARS		01/07/2026	(13)		944	30	960
ABSA 4074809272	DAILY	CALL		85	4.8%	20 999		21 084
ABSA 9284200168	DEP PLUS	CALL		103	5.0%	24 102		24 205
Municipality sub-total				493		58 962	415	59 870
TOTAL INVESTMENTS AND INTEREST				493		58 962	415	59 870

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 - M07 January

Description	2012/13	Budget Year 2013/14							
	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:	39 528	45 383	45 383	-	34 523	34 523	-		45 383
Local Government Equitable Share	36 146	41 949	41 949		31 462	31 462	-		41 949
Finance Management	1 250	1 300	1 300		1 300	1 300	-		1 300
Municipal Systems Improvement	800	890	890	-	890	890	-		890
EPWP Incentive	1 332	1 244	1 244		871	871	-		1 244
Provincial Government:	2 727	23 601	23 601	49	14 498	14 498	-		23 601
Housing	1 659	20 045	20 045		13 578	13 578	-		20 045
Community Development Workers Support Grant	81			49	49	49	-		
Provincial Library Grant	704	805	805		554	554	-		805
Main Road Subsidy	65	2 651	2 651				-		2 651
<i>Sport & Recreation Grant</i>	-	100	100		100	100	-		100
District Municipality:	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	100	100	100	-		-
Total Operating Transfers and Grants	42 255	68 984	68 984	149	49 121	49 121	-		68 984
Capital Transfers and Grants									
National Government:	36 339	25 725	25 725	-	19 735	19 735	-		25 725
Municipal Infrastructure Grant (MIG)	16 947	18 755	18 755		12 772	12 772	-		18 755
INEP	1 800	3 000	3 000		3 000	3 000	-		3 000
Neighbourhood Development Partnership	2 418	3 970	3 970		3 963	3 963	-		3 970
Other capital transfers [insert description]							-		
Provincial Government:	20 193	6 671	6 671	-	-	-	-		6 671
<i>Housing</i>	18 693	5 689	5 689				-		5 689
<i>Public Transport non-motorised infrastructure grant</i>	1 500	982	982				-		982
District Municipality:	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	56 532	32 396	32 396	-	19 735	19 735	-		32 396
TOTAL RECEIPTS OF TRANSFERS & GRANTS	98 787	101 380	101 380	149	68 856	68 856	-		101 380

Grant receipts are monitored according to the payment schedules. Year to date actual only reflects actual receipts for 2013/2014.

Supporting Table SC7 – Grant expenditure

WC032 Overstrand - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January

Description	2012/13	Budget Year 2013/14							
	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:	2 810	3 434	3 434	147	1 124	1 124	-		3 434
Local Government Equitable Share							-		
Finance Management	698	1 300	1 300	43	534	534	-		1 300
Municipal Systems Improvement	780	890	890		10	10	-		890
EPWP Incentive	1 332	1 244	1 244	103	580	580	-		1 244
Provincial Government:	2 722	23 601	23 601	191	8 311	8 311	-		23 601
Housing	1 659	20 045	20 045		7 809	7 809	-		20 045
Provincial Library Grant	691	805	805	191	473	473	-		805
Main Road Subsidy	65	2 651	2 651				-		2 651
Sport & Recreation Grant	-	100	100		29	29	-		100
District Municipality:	-	-	-	-	-	-	-		-
Other grant providers:	2	-	-	58	58	58	-		-
Total operating expenditure of Transfers and Grants:	5 534	27 035	27 035	397	9 494	9 494	-		27 035
Capital expenditure of Transfers and Grants									
National Government:	36 911	25 725	25 725	(47)	5 402	5 402	-		25 725
Municipal Infrastructure Grant (MIG)	16 947	18 755	18 755	(47)	5 038	5 038	-		18 755
INEP	1 800	3 000	3 000		364	364	-		3 000
Neighbourhood Development Partnership	2 418	3 970	3 970				-		3 970
Other capital transfers [insert description]	572						-		
Provincial Government:	16 675	6 671	6 671	(170)	1 355	1 355	-		6 671
Housing	16 675	5 689	5 689	(170)	449	449	-		5 689
Public Transport non-motorised infrastructure grant		982	982		906	906	-		982
District Municipality:	-	-	-	-	-	-	-		-
Other grant providers:	223	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	53 809	32 396	32 396	(218)	6 757	6 757	-		32 396
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	59 343	59 431	59 431	179	16 251	16 251	-		59 431

Grant expenditure is monitored against grant receipts.

Expenditure on councillor and board members allowances and employee benefits

Supporting Table SC8

WC032 Overstrand - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	2012/13	Budget Year 2013/14							
	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	7 084	7 197	7 197	592	4 123	4 126	(3)	0%	7 197
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Motor Vehicle Allowance							-		
Cellphone Allowance	-	380	380	30	210	218	(8)	-4%	380
Housing Allowances							-		
Other benefits and allowances							-		
Sub Total - Councillors	7 084	7 577	7 577	622	4 333	4 344	(11)	0%	7 577
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	8 185	8 657	8 657	721	5 044	5 050	(6)	0%	8 657
Pension and UIF Contributions							-		
Medical Aid Contributions							-		
Overtime							-		
Performance Bonus							-		
Motor Vehicle Allowance							-		
Cellphone Allowance	139	146	146	12	81	85	(4)	-4%	146
Housing Allowances							-		
Other benefits and allowances							-		
Post-retirement benefit obligations							-		
Sub Total - Senior Managers of Municipality	8 324	8 803	8 803	732	5 125	5 135	(9)	0%	8 803
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	132 897	158 108	158 108	14 152	96 972	93 618	3 354	4%	146 098
Pension and UIF Contributions	23 993	27 080	27 080	2 090	14 647	15 935	(1 288)	-8%	27 080
Medical Aid Contributions	8 176	11 179	11 179	777	5 021	6 578	(1 557)	-24%	11 179
Overtime	12 423	12 233	12 233	2 097	7 157	7 199	(42)	-1%	12 233
Performance Bonus	10 823	-	-	-	-	-	-		12 011
Motor Vehicle Allowance	9 178	10 714	10 714	805	5 668	6 305	(637)	-10%	10 714
Cellphone Allowance	1 924	1 356	1 356	105	619	798	(179)	-22%	1 356
Housing Allowances	1 046	945	945	84	585	556	29	5%	945
Other benefits and allowances	11 256	9 082	9 082	1 042	5 482	5 345	137	3%	9 082
Long service awards	690	813	813	-	-	-	-		813
Post-retirement benefit obligations	10 795	9 630	9 630	802	5 617	5 617	-		9 630
Sub Total - Other Municipal Staff	223 203	242 039	242 039	22 030	142 293	142 476	(182)	0%	242 039
TOTAL SALARY, ALLOWANCES & BENEFITS	238 611	258 419	258 419	23 384	151 752	151 955	(203)	0%	258 419
TOTAL MANAGERS AND STAFF	231 527	250 842	250 842	22 762	147 419	147 611	(192)	0%	250 842

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 - M07 January

Description of financial indicator	Basis of calculation	2012/13	Budget Year 2013/14			
		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	3.2%	17.7%	17.7%	3.7%	6.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	47.0%	54.5%	59.5%	78.6%	59.5%
<u>Safety of Capital</u>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	16.0%	17.6%	17.6%	15.0%	17.6%
Gearing	Long Term Borrowing/ Funds &	19278.6%	123.6%	123.6%	18080.1%	123.6%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	127.7%	140.8%	140.9%	155.9%	140.9%
Liquidity Ratio	Monetary Assets/Current Liabilities	54.1%	64.8%	64.8%	60.5%	64.8%
<u>Revenue Management</u>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		99.9%	99.9%	Annual Indicator	99.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual	13.7%	12.3%	12.3%	Annual	12.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	97.0%	98.2%	98.2%		98.2%
<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	6.9%	7.1%	7.2%	6.2%	7.2%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	20.0%	25.9%	25.8%	25.7%	25.8%
Employee costs	Employee costs/Total Revenue - capital revenue	33.3%	33.8%	33.8%	34.2%	33.8%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	0.0%	22.0%	22.0%	16.0%	22.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	20.5%	19.7%	19.7%	3.8%	6.7%
<u>IDP regulation financial viability indicators</u>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	17.5%	21.6	21.6	Annual Indicator	21.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11.9%	14.5%	14.5%	Annual Indicator	14.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.5%	1.7	1.7	4.09	1.7

Capital programme performance

Supporting Table SC12

WC032 Overstrand - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M07 January

Month	2012/13	Budget Year 2013/14							
	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	100	1 099	74	0	0	74	74	100.0%	0%
August	8 541	2 198	6 299	11 416	11 416	6 373	(5 043)	-79.1%	10%
September	4 043	4 396	2 977	15 798	27 214	9 350	(17 865)	-191.1%	25%
October	7 364	7 693	5 434	4 426	31 641	14 784	(16 857)	-114.0%	29%
November	10 243	6 594	7 559	4 002	35 643	22 343	(13 300)	-59.5%	32%
December	13 512	12 089	9 967	7 794	43 437	32 310	(11 127)	-34.4%	40%
January	4 867	8 792	3 582	2 910	46 347	35 892	(10 456)	-29.1%	42%
February	12 126	13 188	8 942			44 834	-		
March	7 528	10 990	9 955			54 789	-		
April	14 809	13 188	11 215			66 003	-		
May	17 343	15 386	22 689			88 692	-		
June	43 287	14 287	34 817			123 509	-		
Total Capital expenditure	143 764	109 897	123 509	46 347					

Supporting Table SC13a

WC032 Overstrand - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January

Description	2012/13	Budget Year 2013/14							
	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	108 252	50 904	50 904	2 624	31 628	22 583	(9 045)	-40.1%	50 904
Infrastructure - Road transport	15 578	9 160	9 160	253	1 828	4 629	2 801	60.5%	9 160
<i>Roads, Pavements & Bridges</i>	10 720	9 160	9 160	253	1 828	4 629	2 801	60.5%	9 160
<i>Storm water</i>	4 858						-		
Infrastructure - Electricity	22 203	23 894	23 894	2 372	17 698	10 199	(7 499)	-73.5%	23 894
<i>Generation</i>							-		
<i>Transmission & Reticulation</i>	22 203	23 894	23 894	2 372	17 698	10 199	(7 499)	-73.5%	23 894
<i>Street Lighting</i>							-		
Infrastructure - Water	48 634	7 300	7 300	-	8 317	6 425	(1 892)	-29.5%	7 300
<i>Dams & Reservoirs</i>							-		
<i>Water purification</i>	48 634	7 300	7 300		8 317	6 425	(1 892)	-29.5%	7 300
<i>Reticulation</i>							-		
Infrastructure - Sanitation	16 478	9 150	9 150	-	3 092	1 248	(1 844)	-147.8%	9 150
<i>Reticulation</i>							-		
<i>Sewerage purification</i>	16 478	9 150	9 150		3 092	1 248	(1 844)	-147.8%	9 150
Infrastructure - Other	5 359	1 400	1 400	-	693	83	(611)	-739.2%	1 400
<i>Waste Management</i>	5 359	1 400	1 400		693	83	(611)	-739.2%	1 400
Community	20 997	13 189	13 189	52	1 180	248	(932)	-376.0%	13 189
Parks & gardens	2 156						-		
Sportsfields & stadia	1 964	5 000	5 000			83	83	100.0%	5 000
Security and policing	223						-		
Cemeteries							-		
Social rental housing	16 651	5 689	5 689		449	83	(366)	-443.2%	5 689
Other	-	2 500	2 500	52	731	83	(648)	-784.8%	2 500
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Other assets	9 038	6 638	6 638	58	495	248	(247)	-99.7%	6 638
General vehicles	-	4 695	4 695			83	83	100.0%	4 695
Specialised vehicles	-	-	-	-	-	-	-		-
Other	9 038						-		
Intangibles	1 330	-	-	-	-	-	-		-
Computers - software & programming	1 330						-		
Other							-		
Total Capital Expenditure on new assets	139 617	70 731	70 731	2 734	33 303	23 079	(10 224)	-44.3%	70 731

Supporting Table SC13b

WC032 Overstrand - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M07 January

Description	2012/13	Budget Year 2013/14							
	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	131	32 610	45 192	197	10 620	10 716	96	0.9%	45 192
Infrastructure - Road transport	131	8 710	8 710	-	4 301	300	(4 002)	-1335.5%	8 710
<i>Roads, Pavements & Bridges</i>		8 710	8 710		4 301	300	(4 002)	-1335.5%	8 710
<i>Storm water</i>	131						-		
Infrastructure - Electricity	-	13 300	14 475	-	4 301	3 000	(1 301)	-43.4%	14 475
<i>Generation</i>							-		
<i>Transmission & Reticulation</i>		13 300	14 475		4 301	3 000	(1 301)	-43.4%	14 475
<i>Street Lighting</i>							-		
Infrastructure - Water	-	8 600	16 844	144	1 411	7 111	5 700	80.2%	16 844
<i>Dams & Reservoirs</i>		200	200		107	12	(95)	-805.4%	200
<i>Water purification</i>							-		
<i>Reticulation</i>		8 400	16 644	144	1 304	7 100	5 795	81.6%	16 644
Infrastructure - Sanitation	-	2 000	3 522	52	606	208	(398)	-191.6%	3 522
<i>Reticulation</i>							-		
<i>Sewerage purification</i>		2 000	3 522	52	606	208	(398)	-191.6%	3 522
Infrastructure - Other	-	-	1 641	-	-	97	97	100.0%	1 641
<i>Waste Management</i>			1 641			97	97	100.0%	1 641
Community	756	5 716	5 763	(21)	1 033	554	(479)	-86.5%	5 763
Parks & gardens							-		
Sportsfields & stadia							-		
Swimming pools		225	225	(21)	-	13	13	100.0%	225
Community halls							-		
Libraries							-		
Recreational facilities							-		
Fire, safety & emergency							-		
Security and policing							-		
Cemeteries	756						-		
Social rental housing					1 033		(1 033)	#DIV/0!	
Other		5 491	5 538			541	541	100.0%	5 538
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Housing development							-		
Other							-		
Other assets	3 260	-	984	-	558	58	(500)	-862.2%	984
General vehicles	3 260						-		
Specialised vehicles	-	-	-	-	-	-	-		-
Total Capital Expenditure on renewal of	4 147	39 166	52 778	176	13 044	11 377	(1 667)	-14.7%	52 778

Supporting Table SC13c

WC032 Overstrand - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 January

Description	2012/13	Budget Year 2013/14							
	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	87 048	135 022	135 022	10 893	70 789	78 763	7 974	10.1%	135 022
Infrastructure - Road transport	42 236	62 485	62 485	5 731	34 995	36 450	1 455	4.0%	62 485
<i>Roads, Pavements & Bridges</i>	39 790	58 578	58 578	5 517	33 192	34 171	979	2.9%	58 578
<i>Storm water</i>	2 446	3 907	3 907	214	1 803	2 279	476	20.9%	3 907
Infrastructure - Electricity	14 105	27 457	27 457	1 776	11 832	16 016	4 185	26.1%	27 457
<i>Generation</i>							-		
<i>Transmission & Reticulation</i>	14 105	27 457	27 457	1 776	11 832	16 016	4 185	26.1%	27 457
<i>Street Lighting</i>							-		
Infrastructure - Water	21 502	28 574	28 574	2 139	14 563	16 668	2 105	12.6%	28 574
<i>Dams & Reservoirs</i>	80						-		
<i>Water purification</i>	1 963						-		
<i>Reticulation</i>	19 459	28 574	28 574	2 139	14 563	16 668	2 105	12.6%	28 574
Infrastructure - Sanitation	7 708	14 662	14 662	1 077	8 578	8 553	(26)	-0.3%	14 662
<i>Reticulation</i>	6 623						-		
<i>Sewerage purification</i>	1 085	14 662	14 662	1 077	8 578	8 553	(26)	-0.3%	14 662
Infrastructure - Other	1 499	1 844	1 844	171	820	1 076	256	23.8%	1 844
<i>Waste Management</i>	1 499	1 844	1 844	171	820	1 076	256	23.8%	1 844
Community	5 408	8 252	8 252	425	3 157	4 814	1 657	34.4%	8 252
Parks & gardens	1 503	2 568	2 568	235	1 337	1 498	161	10.8%	2 568
Sportsfields & stadia	956	1 034	1 034	37	212	603	391	64.8%	1 034
Swimming pools	289	303	303		201	177	(24)	-13.7%	303
Community halls	916	904	904		293	528	235	44.5%	904
Libraries	161	221	221	3	100	129	29	22.4%	221
Recreational facilities							-		
Fire, safety & emergency	848	841	841	52	324	490	167	34.0%	841
Security and policing	546	638	638	22	250	372	122	32.7%	638
Cemeteries	62	55	55	1	25	32	7	22.4%	55
Social rental housing		317	317	2	68	185	117	63.2%	317
Other	125	1 372	1 372	71	347	800	453	56.6%	1 372
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Housing development							-		
Other assets	21 958	20 086	20 086	655	6 883	11 717	4 834	41.3%	20 086
General vehicles	5 399						-		
Specialised vehicles	-	-	-	-	-	-	-		-
Plant & equipment							-		
Computers - hardware/equipment	5 035	5 852	5 852	95	2 963	3 413	450	13.2%	5 852
Other Buildings	1 368	1 173	1 173	48	438	684	247	36.0%	1 173
Other	10 156	13 061	13 061	511	3 482	7 619	4 137	54.3%	13 061
Agricultural assets	-	-	-	-	-	-	-		-
Biological assets	-	-	-	-	-	-	-		-
Intangibles	-	-	-	-	-	-	-		-
Total Repairs and Maintenance Expendit	114 414	163 360	163 360	11 972	80 829	95 293	14 465	15.2%	163 360

Supporting Table SC13d

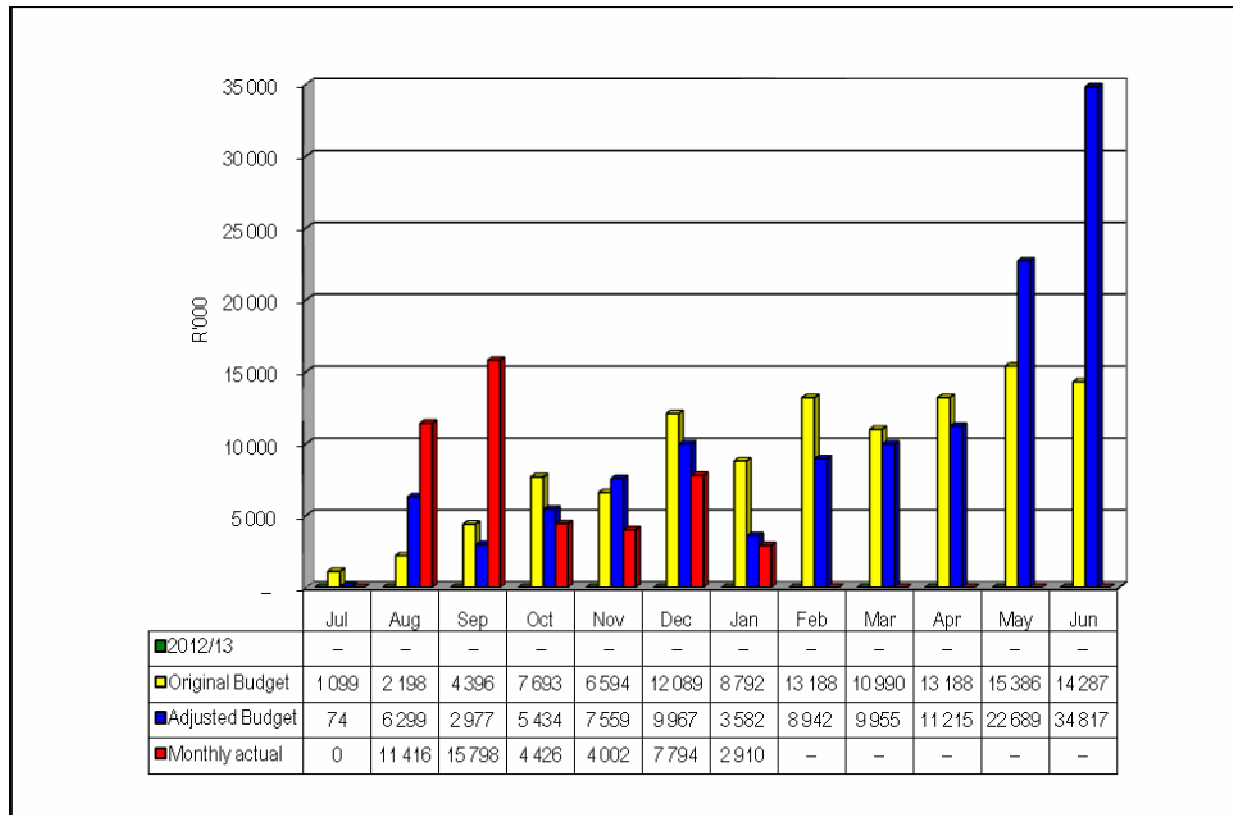
WC032 Overstrand - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M07 January

Description	2012/13	Budget Year 2013/14							
	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>	81 024	90 494	90 494	7 541	52 788	52 788	–		90 494
Infrastructure - Road transport	29 902	37 311	37 311	3 109	21 765	21 765	–		37 311
<i>Roads, Pavements & Bridges</i>	27 879	37 311	37 311	3 109	21 765	21 765	–		37 311
<i>Storm water</i>	2 023						–		
Infrastructure - Electricity	18 751	22 284	22 284	1 857	12 999	12 999	–		22 284
<i>Generation</i>							–		
<i>Transmission & Reticulation</i>	18 751	22 284	22 284	1 857	12 999	12 999	–		22 284
<i>Street Lighting</i>							–		
Infrastructure - Water	16 106	14 546	14 546	1 212	8 485	8 485	–		14 546
<i>Dams & Reservoirs</i>	16 106	14 546	14 546	1 212	8 485	8 485	–		14 546
<i>Water purification</i>							–		
<i>Reticulation</i>							–		
Infrastructure - Sanitation	13 391	12 696	12 696	1 058	7 406	7 406	–		12 696
<i>Reticulation</i>	13 391	12 696	12 696	1 058	7 406	7 406	–		12 696
<i>Sewerage purification</i>							–		
Infrastructure - Other	2 874	3 657	3 657	305	2 133	2 133	–		3 657
<i>Waste Management</i>	2 256	3 657	3 657	305	2 133	2 133	–		3 657
<i>Other</i>	618						–		
<u>Community</u>	4 651	4 696	4 696	391	2 739	2 739	–		4 696
Recreational facilities	4 651	4 696	4 696	391	2 739	2 739	–		4 696
<u>Heritage assets</u>	–	–	–	–	–	–	–		–
<u>Investment properties</u>	–	–	–	–	–	–	–		–
<u>Other assets</u>	19 233	8 402	8 402	700	4 901	4 901	–		8 402
General vehicles	2 360	1 864	1 864	155	1 088	1 088	–		1 864
Specialised vehicles	–	–	–	–	–	–	–		–
Plant & equipment							–		
Computers - hardware/equipment	1 948	838	838	70	489	489	–		838
Furniture and other office equipment	254	344	344	29	201	201	–		344
Civic Land and Buildings							–		
Other Buildings	5 467	5 356	5 356	446	3 124	3 124	–		5 356
Other Land							–		
Surplus Assets - (Investment or Inventory)							–		
Other	9 204						–		
<u>Agricultural assets</u>	–	–	–	–	–	–	–		–
<u>Biological assets</u>	–	–	–	–	–	–	–		–
<u>Intangibles</u>	373	218	218	18	127	127	–		218
Computers - software & programming	373						–		
Total Depreciation	105 280	103 810	103 810	8 651	60 556	60 556	–		103 810

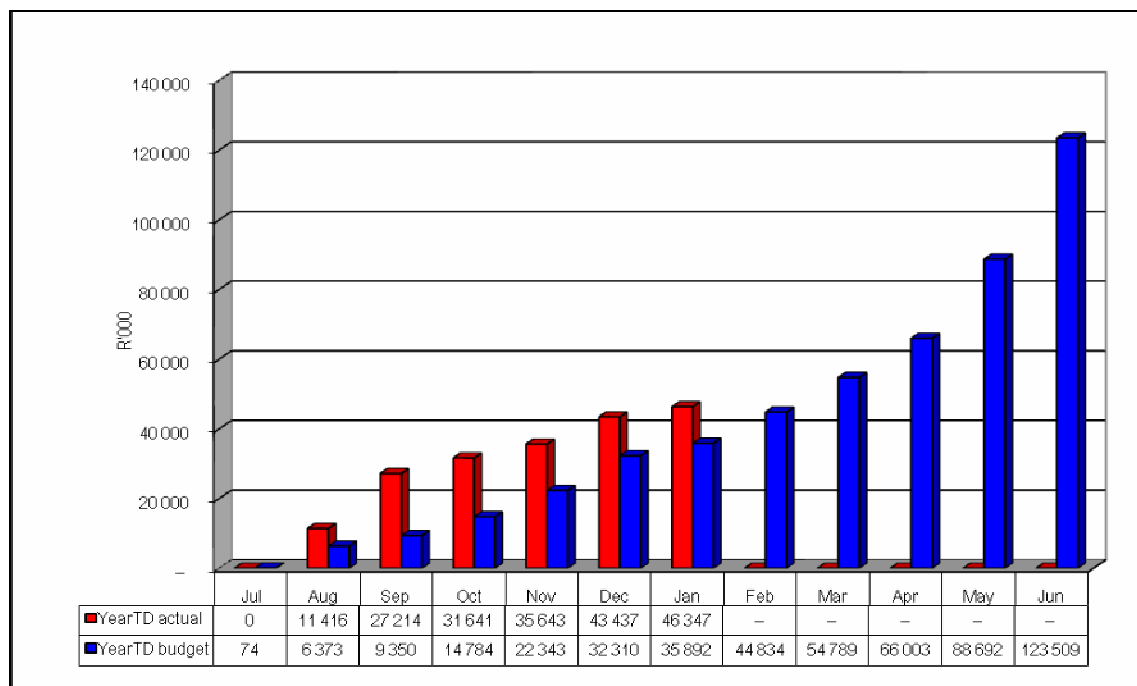
Other supporting documentation

Section 71 charts

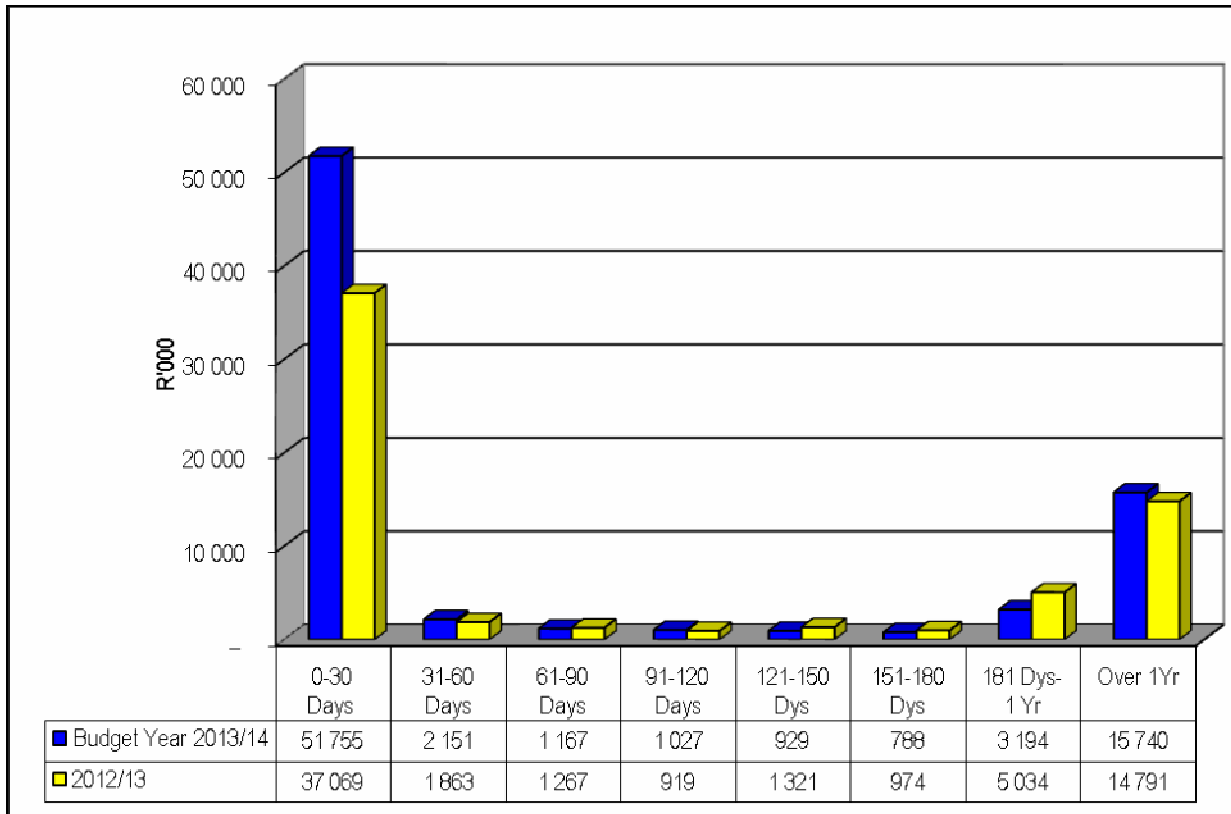
Capital expenditure monthly trend - actual vs target



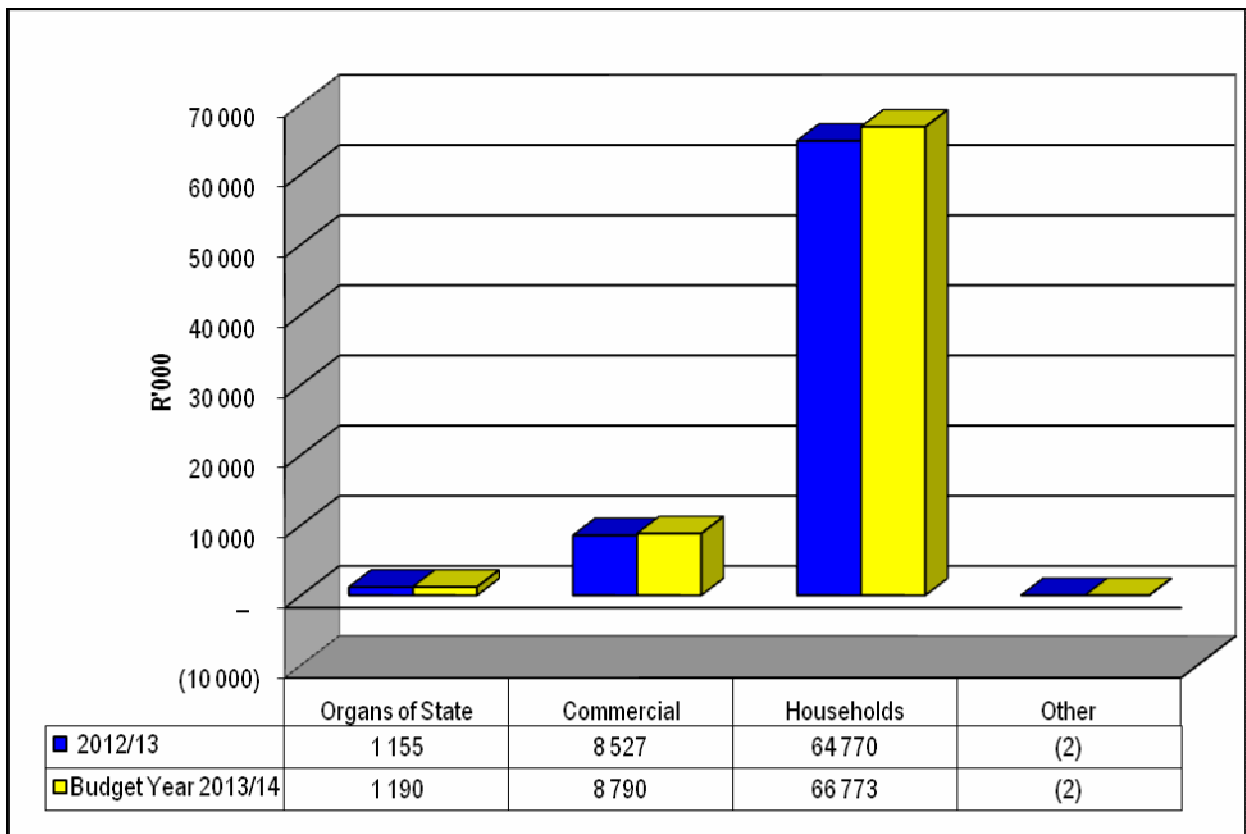
Capital expenditure – YTD actual vs YTD trend



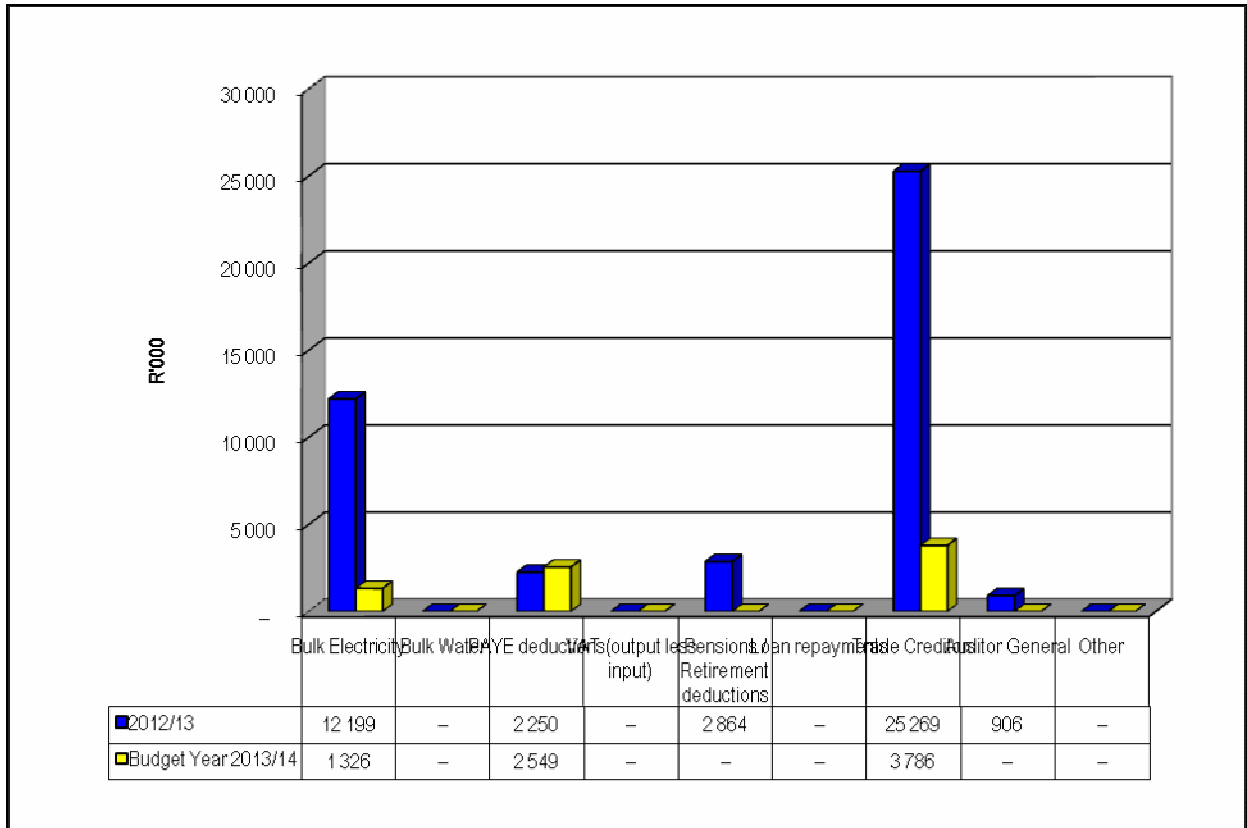
Debtors Age Analysis



Debtors by Type



Creditor Payments



Municipal manager's quality certification

QUALITY CERTIFICATE

DSARRISON delegate
I, ~~CC Groenewald~~ the Municipal Manager of Overstrand Municipality, hereby certify that the –

- The Monthly Budget Statement

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

Print name CC Groenewald

Municipal Manager of ~~Overstrand Municipality~~ (WC032)

pp Signature *[Handwritten Signature]*

Date *14/2/2014*