

17.

QUARTERLY BUDGET REPORT FOR MARCH 2015

5/1/1/16-2014/2015

B A King

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Corporate Head Office

17 March 2015

1. Executive Summary

Report prepared as part of the financial reporting obligations arising from section 52(d) of the Local Government: Municipal Finance Management Act, 2003 (MFMA).

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate Finance
Financial Services

3. Compliance with Strategic Priority

Provision of democratic, accountable and ethical governance

4. Delegated Authority

None

5. Legal Requirements

Local Government: Municipal Finance Management Act, (Act 56 of 2003)[MFMA]

6. Background/Discussion**Background**

This report has been prepared as part of the financial reporting obligations arising from the MFMA. The MFMA requires the Executive Mayor to report to Council on a quarterly basis on the state of the Municipality's budget.

Discussion

Legislation requires that certain financial and performance information is disclosed in the quarterly monitoring report. The report has been prepared according to the standard reporting formats issued by National Treasury.

7. Financial Implications

None

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

Annexure A: Quarterly Budget Report for March 2015

RECOMMENDATION TO THE COUNCIL:

that the budget report for the quarter ended March 2015, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

RESPONSIBLE OFFICIAL :

B A KING

TARGET DATE FOR IMPLEMENTATION :

TO BE NOTED

OVERSTRAND MUNICIPALITY



Quarterly Budget Report

March 2015

In-Year Report of the Municipality

Prepared in terms of Section 52(d) of the Local Government: Municipal Finance Management Act (Act 56 of 2003) & Section 31 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

Mayor's Report

1.1 In-Year Report – Quarterly Budget Report

1.1.1 Implementation of the budget in accordance with the SDBIP

The results of the SDBIP for the third quarter ended 31 March 2015 will be tabled in a separate comprehensive report to council.

1.1.2 Financial problems or risks facing the municipality

None.

1.1.3 Other relevant information

The year to date actual operating revenue at the end of the third quarter for 2014/2015 is at 75.06% of the adjusted budgeted revenue. The year to date actual expenditure reflects spending of 66% against the adjusted budgeted expenditure. YTD Capital expenditure amounts to R62.47m, or 53.12%, at the end of March 2015.

Outstanding consumer debtors remain stable and only reflect the year-on-year increase from increased tariffs as from 1 July 2014.

The positive cash flow remains stable.

Resolutions

IN-YEAR REPORTS 2014/2015

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

RECOMMENDATION:

That the budget report for the quarter ended March 2015, prepared as part of the financial reporting obligations arising from the Local Government: Municipal Finance Management Act, 2003, **be noted**.

Executive Summary

The Auditor General has completed the audit of the 2013/2014 financial statements and the Annual Report has been tabled in Council, thus the 'Audited Outcome' for 2013/2014 is reflected in the report.

Revenue by Source

The Year-to-Date actual revenue is 0.56% above the YTD budget projections at the end of March 2015.

Borrowings

The balance of borrowings amounts to R441.1m at the end of March 2015.

Operating expenditure by vote & type

Current expenditure is 0.81% below YTD budget projections as at March 2015.

Capital expenditure

YTD Capital expenditure amounts to R62.47m, or 53.12% of a total adjusted budget of R117.6m. The current capital commitments of orders in progress amounts to R33.7m, giving total capital spend and committed at 81.86% at the end of March 2015.

Cash flows

The municipality started the year with a positive cashbook balance of R63.1 million. The March closing balance is R187.5 million. Refer to Supporting Table SC9 for more details on the cash position.

Allocations received (National & Provincial Grants)

Grants totaling R25.6m were received during March 2015. The grant receipts were for the Equitable Share, Provincial Main road subsidy, FMSG, MIG and Provincial Housing.

Spending on Grants

Spending on grants amounts to R8.03m for March 2015, which includes FMG, CDW, EPWP, MIG, INEP, Provincial library and Housing.

Material variances

The table below summarises variances for projected revenue and expenditure.

WC032 Overstrand - Supporting Table SC1 Material variance explanations - M09 March			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue By Source</u>	0.56%	Not material	
<u>Expenditure By Type</u>	-0.81%	Not material	
<u>Capital Expenditure</u>	4.78%	Capital Commitments = R33.8m	
<u>Financial Position</u>			
In order			
<u>Cash Flow</u>			
In order			

Performance in relation to SDBIP targets

Refer to the comprehensive report to be tabled in Council.

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 - M09 March

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	154 559	12 611	115 652	115 706	(54)	-0%	154 559
Service charges	479 253	525 567	525 567	42 369	393 179	393 151	28	0%	525 567
Investment revenue	6 352	6 166	6 166	897	5 538	5 139	399	8%	6 166
Transfers recognised - operational	67 835	58 407	61 486	14 403	58 320	58 320	-		61 486
Other own revenue	47 302	44 644	62 770	5 469	35 716	32 689	3 027	9%	62 770
Total Revenue (excluding capital transfers and contributions)	736 376	784 474	810 548	75 750	608 405	605 005	3 400	1%	810 548
Employee costs	260 645	280 066	276 217	20 736	199 433	201 408	(1 975)	-1%	276 217
Remuneration of Councillors	7 933	8 516	8 516	647	5 753	6 032	(279)	-5%	8 516
Depreciation & asset impairment	99 361	109 265	105 461	8 788	79 096	79 096	-		105 461
Finance charges	39 927	45 162	44 480	2 239	19 489	19 489	-		44 480
Materials and bulk purchases	170 650	186 739	186 759	12 416	125 535	126 279	(744)	-1%	186 759
Transfers and grants	38 749	41 370	41 668	3 493	31 668	31 668	-		41 668
Other expenditure	214 757	198 469	269 024	20 149	153 933	155 967	(2 034)	-1%	269 024
Total Expenditure	832 022	869 588	932 125	68 469	614 907	619 938	(5 032)	-1%	932 125
Surplus/(Deficit)	(95 646)	(85 115)	(121 577)	7 281	(6 502)	(14 933)	8 431	-56%	(121 577)
Transfers recognised - capital	38 090	34 234	50 301	7 699	32 129	32 129	-		50 301
Contributions & Contributed assets	12 542	2 134	2 051	-	1 000	1 000	-		2 051
Surplus/(Deficit) after capital transfers & contributions	(45 015)	(48 747)	(69 225)	14 980	26 627	18 196	8 431	46%	(69 225)
Surplus/ (Deficit) for the year	(45 015)	(48 747)	(69 225)	14 980	26 627	18 196	8 431	46%	(69 225)
Capital expenditure & funds sources									
Capital expenditure	119 972	97 721	117 587	15 164	62 467	59 617	2 850	5%	117 587
Capital transfers recognised	34 207	35 234	51 301	7 762	32 884	31 600	1 284	4%	51 301
Public contributions & donations	1 199	1 134	1 936	9	64	60	4	6%	1 936
Borrowing	70 634	46 923	48 770	6 396	25 060	23 121	1 939	8%	48 770
Internally generated funds	13 933	14 430	15 582	996	4 458	4 836	(378)	-8%	15 582
Total sources of capital funds	119 972	97 721	117 588	15 164	62 467	59 617	2 850	5%	117 588
Financial position									
Total current assets	175 465	197 146	209 911		296 429				209 911
Total non current assets	3 302 111	3 316 479	3 327 579		3 290 102				3 327 579
Total current liabilities	148 801	153 849	153 113		131 780				153 113
Total non current liabilities	520 970	549 267	593 707		619 226				593 707
Community wealth/Equity	2 807 805	2 810 509	2 790 670		2 835 526				2 790 670
Cash flows									
Net cash from (used) operating	76 616	80 014	101 626	34 409	159 638	148 192	(11 446)	-8%	101 626
Net cash from (used) investing	(130 368)	(103 533)	(123 400)	(15 605)	(67 087)	(67 087)	-		(123 400)
Net cash from (used) financing	32 764	27 163	28 183	(323)	31 876	31 876	-		28 183
Cash/cash equivalents at the month/year end	63 158	88 050	69 568	-	187 586	176 141	(11 446)	-6%	69 568
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	48 016	1 669	995	707	749	667	3 354	15 586	71 743
Creditors Age Analysis									
Total Creditors	9 624	-	-	-	-	-	-	-	9 624

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

WC032 Overstrand - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M09 March

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	232 413	29 391	187 031	171 958	15 073	9%	232 413
Executive and council	42 355	52 442	52 442	14 114	52 306	52 306	–		52 442
Budget and treasury office	150 786	169 095	170 420	14 722	129 411	113 613	15 797	14%	170 420
Corporate services	6 363	9 534	9 551	556	5 314	6 039	(725)	-12%	9 551
<i>Community and public safety</i>	71 418	33 726	73 422	7 955	39 576	44 205	(4 629)	-10%	73 422
Community and social services	2 574	2 402	2 402	243	1 874	1 802	73	4%	2 402
Sport and recreation	11 427	9 565	9 191	447	6 345	6 893	(549)	-8%	9 191
Public safety	28 300	13 184	36 094	1 320	10 973	15 136	(4 163)	-28%	36 094
Housing	29 116	8 576	25 735	5 945	20 384	20 374	11	0%	25 735
<i>Economic and environmental services</i>	30 962	13 939	16 496	945	11 779	10 791	988	9%	16 496
Planning and development	12 853	8 465	8 550	795	7 534	6 156	1 378	22%	8 550
Road transport	17 790	5 397	7 869	149	4 220	4 591	(370)	-8%	7 869
Environmental protection	319	76	76	1	25	44	(20)	-44%	76
<i>Trading services</i>	485 124	542 106	540 568	45 158	403 148	411 179	(8 031)	-2%	540 568
Electricity	270 880	313 388	312 305	21 892	218 573	229 024	(10 451)	-5%	312 305
Water	96 086	96 872	96 872	10 922	82 912	80 727	2 185	3%	96 872
Waste water management	65 091	72 155	71 106	7 605	55 049	55 945	(896)	-2%	71 106
Waste management	53 066	59 691	60 286	4 739	46 614	45 483	1 131	2%	60 286
<i>Other</i>	–	–	–	–	–	–	–		–
Total Revenue - Standard	787 007	820 842	862 900	83 449	641 534	638 134	3 400	1%	862 900
Expenditure - Standard									
<i>Governance and administration</i>	119 512	127 368	124 670	8 997	80 860	82 998	(2 137)	-3%	124 670
Executive and council	71 355	66 867	68 003	5 088	48 667	48 145	523	1%	68 003
Budget and treasury office	23 830	24 503	25 398	1 235	15 841	15 874	(33)	0%	25 398
Corporate services	24 327	35 998	31 269	2 674	16 352	18 979	(2 628)	-14%	31 269
<i>Community and public safety</i>	134 133	113 536	135 146	10 101	79 636	77 417	2 219	3%	135 146
Community and social services	30 255	32 563	32 499	2 515	23 579	22 710	869	4%	32 499
Sport and recreation	18 637	22 245	20 744	1 419	14 487	12 274	2 213	18%	20 744
Public safety	56 923	49 173	71 893	3 870	34 062	36 177	(2 115)	-6%	71 893
Housing	28 318	9 554	10 009	2 296	7 509	6 256	1 253	20%	10 009
<i>Economic and environmental services</i>	130 335	139 514	138 641	9 896	87 223	87 738	(515)	-1%	138 641
Planning and development	30 370	37 314	36 945	2 459	22 906	23 091	(185)	-1%	36 945
Road transport	92 659	95 166	94 492	6 869	59 799	59 845	(46)	0%	94 492
Environmental protection	7 306	7 035	7 204	568	4 518	4 803	(285)	-6%	7 204
<i>Trading services</i>	448 042	489 171	533 668	39 476	367 188	371 786	(4 598)	-1%	533 668
Electricity	247 859	272 386	272 466	19 082	185 253	188 456	(3 203)	-2%	272 466
Water	99 439	93 157	90 979	6 968	59 272	59 895	(623)	-1%	90 979
Waste water management	64 659	67 138	69 170	5 581	48 547	49 207	(659)	-1%	69 170
Waste management	36 085	56 489	101 052	7 845	74 116	74 229	(113)	0%	101 052
<i>Other</i>	–	–	–	–	–	–	–		–
Total Expenditure - Standard	832 022	869 588	932 125	68 469	614 907	619 938	(5 031)	-1%	932 125
Surplus/ (Deficit) for the year	(45 015)	(48 747)	(69 225)	14 980	26 627	18 195	8 432	46%	(69 225)

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) - M09 March

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	14 105	52 164	52 164	-		52 401
Vote 2 - Municipal Manager	-	-	-	-	-	-	-		-
Vote 3 - Management Services	1 286	2 410	1 844	376	654	683	(28)	-4.2%	1 844
Vote 4 - Finance	150 786	169 095	170 420	14 722	129 411	124 578	4 833	3.9%	170 420
Vote 5 - Community Services	276 626	261 822	281 171	30 238	222 201	217 344	4 857	2.2%	281 171
Vote 6 - Local Economic Development	6 431	2 968	2 968	289	2 064	2 079	(15)	-0.7%	2 968
Vote 7 - Infrastructure & Planning	281 304	318 962	318 002	22 399	224 068	226 129	(2 061)	-0.9%	318 002
Vote 8 - Protection Services	28 300	13 184	36 094	1 320	10 973	15 159	(4 186)	-27.6%	36 094
Total Revenue by Vote	787 007	820 842	862 900	83 449	641 534	638 134	3 400	0.5%	862 900
Expenditure by Vote									
Vote 1 - Council	68 239	63 289	64 228	4 964	47 206	47 256	(51)	-0.1%	64 228
Vote 2 - Municipal Manager	1 295	1 003	780	22	352	455	(103)	-22.7%	780
Vote 3 - Management Services	5 492	15 189	13 315	1 034	4 770	5 762	(991)	-17.2%	13 315
Vote 4 - Finance	23 830	24 503	25 398	1 235	15 841	16 439	(598)	-3.6%	25 398
Vote 5 - Community Services	394 516	386 685	380 662	30 444	256 593	256 604	(10)	0.0%	380 662
Vote 6 - Local Economic Development	9 945	11 140	10 915	807	6 958	7 086	(128)	-1.8%	10 915
Vote 7 - Infrastructure & Planning	271 782	318 607	364 933	26 094	249 125	251 761	(2 636)	-1.0%	364 933
Vote 8 - Protection Services	56 923	49 173	71 893	3 870	34 062	34 576	(514)	-1.5%	71 893
Total Expenditure by Vote	832 022	869 588	932 125	68 469	614 907	619 938	(5 031)	-0.8%	932 125
Surplus/ (Deficit) for the year	(45 015)	(48 747)	(69 225)	14 980	26 627	18 196	8 431	46.3%	(69 225)

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) - M09 March

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	153 509	12 550	115 077	115 131	(54)	0%	153 509
Property rates - penalties & collection charges	821	1 050	1 050	61	575	575	-		1 050
Service charges - electricity revenue	268 362	310 085	310 085	21 360	217 292	219 644	(2 352)	-1%	310 085
Service charges - water revenue	95 136	95 897	95 897	10 367	81 863	79 914	1 949	2%	95 897
Service charges - sanitation revenue	62 798	63 455	63 455	5 903	51 546	51 028	518	1%	63 455
Service charges - refuse revenue	52 957	56 130	56 130	4 739	42 478	42 565	(87)	0%	56 130
Rental of facilities and equipment	7 591	7 966	7 966	668	7 459	6 638	820	12%	7 966
Interest earned - external investments	6 352	6 166	6 166	897	5 538	5 139	399	8%	6 166
Interest earned - outstanding debtors	2 118	2 288	2 288	210	1 683	1 716	(33)	-2%	2 288
Fines	22 739	7 965	30 875	867	6 713	6 713	-		30 875
Licences and permits	1 956	2 229	2 229	184	1 504	1 486	18	1%	2 229
Agency services	2 395	2 480	2 480	233	2 133	2 025	108	5%	2 480
Transfers recognised - operational	67 835	58 407	61 486	14 403	58 320	58 320	-		61 486
Other revenue	10 504	21 717	16 933	3 306	16 225	14 111	2 114	15%	16 933
Gains on disposal of PPE			-				-		
contributions)	736 376	784 474	810 548	75 750	608 405	605 005	3 400	1%	810 548
Expenditure By Type									
Employee related costs	260 645	280 066	276 217	20 736	199 433	201 408	(1 975)	-1%	276 217
Remuneration of councillors	7 933	8 516	8 516	647	5 753	6 032	(279)	-5%	8 516
Debt impairment	12 526		22 792				-		22 792
Depreciation & asset impairment	99 361	109 265	105 461	8 788	79 096	79 096	-		105 461
Finance charges	39 927	45 162	44 480	2 239	19 489	19 489	-		44 480
Bulk purchases	157 055	169 444	169 444	11 096	114 196	114 375	(179)	0%	169 444
Other materials	13 595	17 295	17 315	1 320	11 339	11 904	(565)	-5%	17 315
Contracted services	72 754	81 062	81 875	7 165	46 194	46 396	(201)	0%	81 875
Transfers and grants	38 749	41 370	41 668	3 493	31 668	31 668	-		41 668
Other expenditure	117 460	117 407	164 357	12 985	107 739	109 571	(1 832)	-2%	164 357
Loss on disposal of PPE	12 017						-		
Total Expenditure	832 022	869 588	932 125	68 469	614 907	619 938	(5 032)	-1%	932 125
Surplus/(Deficit)	(95 646)	(85 115)	(121 577)	7 281	(6 502)	(14 933)	8 431	-56%	(121 577)
Transfers recognised - capital	38 090	34 234	50 301	7 699	32 129	32 129	-		50 301
Contributions recognised - capital	4 671	2 134	2 051		1 000	1 000	-		2 051
Contributed assets	7 871						-		
Surplus/(Deficit) after capital transfers & Taxation	(45 015)	(48 747)	(69 225)	14 980	26 627	18 196			(69 225)
Surplus/(Deficit) after taxation	(45 015)	(48 747)	(69 225)	14 980	26 627	18 196			(69 225)
Surplus/(Deficit) attributable to municipality	(45 015)	(48 747)	(69 225)	14 980	26 627	18 196			(69 225)
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	(45 015)	(48 747)	(69 225)	14 980	26 627	18 196			(69 225)

The annual revenue budget is approved as 'Revenue by Source'. The Year-to-Date actual revenue is 0.56% above the YTD budget.

Current expenditure is 0.81% below YTD budget projections for March 2015.

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) - M09 March

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	2 534	-	866	1 689	(823)	-49%	2 534
Vote 4 - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	79 428	76 938	95 603	11 238	54 183	51 795	2 388	5%	95 603
Vote 6 - Local Economic Development	-	-	-	-	-	-	-	-	-
Vote 7 - Infrastructure & Planning	38 755	18 235	19 450	3 926	7 417	6 133	1 284	21%	19 450
Vote 8 - Protection Services	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	119 972	97 721	117 587	15 164	62 467	59 617	2 850	5%	117 587
Total Capital Expenditure	119 972	97 721	117 587	15 164	62 467	59 617	2 850	5%	117 587
Capital Expenditure - Standard Classification									
Governance and administration	10 735	16 815	17 776	122	2 046	6 500	(4 454)	-69%	17 776
Executive and council							-		
Budget and treasury office							-		
Corporate services	10 735	16 815	17 776	122	2 046	6 500	(4 454)	-69%	17 776
Community and public safety	19 582	21 205	37 425	6 881	23 141	25 084	(1 943)	-8%	37 425
Community and social services	3 482	5 635	5 595	329	1 767	3 817	(2 049)	-54%	5 595
Sport and recreation	5 696	3 090	2 616		639	1 993	(1 354)	-68%	2 616
Public safety							-		
Housing	10 404	12 480	29 213	6 553	20 735	19 274	1 461	8%	29 213
Health							-		
Economic and environmental services	16 051	5 400	6 300	-	3 841	3 600	241	7%	6 300
Planning and development							-		
Road transport	16 051	5 400	6 300		3 841	3 600	241	7%	6 300
Environmental protection							-		
Trading services	73 605	54 300	56 087	8 160	33 440	24 433	9 007	37%	56 087
Electricity	36 731	17 000	17 000	3 864	6 873	4 500	2 373	53%	17 000
Water	23 631	12 800	16 384	113	11 707	8 653	3 053	35%	16 384
Waste water management	10 202	14 300	13 403	1 552	6 854	5 900	954	16%	13 403
Waste management	3 041	10 200	9 300	2 630	8 006	5 380	2 626	49%	9 300
Total Capital Expenditure - Standard Classification	119 972	97 721	117 588	15 164	62 467	59 617	2 850	5%	117 588
Funded by:									
National Government	21 131	24 174	23 608	1 816	11 888	11 100	788	7%	23 608
Provincial Government	12 996	10 060	26 693	5 947	19 997	19 500	497	3%	26 693
District Municipality							-		
Other transfers and grants	81	1 000	1 000		1 000	1 000	-		1 000
Transfers recognised - capital	34 207	35 234	51 301	7 762	32 884	31 600	1 284	4%	51 301
Public contributions & donations	1 199	1 134	1 936	9	64	60	4	6%	1 936
Borrowing	70 634	46 923	48 770	6 396	25 060	23 121	1 939	8%	48 770
Internally generated funds	13 933	14 430	15 582	996	4 458	4 836	(378)	-8%	15 582
Total Capital Funding	119 972	97 721	117 588	15 164	62 467	59 617	2 850	5%	117 588

Capital expenditure is 4.8% above the YTD budget at March 2015.

Table C6: Monthly Budget Statement - Financial Position
WC032 Overstrand - Table C6 Monthly Budget Statement - Financial Position - M09 March

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	90 815	38 179	90 815
Call investment deposits	–	–	–	149 407	–
Consumer debtors	47 451	52 591	52 591	55 044	52 591
Other debtors	51 704	44 398	55 398	43 175	55 398
Current portion of long-term receivables	15	14	14	14	14
Inventory	13 137	12 092	11 092	10 609	11 092
Total current assets	175 465	197 146	209 911	296 429	209 911
Non current assets					
Long-term receivables	68	57	57	62	57
Investments	16 965	22 207	22 207	21 691	22 207
Investment property	164 501	175 866	164 501	168 801	164 501
Investments in Associate	–	–	–	–	–
Property, plant and equipment	3 111 056	3 072 423	3 135 594	3 094 329	3 135 594
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	5 220	6 426	5 220	5 220	5 220
Other non-current assets	4 301	39 500	–	–	–
Total non current assets	3 302 111	3 316 479	3 327 579	3 290 102	3 327 579
TOTAL ASSETS	3 477 576	3 513 625	3 537 490	3 586 532	3 537 490
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	20 443	25 105	25 064	22 059	25 064
Consumer deposits	37 751	41 321	41 321	41 192	41 321
Trade and other payables	64 943	55 831	50 563	68 529	50 563
Provisions	25 663	31 592	36 166	–	36 166
Total current liabilities	148 801	153 849	153 113	131 780	153 113
Non current liabilities					
Borrowing	392 444	411 766	412 829	419 264	412 829
Provisions	128 527	137 501	180 879	199 962	180 879
Total non current liabilities	520 970	549 267	593 707	619 226	593 707
TOTAL LIABILITIES	669 772	703 116	746 820	751 006	746 820
NET ASSETS	2 807 805	2 810 509	2 790 670	2 835 526	2 790 670
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	2 805 240	2 808 575	2 788 097	2 832 956	2 788 097
Reserves	2 565	1 934	2 573	2 570	2 573
TOTAL COMMUNITY WEALTH/EQUITY	2 807 805	2 810 509	2 790 670	2 835 526	2 790 670

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 - M09 March

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	741 637	63 777	544 893	542 940	1 953	0%	741 637
Government - operating	63 477	58 407	61 486	14 403	58 320	58 320	-		61 486
Government - capital	38 090	36 368	52 352	7 699	33 129	33 129	-		52 352
Interest	8 470	8 454	8 454	1 107	7 221	7 221	-		8 454
Dividends							-		
Payments									
Suppliers and employees	(637 833)	(653 525)	(676 155)	(46 845)	(432 768)	(442 262)	(9 493)	2%	(676 155)
Finance charges	(39 858)	(45 162)	(44 480)	(2 239)	(19 489)	(19 489)	-		(44 480)
Transfers and Grants	(38 749)	(41 370)	(41 668)	(3 493)	(31 668)	(31 668)	-		(41 668)
NET CASH FROM/(USED) OPERATING ACTIVITIES	76 616	80 014	101 626	34 409	159 638	148 192	(11 446)	-8%	101 626
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	0	7	7	-		15
Decrease (increase) in non-current investments	(4 529)	(5 827)	(5 827)	(540)	(4 726)	(4 726)	-		(5 827)
Payments									
Capital assets	(130 930)	(97 721)	(117 588)	(15 065)	(62 368)	(62 368)	-		(117 588)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(130 368)	(103 533)	(123 400)	(15 605)	(67 087)	(67 087)	-		(123 400)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	(730)	5 520	6 541	165	165	165	-		6 541
Borrowing long term/refinancing	51 300	40 000	40 000	-	40 000	40 000	-		40 000
Increase (decrease) in consumer deposits	2 819	2 703	2 703	281	3 441	3 441	-		2 703
Payments									
Repayment of borrowing	(20 626)	(21 061)	(21 061)	(770)	(11 729)	(11 729)	-		(21 061)
NET CASH FROM/(USED) FINANCING ACTIVITIES	32 764	27 163	28 183	(323)	31 876	31 876	-		28 183
NET INCREASE/ (DECREASE) IN CASH HELD	(20 989)	3 644	6 409	18 481	124 428	112 982			6 409
Cash/cash equivalents at beginning:	84 147	84 406	63 158		63 158	63 158			63 158
Cash/cash equivalents at month/year end:	63 158	88 050	69 568		187 586	176 141			69 568

Table C7 balances to the current Cash balance, shown in the 'YTD actual' column, which is R187.5 million.

The municipality started the year with a positive cashbook balance of R63.1 million. The March closing balance is R R187.5 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 - M09 March

Description	Budget Year 2014/15											
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Budget	May Budget	June Budget
R thousands												
Cash Receipts By Source												
Property rates	9 003	8 379	8 158	8 671	9 522	10 921	10 887	14 177	13 727			54 810
Property rates - penalties & collection charges	62	63	61	81	63	60	63	61	61			475
Service charges - electricity revenue	25 001	27 340	27 658	24 003	22 447	22 705	22 632	22 735	22 156			92 606
Service charges - water revenue	9 288	11 928	11 744	11 690	11 222	10 711	11 061	10 044	11 017			(3 056)
Service charges - sanitation revenue	4 675	5 264	5 004	5 252	5 286	6 027	6 295	6 268	6 468			12 751
Service charges - refuse	4 359	4 714	4 641	4 800	4 609	4 708	4 651	4 600	4 996			13 906
Rental of facilities and equipment	662	593	495	729	661	2 089	878	630	654			554
Interest earned - external investments	349	372	654	648	620	666	638	693	897			628
Interest earned - outstanding debtors	179	187	180	192	184	181	180	190	210			605
Fines	750	666	769	811	863	699	675	614	867			1 252
Licences and permits	184	159	176	156	154	143	177	169	184			725
Agency services	253	223	229	239	230	230	246	249	233			347
Transfer receipts - operating	20 617	518	568	1 353	18 426	1 549	607	279	14 403			87
Other revenue	5 490	2 308	5 612	1 237	760	2 399	2 061	1 853	3 412			(2 421)
Cash Receipts by Source	80 874	62 714	65 949	59 862	75 048	63 088	61 052	62 561	79 287	-	-	173 269
Other Cash Flows by Source												
Transfer receipts - capital	-	-	1 568	2 754	4 118	8 593	1 075	7 323	7 699			1 105
Contributions & Contributed assets												2 134
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-			-
Borrowing long term/refinancing								40 000	-			-
Increase in consumer deposits	1 976	35	293	125	402	116	33	178	281			(738)
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-			-
Receipt of non-current receivables	0	0	0	0	0	6	0	0	0			8
Change in non-current investments	(483)	(461)	(483)	(384)	(541)	(415)	(897)	(521)	(540)			(1 102)
Total Cash Receipts by Source	82 367	62 288	67 327	62 357	79 027	71 389	61 263	109 541	86 892	-	-	180 032
Cash Payments by Type												
Employee related costs	17 618	19 612	19 235	19 888	30 766	21 546	21 737	20 430	19 741			85 660
Remuneration of councillors	665	665	644	590	583	652	660	647	647			2 763
Interest paid	131	-	1 147	4 171	1 323	8 813	1 666	-	2 239			25 674
Bulk purchases - Electricity	2 871	19 612	19 716	12 716	11 135	12 257	12 818	11 975	11 096			55 248
Bulk purchases - Water & Sewer												-
Other materials	637	801	963	1 915	1 636	1 335	1 478	1 254	1 320			5 956
Contracted services	1 153	5 174	4 882	5 876	5 746	7 067	3 982	5 150	7 165			34 868
Grants and subsidies paid - other municipalities												-
Grants and subsidies paid - other	3 380	3 446	3 478	3 723	3 523	3 571	3 534	3 519	3 493			9 702
General expenses	17 319	(5 199)	4 140	16 158	5 580	10 626	3 518	5 695	6 876			36 262
Cash Payments by Type	43 775	44 111	54 206	65 036	60 292	65 866	49 393	48 670	52 577	-	-	256 132
Other Cash Flows/Payments by Type												
Capital assets	-	2 668	5 907	5 597	8 111	15 052	671	9 297	15 065			35 353
Repayment of borrowing	978	-	678	4 408	965	2 928	1 002	-	770			9 332
Total Cash Payments by Type	44 754	46 779	60 792	75 041	69 369	83 846	51 066	57 966	68 411	-	-	300 816
NET INCREASE/(DECREASE) IN CASH HELD	37 614	15 509	6 535	(12 684)	9 658	(12 457)	10 197	51 575	18 481	-	-	(120 784)
Cash/cash equivalents at the month/year end	63 158	100 772	116 281	122 817	110 133	119 791	107 333	117 531	169 105	187 586	187 586	187 586
Cash/cash equivalents at the month/year end	100 772	116 281	122 817	110 133	119 791	107 333	117 531	169 105	187 586	187 586	187 586	66 802

This supporting table gives details of information summarised in Table C7.