

CAPE WINELANDS DISTRICT MUNICIPALITY



**SCHEDULE B
ADJUSTMENTS
BUDGET 2014/2015**

CAPE WINELANDS DISTRICT
TABLE OF CONTENTS
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PART 1

- A. Mayor's Report
- B. Resolutions
- C. Executive Summary
- D. Adjustments Budget Tables (Budget and Reporting Regulations -- Schedule B)

PART 2

- A. Adjustments to budget assumptions
- B. Adjustments to budget funding
- C. Adjustments to expenditure on allocations and grant programmes
- D. Adjustments to allocations and grants made by the municipality
- E. Adjustments to councillor allowances and employee benefits
- F. Adjustments to service delivery and budget implementation plan
- G. Adjustments to capital expenditure
- H. Other Supporting
- I. Quality Certificate

PART 1

A: Mayors Report

The Cape Winelands District Municipality is mainly reliant on grant funding as a result of the abolishment of RSC Levies, which replacement source is known as the RSC Levies Replacement Grant. In addition, National Treasury decreased the Equitable Share allocation to the District Municipality with 18.8% over the 2014/2015 to 2016/2017 period and the percentage growth of the said RSC Levies Replacement Grant reflects only 3%.

Both the monthly and quarterly reports for December 2014 indicate that the expenditure level as at 31 December was 37% (excluding commitments), which can be regarded as acceptable, considering that compared to the previous financial year. Most of the expenditure, including employee benefit provisions and depreciation, usually occurs in the second half of the year.

The adjustments as presented in the relevant formats relate to additional Provincial grant funding, an increase in Interest Received, savings identified various virements. The Municipality is committed to fully comply with the MFMA and the requirements as set out in circulars issued by National Treasury; hence management identified savings which resulted into a budget surplus of R9 584 250.

The Task job evaluation process was also completed in the first half of the 2014/2015 financial year and could also be implemented due to sufficient savings on the Employee Costs on the 2014/2015 to 2016/2017 Medium Term Revenue and Expenditure Framework (MTREF).

Taking into account all the above, I therefore recommend together with the Mayoral Committee that council approve the adjustments as well as the concomitant amendments to the relevant service delivery targets and performance indicators in the service delivery and budget implementation plan.

B: RESOLUTIONS

The resolution with regard to the approval of the budget will be submitted with the submission of the 2014/2015 Adjustments Budget.

C: EXECUTIVE SUMMARY

The table below is a high-level summary of the changes proposed by this adjustments budget.

	2014/2015 Original Budget	Adjustments	2014/2015 Adjusted Budget
Salaries, Wages & Allowances	183 599 363	4 153 483	179 445 880
General Expenses	98 855 623	1 295 658	97 559 965
Repair & Maintenance	33 986 450	-1 859 615	35 846 065
Contribution to Funds & Provisions Projects	9 080 484	3 257 934	5 822 550
Departmental Charges	40 792 570	15 759 090	25 033 480
Departmental Recoveries	52 005 941	1 403 921	50 602 020
Expenditure	-52 005 941	-1 403 921	-50 602 020
	366 314 490	22 606 550	343 707 940
General Income	-30 228 730	3 477 940	-33 706 670
Contributions Received	-327 560 404	-7 974 884	-319 585 520
Income	-357 789 134	-4 496 944	-353 292 190
Deficit/(Surplus)	8 525 356	18 109 606	-9 584 250

D: ADJUSTMENT BUDGET TABLES

In accordance with the Budget and Reporting Regulations the following compulsory schedules are attached, reflecting the composition and detail of the above mentioned amounts.

Adjustments Budget Summary

Table B1

Adjustments Budgeted Financial Performance

Table B2

(Revenue and Expenditure by standard classification)

Adjustments Budgeted Financial Performance
(Revenue and Expenditure by Municipal Vote)

Table B3

Adjustments Budgeted Financial Performance
(Revenue and Expenditure)

Table B4

Adjustments Budgeted Capital Expenditure by vote and funding,

Table B5

Adjustments Budgeted Financial Position

Table B6

Adjustments Budgeted Cash flows

Table B7

Cash backed reserves/accumulated surplus reconciliation

Table B8

Asset Management

Table B9

Basic Service Delivery Measurement

Table B10

(Completion of this table is not applicable in view thereof that the District Municipality does not provide basic services; hence no information is available)

PART 2

A: ADJUSTMENTS TO BUDGET ASSUMPTIONS

No adjustments were made to the budget assumptions presented in the annual budget.

B: ADJUSTMENTS TO BUDGET FUNDING

The proposed adjustments will be funded as follows:

Operating Expenditure:

Additional DORA allocations

R 1 325 000

Approved Roll Overs: Finance Management Grant

R 1 078 564

Additional Interest on Investments

R 4 500 000

Capital Expenditure:

Funding from the Capital Replacement Reserve decreased with

R6 475 725

Funding from the Provincial Government Roads Department decreased with

R 247 999

C: ADJUSTMENTS TO EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

The planned expenditure of allocations and grants received will be adjusted as follows:

Grant	Original Budget 2014/2015	Adjustment	Adjusted Budget 2014/2015
NT: Finance Management	R1 650 000	R678 564	R2 328 564
Public Transport	R2 735 967	(R2 407 020)	R 328 947
Prov.: Fin. Man. Support	R 618 000	R1 007 000	R1 625 000

D: ADJUSTMENTS TO ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

No adjustments were made to –
Grants made by the municipality

E: ADJUSTMENTS TO COUNCILOR ALLOWANCES AND EMPLOYEE BENEFITS

No adjustments were made to councilor allowances and employee benefits

F: ADJUSTMENTS TO SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Details with regard to adjustments to the quarterly service delivery targets and performance indicators will be submitted to Council in a separate annexure.

G: ADJUSTMENTS TO CAPITAL EXPENDITURE

The existing incident command vehicle will be used by both the Fire Services and Disaster Management, leading to a saving of R2 950 000 on the Capital Budget. Further savings on the Capital budget to the amount of R3 823 724 were mainly due to the following:

- A saving of R360 000: Two sedan vehicles are not going to be bought due to the implementation of Task and improved transport allowances to officials

- A saving of R687 000: Building alterations to fire stations are postponed
- A saving of R760 000: The replacement of the tarred surfaces at the fire station in Drukkerslaan and Nieuwedrift are going to be done in 2015/2016,

hence the Capital Budget will decrease from R12 491 243 to R5 767 519. See Annexure "D" for detail.

N: OTHER SUPPORTING DOCUMENTS

Additional information/schedules in accordance with the budget and reporting regulations:

- SB1 - Supporting detail to Budgeted Financial Performance
- SB2 - Supporting detail to Budgeted Financial Position
- SB3 - Adjustments to the SDBIP – performance objectives (will be submitted to council)
- SB4 - Adjustments to budgeted performance indicators and benchmarks
- SB5 - Adjustments Budget –Social, economic and demographic statistics and assumptions
- SB6 - Adjustments Budget - Funding measurement
- SB7 - Adjustments Budget - Transfers and grant receipts
- SB8 - Adjustments Budget – expenditure on transfers and grant programme
- SB9 - Adjustments Budget – reconciliation of transfers grant receipts, and unspent funds
- SB10 - Adjustments Budget – transfers and grants made by the municipality
- SB11 - Adjustments Budget – councillor and staff benefits
- SB12 - Adjustments Budgeted - monthly revenue and expenditure (municipal vote)
- SB13 - Adjustments Budgeted - monthly revenue and expenditure (standard classification)
- SB14 - Adjustments Budgeted - monthly revenue and expenditure
- SB15 - Adjustments Budget – monthly cash flow
- SB16 - Adjustments Budget monthly capital expenditure (municipal vote)
- SB17 - Adjustments Budget – monthly Capital expenditure (standard classification)

- SB18a - Adjustments Budget – capital expenditure on new assets by asset class
- SB18b - Adjustments Budget – capital expenditure on renewal of existing assets by asset class
- SB18c - Adjustments Budget – expenditure on repairs and maintenance by asset
- SB18d - Adjustments Budget – depreciation by asset class
- SB19 - List of capital programmes and projects affected by adjustments Budget
- SB20 - Not required

O: QUALITY CERTIFICATE

I, M. N. G. R. Municipal Manager of Cape Winelands District Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name:

Municipal Manager of Cape Winelands District Municipality

Signature _____



Date 16/2/2015