



Nama Khoi Municipality

16 April 2015

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 March 2015 (MONTHLY BUDGET STATEMENT) – 2014/2015 FINANCIAL YEAR**

1. PURPOSE

To comply with section 71 of the MFMA, by providing a monthly statement on the implementation of the budget and financial state of affairs of the municipality to the Council, as legislated.

2. STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.

For the reporting period ending 31 March 2015, ten working days reporting limit expires on 16 April 2015.

3. QUERIES AND SUGGESTIONS

***The financial services division will appreciate if all queries and suggestions can be address to the Chief Financial Officer in writing**

4. REPORT FOR THE PERIOD ENDING 31 March 2015

This report is based upon financial information, as at 31 March 2015 and available at the time of preparation.

The financial results for the period ended 31 March 2015 are summarised as follows:

Statement of Financial Performance (SFP) (Annexure B – TABLE C4)

. The summary report indicates the following

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NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March							
Description	Budget Year 2014/15						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue By Source							
Property rates	32 343 145	35 000 000	64 534	34 527 135	34 683 790	-156 655	99.55%
Service charges - electricity revenue	67 377 952	67 218 707	4 584 046	45 169 837	48 348 057	-3 178 219	93.43%
Service charges - water revenue	32 502 068	31 802 323	2 345 406	19 830 545	21 538 295	-1 707 750	92.07%
Service charges - sanitation revenue	9 170 014	9 170 014	758 800	6 872 305	6 893 475	-21 170	99.69%
Service charges - refuse revenue	10 957 065	10 973 702	779 326	7 032 002	7 681 715	-649 713	91.54%
Service charges - other	-	-	65 496	594 201	276 590	317 611	214.83%
Rental of facilities and equipment	2 001 898	546 927	74 496	466 853	406 985	59 868	114.71%
Interest earned - external investments	624 300	1 265 992	12 328	965 877	980 579	-14 702	98.50%
Interest earned - outstanding debtors	3 370 677	2 822 861	383 957	3 201 917	2 590 665	611 252	123.59%
Fines	273 406	72 913	643	124 916	95 218	29 698	131.19%
Licences and permits	1 171 613	1 171 613	101 550	961 645	928 069	33 576	103.62%
Agency services	1 272 027	1 044 573	166 251	860 741	802 297	58 443	107.28%
Transfers recognised - operational	40 346 000	74 142 640	-	28 269 560	46 618 792	-18 349 232	60.64%
Other revenue	6 641 655	2 052 593	73 979	581 755	1 068 380	-486 624	54.45%
Gains on disposal of PPE	5 500 000	6 000 000	-	-	2 400 000	-2 400 000	0.00%
Total Revenue (excluding capital transfers and grants)	213 551 820	243 284 859	9 410 813	149 459 290	175 312 907	-25 853 617	85.25%
Expenditure By Type							
Employee related costs	65 563 255	64 403 390	4 863 423	48 385 204	48 803 702	-418 498	99.14%
Remuneration of councillors	4 926 587	4 433 734	371 451	3 307 221	3 310 544	-3 323	99.90%
Debt impairment	3 764 020	3 764 020	-	-	1 505 608	-1 505 608	0.00%
Depreciation & asset impairment	5 419 667	5 419 667	-	-	2 167 867	-2 167 867	0.00%
Finance charges	1 731 550	167 718	44 550	172 301	167 433	4 868	102.91%
Bulk purchases	84 833 077	84 833 077	6 164 764	59 004 847	62 170 214	-3 165 367	94.91%
Other materials	8 938 204	9 326 267	398 518	5 496 381	6 286 388	-790 007	87.43%
Contracted services	994 365	1 572 268	15 250	1 233 445	1 241 582	-8 137	99.34%
Transfers and grants	-	-	62 370	482 400	215 487	266 913	223.87%
Other expenditure	33 624 234	69 240 213	6 803 351	51 557 144	49 225 946	2 331 198	104.74%
Total Expenditure	209 794 960	243 160 356	18 723 676	169 638 942	175 094 769	-5 455 827	96.88%
Surplus/(Deficit)	3 756 860	124 503	-9 312 863	-20 179 652	218 138		

Explanations on table

***Please note the following:**

YearTD – refers to Year-to-date (July 2014– March 2015)

Variance – refers the difference between actual versus budget

- Revenue – a negative value illustrate the municipality billed less than what was budget.
- Expenditure – a negative value illustrate the municipality spent less than what was budget.

Variances

The Major revenue variances against the budget are:

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Please note YTD variance % is as follows: fewer than 100% variance illustrate less revenue was billed over 100% variance illustrate the more revenue was billed.

Property Rates has been adjusted with the previous six months figures as a benchmark for the rest of the year.

Service charges monthly budgets have been restructured with the previous six months use as a benchmark.

Rental, interest, license and permits and agency fees were restructured using the previous six months as basis.

Grants – All grants needs to move from grant votes to income votes, the municipality did not receive the last allocation of equitable share.

Other Revenue – Monthly budget was restructured and adjusted was made.

The major expenditure variances against budget are:

Employee related cost – the variance are less than 1%

Remuneration of councillors – the variance are less than 1%

Finance charges – calculation was made monthly and the payment are quarterly.

Bulk purchases the variance are 5.09%

Other materials – the variance are 12.57%, the ability to do repairs are link to the financial ability of the month.

Contract service – the variance are less than 1%.

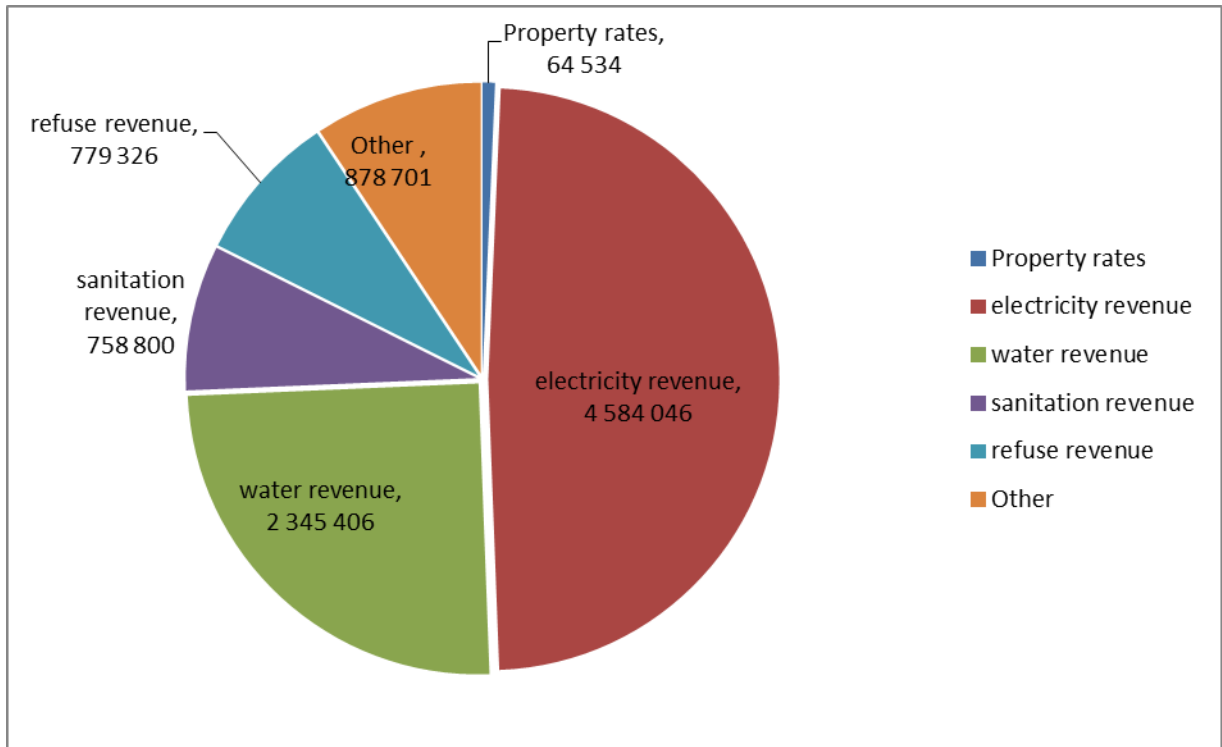
Other expenditure – Each department should investigate their budgets and start to curb expenditure of the municipality. Managers as well as their office assistants needs to familiarise themselves with the financial system which wil assist them to manage their budgets accordingly.

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue) - M09 March							
Description	Budget Year 2014/15						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue By Source							
Property rates	32 343 145	35 000 000	64 534	34 527 135	34 683 790	-156 655	99.55%
Service charges - electricity revenue	67 377 952	67 218 707	4 584 046	45 169 837	48 348 057	-3 178 219	93.43%
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Licences and permits	1 171 613	1 171 613	101 550	961 645	928 069	33 576	103.62%
Agency services	1 272 027	1 044 573	166 251	860 741	802 297	58 443	107.28%
Transfers recognised - operational	40 346 000	74 142 640	-	28 269 560	46 618 792	-18 349 232	60.64%
Other revenue	6 641 655	2 052 593	73 979	581 755	1 068 380	-486 624	54.45%
Gains on disposal of PPE	5 500 000	6 000 000	-	-	2 400 000	-2 400 000	0.00%
Total Revenue (excluding capital transfers and contributions)	213 551 820	243 284 859	9 410 813	149 459 290	175 312 907	-25 853 617	85.25%

*Please note a percentage of over 100% illustrate that the municipality billed more than what was budget and less than 100 % illustrate the municipality billed less than what was budgeted.

CHART 1

The following chart shows the revenue by source for the month of February in terms of revenue as a percentage of total revenue.

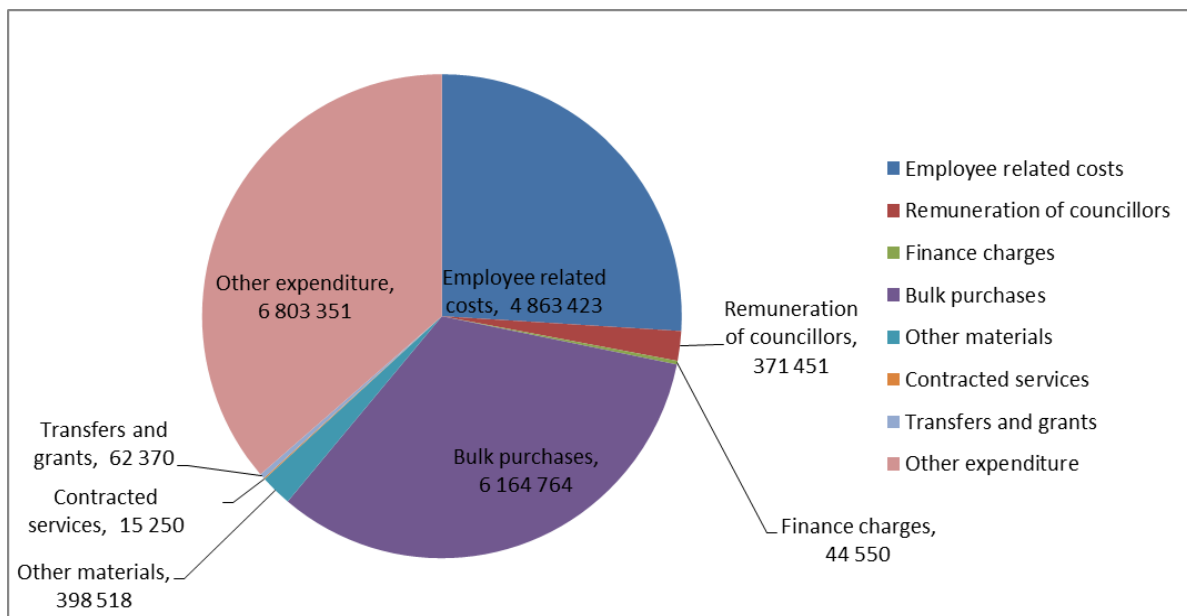


Expenditure By Type	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Employee related costs	65 563 255	64 403 390	4 863 423	48 385 204	48 803 702	-418 498	99.14%
Remuneration of councillors	4 926 587	4 433 734	371 451	3 307 221	3 310 544	-3 323	99.90%
Debt impairment	3 764 020	3 764 020	-	-	1 505 608	-1 505 608	0.00%
Depreciation & asset impairment	5 419 667	5 419 667	-	-	2 167 867	-2 167 867	0.00%
Finance charges	1 731 550	167 718	44 550	172 301	167 433	4 868	102.91%
Bulk purchases	84 833 077	84 833 077	6 164 764	59 004 847	62 170 214	-3 165 367	94.91%
Other materials	8 938 204	9 326 267	398 518	5 496 381	6 286 388	-790 007	87.43%
Contracted services	994 365	1 572 268	15 250	1 233 445	1 241 582	-8 137	99.34%
Transfers and grants	-	-	62 370	482 400	215 487	266 913	223.87%
Other expenditure	33 624 234	69 240 213	6 803 351	51 557 144	49 225 946	2 331 198	104.74%
Total Expenditure	209 794 960	243 160 356	18 723 676	169 638 942	175 094 769	-5 455 827	96.88%

*Please note a percentage of over 100% means that the municipality spent more than what was budgeted and less than 100 % means the municipality spent less than what was budgeted.

CHART 2

The following chart shows the expenditure by type in terms of expenditure at a percentage of total expenditure, Chart as per information above



The table below indicates revenue and expenditure by vote

Annexure B – Table C3

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March							
Vote Description	Budget Year 2014/15		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
	Original Budget	Adjusted Budget					
Revenue by Vote							
Vote 1 - Municipal Manager	5 318 679	39 116 779	25 629	249 411	18 666 353	-18 416 942	1%
Vote 2 - Financial Services	60 014 936	62 360 382	474 319	67 079 592	61 398 564	5 681 028	109%
Vote 3 - Corporate Services	6 727 215	5 339 719	73 178	260 095	2 171 987	-1 911 892	12%
Vote 4 - Community Services: Community Development	21 484 133	16 715 043	865 294	8 061 043	11 711 975	-3 650 932	69%
Vote 5 - Community Services: Public Safety	2 711 541	2 288 844	281 067	1 831 944	1 676 126	155 818	109%
Vote 6 - Electrical Engineering Services	69 629 260	69 470 015	4 584 046	45 239 887	47 692 336	-2 452 449	95%
Vote 7 - Infrastructure, Engineering & Technical Services	47 666 056	47 994 077	3 107 279	26 737 319	31 395 722	-4 658 403	85%
Total Revenue by Vote	213 551 820	243 284 860	9 410 812	149 459 291	174 713 063	-25 253 772	86%
Expenditure by Vote							
Vote 1 - Municipal Manager	21 845 947	47 843 880	6 076 029	32 430 810	31 403 542	1 027 268	103%
Vote 2 - Financial Services	29 297 857	29 426 218	1 732 078	25 224 546	19 148 050	6 076 496	132%
Vote 3 - Corporate Services	13 154 123	14 171 621	1 110 973	11 667 419	11 135 247	532 172	105%
Vote 4 - Community Services: Community Development	17 513 618	18 444 162	987 795	9 962 187	12 095 883	-2 133 696	82%
Vote 5 - Community Services: Public Safety	6 491 700	6 414 091	468 662	4 703 917	4 821 998	-118 081	98%
Vote 6 - Electrical Engineering Services	62 345 639	64 290 081	4 521 789	48 406 516	48 176 289	230 227	100%
Vote 7 - Infrastructure, Engineering & Technical Services	59 146 076	62 570 303	3 826 349	37 243 548	42 958 767	-5 715 219	87%
Total Expenditure by Vote	209 794 960	243 160 355	18 723 675	169 638 943	169 739 776	-100 833	100%
Surplus / (Deficit)	3 756 860	124 504	-9 312 863	-20 179 652	4 973 287		

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue by municipal vote) - M09 March							
Vote Description	Budget Year 2014/15						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue by Vote							
Vote 1 - Municipal Manager	5 318 679	39 116 779	25 629	249 411	18 666 353	-18 416 942	1%
Vote 2 - Financial Services	60 014 936	62 360 382	474 319	67 079 592	61 398 564	5 681 028	109%
Vote 3 - Corporate Services	6 727 215	5 339 719	73 178	260 095	2 171 987	-1 911 892	12%
Vote 4 - Community Services: Community Development	21 484 133	16 715 043	865 294	8 061 043	11 711 975	-3 650 932	69%
Vote 5 - Community Services: Public Safety	2 711 541	2 288 844	281 067	1 831 944	1 676 126	155 818	109%
Vote 6 - Electrical Engineering Services	69 629 260	69 470 015	4 584 046	45 239 887	47 692 336	-2 452 449	95%
Vote 7 - Infrastructure, Engineering & Technical Services	47 666 056	47 994 077	3 107 279	26 737 319	31 395 722	-4 658 403	85%
Total Revenue by Vote	213 551 820	243 284 860	9 410 812	149 459 291	174 713 063	-25 253 772	86%

Reasons for Variances

- **A variance of above 100% illustrate the municipality billed more revenue than what was budgeted and vice versa.**

Municipal manager – Housing grant needs to be move from grant vote to the income.

Financial Services – Equitable share needs to be moved to service departments which will be done at year end.

Corporate Services – Municipality restructured the sale of land and standings in the adjusted budget with the R 5000 000 projected into equal months; no income has been receive thus far for the sale of land and standings.

Community development- Equitable share needs to be moved to service departments which will be done at year end.

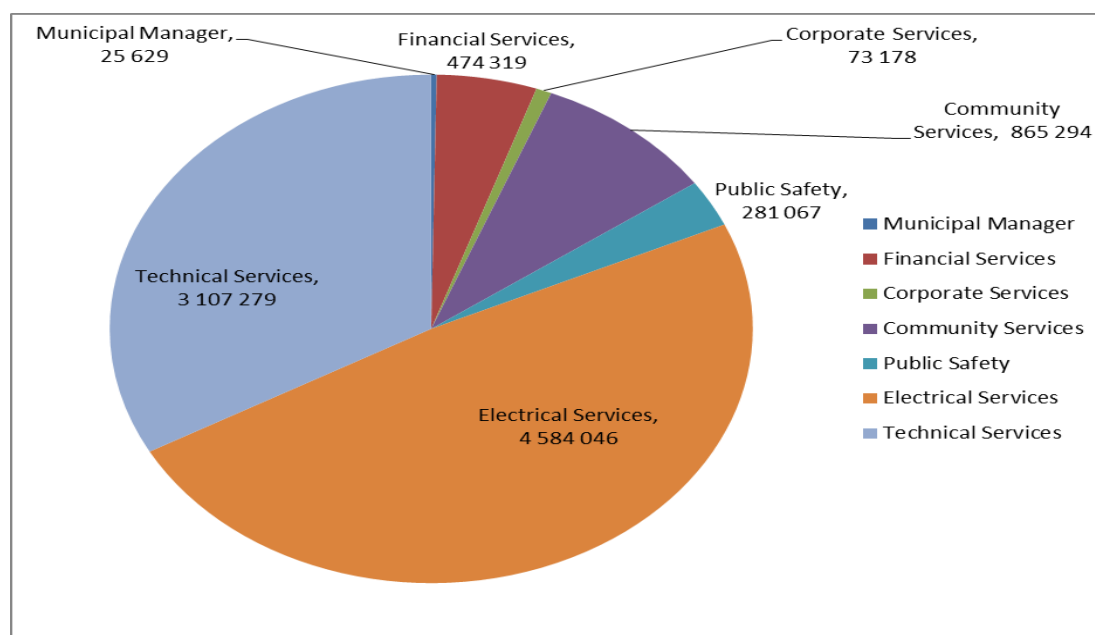
Public safety – The department made more revenue for the period July to March than what was budget.

Electrical Engineering Services – The variance is only 5%

Infrastructure, Engineering & Technical Services - The department variance of 15% adds to the municipality problem of collecting revenue to maintain service delivery and adhere to its other responsibilities.

CHART 3

The following chart shows the revenue by vote for March.



Expenditure by Vote	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Vote 1 - Municipal Manager	21 845 947	47 843 880	6 076 029	32 430 810	31 403 542	1 027 268	103%
Vote 2 - Financial Services	29 297 857	29 426 218	1 732 078	25 224 546	19 148 050	6 076 496	132%
Vote 3 - Corporate Services	13 154 123	14 171 621	1 110 973	11 667 419	11 135 247	532 172	105%
Vote 4 - Community Services: Community Development	17 513 618	18 444 162	987 795	9 962 187	12 095 883	-2 133 696	82%
Vote 5 - Community Services: Public Safety	6 491 700	6 414 091	468 662	4 703 917	4 821 998	-118 081	98%
Vote 6 - Electrical Engineering Services	62 345 639	64 290 081	4 521 789	48 406 516	48 176 289	230 227	100%
Vote 7 - Infrastructure, Engineering & Technical Services	59 146 076	62 570 303	3 826 349	37 243 548	42 958 767	-5 715 219	87%
Total Expenditure by Vote	209 794 960	243 160 355	18 723 675	169 638 943	169 739 776	-100 833	100%

Reasons for variances

- A variance of above 100% illustrate that municipality spend more than what was budgeted and vice versa

Municipal Manager- The variance is only 3%.

Financial services – Free basic services was captured under revenue foregone. Movement of this expenditure can be made at year-end.

Corporate services –.The variance is only 5%

Community Development – Free basic services was captured under revenue foregone. Movement of this expenditure can be made at year-end.

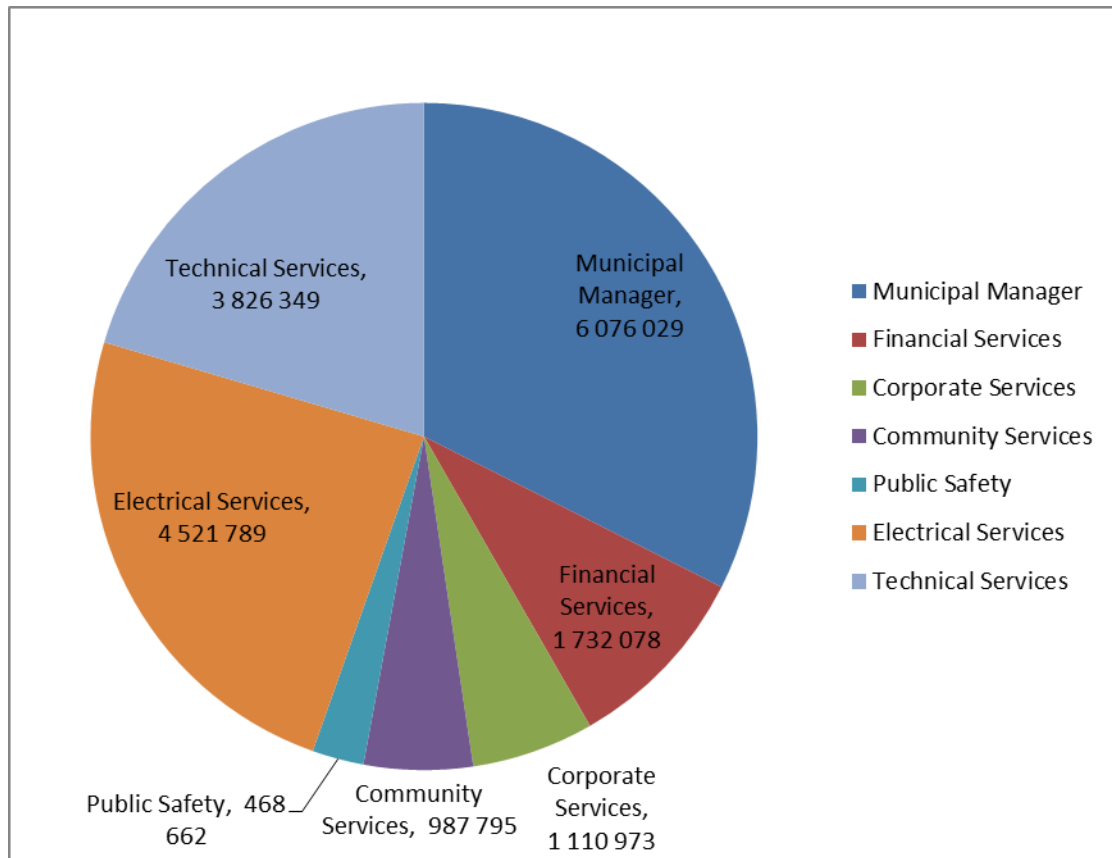
Public safety – The variance is only 2%

Electrical Engineering Services - The variance is less than 1%

Infrastructure, Engineering & Technical Services – Free basic services was captured under revenue foregone. Movement of this expenditure can be made at year-end.

CHART 4

The following chart shows the expenditure by vote for March 2015.



Capital expenditure report (Annexure B – Table C5)

The Capital expenditure report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

Capital Expenditure 31 March 2015							
Vote Description	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Capital Expenditure - Standard Classification							
Executive and council			5 058	5 058		5 058	
Sport and recreation	3 400 000	3 078 374		171 856	1 334 464	-1 162 608	12.88%
Public safety				25 860		25 860	
Road transport	10 579 000	19 204 892	822 930	3 841 397	8 685 070	-4 843 673	44.23%
Electricity	1 000 000	1 000 000	-	874 817	1 000 000	-125 183	87.48%
Water		100 913	-	-	219 170	-219 170	0.00%
Waste water management	2 000 000	8 094 821	127 523	1 489 972	4 045 528	-2 555 556	36.83%
Total Capital Expenditure - Standard Classification	16 979 000	31 479 000	955 511	6 408 960	15 284 232	-8 875 272	41.93%
Funded by:							
National Government	16 979 000	31 479 000	950 453	6 403 902	15 284 232	-8 880 330	41.90%
District Municipality			5 058	5 058		5 058	
Total Capital Funding	16 979 000	31 479 000	955 511	6 408 960	15 284 232	-8 875 272	41.93%

Capital expenditure for the month of March 2015 was R955 511 with the total expenditure to date R6 408 960 for the year. During the adjusted budget the rollover amount of R14 500 000 was added to the capital budget. Monthly capital expenditure needs to pick up in the last three months to achieve the planned expenditure for the year. Proper planning and execution of projects must be done to ensure National Grants are spent within the time period.

CASH FLOW STATEMENT AT 31 March 2015

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M09 March											
Description	Ref	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			158 916	151 101	26 513	163 292	147 919	15 373	10%		
Government - operating			40 346	74 143	1 067	53 901	57 608	(3 706)	-6%		
Government - capital			16 979	32 479	7 879	13 979	16 652	(2 673)	-16%		
Interest			3 795	3 884	583	3 816	3 252	564	17%		
Dividends			-	-	-	-	-	-			
Payments											
Suppliers and employees			(198 326)	(233 809)	(32 020)	(225 868)	(210 987)	14 881	-7%		
Finance charges			(207)	(207)	(45)	(212)	(212)	(1)	0%		
Transfers and Grants			-	-	-	-	-	-			
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	21 503	27 591	3 977	8 909	14 231	(5 322)	-37%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			5 719	6 000	-	-	-	-			
Decrease (Increase) in non-current debtors			-	-	-	-	-	-			
Decrease (increase) other non-current receivables			-	-	-	-	-	-			
Decrease (increase) in non-current investments			-	-	-	-	-	-			
Payments											
Capital assets			(16 979)	(29 172)	(260)	(4 769)	(13 653)	(8 884)	65%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(11 260)	(23 172)	(260)	(4 769)	(13 653)	(8 884)	65%	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans			-	-	-	-	-	-			
Borrowing long term/refinancing			-	-	-	-	-	-			
Increase (decrease) in consumer deposits			-	-	-	-	-	-			
Payments											
Repayment of borrowing			(1 525)	(1 525)	(273)	(1 625)	(1 625)	-			
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	(1 525)	(1 525)	(273)	(1 625)	(1 625)	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD			-	8 718	2 894	3 445	2 515	(1 047)		-	
Cash/cash equivalents at beginning:			4 948	4 948		4 948	4 948			4 948	
Cash/cash equivalents at month/year end:			-	13 666	7 842		7 463	3 901		4 948	

The cash flow statement shows that the municipality had a balance of R7 462 720 in the primary bank account and the year-to-date budget shows the municipality budget for a balance of R3 900 702, the difference can be as results as to how the municipality move cash between the call accounts and the primary account

The cash flow statement gives the indication as to what actual funds is available, more emphasise need put on the cash flow statement by management to control the position of the municipality and avoid the municipality having cash flow problems. Collection rates of service charges needs to be taken in consideration as it have a direct impact on moneys collected. Moneys collected from service charges needs to be more than the than the expenditure incurred for delivering the service to maintain sustainability. Although the municipality had a positive bank balance at 31 March 2015 is still have outstanding creditors of above 100 million.

Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

The following report shows the debtors outstanding at 31 March 2015

Debtors Age Analysis as at 31 March 2015						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total -
Debtors Age Analysis By Income Source						
Water	1 850 907	1 215 715	816 903	870 212	15 254 383	20 008 120
Electricity	2 676 724	987 004	702 398	688 019	17 689 035	22 743 180
Property Rates	1 737 022	795 231	413 784	40 389	14 978 037	17 964 463
Waste Water Management	635 665	266 824	153 926	133 141	4 089 969	5 279 525
Waste Management	618 921	292 754	184 941	162 372	8 923 879	10 182 867
Other	160 048	112 313	67 397	424 189	4 412 117	5 176 064
Total By Income Source	7 679 287	3 669 841	2 339 349	2 318 322	65 347 420	81 354 219
Debtors Age Analysis By Customer Group						
Organs of State	477 445	188 140	69 174	61 946	909 432	1 706 137
Commercial	2 693 485	1 262 370	803 036	835 148	21 067 174	26 661 213
Households	4 508 357	2 219 331	1 467 139	1 421 228	43 370 814	52 986 869
Other	-	-	-	-	-	-
Total By Customer Group	7 679 287	3 669 841	2 339 349	2 318 322	65 347 420	81 354 219

Debtors Analysis

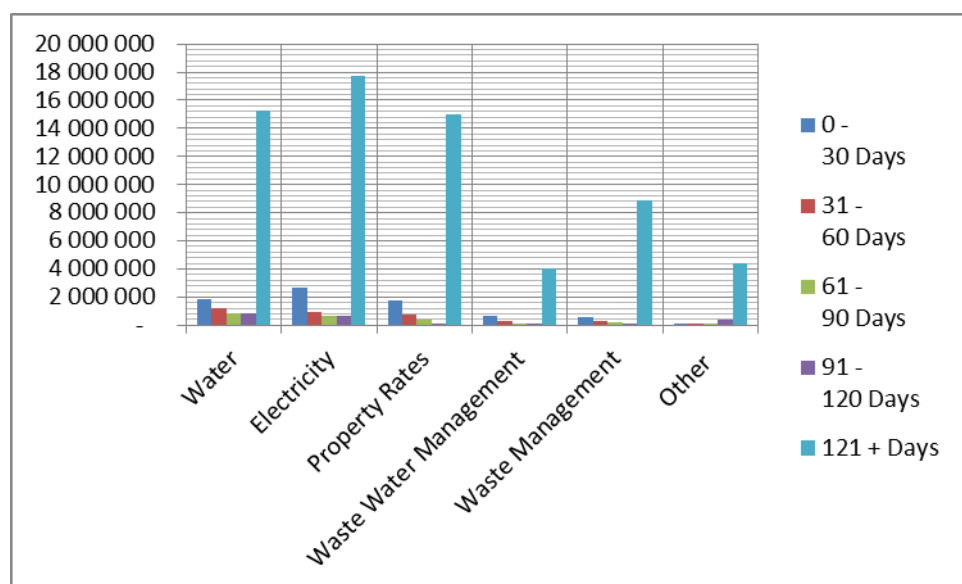
The total debtors outstanding as at 28 February 2015 were R81 085 636; the total debtors outstanding at 31 March 2015 is R81 354 219, this is an increase of R268 583(0.33%) for the period.

National Treasury and other departments are introducing very strict methods to collect monies from municipalities. Nama Khoi municipality must employ the same methodology if it wants to survive; from the outstanding amount R58 213 692 are outstanding for services delivered which includes electricity outstanding. R28 367 350 are outstanding for businesses and government departments. The municipality must create a timeline to collect these outstanding monies to support the municipality paying agreements with creditors.

Chart 8 – Debtors per revenue source

Debtors Age Analysis as at 31 March 2015						
Debtors Age Analysis By Income Source	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total
Water	1 850 907	1 215 715	816 903	870 212	15 254 383	20 008 120
Electricity	2 676 724	987 004	702 398	688 019	17 689 035	22 743 180
Property Rates	1 737 022	795 231	413 784	40 389	14 978 037	17 964 463
Waste Water Management	635 665	266 824	153 926	133 141	4 089 969	5 279 525
Waste Management	618 921	292 754	184 941	162 372	8 923 879	10 182 867
Other	160 048	112 313	67 397	424 189	4 412 117	5 176 064
Total By Income Source	7 679 287	3 669 841	2 339 349	2 318 322	65 347 420	81 354 219

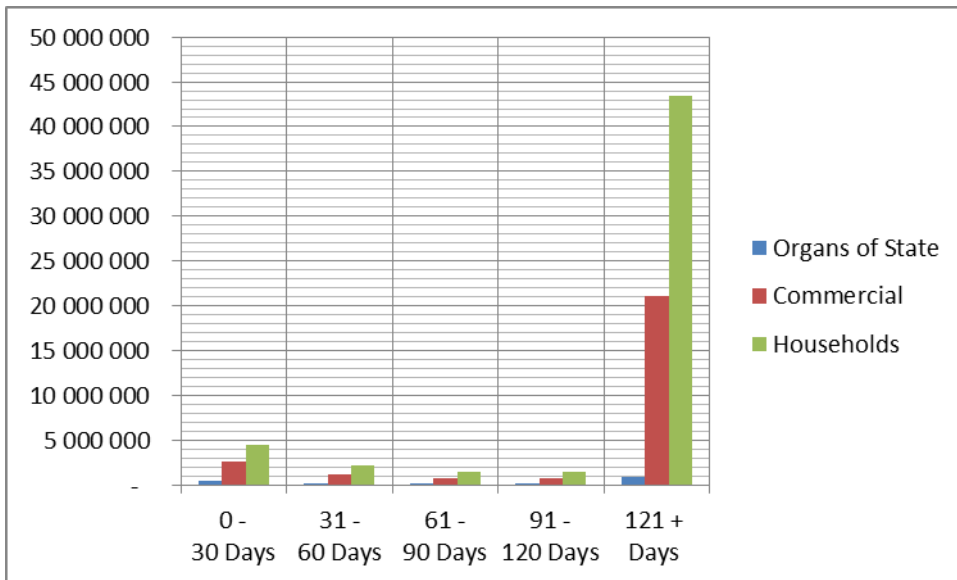
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total
Organs of State	477 445	188 140	69 174	61 946	909 432	1 706 137
Commercial	2 693 485	1 262 370	803 036	835 148	21 067 174	26 661 213
Households	4 508 357	2 219 331	1 467 139	1 421 228	43 370 814	52 986 869
Total By Customer Group	7 679 287	3 669 841	2 339 349	2 318 322	65 347 420	81 354 219

CHART 9

The following chart shows the debtors outstanding per category, Chart as per information above



CREDITORS Age Analysis - Annexure B -Table SC4

The creditor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

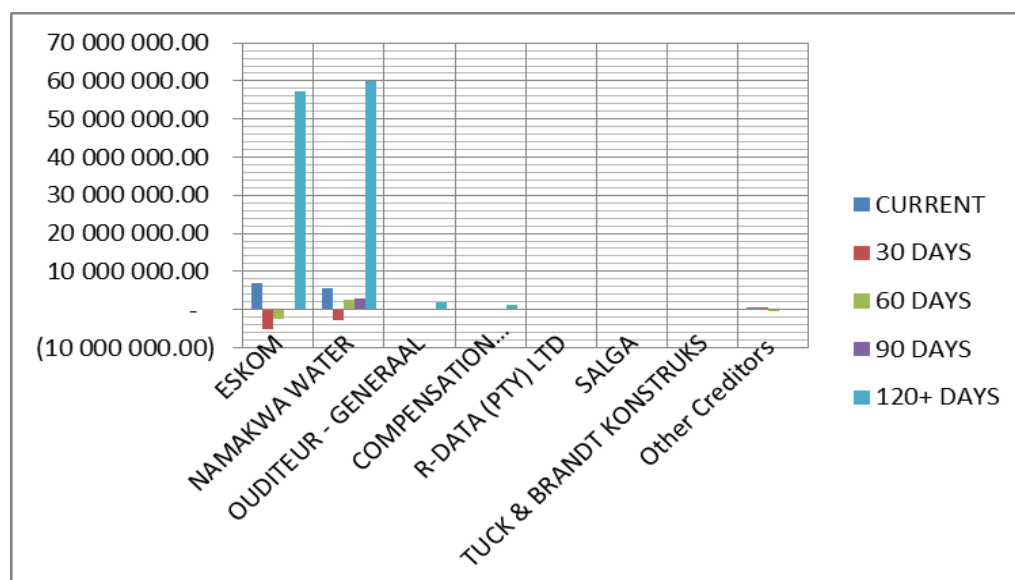
The following report shows the creditors outstanding at 31 March 2015

Creditors age analysis at 31 March 2015						
	CURRENT	30 DAYS	60 DAYS	90 DAYS	120+ DAYS	Total
ESKOM	7 005 295.57	(5 098 658.08)	(2 375 000.00)	-	57 446 182.52	56 977 820.01
NAMAKWA WATER	5 518 392.16	(2 772 198.21)	2 436 200.66	2 919 667.24	60 001 239.38	68 103 301.23
ODITEUR - GENERAAL	-	53 685.56	129 772.45	216 499.68	1 858 485.15	2 258 442.84
COMPENSATION COMMISSION	-	-	-	-	1 166 721.52	1 166 721.52
R-DATA (PTY) LTD	-	62 016.00	93 252.00	6 861.89	74 008.80	236 138.69
SALGA	-	-	-	-	343 940.00	343 940.00
TUCK & BRANDT KONSTRUKS	-	327 400.40	-	-	-	327 400.40
Other Creditors	500 061.53	549 056.85	(393 991.74)	24 673.12	72 084.33	751 884.09
Total	13 023 749.26	(6 878 697.48)	(109 766.63)	3 167 701.93	120 962 661.70	130 165 648.78

Creditors Analysis

The municipality's creditors outstanding are illustrated above with Bulk Water (SEDIBENG) the highest, the amount outstanding is R68 103 301.

Chart 10



Creditors Age Analysis

The comparison for creditors outstanding between February 2015 and March 2015 are as follows:

Bulk Electricity – February, R58 886 million and March 2015 R56 998 million there is a R1 888 million decrease for the period.

Bulk Water –March 2015, R68 103 million and February 2015 R68 129 million this means there was a decrease of R26 thousand.

Auditor General – March 2015, R2 258 million and February 2015 2 075 million there is an increase of R183 thousand.

The following service charges: water and electricity expenditure are than the income derive for supplying the services, the MFMA states that these to services should have a positive variance to ensure sustainability. The fact that the municipality does not make profit on these two services further adds to inability to pay creditors.

The municipality currently are under financial strain, the revenue billed for the month amounts to R9 411 million against an expenditure bill of R18 724 million. Electricity revenue billed for the month amounts to R4 584 million and the expenditure for the month is R4 522 million. Water revenue billed for the month amounts to R2 345 million and the expenditure bill is R2 717 million. When taken all the information in consideration it is clear that the municipality are highly reliant on National funding (equitable share) to fulfil its duties to the community.

NAMA KHOI MUNICIPALITY
REPORT OUTSTANDING MONEY FOR MARCH 2015

SERVICE POINTS	OUTSTANDING 28.02.15	ADD BILLINGS	MINUS INCOME	OUTSTANDING 31.03.15	Collection Rate for the month	Collection Rate including all outstanding monies	INCREASING (DECREASING)	% INCREASE (/DECREA SE)
A	B	C	D	E	F	G	H	I
RATES:								
Springbok	2 955 458.19	1 735 387.10	1 829 109.50	2 861 735.79	105.40%	38.99%	(93 722.40)	(3.17%)
Steinkopf	4 812 210.94	254 612.25	204 712.03	4 862 111.16	80.40%	4.04%	49 900.22	1.04%
Concordia	1 348 781.80	86 792.07	133 501.86	1 302 072.01	153.82%	9.30%	(46 709.79)	(3.46%)
Komaggas	3 553 618.68	65 852.64	25 822.99	3 593 648.33	39.21%	0.71%	40 029.65	1.13%
Okiep	1 161 268.53	171 191.32	183 042.10	1 149 417.75	106.92%	13.74%	(11 850.78)	(1.02%)
Nababeep	804 634.56	222 251.52	207 968.27	818 917.81	93.57%	20.25%	14 283.25	1.78%
TOTAL RATES	14 635 972.70	2 536 086.90	2 584 156.75	14 587 902.85	101.90%	15.05%	(48 069.85)	(0.33%)
SERVICES:								
Springbok	4 322 237.59	5 374 241.79	5 367 221.28	4 329 258.10	99.87%	55.35%	7 020.51	0.16%
Steinkopf	7 216 521.10	616 880.33	403 458.41	7 429 943.02	65.40%	5.15%	213 421.92	2.96%
Concordia	3 818 527.52	620 223.00	513 567.74	3 925 182.78	82.80%	11.57%	106 655.26	2.79%
Komaggas	10 797 469.20	303 798.70	105 779.51	10 995 488.39	34.82%	0.95%	198 019.19	1.83%
Okiep	6 586 457.54	792 308.06	446 999.67	6 931 765.93	56.42%	6.06%	345 308.39	5.24%
Nababeep	14 903 199.85	973 638.45	667 686.23	15 209 152.07	68.58%	4.21%	305 952.22	2.05%
TOTAL SERVICES	47 644 412.80	8 681 090.33	7 504 712.84	48 820 790.29	86.45%	13.32%	1 176 377.49	2.47%
LANDSALES								
Springbok	53 761.78	2 398.17	1 045.30	55 114.65	43.59%	1.86%	1 352.87	2.52%
Steinkopf	145 203.96	1 382.26	576.56	146 009.66	41.71%	0.39%	805.70	0.55%
Concordia	120 785.06	4 496.04	3 169.15	122 111.95	70.49%	2.53%	1 326.89	1.10%
Komaggas	83 043.99	8 512.08	1 026.42	90 529.65	12.06%	1.12%	7 485.66	9.01%
Okiep	140 464.72	8 788.13	8 822.85	140 430.00	100.40%	5.91%	(34.72)	(0.02%)
Nababeep	18 264.46	1 707.58	2 086.64	17 885.40	122.20%	10.45%	(379.06)	(2.08%)
TOTAL LANDSALES	561 523.97	27 284.26	16 726.92	572 081.31	61.31%	2.84%	10 557.34	1.88%
GRAZINGFEES								
Springbok	10 778.48	3 037.08	2 902.05	10 913.51	95.55%	21.01%	135.03	1.25%
Steinkopf	873 320.45	45 159.84	22 104.00	896 376.29	48.95%	2.41%	23 055.84	2.64%
Concordia	342 129.87	26 170.01	23 696.27	344 603.61	90.55%	6.43%	2 473.74	0.72%
Komaggas	570 154.06	8 884.13	3 755.68	575 282.51	42.27%	0.65%	5 128.45	0.90%
Okiep	23 924.88	4 901.54	4 766.10	24 060.32	97.24%	16.53%	135.44	0.57%
Nababeep	12 736.17	2 312.30	2 540.96	12 507.51	109.89%	16.89%	(228.66)	(1.80%)
TOTAL GRAZINGFEES	1 833 043.91	90 464.90	59 765.06	1 863 743.75	66.06%	3.11%	30 699.84	1.67%
DIVERSE:								
Springbok	911 756.84	66 773.65	50 480.10	928 050.39	75.60%	5.16%	16 293.55	1.79%
Steinkopf	341 980.40	11 441.55	17 491.32	335 930.63	152.88%	4.95%	(6 049.77)	(1.77%)
Concordia	103 503.05	20 155.16	19 017.19	104 641.02	94.35%	15.38%	1 137.97	1.10%
Komaggas	395 953.95	7 460.82	8 966.08	394 448.69	120.18%	2.22%	(1 505.26)	(0.38%)
Okiep	152 685.22	986.81	4 688.10	148 983.93	475.08%	3.05%	(3 701.29)	(2.42%)
Nababeep	416 337.52	6 699.50	785.52	422 251.50	11.73%	0.19%	5 913.98	1.42%
TOTAAL DIVERSE	2 322 216.98	113 517.49	101 428.31	2 334 306.16	89.35%	4.16%	12 089.18	0.52%
Grand Total	66 997 170.36	11 448 443.88	10 266 789.88	68 178 824.36	89.68%	13.09%	1 181 654.00	1.76%
TOTAL SERVICESPOINTS								
Springbok	8 253 992.88	7 181 837.79	7 250 758.23	8 185 072.44	100.96%	46.97%	(68 920.44)	(0.83%)
Steinkopf	13 389 236.85	929 476.23	648 342.32	13 670 370.76	69.75%	4.53%	281 133.91	2.10%
Concordia	5 733 727.30	757 836.28	692 952.21	5 798 611.37	91.44%	10.67%	64 884.07	1.13%
Komaggas	15 400 239.88	394 508.37	145 350.68	15 649 397.57	36.84%	0.92%	249 157.69	1.62%
Okiep	8 064 800.89	978 175.86	648 318.82	8 394 657.93	66.28%	7.17%	329 857.04	4.09%
Nababeep	16 155 172.56	1 206 609.35	881 067.62	16 480 714.29	73.02%	5.07%	325 541.73	2.02%
Total Service Points	66 997 170.36	11 448 443.88	10 266 789.88	68 178 824.36	89.68%	13.09%	1 181 654.00	1.76%

- **The report above states the collection rate of the municipality, there are two different collection rate illustrated:**
 - Collection rate for the month – The calculation is based on the current month billings versus the current month's actual income received; which shows the municipality collected 87.68% for the month of 31 March 2015.
 - Collection rate including all outstanding monies– The calculation take into consideration month billing plus the outstanding debt versus current actual money received; this means that the municipality are only collecting 13.09% of outstanding moneys at 31 March 2015.

Collection rates for the month illustrated below:

Rates

From the information above the municipality collected 153.89% in Concordia which was the highest collection rate; however the lowest collection rate was at 39.21% which was for Komaggas.

Services

From the information above the municipality collected 99.87% at Springbok which was the highest collection rate; however the lowest collection rate was at 34.82% which was for Komaggas.

Landsales

From the information above the municipality collected 122.20% at Nababeep which was the highest collection rate; however the lowest collection rate was at 12.06% which was for Kommagas.

Grazing Fees

From the information above the municipality collected 109.89 % at Nababeep which was the highest collection rate; however the lowest collection rate was at 42.27 % which was for Komaggas.

Diverse/other

From the information above the municipality collected 475.08% at Concordia which was the highest collection rate; however the lowest collection rate was at 11.73% which was for Okiep.

Service points

From the information above the municipality collected 100.96% at Springbok which was the highest collection rate; however the lowest collection rate was at 36.84 % which was for Kommagas.

*Given the current situation of the municipality collection rate for service points needs to be above 100% each and every month.

CHART: PERCENTAGE OF INCOME COLLECTED PER SERVICE POINT ON ALL MONEYS OUTSTANDING

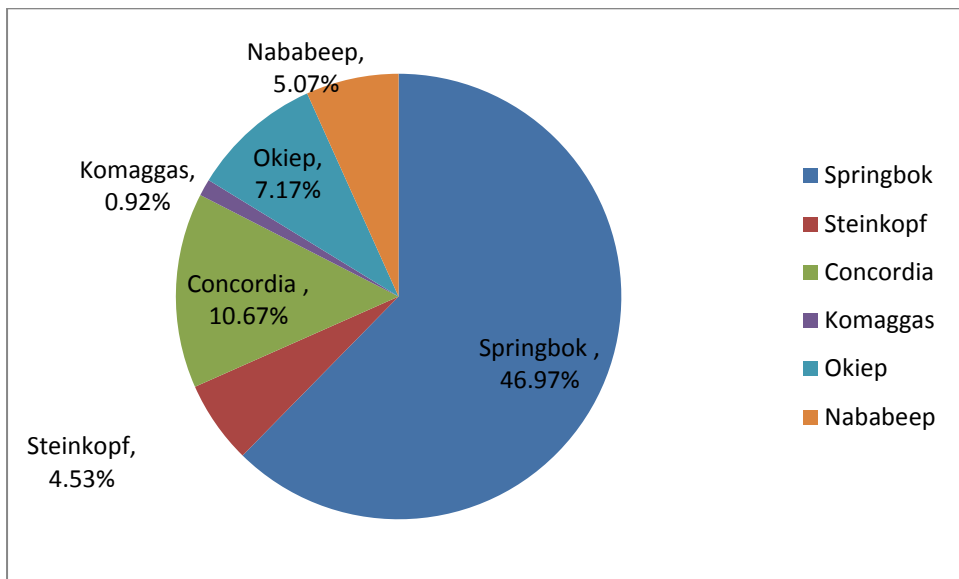
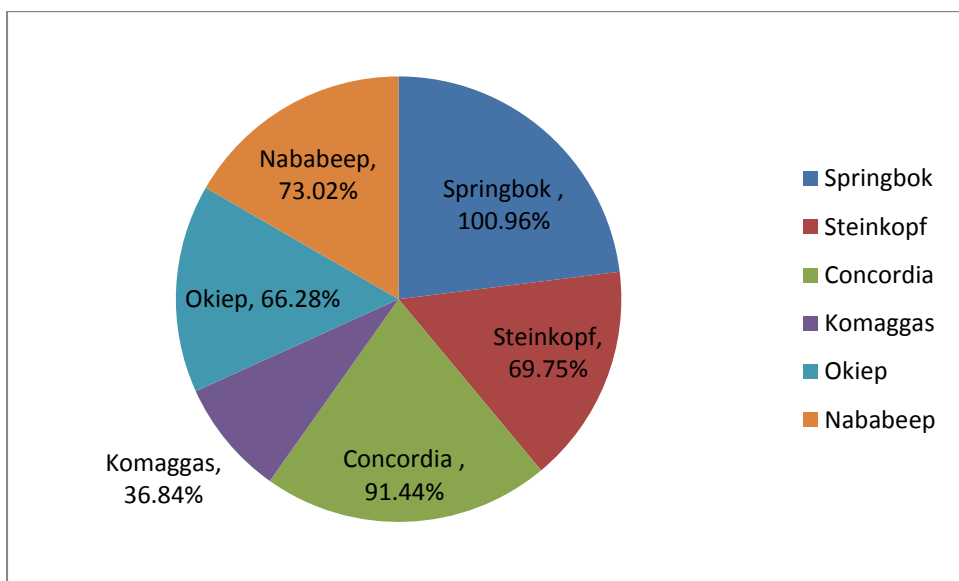


CHART: PERCENTAGE OF INCOME COLLECTED PER SERVICE POINT FOR THE MONTH



NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March							
Summary of Employee and Councillor remuneration	Budget Year 2014/15						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages	3 199 726	3 033 333	255 641	2 266 410	2 399 794	-133 385	94.44%
Pension and UIF Contributions	479 959	132 618	11 052	99 464	359 969	-260 505	27.63%
Motor Vehicle Allowance	799 931	799 931	88 897	778 340	599 949	178 391	129.73%
Cellphone Allowance	381 631	157 411	18 807	166 331	286 223	-119 892	58.11%
Other benefits and allowances	65 340	310 440	-	-	49 005	-49 005	0.00%
Sub Total - Councillors	4 926 587	4 433 734	374 397	3 310 544	3 694 940	-384 396	89.60%
Senior Managers of the Municipality							
Basic Salaries and Wages	2 937 701	2 614 281	289 739	2 383 354	2 203 276	180 078	108.17%
Pension and UIF Contributions	309 042	343 340	43 430	349 606	231 781	117 825	150.83%
Medical Aid Contributions	134 446	149 601	25 163	191 524	100 834	90 689	189.94%
Motor Vehicle Allowance	689 364	550 862	80 504	654 936	517 023	137 913	126.67%
Cellphone Allowance		42 000	4 500	28 500	-	28 500	
Housing Allowances	5 736	7 489	1 081	9 709	4 302	5 407	225.69%
Other benefits and allowances	264 847	481 522	67 697	500 624	198 635	301 989	252.03%
Long service awards		-	-	16 569	-	16 569	
Sub Total - Senior Managers of Municipality	4 341 136	4 189 096	512 114	4 134 823	3 255 852	878 971	127.00%
Other Municipal Staff							
Basic Salaries and Wages	44 085 952	39 150 666	2 852 224	29 284 825	33 064 464	-3 779 639	88.57%
Pension and UIF Contributions	5 567 956	6 093 895	474 112	4 546 018	4 175 967	370 050	108.86%
Medical Aid Contributions	1 618 999	1 755 786	144 170	1 287 652	1 214 249	73 403	106.05%
Overtime	-	1 913 699	162 410	2 260 570	-	2 260 570	
Motor Vehicle Allowance	3 963 246	3 352 497	239 548	2 326 432	2 972 435	-646 003	78.27%
Cellphone Allowance	-	59 584	6 713	67 582	-	67 582	
Housing Allowances	263 509	288 945	24 673	187 432	197 632	-10 200	94.84%
Other benefits and allowances	5 722 456	7 599 225	478 958	5 238 781	4 291 842	946 939	122.06%
Long service awards	-	-	9 230	161 765	-	161 765	
Sub Total - Other Municipal Staff	61 222 119	60 214 297	4 392 038	45 361 057	45 916 589	-555 532	98.79%
Total Parent Municipality	70 489 842	68 837 127	5 278 549	52 806 424	52 867 381	-60 958	99.88%
Total Employee Related Cost	65 563 255	64 403 392	4 904 152	49 495 880	49 172 441		
Total Expenditure	209 794 960	243 160 356	18 723 676	169 638 942	175 094 769		
% Employee Related Cost to Total Expenditure	31%	26%	26%	29%	28%		

YearTD – refers to Year-to-date (July – March 2015)

Variance – refers the difference between actual versus budget, over 100% more was paid than budget.

Employee related cost to total expenditure % of an organisation should be at 25-40% of total expenditure, the ratio for the month of March 2015 is 26%.

5. Financial Implications /Recommendations

Revenue by source:

As per the (A4- of the A1 Schedule) Statement of Financial Performance it is clear that the municipal income base is too low to support its expenditure budget. The municipality must explore other methods of making revenue; the depleted fleet of the municipality and fuel are driving the expenditure of the municipality. Service charges (Electricity and Water) are not enough to support none or low income departments.

Expenditure by type:

Head of Departments must examine their budgets. It is important to stick with the adjusted figures. The municipality are currently in a position where it cannot afford to budget according to the need. Revenue is too low and none revenue department expenditure budgets are on the rise. Head of departments must start to budget for the day to day need and should avoid budgeting revenue that does not realise within the financial year as it gives an expectation that money is available.

Capital Expenditure:

Capital expenditure needs to pick up in the last three months of the year to avoid allocations being withheld.

Cash Flow Statement:

Collection rates need to be more than 100% to ensure debt outstanding are collected which will ensure a favourable cash balance.

Debtors Analysis

Targets must be set and the municipality must enforce the credit control and debt collection policy more vigorously. National Treasury and other departments are enforcing strict methods to collect monies from municipalities, which might hamper service delivery as grants are being withheld; with the grants being withheld the municipality has no other alternative but to collect a large part of outstanding monies. Change of mind-set was enforced by National Treasury on municipality the same must happen to consumers.

Creditors Analysis

Municipality needs to collect outstanding monies to be in a position to adhere to the agreements with creditors. Currently as per the month report water and electricity department are barely billing enough revenue to run its monthly expenditure. The municipality have no or low income departments where repairs are needed on a monthly basis, these repairs are costly and adds to the outstanding creditors list.

6. Interdepartmental and cluster impact

This report is prepared to achieve MFMA compliance.

7. Comments of the Head: Legal Services

The above mentioned report as such does not call for legal clarification

8. Conclusion

This report was compiled in accordance compliance of section 71 of the MFMA, by providing a statement to the Council containing certain financial particulars

PREPARED BY:

Henri Cloete

Section Head: Financial Services

Budget & Treasury

DATE: 16 April 2015

NAMAKHOIMUNICIPALITY QUALITY CERTIFICATE

I,, the acting Municipal Manager of Nama Khoi Municipality, hereby certify that –

- the monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 31 March 2015 has been prepared in accordance with the Municipal Finance Management Act 71 and regulations made under that Act.

Print name:.....

Municipal Manager of Nama Khoi Municipality

Signature:.....

Date:.....

Annexure A

Reports and reportable matters

Monthly reports statements – Section 71 MFMA

(1) The accounting officer of a municipality must no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source
- (b) Actual borrowings
- (c) Actual expenditure per vote
- (d) Actual capital expenditure per vote
- (e) The amount of any allocations received
- (f) Actual expenditure on those allocations, excluding expenditure on –
 - (i) Its share of the local government equitable share, and
 - (ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) When necessary, an explanation of –
 - (i) Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) Any material variances from the service delivery and budget implementation plan; and
 - (iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget

(2) The statement must include –

- (a) A projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
- (b) The prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10)

(3) The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget

(4) The statement to the provincial treasury must be in the format of a signed document and in the electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets per municipality and municipal entity

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budget per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after end of each quarter.

NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT

General information and contact information

Main tables

	Consolidated Monthly Statements
Table C1-SUM	Summary
Table C2-FinPer SC	Financial Performance (standard classification)
Table C2C	Financial Performance (standard classification)
Table C3-Fin Per V	Financial Performance (revenue and expenditure by municipal vote)
Table C3C	Financial Performance (revenue and expenditure by municipal vote)
Table C4-FinPerRE	Financial Performance (revenue and expenditure)
Table C5-CAPEX	Capital Expenditure (municipal vote, standard classification)
Table C5C	Capital Expenditure (municipal vote, standard classification)
Table C6-FinPos	Financial Position
Table C7-Cflow	Cash Flow

Supporting Tables

Table SC1	Material variance explanations
Table SC2	Monthly Budget Statement – Performance Indicators
Table SC3	Monthly Budget Statement – Aged debtors
Table SC4	Monthly Budget Statement – Aged creditors
Table S5	Monthly Budget Statement – Investment portfolio
Table SC6	Monthly Budget Statement – Transfer and grant receipts
Table SC7	Monthly Budget Statement – Transfer and grant expenditure
Table SC8	Monthly Budget Statement – Councillor and staff benefits
Table SC9	Monthly Budget Statement – Actual and revised targets for cash receipts
Table SC10	Monthly Budget Statement – Parent Municipality Financial Performance
Table SC11	Monthly Budget Statement – Summary of municipal entities
Table SC 12	Consolidated Monthly Budget Statement – Capital expenditure trend

Table SC13 a	Consolidated Monthly Budget Statement – Capital expenditure on new assets by asset class
Table SC b	Consolidated Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
Table SC c	Consolidated Monthly Budget Statement – Expenditure on repairs and maintenance by asset class
Table SC d	Consolidated Monthly Budget Statement – depreciation by asset class
Table SC71	Charts
Attached	Return Forms
Attached	Additional Information