



Nama Khoi Municipality

12 June 2015

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 May 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 May 2015, ten working days reporting limit expires on 12 June 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 May 2015

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

The financial results for the period ended 31 May 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) - M11 May							
Description	Budget Year 2014/15		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
	Original Budget	Adjusted Budget					
Revenue By Source							
Property rates	32 343 145	35 000 000	2 807	35 398 967	34 892 812	506 155	101%
Service charges - electricity revenue	67 377 952	67 218 707	4 761 960	54 854 171	60 928 490	-6 074 319	90%
Service charges - water revenue	32 502 068	31 802 323	2 335 079	24 566 215	28 380 981	-3 814 766	87%
Service charges - sanitation revenue	9 170 014	9 170 014	734 074	8 353 330	8 411 167	-57 837	99%
Service charges - refuse revenue	10 957 065	10 973 702	794 324	8 619 753	9 876 373	-1 256 620	87%
Service charges - other	-	-	64 682	723 429	92 197	631 233	785%
Rental of facilities and equipment	2 001 898	546 927	86 028	628 639	497 062	131 577	126%
Interest earned - external investments	624 300	1 265 992	215 896	1 434 507	1 151 645	282 862	125%
Interest earned - outstanding debtors	3 370 677	2 822 861	397 546	3 995 890	2 747 446	1 248 444	145%
Fines	273 406	72 913	1 822	140 494	231 585	-91 091	61%
Licences and permits	1 171 613	1 171 613	99 400	1 156 172	1 192 217	-36 045	97%
Agency services	1 272 027	1 044 573	54 464	1 005 785	957 053	48 732	105%
Transfers recognised - operational	40 346 000	74 142 640	9 560 000	37 826 445	67 240 426	-29 413 981	56%
Other revenue	6 641 655	2 052 593	47 989	688 351	3 030 369	-2 342 018	23%
Gains on disposal of PPE	5 500 000	6 000 000	-	-	750 000	-750 000	0%
Total Revenue (excluding capital transfers and contributions)	213 551 820	243 284 859	19 156 072	179 392 149	220 379 823	-40 987 674	81%
Expenditure By Type							
Employee related costs	65 563 255	64 403 390	4 951 294	58 144 793	59 351 781	-1 206 988	98%
Remuneration of councillors	4 926 587	4 433 734	374 397	4 056 014	4 059 341	-3 327	100%
Debt impairment	3 764 020	3 764 020	-	-	3 011 217	-3 011 217	0%
Depreciation & asset impairment	5 419 667	5 419 667	-	-	6 883 418	-6 883 418	0%
Finance charges	1 731 550	167 718	4 265	180 900	149 442	31 458	121%
Bulk purchases	84 833 077	84 833 077	4 803 266	73 923 033	76 870 866	-2 947 833	96%
Other materials	8 938 204	9 326 267	388 325	7 070 608	7 945 852	-875 244	89%
Contracted services	994 365	1 572 268	15 250	1 333 799	1 436 763	-102 964	93%
Transfers and grants	-	-	46 436	592 061	3 777 931	-3 185 870	16%
Other expenditure	33 624 234	69 240 213	3 370 349	58 823 211	55 200 009	3 623 202	107%
Total Expenditure	209 794 960	243 160 356	13 953 581	204 124 419	218 686 620	-14 562 201	93%

Explanations on table

***Please note the following:**

YearTD – refers to Year-to-date (July 2014– May 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.

Variations

The Major revenue variations 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 – variance less than 5%.

Service charges monthly budgets have been restructured with the previous six months use as a benchmark, however service still lower than the municipality expected.

Rental, interest, license and permits are billed more than the municipality expected; these items are not fixed and can vary from a month to month basis which makes accurate budgeting

Fines and agency varies on a monthly basis which makes accurate budgeting very difficult.

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

Other Revenue – Municipality not billing own revenue as budgeted.

Gains on disposal of PPE – did not realise as expected.

The major expenditure variations against budget are:

Employee related cost – the variance are less than 5%

Remuneration of councillors – the variance are less than 1%

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

Bulk purchases – not all payments for the year was made.

Other materials – the variance are 11%, the ability to do repairs are link to the financial ability of the month.

Contract service – the municipality did not use consultants as expected.

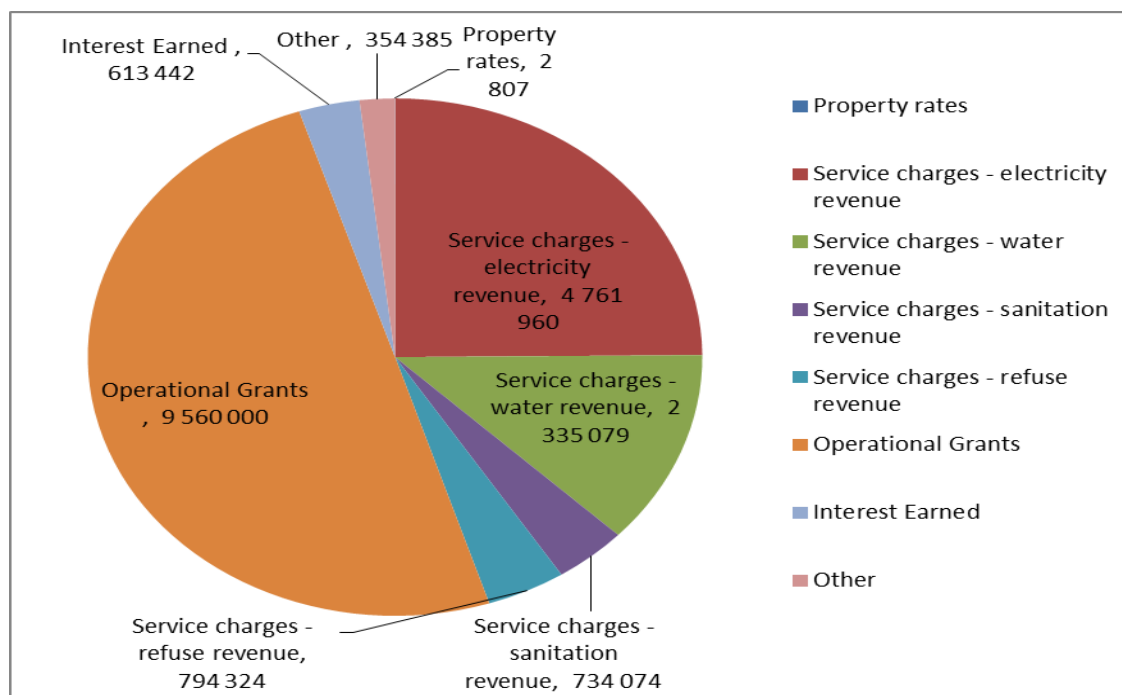
Other expenditure – Each department should investigate their budgets and start to curb expenditure of the municipality. Managers as well as their office assistants needs to familiarise themselves with the financial system which wil assist them to manage their budgets accordingly.

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May							
Description	Budget Year 2014/15		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
	Original Budget	Adjusted Budget					
Revenue By Source							
Property rates	32 343 145	35 000 000	2 807	35 398 967	34 892 812	506 155	101%
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Interest earned - outstanding debtors	3 370 677	2 822 861	397 546	3 995 890	2 747 446	1 248 444	145%
Fines	273 406	72 913	1 822	140 494	231 585	-91 091	61%
Licences and permits	1 171 613	1 171 613	99 400	1 156 172	1 192 217	-36 045	97%
Agency services	1 272 027	1 044 573	54 464	1 005 785	957 053	48 732	105%
Transfers recognised - operational	40 346 000	74 142 640	9 560 000	37 826 445	67 240 426	-29 413 981	56%
Other revenue	6 641 655	2 052 593	47 989	688 351	3 030 369	-2 342 018	23%
Gains on disposal of PPE	5 500 000	6 000 000	-	-	750 000	-750 000	0%
Total Revenue (excluding capital transfers and contributions)	213 551 820	243 284 859	19 156 072	179 392 149	220 379 823	-40 987 674	81%

*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.

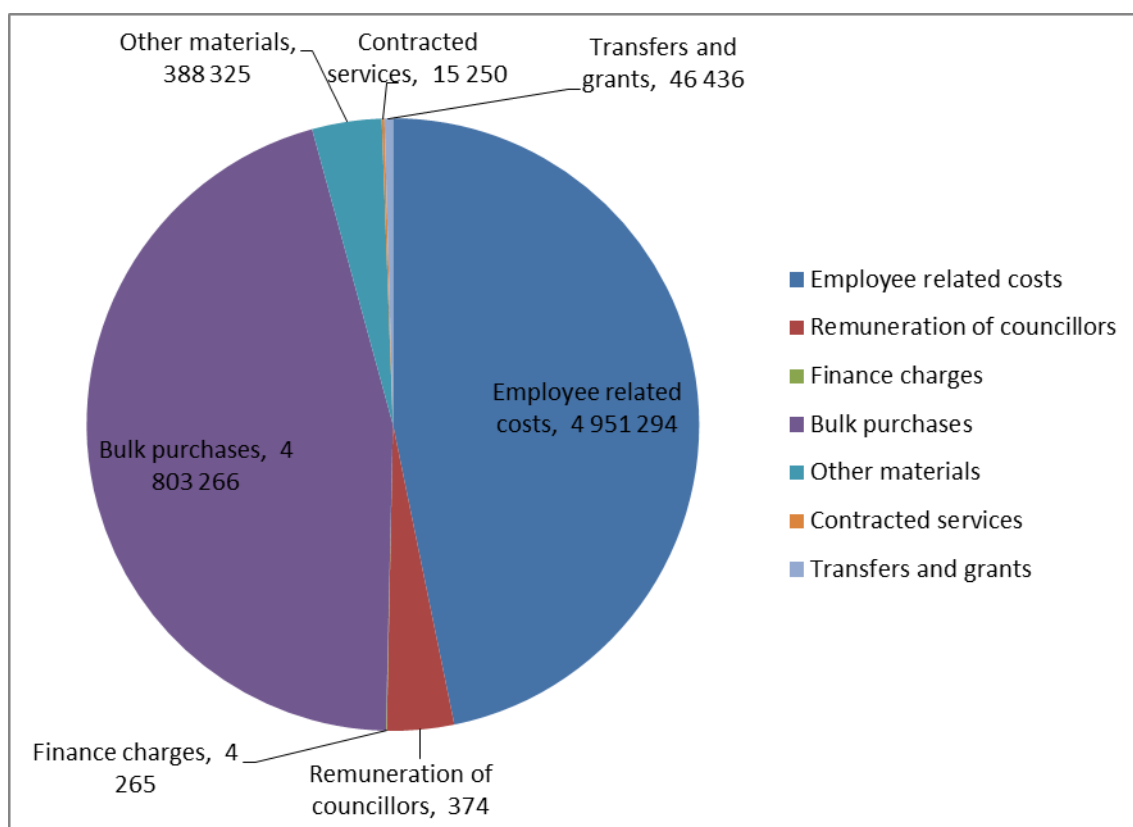


Expenditure By Type	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Employee related costs	65 563 255	64 403 390	4 951 294	58 144 793	59 351 781	-1 206 988	98%
Remuneration of councillors	4 926 587	4 433 734	374 397	4 056 014	4 059 341	-3 327	100%
Debt impairment	3 764 020	3 764 020	-	-	3 011 217	-3 011 217	0%
Depreciation & asset impairment	5 419 667	5 419 667	-	-	6 883 418	-6 883 418	0%
Finance charges	1 731 550	167 718	4 265	180 900	149 442	31 458	121%
Bulk purchases	84 833 077	84 833 077	4 803 266	73 923 033	76 870 866	-2 947 833	96%
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Contracted services	994 365	1 572 268	15 250	1 333 799	1 436 763	-102 964	93%
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Other expenditure	33 624 234	69 240 213	3 370 349	58 823 211	55 200 009	3 623 202	107%

*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) - M11 May							
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	19 424	303 968	32 299 965	-31 995 997	1%
Vote 2 - Financial Services	60 014 936	62 360 382	10 186 883	78 796 292	62 037 362	16 758 930	127%
Vote 3 - Corporate Services	6 727 215	5 339 719	62 048	375 159	4 283 661	-3 908 502	9%
Vote 4 - Community Services: Community Development	21 484 133	16 715 043	899 056	9 848 750	15 002 135	-5 153 385	66%
Vote 5 - Community Services: Public Safety	2 711 541	2 288 844	153 769	2 175 859	2 084 384	91 475	104%
Vote 6 - Electrical Engineering Services	69 629 260	69 470 015	4 762 360	54 931 513	62 211 026	-7 279 513	88%
Vote 7 - Infrastructure, Engineering & Technical Services	47 666 056	47 994 077	3 072 533	32 960 607	42 461 290	-9 500 683	78%
Total Revenue by Vote	213 551 820	243 284 860	19 156 073	179 392 148	220 379 823	-40 987 675	81%
Expenditure by Vote							
Vote 1 - Municipal Manager	21 845 947	47 843 880	2 414 209	38 682 393	42 467 583	-3 785 190	91%
Vote 2 - Financial Services	29 297 857	29 426 218	1 823 956	28 873 957	25 908 485	2 965 472	111%
Vote 3 - Corporate Services	13 154 123	14 171 621	968 196	13 856 944	13 170 060	686 884	105%
Vote 4 - Community Services: Community Development	17 513 618	18 444 162	970 652	11 891 596	16 328 061	-4 436 465	73%
Vote 5 - Community Services: Public Safety	6 491 700	6 414 091	423 156	5 566 396	5 883 400	-317 004	95%
Vote 6 - Electrical Engineering Services	62 345 639	64 290 081	3 141 809	56 192 293	58 918 807	-2 726 514	95%
Vote 7 - Infrastructure, Engineering & Technical Services	59 146 076	62 570 303	4 211 603	49 060 841	56 010 224	-6 949 383	88%
Total Expenditure by Vote	209 794 960	243 160 355	13 953 581	204 124 420	218 686 620	-14 562 200	93%
Surplus/ (Deficit) for the year	3 756 860	124 504	5 202 492	-24 732 272	1 693 203	-26 425 475	

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue by municipal vote) - M11 May							
Vote Description	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	19 424	303 968	32 299 965	-31 995 997	1%
Vote 2 - Financial Services	60 014 936	62 360 382	10 186 883	78 796 292	62 037 362	16 758 930	127%
Vote 3 - Corporate Services	6 727 215	5 339 719	62 048	375 159	4 283 661	-3 908 502	9%
Vote 4 - Community Services: Community Development	21 484 133	16 715 043	899 056	9 848 750	15 002 135	-5 153 385	66%
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Vote 6 - Electrical Engineering Services	69 629 260	69 470 015	4 762 360	54 931 513	62 211 026	-7 279 513	88%
Vote 7 - Infrastructure, Engineering & Technical Services	47 666 056	47 994 077	3 072 533	32 960 607	42 461 290	-9 500 683	78%
Total Revenue by Vote	213 551 820	243 284 860	19 156 073	179 392 148	220 379 823	-40 987 675	81%

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.

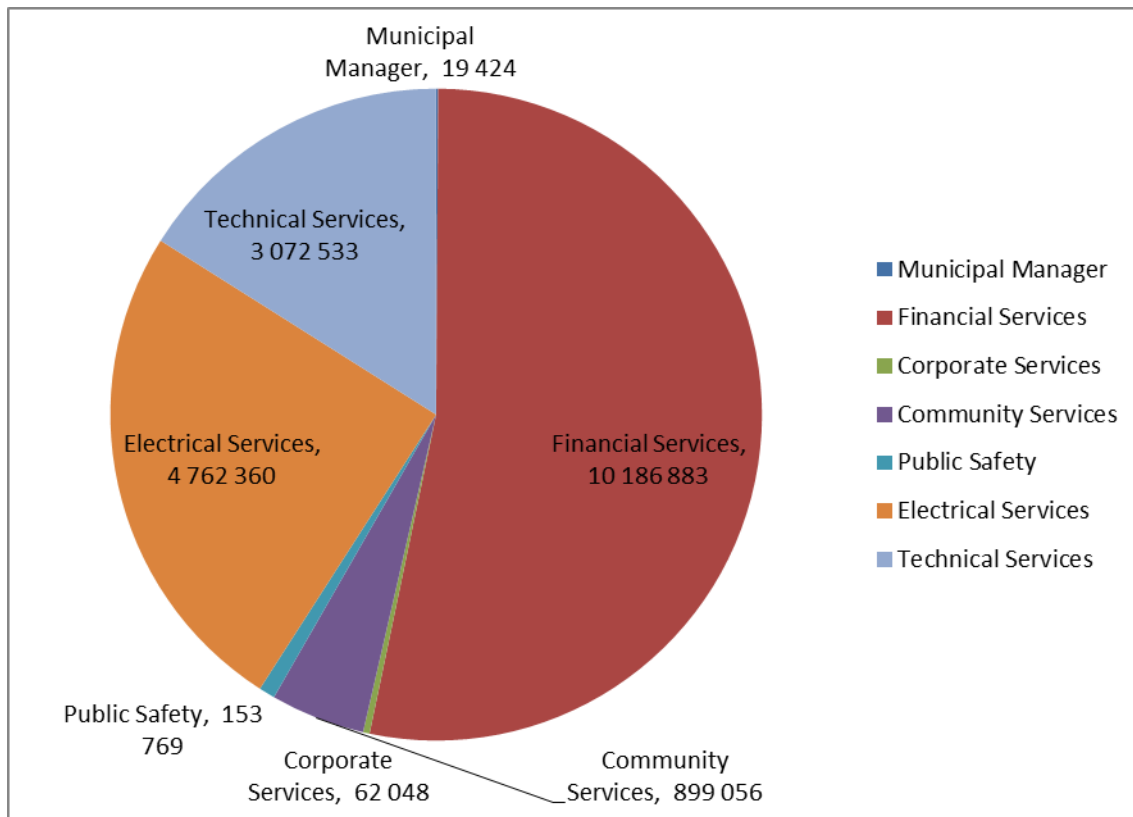
Public safety – The department made more revenue for the period July to March than what was budget.

Electrical Engineering Services – The municipality billed less revenue than budgeted; this can be as result of electricity theft.

Infrastructure, Engineering & Technical Services - The department variance of 12% 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 May 2015



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	2 414 209	38 682 393	42 467 583	-3 785 190	91%
Vote 2 - Financial Services	29 297 857	29 426 218	1 823 956	28 873 957	25 908 485	2 965 472	111%
Vote 3 - Corporate Services	13 154 123	14 171 621	968 196	13 856 944	13 170 060	686 884	105%
Vote 4 - Community Services: Community Development	17 513 618	18 444 162	970 652	11 891 596	16 328 061	-4 436 465	73%
Vote 5 - Community Services: Public Safety	6 491 700	6 414 091	423 156	5 566 396	5 883 400	-317 004	95%
Vote 6 - Electrical Engineering Services	62 345 639	64 290 081	3 141 809	56 192 293	58 918 807	-2 726 514	95%
Vote 7 - Infrastructure, Engineering & Technical Services	59 146 076	62 570 303	4 211 603	49 060 841	56 010 224	-6 949 383	88%
Total Expenditure by Vote	209 794 960	243 160 355	13 953 581	204 124 420	218 686 620	-14 562 200	93%

Reasons for variances

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

Municipal Manager- The department spent less than the intended budget; the housing expenditure less than the budgeted figure.

Financial services – Free basic services was captured under revenue foregone. Movement of this expenditure can be made at year-end. Interest paid to creditors cannot be budget as it is fruitless and wasteful expenditure.

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.

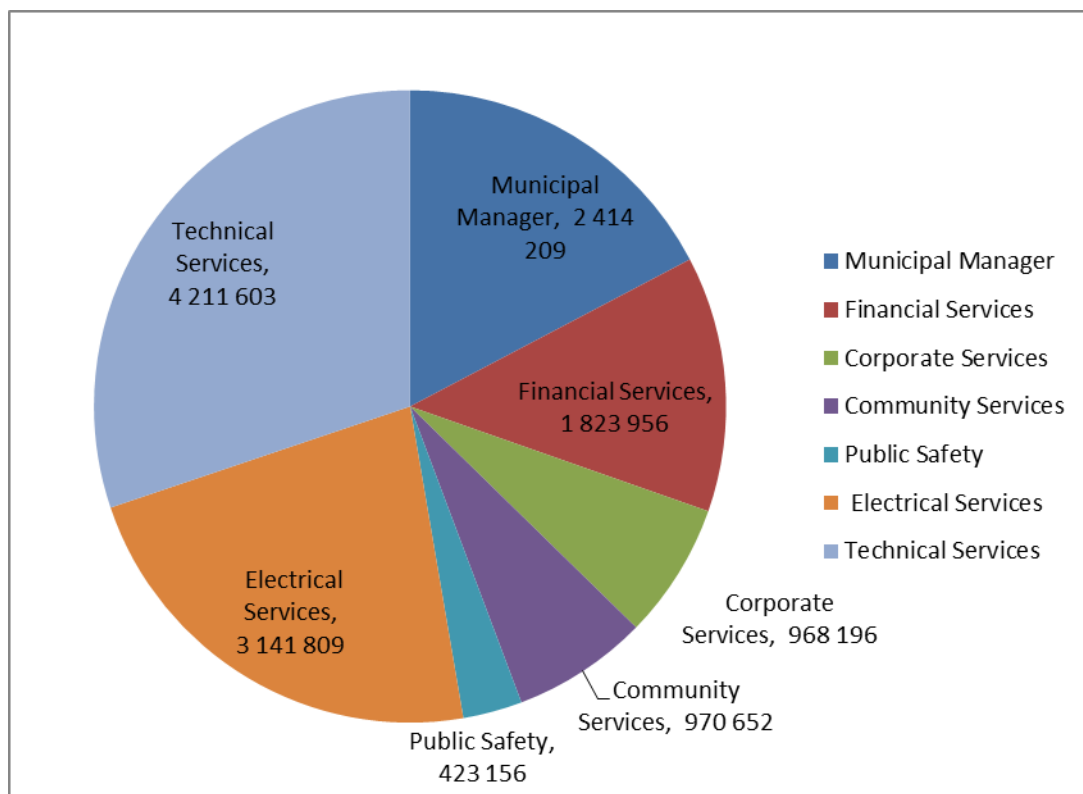
Public safety – The variance is 5%

Electrical Engineering Services - The variance is 5%

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 May 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 - Standard Classification May 2015							
Vote Description	Budget Year 2014/15		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
	Original Budget	Adjusted Budget					
Capital Expenditure - Standard Classification							
Governance and administration	-	-	-	37 968	-	37 968	
Sport and recreation	3 400 000	3 078 374	-	171 856	2 497 071	-2 325 215	7%
Public safety			-	25 860	-	25 860	
Road transport	10 579 000	19 204 892	158 196	4 484 592	15 400 272	-10 915 680	29%
Electricity	1 000 000	1 000 000	-	874 817	1 000 000	-125 183	87%
Water		100 913	-	-	438 343	-438 343	0%
Waste water management	2 000 000	8 094 821	317 351	2 225 565	6 745 057	-4 519 492	33%
Total Capital Expenditure - Standard Classification	16 979 000	31 479 000	475 547	7 820 658	26 080 743	-18 260 085	30%
Funded by:							
National Government	16 979 000	31 479 000	475 547	7 756 830	26 080 743	-18 323 913	30%
District Municipality			-	37 968	-	37 968	
Internally generated funds			-	25 860	-	25 860	
Total Capital Funding	16 979 000	31 479 000	475 547	7 820 658	26 080 743	-18 260 085	30%

Capital expenditure for the month of May 2015 was R475 547 with the total expenditure to date R7 820 658 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 two 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 May 2015

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M11 May							
Description	Budget Year 2014/15						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Ratepayers and other	158 915 888	151 100 698	15 974 196	196 898 166	177 893 095	19 005 071	111%
Government - operating	40 346 000	74 142 640	9 560 000	63 471 307	68 630 998	-5 159 691	92%
Government - capital	16 979 000	32 479 000	-	13 979 000	27 203 200	-13 224 200	51%
Interest	3 795 229	3 884 411	414 349	4 642 580	3 673 578	969 002	126%
Dividends		-	-	-	-	-	
Payments							
Suppliers and employees	-198 326 370	-233 808 950	-23 899 716	-268 563 751	-253 395 095	15 168 655	106%
Finance charges	-206 903	-206 903	-4 265	-255 775	-220 918	34 857	116%
NET CASH FROM/(USED) OPERATING ACTIVITIES	21 502 844	27 590 895	2 044 563	10 171 527	23 784 858	-13 613 331	43%
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	5 719 000	6 000 000	-	-	6 000 000	-6 000 000	0%
Payments							
Capital assets	-16 979 000	-29 172 358	-180 344	-6 361 217	-23 999 215	-17 637 998	27%
NET CASH FROM/(USED) INVESTING ACTIVITIES	-11 260 000	-23 172 358	-180 344	-6 361 217	-17 999 215	-11 637 998	35%
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments							
Repayment of borrowing	-1 524 646	-1 524 646	-41 632	-1 981 188	-1 708 550	272 638	116%
NET CASH FROM/(USED) FINANCING ACTIVITIES	-1 524 646	-1 524 646	-41 632	-1 981 188	-1 708 550	272 638	116%
NET INCREASE/ (DECREASE) IN CASH HELD	8 718 198	2 893 891	1 822 588	1 829 122	4 077 093		
Cash/cash equivalents at beginning:	4 947 896	4 947 896		4 947 896	4 947 896		
Cash/cash equivalents at month/year end:	13 666 094	7 841 787		6 777 018	9 024 989		

The cash flow statement shows that the municipality had a balance of R6 777 018 in the primary bank account and the year –to-date budget shows the municipality budget for a balance of R9 024 989, 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 May 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 May 2015

Debtors Analysis

Nama Khoi Municipality Debtors Age analysis 31 May 2015									
Detail	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 -
Debtors Age Analysis By Income Source									
Water	1 882 246	1 115 260	624 433	529 082	676 893	761 108	460 542	14 817 720	20 867 284
Electricity	3 005 261	1 139 946	431 843	501 774	590 851	674 467	359 706	17 513 849	24 217 697
Property Rates	1 780 685	924 131	447 205	361 427	309 042	322 920	273 415	14 014 097	18 432 922
Waste Water Management	632 373	266 264	151 285	131 375	121 835	116 144	109 280	3 947 346	5 475 902
Waste Management	614 466	292 929	178 150	154 204	148 086	144 475	131 028	8 797 130	10 460 468
Other	160 549	134 521	77 553	68 051	58 191	56 251	59 373	4 661 773	5 276 262
Total By Income Source	8 075 580	3 873 051	1 910 469	1 745 913	1 904 898	2 075 365	1 393 344	63 751 915	84 730 535
Debtors Age Analysis By Customer Group									
Organs of State	544 014	171 571	102 901	58 654	54 581	53 940	43 949	859 266	1 888 876
Commercial	2 969 507	1 491 079	667 385	654 399	627 303	775 134	481 176	20 313 958	27 979 941
Households	4 562 059	2 210 401	1 140 183	1 032 860	1 223 014	1 246 291	868 219	42 578 691	54 861 718
Total By Customer Group	8 075 580	3 873 051	1 910 469	1 745 913	1 904 898	2 075 365	1 393 344	63 751 915	84 730 535

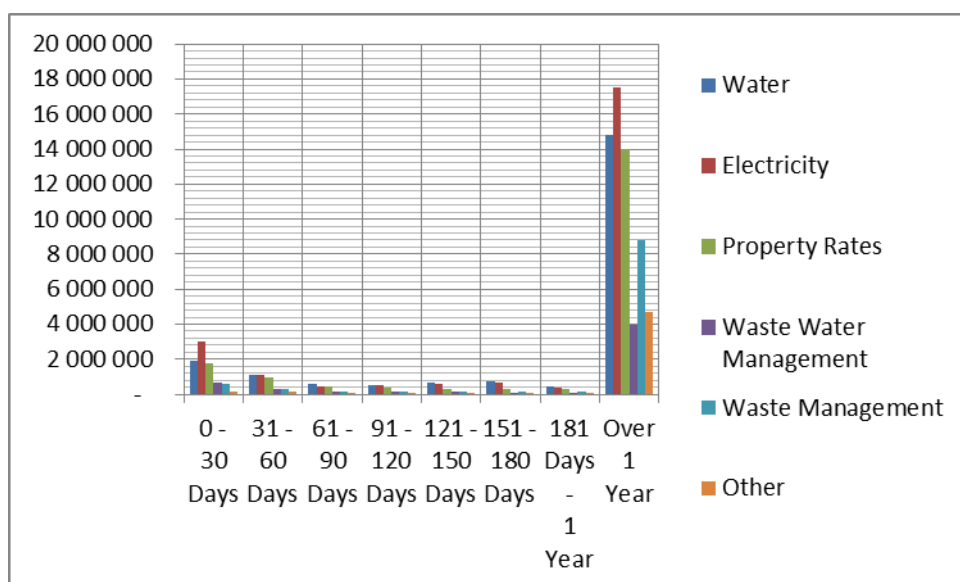
The total debtors outstanding as at 30 April 2015 were R83 286 271; the total debtors outstanding at 31 May 2015 were R81 354 219, this is an increase of R1 444 264(1.73%) for the period.

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 R61 021 351 are outstanding for services delivered which includes electricity outstanding. R29 868 817 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 30 April 2015						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total
Debtors Age Analysis By Income Source						
Water	1 955 773	1 025 062	645 650	714 294	16 074 269	20 415 048
Electricity	3 086 607	794 317	579 338	602 424	18 463 046	23 525 732
Property Rates	2 155 047	713 589	414 802	344 219	14 805 055	18 432 712
Waste Water Management	630 598	252 647	155 443	131 680	4 202 995	5 373 363
Waste Management	616 389	280 422	181 771	158 548	9 065 739	10 302 869
Property Rental Debtors	155 339	117 365	75 702	62 032	4 826 109	5 236 547
Total By Income Source	8 599 753	3 183 402	2 052 706	2 013 197	67 437 213	83 286 271

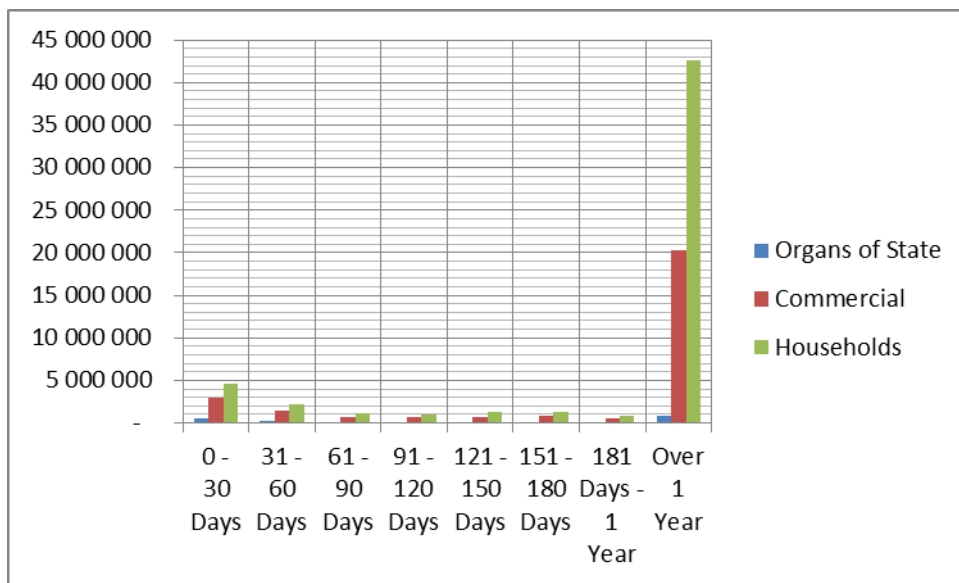
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Organs of State	544 014	171 571	102 901	58 654	54 581	53 940	43 949	859 266	1 888 876
Commercial	2 969 507	1 491 079	667 385	654 399	627 303	775 134	481 176	20 313 958	27 979 941
Households	4 562 059	2 210 401	1 140 183	1 032 860	1 223 014	1 246 291	868 219	42 578 691	54 861 718
Total By Customer Group	8 075 580	3 873 051	1 910 469	1 745 913	1 904 898	2 075 365	1 393 344	63 751 915	84 730 535

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 May 2015

Nama Khoi Municipalities Creditors Age Analysis 31 May 2015						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total
Bulk Electricity	3 181 512				46 208 780	49 390 293
Bulk Water	5 586 284	2 746 193			65 357 108	73 689 585
Trade Creditors	100 912	169 065	284 087	109 784	1 501 098	2 164 947
Auditor General	-	17 863	-	53 686	2 204 757	2 276 306
Total	8 868 708	629 423	1 596 241	-7 707 387	124 134 145	127 521 130

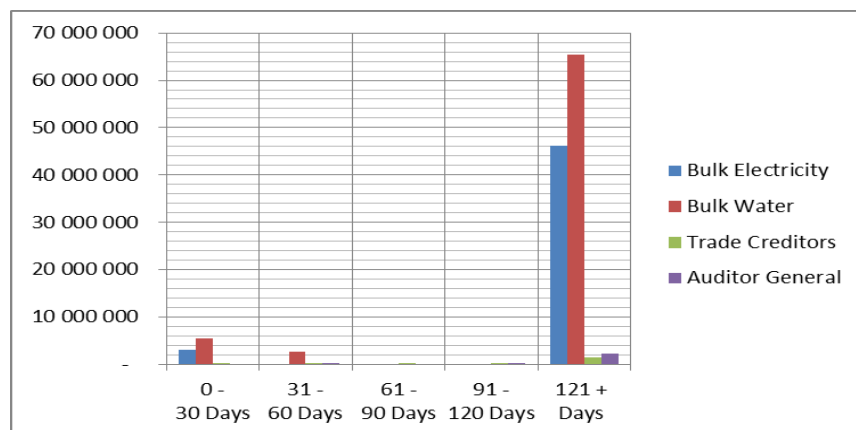
The following report shows the creditors outstanding at 30 April 2015

Creditors Age Analysis By Customer Type 30 April 2015						
Creditors Age Analysis By Customer Type	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total
Bulk Electricity	7 409 844				48 512 480	55 922 324
Bulk Water	2 746 193			2 436 201	62 920 907	68 103 301
Trade Creditors	-670 709	514 325	648 458	-48 071	1 710 547	2 154 550
Auditor General	-	-	53 686	129 772	2 074 985	2 258 443
Total By Customer Type	9 485 328	1 826 479	-7 168 713	142 902	124 152 621	128 438 618

Creditors Analysis

The outstanding creditors decrease from R128 438 618 to R127 521 130, this is a decrease of R917 488 or 0.7%. Please note that invoices for Sedibeng was received late and payment reflect on in June 2015.

Chart 10



Creditors Age Analysis

The comparison for creditors outstanding between April 2015 and May 2015 are as follows:

Bulk Electricity – April 2015, R55 922 million and May 2015 R49 390 million there is a R5 992 million decrease for the period.

Bulk Water –May 2015, R73 690 million and April 2015 R68 103 million this means there was an increase of R5 587 for the period.

Auditor General – May 2015, R2 165 million and April 2015 R2 155 million there was an increase of R10 thousand for the period.

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.

NAMA KHOI MUNICIPALITY
REPORT OUTSTANDING MONEY FOR MAY 2015

SERVICE POINTS	OUTSTANDING 30.04.15	ADD BILLINGS	MINUS INCOME	OUTSTANDING 31.05.15	Collection Rate	Collection Rate at historical cost	INCREASING (DECREASING)	% INCREASE /(DECREA SE)
A	B	C	D	E			F	G
RATES:								
Springbok	2 767 048.06	2 356 068.72	2 269 601.82	2 853 514.96	96.33%	44.30%	86 466.90	3.12%
Steinkopf	4 790 717.36	194 127.51	191 209.24	4 793 635.63	98.50%	3.84%	2 918.27	0.06%
Concordia	1 319 002.89	159 466.74	125 499.88	1 352 969.75	78.70%	8.49%	33 966.86	2.58%
Komaggas	3 685 253.31	74 802.92	15 041.37	3 745 014.86	20.11%	0.40%	59 761.55	1.62%
Okiep	1 145 215.31	221 710.44	195 113.52	1 171 812.23	88.00%	14.27%	26 596.92	2.32%
Nababeep	862 774.16	208 508.55	158 174.98	913 107.73	75.86%	14.77%	50 333.57	5.83%
TOTAL RATES	14 570 011.09	3 214 684.88	2 954 640.81	14 830 055.16	91.91%	16.61%	260 044.07	1.78%
SERVICES:								
Springbok	4 252 734.91	4 749 913.60	4 308 963.61	4 693 684.90	90.72%	47.86%	440 949.99	10.37%
Steinkopf	7 428 537.75	438 295.15	418 037.60	7 448 795.30	95.38%	5.31%	20 257.55	0.27%
Concordia	4 001 388.95	662 983.07	598 205.85	4 066 166.17	90.23%	12.83%	64 777.22	1.62%
Komaggas	11 163 658.54	309 726.09	141 193.15	11 332 191.48	45.59%	1.23%	168 532.94	1.51%
Okiep	6 936 027.76	647 681.85	463 898.61	7 119 811.00	71.62%	6.12%	183 783.24	2.65%
Nababeep	15 689 431.80	1 068 212.12	641 301.10	16 116 342.82	60.03%	3.83%	426 911.02	2.72%
TOTAL SERVICES	49 471 779.71	7 876 811.88	6 571 599.92	50 776 991.67	83.43%	11.46%	1 305 211.96	2.64%
LANDSALES								
Springbok	58 292.97	4 269.89	1 888.01	60 674.85	44.22%	3.02%	2 381.88	4.09%
Steinkopf	147 141.68	1 858.34	300.00	148 700.02	16.14%	0.20%	1 558.34	1.06%
Concordia	122 444.41	6 012.74	4 611.33	123 845.82	76.69%	3.59%	1 401.41	1.14%
Komaggas	94 257.35	5 354.12	513.16	99 098.31	9.58%	0.52%	4 840.96	5.14%
Okiep	139 651.22	8 143.53	7 116.27	140 678.48	87.39%	4.81%	1 027.26	0.74%
Nababeep	18 188.14	2 417.12	1 141.64	19 463.62	47.23%	5.54%	1 275.48	7.01%
TOTAL LANDSALES	579 975.77	28 055.74	15 570.41	592 461.10	55.50%	2.56%	12 485.33	2.15%
GRAZINGFEES								
Springbok	10 735.23	3 488.73	3 036.10	11 187.86	87.03%	21.34%	452.63	4.22%
Steinkopf	896 197.15	32 294.60	23 009.96	905 481.79	71.25%	2.48%	9 284.64	1.04%
Concordia	351 582.99	29 187.73	22 832.96	357 937.76	78.23%	6.00%	6 354.77	1.81%
Komaggas	587 072.90	15 661.32	3 278.93	599 455.29	20.94%	0.54%	12 382.39	2.11%
Okiep	24 717.51	4 614.86	3 178.23	26 154.14	68.87%	10.84%	1 436.63	5.81%
Nababeep	12 736.32	2 805.36	2 731.39	12 810.29	97.36%	17.57%	73.97	0.58%
TOTAL GRAZINGFEES	1 883 042.10	88 052.60	58 067.57	1 913 027.13	65.95%	2.95%	29 985.03	1.59%
DIVERSE:								
Springbok	938 936.43	64 703.77	105 426.52	898 213.68	162.94%	10.50%	(40 722.75)	(4.34%)
Steinkopf	338 965.74	9 579.86	7 971.94	340 573.66	83.22%	2.29%	1 607.92	0.47%
Concordia	106 086.89	19 797.58	18 029.26	107 855.21	91.07%	14.32%	1 768.32	1.67%
Komaggas	398 024.03	11 894.23	4 337.91	405 580.35	36.47%	1.06%	7 556.32	1.90%
Okiep	149 619.31	5 582.82	3 771.34	151 430.79	67.55%	2.43%	1 811.48	1.21%
Nababeep	425 425.58	6 498.45	284.14	431 639.89	4.37%	0.07%	6 214.31	1.46%
TOTAAL DIVERSE	2 357 057.98	118 056.71	139 821.11	2 335 293.58	118.44%	5.65%	(21 764.40)	(0.92%)
GROOT TOTAAL	68 861 866.65	11 325 661.81	9 739 699.82	70 447 828.64	86.00%	12.15%	1 585 961.99	2.30%
TOTAL SERVICESPOINTS								
Springbok	8 027 747.60	7 178 444.71	6 688 916.06	8 517 276.25	93.18%	43.99%	489 528.65	6.10%
Steinkopf	13 601 559.68	676 155.46	640 528.74	13 637 186.40	94.73%	4.49%	35 626.72	0.26%
Concordia	5 900 506.13	877 447.86	769 179.28	6 008 774.71	87.66%	11.35%	108 268.58	1.83%
Komaggas	15 928 266.13	417 438.68	164 364.52	16 181 340.29	39.37%	1.01%	253 074.16	1.59%
Okiep	8 395 231.11	887 733.50	673 077.97	8 609 886.64	75.82%	7.25%	214 655.53	2.56%
Nababeep	17 008 556.00	1 288 441.60	803 633.25	17 493 364.35	62.37%	4.39%	484 808.35	2.85%
TOTAL SERVICESPOINTS	68 861 866.65	11 325 661.81	9 739 699.82	70 447 828.64	86.00%	12.15%	1 585 961.99	2.30%

- **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 86% for the month of 31 May 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 12.15% of outstanding moneys at 31 May 2015.

Collection rates for the month illustrated below:

Rates

From the information above the municipality collected 98.50% in Steinkopf which was the highest collection rate; however the lowest collection rate was at 20.11% which was for Komaggas.

Services

From the information above the municipality collected 95.38% at Steinkopf which was the highest collection rate; however the lowest collection rate was at 45.59% which was for Komaggas.

Landsales

From the information above the municipality collected 87.39% at Okiep which was the highest collection rate; however the lowest collection rate was at 9.58% which was for Kommogas.

Grazing Fees

From the information above the municipality collected 97.36 % at NababEEP which was the highest collection rate; however the lowest collection rate was at 20.94 % which was for Komaggas.

Diverse/other

From the information above the municipality collected 162.94% at Concordia which was the highest collection rate; however the lowest collection rate was at 4.37% which was for NababEEP.

Service points

From the information above the municipality collected 94.73% at Steinkopf which was the highest collection rate; however the lowest collection rate was at 39.37 % which was for Kommaggas.

*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

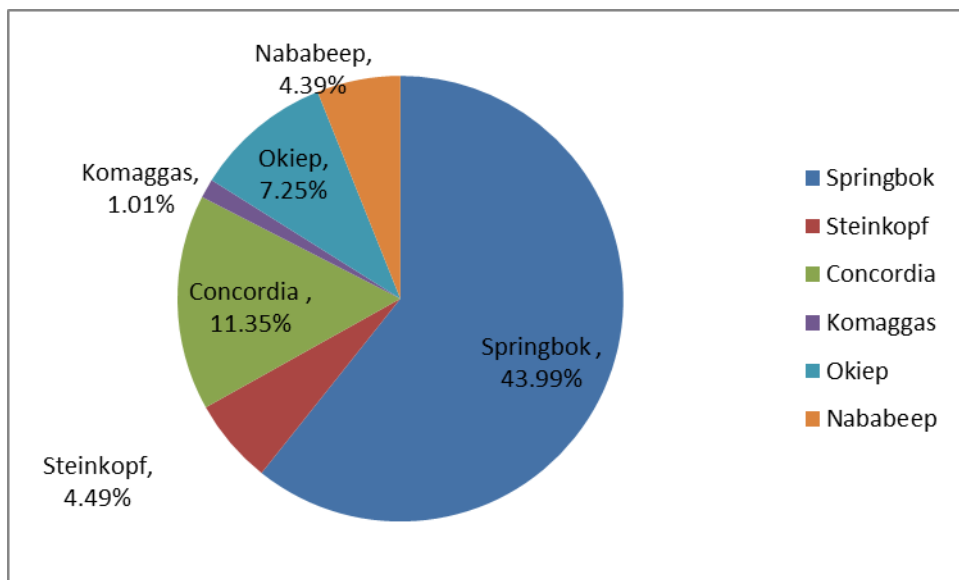
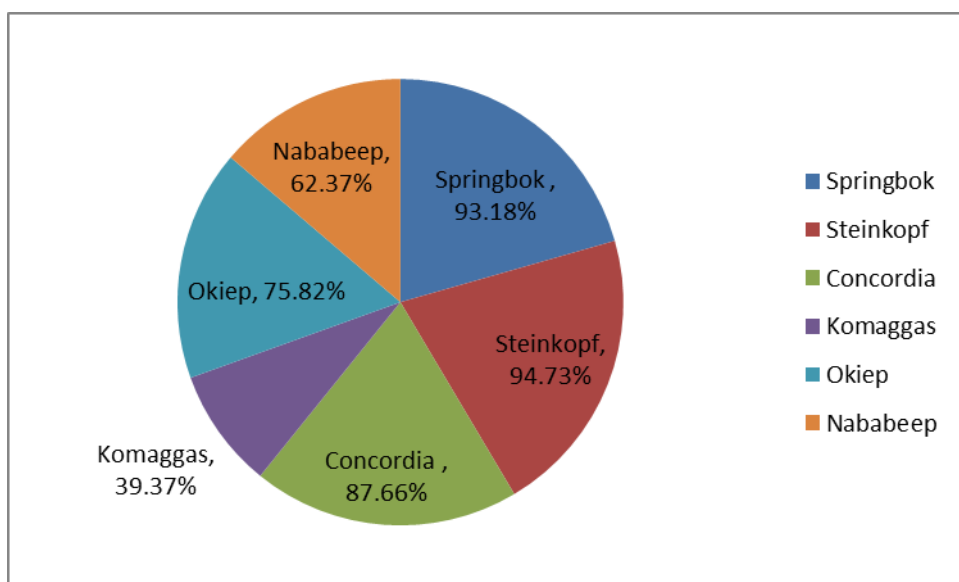


CHART: PERCENTAGE OF INCOME COLLECTED PER SERVICE POINT FOR THE MONTH



NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May							
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	2 777 692	2 780 555	-2 863	100%
Pension and UIF Contributions	479 959	132 618	11 052	121 567	121 567	0	100%
Motor Vehicle Allowance	799 931	799 931	88 897	956 134	733 271	222 864	130%
Cellphone Allowance	381 631	157 411	18 807	203 945	144 294	59 651	141%
Other benefits and allowances	65 340	310 440	-	-	284 570	-284 570	0%
Sub Total - Councillors	4 926 587	4 433 734	374 397	4 059 337	4 064 256	-4 919	100%
Senior Managers of the Municipality							
Basic Salaries and Wages	2 937 701	2 614 281	289 739	2 962 833	2 396 424	566 408	124%
Pension and UIF Contributions	309 042	343 340	43 430	436 467	314 729	121 738	139%
Medical Aid Contributions	134 446	149 601	25 163	241 849	137 134	104 715	176%
Overtime		-	-	-	-	-	
Performance Bonus		-	-	-	-	-	
Motor Vehicle Allowance	689 364	550 862	80 504	815 944	504 957	310 987	162%
Cellphone Allowance		42 000	4 500	37 500	38 500	-1 000	97%
Housing Allowances	5 736	7 489	1 236	12 182	6 865	5 317	177%
Other benefits and allowances	264 847	481 522	120 124	688 446	441 395	247 051	156%
Payments in lieu of leave		-	-	-	-	-	
Long service awards		-	-	16 569	-	16 569	
Post-retirement benefit obligations		-	-	-	-	-	
Sub Total - Senior Managers of Municipality	4 341 136	4 189 096	564 697	5 211 790	3 840 005	1 371 785	136%
Other Municipal Staff							
Basic Salaries and Wages	44 085 952	39 150 666	2 837 479	34 951 224	35 888 110	-936 886	97%
Pension and UIF Contributions	5 567 956	6 093 895	473 483	5 492 392	5 586 070	-93 678	98%
Medical Aid Contributions	1 618 999	1 755 786	138 625	1 567 063	1 609 470	-42 407	97%
Overtime	-	1 913 699	305 161	2 810 597	1 754 224	1 056 373	160%
Performance Bonus	-	-	-	-	-	-	
Motor Vehicle Allowance	3 963 246	3 352 497	242 048	2 810 528	3 073 122	-262 594	91%
Cellphone Allowance	-	59 584	10 253	88 088	54 619	33 469	161%
Housing Allowances	263 509	288 945	21 757	231 212	264 866	-33 654	87%
Other benefits and allowances	5 722 456	7 599 225	424 849	6 046 367	6 965 956	-919 589	87%
Payments in lieu of leave	-	-	-	-	-	-	
Long service awards	-	-	14 975	187 544	-	187 544	
Post-retirement benefit obligations		-	-	-	-	-	
Sub Total - Other Municipal Staff	61 222 119	60 214 297	4 468 629	54 185 015	55 196 438	-1 011 423	98%
Total Parent Municipality	70 489 842	68 837 127	5 407 723	63 456 142	63 100 699	355 443	101%
Total Employee Related Cost	65 563 255	64 403 392	5 033 326	59 396 805	59 036 443		
Total Expenditure	209 794 960	243 160 356	13 953 581	204 124 419	218 686 620		
% Employee Related Cost to Total Expenditure	31%	26%	36%	29%	27%		

YearTD – refers to Year-to-date (July – May2015)

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 May 2015 is 36%.

5. Financial Implications /Recommendations

Revenue by source:

Head of Department must budget for realistic revenue sources which will realise during the year.

Expenditure by type:

Monthly expenditure must be monitored.

Capital Expenditure:

Planning must be prioritised and monitoring must be aligned with corrective actions to avoid low expenditure.

Cash Flow Statement:

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

Debtors Analysis

Payment of outstanding monies should be prioritised.

Creditors Analysis

Municipality must adhere to agreements with Creditors.

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:

Heinri Cloete

Section Head: Financial Services

Budget & Treasury

DATE: 12 June 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 May 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