



Nama Khoi Municipality

14 November 2014

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 October 2014 (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 October 2014, ten working days reporting limit expires on 14 November 2014.

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 October 2014

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

The financial results for the period ended 31 October 2014 are summarised as follows:

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

. The summary report indicates the following

Table of Contents

| | |
|---------|--|
| Page 3 | Table C4-Financial Performance |
| Page 4 | Explanations on table |
| Page 5 | Reasons for variances |
| Page 7 | CHART 1- Revenue by source |
| Page 8 | CHART 2 – Expenditure by type |
| Page 9 | Table C3 – Revenue and expenditure by vote |
| Page 11 | CHART 3 – Revenue by vote |
| Page 12 | CHART 4 – Expenditure by vote |
| Page 13 | Capital Expenditure |
| Page 14 | Cash Flow Statement |
| Page 16 | Debtors Age Analysis |
| Page 17 | CHART 8 Debtors outstanding per revenue source |
| Page 18 | CHART 9 – Debtors outstanding per category |
| Page 19 | Creditors age analysis |
| Page 21 | Report on outstanding money |
| Page 24 | Employee Related Cost |
| Page 25 | Financial Implications/Recommendations |
| Page 27 | Interdepartmental and Cluster Impact |
| Page 28 | Quality Certificate |
| Page 29 | Annexure A |
| Page 31 | C-Schedule Table of contents |

| NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October | | | | | | |
|---|---------------------|-------------------|-------------------|-------------------|--------------------|----------------|
| Description | Budget Year 2014/15 | | | | | |
| | Original Budget | October actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| Revenue By Source | | | | | | |
| Property rates | 32 343 145 | 60 575 | 36 649 467 | 31 167 031 | 5 482 436 | 117.59% |
| Service charges - electricity revenue | 67 377 952 | 6 186 186 | 23 074 194 | 24 859 317 | -1 785 123 | 92.82% |
| Service charges - water revenue | 32 502 068 | 2 254 137 | 7 232 644 | 9 634 024 | -2 401 380 | 75.07% |
| Service charges - sanitation revenue | 9 170 014 | 768 894 | 3 061 344 | 3 056 671 | 4 673 | 100.15% |
| Service charges - refuse revenue | 10 957 065 | 791 683 | 3 160 421 | 3 652 355 | -491 934 | 86.53% |
| Service charges - other | Nil | 66 705 | 265 668 | Nil | 265 668 | No Comp |
| Rental of facilities and equipment | 2 001 898 | 89 064 | 77 524 | 669 306 | -591 782 | 11.58% |
| Interest earned - external investments | 624 300 | 110 227 | 374 590 | 208 100 | 166 490 | 180.00% |
| Interest earned - outstanding debtors | 3 370 677 | 359 746 | 1 360 234 | 908 560 | 451 674 | 149.71% |
| Fines | 273 406 | 13 211 | 61 086 | 91 135 | -30 050 | 67.03% |
| Licences and permits | 1 171 613 | 86 738 | 458 176 | 390 538 | 67 638 | 117.32% |
| Agency services | 1 272 027 | 228 024 | 347 996 | 424 009 | -76 013 | 82.07% |
| Transfers recognised - operational | 40 346 000 | Nil | 16 504 000 | 19 627 850 | -3 123 850 | 84.08% |
| Other revenue | 6 641 655 | 101 470 | 291 700 | 2 387 075 | -2 095 375 | 12.22% |
| Gains on disposal of PPE | 5 500 000 | Nil | Nil | Nil | Nil | No Comp |
| Total Revenue (excluding capital transfers and contributions) | 213 551 820 | 11 116 659 | 92 919 045 | 97 075 972 | -4 156 927 | 95.72% |
| | | | | | | |
| Expenditure By Type | | | | | | |
| Employee related costs | 65 563 255 | 5 294 963 | 23 011 012 | 21 854 418 | 1 156 594 | 105.29% |
| Remuneration of councillors | 4 926 587 | 370 362 | 1 438 560 | 1 642 196 | -203 636 | 87.60% |
| Debt impairment | 3 764 020 | Nil | Nil | Nil | Nil | No Comp |
| Depreciation & asset impairment | 5 419 667 | Nil | Nil | Nil | Nil | No Comp |
| Finance charges | 1 731 550 | 5 485 | 110 250 | 409 542 | -299 292 | 26.92% |
| Bulk purchases | 84 833 077 | 7 808 403 | 28 667 351 | 28 277 692 | 389 658 | 101.38% |
| Other materials | 8 938 204 | 349 017 | 1 585 309 | 2 979 401 | -1 394 093 | 53.21% |
| Contracted services | 994 365 | 736 755 | 816 126 | 331 455 | 484 671 | 246.23% |
| Transfers and grants | Nil | 59 310 | 175 680 | Nil | 175 680 | No Comp |
| Other expenditure | 33 624 234 | 4 220 810 | 16 286 657 | 9 768 515 | 6 518 141 | 166.73% |
| Loss on disposal of PPE | | | | | - | |
| Total Expenditure | 209 794 960 | 18 845 105 | 72 090 945 | 65 263 220 | 6 827 725 | 110.46% |
| | | | | | | |
| Surplus/(Deficit) | 3 756 860 | -7 728 446 | 20 828 100 | 31 812 752 | -10 984 651 | |

Explanations on table

***Please note the following:**

YearTD – refers to Year-to-date (July – October 2014)

Variance – refers the difference between actual versus budget

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

Nil – No amounts was budget or spent

No comp – No comparison can be made either because there is no budget or no expenditure.

Reasons for variances

The Major revenue variances against the budget are:

For a better comparison between actual and budgeted amounts the municipality must calculate revenue per month on revenue items differently; e.g. Property rates should be calculated on a different basis as service charges as electricity and water varies between seasons whereas property rates are billed once but is receive throughout the year.

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

Property Rates –Management should ensure that the planning of the monthly budgets are prioritise. National Treasury are in a process whereby municipality’s monthly cash flows will be monitored to check if municipalities stick to their budgets. Income department should ensure that the income and rebates on property are captured separately. Property Rates should be budgeted by the income department as have the knowledge of how the consumers pay their accounts.

Service charges electricity- there is a variance of 7.18%, this means the municipality billed less revenue than what was budgeted, and more time should be given to accurately budget for service charges on a monthly basis.

Service charges water – The municipality billed only 75.07% for water service when compared to the monthly budget. The municipality needs to do a detailed investigation on what the revenue of water is, what the municipality billed for free basic services and what the exact expenditure to deliver this service is.

Service charges sanitation – The municipality have a variance of 0.15%, which means the planning was very good for this service.

Service charges refuse removal – This variance shows that the municipality did not bill as budgeted. This service should remain constant and therefore there should be no variance, the municipality need to ensure that it does not inflate revenue sources to have a creditable budget.

Service charges other – This service is not budgeted and is recognised in the budget under other revenue, however on the financial system it is recognised as service charges , this need to be rectified to show the comparison between budget and actual. The description in the financial system, service charges which are income received other than basic service delivered by the municipality should be recognised s other revenue.

Rental of equipment and facilities – a negative variance shows the municipality are not budgeting according a lease register.

Interest earned – The municipality needs a finance model or procedure to calculate these revenue items, the unknown factors such as debtors paying or not paying their accounts make it difficult to budget for these revenue items.

Fines, Licences & permits, and agency services shows the municipality billed more revenue than what was budgeted for. The reason is because the municipality does not have a proper manner of budgeting for these items, these items can also be unpredictable which makes the budgeting process challenging.

Transfer recognised operational – The municipality did not receive any operational grants for the month of October.

Other revenue – the variance shows the municipality billed only 12.22%, the municipality need to ensure that it does not inflate revenue sources to have a creditable budget.

The major expenditure variances against budget are:

Employee related cost – the variance of 5.29% shows the municipality spend more on employee cost than budgeted, the budgeted figure does not make provision for acting allowance.

Remuneration of councillors – the variance shows the municipality spend R203 thousand less than budgeted.

Finance charges – refers only to the interest paid on loans.

Bulk purchases has a variance Of 1.38%, this means at the end of October the municipality spent more or less what they budgeted on bulk purchases however it must be highlighted that the budgeted figure does not include outstanding debt.

Other materials – repair and maintenance shows the municipality spend only 53.21% on repair and maintenance, however the municipality must start monitoring repair and maintenance of vehicles..

Contract service and transfers and grants needs to be calculated not only the yearly total, budget the month to month amount should be planned correctly.

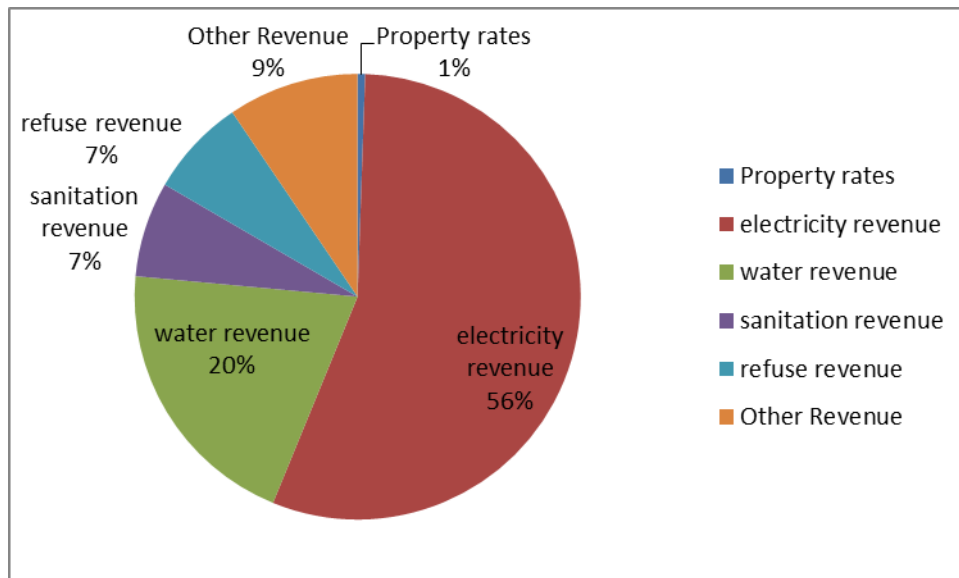
Other expenditure – Each department should investigate their budgets and start to curb expenditure of the municipality. Managers as well as their office assistants needs to familiarise themselves with the financial system which wil assist them to manage their budgets accordingly.

| NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue) - M04 October | | | | | | |
|---|---------------------|-------------------|-------------------|-------------------|-------------------|---------------|
| Description | Budget Year 2014/15 | | | | | |
| | Original Budget | October actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| Revenue By Source | | | | | | |
| Property rates | 32 343 145 | 60 575 | 36 649 467 | 31 167 031 | 5 482 436 | 117.59% |
| Service charges - electricity revenue | 67 377 952 | 6 186 186 | 23 074 194 | 24 859 317 | -1 785 123 | 92.82% |
| Service charges - water revenue | 32 502 068 | 2 254 137 | 7 232 644 | 9 634 024 | -2 401 380 | 75.07% |
| Service charges - sanitation revenue | 9 170 014 | 768 894 | 3 061 344 | 3 056 671 | 4 673 | 100.15% |
| Service charges - refuse revenue | 10 957 065 | 791 683 | 3 160 421 | 3 652 355 | -491 934 | 86.53% |
| Service charges - other | Nil | 66 705 | 265 668 | Nil | 265 668 | No Comp |
| Rental of facilities and equipment | 2 001 898 | 89 064 | 77 524 | 669 306 | -591 782 | 11.58% |
| Interest earned - external investments | 624 300 | 110 227 | 374 590 | 208 100 | 166 490 | 180.00% |
| Interest earned - outstanding debtors | 3 370 677 | 359 746 | 1 360 234 | 908 560 | 451 674 | 149.71% |
| Fines | 273 406 | 13 211 | 61 086 | 91 135 | -30 050 | 67.03% |
| Licences and permits | 1 171 613 | 86 738 | 458 176 | 390 538 | 67 638 | 117.32% |
| Agency services | 1 272 027 | 228 024 | 347 996 | 424 009 | -76 013 | 82.07% |
| Transfers recognised - operational | 40 346 000 | Nil | 16 504 000 | 19 627 850 | -3 123 850 | 84.08% |
| Other revenue | 6 641 655 | 101 470 | 291 700 | 2 387 075 | -2 095 375 | 12.22% |
| Gains on disposal of PPE | 5 500 000 | Nil | Nil | Nil | Nil | No Comp |
| Total Revenue (excluding capital transfers and contributions) | 213 551 820 | 11 116 659 | 92 919 045 | 97 075 972 | -4 156 927 | 95.72% |

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

CHART 1

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

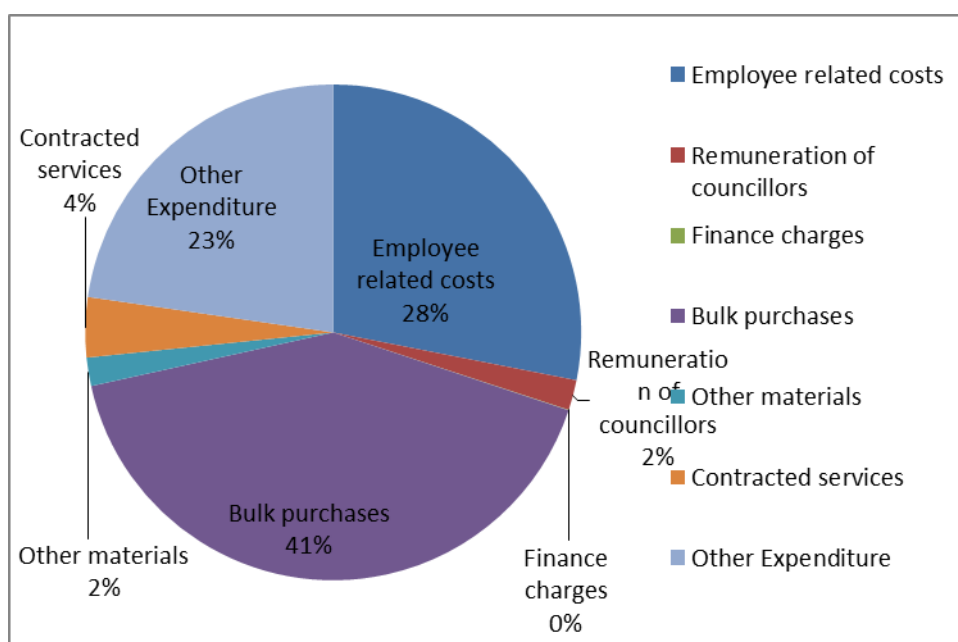


| Expenditure By Type | Original Budget | October actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
|---------------------------------|--------------------|-------------------|-------------------|-------------------|------------------|----------------|
| Employee related costs | 65 563 255 | 5 294 963 | 23 011 012 | 21 854 418 | 1 156 594 | 105.29% |
| Remuneration of councillors | 4 926 587 | 370 362 | 1 438 560 | 1 642 196 | -203 636 | 87.60% |
| Debt impairment | 3 764 020 | Nil | Nil | Nil | Nil | No Comp |
| Depreciation & asset impairment | 5 419 667 | Nil | Nil | Nil | Nil | No Comp |
| Finance charges | 1 731 550 | 5 485 | 110 250 | 409 542 | -299 292 | 26.92% |
| Bulk purchases | 84 833 077 | 7 808 403 | 28 667 351 | 28 277 692 | 389 658 | 101.38% |
| Other materials | 8 938 204 | 349 017 | 1 585 309 | 2 979 401 | -1 394 093 | 53.21% |
| Contracted services | 994 365 | 736 755 | 816 126 | 331 455 | 484 671 | 246.23% |
| Transfers and grants | Nil | 59 310 | 175 680 | Nil | 175 680 | No Comp |
| Other expenditure | 33 624 234 | 4 220 810 | 16 286 657 | 9 768 515 | 6 518 141 | 166.73% |
| Total Expenditure | 209 794 960 | 18 845 105 | 72 090 945 | 65 263 220 | 6 827 725 | 110.46% |

*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) - M04 | | | | | | |
|---|---------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| October | | | | | | |
| Vote Description | Budget Year 2014/15 | | | | | |
| | Original Budget | October actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| Revenue by Vote | | | | | | |
| Vote 1 - Municipal Manager | 5 318 679 | 67 643 | 152 607 | 2 498 962 | -2 346 355 | 6% |
| Vote 2 - Financial Services | 60 014 936 | 541 329 | 54 952 587 | 43 735 677 | 11 216 910 | 126% |
| Vote 3 - Corporate Services | 6 727 215 | 66 731 | -89 589 | 1 954 392 | -2 043 981 | -5% |
| Vote 4 - Community Services: Community Development | 21 484 133 | 897 871 | 3 720 948 | 6 839 995 | -3 119 047 | 54% |
| Vote 5 - Community Services: Public Safety | 2 711 541 | 319 167 | 767 439 | 787 764 | -20 325 | 97% |
| Vote 6 - Electrical Engineering Services | 69 629 260 | 6 193 469 | 23 102 892 | 20 669 887 | 2 433 005 | 112% |
| Vote 7 - Infrastructure, Engineering & Technical Services | 47 666 056 | 3 030 450 | 10 312 146 | 15 022 578 | -4 710 432 | 69% |
| Total Revenue by Vote | 213 551 820 | 11 116 660 | 92 919 030 | 91 509 255 | 1 409 775 | 102% |
| | | | | | | |
| Expenditure by Vote | | | | | | |
| Vote 1 - Municipal Manager | 21 845 947 | 1 848 390 | 6 758 358 | 6 361 592 | 396 766 | 106% |
| Vote 2 - Financial Services | 29 297 857 | 3 751 387 | 12 852 144 | 8 511 616 | 4 340 528 | 151% |
| Vote 3 - Corporate Services | 13 154 123 | 1 371 294 | 5 583 924 | 3 821 552 | 1 762 372 | 146% |
| Vote 4 - Community Services: Community Development | 17 513 618 | 1 070 611 | 4 465 063 | 5 094 736 | -629 673 | 88% |
| Vote 5 - Community Services: Public Safety | 6 491 700 | 474 938 | 2 239 865 | 1 885 984 | 353 881 | 119% |
| Vote 6 - Electrical Engineering Services | 62 345 639 | 4 471 960 | 25 396 100 | 18 160 868 | 7 235 232 | 140% |
| Vote 7 - Infrastructure, Engineering & Technical Services | 59 146 076 | 5 856 526 | 14 795 491 | 17 220 085 | -2 424 594 | 86% |
| Total Expenditure by Vote | 209 794 960 | 18 845 106 | 72 090 945 | 61 056 433 | 11 034 512 | 118% |
| Surplus/ (Deficit) for the year | 3 756 860 | -7 728 446 | 20 828 085 | 30 452 822 | -9 624 737 | |

| NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue by municipal vote) - M04 October | | | | | | |
|---|--------------------|-------------------|-------------------|-------------------|------------------|--------------|
| Vote Description | Original Budget | October actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| Revenue by Vote | | | | | | |
| Vote 1 - Municipal Manager | 5 318 679 | 67 643 | 152 607 | 2 498 962 | -2 346 355 | 6% |
| Vote 2 - Financial Services | 60 014 936 | 541 329 | 54 952 587 | 43 735 677 | 11 216 910 | 126% |
| Vote 3 - Corporate Services | 6 727 215 | 66 731 | -89 589 | 1 954 392 | -2 043 981 | -5% |
| Vote 4 - Community Services: Community Development | 21 484 133 | 897 871 | 3 720 948 | 6 839 995 | -3 119 047 | 54% |
| Vote 5 - Community Services: Public Safety | 2 711 541 | 319 167 | 767 439 | 787 764 | -20 325 | 97% |
| Vote 6 - Electrical Engineering Services | 69 629 260 | 6 193 469 | 23 102 892 | 20 669 887 | 2 433 005 | 112% |
| Vote 7 - Infrastructure, Engineering & Technical Services | 47 666 056 | 3 030 450 | 10 312 146 | 15 022 578 | -4 710 432 | 69% |
| Total Revenue by Vote | 213 551 820 | 11 116 660 | 92 919 030 | 91 509 255 | 1 409 775 | 102% |

Reasons for Variances .

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

Municipal manager – The revenue budget did not realise and the municipality must ensure time is spent with monthly budget planning. Municipality must also be clear when budgeting which grants are operational and which grants are capital as it influence the revenue base of the municipality.

Financial Services – The property rates were billed more than what was budget thus the municipality need to align their budget plan to the plan of property rates. Corrections can only be made during the adjusted budget, the municipality must ensure that monthly budgets are a true reflection of the actual revenue that will be billed.

Corporate Services – the negative variance are there because rent of facilities showed that revenue was reverse in the month of July, this means the municipality reserve revenue previously billed.

Community development- The revenue was not billed as plan, meaning the municipality did not stick to their plans. The municipality must ensure they budget for revenue that will be realised.

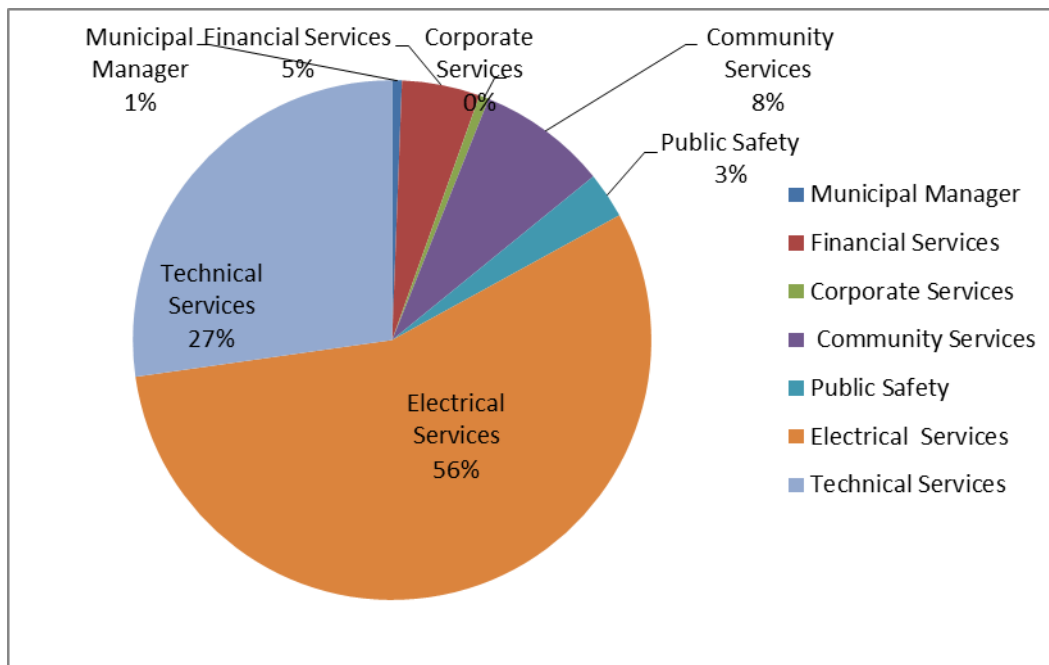
Public safety – The variance of 97% shows that the municipality billed 3% less than what was budget under this department, which is very good

Electrical Engineering Services – The variance shows the municipality billed 12% more than what was budgeted.

Infrastructure, Engineering & Technical Services - This service shows that the municipality billed less than what was budgeted; water service was not budget as planned.

CHART 3

The following chart shows the revenue by vote for October.



| Expenditure by Vote | Original Budget | October actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| Vote 1 - Municipal Manager | 21 845 947 | 1 848 390 | 6 758 358 | 6 361 592 | 396 766 | 106% |
| Vote 2 - Financial Services | 29 297 857 | 3 751 387 | 12 852 144 | 8 511 616 | 4 340 528 | 151% |
| Vote 3 - Corporate Services | 13 154 123 | 1 371 294 | 5 583 924 | 3 821 552 | 1 762 372 | 146% |
| Vote 4 - Community Services: Community Development | 17 513 618 | 1 070 611 | 4 465 063 | 5 094 736 | -629 673 | 88% |
| Vote 5 - Community Services: Public Safety | 6 491 700 | 474 938 | 2 239 865 | 1 885 984 | 353 881 | 119% |
| Vote 6 - Electrical Engineering Services | 62 345 639 | 4 471 960 | 25 396 100 | 18 160 868 | 7 235 232 | 140% |
| Vote 7 - Infrastructure, Engineering & Technical Services | 59 146 076 | 5 856 526 | 14 795 491 | 17 220 085 | -2 424 594 | 86% |
| Total Expenditure by Vote | 209 794 960 | 18 845 106 | 72 090 945 | 61 056 433 | 11 034 512 | 118% |

Reasons for variances

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

Municipal Manager- With a variance of 106% this department expenditure are more than what was budgeted at this stage; the following items are the biggest contributors: RDP housing expenditure and membership and subscriptions.

Financial services – Free basic services was captured under revenue foregone, corrections was made and free basic water, free basic electricity and free basic refuse removal was moved to their correct allocations.

Corporate services – Licence fees, printing rentals and system support & maintenance, telephone cost and operational maintenance are more than budgeted.

Community Development – The variance are there because all the sub-department spend less than what was budgeted therefore not adhere to the planned expenditure for the department.

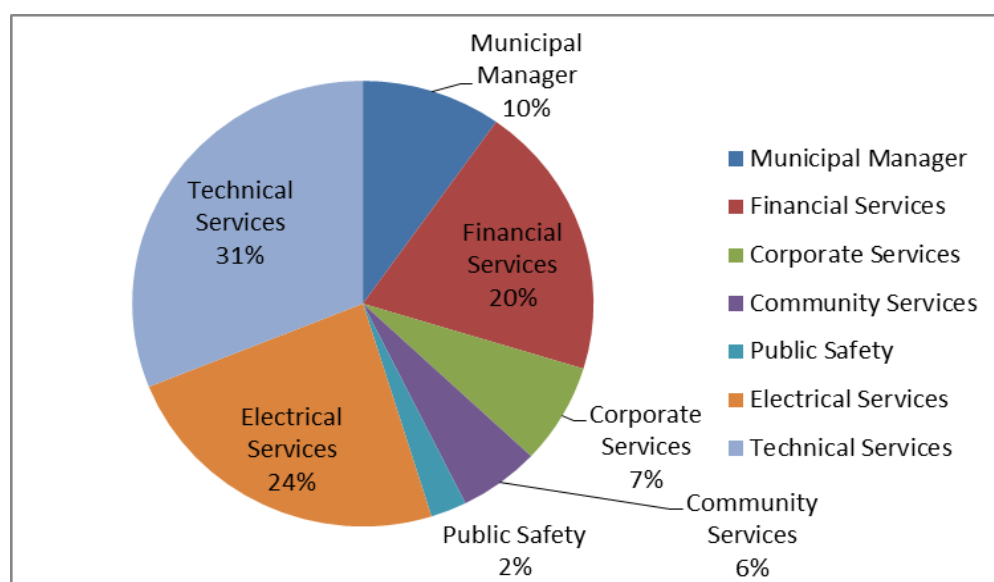
Public safety – The variance of 119% shows that this department overspent and the biggest contributor is employee related cost; it must be noted that officials working under Disaster Management are still being paid out of the Public Safety budget although these departments have split.

Electrical Engineering Services – The variance of 140% shows the municipality spent more than what was budget at 31 October 2014.

Infrastructure, Engineering & Technical Services – Water service is less than what was budgeted as bulk purchases of water are not as budgeted..

CHART 4

The following chart shows the expenditure by vote for October.



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 by Standard and Sources of Finance 31 October 2014 | | | | | | |
|--|-------------------|----------------|----------------|------------------|-------------------|--------------|
| Vote Description | Original Budget | October actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| Sport and recreation | 3 400 000 | 66 744 | 66 744 | 1 530 000 | -1 463 256 | 4% |
| Road transport | 10 579 000 | 96 619 | 349 899 | 4 760 550 | -4 410 651 | 7% |
| Electricity | 1 000 000 | - | 6 323 | 450 000 | -443 677 | 1% |
| Waste water management | 2 000 000 | - | 287 825 | 900 000 | -612 175 | 32% |
| Total Capital Expenditure - Standard Classification | 16 979 000 | 163 363 | 710 791 | 7 640 550 | -6 929 759 | 9% |
| Funded by: | | | | | | |
| National Government | 16 979 000 | 163 363 | 710 791 | 7 640 550 | -6 929 759 | 9% |
| Total Capital Funding | 16 979 000 | 163 363 | 710 791 | 7 640 550 | -6 929 759 | 9% |

Capital expenditure for the month of October 2014 was R163 363; it was highlighted by the head of Technical Services that the Capital Budget does not correspond with the Project plans of the Technical Department. The matter was referred to National Treasury for guidance. Treasury responded by stating that the municipality can only correct the budget by means of an adjusted budget after the mid-year assessment report whereby shifting of funds between the operational and capital budget can be done. Capital Budget must be detailed, with projects listed, times frames supplied but the current capital budget lack all those features which can be the reason why the expenditure are so slow.

CASH FLOW STATEMENT AT 31 October 2014

| NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M04 October | | | | | | |
|---|---------------------|------------------|------------------|-------------------|--------------------|--------------|
| Description | Budget Year 2014/15 | | | | | |
| | Original Budget | October actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Ratepayers and other | 158 915 888 | 23 573 900 | 62 014 214 | 54 727 636 | 7 286 578 | 113% |
| Government - operating | 40 346 000 | - | 16 904 000 | 19 627 850 | -2 723 850 | 86% |
| Government - capital | 16 979 000 | - | 6 100 000 | 7 659 667 | -1 559 667 | 80% |
| Interest | 3 795 229 | 385 500 | 1 575 853 | 1 265 076 | 310 777 | 125% |
| Dividends | | | | | - | |
| Payments | | | | | | |
| Suppliers and employees | -198 326 370 | -21 464 598 | -82 823 952 | -65 600 574 | 17 223 378 | 126% |
| Finance charges | -206 903 | -5 485 | -110 250 | -69 888 | 40 362 | 158% |
| Transfers and Grants | | | | | - | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 21 502 844 | 2 489 317 | 3 659 864 | 17 609 767 | -13 949 902 | 21% |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Proceeds on disposal of PPE | 5 719 000 | - | - | - | - | |
| Payments | | | | | | |
| Capital assets | -16 979 000 | -163 363 | -710 791 | -7 659 667 | -6 948 876 | 9% |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | -11 260 000 | -163 363 | -710 791 | -7 659 667 | -6 948 876 | 9% |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| Repayment of borrowing | -1 524 646 | -40 412 | -831 861 | -339 655 | 492 206 | 245% |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | -1 524 646 | -40 412 | -831 861 | -339 655 | 492 206 | 245% |
| NET INCREASE/ (DECREASE) IN CASH HELD | 8 718 198 | 2 285 542 | 2 117 213 | 9 610 445 | | |
| Cash/cash equivalents at beginning: | 3 331 303 | | 4 947 896 | 3 331 303 | | |
| Cash/cash equivalents at month/year end: | 12 049 500 | | 7 065 109 | 12 941 748 | | |

Budget left for the year:

Receipts – The positive amount shows the amount the municipality already collected more than budget.

- Negative amount shows the municipality shows the amount the municipality needs to collect for the year.

Payments –The positive amount shows the municipality must still the amount for the year.

- Negative amount shows the municipality already spend more for the year than the budget.

Nil – No amounts was budget or spent

The cash flow statement shows that the municipality had a balance of R7 065 109 n the primary bank account and the year –to-date budget shows the municipality budget for a balance of R12 941 748.

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 October 2014 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 October 2014

| Debtors Age Analysis at 31 October 2014 | | | | | | |
|---|------------------|------------------|------------------|------------------|-------------------|-------------------|
| Detail | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 Days + | Total |
| Debtors Age Analysis By Income Source | | | | | | |
| Water | 1 710 708 | 813 776 | 607 701 | 377 253 | 13 626 410 | 17 135 848 |
| Electricity | 4 301 712 | 1 464 851 | 1 164 712 | 581 446 | 15 235 469 | 22 748 190 |
| Property Rates | 2 041 811 | 4 378 355 | 524 836 | 462 107 | 14 065 048 | 21 472 157 |
| Waste Water Management | 628 931 | 252 666 | 130 920 | 108 168 | 3 613 299 | 4 733 984 |
| Waste Management | 619 518 | 290 942 | 179 837 | 176 224 | 8 322 290 | 9 588 811 |
| Other | 149 976 | 101 939 | 110 227 | 57 489 | 4 460 289 | 4 879 920 |
| Total By Income Source | 9 452 656 | 7 302 529 | 2 718 233 | 1 762 687 | 59 322 805 | 80 558 910 |
| Debtors Age Analysis By Customer Group | | | | | | |
| Organs of State | 503 626 | 3 400 357 | 119 192 | 46 184 | 1 054 414 | 5 123 773 |
| Commercial | 3 746 411 | 1 321 596 | 935 117 | 771 525 | 18 639 919 | 25 414 568 |
| Households | 5 202 619 | 2 580 576 | 1 663 924 | 944 978 | 39 628 472 | 50 020 569 |
| Total By Customer Group | 9 452 656 | 7 302 529 | 2 718 233 | 1 762 687 | 59 322 805 | 80 558 910 |

Debtors Analysis

The total debtors outstanding as at 31 October 2014 was R80 558 910; the total debtors outstanding at 30 September 2014 is R78 994 352, this is an increase of R1 564 558 (1.98%) for the period. At the rate debtors are increasing the municipality might be reaching the R100 million outstanding at the end of the financial year.

Total outstanding debtors for more than 90 days amounts to R61.09 million as at 31 October 2014 and R60.14 million as at 30 September 2014, the increase for the period was R0.95 million.

Total outstanding debtors for organs of state and commercial shows that R30 218 million outstanding at 30 September 2014 and for 31 October 2014 the amount outstanding was R30 538 million; this is an increase of R320 thousand.

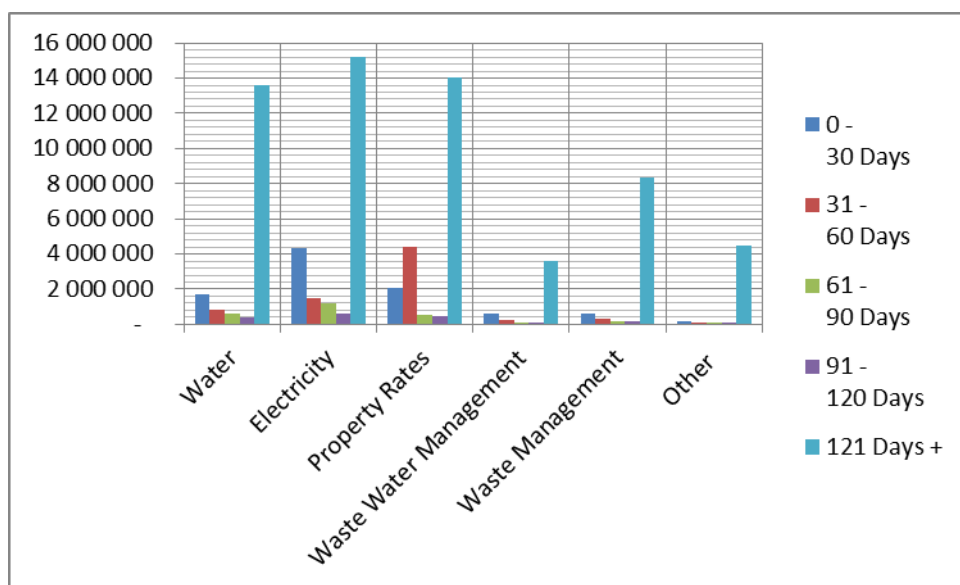
Total services rendered outstanding amounts to R54 207 million as at 31 October 2014 and for 30 September 2014 R52 206 million this is an increase R2.001 million(3.83%).

The month collection rate is only 74%.

Chart 8 – Debtors per revenue source

| Debtors Age Analysis at 31 October 2014 | | | | | | |
|--|------------------|------------------|------------------|------------------|-------------------|-------------------|
| Detail | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 Days + | Total |
| Debtors Age Analysis By Income Source | | | | | | |
| Water | 1 710 708 | 813 776 | 607 701 | 377 253 | 13 626 410 | 17 135 848 |
| Electricity | 4 301 712 | 1 464 851 | 1 164 712 | 581 446 | 15 235 469 | 22 748 190 |
| Property Rates | 2 041 811 | 4 378 355 | 524 836 | 462 107 | 14 065 048 | 21 472 157 |
| Waste Water Management | 628 931 | 252 666 | 130 920 | 108 168 | 3 613 299 | 4 733 984 |
| Waste Management | 619 518 | 290 942 | 179 837 | 176 224 | 8 322 290 | 9 588 811 |
| Other | 149 976 | 101 939 | 110 227 | 57 489 | 4 460 289 | 4 879 920 |
| Total By Income Source | 9 452 656 | 7 302 529 | 2 718 233 | 1 762 687 | 59 322 805 | 80 558 910 |

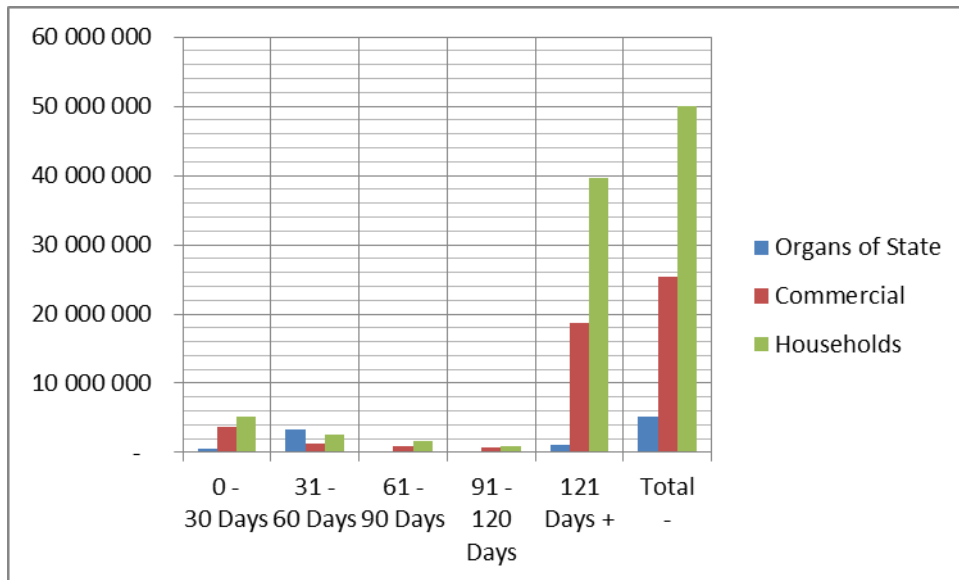
The following chart shows the debtors outstanding per revenue source, Chart as per information above



| Debtors Age Analysis By Customer Group | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 Days + | Total |
|--|------------------|------------------|------------------|------------------|-------------------|-------------------|
| Organs of State | 503 626 | 3 400 357 | 119 192 | 46 184 | 1 054 414 | 5 123 773 |
| Commercial | 3 746 411 | 1 321 596 | 935 117 | 771 525 | 18 639 919 | 25 414 568 |
| Households | 5 202 619 | 2 580 576 | 1 663 924 | 944 978 | 39 628 472 | 50 020 569 |
| Total By Customer Group | 9 452 656 | 7 302 529 | 2 718 233 | 1 762 687 | 59 322 805 | 80 558 910 |

CHART 9

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



CREDITORS Age Analysis - Annexure B -Table SC4

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

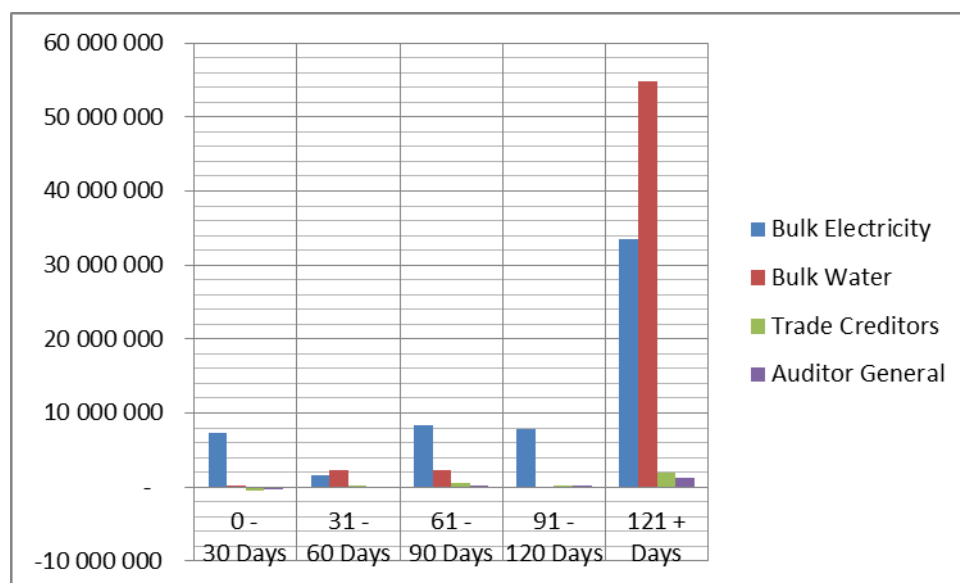
The following report shows the creditors outstanding at 31 October 2014

| Creditor Age Analysis 31 October 2014 | | | | | | |
|---------------------------------------|------------------|------------------|-------------------|------------------|-------------------|--------------------|
| Detail | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 + Days | Total |
| Bulk Electricity | 7 334 046 | 1 534 596 | 8 327 877 | 7 816 063 | 33 482 548 | 58 495 129 |
| Bulk Water | 210 282 | 2 212 305 | 2 368 221 | - | 54 812 090 | 59 602 898 |
| Trade Creditors | -420 902 | 14 556 | 635 885 | 104 462 | 1 974 401 | 2 308 403 |
| Auditor General | -300 000 | -173 315 | 19 304 | 41 299 | 1 223 409 | 810 697 |
| Total | 6 823 426 | 3 588 142 | 11 351 287 | 7 961 824 | 91 492 448 | 121 217 128 |

Creditors Analysis

The municipality's creditors outstanding are illustrated above with Bulk Water (SEDIBENG) the highest, the amount outstanding is R59 602 898 which includes a dispute from previous periods. The increase from September 2014 is R2 422 587 million. The fact that the municipality are only collection 15.60% as at 31 October 2014 as illustrated on page 21 means that the municipality are not collecting more than 80 % in moneys which could've been use to lower the creditors strain on the municipality.

Chart 10



Creditors Age Analysis

The comparison for creditors outstanding between September 2014 and October 2014 are as follows:

Bulk Electricity –October, R58 495 million and September 2014 R62 813 million this means the amount outstanding decrease by R4 318 million.

Bulk Water – September, R57 180 million and October 2014 R59 602 million this means the amount outstanding increase by R2 423 million.

Trade Creditors – September, R3 741 million and October 2014 R2 308 million this means the amount decrease by R1 433 million.

Auditor General – September 2014, R864 thousand and October 2014 R864 thousand this means the amount outstanding remained constant.

Debt collection has a direct impact on the ability to pay creditors; if the municipality does not collect moneys it can't pay creditors, giving the municipality position it's a given that the municipality does not collect enough revenue for payment of creditors.

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 OCTOBER 2014

| SERVICE POINTS | OUTSTANDING 30.09.14 | ADD BILLINGS | MINUS INCOME | OUTSTANDING 31.10.14 | Collection Rate for the Month | Collection Rate including all outstanding monies | INCREASING (DECREASING) | % INCREASE (/DECREA SE) (DAILING) |
|-----------------------------|-------------------------|----------------------|----------------------|-------------------------|----------------------------------|---|----------------------------|---|
| A | B | C | D | E | | | F | G |
| RATES: | | | | | | | | |
| Springbok | 3 937 085.48 | 4 800 573.93 | 3 085 408.34 | 5 652 251.07 | 64.27% | 35.31% | 1 715 165.59 | 43.56% |
| Steinkopf | 4 477 405.13 | 840 031.13 | 240 607.99 | 5 076 828.27 | 28.64% | 4.52% | 599 423.14 | 13.39% |
| Concordia | 1 602 979.63 | 553 225.66 | 185 062.10 | 1 971 143.19 | 33.45% | 8.58% | 368 163.56 | 22.97% |
| Komaggas | 3 201 901.83 | 103 138.58 | 16 807.23 | 3 288 233.18 | 16.30% | 0.51% | 86 331.35 | 2.70% |
| Okiep | 995 046.45 | 288 333.67 | 179 045.91 | 1 104 334.21 | 62.10% | 13.95% | 109 287.76 | 10.98% |
| Nababeep | 659 207.15 | 427 953.78 | 227 035.34 | 860 125.59 | 53.05% | 20.88% | 200 918.44 | 30.48% |
| TOTAL RATES | 14 873 625.67 | 7 013 256.75 | 3 933 966.91 | 17 952 915.51 | 56.09% | 17.97% | 3 079 289.84 | 20.70% |
| SERVICES: | | | | | | | | |
| Springbok | 3 606 006.96 | 5 637 192.57 | 5 470 437.65 | 3 772 761.88 | 97.04% | 59.18% | 166 754.92 | 4.62% |
| Steinkopf | 6 342 795.13 | 314 615.46 | 352 996.70 | 6 304 413.89 | 112.20% | 5.30% | (38 381.24) | (0.61%) |
| Concordia | 3 716 700.21 | 659 612.36 | 811 978.21 | 3 564 334.36 | 123.10% | 18.55% | (152 365.85) | (4.10%) |
| Komaggas | 9 660 996.91 | 423 474.97 | 168 869.19 | 9 915 602.69 | 39.88% | 1.67% | 254 605.78 | 2.64% |
| Okiep | 6 120 131.67 | 1 038 898.96 | 379 950.18 | 6 779 080.45 | 36.57% | 5.31% | 658 948.78 | 10.77% |
| Nababeep | 12 751 199.95 | 1 248 253.55 | 829 358.00 | 13 170 095.50 | 66.44% | 5.92% | 418 895.55 | 3.29% |
| TOTAL SERVICES | 42 197 830.83 | 9 322 047.87 | 8 013 589.93 | 43 506 288.77 | 85.96% | 15.55% | 1 308 457.94 | 3.10% |
| LANDSALES | | | | | | | | |
| Springbok | 51 826.94 | 1 157.80 | 2 046.37 | 50 938.37 | 176.75% | 3.86% | (888.57) | (1.71%) |
| Steinkopf | 145 479.13 | 320.19 | | 145 799.32 | 0.00% | 0.00% | 320.19 | 0.22% |
| Concordia | 117 102.77 | 1 130.50 | 751.11 | 117 482.16 | 66.44% | 0.64% | 379.39 | 0.32% |
| Komaggas | 74 228.54 | 1 895.65 | | 76 124.19 | 0.00% | 0.00% | 1 895.65 | 2.55% |
| Okiep | 142 364.01 | 2 875.41 | 2 699.91 | 142 539.51 | 93.90% | 1.86% | 175.50 | 0.12% |
| Nababeep | 23 415.91 | 1 107.62 | 2 031.12 | 22 492.41 | 183.38% | 8.28% | (923.50) | (3.94%) |
| TOTAL LANDSALES | 554 417.30 | 8 487.17 | 7 528.51 | 555 375.96 | 88.70% | 1.34% | 958.66 | 0.17% |
| GRAZINGFEES | | | | | | | | |
| Springbok | 9 370.47 | 3 552.36 | 3 050.35 | 9 872.48 | 85.87% | 23.60% | 502.01 | 5.36% |
| Steinkopf | 789 150.19 | 39 968.43 | 32 019.93 | 797 098.69 | 80.11% | 3.86% | 7 948.50 | 1.01% |
| Concordia | 313 594.52 | 31 343.52 | 25 660.47 | 319 277.57 | 81.87% | 7.44% | 5 683.05 | 1.81% |
| Komaggas | 511 377.57 | 16 297.28 | 5 947.58 | 521 727.27 | 36.49% | 1.13% | 10 349.70 | 2.02% |
| Okiep | 22 045.72 | 3 913.80 | 4 443.72 | 21 515.80 | 113.54% | 17.12% | (529.92) | (2.40%) |
| Nababeep | 12 151.29 | 2 957.07 | 2 735.16 | 12 373.20 | 92.50% | 18.10% | 221.91 | 1.83% |
| TOTAL GRAZINGFEES | 1 657 689.76 | 98 032.46 | 73 857.21 | 1 681 865.01 | 75.34% | 4.21% | 24 175.25 | 1.46% |
| Other | | | | | | | | |
| Springbok | 885 278.03 | 74 208.29 | 103 652.64 | 855 833.68 | 139.68% | 10.80% | (29 444.35) | (3.33%) |
| Steinkopf * | 337 668.94 | 9 052.73 | 21 448.02 | 325 273.65 | 236.92% | 6.19% | (12 395.29) | (3.67%) |
| Concordia ** | 118 810.74 | 16 726.41 | 29 083.86 | 106 453.29 | 173.88% | 21.46% | (12 357.45) | (10.40%) |
| Komaggas | 398 481.58 | 5 148.44 | 102.40 | 403 527.62 | 1.99% | 0.03% | 5 046.04 | 1.27% |
| Okiep | 144 564.28 | 6 600.61 | 672.26 | 150 492.63 | 10.18% | 0.44% | 5 928.35 | 4.10% |
| Nababeep | 385 861.03 | 13 491.58 | 4 755.49 | 394 597.12 | 35.25% | 1.19% | 8 736.09 | 2.26% |
| Total Other | 2 270 664.60 | 125 228.06 | 159 714.67 | 2 236 177.99 | 127.54% | 6.67% | (34 486.61) | (1.52%) |
| Total | 61 554 228.16 | 16 567 052.31 | 12 188 657.23 | 65 932 623.24 | 73.57% | 15.60% | 4 378 395.08 | 7.11% |
| TOTAL SERVICESPOINTS | | | | | | | | |
| Springbok | 8 489 567.88 | 10 516 684.95 | 8 664 595.35 | 10 341 657.48 | 82.39% | 45.59% | 1 852 089.60 | 21.82% |
| Steinkopf | 12 092 498.52 | 1 203 987.94 | 647 072.64 | 12 649 413.82 | 53.74% | 4.87% | 556 915.30 | 4.61% |
| Concordia | 5 869 187.87 | 1 262 038.45 | 1 052 535.75 | 6 078 690.57 | 83.40% | 14.76% | 209 502.70 | 3.57% |
| Komaggas | 13 846 986.43 | 549 954.92 | 191 726.40 | 14 205 214.95 | 34.86% | 1.33% | 358 228.52 | 2.59% |
| Okiep | 7 424 152.13 | 1 340 622.45 | 566 811.98 | 8 197 962.60 | 42.28% | 6.47% | 773 810.47 | 10.42% |
| Nababeep | 13 831 835.33 | 1 693 763.60 | 1 065 915.11 | 14 459 683.82 | 62.93% | 6.87% | 627 848.49 | 4.54% |
| Total | 61 554 228.16 | 16 567 052.31 | 12 188 657.23 | 65 932 623.24 | 73.57% | 15.60% | 4 378 395.08 | 7.11% |

- **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 73.57% for the month of October 2014.
 - 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 15.60% of outstanding moneys at 31 October 2014.
- Please note the municipality must still engaged with service providers whereby the collection rate will be given per month without including previous debt.

Historical Collection rates illustrated below:

Rates

From the information above the municipality collected 35.31% in Springbok which was the highest collection rate; however the lowest collection rate was at 0.51% which was for Komaggas.

Services

From the information above the municipality collected 59.18% at Springbok which was the highest collection rate; however the lowest collection rate was at 1.67% which was for Komaggas.

Landsales

From the information above the municipality collected 8.26% at Nababeep which was the highest collection rate; however the lowest collection rate was at 0.00% which was for Steinkopf.

Grazing Fees

From the information above the municipality collected 23.60 %at Springbok which was the highest collection rate; however the lowest collection rate was at 1.14 % which was for Komaggas.

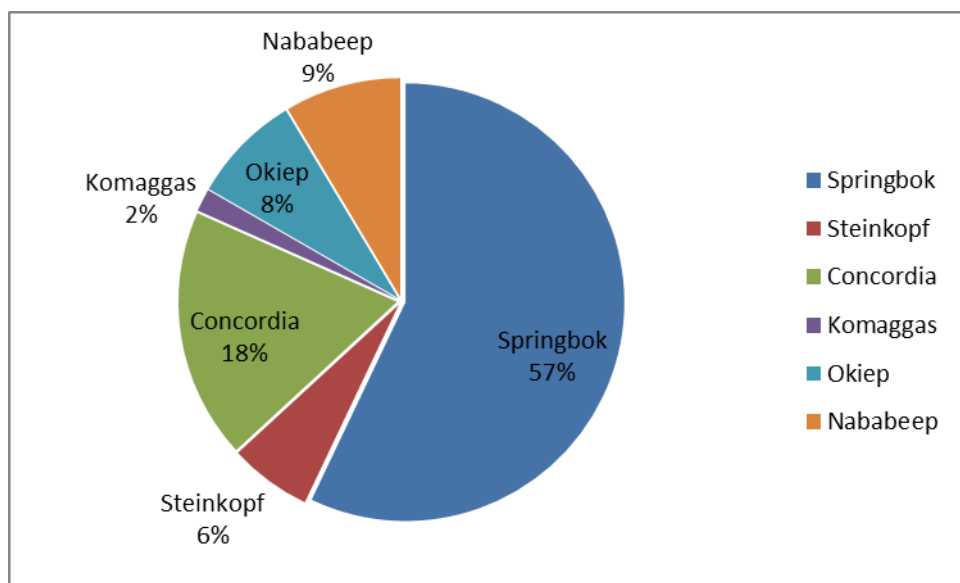
Diverse/other

From the information above the municipality collected 21.46% at Concordia which was the highest collection rate; however the lowest collection rate was at 0.03% which was for Komaggas.

Service points

From the information above the municipality collected 49.59 % at Springbok which was the highest collection rate; however the lowest collection rate was at 1.33 % which was for Kommagas.

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



| NAMA KHOI MUNICIPALITY | | | | | | | | |
|---|-------------------------|----------------------|----------------------|-------------------------|-------------------------|--|---|---------------|
| STATISTIC OF OUTSTANDING DEBTORS PER WARD | | | | | | | | |
| PERIOD 30.09.14 - 31.10.14 | | | | | | | | |
| WARD | U/S BALANCE 30.09.14 | ADD BILLING | MINUS INCOME | U/S BALANCE 31.10.14 | INCREASE/ (DECREASE) | % RATING OVER MONTHLY BILLING | Collection Rate including all outstanding monies | TOWNS |
| A | B | C | D | E | F | G | | I |
| 1 | 5 869 187.87 | 1 262 038.45 | 1 052 535.75 | 6 078 690.57 | 209 502.70 | 83% | 14.76% | CONCORDIA |
| 2 | 6 043 141.82 | 344 228.41 | 406 188.29 | 5 981 181.94 | (61 959.88) | 118% | 6.36% | STEINKOPF |
| 3 | 6 049 356.70 | 859 759.53 | 240 884.35 | 6 668 231.88 | 618 875.18 | 28% | 3.49% | STEINKOPF |
| 4 | 5 734 146.61 | 9 235 484.81 | 7 781 179.18 | 7 188 452.24 | 1 454 305.63 | 84% | 51.98% | SPRINGBOK |
| 5 | 1 561 346.11 | 900 062.69 | 533 824.71 | 1 927 584.09 | 366 237.98 | 59% | 21.69% | BERGSIG |
| 6 | 7 424 152.13 | 1 340 622.45 | 566 811.98 | 8 197 962.60 | 773 810.47 | 42% | 6.47% | OKIEP |
| 7 | 1 194 075.16 | 381 137.45 | 349 591.46 | 1 225 621.15 | 31 545.99 | 92% | 22.19% | MKLOOF/VWATER |
| 8 | 13 846 986.43 | 549 954.92 | 191 726.40 | 14 205 214.95 | 358 228.52 | 35% | 1.33% | KGAS |
| 9 | 13 831 835.33 | 1 693 763.60 | 1 065 915.11 | 14 459 683.82 | 627 848.49 | 63% | 6.87% | NABABEEP |
| | 61 554 228.16 | 16 567 052.31 | 12 188 657.23 | 65 932 623.24 | 4 378 395.08 | 74% | 15.60% | |

| NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October | | | | | | |
|---|--------------------|-------------------|-------------------|-------------------|------------------|----------------|
| Summary of Employee and Councillor remuneration | | | | | | |
| | Original Budget | October actual | YearTD actual | YearTD budget | YTD variance | YTD variance |
| Councillors (Political Office Bearers plus Other) | | | | | | |
| Basic Salaries and Wages | 3 199 726 | 255 641 | 988 204 | 1 066 575 | -78 371 | 92.65% |
| Pension and UIF Contributions | 479 959 | 11 052 | 44 206 | 159 986 | -115 780 | 27.63% |
| Motor Vehicle Allowance | 799 931 | 84 862 | 333 854 | 266 644 | 67 211 | 125.21% |
| Cellphone Allowance | 381 631 | 18 807 | 72 296 | 127 210 | -54 915 | 56.83% |
| Other benefits and allowances | 65 340 | Nil | Nil | 21 780 | -21 780 | No Comp |
| Sub Total - Councillors | 4 926 587 | 370 362 | 1 438 561 | 1 642 196 | -203 635 | 87.60% |
| Senior Managers of the Municipality | | | | | | |
| Basic Salaries and Wages | 2 937 701 | 252 356 | 1 009 424 | 979 234 | 30 191 | 103.08% |
| Pension and UIF Contributions | 309 042 | 36 553 | 146 210 | 103 014 | 43 196 | 141.93% |
| Medical Aid Contributions | 134 446 | 19 339 | 77 357 | 44 815 | 32 542 | 172.61% |
| Motor Vehicle Allowance | 689 364 | 68 904 | 275 616 | 229 788 | 45 828 | 119.94% |
| Cellphone Allowance | Nil | 500 | 2 000 | Nil | 2 000 | No Comp |
| Housing Allowances | 5 736 | 1 044 | 3 912 | 1 912 | 2 000 | 204.60% |
| Other benefits and allowances | 264 847 | 59 467 | 141 444 | 88 282 | 53 162 | 160.22% |
| Long service awards | Nil | Nil | 16 569 | Nil | 16 569 | No Comp |
| Sub Total - Senior Managers of Municipality | 4 341 136 | 438 163 | 1 672 533 | 1 447 045 | 225 487 | 115.58% |
| Other Municipal Staff | | | | | | |
| Basic Salaries and Wages | 44 085 952 | 3 153 656 | 14 066 203 | 14 695 317 | -629 114 | 95.72% |
| Pension and UIF Contributions | 5 567 956 | 497 945 | 2 115 272 | 1 855 985 | 259 287 | 113.97% |
| Medical Aid Contributions | 1 618 999 | 132 440 | 573 496 | 539 666 | 33 829 | 106.27% |
| Overtime | Nil | 235 173 | 945 176 | Nil | 945 176 | No Comp |
| Motor Vehicle Allowance | 3 963 246 | 255 748 | 1 092 992 | 1 321 082 | -228 090 | 82.73% |
| Cellphone Allowance | Nil | 8 073 | 24 137 | Nil | 24 137 | No Comp |
| Housing Allowances | 263 509 | 20 673 | 79 157 | 87 836 | -8 679 | 90.12% |
| Other benefits and allowances | 5 722 456 | 487 844 | 2 942 001 | 1 907 485 | 1 034 515 | 154.23% |
| Long service awards | Nil | 10 749 | 67 367 | Nil | 67 367 | No Comp |
| Sub Total - Other Municipal Staff | 61 222 119 | 4 802 301 | 21 905 800 | 20 407 373 | 1 498 427 | 107.34% |
| Total Parent Municipality | 70 489 842 | 5 610 825 | 25 016 893 | 23 496 614 | 1 520 279 | 106.47% |
| Total Employee Related cost | 65 563 255 | 5 240 463 | 23 578 333 | 21 854 418 | | |
| Total Expenditure | 209 794 960 | 18 845 105 | 72 090 945 | 65 263 220 | | |
| % Employee Related Cost to Total Expenditure | 31% | 28% | 33% | 33% | | |

YearTD – refers to Year-to-date (July – October 2014)

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

Nil – No amounts was budget or spent

No comp – No comparison can be made either because there is no budget or no expenditure

Employee related cost to total expenditure % of an organisation should be at 25-40% of total expenditure, the ratio for the month of October 2014 is 28%. It must be noted that more than 50 employees has left employment at the end of September significantly bringing down the salary bill. When comparing the salary bill of October against the salary bill of August as September includes all the other benefits of the employees that left are as follows: August – R6 040 203 and October R5 240 463 a difference of R799 740. It should however be noted salary bill for Senior Managers has not decrease and at 31 October it has a variance of 15.58% meaning it is more than the budget.

5. Financial Implications /Recommendations

Revenue by source:

The municipality billed R11 116 659 revenue for the month of October 2014, and had expenditure of R18 845 105 which means there is a difference of R7 728 446. Given the municipality current condition with outstanding creditors over R100 million the municipality can't afford to have more expenditure on a monthly basis than revenue. The municipal management should start evaluating resources and must ensure that revenue budget will realise at the month it was budgeted. Service department are the core of the municipality and must carry the municipality once the equitable share and property rates have been used. It is clear that the municipality does not have enough revenue to maintain itself and new ventures should be introduced, the municipality must create new revenue sources to maintain its ever increasing expenditure bill.

Expenditure by type:

Municipal management should take time consulting within their departments discussing their plans for the year and stick to the plans, the problem that occurred throughout the previous year where spending was not as planned, each head of department are responsible for his or her respective budget and should take charge and start control their budgets. Municipal management must start to prioritise and must start examining expenditure in their budgets and not only except expenditure but try to raise revenue to ensure there will be funds available for the expenditure. Managers must inform their employees that the fact an item was budgeted does not mean that the funds are available for such expenditure. Managers should also not be ignored when it comes to legislation and the processes involve when certain expenditure needs to take place.

Capital Expenditure:

The projects plans as per the development department should be the same as the budgeted month to month figures in the budget this will ensure that the municipality can control expenditure and avoid projects being delayed because of revenue issues. Capital Budget should be control by the officials responsible for projects and communication between the Budget and Treasury office and Development Department is critical.

Cash Flow Statement:

The cash flow budget should be the tool to be used throughout the year to avoid cash flow problems. Service charges collection rate needs to be in the upper 90% as they are the main income of the municipality. The same time/consulting process as with the operating budget is needed with cash flow statement as revenue billed is not necessary income received. If the municipality's current situation is taken into consideration, it is key to budget for revenue that will be cash bound to avoid cash flow problems.

Debtors Analysis

Municipalities deliver services to the community these services are costly which means the municipality needs to collect revenue for all services rendered. Legislation states municipalities needs to collect more revenue for water and electricity than what was spend to deliver these services to ensure sustainability, with Nama Khoi municipality having debtors outstanding for more than R80 million should be a worrying factor for management. Buy-in of Councillors as well as officials is needed to collect outstanding moneys.

Creditors Analysis

Legislation states that the municipality needs to pay creditors within 30 days, which means the municipality need to have a positive and healthy cash flow to ensure payment, debtors relates to a positive cash flow, it means if debtors do not pay creditors cannot be paid. Debtors keep increasing on a monthly basis and with debtors increasing and the low collection and taking into account that the municipality has more expenditure than revenue it will become impossible for the municipality to pay outstanding creditors.

Collection Rate

The low collection rate of the municipality starts the chain reaction of a negative cash flow at a municipality, it means if collection rates are low debtors outstanding will rise this will mean that he cash flow are hampered, which will result in the municipality having cash flow problems meaning the municipality will start having problems paying their creditors as stipulated by the legislation. The low collection rate of October2014 shows that the debtors outstanding are still increasing bringing more cash flow problems and will increased creditors outstanding. At this stage focus should not only be to curb expenditure but to collected as much outstanding monies as possible and to created new revenue ventures to maintain the money expenditure bill. Senior Managers should inform their officials of the real situation facing the municipality and carelessness towards unnecessary expenditure needs to stop.

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: 14 November 2014

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 October 2014 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 |