



**Nama Khoi Municipality**

**31 March 2016**

**The Mayor**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): QUARTERLY REPORT FOR THE PERIOD ENDING  
31 March 2016 (QUARTERLY BUDGET STATEMENT) – 2015/2016 FINANCIAL YEAR**

**1. PURPOSE**

To comply with section 52 of the MFMA, by providing a quarterly statement on the implementation of the budget and financial state of affairs of the municipality to the Council, as legislated.

**2. STRATEGIC OBJECTIVE**

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

For the reporting period ending 31 March 2016, 30 days reporting limit expires on 30 April 2016

**3. REPORT FOR THE PERIOD ENDING 31 March 2016**

This report is based upon financial information, as at 31 March 2016 and available at the time of preparation. The C Schedule is based on information from January to March 2016.

The financial results for the period ended 31 March 2016 are summarised as follows:

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

The SFP shown in Annexure B is prepared on a similar basis to its prescribed budget format, detailing by source, excluding capital transfers and contributions and including expenditure by type. The summary report indicates the following:

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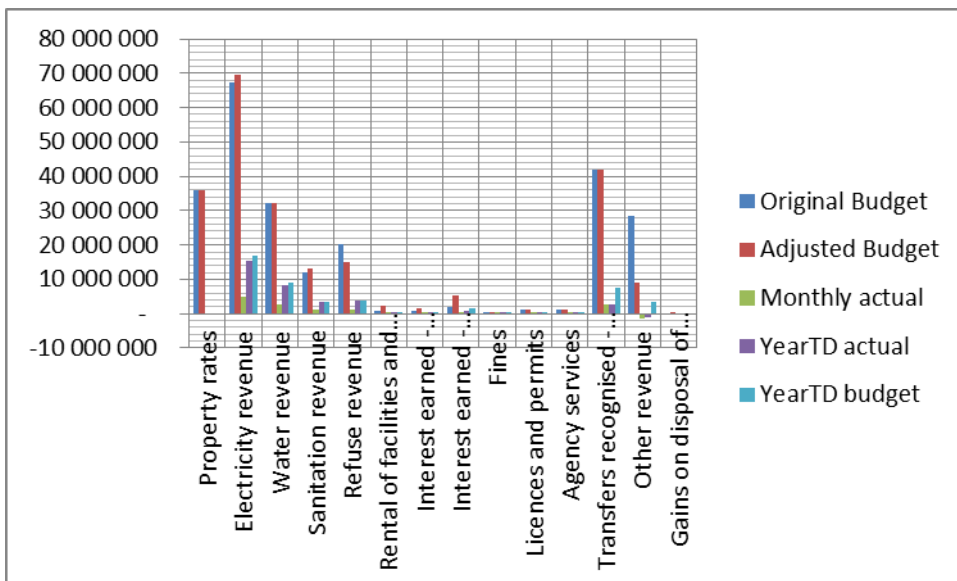
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NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q3 Third Quarter							
Description	Budget Year 2015/16						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Revenue By Source</b>							
Property rates	35 948 857	35 948 856	-123 054	-110 117	-118 566	8 449	93
Service charges - electricity revenue	67 453 395	69 513 756	4 940 834	15 332 490	16 770 690	-1 438 201	91
Service charges - water revenue	32 153 458	32 153 472	2 606 102	8 376 212	9 154 501	-778 289	91
Service charges - sanitation revenue	12 017 032	13 095 362	1 100 177	3 291 149	3 255 515	35 635	101
Service charges - refuse revenue	20 187 032	15 098 825	1 279 081	3 811 292	3 788 240	23 051	101
Rental of facilities and equipment	966 101	2 315 105	101 028	275 534	468 071	-192 537	59
Interest earned - external investments	678 910	1 593 948	129 207	435 453	359 419	76 034	121
Interest earned - outstanding debtors	2 003 932	5 424 634	516 616	722 474	1 389 746	-667 272	52
Fines	81 024	173 322	21 456	54 563	49 991	4 572	109
Licences and permits	1 342 222	1 263 775	69 442	226 093	283 843	-57 750	80
Agency services	1 169 258	1 211 949	176 337	416 611	348 061	68 549	120
Transfers recognised - operational	42 001 886	42 045 081	2 660 000	2 660 000	7 618 463	-4 958 463	35
Other revenue	28 415 534	8 922 601	-1 552 836	-1 183 953	3 375 378	-4 559 332	-35
Gains on disposal of PPE	-	117 175	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>244 418 643</b>	<b>228 877 861</b>	<b>11 924 389</b>	<b>34 307 799</b>	<b>46 743 351</b>	<b>-12 435 552</b>	<b>73</b>
<b>Expenditure By Type</b>							
Employee related costs	64 636 691	68 876 763	5 996 161	17 780 125	16 543 595	1 236 530	107
Remuneration of councillors	4 844 374	5 106 751	421 874	1 396 006	1 324 305	71 700	105
Debt impairment	8 517 765	8 517 768	-	-	-	-	
Depreciation & asset impairment	38 382 377	38 382 372	-	-	-	-	
Finance charges	2 155 295	78 225	-	5 318	13 037	-7 720	41
Bulk purchases	117 028 580	96 285 518	6 654 608	21 060 008	21 931 702	-871 694	96
Other materials	10 677 486	8 924 924	853 439	1 755 127	2 859 799	-1 104 672	61
Contracted services	2 619 612	1 767 679	97 952	475 484	444 914	30 570	107
Transfers and grants	-	-	1 135 424	3 106 506	-1 520 115	4 626 621	-204
Other expenditure	39 188 273	46 068 003	1 931 606	6 084 098	12 279 460	-6 195 362	50
<b>Total Expenditure</b>	<b>288 050 453</b>	<b>274 008 002</b>	<b>17 091 063</b>	<b>51 662 672</b>	<b>53 876 699</b>	<b>-2 214 027</b>	<b>96</b>
<b>Surplus/(Deficit)</b>	<b>-43 631 810</b>	<b>-45 130 141</b>	<b>-5 166 674</b>	<b>-17 354 872</b>	<b>-7 133 348</b>	<b>-10 221 525</b>	

Description	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Revenue By Source</b>							
Property rates	35 948 857	35 948 856	-123 054	-110 117	-118 566	8 449	93
Service charges - electricity revenue	67 453 395	69 513 756	4 940 834	15 332 490	16 770 690	-1 438 201	91
Service charges - water revenue	32 153 458	32 153 472	2 606 102	8 376 212	9 154 501	-778 289	91
Service charges - sanitation revenue	12 017 032	13 095 362	1 100 177	3 291 149	3 255 515	35 635	101
Service charges - refuse revenue	20 187 032	15 098 825	1 279 081	3 811 292	3 788 240	23 051	101
Rental of facilities and equipment	966 101	2 315 105	101 028	275 534	468 071	-192 537	59
Interest earned - external investments	678 910	1 593 948	129 207	435 453	359 419	76 034	121
Interest earned - outstanding debtors	2 003 932	5 424 634	516 616	722 474	1 389 746	-667 272	52
Fines	81 024	173 322	21 456	54 563	49 991	4 572	109
Licences and permits	1 342 222	1 263 775	69 442	226 093	283 843	-57 750	80
Agency services	1 169 258	1 211 949	176 337	416 611	348 061	68 549	120
Transfers recognised - operational	42 001 886	42 045 081	2 660 000	2 660 000	7 618 463	-4 958 463	35
Other revenue	28 415 534	8 922 601	-1 552 836	-1 183 953	3 375 378	-4 559 332	-35
Gains on disposal of PPE	-	117 175	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>244 418 643</b>	<b>228 877 861</b>	<b>11 924 389</b>	<b>34 307 799</b>	<b>46 743 351</b>	<b>-12 435 552</b>	<b>73</b>

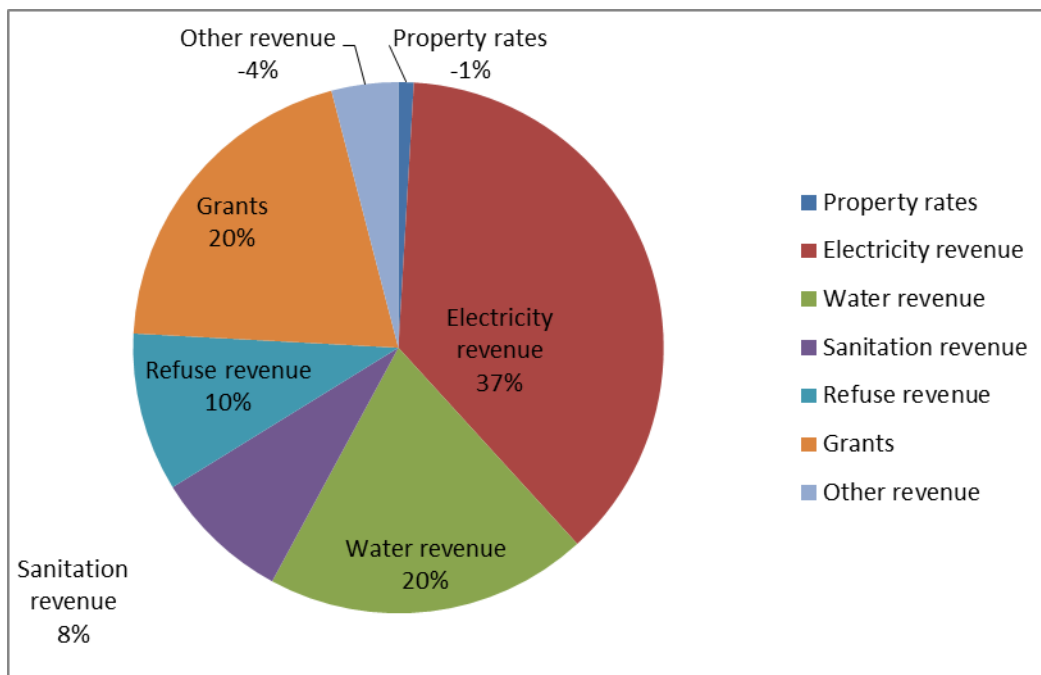
### CHART 1

The following chart shows the revenue by source differences between the actual year to date figures and the budgeted year to date, CHART as per information above



**Chart 2**

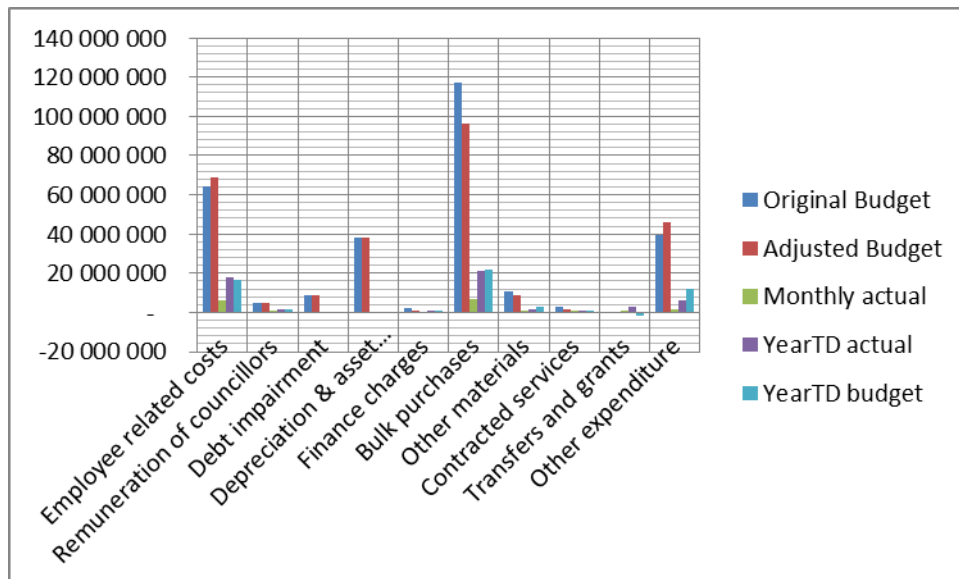
The following chart shows the revenue per source as a percentage to total revenue



Expenditure By Type	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Employee related costs	64 636 691	68 876 763	5 996 161	17 780 125	16 543 595	1 236 530	107
Remuneration of councillors	4 844 374	5 106 751	421 874	1 396 006	1 324 305	71 700	105
Debt impairment	8 517 765	8 517 768	-	-	-	-	-
Depreciation & asset impairment	38 382 377	38 382 372	-	-	-	-	-
Finance charges	2 155 295	78 225	-	5 318	13 037	-7 720	41
Bulk purchases	117 028 580	96 285 518	6 654 608	21 060 008	21 931 702	-871 694	96
Other materials	10 677 486	8 924 924	853 439	1 755 127	2 859 799	-1 104 672	61
Contracted services	2 619 612	1 767 679	97 952	475 484	444 914	30 570	107
Transfers and grants	-	-	1 135 424	3 106 506	-1 520 115	4 626 621	-204
Other expenditure	39 188 273	46 068 003	1 931 606	6 084 098	12 279 460	-6 195 362	50
<b>Total Expenditure</b>	<b>288 050 453</b>	<b>274 008 002</b>	<b>17 091 063</b>	<b>51 662 672</b>	<b>53 876 699</b>	<b>-2 214 027</b>	<b>96</b>

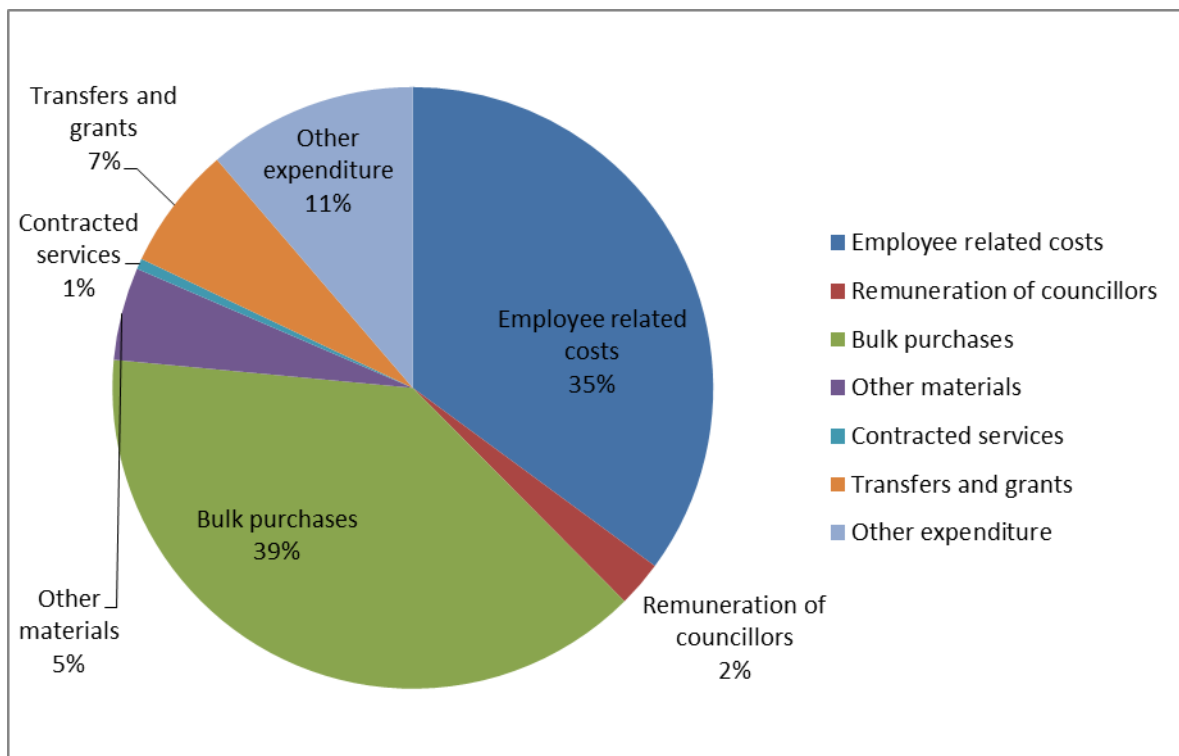
### CHART 3

The following chart shows the expenditure by type differences between the actual year to date figures and the budgeted year to date figure, Chart as per information above



### Chart 4

The following chart shows the expenditure per type percentage to total expenditure



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) - Q3 Third Quarter							
Vote Description	Budget Year 2015/16		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
	Original Budget	Adjusted Budget					
<b>Revenue by Vote</b>							
Vote 1 - Municipal Manager	1 733 797	2 015 365	324 134	515 584	484 738	30 846	106
Vote 2 - Financial Services	95 112 474	82 767 999	1 223 983	1 774 311	7 725 030	-5 950 719	23
Vote 3 - Corporate Services	9 605 236	9 130 500	75 810	212 245	3 234 432	-3 022 187	7
Vote 4 - Community Services: Community Development	24 680 392	17 664 821	3 051 442	5 764 036	4 559 099	1 204 937	126
Vote 5 - Community Services: Public Safety	2 581 078	2 402 458	251 283	668 414	631 597	36 817	106
Vote 6 - Electrical Engineering Services	73 566 405	69 594 210	4 957 078	15 364 138	16 345 889	-981 751	94
Vote 7 - Infrastructure, Engineering & Technical Services	67 990 316	45 302 508	3 709 659	11 678 067	11 301 662	376 405	103
<b>Total Revenue by Vote</b>	<b>275 269 698</b>	<b>228 877 861</b>	<b>13 593 389</b>	<b>35 976 795</b>	<b>44 282 447</b>	<b>-8 305 652</b>	<b>81</b>
<b>Expenditure by Vote</b>							
Vote 1 - Municipal Manager	16 396 189	17 885 933	1 158 052	3 625 029	4 903 738	-1 278 709	74
Vote 2 - Financial Services	67 725 399	70 974 082	1 638 651	4 831 915	4 241 949	589 966	114
Vote 3 - Corporate Services	17 433 480	17 089 365	1 412 803	4 109 779	4 064 721	45 058	101
Vote 4 - Community Services: Community Development	18 888 978	21 629 298	1 676 253	5 124 187	6 034 868	-910 681	85
Vote 5 - Community Services: Public Safety	5 793 869	6 863 569	648 928	1 798 627	1 580 822	217 805	114
Vote 6 - Electrical Engineering Services	93 562 498	77 332 662	5 110 549	15 366 200	16 917 389	-1 551 189	91
Vote 7 - Infrastructure, Engineering & Technical Services	68 250 041	62 420 865	5 445 825	16 806 928	16 064 353	742 575	105
<b>Total Expenditure by Vote</b>	<b>288 050 453</b>	<b>274 195 775</b>	<b>17 091 061</b>	<b>51 662 665</b>	<b>53 807 840</b>	<b>-2 145 175</b>	<b>96</b>
<b>Surplus/ (Deficit) for the year</b>	<b>-12 780 755</b>	<b>-45 317 914</b>	<b>-3 497 672</b>	<b>-15 685 870</b>	<b>-9 525 393</b>	<b>-6 160 477</b>	

	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Revenue by Vote</b>							
Vote 1 - Municipal Manager	1 733 797	2 015 365	324 134	515 584	484 738	30 846	106
Vote 2 - Financial Services	95 112 474	82 767 999	1 223 983	1 774 311	7 725 030	-5 950 719	23
Vote 3 - Corporate Services	9 605 236	9 130 500	75 810	212 245	3 234 432	-3 022 187	7
Vote 4 - Community Services: Community Development	24 680 392	17 664 821	3 051 442	5 764 036	4 559 099	1 204 937	126
Vote 5 - Community Services: Public Safety	2 581 078	2 402 458	251 283	668 414	631 597	36 817	106
Vote 6 - Electrical Engineering Services	73 566 405	69 594 210	4 957 078	15 364 138	16 345 889	-981 751	94
Vote 7 - Infrastructure, Engineering & Technical Services	67 990 316	45 302 508	3 709 659	11 678 067	11 301 662	376 405	103
<b>Total Revenue by Vote</b>	<b>275 269 698</b>	<b>228 877 861</b>	<b>13 593 389</b>	<b>35 976 795</b>	<b>44 282 447</b>	<b>-8 305 652</b>	<b>81</b>

## Variations

**Municipal Manager** – The department billed more revenue for building plan fees as budgeted.

**Financial Services**- The department did not received as budgeted as it was offset against the unspent MIG funds.

**Corporate Services** – Revenue from sale of land & stands did not occur as budgeted.

**Community Services** – Library grants more than budgeted.

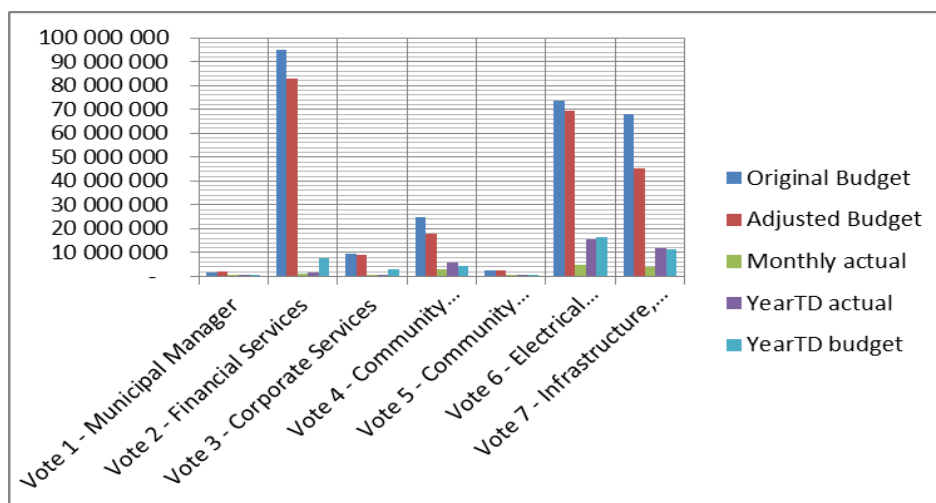
**Public Safety** – Agency services billed more than the intended budget.

**Electrical Services** – Service charges less than the budgeted amount.

**Technical Services** – Variance less than 5%

## CHART 5

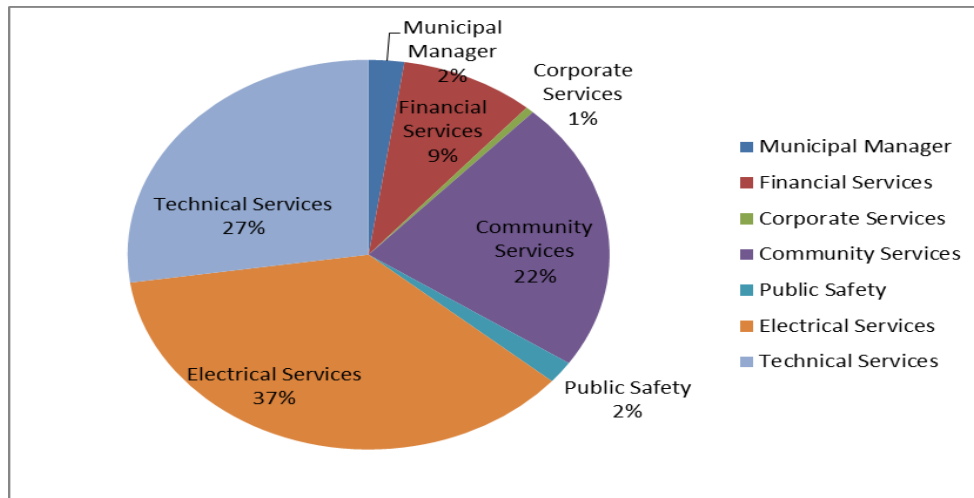
The following chart shows the revenue by vote differences between the actual year to date figures and the budgeted year to date figure





**Chart 6**

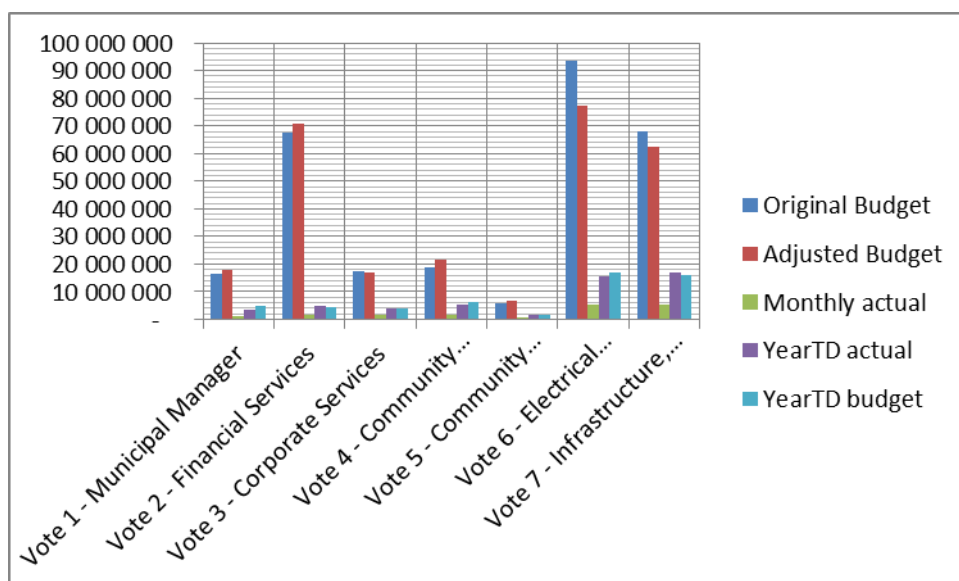
The following chart shows the revenue per department (vote)



Expenditure by Vote	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Vote 1 - Municipal Manager	16 396 189	17 885 933	1 158 052	3 625 029	4 903 738	-1 278 709	74
Vote 2 - Financial Services	67 725 399	70 974 082	1 638 651	4 831 915	4 241 949	589 966	114
Vote 3 - Corporate Services	17 433 480	17 089 365	1 412 803	4 109 779	4 064 721	45 058	101
Vote 4 - Community Services: Community Development	18 888 978	21 629 298	1 676 253	5 124 187	6 034 868	-910 681	85
Vote 5 - Community Services: Public Safety	5 793 869	6 863 569	648 928	1 798 627	1 580 822	217 805	114
Vote 6 - Electrical Engineering Services	93 562 498	77 332 662	5 110 549	15 366 200	16 917 389	-1 551 189	91
Vote 7 - Infrastructure, Engineering & Technical Services	68 250 041	62 420 865	5 445 825	16 806 928	16 064 353	742 575	105
<b>Total Expenditure by Vote</b>	<b>288 050 453</b>	<b>274 195 775</b>	<b>17 091 061</b>	<b>51 662 665</b>	<b>53 807 840</b>	<b>-2 145 175</b>	<b>96</b>

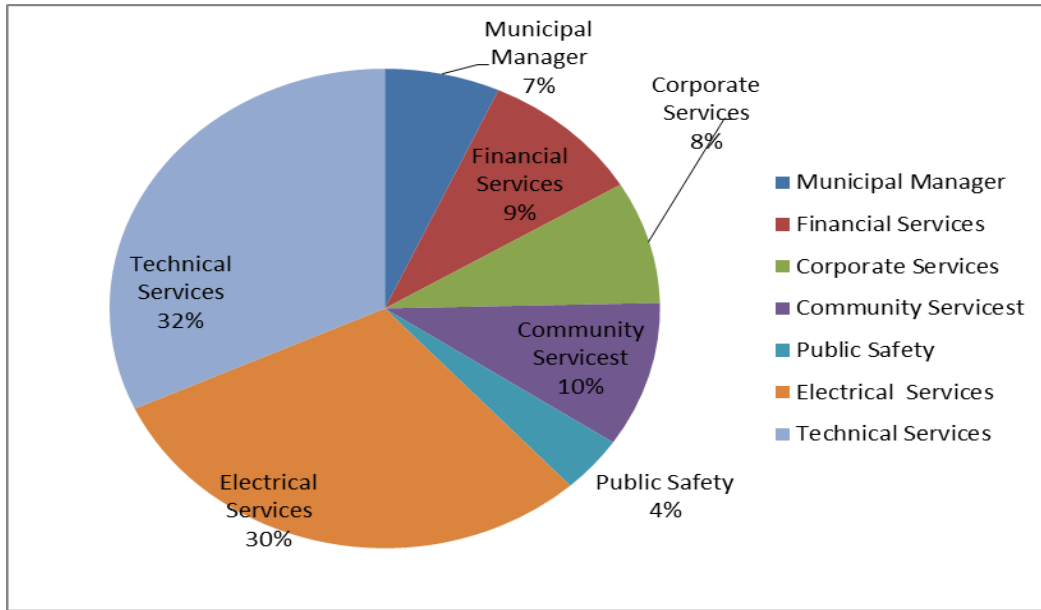
**CHART 7**

The following chart shows the expenditure by vote differences between the actual year to date figures and the budgeted year to date figure, Chart as per information above



**Chart 8**

**The following chart shows the expenditure by department (vote)**



## 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.

The summary report below shows the capital funding sources

Capital Expenditure Quarter 3 2015-16							
Vote Description	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Capital Expenditure - Standard Classification</b>							
Executive and council		86 400	-	-	34 560	-34 560	-
Budget and treasury office		16 500	5 298	5 298	6 600	-1 302	80
Corporate services		830 000	33 533	66 925	340 366	-273 441	20
Community and social services		290 000	18 418	18 418	140 000	-121 582	13
Sport and recreation	1 275 633	1 450 633	-	-	388 897	-388 897	-
Public safety		29 000	-	-	11 600	-11 600	-
Road transport	4 611 500	4 611 500	-	-	1 152 831	-1 152 831	-
Electricity	6 000 000	6 342 750	-	221 830	1 664 547	-1 442 717	13
Water	1 105 000	1 105 000	-	23 512	276 237	-252 725	9
Waste water management	17 858 922	8 440 862	1 549 541	1 574 672	2 101 497	-526 825	75
Other	60 000	62 000	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	<b>30 911 055</b>	<b>23 264 645</b>	<b>1 606 790</b>	<b>1 910 655</b>	<b>6 117 135</b>	<b>-4 206 480</b>	<b>31</b>
<b>Funded by:</b>							
National Government	30 851 055	21 761 055	1 549 541	1 820 014	5 584 009	-3 763 995	33
Provincial Government		290 000				-	
District Municipality		500 000				-	
Internally generated funds	60 000	713 590	57 249	90 641	533 126	-442 485	17
<b>Total Capital Funding</b>	<b>30 911 055</b>	<b>23 264 645</b>	<b>1 606 790</b>	<b>1 910 655</b>	<b>6 117 135</b>	<b>-4 206 480</b>	<b>31</b>

### Reasons for variances

**Executive and Council** - Expenditure did not occur as budgeted.

**Budgeted and Treasury** – Capital items less than the intended budget.

**Corporate Services** – Expenditure did not occur as budgeted, capital expenditure is subject to available cash.

**Community and social services** – Library expenditure less than the budgeted amount.

**Sport and Recreation** – The expenditure of waste water management includes expenditure of sport grounds.

**Road Transport** - No expenditure has commenced under this section.

**Electricity** – Expenditure less than budgeted.

**Water** – The municipality already spent the full amount of the budget in the previous quarter.

**Waste Water management** - The expenditure of waste water management includes expenditure of sport grounds.

## Cash Flow Statement – Annexure B –C7 and SC9

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - Q3 Third Quarter							
Description	Budget Year 2015/16		Monthly actu	YearTD actual	YearTD budget	YTD variance	YTD variance
	Original Budget	Adjusted Budget					
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Property rates, penalties & collection charges	34 151 415	34 151 413	2 213 791	7 197 392	6 734 670	462 722	107
Service charges	125 220 371	124 165 916	10 155 799	28 739 680	32 788 442	-4 048 762	88
Other revenue	30 553 363	17 665 420	3 498 695	6 391 984	-5 180 559	11 572 543	-123
Government - operating	42 001 886	42 045 081	2 660 000	2 660 000	6 561 367	-3 901 367	41
Government - capital	22 111 055	22 140 004	7 993 000	7 993 000	3 955 202	4 037 798	202
Interest	2 682 843	1 514 251	651 957	1 906 501	1 675 175	231 326	114
<b>Payments</b>							
Suppliers and employees	-236 501 728	-224 703 594	-20 418 586	-50 482 202	-49 811 074	671 128	101
Finance charges	-565 295	-78 225	-	-5 318	30 218	35 536	-18
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>19 653 909</b>	<b>16 900 266</b>	<b>6 754 656</b>	<b>4 401 037</b>	<b>-3 246 559</b>	<b>-7 647 596</b>	<b>-136</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
Capital assets	-22 111 055	-23 324 654	-1 766 477	-1 965 727	-9 414 862	-7 449 135	21
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-22 111 055</b>	<b>-23 324 654</b>	<b>-1 766 477</b>	<b>-1 965 727</b>	<b>-9 414 862</b>	<b>-7 449 135</b>	<b>21</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Payments</b>							
Repayment of borrowing	-1 590 000	-930 439	-	-86 484	-343 053	-256 569	25
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-1 590 000</b>	<b>-930 439</b>	<b>-</b>	<b>-86 484</b>	<b>-343 053</b>	<b>-256 569</b>	<b>25</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-4 047 146</b>	<b>-7 354 827</b>	<b>4 988 180</b>	<b>2 348 827</b>	<b>-13 004 474</b>		
Cash/cash equivalents at beginning:	4 954 430	6 827 980		6 827 980	6 827 980		
Cash/cash equivalents at month/year end:	907 284	-526 847		9 176 807	-6 176 494		

### Notes on Cash Flow Budget

- Other revenue shows that the municipality received more cash than what was budget, this is not the case as this amounts includes the transfer of money to and from the call accounts.
- Operating grants shows a difference in funds received, this is as result of the municipality not receiving its full allocation of equitable share.
- The municipality paid less interest on loan than what was anticipated.
- The municipality had a low expenditure on capital projects.
- Repayment of loan lower than anticipated.

## Debtors Age Analysis - Annexure B -Table SC3

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

The following report shows the debtors outstanding at 31 March 2016

Debtors Analysis 31 March 2016						
Description	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121 +Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	1 958 738	1 236 194	828 388	641 327	20 272 189	24 936 836
Electricity	3 691 705	947 377	482 916	420 573	22 350 958	27 893 529
Property Rates	1 996 562	965 292	492 727	456 088	16 590 114	20 500 783
Waste Water Management	818 277	348 296	189 119	169 087	5 168 778	6 693 557
Waste Management	1 029 403	539 916	342 978	311 241	10 864 701	13 088 239
Other	153 379	172 131	125 617	100 815	5 340 149	5 892 091
<b>Total By Income Source</b>	<b>9 648 064</b>	<b>4 209 206</b>	<b>2 461 745</b>	<b>2 099 131</b>	<b>80 586 889</b>	<b>99 005 035</b>
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	300 671	131 257	24 920	14 107	569 149	1 040 104
Commercial	3 632 254	1 289 677	697 795	624 759	26 496 820	32 741 305
Households	5 715 139	2 788 272	1 739 030	1 460 265	53 520 920	65 223 626
<b>Total By Customer Group</b>	<b>9 648 064</b>	<b>4 209 206</b>	<b>2 461 745</b>	<b>2 099 131</b>	<b>80 586 889</b>	<b>99 005 035</b>

The following report shows the debtors outstanding at 31 December 2015

Debtors Age Analysis 31 December 2015						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	2 058 849	1 116 557	640 223	448 209	19 847 200	24 111 038
Electricity	3 435 804	714 669	384 762	251 172	23 496 442	28 282 849
Property Rates	1 845 352	827 477	395 051	462 774	16 321 692	19 852 346
Waste Water Management	790 672	302 088	171 743	151 124	4 970 485	6 386 112
Waste Management	955 506	457 721	285 089	261 468	10 390 832	12 350 616
Other	145 123	238 538	82 767	78 225	5 223 688	5 768 341
<b>Total By Income Source</b>	<b>9 231 306</b>	<b>3 657 050</b>	<b>1 959 635</b>	<b>1 652 972</b>	<b>80 250 339</b>	<b>96 751 302</b>
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	501 737	164 550	60 742	125 801	960 417	1 813 247
Commercial	3 303 245	1 152 837	537 160	404 089	27 475 666	32 872 997
Households	5 426 324	2 339 663	1 361 733	1 123 082	51 814 256	62 065 058
<b>Total By Customer Group</b>	<b>9 231 306</b>	<b>3 657 050</b>	<b>1 959 635</b>	<b>1 652 972</b>	<b>80 250 339</b>	<b>96 751 302</b>

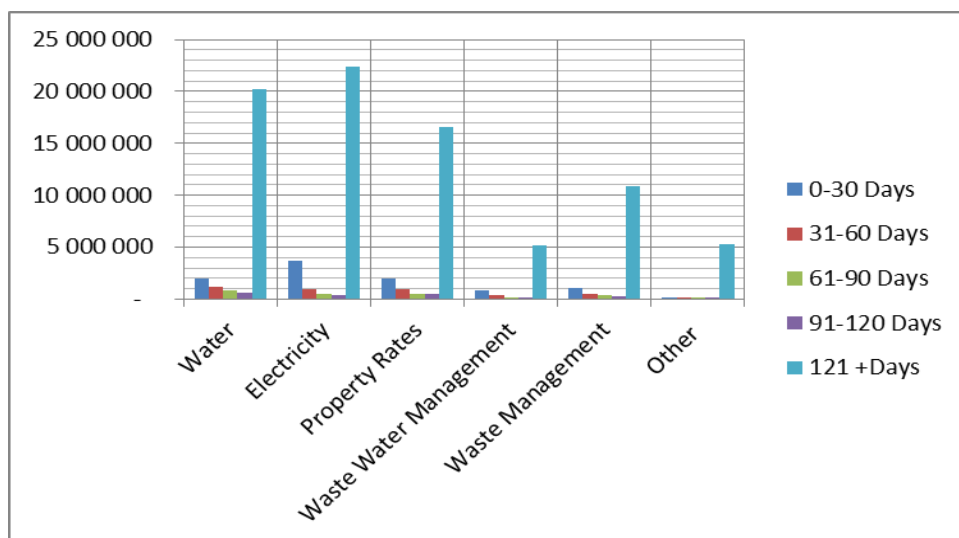
## Debtors Analysis

The total debtors outstanding at 31 March 2016 were R99 005 035; the total debtors outstanding at 31 December 2015 were R96 751 302, this is an increase of R2 253 733 (2.33%) for the quarter.

Total outstanding debtors for organs of state and commercial amounts to R33 781 409; this amounts to 34% of outstanding moneys owed by debtors.

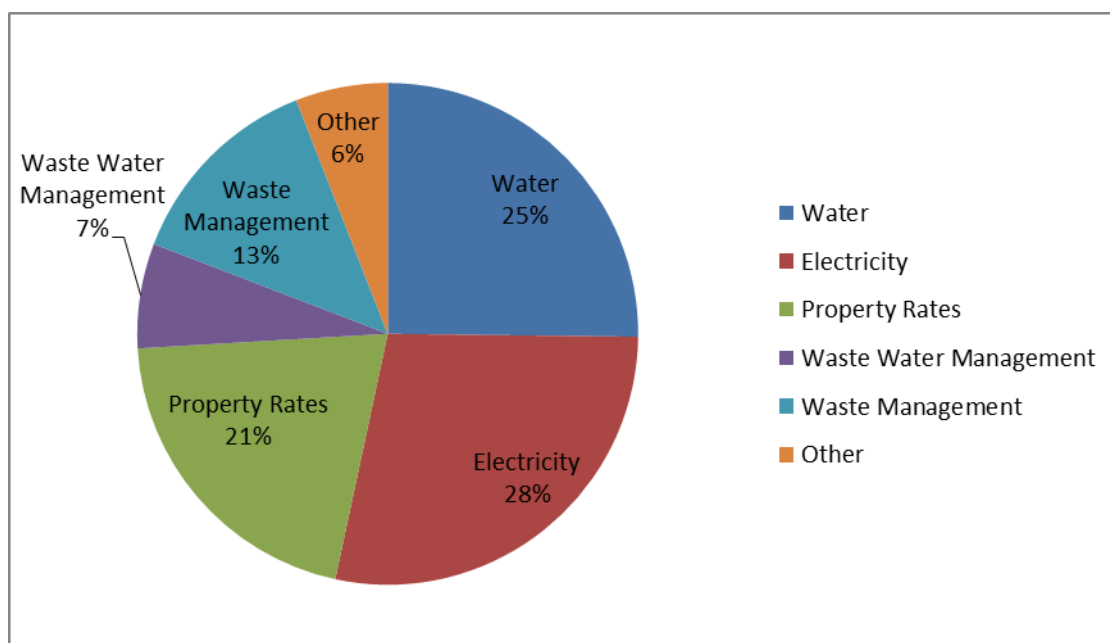
**Chart 9 – Debtors per revenue source**

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



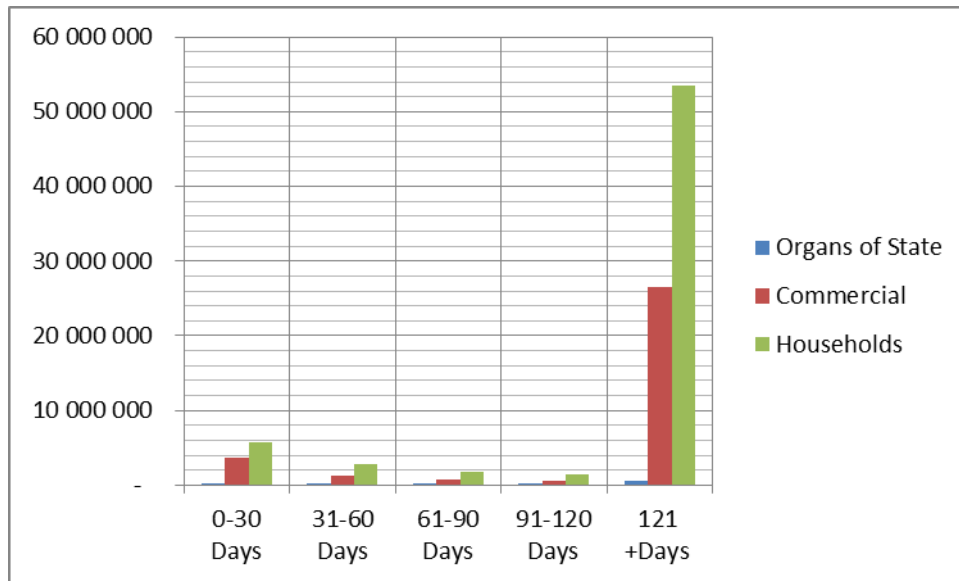
The following chart shows the different service outstanding by debtors

**CHART 10**



### CHART 11

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



## Creditors age analysis – Annexure B SC4

The following report shows the creditors outstanding at 31 March 2016

Creditors Age Analysis 31 March 2016						
Description	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total
<b>Creditors Age Analysis By Customer Type</b>						
Bulk Electricity	4 983 519	-	5 186 781	-	51 695 044	61 865 344
Bulk Water	2 840 838	1 775 536	3 459 530	3 023 404	74 315 749	85 415 057
Trade Creditors	670 490	872 982	343 423	4 459	2 804 799	4 696 153
Auditor General	7 980				369 635	377 615
<b>Total By Customer Type</b>	<b>8 502 827</b>	<b>2 458 416</b>	<b>8 789 733</b>	<b>550 797</b>	<b>132 052 396</b>	<b>152 354 169</b>

The following report shows the creditors outstanding at 31 December 2015

Creditors Analysis 31 December 2015						
Description	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total
<b>Creditors Age Analysis By Customer Type</b>						
Bulk Electricity	2 909 715	4 883 352	-	7 679 968	41 408 789	56 881 825
Bulk Water	1 437 473	2 022 056	1 908 010	-	72 407 739	77 775 279
Trade Creditors	-310 428	1 091 726	302 018	57 045	2 781 024	3 921 385
Auditor General	-	576 678			2 159 738	2 736 417
<b>Total By Customer Type</b>	<b>4 036 760</b>	<b>8 573 813</b>	<b>1 543 252</b>	<b>8 403 790</b>	<b>118 757 290</b>	<b>141 314 905</b>

### Creditors Analysis

The creditors outstanding at 31 March 2016 were at R152 354 169 and the creditors outstanding at 31 December 2015 were at R141 314 905, this is an increase of R11 039 264 million (7.81%) from the previous quarter.

The biggest creditors are Eskom (Electricity) at R61 865 344 (R56 881 825 at 31 December 2015) and Sedibeng (Water) R85 415 057 (R77 775 279 at 31 December 2015).



## Collection Rate for Quarter 3 – 2015-16

Collection Rate for the period January to March 2016							
	Mar-16		Feb-16		Jan-16		
<b>RATES:</b>							
<b>Springbok</b>	<b>97.04</b>	<b>39.58</b>	<b>100.59</b>	<b>42.73</b>		<b>99.61</b>	<b>39.76</b>
Steinkopf	146.38	3.85	83.03	4.11		54.78	3.18
Concordia	95.92	10.92	92.46	11.15		81.66	9.36
Komaggas	23.97	0.48	46.76	0.89		17.21	0.43
Okiep	83.49	12.66	130.14	18.57		74.72	10.65
Nababeep	99.80	17.64	104.32	19.52		82.81	15.59
<b>TOTAL RATES</b>	<b>96.53</b>	<b>13.94</b>	<b>99.45</b>	<b>15.72</b>		<b>87.17</b>	<b>13.37</b>
<b>SERVICES:</b>							
Springbok	98.49	48.67	101.16	52.59		93.08	47.21
Steinkopf	146.63	10.45	77.66	5.96		61.33	3.64
Concordia	89.93	15.06	98.22	13.90		66.75	8.02
Komaggas	51.15	1.38	40.41	0.99		33.53	1.12
Okiep	90.63	8.05	189.25	14.98		150.23	6.15
Nababeep	91.62	4.76	70.52	3.73		70.29	3.20
<b>TOTAL SERVICES</b>	<b>98.17</b>	<b>13.40</b>	<b>100.34</b>	<b>14.29</b>		<b>86.03</b>	<b>10.83</b>
<b>LANDSALES</b>							
Springbok	87.02	22.42	86.48	27.47		76.74	17.54
Steinkopf	11.12	0.24	20.57	0.58		26.82	0.88
Concordia	43.66	1.94	61.87	2.44		173.84	7.10
Komaggas	-	-	7.84	0.31		13.55	0.55
Okiep	50.86	2.46	86.92	4.83		87.02	10.84
Nababeep	30.62	3.46	71.08	9.13		72.17	8.08
<b>TOTAL LANDSALES</b>	<b>58.94</b>	<b>4.08</b>	<b>70.91</b>	<b>5.87</b>		<b>78.83</b>	<b>6.53</b>
<b>GRAZING FEES</b>							
Springbok	77.76	17.46	101.45	24.28		85.35	16.26
Steinkopf	67.66	2.67	72.24	2.73		47.88	2.16
Concordia	75.35	5.55	80.53	5.64		77.69	5.29
Komaggas	49.93	1.13	126.99	1.90		16.84	0.42
Okiep	79.28	12.82	124.02	17.11		71.20	11.34
Nababeep	91.63	14.13	88.13	14.41		102.11	14.69
<b>TOTAL GRAZING FEES</b>	<b>69.19</b>	<b>3.14</b>	<b>84.96</b>	<b>3.52</b>		<b>54.93</b>	<b>2.59</b>
<b>Other</b>							
Springbok	77.32	7.69	105.41	7.35		70.72	4.29
Steinkopf	41.49	1.62	97.95	8.29		50.55	1.88
Concordia	105.70	33.55	100.98	58.28		574.80	50.27
Komaggas	76.92	1.57	146.69	3.01		87.44	1.38
Okiep	52.86	5.80	105.36	8.78		60.18	5.19
Nababeep	16.06	0.26	13.28	0.20		20.19	0.29
Total Other	77.56	6.14	100.91	10.91		150.79	7.04
<b>Grant Total</b>	<b>97.08</b>	<b>12.98</b>	<b>99.91</b>	<b>14.16</b>		<b>86.67</b>	<b>11.01</b>
<b>TOTAL SERVICES POINTS</b>							
Springbok	97.79	43.50	101.00	47.22		94.45	42.42
Steinkopf	140.80	7.50	79.18	5.14		58.06	3.33
Concordia	90.83	13.95	97.11	14.30		82.92	9.43
Komaggas	46.06	1.16	45.20	1.04		30.42	0.94
Okiep	87.96	8.62	173.21	15.27		119.32	6.84
Nababeep	92.23	5.32	75.82	4.50		72.37	3.79
<b>Grant Total</b>	<b>97.08</b>	<b>12.98</b>	<b>99.91</b>	<b>14.16</b>		<b>86.67</b>	<b>11.01</b>

## Notes on Collection Rate

The collection rate for the month increased from January to February by 13.24% but decrease from February to March by 2.83.

The average collection rate for the month was 94.55%.

The average collection rate including all outstanding monies was 12.72%.

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q3 Third Quarter							
Summary of Employee and Councillor remuneration	Budget Year 2015/16						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Councillors (Political Office Bearers plus Other)</b>							
Basic Salaries and Wages	3 067 693	3 324 891	282 075	940 161	831 223	108 938	113
Pension and UIF Contributions	132 618	143 800	12 159	40 327	33 155	7 173	122
Motor Vehicle Allowance	1 066 765	1 156 237	98 078	326 829	266 691	60 138	123
Cellphone Allowance	225 684	481 824	29 563	88 689	56 421	32 268	157
<b>Sub Total - Councillors</b>	<b>4 492 761</b>	<b>5 106 751</b>	<b>421 875</b>	<b>1 396 006</b>	<b>1 187 490</b>	<b>208 517</b>	<b>118</b>
<b>Senior Managers of the Municipality</b>							
Basic Salaries and Wages	3 678 529	4 062 908	318 182	954 545	919 632	34 913	104
Pension and UIF Contributions	507 846	530 265	44 693	134 079	126 961	7 118	106
Medical Aid Contributions	301 954	299 056	22 912	69 757	75 488	-5 731	92
Motor Vehicle Allowance	966 048	969 242	77 900	233 700	241 512	-7 812	97
Cellphone Allowance	54 000	63 600	5 300	15 900	13 500	2 400	118
Housing Allowances	18 772	33 836	2 100	6 300	4 693	1 607	134
Other benefits and allowances	325 282	708 569	34 617	136 218	81 321	54 897	168
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 852 431</b>	<b>6 667 476</b>	<b>505 703</b>	<b>1 550 499</b>	<b>1 463 108</b>	<b>87 391</b>	<b>106</b>
<b>Other Municipal Staff</b>							
Basic Salaries and Wages	38 962 974	40 835 473	3 570 819	10 691 738	9 740 743	950 995	110
Pension and UIF Contributions	6 273 860	6 880 635	591 349	1 777 231	1 568 465	208 766	113
Medical Aid Contributions	1 886 133	1 740 417	151 496	450 782	471 533	-20 751	96
Overtime	3 321 061	2 768 286	323 454	1 000 719	830 265	170 453	121
Motor Vehicle Allowance	2 729 706	2 822 076	236 548	713 604	682 427	31 178	105
Cellphone Allowance	47 016	83 036	7 753	21 659	11 754	9 905	184
Housing Allowances	285 839	1 261 888	65 100	193 900	71 460	122 440	271
Other benefits and allowances	5 277 670	5 467 475	682 005	1 532 230	1 319 418	212 813	116
<b>Sub Total - Other Municipal Staff</b>	<b>58 784 259</b>	<b>61 859 287</b>	<b>5 628 525</b>	<b>16 381 864</b>	<b>14 696 065</b>	<b>1 685 799</b>	<b>111</b>
<b>Total Parent Municipality</b>	<b>69 129 451</b>	<b>73 633 514</b>	<b>6 556 102</b>	<b>19 328 369</b>	<b>17 346 662</b>	<b>1 981 707</b>	<b>111</b>
<b>Total employee related cost</b>	<b>64 636 690</b>	<b>68 526 763</b>	<b>6 134 228</b>	<b>17 932 363</b>	<b>16 159 173</b>		
<b>Total Expenditure</b>	<b>288 050 453</b>	<b>274 008 002</b>	<b>17 091 063</b>	<b>51 662 672</b>	<b>53 876 699</b>		
<b>% Employee Related cost to Total Expenditure</b>	<b>22</b>	<b>25</b>	<b>36</b>	<b>35</b>	<b>30</b>		

## Employee related Cost

The percentage of employee related cost against total expenditure was at 32% for the 2<sup>nd</sup> Quarter of 2015-16.

Total Council Remuneration shows the municipality paid 7% more than what was budgeted.

Senior managers shows that the municipality paid 10% more than what was budgeted; this is of result that many middle managers act in senior positions but are classified as other municipal staff on the financial system.

Other municipal Staff shows that the municipality paid 9% less than was budgeted.

In total the municipality paid less for employee related cost than budgeted 9%.

\*Please note that the municipality implemented the wage curves in the first quarter of 2015-16.

## **4. Financial Implications / recommendations**

### **Revenue by source:**

Revenue budgeted that does not realise into revenue billed has an impact on the municipality's entire budget as it will have an impact on the municipality's ability to comply with all planned commitments. Revenue should be carefully planned. Revenue budget should be realistic.

### **Expenditure by type:**

Monthly expenditures should accommodate the needs of the community and the municipality. Monthly budgets should be carefully planned and monitored to ensure the municipality can adhere to responsibilities. Managers must review their respective budgets and access if it must be changed to ensure under or over expenditure can be avoided.

### **Capital Expenditure:**

Capital expenditure is the face of the municipality to the community; all the projects Capital Budget must be on the Municipality's IDP. The municipal management must ensure that the Capital Budget are aligned to all the requirements of the National Treasury, capital budget should be monitored, monthly and quarterly reports should be presented to Council.

### **Cash Flow Statement:**

The cash flow statement gives the true reflection of the municipality affairs, money billed does not mean cash received; therefore more time should be spent on the Municipality's Cash Flow Statement.

### **Debtors' age analysis**

Management must ensure that the necessary support is given to the debt collection unit to ensure all accounts are verified and that all meters are correctly installed to ensure action taken against outstanding debtors can be effective.

### **Creditors Analysis**

The municipality ability to pay creditors lies with the ability to collect cash, cash can only be generated if a service has been given and that service has been properly billed, once services are delivered without been billed the municipality's ability to pay creditors are hampered.

### **Collection Rate**

Culture of payment from debtors must be established. Most important is that community must be educated what free basic services means and who are entitled to it. State departments and other resource departments like Eskom and Sedibeng must have a closer look at the community's ability to settle accounts with the municipality as the unemployment rate is high in the Nama Khoi region.

## **5. Interdepartmental and cluster impact**

This report is prepared to achieve MFMA compliance.

## **6. Comments of the Head: Legal Services**

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

## **7. Conclusion**

This report is in accordance compliance of section 52 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: 19 April 2016**

### **REVIEWED BY:**

**William Bowers**

**Acting Chief Financial Officer**

**Budget & Treasury**

**DATE: 20 April 2016**

NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE

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

- Quarterly report on the implementation of the budget and financial state affairs of the municipality for the quarter ending 31 March 2016 has been prepared in accordance with the Section 52 of the Municipal Finance Management Act and regulations made under that Act.

Print name:.....

Municipal Manager of Nama Khoi Municipality

Signature:.....

Date:.....

## **Annexure A**

### **Reports and reportable matters**

#### **The Mayor of a municipality –**

- (a) must provide general political guidance, over the fiscal and financial affairs of the municipality.
- (b) In providing such general political guidance, may monitor and to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- (c) Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget
- (d) Must, within 30 days report to the council on the implementation of the budget and the financial state of affairs of the municipality; and
- (e) Must exercise the other powers and perform the other duties assigned to the Mayor in terms of this Act or delegated by the council to the Mayor

## NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT

### General information and contact information

Please note that the information on the C Schedule is for the period January 2016 to March 2016

<b>Main tables</b>	<b>Consolidated Monthly Statements</b>
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
<b>Supporting Tables</b>	
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
Attachments:	C – SCHEDULE