



//Khara Hais Municipality

Monthly Budget Monitoring Report (Section 71 of MFMA)

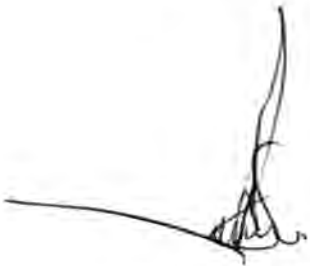
NOVEMBER 2015

To The Mayor

In accordance with Section 71(1) of the Municipal Finance Management Act, I submit the required statement on the state of //Khara Hais Municipality's budget reflecting the particulars up until the end of November 2015.

Section 54(1) of the MFMA requires the Mayor of a municipality to take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

It must be noted that the Operational Income and Expenditure, as well as the Capital Expenditure for the financial year 2015/2016 will only become final when the Financial Statements for 2015/2016 are audited.

A handwritten signature in black ink, appearing to be 'D E Ngxanga', written over a horizontal line.

D E NGXANGA
MUNICIPAL MANAGER

10 December 2015

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Glossary

Adjustments budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

Budget - The financial plan of the Municipality.

Budget related policy - Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement - A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DoRA - Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP - Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP - Integrated Development Plan. The main strategic planning document of the Municipality

MBRR - Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA - The Municipal Finance Management Act - No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MIG - Municipal Infrastructure Grant.

MTREF - Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure - Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure - Generally, is spending without, or in excess of, an approved budget.

Virement - A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote - One of the main segments into which a budget. In //Khara Hais Municipality this means at directorate level.

PART 1 - IN-YEAR REPORT

Section 1 - Mayor's Report

1.1 In-Year Report - Monthly Budget Statement

1.1.1 Implementation of budget in terms of SDBIP

This monthly report has been completed for legislative compliance.

1.1.2 Financial problems or risks facing the municipality

Currently the //Khara Hais Municipality is experiencing cash flow problems. A turnaround strategy was adopted by Council. However, the turnaround strategy has not been fully implemented and therefore resulting in continued cash flow problems.

1.1.3 Other information

None

Section 2 - Resolutions

IN-YEAR REPORTS 2015/2016

These are the resolutions that will be presented to Council when this In-Year Report is tabled:

RECOMMENDATION:

That Council notes the monthly budget statement and supporting documentation for November 2015.

Section 3 - Executive Summary

3.1 Introduction

Section 71(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the municipality's budget for that month and for the financial year up to the end of that month.

3.2 Consolidated performance

3.2.1 Actuals against annual budget (original approved and latest adjustments)

Revenue

The year-to-date actual reflects an achievement of 42% of the year-to-date budget and a positive variance of 1%. The budgeted amount for property rates are R 31.5 million and the actual figure billed is R 40.2 million. This is due to annual property rates levies that are only payable during October of each year. It should be noted that the amount for service charges in Table C4 are the actual amount billed / levied and not the amount that is received. The amount that is received is less which attributed to our cash flow problems.

Operating expenditure

For the year-to-date all expenditure items that show a positive variance indicates a overspending on that specific expenditure item and where they show negative variance it indicates a saving on that specific expenditure item. Expenditure items such as provision for bad debt are being recorded at the end of the financial year. Refer to Section 4 - Table C4 for further details on revenue and expenditure

Capital expenditure

It is noted that year-to-date capital expenditure shows a 70% negative variance of the year-to-date budget. This is due capital projects that are still in the tender phase.

All the CRR funding is budgeted under the Municipal Manager's vote. Before capital expenditure is incurred, the Head of Department writes a memo requesting funding for the purchase of a capital item. The memo should be supported with at least three quotations. The municipal manager will consider the request and on approval thereof the virement of the funds from the Municipal Manager's vote to the other vote will follow in terms of the approved Virement Policy. Thereafter the normal SCM processes will follow. No unauthorised capital expenditure is allowed.

Cash Flow

The municipality started the year with total cash/cash equivalents of -R 4.9 million (Cashbook balance of negative R 6.3 million and cash and cash equivalents of R 1.4 million).

Cash and cash equivalents amounted to a positive balance of R 4.3 million at month end.

Conditional grants received are invested. It should be noted that these funds are only available to pay capital projects which is funded by MIG, INEP, EPWP, etc. in terms of an approved business plan. These funds may not be used for operational expenditure and therefore it is critical that the Municipality levy and collect sufficient funds to pay for operational expenditure.

3.3 Remedial or corrective steps

Due to the cash flow problems experience by the municipality, payments to creditors are being prioritised. The Turn Around Strategy is not fully effective and therefore the municipality is struggling to meet obligations. **The Turn Around Strategy that was approved in November 2013 was reviewed, workshopped by Council and approved again by Council in December 2014. The implementation thereof should be enforced stricter by all officials and managers.**

Outstanding debtor accounts should be immediately handed over to attorneys for collection thereof. A tender was advertised for the procurement of the services of a debt collector. The tender closed on 18 September 2015. The tender was awarded on the 3rd of December 2015 to the successful bidder. The Debt Collection unit is in the process of collecting all documentation for the handover of accounts in arrears. From the end of October 2014 all outstanding consumers' accounts will be blocked as indicated in the local newspaper (Die Gemsbok).

Management are also implementing cost savings procedures in expenditure management.

Section 4 - In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1: s71 Monthly Budget Statement Summary

NC083 //Khara Hais - Table C1 Monthly Budget Statement Summary - M05 November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	58 865	65 416	70 552	6 038	40 212	31 453	8 759	28%	70 552
Service charges	306 086	324 634	319 102	31 126	148 992	148 326	666	0%	319 102
Investment revenue	1 165	1 231	500	16	125	250	(125)	-50%	500
Transfers recognised - operational	69 643	64 572	69 463	18 836	46 480	30 528	15 952	52%	69 463
Other own revenue	46 141	41 319	51 933	3 615	13 004	36 493	(23 489)	-64%	51 933
Total Revenue (excluding capital transfers and contributions)	481 900	497 171	511 549	59 632	248 813	247 050	1 763	1%	511 549
Employee costs	199 440	211 757	206 160	25 691	88 866	71 939	16 927	24%	206 160
Remuneration of Councillors	7 120	7 981	7 981	626	3 128	3 558	(430)	-12%	7 981
Depreciation & asset impairment	94 513	110 734	110 734	9 043	45 216	45 216	(0)	0%	110 734
Finance charges	19 944	16 658	15 284	140	1 065	5 598	(4 534)	-81%	15 284
Materials and bulk purchases	136 032	150 167	150 167	12 707	61 458	72 985	(11 527)	-16%	150 167
Transfers and grants	27 210	25 117	20 087	1 363	6 068	8 999	(2 931)	-33%	20 087
Other expenditure	77 578	93 751	88 758	7 037	27 543	39 621	(12 078)	112%	88 758
Total Expenditure	561 837	616 164	599 171	56 606	233 343	247 917	(14 574)	-6%	599 171
Surplus/(Deficit)	(79 937)	(118 994)	(87 622)	3 026	15 470	(867)	16 337	-1885%	(87 622)
Transfers recognised - capital	52 910	22 508	39 477	299	1 012	10 765	(9 753)	-91%	39 477
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(27 026)	(96 485)	(48 145)	3 324	16 482	9 898	6 584	67%	(48 145)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(27 026)	(96 485)	(48 145)	3 324	16 482	9 898	6 584	67%	(48 145)
Capital expenditure & funds sources									
Capital expenditure	94 997	43 679	69 732	1 129	4 546	15 105	(10 558)	-70%	36 251
Capital transfers recognised	52 802	22 508	39 477	644	1 656	10 765	(9 109)	-85%	25 835
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	40 728	20 171	-	-	-	-	-	-	-
Internally generated funds	1 467	1 000	30 255	485	2 891	4 340	(1 449)	-33%	10 416
Total sources of capital funds	94 997	43 679	69 732	1 129	4 546	15 105	(10 558)	-70%	36 251
Financial position									
Total current assets	66 096	57 887	65 822		84 112				64 882
Total non current assets	1 791 959	1 785 315	1 752 449		1 798 898				1 681 675
Total current liabilities	174 836	171 877	188 832		124 280				92 237
Total non current liabilities	207 056	300 985	201 420		183 610				202 546
Community wealth/Equity	1 476 163	1 370 340	1 428 018		1 575 120				1 451 774
Cash flows									
Net cash from (used) operating	91 264	21 077	70 402	6 832	14 204	(2 823)	17 027	-603%	(6 775)
Net cash from (used) investing	(91 642)	(28 473)	(42 716)	250	(2 596)	9 902	(12 498)	-126%	23 765
Net cash from (used) financing	(3 107)	8 396	(21 293)	1 004	(2 396)	(6 637)	4 242		(15 930)
Cash/cash equivalents at the month/year end	(1 121)	3 006	5 940	-	4 316	6 382	(2 066)	-32%	7 000
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	30 043	3 184	2 261	3 709	2 353	1 120	1 454	19 481	62 375
Creditors Age Analysis									
Total Creditors	23 781	10 890	2 167	1 604	2 299	10 658	3 557	2 527	39 295

4.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.

The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

NC083 //Khara Hais - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M05 November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue - Standard									
<i>Governance and administration</i>	220 800	234 353	234 353	26 568	89 194	97 647	(8 453)	-8.7%	234 353
Executive and council	12 635	220	220	–	–	92	(92)	-100.0%	220
Budget and treasury office	204 653	171 499	171 499	25 089	86 340	71 458	14 882	20.8%	171 499
Corporate services	3 512	62 634	62 634	1 478	2 854	26 098	(23 244)	-89.1%	62 634
<i>Community and public safety</i>	22 259	17 383	17 383	1 435	8 109	7 243	866	12.0%	17 383
Community and social services	2 842	2 440	2 440	368	1 526	1 017	509	50.1%	2 440
Sport and recreation	8 669	7 656	7 656	451	2 170	3 190	(1 020)	-32.0%	7 656
Public safety	9 179	6 018	6 018	603	4 317	2 508	1 809	72.2%	6 018
Housing	1 250	1 250	1 250	13	43	521	(478)	-91.7%	1 250
Health	319	18	18	–	53	8	46	609.4%	18
<i>Economic and environmental services</i>	6 663	5 441	5 441	758	3 201	2 267	933	41.2%	5 441
Planning and development	6 374	5 181	5 181	733	3 078	2 159	919	42.6%	5 181
Road transport	288	260	260	25	123	108	14	13.3%	260
Environmental protection	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	328 467	361 578	361 578	31 170	149 321	150 657	(1 336)	-0.9%	361 578
Electricity	220 531	253 016	253 016	21 733	104 215	105 424	(1 209)	-1.1%	253 016
Water	47 340	48 714	48 714	4 510	19 513	20 298	(785)	-3.9%	48 714
Waste water management	30 926	30 739	30 739	2 745	13 698	12 808	890	7.0%	30 739
Waste management	29 669	29 108	29 108	2 183	11 895	12 129	(233)	-1.9%	29 108
<i>Other</i>	1	1	1	–	0	0	(0)	-75.9%	1
Total Revenue - Standard	578 189	618 756	618 756	59 930	249 825	257 815	(7 990)	-3.1%	618 756
Expenditure - Standard									
<i>Governance and administration</i>	146 117	116 433	116 433	15 045	53 969	48 514	5 455	11.2%	116 433
Executive and council	28 794	37 234	37 234	1 890	8 176	15 514	(7 339)	-47.3%	37 234
Budget and treasury office	67 596	43 820	43 820	6 613	22 652	18 258	4 393	24.1%	43 820
Corporate services	49 727	35 379	35 379	6 541	23 141	14 741	8 400	57.0%	35 379
<i>Community and public safety</i>	65 799	74 121	74 121	8 679	32 481	30 884	1 598	5.2%	74 121
Community and social services	7 164	7 938	7 938	1 099	3 853	3 308	545	16.5%	7 938
Sport and recreation	28 884	35 929	35 929	3 638	15 007	14 971	37	0.2%	35 929
Public safety	21 919	21 930	21 930	3 046	10 387	9 138	1 249	13.7%	21 930
Housing	4 056	3 781	3 781	481	1 633	1 576	58	3.7%	3 781
Health	3 776	4 541	4 541	415	1 601	1 892	(291)	-15.4%	4 541
<i>Economic and environmental services</i>	49 422	75 686	75 686	6 932	31 921	31 536	385	1.2%	75 686
Planning and development	13 252	13 347	13 347	1 571	6 195	5 561	634	11.4%	13 347
Road transport	36 170	62 339	62 339	5 361	25 727	25 975	(248)	-1.0%	62 339
Environmental protection	–	–	–	–	–	–	–	–	–
<i>Trading services</i>	288 640	327 174	327 174	25 761	114 342	136 323	(21 981)	-16.1%	327 174
Electricity	187 197	216 378	216 378	16 787	80 952	90 157	(9 206)	-10.2%	216 378
Water	48 289	49 248	49 248	4 975	16 956	20 520	(3 564)	-17.4%	49 248
Waste water management	29 937	32 999	32 999	2 432	10 089	13 750	(3 661)	-26.6%	32 999
Waste management	23 216	28 549	28 549	1 567	6 345	11 895	(5 550)	-46.7%	28 549
<i>Other</i>	1 473	1 586	1 586	189	630	661	(31)	-4.7%	1 586
Total Expenditure - Standard	551 451	595 000	595 000	56 606	233 343	247 917	(14 574)	-5.9%	595 000
Surplus/ (Deficit) for the year	26 738	23 755	23 755	3 324	16 482	9 898	6 584	66.5%	23 755

4.1.3 Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

The operating expenditure budget is approved by Council on the municipal vote level.

The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Municipal Manger; Corporate Services; Financial Services; Community Services, Electro Mechanical Services, Civil Engineering Services and Development and Planning Services.

NC083 //Khara Hais - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November

Vote Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - MUNICIPAL MANAGER	12 636	220	220	0	0	92	(92)	-99.9%	220
Vote 2 - CORPORATE SERVICES	3 506	62 633	62 633	1 478	2 802	26 097	(23 295)	-89.3%	62 633
Vote 3 - FINANCIAL SERVICES	204 653	171 499	171 499	25 089	86 340	71 458	14 882	20.8%	171 499
Vote 4 - COMMUNITY SERVICES	42 985	38 584	38 584	3 290	18 090	16 076	2 013	12.5%	38 584
Vote 6 - ELECTRO MECHANICAL SERVICES	223 357	253 017	253 017	21 733	104 267	105 424	(1 157)	-1.1%	253 017
Vote 7 - CIVIL ENGINEERING SERVICES	78 554	79 713	79 713	7 280	33 334	33 214	120	0.4%	79 713
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	12 498	13 090	13 090	1 060	4 993	5 454	(461)	-8.5%	13 090
Total Revenue by Vote	578 189	618 756	618 756	59 930	249 825	257 815	(7 990)	-3.1%	618 756
Expenditure by Vote									
Vote 1 - MUNICIPAL MANAGER	28 794	31 976	31 976	1 890	8 176	13 323	(5 148)	-38.6%	31 976
Vote 2 - CORPORATE SERVICES	30 289	23 029	23 029	3 842	13 920	9 595	4 325	45.1%	23 029
Vote 3 - FINANCIAL SERVICES	67 596	43 820	43 820	6 613	22 652	18 258	4 393	24.1%	43 820
Vote 4 - COMMUNITY SERVICES	93 200	105 572	105 572	10 827	40 122	43 988	(3 866)	-8.8%	105 572
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	193 229	222 065	222 065	17 566	84 365	92 527	(8 162)	-8.8%	222 065
Vote 7 - CIVIL ENGINEERING SERVICES	119 557	148 987	148 987	13 316	55 069	62 078	(7 009)	-11.3%	148 987
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	18 787	19 552	19 552	2 551	9 040	8 147	893	11.0%	19 552
Total Expenditure by Vote	551 451	595 000	595 000	56 606	233 343	247 917	(14 574)	-5.9%	595 000
Surplus/ (Deficit) for the year	26 738	23 755	23 755	3 324	16 482	9 898	6 584	66.5%	23 755

Unauthorised expenditure by year end would occur either for the municipality as a whole if the adjusted budget for 'Total Expenditure by Vote' or if any of the individual budgets for any specific vote(s) were overspent.

Certain votes are operating with deficits which cannot be afforded actual by the municipality. Council should ensure that functions like the Eiland Holiday Resort and other essential services make a profit or break even as per Circular 74. Council wants to sell the Eiland Resort as it does not generate an income at this stage. An article was published in the Gemsbok of 17 April 2015 as part of the public participation process for comments on this matter. A decision for the disposal of the Eiland Holiday Resort was taken during May 2015, the SCM processes have unfolded and payment was awaited from the successful tenderer. The successful tenderer however cancelled his offer to purchase. From July 2015 invoices are being sent to Provincial Departments for services rendered on behalf of them, also known as unfunded mandates.

The fact that there is a budgeted amount for expenditure does not necessarily mean that there are funds available to pay for the expenditure incurred. Therefore, the incurrence of expenditure should be considered carefully.

Virements are allowed in terms of the approved Virement Policy. This is an internal control measure to prevent unauthorised expenditure. The unauthorised expenditure will be disclosed in the 2015/2016 annual financial statements.

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

4.1.4.1 Revenue

The annual budget is approved for 'Total Revenue by Source'.

The year to date actual reflects an achievement of 42% of the year to date budget of R 592.9 million.

The following revenue sources have the positive variances in excess of 5% -

- Transfers Recognised - Operational (52%): Equitable share, FMG & MSIG received during July 2015 and November 2015;
- Property Rates (28%): Annual property rates being levied in July and implementation of new valuation roll;
- Interest earned - outstanding debtors (22%): Increase in debtors resulting in more interest being levied;
- Transfers Recognised - Operational (13%): Equitable share, FMG & MSIG received during July 2015;
- Fines (16%) - More traffic fines are being issued than budgeted for. This is a remedial action as part of the MTAS to ensure cash inflow and effective law enforcement;
- Agency Services (14%) - More licences was issued and the implementation of the new FICA regulations on registrations resulted in more payments received; and
- Service charges - sanitation revenue (7%) - informal settlements are being billed for sanitation from 1 July 2015 resulting in additional income.

It is noted that some revenue sources have a negative variances in excess of 5% -

- Gains on disposal of PPE (92%): Tender awarded and payment is still awaiting;
The non materialisation of income budgeted to be received from erven sales, is putting tremendous pressure on the cashflow of the municipality. We have budgeted to receive R 23.1 million already from erven sales by 30 November 2015. However only R 1.9 million of erven sales have materialised until 30 November 2015.
- Interest earned - external investments (50%): Cash flow problems resulting in less funds being invested; and
- Rental of facilities and equipment (22%) - Council has taken decisions to decrease tariffs which resulted in less income receivable.

4.1.4.2 Expenditure

For the year-to-date all expenditure items where they show negative variances which indicate a saving on that specific expenditure item and where they show positive variances which indicate a overspending on that specific expenditure item.

Salaries and wages paid to employees and councillors represent 44.1% of actual revenue billed / levied for the month. It should be taken into account that bonuses are paid during November 2015. This attributes to the fact that our monthly fixed cost increases above 50% of our actual income levied and will be even more of the actual income received. **This is a big concern for the municipality.** At this stage the ongoing increase in employee related costs are contributing to the following:

- tariff increases beyond inflation rates,
- unaffordability of loan raised;
- compromising of repairs and maintenance of assets which resulted in impairment losses due to assets not maintained; and
- non-payment of creditors which results in accounts being closed and the credibility of the municipality, within the community, being questioned

Actual employee related cost for the period 01 July 2015 to 30 November 2015, is already 24% more than the budgeted employee related cost for the same period. If the actual employee related cost for the same period is used to estimate the actual employee related cost for the 2015/2016 financial year, than the projected total employee related cost for the 2015/2016 financial year will amount to R 205.6 million. This is R 32.9 million more than the budgeted R 172.7 million. This means that Council will not have a sufficient budget for employee related cost to pay salaries and allowances from April 2016. It should be noted that bonuses are paid during November 2015.

The following expenditure sources have the negative variances in excess of 5% -

- Debt Impairment (100%) - a pro-rata journal will be processed from December 2015 to ensure expenditure in line with SA25;
- Finance Charges (81%) - External loans will be paid during December 2015, where after finance charges will increase;
- Contracted Services (68%) - Budget constrains due to cash flow problems resulting in less expenditure;
- Other Materials (50%) - Budget constrains due to cash flow problems resulting in less expenditure;
- Transfers and Grants (33%) - Newly adopted Indigent Subsidy Policy and less free basic services resulting in less expenditure for the municipality;
- Bulk Purchases (16%) - outstanding invoices from DWA not captured on financial system;
- Other Expenditure (15%) - Budget constrains due to cash flow problems resulting in less expenditure; and
- Remuneration of Councillors (12%) - Awaiting Government Gazette to calculate and process back pay.

NC083 //Khara Hais - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	69 700	75 488	75 488	6 038	40 212	31 453	8 759	28%	75 488
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	220 224	247 425	247 425	21 689	103 918	103 094	825	1%	247 425
Service charges - water revenue	47 326	48 709	48 709	4 510	19 512	20 296	(784)	-4%	48 709
Service charges - sanitation revenue	30 487	30 739	30 739	2 745	13 698	12 808	890	7%	30 739
Service charges - refuse revenue	29 667	29 108	29 108	2 183	11 864	12 129	(265)	-2%	29 108
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	8 599	9 531	9 531	529	3 079	3 971	(892)	-22%	9 531
Interest earned - external investments	706	600	600	16	125	250	(125)	-50%	600
Interest earned - outstanding debtors	2 477	2 400	2 400	276	1 221	1 000	221	22%	2 400
Dividends received	-	-	-	-	-	-	-	-	-
Fines	3 090	431	431	60	208	180	29	16%	431
Licences and permits	1 665	1 612	1 612	126	655	672	(16)	-2%	1 612
Agency services	3 706	3 450	3 450	369	1 645	1 438	208	14%	3 450
Transfers recognised - operational	67 147	73 268	73 268	18 836	46 480	30 528	15 952	52%	73 268
Other revenue	41 191	10 149	10 149	879	4 256	4 229	28	1%	10 149
Gains on disposal of PPE	-	60 010	60 010	1 377	1 939	25 004	(23 065)	-92%	60 010
Total Revenue (excluding capital transfers and contributions)	525 985	592 920	592 920	59 632	248 813	247 050	1 763	1%	592 920
Expenditure By Type									
Employee related costs	196 345	172 654	172 654	25 691	88 866	71 939	16 927	24%	172 654
Remuneration of councillors	7 516	8 540	8 540	626	3 128	3 558	(430)	-12%	8 540
Debt impairment	7 597	2 000	2 000	-	-	833	(833)	-100%	2 000
Depreciation & asset impairment	71 855	108 519	108 519	9 043	45 216	45 216	(0)	0%	108 519
Finance charges	15 935	13 436	13 436	140	1 065	5 598	(4 534)	-81%	13 436
Bulk purchases	150 177	175 164	175 164	12 707	61 458	72 985	(11 527)	-16%	175 164
Other materials	9 397	18 758	18 758	1 243	3 874	7 816	(3 942)	-50%	18 758
Contracted services	9 137	12 413	12 413	665	1 634	5 172	(3 538)	-68%	12 413
Transfers and grants	27 047	21 597	21 597	1 363	6 068	8 999	(2 931)	-33%	21 597
Other expenditure	47 028	61 920	61 920	5 129	22 035	25 800	(3 765)	-15%	61 920
Loss on disposal of PPE	9 417	-	-	-	-	-	-	-	-
Total Expenditure	551 451	595 000	595 000	56 606	233 343	247 917	(14 574)	-6%	595 000
Surplus/(Deficit)	(25 467)	(2 080)	(2 080)	3 026	15 470	(867)	16 337	-1885%	(2 080)
Transfers recognised - capital	52 205	25 835	25 835	299	1 012	10 765	(9 753)	-91%	25 835
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	26 738	23 755	23 755	3 324	16 482	9 898			23 755
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	26 738	23 755	23 755	3 324	16 482	9 898			23 755
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	26 738	23 755	23 755	3 324	16 482	9 898			23 755
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	26 738	23 755	23 755	3 324	16 482	9 898			23 755

4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

Year-to-date capital expenditure shows a 70% negative variance of the year-to-date budget.

NC083 //Khara Hais - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M05
November

Vote Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Budget Year 2015/16
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES	38	16 318	16 318	-	-	6 799	(6 799)	-100%	16 318
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	439	50	50	-	-	21	(21)	100%	50
Vote 7 - CIVIL ENGINEERING SERVICES	30 383	2 499	2 499	83	2 615	1 041	1 574	151%	2 499
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	30 860	18 867	18 867	83	2 615	7 861	(5 247)	-67%	18 867
Single Year expenditure appropriation									
Vote 1 - MUNICIPAL MANAGER	11	1 500	1 500	-	-	625	(625)	-100%	1 500
Vote 2 - CORPORATE SERVICES	343	800	800	109	690	333	357	100%	800
Vote 3 - FINANCIAL SERVICES	89	500	500	-	-	208	(208)	100%	500
Vote 4 - COMMUNITY SERVICES	4 043	-	-	1	70	-	70	100%	-
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	10 713	13 616	13 616	350	384	5 673	(5 289)	-93%	13 616
Vote 7 - CIVIL ENGINEERING SERVICES	22 083	968	968	572	768	403	365	90%	968
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	3 708	-	-	15	18	-	18	100%	-
Total Capital single-year expenditure	40 991	17 384	17 384	1 046	1 932	7 243	(5 312)	-73%	17 384
Total Capital Expenditure	71 851	36 251	36 251	1 129	4 546	15 105	(10 558)	-70%	36 251
Capital Expenditure - Standard Classification									
Governance and administration	992	3 100	3 100	128	741	1 292	(550)	-43%	3 100
Executive and council	11	1 500	1 500	-	-	625	(625)	-100%	1 500
Budget and treasury office	89	500	500	-	-	208	(208)	100%	500
Corporate services	892	1 100	1 100	128	741	458	283	-100%	1 100
Community and public safety	4 086	16 318	16 318	1	74	6 799	(6 725)	-99%	16 318
Community and social services	49	-	-	-	-	-	-	100%	-
Sport and recreation	4 008	16 318	16 318	-	60	6 799	(6 739)	-99%	16 318
Public safety	29	-	-	1	14	-	14	100%	-
Economic and environmental services	19 249	1 725	1 725	98	112	719	(606)	-84%	1 725
Planning and development	3 677	-	-	15	15	-	15	100%	-
Road transport	15 572	1 725	1 725	83	98	719	(621)	-86%	1 725
Trading services	47 524	15 108	15 108	903	3 619	6 295	(2 676)	-43%	15 108
Electricity	10 603	13 366	13 366	331	333	5 569	(5 236)	-94%	13 366
Water	24 400	1 743	1 743	572	3 286	726	2 560	353%	1 743
Waste water management	12 493	-	-	-	-	-	-	-	-
Waste management	27	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	71 851	36 251	36 251	1 129	4 546	15 105	(10 558)	-70%	36 251
Funded by:									
National Government	28 520	25 835	25 835	407	1 119	10 765	(9 645)	-90%	25 835
Provincial Government	18 626	-	-	237	536	-	536	100%	-
Other transfers and grants	5 558	-	-	-	-	-	-	100%	-
Transfers recognised - capital	52 703	25 835	25 835	644	1 656	10 765	(9 109)	-85%	25 835
Internally generated funds	19 148	10 416	10 416	485	2 891	4 340	(1 449)	-33%	10 416
Total Capital Funding	71 851	36 251	36 251	1 129	4 546	15 105	(10 558)	-70%	36 251

The negative variance is to tender processes that are still ongoing. Tenders for MIG projects were awarded on the 3rd of December 2015. R 1.1 million was withheld by National Treasury which resulted in invoices paid during July 2015 - October 2015 not being funded by grants anymore and additional planning processes.

4.1.6 Table C6: Monthly Budget Statement - Financial Position**NC083 //Khara Hais - Table C6 Monthly Budget Statement - Financial Position - M05 November**

Description	2014/15	Budget Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	1 442	9 000	9 000	4 863	9 000
Consumer debtors	59 558	42 375	42 375	70 728	42 375
Other debtors	3 081	7 000	7 000	1 770	7 000
Current portion of long-term receivables	5	6	6	5	6
Inventory	6 006	6 500	6 500	6 747	6 500
Total current assets	70 092	64 882	64 882	84 112	64 882
Non current assets					
Long-term receivables	18	10	10	16	10
Investment property	217 638	212 473	212 473	217 638	212 473
Property, plant and equipment	1 621 128	1 468 885	1 468 885	1 580 458	1 468 885
Intangible assets	786	307	307	786	307
Total non current assets	1 839 570	1 681 675	1 681 675	1 798 898	1 681 675
TOTAL ASSETS	1 909 662	1 746 557	1 746 557	1 883 010	1 746 557
LIABILITIES					
Current liabilities					
Bank overdraft	6 339	2 000	2 000	547	2 000
Borrowing	17 060	10 837	10 837	17 060	10 837
Consumer deposits	9 000	11 000	11 000	10 944	11 000
Trade and other payables	126 475	59 400	59 400	91 286	59 400
Provisions	4 448	9 000	9 000	4 444	9 000
Total current liabilities	163 322	92 237	92 237	124 280	92 237
Non current liabilities					
Borrowing	106 009	94 720	94 720	101 670	94 720
Provisions	82 952	107 826	107 826	81 940	107 826
Total non current liabilities	188 961	202 546	202 546	183 610	202 546
TOTAL LIABILITIES	352 283	294 783	294 783	307 890	294 783
NET ASSETS	1 557 378	1 451 774	1 451 774	1 575 120	1 451 774
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1 557 378	1 451 774	1 451 774	1 575 120	1 451 774
TOTAL COMMUNITY WEALTH/EQUITY	1 557 378	1 451 774	1 451 774	1 575 120	1 451 774

It should be noted with great concern that our current liabilities exceed our current assets with R 40.2 million (October 2015: R 51.0 million). The norm for the liquidity ratio is 2:1, to ensure sufficient assets (cash) is available to pay liabilities. //Khara Hais Municipality's ratio is: 0.68:1 (October 2015: 0.60:1). This will result in a going concern matter in the 2015/2016 audit report.

The under collection of debtors has resulted in non-payment of creditors and cash flow problems. This situation is at the point where //Khara Hais Municipality is unable to raise loans due to our unspent grants and working capital that are not cash backed.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

Table C7 provides a comprehensive picture of the cash position of the municipality which includes non-current investments and commitments against available cash resources. Table C7 includes all cash and cash equivalents (cashbook balances, petty cash balances and short-term investment deposits).

The cash flow statement reflects a positive cash and cash equivalents balance of R 4.3 million (October 2015: negative cash and cash equivalents balance of R 3.8 million).

NC083 //Khara Hais - Table C7 Monthly Budget Statement - Cash Flow - M05 November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	69 700	75 488	75 488	6 075	40 130	31 453	8 677	28%	75 488
Service charges	238 958	355 982	355 982	25 030	130 174	148 326	(18 151)	-12%	355 982
Other revenue	83 092	23 673	23 673	1 542	8 984	9 864	(880)	-9%	23 673
Government - operating	67 147	73 268	73 268	18 836	46 585	30 528	16 057	53%	73 268
Government - capital	52 205	25 835	25 835	299	1 012	10 765	(9 753)	-91%	25 835
Interest	3 182	3 000	3 000	292	1 346	1 250	96	8%	3 000
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(396 529)	(528 988)	(528 988)	(43 738)	(206 895)	(220 412)	(13 517)	6%	(528 988)
Finance charges	(15 935)	(13 436)	(13 436)	(140)	(1 065)	(5 598)	(4 534)	81%	(13 436)
Transfers and Grants	(27 047)	(21 597)	(21 597)	(1 363)	(6 068)	(8 999)	(2 931)	33%	(21 597)
NET CASH FROM/(USED) OPERATING ACTIVITIES	74 772	(6 775)	(6 775)	6 832	14 204	(2 823)	(24 936)	883%	(6 775)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(9 417)	60 010	60 010	1 377	1 939	25 004	(23 065)	-92%	60 010
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	5	6	6	2	2	3	(0)	-15%	6
Decrease (increase) in non-current investments	669	-	-	0	0	-	0	#DIV/0!	-
Payments									
Capital assets	(48 094)	(36 251)	(36 251)	(1 129)	(4 537)	(15 105)	(10 568)	70%	(36 251)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(56 837)	23 765	23 765	250	(2 596)	9 902	12 498	126%	23 765
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	888	500	500	1 206	1 944	208	1 735	833%	500
Payments									
Repayment of borrowing	(22 598)	(16 430)	(16 430)	(202)	(4 339)	(6 846)	(2 506)	37%	(16 430)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(21 711)	(15 930)	(15 930)	1 004	(2 396)	(6 637)	(4 242)	64%	(15 930)
NET INCREASE/ (DECREASE) IN CASH HELD	(3 776)	1 060	1 060	8 085	9 213	442			1 060
Cash/cash equivalents at beginning:	(1 121)	5 940	5 940		(4 897)	5 940			5 940
Cash/cash equivalents at month/year end:	(4 897)	7 000	7 000		4 316	6 382			7 000

The municipality has a cash inflow of R 9.2 thousand for November 2015. This means that more money was received than spent. This is mainly due to the equitable share grant received during November 2015.

PART 2 - SUPPORTING DOCUMENTATION

Section 5 - Debtors' analysis**5.1 Supporting Table SC3****Debtor's age analysis**

The value reflected in the Financial Position will not reconcile to the Debtors Age Analysis shown on Supporting Table SC3. The financial position includes the total annual billing to date and some debtor classifications which do not form part of the consumer debtors, whereas the age analysis only includes those consumer amounts which have become due and not the 'future' amounts which will only fall due in coming months.

NC083 //Khara Hais - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

Description	Budget Year 2015/16									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	3 615	527	376	649	301	224	290	6 187	12 168	7 651
Trade and Other Receivables from Exchange Transactions - Electricity	12 934	161	70	60	29	22	21	730	14 027	862
Receivables from Non-exchange Transactions - Property Rates	2 867	(789)	223	178	1 157	53	204	1 691	5 584	3 283
Receivables from Exchange Transactions - Waste Water Management	2 029	526	393	378	262	125	186	1 844	5 744	2 795
Receivables from Exchange Transactions - Waste Management	1 709	648	476	412	337	191	253	3 119	7 146	4 312
Other	4 246	1 957	2 288	2 031	266	506	500	5 910	17 705	9 214
Total By Income Source	27 401	3 031	3 826	3 709	2 353	1 120	1 454	19 481	62 375	28 117
2014/15 - totals only	26 118	3 808	1 839	1 554	2 244	827	1 229	1 040	38 659	6 894
Debtors Age Analysis By Customer Group										
Organs of State	6 085	(925)	79	191	377	24	64	610	6 505	1 266
Commercial	8 870	220	162	525	121	67	76	3 904	13 945	4 694
Households	11 447	2 710	2 338	1 813	1 200	909	1 183	12 661	34 261	17 766
Other	1 000	1 026	1 247	1 180	654	121	130	2 307	7 664	4 392
Total By Customer Group	27 401	3 031	3 826	3 709	2 353	1 120	1 454	19 481	62 375	28 117

The total outstanding debtors for November 2015 are R 62.4 million and R 38.7 million for November 2014. Debtors outstanding from 31 days to over 1 year increased from R 12.5 million to R 35.0 million, when compared with November 2014. Non-collection of outstanding debtors results in cash flow problems. Outstanding debtors should immediately be handed over to attorneys for collection thereof.

The write off of bad debts are not encourage, as it may result in unauthorised expenditure and possible tariff increases above inflation in future. The debtor department must ensure that all outstanding debt of employees are collected and monitored.

No hand over of debtors was done during the month of November 2015.

5.2 Additional debtors information

5.2.1 Payment level

Collection Rates (payment levels) reflect the total income collected for the period 18 October 2015 - 17 November 2015. The budgeted collection rate is 98%, any collection rate below 98% will therefore results in cash flow problems.

The table below reflects the total income billed and received per ward. The higher the collection rate the better collection of the service charges billed.

Ward	Billed	Received	Dep journals	Indigent subs	Tot payments	Cash col rate	Nett col rate	Non payment	Corrections	Total Received	Coll Rate
Ward 1	664 454	398 492	2 752	209 202	610 446	60.0%	91.9%	54 009	(2 071)	608 375	91.6%
Ward 2	643 420	437 256	-	182 503	619 759	68.0%	96.3%	23 661	(1 347)	618 412	96.1%
Ward 3	783 971	697 697	5 619	92 054	795 370	89.0%	101.5%	(11 399)	65	795 435	101.5%
Ward 4	3 439 210	2 159 077	1 351 467	102 349	3 612 893	62.8%	105.1%	(173 682)	(4 776)	3 608 117	104.9%
Ward 5	613 596	490 384	4 247	93 135	587 766	79.9%	95.8%	25 830	(11 108)	576 658	94.0%
Ward 6	424 874	295 594	1 716	92 407	389 717	69.6%	91.7%	35 157	(2 232)	387 484	91.2%
Ward 7	1 588 649	1 838 378	1 425	72 521	1 912 324	115.7%	120.4%	(323 675)	(215 885)	1 696 438	106.8%
Ward 8	10 151 445	12 076 603	14 556	42 792	12 133 951	119.0%	119.5%	(1 982 507)	(196 100)	11 937 852	117.6%
Ward 9	4 966 854	5 406 186	-	2 679	5 408 866	108.8%	108.9%	(442 012)	(49 898)	5 358 967	107.9%
Ward 10	1 615 299	1 309 494	1 504	179 737	1 490 734	81.1%	92.3%	124 565	(10 279)	1 480 455	91.7%
Ward 11	1 808 813	976 070	421 150	37 019	1 434 239	54.0%	79.3%	374 574	(11 003)	1 423 236	78.7%
Ward 12	623 288	552 915	701	42 791	596 406	88.7%	95.7%	26 882	3 199	599 605	96.2%
Ward 13	1 736 852	1 284 924	-	91 747	1 376 671	74.0%	79.3%	360 181	(13 768)	1 362 903	78.5%
Ward 14	98 030	80 601	572	18 652	99 826	82.2%	101.8%	(1 796)	(3 284)	96 542	98.5%
Not specified	1 327 474	1 319 646	7 628	-	1 327 274	99.4%	100.0%	200	(47 551)	1 279 723	96.4%
Total	30 486 230	29 323 317	1 813 338	1 259 587	32 396 242	96.2%	106.3%	(1 910 012)	(566 039)	31 830 202	104.4%

The table below reflects the total income billed and received per service group.

Service group	Billed	Received	Dep journals	Indigent subs	Tot payments	Cash col rate	Nett col rate	Non payment	Corrections	Total Received	Coll Rate
Property tax	6 531 920	8 897 092	-	209 121	9 106 212	136.2%	139.4%	(2 574 292)	(2 841 243)	6 264 970	95.9%
Electricity	14 102 870	13 050 311	1 426 091	386	14 476 787	92.5%	102.7%	(373 917)	184 286	14 661 074	104.0%
Water	3 872 048	3 076 207	368 204	160 298	3 604 709	79.4%	93.1%	267 339	391 113	3 995 822	103.2%
Sewage	2 502 595	2 008 260	10 274	370 022	2 388 555	80.2%	95.4%	114 040	77 701	2 466 256	98.5%
Refuse Removal	2 118 353	1 617 355	8 395	467 007	2 092 757	76.3%	98.8%	25 596	(70 466)	2 022 291	95.5%
Other	1 358 443	674 092	375	52 754	727 221	49.6%	53.5%	631 222	1 692 568	2 419 789	178.1%
Total	30 486 230	29 323 317	1 813 338	1 259 587	32 396 242	96.2%	106.3%	(1 910 012)	(566 039)	31 830 202	104.4%

The table below reflects the total income billed and received per district group.

District group	Billed	Received	Dep journals	Indigent subs	Tot payments	Cash col rate	Nett col rate	Non payment	Corrections	Total Received	Coll Rate
Keidebees	1 415 549	1 517 138	71	590	1 517 798	107.2%	107.2%	(102 249)	(27 184)	1 490 614	105.3%
Middelpos	1 135 853	1 188 220	-	1 358	1 189 578	104.6%	104.7%	(53 725)	(4 227)	1 185 351	104.4%
Oosterville	1 483 768	1 741 936	-	1 797	1 743 733	117.4%	117.5%	(259 965)	(6 525)	1 737 208	117.1%
Blydeveld	1 084 996	696 421	71	32	696 523	64.2%	64.2%	388 473	(12 306)	684 218	63.1%
Akademia	274 290	245 071	-	8 106	253 178	89.3%	92.3%	21 112	(301)	252 877	92.2%
Florapark	462 586	561 862	-	3 947	565 808	121.5%	122.3%	(103 222)	(4 292)	561 516	121.4%
Die Rand	3 217 088	3 273 884	409	3 949	3 278 242	101.8%	101.9%	(61 154)	(25 768)	3 252 474	101.1%
Town Centre / Business Area	5 499 612	7 307 496	50 199	4 595	7 362 290	132.9%	133.9%	(1 862 678)	(140 291)	7 222 000	131.3%
Riverside	1 546 763	1 628 726	3 422	9 377	1 641 524	105.3%	106.1%	(94 761)	(2 351)	1 639 174	106.0%
Progress	919 884	684 431	5 823	222 649	912 903	74.4%	99.2%	6 982	(1 697)	911 206	99.1%
Bellvue	465 846	454 843	-	30 899	485 742	97.6%	104.3%	(19 897)	(19)	485 724	104.3%
Morning Glory	521 398	387 433	-	118 176	505 609	74.3%	97.0%	15 789	(1 356)	504 253	96.7%
Rosedale	1 359 939	867 643	3 913	391 275	1 262 831	63.8%	92.9%	97 108	(13 177)	1 249 654	91.9%
Paballelo	1 054 601	1 068 710	3 141	256 508	1 328 359	101.3%	126.0%	(273 758)	(242 924)	1 085 435	102.9%
Dakotaweg	70 933	34 053	-	16 755	50 809	48.0%	71.6%	20 124	(26)	50 782	71.6%
Kameelmond / Lemoendraai	129 702	114 428	181	6 113	120 721	88.2%	93.1%	8 981	(237)	120 484	92.9%
Industrial Areas	3 699 780	3 778 786	17 727	-	3 796 513	102.1%	102.6%	(96 733)	(22 149)	3 774 364	102.0%
Commonage	2 771 727	1 166 264	1 709 039	-	2 875 303	42.1%	103.7%	(103 576)	(24 778)	2 850 525	102.8%
Karos	51 162	2 639	419	7 260	10 318	5.2%	20.2%	40 845	(11)	10 306	20.1%
Lambrechtsdrift	41 496	6 440	-	2 317	8 757	15.5%	21.1%	32 738	-	8 757	21.1%
Leerkrans	30 665	10 218	153	9 075	19 446	33.3%	63.4%	11 219	(10)	19 436	63.4%
Raaswater	150 460	11 820	701	19 930	32 451	7.9%	21.6%	118 010	(26)	32 424	21.6%
Sesbrugge / Klippunt	97 778	35 267	-	-	35 267	36.1%	36.1%	62 511	(1 976)	33 292	34.0%
Kalksloot	145 014	53 056	133	25 963	79 151	36.6%	54.6%	65 863	(81)	79 070	54.5%
Louisvale Dorp	697 212	707 616	71	11 049	718 736	101.5%	103.1%	(21 524)	12 223	730 960	104.8%
Leseding	1 877	687	-	410	1 097	36.6%	58.5%	780	-	1 097	58.5%
Ntsekelelo	152	0	-	-	0	0.1%	0.1%	152	-	0	0.1%
Louisvaleweg	405 857	223 937	4 247	105 046	333 230	55.2%	82.1%	72 627	(18 750)	314 479	77.5%
Upington Farming Areas	327 936	247 507	140	2 412	250 060	75.5%	76.3%	77 876	(269)	249 791	76.2%
Gordonia Farming Areas	499 718	220 410	-	-	220 410	44.1%	44.1%	279 308	558	220 968	44.2%
Karos Farming Areas	22 383	26 716	-	-	26 716	119.4%	119.4%	(4 332)	-	26 716	119.4%
Kenhart Farming Areas	463 106	483 182	-	-	483 182	104.3%	104.3%	(20 076)	(2 253)	480 929	103.8%
Olyvenhoutsdrift Farming Areas	510 172	560 473	13 479	-	573 952	109.9%	112.5%	(63 780)	(22 574)	551 379	108.1%
Vaalkoppies Farming Areas	(73 075)	16 002	-	-	16 002	-21.9%	-21.9%	(89 076)	(3 262)	12 740	-17.4%
Total	30 486 230	29 323 317	1 813 338	1 259 587	32 396 242	96.2%	106.3%	(1 910 012)	(566 039)	31 830 202	104.4%

5.2.2 Debtor arrear summaries

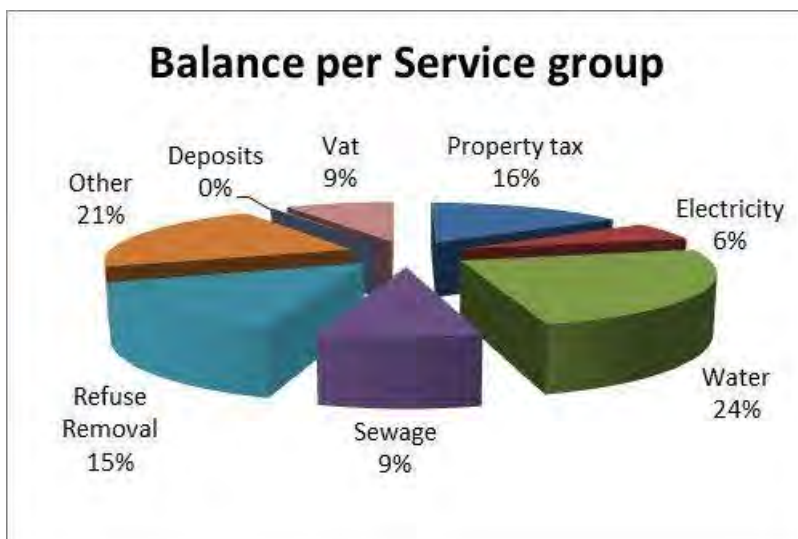
The arrear summaries that follow are not prescriptive in terms of the MFMA or the MBRR. They are including providing further information on debtors arrears based on various classifications.

All debtors’ information is coded on the financial database in terms of the following:

- Suburb; e.g. Keidebees, Progress, Pabalello
- Consumer type; e.g. Business, Household (Domestic), Government

Additional Table SC3-6: Arrears by Service Group

Service group	Current	31 - 60 days	61 - 90 days	91 - 120 days	120 days +	Total	% Arrears of Total
Property tax	1 476 720	321 763	278 324	345 779	3 623 595	6 046 182	16%
Electricity	1 359 502	79 899	70 114	96 329	571 084	2 176 929	6%
Water	825 695	466 107	422 436	557 984	7 024 137	9 296 359	24%
Sewage	470 906	245 150	203 790	221 647	2 103 357	3 244 851	9%
Refuse Removal	777 394	539 813	440 416	377 733	3 595 250	5 730 605	15%
Other	1 259 505	1 514 794	889 068	325 832	4 115 483	8 104 683	21%
Deposits	20 217	54 587	425	0	3 944	79 172	0%
Vat	611 852	313 277	243 839	212 416	1 965 109	3 346 493	9%
Total	6 801 791	3 535 390	2 548 413	2 137 721	23 001 958	38 025 273	100%



The table indicates the total outstanding debt per service group. The main concern is the increase in outstanding debt of businesses and residential debtors.

Additional Table SC3-7: Arrears by suburb

District group	Current	31 - 60 days	61 - 90 days	91 - 120 days	120 days +	Total	31 - 120 days +	% of Arrears of 31 - 120 days +	% of Arrears of 31 - 120 days + as % of total
Keidebees	225 474	60 788	40 650	25 568	117 771	470 252	244 777	52%	1%
Middelpos	99 935	44 238	29 797	17 640	78 583	270 193	170 258	63%	1%
Oosterville	109 344	51 379	15 180	8 884	63 193	247 981	138 636	56%	0%
Blydeveld	543 495	22 446	9 852	5 929	49 084	630 807	87 312	14%	0%
Akademia	110 454	108 860	66 850	52 580	82 625	421 369	310 915	74%	1%
Florapark	65 129	19 791	8 505	7 290	53 588	154 302	89 173	58%	0%
Die Rand	467 141	107 339	77 061	27 984	332 836	1 012 361	545 220	54%	2%
Town Centre / Business Area	451 834	493 011	42 712	45 052	480 512	1 513 120	1 061 287	70%	3%
Riverside	997 672	53 528	65 075	45 611	255 844	1 417 729	420 058	30%	1%
Progress	356 161	345 308	241 358	121 329	1 892 890	2 957 046	2 600 885	88%	8%
Bellvue	158 716	49 485	35 718	31 218	467 862	742 999	584 284	79%	2%
Morning Glory	173 272	83 726	105 509	56 512	882 694	1 301 714	1 128 442	87%	4%
Rosedale	762 075	610 758	441 446	303 666	2 032 262	4 150 208	3 388 133	82%	11%
Paballelo	770 414	665 115	645 671	707 777	4 813 353	7 602 329	6 831 915	90%	22%
Dakotaweg	42 182	11 126	6 056	9 773	62 068	131 206	89 024	68%	0%
Kameelmond / Lemoendraai	62 403	26 123	15 059	17 794	171 608	292 988	230 584	79%	1%
Industrial Areas	189 289	35 766	21 831	156 185	389 991	793 062	603 773	76%	2%
Commonage	41 822	34 760	41 426	50 149	2 540 447	2 708 603	2 666 781	98%	9%
Karos	48 746	45 405	41 945	33 932	434 969	604 997	556 252	92%	2%
Lambrechtsdrift	44 004	21 103	23 160	17 492	329 551	435 310	391 306	90%	1%
Leerkrans	21 067	16 884	17 416	12 674	279 563	347 604	326 537	94%	1%
Raaswater	149 937	150 816	148 319	103 560	2 530 793	3 083 425	2 933 488	95%	9%
Sesbrugge / Klippunt	78 715	990	792	1 166	8 289	89 952	11 237	12%	0%
Kalksloot	108 933	90 042	40 677	27 766	267 738	535 155	426 222	80%	1%
Louisvale Dorp	20 319	16 351	13 235	17 130	163 553	230 588	210 269	91%	1%
Leseding	1 507	956	930	652	119	4 164	2 656	64%	0%
Ntsekelelo	380	175	25	17	283	880	499	57%	0%
Louisvaleweg	213 076	165 842	151 344	89 297	1 033 585	1 653 145	1 440 069	87%	5%
Upington Farming Areas	114 166	5 676	4 030	2 976	53 183	180 031	65 865	37%	0%
Gordonia Farming Areas	195 865	133 320	148 879	107 094	1 943 676	2 528 834	2 332 969	92%	7%
Karos Farming Areas	13 971	13 250	12 094	9 343	504 023	552 681	538 710	97%	2%
Kenhart Farming Areas	41 540	19 693	17 731	12 381	392 193	483 538	441 998	91%	1%
Olyvenhoutsdrift Farming Areas	106 316	23 401	9 586	4 312	103 208	246 824	140 507	57%	0%
Vaalkoppies Farming Areas	16 438	7 940	8 493	6 986	190 021	229 878	213 440	93%	1%
Total	6 801 791	3 535 390	2 548 413	2 137 721	23 001 958	38 025 273	31 223 482	82%	100%

The table indicates the total outstanding debt per suburb; this includes current and outstanding debt in access of 1 year. The table below summarises the 30 highest consumer accounts based on the outstanding debt in access of 30 days. As at 30 November 2015 the 30 highest accounts represent R 6.4 million or 20.4% of all arrear accounts in access of 31 days.

Additional Table SC3-8: Age Analyses of 30 highest consumer accounts

Account no	Name	Account group	Ward	Current	31 - 60 days	61 - 90 days	91 - 120 days	120 days +	Total	31 - 120 days +
140000040061	PABALLELO OKB	BUSINESS	4	10 067	9 438	19 505	33 583	1 570 783	1 643 374	1 633 308
120000020005	ROSEDALE O/K/B VERENINGING	BUSINESS	4	8 901	7 673	11 720	6 586	489 938	524 817	515 916
010001781000005	JMHL HARDWARE	BUSINESS	8	3 573	420 660	0	0	0	424 233	420 660
100720959993	DART PLANT SERVICES CC	INDUSTRY	8	5 907	5 724	8 081	89 882	237 897	347 491	341 584
141406019992	UNITED DEV AGENCIES	BUSINESS	6	7 340	7 149	9 359	261 352	49 496	334 696	327 356
330038348000016	MARSH,JOHN,WILLIAM	OTHER	10	5 020	4 609	6 427	3 349	228 395	247 800	242 780
230000058000008	MOHLOTSANA,MAMOKEBE	DOMESTIC	12	6 319	6 167	7 862	4 475	221 762	246 585	240 266
010014977001012	SHOW TIME MEDIA	BUSINESS	8	7 438	7 283	8 815	5 709	198 028	227 273	219 835
141020520005	SIYAVUKA LAUNDRY AND DRY CLEANING PRIMARY PTY(LTD)	BUSINESS	7	8 111	7 011	5 176	3 608	180 290	204 196	196 085
080000131315	PABALLELO OK BOERE	BUSINESS	4	1 679	1 593	2 915	345	190 198	196 729	195 050
141020619992	PABALLELO CASH STORE	BUSINESS	7	2 947	3 324	3 995	64 572	84 513	159 352	156 405
538000200327	BASSON,FRIKKIE	DOMESTIC	12	4 983	4 878	5 921	3 807	129 357	148 946	143 964
010001260000009	VISSER,CHARMAINE	DOMESTIC	8	12 826	10 567	9 417	1 609	121 393	155 812	142 986
010000001306012	UPT OPKOMENDE BOERE	BUSINESS	4	1 912	1 846	2 729	994	136 401	143 882	141 971
100362639998	DART PLANT SERVICES CC	INDUSTRY	8	1 932	1 868	2 719	44 114	72 743	123 375	121 443
310251096000009	REP VAN SUID-AFRIKA	National: Public Works	11	819	423	437	437	100 771	102 886	102 067
141020519995	ORANJE STAP CAFFE	BUSINESS	7	1 584	1 529	2 267	45 860	51 377	102 618	101 034
310251042000003	REP VAN SUID-AFRIKA	National: Public Works	11	768	397	411	411	94 618	96 605	95 837
310251097000002	REP VAN SUID-AFRIKA	National: Public Works	11	765	397	410	410	94 308	96 291	95 526
310251000000003	REP VAN SUID-AFRIKA	National: Public Works	11	757	391	404	404	93 167	95 124	94 367
010001791000011	COMMISSION FOR CHILDREN	BUSINESS	8	2 162	2 105	2 773	14 756	74 545	96 341	94 180
310251023000009	REP VAN SUID-AFRIKA	National: Public Works	11	751	388	401	401	92 442	94 383	93 632
090502319997	DEPT VAN ONDERWYS	SECTION 21 SCHOOLS-PAY OWN ACCOUNT	3	10 373	4 904	4 068	4 068	80 024	103 438	93 065
040050319996	E MOCKE & S J M JOOSTE	BUSINESS	8	5 323	4 957	22 913	4 537	56 189	93 919	88 596
141070919998	KOAZI,S,K	DOMESTIC	6	1 286	23 561	1 833	883	62 082	89 645	88 359
141019019996	JB STORE	BUSINESS	7	647	609	1 173	31 547	50 951	84 928	84 281
310251014000006	VAN DER WESTHUIZEN,WILLEM,JOHANNES,PA	OTHER	11	650	290	301	299	78 872	80 411	79 761
121537119990	THOMAS,MIETA	DOMESTIC	10	1 713	882	2 858	1 742	74 049	81 244	79 531
141019119993	BEKEBEKE KINDERS	BUSINESS	7	525	492	1 017	0	73 064	75 098	74 573
010011178000004	MJAMBANA,NOMSAKAZO	DOMESTIC	13	957	926	57 295	327	13 881	73 386	72 429

Section 6 - Creditors' analysis

6.1 Supporting Table C4

NC083 //Khara Hais - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description	Budget Year 2015/16									Prior year totals for chart (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	6 338	2 687	2 745	1 604	2 232	10 637	3 557	2 527	32 327	32 980
Auditor General									-	-
Other	6 880	-	-	-	66	22	-	-	6 968	9 945
Total By Customer Type	13 218	2 687	2 745	1 604	2 299	10 658	3 557	2 527	39 295	42 925

The municipality is experiencing cash flow problems which results in the non-payment or creditor payments in excess of 30 days, which is a non-compliance in terms of Section 65 (2)(e) of the MFMA. The outstanding creditors for November 2015 are R 39.3 million and R 42.9 million for November 2014. This implicates a decrease of R 3.6 million. Non-payment of debtors results in non-payment of creditors. The municipality should ensure that the non-payment of creditors do not result in the local businesses being left bankrupt and therefore work losses within //Khara Hais Municipality and local communities. Non-payment of creditors can also result in creditors levying interest and possibly taking legal actions against the municipality, therefore resulting in additional legal costs. Furthermore local creditors might refuse to deliver a service to the municipality, thus resulting that services must be obtained from outside the municipal jurisdiction which could lead to additional costs and delivery time. This also means that money will “leave” our municipal jurisdiction.

Section 7 - Investment portfolio analysis

7.1 Supporting Table C5

The municipality's investments as at 30 November 2015 are set out in Table SC5 below. The municipality started the beginning of the month with a market value of R 0. These investments however qualify as cash and cash equivalents. Therefore our total Market value at month end is R 0.

NC083 //Khara Hais - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November

Investments by maturity Name of institution & investment ID R thousands	Type of Investment	Accrued interest for the month	Market value at beginning of the month	Change in market value	Market value at end of the month
<u>Municipality</u>					
//Khara Hais	Savings	-	5	-	5
//Khara Hais	Call Account	10	2 012	-	1 950
//Khara Hais	Smart Rate on Call	-	-	-	2 500
Minus: Investments qualifying as cash and cash equivalents		-	(2 017)	-	(4 455)
Municipality sub-total		10	-	-	-
<u>Entities</u>					
Entities sub-total		-	-	-	-
TOTAL INVESTMENTS AND INTEREST		10	-	-	-

Conditional grants received are invested. It should be noted that these funds are only available to pay capital projects which is funded by MIG, INEP, EPWP, etc. in terms of an approved business plan. These funds may not be used for operational expenditure. It should be noted that our unspent grants are not cash backed and that these grants were used to pay for operational expenditure. Through discussions with National Treasury they indicated that they going to focus on municipality's where this is the case to ensure that remedial actions are implemented to ensure that grants are cash backed and that they are cash funded as prescribed in the A1-Schedule, schedule A8.

Section 8 - Allocation and grant receipts and expenditure

8.1 Supporting Table C6

The municipality's position with regard to grant allocations received and the actual expenditure on the grant allocations received are set out in the table below. The municipality started at the beginning of the month with conditional grants to the value of R 15.7 million. Conditional grants to the value of R 9.8 million were received during November 2015 and R 650 thousand was spent. Therefore, unspent conditional grants amounted to R 24.6 million and unpaid grants to R 870 thousand. It should be noted that only R 4.5 million (5.4%) of the unspent grants of R 24.6 million are cash backed.

GRANT REGISTER FROM 1 NOVEMBER 2015 - 30 NOVEMBER 2015						
Account	Description	Opening Balance - 1 November 2015	Total Received	Expenditure Transferred to Revenue	Correction / Withheld	Closing Balance - 30 November 2015
INEP	Integrated Nationale Electrification Programme (INEP)	(2 750 000)	(2 500 000)	-	-	(5 250 000)
NDR100	Township Establishment (COGHSTA)	(4 409 363)	-	340 678	-	(4 068 685)
NDR1004	Masinedane Project (Library Grant)	(17 076)	-	-	-	(17 076)
NDR102	Cultural Festival	(44 063)	(150 000)	-	-	(194 063)
NDR104	EPWP - DoRA Allocation	(606 773)	-	-	430 795	(175 978)
NDR1605	Finance Management Grant (FMG)	(1 280 775)	-	219 278	-	(1 061 497)
NDR49	Municipal Infrastructure Grant (MIG)	(3 430 348)	(6 130 000)	90 001	-	(9 470 347)
NDR60	Municipal System Improvement Grant (MSIG)	(604 050)	-	-	-	(604 050)
NDR70	Department of Water Affairs (DWA)	(154)	-	-	-	(154)
NDR84	Water and Sewerage - 81 Houses (Housing)	(90 785)	-	-	-	(90 785)
NDR86	Energy Efficiency Demand Management	(2 631 995)	(1 000 000)	-	631 995	(3 000 000)
NDR87	National Lotteries Board	(672 339)	-	-	-	(672 339)
NDR90	Royal Agricultural Society	207 706	-	-	-	207 706
NDR92	Extended Public Works Programme (EPWP)	662 079	-	-	-	662 079
NDR93	2013 Disaster Fund	(32 776)	-	-	-	(32 776)
Total (Unspent) / Unpaid Grants		(15 700 711)	(9 780 000)	649 957	1 062 790	(23 767 964)

Section 9 - Expenditure on councillor and board members allowances and employee benefits

9.1 Supporting Table C8

Employee related costs for the year ended 30 November 2015 is set out below.

EMPLOYEE RELATED COST FOR MONTH ENDED 30 NOVEMBER 2015					
National Treasury Line Item	2015/2016 Original Budget	2015/2016 Year to Date	November 2015	November 2015 as % of Original Budget	Year to Date as % of Original Budget
Bargaining Council Contribution	53 474	29 656	5 858	11%	55%
Bonus	7 994 162	10 039 788	9 841 250	123%	126%
Contributions to Medical Aid	9 143 571	4 782 259	965 648	11%	52%
Contributions to Pension	17 940 990	9 613 323	1 911 175	11%	54%
Contributions to UIF	1 107 606	515 208	122 013	11%	47%
Group Life Insurance	989 089	591 810	120 826	12%	60%
Housing benefits and allowances	247 348	749 837	149 100	60%	303%
Less: Employee Costs Capitalised	(1 465 074)	(369 635)	(90 001)	6%	25%
Overtime	9 828 896	4 689 825	931 734	9%	48%
Performance Bonus	625 950	–	–	0%	0%
Salaries and Wages	122 011 805	54 251 970	10 842 390	9%	44%
Training Levies	1 308 025	742 177	226 051	17%	57%
Travel, motor car, accom & other allowances	2 868 063	3 229 895	664 702	23%	113%
TOTAL EMPLOYEE RELATED COST	172 653 905	88 866 110	25 690 747	15%	51%

Employee related cost is in excess of the acceptable norm of 35 - 40% of total expenditure. Employee related cost (including councillors) as a percentage of total expenditure, excluding non-cash items, for November 2015 is 55.3% (Year to date: 48.9%) and employee related cost as a percentage of total revenue for November 2015 is 44.1% (Year to date: 37.0%). It should be noted that bonuses are paid during November 2015. It could be that employees of the municipality are not working productively, which results in the need of temporary employees to perform the tasks / duties of permanent employees.

Employee related cost (including councillors) as a percentage of total expenditure, excluding depreciation and bulk purchases on electricity should be 50.0% or less. //Khara Hais Municipality's ratio is 75.5% for November 2015 (Year to date: 72.7%). If the excess year to date percentage of 25.5% is expressed as an amount, the actual year to date figure will be R 8.9 million (Year to date: R 28.7 million). At this stage creditors are used to fund salary payments.

It should be noted that due to cost constraints expenditure operational costs have decreased leading to a proposed increase in the percentage of employee related cost as a percentage of total expenditure excluding non-cash items. Therefore it seems that too much employees are employed by the municipality.

In the overtime per function table below overtime paid per function is compared with the approved budget allocations. Overtime worked by employees (specifically water distribution, streets & storm water and sewerage distribution) is normally to repair the networks (water, storm / water, sewerage) in emergency situations and normally takes place after hours. Overtime has decreased with R 37 thousand. Overtime paid for November 2015 was R 932 thousand and R 969 thousand for October 2015. It should be noted that overtime performed by parks, electricity department and civil services could be part of employee cost capitalised - refer to table C8, page 28.

EMPLOYEE RELATED COST FOR MONTH ENDED 30 NOVEMBER 2015					
National Treasury Line Item	2015/2016 Original Budget	2015/2016 Year to Date	November 2015	November 2015 as % of Original Budget	Year to Date as % of Original Budget
Administration	269 360	49 173	13 216	5%	18%
Libraries	–	3 362	–	-100%	-100%
Financial Services	283 077	134 265	26 471	9%	47%
Municipal Manager	–	13 279	–	-100%	-100%
Housing and Development	6 891	3 119	3 119	45%	45%
Traffic Services	122 673	105 020	41 928	34%	86%
Fire Brigade Services	684 550	238 340	28 850	4%	35%
Security Services	1 085 853	230 219	34 651	3%	21%
Environmental Health Services	134 366	10 256	–	0%	8%
Sanitation Services	454 191	473 433	79 469	17%	104%
Refuse Removal Services	1 823 013	697 290	131 616	7%	38%
Vacuum Tank Services	39 043	19 447	2 024	5%	50%
Primary Health Care	–	654	–	100%	100%
Information Technology	52 663	44 154	11 600	22%	84%
Civil Engineering Services	15 448	–	–	0%	0%
Streets and Storm water drainage	243 100	300 105	70 125	29%	123%
Workshop	77 949	78 375	17 236	22%	101%
Sewerage Purification Plant	427 029	176 992	27 762	7%	41%
Sewerage Distribution Networks	348 076	336 215	61 354	18%	97%
Parks	504 520	88 798	33 606	7%	18%
Island Holiday Resort	485 494	172 547	26 563	5%	36%
Swimming Pools	127 881	39 630	24 440	19%	31%
Sport Grounds	133 847	43 388	10 340	8%	32%
Cemetries	262 765	35 693	17 647	7%	14%
Electricity Administration	28 254	16 250	5 602	20%	58%
Electricity Maintenance	348 351	74 576	15 217	4%	21%
Electricity Distribution	520 622	234 847	69 685	13%	45%
Water Production	448 386	370 737	56 339	13%	83%
Water Distribution	890 574	698 587	122 873	14%	78%
Client Services	–	1 074	–	-100%	-100%
Masinedane Library	10 920	–	–	-100%	0%
TOTAL EMPLOYEE RELATED COST	9 828 896	4 689 825	931 734	9%	48%

Section 10 - Capital programme performance

10.1 Supporting Table C12

NC083 //Khara Hais - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M05 November

Month	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	2 145	3 021	3 021	15	15	3 021	3 006	99.5%	0%
August	1 934	3 021	3 021	797	812	6 042	5 230	86.6%	2%
September	5 802	3 021	3 021	2 232	3 044	9 063	6 019	66.4%	8%
October	4 071	3 021	3 021	373	3 417	12 084	8 666	71.7%	9%
November	4 328	3 021	3 021	1 129	4 546	15 105	10 558	69.9%	13%
December	3 814	3 021	3 021	-	4 546	18 126	13 579	74.9%	13%
January	5 055	3 021	3 021	-	4 546	21 147	16 600	78.5%	13%
February	4 595	3 021	3 021	-	4 546	24 168	19 621	81.2%	13%
March	6 406	3 021	3 021	-	4 546	27 189	22 642	83.3%	13%
April	5 452	3 021	3 021	-	4 546	30 209	25 663	85.0%	13%
May	1 536	3 021	3 021	-	4 546	33 230	28 684	86.3%	13%
June	26 714	3 021	3 021	-	4 546	36 251	31 705	87.5%	13%
Total Capital expenditure	71 851	36 251	36 251	4 546					

The municipality spent 13% of the 2015/2016 original capital budget.

//Khara Hais Municipality aim to spend all capital funding to ensure better service delivery. Tenders for capital projects are being finalised through our SCM processes, where after the projects will unfold.

10.2 Supporting Table C13**10.2.1 Supporting Table C13a****NC083 //Khara Hais - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M05 November**

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Budget Year 2014/15
R thousands									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	63 903	15 635	15 635	986	3 718	6 514	714	11.0%	15 635
Infrastructure - Road transport	16 494	1 725	1 725	83	99	719	619	86.2%	1 725
Roads, Pavements & Bridges	16 494	1 725	1 725	83	99	719	619	86.2%	1 725
Infrastructure - Electricity	10 599	11 758	11 758	331	333	4 899	4 566	93.2%	11 758
Transmission & Reticulation	10 599	11 758	11 758	331	333	4 899	4 566	93.2%	11 758
Infrastructure - Water	23 736	1 652	1 652	572	3 286	688	(2 597)	-377.4%	1 652
Dams & Reservoirs	-	-	-	5	5	-	(5)	100.0%	-
Reticulation	23 736	1 652	1 652	566	3 280	688	(2 592)	-376.6%	1 652
Infrastructure - Sanitation	12 013	-	-	-	-	-	-	-	-
Sewerage purification	12 013	-	-	-	-	-	-	-	-
Infrastructure - Other	1 062	500	500	-	-	208	208	100.0%	500
Other	1 062	500	500	-	-	208	208	100.0%	500
Community	6 508	16 318	16 318	-	20	6 799	6 779	99.7%	9 451
Parks & gardens	41	9 417	9 417	-	20	3 924	3 904	99.5%	9 417
Sportsfields & stadia	3 852	6 901	6 901	-	-	2 876	2 876	100.0%	6 901
Recreational facilities	2 615	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1 207	2 691	2 691	143	778	1 121	343	30.6%	2 691
Specialised vehicles	500	-	-	-	-	-	-	-	-
Plant & equipment	168	-	-	21	92	-	(92)	100.0%	-
Computers - hardware/equipment	278	800	800	(4)	166	333	167	50.1%	800
Furniture and other office equipment	230	-	-	13	58	-	(58)	100.0%	-
Other Buildings	31	391	391	113	461	163	(299)	-183.4%	391
Other	-	1 500	1 500	-	-	625	625	100.0%	1 500
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	83	-	-	-	-	-	-	-	-
Computers - software & programming	83	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	71 702	34 644	34 644	1 129	4 517	14 435	9 918	68.7%	34 644

The table reflects capital expenditure on new assets.

10.2.2 Supporting Table C13b

NC083 //Khara Hais - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M05 November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	127	1 608	1 608	-	-	670	670	100.0%	1 608
Infrastructure - Road transport	(178)	-	-	-	-	-	-		-
<i>Roads, Pavements & Bridges</i>	(178)	-	-	-	-	-	-		-
Infrastructure - Electricity	-	1 608	1 608	-	-	670	670	100.0%	-
<i>Transmission & Reticulation</i>	-	1 608	1 608	-	-	670	670	100.0%	-
Infrastructure - Water	-	-	-	-	-	-	-		-
<i>Reticulation</i>	-	-	-	-	-	-	-		-
Infrastructure - Sanitation	305	-	-	-	-	-	-		-
<i>Reticulation</i>	305	-	-	-	-	-	-		-
Community	-	-	-	-	-	-	-		-
Heritage assets	-	-	-	-	-	-	-		-
Investment properties	-	-	-	-	-	-	-		-
Other assets	22	-	-	-	30	-	(30)	100.0%	-
Computers - hardware/equipment	6	-	-	-	30	-	(30)	100.0%	-
Furniture and other office equipment	17	-	-	-	-	-	-		-
Agricultural assets	-	-	-	-	-	-	-		-
Biological assets	-	-	-	-	-	-	-		-
Intangibles	-	-	-	-	-	-	-		-
Total Capital Expenditure on renewal of existing assets	149	1 608	1 608	-	30	670	640	95.6%	1 608

The table reflects capital expenditure on renewal assets. This means existing assets that should have been replaced. If the capital expenditure on the renewal of assets is too high it raises concerns about whether assets are sufficiently maintained and safe guarded.

10.2.3 Supporting Table C13c

NC083 //Khara Hais - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M05
November

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1 724	7 895	7 895	304	819	2 632	1 813	68.9%	7 895
Infrastructure - Road transport	497	1 032	1 032	175	262	344	82	100.0%	1 032
<i>Roads, Pavements & Bridges</i>	497	1 032	1 032	–	43	344	301	100.0%	1 032
<i>Storm water</i>	–	–	–	175	219	–	(219)	-6.1%	–
Infrastructure - Electricity	357	3 201	3 201	11	148	1 067	919	86.1%	3 201
<i>Transmission & Reticulation</i>	357	3 201	3 201	11	148	1 067	919	86.1%	3 201
Infrastructure - Water	644	1 980	1 980	116	330	660	330	50.1%	1 980
<i>Dams & Reservoirs</i>	–	–	–	2	15	–	(15)	100.0%	–
<i>Reticulation</i>	644	1 980	1 980	115	315	660	345	52.3%	1 980
Infrastructure - Sanitation	221	1 635	1 635	1	78	545	467	100.0%	1 635
<i>Reticulation</i>	221	176	176	–	77	59	(19)	-100.0%	176
<i>Sewerage purification</i>	–	1 460	1 460	1	1	487	485	100.0%	1 460
Infrastructure - Other	5	48	48	–	1	16	15	100.0%	48
<i>Waste Management</i>	–	38	38	–	–	13	13	100.0%	38
<i>Other</i>	5	10	10	–	1	3	2	-100.0%	10
Community	105	1 486	1 486	18	113	495	382	100.0%	1 486
Parks & gardens	6	284	284	8	52	95	43	-100.0%	284
Sportsfields & stadia	47	218	218	7	43	73	30	100.0%	218
Swimming pools	–	126	126	–	–	42	42	100.0%	126
Libraries	–	38	38	–	–	13	13	100.0%	38
Recreational facilities	50	471	471	1	14	157	143	-100.0%	471
Fire, safety & emergency	–	257	257	–	–	86	86	100.0%	257
Security and policing	–	40	40	–	–	13	13	100.0%	40
Clinics	–	25	25	–	–	8	8	100.0%	25
Cemeteries	1	26	26	2	4	9	5	100.0%	26
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	7 568	9 377	9 377	921	2 942	3 126	183	5.9%	9 377
General vehicles	5 491	5 820	5 820	690	2 197	1 940	(257)	-13.3%	5 820
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	1 012	465	465	93	276	155	(121)	-100.0%	465
Computers - hardware/equipment	495	1 169	1 169	46	141	390	248	100.0%	1 169
Other Buildings	571	1 127	1 127	67	225	376	151	40.2%	1 127
Other	–	796	796	26	103	265	162	61.1%	796
Agricultural assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9 397	18 758	18 758	1 243	3 874	6 253	2 379	38.0%	18 758

The table reflects repairs and maintenance by asset class. The norm for total repairs and maintenance as a percentage of total book value (written down value) is 5% - 8%. //Khara Hais Municipality's ratio is 0.1% due to the implementation of GRAP 17 with the higher DRC values.

Section 11 - Other supporting documentation

11.1 Other information

Monthly Budget Statement as per Statement of Financial Performance (Actuals)

NC083 //Khara Hais - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M05 November

Description	Budget Year 2015/16						2015/16 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Cash Receipts By Source									
Property rates	19 748	3 152	5 411	5 744	6 075	–	40 130	63 652	78 179
Service charges - electricity revenue	3 338	24 438	20 340	22 737	16 055	–	86 908	262 271	278 007
Service charges - water revenue	3 690	2 840	3 632	3 573	4 066	–	17 800	52 164	55 863
Service charges - sanitation revenue	2 641	2 722	2 730	2 818	2 734	–	13 645	32 892	35 195
Service charges - refuse	2 408	2 468	2 504	2 267	2 174	–	11 822	31 731	34 589
Rental of facilities and equipment	621	720	742	467	529	–	3 079	10 369	11 283
Interest earned - external investments	18	22	30	39	16	–	125	636	674
Interest earned - outstanding debtors	218	247	234	246	276	–	1 221	2 544	2 697
Fines	36	24	27	62	60	–	208	457	484
Licences and permits	140	120	136	139	127	–	661	1 709	1 811
Agency services	474	148	308	347	369	–	1 645	3 657	3 876
Transfer receipts - operating	24 083	1 372	1 412	882	18 836	–	46 585	70 948	76 844
Other revenue	372	1 065	429	1 066	458	–	3 389	9 168	9 718
Cash Receipts by Source	57 787	39 338	37 935	40 385	51 775	–	227 219	542 196	589 222
Other Cash Flows by Source									
Transfer receipts - capital	–	–	227	486	299	–	1 012	20 326	22 151
Proceeds on disposal of PPE	1	104	–	458	1 377	–	1 939	1 211	2 011
Increase in consumer deposits	102	153	192	291	1 206	–	1 944	500	500
Receipt of non-current receivables	(2)	2	(1)	1	2	–	2	6	6
Change in non-current investments	(5)	5	–	–	0	–	0	–	–
Total Cash Receipts by Source	57 883	39 602	38 352	41 622	54 658	–	232 116	564 239	613 890
Cash Payments by Type									
Employee related costs	14 734	14 329	18 061	16 035	25 687	–	88 846	184 740	197 672
Remuneration of councillors	629	629	629	629	629	–	3 145	9 138	9 777
Interest paid	289	179	353	103	140	–	1 065	12 070	11 414
Bulk purchases - Electricity	–	19 697	18 006	11 120	12 707	–	61 529	190 740	214 010
Bulk purchases - Water & Sewer	–	(258)	163	24	–	–	(71)	5 525	5 912
Other materials	320	464	747	1 100	1 243	–	3 874	19 884	21 077
Contracted services	295	129	665	(121)	665	–	1 634	12 707	13 744
Grants and subsidies paid - other	908	1 224	1 242	1 330	1 363	–	6 068	23 107	24 493
General expenses	36 047	16 026	(5 097)	8 115	4 460	–	59 551	57 115	56 451
Cash Payments by Type	53 222	52 420	34 769	38 335	46 895	–	225 641	515 025	554 550
Other Cash Flows/Payments by Type									
Capital assets	15	787	2 232	373	1 129	–	4 537	22 566	24 280
Repayment of borrowing	411	1 378	1 805	543	202	–	4 339	10 837	7 394
Other Cash Flows/Payments	(3 638)	(4 270)	(488)	(1 565)	(1 653)	–	(11 614)	–	–
Total Cash Payments by Type	50 010	50 316	38 319	37 686	46 572	–	222 903	548 429	586 224
NET INCREASE/(DECREASE) IN CASH HELD	7 873	(10 714)	33	3 936	8 085	–	9 213	15 811	27 666
Cash/cash equivalents at the month/year beginning:	(4 897)	2 976	(7 738)	(7 705)	(3 770)	4 316	(4 897)	7 000	22 811
Cash/cash equivalents at the month/year end:	2 976	(7 738)	(7 705)	(3 770)	4 316	4 316	4 316	22 811	50 476

The table indicates the monthly cash flow position of the municipality. For July - November 2015 actual cash flow figures are indicated.

Section 12 - Municipal manager's quality certification

QUALITY CERTIFICATE

I, Dalixolo Eric Ngxanga, the municipal manager of //Khara Hais Municipality, hereby certify that:

(mark as appropriate)

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state of affairs of the municipality
- mid-year budget and performance assessment

for the month of November 2015 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.



D E Ngxanga
Municipal Manager of //Khara Hais Municipality (NC083)

10 December 2015