



# //Khara Hais Municipality

## Monthly Budget Monitoring Report (Section 71 of MFMA)

### OCTOBER 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 October 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.



**D E NGXANGA**  
**MUNICIPAL MANAGER**

10 November 2015

## Table of Contents

Table of Contents .....	3
Glossary .....	4
PART 1 - IN-YEAR REPORT .....	6
Section 1 - Mayor's Report .....	6
Section 2 - Resolutions .....	6
Section 3 - Executive Summary .....	7
Section 4 - In-year budget statement tables .....	9
PART 2 - SUPPORTING DOCUMENTATION .....	18
Section 5 - Debtors' analysis.....	18
Section 6 - Creditors' analysis .....	24
Section 7 - Investment portfolio analysis .....	25
Section 8 - Allocation and grant receipts and expenditure .....	26
Section 9 - Expenditure on councillor and board members allowances and employee benefits.....	27
Section 10 - Capital programme performance .....	28
Section 11 - Other supporting documentation .....	33
Section 12 - Municipal manager's quality certification .....	34

## 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 October 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 32% of the year-to-date budget and a negative variance of 4%. The budgeted amount for property rates are R 25.2 million and the actual figure billed is R 34.2 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 72% 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 negative balance of R 3.8 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 Supply Chain Management unit is busy analysing the tender documents. 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 - M04 October

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	58 865	65 416	70 552	5 755	34 174	25 163	9 011	36%	70 552
Service charges	306 086	324 634	319 102	29 528	117 865	118 661	(795)	-1%	319 102
Investment revenue	1 165	1 231	500	39	109	200	(91)	-45%	500
Transfers recognised - operational	69 643	64 572	69 463	882	27 644	24 423	3 221	13%	69 463
Other own revenue	46 141	41 319	51 933	2 710	9 389	29 194	(19 805)	-68%	51 933
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>481 900</b>	<b>497 171</b>	<b>511 549</b>	<b>38 915</b>	<b>189 182</b>	<b>197 640</b>	<b>(8 459)</b>	<b>-4%</b>	<b>511 549</b>
Employee costs	199 440	211 757	206 160	16 039	63 173	57 551	5 622	10%	206 160
Remuneration of Councillors	7 120	7 981	7 981	626	2 502	2 847	(344)	-12%	7 981
Depreciation & asset impairment	94 513	110 734	110 734	9 043	36 173	36 173	(0)	0%	110 734
Finance charges	19 944	16 658	15 284	103	924	4 479	(3 554)	-79%	15 284
Materials and bulk purchases	136 032	150 167	150 167	11 144	48 751	58 388	(9 637)	-17%	150 167
Transfers and grants	27 210	25 117	20 087	1 330	4 704	7 199	(2 495)	-35%	20 087
Other expenditure	77 578	93 751	88 758	6 629	20 506	31 697	(11 191)	122%	88 758
<b>Total Expenditure</b>	<b>561 837</b>	<b>616 164</b>	<b>599 171</b>	<b>44 913</b>	<b>176 735</b>	<b>198 333</b>	<b>(21 599)</b>	<b>-11%</b>	<b>599 171</b>
<b>Surplus/(Deficit)</b>	<b>(79 937)</b>	<b>(118 994)</b>	<b>(87 622)</b>	<b>(5 998)</b>	<b>12 447</b>	<b>(693)</b>	<b>13 140</b>	<b>-1895%</b>	<b>(87 622)</b>
Transfers recognised - capital	52 910	22 508	39 477	486	713	8 612	(7 899)	-92%	39 477
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(27 026)</b>	<b>(96 485)</b>	<b>(48 145)</b>	<b>(5 512)</b>	<b>13 160</b>	<b>7 918</b>	<b>5 241</b>	<b>66%</b>	<b>(48 145)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(27 026)</b>	<b>(96 485)</b>	<b>(48 145)</b>	<b>(5 512)</b>	<b>13 160</b>	<b>7 918</b>	<b>5 241</b>	<b>66%</b>	<b>(48 145)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>94 997</b>	<b>43 679</b>	<b>69 732</b>	<b>373</b>	<b>3 417</b>	<b>12 084</b>	<b>(8 666)</b>	<b>-72%</b>	<b>36 251</b>
Capital transfers recognised	52 802	22 508	39 477	299	1 012	8 612	(7 600)	-88%	25 835
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	40 728	20 171	-	-	-	-	-	-	-
Internally generated funds	1 467	1 000	30 255	74	2 406	3 472	(1 066)	-31%	10 416
<b>Total sources of capital funds</b>	<b>94 997</b>	<b>43 679</b>	<b>69 732</b>	<b>373</b>	<b>3 417</b>	<b>12 084</b>	<b>(8 666)</b>	<b>-72%</b>	<b>36 251</b>
<b>Financial position</b>									
Total current assets	66 096	57 887	65 822		76 766				64 882
Total non current assets	1 791 959	1 785 315	1 752 449		1 806 814				1 681 675
Total current liabilities	174 836	171 877	188 832		127 772				92 237
Total non current liabilities	207 056	300 985	201 420		184 013				202 546
<b>Community wealth/Equity</b>	<b>1 476 163</b>	<b>1 370 340</b>	<b>1 428 018</b>		<b>1 571 796</b>				<b>1 451 774</b>
<b>Cash flows</b>									
Net cash from (used) operating	91 264	21 077	70 402	4 102	7 372	(2 258)	9 630	-426%	(6 775)
Net cash from (used) investing	(91 642)	(28 473)	(42 716)	85	(2 845)	7 922	(10 767)	-136%	23 765
Net cash from (used) financing	(3 107)	8 396	(21 293)	(252)	(3 399)	(5 310)	1 911		(15 930)
<b>Cash/cash equivalents at the month/year end</b>	<b>(1 121)</b>	<b>3 006</b>	<b>5 940</b>	<b>-</b>	<b>(3 770)</b>	<b>6 293</b>	<b>(10 063)</b>	<b>-160%</b>	<b>7 000</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	30 043	3 184	2 261	2 775	1 214	1 569	1 032	17 680	58 038
<b>Creditors Age Analysis</b>									
Total Creditors	23 781	10 890	2 167	2 232	14 039	2 161	3 717	2 527	46 166

### 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) - M04 October

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
<b>R thousands</b>									
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	220 800	234 353	234 353	7 604	62 626	78 118	(15 492)	-19.8%	234 353
Executive and council	12 635	220	220	-	-	73	(73)	-100.0%	220
Budget and treasury office	204 653	171 499	171 499	6 974	61 250	57 166	4 084	7.1%	171 499
Corporate services	3 512	62 634	62 634	631	1 376	20 878	(19 502)	-93.4%	62 634
<i>Community and public safety</i>	22 259	17 383	17 383	1 411	6 675	5 794	880	15.2%	17 383
Community and social services	2 842	2 440	2 440	424	1 158	813	345	42.4%	2 440
Sport and recreation	8 669	7 656	7 656	377	1 719	2 552	(833)	-32.7%	7 656
Public safety	9 179	6 018	6 018	595	3 714	2 006	1 708	85.1%	6 018
Housing	1 250	1 250	1 250	15	31	417	(386)	-92.7%	1 250
Health	319	18	18	-	53	6	47	786.8%	18
<i>Economic and environmental services</i>	6 663	5 441	5 441	824	2 443	1 814	629	34.7%	5 441
Planning and development	6 374	5 181	5 181	813	2 345	1 727	618	35.8%	5 181
Road transport	288	260	260	11	98	87	11	12.8%	260
<i>Trading services</i>	328 467	361 578	361 578	29 561	118 151	120 526	(2 375)	-2.0%	361 578
Electricity	220 531	253 016	253 016	20 518	82 482	84 339	(1 857)	-2.2%	253 016
Water	47 340	48 714	48 714	3 939	15 003	16 238	(1 235)	-7.6%	48 714
Waste water management	30 926	30 739	30 739	2 828	10 953	10 246	707	6.9%	30 739
Waste management	29 669	29 108	29 108	2 275	9 712	9 703	10	0.1%	29 108
<i>Other</i>	1	1	1	-	0	0	(0)	-69.8%	1
<b>Total Revenue - Standard</b>	<b>578 189</b>	<b>618 756</b>	<b>618 756</b>	<b>39 401</b>	<b>189 894</b>	<b>206 252</b>	<b>(16 358)</b>	<b>-7.9%</b>	<b>618 756</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	146 117	116 433	116 433	10 437	38 922	38 811	111	0.3%	116 433
Executive and council	28 794	37 234	37 234	1 672	6 286	12 411	(6 126)	-49.4%	37 234
Budget and treasury office	67 596	43 820	43 820	4 336	16 039	14 607	1 432	9.8%	43 820
Corporate services	49 727	35 379	35 379	4 428	16 597	11 793	4 804	40.7%	35 379
<i>Community and public safety</i>	65 799	74 121	74 121	6 689	23 802	24 707	(905)	-3.7%	74 121
Community and social services	7 164	7 938	7 938	719	2 754	2 646	108	4.1%	7 938
Sport and recreation	28 884	35 929	35 929	3 250	11 369	11 976	(608)	-5.1%	35 929
Public safety	21 919	21 930	21 930	1 930	7 341	7 310	31	0.4%	21 930
Housing	4 056	3 781	3 781	297	1 152	1 260	(108)	-8.6%	3 781
Health	3 776	4 541	4 541	493	1 185	1 514	(328)	-21.7%	4 541
<i>Economic and environmental services</i>	49 422	75 686	75 686	6 327	24 990	25 229	(239)	-0.9%	75 686
Planning and development	13 252	13 347	13 347	1 165	4 624	4 449	175	3.9%	13 347
Road transport	36 170	62 339	62 339	5 162	20 366	20 780	(414)	-2.0%	62 339
<i>Trading services</i>	288 640	327 174	327 174	21 351	88 581	109 058	(20 477)	-18.8%	327 174
Electricity	187 197	216 378	216 378	14 863	64 165	72 126	(7 961)	-11.0%	216 378
Water	48 289	49 248	49 248	3 388	11 981	16 416	(4 435)	-27.0%	49 248
Waste water management	29 937	32 999	32 999	2 060	7 657	11 000	(3 342)	-30.4%	32 999
Waste management	23 216	28 549	28 549	1 040	4 778	9 516	(4 738)	-49.8%	28 549
<i>Other</i>	1 473	1 586	1 586	110	441	529	(88)	-16.7%	1 586
<b>Total Expenditure - Standard</b>	<b>551 451</b>	<b>595 000</b>	<b>595 000</b>	<b>44 913</b>	<b>176 735</b>	<b>198 333</b>	<b>(21 599)</b>	<b>-10.9%</b>	<b>595 000</b>
<b>Surplus/ (Deficit) for the year</b>	<b>26 738</b>	<b>23 755</b>	<b>23 755</b>	<b>(5 512)</b>	<b>13 160</b>	<b>7 918</b>	<b>5 241</b>	<b>66.2%</b>	<b>23 755</b>

### 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) - M04

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
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 1 - MUNICIPAL MANAGER	12 636	220	220	0	0	73	(73)	-99.9%	220
Vote 2 - CORPORATE SERVICES	3 506	62 633	62 633	597	1 324	20 878	(19 554)	-93.7%	62 633
Vote 3 - FINANCIAL SERVICES	204 653	171 499	171 499	6 974	61 250	57 166	4 084	7.1%	171 499
Vote 4 - COMMUNITY SERVICES	42 985	38 584	38 584	3 407	14 799	12 861	1 938	15.1%	38 584
Vote 6 - ELECTRO MECHANICAL SERVICES	223 357	253 017	253 017	20 552	82 534	84 339	(1 805)	-2.1%	253 017
Vote 7 - CIVIL ENGINEERING SERVICES	78 554	79 713	79 713	6 778	26 054	26 571	(517)	-1.9%	79 713
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	12 498	13 090	13 090	1 093	3 933	4 363	(430)	-9.9%	13 090
<b>Total Revenue by Vote</b>	<b>578 189</b>	<b>618 756</b>	<b>618 756</b>	<b>39 401</b>	<b>189 894</b>	<b>206 252</b>	<b>(16 358)</b>	<b>-7.9%</b>	<b>618 756</b>
<b>Expenditure by Vote</b>									
Vote 1 - MUNICIPAL MANAGER	28 794	31 976	31 976	1 672	6 286	10 659	(4 373)	-41.0%	31 976
Vote 2 - CORPORATE SERVICES	30 289	23 029	23 029	2 970	10 077	7 676	2 401	31.3%	23 029
Vote 3 - FINANCIAL SERVICES	67 596	43 820	43 820	4 336	16 039	14 607	1 432	9.8%	43 820
Vote 4 - COMMUNITY SERVICES	93 200	105 572	105 572	7 714	29 295	35 191	(5 896)	-16.8%	105 572
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	193 229	222 065	222 065	15 523	66 799	74 022	(7 222)	-9.8%	222 065
Vote 7 - CIVIL ENGINEERING SERVICES	119 557	148 987	148 987	11 061	41 752	49 662	(7 910)	-15.9%	148 987
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	18 787	19 552	19 552	1 636	6 486	6 517	(31)	-0.5%	19 552
<b>Total Expenditure by Vote</b>	<b>551 451</b>	<b>595 000</b>	<b>595 000</b>	<b>44 913</b>	<b>176 735</b>	<b>198 333</b>	<b>(21 599)</b>	<b>-10.9%</b>	<b>595 000</b>
<b>Surplus/ (Deficit) for the year</b>	<b>26 738</b>	<b>23 755</b>	<b>23 755</b>	<b>(5 512)</b>	<b>13 160</b>	<b>7 918</b>	<b>5 241</b>	<b>66.2%</b>	<b>23 755</b>

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 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 32% of the year to date budget of R 592.9 million.

The following three revenue sources have the highest positive variances -

- Property Rates (36%): Annual property rates being levied in July;
- Interest earned - outstanding debtors (18%): Increase in debtors resulting in more interest being levied; and
- Transfers Recognised - Operational (13%): Equitable share, FMG & MSIG received during July 2015;

It is noted that some revenue sources have a negative variances -

- Gains on disposal of PPE (97%): 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 20.0 million already from erven sales by 31 October 2015. However only R 562 thousand of erven sales have materialised until 31 October 2015.
- Interest earned - external investments (45%): Cash flow problems resulting in less funds being invested
- Service charges - water revenue (8%): is also a matter of concern as R 1.2 million was less levied until 31 October 2015, than what was budgeted for.

##### 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 42.8% of actual revenue billed / levied for the month. 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 31 October 2015, is already 10% 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.

## NC083 //Khara Hais - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	69 700	75 488	75 488	5 755	34 174	25 163	9 011	36%	75 488
Service charges - electricity revenue	220 224	247 425	247 425	20 486	82 230	82 475	(245)	0%	247 425
Service charges - water revenue	47 326	48 709	48 709	3 939	15 002	16 236	(1 235)	-8%	48 709
Service charges - sanitation revenue	30 487	30 739	30 739	2 828	10 953	10 246	707	7%	30 739
Service charges - refuse revenue	29 667	29 108	29 108	2 275	9 681	9 703	(22)	0%	29 108
Rental of facilities and equipment	8 599	9 531	9 531	467	2 550	3 177	(627)	-20%	9 531
Interest earned - external investments	706	600	600	39	109	200	(91)	-45%	600
Interest earned - outstanding debtors	2 477	2 400	2 400	246	945	800	145	18%	2 400
Fines	3 090	431	431	62	149	144	5	3%	431
Licences and permits	1 665	1 612	1 612	137	529	537	(8)	-2%	1 612
Agency services	3 706	3 450	3 450	347	1 277	1 150	127	11%	3 450
Transfers recognised - operational	67 147	73 268	73 268	882	27 644	24 423	3 221	13%	73 268
Other revenue	41 191	10 149	10 149	994	3 377	3 383	(6)	0%	10 149
Gains on disposal of PPE	-	60 010	60 010	458	562	20 003	(19 441)	-97%	60 010
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>525 985</b>	<b>592 920</b>	<b>592 920</b>	<b>38 915</b>	<b>189 182</b>	<b>197 640</b>	<b>(8 459)</b>	<b>-4%</b>	<b>592 920</b>
<b>Expenditure By Type</b>									
Employee related costs	196 345	172 654	172 654	16 039	63 173	57 551	5 622	10%	172 654
Remuneration of councillors	7 516	8 540	8 540	626	2 502	2 847	(344)	-12%	8 540
Debt impairment	7 597	2 000	2 000	-	-	667	(667)	-100%	2 000
Depreciation & asset impairment	71 855	108 519	108 519	9 043	36 173	36 173	(0)	0%	108 519
Finance charges	15 935	13 436	13 436	103	924	4 479	(3 554)	-79%	13 436
Bulk purchases	150 177	175 164	175 164	11 144	48 751	58 388	(9 637)	-17%	175 164
Other materials	9 397	18 758	18 758	1 100	2 631	6 253	(3 622)	-58%	18 758
Contracted services	9 137	12 413	12 413	(121)	969	4 138	(3 169)	-77%	12 413
Transfers and grants	27 047	21 597	21 597	1 330	4 704	7 199	(2 495)	-35%	21 597
Other expenditure	47 028	61 920	61 920	5 649	16 906	20 640	(3 734)	-18%	61 920
Loss on disposal of PPE	9 417	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>551 451</b>	<b>595 000</b>	<b>595 000</b>	<b>44 913</b>	<b>176 735</b>	<b>198 333</b>	<b>(21 599)</b>	<b>-11%</b>	<b>595 000</b>
<b>Surplus/(Deficit)</b>	<b>(25 467)</b>	<b>(2 080)</b>	<b>(2 080)</b>	<b>(5 998)</b>	<b>12 447</b>	<b>(693)</b>	<b>13 140</b>	<b>-1895%</b>	<b>(2 080)</b>
Transfers recognised - capital	52 205	25 835	25 835	486	713	8 612	(7 899)	-92%	25 835
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>26 738</b>	<b>23 755</b>	<b>23 755</b>	<b>(5 512)</b>	<b>13 160</b>	<b>7 918</b>			<b>23 755</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>26 738</b>	<b>23 755</b>	<b>23 755</b>	<b>(5 512)</b>	<b>13 160</b>	<b>7 918</b>			<b>23 755</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>26 738</b>	<b>23 755</b>	<b>23 755</b>	<b>(5 512)</b>	<b>13 160</b>	<b>7 918</b>			<b>23 755</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>26 738</b>	<b>23 755</b>	<b>23 755</b>	<b>(5 512)</b>	<b>13 160</b>	<b>7 918</b>			<b>23 755</b>

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

Year-to-date capital expenditure shows a 72% negative variance of the year-to-date budget.

NC083 //Khara Hais - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M04

October

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
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - MUNICIPAL MANAGER	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY SERVICES	38	16 318	16 318	-	-	5 439	(5 439)	-100%	16 318
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	439	50	50	-	-	17	(17)	100%	50
Vote 7 - CIVIL ENGINEERING SERVICES	30 383	2 499	2 499	299	2 532	833	1 699	204%	2 499
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>30 860</b>	<b>18 867</b>	<b>18 867</b>	<b>299</b>	<b>2 532</b>	<b>6 289</b>	<b>(3 757)</b>	<b>-60%</b>	<b>18 867</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - MUNICIPAL MANAGER	11	1 500	1 500	-	-	500	(500)	-100%	1 500
Vote 2 - CORPORATE SERVICES	343	800	800	12	582	267	315	100%	800
Vote 3 - FINANCIAL SERVICES	89	500	500	-	-	167	(167)	100%	500
Vote 4 - COMMUNITY SERVICES	4 043	-	-	38	70	-	70	100%	-
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	10 713	13 616	13 616	25	34	4 539	(4 505)	-99%	13 616
Vote 7 - CIVIL ENGINEERING SERVICES	22 083	968	968	-	197	323	(126)	-39%	968
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	3 708	-	-	-	4	-	4	100%	-
<b>Total Capital single-year expenditure</b>	<b>40 991</b>	<b>17 384</b>	<b>17 384</b>	<b>74</b>	<b>885</b>	<b>5 795</b>	<b>(4 909)</b>	<b>-85%</b>	<b>17 384</b>
<b>Total Capital Expenditure</b>	<b>71 851</b>	<b>36 251</b>	<b>36 251</b>	<b>373</b>	<b>3 417</b>	<b>12 084</b>	<b>(8 666)</b>	<b>-72%</b>	<b>36 251</b>
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	<b>992</b>	<b>3 100</b>	<b>3 100</b>	<b>34</b>	<b>613</b>	<b>1 033</b>	<b>(420)</b>	<b>-41%</b>	<b>3 100</b>
Executive and council	11	1 500	1 500	-	-	500	(500)	-100%	1 500
Budget and treasury office	89	500	500	-	-	167	(167)	100%	500
Corporate services	892	1 100	1 100	34	613	367	247	-100%	1 100
<b>Community and public safety</b>	<b>4 086</b>	<b>16 318</b>	<b>16 318</b>	<b>38</b>	<b>73</b>	<b>5 439</b>	<b>(5 366)</b>	<b>-99%</b>	<b>16 318</b>
Community and social services	49	-	-	-	-	-	-	100%	-
Sport and recreation	4 008	16 318	16 318	37	60	5 439	(5 379)	-99%	16 318
Public safety	29	-	-	1	13	-	13	100%	-
<b>Economic and environmental services</b>	<b>19 249</b>	<b>1 725</b>	<b>1 725</b>	<b>-</b>	<b>15</b>	<b>575</b>	<b>(560)</b>	<b>-97%</b>	<b>1 725</b>
Planning and development	3 677	-	-	-	-	-	-	100%	-
Road transport	15 572	1 725	1 725	-	15	575	(560)	-97%	1 725
<b>Trading services</b>	<b>47 524</b>	<b>15 108</b>	<b>15 108</b>	<b>301</b>	<b>2 716</b>	<b>5 036</b>	<b>(2 320)</b>	<b>-46%</b>	<b>15 108</b>
Electricity	10 603	13 366	13 366	2	2	4 455	(4 453)	-100%	13 366
Water	24 400	1 743	1 743	299	2 714	581	2 133	367%	1 743
Waste water management	12 493	-	-	-	-	-	-	-	-
Waste management	27	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard Classification</b>	<b>71 851</b>	<b>36 251</b>	<b>36 251</b>	<b>373</b>	<b>3 417</b>	<b>12 084</b>	<b>(8 666)</b>	<b>-72%</b>	<b>36 251</b>
<b>Funded by:</b>									
National Government	28 520	25 835	25 835	-	713	8 612	(7 899)	-92%	25 835
Provincial Government	18 626	-	-	299	299	-	299	100%	-
Other transfers and grants	5 558	-	-	-	-	-	-	100%	-
<b>Transfers recognised - capital</b>	<b>52 703</b>	<b>25 835</b>	<b>25 835</b>	<b>299</b>	<b>1 012</b>	<b>8 612</b>	<b>(7 600)</b>	<b>-88%</b>	<b>25 835</b>
<b>Internally generated funds</b>	<b>19 148</b>	<b>10 416</b>	<b>10 416</b>	<b>74</b>	<b>2 406</b>	<b>3 472</b>	<b>(1 066)</b>	<b>-31%</b>	<b>10 416</b>
<b>Total Capital Funding</b>	<b>71 851</b>	<b>36 251</b>	<b>36 251</b>	<b>373</b>	<b>3 417</b>	<b>12 084</b>	<b>(8 666)</b>	<b>-72%</b>	<b>36 251</b>

**4.1.6 Table C6: Monthly Budget Statement - Financial Position****NC083 //Khara Hais - Table C6 Monthly Budget Statement - Financial Position - M04 October**

Description	2014/15	Budget Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	1 442	9 000	9 000	2 392	9 000
Consumer debtors	59 558	42 375	42 375	66 236	42 375
Other debtors	3 081	7 000	7 000	1 807	7 000
Current portion of long-term receivables	5	6	6	5	6
Inventory	6 006	6 500	6 500	6 327	6 500
<b>Total current assets</b>	<b>70 092</b>	<b>64 882</b>	<b>64 882</b>	<b>76 766</b>	<b>64 882</b>
<b>Non current assets</b>					
Long-term receivables	18	10	10	18	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	1 588 373	1 468 885
Intangible assets	786	307	307	786	307
Other non-current assets	–	–	–	–	–
<b>Total non current assets</b>	<b>1 839 570</b>	<b>1 681 675</b>	<b>1 681 675</b>	<b>1 806 814</b>	<b>1 681 675</b>
<b>TOTAL ASSETS</b>	<b>1 909 662</b>	<b>1 746 557</b>	<b>1 746 557</b>	<b>1 883 580</b>	<b>1 746 557</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	6 339	2 000	2 000	6 161	2 000
Borrowing	17 060	10 837	10 837	17 060	10 837
Consumer deposits	9 000	11 000	11 000	9 738	11 000
Trade and other payables	126 475	59 400	59 400	90 368	59 400
Provisions	4 448	9 000	9 000	4 444	9 000
<b>Total current liabilities</b>	<b>163 322</b>	<b>92 237</b>	<b>92 237</b>	<b>127 772</b>	<b>92 237</b>
<b>Non current liabilities</b>					
Borrowing	106 009	94 720	94 720	101 872	94 720
Provisions	82 952	107 826	107 826	82 141	107 826
<b>Total non current liabilities</b>	<b>188 961</b>	<b>202 546</b>	<b>202 546</b>	<b>184 013</b>	<b>202 546</b>
<b>TOTAL LIABILITIES</b>	<b>352 283</b>	<b>294 783</b>	<b>294 783</b>	<b>311 784</b>	<b>294 783</b>
<b>NET ASSETS</b>	<b>1 557 378</b>	<b>1 451 774</b>	<b>1 451 774</b>	<b>1 571 796</b>	<b>1 451 774</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	1 557 378	1 451 774	1 451 774	1 571 796	1 451 774
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1 557 378</b>	<b>1 451 774</b>	<b>1 451 774</b>	<b>1 571 796</b>	<b>1 451 774</b>

It should be noted with great concern that our current liabilities exceed our current assets with R 51.0 million (September 2015: R 53.4 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: 0.60:1 (September 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 negative cash and cash equivalents balance of R 3.8 million (September 2015: negative cash and cash equivalents balance of R 7.7 million).

NC083 //Khara Hais - Table C7 Monthly Budget Statement - Cash Flow - M04 October

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
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	69 700	75 488	75 488	5 744	34 055	25 163	8 893	35%	75 488
Service charges	238 958	355 982	355 982	31 394	105 145	118 661	(13 516)	-11%	355 982
Other revenue	83 092	23 673	23 673	2 080	7 441	7 891	(450)	-6%	23 673
Government - operating	67 147	73 268	73 268	882	27 749	24 423	3 326	14%	73 268
Government - capital	52 205	25 835	25 835	486	713	8 612	(7 899)	-92%	25 835
Interest	3 182	3 000	3 000	285	1 054	1 000	54	5%	3 000
<b>Payments</b>									
Suppliers and employees	(396 529)	(528 988)	(528 988)	(35 337)	(163 156)	(176 329)	(13 173)	7%	(528 988)
Finance charges	(15 935)	(13 436)	(13 436)	(103)	(924)	(4 479)	(3 554)	79%	(13 436)
Transfers and Grants	(27 047)	(21 597)	(21 597)	(1 330)	(4 704)	(7 199)	(2 495)	35%	(21 597)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>74 772</b>	<b>(6 775)</b>	<b>(6 775)</b>	<b>4 102</b>	<b>7 372</b>	<b>(2 258)</b>	<b>(28 813)</b>	<b>1276%</b>	<b>(6 775)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	(9 417)	60 010	60 010	458	562	20 003	(19 441)	-97%	60 010
Decrease (increase) other non-current receivables	5	6	6	1	1	2	(2)	-72%	6
Decrease (increase) in non-current investments	669	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(48 094)	(36 251)	(36 251)	(373)	(3 408)	(12 084)	(8 676)	72%	(36 251)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(56 837)</b>	<b>23 765</b>	<b>23 765</b>	<b>85</b>	<b>(2 845)</b>	<b>7 922</b>	<b>10 767</b>	<b>136%</b>	<b>23 765</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Increase (decrease) in consumer deposits	888	500	500	291	738	167	571	343%	500
<b>Payments</b>									
Repayment of borrowing	(22 598)	(16 430)	(16 430)	(543)	(4 137)	(5 477)	(1 339)	24%	(16 430)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(21 711)</b>	<b>(15 930)</b>	<b>(15 930)</b>	<b>(252)</b>	<b>(3 399)</b>	<b>(5 310)</b>	<b>(1 911)</b>	<b>36%</b>	<b>(15 930)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(3 776)</b>	<b>1 060</b>	<b>1 060</b>	<b>3 936</b>	<b>1 127</b>	<b>353</b>			<b>1 060</b>
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		(3 770)	6 293			7 000

The municipality has a cash inflow of R 3.9 thousand for October 2015. This means that more money was received than spent.

## 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 - M04 October

Description	NT Code	Budget Year 2015/16									Total	Total over 90 days
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr			
<b>R thousands</b>												
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water	1200	3 223	543	693	321	236	309	284	6 209	11 818	7 359	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	11 877	199	99	32	22	22	28	743	13 022	847	
Receivables from Non-exchange Transactions - Property Rates	1400	1 227	228	174	1 383	58	213	148	101	3 532	1 903	
Receivables from Exchange Transactions - Waste Water Management	1500	2 109	548	453	304	135	198	104	1 819	5 671	2 561	
Receivables from Exchange Transactions - Waste Management	1600	1 785	655	512	389	211	278	170	3 039	7 038	4 086	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	
Other	1900	4 613	2 630	2 202	346	550	550	298	5 769	16 959	7 514	
<b>Total By Income Source</b>	<b>2000</b>	<b>24 834</b>	<b>4 803</b>	<b>4 132</b>	<b>2 775</b>	<b>1 214</b>	<b>1 569</b>	<b>1 032</b>	<b>17 680</b>	<b>58 038</b>	<b>24 269</b>	
<b>2014/15 - totals only</b>		22 976	2 639	1 842	8 105	897	1 306	1 095	1 060	39 921	12 464	
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2200	4 759	96	214	494	28	70	21	690	6 373	1 303	
Commercial	2300	8 024	301	548	127	69	77	89	3 886	13 121	4 248	
Households	2400	10 635	3 136	2 182	1 458	992	1 289	809	10 967	31 468	15 515	
Other	2500	1 415	1 271	1 189	697	124	133	112	2 136	7 077	3 202	
<b>Total By Customer Group</b>	<b>2600</b>	<b>24 834</b>	<b>4 803</b>	<b>4 132</b>	<b>2 775</b>	<b>1 214</b>	<b>1 569</b>	<b>1 032</b>	<b>17 680</b>	<b>58 038</b>	<b>24 269</b>	

The total outstanding debtors for September 2015 are R 61.9 million and R 56.3 million for September 2014. Debtors outstanding from 31 days to over 1 year increased from R 30.7 million to R 33.0 million, when compared with September 2014. Non-collection of outstanding debtors results in cash flow problems. Outstanding debtor 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 October 2015.

## 5.2 Additional debtors information

### 5.2.1 Payment level

Collection Rates (payment levels) reflect the total income collected for the period 18 September 2015 - 17 October 2015. The budgeted collection rate is 98%, any collection rate below 98% will therefore result 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	725 134	341 712	11 718	197 392	550 822	47%	76%	174 312	(4 464)	546 359	75%
Ward 2	625 601	402 635	-	168 407	571 043	64%	91%	54 558	10 175	581 218	93%
Ward 3	915 306	584 662	7 390	87 725	679 776	64%	74%	235 530	9 304	689 081	75%
Ward 4	3 315 464	2 116 060	1 150 574	95 940	3 362 574	64%	101%	(47 111)	16 132	3 378 707	102%
Ward 5	650 126	501 284	4 806	85 432	591 522	77%	91%	58 604	5 283	596 805	92%
Ward 6	422 233	275 106	1 092	82 839	359 036	65%	85%	63 197	3 277	362 313	86%
Ward 7	1 620 021	1 483 019	3 513	62 991	1 549 523	92%	96%	70 498	4 553	1 554 076	96%
Ward 8	10 922 889	10 826 918	13 820	38 611	10 879 349	99%	100%	43 539	(569 774)	10 309 575	94%
Ward 9	4 623 083	5 007 268	-	3 021	5 010 289	108%	108%	(387 207)	(23 932)	4 986 357	108%
Ward 10	1 724 831	1 386 860	1 655	148 666	1 537 181	80%	89%	187 650	4 352	1 541 533	89%
Ward 11	1 373 588	910 239	219 851	33 731	1 163 820	66%	85%	209 768	(55 721)	1 108 099	81%
Ward 12	559 206	430 506	769	41 194	472 468	77%	85%	86 738	902	473 369	85%
Ward 13	1 591 990	1 342 066	-	84 368	1 426 434	84%	90%	165 556	(8 227)	1 418 207	89%
Ward 14	156 891	66 950	370	18 417	85 737	43%	55%	71 154	(9 868)	75 869	48%
Not specified	1 360 420	1 320 741	16 540	-	1 337 281	97%	98%	23 139	271	1 337 552	98%
<b>Total</b>	<b>30 586 783</b>	<b>26 996 026</b>	<b>1 432 097</b>	<b>1 148 733</b>	<b>29 576 856</b>	<b>88%</b>	<b>97%</b>	<b>1 009 927</b>	<b>(617 737)</b>	<b>28 959 119</b>	<b>95%</b>

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	5 881 539	7 178 130	(3)	195 539	7 373 666	122%	125%	(1 492 127)	(1 462 098)	5 911 568	101%
Electricity	14 952 308	13 055 779	1 104 471	838	14 161 088	87%	95%	791 219	774 624	14 935 712	100%
Water	3 356 101	2 834 016	308 565	146 060	3 288 641	84%	98%	67 460	152 707	3 441 348	103%
Sewage	2 368 626	1 853 517	10 274	343 228	2 207 019	78%	93%	161 607	76 527	2 283 546	96%
Refuse Removal	2 421 524	1 625 366	8 395	425 953	2 059 714	67%	85%	361 810	(11 783)	2 047 931	85%
Other	1 606 685	449 218	395	37 115	486 728	28%	30%	1 119 957	(147 714)	339 014	21%
<b>Total</b>	<b>30 586 783</b>	<b>26 996 026</b>	<b>1 432 097</b>	<b>1 148 733</b>	<b>29 576 856</b>	<b>88%</b>	<b>97%</b>	<b>1 009 927</b>	<b>(617 737)</b>	<b>28 959 119</b>	<b>95%</b>

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	1 372 136	1 313 891	71	590	1 314 551	96%	96%	57 585	(11 168)	1 303 383	95%
Middelpos	1 198 708	1 231 407	-	1 358	1 232 765	103%	103%	(34 057)	(840)	1 231 925	103%
Oosterville	1 176 082	1 488 743	-	1 797	1 490 540	126%	127%	(314 459)	(8 205)	1 482 335	126%
Blydeveld	630 439	597 474	71	32	597 576	95%	95%	32 863	(424)	597 153	95%
Akademia	311 205	321 653	-	6 172	327 825	103%	105%	(16 620)	(480)	327 345	105%
Florapark	452 981	423 032	-	2 938	425 971	93%	94%	27 011	2 749	428 720	95%
Die Rand	3 143 460	3 086 031	462	3 949	3 090 442	98%	98%	53 018	(3 929)	3 086 513	98%
Town Centre / Business Area	6 412 150	6 395 369	6 461	4 595	6 406 425	100%	100%	5 725	(558 342)	5 848 083	91%
Riverside	1 505 369	1 698 527	3 422	9 624	1 711 574	113%	114%	(206 204)	3 235	1 714 809	114%
Progress	1 037 932	627 607	7 594	207 645	842 846	61%	81%	195 086	19 519	862 365	83%
Bellvue	500 599	358 414	-	29 677	388 091	72%	78%	112 508	5 886	393 977	79%
Morning Glory	482 321	351 809	-	109 546	461 354	73%	96%	20 967	3 916	465 270	96%
Rosedale	1 597 782	817 241	13 010	348 726	1 178 976	51%	74%	418 806	(703)	1 178 273	74%
Pabellelo	1 405 967	821 801	4 604	230 198	1 056 603	59%	75%	349 364	16 387	1 072 990	76%
Dakotaweg	44 661	30 621	-	15 291	45 912	69%	103%	(1 251)	2	45 914	103%
Kameelmond / Lemoendraai	139 132	103 676	181	6 081	109 937	75%	79%	29 195	2 825	112 762	81%
Industrial Areas	3 563 694	3 581 368	25 849	-	3 607 217	101%	101%	(43 523)	12 425	3 619 642	102%
Commonage	2 478 032	1 199 224	1 350 587	-	2 549 811	48%	103%	(71 779)	(30 664)	2 519 146	102%
Karos	44 581	5 549	370	7 238	13 157	12%	30%	31 423	(22)	13 135	29%
Lambrechtsdrift	21 156	12 584	-	2 206	14 790	60%	70%	6 365	2	14 793	70%
Leerkrans	27 681	1 509	-	8 973	10 481	6%	38%	17 200	44	10 526	38%
Raaswater	140 493	18 466	769	18 815	38 050	13%	27%	102 443	282	38 332	27%
Sesbrugge / Klippunt	85 289	79 129	-	-	79 129	93%	93%	6 159	(400)	78 730	92%
Kalksloot	137 453	60 778	133	22 686	83 596	44%	61%	53 857	51	83 647	61%
Louisvale Dorp	661 629	680 794	71	10 789	691 653	103%	105%	(30 024)	(1 575)	690 078	104%
Leseding	1 728	368	-	216	584	21%	34%	1 144	0	584	34%
Ntsekelelo	150	-	-	-	-	0%	0%	150	1	1	0%
Louisvaleweg	416 533	250 778	4 806	97 159	352 743	60%	85%	63 790	2 978	355 721	85%
Upington Farming Areas	203 748	227 831	160	2 433	230 424	112%	113%	(26 676)	(2 587)	227 837	112%
Gordonia Farming Areas	420 258	267 308	-	-	267 308	64%	64%	152 949	(62 227)	205 081	49%
Karos Farming Areas	15 790	9 368	-	-	9 368	59%	59%	6 422	(2 556)	6 812	43%
Kenhart Farming Areas	419 890	395 046	-	-	395 046	94%	94%	24 845	(1 006)	394 040	94%
Olyvenhoutsdrift Farming Areas	515 592	528 408	13 479	-	541 887	103%	105%	(26 295)	2 349	544 236	106%
Vaalkoppies Farming Areas	22 163	10 223	-	-	10 223	46%	46%	11 941	(5 262)	4 960	22%
<b>Total</b>	<b>30 586 783</b>	<b>26 996 026</b>	<b>1 432 097</b>	<b>1 148 733</b>	<b>29 576 856</b>	<b>88%</b>	<b>97%</b>	<b>1 009 927</b>	<b>(617 737)</b>	<b>28 959 119</b>	<b>95%</b>

### 5.2.2 Debtor arrear summaries

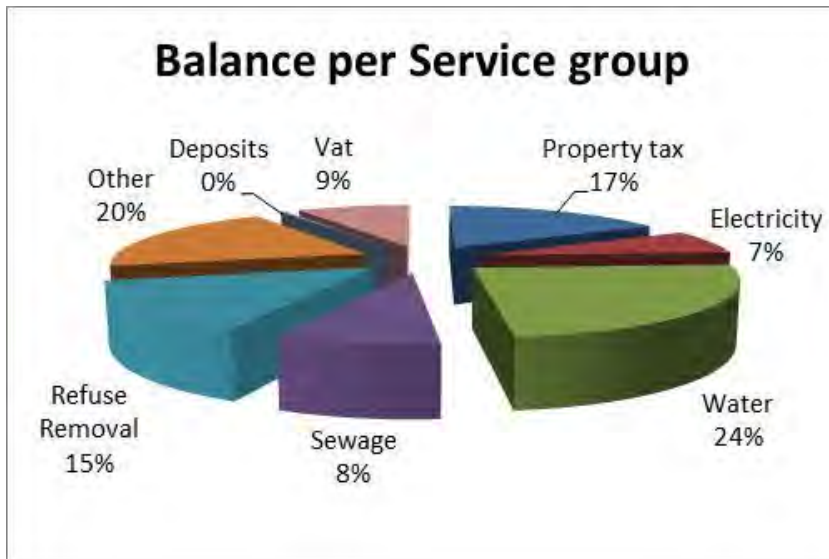
The arrear summaries that follow are not prescriptive in terms of the MFMA or the MBRR. They are including providing further information on debtors arrears based on various classifications.

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	1 553 760	360 882	378 482	1 885 964	2 466 347	6 645 435	17%
Electricity	1 943 424	105 786	100 892	23 385	561 247	2 734 734	7%
Water	1 119 137	482 543	583 471	244 331	6 996 413	9 425 895	24%
Sewage	506 350	261 171	251 381	140 989	2 064 110	3 224 000	8%
Refuse Removal	897 883	579 825	465 701	218 111	3 510 689	5 672 210	15%
Other	1 774 431	1 113 681	409 630	435 816	3 861 383	7 594 941	20%
Deposits	127 248	821	23	0	4 154	132 245	0%
Vat	772 294	301 555	242 445	151 355	1 909 807	3 377 456	9%
<b>Total</b>	<b>8 694 526</b>	<b>3 206 264</b>	<b>2 432 026</b>	<b>3 099 951</b>	<b>21 374 150</b>	<b>38 806 916</b>	<b>100%</b>



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	243 616	66 447	40 195	92 053	98 457	540 768	297 153	55%	71%
Middelpos	187 487	42 535	24 256	29 688	74 345	358 311	170 824	48%	61%
Oosterville	318 707	38 420	17 387	250 707	41 629	666 850	348 143	52%	67%
Blydeveld	85 147	26 004	12 038	18 150	47 439	188 778	103 631	55%	71%
Akademia	180 590	75 115	65 048	19 679	66 989	407 421	226 831	56%	72%
Florapark	86 750	18 403	10 324	82 123	47 938	245 537	158 787	65%	83%
Die Rand	433 720	122 134	43 119	169 548	320 630	1 089 151	655 431	60%	78%
Town Centre / Business Area	1 788 734	65 290	51 842	35 143	465 402	2 406 411	617 677	26%	33%
Riverside	1 092 000	92 542	51 798	96 193	191 300	1 523 834	431 834	28%	37%
Progress	532 527	289 911	142 713	145 403	1 852 992	2 963 546	2 431 019	82%	106%
Bellvue	184 897	48 608	35 599	33 721	459 753	762 580	577 682	76%	98%
Morning Glory	147 300	135 227	66 699	78 455	856 866	1 284 547	1 137 247	89%	114%
Rosedale	878 623	546 870	360 928	179 309	1 981 174	3 946 903	3 068 280	78%	100%
Paballelo	947 067	798 249	799 987	406 642	4 680 322	7 632 267	6 685 200	88%	113%
Dakotaweg	20 589	9 537	11 413	7 211	58 218	106 967	86 378	81%	104%
Kameelmond / Lemoendraai	50 583	22 841	20 109	37 829	160 277	291 639	241 057	83%	107%
Industrial Areas	324 314	27 081	156 736	11 303	379 319	898 753	574 439	64%	82%
Commonage	138 406	41 977	50 792	62 236	2 519 856	2 813 267	2 674 861	95%	123%
Karos	46 768	42 651	33 959	19 247	417 012	559 637	512 869	92%	118%
Lambrechtsdrift	21 663	23 684	17 626	14 628	315 888	393 489	371 825	94%	122%
Leerkrans	21 910	18 184	13 099	12 469	269 193	334 855	312 946	93%	120%
Raaswater	155 630	150 578	104 877	96 726	2 444 561	2 952 372	2 796 742	95%	122%
Sesbrugge / Klippunt	4 584	794	1 166	942	7 347	14 833	10 249	69%	89%
Kalksloot	105 353	47 829	30 005	27 054	251 068	461 309	355 956	77%	99%
Louisvale Dorp	27 073	60 225	18 577	8 877	158 122	272 874	245 801	90%	116%
Leseding	1 434	1 061	652	40	79	3 265	1 831	56%	72%
Ntsekelelo	328	101	17	18	264	728	401	55%	71%
Louisvaleweg	220 756	170 613	99 791	64 856	1 004 201	1 560 217	1 339 461	86%	111%
Upington Farming Areas	43 552	7 389	3 348	1 942	52 176	108 408	64 856	60%	77%
Gordonia Farming Areas	153 934	153 157	112 226	734 689	1 278 344	2 432 350	2 278 416	94%	121%
Karos Farming Areas	15 081	13 169	10 047	172 951	345 559	556 808	541 726	97%	125%
Kenhart Farming Areas	80 244	23 688	12 911	91 184	306 127	514 154	433 910	84%	109%
Olyvenhoutsdrift Farming Areas	139 227	17 092	5 459	68 781	60 938	291 496	152 269	52%	67%
Vaalkoppies Farming Areas	15 936	8 856	7 284	30 155	160 363	222 594	206 658	93%	120%
<b>Total</b>	<b>8 694 526</b>	<b>3 206 264</b>	<b>2 432 026</b>	<b>3 099 951</b>	<b>21 374 150</b>	<b>38 806 916</b>	<b>30 112 390</b>	<b>78%</b>	<b>100%</b>

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 31 October 2015 the 30 highest accounts represent R 5.9 million or 19.7% 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	9 438	19 505	33 583	9 162	1 561 621	1 633 308	1 623 870
120000020005	ROSEDALE O/K/B VERENINGING	BUSINESS	4	7 673	11 720	6 586	4 619	485 319	515 916	508 243
100720959993	DART PLANT SERVICES CC	INDUSTRY	8	5 724	8 081	89 882	4 585	233 313	341 585	335 861
141406019992	UNITED DEV AGENCIES	BUSINESS	6	7 149	9 359	261 352	4 926	44 570	327 356	320 207
330038348000016	MARSH,JOHN,WILLIAM	OTHER	10	4 609	6 427	3 349	4 234	224 161	242 780	238 171
230000058000008	MOHLOTSANA,MAMOKEBE	DOMESTIC	12	6 167	7 862	4 475	5 763	215 999	240 266	234 100
010014977001012	SHOW TIME MEDIA	BUSINESS	8	7 283	8 815	5 709	7 143	190 886	219 835	212 551
141020520005	SIYAVUKA LAUNDRY AND DRY CLEANING PRIMARY PTY(LTD)	BUSINESS	7	7 645	6 777	3 608	2 876	183 313	204 218	196 573
080000131315	PABALLELO OK BOERE	BUSINESS	4	1 593	2 915	345	1 562	188 636	195 050	193 457
141020619992	PABALLELO CASH STORE	BUSINESS	7	3 324	3 995	64 572	1 697	82 816	156 405	153 081
010000001306012	UPT OPKOMENDE BOERE	BUSINESS	4	1 846	2 729	994	1 754	134 648	141 971	140 125
538000200327	BASSON,FRIKKIE	DOMESTIC	12	4 878	5 921	3 807	4 532	124 825	143 964	139 086
010001260000009	VISSER,CHARMAINE	DOMESTIC	8	10 567	9 417	1 609	6 348	115 058	142 999	132 431
100362639998	DART PLANT SERVICES CC	INDUSTRY	8	1 868	2 719	44 114	1 427	71 316	121 443	119 575
310251096000009	REP VAN SUID-AFRIKA	National: Public Works	11	423	437	437	45 299	55 472	102 067	101 644
141020519995	ORANJE STAP CAFFE	BUSINESS	7	1 529	2 267	45 860	1 086	50 291	101 034	99 505
310251042000003	REP VAN SUID-AFRIKA	National: Public Works	11	397	411	411	42 475	52 143	95 837	95 440
310251097000002	REP VAN SUID-AFRIKA	National: Public Works	11	397	410	410	42 169	52 139	95 526	95 129
310251000000003	REP VAN SUID-AFRIKA	National: Public Works	11	391	404	404	41 808	51 359	94 367	93 976
310251023000009	REP VAN SUID-AFRIKA	National: Public Works	11	388	401	401	41 474	50 968	93 632	93 244
090502319997	DEPT VAN ONDERWYS	SECTION 21 SCHOOLS-PAY OWN ACCOUNT	3	10 318	4 801	4 068	3 681	80 412	103 279	92 962
010000219995	GORDONIA KENHARDT LANDBOU	DOMESTIC	8	528	545	625	27 148	64 220	93 067	92 539
010001791000011	COMMISSION FOR CHILDREN	BUSINESS	8	2 105	2 773	14 756	1 907	72 651	94 192	92 087
141019019996	JB STORE	BUSINESS	7	609	1 173	31 547	987	49 965	84 281	83 672
040050319996	E MOCKE & S J M JOOSTE	BUSINESS	8	4 957	22 913	4 537	4 389	51 800	88 596	83 639
310251014000006	VAN DER WESTHUIZEN,WILLEM,JOHANNES,PAULUS	OTHER	11	290	301	299	41 531	37 341	79 761	79 471
121537119990	THOMAS,MIETA	DOMESTIC	10	882	2 858	1 742	2 105	71 957	79 544	78 662
141019119993	BEKEBEKE KINDERS	BUSINESS	7	492	1 017	0	1 496	71 568	74 573	74 081
010011178000004	MJAMBANA,NOMSAKAZO	DOMESTIC	13	926	57 308	327	334	13 547	72 441	71 516
070558010004	ISAAK,T,D	BUSINESS	4	575	0	0	0	69 997	70 573	69 997

## Section 6 - Creditors' analysis

### 6.1 Supporting Table C4

NC083 //Khara Hais - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description R thousands	NT Code	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		
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	7 475	5 053	2 072	2 232	14 039	2 161	3 717	2 527	39 276	28 413	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	6 890	-	-	-	-	-	-	-	6 890	8 332	
<b>Total By Customer Type</b>	<b>1000</b>	<b>14 365</b>	<b>5 053</b>	<b>2 072</b>	<b>2 232</b>	<b>14 039</b>	<b>2 161</b>	<b>3 717</b>	<b>2 527</b>	<b>46 166</b>	<b>36 745</b>	

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 October 2015 are R 46.2 million and R 36.7 million for October 2014. This implicates an increase of R 9.4 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 31 October 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 - M04 October

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
<b>Municipality</b>					
//Khara Hais	Savings	-	5	-	5
//Khara Hais	Call Account	37	1 975	-	2 012
Minus: Investments qualifying as cash and cash equivalents		-	(1 980)	-	(2 017)
<b>Municipality sub-total</b>		37	-	-	-
<b>Entities</b>					
<b>Entities sub-total</b>		-	-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>		37	-	-	-

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 16.7 million. No conditional grants were received during October 2015 and R 976 thousand was spent. Therefore, unspent conditional grants amounted to R 16.6 million and unpaid grants to R 870 thousand. **It should be noted that only R 2.0 million (12.2%) of the unspent grants of R 16.6 million are cash backed.**

GRANT REGISTER FROM 1 OCTOBER 2015 - 31 OCTOBER 2015						
Account	Description	Opening Balance - 1 October 2015	Total Received	Expenditure Transferred to Revenue	Correction / Withheld	Closing Balance - 31 October 2015
INEP	Integrated Nationale Electrification Programme (INEP)	(2 750 000)	-	-	-	(2 750 000)
NDR100	Township Establishment (COGHSTA)	(4 409 363)	-	-	-	(4 409 363)
NDR1004	Masinedane Project (Library Grant)	(17 076)	-	-	-	(17 076)
NDR102	Cultural Festival	(44 063)	-	-	-	(44 063)
NDR104	EPWP - DoRA Allocation	(606 773)	-	-	-	(606 773)
NDR1605	Finance Management Grant (FMG)	(1 506 142)	-	225 367	-	(1 280 775)
NDR49	Municipal Infrastructure Grant (MIG)	(4 059 016)	-	628 669	-	(3 430 348)
NDR60	Municipal System Improvement Grant (MSIG)	(712 700)	-	108 650	-	(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)	-	-	-	(2 631 995)
NDR87	National Lotteries Board	(672 339)	-	-	-	(672 339)
NDR90	Royal Agricultural Society	207 706	-	-	-	207 706
NDR92	Extended Public Works Programme (EPWP)	648 579	-	13 500	-	662 079
NDR93	2013 Disaster Fund	(32 776)	-	-	-	(32 776)
<b>Total (Unspent) / Unpaid Grants</b>		<b>(16 676 896)</b>	<b>-</b>	<b>976 185</b>	<b>-</b>	<b>(15 700 711)</b>

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

### 9.1 Supporting Table C8

Employee related costs for the year ended 31 October 2015 is set out below.

EMPLOYEE RELATED COST FOR MONTH ENDED 31 OCTOBER 2015					
National Treasury Line Item	2015/2016 Original Budget	2015/2016 Year to Date	October 2015	October 2015 as % of Original Budget	Year to Date as % of Original Budget
Bargaining Council Contribution	53 474	23 798	6 064	11%	45%
Bonus	7 994 162	196 021	40 963	1%	2%
Contributions to Medical Aid	9 143 571	3 816 611	964 312	11%	42%
Contributions to Pension	17 940 990	7 702 148	1 952 905	11%	43%
Contributions to UIF	1 107 606	393 194	100 433	9%	35%
Group Life Insurance	989 089	470 984	121 204	12%	48%
Housing benefits and allowances	247 348	600 737	149 800	61%	243%
<b>Less: Employee Costs Capitalised</b>	<b>(1 465 074)</b>	<b>(279 635)</b>	<b>(90 001)</b>	6%	19%
Overtime	9 828 896	3 758 090	968 632	10%	38%
Performance Bonus	625 950	–	–	0%	0%
Salaries and Wages	122 011 805	43 409 580	11 004 962	9%	36%
Training Levies	1 308 025	516 126	132 353	10%	39%
Travel, motor car, accom & other allowances	2 868 063	2 565 193	687 041	24%	89%
<b>TOTAL EMPLOYEE RELATED COST</b>	<b>172 653 905</b>	<b>63 172 846</b>	<b>16 038 670</b>	<b>9%</b>	<b>37%</b>

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 October 2015 is 46.5% (Year to date: 46.7%) and employee related cost as a percentage of total revenue for October 2015 is 42.8% (Year to date: 34.7%). 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 67.3% for October 2015 (Year to date: 71.6%). If the excess year to date percentage of 17.3% is expressed as an amount, the actual year to date figure will be R 4.3 million (Year to date: R 19.8 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 431 thousand. Overtime paid for October 2015 was R 969 thousand and R 1.4 million for September 2015. The back pay that was paid in September 2015 for the period of July 2015 - August 2015 had also a negative impact on the overtime figures of September 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.

<b>EMPLOYEE RELATED COST FOR MONTH ENDED 31 OCTOBER 2015</b>					
<b>National Treasury Line Item</b>	<b>2015/2016 Original Budget</b>	<b>2015/2016 Year to Date</b>	<b>October 2015</b>	<b>October 2015 as % of Original Budget</b>	<b>Year to Date as % of Original Budget</b>
Administration	269 360	35 957	7 719	3%	13%
Libraries	–	3 362	–	-100%	-100%
Financial Services	283 077	107 794	25 846	9%	38%
Municipal Manager	–	13 279	–	-100%	-100%
Housing and Development	6 891	–	–	0%	0%
Traffic Services	122 673	63 092	23 464	19%	51%
Fire Brigade Services	684 550	209 490	42 591	6%	31%
Security Services	1 085 853	195 568	54 127	5%	18%
Environmental Health Services	134 366	10 256	2 996	2%	8%
Sanitation Services	454 191	393 964	101 588	22%	87%
Refuse Removal Services	1 823 013	565 674	179 843	10%	31%
Vacuum Tank Services	39 043	17 423	5 276	14%	45%
Primary Health Care	–	654	654	100%	100%
Information Technology	52 663	32 554	6 807	13%	62%
Civil Engineering Services	15 448	–	–	0%	0%
Streets and Storm water drainage	243 100	229 980	33 605	14%	95%
Workshop	77 949	61 139	14 475	19%	78%
Sewerage Purification Plant	427 029	149 231	29 665	7%	35%
Sewerage Distribution Networks	348 076	274 861	69 244	20%	79%
Parks	504 520	55 192	24 166	5%	11%
Island Holiday Resort	485 494	145 984	37 210	8%	30%
Swimming Pools	127 881	15 190	13 258	10%	12%
Sport Grounds	133 847	33 048	6 433	5%	25%
Cemetries	262 765	18 046	3 251	1%	7%
Electricity Administration	28 254	10 648	3 707	13%	38%
Electricity Maintenance	348 351	59 359	10 895	3%	17%
Electricity Distribution	520 622	165 162	27 513	5%	32%
Water Production	448 386	314 398	71 743	16%	70%
Water Distribution	890 574	575 713	172 557	19%	65%
Client Services	–	1 074	–	-100%	-100%
Masinedane Library	10 920	–	–	-100%	0%
<b>TOTAL EMPLOYEE RELATED COST</b>	<b>9 828 896</b>	<b>3 758 090</b>	<b>968 632</b>	<b>10%</b>	<b>38%</b>

## Section 10 - Capital programme performance

### 10.1 Supporting Table C12

NC083 //Khara Hais - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M04 October

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
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
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	-	3 417	15 105	11 687	77.4%	9%
December	3 814	3 021	3 021	-	3 417	18 126	14 708	81.1%	9%
January	5 055	3 021	3 021	-	3 417	21 147	17 729	83.8%	9%
February	4 595	3 021	3 021	-	3 417	24 168	20 750	85.9%	9%
March	6 406	3 021	3 021	-	3 417	27 189	23 771	87.4%	9%
April	5 452	3 021	3 021	-	3 417	30 209	26 792	88.7%	9%
May	1 536	3 021	3 021	-	3 417	33 230	29 813	89.7%	9%
June	26 714	3 021	3 021	-	3 417	36 251	32 834	90.6%	9%
<b>Total Capital expenditure</b>	<b>71 851</b>	<b>36 251</b>	<b>36 251</b>	<b>3 417</b>					

The municipality spent 9% 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 - M04 October**

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
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>63 903</b>	<b>15 635</b>	<b>15 635</b>	<b>302</b>	<b>2 732</b>	<b>5 212</b>	<b>714</b>	<b>13.7%</b>	<b>15 635</b>
<b>Infrastructure - Road transport</b>	<b>16 494</b>	<b>1 725</b>	<b>1 725</b>	<b>1</b>	<b>16</b>	<b>575</b>	<b>559</b>	<b>97.2%</b>	<b>1 725</b>
<i>Roads, Pavements &amp; Bridges</i>	16 494	1 725	1 725	1	16	575	559	97.2%	1 725
<b>Infrastructure - Electricity</b>	<b>10 599</b>	<b>11 758</b>	<b>11 758</b>	<b>2</b>	<b>2</b>	<b>3 919</b>	<b>3 917</b>	<b>99.9%</b>	<b>11 758</b>
<i>Transmission &amp; Reticulation</i>	10 599	11 758	11 758	2	2	3 919	3 917	99.9%	11 758
<b>Infrastructure - Water</b>	<b>23 736</b>	<b>1 652</b>	<b>1 652</b>	<b>299</b>	<b>2 714</b>	<b>551</b>	<b>(2 163)</b>	<b>-392.9%</b>	<b>1 652</b>
<i>Reticulation</i>	23 736	1 652	1 652	299	2 714	551	(2 163)	-392.9%	1 652
<b>Infrastructure - Sanitation</b>	<b>12 013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Sewerage purification</i>	12 013	-	-	-	-	-	-	-	-
<b>Infrastructure - Other</b>	<b>1 062</b>	<b>500</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>167</b>	<b>100.0%</b>	<b>500</b>
<i>Other</i>	1 062	500	500	-	-	167	167	100.0%	500
<b>Community</b>	<b>6 508</b>	<b>16 318</b>	<b>16 318</b>	<b>-</b>	<b>20</b>	<b>5 439</b>	<b>5 420</b>	<b>99.6%</b>	<b>9 451</b>
Parks & gardens	41	9 417	9 417	-	20	3 139	3 119	99.4%	9 417
Sportsfields & stadia	3 852	6 901	6 901	-	-	2 300	2 300	100.0%	6 901
Recreational facilities	2 615	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other assets</b>	<b>1 207</b>	<b>2 691</b>	<b>2 691</b>	<b>71</b>	<b>636</b>	<b>897</b>	<b>261</b>	<b>29.1%</b>	<b>2 691</b>
Specialised vehicles	500	-	-	-	-	-	-	-	-
Plant & equipment	168	-	-	59	71	-	(71)	100.0%	-
Computers - hardware/equipment	278	800	800	12	170	267	96	36.1%	800
Furniture and other office equipment	230	-	-	-	45	-	(45)	100.0%	-
Other Buildings	31	391	391	-	349	130	(218)	-167.7%	391
Other	-	1 500	1 500	-	-	500	500	100.0%	1 500
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangibles</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming	83	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>71 702</b>	<b>34 644</b>	<b>34 644</b>	<b>373</b>	<b>3 388</b>	<b>11 548</b>	<b>8 160</b>	<b>70.7%</b>	<b>34 644</b>

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 - M04 October

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									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	127	1 608	1 608	-	-	536	536	100.0%	1 608
<b>Infrastructure - Road transport</b>	(178)	-	-	-	-	-	-		-
<i>Roads, Pavements &amp; Bridges</i>	(178)	-	-	-	-	-	-		-
<b>Infrastructure - Electricity</b>	-	1 608	1 608	-	-	536	536	100.0%	-
<i>Transmission &amp; Reticulation</i>	-	1 608	1 608	-	-	536	536	100.0%	-
<b>Infrastructure - Water</b>	-	-	-	-	-	-	-		-
<i>Reticulation</i>	-	-	-	-	-	-	-		-
<b>Infrastructure - Sanitation</b>	305	-	-	-	-	-	-		-
<i>Reticulation</i>	305	-	-	-	-	-	-		-
<b>Community</b>	-	-	-	-	-	-	-		-
<b>Heritage assets</b>	-	-	-	-	-	-	-		-
<b>Investment properties</b>	-	-	-	-	-	-	-		-
<b>Other assets</b>	22	-	-	-	30	-	(30)	100.0%	-
Computers - hardware/equipment	6	-	-	-	30	-	(30)	100.0%	-
Furniture and other office equipment	17	-	-	-	-	-	-		-
<b>Agricultural assets</b>	-	-	-	-	-	-	-		-
<b>Biological assets</b>	-	-	-	-	-	-	-		-
<b>Intangibles</b>	-	-	-	-	-	-	-		-
<b>Total Capital Expenditure on renewal of existing assets</b>	149	1 608	1 608	-	30	536	506	94.4%	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 - M04  
October

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
<b>R thousands</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>1 724</b>	<b>7 895</b>	<b>7 895</b>	<b>187</b>	<b>515</b>	<b>2 632</b>	<b>2 117</b>	<b>80.4%</b>	<b>7 895</b>
<b>Infrastructure - Road transport</b>	<b>497</b>	<b>1 032</b>	<b>1 032</b>	<b>23</b>	<b>87</b>	<b>344</b>	<b>257</b>	<b>100.0%</b>	<b>1 032</b>
<i>Roads, Pavements &amp; Bridges</i>	497	1 032	1 032	14	43	344	301	100.0%	1 032
<i>Storm water</i>	-	-	-	8	44	-	(44)	-6.1%	-
<b>Infrastructure - Electricity</b>	<b>357</b>	<b>3 201</b>	<b>3 201</b>	<b>3</b>	<b>137</b>	<b>1 067</b>	<b>930</b>	<b>87.2%</b>	<b>3 201</b>
<i>Transmission &amp; Reticulation</i>	357	3 201	3 201	3	137	1 067	930	87.2%	3 201
<b>Infrastructure - Water</b>	<b>644</b>	<b>1 980</b>	<b>1 980</b>	<b>98</b>	<b>213</b>	<b>660</b>	<b>447</b>	<b>67.7%</b>	<b>1 980</b>
<i>Dams &amp; Reservoirs</i>	-	-	-	9	13	-	(13)	100.0%	-
<i>Reticulation</i>	644	1 980	1 980	90	200	660	460	69.7%	1 980
<b>Infrastructure - Sanitation</b>	<b>221</b>	<b>1 635</b>	<b>1 635</b>	<b>64</b>	<b>77</b>	<b>545</b>	<b>468</b>	<b>100.0%</b>	<b>1 635</b>
<i>Reticulation</i>	221	176	176	64	77	59	(19)	-100.0%	176
<i>Sewerage purification</i>	-	1 460	1 460	-	-	487	487	100.0%	1 460
<b>Infrastructure - Other</b>	<b>5</b>	<b>48</b>	<b>48</b>	<b>-</b>	<b>1</b>	<b>16</b>	<b>15</b>	<b>100.0%</b>	<b>48</b>
<i>Waste Management</i>	-	38	38	-	-	13	13	100.0%	38
<i>Other</i>	5	10	10	-	1	3	2	-100.0%	10
<b>Community</b>	<b>105</b>	<b>1 486</b>	<b>1 486</b>	<b>13</b>	<b>95</b>	<b>495</b>	<b>401</b>	<b>100.0%</b>	<b>1 486</b>
Parks & gardens	6	284	284	11	44	95	51	-100.0%	284
Sportsfields & stadia	47	218	218	2	35	73	38	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	0	13	157	144	-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	9	7	100.0%	26
<b>Heritage assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other assets</b>	<b>7 568</b>	<b>9 377</b>	<b>9 377</b>	<b>900</b>	<b>2 021</b>	<b>3 126</b>	<b>1 105</b>	<b>35.3%</b>	<b>9 377</b>
General vehicles	5 491	5 820	5 820	675	1 507	1 940	433	22.3%	5 820
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	1 012	465	465	89	183	155	(28)	-100.0%	465
Computers - hardware/equipment	495	1 169	1 169	42	96	390	294	100.0%	1 169
Other Buildings	571	1 127	1 127	68	158	376	218	58.0%	1 127
Other	-	796	796	26	77	265	188	70.9%	796
<b>Agricultural assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Biological assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intangibles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Repairs and Maintenance Expenditure</b>	<b>9 397</b>	<b>18 758</b>	<b>18 758</b>	<b>1 100</b>	<b>2 631</b>	<b>6 253</b>	<b>3 622</b>	<b>57.9%</b>	<b>18 758</b>

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 - M04 October

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
<b>R thousands</b>									
<b>Cash Receipts By Source</b>									
Property rates	19 748	3 152	5 411	5 744	-	-	34 055	63 652	78 179
Service charges - electricity revenue	3 338	24 438	20 340	22 737	-	-	70 853	262 271	278 007
Service charges - water revenue	3 690	2 840	3 632	3 573	-	-	13 734	52 164	55 863
Service charges - sanitation revenue	2 641	2 722	2 730	2 818	-	-	10 911	32 892	35 195
Service charges - refuse	2 408	2 468	2 504	2 267	-	-	9 647	31 731	34 589
Rental of facilities and equipment	621	720	742	467	-	-	2 550	10 369	11 283
Interest earned - external investments	18	22	30	39	-	-	109	636	674
Interest earned - outstanding debtors	218	247	234	246	-	-	945	2 544	2 697
Fines	36	24	27	62	-	-	149	457	484
Licences and permits	140	120	136	139	-	-	534	1 709	1 811
Agency services	474	148	308	347	-	-	1 277	3 657	3 876
Transfer receipts - operating	24 083	1 372	1 412	882	-	-	27 749	70 948	76 844
Other revenue	372	1 065	429	1 066	-	-	2 932	9 168	9 718
<b>Cash Receipts by Source</b>	<b>57 787</b>	<b>39 338</b>	<b>37 935</b>	<b>40 385</b>	<b>-</b>	<b>-</b>	<b>175 445</b>	<b>542 196</b>	<b>589 222</b>
<b>Other Cash Flows by Source</b>									
Transfer receipts - capital	-	-	227	486	-	-	713	20 326	22 151
Proceeds on disposal of PPE	1	104	-	458	-	-	562	1 211	2 011
Increase in consumer deposits	102	153	192	291	-	-	738	500	500
Receipt of non-current receivables	(2)	2	(1)	1	-	-	1	6	6
Change in non-current investments	(5)	5	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>57 883</b>	<b>39 602</b>	<b>38 352</b>	<b>41 622</b>	<b>-</b>	<b>-</b>	<b>177 458</b>	<b>564 239</b>	<b>613 890</b>
<b>Cash Payments by Type</b>									
Employee related costs	14 734	14 329	18 061	16 035	-	-	63 159	184 740	197 672
Remuneration of councillors	629	629	629	629	-	-	2 516	9 138	9 777
Interest paid	289	179	353	103	-	-	924	12 070	11 414
Bulk purchases - Electricity	-	19 697	18 006	11 120	-	-	48 823	190 740	214 010
Bulk purchases - Water & Sewer	-	(258)	163	24	-	-	(71)	5 525	5 912
Other materials	320	464	747	1 100	-	-	2 631	19 884	21 077
Contracted services	295	129	665	(121)	-	-	969	12 707	13 744
Grants and subsidies paid - other	908	1 224	1 242	1 330	-	-	4 704	23 107	24 493
General expenses	36 047	16 026	(5 097)	8 115	-	-	55 091	57 115	56 451
<b>Cash Payments by Type</b>	<b>53 222</b>	<b>52 420</b>	<b>34 769</b>	<b>38 335</b>	<b>-</b>	<b>-</b>	<b>178 746</b>	<b>515 025</b>	<b>554 550</b>
<b>Other Cash Flows/Payments by Type</b>									
Capital assets	15	787	2 232	373	-	-	3 408	22 566	24 280
Repayment of borrowing	411	1 378	1 805	543	-	-	4 137	10 837	7 394
Other Cash Flows/Payments	(3 638)	(4 270)	(488)	(1 565)	-	-	(9 961)	-	-
<b>Total Cash Payments by Type</b>	<b>50 010</b>	<b>50 316</b>	<b>38 319</b>	<b>37 686</b>	<b>-</b>	<b>-</b>	<b>176 331</b>	<b>548 429</b>	<b>586 224</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>7 873</b>	<b>(10 714)</b>	<b>33</b>	<b>3 936</b>	<b>-</b>	<b>-</b>	<b>1 127</b>	<b>15 811</b>	<b>27 666</b>
Cash/cash equivalents at the month/year beginning:	(4 897)	2 976	(7 738)	(7 705)	(3 770)	(3 770)	(4 897)	7 000	22 811
Cash/cash equivalents at the month/year end:	2 976	(7 738)	(7 705)	(3 770)	(3 770)	(3 770)	(3 770)	22 811	50 476

The table indicates the monthly cash flow position of the municipality. For July - October 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 October 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 November 2015