



//Khara Hais Municipality

Monthly Budget Monitoring Report (Section 71 of MFMA)

SEPTEMBER 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 September 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

12 October 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 September 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 25% of the year-to-date budget and a positive variance of 1%. The budgeted amount for property rates are R 18.9 million and the actual figure billed is R 28.4 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 66% 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 7.7 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 - M03 September

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	5 408	28 419	18 872	9 547	51%	70 552
Service charges	306 086	324 634	319 102	29 411	88 337	88 995	(658)	-1%	319 102
Investment revenue	1 165	1 231	500	30	70	150	(80)	-53%	500
Transfers recognised - operational	69 643	64 572	69 463	1 341	26 762	18 317	8 445	46%	69 463
Other own revenue	46 141	41 319	51 933	2 430	6 679	21 896	(15 217)	-69%	51 933
Total Revenue (excluding capital transfers and contributions)	481 900	497 171	511 549	38 620	150 267	148 230	2 037	1%	511 549
Employee costs	199 440	211 757	206 160	18 064	47 134	43 163	3 971	9%	206 160
Remuneration of Councillors	7 120	7 981	7 981	626	1 877	2 135	(258)	-12%	7 981
Depreciation & asset impairment	94 513	110 734	110 734	9 043	27 130	27 130	(0)	0%	110 734
Finance charges	19 944	16 658	15 284	353	821	3 359	(2 538)	-76%	15 284
Materials and bulk purchases	136 032	150 167	150 167	18 169	37 607	43 791	(6 184)	-14%	150 167
Transfers and grants	27 210	25 117	20 087	1 242	3 375	5 399	(2 024)	-37%	20 087
Other expenditure	77 578	93 751	88 758	5 608	13 878	23 773	(9 895)	119%	88 758
Total Expenditure	561 837	616 164	599 171	53 105	131 822	148 750	(16 928)	-11%	599 171
Surplus/(Deficit)	(79 937)	(118 994)	(87 622)	(14 486)	18 445	(520)	18 965	-3647%	(87 622)
Transfers recognised - capital	52 910	22 508	39 477	227	227	6 459	(6 232)	-96%	39 477
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(27 026)	(96 485)	(48 145)	(14 259)	18 672	5 939	12 733	214%	(48 145)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(27 026)	(96 485)	(48 145)	(14 259)	18 672	5 939	12 733	214%	(48 145)
Capital expenditure & funds sources									
Capital expenditure	94 997	43 679	69 732	2 232	3 044	9 063	(6 019)	-66%	36 251
Capital transfers recognised	52 802	22 508	39 477	486	713	6 459	(5 746)	-89%	25 835
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	40 728	20 171	-	-	-	-	-	-	-
Internally generated funds	1 467	1 000	30 255	1 746	2 331	2 604	(273)	-10%	10 416
Total sources of capital funds	94 997	43 679	69 732	2 232	3 044	9 063	(6 019)	-66%	36 251
Financial position									
Total current assets	66 096	57 887	65 822		80 113				64 882
Total non current assets	1 791 959	1 785 315	1 752 449		1 815 485				1 681 675
Total current liabilities	174 836	171 877	188 832		133 530				92 237
Total non current liabilities	207 056	300 985	201 420		184 759				202 546
Community wealth/Equity	1 476 163	1 370 340	1 428 018		1 577 308				1 451 774
Cash flows									
Net cash from (used) operating	91 264	21 077	70 402	3 880	3 270	(1 694)	4 964	-293%	(6 775)
Net cash from (used) investing	(91 642)	(28 473)	(42 716)	(2 233)	(2 931)	5 941	(8 872)	-149%	23 765
Net cash from (used) financing	(3 107)	8 396	(21 293)	(1 614)	(3 148)	(3 982)	835		(15 930)
Cash/cash equivalents at the month/year end	(1 121)	3 006	5 940	-	(7 705)	6 205	(13 910)	-224%	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	1 347	1 712	1 104	1 115	17 445	61 941
Creditors Age Analysis									
Total Creditors	23 781	10 890	2 167	15 241	2 430	4 686	1 758	2 527	48 176

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) - M03 September

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	6 662	55 022	58 588	(3 566)	-6.1%	234 353
Executive and council	12 635	220	220	-	-	55	(55)	-100.0%	220
Budget and treasury office	204 653	171 499	171 499	6 098	54 276	42 875	11 402	26.6%	171 499
Corporate services	3 512	62 634	62 634	564	745	15 659	(14 913)	-95.2%	62 634
<i>Community and public safety</i>	22 259	17 383	17 383	1 905	5 264	4 346	918	21.1%	17 383
Community and social services	2 842	2 440	2 440	342	735	610	125	20.4%	2 440
Sport and recreation	8 669	7 656	7 656	264	1 342	1 914	(573)	-29.9%	7 656
Public safety	9 179	6 018	6 018	1 288	3 119	1 505	1 614	107.3%	6 018
Housing	1 250	1 250	1 250	12	16	313	(297)	-94.9%	1 250
Health	319	18	18	-	53	5	49	1082.3%	18
<i>Economic and environmental services</i>	6 663	5 441	5 441	703	1 618	1 360	258	19.0%	5 441
Planning and development	6 374	5 181	5 181	673	1 532	1 295	236	18.2%	5 181
Road transport	288	260	260	30	87	65	22	33.5%	260
<i>Trading services</i>	328 467	361 578	361 578	29 576	88 590	90 394	(1 805)	-2.0%	361 578
Electricity	220 531	253 016	253 016	20 388	61 964	63 254	(1 290)	-2.0%	253 016
Water	47 340	48 714	48 714	3 934	11 064	12 179	(1 115)	-9.2%	48 714
Waste water management	30 926	30 739	30 739	2 741	8 125	7 685	440	5.7%	30 739
Waste management	29 669	29 108	29 108	2 513	7 437	7 277	160	2.2%	29 108
<i>Other</i>	1	1	1	-	0	0	(0)	-39.6%	1
Total Revenue - Standard	578 189	618 756	618 756	38 846	150 494	154 689	(4 195)	-2.7%	618 756
Expenditure - Standard									
<i>Governance and administration</i>	146 117	116 433	116 433	9 509	28 485	29 108	(623)	-2.1%	116 433
Executive and council	28 794	37 234	37 234	1 872	4 613	9 309	(4 695)	-50.4%	37 234
Budget and treasury office	67 596	43 820	43 820	4 817	11 702	10 955	747	6.8%	43 820
Corporate services	49 727	35 379	35 379	2 819	12 169	8 845	3 324	37.6%	35 379
<i>Community and public safety</i>	65 799	74 121	74 121	6 694	17 113	18 530	(1 417)	-7.6%	74 121
Community and social services	7 164	7 938	7 938	840	2 035	1 985	51	2.6%	7 938
Sport and recreation	28 884	35 929	35 929	3 160	8 119	8 982	(864)	-9.6%	35 929
Public safety	21 919	21 930	21 930	2 126	5 412	5 483	(71)	-1.3%	21 930
Housing	4 056	3 781	3 781	325	855	945	(90)	-9.6%	3 781
Health	3 776	4 541	4 541	242	692	1 135	(443)	-39.0%	4 541
<i>Economic and environmental services</i>	49 422	75 686	75 686	7 124	18 663	18 922	(259)	-1.4%	75 686
Planning and development	13 252	13 347	13 347	1 216	3 459	3 337	122	3.7%	13 347
Road transport	36 170	62 339	62 339	5 908	15 204	15 585	(381)	-2.4%	62 339
<i>Trading services</i>	288 640	327 174	327 174	29 656	67 230	81 794	(14 563)	-17.8%	327 174
Electricity	187 197	216 378	216 378	22 297	49 302	54 094	(4 793)	-8.9%	216 378
Water	48 289	49 248	49 248	3 567	8 593	12 312	(3 719)	-30.2%	49 248
Waste water management	29 937	32 999	32 999	2 183	5 598	8 250	(2 652)	-32.1%	32 999
Waste management	23 216	28 549	28 549	1 609	3 738	7 137	(3 400)	-47.6%	28 549
<i>Other</i>	1 473	1 586	1 586	122	330	397	(66)	-16.7%	1 586
Total Expenditure - Standard	551 451	595 000	595 000	53 105	131 822	148 750	(16 928)	-11.4%	595 000
Surplus/ (Deficit) for the year	26 738	23 755	23 755	(14 259)	18 672	5 939	12 733	214.4%	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) - M03
September

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	55	(55)	-99.9%	220
Vote 2 - CORPORATE SERVICES	3 506	62 633	62 633	546	727	15 658	(14 931)	-95.4%	62 633
Vote 3 - FINANCIAL SERVICES	204 653	171 499	171 499	6 098	54 276	42 875	11 402	26.6%	171 499
Vote 4 - COMMUNITY SERVICES	42 985	38 584	38 584	4 174	11 393	9 646	1 747	18.1%	38 584
Vote 6 - ELECTRO MECHANICAL SERVICES	223 357	253 017	253 017	20 406	61 982	63 254	(1 272)	-2.0%	253 017
Vote 7 - CIVIL ENGINEERING SERVICES	78 554	79 713	79 713	6 705	19 276	19 928	(653)	-3.3%	79 713
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	12 498	13 090	13 090	917	2 840	3 272	(433)	-13.2%	13 090
Total Revenue by Vote	578 189	618 756	618 756	38 846	150 494	154 689	(4 195)	-2.7%	618 756
Expenditure by Vote									
Vote 1 - MUNICIPAL MANAGER	28 794	31 976	31 976	1 872	4 613	7 994	(3 381)	-42.3%	31 976
Vote 2 - CORPORATE SERVICES	30 289	23 029	23 029	2 883	7 107	5 757	1 350	23.5%	23 029
Vote 3 - FINANCIAL SERVICES	67 596	43 820	43 820	4 817	11 702	10 955	747	6.8%	43 820
Vote 4 - COMMUNITY SERVICES	93 200	105 572	105 572	8 626	21 581	26 393	(4 812)	-18.2%	105 572
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	193 229	222 065	222 065	20 993	51 276	55 516	(4 240)	-7.6%	222 065
Vote 7 - CIVIL ENGINEERING SERVICES	119 557	148 987	148 987	12 109	30 691	37 247	(6 556)	-17.6%	148 987
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	18 787	19 552	19 552	1 805	4 850	4 888	(38)	-0.8%	19 552
Total Expenditure by Vote	551 451	595 000	595 000	53 105	131 822	148 750	(16 928)	-11.4%	595 000
Surplus/ (Deficit) for the year	26 738	23 755	23 755	(14 259)	18 672	5 939	12 733	214.4%	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 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 these 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 25% of the year to date budget of R 592.9 million.

The following three revenue sources have the highest positive variances -

- Property Rates (51%): Annual property rates being levied in July; and
- Transfers Recognised - Operational (46%): Equitable share, FMG & MSIG received during July 2015;
- Interest earned - outstanding debtors (17%): Increase in debtors resulting in more interest being levied

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

- Gains on disposal of PPE (99%): 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 15.0 million already from erven sales by 30 September 2015. However only R 104 thousand of erven sales have materialised until 30 September 2015.
- Interest earned - external investments (53%): Cash flow problems resulting in less funds being invested
- Service charges - water revenue (9%): is also a matter of concern as R 1.1 million less was levied for the quarter ending 30 September 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 48.4% of actual revenue billed / levied for the month. This is mainly due to back pay from July 2015 to August 2015 that was only paid in September 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 September 2015, is already 9% 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 204.5 million. This is R 31.6 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) - M03 September

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	5 408	28 419	18 872	9 547	51%	75 488
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	220 224	247 425	247 425	20 224	61 744	61 856	(112)	0%	247 425
Service charges - water revenue	47 326	48 709	48 709	3 933	11 063	12 177	(1 115)	-9%	48 709
Service charges - sanitation revenue	30 487	30 739	30 739	2 741	8 125	7 685	440	6%	30 739
Service charges - refuse revenue	29 667	29 108	29 108	2 513	7 405	7 277	128	2%	29 108
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	8 599	9 531	9 531	742	2 083	2 383	(299)	-13%	9 531
Interest earned - external investments	706	600	600	30	70	150	(80)	-53%	600
Interest earned - outstanding debtors	2 477	2 400	2 400	234	699	600	99	17%	2 400
Dividends received	-	-	-	-	-	-	-	-	-
Fines	3 090	431	431	27	87	108	(21)	-19%	431
Licences and permits	1 665	1 612	1 612	135	392	403	(11)	-3%	1 612
Agency services	3 706	3 450	3 450	308	930	863	67	8%	3 450
Transfers recognised - operational	67 147	73 268	73 268	1 341	26 762	18 317	8 445	46%	73 268
Other revenue	41 191	10 149	10 149	985	2 384	2 537	(154)	-6%	10 149
Gains on disposal of PPE	-	60 010	60 010	-	104	15 003	(14 898)	-99%	60 010
Total Revenue (excluding capital transfers and contributions)	525 985	592 920	592 920	38 620	150 267	148 230	2 037	1%	592 920
Expenditure By Type									
Employee related costs	196 345	172 654	172 654	18 064	47 134	43 163	3 971	9%	172 654
Remuneration of councillors	7 516	8 540	8 540	626	1 877	2 135	(258)	-12%	8 540
Debt impairment	7 597	2 000	2 000	-	-	500	(500)	-100%	2 000
Depreciation & asset impairment	71 855	108 519	108 519	9 043	27 130	27 130	(0)	0%	108 519
Finance charges	15 935	13 436	13 436	353	821	3 359	(2 538)	-76%	13 436
Bulk purchases	150 177	175 164	175 164	18 169	37 607	43 791	(6 184)	-14%	175 164
Other materials	9 397	18 758	18 758	747	1 531	4 690	(3 159)	-67%	18 758
Contracted services	9 137	12 413	12 413	665	1 090	3 103	(2 014)	-65%	12 413
Transfers and grants	27 047	21 597	21 597	1 242	3 375	5 399	(2 024)	-37%	21 597
Other expenditure	47 028	61 920	61 920	4 196	11 257	15 480	(4 223)	-27%	61 920
Loss on disposal of PPE	9 417	-	-	-	-	-	-	-	-
Total Expenditure	551 451	595 000	595 000	53 105	131 822	148 750	(16 928)	-11%	595 000
Surplus/(Deficit)	(25 467)	(2 080)	(2 080)	(14 486)	18 445	(520)	18 965	-3647%	(2 080)
Transfers recognised - capital	52 205	25 835	25 835	227	227	6 459	(6 232)	-96%	25 835
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	26 738	23 755	23 755	(14 259)	18 672	5 939			23 755
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	26 738	23 755	23 755	(14 259)	18 672	5 939			23 755
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	26 738	23 755	23 755	(14 259)	18 672	5 939			23 755
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	26 738	23 755	23 755	(14 259)	18 672	5 939			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 66% negative variance of the year-to-date budget.

NC083 //Khara Hais - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M03
September

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	-	-	4 080	(4 080)	-100%	16 318
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	439	50	50	-	-	13	(13)	100%	50
Vote 7 - CIVIL ENGINEERING SERVICES	30 383	2 499	2 499	2 222	2 233	625	1 608	257%	2 499
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	30 860	18 867	18 867	2 222	2 233	4 717	(2 484)	-53%	18 867
Single Year expenditure appropriation									
Vote 1 - MUNICIPAL MANAGER	11	1 500	1 500	-	-	375	(375)	-100%	1 500
Vote 2 - CORPORATE SERVICES	343	800	800	-	570	200	370	100%	800
Vote 3 - FINANCIAL SERVICES	89	500	500	-	-	125	(125)	100%	500
Vote 4 - COMMUNITY SERVICES	4 043	-	-	1	32	-	32	#DIV/0!	-
Vote 5 - TECHNICAL DIRECTOR	-	-	-	-	-	-	-	-	-
Vote 6 - ELECTRO MECHANICAL SERVICES	10 713	13 616	13 616	9	9	3 404	(3 395)	-100%	13 616
Vote 7 - CIVIL ENGINEERING SERVICES	22 083	968	968	-	197	242	(45)	-19%	968
Vote 8 - DEVELOPMENT AND PLANNING SERVICES	3 708	-	-	-	4	-	4	#DIV/0!	-
Total Capital single-year expenditure	40 991	17 384	17 384	10	811	4 346	(3 535)	-81%	17 384
Total Capital Expenditure	71 851	36 251	36 251	2 232	3 044	9 063	(6 019)	-66%	36 251
Capital Expenditure - Standard Classification									
Governance and administration	992	3 100	3 100	9	579	775	(196)	-25%	3 100
Executive and council	11	1 500	1 500	-	-	375	(375)	-100%	1 500
Budget and treasury office	89	500	500	-	-	125	(125)	100%	500
Corporate services	892	1 100	1 100	9	579	275	304	-100%	1 100
Community and public safety	4 086	16 318	16 318	1	35	4 080	(4 044)	-99%	16 318
Community and social services	49	-	-	-	-	-	-	100%	-
Sport and recreation	4 008	16 318	16 318	1	23	4 080	(4 056)	-99%	16 318
Public safety	29	-	-	-	12	-	12	100%	-
Economic and environmental services	19 249	1 725	1 725	14	15	431	(416)	-97%	1 725
Planning and development	3 677	-	-	-	-	-	-	100%	-
Road transport	15 572	1 725	1 725	14	15	431	(416)	-97%	1 725
Trading services	47 524	15 108	15 108	2 209	2 415	3 777	(1 362)	-36%	15 108
Electricity	10 603	13 366	13 366	-	-	3 341	(3 341)	-100%	13 366
Water	24 400	1 743	1 743	2 209	2 415	436	1 979	454%	1 743
Waste water management	12 493	-	-	-	-	-	-	-	-
Waste management	27	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	71 851	36 251	36 251	2 232	3 044	9 063	(6 019)	-66%	36 251
Funded by:									
National Government	28 520	25 835	25 835	486	713	6 459	(5 746)	-89%	25 835
Provincial Government	18 626	-	-	-	-	-	-	-	-
Other transfers and grants	5 558	-	-	-	-	-	-	100%	-
Transfers recognised - capital	52 703	25 835	25 835	486	713	6 459	(5 746)	-89%	25 835
Internally generated funds	19 148	10 416	10 416	1 746	2 331	2 604	(273)	-10%	10 416
Total Capital Funding	71 851	36 251	36 251	2 232	3 044	9 063	(6 019)	-66%	36 251

4.1.6 Table C6: Monthly Budget Statement - Financial Position**NC083 //Khara Hais - Table C6 Monthly Budget Statement - Financial Position - M03 September**

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	2 014	9 000
Call investment deposits	–	–	–	0	–
Consumer debtors	59 558	42 375	42 375	69 897	42 375
Other debtors	3 081	7 000	7 000	1 783	7 000
Current portion of long-term receivables	5	6	6	5	6
Inventory	6 006	6 500	6 500	6 414	6 500
Total current assets	70 092	64 882	64 882	80 113	64 882
Non current assets					
Long-term receivables	18	10	10	19	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	1 597 042	1 468 885
Intangible assets	786	307	307	786	307
Total non current assets	1 839 570	1 681 675	1 681 675	1 815 485	1 681 675
TOTAL ASSETS	1 909 662	1 746 557	1 746 557	1 895 597	1 746 557
LIABILITIES					
Current liabilities					
Bank overdraft	6 339	2 000	2 000	9 719	2 000
Borrowing	17 060	10 837	10 837	17 060	10 837
Consumer deposits	9 000	11 000	11 000	9 447	11 000
Trade and other payables	126 475	59 400	59 400	92 860	59 400
Provisions	4 448	9 000	9 000	4 444	9 000
Total current liabilities	163 322	92 237	92 237	133 530	92 237
Non current liabilities					
Borrowing	106 009	94 720	94 720	102 415	94 720
Provisions	82 952	107 826	107 826	82 345	107 826
Total non current liabilities	188 961	202 546	202 546	184 759	202 546
TOTAL LIABILITIES	352 283	294 783	294 783	318 289	294 783
NET ASSETS	1 557 378	1 451 774	1 451 774	1 577 308	1 451 774
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1 557 378	1 451 774	1 451 774	1 577 308	1 451 774
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1 557 378	1 451 774	1 451 774	1 577 308	1 451 774

It should be noted with great concern that our current liabilities exceed our current assets with R 53.4 million (August 2015: R 44.0 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: 0.60:1 (August 2015: 0.66:1). 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 7.7 million (August 2015: negative cash and cash equivalents balance of R 7.7 million).

NC083 //Khara Hais - Table C7 Monthly Budget Statement - Cash Flow - M03 September

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	5 411	28 311	18 872	9 439	50%	75 488
Service charges	238 958	355 982	355 982	29 207	73 751	88 995	(15 245)	-17%	355 982
Other revenue	83 092	23 673	23 673	1 641	5 361	5 918	(557)	-9%	23 673
Government - operating	67 147	73 268	73 268	1 412	26 867	18 317	8 550	47%	73 268
Government - capital	52 205	25 835	25 835	227	227	6 459	(6 232)	-96%	25 835
Interest	3 182	3 000	3 000	264	769	750	19	3%	3 000
Payments									
Suppliers and employees	(396 529)	(528 988)	(528 988)	(32 686)	(127 820)	(132 247)	(4 427)	3%	(528 988)
Finance charges	(15 935)	(13 436)	(13 436)	(353)	(821)	(3 359)	(2 538)	76%	(13 436)
Transfers and Grants	(27 047)	(21 597)	(21 597)	(1 242)	(3 375)	(5 399)	(2 024)	37%	(21 597)
NET CASH FROM/(USED) OPERATING ACTIVITIES	74 772	(6 775)	(6 775)	3 880	3 270	(1 694)	(13 015)	768%	(6 775)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	(9 417)	60 010	60 010	-	104	15 003	(14 898)	-99%	60 010
Decrease (increase) other non-current receivables	5	6	6	(1)	(0)	2	(2)	-128%	6
Payments									
Capital assets	(48 094)	(36 251)	(36 251)	(2 232)	(3 034)	(9 063)	(6 028)	67%	(36 251)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(56 837)	23 765	23 765	(2 233)	(2 931)	5 941	8 872	149%	23 765
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Increase (decrease) in consumer deposits	888	500	500	192	447	125	322	257%	500
Payments									
Repayment of borrowing	(22 598)	(16 430)	(16 430)	(1 805)	(3 594)	(4 107)	(513)	12%	(16 430)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(21 711)	(15 930)	(15 930)	(1 614)	(3 148)	(3 982)	(835)	21%	(15 930)
NET INCREASE/ (DECREASE) IN CASH HELD	(3 776)	1 060	1 060	33	(2 808)	265			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		(7 705)	6 205			7 000

The municipality has a cash inflow of R 33 thousand for September 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 - M03 September

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	3 384	877	368	256	343	297	310	6 067	11 901	7 273
Trade and Other Receivables from Exchange Transactions - Electricity	12 617	1 199	67	27	25	28	25	736	14 724	841
Receivables from Non-exchange Transactions - Property Rates	2 964	272	2 137	79	225	160	157	160	6 155	781
Receivables from Exchange Transactions - Waste Water Management	2 120	611	366	152	220	114	105	1 796	5 485	2 387
Receivables from Exchange Transactions - Waste Management	1 939	707	485	234	301	188	174	2 961	6 989	3 858
Other	5 906	2 688	510	600	598	317	343	5 725	16 687	7 583
Total By Income Source	28 929	6 355	3 932	1 347	1 712	1 104	1 115	17 445	61 941	22 724
2014/15 - totals only	25 556	2 090	9 208	1 305	1 210	1 206	1 085	14 627	56 288	19 434
Debtors Age Analysis By Customer Group										
Organs of State	5 796	1 409	1 115	32	75	28	45	724	9 223	903
Commercial	8 602	641	158	78	82	92	125	3 850	13 627	4 227
Households	12 502	3 031	1 846	1 103	1 415	867	840	10 612	32 216	14 837
Other	2 029	1 275	813	135	141	118	105	2 260	6 874	2 757
Total By Customer Group	28 929	6 355	3 932	1 347	1 712	1 104	1 115	17 445	61 941	22 724

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 September 2015.

5.2 Additional debtors information

5.2.1 Payment level

Collection Rates (payment levels) reflect the total income collected for the period 18 August 2015 - 17 September 2015. The budgeted collection rate is 98%, any collection rate below 98% will therefore result in cash flow problems. It should be noted that the annual property rates billed on the 1st of July 2015 will have a negative impact on the collection rates below.

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	666 246	496 640	12 323	186 735	695 698	75%	104%	(29 451)	520	696 218	104%
Ward 2	606 501	530 157	-	167 032	697 189	87%	115%	(90 688)	(69 062)	628 127	104%
Ward 3	794 595	1 385 419	7 186	87 027	1 479 632	174%	186%	(685 037)	(21 835)	1 457 797	183%
Ward 4	3 461 750	5 241 829	1 270 200	89 713	6 601 742	151%	191%	(3 139 992)	50 511	6 652 253	192%
Ward 5	645 386	695 304	3 695	83 723	782 722	108%	121%	(137 336)	(6 875)	775 846	120%
Ward 6	378 217	342 216	1 005	81 816	425 037	91%	112%	(46 820)	22 668	447 705	118%
Ward 7	1 524 237	1 356 356	2 790	60 767	1 419 912	89%	93%	104 325	(1 111)	1 418 801	93%
Ward 8	10 615 634	11 170 447	12 851	37 837	11 221 136	105%	106%	(605 502)	83 648	11 304 784	106%
Ward 9	4 933 143	5 639 717	-	1 131	5 640 848	114%	114%	(707 705)	(13 067)	5 627 781	114%
Ward 10	1 586 830	1 470 429	1 655	118 264	1 590 348	93%	100%	(3 518)	(7 238)	1 583 111	100%
Ward 11	2 075 839	2 595 538	432 947	31 292	3 059 777	125%	147%	(983 937)	(116 087)	2 943 690	142%
Ward 12	570 975	491 711	802	37 403	529 917	86%	93%	41 058	(2 232)	527 685	92%
Ward 13	1 857 805	1 935 266	-	78 829	2 014 095	104%	108%	(156 289)	(28 864)	1 985 231	107%
Ward 14	167 279	250 980	1 168	17 841	269 990	150%	161%	(102 710)	(3 910)	266 080	159%
Not specified	1 194 011	1 191 388	3 034	-	1 194 422	100%	100%	(411)	(6 913)	1 187 509	99%
Total	31 078 450	34 793 397	1 749 657	1 079 410	37 622 463	112%	121%	(6 544 014)	(119 847)	37 502 616	121%

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	6 437 044	15 178 736	(2)	190 516	15 369 250	236%	239%	(8 932 206)	(1 577 644)	13 791 606	214%
Electricity	14 801 489	12 523 676	1 451 895	838	13 976 409	85%	94%	825 080	502 829	14 479 238	98%
Water	3 427 230	2 935 797	278 701	134 213	3 348 711	86%	98%	78 519	569 986	3 918 697	114%
Sewage	2 417 652	1 911 906	10 274	335 204	2 257 383	79%	93%	160 269	87 164	2 344 547	97%
Refuse Removal	2 472 022	1 672 938	8 395	396 644	2 077 976	68%	84%	394 046	68 382	2 146 359	87%
Other	1 523 013	570 344	395	21 995	592 734	37%	39%	930 279	229 435	822 170	54%
Total	31 078 450	34 793 397	1 749 657	1 079 410	37 622 463	112%	121%	(6 544 014)	(119 847)	37 502 616	121%

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	1 321 684	1 429 296	71	584	1 429 951	108%	108%	(108 267)	15 642	1 445 593	109%
Middelpos	1 098 712	1 434 721	-	1 358	1 436 079	131%	131%	(337 367)	(5 263)	1 430 816	130%
Oosterville	1 812 391	1 540 827	-	1 770	1 542 597	85%	85%	269 794	(20 171)	1 522 426	84%
Blydeveld	386 738	641 546	71	32	641 649	166%	166%	(254 911)	(2 191)	639 457	165%
Akademia	285 875	320 084	-	5 425	325 509	112%	114%	(39 634)	(4 079)	321 430	112%
Florapark	427 555	473 052	-	2 944	475 996	111%	111%	(48 441)	912	476 908	112%
Die Rand	3 017 852	3 326 701	141	3 949	3 330 791	110%	110%	(312 938)	(5 154)	3 325 636	110%
Town Centre / Business Area	6 126 789	6 121 226	6 609	4 595	6 132 430	100%	100%	(5 641)	117 648	6 250 078	102%
Riverside	1 815 742	5 346 956	3 422	9 614	5 359 992	295%	295%	(3 544 250)	(13 352)	5 346 640	294%
Progress	913 033	978 872	7 390	200 753	1 187 014	107%	130%	(273 981)	40 124	1 227 138	134%
Bellvue	469 907	848 851	-	29 656	878 506	181%	187%	(408 599)	(53 502)	825 004	176%
Morning Glory	485 005	476 726	-	108 171	584 897	98%	121%	(99 892)	(27 346)	557 551	115%
Rosedale	1 388 220	1 138 252	13 614	305 991	1 457 857	82%	105%	(69 637)	(13 765)	1 444 092	104%
Paballelo	1 420 352	924 383	3 795	221 411	1 149 589	65%	81%	270 763	(7 308)	1 142 282	80%
Dakotaweg	47 310	31 059	-	15 291	46 350	66%	98%	961	(263)	46 087	97%
Kameelmond / Lemoendraai	138 319	250 354	181	5 724	256 258	181%	185%	(117 940)	(71 464)	184 795	134%
Industrial Areas	3 482 622	3 803 254	11 637	-	3 814 891	109%	109%	(332 270)	(33 809)	3 781 082	109%
Commonage	2 843 035	1 233 314	1 683 218	-	2 916 532	43%	103%	(73 497)	(303)	2 916 229	103%
Karos	48 314	2 359	634	6 897	9 889	5%	21%	38 424	(25)	9 865	20%
Lambrechtsdrift	23 624	15 567	-	2 096	17 663	66%	75%	5 962	(3 827)	13 835	59%
Leerkrans	31 486	6 674	535	8 848	16 057	21%	51%	15 430	(58)	15 999	51%
Raaswater	152 769	7 310	802	15 861	23 973	5%	16%	128 795	(56)	23 917	16%
Sesbrugge / Klippunt	144 991	82 846	-	-	82 846	57%	57%	62 146	(402)	82 443	57%
Kalksloot	89 198	50 364	133	20 641	71 138	57%	80%	18 060	48	71 186	80%
Louisvale Dorp	650 410	614 813	71	9 954	624 838	95%	96%	25 572	(418)	624 420	96%
Leseding	1 309	600	-	-	600	46%	46%	709	-	600	46%
Ntsekelelo	152	1	-	-	1	30%	30%	152	-	1	0%
Louisvaleweg	403 043	453 945	3 695	95 450	553 090	113%	137%	(150 048)	(6 918)	546 172	136%
Upington Farming Areas	293 993	280 776	160	2 396	283 332	96%	96%	10 661	(677)	282 654	96%
Gordonia Farming Areas	757 307	1 683 969	-	-	1 683 969	222%	222%	(926 662)	(25 818)	1 658 151	219%
Karos Farming Areas	17 167	104 801	-	-	104 801	611%	611%	(87 633)	-	104 801	610%
Kenhart Farming Areas	412 805	487 865	-	-	487 865	118%	118%	(75 060)	(397)	487 468	118%
Olyvenhoutsdrift Farming Areas	550 127	603 875	13 479	-	617 354	110%	112%	(67 228)	2 347	619 701	113%
Vaalkoppies Farming Areas	20 614	78 159	-	-	78 159	379%	379%	(57 545)	0	78 159	379%
Total	31 078 450	34 793 397	1 749 657	1 079 410	37 622 463	112%	121%	(6 544 014)	(119 847)	37 502 616	121%

5.2.2 Debtor arrear summaries

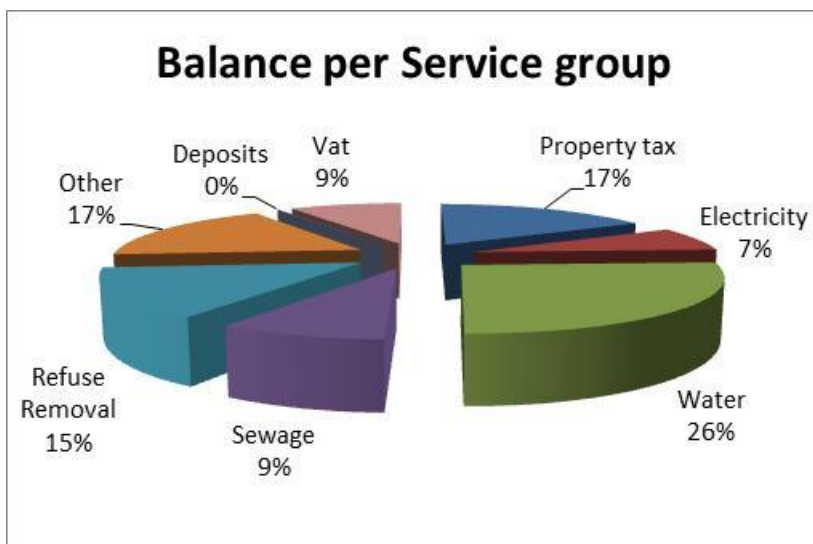
The arrear summaries that follow are not prescriptive in terms of the MFMA or the MBRR. They are including providing further information on debtors arrears based on various classifications.

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	1 049 059	448 546	2 120 584	213 151	2 310 662	6 142 002	17%
Electricity	1 864 463	149 802	32 309	31 757	564 770	2 643 100	7%
Water	1 327 421	648 309	268 774	354 350	6 877 470	9 476 323	26%
Sewage	489 175	306 868	158 054	226 250	1 950 098	3 130 444	9%
Refuse Removal	837 643	564 935	247 470	315 762	3 318 224	5 284 034	15%
Other	1 372 407	524 251	476 055	403 277	3 560 573	6 336 564	17%
Deposits	12 515	315	0	0	4 374	17 204	0%
Vat	742 156	296 123	170 896	175 098	1 827 834	3 212 107	9%
Total	7 694 839	2 939 149	3 474 142	1 719 644	20 414 004	36 241 778	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	180 486	57 805	97 696	28 656	85 080	449 724	269 238	60%	1%
Middelpos	218 239	32 838	55 036	2 734	72 108	380 955	162 716	43%	1%
Oosterville	669 170	46 125	273 298	31 672	21 590	1 041 854	372 684	36%	1%
Blydeveld	74 258	24 634	18 546	4 039	45 188	166 665	92 407	55%	0%
Akademia	189 816	76 638	24 288	18 001	55 828	364 571	174 755	48%	1%
Florapark	47 540	18 110	84 505	7 519	56 281	213 956	166 416	78%	1%
Die Rand	359 935	85 100	178 824	52 600	326 520	1 002 980	643 045	64%	2%
Town Centre / Business Area	603 444	85 614	45 701	69 950	414 267	1 218 975	615 532	50%	2%
Riverside	1 391 561	62 990	100 292	18 297	182 509	1 755 648	364 087	21%	1%
Progress	425 855	181 781	167 116	175 458	1 787 714	2 737 924	2 312 069	84%	8%
Bellvue	86 421	47 040	36 672	33 529	441 564	645 226	558 804	87%	2%
Morning Glory	197 167	83 407	89 101	68 400	828 496	1 266 571	1 069 404	84%	4%
Rosedale	751 588	433 614	202 361	212 021	1 886 730	3 486 315	2 734 727	78%	10%
Paballelo	1 010 354	884 867	442 088	424 551	4 477 169	7 239 028	6 228 675	86%	22%
Dakotaweg	19 680	15 810	10 737	7 005	54 879	108 112	88 432	82%	0%
Kameelmond / Lemoendraai	40 778	23 981	38 468	30 904	132 859	266 991	226 214	85%	1%
Industrial Areas	247 593	170 949	60 548	10 510	368 809	858 409	610 816	71%	2%
Commonage	88 203	52 413	62 237	25 377	2 494 681	2 722 911	2 634 709	97%	9%
Karos	46 321	35 078	19 744	22 849	400 554	524 545	478 224	91%	2%
Lambrechtsdrift	24 730	17 799	14 705	27 139	289 833	374 207	349 477	93%	1%
Leerkrans	19 807	13 222	12 512	12 488	258 086	316 115	296 308	94%	1%
Raaswater	165 584	107 683	98 155	117 010	2 350 675	2 839 106	2 673 522	94%	9%
Sesbrugge / Klippunt	1 509	1 211	977	892	6 498	11 087	9 578	86%	0%
Kalksloot	69 473	35 993	29 703	27 635	237 327	400 130	330 657	83%	1%
Louisvale Dorp	88 094	20 926	10 497	9 193	152 860	281 570	193 477	69%	1%
Leseding	1 192	652	40	40	39	1 963	770	39%	0%
Ntsekelelo	279	17	18	18	246	579	300	52%	0%
Louisvaleweg	232 412	138 966	73 879	112 511	938 458	1 496 227	1 263 814	84%	4%
Upington Farming Areas	60 324	5 463	2 262	1 961	52 306	122 315	61 992	51%	0%
Gordonia Farming Areas	192 733	125 350	793 816	135 215	1 150 174	2 397 288	2 204 555	92%	8%
Karos Farming Areas	13 833	10 432	176 086	10 737	336 058	547 146	533 313	97%	2%
Kenhart Farming Areas	48 213	13 571	119 814	8 867	297 732	488 197	439 984	90%	2%
Olyvenhoutsdrift Farming Areas	119 315	21 910	104 235	4 796	57 270	307 526	188 211	61%	1%
Vaalkoppies Farming Areas	8 934	7 161	30 184	7 069	153 615	206 963	198 029	96%	1%
Total	7 694 839	2 939 149	3 474 142	1 719 644	20 414 004	36 241 778	28 546 940	79%	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 September 2015 the 30 highest accounts represent R 5.8 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	1 - 120 days	120 days +	Total	31 - 120 days +
140000040061	PABALLELO OKB	BUSINESS	4	19 505	33 583	9 162	9 467	1 552 154	1 623 870	1 604 365
120000020005	ROSEDALE O/K/B VERENINGING	BUSINESS	4	11 720	6 586	4 619	8 879	476 440	508 243	496 523
100720959993	DART PLANT SERVICES CC	INDUSTRY	8	8 081	89 882	4 585	4 609	228 704	335 861	327 779
141406019992	UNITED DEV AGENCIES	BUSINESS	6	9 359	261 352	4 926	4 900	39 670	320 207	310 848
330038348000016	MARSH,JOHN,WILLIAM	OTHER	10	6 427	3 349	4 234	4 258	219 903	238 171	231 744
230000058000008	MOHLOTSANA,MAMOKEBE	DOMESTIC	12	7 862	4 475	5 763	5 795	210 204	234 100	226 237
010014977001012	SHOW TIME MEDIA	BUSINESS	8	8 815	5 709	7 143	7 142	183 744	212 551	203 737
141020520005	SIYAVUKA LAUNDRY AND DRY CLEANING PRIMARY PTY(LTD)	BUSINESS	7	6 777	3 608	2 876	3 038	186 775	203 073	196 297
080000131315	PABALLELO OK BOERE	BUSINESS	4	2 915	345	1 562	3 109	185 527	193 457	190 543
141020619992	PABALLELO CASH STORE	BUSINESS	7	3 995	64 572	1 697	2 122	80 694	153 081	149 085
010000001306012	UPT OPKOMENDE BOERE	BUSINESS	4	2 729	994	1 754	1 773	133 074	140 325	137 596
538000200327	BASSON,FRIKKIE	DOMESTIC	12	5 921	3 807	4 532	4 534	120 291	139 086	133 165
010001260000009	VISSER,CHARMAINE	DOMESTIC	8	9 417	1 609	6 348	6 374	108 697	132 444	123 027
100362639998	DART PLANT SERVICES CC	INDUSTRY	8	2 719	44 114	1 427	1 434	69 882	119 575	116 856
310251096000009	REP VAN SUID-AFRIKA	National: Public Works	11	437	437	45 299	7 447	48 025	101 644	101 208
141020519995	ORANJE STAP CAFFE	BUSINESS	7	2 267	45 860	1 086	1 091	49 200	99 505	97 237
310251042000003	REP VAN SUID-AFRIKA	National: Public Works	11	411	411	42 475	6 983	45 160	95 440	95 029
310251097000002	REP VAN SUID-AFRIKA	National: Public Works	11	410	410	42 169	6 935	45 204	95 129	94 719
310251000000003	REP VAN SUID-AFRIKA	National: Public Works	11	404	404	41 808	6 874	44 486	93 976	93 571
310251023000009	REP VAN SUID-AFRIKA	National: Public Works	11	401	401	41 474	6 819	44 149	93 244	92 843
010000219995	GORDONIA KENHARDT LANDBOU	BUSINESS	8	545	625	27 148	0	64 220	92 539	91 993
010001791000011	COMMISSION FOR CHILDREN	BUSINESS	8	2 773	14 756	1 907	1 913	70 751	92 100	89 327
090502319997	DEPT VAN ONDERWYS	SECTION 21 SCHOOLS-PAY OWN ACCOUNT	3	4 801	4 068	3 681	3 681	76 731	92 962	88 161
141019019996	JB STORE	BUSINESS	7	1 173	31 547	987	885	49 080	83 672	82 498
070558010004	ISAAK,T,D	BUSINESS	4	726	0	0	0	79 271	79 997	79 271
310251014000006	VAN DER WESTHUIZEN,WILLEM,JOHANNES,PAULUS	OTHER	11	301	299	41 531	300	37 041	79 471	79 170
121537119990	THOMAS,MIETA	DOMESTIC	10	2 858	1 742	2 105	2 102	70 198	79 004	76 146
141019119993	BEKEBEKE KINDERS	BUSINESS	7	1 017	0	1 496	1 398	70 170	74 081	73 064
141086319995	KAMBULE,T,R	DOMESTIC	6	1 397	454	374	326	64 078	66 629	65 232
050352229994	NAIDOO,BRIDGET,ANNA	BUSINESS	2	1 983	5 866	1 411	1 375	56 233	66 868	64 885

Section 6 - Creditors' analysis

6.1 Supporting Table C4

NC083 //Khara Hais - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

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		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	9 708	2 331	2 319	15 241	2 430	4 686	1 758	2 527	40 998	28 462	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	7 178	-	-	-	-	-	-	-	7 178	6 753	
Total By Customer Type	1000	16 885	2 331	2 319	15 241	2 430	4 686	1 758	2 527	48 176	35 215	

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 September 2015 are R 48.2 million and R 35.2 million for September 2014. This implicates an increase of R 13.0 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 September 2015 are set out in Table SC5 below. The municipality started the beginning of the month with a market value of R 0. R 5.2 million was invested during the month and R 9.0 million was withdrawn at the end of the month. This investment however qualifies 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 - M03 September

Investments by maturity Name of institution & investment ID	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
R thousands					
Municipality					
//Khara Hais	Savings	-	6	-	5
//Khara Hais	Call Account	25	5 800	-	1 975
Minus: Investments qualifying as cash and cash equivalents		-	(5 806)	-	(1 980)
Municipality sub-total		25	-	-	-
Entities					
Entities sub-total		-	-	-	-
TOTAL INVESTMENTS AND INTEREST		25	-	-	-

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 11.8 million. Conditional grants to the amount of R 5.4 million were received during September 2015 and R 486 thousand were spent. Therefore, unspent conditional grants amounted to R 17.5 million and unpaid grants to R 856 thousand. **It should be noted that only R 2.0 million (11.3%) of the unspent grants of R 17.5 million are cash backed.**

GRANT REGISTER FROM 1 SEPTEMBER 2015 - 30 SEPTEMBER 2015						
Account	Description	Opening Balance - 1 September 2015	Total Received	Expenditure Transferred to Revenue	Correction / Withheld	Closing Balance - 30 September 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	(830 795)	-	224 022	-	(606 773)
NDR1605	Finance Management Grant (FMG)	(1 555 617)	-	49 475	-	(1 506 142)
NDR49	Municipal Infrastructure Grant (MIG)	(4 270 541)	-	211 525	-	(4 059 016)
NDR60	Municipal System Improvement Grant (MSG)	(712 700)	-	-	-	(712 700)
NDR70	Department of Water Affairs (DWA)	(154)	-	-	-	(154)
NDR84	Water and Sewerage - 81 Houses (Housing)	(90 785)	-	-	-	(90 785)
NDR86	Energy Efficiency Demand Management	(631 995)	(2 000 000)	-	-	(2 631 995)
NDR87	National Lotteries Board	(18 339)	(654 000)	-	-	(672 339)
NDR90	Royal Agricultural Society	207 706	-	-	-	207 706
NDR92	Extended Public Works Programme (EPWP)	647 169	-	1 411	-	648 579
NDR93	2013 Disaster Fund	(32 776)	-	-	-	(32 776)
Total (Unspent) / Unpaid Grants		(11 759 329)	(5 404 000)	486 433	-	(16 676 896)

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 September 2015 is set out below.

EMPLOYEE RELATED COST AS AT 30 SEPTEMBER 2015					
National Treasury Line Item	2015/2016 Original Budget	2015/2016 Year to Date	September 2015	September 2015 as % of Original Budget	Year to Date as % of Original Budget
Bargaining Council Contribution	53 474	17 734	5 865	11%	33%
Bonus	7 994 162	155 058	82 490	1%	2%
Contributions to Medical Aid	9 143 571	2 852 299	944 555	10%	31%
Contributions to Pension	17 940 990	5 749 242	2 119 201	12%	32%
Contributions to UIF	1 107 606	292 761	102 249	9%	26%
Group Life Insurance	989 089	349 779	120 785	12%	35%
Housing benefits and allowances	247 348	450 937	407 035	165%	182%
Less: Employee Costs Capitalised	(1 465 074)	(189 634)	(180 001)	12%	13%
Overtime	9 828 896	2 789 458	1 416 700	14%	28%
Performance Bonus	625 950	–	–	0%	0%
Salaries and Wages	122 011 805	32 404 618	12 185 112	10%	27%
Training Levies	1 308 025	383 773	142 969	11%	29%
Travel, motor car, accom & other allowances	2 868 063	1 878 152	717 037	25%	65%
TOTAL EMPLOYEE RELATED COST	172 653 905	47 134 177	18 063 998	10%	27%

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 September 2015 is 42.4% (Year to date: 46.8%) and employee related cost as a percentage of total revenue for September 2015 is 48.4% (Year to date: 32.6%). 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 71.7% for September 2015 (Year to date: 73.2%). If the excess year to date percentage of 21.74% is expressed as an amount, the actual year to date figure will be R 5.7 million (Year to date: R 15.5 million). The back pay that was paid in September 2015 for the period of July 2015 - August 2015 had also a negative impact on the ratio. 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 increased with R 777 thousand. Overtime paid for September 2015 was R 1.4 million and August 2015 was R 639 thousand. 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.

OVERTIME BY FUNCTION AS AT 30 SEPTEMBER 2015					
National Treasury Line Item	2015/2016 Original Budget	2015/2016 Year to Date	September 2015	September 2015 as % of Original Budget	Year to Date as % of Original Budget
Administration	269 360	28 238	14 352	5%	10%
Libraries	–	3 362	655	-100%	0%
Financial Services	283 077	81 948	36 356	13%	29%
Municipal Manager	–	13 279	13 279	-100%	-100%
Housing and Development	6 891	–	–	0%	-100%
Traffic Services	122 673	39 628	9 240	8%	32%
Fire Brigade Services	684 550	166 899	61 828	9%	24%
Security Services	1 085 853	141 441	70 333	6%	13%
Environmental Health Services	134 366	7 261	153	0%	5%
Sanitation Services	454 191	292 376	143 415	32%	64%
Refuse Removal Services	1 823 013	385 831	160 294	9%	21%
Vacuum Tank Services	39 043	12 147	5 095	13%	31%
Information Technology	52 663	25 747	9 762	19%	49%
Civil Engineering Services	15 448	–	–	0%	0%
Streets and Storm water drainage	243 100	196 376	125 478	52%	81%
Workshop	77 949	46 664	19 837	25%	60%
Sewerage Purification Plant	427 029	119 565	57 934	14%	28%
Sewerage Distribution Networks	348 076	205 617	145 862	42%	59%
Parks	504 520	31 026	11 453	2%	6%
Island Holiday Resort	485 494	108 774	58 051	12%	22%
Swimming Pools	127 881	1 932	126	0%	2%
Sport Grounds	133 847	26 614	10 829	8%	20%
Cemetries	262 765	14 795	6 176	2%	6%
Electricity Administration	28 254	6 941	3 627	13%	25%
Electricity Maintenance	348 351	48 464	18 697	5%	14%
Electricity Distribution	520 622	137 649	53 663	10%	26%
Water Production	448 386	242 655	82 073	18%	54%
Water Distribution	890 574	403 156	298 063	33%	45%
Client Services	–	1 074	70	-100%	-100%
Masinedane Library	10 920	–	–	-100%	-100%
TOTAL EMPLOYEE RELATED COST	9 828 896	2 789 458	1 416 700	14%	28%

Section 10 - Capital programme performance

10.1 Supporting Table C12

NC083 //Khara Hais - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M03 September

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	-	3 044	12 084	9 040	74.8%	8%
November	4 328	3 021	3 021	-	3 044	15 105	12 061	79.8%	8%
December	3 814	3 021	3 021	-	3 044	18 126	15 082	83.2%	8%
January	5 055	3 021	3 021	-	3 044	21 147	18 103	85.6%	8%
February	4 595	3 021	3 021	-	3 044	24 168	21 123	87.4%	8%
March	6 406	3 021	3 021	-	3 044	27 189	24 144	88.8%	8%
April	5 452	3 021	3 021	-	3 044	30 209	27 165	89.9%	8%
May	1 536	3 021	3 021	-	3 044	33 230	30 186	90.8%	8%
June	26 714	3 021	3 021	-	3 044	36 251	33 207	91.6%	8%
Total Capital expenditure	71 851	36 251	36 251	3 044					

The municipality spent 8% 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 - M03 September**

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	2 222	2 430	3 909	714	18.3%	15 635
Infrastructure - Road transport	16 494	1 725	1 725	14	15	431	416	96.6%	1 725
<i>Roads, Pavements & Bridges</i>	16 494	1 725	1 725	14	15	431	416	96.6%	1 725
Infrastructure - Electricity	10 599	11 758	11 758	-	-	2 940	2 940	100.0%	11 758
<i>Transmission & Reticulation</i>	10 599	11 758	11 758	-	-	2 940	2 940	100.0%	11 758
Infrastructure - Water	23 736	1 652	1 652	2 209	2 415	413	(2 002)	-484.8%	1 652
<i>Reticulation</i>	23 736	1 652	1 652	2 209	2 415	413	(2 002)	-484.8%	1 652
Infrastructure - Sanitation	12 013	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	12 013	-	-	-	-	-	-	-	-
Infrastructure - Other	1 062	500	500	-	-	125	125	100.0%	500
<i>Other</i>	1 062	500	500	-	-	125	125	100.0%	500
Community	6 508	16 318	16 318	1	20	4 080	4 060	99.5%	9 451
Parks & gardens	41	9 417	9 417	1	20	2 354	2 334	99.2%	9 417
Sportsfields & stadia	3 852	6 901	6 901	-	-	1 725	1 725	100.0%	6 901
Recreational facilities	2 615	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	1 207	2 691	2 691	9	565	673	108	16.0%	2 691
Specialised vehicles	500	-	-	-	-	-	-	-	-
Plant & equipment	168	-	-	9	12	-	(12)	100.0%	-
Computers - hardware/equipment	278	800	800	-	159	200	41	20.6%	800
Furniture and other office equipment	230	-	-	-	45	-	(45)	100.0%	-
Other Buildings	31	391	391	-	349	98	(251)	-257.0%	391
Other	-	1 500	1 500	-	-	375	375	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	2 232	3 014	8 661	5 647	65.2%	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 - M03 September

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	-	-	402	402	100.0%	1 608
Infrastructure - Road transport	(178)	-	-	-	-	-	-		-
<i>Roads, Pavements & Bridges</i>	(178)	-	-	-	-	-	-		-
Infrastructure - Electricity	-	1 608	1 608	-	-	402	402	100.0%	-
<i>Transmission & Reticulation</i>	-	1 608	1 608	-	-	402	402	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	402	372	92.6%	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 - M03
September

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	116	328	1 974	1 646	83.4%	7 895
Infrastructure - Road transport	497	1 032	1 032	16	64	258	194	100.0%	1 032
<i>Roads, Pavements & Bridges</i>	497	1 032	1 032	–	29	258	229	100.0%	1 032
<i>Storm water</i>	–	–	–	16	35	–	(35)	-6.1%	–
Infrastructure - Electricity	357	3 201	3 201	50	134	800	666	83.2%	3 201
<i>Transmission & Reticulation</i>	357	3 201	3 201	50	134	800	666	83.2%	3 201
Infrastructure - Water	644	1 980	1 980	47	115	495	380	76.8%	1 980
<i>Dams & Reservoirs</i>	–	–	–	–	4	–	(4)	100.0%	–
<i>Reticulation</i>	644	1 980	1 980	47	111	495	384	77.6%	1 980
Infrastructure - Sanitation	221	1 635	1 635	3	13	409	396	100.0%	1 635
<i>Reticulation</i>	221	176	176	3	13	44	31	-100.0%	176
<i>Sewerage purification</i>	–	1 460	1 460	–	–	365	365	100.0%	1 460
Infrastructure - Other	5	48	48	–	1	12	11	100.0%	48
<i>Waste Management</i>	–	38	38	–	–	9	9	100.0%	38
<i>Other</i>	5	10	10	–	1	3	1	-100.0%	10
Community	105	1 486	1 486	50	82	371	290	100.0%	1 486
Parks & gardens	6	284	284	21	33	71	38	-100.0%	284
Sportsfields & stadia	47	218	218	23	33	55	22	100.0%	218
Swimming pools	–	126	126	–	–	31	31	100.0%	126
Libraries	–	38	38	–	–	10	10	100.0%	38
Recreational facilities	50	471	471	4	13	118	105	-100.0%	471
Fire, safety & emergency	–	257	257	–	–	64	64	100.0%	257
Security and policing	–	40	40	–	–	10	10	100.0%	40
Clinics	–	25	25	–	–	6	6	100.0%	25
Cemeteries	1	26	26	2	2	7	4	100.0%	26
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	7 568	9 377	9 377	581	1 121	2 344	1 223	52.2%	9 377
General vehicles	5 491	5 820	5 820	359	833	1 455	622	42.8%	5 820
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	1 012	465	465	56	94	116	23	-100.0%	465
Computers - hardware/equipment	495	1 169	1 169	45	53	292	239	100.0%	1 169
Other Buildings	571	1 127	1 127	69	90	282	192	68.0%	1 127
Other	–	796	796	52	52	199	147	74.1%	796
Agricultural assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9 397	18 758	18 758	747	1 531	4 690	3 159	67.4%	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 - M03 September

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	-	-	-	28 311	63 652	78 179
Service charges - electricity revenue	3 338	24 438	20 340	-	-	-	48 116	262 271	278 007
Service charges - water revenue	3 690	2 840	3 632	-	-	-	10 161	52 164	55 863
Service charges - sanitation revenue	2 641	2 722	2 730	-	-	-	8 093	32 892	35 195
Service charges - refuse	2 408	2 468	2 504	-	-	-	7 380	31 731	34 589
Rental of facilities and equipment	621	720	742	-	-	-	2 083	10 369	11 283
Interest earned - external investments	18	22	30	-	-	-	70	636	674
Interest earned - outstanding debtors	218	247	234	-	-	-	699	2 544	2 697
Fines	36	24	27	-	-	-	87	457	484
Licences and permits	140	120	136	-	-	-	395	1 709	1 811
Agency services	474	148	308	-	-	-	930	3 657	3 876
Transfer receipts - operating	24 083	1 372	1 412	-	-	-	26 867	70 948	76 844
Other revenue	372	1 065	429	-	-	-	1 866	9 168	9 718
Cash Receipts by Source	57 787	39 338	37 935	-	-	-	135 059	542 196	589 222
Other Cash Flows by Source									
Transfer receipts - capital	-	-	227	-	-	-	227	20 326	22 151
Proceeds on disposal of PPE	1	104	-	-	-	-	104	1 211	2 011
Increase in consumer deposits	102	153	192	-	-	-	447	500	500
Receipt of non-current receivables	(2)	2	(1)	-	-	-	(0)	6	6
Change in non-current investments	(5)	5	-	-	-	-	-	-	-
Total Cash Receipts by Source	57 883	39 602	38 352	-	-	-	135 837	564 239	613 890
Cash Payments by Type									
Employee related costs	14 734	14 329	18 061	-	-	-	47 123	184 740	197 672
Remuneration of councillors	629	629	629	-	-	-	1 887	9 138	9 777
Interest paid	289	179	353	-	-	-	821	12 070	11 414
Bulk purchases - Electricity	-	19 697	18 006	-	-	-	37 703	190 740	214 010
Bulk purchases - Water & Sewer	-	(258)	163	-	-	-	(96)	5 525	5 912
Other materials	320	464	747	-	-	-	1 531	19 884	21 077
Contracted services	295	129	665	-	-	-	1 090	12 707	13 744
Grants and subsidies paid - other	908	1 224	1 242	-	-	-	3 375	23 107	24 493
General expenses	36 047	16 026	(5 097)	-	-	-	46 976	57 115	56 451
Cash Payments by Type	53 222	52 420	34 769	-	-	-	140 411	515 025	554 550
Other Cash Flows/Payments by Type									
Capital assets	15	787	2 232	-	-	-	3 034	22 566	24 280
Repayment of borrowing	411	1 378	1 805	-	-	-	3 594	10 837	7 394
Other Cash Flows/Payments	(3 638)	(4 270)	(488)	-	-	-	(8 395)	-	-
Total Cash Payments by Type	50 010	50 316	38 319	-	-	-	138 645	548 429	586 224
NET INCREASE/(DECREASE) IN CASH HELD	7 873	(10 714)	33	-	-	-	(2 808)	15 811	27 666
Cash/cash equivalents at the month/year beginning:	(4 897)	2 976	(7 738)	(7 705)	(7 705)	(7 705)	(4 897)	7 000	22 811
Cash/cash equivalents at the month/year end:	2 976	(7 738)	(7 705)	(7 705)	(7 705)	(7 705)	(7 705)	22 811	50 476

The table indicates the monthly cash flow position of the municipality. For July - September 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 September 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)

12 October 2015