Nama Khoi Municipality

18 August 2017

The Mayor

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING 31 July 2017 (MONTHLY BUDGET STATEMENT) – 2017/2018 FINANCIAL YEAR

1. PURPOSE

To comply with section 71 of the MFMA, by providing a monthly statement on the implementation of the budget and financial state of affairs of the municipality to the Council, as legislated.

2. STRATEGIC OBJECTIVE

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

For the reporting period ending 31 July 2017, ten working days reporting limit expires on 15 August 2017.

3. QUERIES AND SUGGESTIONS

***The financial services division will appreciate if all queries and suggestions can be address to the Chief Financial Officer in writing**

4. REPORT FOR THE PERIOD ENDING 31 July 2017

This report is based upon financial information, as at 31 July 2017 and available at the time of preparation.

The financial results for the period ended 31 July 2017 are summarised as follows:

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

The summary report indicates the following

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NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July						
Description	**Budget Year 2017/18**					
	Original Budget	**Monthly actual**	**YearTD actual**	**YearTD budget**	**YTD variance**	**YTD variance %**
Revenue By Source						
Property rates	44 116 516	44 795 061	44 795 061	3 676 376	41 118 685	1 218.46
Service charges - electricity revenue	78 578 715	6 922 746	6 922 746	6 548 226	374 520	105.72
Service charges - water revenue	28 194 353	2 271 316	2 271 316	2 349 529	-78 214	96.67
Service charges - sanitation revenue	10 692 036	1 229 715	1 229 715	891 003	338 712	138.01
Service charges - refuse revenue	12 723 929	1 532 293	1 532 293	1 060 327	471 966	144.51
Rental of facilities and equipment	1 657 184	165 428	165 428	138 099	27 329	119.79
Interest earned - external investments	1 361 235	72 160	72 160	113 436	-41 276	63.61
Interest earned - outstanding debtors	1 389 005	648 504	648 504	115 750	532 754	560.26
Fines	5 015 582	188	188	417 965	-417 777	0.05
Licences and permits	1 365 812	196 832	196 832	113 818	83 014	172.94
Agency services	1 097 937	-	-	91 495	-91 495	-
Transfers recognised - operational	44 440 507	2 145 000	2 145 000	3 703 376	-1 558 376	57.92
Other revenue	1 814 421	144 700	144 700	-	144 700	
Total Revenue (excluding capital transfers and contributions)	**232 447 233**	**60 123 943**	**60 123 943**	**19 219 401**	**40 904 542**	**312.83**
Expenditure By Type						
Employee related costs	82 830 101	6 443 667	6 443 667	6 902 508	-458 842	93.35
Remuneration of councillors	5 367 519	434 083	434 083	447 293	-13 210	97.05
Debt impairment	9 977 349	-	-	831 446	-831 446	-
Depreciation & asset impairment	43 517 405	-	-	3 626 450	-3 626 450	-
Finance charges	750 000	-	-	62 500	-62 500	-
Bulk purchases	98 724 239	9 355 190	9 355 190	8 227 020	1 128 170	113.71
Other materials	8 076 534	243 863	243 863	673 044	-429 181	36.23
Contracted services	21 901 246	1 096	1 096	1 825 104	-1 824 008	0.06
Other expenditure	19 601 249	3 482 839	3 482 839	-	3 482 839	
Total Expenditure	**290 745 641**	**19 960 738**	**19 960 738**	**22 595 366**	**-2 634 628**	**88.34**
Surplus/(Deficit)	**-58 298 408**	**40 163 205**	**40 163 205**	**-3 375 965**	**43 539 170**	**-1 189.68**

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source						
Property rates	44 116 516	44 795 061	44 795 061	3 676 376	41 118 685	1 218.46
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Agency services	1 097 937	-	-	91 495	-91 495	-
Transfers recognised - operational	44 440 507	2 145 000	2 145 000	3 703 376	-1 558 376	57.92
Other revenue	1 814 421	144 700	144 700	-	144 700	
Total Revenue (excluding capital transfers and contributions)	**232 447 233**	**60 123 943**	**60 123 943**	**19 219 401**	**40 904 542**	**312.83**

Explanation on YTD variance % - e.g. 101 means that the municipality billed 1% more than what was budget and 97 means the municipality billed 3 less than what was budgeted.

Property Rates- Property Rates are billed once a year, however it is budgeted to be received throughout the financial year**.**

Service Charges Sanitation and Refuse Removal – free basic services are deducted from services charges revenue, however it was captured as expenditure and the necessary corrections must be made on the financial system.

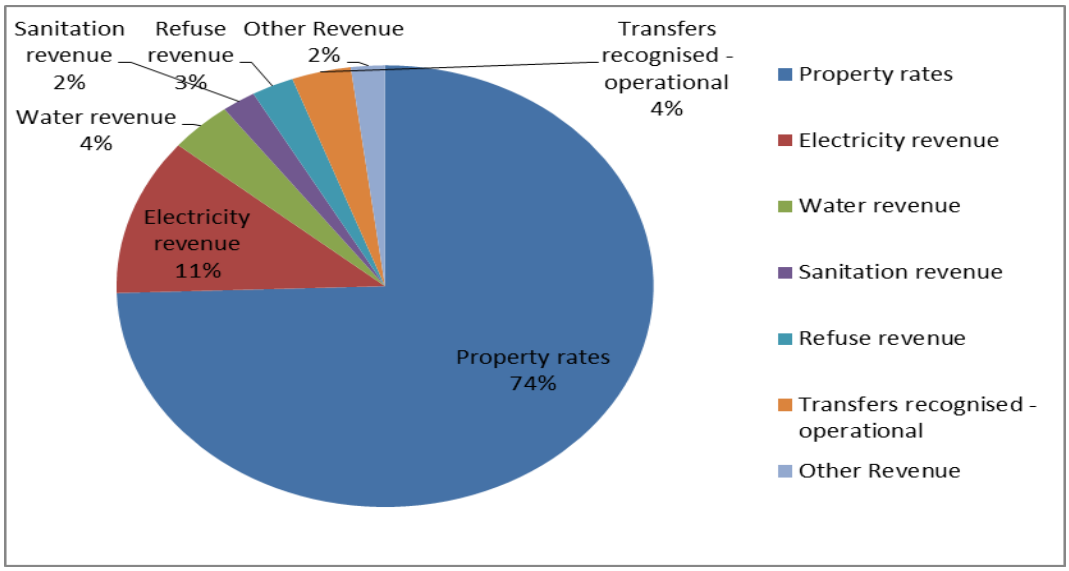
Rental of Facilities – Consist of a fix billing per month and also a variable billing depending on the use of the municipality's facilities resulting in variances throughout the financial year.

Interests, agency fees and licences & permits– are variable which makes budgeting difficult.

Operational Grants – please note that due to some issues with the financial system not all grants was process in the month of July and will only reflect in the next month.

CHART 1

The following chart shows the revenue by source for the month of July 2017 in terms of revenue as a percentage of total revenue.



Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	82 830 101	6 443 667	6 443 667	6 902 508	-458 842	93.35
Remuneration of councillors	5 367 519	434 083	434 083	447 293	-13 210	97.05
Debt impairment	9 977 349	-	-	831 446	-831 446	-
Depreciation & asset impairment	43 517 405	-	-	3 626 450	-3 626 450	-
Finance charges	750 000	-	-	62 500	-62 500	-
Bulk purchases	98 724 239	9 355 190	9 355 190	8 227 020	1 128 170	113.71
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Contracted services	21 901 246	1 096	1 096	1 825 104	-1 824 008	0.06
Other expenditure	19 601 249	3 482 839	3 482 839	-	3 482 839	
Total Expenditure	**290 745 641**	**19 960 738**	**19 960 738**	**22 595 366**	**-2 634 628**	**88.34**

Notes on variances above/under 10%

Depreciation and debt impairment – Please note Provincial Treasury together with the Service Provider TGIS are assisting the municipality with a GRAP compliant asset register and the correct calculations will be done once the assets has been verified, debt impairment will be done with the drafting of the AFS.

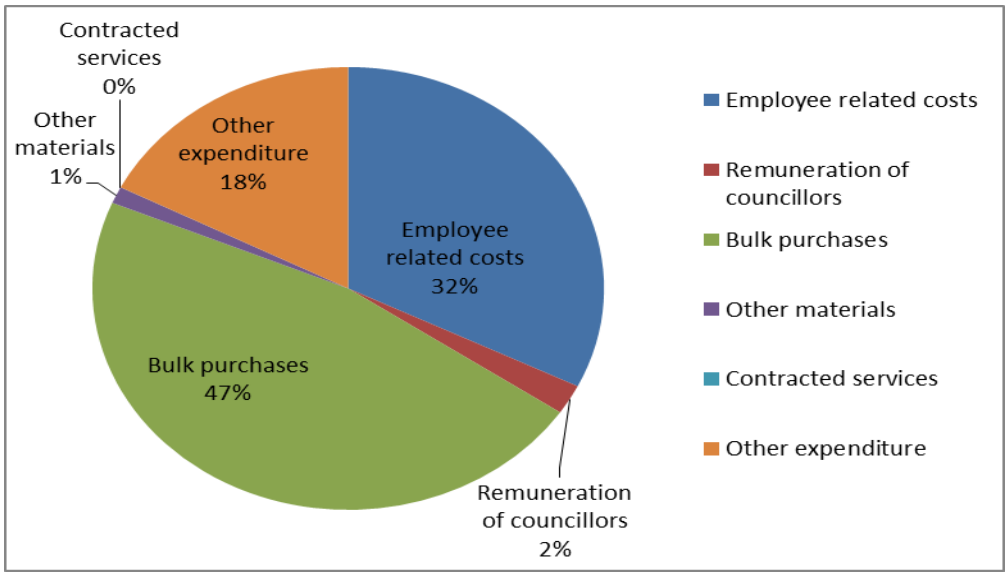
Finance Charges – The municipality has not taken up a new loan yet, therefore there was no interest to be paid.

Contracted services – The municipality made provision for with regards to security as the municipality endured high rate of theft in the first six month.

General Expenses – a mistake was made on the monthly budget schedules which resulted in the general expenses not split into the twelve months.

CHART 2

The following chart shows the expenditure by type in terms of expenditure at a percentage of total expenditure, Chart as per information above


Contracted services 0%
Other materials 1%
Other expenditure 18%
Employee related costs 32%
Bulk purchases 47%
Remuneration of councillors 2%
Employee related costs
Remuneration of councillors
Bulk purchases
Other materials
Contracted services
Other expenditure

The table below indicates revenue and expenditure by vote

Annexure B – Table

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July						
Vote Description	**Budget Year 2017/18**					
	Original Budget	**Monthly actual**	**YearTD actual**	**YearTD budget**	**YTD variance**	**YTD variance %**
Revenue by Vote						
Vote 1 - Municipal Manager	1 581 416	40 623	40 623	131 780	-91 157	31
Vote 2 - Financial Services	94 347 129	47 666 737	47 666 737	7 861 945	39 804 792	606
Vote 3 - Corporate Services	1 340 303	74 096	74 096	113 496	-39 400	65
Vote 4 - Community Services: Community Development	15 303 670	1 821 981	1 821 981	1 761 779	60 202	103
Vote 5 - Community Services: Public Safety	2 357 435	95 084	95 084	196 445	-101 361	48
Vote 6 - Electrical Engineering Services	83 629 611	6 922 746	6 922 746	7 043 444	-120 698	98
Vote 7 - Infrastructure, Engineering & Technical Services	58 661 670	3 502 677	3 502 677	5 580 134	-2 077 457	63
Total Revenue by Vote	**257 221 233**	**60 123 944**	**60 123 944**	**22 689 023**	**37 434 921**	**265**
Expenditure by Vote						
Vote 1 - Municipal Manager	19 721 097	1 405 922	1 405 922	1 637 238	-231 316	86
Vote 2 - Financial Services	41 748 450	2 361 762	2 361 762	3 482 815	-1 121 053	68
Vote 3 - Corporate Services	20 440 603	1 427 043	1 427 043	1 705 917	-278 874	84
Vote 4 - Community Services: Community Development	22 651 368	1 747 956	1 747 956	2 374 059	-626 103	74
Vote 5 - Community Services: Public Safety	8 537 125	593 539	593 539	711 399	-117 860	83
Vote 6 - Electrical Engineering Services	89 258 813	7 993 173	7 993 173	7 513 056	480 117	106
Vote 7 - Infrastructure, Engineering & Technical Services	88 388 185	4 431 338	4 431 338	8 057 243	-3 625 905	55
Total Expenditure by Vote	**290 745 641**	**19 960 733**	**19 960 733**	**25 481 727**	**-5 520 994**	**78**
Surplus/ (Deficit) for the year	**-33 524 408**	**40 163 211**	**40 163 211**	**-2 792 704**	**42 955 915**	

C3

Reasons for variances above/under 10%

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote						
Vote 1 - Municipal Manager	1 581 416	40 623	40 623	131 780	-91 157	31
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Vote 7 - Infrastructure, Engineering & Technical Services	58 661 670	3 502 677	3 502 677	5 580 134	-2 077 457	63
Total Revenue by Vote	**257 221 233**	**60 123 944**	**60 123 944**	**22 689 023**	**37 434 921**	**265**

Municipal Manager

Revenue from EPWP was budgeted to be receive in the month of July and it was not received.

Financial Services

Property Rates are billed once a year, however it is budgeted to be received throughout the financial year.

Corporate Services

Revenue from rental activities less than budgeted.

Community Services: Community Development

The department are within the accepted norm

Community Services: Public Safety

Income from agency fees less than budgeted.

Electrical Services

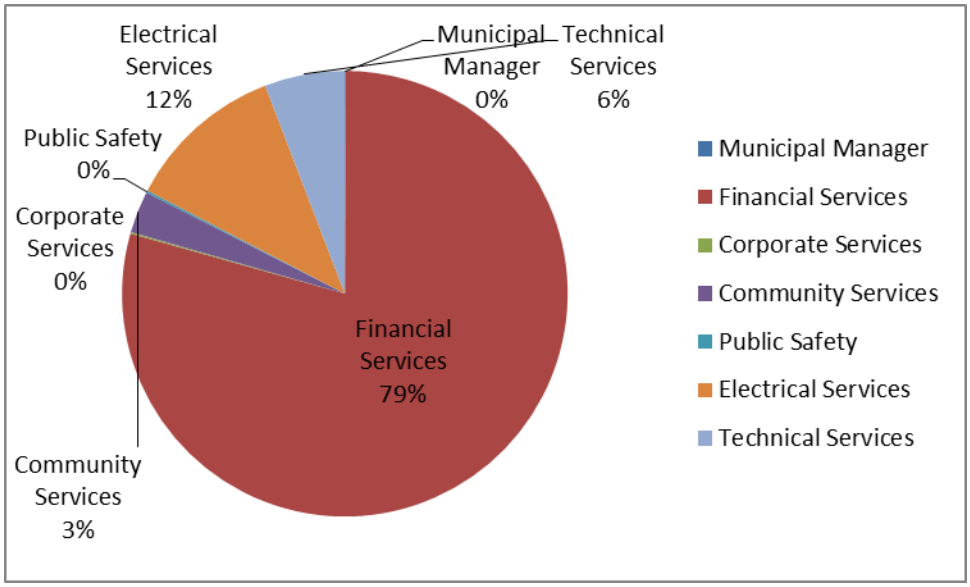
The department are within the accepted norm

Technical Services

Revenue recognised from capital expenditure less than budgeted, depreciation will only be done with the finalisation of the asset register and repair & maintenance is less than budgeted.

CHART 3

The following chart shows the revenue by vote for 31 July 2017



Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
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Total Expenditure by Vote	**290 745 641**	**19 960 733**	**19 960 733**	**25 481 727**	**-5 520 994**	**78**

Reasons for variances above/under 10%

Municipal Manager

EPWP funding has not been received and no expenditure has been incurred in the first month, the employee cost in the office of the municipal manager less than the budgeted amount.

Financial Services

Provision for bad debts will be done with the drafting of the AFS.

Corporate Services

The following expenditure contributed to the department underspending: Depreciation, telephone cost, printing & stationery, legal cost and training, as expenditure on these items were less than the budgeted amount.

Community Services

The following expenditure contributed to the department underspending: depreciation, library expenditure, provision for landfill sites and security service, as expenditure on these items was less than the budgeted amount.

Community Development: Public Safety

Security services - expenditure on these item was less than the budgeted amount.

Technical Services

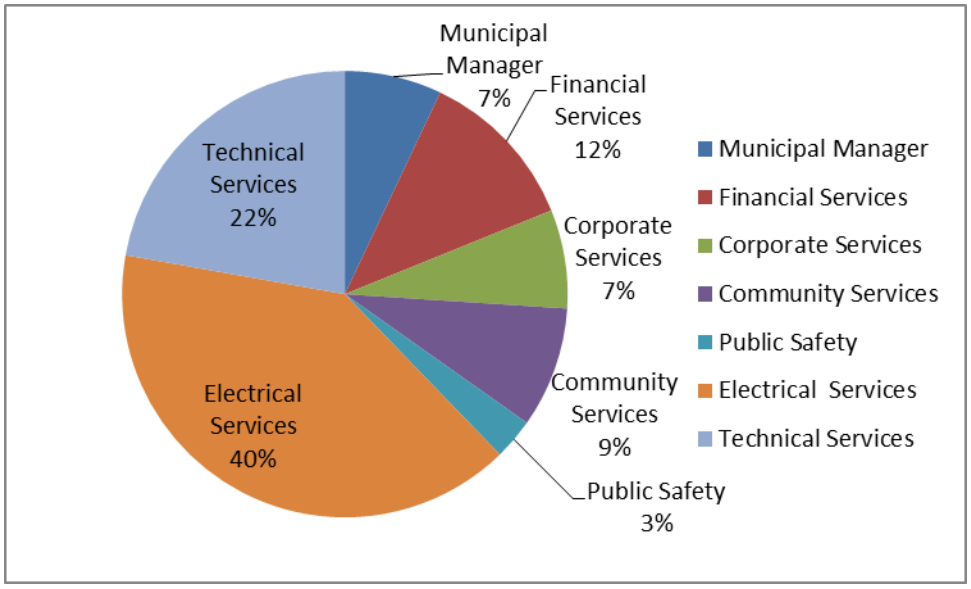
The municipality and the service provider had a problem on the financial system allocating expenditure to vehicles and expenditure relating to vehicles will only reflect in the next month, repairs and maintenance were less than budgeted and depreciation will only be done when the asset register is finalised.

Electricity Department

The department are within the accepted norm

CHART 4

The following chart shows the expenditure by vote for 31 July 2017



Capital expenditure report (Annexure B – Table C5)

The Capital expenditure report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

Capital Expenditure 31 July 2017						
Vote Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Capital Expenditure - Standard Classification						
Road transport	6 687 173				-	
Electricity	5 000 000				-	
Water	5 000 000				-	
Waste water management	8 086 827	856 468	856 468		856 468	
Total Capital Expenditure - Standard Classification	**24 774 000**	**856 468**	**856 468**	**-**	**856 468**	
Funded by:						
National Government	24 774 000	856 468	856 468		856 468	
Total Capital Funding	**24 774 000**	**856 468**	**856 468**	**-**	**856 468**	

Notes on the Capital Expenditure

Municipality capital budget had some issues relating to MSCOA in the month of July, several corrections was made by the service provider and this was submitted to National Treasury, the correct monthly budget predictions will reflect in the next month and the correct comparison can be drawn.

CASH FLOW STATEMENT AT 31 July 2017

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M01 July										
Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges			41 643		2 035	2 035	3 470	(1 435)	-41%	
Service charges			125 766		10 002	10 002	10 241	(238)	-2%	
Other revenue			7 579		2 238	2 238	762	1 476	194%	
Government - operating			44 441		18 981	18 981	3 703	15 278	413%	
Government - capital			24 774		11 933	11 933	2 064	9 869	478%	
Interest			1 361		675	675	223	452	203%	
Dividends			–		–	–	–	–		
Payments										
Suppliers and employees			(220 931)		(32 283)	(32 283)	(17 915)	14 368	-80%	
Finance charges			(750)		–	–	(63)	(63)	100%	
Transfers and Grants			–		–	–	–	–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**23 884**	**–**	**13 581**	**13 581**	**2 486**	**(11 094)**	**-446%**	**–**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE			–		–	–	–	–		
Decrease (Increase) in non-current debtors			–		–	–	–	–		
Decrease (increase) other non-current receivables			–		–	–	–	–		
Decrease (increase) in non-current investments			–		–	–	–	–		
Payments										
Capital assets			(24 774)		(976)	(976)	(2 064)	(1 088)	53%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(24 774)**	**–**	**(976)**	**(976)**	**(2 064)**	**(1 088)**	**53%**	**–**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			–		–	–	–	–		
Borrowing long term/refinancing			–		–	–	–	–		
Increase (decrease) in consumer deposits			319		–	–	–	–		
Payments										
Repayment of borrowing			(160)		–	–	(13)	(13)	100%	
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**158**	**–**	**–**	**–**	**(13)**	**(13)**	**100%**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**(731)**	**–**	**12 604**	**12 604**	**408**			**–**
Cash/cash equivalents at beginning:			4 731			3 346	4 731			3 346
Cash/cash equivalents at month/year end:		–	4 000	–		15 951	5 140			3 346

The cash flow statement shows that the municipality had a balance of R15.9 million in the primary bank account and the year –to-date budget shows the municipality budget for a balance of R5.1 million.

NAMA KHOI MUNICIPALITY
REPORT OUTSTANDING MONEY FOR JULY 2017

SERVICE POINTS	OUTSTANDING 30.06.2017	ADD BILLINGS	MINUS INCOME	OUTSTANDING 31.07.2017	Collection Rate for the month	Collection rate including all outstanding debt	INCREASING (DECREASING)	% INCREASE /(DECREASE)
RATES:								
Springbok	3 154 637.33	2 103 236.80	2 020 557.16	3 237 316.97	96.07	38.43	82 679.64	2.62%
Steinkopf	8 830 743.31	390 683.56	199 616.43	9 021 810.44	51.09	2.16	191 067.13	2.16%
Concordia	1 637 975.84	196 314.25	182 765.11	1 651 524.98	93.10	9.96	13 549.14	0.83%
Komaggas	5 646 194.14	126 528.86	20 832.74	5 751 890.26	16.46	0.36	105 696.12	1.87%
Okiep	1 680 397.08	246 894.59	187 929.49	1 739 362.18	76.12	9.75	58 965.10	3.51%
Nababeep	1 284 699.50	219 070.72	260 605.31	1 243 164.91	118.96	17.33	(41 534.59)	(3.23%)
TOTAL RATES	**22 234 647.20**	**3 282 728.78**	**2 872 306.24**	**22 645 069.74**	**87.50**	**11.26**	**410 422.54**	**1.85%**
SERVICES:								
Springbok	6 765 339.50	5 895 933.88	6 269 881.84	6 391 391.54	106.34	49.52	(373 947.96)	(5.53%)
Steinkopf	14 734 735.76	727 353.47	412 045.18	15 050 044.05	56.65	2.66	315 308.29	2.14%
Concordia	6 395 239.75	795 078.49	816 554.40	6 373 763.84	102.70	11.36	(21 475.91)	(0.34%)
Komaggas	18 622 586.94	461 778.22	104 496.39	18 979 868.77	22.63	0.55	357 281.83	1.92%
Okiep	7 843 069.35	1 052 980.36	603 313.00	8 292 736.71	57.30	6.78	449 667.36	5.73%
Nababeep	22 964 342.87	981 623.36	1 060 557.29	22 885 408.94	108.04	4.43	(78 933.93)	(0.34%)
TOTAL SERVICES	**77 325 314.17**	**9 914 747.78**	**9 266 848.10**	**77 973 213.85**	**93.47**	**10.62**	**647 899.68**	0.84%
LANDSALES								
Springbok	90 747.95	490.04	634.39	90 603.60	129.46	0.70	(144.35)	(0.16%)
Steinkopf	191 153.43	2 044.50	300.00	192 897.93	14.67	0.16	1 744.50	0.91%
Concordia	161 210.82	1 445.15	5 744.02	156 911.95	397.47	3.53	(4 298.87)	(2.67%)
Kommagas	146 034.65		487.06	145 547.59	#DIV/0!	0.33	(487.06)	(0.33%)
Okiep	153 410.07	1 309.58	529.20	154 190.45	40.41	0.34	780.38	0.51%
Nababeep	40 283.35		3 055.50	40 283.35	#DIV/0!	7.59	-	0.00%
TOTAL LANDSALES	**782 840.27**	**5 289.27**	**10 750.17**	**780 434.87**	**203.24**	**1.36**	**(2 405.40)**	**(0.31%)**
GRAZINGFEES			.					
Springbok	15 371.09	4 019.88	3 285.59	16 105.38	81.73	16.94	734.29	4.78%
Steinkopf	1 585 486.30	54 931.96	24 871.97	1 615 546.29	45.28	1.52	30 059.99	1.90%
Concordia	541 232.12	31 202.68	30 475.33	541 959.47	97.67	5.32	727.35	0.13%
Komaggas	917 665.12	18 470.96	3 168.03	932 968.05	17.15	0.34	15 302.93	1.67%
Okiep	39 424.47	4 705.46	3 269.87	40 860.06	69.49	7.41	1 435.59	3.64%
Nababeep	19 358.76	2 383.62	1 998.34	19 744.04	83.84	9.19	385.28	1.99%
TOTAL GRAZING FEES	**3 118 537.86**	**115 714.56**	**67 069.13**	**3 167 183.29**	**57.96**	**2.07**	**48 645.43**	**1.56%**
Other								
Springbok	1 171 395.67	76 621.43	66 761.55	1 181 255.55	87.13	5.35	9 859.88	**0.84%**
Steinkopf	373 849.89	13 774.81	18 707.22	368 917.48	135.81	4.83	(4 932.41)	**(1.32%)**
Concordia	163 218.19	40 659.63	57 308.26	146 569.56	140.95	28.11	(16 648.63)	**(10.20%)**
Komaggas	444 088.92	26 657.57	10 708.45	460 038.04	40.17	2.27	15 949.12	**3.59%**
Okiep	210 976.79	37 432.94	24 196.91	224 212.82	64.64	9.74	13 236.03	**6.27%**
Nababeep	581 486.64	10 516.76	4 487.40	587 516.00	42.67	0.76	6 029.36	**1.04%**
TOTAAL DIVERSE	**2 945 016.10**	**205 663.14**	**182 169.79**	**2 968 509.45**	88.58	5.78	**23 493.35**	**0.80%**
Grand Total	**106 406 355.60**	**13 524 143.53**	**12 399 143.43**	**107 534 411.20**	**91.68**	**10.34**	**1 128 055.60**	**1.06%**
TOTAL SERVICES POINTS								
Springbok	11 197 491.54	8 080 302.03	8 361 120.53	10 916 673.04	103.48	43.37	(280 818.50)	(2.51%)
Steinkopf	25 715 968.69	1 188 788.30	655 540.80	26 249 216.19	55.14	2.44	533 247.50	2.07%
Concordia	8 898 876.72	1 064 700.20	1 092 847.12	8 870 729.80	102.64	10.97	(28 146.92)	(0.32%)
Komaggas	25 776 569.77	633 435.61	139 692.67	26 270 312.71	22.05	0.53	493 742.94	1.92%
Okiep	9 927 277.76	1 343 322.93	819 238.47	10 451 362.22	60.99	7.27	524 084.46	5.28%
Nababeep	24 890 171.12	1 216 649.96	1 330 703.84	24 776 117.24	109.37	5.10	(114 053.88)	(0.46%)
Grand Total	**106 406 355.60**	**13 527 199.03**	**12 399 143.43**	**107 534 411.20**	**91.66**	**10.34**	**1 128 055.60**	**1.06%**

- **The report above states the collection rate of the municipality, there are two different collection rate illustrated:**

o Collection rate for the month – The calculation is based on the current month billings versus the current month's actual income received; which shows the municipality collected 92% for the month of July 2017.

o Collection rate including all outstanding monies– The calculation take into consideration month billing plus the outstanding debt versus current actual money received; this means that the municipality are only collecting 10% of outstanding moneys at 31 July 2017.

Collection rates for the month illustrated below:

Rates

From the information above the municipality collected 118.96 % in Nababeep which was the highest collection rate; however the lowest collection rate was at16.46% which was for Komaggas.

Services

From the information above the municipality collected 108.04% at Nababeep which was the highest collection rate; however the lowest collection rate was at 22.63% which was for Komaggas.

Landsales

From the information above the municipality collected 397.47% at Concordia which was the highest collection rate; however the lowest collection rate was at 40.41% which was for Okiep.

Grazing Fees

From the information above the municipality collected 97.67% at Concordia which was the highest collection rate; however the lowest collection rate was at 17.95% which was for Komaggas.

Diverse/other

From the information above the municipality collected 140.95% at Concordia which was the highest collection rate; however the lowest collection rate was at 40.17% which was for Komaggas.

Service points

From the information above the municipality collected 109.37% at Nababeep which was the highest collection rate; however the lowest collection rate was at 22.05% which was for Komaggas.

*Given the current situation of the municipality collection rate for service points needs to be above 100% each and every month.

Debtors Age Analysis - Annexure B -Table SC3

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

The following report shows the debtors outstanding at 31 July 2017

Debtors age analysis July 2017						
Description	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121+ Days**	**Total**
Debtors Age Analysis By Income Source						
Water	1 380 748	1 211 437	961 723	837 838	26 987 051	31 378 797
Electricity	5 208 345	1 495 611	936 338	640 751	23 695 566	31 976 611
Property Rates	9 120 539	1 174 114	700 613	605 835	21 026 870	32 627 971
Waste Water Management	923 042	419 380	263 216	230 367	6 879 462	8 715 467
Waste Management	1 336 450	673 801	469 411	410 261	15 155 115	18 045 038
Other	73 281	180 714	145 330	134 322	6 668 314	7 201 961
Total By Income Source	**18 042 405**	**5 155 057**	**3 476 631**	**2 859 374**	**100 412 378**	**129 945 845**
Debtors Age Analysis By Customer Group					-	
Organs of State	4 992 723	256 118	84 353	73 320	357 727	5 764 241
Commercial	6 015 320	1 812 462	1 266 524	897 650	28 544 243	38 536 199
Households	7 034 362	3 086 477	2 125 754	1 888 404	71 510 408	85 645 405
Total By Customer Group	**18 042 405**	**5 155 057**	**3 476 631**	**2 859 374**	**100 412 378**	**129 945 845**

The following report shows the debtors outstanding at 30 June 2017

Debtors Age Analysis 30 June 2017						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total -
Debtors Age Analysis By Income Source						
Water	1 461 927	1 494 811	945 371	834 555	26 470 240	31 206 904
Electricity	4 384 854	1 633 102	759 880	754 774	23 541 658	31 074 268
Property Rates	2 306 719	1 167 883	666 412	582 053	20 693 624	25 416 691
Waste Water Management	806 708	429 540	266 555	219 889	6 770 419	8 493 111
Waste Management	1 203 619	677 829	456 309	410 194	14 872 761	17 620 712
Other	100 311	200 138	144 381	132 918	6 568 335	7 146 083
Total By Income Source	**10 264 138**	**5 603 303**	**3 238 908**	**2 934 383**	**98 917 037**	**120 957 769**
Debtors Age Analysis By Customer Group					-	
Organs of State	607 726	446 701	206 701	209 887	955 201	2 426 216
Commercial	3 982 355	1 825 230	983 090	931 228	27 831 660	35 553 563
Households	5 674 057	3 331 372	2 049 117	1 793 268	70 130 176	82 977 990
Total By Customer Group	**10 264 138**	**5 603 303**	**3 238 908**	**2 934 383**	**98 917 037**	**120 957 769**

The total debtors outstanding as at 31 July 2017 were R129 945 845; the total debtors outstanding at 30 June 2017 were R120 957 769, this is an increase of R8 988 076(7.43%) for the period.

Debtors outstanding for a period more than 121+ days amounts to R100 412 378 compared to R98 917 037 in the previous month.

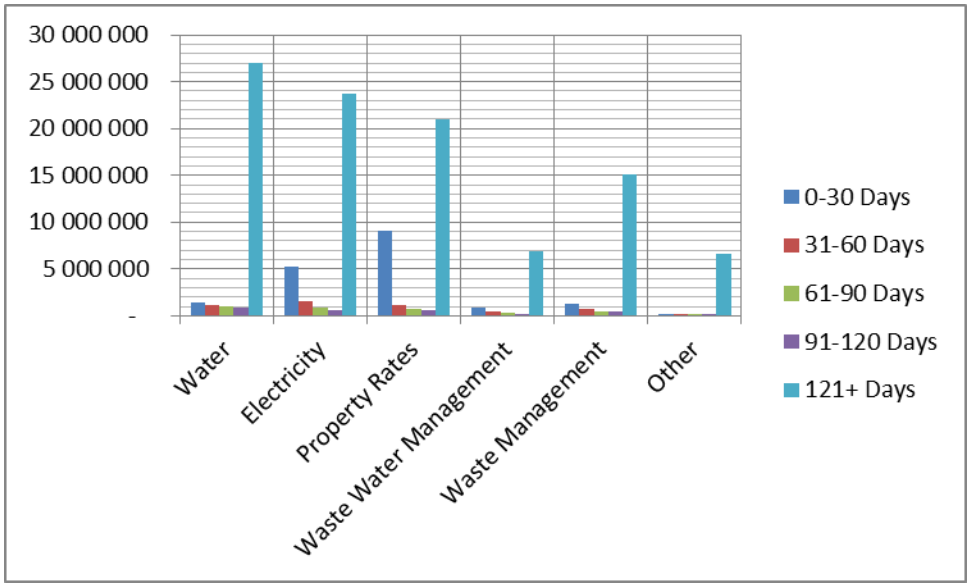
Businesses and state departments owes the municipality R44 300 440 compared to R37 979 779 the previous month.

It must be noted that the municipality have indigents in access of 5000 households.

Chart 8 – Debtors per revenue source

Debtors Age Analysis 30 June 2017						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total -
Debtors Age Analysis By Income Source						
Water	1 461 927	1 494 811	945 371	834 555	26 470 240	31 206 904
Electricity	4 384 854	1 633 102	759 880	754 774	23 541 658	31 074 268
Property Rates	2 306 719	1 167 883	666 412	582 053	20 693 624	25 416 691
Waste Water Management	806 708	429 540	266 555	219 889	6 770 419	8 493 111
Waste Management	1 203 619	677 829	456 309	410 194	14 872 761	17 620 712
Other	100 311	200 138	144 381	132 918	6 568 335	7 146 083
Total By Income Source	**10 264 138**	**5 603 303**	**3 238 908**	**2 934 383**	**98 917 037**	**120 957 769**

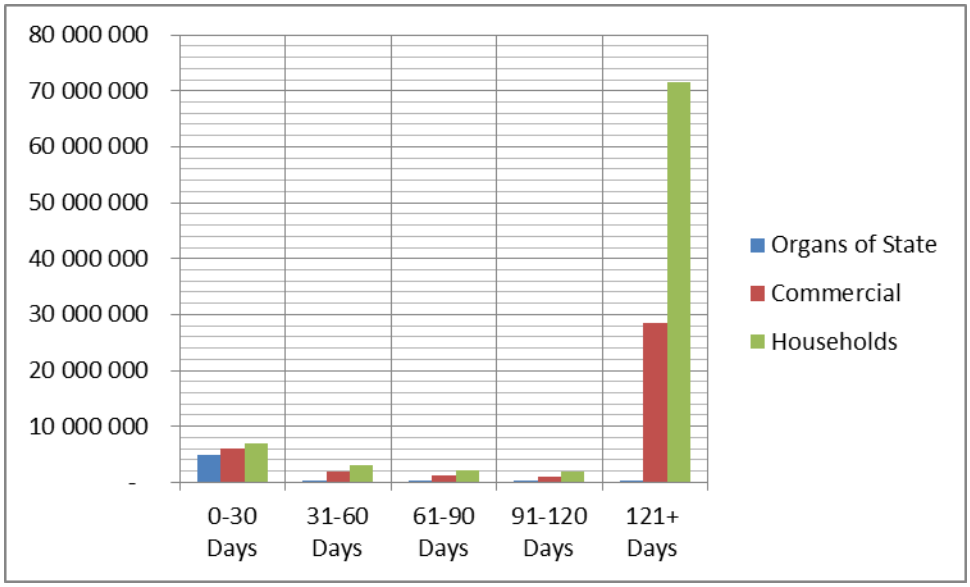
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	4 992 723	256 118	84 353	73 320	357 727	5 764 241
Commercial	6 015 320	1 812 462	1 266 524	897 650	28 544 243	38 536 199
Households	7 034 362	3 086 477	2 125 754	1 888 404	71 510 408	85 645 405
Total By Customer Group	**18 042 405**	**5 155 057**	**3 476 631**	**2 859 374**	**100 412 378**	**129 945 845**

CHART 9

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



CREDITORS Age Analysis - Annexure B -Table SC4

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

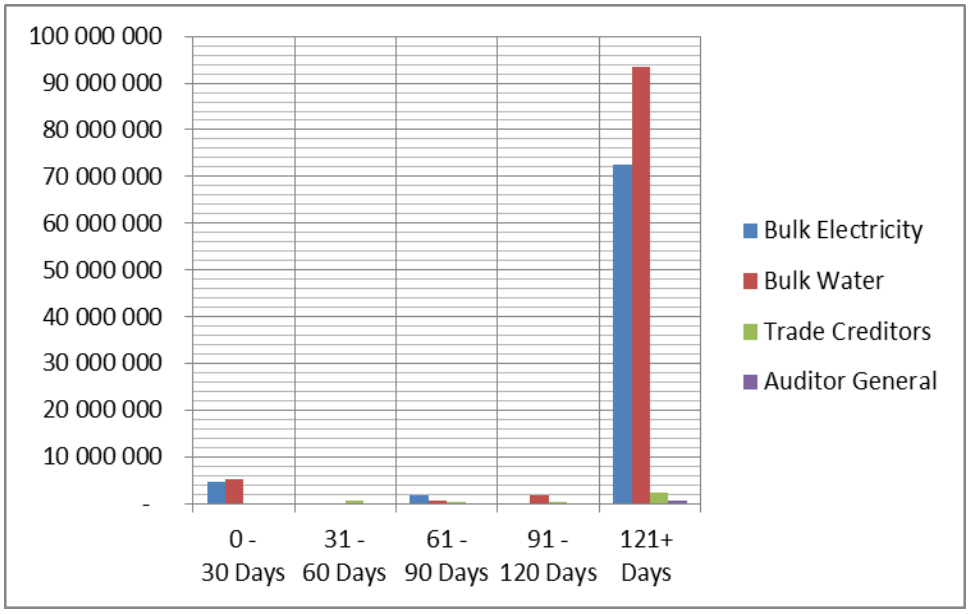
The following report shows the creditors outstanding at 31 July 2017

NC062 Nama Khoi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July						
Description	**Budget Year 2017/18**					
	0 - 30 Days	**31 - 60 Days**	**61 - 90 Days**	**91 - 120 Days**	**121+ Days**	**Total**
Creditors Age Analysis By Customer Type						
Bulk Electricity	4 742 419		1 775 530		72 435 825	78 953 774
Bulk Water	5 181 621		599 212	1 789 282	93 419 903	100 990 018
Trade Creditors		778 155	235 907	77 433	2 450 888	3 542 383
Auditor General	-				807 421	807 421
Total By Customer Type	**9 924 040**	**778 155**	**2 610 649**	**1 866 716**	**169 114 037**	**184 293 596**

Creditors Analysis

The outstanding creditors moved from R187 407 477 to R184 293 596, this is a decrease of R3 113 881.

Chart 10



Creditors Age Analysis

The comparison for creditors outstanding between July 2017 and June 2017 are as follows:

Bulk Electricity –July 2017, R78 954 million and June 2017 R77 499 million there is a R1.455 million increase for the period.

Bulk Water –July 2017, R100 990 million and June 2017 R103 187 million there is a decrease of R2.197 million for the period.

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July						
Summary of Employee and Councillor remuneration	**Budget Year 2017/18**					
	Original Budget	**Monthly actual**	**YearTD actual**	**YearTD budget**	**YTD variance**	**YTD variance %**
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	3 512 767	271 686	271 686	292 731	-21 045	93
Pension and UIF Contributions	151 500	29 652	29 652	12 625	17 027	235
Medical Aid Contributions	-	1 749	1 749	-	1 749	
Motor Vehicle Allowance	1 221 429	98 697	98 697	101 786	-3 089	97
Cellphone Allowance	481 824	32 300	32 300	40 152	-7 852	80
Sub Total - Councillors	**5 367 519**	**434 083**	**434 083**	**447 293**	**-13 210**	97
Senior Managers of the Municipality						
Basic Salaries and Wages	2 168 379	280 795	280 795	180 698	100 096	155
Pension and UIF Contributions	117 673	28 964	28 964	9 806	19 158	295
Medical Aid Contributions	44 694	14 504	14 504	3 725	10 780	389
Motor Vehicle Allowance	451 200	56 800	56 800	37 600	19 200	151
Cellphone Allowance	30 000	5 300	5 300	2 500	2 800	212
Housing Allowances	-	3 186	3 186	-	3 186	
Other benefits and allowances	312 888	34 704	34 704	26 074	8 630	133
Sub Total - Senior Managers of Municipality	**3 124 834**	**424 254**	**424 254**	**260 403**	**163 851**	163
Other Municipal Staff						
Basic Salaries and Wages	52 382 132	3 974 442	3 974 442	4 365 178	-390 735	91
Pension and UIF Contributions	8 315 225	657 733	657 733	692 935	-35 203	95
Medical Aid Contributions	2 551 136	162 337	162 337	212 595	-50 257	76
Overtime	6 500 037	330 058	330 058	541 670	-211 612	61
Performance Bonus	4 461 658	-	-	371 805	-371 805	-
Motor Vehicle Allowance	3 052 416	202 000	202 000	254 368	-52 368	79
Cellphone Allowance	131 916	8 193	8 193	10 993	-2 800	75
Housing Allowances	1 007 940	83 644	83 644	83 995	-351	100
Other benefits and allowances	803 061	664 219	664 219	66 922	597 298	993
Long service awards	499 746	62 057	62 057	41 645	20 412	149
Sub Total - Other Municipal Staff	**79 705 267**	**6 144 683**	**6 144 683**	**6 642 106**	**-497 422**	93
Total Parent Municipality	**88 197 620**	**7 003 020**	**7 003 020**	**7 349 802**	**-346 781**	95
Total Employee Cost	**82 830 101**	**6 568 937**	**6 568 937**	**6 902 508**		
Total Expenditure	**290 745 641**	**19 960 738**	**19 960 738**	**22 595 366**		
% Employee cost to Total Expenditure	**28**	**33**	**33**	**31**		

MFMA 66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely:
(a) salaries and wages;
(b) contributions for pensions and medical aid;
(c) travel, motor car, accommodation, subsistence and other allowances;
(d) housing benefits and allowances;
(e) overtime payments;
(f) loans and advances; and
(g) any other type of benefit or allowance related to staff.

Employee related cost to total expenditure % of an organisation should be at 25-40% of total expenditure, the ratio for the month of July 33%.

5. Financial Implications /Recommendations

Revenue by source:

The municipality should strive to budget for realistic anticipated revenue as per MFMA section 18.

Expenditure by type:

Circular 82 should be enforced. Expenditure should be as per the monthly planned schedules. Monthly monitoring of expenditure within departments must be done by HOD's.

Capital Expenditure:

Capital expenditure should be aligned to the approved DORA payment schedule.

Cash Flow Statement:

Expenditure should be link to the cash flow budget, once cash is less than budget corrections must be done to avoid the municipality running into cash flow problems. Municipality should strive to use cash receive wisely and for the intended purpose as planned. Municipality should strive to spend less cash than it has received to avoid going into a negative cash balance.

Debtors Analysis

Debt collection can only be successful once the debtors ability to pay can be understand, the municipal management create different measures of collecting moneys in different areas of the municipality. Indigents and other low income household's ability to pay for rates and taxes are declining as job opportunities in the municipality are limited. Collection rate for the month are at only 80% which is very low and it adds further strain to the municipality's already strained cash flow.

Creditors Analysis

The ability to pay creditors lies with the ability to managing the above mentioned, if management can bill revenue as budgeted, converting revenue into actual cash and sticking to monthly projected expenditures; creditors will not be outstanding. Management should take note that Creditors are approaching the R200 million outstanding mark with outstanding amount of the Water Board approaching R100 million.

General Note

The municipality should strive to have month end procedures to ensure accurate reporting to the relevant parties.

6. Interdepartmental and cluster impact

This report is prepared to achieve MFMA compliance.

7. Comments of the Head: Legal Services

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

8. Conclusion

This report was compiled in accordance compliance of section 71 of the MFMA, by providing a statement to the Council containing certain financial particulars

PREPARED BY:

Heinri Cloete

Section Head: Financial Services

Budget & Treasury **DATE: 14 July 2017**

NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE

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

- the monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 31 July 2017 has been prepared in accordance with the Municipal Finance Management Act 71 and regulations made under that Act.

Print name:……..

Municipal Manager of Nama Khoi Municipality

Signature:…….

Date:……..

Annexure A

Reports and reportable matters

Monthly reports statements – Section 71 MFMA

(1) The accounting officer of a municipality must no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

(a) Actual revenue, per revenue source

(b) Actual borrowings

(c) Actual expenditure per vote

(d) Actual capital expenditure per vote

(e) The amount of any allocations received

(f) Actual expenditure on those allocations, excluding expenditure on –

(i) Its share of the local government equitable share, and

(ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) When necessary, an explanation of –

(i) Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;

(ii) Any material variances from the service delivery and budget implementation plan; and

(iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget

(2) The statement must include –

(a) A projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and

(b) The prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10)

(3) The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget

(4) The statement to the provincial treasury must be in the format of a signed document and in the electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets per municipality and municipal entity

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budget per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after end of each quarter.

NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT

General information and contact information

Main tables	**Consolidated Monthly Statements**
Table C1-SUM	Summary
Table C2-FinPer SC	Financial Performance (standard classification)
Table C2C	Financial Performance (standard classification)
Table C3-Fin Per V	Financial Performance (revenue and expenditure by municipal vote)
Table C3C	Financial Performance (revenue and expenditure by municipal vote)
Table C4-FinPerRE	Financial Performance (revenue and expenditure)
Table C5-CAPEX	Capital Expenditure (municipal vote, standard classification)
Table C5C	Capital Expenditure (municipal vote, standard classification)
Table C6-FinPos	Financial Position
Table C7-Cflow	Cash Flow
Supporting Tables	
Table SC1	Material variance explanations
Table SC2	Monthly Budget Statement – Performance Indicators
Table SC3	Monthly Budget Statement – Aged debtors
Table SC4	Monthly Budget Statement – Aged creditors
Table S5	Monthly Budget Statement – Investment portfolio
Table SC6	Monthly Budget Statement – Transfer and grant receipts
Table SC7	Monthly Budget Statement – Transfer and grant expenditure
Table SC8	Monthly Budget Statement – Councillor and staff benefits
Table SC9	Monthly Budget Statement – Actual and revised targets for cash receipts
Table SC10	Monthly Budget Statement – Parent Municipality Financial Performance
Table SC11	Monthly Budget Statement – Summary of municipal entities
Table SC 12	Consolidated Monthly Budget Statement – Capital expenditure trend

Table SC13 a	Consolidated Monthly Budget Statement – Capital expenditure on new assets by asset class
Table SC b	Consolidated Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
Table SC c	Consolidated Monthly Budget Statement – Expenditure on repairs and maintenance by asset class
Table SC d	Consolidated Monthly Budget Statement – depreciation by asset class
Table SC71	Charts
Attached	Additional Information