



**Nama Khoi Municipality**

**14 September 2017**

**The Mayor**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING  
31 August 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 August 2017, ten working days reporting limit expires on 14 September 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 August 2017**

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

The financial results for the period ended 31 August 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) - M02 August |                     |                   |                   |                   |                   |                |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| Description  | Budget Year 2017/18 |                   |                   |                   |                   |                |
|  | Original Budget     | Monthly actual    | YearTD actual     | YearTD budget     | YTD variance      | YTD variance % |
| <b>Revenue By Source</b>   |                     |                   |                   |                   |                   |                |
| Property rates   | 44 116 516          | -67 307           | 44 727 754        | 7 352 753         | 37 375 001        | 608            |
| Service charges - electricity revenue  | 78 578 715          | 6 856 063         | 13 778 810        | 13 096 453        | 682 357           | 105            |
| Service charges - water revenue  | 28 194 353          | 2 687 842         | 4 959 158         | 4 699 059         | 260 099           | 106            |
| Service charges - sanitation revenue   | 10 692 036          | 1 249 533         | 2 479 247         | 1 782 006         | 697 241           | 139            |
| Service charges - refuse revenue   | 12 723 929          | 1 551 328         | 3 083 621         | 2 120 655         | 962 966           | 145            |
| Rental of facilities and equipment   | 1 657 184           | 90 988            | 256 416           | 276 197           | -19 781           | 93             |
| Interest earned - external investments   | 1 361 235           | 152 502           | 224 662           | 226 872           | -2 210            | 99             |
| Interest earned - outstanding debtors  | 1 389 005           | 655 742           | 1 304 246         | 231 501           | 1 072 745         | 563            |
| Fines  | 5 015 582           | 969               | 1 157             | 835 930           | -834 773          | 0              |
| Licences and permits   | 1 365 812           | 115 967           | 312 800           | 227 635           | 85 165            | 137            |
| Agency services  | 1 097 937           | 115 834           | 115 834           | 182 990           | -67 156           | 63             |
| Transfers recognised - operational   | 44 440 507          | 17 086 000        | 19 231 000        | 7 406 751         | 11 824 249        | 260            |
| Other revenue  | 1 814 421           | 143 958           | 288 658           | -                 | 288 658           |                |
| <b>Total Revenue (excluding capital transfers and contributions)</b>   | <b>232 447 233</b>  | <b>30 639 419</b> | <b>90 763 363</b> | <b>38 438 802</b> | <b>52 324 561</b> | 236            |
| <b>Expenditure By Type</b>   |                     |                   |                   |                   |                   |                |
| Employee related costs   | 82 830 101          | 6 544 999         | 12 988 654        | 13 805 017        | -816 363          | 94             |
| Remuneration of councillors  | 5 367 519           | 428 083           | 862 166           | 894 587           | -32 421           | 96             |
| Debt impairment  | 9 977 349           | -                 | -                 | 1 662 892         | -1 662 892        | -              |
| Depreciation & asset impairment  | 43 517 405          | -                 | -                 | 7 252 901         | -7 252 901        | -              |
| Finance charges  | 750 000             | -                 | -                 | 125 000           | -125 000          | -              |
| Bulk purchases   | 98 724 239          | 9 615 596         | 18 970 785        | 16 454 040        | 2 516 745         | 115            |
| Other materials  | 8 076 534           | 516 014           | 759 875           | 1 346 089         | -586 214          | 56             |
| Contracted services  | 21 901 246          | 35 393            | 36 489            | 3 650 208         | -3 613 719        | 1              |
| Other expenditure  | 19 601 249          | 3 645 335         | 7 163 925         | -                 | 7 163 925         |                |
| <b>Total Expenditure</b>   | <b>290 745 641</b>  | <b>20 785 420</b> | <b>40 781 894</b> | <b>45 190 732</b> | <b>-4 408 838</b> | 90             |
| <b>Surplus/(Deficit)</b>   | <b>-58 298 408</b>  | <b>9 854 000</b>  | <b>49 981 469</b> | <b>-6 751 930</b> | <b>56 733 399</b> |                |

|  | Original Budget    | Monthly actual    | YearTD actual     | YearTD budget     | YTD variance      | YTD variance % |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| <b>Revenue By Source</b>   |                    |                   |                   |                   |                   |                |
| Property rates   | 44 116 516         | -67 307           | 44 727 754        | 7 352 753         | 37 375 001        | 608            |
| Service charges - electricity revenue                                | 78 578 715         | 6 856 063         | 13 778 810        | 13 096 453        | 682 357           | 105            |
| Service charges - water revenue                                      | 28 194 353         | 2 687 842         | 4 959 158         | 4 699 059         | 260 099           | 106            |
| Service charges - sanitation revenue                                 | 10 692 036         | 1 249 533         | 2 479 247         | 1 782 006         | 697 241           | 139            |
| Service charges - refuse revenue                                     | 12 723 929         | 1 551 328         | 3 083 621         | 2 120 655         | 962 966           | 145            |
| Rental of facilities and equipment                                   | 1 657 184          | 90 988            | 256 416           | 276 197           | -19 781           | 93             |
| Interest earned - external investments                               | 1 361 235          | 152 502           | 224 662           | 226 872           | -2 210            | 99             |
| Interest earned - outstanding debtors                                | 1 389 005          | 655 742           | 1 304 246         | 231 501           | 1 072 745         | 563            |
| Fines  | 5 015 582          | 969               | 1 157             | 835 930           | -834 773          | 0              |
| Licences and permits   | 1 365 812          | 115 967           | 312 800           | 227 635           | 85 165            | 137            |
| Agency services  | 1 097 937          | 115 834           | 115 834           | 182 990           | -67 156           | 63             |
| Transfers recognised - operational                                   | 44 440 507         | 17 086 000        | 19 231 000        | 7 406 751         | 11 824 249        | 260            |
| Other revenue  | 1 814 421          | 143 958           | 288 658           | -                 | 288 658           |                |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>232 447 233</b> | <b>30 639 419</b> | <b>90 763 363</b> | <b>38 438 802</b> | <b>52 324 561</b> | <b>236</b>     |

**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.

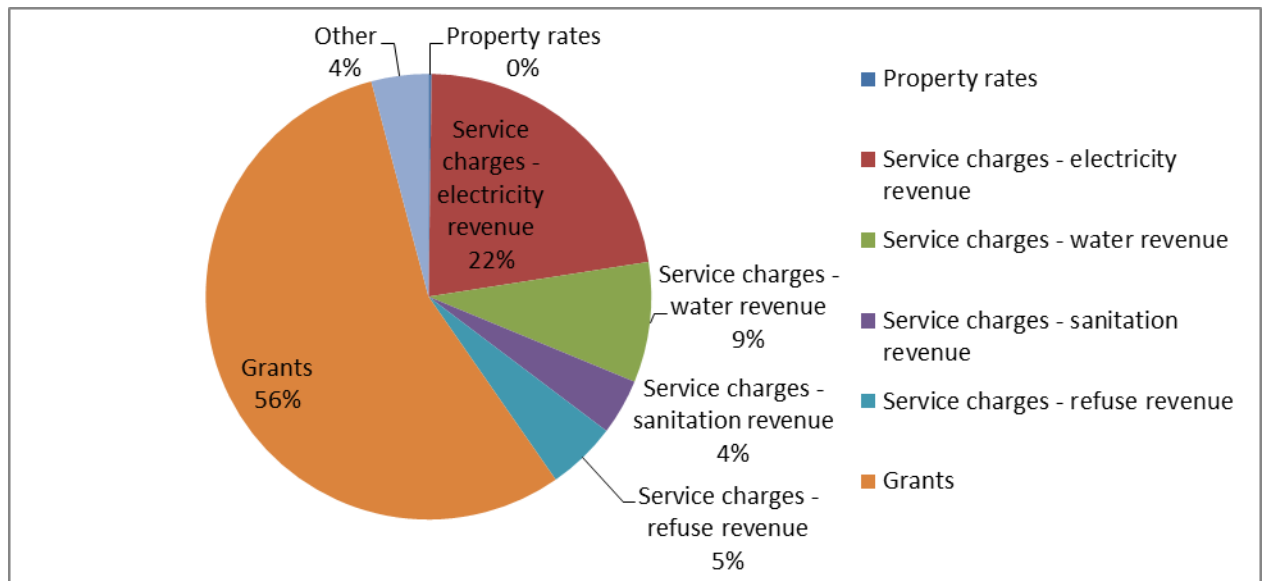
**Rental of Facilities –** Consist of a fix billing per month and also a variable billing depending on the use of the municipality’s facilities resulting in variances throughout the financial year.

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

**Operational Grants –** municipality budgeted for all grants to be received into equal amounts.

#### 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         | 6 544 999         | 12 988 654        | 13 805 017        | -816 363          | 94             |
| Remuneration of councillors     | 5 367 519          | 428 083           | 862 166           | 894 587           | -32 421           | 96             |
| Debt impairment                 | 9 977 349          | -                 | -                 | 1 662 892         | -1 662 892        | -              |
| Depreciation & asset impairment | 43 517 405         | -                 | -                 | 7 252 901         | -7 252 901        | -              |
| Finance charges                 | 750 000            | -                 | -                 | 125 000           | -125 000          | -              |
| Bulk purchases                  | 98 724 239         | 9 615 596         | 18 970 785        | 16 454 040        | 2 516 745         | 115            |
| Other materials                 | 8 076 534          | 516 014           | 759 875           | 1 346 089         | -586 214          | 56             |
| Contracted services             | 21 901 246         | 35 393            | 36 489            | 3 650 208         | -3 613 719        | 1              |
| Other expenditure               | 19 601 249         | 3 645 335         | 7 163 925         | -                 | 7 163 925         |                |
| <b>Total Expenditure</b>        | <b>290 745 641</b> | <b>20 785 420</b> | <b>40 781 894</b> | <b>45 190 732</b> | <b>-4 408 838</b> | <b>90</b>      |

**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.

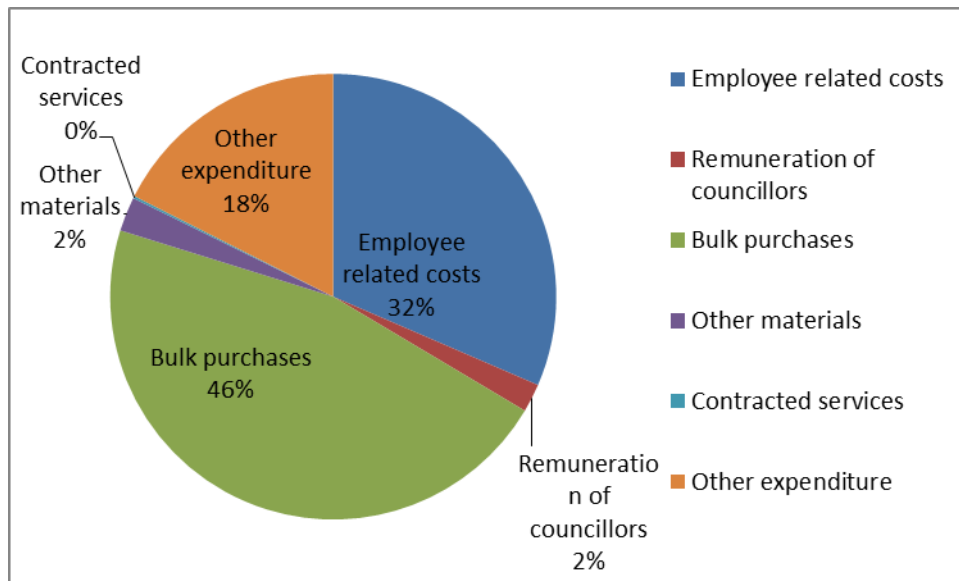
**Finance Charges** – The municipality has not taken up a new loan yet, therefore there was no interest to be paid.

**Contracted services** – The municipality made provision for with regards to security as the municipality endured high rate of theft in the previous financial year.

**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



The table below indicates revenue and expenditure by vote

Annexure B – Table C3

| NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August |                     |                   |                   |                   |                    |                |
|--|---------------------|-------------------|-------------------|-------------------|--------------------|----------------|
| Vote Description   | Budget Year 2017/18 |                   |                   |                   |                    |                |
|  | Original Budget     | Monthly actual    | YearTD actual     | YearTD budget     | YTD variance       | YTD variance % |
| <b>Revenue by Vote</b>   |                     |                   |                   |                   |                    |                |
| Vote 1 - Municipal Manager   | 1 581 416           | 279 105           | 319 728           | 263 560           | 56 168             | 121            |
| Vote 2 - Financial Services  | 94 347 129          | 17 585 428        | 65 252 165        | 15 723 890        | 49 528 275         | 415            |
| Vote 3 - Corporate Services  | 1 340 303           | 84 210            | 158 306           | 226 992           | -68 686            | 70             |
| Vote 4 - Community Services: Community Development   | 15 303 670          | 1 660 267         | 3 482 249         | 3 523 558         | -41 309            | 99             |
| Vote 5 - Community Services: Public Safety   | 2 357 435           | 235 866           | 330 949           | 392 890           | -61 941            | 84             |
| Vote 6 - Electrical Engineering Services   | 83 629 611          | 6 856 063         | 13 778 810        | 14 086 888        | -308 078           | 98             |
| Vote 7 - Infrastructure, Engineering & Technical Services  | 58 661 670          | 3 938 481         | 7 441 156         | 11 160 268        | -3 719 112         | 67             |
| <b>Total Revenue by Vote</b>   | <b>257 221 233</b>  | <b>30 639 420</b> | <b>90 763 363</b> | <b>45 378 046</b> | <b>45 385 317</b>  | <b>200</b>     |
|  |                     |                   |                   |                   |                    |                |
| <b>Expenditure by Vote</b>   |                     |                   |                   |                   |                    |                |
| Vote 1 - Municipal Manager   | 19 721 097          | 1 550 951         | 2 956 873         | 3 274 476         | -317 603           | 90             |
| Vote 2 - Financial Services  | 41 748 450          | 1 784 578         | 4 146 340         | 6 965 630         | -2 819 290         | 60             |
| Vote 3 - Corporate Services  | 20 440 603          | 1 576 713         | 3 034 046         | 3 411 834         | -377 788           | 89             |
| Vote 4 - Community Services: Community Development   | 22 651 368          | 1 889 894         | 3 638 022         | 4 748 118         | -1 110 096         | 77             |
| Vote 5 - Community Services: Public Safety   | 8 537 125           | 610 469           | 1 209 294         | 1 422 798         | -213 504           | 85             |
| Vote 6 - Electrical Engineering Services   | 89 258 813          | 8 070 605         | 16 063 779        | 15 026 112        | 1 037 667          | 107            |
| Vote 7 - Infrastructure, Engineering & Technical Services  | 88 388 185          | 5 302 202         | 9 733 541         | 16 114 486        | -6 380 945         | 60             |
| <b>Total Expenditure by Vote</b>   | <b>290 745 641</b>  | <b>20 785 412</b> | <b>40 781 895</b> | <b>50 963 454</b> | <b>-10 181 559</b> | <b>80</b>      |
| <b>Surplus/ (Deficit) for the year</b>   | <b>-33 524 408</b>  | <b>9 854 008</b>  | <b>49 981 468</b> | <b>-5 585 408</b> | <b>55 566 876</b>  |                |

## Reasons for variances above/under 10%

|   | Original Budget    | Monthly actual    | YearTD actual     | YearTD budget     | YTD variance      | YTD variance % |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| <b>Revenue by Vote</b>                                    |                    |                   |                   |                   |                   |                |
| Vote 1 - Municipal Manager                                | 1 581 416          | 279 105           | 319 728           | 263 560           | 56 168            | 121            |
| Vote 2 - Financial Services                               | 94 347 129         | 17 585 428        | 65 252 165        | 15 723 890        | 49 528 275        | 415            |
| Vote 3 - Corporate Services                               | 1 340 303          | 84 210            | 158 306           | 226 992           | -68 686           | 70             |
| Vote 4 - Community Services: Community Development        | 15 303 670         | 1 660 267         | 3 482 249         | 3 523 558         | -41 309           | 99             |
| Vote 5 - Community Services: Public Safety                | 2 357 435          | 235 866           | 330 949           | 392 890           | -61 941           | 84             |
| Vote 6 - Electrical Engineering Services                  | 83 629 611         | 6 856 063         | 13 778 810        | 14 086 888        | -308 078          | 98             |
| Vote 7 - Infrastructure, Engineering & Technical Services | 58 661 670         | 3 938 481         | 7 441 156         | 11 160 268        | -3 719 112        | 67             |
| <b>Total Revenue by Vote</b>                              | <b>257 221 233</b> | <b>30 639 420</b> | <b>90 763 363</b> | <b>45 378 046</b> | <b>45 385 317</b> | <b>200</b>     |

### Municipal Manager

EPWP grant funding was received in the month of August and was allocated as revenue, this should be reversed and moved to the balance sheet and should be moved to the income statement once expenditure is incurred.

### 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, licences and permit less than budgeted.

### Electrical Services

The department are within the accepted norm

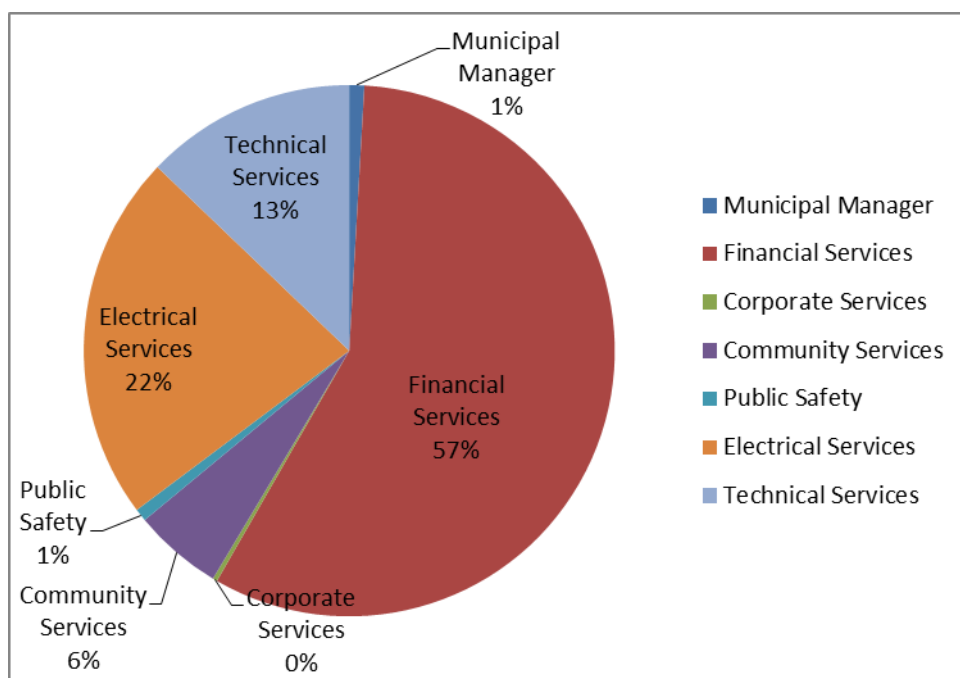
### Technical Services

Revenue recognised from capital expenditure less than budgeted.



**CHART 3**

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



| Expenditure by Vote                                       | Original Budget    | Monthly actual    | YearTD actual     | YearTD budget     | YTD variance       | YTD variance % |
|---|--------------------|-------------------|-------------------|-------------------|--------------------|----------------|
| Vote 1 - Municipal Manager                                | 19 721 097         | 1 550 951         | 2 956 873         | 3 274 476         | -317 603           | 90             |
| Vote 2 - Financial Services                               | 41 748 450         | 1 784 578         | 4 146 340         | 6 965 630         | -2 819 290         | 60             |
| Vote 3 - Corporate Services                               | 20 440 603         | 1 576 713         | 3 034 046         | 3 411 834         | -377 788           | 89             |
| Vote 4 - Community Services: Community Development        | 22 651 368         | 1 889 894         | 3 638 022         | 4 748 118         | -1 110 096         | 77             |
| Vote 5 - Community Services: Public Safety                | 8 537 125          | 610 469           | 1 209 294         | 1 422 798         | -213 504           | 85             |
| Vote 6 - Electrical Engineering Services                  | 89 258 813         | 8 070 605         | 16 063 779        | 15 026 112        | 1 037 667          | 107            |
| Vote 7 - Infrastructure, Engineering & Technical Services | 88 388 185         | 5 302 202         | 9 733 541         | 16 114 486        | -6 380 945         | 60             |
| <b>Total Expenditure by Vote</b>                          | <b>290 745 641</b> | <b>20 785 412</b> | <b>40 781 895</b> | <b>50 963 454</b> | <b>-10 181 559</b> | <b>80</b>      |

**Reasons for variances above/under 10%**

**Municipal Manager**

The department are within the accepted norm

**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**

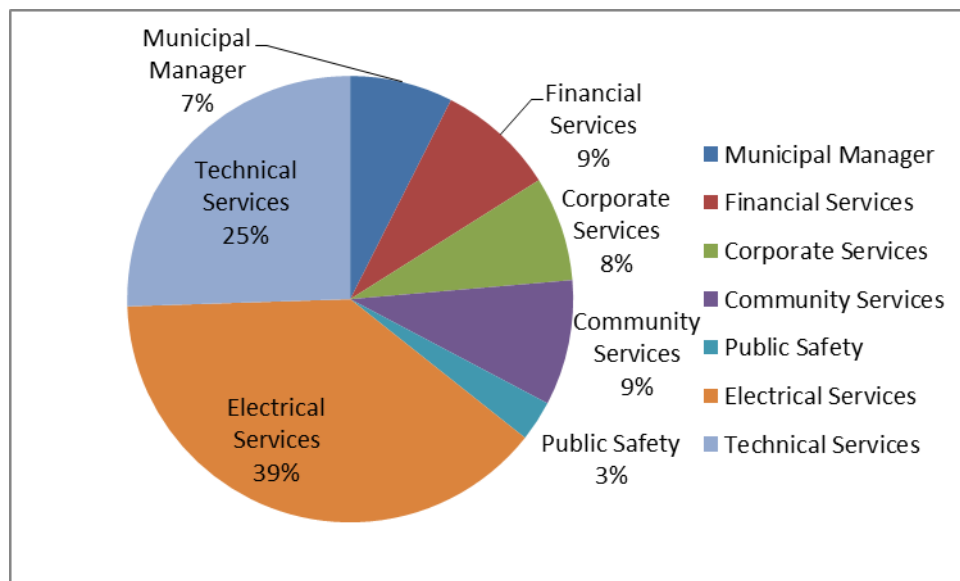
The municipality and the service provider had a problem on the financial system allocating expenditure to vehicles and expenditure relating to vehicles, repairs and maintenance were less than budgeted and depreciation will only be done when the asset register is finalised.

**Electricity Department**

The department are within the accepted norm

**CHART 4**

The following chart shows the expenditure by vote for 31 August 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 August 2017                         |                   |                  |                  |                  |                 |                |
|--|-------------------|------------------|------------------|------------------|-----------------|----------------|
| Vote Description   | Original Budget   | Monthly actual   | YearTD actual    | YearTD budget    | YTD variance    | YTD variance % |
| <b>Capital Expenditure - Standard Classification</b>       |                   |                  |                  |                  |                 |                |
| Road transport   | 6 687 173         | -                | -                | 1 114 083        | -1 114 083      | -              |
| Electricity  | 5 000 000         | 2 845 583        | 2 845 583        | 833 000          | 2 012 583       | 342            |
| Water  | 5 000 000         | -                | -                | 833 000          | -833 000        | -              |
| Waste water management                                     | 8 086 827         | 144 912          | 1 001 380        | 1 347 265        | -345 885        | 74             |
| <b>Total Capital Expenditure - Standard Classification</b> | <b>24 774 000</b> | <b>2 990 495</b> | <b>3 846 963</b> | <b>4 127 348</b> | <b>-280 385</b> | <b>93</b>      |
| <b>Funded by:</b>  |                   |                  |                  |                  |                 |                |
| National Government  | 24 774 000        | 2 990 495        | 3 846 963        | 4 127 348        | -280 385        | 93             |
| <b>Total Capital Funding</b>                               | <b>24 774 000</b> | <b>2 990 495</b> | <b>3 846 963</b> | <b>4 127 348</b> | <b>-280 385</b> | <b>93</b>      |

### Notes on the Capital Expenditure

Municipality capital budget is divided into equal monthly budget amounts and are not aligned with the activity plans as per the grant application documents.

## CASH FLOW STATEMENT AT 31 August 2017

| NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M02 August |                    |                    |                   |                   |                |                |
|--|--------------------|--------------------|-------------------|-------------------|----------------|----------------|
| Description  | Original Budget    | Monthly actual     | YearTD actual     | YearTD budget     | YTD variance   | YTD variance % |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                   |                    |                    |                   |                   |                |                |
| <b>Receipts</b>  |                    |                    |                   |                   |                |                |
| Property rates, penalties & collection charges                               | 41 643 455         | 2 203 369          | 4 238 391         | 6 940 576         | -2 702 185     | 61             |
| Service charges  | 125 766 390        | 10 178 178         | 20 180 643        | 20 481 827        | -301 184       | 99             |
| Other revenue  | 7 579 368          | 3 397 546          | 5 635 088         | 1 263 228         | 4 371 860      | 446            |
| Government - operating   | 44 440 507         | 250 000            | 19 231 000        | 7 406 751         | 11 824 249     | 260            |
| Government - capital   | 24 774 000         | -                  | 11 933 000        | 4 129 000         | 7 804 000      | 289            |
| Interest   | 1 361 235          | 705 633            | 1 380 240         | 226 872           | 1 153 368      | 608            |
| <b>Payments</b>  |                    |                    |                   |                   |                |                |
| Suppliers and employees  | -220 930 642       | -26 015 497        | -58 298 621       | -35 829 762       | 22 468 859     | 163            |
| Finance charges  | -750 000           | -                  | -                 | -125 000          | -125 000       | -              |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>                             | <b>23 884 312</b>  | <b>-9 280 771</b>  | <b>4 299 740</b>  | <b>4 493 492</b>  | <b>193 752</b> | <b>96</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                  |                    |                    |                   |                   |                |                |
| <b>Payments</b>  |                    |                    |                   |                   |                |                |
| Capital assets   | -24 774 000        | -3 243 965         | -4 220 339        | -4 129 000        | 91 339         | 102            |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>                             | <b>-24 774 000</b> | <b>-3 243 965</b>  | <b>-4 220 339</b> | <b>-4 129 000</b> | <b>91 339</b>  | <b>102</b>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                  |                    |                    |                   |                   |                |                |
| <b>Payments</b>  |                    |                    |                   |                   |                |                |
| Repayment of borrowing   | -160 389           | -                  | -                 | -26 731           | -26 731        | -              |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>                             | <b>158 401</b>     | <b>-</b>           | <b>-</b>          | <b>-26 731</b>    | <b>-26 731</b> | <b>-</b>       |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>                                 | <b>-731 287</b>    | <b>-12 524 736</b> | <b>79 402</b>     | <b>337 761</b>    |                |                |
| Cash/cash equivalents at beginning:  | 4 731 287          |                    | 3 346 499         | 4 731 287         |                |                |
| Cash/cash equivalents at month/year end:                                     | 4 000 000          |                    | 3 425 901         | 5 069 048         |                |                |

The cash flow statement shows that the municipality had a balance of R3.42 million in the primary bank account and the year –to-date budget shows the municipality budget for a balance of R5.07 million.

## NAMA KHOI MUNICIPALITY REPORT OUTSTANDING MONEY FOR AUGUSTUS 2017

| SERVICE POINTS               | OUTSTANDING<br>31.07.2017 | ADD BILLINGS         | MINUS INCOME         | OUTSTANDING<br>31.08.2017 | Collection Rate<br>for the month | Collection rate<br>including all<br>outstanding debt | INCREASING<br>(DECREASING) | %<br>INCREASE<br>/(DECREA<br>SE) |
|------------------------------|---------------------------|----------------------|----------------------|---------------------------|----------------------------------|--|----------------------------|----------------------------------|
| <b>RATES:</b>                |                           |                      |                      |                           |                                  |  |                            |                                  |
| Springbok                    | 3 237 316.97              | 2 689 003.54         | 2 621 574.79         | 3 304 745.72              | 97.49                            | 44.24  | 67 428.75                  | 2.08%                            |
| Steinkopf                    | 9 021 810.44              | 430 074.83           | 235 315.48           | 9 216 569.79              | 54.72                            | 2.49   | 194 759.35                 | 2.16%                            |
| Concordia                    | 1 651 524.98              | 234 208.81           | 221 109.42           | 1 664 624.37              | 94.41                            | 11.73  | 13 099.39                  | 0.79%                            |
| Komaggas                     | 5 751 890.26              | 123 799.47           | 27 295.12            | 5 848 394.61              | 22.05                            | 0.46   | 96 504.35                  | 1.68%                            |
| Okiep                        | 1 739 362.18              | 276 219.20           | 246 124.65           | 1 769 456.73              | 89.10                            | 12.21  | 30 094.55                  | 1.73%                            |
| Nababeep                     | 1 243 164.91              | 251 276.00           | 236 281.55           | 1 258 159.36              | 94.03                            | 15.81  | 14 994.45                  | 1.21%                            |
| <b>TOTAL RATES</b>           | <b>22 645 069.74</b>      | <b>4 004 581.85</b>  | <b>3 587 701.01</b>  | <b>23 061 950.58</b>      | <b>89.59</b>                     | <b>13.46</b>   | <b>416 880.84</b>          | <b>1.84%</b>                     |
| <b>SERVICES:</b>             |                           |                      |                      |                           |                                  |  |                            |                                  |
| Springbok                    | 6 391 391.54              | 6 815 424.99         | 6 540 111.43         | 6 666 705.10              | 95.96                            | 49.52  | 275 313.56                 | 4.31%                            |
| Steinkopf                    | 15 050 044.05             | 736 123.11           | 360 481.73           | 15 425 685.43             | 48.97                            | 2.28   | 375 641.38                 | 2.50%                            |
| Concordia                    | 6 373 763.84              | 772 602.13           | 726 920.09           | 6 419 445.88              | 94.09                            | 10.17  | 45 682.04                  | 0.72%                            |
| Komaggas                     | 18 979 868.77             | 433 011.06           | 94 342.29            | 19 318 537.54             | 21.79                            | 0.49   | 338 668.77                 | 1.78%                            |
| Okiep                        | 8 292 736.71              | 1 038 005.09         | 741 262.66           | 8 589 479.14              | 71.41                            | 7.94   | 296 742.43                 | 3.58%                            |
| Nababeep                     | 22 885 408.94             | 1 135 257.77         | 958 001.76           | 23 062 664.95             | 84.39                            | 3.99   | 177 256.01                 | 0.77%                            |
| <b>TOTAL SERVICES</b>        | <b>77 973 213.85</b>      | <b>10 930 424.15</b> | <b>9 421 119.96</b>  | <b>79 482 518.04</b>      | <b>86.19</b>                     | <b>10.60</b>   | <b>1 509 304.19</b>        | <b>1.94%</b>                     |
| <b>LANDSALES</b>             |                           |                      |                      |                           |                                  |  |                            |                                  |
| Springbok                    | 90 603.60                 | 947.80               | 1 501.20             | 90 050.20                 | 158.39                           | 1.64   | (553.40)                   | (0.61%)                          |
| Steinkopf                    | 192 897.93                | 423.60               | 4 000.00             | 189 321.53                | 944.29                           | 2.07   | (3 576.40)                 | (1.85%)                          |
| Concordia                    | 156 911.95                | 1 945.03             | 855.14               | 158 001.84                | 43.97                            | 0.54   | 1 089.89                   | 0.69%                            |
| Komaggas                     | 145 547.59                | -                    | -                    | 145 547.59                | -                                | -  | -                          | 0.00%                            |
| Okiep                        | 154 190.45                | 400.00               | 1 678.18             | 152 912.27                | 419.55                           | 1.09   | (1 278.18)                 | (0.83%)                          |
| Nababeep                     | 40 283.35                 | -                    | -                    | 40 283.35                 | -                                | -  | -                          | 0.00%                            |
| <b>TOTAL LANDSALES</b>       | <b>780 434.87</b>         | <b>3 716.43</b>      | <b>8 034.52</b>      | <b>776 116.78</b>         | <b>216.19</b>                    | <b>1.02</b>  | <b>(4 318.09)</b>          | <b>(0.55%)</b>                   |
| <b>GRAZING FEES</b>          |                           |                      |                      |                           |                                  |  |                            |                                  |
| Springbok                    | 16 105.38                 | 3 802.71             | 3 867.73             | 16 040.36                 | 101.71                           | 19.43  | (65.02)                    | (0.40%)                          |
| Steinkopf                    | 1 615 546.29              | 67 323.73            | 35 039.83            | 1 647 830.19              | 52.05                            | 2.08   | 32 283.90                  | 2.00%                            |
| Concordia                    | 541 959.47                | 35 282.29            | 27 528.04            | 549 713.72                | 78.02                            | 4.77   | 7 754.25                   | 1.43%                            |
| Komaggas                     | 932 968.05                | 12 072.60            | 3 184.24             | 941 856.41                | 26.38                            | 0.34   | 8 888.36                   | 0.95%                            |
| Okiep                        | 40 860.06                 | 3 918.91             | 4 802.31             | 39 976.66                 | 122.54                           | 10.72  | (883.40)                   | (2.16%)                          |
| Nababeep                     | 19 744.04                 | 2 378.62             | 2 501.82             | 19 620.84                 | 105.18                           | 11.31  | (123.20)                   | (0.62%)                          |
| <b>TOTAL GRAZING FEE</b>     | <b>3 167 183.29</b>       | <b>124 778.86</b>    | <b>76 923.97</b>     | <b>3 215 038.18</b>       | <b>61.65</b>                     | <b>2.34</b>  | <b>47 854.89</b>           | <b>1.51%</b>                     |
| <b>Other</b>                 |                           |                      |                      |                           |                                  |  |                            |                                  |
| Springbok                    | 1 181 255.55              | 70 847.47            | 65 495.70            | 1 186 607.32              | 92.45                            | 5.23   | 5 351.77                   | 0.45%                            |
| Steinkopf                    | 368 917.48                | 682.69               | 8 249.89             | 361 350.28                | 1 208.44                         | 2.23   | (7 567.20)                 | (2.05%)                          |
| Concordia                    | 146 569.56                | 37 266.83            | 20 803.47            | 163 032.92                | 55.82                            | 11.32  | 16 463.36                  | 11.23%                           |
| Komaggas                     | 460 038.04                | 12 366.80            | 1 365.18             | 471 039.66                | 11.04                            | 0.29   | 11 001.62                  | 2.39%                            |
| Okiep                        | 224 212.82                | 26 524.69            | 11 844.98            | 238 892.53                | 44.66                            | 4.72   | 14 679.71                  | 6.55%                            |
| Nababeep                     | 587 516.00                | 7 469.04             | 2 936.88             | 592 048.16                | 39.32                            | 0.49   | 4 532.16                   | 0.77%                            |
| <b>Total Other</b>           | <b>2 968 509.45</b>       | <b>155 157.52</b>    | <b>110 696.10</b>    | <b>3 012 970.87</b>       | <b>71.34</b>                     | <b>3.54</b>  | <b>44 461.42</b>           | <b>1.50%</b>                     |
| <b>Grand Total</b>           | <b>107 534 411.20</b>     | <b>15 218 658.81</b> | <b>13 204 475.56</b> | <b>109 548 594.45</b>     | <b>86.77</b>                     | <b>10.76</b>   | <b>2 014 183.25</b>        | <b>1.87%</b>                     |
| <b>TOTAL SERVICES POINTS</b> |                           |                      |                      |                           |                                  |  |                            |                                  |
| Springbok                    | 10 916 673.04             | 9 580 026.51         | 9 232 550.85         | 11 264 148.70             | 96.37                            | 45.04  | 347 475.66                 | 3.18%                            |
| Steinkopf                    | 26 249 216.19             | 1 234 627.96         | 643 086.93           | 26 840 757.22             | 52.09                            | 2.34   | 591 541.03                 | 2.25%                            |
| Concordia                    | 8 870 729.80              | 1 081 305.09         | 997 216.16           | 8 954 818.73              | 92.22                            | 10.02  | 84 088.93                  | 0.95%                            |
| Komaggas                     | 26 270 312.71             | 581 249.93           | 126 186.83           | 26 725 375.81             | 21.71                            | 0.47   | 455 063.10                 | 1.73%                            |
| Okiep                        | 10 451 362.22             | 1 345 067.89         | 1 005 712.78         | 10 790 717.33             | 74.77                            | 8.53   | 339 355.11                 | 3.25%                            |
| Nababeep                     | 24 776 117.24             | 1 396 381.43         | 1 199 722.01         | 24 972 776.66             | 85.92                            | 4.58   | 196 659.42                 | 0.79%                            |
| <b>Grand Total</b>           | <b>107 534 411.20</b>     | <b>15 218 658.81</b> | <b>13 204 475.56</b> | <b>109 548 594.45</b>     | <b>86.77</b>                     | <b>10.76</b>   | <b>2 014 183.25</b>        | <b>1.87%</b>                     |

- **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 87% for the month of August 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 11% of outstanding moneys at 31 August 2017.

**Collection rates for the month illustrated below:**

**Rates**

From the information above the municipality collected 97.49 % in Springbok which was the highest collection rate; however the lowest collection rate was at 22.05% which was for Komaggas.

**Services**

From the information above the municipality collected 95.96 % at Springbok which was the highest collection rate; however the lowest collection rate was at 21.79% which was for Komaggas.

**Landsales**

From the information above the municipality collected 944.29% at Steinkopf which was the highest collection rate; however the lowest collection rate was at 43.97% which was for Concordia.

**Grazing Fees**

From the information above the municipality collected 122.54% at Okiep which was the highest collection rate; however the lowest collection rate was at 52.05% which was for Steinkopf.

**Diverse/other**

From the information above the municipality collected 1208.44% at Steinkopf which was the highest collection rate; however the lowest collection rate was at 11.04% which was for Komaggas.

**Service points**

From the information above the municipality collected 96.37% at Springbok which was the highest collection rate; however the lowest collection rate was at 21.71% 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 August 2017

| Debtors Age Analysis August 2017              |                   |                  |                  |                  |                    |                    |
|---|-------------------|------------------|------------------|------------------|--------------------|--------------------|
| Detail  | 0 -<br>30 Days    | 31 -<br>60 Days  | 61 -<br>90 Days  | 91 -<br>120 Days | 121+ Days          | Total<br>-         |
| <b>Debtors Age Analysis By Income Source</b>  |                   |                  |                  |                  |                    |                    |
| Water   | 1 883 973         | 1 163 096        | 779 305          | 787 752          | 27 653 644         | 32 267 770         |
| Electricity                                   | 4 835 260         | 1 720 972        | 859 683          | 760 328          | 24 229 839         | 32 406 082         |
| Property Rates                                | 9 232 873         | 1 183 213        | 670 952          | 606 286          | 21 480 937         | 33 174 261         |
| Waste Water Management                        | 912 596           | 451 769          | 247 412          | 214 722          | 7 056 100          | 8 882 599          |
| Waste Management                              | 1 318 982         | 722 992          | 445 572          | 407 215          | 15 482 405         | 18 377 166         |
| Other   | 163 358           | 166 528          | 135 839          | 134 254          | 6 763 179          | 7 363 158          |
| <b>Total By Income Source</b>                 | <b>18 347 042</b> | <b>5 408 570</b> | <b>3 138 763</b> | <b>2 910 557</b> | <b>102 666 104</b> | <b>132 471 036</b> |
| <b>Debtors Age Analysis By Customer Group</b> |                   |                  |                  |                  |                    |                    |
| Organs of State                               | 4 983 411         | 312 319          | 223 860          | 77 426           | 420 568            | 6 017 584          |
| Commercial                                    | 6 178 395         | 2 038 658        | 1 053 304        | 1 030 155        | 29 284 271         | 39 584 783         |
| Households                                    | 7 185 236         | 3 057 593        | 1 861 599        | 1 802 976        | 72 961 265         | 86 868 669         |
| <b>Total By Customer Group</b>                | <b>18 347 042</b> | <b>5 408 570</b> | <b>3 138 763</b> | <b>2 910 557</b> | <b>102 666 104</b> | <b>132 471 036</b> |

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              |
| <b>Debtors Age Analysis By Income Source</b>  |                   |                  |                  |                  |                    |                    |
| 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          |
| <b>Total By Income Source</b>                 | <b>18 042 405</b> | <b>5 155 057</b> | <b>3 476 631</b> | <b>2 859 374</b> | <b>100 412 378</b> | <b>129 945 845</b> |
| <b>Debtors Age Analysis By Customer Group</b> |                   |                  |                  |                  |                    |                    |
| 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         |
| <b>Total By Customer Group</b>                | <b>18 042 405</b> | <b>5 155 057</b> | <b>3 476 631</b> | <b>2 859 374</b> | <b>100 412 378</b> | <b>129 945 845</b> |

The total debtors outstanding as at 31 July 2017 were R129 945 845; the total debtors outstanding at 31 August 2017 were R132 471 036, this is an increase of R2 525 191(194%) for the period.

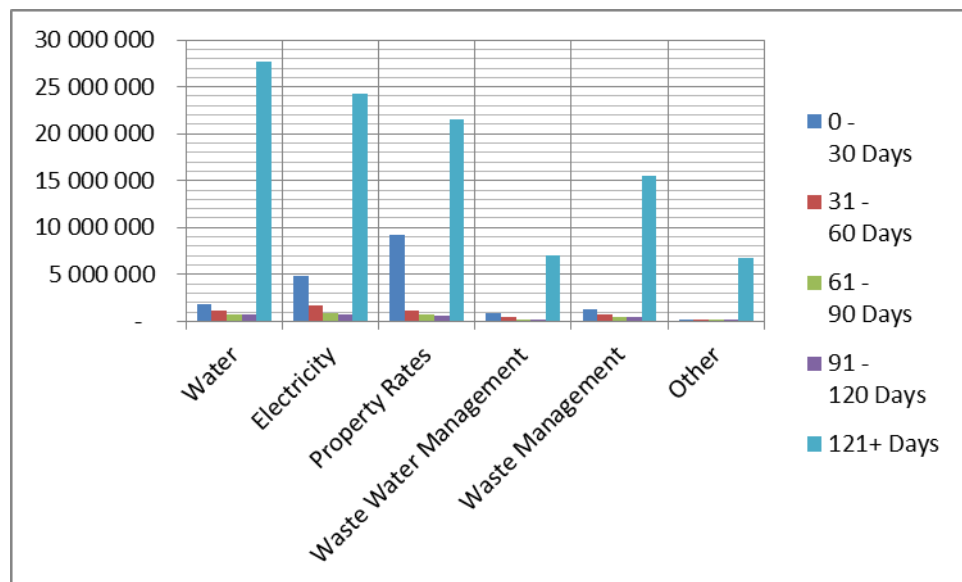
Debtors outstanding for a period more than 121+ days amounts to R102 666 104 compared to R100 412 378 in the previous month.

Businesses and state departments owes the municipality R45 602 367 compared to R44 300 440 the previous month.

**Chart 8 – Debtors per revenue source**

| Detail                                       | 0 - 30 Days       | 31 - 60 Days     | 61 - 90 Days     | 91 - 120 Days    | 121+ Days          | Total              |
|--|-------------------|------------------|------------------|------------------|--------------------|--------------------|
| <b>Debtors Age Analysis By Income Source</b> |                   |                  |                  |                  |                    |                    |
| Water  | 1 883 973         | 1 163 096        | 779 305          | 787 752          | 27 653 644         | 32 267 770         |
| Electricity                                  | 4 835 260         | 1 720 972        | 859 683          | 760 328          | 24 229 839         | 32 406 082         |
| Property Rates                               | 9 232 873         | 1 183 213        | 670 952          | 606 286          | 21 480 937         | 33 174 261         |
| Waste Water Management                       | 912 596           | 451 769          | 247 412          | 214 722          | 7 056 100          | 8 882 599          |
| Waste Management                             | 1 318 982         | 722 992          | 445 572          | 407 215          | 15 482 405         | 18 377 166         |
| Other  | 163 358           | 166 528          | 135 839          | 134 254          | 6 763 179          | 7 363 158          |
| <b>Total By Income Source</b>                | <b>18 347 042</b> | <b>5 408 570</b> | <b>3 138 763</b> | <b>2 910 557</b> | <b>102 666 104</b> | <b>132 471 036</b> |

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

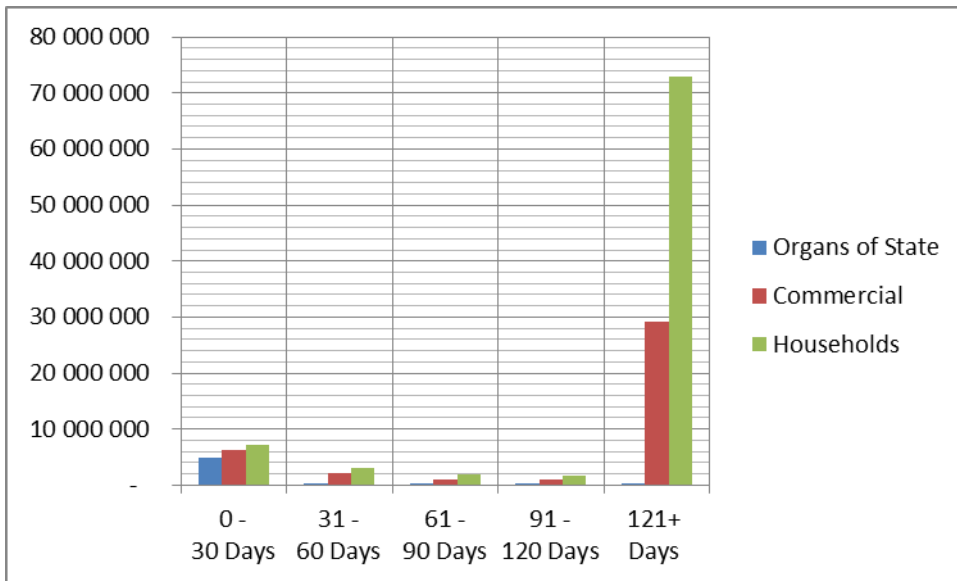




| Debtors Age Analysis By Customer Group | 0 - 30 Days       | 31 - 60 Days     | 61 - 90 Days     | 91 - 120 Days    | 121+ Days          | Total-             |
|--|-------------------|------------------|------------------|------------------|--------------------|--------------------|
| Organs of State                        | 4 983 411         | 312 319          | 223 860          | 77 426           | 420 568            | 6 017 584          |
| Commercial                             | 6 178 395         | 2 038 658        | 1 053 304        | 1 030 155        | 29 284 271         | 39 584 783         |
| Households                             | 7 185 236         | 3 057 593        | 1 861 599        | 1 802 976        | 72 961 265         | 86 868 669         |
| <b>Total By Customer Group</b>         | <b>18 347 042</b> | <b>5 408 570</b> | <b>3 138 763</b> | <b>2 910 557</b> | <b>102 666 104</b> | <b>132 471 036</b> |

**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.

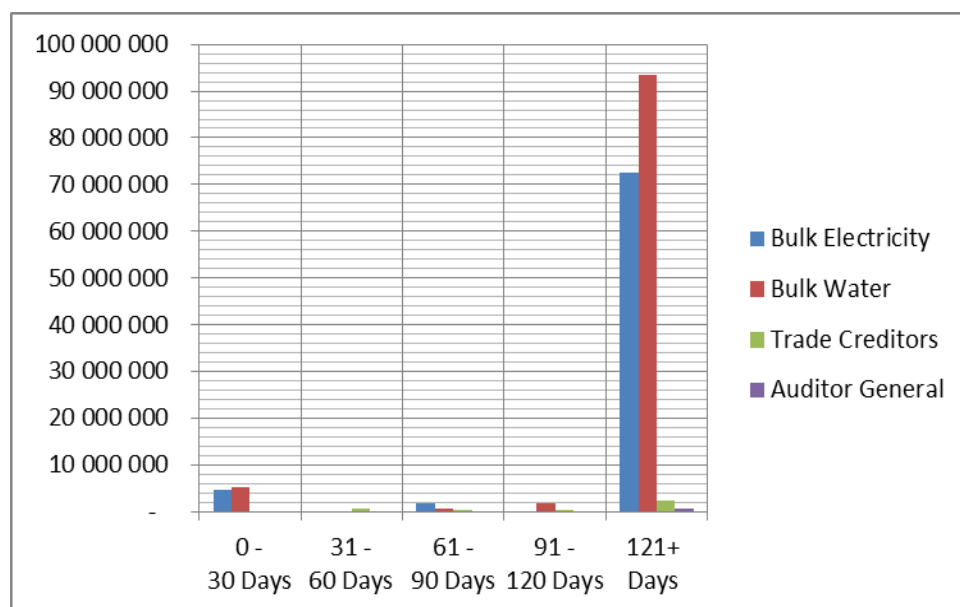
The following report shows the creditors outstanding at 31 August 2017

| Creditors Age Analysis 31 August 2017          |                  |                  |                  |                  |                    |                    |
|--|------------------|------------------|------------------|------------------|--------------------|--------------------|
|  | 0 -<br>30 Days   | 31 -<br>60 Days  | 61 -<br>90 Days  | 91 -<br>120 Days | 121+ Days          | Total              |
| <b>Creditors Age Analysis By Customer Type</b> |                  |                  |                  |                  |                    |                    |
| Bulk Electricity                               | 6 074 054        | -                |                  | 3 333 621        | 70 877 734         | 80 285 410         |
| Bulk Water                                     | 3 895 739        | 1 849 693        | 2 388 495        | -                | 93 419 903         | 101 553 829        |
| Trade Creditors                                |                  |                  | 864 312          | 252 292          | 3 096 276          | 4 212 881          |
| Auditor General                                | -                |                  |                  |                  | 604 300            | 604 300            |
| <b>Total By Customer Type</b>                  | <b>9 969 793</b> | <b>1 849 693</b> | <b>3 252 807</b> | <b>3 585 913</b> | <b>167 998 213</b> | <b>186 656 420</b> |

### Creditors Analysis

The outstanding creditors moved from R187 407 477 to R186 656 420, this is a decrease of R751 057.

#### Chart 10



### Creditors Age Analysis

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

Bulk Electricity –July 2017, R79.9 million and August 2017 R80.2 million there is a R300 thousand increase for the period.

Bulk Water –July 2017, R100.9 million and Aug 2017 R101.6 million there is an increase of R700 thousand for the period.

| NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August |                     |                   |                   |                   |                   |                |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| Summary of Employee and Councillor remuneration  | Budget Year 2017/18 |                   |                   |                   |                   |                |
|  | Original Budget     | Monthly actual    | YearTD actual     | YearTD budget     | YTD variance      | YTD variance % |
| <b>Councillors (Political Office Bearers plus Other)</b>   |                     |                   |                   |                   |                   |                |
| Basic Salaries and Wages   | 3 512 767           | 271 686           | 543 372           | 585 461           | -42 089           | 93             |
| Pension and UIF Contributions  | 151 500             | 29 652            | 59 303            | 25 250            | 34 053            | 235            |
| Medical Aid Contributions  | -                   | 1 749             | 3 497             | -                 | 3 497             |                |
| Motor Vehicle Allowance  | 1 221 429           | 98 697            | 197 394           | 203 571           | -6 177            | 97             |
| Cellphone Allowance  | 481 824             | 32 300            | 64 600            | 80 304            | -15 704           | 80             |
| <b>Sub Total - Councillors</b>   | <b>5 367 519</b>    | <b>434 083</b>    | <b>868 166</b>    | <b>894 587</b>    | <b>-26 420</b>    | <b>97</b>      |
|  |                     |                   |                   |                   |                   |                |
| <b>Senior Managers of the Municipality</b>   |                     |                   |                   |                   |                   |                |
| Basic Salaries and Wages   | 2 168 379           | 255 228           | 536 023           | 361 397           | 174 626           | 148            |
| Pension and UIF Contributions  | 117 673             | 28 816            | 57 780            | 19 612            | 38 168            | 295            |
| Medical Aid Contributions  | 44 694              | 12 056            | 26 561            | 7 449             | 19 112            | 357            |
| Motor Vehicle Allowance  | 451 200             | 57 232            | 114 032           | 75 200            | 38 832            | 152            |
| Cellphone Allowance  | 30 000              | 5 515             | 10 815            | 5 000             | 5 815             | 216            |
| Housing Allowances   | -                   | 3 186             | 6 373             | -                 | 6 373             |                |
| Other benefits and allowances  | 312 888             | 22 741            | 57 445            | 52 148            | 5 297             | 110            |
| <b>Sub Total - Senior Managers of Municipality</b>   | <b>3 124 834</b>    | <b>384 774</b>    | <b>809 028</b>    | <b>520 806</b>    | <b>288 223</b>    | <b>155</b>     |
|  |                     |                   |                   |                   |                   |                |
| <b>Other Municipal Staff</b>   |                     |                   |                   |                   |                   |                |
| Basic Salaries and Wages   | 52 382 132          | 4 003 553         | 7 977 995         | 8 730 355         | -752 360          | 91             |
| Pension and UIF Contributions  | 8 315 225           | 655 010           | 1 312 743         | 1 385 871         | -73 128           | 95             |
| Medical Aid Contributions  | 2 551 136           | 164 785           | 327 122           | 425 189           | -98 067           | 77             |
| Overtime   | 6 500 037           | 252 687           | 582 745           | 1 083 340         | -500 594          | 54             |
| Performance Bonus  | 4 461 658           | -                 | -                 | 743 610           | -743 610          | -              |
| Motor Vehicle Allowance  | 3 052 416           | 231 734           | 433 734           | 508 736           | -75 002           | 85             |
| Cellphone Allowance  | 131 916             | 9 743             | 17 936            | 21 986            | -4 050            | 82             |
| Housing Allowances   | 1 007 940           | 84 441            | 168 085           | 167 990           | 95                | 100            |
| Other benefits and allowances  | 803 061             | 649 653           | 1 313 872         | 133 844           | 1 180 029         | 982            |
| Long service awards  | 499 746             | 57 560            | 119 618           | 83 291            | 36 327            | 144            |
| <b>Sub Total - Other Municipal Staff</b>   | <b>79 705 267</b>   | <b>6 109 168</b>  | <b>12 253 851</b> | <b>13 284 211</b> | <b>-1 030 360</b> | <b>92</b>      |
|  |                     |                   |                   |                   |                   |                |
| <b>Total Parent Municipality</b>   | <b>88 197 620</b>   | <b>6 928 025</b>  | <b>13 931 045</b> | <b>14 699 603</b> | <b>-768 558</b>   | <b>95</b>      |
|  |                     |                   |                   |                   |                   |                |
| <b>Total Exmployee Cost</b>  | <b>82 830 101</b>   | <b>6 493 942</b>  | <b>13 062 879</b> | <b>13 805 017</b> |                   |                |
|  |                     |                   |                   |                   |                   |                |
| <b>Total Cost</b>  | <b>290 745 641</b>  | <b>20 785 420</b> | <b>40 781 894</b> | <b>45 190 732</b> |                   |                |
|  |                     |                   |                   |                   |                   |                |
| <b>% employee cost to total expenditure</b>  | <b>28</b>           | <b>31</b>         | <b>32</b>         | <b>31</b>         |                   |                |

**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 August 31%.

## **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: 15 September 2017**

### **Reviewed By:**

**William Bowers**

**Acting Chief Financial Officer**

**Budget & Treasury**

**DATE: 18 September 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 August 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   |
| <b>Attached</b> | Additional Information   |