



**Nama Khoi Municipality**

**16 January 2017**

**The Mayor**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING  
31 December 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 December 2017, ten working days reporting limit expires on 15 January 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 December 2017**

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

The financial results for the period ended 31 December 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) - M06 December**

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	-	45 163 111	22 058 258	23 104 853	205
Service charges - electricity revenue	78 578 715	6 085 787	37 745 757	39 289 358	-1 543 601	96
Service charges - water revenue	28 194 353	2 733 961	15 267 070	14 097 176	1 169 894	108
Service charges - sanitation revenue	10 692 036	1 254 653	7 454 211	5 346 018	2 108 193	139
Service charges - refuse revenue	12 723 929	1 553 310	9 260 461	6 361 965	2 898 496	146
Rental of facilities and equipment	1 657 184	80 942	619 741	828 592	-208 851	75
Interest earned - external investments	1 361 235	86 306	660 900	680 617	-19 717	97
Interest earned - outstanding debtors	1 389 005	696 151	4 025 524	694 503	3 331 021	580
Fines	5 015 582	155	11 105	2 507 791	-2 496 686	0
Licences and permits	1 365 812	75 140	729 020	682 906	46 114	107
Agency services	1 097 937	250 683	651 268	548 969	102 299	119
Transfers recognised - operational	44 440 507	13 467 000	33 148 000	22 220 254	10 927 746	149
Other revenue	1 814 421	133 783	853 481	-	853 481	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>232 447 233</b>	<b>26 417 871</b>	<b>155 589 649</b>	<b>115 316 406</b>	<b>40 273 243</b>	<b>135</b>
<b>Expenditure By Type</b>						
Employee related costs	82 830 101	6 291 593	39 058 573	41 415 050	-2 356 477	94
Remuneration of councillors	5 367 519	434 083	2 598 499	2 683 760	-85 261	97
Debt impairment	9 977 349	-	-	4 988 675	-4 988 675	-
Depreciation & asset impairment	43 517 405	-	-	21 758 703	-21 758 703	-
Finance charges	750 000	-	-	375 000	-375 000	-
Bulk purchases	98 724 239	-	41 554 278	49 362 119	-7 807 841	84
Other materials	8 076 534	725 494	4 468 211	4 038 267	429 944	111
Contracted services	21 901 246	145 663	262 293	10 950 623	-10 688 330	2
Other expenditure	19 601 249	5 468 219	30 140 977	-	30 140 977	
<b>Total Expenditure</b>	<b>290 745 641</b>	<b>13 065 052</b>	<b>118 082 831</b>	<b>135 572 196</b>	<b>-17 489 365</b>	<b>87</b>
<b>Surplus/(Deficit)</b>	<b>-58 298 408</b>	<b>13 352 819</b>	<b>37 506 818</b>	<b>-20 255 790</b>	<b>57 762 608</b>	

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue By Source</b>						
Property rates	44 116 516	-	45 163 111	22 058 258	23 104 853	205
Service charges - electricity revenue	78 578 715	6 085 787	37 745 757	39 289 358	-1 543 601	96
Service charges - water revenue	28 194 353	2 733 961	15 267 070	14 097 176	1 169 894	108
Service charges - sanitation revenue	10 692 036	1 254 653	7 454 211	5 346 018	2 108 193	139
Service charges - refuse revenue	12 723 929	1 553 310	9 260 461	6 361 965	2 898 496	146
Rental of facilities and equipment	1 657 184	80 942	619 741	828 592	-208 851	75
Interest earned - external investments	1 361 235	86 306	660 900	680 617	-19 717	97
Interest earned - outstanding debtors	1 389 005	696 151	4 025 524	694 503	3 331 021	580
Fines	5 015 582	155	11 105	2 507 791	-2 496 686	0
Licences and permits	1 365 812	75 140	729 020	682 906	46 114	107
Agency services	1 097 937	250 683	651 268	548 969	102 299	119
Transfers recognised - operational	44 440 507	13 467 000	33 148 000	22 220 254	10 927 746	149
Other revenue	1 814 421	133 783	853 481	-	853 481	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>232 447 233</b>	<b>26 417 871</b>	<b>155 589 649</b>	<b>115 316 406</b>	<b>40 273 243</b>	<b>135</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.

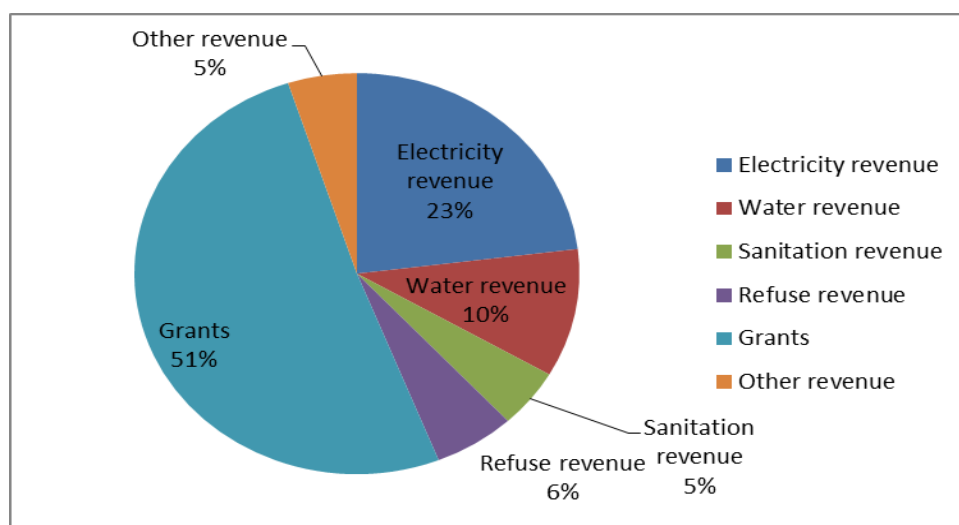
**Rental of Facilities –** Consist of a fix billing per month and also a variable billing depending on the use of the municipality’s facilities resulting in variances throughout the financial year.

**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 December 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	6 291 593	39 058 573	41 415 050	-2 356 477	94
Remuneration of councillors	5 367 519	434 083	2 598 499	2 683 760	-85 261	97
Debt impairment	9 977 349	-	-	4 988 675	-4 988 675	-
Depreciation & asset impairment	43 517 405	-	-	21 758 703	-21 758 703	-
Finance charges	750 000	-	-	375 000	-375 000	-
Bulk purchases	98 724 239	-	41 554 278	49 362 119	-7 807 841	84
Other materials	8 076 534	725 494	4 468 211	4 038 267	429 944	111
Contracted services	21 901 246	145 663	262 293	10 950 623	-10 688 330	2
Other expenditure	19 601 249	5 468 219	30 140 977	-	30 140 977	
<b>Total Expenditure</b>	<b>290 745 641</b>	<b>13 065 052</b>	<b>118 082 831</b>	<b>135 572 196</b>	<b>-17 489 365</b>	<b>87</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.

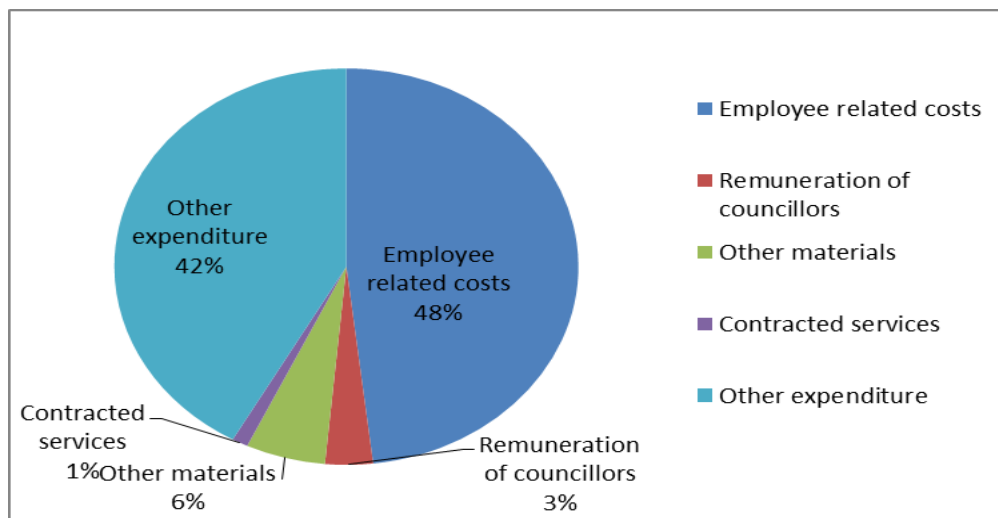
**Bulk Purchases** – Captured in the month of January 2018

**Contracted services** – correction will be made on the budgeting documents with the adjustment budget, as items with general expenses description has been budgeted as contracted services.

**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) - M06 December						
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	30 512	902 515	790 680	111 835	114
Vote 2 - Financial Services	94 347 129	14 269 655	82 368 311	47 171 670	35 196 641	175
Vote 3 - Corporate Services	1 340 303	70 728	455 179	680 976	-225 797	67
Vote 4 - Community Services: Community Development	15 303 670	1 645 357	10 077 314	10 570 674	-493 360	95
Vote 5 - Community Services: Public Safety	2 357 435	326 116	1 296 921	1 178 670	118 251	110
Vote 6 - Electrical Engineering Services	83 629 611	6 085 787	37 749 547	42 260 664	-4 511 117	89
Vote 7 - Infrastructure, Engineering & Technical Services	58 661 670	3 989 718	22 739 862	33 480 804	-10 740 942	68
<b>Total Revenue by Vote</b>	<b>257 221 233</b>	<b>26 417 873</b>	<b>155 589 649</b>	<b>136 134 138</b>	<b>19 455 511</b>	<b>114</b>
<b>Expenditure by Vote</b>						
Vote 1 - Municipal Manager	19 721 097	1 729 917	9 453 652	9 953 790	-500 138	95
Vote 2 - Financial Services	41 748 450	2 550 546	14 374 891	20 896 890	-6 521 999	69
Vote 3 - Corporate Services	20 440 603	2 153 542	13 853 263	10 235 502	3 617 761	135
Vote 4 - Community Services: Community Development	22 651 368	1 757 416	10 773 837	14 113 992	-3 340 155	76
Vote 5 - Community Services: Public Safety	8 537 125	710 622	3 885 230	4 268 394	-383 164	91
Vote 6 - Electrical Engineering Services	89 258 813	1 089 676	35 313 014	45 078 336	-9 765 322	78
Vote 7 - Infrastructure, Engineering & Technical Services	88 388 185	3 073 330	30 428 944	48 343 458	-17 914 514	63
<b>Total Expenditure by Vote</b>	<b>290 745 641</b>	<b>13 065 049</b>	<b>118 082 831</b>	<b>152 890 362</b>	<b>-34 807 531</b>	<b>77</b>
<b>Surplus/ (Deficit) for the year</b>	<b>-33 524 408</b>	<b>13 352 824</b>	<b>37 506 818</b>	<b>-16 756 224</b>	<b>54 263 042</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	30 512	902 515	790 680	111 835	114
Vote 2 - Financial Services	94 347 129	14 269 655	82 368 311	47 171 670	35 196 641	175
Vote 3 - Corporate Services	1 340 303	70 728	455 179	680 976	-225 797	67
Vote 4 - Community Services: Community Development	15 303 670	1 645 357	10 077 314	10 570 674	-493 360	95
Vote 5 - Community Services: Public Safety	2 357 435	326 116	1 296 921	1 178 670	118 251	110
Vote 6 - Electrical Engineering Services	83 629 611	6 085 787	37 749 547	42 260 664	-4 511 117	89
Vote 7 - Infrastructure, Engineering & Technical Services	58 661 670	3 989 718	22 739 862	33 480 804	-10 740 942	68
<b>Total Revenue by Vote</b>	<b>257 221 233</b>	<b>26 417 873</b>	<b>155 589 649</b>	<b>136 134 138</b>	<b>19 455 511</b>	<b>114</b>

### Municipal Manager

Revenue recognised for EPWP must be corrected to the expenditure incurred and not the funding 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 what was budgeted.

### Community Services: Community Development

The department are within the accepted norm

### Community Services: Public Safety

The department are within the accepted norm

### Electrical Services

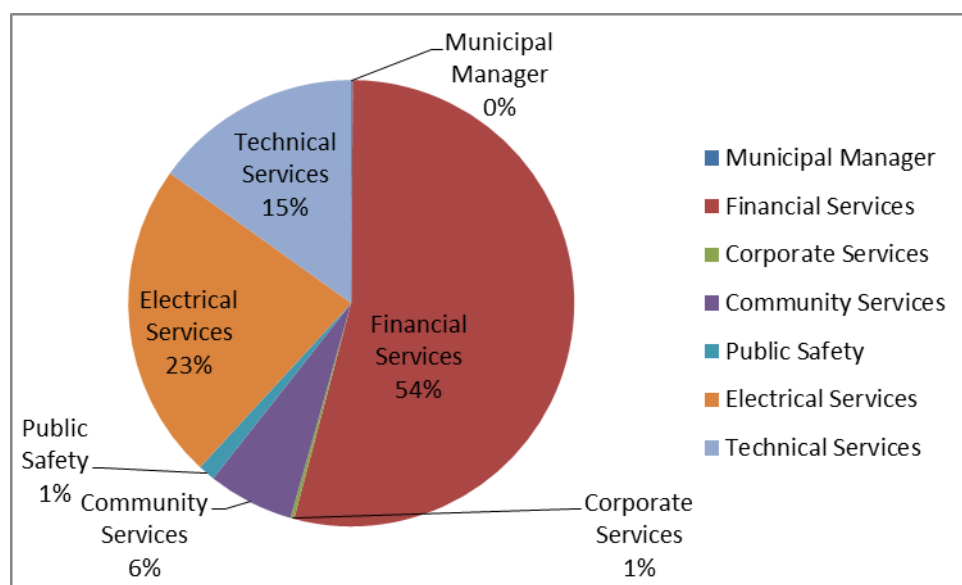
Journal for Revenue Recognised must still be process

### Technical Services

Revenue recognised from capital expenditure less than budgeted.

### CHART 3

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



Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - Municipal Manager	19 721 097	1 729 917	9 453 652	9 953 790	-500 138	95
Vote 2 - Financial Services	41 748 450	2 550 546	14 374 891	20 896 890	-6 521 999	69
Vote 3 - Corporate Services	20 440 603	2 153 542	13 853 263	10 235 502	3 617 761	135
Vote 4 - Community Services: Community Development	22 651 368	1 757 416	10 773 837	14 113 992	-3 340 155	76
Vote 5 - Community Services: Public Safety	8 537 125	710 622	3 885 230	4 268 394	-383 164	91
Vote 6 - Electrical Engineering Services	89 258 813	1 089 676	35 313 014	45 078 336	-9 765 322	78
Vote 7 - Infrastructure, Engineering & Technical Services	88 388 185	3 073 330	30 428 944	48 343 458	-17 914 514	63
<b>Total Expenditure by Vote</b>	<b>290 745 641</b>	<b>13 065 049</b>	<b>118 082 831</b>	<b>152 890 362</b>	<b>-34 807 531</b>	<b>77</b>

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

##### Municipal Manager

Department within the norm of 10%.

##### Financial Services

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

##### Corporate Services

The following expenditure contributed to the departments overspending: telephone, travelling & subsistence, training and license fees.



### Community Services

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

### Community Development: Public Safety

The department are within the accepted norm

### Technical Services

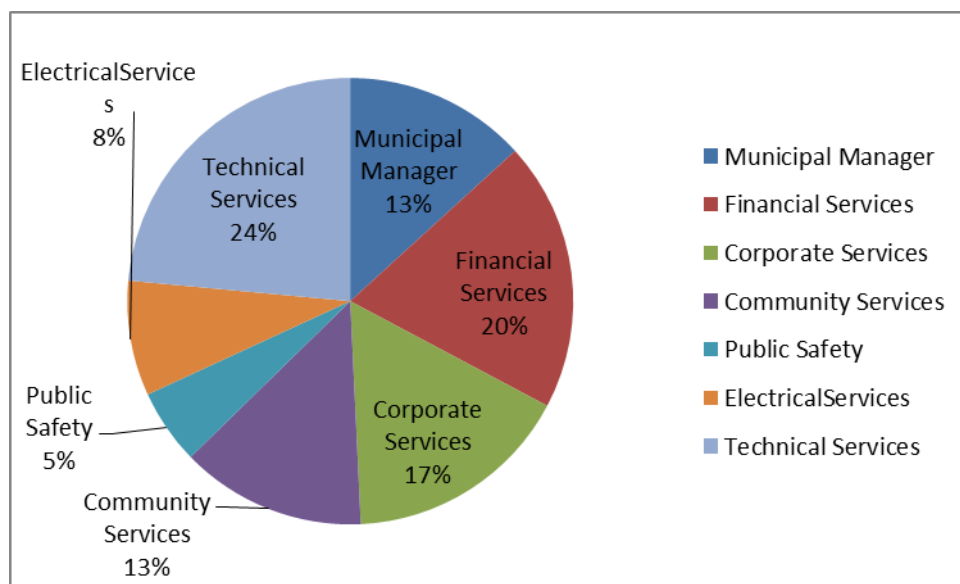
Depreciation will only be done when the asset register is finalised.

### Electricity Department

Bulk Purchases captured in the month of January 2017.

### CHART 4

The following chart shows the expenditure by vote for 31 December 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 December 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	-	-	3 343 587	-3 343 587	-
Electricity	5 000 000	220 800	3 066 383	2 499 700	566 683	123
Water	5 000 000	-	176 902	2 500 000	-2 323 098	7
Waste water management	8 086 827	1 451 994	5 786 576	4 043 413	1 743 163	143
<b>Total Capital Expenditure - Standard Classification</b>	<b>24 774 000</b>	<b>1 672 794</b>	<b>9 029 861</b>	<b>12 386 700</b>	<b>-3 356 839</b>	<b>73</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 December 2017

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M06 December						
Description	Budget Year 2017/18					
	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	2 161 902	13 179 226	20 821 727	-7 642 501	63
Service charges	125 766 390	10 195 384	58 391 693	61 445 481	-3 053 788	95
Other revenue	7 579 368	6 251 960	41 750 823	5 227 398	36 523 425	799
Government - operating	44 440 507	13 467 000	33 148 000	22 220 254	10 927 746	149
Government - capital	24 774 000	5 000 000	18 433 000	12 387 000	6 046 000	149
Interest	1 361 235	25 060	189 490	680 617	-491 127	28
<b>Payments</b>						
Suppliers and employees	-220 930 642	-28 152 594	-146 319 595	-113 441 356	32 878 240	129
Finance charges	-750 000	-	-	-375 000	-375 000	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>23 884 312</b>	<b>8 948 712</b>	<b>18 772 637</b>	<b>8 966 121</b>	<b>-9 806 516</b>	<b>209</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Capital assets	-24 774 000	-2 157 043	-10 729 842	-12 387 000	-1 657 158	87
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-24 774 000</b>	<b>-2 157 043</b>	<b>-10 729 842</b>	<b>-12 387 000</b>	<b>-1 657 158</b>	<b>87</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Increase (decrease) in consumer deposits	318 789	-	-	-	-	
<b>Payments</b>						
Repayment of borrowing	-160 389	-	-	-80 194	-80 194	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>158 401</b>	<b>-</b>	<b>-</b>	<b>-80 194</b>	<b>-80 194</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-731 287</b>	<b>6 791 669</b>	<b>8 042 795</b>	<b>-3 501 073</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		11 389 294	1 230 214		

The cash flow statement shows that the municipality had a balance of R11.4 million in the primary bank account and the year –to-date budget shows the municipality budget for a balance of R1.2 million.

**NAMA KHOI MUNICIPALITY**  
**REPORT OUTSTANDING MONEY FOR DECEMBER 2017**

SERVICE POINTS	OUTSTANDING 30.11.17	ADD BILLINGS	MINUS INCOME	OUTSTANDING 31.12.2017	Collection Rate for the month	Collection Rate including all outstanding debt	INCREASING (DECREASING)	% INCREASE/( DECREASE) (DALING)
<b>RATES:</b>								
Springbok	3 883 272.94	2 348 690.29	2 155 331.62	4 076 631.61	91.77	34.59	193 358.67	4.98%
Steinkopf	9 918 084.65	401 300.58	264 108.16	10 055 277.07	65.81	2.56	137 192.42	1.38%
Concordia	1 780 712.36	195 780.47	191 545.22	1 784 947.61	97.84	9.69	4 235.25	0.24%
Komaggas	6 192 862.21	110 056.92	23 975.80	6 278 943.33	21.78	0.38	86 081.12	1.39%
Okiep	1 902 180.39	284 521.80	224 727.33	1 961 974.86	78.98	10.28	59 794.47	3.14%
Nababeep	1 346 274.83	227 531.84	210 801.19	1 363 005.48	92.65	13.39	16 730.65	1.24%
<b>TOTAL RATES</b>	<b>25 023 387.38</b>	<b>3 567 881.90</b>	<b>3 070 489.32</b>	<b>25 520 779.96</b>	<b>86.06</b>	<b>10.74</b>	<b>497 392.58</b>	<b>1.99%</b>
<b>SERVICES:</b>								
Springbok	7 374 756.21	6 076 523.73	6 259 526.66	7 191 753.28	103.01	46.53	(183 002.93)	(2.48%)
Steinkopf	16 759 581.47	813 075.77	564 688.12	17 007 969.12	69.45	3.21	248 387.65	1.48%
Concordia	6 756 617.81	890 351.68	842 420.50	6 804 548.99	94.62	11.02	47 931.18	0.71%
Komaggas	20 409 733.63	401 362.21	57 086.75	20 754 009.09	14.22	0.27	344 275.46	1.69%
Okiep	10 019 926.68	1 111 539.10	655 637.99	10 475 827.79	58.98	5.89	455 901.11	4.55%
Nababeep	23 335 068.74	967 402.06	877 201.89	23 425 268.91	90.68	3.61	90 200.17	0.39%
<b>TOTAL SERVICES</b>	<b>84 655 684.54</b>	<b>10 260 254.55</b>	<b>9 256 561.91</b>	<b>85 659 377.18</b>	<b>90.22</b>	<b>9.75</b>	<b>1 003 692.64</b>	<b>1.19%</b>
<b>LANDSALES</b>								
Springbok	89 130.20	0.00	12 026.70	77 103.50		13.49	(12 026.70)	(13.49%)
Steinkopf	172 779.73	0.00	176.92	172 602.81		0.10	(176.92)	(0.10%)
Concordia	153 355.42	3 218.33	3 218.33	153 355.42	100.00	2.06	-	0.00%
Komaggas	145 547.59	-	-	145 547.59		-	-	0.00%
Okiep	147 806.76	-	450.00	147 356.76		0.30	(450.00)	(0.30%)
Nababeep	40 191.92	-	-	40 191.92		-	-	0.00%
<b>TOTAL LANDSALES</b>	<b>748 811.62</b>	<b>3 218.33</b>	<b>15 871.95</b>	<b>736 158.00</b>	<b>493.17</b>	<b>2.11</b>	<b>(12 653.62)</b>	<b>(1.69%)</b>
<b>GRAZINGFEES</b>								
Springbok	16 723.86	3 761.23	3 176.88	17 308.21	84.46	15.51	584.35	3.49%
Steinkopf	1 765 066.33	59 070.42	29 129.88	1 795 006.87	49.31	1.60	29 940.54	1.70%
Concordia	573 919.43	34 678.92	26 713.86	581 884.49	77.03	4.39	7 965.06	1.39%
Komaggas	991 712.79	19 771.03	3 033.69	1 008 450.13	15.34	0.30	16 737.34	1.69%
Okiep	41 545.83	5 893.16	4 448.75	42 990.24	75.49	9.38	1 444.41	3.48%
Nababeep	20 189.67	2 864.15	2 471.75	20 582.07	86.30	10.72	392.40	1.94%
<b>TOTAL GRAZINGFEES</b>	<b>3 409 157.91</b>	<b>126 038.91</b>	<b>68 974.81</b>	<b>3 466 222.01</b>	<b>54.73</b>	<b>1.95</b>	<b>57 064.10</b>	<b>1.67%</b>
<b>DIVERSE:</b>								
Springbok	1 241 146.14	86 809.42	70 538.10	1 257 417.46	81.26	5.31	16 271.32	1.31%
Steinkopf	383 234.63	9 479.04	7 022.32	385 691.35	74.08	1.79	2 456.72	0.64%
Concordia	164 001.61	9 367.76	7 297.56	166 071.81	77.90	4.21	2 070.20	1.26%
Komaggas	457 858.90	11 572.11	3 046.86	466 384.15	26.33	0.65	8 525.25	1.86%
Okiep	261 810.63	16 111.85	1 113.08	276 809.40	6.91	0.40	14 998.77	5.73%
Nababeep	605 060.75	8 662.07	6 234.40	607 488.42	71.97	1.02	2 427.67	0.40%
Total Other	3 113 112.66	142 002.25	95 252.32	3 159 862.59	67.08	2.93	46 749.93	1.50%
<b>GRAND TOTAL</b>	<b>116 950 154.11</b>	<b>14 099 395.94</b>	<b>12 507 150.31</b>	<b>118 542 399.74</b>	<b>88.71</b>	<b>9.54</b>	<b>1 592 245.63</b>	<b>1.36%</b>
<b>TOTAL SERVICES POINTS</b>								
Springbok	12 605 029.35	8 515 784.67	8 500 599.96	12 620 214.06	99.82	40.25	15 184.71	0.12%
Steinkopf	28 998 746.81	1 282 925.81	865 125.40	29 416 547.22	67.43	2.86	417 800.41	1.44%
Concordia	9 428 606.63	1 133 397.16	1 071 195.47	9 490 808.32	94.51	10.14	62 201.69	0.66%
Komaggas	28 197 715.12	542 762.27	87 143.10	28 653 334.29	16.06	0.30	455 619.17	1.62%
Okiep	12 373 270.29	1 418 065.91	886 377.15	12 904 959.05	62.51	6.43	531 688.76	4.30%
Nababeep	25 346 785.91	1 206 460.12	1 096 709.23	25 456 536.80	90.90	4.13	109 750.89	0.43%
<b>GRAND TOTAL</b>	<b>116 950 154.11</b>	<b>14 099 395.94</b>	<b>12 507 150.31</b>	<b>118 542 399.74</b>	<b>88.71</b>	<b>9.54</b>	<b>1 592 245.63</b>	<b>1.36%</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 89% for the month of November 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 December 2017.

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

**Rates**

From the information above the municipality collected 97.84 % in Concordia which was the highest collection rate; however the lowest collection rate was at 21.78% which was for Komaggas.

**Services**

From the information above the municipality collected 103.1% at Springbok which was the highest collection rate; however the lowest collection rate was at 14.22% which was for Komaggas.

**Grazing Fees**

From the information above the municipality collected 86.30 % at Nababeep which was the highest collection rate; however the lowest collection rate was at 15.34% which was for Komaggas.

**Diverse/other**

From the information above the municipality collected 81.26 % at Springbok which was the highest collection rate; however the lowest collection rate was at 6.91% which was for Okiep.

**Service points**

From the information above the municipality collected 99.82% at Springbok which was the highest collection rate; however the lowest collection rate was at 16.06% 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 December 2017

Debtors Age Analysis 31 December 2017						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	1 839 782	1 359 871	858 732	730 797	29 652 482	34 441 664
Electricity	3 949 852	1 188 526	657 173	736 444	26 772 834	33 304 829
Property Rates	2 534 627	1 316 307	747 088	960 249	23 223 465	28 781 736
Waste Water Management	901 191	446 419	255 305	229 972	7 685 544	9 518 431
Waste Management	1 293 612	712 888	470 151	448 452	16 768 281	19 693 384
Other	152 785	185 971	122 036	115 478	7 086 777	7 663 047
<b>Total By Income Source</b>	<b>10 671 849</b>	<b>5 209 982</b>	<b>3 110 485</b>	<b>3 221 392</b>	<b>111 189 383</b>	<b>133 403 091</b>
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	514 838	208 764	84 635	110 743	520 317	1 439 297
Commercial	3 847 857	1 742 930	1 098 212	1 118 332	32 418 058	40 225 389
Households	6 309 154	3 258 288	1 927 638	1 992 317	78 251 008	91 738 405
<b>Total By Customer Group</b>	<b>10 671 849</b>	<b>5 209 982</b>	<b>3 110 485</b>	<b>3 221 392</b>	<b>111 189 383</b>	<b>133 403 091</b>

## Debtors Age Analysis November 2017

Debtors Age Analysis November 2017						
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	1 721 647	1 338 822	856 825	791 276	29 161 765	33 870 335
Electricity	4 029 945	1 258 491	910 877	907 442	26 062 132	33 168 887
Property Rates	2 478 995	1 243 361	1 057 403	643 065	22 781 396	28 204 220
Waste Water Management	893 021	439 346	270 475	251 059	7 535 613	9 389 514
Waste Management	1 281 354	705 241	507 512	463 534	16 449 728	19 407 369
Other	161 989	175 555	124 563	117 332	7 022 719	7 602 158
<b>Total By Income Source</b>	<b>10 566 951</b>	<b>5 160 816</b>	<b>3 727 655</b>	<b>3 173 708</b>	<b>109 013 353</b>	<b>131 642 483</b>
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	647 936	265 455	251 464	193 502	501 887	1 860 244
Commercial	3 774 493	1 748 577	1 253 133	1 067 072	31 586 679	39 429 954
Households	6 144 522	3 146 784	2 223 058	1 913 134	76 924 787	90 352 285
<b>Total By Customer Group</b>	<b>10 566 951</b>	<b>5 160 816</b>	<b>3 727 655</b>	<b>3 173 708</b>	<b>109 013 353</b>	<b>131 642 483</b>

The total debtors outstanding as at 31 December 2017 were R133 403 091; the total debtors outstanding at 30 November 2017 were R131 642 483, this is an increase of R1 760 608(1.34%) for the period.

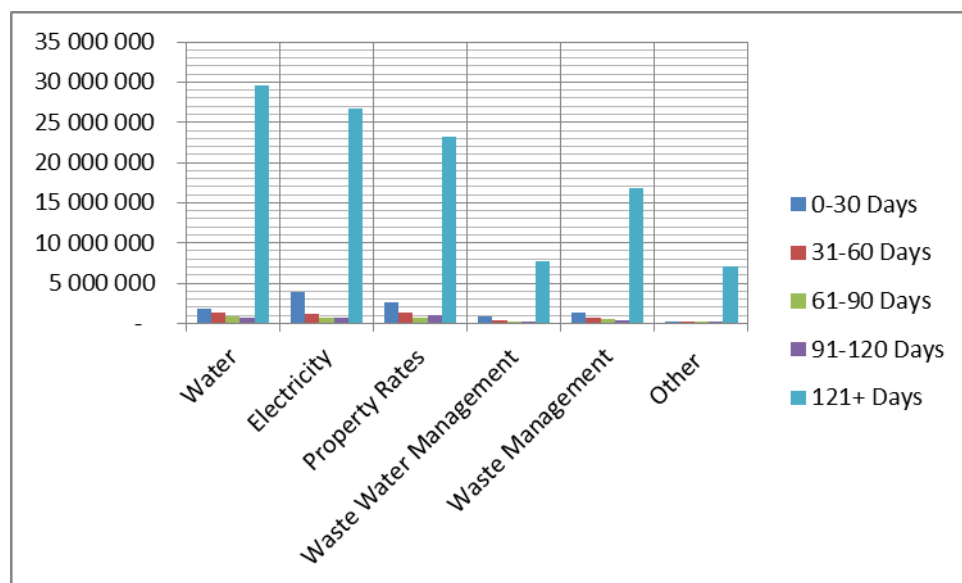
Debtors outstanding for a period more than 121+ days amounts to R111 189 383 compared to R109 013 353 in the previous month.

Businesses and state departments owes the municipality R41 664 686 compared to R41 290 198 the previous month.

**Chart 8 – Debtors per revenue source**

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	1 839 782	1 359 871	858 732	730 797	29 652 482	34 441 664
Electricity	3 949 852	1 188 526	657 173	736 444	26 772 834	33 304 829
Property Rates	2 534 627	1 316 307	747 088	960 249	23 223 465	28 781 736
Waste Water Management	901 191	446 419	255 305	229 972	7 685 544	9 518 431
Waste Management	1 293 612	712 888	470 151	448 452	16 768 281	19 693 384
Other	152 785	185 971	122 036	115 478	7 086 777	7 663 047
<b>Total By Income Source</b>	<b>10 671 849</b>	<b>5 209 982</b>	<b>3 110 485</b>	<b>3 221 392</b>	<b>111 189 383</b>	<b>133 403 091</b>

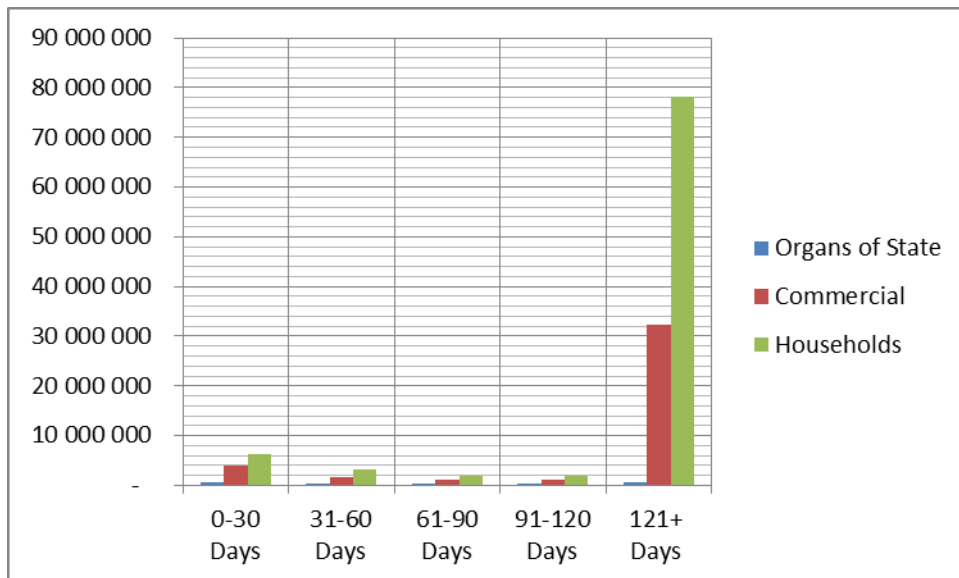
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	514 838	208 764	84 635	110 743	520 317	1 439 297
Commercial	3 847 857	1 742 930	1 098 212	1 118 332	32 418 058	40 225 389
Households	6 309 154	3 258 288	1 927 638	1 992 317	78 251 008	91 738 405
<b>Total By Customer Group</b>	<b>10 671 849</b>	<b>5 209 982</b>	<b>3 110 485</b>	<b>3 221 392</b>	<b>111 189 383</b>	<b>133 403 091</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 December 2017

Creditors Age Analysis 31 December 2017						
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Total
<b>Creditors Age Analysis By Customer Type</b>						
Bulk Electricity	7 551 488		618 156	-	69 188 677	77 358 321
Bulk Water	5 651 475		1 967 495	1 563 811	98 990 018	108 172 799
Trade Creditors			140 577	636 133	2 282 761	3 059 471
Auditor General	-	1 148 192	614 660		198 058	1 960 910
<b>Total By Customer Type</b>	<b>13 202 963</b>	<b>1 148 192</b>	<b>3 340 888</b>	<b>2 199 945</b>	<b>170 659 514</b>	<b>190 551 502</b>

### Creditors Analysis

The outstanding creditors moved from R195 266 520 to R190 551 502, this is a decrease of R4 715 018.

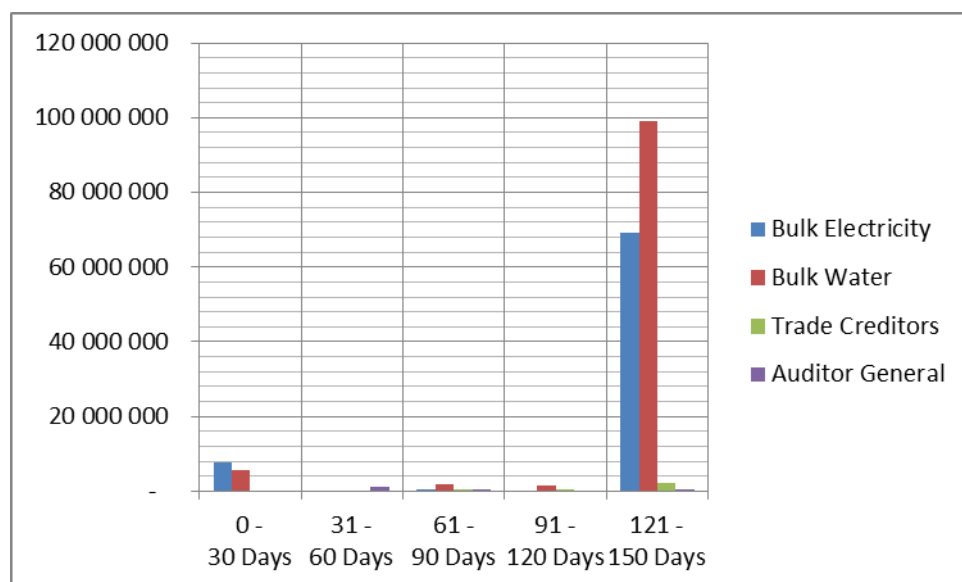


Chart 10

### Creditors Age Analysis

The comparison for creditors outstanding between November 2017 and December 2017 are as follows:

Bulk Electricity –November 2017, R83.2 million and December 2017 R77.4 million there is a R5.8 million decrease for the period.

Bulk Water –November 2017, R108.5 million and December 2017 R108.1 million there is a decrease for the period.

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December						
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	1 630 115	1 756 383	-126 268	93
Pension and UIF Contributions	151 500	29 652	177 909	75 750	102 159	235
Medical Aid Contributions	-	1 749	10 492	-	10 492	
Motor Vehicle Allowance	1 221 429	98 697	592 183	610 714	-18 532	97
Cellphone Allowance	481 824	32 300	193 800	240 912	-47 112	80
<b>Sub Total - Councillors</b>	<b>5 367 519</b>	<b>434 083</b>	<b>2 604 499</b>	<b>2 683 760</b>	<b>-79 261</b>	<b>97</b>
<b>Senior Managers of the Municipality</b>						
Basic Salaries and Wages	2 168 379	255 228	1 703 795	1 084 190	619 605	157
Pension and UIF Contributions	117 673	28 816	173 488	58 837	114 652	295
Medical Aid Contributions	44 694	12 519	79 641	22 347	57 294	356
Motor Vehicle Allowance	451 200	48 361	353 832	225 600	128 232	157
Cellphone Allowance	30 000	5 258	31 846	15 000	16 846	212
Housing Allowances	-	3 186	19 119	-	19 119	
Other benefits and allowances	312 888	19 350	579 310	156 444	422 866	370
<b>Sub Total - Senior Managers of Municipality</b>	<b>3 124 834</b>	<b>372 718</b>	<b>2 941 030</b>	<b>1 562 417</b>	<b>1 378 613</b>	<b>188</b>
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	52 382 132	4 046 746	24 523 746	26 191 066	-1 667 320	94
Pension and UIF Contributions	8 315 225	638 900	3 918 524	4 157 612	-239 089	94
Medical Aid Contributions	2 551 136	168 522	949 179	1 275 568	-326 389	74
Overtime	6 500 037	352 005	1 857 513	3 250 019	-1 392 506	57
Performance Bonus	4 461 658	-	-	2 230 829	-2 230 829	-
Motor Vehicle Allowance	3 052 416	221 402	1 375 382	1 526 208	-150 826	90
Cellphone Allowance	131 916	9 087	65 005	65 958	-953	99
Housing Allowances	1 007 940	82 051	501 068	503 970	-2 902	99
Other benefits and allowances	803 061	512 087	3 814 831	401 531	3 413 301	950
Long service awards	499 746	54 527	233 189	249 873	-16 684	93
<b>Sub Total - Other Municipal Staff</b>	<b>79 705 267</b>	<b>6 085 327</b>	<b>37 238 437</b>	<b>39 852 633</b>	<b>-2 614 197</b>	<b>93</b>
<b>Total Parent Municipality</b>	<b>88 197 620</b>	<b>6 892 128</b>	<b>42 783 965</b>	<b>44 098 810</b>	<b>-1 314 844</b>	<b>97</b>
<b>Total Employee Cost</b>	<b>82 830 101</b>	<b>6 458 044</b>	<b>40 179 467</b>	<b>41 415 050</b>		
<b>Total Expenditure</b>	<b>290745641.2</b>	<b>13065051.92</b>	<b>118082831</b>	<b>135572195.9</b>		
<b>%Employee Cost to Total Expenditure</b>	<b>28</b>	<b>49</b>	<b>34</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 December 49%.

## **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 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:**

**Henri Cloete**

**Section Head: Financial Services**

**Budget & Treasury**

**DATE: 16 January 2017**

### **Reviewed By:**

**William Bowers**

**Acting Chief Financial Officer**

**Budget & Treasury**

**DATE: 16 January 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 December 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

	<b>Consolidated Monthly Statements</b>
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