



**Nama Khoi Municipality**

**14 December 2017**

**The Mayor**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING  
30 November 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 30 November 2017, ten working days reporting limit expires on 14 December 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 30 November 2017**

**This report is based upon financial information, as at 30 November 2017 and available at the time of preparation.**

The financial results for the period ended 30 November 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) - M05 November						
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	1 178	45 163 111	18 381 882	26 781 229	246
Service charges - electricity revenue	78 578 715	6 071 043	31 659 971	32 741 131	-1 081 160	97
Service charges - water revenue	28 194 353	2 726 817	12 533 109	11 747 647	785 462	107
Service charges - sanitation revenue	10 692 036	1 253 686	6 199 557	4 455 015	1 744 542	139
Service charges - refuse revenue	12 723 929	1 555 540	7 707 152	5 301 637	2 405 515	145
Rental of facilities and equipment	1 657 184	89 432	538 800	690 493	-151 693	78
Interest earned - external investments	1 361 235	96 335	574 595	567 181	7 414	101
Interest earned - outstanding debtors	1 389 005	693 062	3 329 373	578 752	2 750 621	575
Fines	5 015 582	211	10 950	2 089 826	-2 078 876	1
Licences and permits	1 365 812	110 359	653 879	569 088	84 791	115
Agency services	1 097 937	-	400 585	457 474	-56 889	88
Transfers recognised - operational	44 440 507	450 000	19 681 000	18 516 878	1 164 122	106
Other revenue	1 814 421	154 190	719 695	-	719 695	
<b>Total Revenue (excluding capital transfers and c</b>	<b>232 447 233</b>	<b>13 201 854</b>	<b>129 171 777</b>	<b>96 097 005</b>	<b>33 074 772</b>	<b>134</b>
<b>Expenditure By Type</b>						
Employee related costs	82 830 101	6 458 167	32 766 986	34 512 542	-1 745 556	95
Remuneration of councillors	5 367 519	434 083	2 164 416	2 236 466	-72 050	97
Debt impairment	9 977 349	-		4 157 229	-4 157 229	-
Depreciation & asset impairment	43 517 405	-		18 132 252	-18 132 252	-
Finance charges	750 000	-		312 500	-312 500	-
Bulk purchases	98 724 239	7 250 549	41 554 278	41 135 099	419 179	101
Other materials	8 076 534	924 419	3 742 717	3 365 222	377 495	111
Contracted services	21 901 246	39 226	116 630	9 125 519	-9 008 889	1
Other expenditure	19 601 249	6 809 386	24 672 755	-	24 672 755	
<b>Total Expenditure</b>	<b>290 745 641</b>	<b>21 915 831</b>	<b>105 017 782</b>	<b>112 976 830</b>	<b>-7 959 048</b>	<b>93</b>
<b>Surplus/(Deficit)</b>	<b>-58 298 408</b>	<b>-8 713 977</b>	<b>24 153 995</b>	<b>-16 879 825</b>	<b>41 033 820</b>	

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue By Source</b>						
Property rates	44 116 516	1 178	45 163 111	18 381 882	26 781 229	246
Service charges - electricity revenue	78 578 715	6 071 043	31 659 971	32 741 131	-1 081 160	97
Service charges - water revenue	28 194 353	2 726 817	12 533 109	11 747 647	785 462	107
Service charges - sanitation revenue	10 692 036	1 253 686	6 199 557	4 455 015	1 744 542	139
Service charges - refuse revenue	12 723 929	1 555 540	7 707 152	5 301 637	2 405 515	145
Rental of facilities and equipment	1 657 184	89 432	538 800	690 493	-151 693	78
Interest earned - external investments	1 361 235	96 335	574 595	567 181	7 414	101
Interest earned - outstanding debtors	1 389 005	693 062	3 329 373	578 752	2 750 621	575
Fines	5 015 582	211	10 950	2 089 826	-2 078 876	1
Licences and permits	1 365 812	110 359	653 879	569 088	84 791	115
Agency services	1 097 937	-	400 585	457 474	-56 889	88
Transfers recognised - operational	44 440 507	450 000	19 681 000	18 516 878	1 164 122	106
Other revenue	1 814 421	154 190	719 695	-	719 695	
<b>Total Revenue (excluding capital transfers and</b>	<b>232 447 233</b>	<b>13 201 854</b>	<b>129 171 777</b>	<b>96 097 005</b>	<b>33 074 772</b>	<b>134</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.

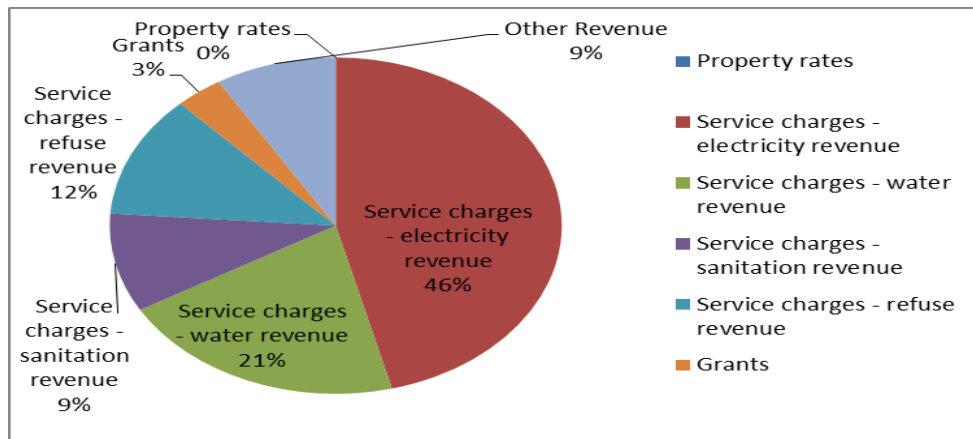
**Rental of Facilities** – Consist of a fix billing per month and also a variable billing depending on the use of the municipality’s facilities resulting in variances throughout the financial year.

**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 November 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	6 458 167	32 766 986	34 512 542	-1 745 556	95
Remuneration of councillors	5 367 519	434 083	2 164 416	2 236 466	-72 050	97
Debt impairment	9 977 349	-	-	4 157 229	-4 157 229	-
Depreciation & asset impairment	43 517 405	-	-	18 132 252	-18 132 252	-
Finance charges	750 000	-	-	312 500	-312 500	-
Bulk purchases	98 724 239	7 250 549	41 554 278	41 135 099	419 179	101
Other materials	8 076 534	924 419	3 742 717	3 365 222	377 495	111
Contracted services	21 901 246	39 226	116 630	9 125 519	-9 008 889	1
Other expenditure	19 601 249	6 809 386	24 672 755	-	24 672 755	-
<b>Total Expenditure</b>	<b>290 745 641</b>	<b>21 915 831</b>	<b>105 017 782</b>	<b>112 976 830</b>	<b>-7 959 048</b>	<b>93</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.

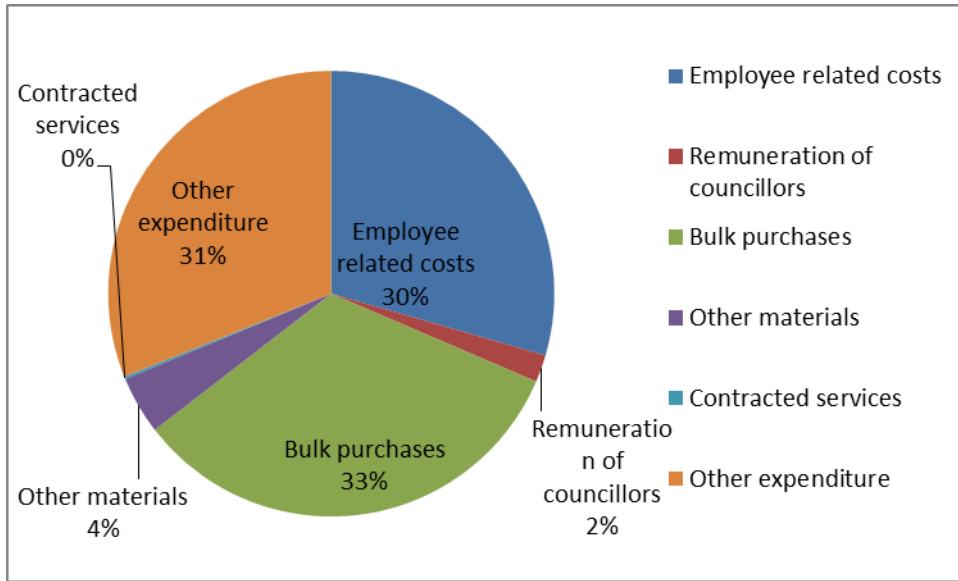
**Finance Charges** – The municipality has not taken up a new loan yet, therefore there was no interest to be paid.

**Contracted services** – 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

<b>NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November</b>						
<b>Vote Description</b>	<b>Budget Year 2017/18</b>					
	<b>Original Budget</b>	<b>Monthly actual</b>	<b>YearTD actual</b>	<b>YearTD budget</b>	<b>YTD variance</b>	<b>YTD variance %</b>
<b>Revenue by Vote</b>						
Vote 1 - Municipal Manager	1 581 416	501 113	872 002	658 900	213 102	132
Vote 2 - Financial Services	94 347 129	806 276	68 098 656	39 309 725	28 788 931	173
Vote 3 - Corporate Services	1 340 303	73 538	384 452	567 480	-183 028	68
Vote 4 - Community Services: Community Development	15 303 670	1 659 497	8 431 959	8 808 895	-376 936	96
Vote 5 - Community Services: Public Safety	2 357 435	108 927	970 805	982 225	-11 420	99
Vote 6 - Electrical Engineering Services	83 629 611	6 071 043	31 663 760	35 217 220	-3 553 460	90
Vote 7 - Infrastructure, Engineering & Technical Services	58 661 670	3 981 460	18 750 143	27 900 670	-9 150 527	67
<b>Total Revenue by Vote</b>	<b>257 221 233</b>	<b>13 201 854</b>	<b>129 171 777</b>	<b>113 445 115</b>	<b>15 726 662</b>	<b>114</b>
<b>Expenditure by Vote</b>						
Vote 1 - Municipal Manager	19 721 097	1 730 931	7 581 875	8 186 190	-604 315	93
Vote 2 - Financial Services	41 748 450	3 225 306	11 824 345	17 414 075	-5 589 730	68
Vote 3 - Corporate Services	20 440 603	2 869 661	11 699 720	8 529 585	3 170 135	137
Vote 4 - Community Services: Community Development	22 651 368	1 794 923	9 158 281	11 870 295	-2 712 014	77
Vote 5 - Community Services: Public Safety	8 537 125	632 476	3 174 609	3 556 995	-382 386	89
Vote 6 - Electrical Engineering Services	89 258 813	5 570 585	34 223 338	37 565 280	-3 341 942	91
Vote 7 - Infrastructure, Engineering & Technical Services	88 388 185	6 091 939	27 355 615	40 286 215	-12 930 600	68
<b>Total Expenditure by Vote</b>	<b>290 745 641</b>	<b>21 915 821</b>	<b>105 017 783</b>	<b>127 408 635</b>	<b>-22 390 852</b>	<b>82</b>
<b>Surplus/ (Deficit) for the year</b>	<b>-33 524 408</b>	<b>-8 713 967</b>	<b>24 153 994</b>	<b>-13 963 520</b>	<b>38 117 514</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	501 113	872 002	658 900	213 102	132
Vote 2 - Financial Services	94 347 129	806 276	68 098 656	39 309 725	28 788 931	173
Vote 3 - Corporate Services	1 340 303	73 538	384 452	567 480	-183 028	68
Vote 4 - Community Services: Community Development	15 303 670	1 659 497	8 431 959	8 808 895	-376 936	96
Vote 5 - Community Services: Public Safety	2 357 435	108 927	970 805	982 225	-11 420	99
Vote 6 - Electrical Engineering Services	83 629 611	6 071 043	31 663 760	35 217 220	-3 553 460	90
Vote 7 - Infrastructure, Engineering & Technical Services	58 661 670	3 981 460	18 750 143	27 900 670	-9 150 527	67
<b>Total Revenue by Vote</b>	<b>257 221 233</b>	<b>13 201 854</b>	<b>129 171 777</b>	<b>113 445 115</b>	<b>15 726 662</b>	<b>114</b>

**Municipal Manager**

Revenue from building fees more than what was budgeted.

**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**

The department are within the accepted norm

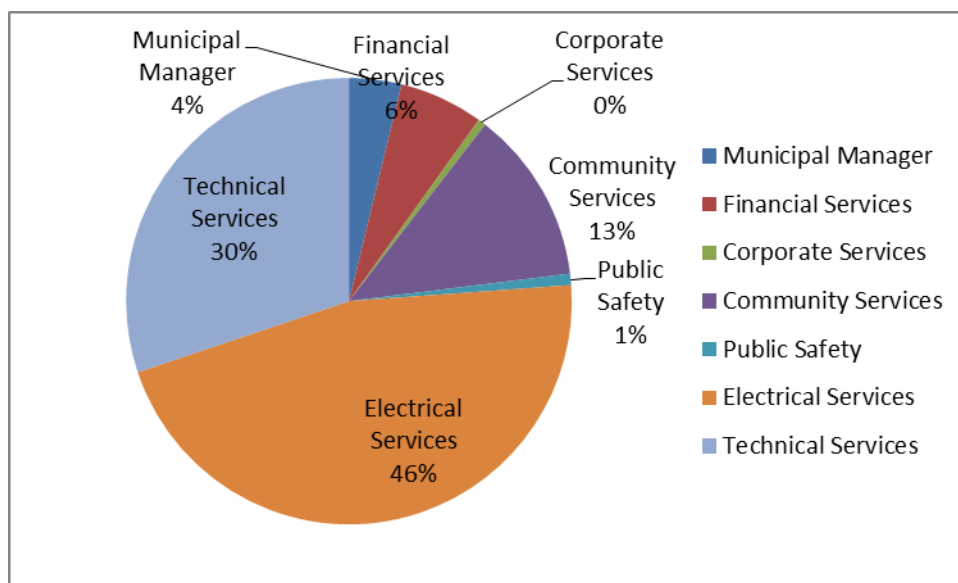
**Technical Services**

Revenue recognised from capital expenditure less than budgeted.



### CHART 3

The following chart shows the revenue by vote for 30 November 2017



Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - Municipal Manager	19 721 097	1 730 931	7 581 875	8 186 190	-604 315	93
Vote 2 - Financial Services	41 748 450	3 225 306	11 824 345	17 414 075	-5 589 730	68
Vote 3 - Corporate Services	20 440 603	2 869 661	11 699 720	8 529 585	3 170 135	137
Vote 4 - Community Services: Community Development	22 651 368	1 794 923	9 158 281	11 870 295	-2 712 014	77
Vote 5 - Community Services: Public Safety	8 537 125	632 476	3 174 609	3 556 995	-382 386	89
Vote 6 - Electrical Engineering Services	89 258 813	5 570 585	34 223 338	37 565 280	-3 341 942	91
Vote 7 - Infrastructure, Engineering & Technical Services	88 388 185	6 091 939	27 355 615	40 286 215	-12 930 600	68
<b>Total Expenditure by Vote</b>	<b>290 745 641</b>	<b>21 915 821</b>	<b>105 017 783</b>	<b>127 408 635</b>	<b>-22 390 852</b>	<b>82</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

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

### Technical Services

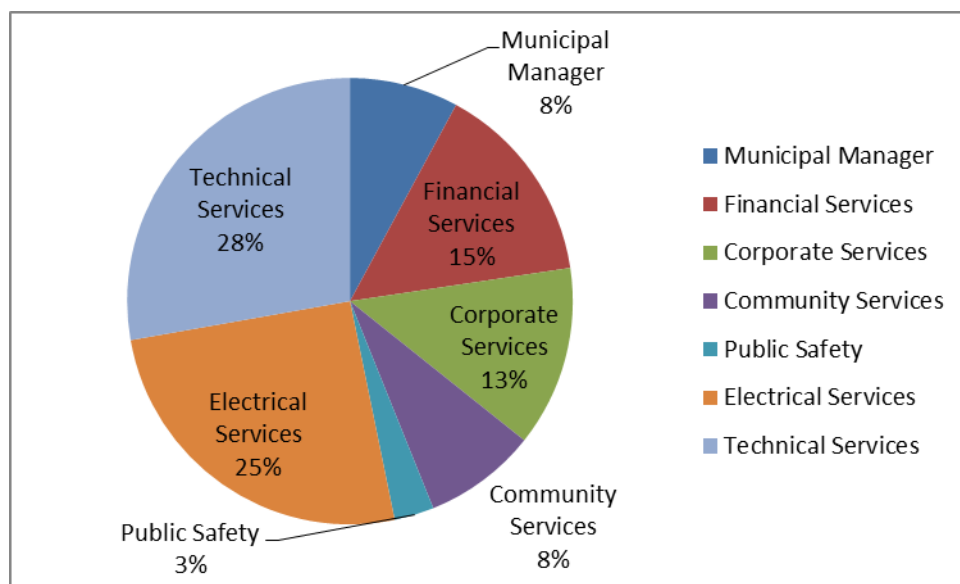
Depreciation will only be done when the asset register is finalised.

### Electricity Department

Department are within the accepted norm

### CHART 4

The following chart shows the expenditure by vote for 30 November 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 November 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	-	-	2 786 322	-2 786 322	-
Electricity	5 000 000	-	2 845 583	2 083 333	762 250	137
Water	5 000 000	-	176 902	2 083 333	-1 906 431	8
Waste water management	8 086 827	2 448 045	4 571 951	3 369 511	1 202 440	136
<b>Total Capital Expenditure - Standard Classification</b>	<b>24 774 000</b>	<b>2 448 045</b>	<b>7 594 436</b>	<b>10 322 500</b>	<b>-2 728 064</b>	<b>74</b>
<b>Funded by:</b>						
National Government	24 774 000	2 448 045	7 594 436	10 322 500	-2 728 064	74
<b>Total Capital Funding</b>	<b>24 774 000</b>	<b>2 448 045</b>	<b>7 594 436</b>	<b>10 322 500</b>	<b>-2 728 064</b>	<b>74</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 30 November 2017

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M05 November						
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	2 446 802	11 017 324	17 351 439	-6 334 115	63
Service charges	125 766 390	9 534 982	48 196 309	51 204 567	-3 008 258	94
Other revenue	7 579 368	3 398 869	35 498 863	4 356 165	31 142 698	815
Government - operating	44 440 507	450 000	19 681 000	18 516 878	1 164 122	106
Government - capital	24 774 000	-	13 433 000	10 322 500	3 110 500	130
Interest	1 361 235	34 981	164 430	567 181	-402 751	29
<b>Payments</b>						
Suppliers and employees	-220 930 642	-18 122 293	-118 167 001	-95 526 475	22 640 526	124
Finance charges	-750 000	-	-	-312 500	-312 500	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>23 884 312</b>	<b>-2 256 659</b>	<b>9 823 925</b>	<b>6 479 756</b>	<b>-3 344 169</b>	<b>152</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Capital assets	-24 774 000	-2 540 714	-8 572 799	-10 322 500	-1 749 701	83
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-24 774 000</b>	<b>-2 540 714</b>	<b>-8 572 799</b>	<b>-10 322 500</b>	<b>-1 749 701</b>	<b>83</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	-	-	-66 829	-66 829	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>158 401</b>	<b>-</b>	<b>-</b>	<b>-66 829</b>	<b>-66 829</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-731 287</b>	<b>-4 797 373</b>	<b>1 251 126</b>	<b>-3 909 573</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		4 597 625	821 714		

The cash flow statement shows that the municipality had a balance of R4.5 million in the primary bank account and the year –to-date budget shows the municipality budget for a balance of R821 thousand.

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

SERVICE POINTS	OUTSTANDING 31.10.17	ADD BILLINGS	MINUS INCOME	OUTSTANDING 30.11.2017	Collection Rate	Collection Rate including all outstanding debt	INCREASING (DECREASING)	% INCREASE /(DECREASE)
<b>RATES:</b>								
Springbok	3 915 213.49	2 495 132.78	2 527 073.33	3 883 272.94	101.28	39.42	(31 940.55)	(0.82%)
Steinkopf	9 767 777.43	393 022.48	242 715.26	9 918 084.65	61.76	2.39	150 307.22	1.54%
Concordia	1 770 145.79	217 600.06	207 033.49	1 780 712.36	95.14	10.42	10 566.57	0.60%
Komaggas	6 090 614.52	124 196.30	21 948.61	6 192 862.21	17.67	0.35	102 247.69	1.68%
Okiep	1 883 882.40	274 339.23	256 041.24	1 902 180.39	93.33	11.86	18 297.99	0.97%
Nababeep	1 358 351.16	268 046.85	280 123.18	1 346 274.83	104.51	17.22	(12 076.33)	(0.89%)
<b>TOTAL RATES</b>	<b>24 785 984.79</b>	<b>3 772 337.70</b>	<b>3 534 935.11</b>	<b>25 023 387.38</b>	<b>93.71</b>	<b>12.38</b>	<b>237 402.59</b>	<b>0.96%</b>
<b>SERVICES:</b>								
Springbok	7 362 021.85	6 910 878.26	6 898 143.90	7 374 756.21	99.82	48.33	12 734.36	0.17%
Steinkopf	16 467 528.20	740 438.36	448 385.09	16 759 581.47	60.56	2.61	292 053.27	1.77%
Concordia	6 796 885.34	759 397.05	799 664.58	6 756 617.81	105.30	10.58	(40 267.53)	(0.59%)
Komaggas	20 124 164.11	420 917.51	135 347.99	20 409 733.63	32.16	0.66	285 569.52	1.42%
Okiep	9 751 965.01	947 401.91	679 440.24	10 019 926.68	71.72	6.35	267 961.67	2.75%
Nababeep	23 224 270.66	884 416.05	773 617.97	23 335 068.74	87.47	3.21	110 798.08	0.48%
<b>TOTAL SERVICES</b>	<b>83 726 835.17</b>	<b>10 663 449.14</b>	<b>9 734 599.77</b>	<b>84 655 684.54</b>	<b>91.29</b>	<b>10.31</b>	<b>928 849.37</b>	<b>1.11%</b>
<b>LANDSALES</b>								
Springbok	89 980.20	-	850.00	89 130.20		0.94	(850.00)	(0.94%)
Steinkopf	178 944.68	9 704.39	15 869.34	172 779.73	163.53	8.41	(6 164.95)	(3.45%)
Concordia	156 772.45	0.00	3 417.03	153 355.42		2.18	(3 417.03)	(2.18%)
Komaggas	145 547.59	-	-	145 547.59		-	-	0.00%
Okiep	148 106.76	-	300.00	147 806.76		0.20	(300.00)	(0.20%)
Nababeep	40 191.92	-	-	40 191.92		-	-	0.00%
<b>TOTAL LANDSALES</b>	<b>759 543.60</b>	<b>9 704.39</b>	<b>20 436.37</b>	<b>748 811.62</b>	<b>210.59</b>	<b>2.66</b>	<b>(10 731.98)</b>	<b>(1.41%)</b>
<b>GRAZINGFEES</b>								
Springbok	16 928.94	3 940.88	4 145.96	16 723.86	105.20	19.87	(205.08)	(1.21%)
Steinkopf	1 733 586.60	58 375.39	26 895.66	1 765 066.33	46.07	1.50	31 479.73	1.82%
Concordia	567 309.26	34 637.62	28 027.45	573 919.43	80.92	4.66	6 610.17	1.17%
Komaggas	975 611.03	19 129.02	3 027.26	991 712.79	15.83	0.30	16 101.76	1.65%
Okiep	41 809.04	5 362.39	5 625.60	41 545.83	104.91	11.93	(263.21)	(0.63%)
Nababeep	20 658.84	2 922.68	3 391.85	20 189.67	116.05	14.38	(469.17)	(2.27%)
<b>TOTAL GRAZINGFEE</b>	<b>3 355 903.71</b>	<b>124 367.98</b>	<b>71 113.78</b>	<b>3 409 157.91</b>	<b>57.18</b>	<b>2.04</b>	<b>53 254.20</b>	<b>1.59%</b>
<b>DIVERSE:</b>								
Springbok	1 218 980.42	63 242.51	41 076.79	1 241 146.14	64.95	3.20	22 165.72	1.82%
Steinkopf	374 413.99	11 303.54	2 482.90	383 234.63	21.97	0.64	8 820.64	2.36%
Concordia	162 768.65	11 066.69	9 833.73	164 001.61	88.86	5.66	1 232.96	0.76%
Komaggas	457 104.95	19 926.39	19 172.44	457 858.90	96.22	4.02	753.95	0.16%
Okiep	250 424.92	20 906.09	9 520.38	261 810.63	45.54	3.51	11 385.71	4.55%
Nababeep	601 066.12	5 156.79	1 162.16	605 060.75	22.54	0.19	3 994.63	0.66%
<b>TOTAL OTHER</b>	<b>3 064 759.05</b>	<b>131 602.01</b>	<b>83 248.40</b>	<b>3 113 112.66</b>	<b>63.26</b>	<b>2.60</b>	<b>48 353.61</b>	<b>1.58%</b>
<b>GRAND TOTAL</b>	<b>115 693 026.32</b>	<b>14 701 461.22</b>	<b>13 444 333.43</b>	<b>116 950 154.11</b>	<b>91.45</b>	<b>10.31</b>	<b>1 257 127.79</b>	<b>1.09%</b>
<b>TOTAL SERVICES POINTS</b>								
Springbok	12 603 124.90	9 473 194.43	9 471 289.98	12 605 029.35	99.98	42.90	1 904.45	0.02%
Steinkopf	28 522 250.90	1 212 844.16	736 348.25	28 998 746.81	60.71	2.48	476 495.91	1.67%
Concordia	9 453 881.49	1 022 701.42	1 047 976.28	9 428 606.63	102.47	10.00	(25 274.86)	(0.27%)
Komaggas	27 793 042.20	584 169.22	179 496.30	28 197 715.12	30.73	0.63	404 672.92	1.46%
Okiep	12 076 188.13	1 248 009.62	950 927.46	12 373 270.29	76.20	7.14	297 082.16	2.46%
Nababeep	25 244 538.70	1 160 542.37	1 058 295.16	25 346 785.91	91.19	4.01	102 247.21	0.41%
<b>GRAND TOTAL</b>	<b>115 693 026.32</b>	<b>14 701 461.22</b>	<b>13 444 333.43</b>	<b>116 950 154.11</b>	<b>91.45</b>	<b>10.31</b>	<b>1 257 127.79</b>	<b>1.09%</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 91% 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 30 November 2017.

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

**Rates**

From the information above the municipality collected 104.51 % in Nababeep which was the highest collection rate; however the lowest collection rate was at 17.67% which was for Komaggas.

**Services**

From the information above the municipality collected 105.30% at Concordia which was the highest collection rate; however the lowest collection rate was at 33.16% which was for Komaggas.

**Grazing Fees**

From the information above the municipality collected 116.05 % at Nababeep which was the highest collection rate; however the lowest collection rate was at 15.03% which was for Komaggas.

**Diverse/other**

From the information above the municipality collected 96.22% at Komaggas which was the highest collection rate; however the lowest collection rate was at 21.97% which was for Steinkopf.

**Service points**

From the information above the municipality collected 102.47% at Concordia which was the highest collection rate; however the lowest collection rate was at 30.73% 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 30 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>

## Debtors Age Analysis October 2017

Debtors Age Analysis October 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	1 823 806	1 407 711	939 635	730 314	28 693 593	33 595 059
Electricity	3 738 937	1 642 500	1 011 739	739 329	25 447 887	32 580 392
Property Rates	2 575 739	1 708 827	768 749	666 186	22 328 672	28 048 173
Waste Water Management	893 287	449 655	300 784	257 217	7 382 419	9 283 362
Waste Management	1 288 017	728 531	530 106	483 434	16 106 437	19 136 525
Other	161 019	165 770	123 828	110 160	6 952 225	7 513 002
<b>Total By Income Source</b>	<b>10 480 805</b>	<b>6 102 994</b>	<b>3 674 841</b>	<b>2 986 640</b>	<b>106 911 233</b>	<b>130 156 513</b>
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	503 840	344 321	223 822	82 574	547 933	1 702 490
Commercial	3 755 879	2 200 979	1 206 448	1 034 737	30 783 718	38 981 761
Households	6 221 086	3 557 694	2 244 571	1 869 329	75 579 582	89 472 262
<b>Total By Customer Group</b>	<b>10 480 805</b>	<b>6 102 994</b>	<b>3 674 841</b>	<b>2 986 640</b>	<b>106 911 233</b>	<b>130 156 513</b>

The total debtors outstanding as at 31 October 2017 were R130 156 513; the total debtors outstanding at 30 November 2017 were R131 642 483, this is an increase of R1 485 970(1.14%) for the period.

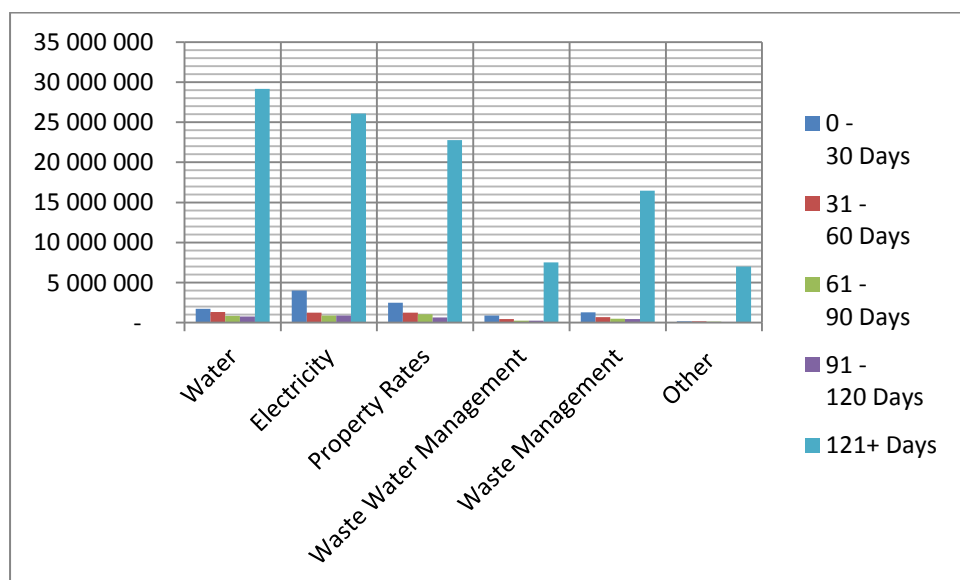
Debtors outstanding for a period more than 121+ days amounts to R109 013 353 compared to R106 911 233 in the previous month.

Businesses and state departments owes the municipality R41 290 198 compared to R40 684 251 the previous month.

**Chart 8 – Debtors per revenue source**

Debtors Age Analysis By Income Source	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days
Water	1 721 647	1 338 822	856 825	791 276	29 161 765
Electricity	4 029 945	1 258 491	910 877	907 442	26 062 132
Property Rates	2 478 995	1 243 361	1 057 403	643 065	22 781 396
Waste Water Management	893 021	439 346	270 475	251 059	7 535 613
Waste Management	1 281 354	705 241	507 512	463 534	16 449 728
Other	161 989	175 555	124 563	117 332	7 022 719

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

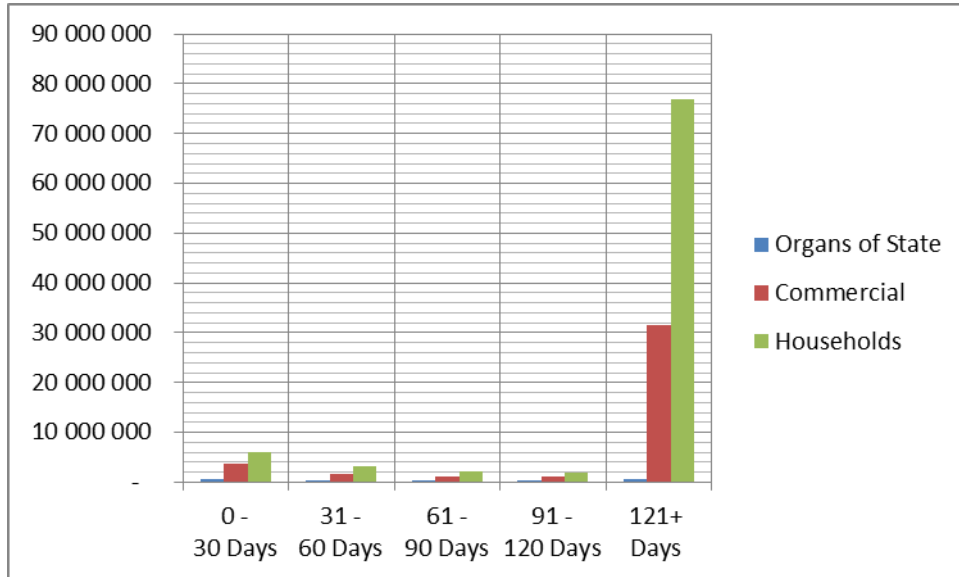


Debtors Age Analysis By Customer Group	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total-
Organs of State	647 936	265 455	251 464	193 502	501 887	1 860 244
Commercial	3 774 493	1 748 577	1 253 133	1 067 072	31 586 679	39 429 954
Households	6 144 522	3 146 784	2 223 058	1 913 134	76 924 787	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>



### 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 30 November 2017

NC062 Nama Khoi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November						
Description	Budget Year 2017/18					
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total
<b>Creditors Age Analysis By Customer Type</b>						
Bulk Electricity	11 668 940	2 294 233	-	-	69 188 678	83 151 850
Bulk Water	6 054 851	1 967 495	1 563 811	1 331 928	97 658 091	108 576 175
Trade Creditors			529 551	64 144	2 132 083	2 725 777
Auditor General	-	614 660			198 058	812 718
<b>Total By Customer Type</b>	<b>17 723 791</b>	<b>4 876 387</b>	<b>2 093 362</b>	<b>1 396 071</b>	<b>169 176 909</b>	<b>195 266 520</b>

### Creditors Analysis

The outstanding creditors moved from R190 483 919 to R195 266 520, this is an increase of R4 782 601.

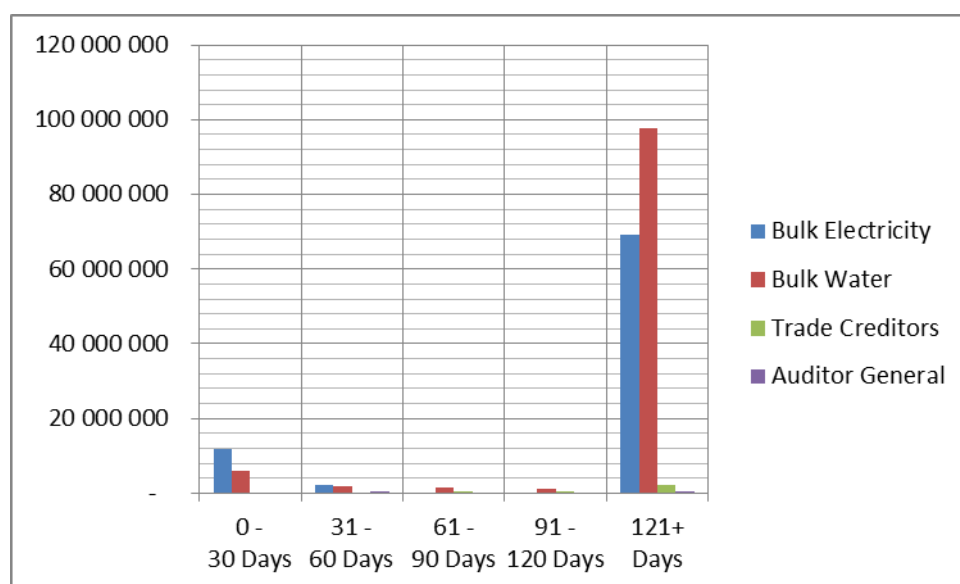


Chart 10

### Creditors Age Analysis

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

Bulk Electricity –November 2017, R83.2 million and October 2017 R80.3 million there is a R2.9 million increase for the period.

Bulk Water –November 2017, R108.5 million and October 2017 R103.4 million there is a increase for the period of R5.1 million

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November						
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	1 358 429	1 463 653	-105 223	93
Pension and UIF Contributions	151 500	29 652	148 258	63 125	85 133	235
Medical Aid Contributions	-	1 749	8 743	-	8 743	
Motor Vehicle Allowance	1 221 429	98 697	493 485	508 929	-15 443	97
Cellphone Allowance	481 824	32 300	161 500	200 760	-39 260	80
<b>Sub Total - Councillors</b>	<b>5 367 519</b>	<b>434 083</b>	<b>2 170 416</b>	<b>2 236 466</b>	<b>-66 050</b>	<b>97</b>
<b>Senior Managers of the Municipality</b>						
Basic Salaries and Wages	2 168 379	286 948	1 448 567	903 491	545 076	160
Pension and UIF Contributions	117 673	28 964	144 672	49 030	95 642	295
Medical Aid Contributions	44 694	13 520	67 122	18 623	48 500	360
Motor Vehicle Allowance	451 200	62 906	305 470	188 000	117 470	162
Cellphone Allowance	30 000	5 258	26 588	12 500	14 088	213
Housing Allowances	-	3 186	15 932	-	15 932	
Other benefits and allowances	312 888	407 701	559 960	130 370	429 590	430
<b>Sub Total - Senior Managers of Municipality</b>	<b>3 124 834</b>	<b>808 484</b>	<b>2 568 312</b>	<b>1 302 014</b>	<b>1 266 298</b>	<b>197</b>
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	52 382 132	4 104 758	20 477 000	21 825 888	-1 348 889	94
Pension and UIF Contributions	8 315 225	639 504	3 279 624	3 464 677	-185 053	95
Medical Aid Contributions	2 551 136	167 164	780 657	1 062 973	-282 316	73
Overtime	6 500 037	328 458	1 505 508	2 708 349	-1 202 841	56
Performance Bonus	4 461 658	-	-	1 859 024	-1 859 024	-
Motor Vehicle Allowance	3 052 416	210 962	1 153 980	1 271 840	-117 860	91
Cellphone Allowance	131 916	9 087	55 918	54 965	953	102
Housing Allowances	1 007 940	82 051	419 017	419 975	-958	100
Other benefits and allowances	803 061	419 281	3 302 745	334 609	2 968 136	987
Long service awards	499 746	7 820	178 661	208 227	-29 566	86
<b>Sub Total - Other Municipal Staff</b>	<b>79 705 267</b>	<b>5 969 086</b>	<b>31 153 110</b>	<b>33 210 528</b>	<b>-2 057 418</b>	<b>94</b>
<b>Total Parent Municipality</b>	<b>88 197 620</b>	<b>7 211 653</b>	<b>35 891 838</b>	<b>36 749 008</b>	<b>-857 170</b>	<b>98</b>
<b>Total Employee Cost</b>	<b>82 830 101</b>	<b>6 777 570</b>	<b>33 721 422</b>	<b>34 512 542</b>		
<b>Total Expenditure</b>	<b>290 745 641</b>	<b>21 915 831</b>	<b>105 017 782</b>	<b>112 976 830</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 November 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 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: 13 December 2017**

### **Reviewed By:**

**William Bowers**

**Acting Chief Financial Officer**

**Budget & Treasury**

**DATE: 13 December 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 30 November 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
<b>Attached</b>	Additional Information