



**Nama Khoi Municipality**

**28 August 2018**

**The Mayor**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING  
31 July 2018 (MONTHLY BUDGET STATEMENT) – 2018/2019 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 June 2018, ten working days reporting limit expires on 15 August 2018.

**3. QUERIES AND SUGGESTIONS**

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

**4. REPORT FOR THE PERIOD ENDING 31 July 2018**

**This report is based upon financial information, as at 31 July 2018 and available at the time of preparation.**

The financial results for the period ended 31 July 2018 are summarised as follows:

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

The summary report indicates the following

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NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July						
Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue By Source</b>						
Property rates	49 087 458	47 423 727	47 423 727	4 090 621	43 333 106	1 159
Service charges - electricity revenue	82 719 739	6 250 918	6 250 918	6 893 313	-642 395	91
Service charges - water revenue	33 053 220	2 380 677	2 380 677	2 754 435	-373 758	86
Service charges - sanitation revenue	11 004 875	1 302 625	1 302 625	917 073	385 552	142
Service charges - refuse revenue	13 531 791	1 642 714	1 642 714	1 127 649	515 065	146
Rental of facilities and equipment	1 267 715	180 179	180 179	105 644	74 535	171
Interest earned - external investments	2 183 767	19 736	19 736	181 981	-162 245	11
Interest earned - outstanding debtors	1 902 596	777 242	777 242	158 550	618 692	490
Fines, penalties and forfeits	5 281 409	4 281	4 281	440 117	-435 836	1
Licences and permits	1 438 199	215 685	215 685	119 850	95 835	180
Agency services	1 156 128	-	-	-	-	
Transfers and subsidies	47 927 000	18 299 000	18 299 000	18 649 000	-350 000	98
Other revenue	1 082 696	23 285	23 285	186 568	-163 283	12
Gains on disposal of PPE	7 000 000	-	-	583 333	-583 333	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>258 636 593</b>	<b>78 520 072</b>	<b>78 520 072</b>	<b>36 208 134</b>	<b>42 311 938</b>	<b>217</b>
<b>Expenditure By Type</b>						
Employee related costs	87 600 201	6 383 065	6 383 065	7 300 019	-916 954	87
Remuneration of councillors	5 791 509	516 626	516 626	482 625	34 001	107
Debt impairment	19 066 479	-	-	1 588 873	-1 588 873	-
Depreciation & asset impairment	40 787 397	-	-	3 398 950	-3 398 950	-
Finance charges	7 200 000	-	-	600 000	-600 000	-
Bulk purchases	105 347 176	-	-	8 778 931	-8 778 931	-
Other materials	8 584 215	48 091	48 091	715 348	-667 257	7
Contracted services	24 029 793	21 936	21 936	2 002 473	-1 980 537	1
Transfers and subsidies	-	-	-	-	-	
Other expenditure	26 552 899	4 417 605	4 417 605	2 212 737	2 204 868	200
Loss on disposal of PPE	-	-	-	-	-	
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>11 387 323</b>	<b>11 387 323</b>	<b>27 079 956</b>	<b>-15 692 633</b>	<b>42</b>
<b>Surplus/(Deficit)</b>	<b>-66 323 077</b>	<b>67 132 749</b>	<b>67 132 749</b>	<b>9 128 178</b>	<b>58 004 571</b>	

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July						
Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue By Source</b>						
Property rates	49 087 458	47 423 727	47 423 727	4 090 621	43 333 106	1 159
Service charges - electricity revenue	82 719 739	6 250 918	6 250 918	6 893 313	-642 395	91
Service charges - water revenue	33 053 220	2 380 677	2 380 677	2 754 435	-373 758	86
Service charges - sanitation revenue	11 004 875	1 302 625	1 302 625	917 073	385 552	142
Service charges - refuse revenue	13 531 791	1 642 714	1 642 714	1 127 649	515 065	146
Rental of facilities and equipment	1 267 715	180 179	180 179	105 644	74 535	171
Interest earned - external investments	2 183 767	19 736	19 736	181 981	-162 245	11
Interest earned - outstanding debtors	1 902 596	777 242	777 242	158 550	618 692	490
Fines, penalties and forfeits	5 281 409	4 281	4 281	440 117	-435 836	1
Licences and permits	1 438 199	215 685	215 685	119 850	95 835	180
Agency services	1 156 128	-	-	-	-	-
Transfers and subsidies	47 927 000	18 299 000	18 299 000	18 649 000	-350 000	98
Other revenue	1 082 696	23 285	23 285	186 568	-163 283	12
Gains on disposal of PPE	7 000 000	-	-	583 333	-583 333	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>258 636 593</b>	<b>78 520 072</b>	<b>78 520 072</b>	<b>36 208 134</b>	<b>42 311 938</b>	<b>217</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-** Please note property rates are billed once a year, however the consumer the can make payments monthly, quarterly, once, bi-Annually, etc. The amount billed once creates a lot of confusion as the reader gets the impression that the money was received, the issue was discussed with Provincial Treasury where they took the initiative to engage with the Service Provider of the municipality to get a solution for the problem.

**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.

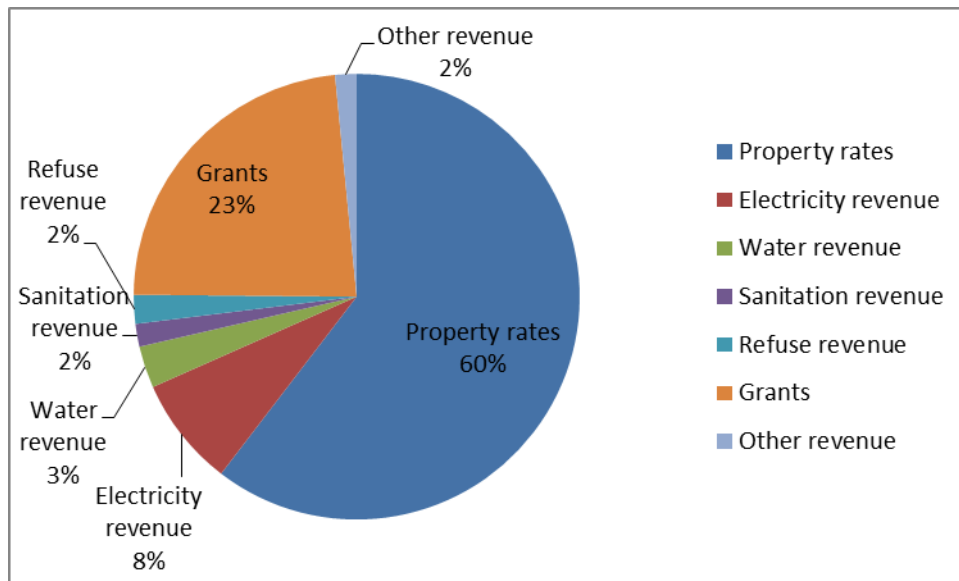
**Rental of facilities** – Revenue from this item vary on a monthly basis as it includes rental of halls and other facilities which are used as the community needs it.

**Interest earned outstanding debtors and Fines & penalties** – as the debtors book increase on a monthly basis the interest on these accounts also increase.

Please note that the Provincial Treasury also took the initiative engage with the Service Provider to get solutions for the abnormal variance that is as result of the implementation of MSCOA.

#### CHART 1

**The following chart shows the revenue by source for the month of 31 July 2018 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	87 600 201	6 383 065	6 383 065	7 300 019	-916 954	87
Remuneration of councillors	5 791 509	516 626	516 626	482 625	34 001	107
Debt impairment	19 066 479	-	-	1 588 873	-1 588 873	-
Depreciation & asset impairment	40 787 397	-	-	3 398 950	-3 398 950	-
Finance charges	7 200 000	-	-	600 000	-600 000	-
Bulk purchases	105 347 176	-	-	8 778 931	-8 778 931	-
Other materials	8 584 215	48 091	48 091	715 348	-667 257	7
Contracted services	24 029 793	21 936	21 936	2 002 473	-1 980 537	1
Transfers and subsidies	-	-	-	-	-	-
Other expenditure	26 552 899	4 417 605	4 417 605	2 212 737	2 204 868	200
Loss on disposal of PPE	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>11 387 323</b>	<b>11 387 323</b>	<b>27 079 956</b>	<b>-15 692 633</b>	<b>42</b>

### Notes on variances above/under 10%

**Employee Related Cost** – Please note the final agreement from SALGA was not available at the time of payment therefore no salary increase was implement in the month of July 2018, the correction will be done in the month of August 2018.

**Depreciation and debt impairment** – Please note depreciation as well as debt impairment are not done on a monthly basis, on the 23 of August 2018 a meeting was held with Provincial Treasury to discussed issues on MSCOA, challenges was identified and Provincial Treasury will have an engagement with the Service provider to get clarity on matters where the municipality cannot process information directly from the municipal system.

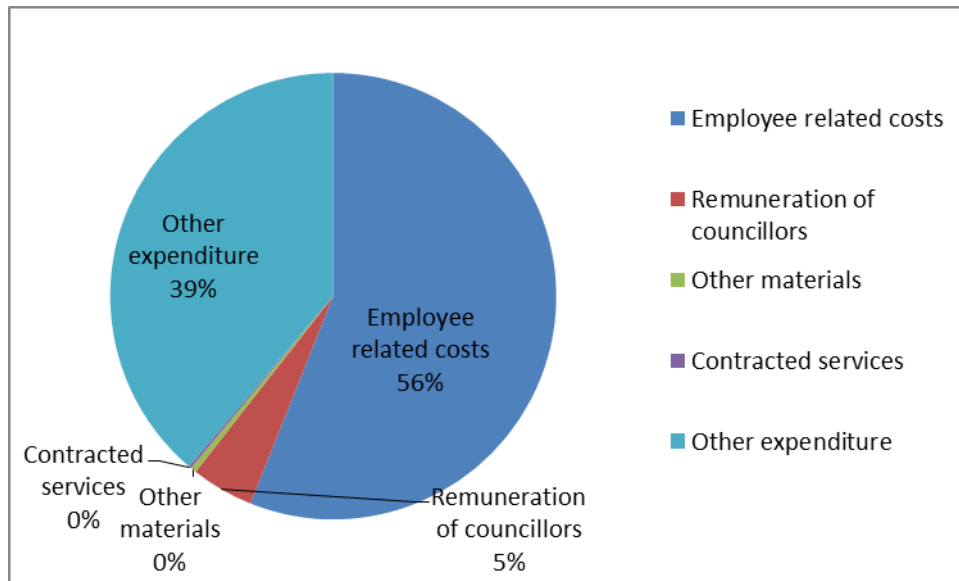
**Finance Charges** – The municipality has not taken up a new loan yet, therefore there was no interest to be paid.

**Bulk purchases** – Please note the July payment of ESKOM was included in the new Proposed Agreement with ESKOM.

**Other Expenditure, Contracted Services and other materials** - Please note that the Provincial Treasury also took the initiative engage with the Service Provider to get solutions for the abnormal variance that is as result of the implementation of MSCOA

**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) - M01 July						
Vote Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue by Vote</b>						
Vote 1 - Municipal Manager	1 675 563	39 986	39 986	139 574	-99 588	29
Vote 2 - Financial Services	103 566 698	66 527 497	66 527 497	8 627 105	57 900 392	771
Vote 3 - Corporate Services	7 977 426	80 756	80 756	666 423	-585 667	12
Vote 4 - Community Services: Community Development	16 103 446	1 942 995	1 942 995	1 854 327	88 668	105
Vote 5 - Community Services: Public Safety	2 482 378	104 607	104 607	206 783	-102 176	51
Vote 6 - Electrical Engineering Services	86 772 987	6 216 964	6 216 964	7 377 801	-1 160 837	84
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	3 607 268	3 607 268	5 920 607	-2 313 339	61
<b>Total Revenue by Vote</b>	<b>282 020 593</b>	<b>78 520 073</b>	<b>78 520 073</b>	<b>24 792 620</b>	<b>53 727 453</b>	<b>317</b>
<b>Expenditure by Vote</b>						
Vote 1 - Municipal Manager	19 095 365	1 417 322	1 417 322	1 590 645	-173 323	89
Vote 2 - Financial Services	51 857 443	1 332 533	1 332 533	4 319 727	-2 987 194	31
Vote 3 - Corporate Services	33 342 669	3 409 986	3 409 986	2 841 892	568 094	120
Vote 4 - Community Services: Community Development	23 351 214	1 467 937	1 467 937	2 493 070	-1 025 133	59
Vote 5 - Community Services: Public Safety	8 644 322	663 700	663 700	720 070	-56 370	92
Vote 6 - Electrical Engineering Services	98 428 250	600 554	600 554	8 299 520	-7 698 966	7
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	2 495 291	2 495 291	8 291 955	-5 796 664	30
<b>Total Expenditure by Vote</b>	<b>324 959 669</b>	<b>11 387 323</b>	<b>11 387 323</b>	<b>28 556 879</b>	<b>-17 169 556</b>	<b>40</b>
<b>Surplus/ (Deficit) for the year</b>	<b>-42 939 077</b>	<b>67 132 750</b>	<b>67 132 750</b>	<b>-3 764 259</b>	<b>70 897 009</b>	

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July						
Vote Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue by Vote</b>						
Vote 1 - Municipal Manager	1 675 563	39 986	39 986	139 574	-99 588	29
Vote 2 - Financial Services	103 566 698	66 527 497	66 527 497	8 627 105	57 900 392	771
Vote 3 - Corporate Services	7 977 426	80 756	80 756	666 423	-585 667	12
Vote 4 - Community Services: Community Development	16 103 446	1 942 995	1 942 995	1 854 327	88 668	105
Vote 5 - Community Services: Public Safety	2 482 378	104 607	104 607	206 783	-102 176	51
Vote 6 - Electrical Engineering Services	86 772 987	6 216 964	6 216 964	7 377 801	-1 160 837	84
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	3 607 268	3 607 268	5 920 607	-2 313 339	61
<b>Total Revenue by Vote</b>	<b>282 020 593</b>	<b>78 520 073</b>	<b>78 520 073</b>	<b>24 792 620</b>	<b>53 727 453</b>	<b>317</b>

### Reasons for variances above/under 10%

**Municipal Manager**- Revenue from building plans lower than the intended budget.

**Financial Services** - Please note property rates are billed once a year, however the consumer the can make payments monthly, quarterly, once, bi-Annually, etc. The amount billed once creates a lot of confusion as the reader gets the impression that the money was received, the issue was discussed with Provincial Treasury where they took the initiative to engage with the Service Provider of the municipality to get a solution for the problem. Please note equitable share was budgeted to be received in equal payments however equitable share are actually received in 3 trances.

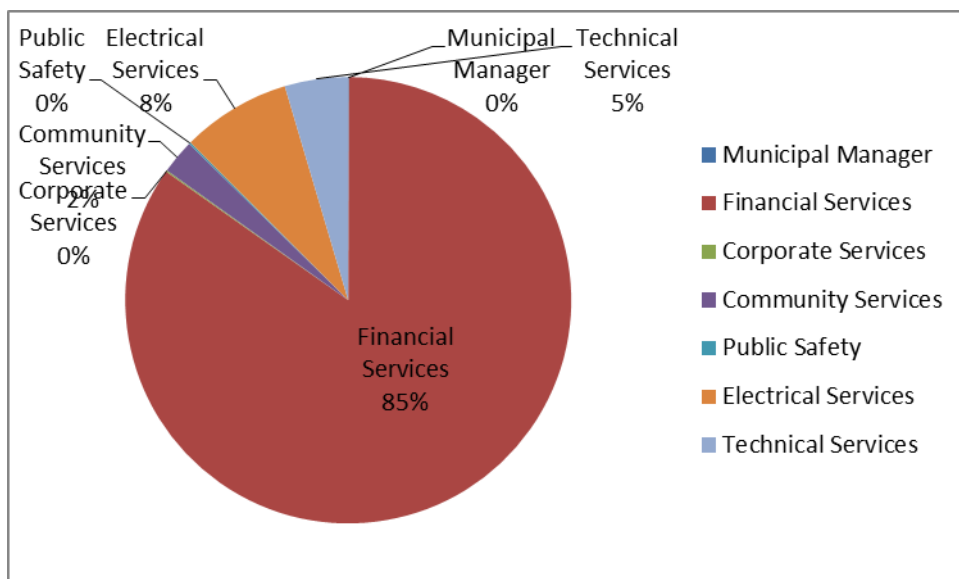
**Corporate Services** – Rental of facilities lower than the intended budget. Sale of land and stands did not occur as budgeted.

**Public Safety** - Revenue from License fees moved to the Post office.

**Electricity Services and Technical Services** – Capital expenditure lower than the budgeted amount, therefore revenue recognised from grants lower than the budgeted amount.

### CHART 3

The following chart shows the revenue by vote for 31 July 2018





Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - Municipal Manager	19 095 365	1 417 322	1 417 322	1 590 645	-173 323	89
Vote 2 - Financial Services	51 857 443	1 332 533	1 332 533	4 319 727	-2 987 194	31
Vote 3 - Corporate Services	33 342 669	3 409 986	3 409 986	2 841 892	568 094	120
Vote 4 - Community Services: Community Development	23 351 214	1 467 937	1 467 937	2 493 070	-1 025 133	59
Vote 5 - Community Services: Public Safety	8 644 322	663 700	663 700	720 070	-56 370	92
Vote 6 - Electrical Engineering Services	98 428 250	600 554	600 554	8 299 520	-7 698 966	7
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	2 495 291	2 495 291	8 291 955	-5 796 664	30
<b>Total Expenditure by Vote</b>	<b>324 959 669</b>	<b>11 387 323</b>	<b>11 387 323</b>	<b>28 556 879</b>	<b>-17 169 556</b>	<b>40</b>

### Reasons for variances above/under 10%

**Financial Services-** Please note depreciation as well as debt impairment are not done on a monthly basis, on the 23 of August 2018 a meeting was held with Provincial Treasury to discussed issues on MSCOA, challenges was identified and Provincial Treasury will have an engagement with the Service provider to get clarity on matters where the municipality cannot process information directly from the municipal system.

**Corporate Services –** License fees budget to be made in equal payments, however payment of previous months where no payment was made are included in the payment of July 2018.

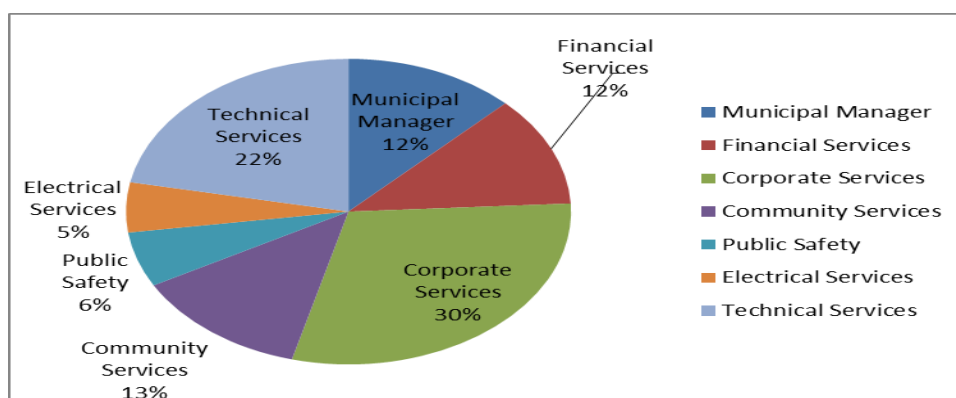
**Community Development,** – Please note the final agreement from SALGA was not available at the time of payment therefore no salary increase was implement in the month of July 2018, the correction will be done in the month of August 2018. Please note depreciation, on the 23 of August 2018 a meeting was held with Provincial Treasury to discussed issues on MSCOA, challenges was identified and Provincial Treasury will have an engagement with the Service provider to get clarity on matters where the municipality cannot process information directly from the municipal system.

**Electricity Department -** Please note the July payment of ESKOM was included in the new Proposed Agreement with ESKOM.

**Technical Departments –** Please note depreciation, on the 23 of August 2018 a meeting was held with Provincial Treasury to discussed issues on MSCOA, challenges was identified and Provincial Treasury will have an engagement with the Service provider to get clarity on matters where the municipality cannot process information directly from the municipal system.

### CHART 4

The following chart shows the expenditure by vote for 31 July 2018



## Capital expenditure report (Annexure B – Table C5)

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

Capital Expenditure 31 July 2018						
Vote Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Capital Expenditure - Functional Classification						
Road transport	3 902 000	-	-	325 037	-325 037	-
Energy sources	4 000 000	-	-	333 200	-333 200	-
Water management	7 250 000	129 118	129 118	603 925	-474 807	21
Waste water management	8 232 000	652 174	652 174	685 726	-33 552	95
<b>Total Capital Expenditure - Functional Classification</b>	<b>23 384 000</b>	<b>781 292</b>	<b>781 292</b>	<b>1 947 888</b>	<b>-1 166 596</b>	<b>40</b>
<b>Funded by:</b>						
National Government	23 384 000	781 292	781 292	1 947 888	-1 166 596	40
<b>Total Capital Funding</b>	<b>23 384 000</b>	<b>781 292</b>	<b>781 292</b>	<b>1 947 888</b>	<b>-1 166 596</b>	<b>40</b>

### Notes on the Capital Expenditure

Capital Expenditure are divided into equal monthly budgeted expenditures, however the budgeted expenditures should be link to the payment schedule as well as the procurement plan of the Technical Department.

## CASH FLOW STATEMENT AT 31 July 2018

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M01 July						
Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	44 178 712	2 856 768	2 856 768	3 681 559	-824 791	78
Service charges	126 464 719	10 357 668	10 357 668	10 538 728	-181 060	98
Other revenue	10 101 057	4 254 150	4 254 150	841 755	3 412 396	505
Government - operating	47 927 000	18 299 000	18 299 000	18 649 000	-350 000	98
Government - capital	23 384 000	10 200 000	10 200 000	-	10 200 000	
Interest	3 898 627	797 001	797 001	324 886	472 115	245
<b>Payments</b>						
Suppliers and employees	-232 084 412	-39 082 932	-39 082 932	-19 340 353	19 742 579	202
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>23 869 703</b>	<b>7 681 656</b>	<b>7 681 656</b>	<b>14 695 575</b>	<b>7 013 919</b>	<b>52</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	7 000 000	-	-	-	-	
Decrease (Increase) in non-current debtors	-	-	-	-	-	
Decrease (increase) other non-current receivables	-1 038 554	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	
<b>Payments</b>						
Capital assets	-23 384 000	-750 000	-750 000	-1 948 667	-1 198 667	38
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-17 422 554</b>	<b>-750 000</b>	<b>-750 000</b>	<b>-1 948 667</b>	<b>-1 198 667</b>	<b>38</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Increase (decrease) in consumer deposits	5 088	-	-	-	-	
<b>Payments</b>						
Repayment of borrowing	-244 426	-	-	-	-	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-239 338</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>6 207 811</b>	<b>6 931 656</b>	<b>6 931 656</b>	<b>12 746 908</b>		
Cash/cash equivalents at beginning:	10 707 985		1 115 373	10 707 985		
Cash/cash equivalents at month/year end:	16 915 796		8 047 028	23 454 893		

**NAMA KHOI MUNICIPALITY**  
**REPORT OUTSTANDING MONEY FOR 31 JULY 2018**

SERVICE POINTS	OUTSTANDING 30.06.2018	ADD BILLINGS	MINUS INCOME	OUTSTANDING 31.07.2018	Collection Rate for the month	Collection rate including all outstanding debt	INCREASING (DECREASING)	% INCREASE (/DECREASE)
<b>RATES:</b>								
Springbok	4 603 065.39	2 493 078.09	2 379 540.06	4 716 603.42	95.45	33.53	113 538.03	2.47%
Steinkopf	11 225 064.93	407 169.76	212 645.12	11 419 589.57	52.23	1.83	194 524.64	1.73%
Concordia	1 911 145.68	246 388.04	221 327.57	1 936 206.15	89.83	10.26	25 060.47	1.31%
Komaggas	6 868 140.37	128 869.48	19 091.13	6 977 918.72	14.81	0.27	109 778.35	1.60%
Okiep	2 047 922.86	273 664.53	236 609.03	2 084 978.36	86.46	10.19	37 055.50	1.81%
Nababeep	1 515 212.50	229 840.52	200 326.63	1 544 726.39	87.16	11.48	29 513.89	1.95%
<b>TOTAL RATES</b>	<b>28 170 551.73</b>	<b>3 779 010.42</b>	<b>3 269 539.54</b>	<b>28 680 022.61</b>	<b>86.52</b>	<b>10.23</b>	<b>509 470.88</b>	<b>1.81%</b>
<b>SERVICES:</b>								
Springbok	8 361 950.86	6 748 493.31	6 587 413.63	8 523 030.54	97.61	43.60	161 079.68	1.93%
Steinkopf	19 404 705.66	746 942.61	426 144.76	19 725 503.51	57.05	2.11	320 797.85	1.65%
Concordia	7 707 673.51	559 050.93	365 226.64	7 901 497.80	65.33	4.42	193 824.29	2.51%
Komaggas	22 873 920.46	452 366.94	65 932.75	23 260 354.65	14.58	0.28	386 434.19	1.69%
Okiep	11 995 172.58	1 030 636.17	633 847.82	12 391 960.93	61.50	4.87	396 788.35	3.31%
Nababeep	25 273 970.61	398 603.03	590 375.04	25 082 198.60	148.11	2.30	(191 772.01)	(0.76%)
<b>TOTAL SERVICES</b>	<b>95 617 393.68</b>	<b>9 936 092.99</b>	<b>8 668 940.64</b>	<b>96 884 546.03</b>	<b>87.25</b>	<b>8.21</b>	<b>1 267 152.35</b>	<b>1.33%</b>
<b>TOTAL LANDSALES</b>	<b>696 888.56</b>	<b>846.62</b>	<b>2 592.26</b>	<b>695 142.92</b>	<b>306.19</b>	<b>0.37</b>	<b>(1 745.64)</b>	<b>(0.25%)</b>
<b>GRAZINGFEES</b>								
Springbok	19 056.19	4 236.43	4 388.72	18 903.90	103.59	18.84	(152.29)	(0.80%)
Steinkopf	2 004 446.43	56 888.55	21 523.35	2 039 811.63	37.83	1.04	35 365.20	1.76%
Concordia	636 580.48	32 604.90	26 073.47	643 111.91	79.97	3.90	6 531.43	1.03%
Komaggas	1 087 635.07	19 732.66	3 191.89	1 104 175.84	16.18	0.29	16 540.77	1.52%
Okiep	47 146.39	5 966.61	4 652.96	48 460.04	77.98	8.76	1 313.65	2.79%
Nababeep	21 903.47	3 122.55	2 476.30	22 549.72	79.30	9.89	646.25	2.95%
<b>TOTAL GRAZINGFEE</b>	<b>3 816 768.03</b>	<b>122 551.70</b>	<b>62 306.69</b>	<b>3 877 013.04</b>	<b>50.84</b>	<b>1.58</b>	<b>60 245.01</b>	<b>1.58%</b>
<b>Other</b>								
Springbok	1 134 030.34	59 397.79	40 300.35	1 153 127.78	67.85	3.38	19 097.44	1.68%
Steinkopf	387 974.49	14 048.98	9 889.90	392 133.57	70.40	2.46	4 159.08	1.07%
Concordia	711 109.17	78 171.00	106 429.43	682 850.74	136.15	13.48	(28 258.43)	(3.97%)
Komaggas *	454 422.83	11 696.86	70 907.20	395 212.49	606.21	15.21	(59 210.34)	(13.03%)
Okiep	333 340.68	10 872.58	381.33	343 831.93	3.51	0.11	10 491.25	3.15%
Nababeep	633 610.22	5 148.07	373.45	638 384.84	7.25	0.06	4 774.62	0.75%
<b>Total Other</b>	<b>3 654 487.73</b>	<b>179 335.28</b>	<b>228 281.66</b>	<b>3 605 541.35</b>	<b>127.29</b>	<b>5.95</b>	<b>(48 946.38)</b>	<b>(1.34%)</b>
<b>TOTAL</b>	<b>131 956 089.73</b>	<b>14 017 837.01</b>	<b>12 231 660.79</b>	<b>133 742 265.95</b>	<b>87.26</b>	<b>8.38</b>	<b>1 786 176.22</b>	<b>1.35%</b>
<b>TOTAL SERVICES POINTS</b>								
Springbok	14 184 570.64	9 305 205.62	9 011 895.40	14 477 880.86	96.85	38.37	293 310.22	2.07%
Steinkopf	33 186 302.52	1 225 049.90	670 203.13	33 741 149.29	54.71	1.95	554 846.77	1.67%
Concordia	11 114 063.48	916 214.87	719 557.11	11 310 721.24	78.54	5.98	196 657.76	1.77%
Komaggas	31 429 666.32	612 665.94	159 122.97	31 883 209.29	25.97	0.50	453 542.97	1.44%
Okiep	14 556 598.05	1 321 986.51	877 330.76	15 001 253.80	66.36	5.53	444 655.75	3.05%
Nababeep	27 484 888.72	636 714.17	793 551.42	27 328 051.47	124.63	2.82	(156 837.25)	(0.57%)
<b>TOTAL</b>	<b>131 956 089.73</b>	<b>14 017 837.01</b>	<b>12 231 660.79</b>	<b>133 742 265.95</b>	<b>87.26</b>	<b>8.38</b>	<b>1 786 176.22</b>	<b>1.35%</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 July 2018.

- 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 8 % of outstanding moneys at 31 July 2018.

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

**Rates**

From the information above the municipality collected 95.45% in Springbok which was the highest collection rate; however the lowest collection rate was at 14.81% which was for Komaggas.

**Services**

From the information above the municipality collected 148.11% at NababEEP which was the highest collection rate; however the lowest collection rate was at 14.58% which was for Komaggas.

**Grazing Fees**

From the information above the municipality collected 103.59 % at Springbok which was the highest collection rate; however the lowest collection rate was at 16.16% which was for Komaggas.

**Diverse/other**

From the information above the municipality collected 606.21 % at Komaggas which was the highest collection rate; however the lowest collection rate was at 3.51 % which was for Okiep.

**Service points**

From the information above the municipality collected 96.55% at Springbok which was the highest collection rate; however the lowest collection rate was at 25.97% which was for Komaggas.

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

## Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury. The following report shows the debtors outstanding at 31 July 2018

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July						
Description	Budget Year 2018/19					Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	
<b>Debtors Age Analysis By Income Source</b>						
Water	1 548 714	1 022 831	655 270	684 491	34 535 075	38 446 381
Electricity	4 522 495	1 303 380	692 861	563 837	30 481 967	37 564 540
Property Rates	8 888 064	1 124 709	777 517	545 667	27 207 197	38 543 154
Waste Water Management	931 995	394 567	214 912	188 039	9 084 804	10 814 317
Waste Management	1 297 943	602 217	370 226	334 176	19 701 375	22 305 937
other	97 860	131 527	96 260	558 362	7 588 655	8 472 664
<b>Total By Income Source</b>	<b>17 287 071</b>	<b>4 579 231</b>	<b>2 807 046</b>	<b>2 874 572</b>	<b>128 599 073</b>	<b>156 146 993</b>
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	5 098 432	320 673	225 211	92 712	901 412	6 638 440
Commercial	5 330 450	1 591 152	1 086 073	1 309 489	37 230 262	46 547 426
Households	6 858 189	2 667 406	1 495 762	1 472 371	90 467 399	102 961 127
<b>Total By Customer Group</b>	<b>17 287 071</b>	<b>4 579 231</b>	<b>2 807 046</b>	<b>2 874 572</b>	<b>128 599 073</b>	<b>156 146 993</b>

## Debtors Age Analysis 30 June 2018

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June						
Description	Budget Year 2017/18					Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	
<b>Debtors Age Analysis By Income Source</b>						
Water	1 363 549	1 158 711	737 799	732 620	33 838 071	37 830 750
Electricity	4 397 076	1 247 734	627 644	524 892	30 319 965	37 117 311
Property Rates	2 439 876	1 339 130	605 654	535 169	26 659 612	31 579 441
Waste Water Management	849 448	416 536	213 628	184 883	8 914 275	10 578 770
Waste Management	1 181 525	626 334	375 144	339 201	19 345 865	21 868 069
Other	77 891	137 650	612 247	85 326	7 531 761	8 444 875
<b>Total By Income Source</b>	<b>10 309 365</b>	<b>4 926 095</b>	<b>3 172 116</b>	<b>2 402 091</b>	<b>126 609 549</b>	<b>147 419 216</b>
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	604 185	287 945	94 943	153 523	815 583	1 956 179
Commercial	4 267 388	1 839 868	1 463 875	832 405	36 830 290	45 233 826
Households	5 437 792	2 798 282	1 613 298	1 416 163	88 963 676	100 229 211
<b>Total By Customer Group</b>	<b>10 309 365</b>	<b>4 926 095</b>	<b>3 172 116</b>	<b>2 402 091</b>	<b>126 609 549</b>	<b>147 419 216</b>

The total debtors outstanding as at 30 June were R147 419 216; the total debtors outstanding at 31 July 2018 were R156 146 993.

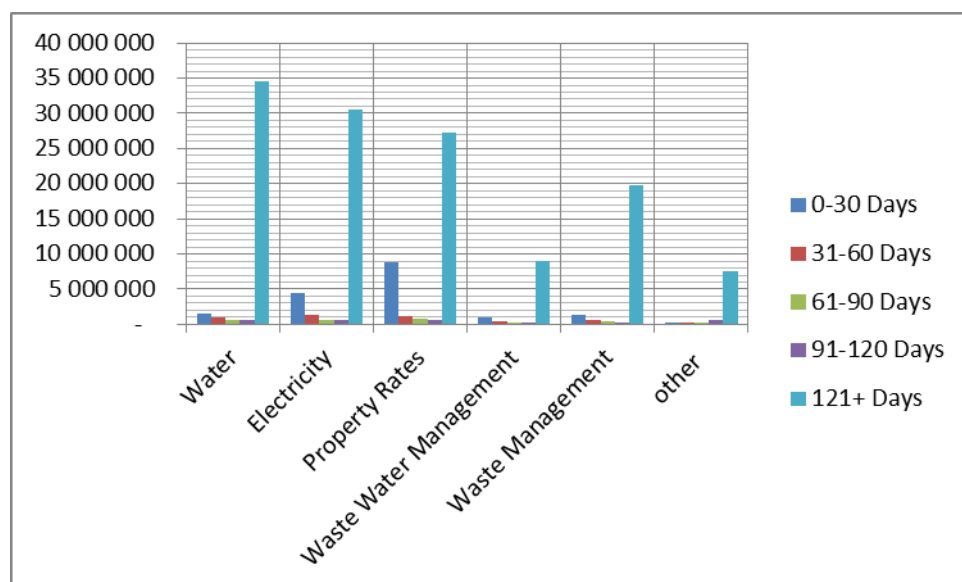
Debtors outstanding for a period more than 121+ days amounts to R128 599 073 compared to R126 609 549 in the previous month.

Businesses owe the municipality R46 547 426 compared to R45 233 826 the previous month.

**Chart 8 – Debtors per revenue source**

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July						
Description	Budget Year 2018/19					Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	
<b>Debtors Age Analysis By Income Source</b>						
Water	1 548 714	1 022 831	655 270	684 491	34 535 075	38 446 381
Electricity	4 522 495	1 303 380	692 861	563 837	30 481 967	37 564 540
Property Rates	8 888 064	1 124 709	777 517	545 667	27 207 197	38 543 154
Waste Water Management	931 995	394 567	214 912	188 039	9 084 804	10 814 317
Waste Management	1 297 943	602 217	370 226	334 176	19 701 375	22 305 937
other	97 860	131 527	96 260	558 362	7 588 655	8 472 664
<b>Total By Income Source</b>	<b>17 287 071</b>	<b>4 579 231</b>	<b>2 807 046</b>	<b>2 874 572</b>	<b>128 599 073</b>	<b>156 146 993</b>

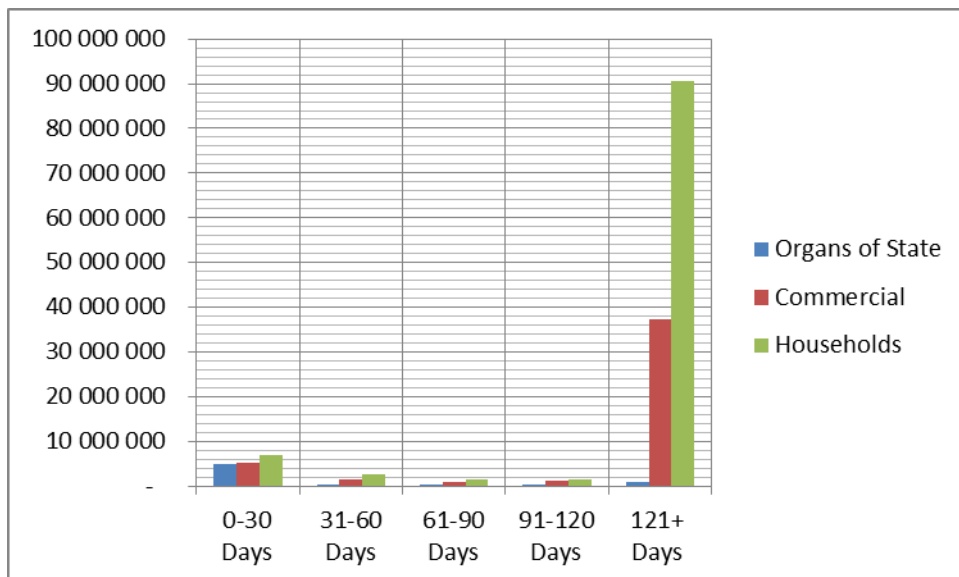
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	5 098 432	320 673	225 211	92 712	901 412	6 638 440
Commercial	5 330 450	1 591 152	1 086 073	1 309 489	37 230 262	46 547 426
Households	6 858 189	2 667 406	1 495 762	1 472 371	90 467 399	102 961 127
<b>Total By Customer Group</b>	<b>17 287 071</b>	<b>4 579 231</b>	<b>2 807 046</b>	<b>2 874 572</b>	<b>128 599 073</b>	<b>156 146 993</b>

**CHART 9**

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





## CREDITORS Age Analysis - Annexure B -Table SC4

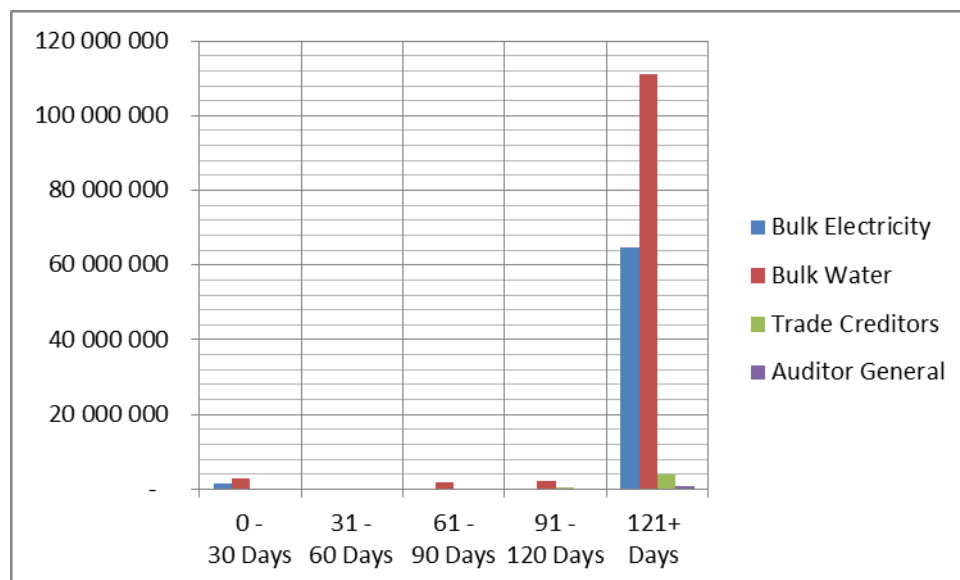
The creditor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

The following report shows the creditors outstanding at 31 July 2018

NC062 Nama Khoi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July						
Description	Budget Year 2018/19					
	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	1 607 182				64 730 538	66 337 720
Bulk Water	2 834 135	-	1 879 296	2 280 716	111 237 384	118 231 531
Trade Creditors				82 944	3 853 071	3 936 014
Auditor General	-				807 020	807 020
<b>Total By Customer Type</b>	<b>4 441 317</b>	<b>-</b>	<b>1 879 296</b>	<b>2 363 660</b>	<b>180 628 013</b>	<b>189 312 286</b>

### Creditors Analysis

The outstanding creditors moved from R206 487 873 o R189 312 296, this is an increase of R17 175 587.



**Chart 10**

### Creditors Age Analysis

The comparison for creditors outstanding between June 2018 and July 2018 are as follows:

Bulk Electricity –June 2018, R75.3 million and July 2018 R66.3 million

Bulk Water –June 2018, R124.1 million and July 2018 R118.2 million

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July						
Summary of Employee and Councillor remuneration	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Councillors (Political Office Bearers plus Other)</b>						
Basic Salaries and Wages	3 433 829	287 293	287 293	286 152	1 140	100
Pension and UIF Contributions	373 864	31 326	31 326	31 155	171	101
Medical Aid Contributions	20 984	2 914	2 914	1 749	1 166	167
Motor Vehicle Allowance	1 269 231	103 282	103 282	105 769	-2 487	98
Cellphone Allowance	693 600	57 800	57 800	57 800	-	100
<b>Sub Total - Councillors</b>	<b>5 791 509</b>	<b>482 616</b>	<b>482 616</b>	<b>482 626</b>	<b>-10</b>	<b>100</b>
<b>Senior Managers of the Municipality</b>						
Basic Salaries and Wages	2 880 491	237 237	237 237	240 041	-2 804	99
Pension and UIF Contributions	527 412	31 015	31 015	43 951	-12 936	71
Medical Aid Contributions	52 390	14 975	14 975	4 366	10 609	343
Motor Vehicle Allowance	689 613	45 710	45 710	57 468	-11 758	80
Cellphone Allowance	41 145	4 184	4 184	3 429	755	122
Housing Allowances	30 370	2 390	2 390	2 531	-141	94
Other benefits and allowances	251 702	63 307	63 307	20 975	42 331	302
Long service awards	36 385	-	-	3 032	-3 032	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 509 509</b>	<b>398 817</b>	<b>398 817</b>	<b>375 792</b>	<b>23 025</b>	<b>106</b>
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	55 637 602	3 700 220	3 700 220	4 636 467	-936 247	80
Pension and UIF Contributions	9 863 901	621 436	621 436	821 992	-200 556	76
Medical Aid Contributions	2 418 495	172 574	172 574	201 541	-28 967	86
Overtime	3 701 850	277 655	277 655	308 488	-30 832	90
Motor Vehicle Allowance	3 370 607	209 953	209 953	280 884	-70 931	75
Cellphone Allowance	148 221	9 667	9 667	12 352	-2 685	78
Housing Allowances	1 110 200	78 864	78 864	92 517	-13 652	85
Other benefits and allowances	6 606 393	654 910	654 910	550 533	104 378	119
Long service awards	233 425	89 171	89 171	19 452	69 719	458
<b>Sub Total - Other Municipal Staff</b>	<b>83 090 692</b>	<b>5 814 451</b>	<b>5 814 451</b>	<b>6 924 224</b>	<b>-1 109 773</b>	<b>84</b>
<b>Total Parent Municipality</b>	<b>93 391 710</b>	<b>6 695 884</b>	<b>6 695 884</b>	<b>7 782 643</b>	<b>-1 086 758</b>	<b>86</b>
<b>Total Employee Related Cost</b>	<b>87 600 201</b>	<b>6 213 268</b>	<b>6 213 268</b>	<b>7 300 017</b>		
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>11 387 323</b>	<b>11 387 323</b>	<b>27 079 956</b>		
<b>%Employee Cost to Total Expenditure</b>	<b>27</b>	<b>55</b>	<b>55</b>	<b>27</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 July 55%.

## **5. Financial Implications /Recommendations**

### **Revenue by source:**

The municipality should strive to budget for realistic anticipated revenue as per MFMA section 18. The municipality are currently in a process whereby it will be assisted by Cogta to have a Simplified Revenue Plan.

### **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**

Simplified revenue plan from Ducharme Consulting was adopted by the Municipality and presented to Council. This plan consists of several activities which includes debt recovery. The process of debt recovery will enable the municipality to verify all debtors, after which collecting of outstanding debt can be prioritised.

### **Creditors Analysis**

The municipality have submitted proposed amended arrangements to ESKOM and Sedibeng. The amended arrangements will enable the municipality to make lesser payments and will ensure that interest is not incurred.

### **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**

**Acting Chief Financial officer**

**Budget & Treasury**

**DATE: 28 August 2018**

**NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE**

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

- the monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 31 July 2018 has been prepared in accordance with the Municipal Finance Management Act 71 and regulations made under that Act.

Print name: SAMANTHA TITUS

Municipal Manager of Nama Khoi Municipality

Signature:.....

Date: 16 APRIL 2018

## **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