



Nama Khoi Municipality

18 October 2018

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
30 September 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 September, ten working days reporting limit expires on 12 October 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 30 September 2018

This report is based upon financial information, as at 30 September 2018 and available at the time of preparation.

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

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

The summary report indicates the following

Table of Contents

Page 3	Table C4-Financial Performance
Page 4	CHART 1- Revenue by source
Page 5	CHART 2 – Expenditure by type
Page 6	Table C3 – Revenue and expenditure by vote
Page 7	CHART 3 – Revenue by vote & Variances
Page 8	CHART 4 – Expenditure by vote & Variances
Page 10	Capital Expenditure
Page 11	Cash Flow Statement
Page 12	Collection Rate
Page 14	Debtors Age Analysis
Page 17	Creditors age analysis
Page 18	Employee Related Cost
Page 19	Financial Implications/Recommendations
Page 20	Interdepartmental and Cluster Impact
Page 21	Quality Certificate
Page 22	Annexure A
Page 24	C-Schedule Table of contents

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September						
Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source						
Property rates	49 087 458	-18 592	47 408 446	12 271 863	35 136 583	386
Service charges - electricity revenue	82 719 739	6 541 270	20 103 048	20 679 939	-576 891	97
Service charges - water revenue	33 053 220	2 572 716	7 418 709	8 263 305	-844 596	90
Service charges - sanitation revenue	11 004 875	1 312 008	3 921 314	2 751 219	1 170 095	143
Service charges - refuse revenue	13 531 791	1 653 375	4 960 535	3 382 947	1 577 588	147
Rental of facilities and equipment	1 267 715	92 494	375 588	316 932	58 656	119
Interest earned - external investments	2 183 767	109 136	355 601	545 943	-190 342	65
Interest earned - outstanding debtors, Fines, penalties and forfeits	7 184 005	793 372	2 354 738	1 796 001	558 737	131
Licences and permits & Agency Fees	2 594 327	157 136	456 006	359 550	96 456	127
Transfers and subsidies	47 927 000	-	20 764 000	18 649 000	2 115 000	111
Other revenue	1 082 696	324 577	853 134	559 704	293 430	152
Gains on disposal of PPE	7 000 000	-	-	1 749 999	-1 749 999	-
Total Revenue (excluding capital transfe	258 636 593	13 537 491	108 971 119	71 326 402	37 644 717	153
Expenditure By Type						
Employee related costs	87 600 201	6 852 757	20 471 662	21 900 057	-1 428 395	93
Remuneration of councillors	5 791 509	513 626	1 547 877	1 447 875	100 002	107
Debt impairment	19 066 479	-	-	4 766 619	-4 766 619	-
Depreciation & asset impairment	40 787 397	-	-	10 196 850	-10 196 850	-
Finance charges	7 200 000	-	-	1 800 000	-1 800 000	-
Bulk purchases	105 347 176	10 796 910	16 099 421	26 336 793	-10 237 372	61
Other materials	8 584 215	431 314	1 120 104	2 146 044	-1 025 940	52
Contracted services and Other Expenditu	50 582 692	4 312 921	12 850 965	12 645 630	205 335	102
Total Expenditure	324 959 669	22 907 528	52 090 029	81 239 868	-29 149 839	64
Surplus/(Deficit)	-66 323 077	-9 370 036	56 881 090	-9 913 466	66 794 556	

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September						
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Licences and permits & Agency Fees	2 594 327	157 136	456 006	359 550	96 456	127
Transfers and subsidies	47 927 000	-	20 764 000	18 649 000	2 115 000	111
Other revenue	1 082 696	324 577	853 134	559 704	293 430	152
Gains on disposal of PPE	7 000 000	-	-	1 749 999	-1 749 999	-
Total Revenue (excluding capital transfers and contributions)	258 636 593	13 537 491	108 971 119	71 326 402	37 644 717	153

Explanation on YTD variance % - e.g. 386% means that the municipality billed 286% 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.

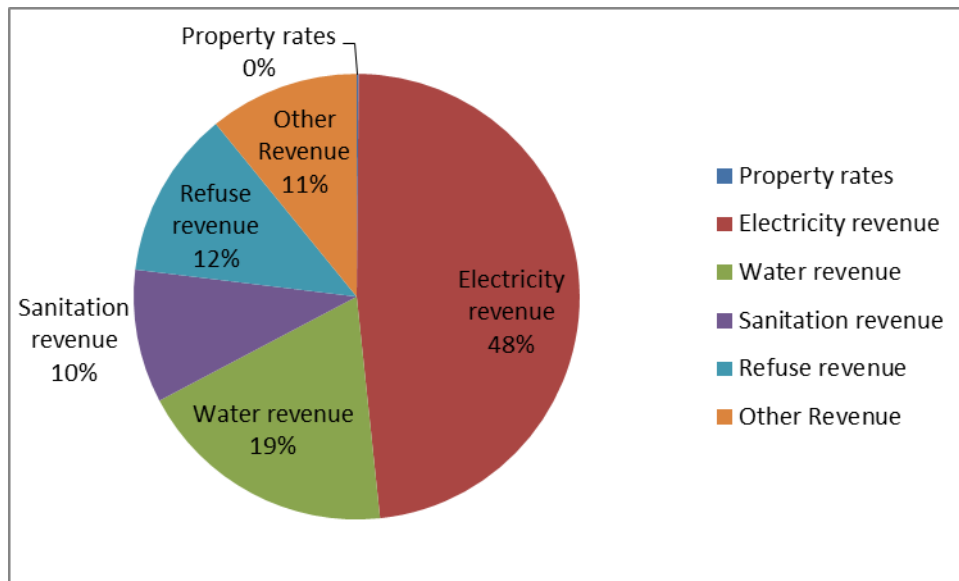
Service Charges Sanitation and Refuse Removal – free basic services are deducted from services charges revenue, however it was captured as expenditure and the necessary corrections must be made on the financial system, issue also communicated to Service provider.

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.

CHART 1

The following chart shows the revenue by source for the month of 30 September 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	6 852 757	20 471 662	21 900 057	-1 428 395	93
Remuneration of councillors	5 791 509	513 626	1 547 877	1 447 875	100 002	107
Debt impairment	19 066 479	-	-	4 766 619	-4 766 619	-
Depreciation & asset impairment	40 787 397	-	-	10 196 850	-10 196 850	-
Finance charges	7 200 000	-	-	1 800 000	-1 800 000	-
Bulk purchases	105 347 176	10 796 910	16 099 421	26 336 793	-10 237 372	61
Other materials	8 584 215	431 314	1 120 104	2 146 044	-1 025 940	52
Contracted services and Other Expenditu	50 582 692	4 312 921	12 850 965	12 645 630	205 335	102
Total Expenditure	324 959 669	22 907 528	52 090 029	81 239 868	-29 149 839	64

Notes on variances above/under 10%

Depreciation and debt impairment – Please note depreciation as well as debt impairment are not done on a monthly basis, the municipality are still having problems with the alignment of the Asset Register to the Financial System once alignment is done and the asset register are on the financial system the correct journals can be done on a monthly basis correctly.

Finance Charges – the lease on fleet the municipality want to acquire has not been realised yet.

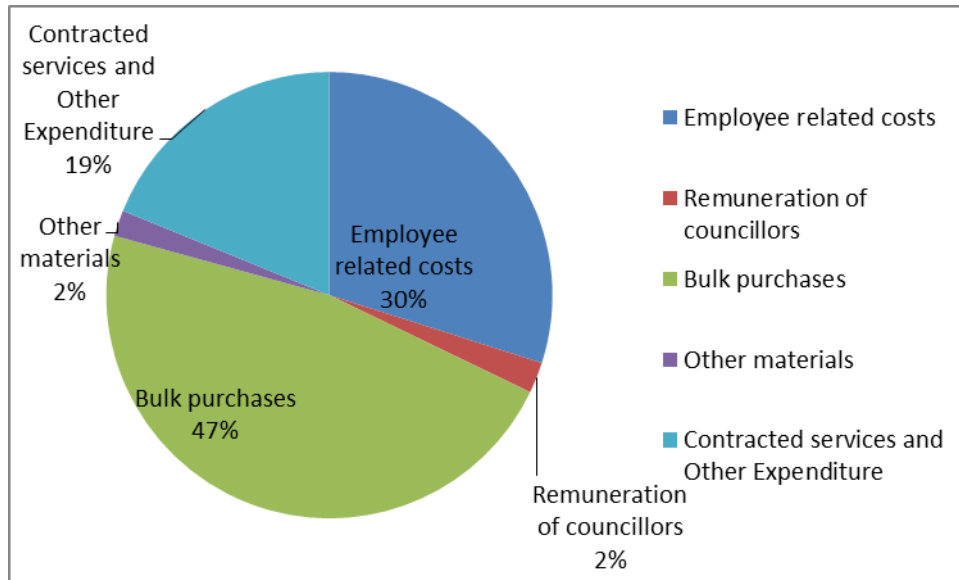
Bulk purchases – Please note the July payment of ESKOM was included in the new Proposed Agreement with ESKOM; therefore no payment was made in the month of July.

Other Materials – Please note the municipality currently are under financial distress and are lacking the actual cash for the necessary repairs to be done.

It should be seen as a great concern that the municipality billed Revenue of R13 357 491 and had Expenditure of R22 907 528, R9 370 036 are the loss for the month.

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) - M03 September						
Vote Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote						
Vote 1 - Municipal Manager	1 675 563	28 891	358 727	418 722	-59 995	86
Vote 2 - Financial Services	103 566 698	887 725	70 647 725	25 881 315	44 766 410	273
Vote 3 - Corporate Services	7 977 426	76 818	245 201	1 999 269	-1 754 068	12
Vote 4 - Community Services: Community Development	16 103 446	1 760 336	5 485 780	5 562 981	-77 201	99
Vote 5 - Community Services: Public Safety	2 482 378	160 911	353 073	620 349	-267 276	57
Vote 6 - Electrical Engineering Services	86 772 987	6 598 835	20 249 473	22 133 403	-1 883 930	91
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	4 023 973	11 631 144	17 761 821	-6 130 677	65
Total Revenue by Vote	282 020 593	13 537 489	108 971 123	74 377 860	34 593 263	147
Expenditure by Vote						
Vote 1 - Municipal Manager	19 095 365	1 691 686	4 868 970	4 771 935	97 035	102
Vote 2 - Financial Services	51 857 443	2 245 278	5 198 131	12 959 181	-7 761 050	40
Vote 3 - Corporate Services	33 342 669	1 634 860	7 021 454	8 525 676	-1 504 222	82
Vote 4 - Community Services: Community Development	23 351 214	1 805 428	5 212 333	7 479 210	-2 266 877	70
Vote 5 - Community Services: Public Safety	8 644 322	645 726	1 915 648	2 160 210	-244 562	89
Vote 6 - Electrical Engineering Services	98 428 250	9 087 347	10 435 665	24 898 560	-14 462 895	42
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	5 797 198	17 437 830	24 875 865	-7 438 035	70
Total Expenditure by Vote	324 959 669	22 907 523	52 090 031	85 670 637	-33 580 606	61
Surplus/ (Deficit) for the year	-42 939 077	-9 370 034	56 881 092	-11 292 777	68 173 869	

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote						
Vote 1 - Municipal Manager	1 675 563	28 891	358 727	418 722	-59 995	86
Vote 2 - Financial Services	103 566 698	887 725	70 647 725	25 881 315	44 766 410	273
Vote 3 - Corporate Services	7 977 426	76 818	245 201	1 999 269	-1 754 068	12
Vote 4 - Community Services: Community Development	16 103 446	1 760 336	5 485 780	5 562 981	-77 201	99
Vote 5 - Community Services: Public Safety	2 482 378	160 911	353 073	620 349	-267 276	57
Vote 6 - Electrical Engineering Services	86 772 987	6 598 835	20 249 473	22 133 403	-1 883 930	91
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	4 023 973	11 631 144	17 761 821	-6 130 677	65
Total Revenue by Vote	282 020 593	13 537 489	108 971 123	74 377 860	34 593 263	147

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.

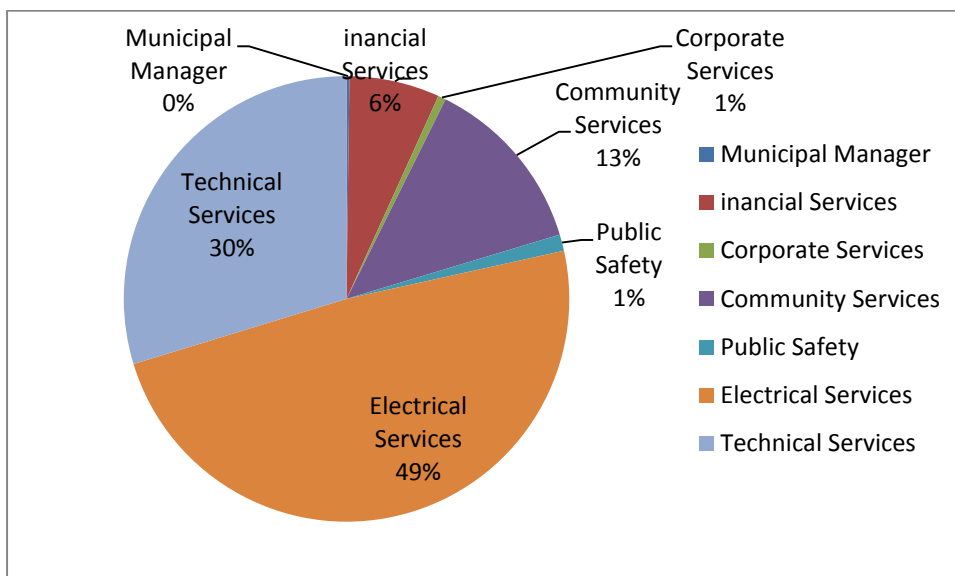
Corporate Services – Rental of facilities lower than the intended budget. Sale of land and stands did not occur as budgeted.

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

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 30 September 2018



Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - Municipal Manager	19 095 365	1 691 686	4 868 970	4 771 935	97 035	102
Vote 2 - Financial Services	51 857 443	2 245 278	5 198 131	12 959 181	-7 761 050	40
Vote 3 - Corporate Services	33 342 669	1 634 860	7 021 454	8 525 676	-1 504 222	82
Vote 4 - Community Services: Community Development	23 351 214	1 805 428	5 212 333	7 479 210	-2 266 877	70
Vote 5 - Community Services: Public Safety	8 644 322	645 726	1 915 648	2 160 210	-244 562	89
Vote 6 - Electrical Engineering Services	98 428 250	9 087 347	10 435 665	24 898 560	-14 462 895	42
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	5 797 198	17 437 830	24 875 865	-7 438 035	70
Total Expenditure by Vote	324 959 669	22 907 523	52 090 031	85 670 637	-33 580 606	61

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 – As per the Comparison report the municipality had underspending in employee cost as well as in general expenses.

Community Development - 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. The department had underspending in employee cost, repairs & maintenance and library expenses.

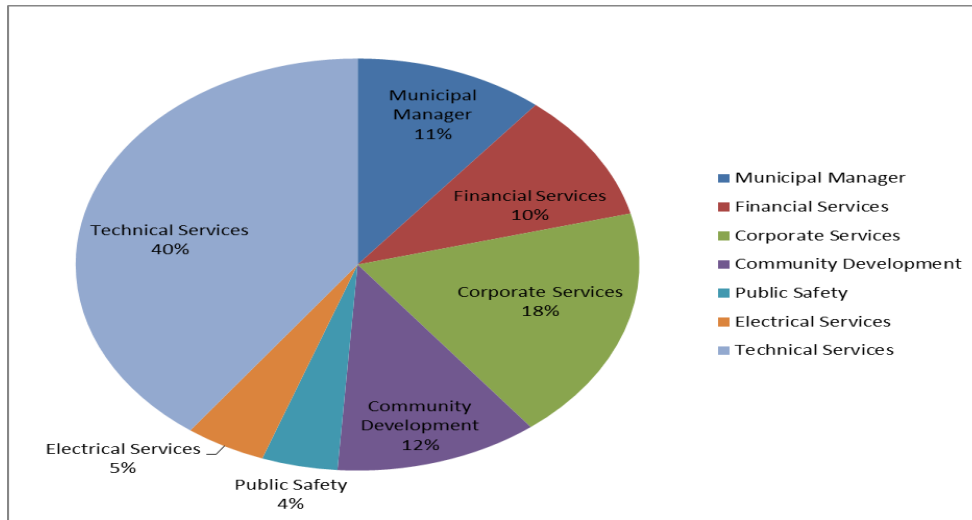
Public Safety - Expenditure relating to security services lower than the intended budget.

Electricity Services – The municipality included the bulk electricity for the month of July in the newly proposed agreement to ESKOM, therefore resulting in a variance as no payment was made in July 2018.

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 30 September 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 September 2018						
Vote Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Capital Expenditure - Functional Classification						
Road transport	3 902 000	402 554	402 554	975 111	-572 557	41
Energy sources	4 000 000	-	1 562 634	999 600	563 034	156
Water management	7 250 000	216 360	389 954	1 811 775	-1 421 821	22
Waste water management	8 232 000	-	1 749 947	2 057 178	-307 231	85
Total Capital Expenditure - Functional Classification	23 384 000	618 914	4 105 089	5 843 664	-1 738 575	70
Funded by:						
National Government	23 384 000	618 914	4 105 089	5 843 664	-1 738 575	70
Total Capital Funding	23 384 000	618 914	4 105 089	5 843 664	-1 738 575	70

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 30 September 2018

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M03 September						
Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	44 178 712	5 298 960	11 525 711	11 044 677	481 034	104
Service charges	126 464 719	11 050 549	32 485 339	31 616 183	869 156	103
Other revenue	10 101 057	3 624 040	9 106 530	2 525 264	6 581 266	361
Government - operating	47 927 000	-	21 090 525	18 649 000	2 441 525	113
Government - capital	23 384 000	-	10 200 000	9 596 000	604 000	106
Interest	3 898 627	788 059	2 393 993	974 659	1 419 334	246
Payments						
Suppliers and employees	-232 084 412	-20 253 853	-76 864 153	-58 021 059	18 843 095	132
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 869 703	507 756	9 937 945	16 384 724	6 446 780	61
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
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	-	-	-	-	-	-
Payments						
Capital assets	-23 384 000	-2 508 780	-5 417 362	-5 846 001	-428 639	93
NET CASH FROM/(USED) INVESTING ACTIVITIES	-17 422 554	-2 508 780	-5 417 362	-5 846 001	-428 639	93
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Increase (decrease) in consumer deposits	5 088	-	-	-	-	-
Payments						
Repayment of borrowing	-244 426	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-239 338	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	6 207 811	-2 001 024	4 520 583	10 538 723		
Cash/cash equivalents at beginning:	10 707 985		1 115 373	10 707 985		
Cash/cash equivalents at month/year end:	16 915 796		5 635 956	21 246 708		

NAMA KHOI MUNICIPALITY
REPORT OUTSTANDING MONEY FOR SEPTEMBER 2018

SERVICE POINTS	OUTSTANDING 30.08.2018	ADD BILLINGS	MINUS INCOME	OUTSTANDING 30.09.2018	Collection Rate for the month	Collection rate including all outstanding debt	INCREASING (DECREASING)	% INCREASE /(DECREA SE)
RATES:								
Springbok	4 937 461.83	3 747 360.65	3 484 051.61	5 200 770.87	92.97	40.12	263 309.04	5.33%
Steinkopf	11 670 693.06	499 580.08	287 802.75	11 882 470.39	57.61	2.36	211 777.33	1.81%
Concordia	1 966 417.78	1 122 357.51	1 204 977.53	1 883 797.76	107.36	39.01	(82 620.02)	(4.20%)
Komaggas	7 076 074.70	136 398.51	25 433.65	7 187 039.56	18.65	0.35	110 964.86	1.57%
Okiep	2 060 347.75	433 654.01	453 364.23	2 040 637.53	104.55	18.18	(19 710.22)	(0.96%)
Nababeep	1 579 560.55	305 001.26	261 207.13	1 623 354.68	85.64	13.86	43 794.13	2.77%
TOTAL RATES	29 290 555.67	6 244 352.02	5 716 836.90	29 818 070.79	91.55	16.09	527 515.12	1.80%
SERVICES:								
Springbok	9 054 121.88	7 191 703.20	7 185 333.97	9 060 491.11	99.91	44.23	6 369.23	0.07%
Steinkopf	20 152 764.23	770 068.66	415 741.30	20 507 091.59	53.99	1.99	354 327.36	1.76%
Concordia	7 813 540.04	768 920.86	678 550.96	7 903 909.94	88.25	7.91	90 369.90	1.16%
Komaggas	23 623 835.81	520 609.97	102 346.44	24 042 099.34	19.66	0.42	418 263.53	1.77%
Okiep	12 651 772.87	1 216 219.51	916 682.67	12 951 309.71	75.37	6.61	299 536.84	2.37%
Nababeep*	24 287 308.25	914 587.11	674 245.74	24 527 649.62	73.72	2.68	240 341.37	0.99%
TOTAL SERVICES	97 583 343.08	11 382 109.31	9 972 901.08	98 992 551.31	87.62	9.15	1 409 208.23	1.44%
LANDSALES								
Springbok *	65 674.68	183.10	3 438.60	62 419.18	1 877.99	5.22	(3 255.50)	(4.96%)
Steinkopf	164 111.01	-	-	164 111.01		-	-	0.00%
Concordia**	145 938.86	100.00	4 908.45	141 130.41	4 908.45	3.36	(4 808.45)	(3.29%)
Komaggas	145 547.59	200.00	200.00	145 547.59	100.00	0.14	-	0.00%
Okiep	131 852.54	-	-	131 852.54		-	-	0.00%
Nababeep	40 191.92	-	-	40 191.92		-	-	0.00%
TOTAL LANDSALES	693 316.60	483.10	8 547.05	685 252.65	1 769.21	1.23	(8 063.95)	(1.16%)
GRAZINGFEES								
Springbok	19 642.15	3 988.02	3 774.92	19 855.25	94.66	15.98	213.10	1.08%
Steinkopf	2 073 032.51	63 269.96	23 436.31	2 112 866.16	37.04	1.10	39 833.65	1.92%
Concordia	654 784.43	35 858.64	23 622.02	667 021.05	65.88	3.42	12 236.62	1.87%
Komaggas	1 122 173.83	21 977.74	4 908.35	1 139 243.22	22.33	0.43	17 069.39	1.52%
Okiep	49 727.97	5 101.22	3 706.44	51 122.75	72.66	6.76	1 394.78	2.80%
Nababeep	23 098.32	3 015.82	2 528.49	23 585.65	83.84	9.68	487.33	2.11%
TOTAL GRAZINGFEE	3 942 459.21	133 211.40	61 976.53	4 013 694.08	46.52	1.52	71 234.87	1.81%
DIVERSE:								
Springbok	1 178 856.20	75 750.18	73 649.77	1 180 956.61	97.23	5.87	2 100.41	0.18%
Steinkopf	385 872.20	11 963.04	9 643.85	388 191.39	80.61	2.42	2 319.19	0.60%
Concordia	167 108.27	51 748.13	47 655.85	171 200.55	92.09	21.77	4 092.28	2.45%
Komaggas	380 808.60	12 957.01	4 201.84	389 563.77	32.43	1.07	8 755.17	2.30%
Okiep	354 947.75	17 165.13	6 234.35	365 878.53	36.32	1.68	10 930.78	3.08%
Nababeep	642 264.84	8 401.23	3 311.10	647 354.97	39.41	0.51	5 090.13	0.79%
TOTAAL DIVERSE	3 109 857.86	177 984.72	144 696.76	3 143 145.82	81.30	4.40	33 287.96	1.07%
GROOT TOTAAL	134 619 532.42	17 938 140.55	15 904 958.32	136 652 714.65	88.67	10.43	2 033 182.23	1.51%
TOTAL SERVICESPOINTS								
Springbok	15 255 756.74	11 018 985.15	10 750 248.87	15 524 493.02	97.56	40.91	268 736.28	1.76%
Steinkopf	34 446 473.01	1 344 881.74	736 624.21	35 054 730.54	54.77	2.06	608 257.53	1.77%
Concordia	10 747 789.38	1 978 985.14	1 959 714.81	10 767 059.71	99.03	15.40	19 270.33	0.18%
Komaggas	32 348 440.53	692 143.23	137 090.28	32 903 493.48	19.81	0.41	555 052.95	1.72%
Okiep	15 248 648.88	1 672 139.87	1 379 987.69	15 540 801.06	82.53	8.16	292 152.18	1.92%
Nababeep	26 572 423.88	1 231 005.42	941 292.46	26 862 136.84	76.47	3.39	289 712.96	1.09%
TOTAL SERVICESPOINTS	134 619 532.42	17 938 140.55	15 904 958.32	136 652 714.65	88.67	10.43	2 033 182.23	1.51%

- **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 88.67% for the month of September 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 10.43% of outstanding moneys at 30 September 2018.

Collection rates for the month illustrated below:

Rates

From the information above the municipality collected 107.36% in Concordia which was the highest collection rate; however the lowest collection rate was at 18.65% which was for Komaggas.

Services

From the information above the municipality collected 99.91 % at Springbok which was the highest collection rate; however the lowest collection rate was at 19.66% which was for Komaggas.

Grazing Fees

From the information above the municipality collected 94.66 % at Springbok which was the highest collection rate; however the lowest collection rate was at 22.33% which was for Komaggas.

Diverse/other

From the information above the municipality collected 97.23 Springbok which was the highest collection rate; however the lowest collection rate was at 32.43 which were for Komaggas.

Service points

From the information above the municipality collected 97.23 % at Concordia which was the highest collection rate; however the lowest collection rate was at 19.81 % 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 September 2018

Debtors Age Analysis September 2018						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121 + Days	Total
Debtors Age Analysis By Income Source						
Water	1 778 030	1 218 959	683 293	533 598	35 631 223	39 845 103
Electricity	4 712 851	1 269 730	544 584	611 603	30 260 426	37 399 194
Property Rates	7 268 045	1 336 572	720 051	547 791	28 158 153	38 030 612
Waste Water Management	916 698	464 769	234 132	182 750	9 417 796	11 216 145
Waste Management	1 282 764	722 157	420 812	329 360	20 419 933	23 175 026
Other Revenue	152 748	128 354	83 254	73 168	7 788 065	8 225 589
Total By Income Source	16 111 136	5 140 541	2 686 126	2 278 270	131 675 596	157 891 669
Debtors Age Analysis By Customer Group						
Organs of State	4 474 101	353 074	112 666	100 552	1 080 191	6 120 584
Commercial	5 130 503	1 555 144	912 634	875 150	37 370 806	45 844 237
Households	6 506 532	3 232 323	1 660 826	1 302 568	93 224 599	105 926 848
Total By Customer Group	16 111 136	5 140 541	2 686 126	2 278 270	131 675 596	157 891 669

Debtors Age Analysis 31 August 2018

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August						
Description	Budget Year 2018/19					
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1 718 642	1 157 652	588 250	603 853	35 167 873	39 236 270
Electricity	4 573 313	1 243 623	754 995	532 330	30 023 319	37 127 580
Property Rates	9 306 293	1 304 882	598 046	734 933	27 618 638	39 562 792
Waste Water Management	914 545	462 353	214 202	196 912	9 253 779	11 041 791
Waste Management	1 298 098	707 577	373 502	340 170	20 070 569	22 789 916
Other	141 488	122 822	85 654	77 401	7 721 360	8 148 725
Total By Income Source	17 952 379	4 998 909	2 614 649	2 485 599	129 855 538	157 907 074
Debtors Age Analysis By Customer Group						
Organs of State	5 280 932	377 785	240 357	219 344	983 200	7 101 618
Commercial	5 748 481	1 589 478	941 092	912 814	36 894 782	46 086 647
Households	6 922 966	3 031 646	1 433 200	1 353 441	91 977 556	104 718 809
Other	0	0	0	0	0	0
Total By Customer Group	17 952 379	4 998 909	2 614 649	2 485 599	129 855 538	157 907 074

The total debtors outstanding as at 31 July were R156 146 993; the total debtors outstanding at 31 August 2018 were R 157 907 074.

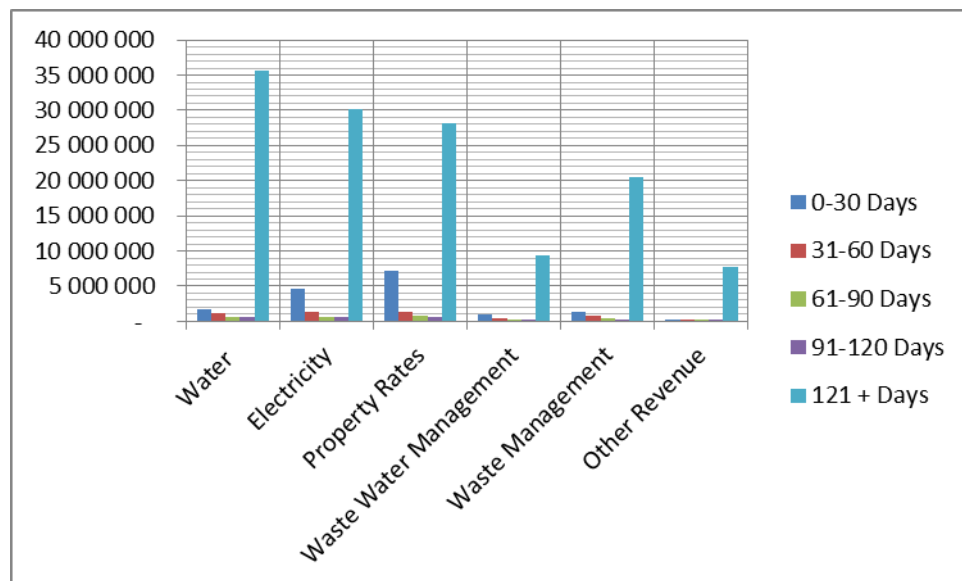
Debtors outstanding for a period more than 121+ days amounts to R129 855 538 compared to 128 599 073 in the previous month.

Businesses owe the municipality R46 086 647 compared to R46 547 426 the previous month.

Chart 8 – Debtors per revenue source

Debtors Age Analysis September 2018						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121 + Days	Total
Debtors Age Analysis By Income Source						
Water	1 778 030	1 218 959	683 293	533 598	35 631 223	39 845 103
Electricity	4 712 851	1 269 730	544 584	611 603	30 260 426	37 399 194
Property Rates	7 268 045	1 336 572	720 051	547 791	28 158 153	38 030 612
Waste Water Management	916 698	464 769	234 132	182 750	9 417 796	11 216 145
Waste Management	1 282 764	722 157	420 812	329 360	20 419 933	23 175 026
Other Revenue	152 748	128 354	83 254	73 168	7 788 065	8 225 589
Total By Income Source	16 111 136	5 140 541	2 686 126	2 278 270	131 675 596	157 891 669

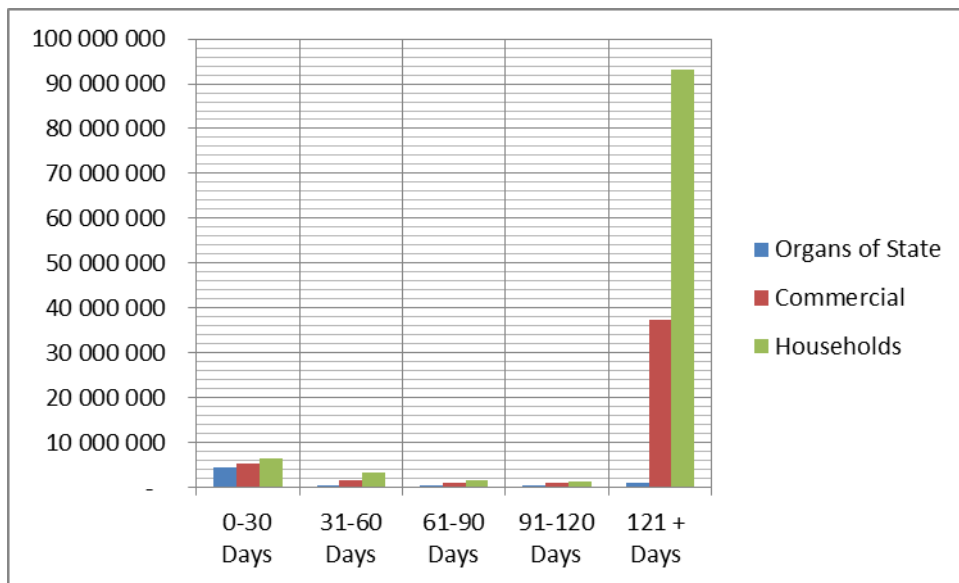
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	4 474 101	353 074	112 666	100 552	1 080 191	6 120 584
Commercial	5 130 503	1 555 144	912 634	875 150	37 370 806	45 844 237
Households	6 506 532	3 232 323	1 660 826	1 302 568	93 224 599	105 926 848
Total By Customer Group	16 111 136	5 140 541	2 686 126	2 278 270	131 675 596	157 891 669

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 September 2018

Creditors Age Analysis September 2018						
Creditors Age Analysis By Customer Type	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total
Bulk Electricity	4 158 397				64 730 538	68 888 935
Bulk Water	1 940 075	5 097 888	2 834 135	-	115 397 397	125 269 494
Trade Creditors		264 242	282 553	196 372	2 665 319	3 408 485
Auditor General	482 600				270 268	752 868
Total By Customer Type	6 581 073	5 362 130	3 116 687	196 372	183 063 522	198 319 783

Creditors Analysis

The outstanding creditors moved from R194 210 851 to R198 319 783, this is an increase of R4 108 932.

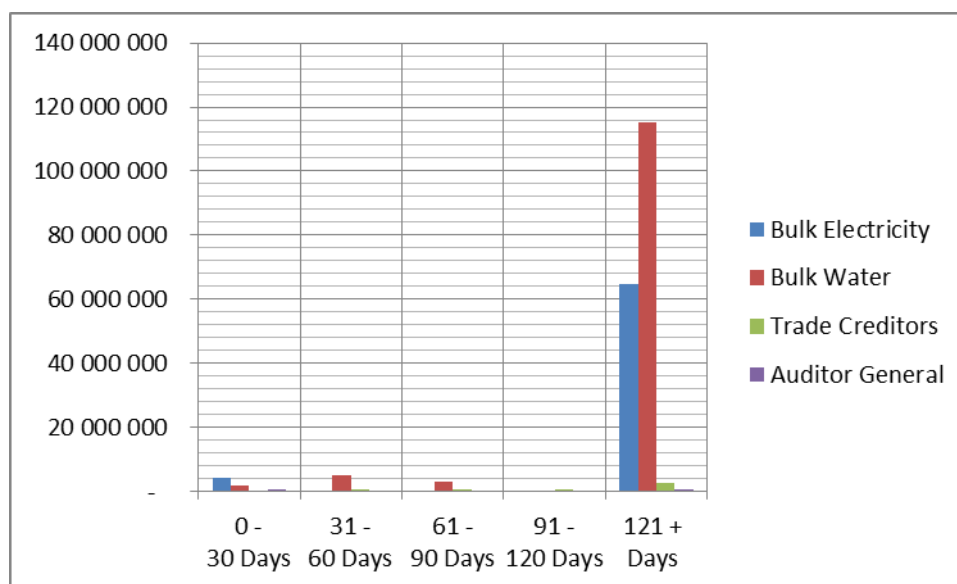


Chart 10

Creditors Age Analysis

The comparison for creditors outstanding between Aug 2018 and Sept is as follows:

Bulk Electricity –Sept, R68.8 million and Aug 2018 R64.7 million

Bulk Water –Sept 2018, R125.2 million and Aug 2018 R123.3 million

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September						
Summary of Employee and Councillor remuneration	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	3 433 829	287 293	861 879	858 457	3 421	100
Pension and UIF Contributions	373 864	31 326	93 979	93 466	513	101
Medical Aid Contributions	20 984	2 914	8 743	5 246	3 497	167
Motor Vehicle Allowance	1 269 231	103 282	309 847	317 308	-7 461	98
Cellphone Allowance	693 600	57 800	173 400	173 400	-	100
Sub Total - Councillors	5 791 509	482 616	1 447 847	1 447 877	-30	100
Senior Managers of the Municipality						
Basic Salaries and Wages	2 880 491	262 127	761 493	720 123	41 370	106
Pension and UIF Contributions	527 412	33 743	98 501	131 853	-33 352	75
Medical Aid Contributions	52 390	13 660	42 294	13 098	29 196	323
Motor Vehicle Allowance	689 613	48 280	144 840	172 403	-27 563	84
Cellphone Allowance	41 145	4 946	26 596	10 286	16 310	259
Housing Allowances	30 370	2 557	7 671	7 592	79	101
Other benefits and allowances	251 702	89 298	191 784	62 926	128 859	305
Long service awards	36 385	-	-	9 096	-9 096	-
Sub Total - Senior Managers of Municipality	4 509 509	454 611	1 273 180	1 127 377	145 803	113
Other Municipal Staff						
Basic Salaries and Wages	55 637 602	4 285 838	12 290 915	13 909 400	-1 618 486	88
Pension and UIF Contributions	9 863 901	670 886	1 964 061	2 465 975	-501 914	80
Medical Aid Contributions	2 418 495	170 200	512 975	604 624	-91 649	85
Overtime	3 701 850	292 055	911 309	925 463	-14 154	98
Motor Vehicle Allowance	3 370 607	220 101	671 286	842 652	-171 366	80
Cellphone Allowance	148 221	10 310	19 977	37 055	-17 078	54
Housing Allowances	1 110 200	84 385	253 154	277 550	-24 396	91
Other benefits and allowances	6 606 393	791 461	2 354 845	1 651 598	703 247	143
Long service awards	233 425	-	124 108	58 356	65 752	213
Sub Total - Other Municipal Staff	83 090 692	6 525 236	19 102 629	20 772 673	-1 670 044	92
Total Parent Municipality	93 391 710	7 462 462	21 823 656	23 347 928	-1 524 271	93
Total Expenditure	324 959 669	22 907 528	52 090 029	81 239 868		
Total Employee Cost	87 600 201	6 979 847	20 375 809	21 900 050		
%Employee Cost to Total Expenditure	27	30	39	27		

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 Sept 30%.

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 implement the 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: 18 October 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 30 September 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: 18 October 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

	Consolidated Monthly Statements
Table C1-SUM	Summary
Table C2-FinPer SC	Financial Performance (standard classification)
Table C2C	Financial Performance (standard classification)
Table C3-Fin Per V	Financial Performance (revenue and expenditure by municipal vote)
Table C3C	Financial Performance (revenue and expenditure by municipal vote)
Table C4-FinPerRE	Financial Performance (revenue and expenditure)
Table C5-CAPEX	Capital Expenditure (municipal vote, standard classification)
Table C5C	Capital Expenditure (municipal vote, standard classification)
Table C6-FinPos	Financial Position
Table C7-Cflow	Cash Flow

Supporting Tables

Table SC1	Material variance explanations
Table SC2	Monthly Budget Statement – Performance Indicators
Table SC3	Monthly Budget Statement – Aged debtors
Table SC4	Monthly Budget Statement – Aged creditors
Table S5	Monthly Budget Statement – Investment portfolio
Table SC6	Monthly Budget Statement – Transfer and grant receipts
Table SC7	Monthly Budget Statement – Transfer and grant expenditure
Table SC8	Monthly Budget Statement – Councillor and staff benefits
Table SC9	Monthly Budget Statement – Actual and revised targets for cash receipts
Table SC10	Monthly Budget Statement – Parent Municipality Financial Performance
Table SC11	Monthly Budget Statement – Summary of municipal entities
Table SC 12	Consolidated Monthly Budget Statement – Capital expenditure trend

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