



**Nama Khoi Municipality**

**15 January 2019**

**The Mayor**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING  
31 December 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 31 December 2018, ten working days reporting limit expires on 15 January 2019.

**3. QUERIES AND SUGGESTIONS**

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

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

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

The financial results for the period ended 31 December 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) - M06 December						
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	-57 318	47 343 027	24 543 726	22 799 301	193
Service charges - electricity revenue	82 719 739	5 480 021	36 745 223	41 359 878	-4 614 655	89
Service charges - water revenue	33 053 220	3 186 545	16 171 350	16 526 610	-355 260	98
Service charges - sanitation revenue	11 004 875	1 387 193	7 976 284	5 502 438	2 473 846	145
Service charges - refuse revenue	13 531 791	1 653 699	9 921 379	6 765 894	3 155 485	147
Rental of facilities and equipment	1 267 715	102 010	777 783	633 864	143 919	123
Interest earned - external investments	2 183 767	119 150	766 395	1 091 886	-325 491	70
Interest earned - Outstanding debtors, fines and penalties	7 184 005	838 671	4 874 313	3 592 002	1 282 311	136
Licences and permits	1 438 199	70 238	706 149	719 100	-12 951	98
Agency services	1 156 128	-	102 122	-	102 122	
Transfers and subsidies	47 927 000	14 639 000	35 853 000	33 288 000	2 565 000	108
Other revenue	1 082 696	248 816	1 667 362	1 119 408	547 954	149
Gains on disposal of PPE	7 000 000	-	-	3 499 998	-3 499 998	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>258 636 593</b>	<b>27 668 025</b>	<b>162 904 387</b>	<b>138 642 804</b>	<b>24 261 583</b>	<b>117</b>
<b>Expenditure By Type</b>						
Employee related costs	87 600 201	6 782 675	40 773 647	43 800 114	-3 026 467	93
Remuneration of councillors	5 791 509	545 625	3 120 755	2 895 750	225 005	108
Debt impairment	19 066 479	-	-	9 533 238	-9 533 238	-
Depreciation & asset impairment	40 787 397	-	-	20 393 700	-20 393 700	-
Finance charges	7 200 000	-	-	3 600 000	-3 600 000	-
Bulk purchases	105 347 176	4 430 930	44 036 889	52 673 586	-8 636 697	84
Other materials	8 584 215	396 111	3 029 289	4 292 088	-1 262 799	71
Contracted Services and Other Expendi	50 582 692	4 745 699	29 051 732	25 291 260	3 760 472	115
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>16 901 040</b>	<b>120 012 312</b>	<b>162 479 736</b>	<b>-42 467 424</b>	<b>74</b>
<b>Surplus/(Deficit)</b>	<b>-66 323 077</b>	<b>10 766 985</b>	<b>42 892 075</b>	<b>-23 836 932</b>	<b>66 729 007</b>	

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December						
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	-57 318	47 343 027	24 543 726	22 799 301	193
Service charges - electricity revenue	82 719 739	5 480 021	36 745 223	41 359 878	-4 614 655	89
Service charges - water revenue	33 053 220	3 186 545	16 171 350	16 526 610	-355 260	98
Service charges - sanitation revenue	11 004 875	1 387 193	7 976 284	5 502 438	2 473 846	145
Service charges - refuse revenue	13 531 791	1 653 699	9 921 379	6 765 894	3 155 485	147
Rental of facilities and equipment	1 267 715	102 010	777 783	633 864	143 919	123
Interest earned - external investments	2 183 767	119 150	766 395	1 091 886	-325 491	70
Interest earned - Outstanding debtors, fines and penalties	7 184 005	838 671	4 874 313	3 592 002	1 282 311	136
Licences and permits	1 438 199	70 238	706 149	719 100	-12 951	98
Agency services	1 156 128	-	102 122	-	102 122	
Transfers and subsidies	47 927 000	14 639 000	35 853 000	33 288 000	2 565 000	108
Other revenue	1 082 696	248 816	1 667 362	1 119 408	547 954	149
Gains on disposal of PPE	7 000 000	-	-	3 499 998	-3 499 998	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>258 636 593</b>	<b>27 668 025</b>	<b>162 904 387</b>	<b>138 642 804</b>	<b>24 261 583</b>	<b>117</b>

**Explanation on YTD variance % - e.g. 117% means that the municipality billed 17% more than what was budget and 89 means the municipality billed 11% 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.

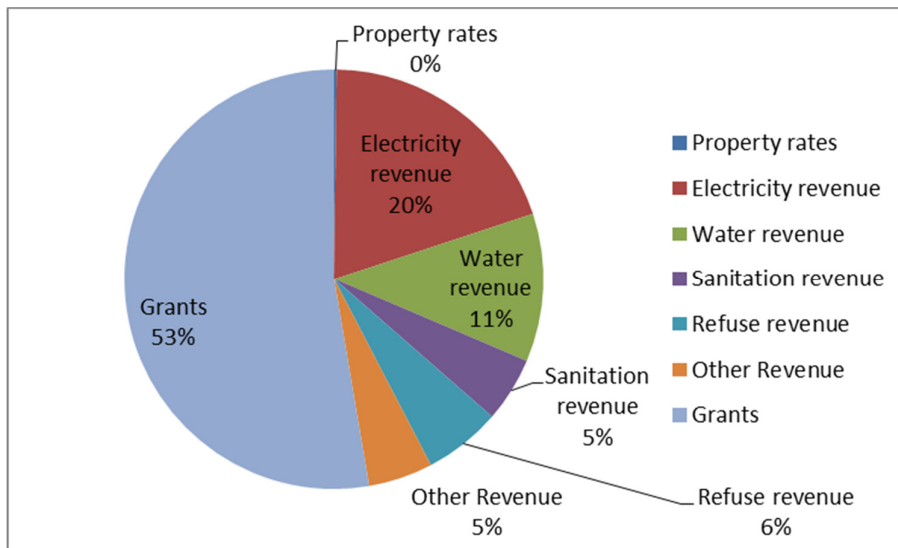
**Service Charges Sanitation and Refuse Removal** – free basic services are deducted from services charges revenue, however it was captured as expenditure and the necessary corrections must be made on the financial system during the adjustment budget stage.

**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** – due to the reclassification in MSCOA certain line items have abnormal variance, this issue has been discussed with Treasury and the service provider, solution to the problem is however still outstanding. The municipality must do the necessary corrections with the adjustment budget.

## CHART 1

The following chart shows the revenue by source for the month of 31 December 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	6 782 675	40 773 647	43 800 114	-3 026 467	93
Remuneration of councillors	5 791 509	545 625	3 120 755	2 895 750	225 005	108
Debt impairment	19 066 479	-	-	9 533 238	-9 533 238	-
Depreciation & asset impairment	40 787 397	-	-	20 393 700	-20 393 700	-
Finance charges	7 200 000	-	-	3 600 000	-3 600 000	-
Bulk purchases	105 347 176	4 430 930	44 036 889	52 673 586	-8 636 697	84
Other materials	8 584 215	396 111	3 029 289	4 292 088	-1 262 799	71
Contracted Services and Other Expendi	50 582 692	4 745 699	29 051 732	25 291 260	3 760 472	115
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>16 901 040</b>	<b>120 012 312</b>	<b>162 479 736</b>	<b>-42 467 424</b>	<b>74</b>

### 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.

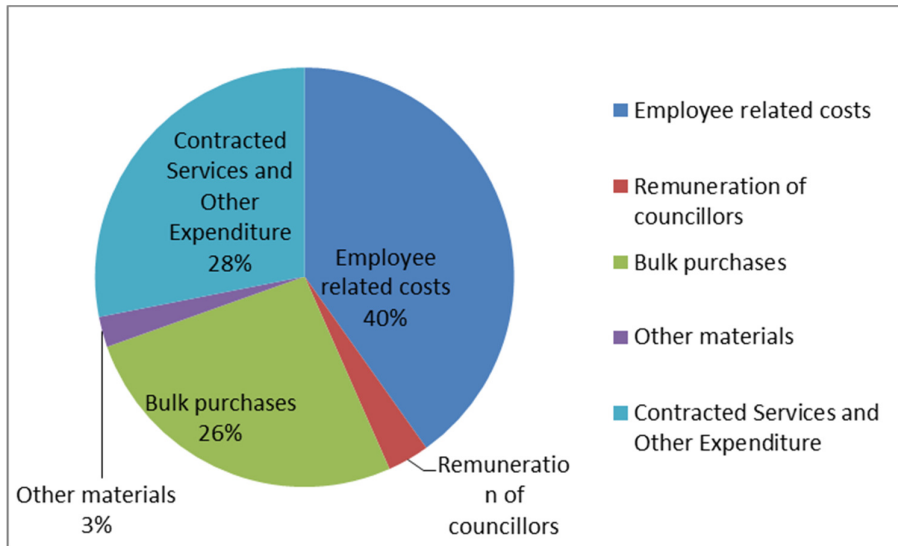
**Finance Charges** – the lease on fleet the municipality want to acquire has not been realised yet.

**Bulk purchases** – Please note the municipality is struggling financially to adhere to accounts of ESKOM and Sedibeng.

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

## CHART 2

The following chart shows the expenditure by type in terms of expenditure at a percentage of total expenditure, Chart as per information above



The table below indicates revenue and expenditure by vote

Annexure B – Table C3

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December						
Vote Description	Budget Year 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	39 439	931 806	837 444	94 362	111
Vote 2 - Financial Services	103 566 698	15 544 618	88 172 087	51 762 630	36 409 457	170
Vote 3 - Corporate Services	7 977 426	85 580	610 865	3 998 538	-3 387 673	15
Vote 4 - Community Services: Community Development	16 103 446	1 755 266	10 761 593	11 125 962	-364 369	97
Vote 5 - Community Services: Public Safety	2 482 378	70 508	710 853	1 240 698	-529 845	57
Vote 6 - Electrical Engineering Services	86 772 987	5 519 695	37 011 065	44 266 806	-7 255 741	84
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	4 652 917	24 706 118	35 523 642	-10 817 524	70
<b>Total Revenue by Vote</b>	<b>282 020 593</b>	<b>27 668 023</b>	<b>162 904 387</b>	<b>148 755 720</b>	<b>14 148 667</b>	<b>110</b>
<b>Expenditure by Vote</b>						
Vote 1 - Municipal Manager	19 095 365	1 651 449	10 268 823	9 543 870	724 953	108
Vote 2 - Financial Services	51 857 443	2 446 565	13 959 273	25 918 362	-11 959 089	54
Vote 3 - Corporate Services	33 342 669	1 517 250	12 133 918	17 051 352	-4 917 434	71
Vote 4 - Community Services: Community Development	23 351 214	1 810 916	10 731 447	14 958 420	-4 226 973	72
Vote 5 - Community Services: Public Safety	8 644 322	771 489	4 029 879	4 320 420	-290 541	93
Vote 6 - Electrical Engineering Services	98 428 250	5 194 347	34 566 141	49 797 120	-15 230 979	69
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	3 509 022	34 322 828	49 751 730	-15 428 902	69
<b>Total Expenditure by Vote</b>	<b>324 959 669</b>	<b>16 901 038</b>	<b>120 012 309</b>	<b>171 341 274</b>	<b>-51 328 965</b>	<b>70</b>
<b>Surplus/ (Deficit) for the year</b>	<b>-42 939 077</b>	<b>10 766 985</b>	<b>42 892 078</b>	<b>-22 585 554</b>	<b>65 477 632</b>	

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue by Vote</b>						
Vote 1 - Municipal Manager	1 675 563	39 439	931 806	837 444	94 362	111
Vote 2 - Financial Services	103 566 698	15 544 618	88 172 087	51 762 630	36 409 457	170
Vote 3 - Corporate Services	7 977 426	85 580	610 865	3 998 538	-3 387 673	15
Vote 4 - Community Services: Community Development	16 103 446	1 755 266	10 761 593	11 125 962	-364 369	97
Vote 5 - Community Services: Public Safety	2 482 378	70 508	710 853	1 240 698	-529 845	57
Vote 6 - Electrical Engineering Services	86 772 987	5 519 695	37 011 065	44 266 806	-7 255 741	84
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<b>Total Revenue by Vote</b>	<b>282 020 593</b>	<b>27 668 023</b>	<b>162 904 387</b>	<b>148 755 720</b>	<b>14 148 667</b>	<b>110</b>

### Reasons for variances above/under 10%

**Municipal Manager**- Please note EPWP grant has been incorrectly included in the statement of financial performance, correction will be done and only the amount spent will reflect in the statement of financial performance.

**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.

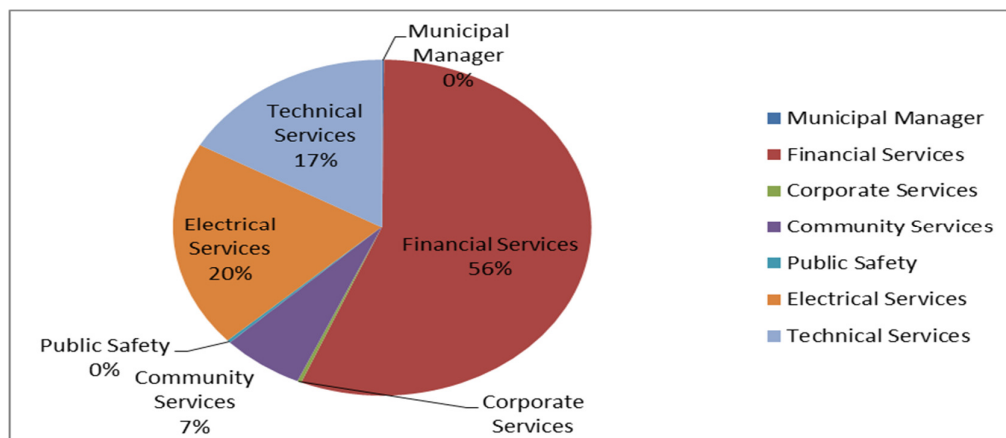
**Public Safety** - Revenue from License fees moved to the Post office.

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

**Electricity Services** – Income from the sale of electricity lower than budgeted.

### CHART 3

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





Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - Municipal Manager	19 095 365	1 651 449	10 268 823	9 543 870	724 953	108
Vote 2 - Financial Services	51 857 443	2 446 565	13 959 273	25 918 362	-11 959 089	54
Vote 3 - Corporate Services	33 342 669	1 517 250	12 133 918	17 051 352	-4 917 434	71
Vote 4 - Community Services: Community Development	23 351 214	1 810 916	10 731 447	14 958 420	-4 226 973	72
Vote 5 - Community Services: Public Safety	8 644 322	771 489	4 029 879	4 320 420	-290 541	93
Vote 6 - Electrical Engineering Services	98 428 250	5 194 347	34 566 141	49 797 120	-15 230 979	69
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<b>Total Expenditure by Vote</b>	<b>324 959 669</b>	<b>16 901 038</b>	<b>120 012 309</b>	<b>171 341 274</b>	<b>-51 328 965</b>	<b>70</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** – As per the Comparison report the municipality had underspending in employee cost as well as in general expenses.

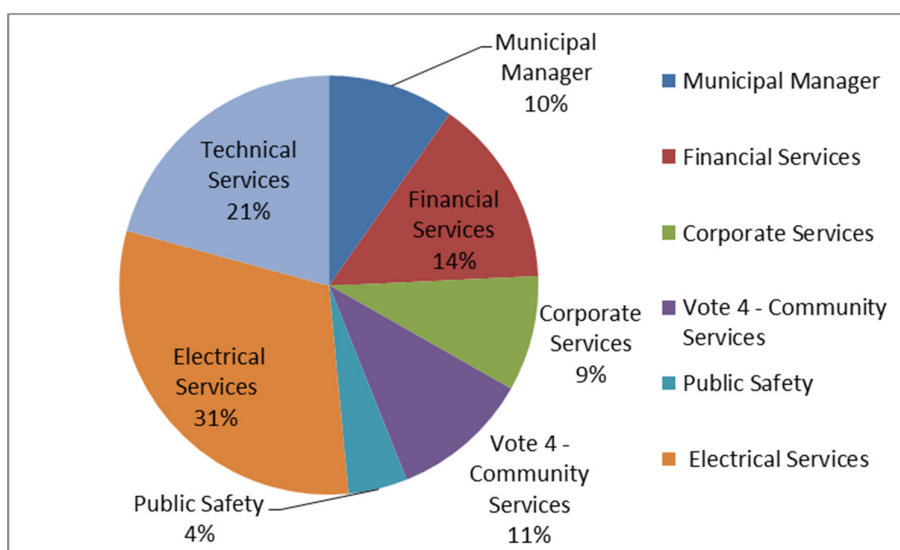
**Community Development** - The department had underspending in employee cost, repairs & maintenance and library expenses.

**Electricity Services** – The municipality are struggling to adhere to the payment of bulk electricity as budgeted as result of financial constraints.

**Technical Departments** – Depreciation are not process on a monthly basis as budgeted.

### CHART 4

The following chart shows the expenditure by vote for 31 December 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 December 2018							
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% Of Total Allocation
<b>Capital Expenditure - Functional Classification</b>							
Road transport	3 902 000	418 532	821 086	1 950 222	-1 129 136	42.10	21.04
Trading services	19 482 000	1 128 563	6 364 051	9 737 106	-3 373 055	65.36	32.67
Energy sources	4 000 000	367 853	2 796 620	1 999 200	797 420	139.89	69.92
Water management	7 250 000	760 709	1 633 756	3 623 550	-1 989 794	45.09	22.53
Waste water management	8 232 000	-	1 933 675	4 114 356	-2 180 681	47.00	23.49
<b>Total Capital Expenditure - Functional Classification</b>	<b>23 384 000</b>	<b>1 547 095</b>	<b>7 185 137</b>	<b>11 687 328</b>	<b>-4 502 191</b>	<b>61.48</b>	<b>30.73</b>
<b>Funded by:</b>							
National Government	23 384 000	1 547 095	7 185 137	11 687 328	-4 502 191	61.48	30.73
<b>Total Capital Funding</b>	<b>23 384 000</b>	<b>1 547 095</b>	<b>7 185 137</b>	<b>11 687 328</b>	<b>-4 502 191</b>	<b>61.48</b>	<b>30.73</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. Expenditure should be prioritised in the coming months to avoid National Treasury withholding any funding.

# CASH FLOW STATEMENT AT 31 December 2018

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December						
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	1 723 758	1 716 915	6 843	100
Pension and UIF Contributions	373 864	31 326	187 959	186 932	1 027	101
Medical Aid Contributions	20 984	2 914	17 485	10 492	6 993	167
Motor Vehicle Allowance	1 269 231	103 282	619 694	634 616	-14 922	98
Cellphone Allowance	693 600	57 800	346 800	346 800	-	100
<b>Sub Total - Councillors</b>	<b>5 791 509</b>	<b>482 616</b>	<b>2 895 695</b>	<b>2 895 755</b>	<b>-60</b>	<b>100</b>
<b>Senior Managers of the Municipality</b>						
Basic Salaries and Wages	2 880 491	266 148	1 551 895	1 440 246	111 649	108
Pension and UIF Contributions	527 412	33 743	199 729	263 706	-63 976	76
Medical Aid Contributions	52 390	14 178	84 828	26 195	58 633	324
Motor Vehicle Allowance	689 613	48 280	289 681	344 807	-55 126	84
Cellphone Allowance	41 145	4 946	41 435	20 572	20 862	201
Housing Allowances	30 370	2 557	15 343	15 185	158	101
Other benefits and allowances	251 702	46 807	510 319	125 851	384 468	405
Long service awards	36 385	-	-	18 193	-18 193	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 509 509</b>	<b>416 659</b>	<b>2 693 229</b>	<b>2 254 754</b>	<b>438 475</b>	<b>119</b>
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	55 637 602	4 279 372	25 311 136	27 818 801	-2 507 665	91
Pension and UIF Contributions	9 863 901	666 536	3 966 106	4 931 950	-965 844	80
Medical Aid Contributions	2 418 495	172 883	1 026 258	1 209 248	-182 989	85
Overtime	3 701 850	375 838	1 923 043	1 850 925	72 118	104
Motor Vehicle Allowance	3 370 607	226 419	1 344 225	1 685 303	-341 078	80
Cellphone Allowance	148 221	10 919	52 091	74 110	-22 020	70
Housing Allowances	1 110 200	81 828	500 341	555 100	-54 759	90
Other benefits and allowances	6 606 393	607 932	4 368 152	3 303 196	1 064 956	132
Long service awards	233 425	12 897	137 004	116 712	20 292	117
<b>Sub Total - Other Municipal Staff</b>	<b>83 090 692</b>	<b>6 434 623</b>	<b>38 628 357</b>	<b>41 545 346</b>	<b>-2 916 989</b>	<b>93</b>
<b>Total Parent Municipality</b>	<b>93 391 710</b>	<b>7 333 898</b>	<b>44 217 282</b>	<b>46 695 855</b>	<b>-2 478 574</b>	<b>95</b>
<b>Total Employee Cost</b>	<b>87 600 201</b>	<b>6 851 283</b>	<b>41 321 587</b>	<b>43 800 100</b>		
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>16 901 040</b>	<b>120 012 312</b>	<b>162 479 736</b>		
<b>%Employee Cost to Total Expenditure</b>	<b>27</b>	<b>41</b>	<b>34</b>	<b>27</b>		

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

SERVICE POINTS	OUTSTANDING 30.11.2018	ADD BILLINGS	MINUS INCOME	OUTSTANDING 31.12.2018	Collection Rate for the month	Collection Rate including all outstanding debt	INCREASING (DECREASING)	% INCREASE /(DECREASE)
<b>RATES:</b>								
Springbok	5 523 865.85	2 711 988.63	2 534 196.92	5 701 657.56	93.44	30.77	177 791.71	3.22%
Steinkopf	12 317 761.70	433 219.95	175 350.28	12 575 631.37	40.48	1.38	257 869.67	2.09%
Concordia	2 034 568.87	233 058.28	203 886.65	2 063 740.50	87.48	8.99	29 171.63	1.43%
Komaggas	7 425 628.94	138 035.74	34 910.64	7 528 754.04	25.29	0.46	103 125.10	1.39%
Okiep	1 874 202.72	435 670.63	446 812.54	1 863 060.81	102.56	19.34	(11 141.91)	(0.59%)
Nababeep	1 712 909.71	284 891.48	224 675.15	1 773 126.04	78.86	11.25	60 216.33	3.52%
<b>TOTAL RATES</b>	<b>30 888 937.79</b>	<b>4 236 864.71</b>	<b>3 619 832.18</b>	<b>31 505 970.32</b>	<b>85.44</b>	<b>10.31</b>	<b>617 032.53</b>	<b>2.00%</b>
<b>SERVICES:</b>								
Springbok	9 330 324.19	6 339 862.39	5 874 258.12	9 795 928.46	92.66	37.49	465 604.27	4.99%
Steinkopf	21 292 706.64	934 784.86	391 642.72	21 835 848.78	41.90	1.76	543 142.14	2.55%
Concordia	8 040 306.27	591 602.21	484 145.80	8 147 762.68	81.84	5.61	107 456.41	1.34%
Komaggas	24 861 583.87	511 093.98	80 243.19	25 292 434.66	15.70	0.32	430 850.79	1.73%
Okiep	13 476 779.14	1 657 425.21	1 254 553.70	13 879 650.65	75.69	8.29	402 871.51	2.99%
Nababeep*	24 992 508.13	956 298.01	581 946.20	25 366 859.94	60.85	2.24	374 351.81	1.50%
<b>TOTAL SERVICES</b>	<b>101 994 208.24</b>	<b>10 991 066.66</b>	<b>8 666 789.73</b>	<b>104 318 485.17</b>	<b>78.85</b>	<b>7.67</b>	<b>2 324 276.93</b>	<b>2.28%</b>
<b>LANDSALES</b>								
Springbok	61 719.18	-	200.00	61 519.18		0.32	(200.00)	(0.32%)
Steinkopf	164 111.01	-	-	164 111.01		-	-	0.00%
Concordia*	137 201.91	822.85	6 060.85	131 963.91	736.57	4.39	(5 238.00)	(3.82%)
Komaggas**	141 031.81	-	-	141 031.81		-	-	0.00%
Okiep	130 863.17	1 460.60	2 649.92	129 673.85	181.43	2.00	(1 189.32)	(0.91%)
Nababeep	40 191.92	-	-	40 191.92		-	-	0.00%
<b>TOTAL LANDSALES</b>	<b>675 119.00</b>	<b>2 283.45</b>	<b>8 910.77</b>	<b>668 491.68</b>	<b>390.23</b>	<b>1.32</b>	<b>(6 627.32)</b>	<b>(0.98%)</b>
<b>GRAZINGFEES</b>								
Springbok	20 479.79	3 962.22	4 096.52	20 345.49	103.39	16.76	(134.30)	(0.66%)
Steinkopf	2 189 822.90	61 616.50	20 491.32	2 230 948.08	33.26	0.91	41 125.18	1.88%
Concordia	681 310.57	34 756.74	27 836.74	688 230.57	80.09	3.89	6 920.00	1.02%
Komaggas	1 175 089.87	18 774.25	2 865.33	1 190 998.79	15.26	0.24	15 908.92	1.35%
Okiep	52 612.89	5 786.06	5 355.40	53 043.55	92.56	9.17	430.66	0.82%
Nababeep	23 328.06	3 327.28	3 042.25	23 613.09	91.43	11.41	285.03	1.22%
<b>TOTAL GRAZINGFEE</b>	<b>4 142 644.08</b>	<b>128 223.05</b>	<b>63 687.56</b>	<b>4 207 179.57</b>	<b>49.67</b>	<b>1.49</b>	<b>64 535.49</b>	<b>1.56%</b>
<b>OTHER</b>								
Springbok	1 226 990.46	110 017.81	68 316.03	1 268 692.24	62.10	5.11	41 701.78	3.40%
Steinkopf	392 998.63	68 188.76	63 451.63	397 735.76	93.05	13.76	4 737.13	1.21%
Concordia	178 065.71	12 119.19	8 576.84	181 608.06	70.77	4.51	3 542.35	1.99%
Komaggas	415 612.57	20 431.93	6 926.00	429 118.50	33.90	1.59	13 505.93	3.25%
Okiep	389 012.28	15 417.07	6 668.86	397 760.49	43.26	1.65	8 748.21	2.25%
Nababeep	656 182.33	7 956.20	3 563.99	660 574.54	44.80	0.54	4 392.21	0.67%
<b>TOTAL OTHER</b>	<b>3 258 861.98</b>	<b>234 130.96</b>	<b>157 503.35</b>	<b>3 335 489.59</b>	<b>67.27</b>	<b>4.51</b>	<b>76 627.61</b>	<b>2.35%</b>
<b>TOTAL</b>	<b>140 959 771.09</b>	<b>15 592 568.83</b>	<b>12 516 723.59</b>	<b>144 035 616.33</b>	<b>80.27</b>	<b>8.00</b>	<b>3 075 845.24</b>	<b>2.18%</b>
<b>TOTAL SERVICES POINTS</b>								
Springbok	16 163 379.47	9 165 831.05	8 481 067.59	16 848 142.93	92.53	33.48	684 763.46	4.24%
Steinkopf	36 357 400.88	1 497 810.07	650 935.95	37 204 275.00	43.46	1.72	846 874.12	2.33%
Concordia	11 071 453.33	872 359.27	730 506.88	11 213 305.72	83.74	6.12	141 852.39	1.28%
Komaggas	34 018 947.06	688 335.90	124 945.16	34 582 337.80	18.15	0.36	563 390.74	1.66%
Okiep	15 923 470.20	2 115 759.57	1 716 040.42	16 323 189.35	81.11	9.51	399 719.15	2.51%
Nababeep	27 425 120.15	1 252 472.97	813 227.59	27 864 365.53	64.93	2.84	439 245.38	1.60%
<b>TOTAL</b>	<b>140 959 771.09</b>	<b>15 592 568.83</b>	<b>12 516 723.59</b>	<b>144 035 616.33</b>	<b>80.27</b>	<b>8.00</b>	<b>3 075 845.24</b>	<b>2.18%</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 80.27% for the month of December 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 December 2018.

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

**Rates**

From the information above the municipality collected 102.56% at Okiep which was the highest collection rate; however the lowest collection rate was at 25.29% which was for Komaggas.

**Services**

From the information above the municipality collected 92.66 % at Springbok which was the highest collection rate; however the lowest collection rate was at 15.70% which was for Komaggas.

**Grazing Fees**

From the information above the municipality collected 103.39 % at Springbok which was the highest collection rate; however the lowest collection rate was at 15.36% which was for Komaggas.

**Diverse/other**

From the information above the municipality collected 93.05 Steinkopf which was the highest collection rate; however the lowest collection rate was at 33.90 which were for Komaggas.

**Service points**

From the information above the municipality collected 92.53 % at Springbok which was the highest collection rate; however the lowest collection rate was at 18.15 % which was for Komaggas.

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

### Debtors Age Analysis - Annexure B -Table SC3

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

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December						
Description	Budget Year 2018/19					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	1 794 755	1 521 279	677 832	600 844	37 155 666	41 750 376
Electricity	3 653 880	1 090 147	573 533	586 563	31 873 218	37 777 341
Property Rates	2 732 602	1 288 755	630 187	926 439	29 570 002	35 147 985
Waste Water Management	903 571	464 616	249 177	212 865	9 948 494	11 778 723
Waste Management	1 263 187	702 680	412 261	374 475	21 595 930	24 348 533
Other	130 704	177 678	111 395	88 985	8 037 145	8 545 907
<b>Total By Income Source</b>	<b>10 478 699</b>	<b>5 245 155</b>	<b>2 654 385</b>	<b>2 790 171</b>	<b>138 180 455</b>	<b>159 348 865</b>
					-	
<b>Debtors Age Analysis By Customer Group</b>					-	
Organs of State	572 412	425 793	173 683	359 121	1 370 830	2 901 839
Commercial	3 467 691	1 534 360	811 777	785 300	39 069 551	45 668 679
Households	6 438 596	3 285 002	1 668 925	1 645 750	97 740 074	110 778 347
<b>Total By Customer Group</b>	<b>10 478 699</b>	<b>5 245 155</b>	<b>2 654 385</b>	<b>2 790 171</b>	<b>138 180 455</b>	<b>159 348 865</b>

### Debtors Age Analysis 30 November 2018

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November						
Description	Budget Year 2018/19					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	1 769 180	1 289 890	649 830	617 738	36 563 759	40 890 397
Electricity	3 731 979	920 113	656 485	604 979	31 169 056	37 082 612
Property Rates	2 743 534	1 227 573	968 036	642 976	29 011 182	34 593 301
Waste Water Management	903 617	449 635	241 329	221 752	9 739 903	11 556 236
Waste Management	1 254 930	651 123	418 383	386 929	21 176 511	23 887 876
Other	71 938	153 416	105 123	79 883	7 940 896	8 351 256
<b>Total By Income Source</b>	<b>10 475 178</b>	<b>4 691 750</b>	<b>3 039 186</b>	<b>2 554 257</b>	<b>135 601 307</b>	<b>156 361 678</b>
2017/18 - totals only					-	-
<b>Debtors Age Analysis By Customer Group</b>					-	
Organs of State	640 643	267 337	380 372	252 458	1 178 323	2 719 133
Commercial	3 689 727	1 389 235	854 803	826 772	38 259 304	45 019 841
Households	6 144 808	3 035 178	1 804 011	1 475 027	96 163 680	108 622 704
<b>Total By Customer Group</b>	<b>10 475 178</b>	<b>4 691 750</b>	<b>3 039 186</b>	<b>2 554 257</b>	<b>135 601 307</b>	<b>156 361 678</b>

The total debtors outstanding as at 31 December 2018 were R159 348 865; the total debtors outstanding at 30 November 2018 were R 156 361 678.

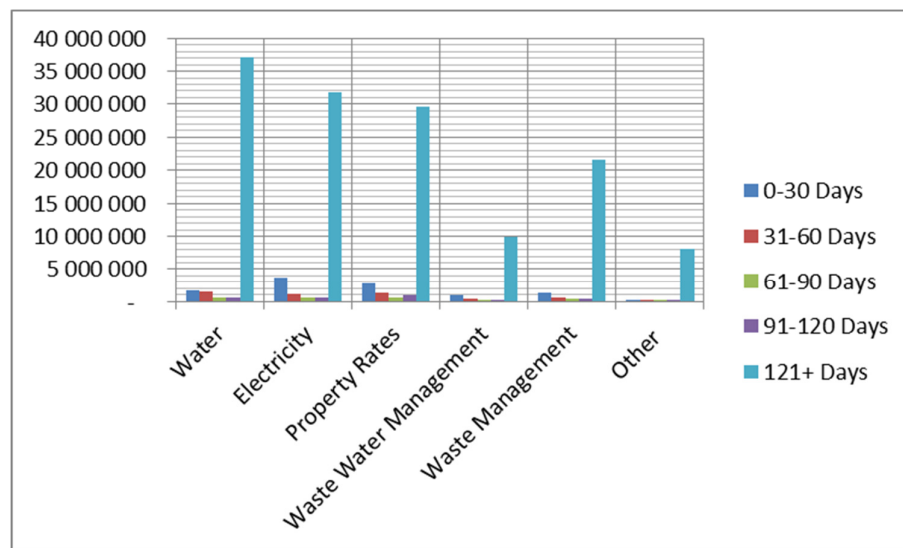
Debtors outstanding for a period more than 121+ days amounts to R138 180 455 compared to 135 601 307 in the previous month.

Businesses owe the municipality R45 668 679 compared to R45 019 841 the previous month.

**Chart 8 – Debtors per revenue source**

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	1 794 755	1 521 279	677 832	600 844	37 155 666	41 750 376
Electricity	3 653 880	1 090 147	573 533	586 563	31 873 218	37 777 341
Property Rates	2 732 602	1 288 755	630 187	926 439	29 570 002	35 147 985
Waste Water Management	903 571	464 616	249 177	212 865	9 948 494	11 778 723
Waste Management	1 263 187	702 680	412 261	374 475	21 595 930	24 348 533
Other	130 704	177 678	111 395	88 985	8 037 145	8 545 907
<b>Total By Income Source</b>	<b>10 478 699</b>	<b>5 245 155</b>	<b>2 654 385</b>	<b>2 790 171</b>	<b>138 180 455</b>	<b>159 348 865</b>

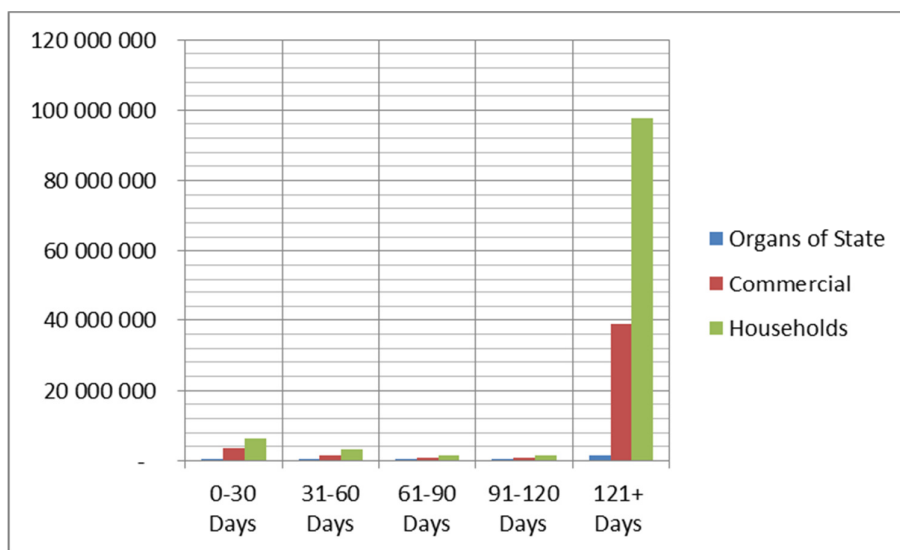
The following chart shows the debtors outstanding per revenue source, Chart as per information above



<b>Debtors Age Analysis By Customer Group</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121+ Days</b>	<b>Total</b>
Organs of State	572 412	425 793	173 683	359 121	1 370 830	2 901 839
Commercial	3 467 691	1 534 360	811 777	785 300	39 069 551	45 668 679
Households	6 438 596	3 285 002	1 668 925	1 645 750	97 740 074	110 778 347
<b>Total By Customer Group</b>	<b>10 478 699</b>	<b>5 245 155</b>	<b>2 654 385</b>	<b>2 790 171</b>	<b>138 180 455</b>	<b>159 348 865</b>

### CHART 9

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





## CREDITORS Age Analysis - Annexure B -Table SC4

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

The following report shows the creditors outstanding at 31 December 2018

Creditors Age Analysis 31 December 2018						
Description	Budget Year 2018/19					
Creditors Age Analysis By Customer Type	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total
Bulk Electricity	5 867 688		2 219 693	-	64 730 538	72 817 918
Bulk Water	2 317 676	1 484 770	1 940 075		122 329 419	128 071 940
Trade Creditors	97 182	415 944	25 656		2 262 410	2 801 192
Auditor General	-	-	582 734	210 299	262 417	1 055 449
<b>Total By Customer Type</b>	<b>8 282 546</b>	<b>1 900 713</b>	<b>4 768 158</b>	<b>210 299</b>	<b>189 584 784</b>	<b>204 746 500</b>

### Creditors Analysis

The outstanding creditors moved from R212 564 239 to R204 746 500, this is an increase of R7 817 739

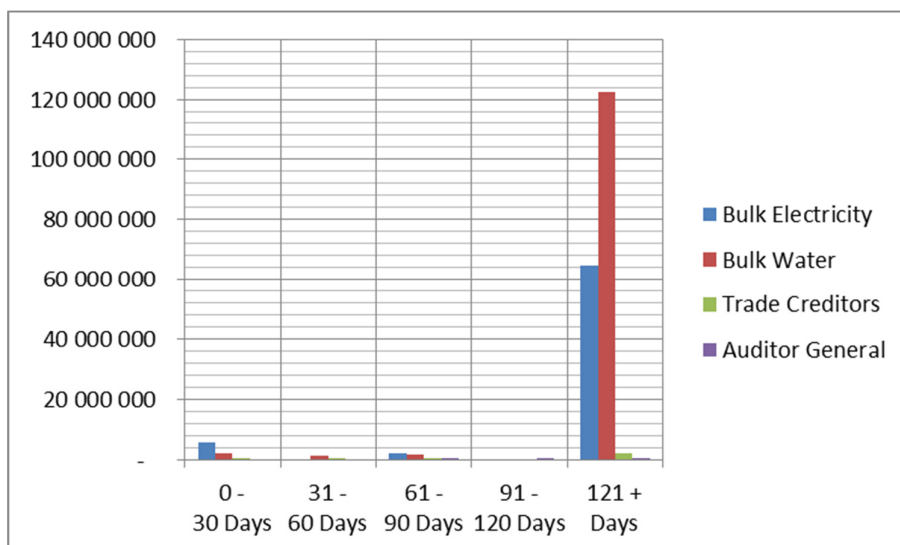


Chart 10

### Creditors Age Analysis

The comparison for creditors outstanding between Nov 2018 and Dec 2018 is as follows:

Bulk Electricity –Nov, R76.5 million and Dec 2018 R72.8 million

Bulk Water – Nov 2018, R131 million and Dec 2018 R128 million

Please note the municipality submit a newly propose payment and strategy plan to ESKOM but still awaits approval, the municipality also are in a process of preparing a payment/strategy plan to Sedibeng after several meetings was conducted.

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December						
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	1 723 758	1 716 915	6 843	100
Pension and UIF Contributions	373 864	31 326	187 959	186 932	1 027	101
Medical Aid Contributions	20 984	2 914	17 485	10 492	6 993	167
Motor Vehicle Allowance	1 269 231	103 282	619 694	634 616	-14 922	98
Cellphone Allowance	693 600	57 800	346 800	346 800	-	100
<b>Sub Total - Councillors</b>	<b>5 791 509</b>	<b>482 616</b>	<b>2 895 695</b>	<b>2 895 755</b>	<b>-60</b>	<b>100</b>
<b>Senior Managers of the Municipality</b>						
Basic Salaries and Wages	2 880 491	266 148	1 551 895	1 440 246	111 649	108
Pension and UIF Contributions	527 412	33 743	199 729	263 706	-63 976	76
Medical Aid Contributions	52 390	14 178	84 828	26 195	58 633	324
Motor Vehicle Allowance	689 613	48 280	289 681	344 807	-55 126	84
Cellphone Allowance	41 145	4 946	41 435	20 572	20 862	201
Housing Allowances	30 370	2 557	15 343	15 185	158	101
Other benefits and allowances	251 702	46 807	510 319	125 851	384 468	405
Long service awards	36 385	-	-	18 193	-18 193	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 509 509</b>	<b>416 659</b>	<b>2 693 229</b>	<b>2 254 754</b>	<b>438 475</b>	<b>119</b>
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	55 637 602	4 279 372	25 311 136	27 818 801	-2 507 665	91
Pension and UIF Contributions	9 863 901	666 536	3 966 106	4 931 950	-965 844	80
Medical Aid Contributions	2 418 495	172 883	1 026 258	1 209 248	-182 989	85
Overtime	3 701 850	375 838	1 923 043	1 850 925	72 118	104
Motor Vehicle Allowance	3 370 607	226 419	1 344 225	1 685 303	-341 078	80
Cellphone Allowance	148 221	10 919	52 091	74 110	-22 020	70
Housing Allowances	1 110 200	81 828	500 341	555 100	-54 759	90
Other benefits and allowances	6 606 393	607 932	4 368 152	3 303 196	1 064 956	132
Long service awards	233 425	12 897	137 004	116 712	20 292	117
<b>Sub Total - Other Municipal Staff</b>	<b>83 090 692</b>	<b>6 434 623</b>	<b>38 628 357</b>	<b>41 545 346</b>	<b>-2 916 989</b>	<b>93</b>
<b>Total Parent Municipality</b>	<b>93 391 710</b>	<b>7 333 898</b>	<b>44 217 282</b>	<b>46 695 855</b>	<b>-2 478 574</b>	<b>95</b>
<b>Total Employee Cost</b>	<b>87 600 201</b>	<b>6 851 283</b>	<b>41 321 587</b>	<b>43 800 100</b>		
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>16 901 040</b>	<b>120 012 312</b>	<b>162 479 736</b>		
<b>%Employee Cost to Total Expenditure</b>	<b>27</b>	<b>41</b>	<b>34</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 December 41%.

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

### **Revenue by source:**

Department must do an Mid-Year Assessment on all revenue sources, after the assessment if necessary the adjustments should be propose to Council whereby an Adjustment Budget can requested.

### **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. Department should do the necessary assessment on all expenditure items, assessment will give an indication which expenditure should be adjusted upwards or downwards, the assessment can also give rise to a possible adjustment budget.

### **Capital Expenditure:**

Capital expenditure should be aligned to the approved DORA payment schedule. Department should re-assess on projects to determine if they are still in line for 100% expenditure by the end of the Financial Year. All necessary processes should be fast track in line with all the required legislation and with the guidance of the respective department.

### **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: 15 January 2019

### **NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE**

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

- the monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 31 December 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:.....

A handwritten signature in black ink, appearing to read 'S. Titus', is written over the dotted line of the signature field.

Date: 15 January 2019

## **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