



Nama Khoi Municipality

18 December 2018

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
30 November 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 November, ten working days reporting limit expires on 14 December 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 November 2018

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

The financial results for the period ended 30 November 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) - M05 November						
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	10 602	47 400 345	20 453 105	26 947 240	232
Service charges - electricity revenue	82 719 739	5 798 752	31 265 202	34 466 565	-3 201 363	91
Service charges - water revenue	33 053 220	2 712 471	12 984 804	13 772 175	-787 371	94
Service charges - sanitation revenue	11 004 875	1 337 212	6 589 092	4 585 365	2 003 727	144
Service charges - refuse revenue	13 531 791	1 653 947	8 267 680	5 638 245	2 629 435	147
Rental of facilities and equipment	1 267 715	132 532	675 772	528 220	147 552	128
Interest earned - external investments	2 183 767	182 887	647 245	909 905	-262 660	71
Interest earned - outstanding debtors	1 902 596	872 938	4 012 972	792 750	3 220 222	506
Fines, penalties and forfeits	5 281 409	6 408	22 668	2 200 585	-2 177 917	1
Licences and permits	1 438 199	135 419	635 910	599 250	36 660	106
Agency services	1 156 128	20 997	102 122	-	102 122	
Transfers and subsidies	47 927 000	450 000	21 214 000	33 288 000	-12 074 000	64
Other revenue	1 082 696	296 440	1 418 550	932 840	485 710	152
Gains on disposal of PPE	7 000 000	-	-	2 916 665	-2 916 665	-
Total Revenue (excluding capital transf	258 636 593	13 610 605	135 236 362	121 083 670	14 152 692	112
Expenditure By Type						
Employee related costs	87 600 201	6 765 172	33 990 974	36 500 095	-2 509 121	93
Remuneration of councillors	5 791 509	516 625	2 575 129	2 413 125	162 004	107
Debt impairment	19 066 479	-	-	7 944 365	-7 944 365	-
Depreciation & asset impairment	40 787 397	-	-	16 994 750	-16 994 750	-
Finance charges	7 200 000	-	-	3 000 000	-3 000 000	-
Bulk purchases	105 347 176	8 675 732	39 605 958	43 894 655	-4 288 697	90
Other materials	8 584 215	683 391	2 633 177	3 576 740	-943 563	74
Contracted services	24 029 793	45 876	114 018	10 012 365	-9 898 347	1
Other expenditure	26 552 899	5 366 065	24 192 015	11 063 685	13 128 330	219
Loss on disposal of PPE	-	-	-	-	-	
Total Expenditure	324 959 669	22 052 861	103 111 271	135 399 780	-32 288 509	76
Surplus/(Deficit)	-66 323 077	-8 442 256	32 125 091	-14 316 110	46 441 201	

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November						
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	10 602	47 400 345	20 453 105	26 947 240	232
Service charges - electricity revenue	82 719 739	5 798 752	31 265 202	34 466 565	-3 201 363	91
Service charges - water revenue	33 053 220	2 712 471	12 984 804	13 772 175	-787 371	94
Service charges - sanitation revenue	11 004 875	1 337 212	6 589 092	4 585 365	2 003 727	144
Service charges - refuse revenue	13 531 791	1 653 947	8 267 680	5 638 245	2 629 435	147
Rental of facilities and equipment	1 267 715	132 532	675 772	528 220	147 552	128
Interest earned - external investments	2 183 767	182 887	647 245	909 905	-262 660	71
Interest earned - outstanding debtors	1 902 596	872 938	4 012 972	792 750	3 220 222	506
Fines, penalties and forfeits	5 281 409	6 408	22 668	2 200 585	-2 177 917	1
Licences and permits	1 438 199	135 419	635 910	599 250	36 660	106
Agency services	1 156 128	20 997	102 122	-	102 122	
Transfers and subsidies	47 927 000	450 000	21 214 000	33 288 000	-12 074 000	64
Other revenue	1 082 696	296 440	1 418 550	932 840	485 710	152
Gains on disposal of PPE	7 000 000	-	-	2 916 665	-2 916 665	-
Total Revenue (excluding capital transf	258 636 593	13 610 605	135 236 362	121 083 670	14 152 692	112

Explanation on YTD variance % - e.g. 232% means that the municipality billed 132% more than what was budget and 91 means the municipality billed 9% 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.

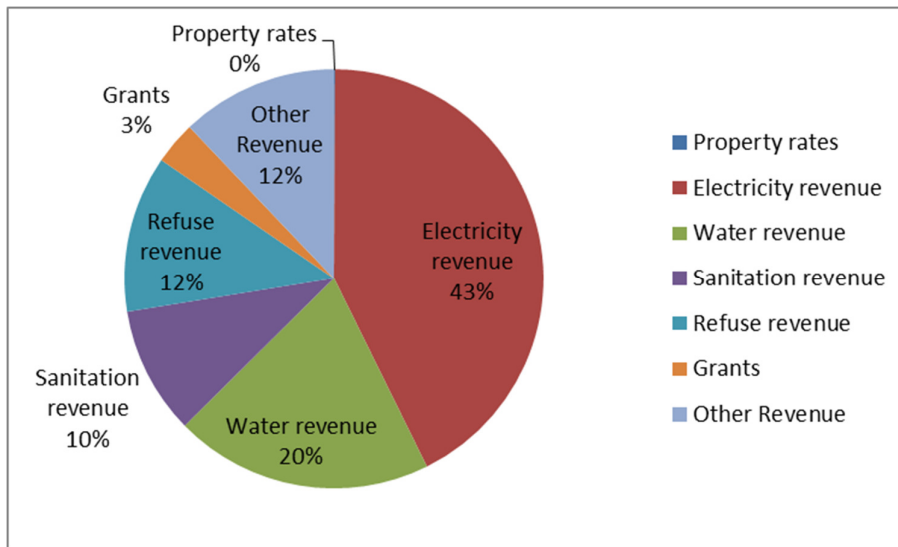
Service Charges Sanitation and Refuse Removal – free basic services are deducted from services charges revenue, however it was captured as expenditure and the necessary corrections must be made on the financial system, issue also communicated to Service provider.

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 – 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.

CHART 1

The following chart shows the revenue by source for the month of 30 November 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	6 765 172	33 990 974	36 500 095	-2 509 121	93
Remuneration of councillors	5 791 509	516 625	2 575 129	2 413 125	162 004	107
Debt impairment	19 066 479	-	-	7 944 365	-7 944 365	-
Depreciation & asset impairment	40 787 397	-	-	16 994 750	-16 994 750	-
Finance charges	7 200 000	-	-	3 000 000	-3 000 000	-
Bulk purchases	105 347 176	8 675 732	39 605 958	43 894 655	-4 288 697	90
Other materials	8 584 215	683 391	2 633 177	3 576 740	-943 563	74
Contracted services	24 029 793	45 876	114 018	10 012 365	-9 898 347	1
Other expenditure	26 552 899	5 366 065	24 192 015	11 063 685	13 128 330	219
Loss on disposal of PPE	-	-	-	-	-	-
Total Expenditure	324 959 669	22 052 861	103 111 271	135 399 780	-32 288 509	76

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.

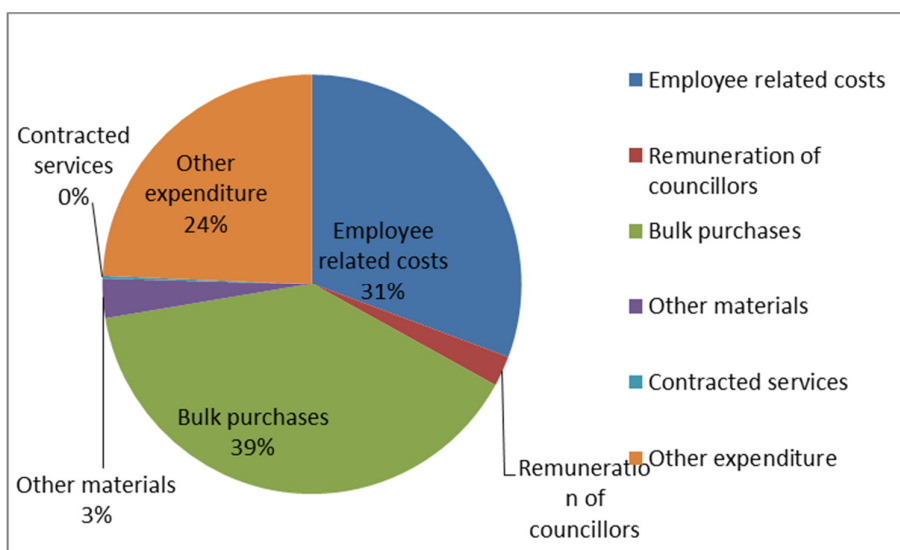
Bulk purchases – Please note the municipality is struggling financially to adhere to accounts of ESKOM and Sedibeng.

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

Contract Services and General Expenses - 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.

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) - M05 November						
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	495 967	892 366	697 870	194 496	128
Vote 2 - Financial Services	103 566 698	1 076 941	72 627 468	43 135 525	29 491 943	168
Vote 3 - Corporate Services	7 977 426	126 390	525 284	3 332 115	-2 806 831	16
Vote 4 - Community Services: Community Development	16 103 446	1 758 361	9 006 328	9 271 635	-265 307	97
Vote 5 - Community Services: Public Safety	2 482 378	159 929	640 345	1 033 915	-393 570	62
Vote 6 - Electrical Engineering Services	86 772 987	5 841 313	31 491 370	36 889 005	-5 397 635	85
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	4 151 704	20 053 202	29 603 035	-9 549 833	68
Total Revenue by Vote	282 020 593	13 610 605	135 236 363	123 963 100	11 273 263	109
Expenditure by Vote						
Vote 1 - Municipal Manager	19 095 365	2 077 571	8 617 374	7 953 225	664 149	108
Vote 2 - Financial Services	51 857 443	2 781 221	11 512 709	21 598 635	-10 085 926	53
Vote 3 - Corporate Services	33 342 669	1 598 461	10 616 668	14 209 460	-3 592 792	75
Vote 4 - Community Services: Community Development	23 351 214	1 795 021	8 920 529	12 465 350	-3 544 821	72
Vote 5 - Community Services: Public Safety	8 644 322	682 327	3 258 389	3 600 350	-341 961	91
Vote 6 - Electrical Engineering Services	98 428 250	6 227 296	29 371 794	41 497 600	-12 125 806	71
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	6 890 964	30 813 807	41 459 775	-10 645 968	74
Total Expenditure by Vote	324 959 669	22 052 861	103 111 270	142 784 395	-39 673 125	72
Surplus/ (Deficit) for the year	-42 939 077	-8 442 256	32 125 093	-18 821 295	50 946 388	

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November						
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	495 967	892 366	697 870	194 496	128
Vote 2 - Financial Services	103 566 698	1 076 941	72 627 468	43 135 525	29 491 943	168
Vote 3 - Corporate Services	7 977 426	126 390	525 284	3 332 115	-2 806 831	16
Vote 4 - Community Services: Community Development	16 103 446	1 758 361	9 006 328	9 271 635	-265 307	97
Vote 5 - Community Services: Public Safety	2 482 378	159 929	640 345	1 033 915	-393 570	62
Vote 6 - Electrical Engineering Services	86 772 987	5 841 313	31 491 370	36 889 005	-5 397 635	85
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	4 151 704	20 053 202	29 603 035	-9 549 833	68
Total Revenue by Vote	282 020 593	13 610 605	135 236 363	123 963 100	11 273 263	109

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 tranches.

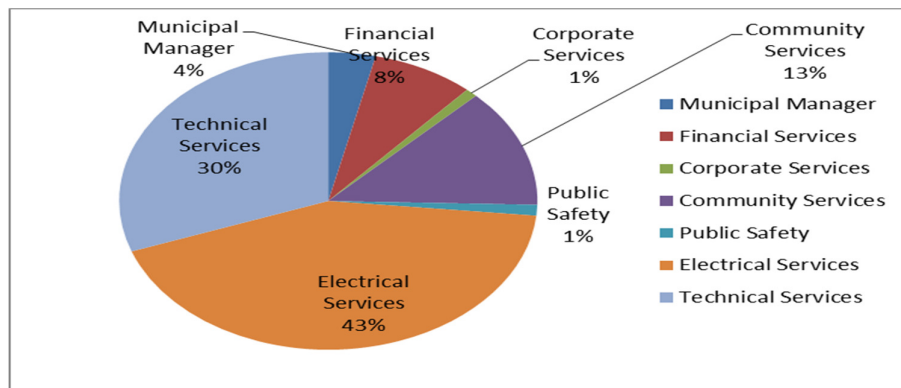
Corporate Services – Rental of facilities lower than the intended budget. Sale of land and stands did not occur as budgeted.

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 November 2018



Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - Municipal Manager	19 095 365	2 077 571	8 617 374	7 953 225	664 149	108
Vote 2 - Financial Services	51 857 443	2 781 221	11 512 709	21 598 635	-10 085 926	53
Vote 3 - Corporate Services	33 342 669	1 598 461	10 616 668	14 209 460	-3 592 792	75
Vote 4 - Community Services: Community Development	23 351 214	1 795 021	8 920 529	12 465 350	-3 544 821	72
Vote 5 - Community Services: Public Safety	8 644 322	682 327	3 258 389	3 600 350	-341 961	91
Vote 6 - Electrical Engineering Services	98 428 250	6 227 296	29 371 794	41 497 600	-12 125 806	71
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	6 890 964	30 813 807	41 459 775	-10 645 968	74
Total Expenditure by Vote	324 959 669	22 052 861	103 111 270	142 784 395	-39 673 125	72

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.

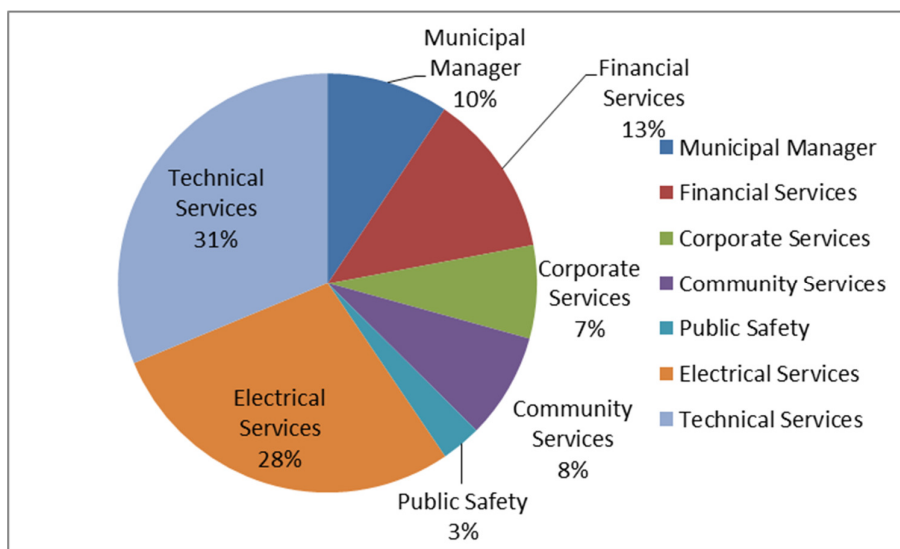
Community Development - The department had underspending in employee cost, repairs & maintenance and library expenses.

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 30 November 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 30 November 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	1 625 185	-1 222 631	24.77
Energy sources	4 000 000	151 681	2 428 766	1 666 000	762 766	145.78
Water management	7 250 000	446 877	873 047	3 019 625	-2 146 578	28.91
Waste water management	8 232 000	183 728	1 933 675	3 428 630	-1 494 955	56.40
Total Capital Expenditure - Functional Classification	23 384 000	782 286	5 638 042	9 739 440	-4 101 398	57.89
Funded by:						
National Government	23 384 000	782 286	5 638 042	9 739 440	-4 101 398	57.89
Total Capital Funding	23 384 000	782 286	5 638 042	9 739 440	-4 101 398	57.89

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 30 November 2018

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M05 November						
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	7 467 386	22 173 321	18 407 794	3 765 527	120
Service charges	126 464 719	10 544 011	53 770 690	52 693 639	1 077 051	102
Other revenue	10 101 057	843 933	11 052 406	4 208 774	6 843 632	263
Government - operating	47 927 000	450 000	21 540 525	33 288 000	-11 747 475	65
Government - capital	23 384 000	-	12 200 000	18 788 000	-6 588 000	65
Interest	3 898 627	944 220	4 138 252	1 624 431	2 513 821	255
Payments						
Suppliers and employees	-232 084 412	-17 561 174	-117 697 937	-96 701 764	20 996 172	122
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 869 703	2 688 375	7 177 257	32 308 874	25 131 617	22
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	7 000 000	-	-	-	-	
Decrease (increase) other non-current receivables	-1 038 554	-	-	-	-	
Payments						
Capital assets	-23 384 000	-212 092	-6 451 073	-9 743 335	-3 292 262	66
NET CASH FROM/(USED) INVESTING ACTIVITIES	-17 422 554	-212 092	-6 451 073	-9 743 335	-3 292 262	66
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	2 476 284	726 185	22 565 539		
Cash/cash equivalents at beginning:	10 707 985		1 115 373	10 707 985		
Cash/cash equivalents at month/year end:	16 915 796		1 841 557	33 273 524		

NAMA KHOI MUNICIPALITY

REPORT OUTSTANDING MONEY FOR 30 NOVEMBER 2018

SERVICE POINTS	OUTSTANDING 31.10.2018	ADD BILLINGS	MINUS INCOME	OUTSTANDING 30.11.2018	Collection Rate for the month	Collection Rate including all outstanding debt	INCREASING (DECREASING)	% INCREASE /(DECREASE)
RATES:								
Springbok	7 981 250.86	2 768 148.46	5 225 533.47	5 523 865.85	188.77	48.61	(2 457 385.01)	(30.79%)
Steinkopf	12 805 042.98	452 561.72	939 843.00	12 317 761.70	207.67	7.09	(487 281.28)	(3.81%)
Concordia	2 318 863.27	249 647.59	533 941.99	2 034 568.87	213.88	20.79	(284 294.40)	(12.26%)
Komaggas	7 327 086.86	138 921.68	40 379.60	7 425 628.94	29.07	0.54	98 542.08	1.34%
Okiep	2 061 369.68	303 403.53	490 570.49	1 874 202.72	161.69	20.74	(187 166.96)	(9.08%)
Nababeep	2 145 347.55	300 320.97	732 758.81	1 712 909.71	243.99	29.96	(432 437.84)	(20.16%)
TOTAL RATES	34 638 961.20	4 213 003.95	7 963 027.36	30 888 937.79	189.01	20.50	(3 750 023.41)	(10.83%)
SERVICES:								
Springbok	9 494 907.35	5 976 373.40	6 140 956.56	9 330 324.19	102.75	39.69	(164 583.16)	(1.73%)
Steinkopf	21 214 600.13	497 772.13	419 665.62	21 292 706.64	84.31	1.93	78 106.51	0.37%
Concordia	7 970 704.06	1 100 883.09	1 031 280.88	8 040 306.27	93.68	11.37	69 602.21	0.87%
Komaggas	24 457 351.49	492 599.66	88 367.28	24 861 583.87	17.94	0.35	404 232.38	1.65%
Okiep	13 163 184.32	1 271 060.38	957 465.56	13 476 779.14	75.33	6.63	313 594.82	2.38%
Nababeep*	24 854 454.26	886 748.24	748 694.37	24 992 508.13	84.43	2.91	138 053.87	0.56%
TOTAL SERVICES	101 155 201.61	10 225 436.90	9 386 430.27	101 994 208.24	91.79	8.43	839 006.63	0.83%
LANDSALES								
Springbok	62 219.18	-	500.00	61 719.18		0.80	(500.00)	(0.80%)
Steinkopf	164 111.01	-	-	164 111.01		-	-	0.00%
Concordia*	137 201.91	-	-	137 201.91		-	-	0.00%
Komaggas**	141 031.81	-	-	141 031.81		-	-	0.00%
Okiep	130 952.54	310.63	400.00	130 863.17	128.77	0.30	(89.37)	(0.07%)
Nababeep	40 191.92	-	-	40 191.92		-	-	0.00%
TOTAL LANDSALES	675 708.37	310.63	900.00	675 119.00	289.73	0.13	(589.37)	(0.09%)
GRAZINGFEES								
Springbok	20 215.15	4 052.27	3 787.63	20 479.79	93.47	15.61	264.64	1.31%
Steinkopf	2 150 420.35	61 803.09	22 400.54	2 189 822.90	36.25	1.01	39 402.55	1.83%
Concordia	674 869.54	36 633.29	30 192.26	681 310.57	82.42	4.24	6 441.03	0.95%
Komaggas	1 157 577.09	20 381.19	2 868.41	1 175 089.87	14.07	0.24	17 512.78	1.51%
Okiep	51 761.02	5 742.61	4 890.74	52 612.89	85.17	8.51	851.87	1.65%
Nababeep	23 852.45	3 317.90	3 842.29	23 328.06	115.80	14.14	(524.39)	(2.20%)
TOTAL GRAZINGFEE	4 078 695.60	131 930.35	67 981.87	4 142 644.08	51.53	1.61	63 948.48	1.57%
OTHER								
Springbok	1 212 631.05	90 538.94	76 179.53	1 226 990.46	84.14	5.85	14 359.41	1.18%
Steinkopf	424 677.27	43 634.98	75 313.62	392 998.63	172.60	16.08	(31 678.64)	(7.46%)
Concordia	174 608.10	98 582.57	95 124.96	178 065.71	96.49	34.82	3 457.61	1.98%
Komaggas	391 186.28	37 509.75	13 083.46	415 612.57	34.88	3.05	24 426.29	6.24%
Okiep	376 856.91	27 921.78	15 766.41	389 012.28	56.47	3.90	12 155.37	3.23%
Nababeep	651 183.97	6 819.26	1 820.90	656 182.33	26.70	0.28	4 998.36	0.77%
TOTAL OTHER	3 231 143.58	305 007.28	277 288.88	3 258 861.98	90.91	7.84	27 718.40	0.86%
TOTAL	143 779 710.36	14 875 689.11	17 695 628.38	140 959 771.09	118.96	11.15	(2 819 939.27)	(1.96%)
TOTAL SERVICES POINTS								
Springbok	18 771 223.59	8 839 113.07	11 446 957.19	16 163 379.47	129.50	41.46	(2 607 844.12)	(13.89%)
Steinkopf	36 758 851.74	1 055 771.92	1 457 222.78	36 357 400.88	138.02	3.85	(401 450.86)	(1.09%)
Concordia	11 276 246.88	1 485 746.54	1 690 540.09	11 071 453.33	113.78	13.25	(204 793.55)	(1.82%)
Komaggas	33 474 233.53	689 412.28	144 698.75	34 018 947.06	20.99	0.42	544 713.53	1.63%
Okiep	15 784 124.47	1 608 438.93	1 469 093.20	15 923 470.20	91.34	8.45	139 345.73	0.88%
Nababeep	27 715 030.15	1 197 206.37	1 487 116.37	27 425 120.15	124.22	5.14	(289 910.00)	(1.05%)
TOTAL	143 779 710.36	14 875 689.11	17 695 628.38	140 959 771.09	118.96	11.15	(2 819 939.27)	(1.96%)

- **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 118.96% for the month of November 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 11.15% of outstanding moneys at 30 November 2018.

Collection rates for the month illustrated below:

Rates

From the information above the municipality collected 243.99% in Nababeep which was the highest collection rate; however the lowest collection rate was at 29.07% which was for Komaggas.

Services

From the information above the municipality collected 102.75 % at Springbok which was the highest collection rate; however the lowest collection rate was at 17.94% which was for Komaggas.

Grazing Fees

From the information above the municipality collected 115.80 % at Nababeep which was the highest collection rate; however the lowest collection rate was at 14.07% which was for Komaggas.

Diverse/other

From the information above the municipality collected 172.60 Steinkopf which was the highest collection rate; however the lowest collection rate was at 26.70 which were for Nababeep.

Service points

From the information above the municipality collected 138.02 % at Steinkopf which was the highest collection rate; however the lowest collection rate was at 20.99 % which was for Komaggas.

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

Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury. The following report shows the debtors outstanding at 30 November 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
Debtors Age Analysis By Income Source						
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
Total By Income Source	10 475 178	4 691 750	3 039 186	2 554 257	135 601 307	156 361 678
2017/18 - totals only					-	-
Debtors Age Analysis By Customer Group						
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
Total By Customer Group	10 475 178	4 691 750	3 039 186	2 554 257	135 601 307	156 361 678

Debtors Age Analysis 31 October 2018

Debtors Age Analysis October 2018						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1 909 674	1 403 435	736 240	652 573	36 076 882	40 778 804
TElectricity	3 291 704	1 271 394	697 529	493 385	30 777 216	36 531 228
Property Rates	2 820 072	5 691 087	701 910	655 616	28 529 409	38 398 094
Waste Water Management	903 602	455 695	268 956	209 993	9 599 167	11 437 413
Waste Management	1 259 001	676 128	463 195	387 531	20 794 773	23 580 628
Other	125 368	170 628	89 413	78 192	7 848 384	8 311 985
Total By Income Source	10 309 421	9 668 367	2 957 243	2 477 290	133 625 831	159 038 152
Debtors Age Analysis By Customer Group						
Organs of State	632 264	4 039 606	257 919	109 727	1 181 135	6 220 651
Commercial	3 589 738	2 126 401	885 557	834 112	37 842 101	45 277 909
Households	6 087 419	3 502 360	1 813 767	1 533 451	94 602 595	107 539 592
Total By Customer Group	10 309 421	9 668 367	2 957 243	2 477 290	133 625 831	159 038 152

The total debtors outstanding as at 31 October were R159 038 152; the total debtors outstanding at 30 November 2018 were R 156 361 678.

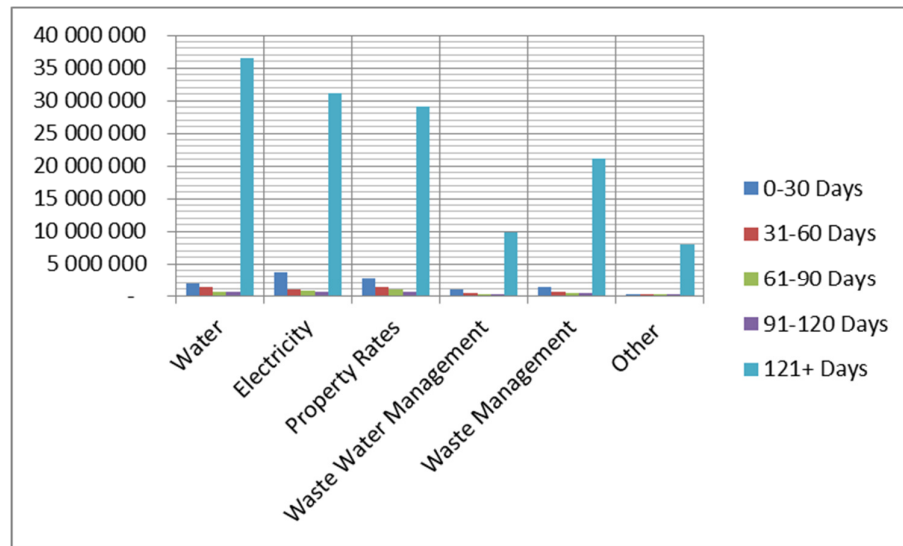
Debtors outstanding for a period more than 121+ days amounts to R135 601 307 compared to 133 625 831 in the previous month.

Businesses owe the municipality R45 019 841 compared to R45 277 909 the previous month.

Chart 8 – Debtors per revenue source

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
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
Total By Income Source	10 475 178	4 691 750	3 039 186	2 554 257	135 601 307	156 361 678

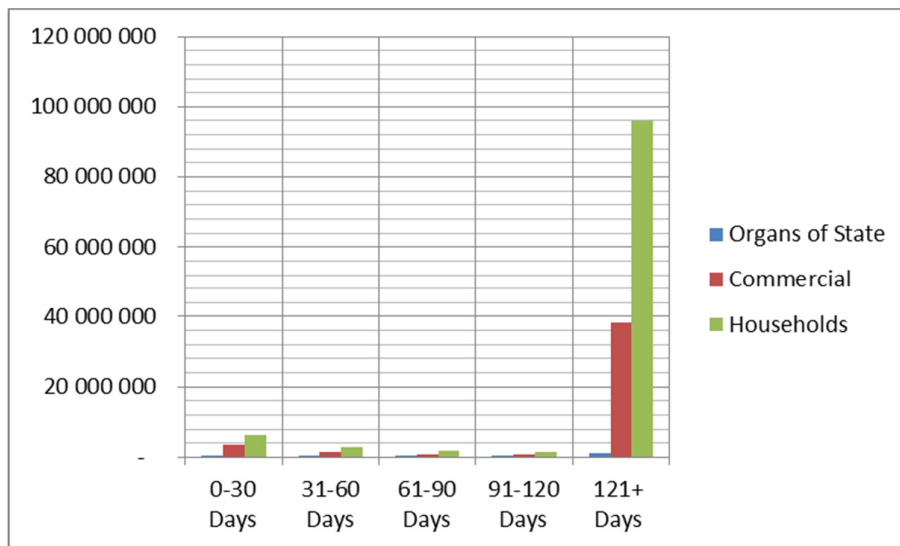
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	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
Total By Customer Group	10 475 178	4 691 750	3 039 186	2 554 257	135 601 307	156 361 678

CHART 9

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



CREDITORS Age Analysis - Annexure B -Table SC4

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

The following report shows the creditors outstanding at 30 November 2018

NC062 Nama Khoi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November						
Description	Budget Year 2018/19					
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Total
Creditors Age Analysis By Customer Type						
Bulk Electricity	451 854	11 411 200	-0	-	64 730 538	76 593 591
Bulk Water	6 802 446	1 940 075		4 097 888	118 231 531	131 071 940
Trade Creditors		4 302 119	436 241	1 425 320	2 411 916	3 843 258
Auditor General	-	582 734	210 299		262 417	1 055 449
Total By Customer Type	7 254 300	18 236 128	646 539	5 523 207	185 636 402	212 564 239

Creditors Analysis

The outstanding creditors moved from R207 146 434 to R212 564 239, this is an increase of R5 417 805

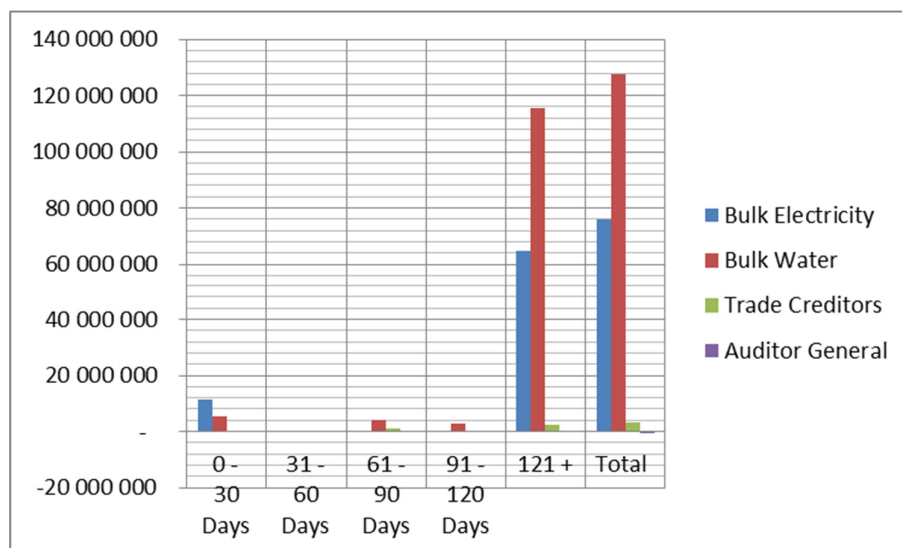


Chart 10

Creditors Age Analysis

The comparison for creditors outstanding between Oct2018 and Sept is as follows:

Bulk Electricity –Nov, R76.5 million and Oct 2018 R76.1 million

Bulk Water – Nov 2018, R131 million and Oct 2018 R127.7 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 - M05 November						
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	1 436 465	1 430 762	5 702	100
Pension and UIF Contributions	373 864	31 326	156 632	155 777	855	101
Medical Aid Contributions	20 984	2 914	14 571	8 743	5 828	167
Motor Vehicle Allowance	1 269 231	103 282	516 411	528 846	-12 435	98
Cellphone Allowance	693 600	57 800	289 000	289 000	-	100
Sub Total - Councillors	5 791 509	482 616	2 413 079	2 413 129	-50	100
Senior Managers of the Municipality						
Basic Salaries and Wages	2 880 491	262 127	1 285 746	1 200 205	85 542	107
Pension and UIF Contributions	527 412	33 743	165 987	219 755	-53 768	76
Medical Aid Contributions	52 390	14 178	70 650	21 829	48 821	324
Motor Vehicle Allowance	689 613	48 280	241 401	287 339	-45 938	84
Cellphone Allowance	41 145	4 946	36 488	17 144	19 345	213
Housing Allowances	30 370	2 557	12 786	12 654	131	101
Other benefits and allowances	251 702	250 255	463 512	104 876	358 636	442
Long service awards	36 385	-	-	15 161	-15 161	-
Sub Total - Senior Managers of Municipality	4 509 509	616 086	2 276 570	1 878 962	397 608	121
Other Municipal Staff						
Basic Salaries and Wages	55 637 602	4 385 672	21 031 763	23 182 334	-2 150 571	91
Pension and UIF Contributions	9 863 901	663 654	3 299 571	4 109 959	-810 388	80
Medical Aid Contributions	2 418 495	170 200	853 375	1 007 706	-154 331	85
Overtime	3 701 850	286 605	1 547 206	1 542 438	4 768	100
Motor Vehicle Allowance	3 370 607	226 419	1 117 806	1 404 419	-286 614	80
Cellphone Allowance	148 221	10 885	41 172	61 759	-20 587	67
Housing Allowances	1 110 200	80 975	418 514	462 583	-44 070	90
Other benefits and allowances	6 606 393	668 890	3 760 220	2 752 664	1 007 556	137
Long service awards	233 425	-	124 108	97 260	26 848	128
Sub Total - Other Municipal Staff	83 090 692	6 493 300	32 193 734	34 621 122	-2 427 388	93
Total Parent Municipality	93 391 710	7 592 001	36 883 383	38 913 213	-2 029 829	95
Employee Related Cost	87 600 201	7 109 385	34 470 304	36 500 084		
Total Expenditure	324 959 669	22 052 861	103 111 271	135 399 780		
% Employee Cost to Total Expenditure	27	32	33	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 November 32%.

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 December 2018

NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE

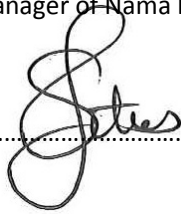
I,, the Municipal Manager of Nama Khoi Municipality, hereby certify that –

- the monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 30 November 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 December 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