



**Nama Khoi Municipality**

**14 November 2018**

**The Mayor**

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

**3. QUERIES AND SUGGESTIONS**

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

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

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

The financial results for the period ended October 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) - M04 October						
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	-18 703	47 389 743	16 362 484	31 027 259	290
Service charges - electricity revenue	82 719 739	5 363 402	25 466 450	27 573 252	-2 106 802	92
Service charges - water revenue	33 053 220	2 853 623	10 272 332	11 017 740	-745 408	93
Service charges - sanitation revenue	11 004 875	1 330 566	5 251 880	3 668 292	1 583 588	143
Service charges - refuse revenue	13 531 791	1 653 198	6 613 733	4 510 596	2 103 137	147
Rental of facilities and equipment	1 267 715	167 652	543 240	422 576	120 664	129
Interest earned - external investments	2 183 767	108 757	464 358	727 924	-263 566	64
Interest earned - outstanding debtors	1 902 596	798 298	3 140 035	634 200	2 505 835	495
Fines, penalties and forfeits	5 281 409	3 258	16 259	1 760 468	-1 744 209	1
Licences and permits	1 438 199	102 526	500 491	479 400	21 091	104
Agency services	1 156 128	23 085	81 125	-	81 125	
Transfers and subsidies	47 927 000	-	20 764 000	18 649 000	2 115 000	111
Other revenue	1 082 696	268 975	1 122 110	746 272	375 838	150
Gains on disposal of PPE	7 000 000	-	-	2 333 332	-2 333 332	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>258 636 593</b>	<b>12 654 636</b>	<b>121 625 756</b>	<b>88 885 536</b>	<b>32 740 220</b>	<b>137</b>
<b>Expenditure By Type</b>						
Employee related costs	87 600 201	6 754 151	27 225 804	29 200 076	-1 974 272	93
Remuneration of councillors	5 791 509	510 626	2 058 503	1 930 500	128 003	107
Debt impairment	19 066 479	-	-	6 355 492	-6 355 492	-
Depreciation & asset impairment	40 787 397	-	-	13 595 800	-13 595 800	-
Finance charges	7 200 000	-	-	2 400 000	-2 400 000	-
Bulk purchases	105 347 176	14 830 804	30 930 226	35 115 724	-4 185 498	88
Other materials	8 584 215	829 679	1 949 786	2 861 392	-911 606	68
Contracted services	24 029 793	43 434	68 142	8 009 892	-7 941 750	1
Other expenditure	26 552 899	5 999 689	18 825 949	8 850 948	9 975 001	213
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>28 968 383</b>	<b>81 058 410</b>	<b>108 319 824</b>	<b>-27 261 414</b>	<b>75</b>
<b>Surplus/(Deficit)</b>	<b>-66 323 077</b>	<b>-16 313 747</b>	<b>40 567 346</b>	<b>-19 434 288</b>	<b>60 001 634</b>	

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue By Source</b>						
Property rates	49 087 458	-18 703	47 389 743	16 362 484	31 027 259	290
Service charges - electricity revenue	82 719 739	5 363 402	25 466 450	27 573 252	-2 106 802	92
Service charges - water revenue	33 053 220	2 853 623	10 272 332	11 017 740	-745 408	93
Service charges - sanitation revenue	11 004 875	1 330 566	5 251 880	3 668 292	1 583 588	143
Service charges - refuse revenue	13 531 791	1 653 198	6 613 733	4 510 596	2 103 137	147
Rental of facilities and equipment	1 267 715	167 652	543 240	422 576	120 664	129
Interest earned - external investments	2 183 767	108 757	464 358	727 924	-263 566	64
Interest earned - outstanding debtors	1 902 596	798 298	3 140 035	634 200	2 505 835	495
Fines, penalties and forfeits	5 281 409	3 258	16 259	1 760 468	-1 744 209	1
Licences and permits	1 438 199	102 526	500 491	479 400	21 091	104
Agency services	1 156 128	23 085	81 125	-	81 125	
Transfers and subsidies	47 927 000	-	20 764 000	18 649 000	2 115 000	111
Other revenue	1 082 696	268 975	1 122 110	746 272	375 838	150
Gains on disposal of PPE	7 000 000	-	-	2 333 332	-2 333 332	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>258 636 593</b>	<b>12 654 636</b>	<b>121 625 756</b>	<b>88 885 536</b>	<b>32 740 220</b>	<b>137</b>

**Explanation on YTD variance % - e.g. 137% means that the municipality billed 37% more than what was budget and 93 means the municipality billed 7% 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.

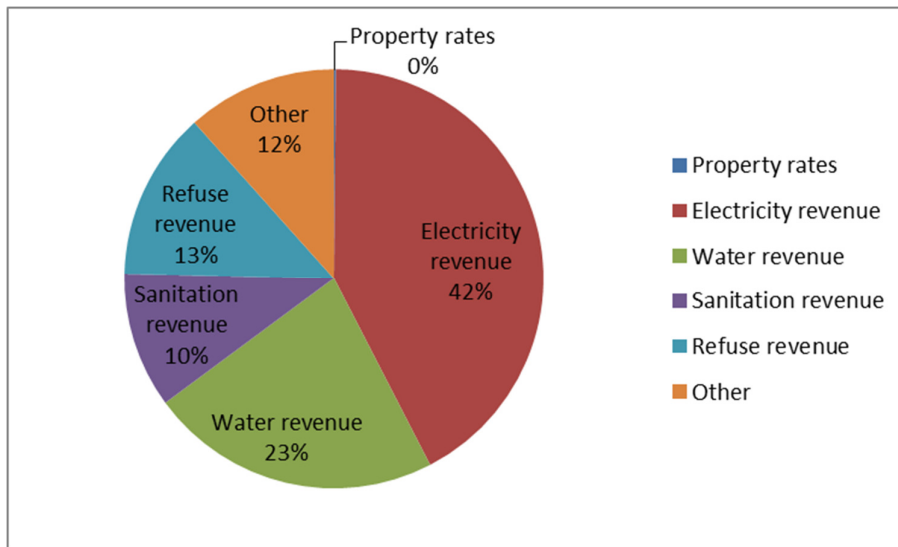
**Service Charges Sanitation and Refuse Removal** – free basic services are deducted from services charges revenue, however it was captured as expenditure and the necessary corrections must be made on the financial system, issue also communicated to Service provider.

**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 31 October 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	6 754 151	27 225 804	29 200 076	-1 974 272	93
Remuneration of councillors	5 791 509	510 626	2 058 503	1 930 500	128 003	107
Debt impairment	19 066 479	-	-	6 355 492	-6 355 492	-
Depreciation & asset impairment	40 787 397	-	-	13 595 800	-13 595 800	-
Finance charges	7 200 000	-	-	2 400 000	-2 400 000	-
Bulk purchases	105 347 176	14 830 804	30 930 226	35 115 724	-4 185 498	88
Other materials	8 584 215	829 679	1 949 786	2 861 392	-911 606	68
Contracted services	24 029 793	43 434	68 142	8 009 892	-7 941 750	1
Other expenditure	26 552 899	5 999 689	18 825 949	8 850 948	9 975 001	213
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>28 968 383</b>	<b>81 058 410</b>	<b>108 319 824</b>	<b>-27 261 414</b>	<b>75</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.

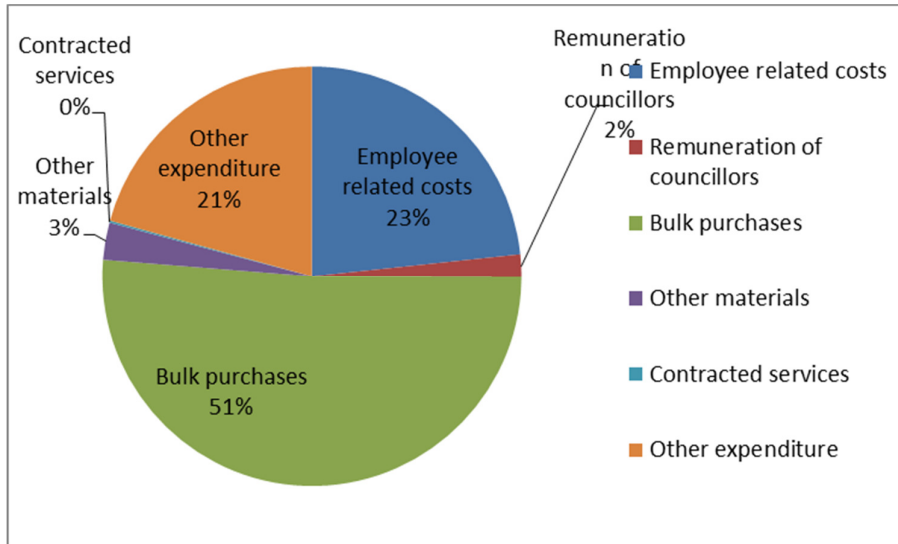
**Bulk purchases** – Please note the municipality is struggling financially to adhere to accounts of ESKOM and Sedibeng.

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

**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) - M04 October						
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	1 675 562.68	37 672.00	396 399.00	558 296.00	-161 897.00	71.00
Vote 2 - Financial Services	103 566 697.56	902 803.00	71 550 528.00	34 508 420.00	37 042 108.00	207.34
Vote 3 - Corporate Services	7 977 426.19	153 693.00	398 894.00	2 665 692.00	-2 266 798.00	14.96
Vote 4 - Community Services: Community Development	16 103 445.87	1 762 186.00	7 247 966.00	7 417 308.00	-169 342.00	97.72
Vote 5 - Community Services: Public Safety	2 482 378.00	127 342.00	480 415.00	827 132.00	-346 717.00	58.08
Vote 6 - Electrical Engineering Services	86 772 986.84	5 400 584.00	25 650 057.00	29 511 204.00	-3 861 147.00	86.92
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 095.57	4 270 354.00	15 901 498.00	23 682 428.00	-7 780 930.00	67.14
<b>Total Revenue by Vote</b>	<b>282 020 592.71</b>	<b>12 654 634.00</b>	<b>121 625 757.00</b>	<b>99 170 480.00</b>	<b>22 455 277.00</b>	<b>122.64</b>
<b>Expenditure by Vote</b>						
Vote 1 - Municipal Manager	19 095 365.16	1 670 832.00	6 539 802.00	6 362 580.00	177 222.00	102.79
Vote 2 - Financial Services	51 857 442.83	3 533 359.00	8 731 489.00	17 278 908.00	-8 547 419.00	50.53
Vote 3 - Corporate Services	33 342 669.15	1 996 753.00	9 018 207.00	11 367 568.00	-2 349 361.00	79.33
Vote 4 - Community Services: Community Development	23 351 214.49	1 913 176.00	7 125 509.00	9 972 280.00	-2 846 771.00	71.45
Vote 5 - Community Services: Public Safety	8 644 321.77	660 416.00	2 576 063.00	2 880 280.00	-304 217.00	89.44
Vote 6 - Electrical Engineering Services	98 428 249.66	12 708 833.00	23 144 498.00	33 198 080.00	-10 053 582.00	69.72
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406.24	6 485 013.00	23 922 842.00	33 167 820.00	-9 244 978.00	72.13
<b>Total Expenditure by Vote</b>	<b>324 959 669.30</b>	<b>28 968 382.00</b>	<b>81 058 410.00</b>	<b>114 227 516.00</b>	<b>-33 169 106.00</b>	<b>70.96</b>
<b>Surplus/ (Deficit) for the year</b>	<b>-42 939 076.59</b>	<b>-16 313 748.00</b>	<b>40 567 347.00</b>	<b>-15 057 036.00</b>	<b>55 624 383.00</b>	

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Revenue by Vote</b>						
Vote 1 - Municipal Manager	1 675 562.68	37 672.00	396 399.00	558 296.00	-161 897.00	71.00
Vote 2 - Financial Services	103 566 697.56	902 803.00	71 550 528.00	34 508 420.00	37 042 108.00	207.34
Vote 3 - Corporate Services	7 977 426.19	153 693.00	398 894.00	2 665 692.00	-2 266 798.00	14.96
Vote 4 - Community Services: Community Development	16 103 445.87	1 762 186.00	7 247 966.00	7 417 308.00	-169 342.00	97.72
Vote 5 - Community Services: Public Safety	2 482 378.00	127 342.00	480 415.00	827 132.00	-346 717.00	58.08
Vote 6 - Electrical Engineering Services	86 772 986.84	5 400 584.00	25 650 057.00	29 511 204.00	-3 861 147.00	86.92
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 095.57	4 270 354.00	15 901 498.00	23 682 428.00	-7 780 930.00	67.14
<b>Total Revenue by Vote</b>	<b>282 020 592.71</b>	<b>12 654 634.00</b>	<b>121 625 757.00</b>	<b>99 170 480.00</b>	<b>22 455 277.00</b>	<b>122.64</b>

### Reasons for variances above/under 10%

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

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

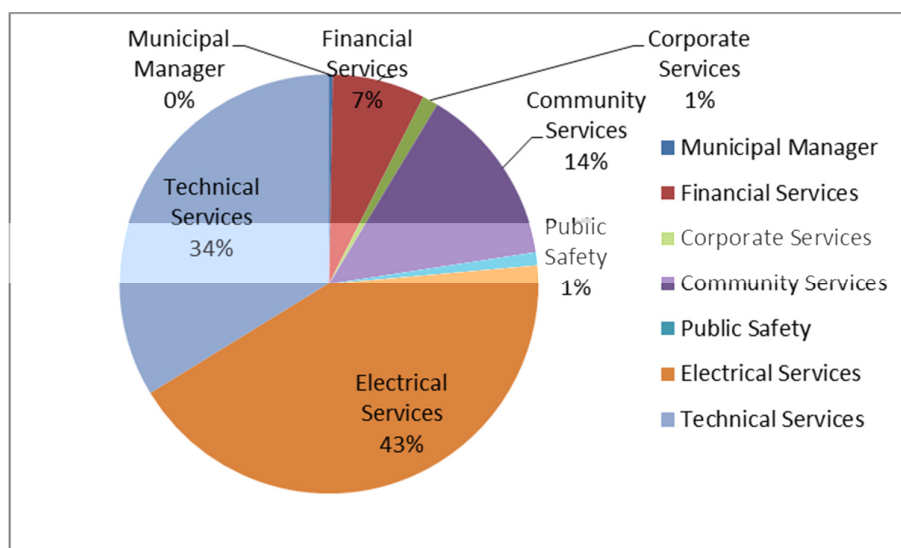
**Corporate Services** – Rental of facilities lower than the intended budget. Sale of land and stands did not occur as budgeted.

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

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

### CHART 3

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





Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - Municipal Manager	19 095 365.16	1 670 832.00	6 539 802.00	6 362 580.00	177 222.00	102.79
Vote 2 - Financial Services	51 857 442.83	3 533 359.00	8 731 489.00	17 278 908.00	-8 547 419.00	50.53
Vote 3 - Corporate Services	33 342 669.15	1 996 753.00	9 018 207.00	11 367 568.00	-2 349 361.00	79.33
Vote 4 - Community Services: Community Development	23 351 214.49	1 913 176.00	7 125 509.00	9 972 280.00	-2 846 771.00	71.45
Vote 5 - Community Services: Public Safety	8 644 321.77	660 416.00	2 576 063.00	2 880 280.00	-304 217.00	89.44
Vote 6 - Electrical Engineering Services	98 428 249.66	12 708 833.00	23 144 498.00	33 198 080.00	-10 053 582.00	69.72
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406.24	6 485 013.00	23 922 842.00	33 167 820.00	-9 244 978.00	72.13
<b>Total Expenditure by Vote</b>	<b>324 959 669.30</b>	<b>28 968 382.00</b>	<b>81 058 410.00</b>	<b>114 227 516.00</b>	<b>-33 169 106.00</b>	<b>70.96</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.

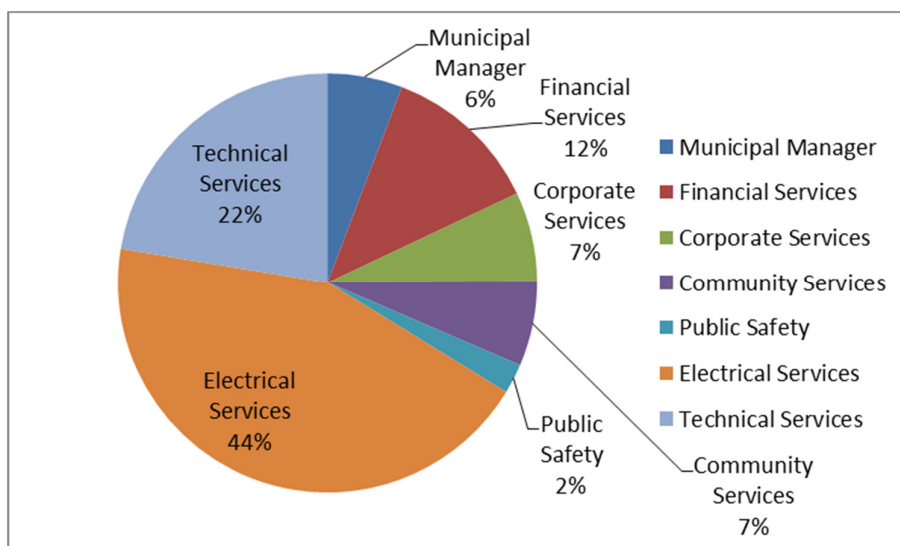
**Public Safety** - Expenditure relating to security services lower than the intended budget.

**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 October 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 October 2018						
Vote Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Capital Expenditure - Functional Classification</b>						
Road transport	3 902 000	-	402 554	1 300 148	-897 594	31
Energy sources	4 000 000	714 451	2 277 085	1 332 800	944 285	171
Water management	7 250 000	36 216	426 170	2 415 700	-1 989 530	18
Waste water management	8 232 000	-	1 749 947	2 742 904	-992 957	64
<b>Total Capital Expenditure - Functional Classification</b>	<b>23 384 000</b>	<b>750 667</b>	<b>4 855 756</b>	<b>7 791 552</b>	<b>-2 935 796</b>	<b>62</b>
<b>Funded by:</b>						
National Government	23 384 000	750 667	4 855 756	7 791 552	-2 935 796	62
<b>Total Capital Funding</b>	<b>23 384 000</b>	<b>750 667</b>	<b>4 855 756</b>	<b>7 791 552</b>	<b>-2 935 796</b>	<b>62</b>

## Notes on the Capital Expenditure

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

# CASH FLOW STATEMENT AT 31 October 2018

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M04 October						
Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	44 178 712	3 180 224	14 705 935	14 726 236	-20 301	100
Service charges	126 464 719	10 741 340	43 226 679	42 154 911	1 071 768	103
Other revenue	10 101 057	1 101 943	10 208 473	3 367 019	6 841 454	303
Government - operating	47 927 000	-	21 090 525	18 649 000	2 441 525	113
Government - capital	23 384 000	2 000 000	12 200 000	14 192 000	-1 992 000	86
Interest	3 898 627	800 039	3 194 032	1 299 545	1 894 487	246
<b>Payments</b>						
Suppliers and employees	-232 084 412	-23 272 609	-100 136 762	-77 361 412	22 775 351	129
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>23 869 703</b>	<b>-5 449 063</b>	<b>4 488 882</b>	<b>17 027 299</b>	<b>12 538 418</b>	<b>26</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	7 000 000	-	-	-	-	
Decrease (increase) other non-current receivables	-1 038 554	-	-	-	-	
<b>Payments</b>						
Capital assets	-23 384 000	-821 619	-6 238 981	-7 794 668	-1 555 687	80
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-17 422 554</b>	<b>-821 619</b>	<b>-6 238 981</b>	<b>-7 794 668</b>	<b>-1 555 687</b>	<b>80</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Increase (decrease) in consumer deposits	5 088	-	-	-	-	
<b>Payments</b>						
Repayment of borrowing	-244 426	-	-	-	-	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-239 338</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>6 207 811</b>	<b>-6 270 682</b>	<b>-1 750 099</b>	<b>9 232 631</b>		
Cash/cash equivalents at beginning:	10 707 985		1 115 373	10 707 985		
Cash/cash equivalents at month/year end:	16 915 796		-634 727	19 940 616		

**NAMA KHOI MUNICIPALITY**  
**REPORT OUTSTANDING MONEY FOR OCTOBER 2018**

SERVICE POINTS	OUTSTANDING 30.09.2018	ADD BILLINGS	MINUS INCOME	OUTSTANDING 31.10.2018	Collection Rate for the month	Collection Rate including all outstanding debt	INCREASING (DECREASING)	% INCREASE /(DECREASE)
<b>RATES:</b>								
Springbok	5 200 770.87	5 340 818.33	2 560 338.34	7 981 250.86	47.94	24.29	2 780 479.99	53.46%
Steinkopf	11 882 470.39	1 104 384.47	181 811.88	12 805 042.98	16.46	1.40	922 572.59	7.76%
Concordia	1 883 797.76	632 933.30	197 867.79	2 318 863.27	31.26	7.86	435 065.51	23.10%
Komaggas	7 187 039.56	167 028.24	26 980.94	7 327 086.86	16.15	0.37	140 047.30	1.95%
Okiep	2 040 637.53	393 738.51	373 006.36	2 061 369.68	94.73	15.32	20 732.15	1.02%
Nababeep	1 623 354.68	767 669.59	245 676.72	2 145 347.55	32.00	10.27	521 992.87	32.16%
<b>TOTAL RATES</b>	<b>29 818 070.79</b>	<b>8 406 572.44</b>	<b>3 585 682.03</b>	<b>34 638 961.20</b>	<b>42.65</b>	<b>9.38</b>	<b>4 820 890.41</b>	<b>16.17%</b>
<b>SERVICES:</b>								
Springbok	9 060 491.11	7 301 890.48	6 867 474.24	9 494 907.35	94.05	41.97	434 416.24	4.79%
Steinkopf	20 507 091.59	1 039 161.74	331 653.20	21 214 600.13	31.92	1.54	707 508.54	3.45%
Concordia	7 903 909.94	818 841.10	752 046.98	7 970 704.06	91.84	8.62	66 794.12	0.85%
Komaggas	24 042 099.34	505 532.01	90 279.86	24 457 351.49	17.86	0.37	415 252.15	1.73%
Okiep	12 951 309.71	1 080 259.05	868 384.44	13 163 184.32	80.39	6.19	211 874.61	1.64%
Nababeep*	24 527 649.62	894 446.69	567 642.05	24 854 454.26	63.46	2.23	326 804.64	1.33%
<b>TOTAL SERVICES</b>	<b>98 992 551.31</b>	<b>11 640 131.07</b>	<b>9 477 480.77</b>	<b>101 155 201.61</b>	<b>81.42</b>	<b>8.57</b>	<b>2 162 650.30</b>	<b>2.18%</b>
<b>LANDSALES</b>								
Springbok	62 419.18	-	200.00	62 219.18		0.32	(200.00)	(0.32%)
Steinkopf	164 111.01	-	-	164 111.01		-	-	0.00%
Concordia*	141 130.41	-	3 928.50	137 201.91		2.78	(3 928.50)	(2.78%)
Komaggas**	145 547.59	0.00	4 515.78	141 031.81		3.10	(4 515.78)	(3.10%)
Okiep	131 852.54	100.00	1 000.00	130 952.54	1 000.00	0.76	(900.00)	(0.68%)
Nababeep	40 191.92	-	-	40 191.92		-	-	0.00%
<b>TOTAL LANDSALES</b>	<b>685 252.65</b>	<b>100.00</b>	<b>9 644.28</b>	<b>675 708.37</b>	<b>9 644.28</b>	<b>1.41</b>	<b>(9 544.28)</b>	<b>(1.39%)</b>
<b>GRAZINGFEES</b>								
Springbok	19 855.25	3 938.36	3 578.46	20 215.15	90.86	15.04	359.90	1.81%
Steinkopf	2 112 866.16	58 450.89	20 896.70	2 150 420.35	35.75	0.96	37 554.19	1.78%
Concordia	667 021.05	34 043.06	26 194.57	674 869.54	76.95	3.74	7 848.49	1.18%
Komaggas	1 139 243.22	20 800.31	2 466.44	1 157 577.09	11.86	0.21	18 333.87	1.61%
Okiep	51 122.75	5 399.34	4 761.07	51 761.02	88.18	8.42	638.27	1.25%
Nababeep	23 585.65	3 075.95	2 809.15	23 852.45	91.33	10.54	266.80	1.13%
<b>TOTAL GRAZINGFEE</b>	<b>4 013 694.08</b>	<b>125 707.91</b>	<b>60 706.39</b>	<b>4 078 695.60</b>	<b>48.29</b>	<b>1.47</b>	<b>65 001.52</b>	<b>1.62%</b>
<b>DIVERSE:</b>								
Springbok	1 180 956.61	82 086.59	50 412.15	1 212 631.05	61.41	3.99	31 674.44	2.68%
Steinkopf	388 191.39	47 604.30	11 118.42	424 677.27	23.36	2.55	36 485.88	9.40%
Concordia	171 200.55	119 748.22	116 340.67	174 608.10	97.15	39.99	3 407.55	1.99%
Komaggas	389 563.77	14 459.67	12 837.16	391 186.28	88.78	3.18	1 622.51	0.42%
Okiep	365 878.53	15 950.86	4 972.48	376 856.91	31.17	1.30	10 978.38	3.00%
Nababeep	647 354.97	7 234.52	3 405.52	651 183.97	47.07	0.52	3 829.00	0.59%
<b>TOTAAL DIVERSE</b>	<b>3 143 145.82</b>	<b>287 084.16</b>	<b>199 086.40</b>	<b>3 231 143.58</b>	<b>69.35</b>	<b>5.80</b>	<b>87 997.76</b>	<b>2.80%</b>
<b>GROOT TOTAAL</b>	<b>136 652 714.65</b>	<b>20 459 595.58</b>	<b>13 332 599.87</b>	<b>143 779 710.36</b>	<b>65.17</b>	<b>8.49</b>	<b>7 126 995.71</b>	<b>5.22%</b>
<b>TOTAL SERVICESPOINTS</b>								
Springbok	15 524 493.02	12 728 733.76	9 482 003.19	18 771 223.59	74.49	33.56	3 246 730.57	20.91%
Steinkopf	35 054 730.54	2 249 601.40	545 480.20	36 758 851.74	24.25	1.46	1 704 121.20	4.86%
Concordia	10 767 059.71	1 605 565.68	1 096 378.51	11 276 246.88	68.29	8.86	509 187.17	4.73%
Komaggas	32 903 493.48	707 820.23	137 080.18	33 474 233.53	19.37	0.41	570 740.05	1.73%
Okiep	15 540 801.06	1 495 447.76	1 252 124.35	15 784 124.47	83.73	7.35	243 323.41	1.57%
Nababeep	26 862 136.84	1 672 426.75	819 533.44	27 715 030.15	49.00	2.87	852 893.31	3.18%
	<b>136 652 714.65</b>	<b>20 459 595.58</b>	<b>13 332 599.87</b>	<b>143 779 710.36</b>	<b>65.17</b>	<b>8.49</b>	<b>7 126 995.71</b>	<b>5.22%</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 65.17% for the month of October 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 8.49% of outstanding moneys at 31 October 2018.

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

**Rates**

From the information above the municipality collected 94.73% in Okiep which was the highest collection rate; however the lowest collection rate was at 16.18% which was for Komaggas.

**Services**

From the information above the municipality collected 94.05 % at Springbok which was the highest collection rate; however the lowest collection rate was at 17.86% which was for Komaggas.

**Grazing Fees**

From the information above the municipality collected 91.05 % at Nababeep which was the highest collection rate; however the lowest collection rate was at 11.86% which was for Komaggas.

**Diverse/other**

From the information above the municipality collected 97.15 Concordia which was the highest collection rate; however the lowest collection rate was at 23.36 which were for Steinkopf.

**Service points**

From the information above the municipality collected 83.73 % at Okiep which was the highest collection rate; however the lowest collection rate was at 19.37 % 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 October 2018

Debtors Age Analysis October 2018						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	1 909 674	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
<b>Total By Income Source</b>	<b>10 309 421</b>	<b>9 668 367</b>	<b>2 957 243</b>	<b>2 477 290</b>	<b>133 625 831</b>	<b>159 038 152</b>
<b>Debtors Age Analysis By Customer Group</b>						
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
<b>Total By Customer Group</b>	<b>10 309 421</b>	<b>9 668 367</b>	<b>2 957 243</b>	<b>2 477 290</b>	<b>133 625 831</b>	<b>159 038 152</b>

### Debtors Age Analysis 30 September 2018

Debtors Age Analysis September 2018						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121 + Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	1 778 030	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
<b>Total By Income Source</b>	<b>16 111 136</b>	<b>5 140 541</b>	<b>2 686 126</b>	<b>2 278 270</b>	<b>131 675 596</b>	<b>157 891 669</b>
<b>Debtors Age Analysis By Customer Group</b>						
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
<b>Total By Customer Group</b>	<b>16 111 136</b>	<b>5 140 541</b>	<b>2 686 126</b>	<b>2 278 270</b>	<b>131 675 596</b>	<b>157 891 669</b>

The total debtors outstanding as at 31 October were R159 038 152; the total debtors outstanding at 30 September 2018 were R 157 891 669.

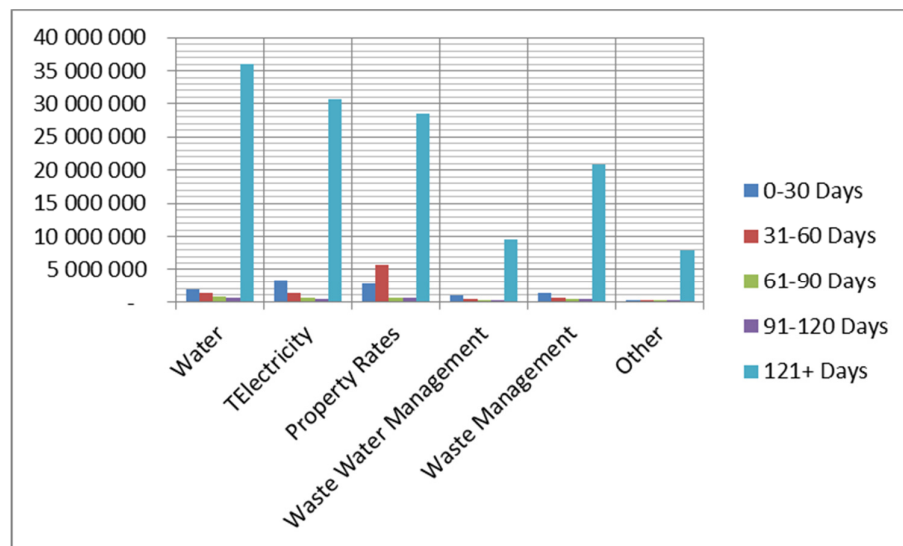
Debtors outstanding for a period more than 121+ days amounts to R133 625 831 compared to 131 675 596 in the previous month.

Businesses owe the municipality R45 277 909 compared to R45 844 584 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	1 909 674	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
<b>Total By Income Source</b>	<b>10 309 421</b>	<b>9 668 367</b>	<b>2 957 243</b>	<b>2 477 290</b>	<b>133 625 831</b>	<b>159 038 152</b>

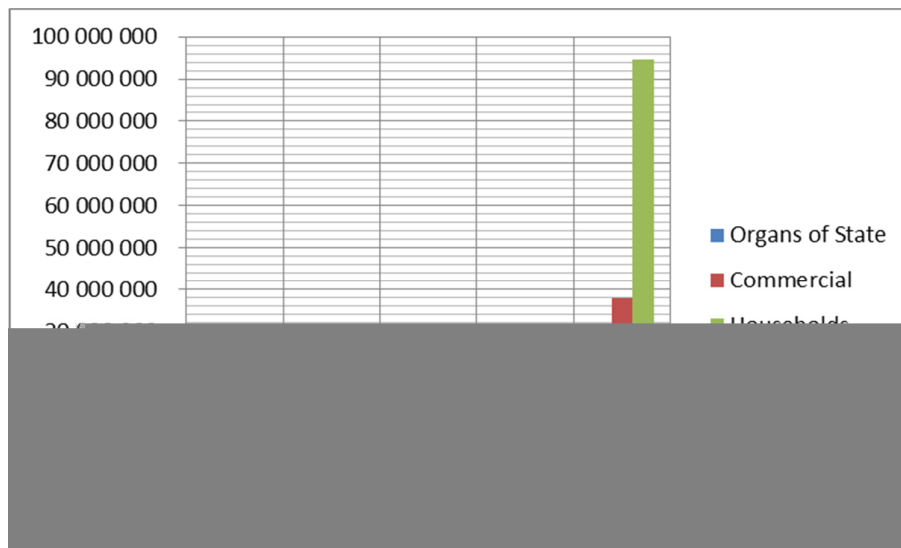
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	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
<b>Total By Customer Group</b>	<b>10 309 421</b>	<b>9 668 367</b>	<b>2 957 243</b>	<b>2 477 290</b>	<b>133 625 831</b>	<b>159 038 152</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 October 2018

Creditors Age Analysis 31 October 2018						
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Total
<b>Creditors Age Analysis By Customer Type</b>						
Bulk Electricity	11 411 200		-	-	64 730 538	76 141 737
Bulk Water	5 424 845		4 097 888	2 834 135	115 397 397	127 754 264
Trade Creditors			894 738	89 713	2 275 867	3 260 317
Auditor General						-9 884
<b>Total By Customer Type</b>	<b>16 836 045</b>		<b>4 992 625</b>	<b>2 923 847</b>	<b>182 403 801</b>	<b>207 146 434</b>

### Creditors Analysis

The outstanding creditors moved from R198 319 783 TO R207 146 434, this is an increase of R8 826 651

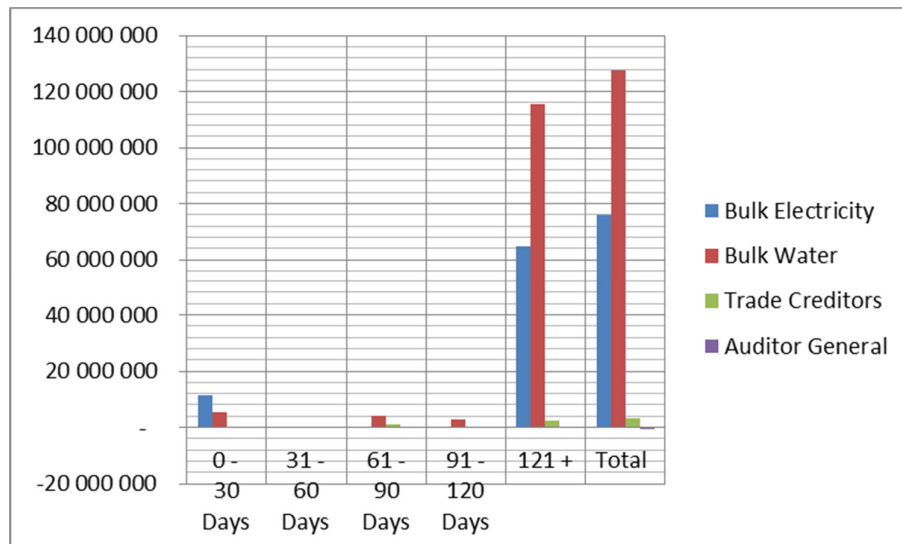


Chart 10

### Creditors Age Analysis

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

Bulk Electricity –Sept, R68.8 million and Oct 2018 R76.1 million

Bulk Water –Sept 2018, R125.2 million and Oct 2018 R127.7 million

Please note the municipality submit the 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 - M04 October						
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	1 149 172	1 144 610	4 562	100
Pension and UIF Contributions	373 864	31 326	125 306	124 621	684	101
Medical Aid Contributions	20 984	2 914	11 657	6 995	4 662	167
Motor Vehicle Allowance	1 269 231	103 282	413 129	423 077	-9 948	98
Cellphone Allowance	693 600	57 800	231 200	231 200	-	100
<b>Sub Total - Councillors</b>	<b>5 791 509</b>	<b>482 616</b>	<b>1 930 463</b>	<b>1 930 503</b>	<b>-40</b>	<b>100</b>
						#DIV/0!
<b>Senior Managers of the Municipality</b>						#DIV/0!
Basic Salaries and Wages	2 880 491	262 127	1 023 620	960 164	63 456	107
Pension and UIF Contributions	527 412	33 743	132 244	175 804	-43 560	75
Medical Aid Contributions	52 390	14 178	56 472	17 463	39 009	323
Motor Vehicle Allowance	689 613	48 280	193 120	229 871	-36 751	84
Cellphone Allowance	41 145	4 946	31 542	13 715	17 827	230
Housing Allowances	30 370	2 557	10 228	10 123	105	101
Other benefits and allowances	251 702	21 473	213 257	83 901	129 357	254
Long service awards	36 385	-	-	12 128	-12 128	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 509 509</b>	<b>387 304</b>	<b>1 660 484</b>	<b>1 503 170</b>	<b>157 315</b>	<b>110</b>
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	55 637 602	4 355 177	16 646 091	18 545 867	-1 899 776	90
Pension and UIF Contributions	9 863 901	671 855	2 635 916	3 287 967	-652 050	80
Medical Aid Contributions	2 418 495	170 200	683 175	806 165	-122 990	85
Overtime	3 701 850	349 292	1 260 601	1 233 950	26 651	102
Motor Vehicle Allowance	3 370 607	220 101	891 387	1 123 536	-232 149	79
Cellphone Allowance	148 221	10 310	30 287	49 407	-19 120	61
Housing Allowances	1 110 200	84 385	337 539	370 067	-32 528	91
Other benefits and allowances	6 606 393	736 485	3 091 330	2 202 131	889 199	140
Long service awards	233 425	-	124 108	77 808	46 300	160
<b>Sub Total - Other Municipal Staff</b>	<b>83 090 692</b>	<b>6 597 806</b>	<b>25 700 434</b>	<b>27 696 897</b>	<b>-1 996 463</b>	<b>93</b>
<b>Total Parent Municipality</b>	<b>93 391 710</b>	<b>7 467 726</b>	<b>29 291 382</b>	<b>31 130 570</b>	<b>-1 839 188</b>	<b>94</b>
<b>Total Employee Cost</b>	<b>87 600 201</b>	<b>6 985 110</b>	<b>27 360 918</b>	<b>29 200 067</b>		
<b>Total Expenditure</b>	<b>324 959 669</b>	<b>28 968 383</b>	<b>81 058 410</b>	<b>108 319 824</b>		
<b>%Employee Cost to Total Expenditure</b>	<b>27</b>	<b>24</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 October 24%.

## **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: 14 November 2018

# **NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE**

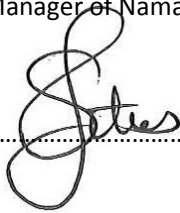
I, SAMANTHA TITUS, the Municipal Manager of Nama Khoi Municipality, hereby certify that –

- the monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 31 October 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 a dotted line.

Date: 14 November 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