



Nama Khoi Municipality

14 March 2019

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
28 February 2019 (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 28 February 2019, ten working days reporting limit expires on 14 March 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 28 February 2019

This report is based upon financial information, as at 28 February 2019 and available at the time of preparation.

The financial results for the period ended 31 January 2019 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) - M08 February							
Description	Budget Year 2018/19						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source							
Property rates	49 087 458	49 087 458	-705	47 341 372	47 924 731	-583 359	99
Service charges - electricity revenue	82 719 739	82 719 739	6 160 354	56 700 350	52 384 506	4 315 844	108
Service charges - water revenue	33 053 220	33 053 220	2 915 670	22 260 872	23 321 879	-1 061 007	95
Service charges - sanitation revenue	11 004 875	11 262 010	1 316 064	10 608 730	10 546 603	62 127	101
Service charges - refuse revenue	13 531 791	13 533 201	1 654 592	13 230 163	13 174 254	55 909	100
Rental of facilities and equipment	1 267 715	1 267 715	445 102	1 385 198	954 809	430 389	145
Interest earned - external investments	2 183 767	1 240 951	136 130	1 074 191	924 599	149 592	116
Interest earned - outstanding debtors	1 902 596	6 983 535	951 659	6 652 003	5 561 801	1 090 202	120
Fines, penalties and forfeits	5 281 409	200 470	8 002	34 234	82 443	-48 209	42
Licences and permits	1 438 199	1 438 199	114 424	918 442	950 168	-31 726	97
Agency services	1 156 128	1 156 128	-	50 840	453 473	-402 633	11
Transfers and subsidies	47 927 000	47 927 000	300 000	36 153 000	39 612 898	-3 459 898	91
Other revenue	1 082 696	2 071 546	302 151	2 244 115	4 866 618	-2 622 503	46
Gains on disposal of PPE	7 000 000	7 000 000	-	-	-	-	
Total Revenue (excluding capital transfers)	258 636 593	258 941 172	14 303 443	198 653 510	200 758 782	-2 105 272	99
Expenditure By Type							
Employee related costs	87 600 201	88 795 704	6 527 368	54 002 900	56 311 882	-2 308 982	96
Remuneration of councillors	5 791 509	5 997 097	646 071	4 249 451	4 079 566	169 885	104
Debt impairment	19 066 479	19 092 335	-	-	6 364 198	-6 364 198	-
Depreciation & asset impairment	40 787 397	39 705 595	-	-	13 235 408	-13 235 408	-
Finance charges	7 200 000	2 775 267	-	-	925 120	-925 120	-
Bulk purchases	105 347 176	105 347 176	7 797 902	60 985 646	61 520 185	-534 539	99
Other Materials and Contracted Services	32 614 008	34 234 377	548 806	4 724 421	7 349 055	-2 624 634	64
Other expenditure	26 552 899	27 798 579	4 909 356	41 052 024	39 907 480	1 144 544	103
Total Expenditure	324 959 669	323 746 130	20 429 503	165 014 442	189 692 894	-24 678 452	87
Surplus/(Deficit)	-66 323 077	-64 804 958	-6 126 060	33 639 068	11 065 888	22 573 180	

	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source							
Property rates	49 087 458	49 087 458	-705	47 341 372	47 924 731	-583 359	99
Service charges - electricity revenue	82 719 739	82 719 739	6 160 354	56 700 350	52 384 506	4 315 844	108
Service charges - water revenue	33 053 220	33 053 220	2 915 670	22 260 872	23 321 879	-1 061 007	95
Service charges - sanitation revenue	11 004 875	11 262 010	1 316 064	10 608 730	10 546 603	62 127	101
Service charges - refuse revenue	13 531 791	13 533 201	1 654 592	13 230 163	13 174 254	55 909	100
Rental of facilities and equipment	1 267 715	1 267 715	445 102	1 385 198	954 809	430 389	145
Interest earned - external investments	2 183 767	1 240 951	136 130	1 074 191	924 599	149 592	116
Interest earned - outstanding debtors	1 902 596	6 983 535	951 659	6 652 003	5 561 801	1 090 202	120
Fines, penalties and forfeits	5 281 409	200 470	8 002	34 234	82 443	-48 209	42
Licences and permits	1 438 199	1 438 199	114 424	918 442	950 168	-31 726	97
Agency services	1 156 128	1 156 128	-	50 840	453 473	-402 633	11
Transfers and subsidies	47 927 000	47 927 000	300 000	36 153 000	39 612 898	-3 459 898	91
Other revenue	1 082 696	2 071 546	302 151	2 244 115	4 866 618	-2 622 503	46
Gains on disposal of PPE	7 000 000	7 000 000	-	-	-	-	
Total Revenue (excluding capital transfers)	258 636 593	258 941 172	14 303 443	198 653 510	200 758 782	-2 105 272	99

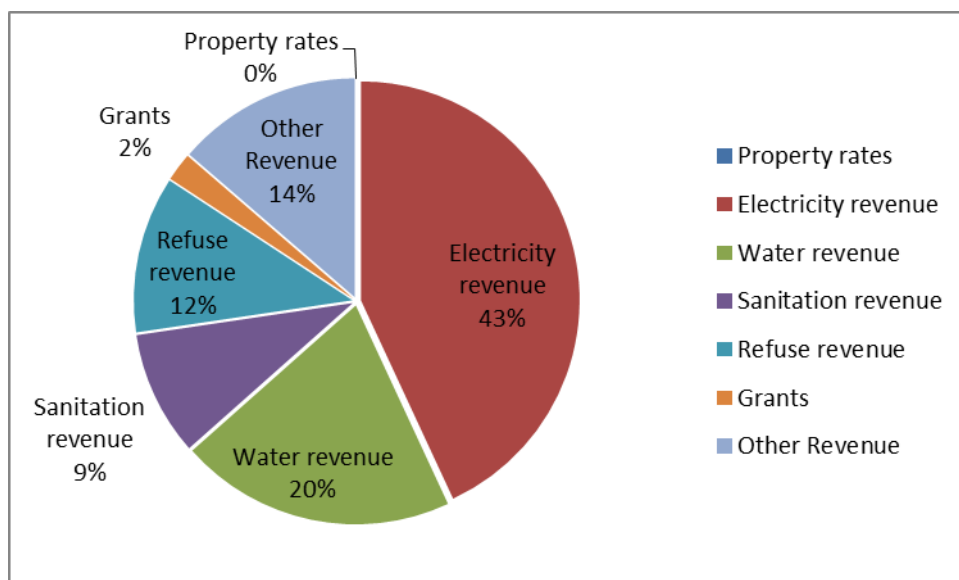
Explanation on YTD variance % - e.g. 108% means that the municipality billed 8% more than what was budget and 95 means the municipality billed 5% less than what was budgeted.

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 – interest on outstanding debtors are link to increasing debtors as debtors increase interest on their account will increase, municipality budget to have a decrease in debtors and therefore the actual figures differs from the budgeted figures.

CHART 1

The following chart shows the revenue by source for the month of 28 February 2019 in terms of revenue as a percentage of total revenue.



Expenditure By Type	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	87 600 201	88 795 704	6 527 368	54 002 900	56 311 882	-2 308 982	96
Remuneration of councillors	5 791 509	5 997 097	646 071	4 249 451	4 079 566	169 885	104
Debt impairment	19 066 479	19 092 335	-	-	6 364 198	-6 364 198	-
Depreciation & asset impairment	40 787 397	39 705 595	-	-	13 235 408	-13 235 408	-
Finance charges	7 200 000	2 775 267	-	-	925 120	-925 120	-
Bulk purchases	105 347 176	105 347 176	7 797 902	60 985 646	61 520 185	-534 539	99
Other Materials and Contracted Services	32 614 008	34 234 377	548 806	4 724 421	7 349 055	-2 624 634	64
Other expenditure	26 552 899	27 798 579	4 909 356	41 052 024	39 907 480	1 144 544	103
Total Expenditure	324 959 669	323 746 130	20 429 503	165 014 442	189 692 894	-24 678 452	87

Notes on variances above/under 10%

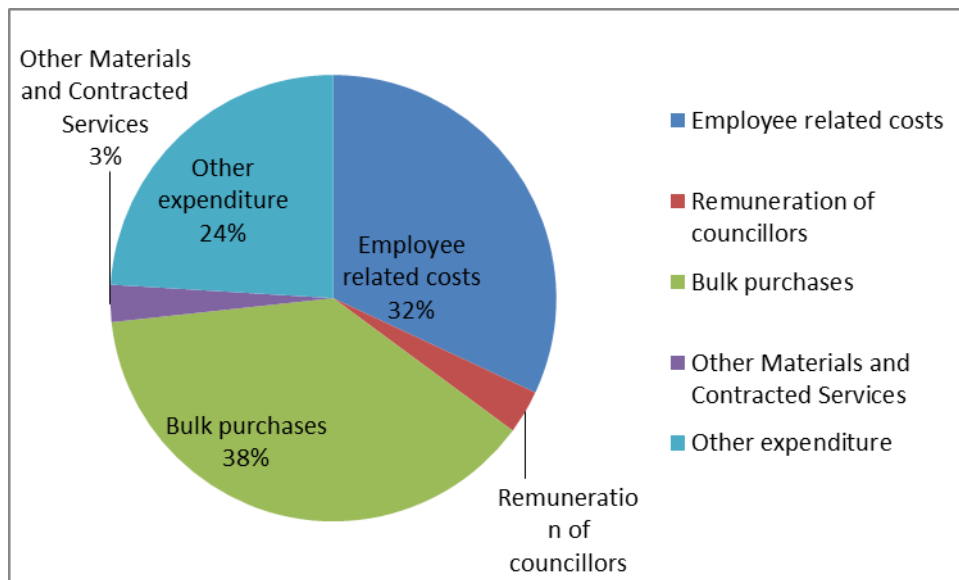
Depreciation and debt impairment – Please note depreciation as well as debt impairment are not done on a monthly basis, the municipality are still having problems with the alignment of the Asset Register to the Financial System once alignment is done and the asset register are on the financial system the correct journals can be done on a monthly basis correctly. Please note the municipality have scheduled a joint meeting with the Service Provider as well as Treasury where all system related issues will be discussed.

Finance Charges – lease payments has not commence yet, municipality awaits delivery of the fleet.

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) - M08 February							
Vote Description	Budget Year 2018/19						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
							%
Revenue by Vote							
Vote 1 - Municipal Manager	1 675 563	1 675 563	344 924	1 300 727	1 179 733	120 994	110
Vote 2 - Financial Services	103 566 698	103 591 286	1 102 161	90 303 121	93 304 124	-3 001 003	97
Vote 3 - Corporate Services	7 977 426	7 219 474	427 986	1 197 334	3 074 047	-1 876 713	39
Vote 4 - Community Services: Community Development	16 103 446	16 158 263	1 764 234	14 280 937	14 753 059	-472 122	97
Vote 5 - Community Services: Public Safety	2 482 378	2 482 378	121 506	880 896	1 301 377	-420 481	68
Vote 6 - Electrical Engineering Services	86 772 987	87 363 200	6 199 267	57 048 435	54 197 742	2 850 693	105
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	78 640 010	4 343 365	33 642 060	45 035 144	-11 393 084	75
Total Revenue by Vote	282 020 593	297 130 172	14 303 443	198 653 510	212 845 226	-14 191 716	93
Expenditure by Vote							
Vote 1 - Municipal Manager	19 095 365	21 612 098	1 704 172	13 314 586	14 030 431	-715 845	95
Vote 2 - Financial Services	51 857 443	46 794 459	2 441 185	20 471 302	24 112 221	-3 640 919	85
Vote 3 - Corporate Services	33 342 669	33 454 657	1 675 500	16 514 855	19 268 635	-2 753 780	86
Vote 4 - Community Services: Community Development	23 351 214	23 602 942	1 728 996	14 235 844	17 210 274	-2 974 430	83
Vote 5 - Community Services: Public Safety	8 644 322	9 108 559	645 534	5 375 001	5 721 919	-346 918	94
Vote 6 - Electrical Engineering Services	98 428 250	98 332 536	6 166 531	46 638 580	53 141 874	-6 503 294	88
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	90 840 878	6 067 585	48 464 274	56 207 540	-7 743 266	86
Total Expenditure by Vote	324 959 669	323 746 130	20 429 503	165 014 442	189 692 894	-24 678 452	87
Surplus/ (Deficit) for the year	-42 939 077	-26 615 958	-6 126 060	33 639 068	23 152 332	10 486 736	

	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote							
Vote 1 - Municipal Manager	1 675 563	1 675 563	344 924	1 300 727	1 179 733	120 994	110
Vote 2 - Financial Services	103 566 698	103 591 286	1 102 161	90 303 121	93 304 124	-3 001 003	97
Vote 3 - Corporate Services	7 977 426	7 219 474	427 986	1 197 334	3 074 047	-1 876 713	39
Vote 4 - Community Services: Community Development	16 103 446	16 158 263	1 764 234	14 280 937	14 753 059	-472 122	97
Vote 5 - Community Services: Public Safety	2 482 378	2 482 378	121 506	880 896	1 301 377	-420 481	68
Vote 6 - Electrical Engineering Services	86 772 987	87 363 200	6 199 267	57 048 435	54 197 742	2 850 693	105
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	78 640 010	4 343 365	33 642 060	45 035 144	-11 393 084	75
Total Revenue by Vote	282 020 593	297 130 172	14 303 443	198 653 510	212 845 226	-14 191 716	93

Reasons for variances above/under 10%

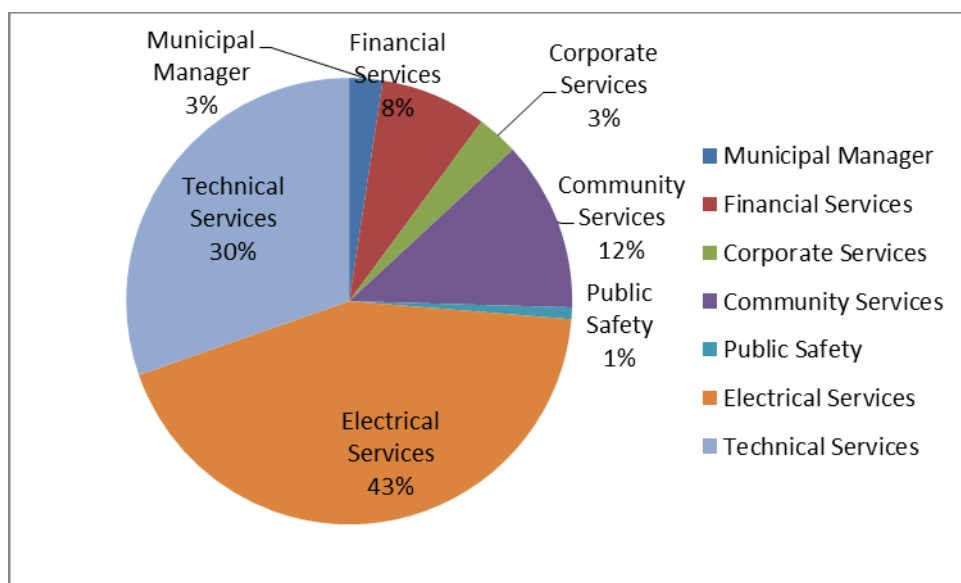
Corporate Services – Rental of facilities lower than the intended budget. Sale of land and stands did not occur as budgeted.

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 28 February 2019



Expenditure by Vote	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - Municipal Manager	19 095 365	21 612 098	1 704 172	13 314 586	14 030 431	-715 845	95
Vote 2 - Financial Services	51 857 443	46 794 459	2 441 185	20 471 302	24 112 221	-3 640 919	85
Vote 3 - Corporate Services	33 342 669	33 454 657	1 675 500	16 514 855	19 268 635	-2 753 780	86
Vote 4 - Community Services: Community Development	23 351 214	23 602 942	1 728 996	14 235 844	17 210 274	-2 974 430	83
Vote 5 - Community Services: Public Safety	8 644 322	9 108 559	645 534	5 375 001	5 721 919	-346 918	94
Vote 6 - Electrical Engineering Services	98 428 250	98 332 536	6 166 531	46 638 580	53 141 874	-6 503 294	88
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	90 840 878	6 067 585	48 464 274	56 207 540	-7 743 266	86
Total Expenditure by Vote	324 959 669	323 746 130	20 429 503	165 014 442	189 692 894	-24 678 452	87

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

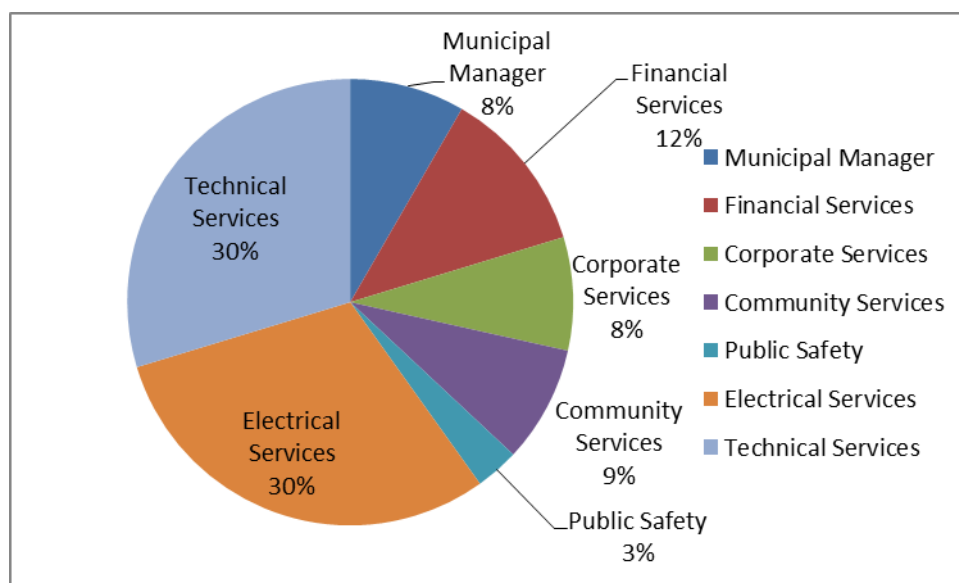
Community Development - Depreciation are not process on a monthly basis as budgeted.

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 28 February 2019



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 February 2019							
Vote Description	Budget Year 2018/19						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Capital Expenditure - Functional Classification							
Executive and council		13 109 614	-	-	-	-	-
Finance and administration		1 739 574	-	-	686 528	-686 528	-
Community and social services		595 000	-	-	158 334	-158 334	-
Road transport	3 902 000	3 922 000	53 773	953 770	1 569 063	-615 293	61
Energy sources	4 000 000	4 000 000	377 917	3 347 554	3 197 772	149 782	105
Water management	7 250 000	16 580 000	914 527	2 894 118	5 556 988	-2 662 870	52
Waste water management	8 232 000	13 232 000	-	1 933 675	3 889 926	-1 956 251	50
Total Capital Expenditure - Functional Classification	23 384 000	53 178 188	1 346 217	9 129 117	15 058 611	-5 929 494	61
Funded by:							
National Government	23 384 000	37 714 000	1 346 217	9 129 117	14 213 749	-5 084 632	64
Provincial Government		475 000	-	-	158 334	-158 334	-
Borrowing		13 989 188	-	-	-	-	-
Internally generated funds		1 000 000	-	-	686 528	-686 528	-
Total Capital Funding	23 384 000	53 178 188	1 346 217	9 129 117	15 058 611	-5 929 494	61

Notes on the Capital Expenditure

Please note the Council approve the Adjustment Budget 28 February with all the changes to the Capital Budget, expenditure can thus commence from March 2019, and variance should be normalising in the next couple of months.

CASH FLOW STATEMENT AT 28 February 2019

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M08 February							
Description	Budget Year 2018/19						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	44 178 712	44 178 712	2 814 634	30 944 757	43 132 049	-12 187 292	72
Service charges	126 464 719	134 661 687	9 866 395	83 722 591	80 147 677	3 574 914	104
Other revenue	10 101 057	4 866 343	2 137 701	15 302 368	3 628 880	11 673 489	422
Government - operating	47 927 000	47 927 000	300 000	36 479 525	39 877 666	-3 398 141	91
Government - capital	23 384 000	38 189 000	-	14 200 000	12 729 666	1 470 334	112
Interest	3 898 627	1 240 951	23 782	4 999 947	5 957 241	-957 294	84
Payments							
Suppliers and employees	-232 084 412	-218 652 755	-16 069 965	-175 037 596	-133 206 588	41 831 008	131
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 869 703	52 410 938	-927 453	10 611 593	52 266 591	41 654 998	20
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	7 000 000	7 000 000	-	-	-	-	
Decrease (increase) other non-current receivables	-1 038 554	-	-	-	-	-	
Payments							
Capital assets	-23 384 000	-53 178 188	-1 969 888	-11 094 885	-16 347 599	-5 252 714	68
NET CASH FROM/(USED) INVESTING ACTIVITIES	-17 422 554	-46 178 188	-1 969 888	-11 094 885	-16 347 599	-5 252 714	68
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Increase (decrease) in consumer deposits	5 088	37 698	-	-	-	-	
Payments							
Repayment of borrowing	-244 426	-4 363 556	-	-	162 951	162 951	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-239 338	-4 325 859	-	-	162 951	162 951	-
NET INCREASE/ (DECREASE) IN CASH HELD	6 207 811	1 906 892	-2 897 341	-483 292	36 081 943		
Cash/cash equivalents at beginning:	10 707 985	10 707 985		1 115 373	10 707 985		
Cash/cash equivalents at month/year end:	16 915 796	12 614 877		632 081	46 789 927		

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 28 February 2019

Debtors Age Analysis February 2019						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1 869 679	1 678 428	804 467	818 124	38 180 227	43 350 925
Electricity	4 629 712	970 416	544 616	10 080 716	32 783 165	49 008 625
Property Rates	2 758 030	1 359 702	626 705	569 341	30 687 200	36 000 978
Waste Water Management	899 247	455 414	244 397	218 459	10 306 982	12 124 499
Waste Management	1 244 040	691 363	419 946	382 819	22 329 732	25 067 900
Other	104 506	244 253	138 141	125 455	8 250 627	8 862 982
Total By Income Source	11 505 214	5 399 576	2 778 272	12 194 914	142 537 933	174 415 909
Debtors Age Analysis By Customer Group						
Organs of State	749 097	273 870	224 386	238 997	1 067 820	2 554 170
Commercial	4 458 396	1 496 557	778 580	10 293 900	40 482 730	57 510 163
Households	6 297 721	3 629 149	1 775 306	1 662 017	100 987 383	114 351 576
Total By Customer Group	11 505 214	5 399 576	2 778 272	12 194 914	142 537 933	174 415 909

Debtors Age Analysis 31 January 2019

Debtors Age Analysis at 31 January 2019						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1 869 886	1 406 354	887 199	595 219	37 588 408	42 347 066
Electricity	3 698 073	856 273	10 141 300	458 168	32 273 109	47 426 923
Property Rates	2 750 548	1 215 985	629 580	566 228	30 288 585	35 450 926
Waste Water Management	897 184	421 205	242 940	201 536	10 102 314	11 865 179
Waste Management	1 241 490	659 569	420 316	360 338	21 932 865	24 614 578
Other	111 823	175 422	130 593	98 658	8 133 868	8 650 364
Total By Income Source	10 569 004	4 734 808	12 451 928	2 280 147	140 319 149	170 355 036
Debtors Age Analysis By Customer Group						
Organs of State	592 514	240 833	294 577	72 315	1 061 525	2 261 764
Commercial	3 259 363	1 270 646	10 337 509	716 960	39 801 126	55 385 604
Households	6 717 127	3 223 329	1 819 842	1 490 872	99 456 498	112 707 668
Total By Customer Group	10 569 004	4 734 808	12 451 928	2 280 147	140 319 149	170 355 036

The total debtors outstanding as at 28 February 2019 were R174 415 909; the total debtors outstanding at 31 January were R170 355 036.

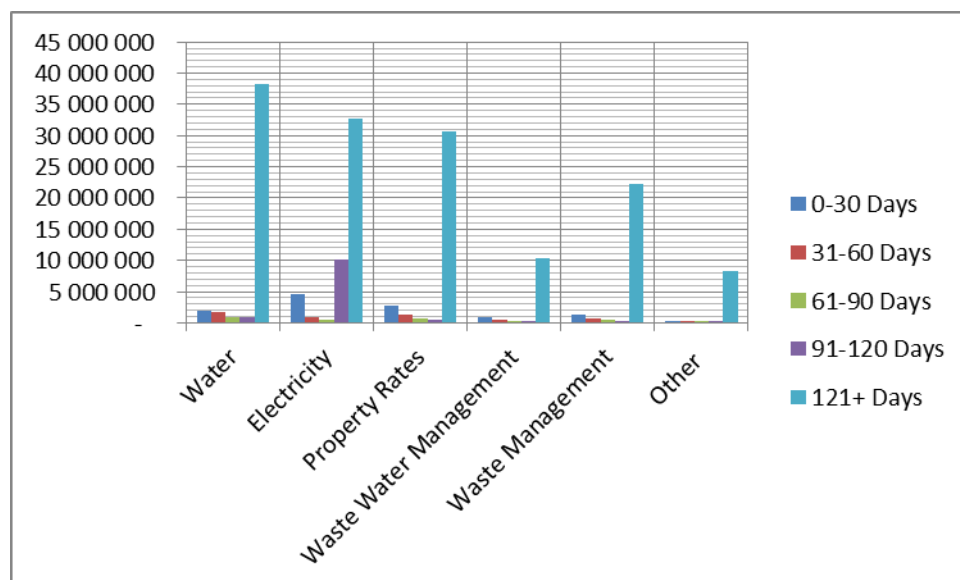
Debtors outstanding for a period more than 121+ days amounts to R142 537 933 compared to R140 355 036 in the previous month.

Businesses owe the municipality R57 510 163 compared to R55 385 604 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	1 869 679	1 678 428	804 467	818 124	38 180 227	43 350 925
Electricity	4 629 712	970 416	544 616	10 080 716	32 783 165	49 008 625
Property Rates	2 758 030	1 359 702	626 705	569 341	30 687 200	36 000 978
Waste Water Management	899 247	455 414	244 397	218 459	10 306 982	12 124 499
Waste Management	1 244 040	691 363	419 946	382 819	22 329 732	25 067 900
Other	104 506	244 253	138 141	125 455	8 250 627	8 862 982
Total By Income Source	11 505 214	5 399 576	2 778 272	12 194 914	142 537 933	174 415 909

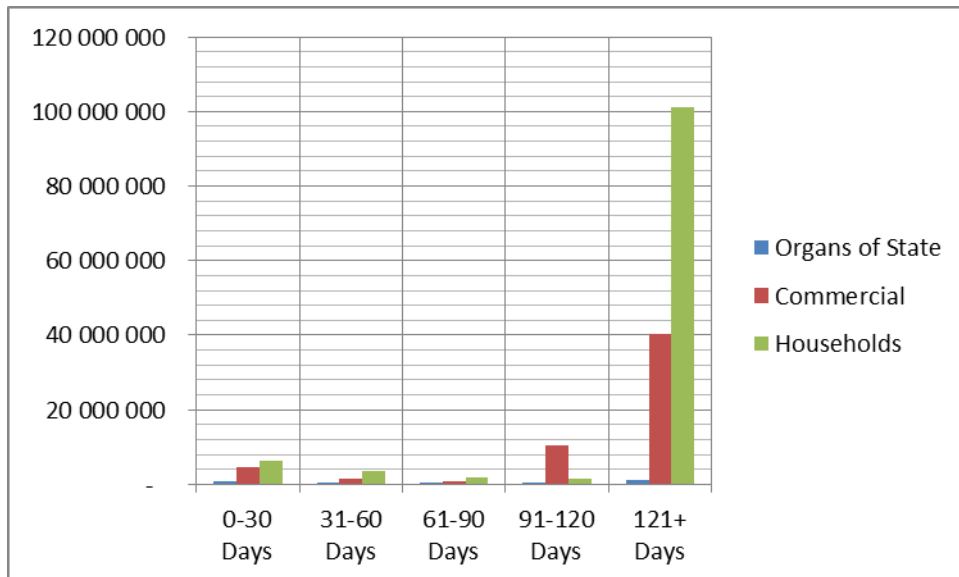
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	749 097	273 870	224 386	238 997	1 067 820	2 554 170
Commercial	4 458 396	1 496 557	778 580	10 293 900	40 482 730	57 510 163
Households	6 297 721	3 629 149	1 775 306	1 662 017	100 987 383	114 351 576
Total By Customer Group	11 505 214	5 399 576	2 778 272	12 194 914	142 537 933	174 415 909

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 28 February 2019

CreditorsAge Analysis February 2019						
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Total
Creditors Age Analysis By Customer Type						
Bulk Electricity	10 905 880	2 710 256	-		66 950 230	80 566 365
Bulk Water	4 056 916	1 899 494	2 317 676	1 484 770	124 269 494	134 028 350
Trade Creditors					1 518 672	1 518 672
Auditor General		360 454	-	945 511	1 055 449	2 361 415
Total By Customer Type	14 962 795	4 970 203	2 317 676	2 430 281	193 793 846	218 474 802

Creditors Analysis

The outstanding creditors moved from R213 395 748 to R218 474 802, this is an increase of R5 079 054

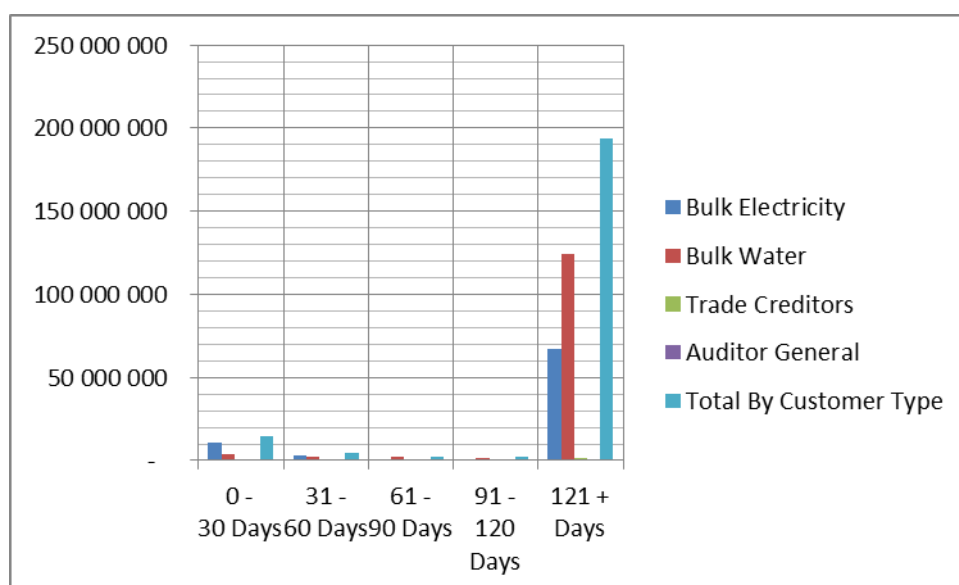


Chart 10

Creditors Age Analysis

The comparison for creditors outstanding between Jan 2019 and Feb 2019 is as follows:

Bulk Electricity –Jan 2019 R76.4 million and Feb 2019 R80.6 million

Bulk Water –Jan 2019, R132 million and Feb 2019 R134 million

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February							
Summary of Employee and Councillor remuneration	Budget Year 2018/19						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages	3 433 829	3 515 883	379 227	2 390 278	2 343 922	46 356	101.98
Pension and UIF Contributions	373 864	460 488	41 351	260 636	306 992	-46 356	84.90
Medical Aid Contributions	20 984	45 358	2 914	23 314	30 239	-6 925	77.10
Motor Vehicle Allowance	1 269 231	1 281 768	137 279	860 255	854 512	5 743	100.67
Sub Total - Councillors	5 791 509	5 997 097	618 571	3 996 882	3 998 064	-1 182	99.97
Senior Managers of the Municipality							
Basic Salaries and Wages	2 880 491	4 025 465	266 148	2 084 192	2 683 643	-599 452	77.66
Pension and UIF Contributions	527 412	315 036	33 743	267 215	210 024	57 191	127.23
Medical Aid Contributions	52 390	118 562	14 791	114 409	79 041	35 368	144.75
Motor Vehicle Allowance	689 613	427 736	48 280	386 241	285 157	101 084	135.45
Cellphone Allowance	41 145	37 306	4 946	51 327	24 871	26 457	206.38
Housing Allowances	30 370	20 452	2 557	20 457	13 635	6 822	150.04
Other benefits and allowances	251 702	180 343	40 857	576 838	120 229	456 610	479.78
Long service awards	36 385	50 907	-	-	33 938	-33 938	-
Sub Total - Senior Managers of Municipality	4 509 509	5 175 807	411 322	3 500 679	3 450 538	50 141	101.45
Other Municipal Staff							
Basic Salaries and Wages	55 637 602	55 803 470	4 272 759	33 737 339	37 202 314	-3 464 975	90.69
Pension and UIF Contributions	9 863 901	8 299 447	670 269	5 298 245	5 532 965	-234 720	95.76
Medical Aid Contributions	2 418 495	2 430 886	170 660	1 365 184	1 620 591	-255 407	84.24
Overtime	3 701 850	4 175 354	267 025	2 654 186	2 783 569	-129 383	95.35
Performance Bonus	-	4 491 920	-	-	2 994 614	-2 994 614	-
Motor Vehicle Allowance	3 370 607	-	226 419	1 803 381	-	1 803 381	-
Cellphone Allowance	148 221	196 460	11 229	74 549	130 973	-56 424	56.92
Housing Allowances	1 110 200	3 882 636	90 396	681 134	2 588 424	-1 907 290	26.31
Other benefits and allowances	6 606 393	2 873 165	428 711	5 449 879	1 915 443	3 534 435	284.52
Payments in lieu of leave	-	1 218 310	-	-	812 207	-812 207	-
Long service awards	233 425	248 248	34 734	171 739	165 499	6 241	103.77
Post-retirement benefit obligations	-	-	-	13 259	-	13 259	-
Sub Total - Other Municipal Staff	83 090 692	83 619 897	6 172 202	51 248 895	55 746 598	-4 497 703	91.93
Total Parent Municipality	93 391 710	94 792 801	7 202 096	58 746 457	63 195 201	-4 448 744	92.96
Total Employee Cost	87 600 201	88 795 704	6 583 524	54 749 575	59 197 136		
Total Expenditure	324 959 669	323 746 130	20 429 503	165 014 442	189 692 894		
% Employee Cost to Total Expenditure	27	27	32	33	31		

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 February 32%.

5. Financial Implications /Recommendations

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: 14 March 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 28 February 2019 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: 14 March 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

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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)
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Table C5-CAPEX	Capital Expenditure (municipal vote, standard classification)
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Table C6-FinPos	Financial Position
Table C7-Cflow	Cash Flow

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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
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