



Nama Khoi Municipality

16 April 2019

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 March 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 31 March 2019, ten working days reporting limit expires on 12 April 2019.

3. QUERIES AND SUGGESTIONS

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

4. REPORT FOR THE PERIOD ENDING 31 MARCH 2019

This report is based upon financial information, as at 31 MARCH 2019 and available at the time of preparation.

The financial results for the period ended 31 MARCH 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) - M09 March							
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	37 960	47 379 332	48 215 497	-836 165	98
Service charges - electricity revenue	82 719 739	82 719 739	5 490 819	62 191 170	60 204 005	1 987 165	103
Service charges - water revenue	33 053 220	33 053 220	3 188 421	25 449 293	26 897 077	-1 447 784	95
Service charges - sanitation revenue	11 004 875	11 262 010	1 306 993	11 915 724	11 831 733	83 991	101
Service charges - refuse revenue	13 531 791	13 533 201	1 655 918	14 886 081	14 800 658	85 423	101
Rental of facilities and equipment	1 267 715	1 267 715	199 376	1 584 573	1 043 312	541 261	152
Interest earned - external investments	2 183 767	1 240 951	114 701	1 188 891	1 003 693	185 198	118
Interest eared - outstanding debtors, fin	7 184 005	7 184 005	983 646	7 669 883	6 029 197	1 640 686	127
Licenses, permits and agency fees	2 594 327	2 594 327	127 356	1 097 104	1 701 321	-604 217	64
Transfers and subsidies	47 927 000	47 927 000	10 979 000	47 132 000	41 492 760	5 639 240	114
Other revenue	1 082 696	2 071 546	265 894	2 509 542	6 466 233	-3 956 691	39
Gains on disposal of PPE	7 000 000	7 000 000	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)	258 636 593	258 941 172	24 350 084	223 003 593	219 685 486	3 318 107	102
Expenditure By Type							
Employee related costs	87 600 201	88 795 704	6 893 666	60 896 564	64 080 817	-3 184 253	95
Remuneration of councillors	5 791 509	5 997 097	536 363	4 785 815	4 558 962	226 853	105
Debt impairment	19 066 479	19 092 335	-	-	9 546 264	-9 546 264	-
Depreciation & asset impairment	40 787 397	39 705 595	-	-	19 853 034	-19 853 034	-
Finance charges	7 200 000	2 775 267	-	-	1 387 668	-1 387 668	-
Bulk purchases	105 347 176	105 347 176	11 691 162	72 676 808	72 477 116	199 692	100
Other materials	8 584 215	8 389 810	472 826	4 927 530	9 100 579	-4 173 049	54
Contracted services	24 029 793	25 844 567	110 376	381 090	620 502	-239 412	61
Other expenditure	26 552 899	27 798 579	5 218 190	46 269 217	46 502 567	-233 350	99
Total Expenditure	324 959 669	323 746 130	24 922 584	189 937 024	228 127 509	-38 190 485	83
Surplus/(Deficit)	-66 323 077	-64 804 958	-572 500	33 066 569	-8 442 023	41 508 592	

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	37 960	47 379 332	48 215 497	-836 165	98
Service charges - electricity revenue	82 719 739	82 719 739	5 490 819	62 191 170	60 204 005	1 987 165	103
Service charges - water revenue	33 053 220	33 053 220	3 188 421	25 449 293	26 897 077	-1 447 784	95
Service charges - sanitation revenue	11 004 875	11 262 010	1 306 993	11 915 724	11 831 733	83 991	101
Service charges - refuse revenue	13 531 791	13 533 201	1 655 918	14 886 081	14 800 658	85 423	101
Rental of facilities and equipment	1 267 715	1 267 715	199 376	1 584 573	1 043 312	541 261	152
Interest earned - external investments	2 183 767	1 240 951	114 701	1 188 891	1 003 693	185 198	118
Interest earned - outstanding debtors, fines and penalties	7 184 005	7 184 005	983 646	7 669 883	6 029 197	1 640 686	127
Licenses, permits and agency fees	2 594 327	2 594 327	127 356	1 097 104	1 701 321	-604 217	64
Transfers and subsidies	47 927 000	47 927 000	10 979 000	47 132 000	41 492 760	5 639 240	114
Other revenue	1 082 696	2 071 546	265 894	2 509 542	6 466 233	-3 956 691	39
Gains on disposal of PPE	7 000 000	7 000 000	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)	258 636 593	258 941 172	24 350 084	223 003 593	219 685 486	3 318 107	102

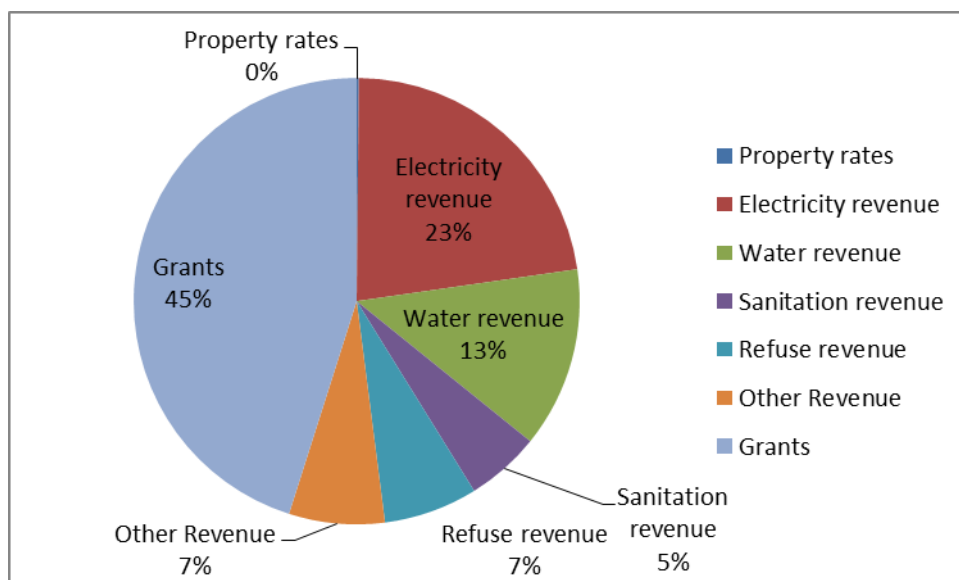
Explanation on YTD variance % - e.g. 103% means that the municipality billed 3% more than what was budget and 95 means the municipality billed 5% less than what was budgeted.

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 31 MARCH 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	6 893 666	60 896 564	64 080 817	-3 184 253	95
Remuneration of councillors	5 791 509	5 997 097	536 363	4 785 815	4 558 962	226 853	105
Debt impairment	19 066 479	19 092 335	-	-	9 546 264	-9 546 264	-
Depreciation & asset impairment	40 787 397	39 705 595	-	-	19 853 034	-19 853 034	-
Finance charges	7 200 000	2 775 267	-	-	1 387 668	-1 387 668	-
Bulk purchases	105 347 176	105 347 176	11 691 162	72 676 808	72 477 116	199 692	100
Other materials	8 584 215	8 389 810	472 826	4 927 530	9 100 579	-4 173 049	54
Contracted services	24 029 793	25 844 567	110 376	381 090	620 502	-239 412	61
Other expenditure	26 552 899	27 798 579	5 218 190	46 269 217	46 502 567	-233 350	99
Total Expenditure	324 959 669	323 746 130	24 922 584	189 937 024	228 127 509	-38 190 485	83

Notes on variances above/under 10%

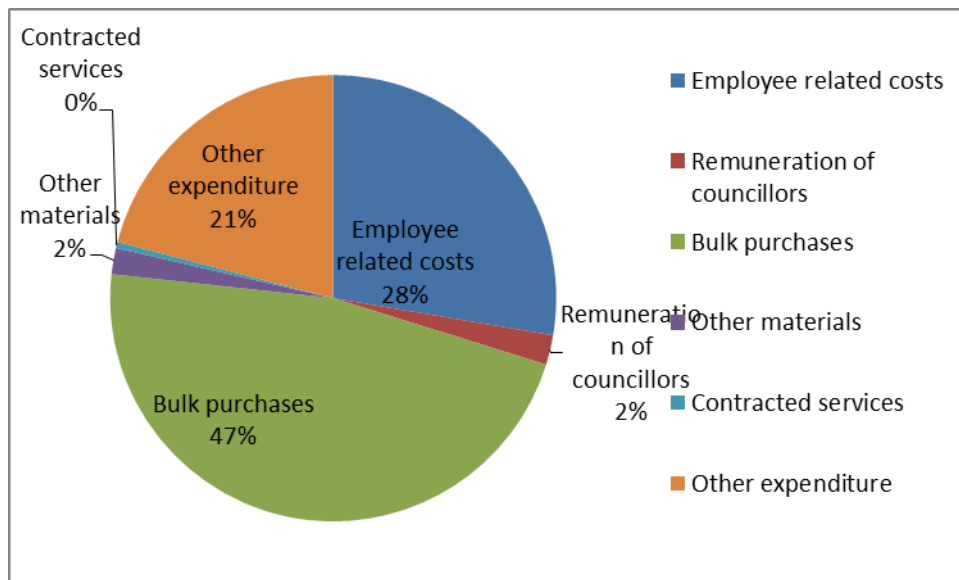
Depreciation and debt impairment – Please note depreciation as well as debt impairment are not done on a monthly basis, please note the asset register has been submitted to the Service Provider for alignment to the financial system.

Finance Charges – lease payments has not commence yet, please note the vehicles has been received by the municipality and payment can commence going forward.

Other Materials and contracted services– 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) - M09 March							
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	52 340	1 353 066	1 303 694	49 372	104
Vote 2 - Financial Services	103 566 698	103 591 286	12 108 766	102 411 888	95 869 952	6 541 936	107
Vote 3 - Corporate Services	7 977 426	7 219 474	180 703	1 378 038	4 305 624	-2 927 586	32
Vote 4 - Community Services: Community Development	16 103 446	16 158 263	2 550 411	16 831 348	16 748 793	82 555	100
Vote 5 - Community Services: Public Safety	2 482 378	2 482 378	131 381	1 012 277	1 596 634	-584 357	63
Vote 6 - Electrical Engineering Services	86 772 987	87 363 200	5 565 338	62 613 773	62 790 714	-176 941	100
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	78 640 010	4 556 143	38 198 203	55 199 699	-17 001 496	69
Total Revenue by Vote	282 020 593	297 130 172	25 145 082	223 798 593	237 815 110	-14 016 517	94
Expenditure by Vote							
Vote 1 - Municipal Manager	19 095 365	21 612 098	1 776 292	15 090 878	15 925 904	-835 026	95
Vote 2 - Financial Services	51 857 443	46 794 459	2 985 122	23 456 425	29 776 732	-6 320 307	79
Vote 3 - Corporate Services	33 342 669	33 454 657	1 423 817	17 938 672	23 010 411	-5 071 739	78
Vote 4 - Community Services: Community Development	23 351 214	23 602 942	1 844 640	16 080 482	20 452 894	-4 372 412	79
Vote 5 - Community Services: Public Safety	8 644 322	9 108 559	787 092	6 162 092	6 568 607	-406 515	94
Vote 6 - Electrical Engineering Services	98 428 250	98 332 536	5 473 959	52 112 539	64 911 193	-12 798 654	80
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	90 840 878	10 631 661	59 095 937	67 481 768	-8 385 831	88
Total Expenditure by Vote	324 959 669	323 746 130	24 922 583	189 937 025	228 127 509	-38 190 484	83
Surplus/ (Deficit) for the year	-42 939 077	-26 615 958	222 499	33 861 568	9 687 601	24 173 967	

	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	52 340	1 353 066	1 303 694	49 372	104
Vote 2 - Financial Services	103 566 698	103 591 286	12 108 766	102 411 888	95 869 952	6 541 936	107
Vote 3 - Corporate Services	7 977 426	7 219 474	180 703	1 378 038	4 305 624	-2 927 586	32
Vote 4 - Community Services: Community Development	16 103 446	16 158 263	2 550 411	16 831 348	16 748 793	82 555	100
Vote 5 - Community Services: Public Safety	2 482 378	2 482 378	131 381	1 012 277	1 596 634	-584 357	63
Vote 6 - Electrical Engineering Services	86 772 987	87 363 200	5 565 338	62 613 773	62 790 714	-176 941	100
Vote 7 - Infrastructure, Engineering & Technical Services	63 442 096	78 640 010	4 556 143	38 198 203	55 199 699	-17 001 496	69
Total Revenue by Vote	282 020 593	297 130 172	25 145 082	223 798 593	237 815 110	-14 016 517	94

Reasons for variances above/under 10%

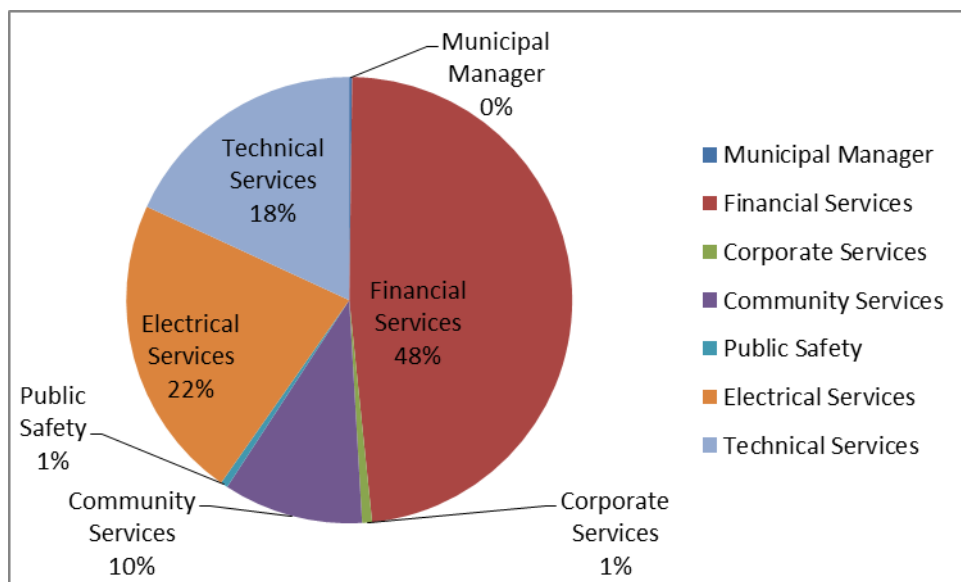
Corporate Services – Rental of facilities lower than the intended budget. Sale of land and stands did not occur as budgeted.

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 31 March 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	1 776 292	15 090 878	15 925 904	-835 026	95
Vote 2 - Financial Services	51 857 443	46 794 459	2 985 122	23 456 425	29 776 732	-6 320 307	79
Vote 3 - Corporate Services	33 342 669	33 454 657	1 423 817	17 938 672	23 010 411	-5 071 739	78
Vote 4 - Community Services: Community Development	23 351 214	23 602 942	1 844 640	16 080 482	20 452 894	-4 372 412	79
Vote 5 - Community Services: Public Safety	8 644 322	9 108 559	787 092	6 162 092	6 568 607	-406 515	94
Vote 6 - Electrical Engineering Services	98 428 250	98 332 536	5 473 959	52 112 539	64 911 193	-12 798 654	80
Vote 7 - Infrastructure, Engineering & Technical Services	90 240 406	90 840 878	10 631 661	59 095 937	67 481 768	-8 385 831	88
Total Expenditure by Vote	324 959 669	323 746 130	24 922 583	189 937 025	228 127 509	-38 190 484	83

Reasons for variances above/under 10%

Financial Services- Please note depreciation as well as debt impairment are not done on a monthly basis, please note the asset register has been submitted to the Service Provider for alignment to the financial system.

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

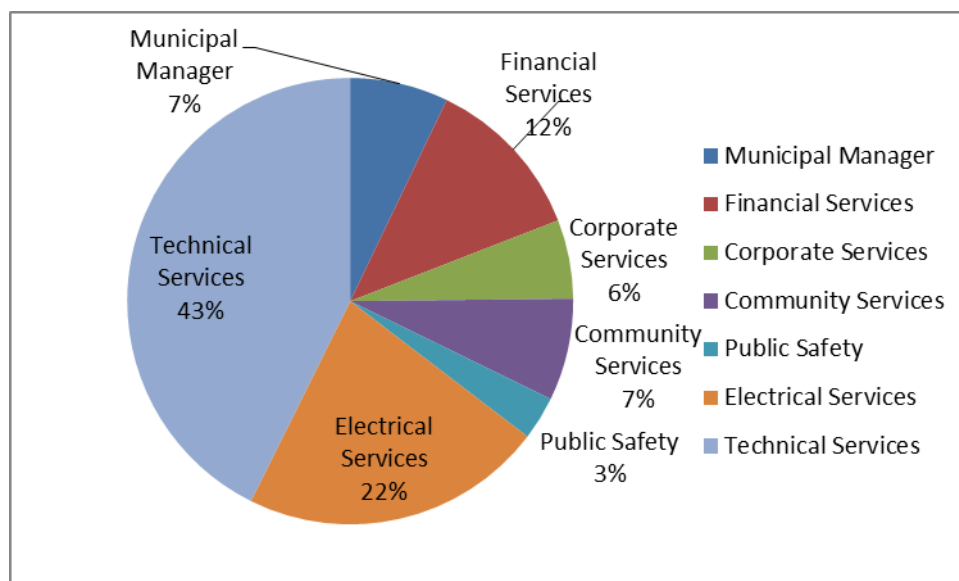
Community Development - Depreciation are not process on a monthly basis as budgeted.

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 31 March 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 31 March 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	-	-	13 109 614	-13 109 614	-
Finance and administration		1 739 574	-	-	902 291	-902 291	-
Community and social services		595 000	-	-	237 501	-237 501	-
Road transport	3 902 000	3 922 000	637 529	1 591 299	2 154 307	-563 008	74
Energy sources	4 000 000	4 000 000	666 523	4 014 076	2 857 183	1 156 893	140
Water management	7 250 000	16 580 000	838 999	3 717 473	7 905 682	-4 188 209	47
Waste water management	8 232 000	13 232 000	97 665	97 665	6 261 931	-6 164 266	2
Total Capital Expenditure - Functional Classification	23 384 000	53 178 188	2 240 716	9 420 513	33 428 509	-24 007 996	28
Funded by:							
National Government	23 384 000	37 714 000	2 240 716	9 420 513	19 179 103	-9 758 590	49
Provincial Government		475 000	-	-	237 501	-237 501	-
Borrowing		13 989 188	-	-	13 109 614	-13 109 614	-
Internally generated funds		1 000 000	-	-	902 291	-902 291	-
Total Capital Funding	23 384 000	53 178 188	2 240 716	9 420 513	33 428 509	-24 007 996	28

Notes on the Capital Expenditure

Please note all rollover grants have been added to the Capital Budget.

Vehicles have been received by the municipality and expenditure will commence going forward.

Office equipment can also be purchase as it was approve by Council in the adjustment budget.

Expenditures relating to Drought Relief needs to be fast track to ensure expenditure can commence as budgeted.

CASH FLOW STATEMENT AT 31 March 2019

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M09 March							
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	3 342 569	34 287 326	43 393 715	-9 106 389	79
Service charges	126 464 719	134 661 687	10 656 551	94 379 142	91 909 606	2 469 536	103
Other revenue	10 101 057	4 866 343	6 918 701	22 221 069	4 234 474	17 986 595	525
Government - operating	47 927 000	47 927 000	10 979 000	47 458 525	41 889 999	5 568 526	113
Government - capital	23 384 000	38 189 000	16 085 000	30 285 000	19 094 499	11 190 501	159
Interest	3 898 627	1 240 951	22	4 999 969	6 357 963	-1 357 994	79
Payments							
Suppliers and employees	-232 084 412	-218 652 755	-21 887 279	-196 924 875	-154 225 712	42 699 163	128
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 869 703	52 410 938	26 094 564	36 706 156	52 654 544	15 948 388	70
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	-2 565 224	-13 660 109	-34 944 182	-21 284 073	39
NET CASH FROM/(USED) INVESTING ACTIVITIES	-17 422 554	-46 178 188	-2 565 224	-13 660 109	-34 944 182	-21 284 073	39
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	5 088	37 698	-	-	-	-	
Payments							
Repayment of borrowing	-244 426	-4 363 556	-	-	183 320	183 320	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-239 338	-4 325 859	-	-	183 320	183 320	-
NET INCREASE/ (DECREASE) IN CASH HELD	6 207 811	1 906 892	23 529 339	23 046 047	17 893 682		
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		24 161 420	28 601 667		

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 March 2019

Debtors Age Analysis 31 March 2019						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	2 145 020	1 584 897	904 435	697 562	38 998 325	44 330 239
Electricity	3 647 850	1 423 961	571 603	472 526	43 022 054	49 137 994
Property Rates	2 618 489	1 433 733	773 584	545 068	31 252 349	36 623 223
Waste Water Management	886 629	454 470	241 475	212 418	10 508 501	12 303 493
Waste Management	1 228 123	697 116	412 959	381 350	22 737 430	25 456 978
Other	156 670	210 891	168 955	115 033	8 346 234	8 997 783
Total By Income Source	10 682 781	5 805 068	3 073 011	2 423 957	154 864 893	176 849 710
Debtors Age Analysis By Customer Group						
Organs of State	723 106	333 106	231 167	179 387	1 259 492	2 726 258
Commercial	3 687 619	1 932 777	948 547	683 013	50 958 222	58 210 178
Households	6 272 056	3 539 185	1 893 297	1 561 557	102 647 179	115 913 274
Total By Customer Group	10 682 781	5 805 068	3 073 011	2 423 957	154 864 893	176 849 710

Debtors Age Analysis 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

The total debtors outstanding as at 28 February 2019 were R174 415 909; the total debtors outstanding at 31 March were R176 849 710.

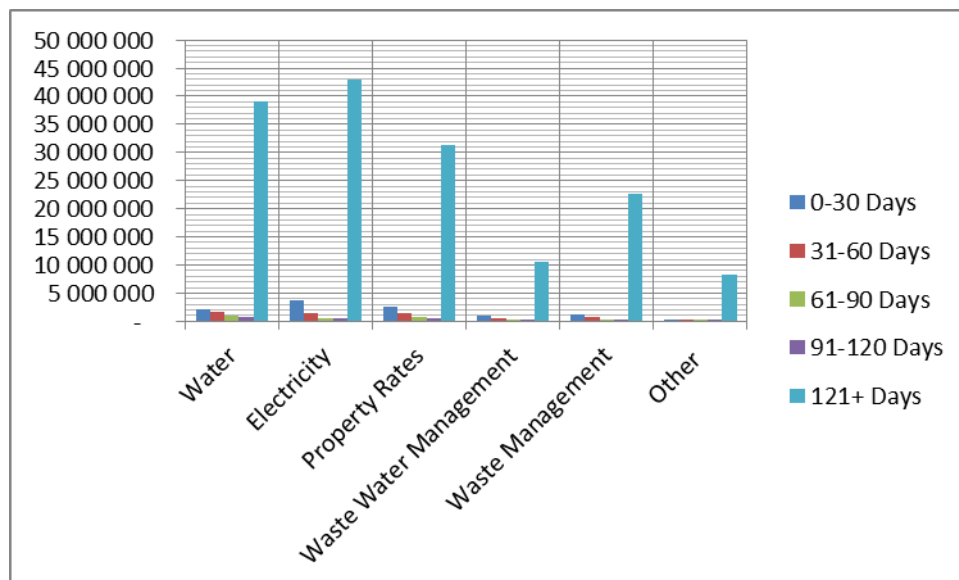
Debtors outstanding for a period more than 121+ days amounts to R154 864 893 compared to R142 537 933 in the previous month.

Businesses owe the municipality R57 510 163 compared to R55 385 604 the previous month.

Chart 8 – Debtors per revenue source

Debtors Age Analysis 31 March 2019						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	2 145 020	1 584 897	904 435	697 562	38 998 325	44 330 239
Electricity	3 647 850	1 423 961	571 603	472 526	43 022 054	49 137 994
Property Rates	2 618 489	1 433 733	773 584	545 068	31 252 349	36 623 223
Waste Water Management	886 629	454 470	241 475	212 418	10 508 501	12 303 493
Waste Management	1 228 123	697 116	412 959	381 350	22 737 430	25 456 978
Other	156 670	210 891	168 955	115 033	8 346 234	8 997 783
Total By Income Source	10 682 781	5 805 068	3 073 011	2 423 957	154 864 893	176 849 710

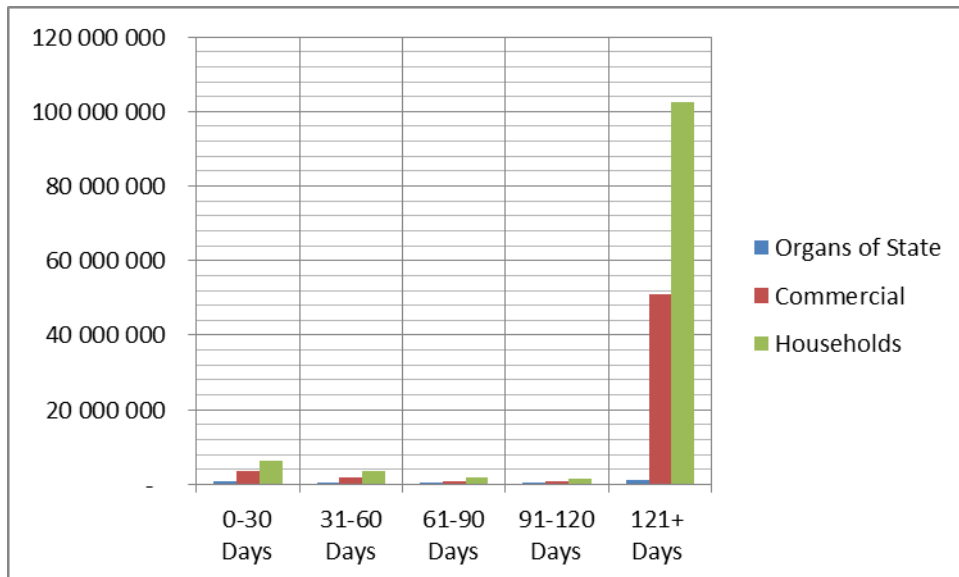
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	723 106	333 106	231 167	179 387	1 259 492	2 726 258
Commercial	3 687 619	1 932 777	948 547	683 013	50 958 222	58 210 178
Households	6 272 056	3 539 185	1 893 297	1 561 557	102 647 179	115 913 274
Total By Customer Group	10 682 781	5 805 068	3 073 011	2 423 957	154 864 893	176 849 710

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 March 2019

Creditors Age Analysis 31 March 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	6 474 789	3 999 429	2 710 256	-	66 950 230	80 134 704
Bulk Water	6 076 102	4 056 916	1 899 494	2 317 676	125 754 264	140 104 452
Trade Creditors				106 577	2 084 194	2 190 771
Auditor General			110 454	-	2 000 961	2 111 415
Total By Customer Type	12 550 891	8 056 345	4 720 203	2 424 253	196 789 649	224 541 342

Creditors Analysis

The outstanding creditors moved from R218 474 802 to R224 541 342, this is an increase of R6 066 540

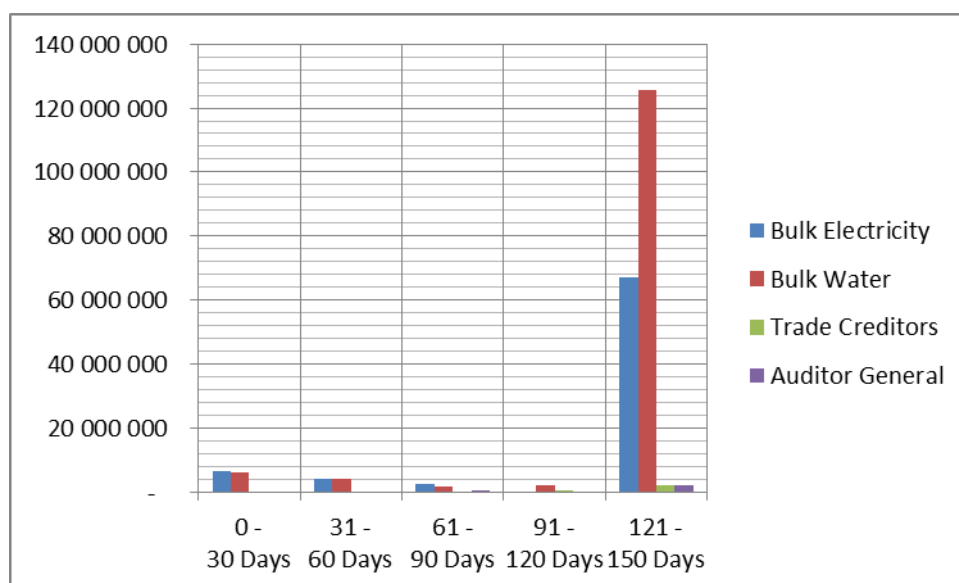


Chart 10

Creditors Age Analysis

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

Bulk Electricity –March 2019 R80.1 million and Feb 2019 R80.6 million

Bulk Water –March 2019, R140 million and Feb 2019 R134 million

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March							
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	298 785	2 689 063	2 636 912	52 150	102
Pension and UIF Contributions	373 864	460 488	32 579	293 216	345 366	-52 150	85
Medical Aid Contributions	20 984	45 358	4 256	27 569	34 019	-6 449	81
Motor Vehicle Allowance	1 269 231	1 281 768	106 199	966 453	961 326	5 128	101
Cellphone Allowance	693 600	693 600	57 800	520 200	520 200	-	100
Sub Total - Councillors	5 791 509	5 997 097	499 619	4 496 501	4 497 823	-1 322	100
Senior Managers of the Municipality							
Basic Salaries and Wages	2 880 491	4 025 465	266 148	2 350 340	3 019 099	-668 759	78
Pension and UIF Contributions	527 412	315 036	33 743	300 958	236 277	64 681	127
Medical Aid Contributions	52 390	118 562	15 795	130 204	88 922	41 283	146
Motor Vehicle Allowance	689 613	427 736	48 280	434 521	320 802	113 719	135
Cellphone Allowance	41 145	37 306	4 946	56 274	27 980	28 294	201
Housing Allowances	30 370	20 452	2 557	23 014	15 339	7 675	150
Other benefits and allowances	251 702	180 343	24 317	601 155	135 257	590 955	444
Long service awards	36 385	50 907	36 763	36 763	38 181	-1 417	96
Sub Total - Senior Managers of Municipality	4 509 509	5 175 807	432 550	3 933 229	3 881 855	51 374	101
Other Municipal Staff							
Basic Salaries and Wages	55 637 602	55 803 470	4 278 907	38 016 246	41 852 603	-3 836 357	91
Pension and UIF Contributions	9 863 901	8 299 447	648 178	5 946 422	6 224 586	-278 163	96
Medical Aid Contributions	2 418 495	2 430 886	179 920	1 545 104	1 823 165	-278 060	85
Overtime	3 701 850	4 175 354	351 502	3 005 689	3 131 516	-125 827	96
Performance Bonus	-	4 491 920	-	-	3 368 940	-3 368 940	-
Motor Vehicle Allowance	3 370 607	-	231 878	2 035 259	-	2 035 259	
Cellphone Allowance	148 221	196 460	11 229	85 778	147 345	-61 567	58
Housing Allowances	1 110 200	3 882 636	90 396	771 530	2 911 977	-2 140 447	26
Other benefits and allowances	6 606 393	2 873 165	848 615	6 298 494	2 154 874	4 143 620	292
Payments in lieu of leave	-	1 218 310	-	-	913 733	-913 733	-
Long service awards	233 425	248 248	11 513	183 252	186 186	-2 934	98
Post-retirement benefit obligations	-	-	-	13 259	-	13 259	
Sub Total - Other Municipal Staff	83 090 692	83 619 897	6 652 139	57 901 034	62 714 923	-4 813 889	92
Total Parent Municipality	93 391 710	94 792 801	7 584 308	66 330 765	71 094 601	-4 763 836	93
Total Employee Related Cost	87 600 201	88 795 704	7 084 689	61 834 264	66 596 778		
Total Expenditure	324 959 669	323 746 130	24 922 584	189 937 024	228 127 509		
%Employee Related Cost to Total Expenditure	27	27	28	33	29		

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 March 28%.

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: 16 April 2019

NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE

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

- the monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 31 March 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)
Table C4-FinPerRE	Financial Performance (revenue and expenditure)
Table C5-CAPEX	Capital Expenditure (municipal vote, standard classification)
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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
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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