



Nama Khoi Municipality

14 June 2019

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 May 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 May 2019, ten working days reporting limit expires on 14 June 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 MAY 2019

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

The financial results for the period ended 31 MAY 2019 are summarised as follows:

Statement of Financial Performance (SFP) (Annexure B – TABLE C4)

The summary report indicates the following

Table of Contents

Page 3	Table C4-Financial Performance
Page 5	CHART 1- Revenue by source
Page 6	CHART 2 – Expenditure by type
Page 7	Table C3 – Revenue and expenditure by vote
Page 8	CHART 3 – Revenue by vote & Variances
Page 9	CHART 4 – Expenditure by vote & Variances
Page 10	Capital Expenditure
Page 11	Cash Flow Statement
Page 12	Debtors Age Analysis
Page 15	Creditors age analysis
Page 16	Employee Related Cost
Page 17	Financial Implications/Recommendations
Page 18	Interdepartmental and Cluster Impact
Page 19	Quality Certificate
Page 20	Annexure A
Page 22	C-Schedule Table of contents

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May							
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	(23,116)	47,348,255	48,797,029	(1,448,774)	97.03
Service charges - electricity revenue	82,719,739	82,719,739	6,443,447	74,203,959	75,843,003	(1,639,044)	97.84
Service charges - water revenue	33,053,220	33,053,220	3,061,725	31,352,938	34,047,473	(2,694,535)	92.09
Service charges - sanitation revenue	11,004,875	11,262,010	1,329,655	14,565,242	14,401,993	163,249	101.13
Service charges - refuse revenue	13,531,791	13,533,201	1,644,629	18,186,412	18,053,466	132,946	100.74
Rental of facilities and equipment	1,267,715	1,267,715	160,707	1,989,779	1,220,318	769,461	163.05
Interest earned - external investments	2,183,767	1,240,951	213,899	1,586,521	1,161,881	424,640	136.55
Interest earned - outstanding debtors	1,902,596	6,983,535	992,060	9,593,886	6,628,139	2,965,747	144.74
Fines, penalties and forfeits	5,281,409	200,470	8,008	57,406	170,964	(113,558)	33.58
Licences and permits	1,438,199	1,438,199	153,515	1,252,725	1,316,201	(63,476)	95.18
Agency services	1,156,128	1,156,128	18,747	204,873	980,480	(775,607)	20.90
Transfers and subsidies	47,927,000	47,927,000	-	47,132,000	45,252,484	1,879,516	104.15
Other revenue	1,082,696	2,071,546	256,814	3,002,902	9,665,462	(6,662,560)	31.07
Gains on disposal of PPE	7,000,000	7,000,000	-	-	-	-	
Total Revenue (excluding capital transfers and	258,636,593	258,941,172	14,260,090	250,476,898	257,538,893	(7,061,995)	97.26
Expenditure By Type							
Employee related costs	87,600,201	88,795,704	6,906,692	74,472,012	79,618,687	(5,146,675)	93.54
Remuneration of councillors	5,791,509	5,997,097	539,553	5,835,171	5,517,754	317,417	105.75
Debt impairment	19,066,479	19,092,335	-	-	15,910,396	(15,910,396)	-
Depreciation & asset impairment	40,787,397	39,705,595	-	-	33,088,286	(33,088,286)	-
Finance charges	7,200,000	2,775,267	-	-	2,312,764	(2,312,764)	-
Bulk purchases	105,347,176	105,347,176	7,895,416	88,659,244	94,390,978	(5,731,734)	93.93
Other materials	8,584,215	8,389,810	1,060,011	6,719,655	13,072,519	(6,352,864)	51.40
Contracted services	24,029,793	25,844,567	1,525	384,084	870,114	(486,030)	44.14
Other expenditure	26,552,899	27,798,579	4,996,774	57,446,505	59,352,747	(1,906,242)	96.79
Total Expenditure	324,959,669	323,746,130	21,399,971	233,516,671	304,134,245	(70,617,574)	76.78
Surplus/(Deficit)	(66,323,077)	(64,804,958)	(7,139,881)	16,960,227	(46,595,352)	63,555,579	

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May							
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	(23,116)	47,348,255	48,797,029	(1,448,774)	97.03
Service charges - electricity revenue	82,719,739	82,719,739	6,443,447	74,203,959	75,843,003	(1,639,044)	97.84
Service charges - water revenue	33,053,220	33,053,220	3,061,725	31,352,938	34,047,473	(2,694,535)	92.09
Service charges - sanitation revenue	11,004,875	11,262,010	1,329,655	14,565,242	14,401,993	163,249	101.13
Service charges - refuse revenue	13,531,791	13,533,201	1,644,629	18,186,412	18,053,466	132,946	100.74
Rental of facilities and equipment	1,267,715	1,267,715	160,707	1,989,779	1,220,318	769,461	163.05
Interest earned - external investments	2,183,767	1,240,951	213,899	1,586,521	1,161,881	424,640	136.55
Interest earned - outstanding debtors	1,902,596	6,983,535	992,060	9,593,886	6,628,139	2,965,747	144.74
Fines, penalties and forfeits	5,281,409	200,470	8,008	57,406	170,964	(113,558)	33.58
Licences and permits	1,438,199	1,438,199	153,515	1,252,725	1,316,201	(63,476)	95.18
Agency services	1,156,128	1,156,128	18,747	204,873	980,480	(775,607)	20.90
Transfers and subsidies	47,927,000	47,927,000	-	47,132,000	45,252,484	1,879,516	104.15
Other revenue	1,082,696	2,071,546	256,814	3,002,902	9,665,462	(6,662,560)	31.07
Gains on disposal of PPE	7,000,000	7,000,000	-	-	-	-	-
Total Revenue (excluding capital transfers and	258,636,593	258,941,172	14,260,090	250,476,898	257,538,893	(7,061,995)	97.26

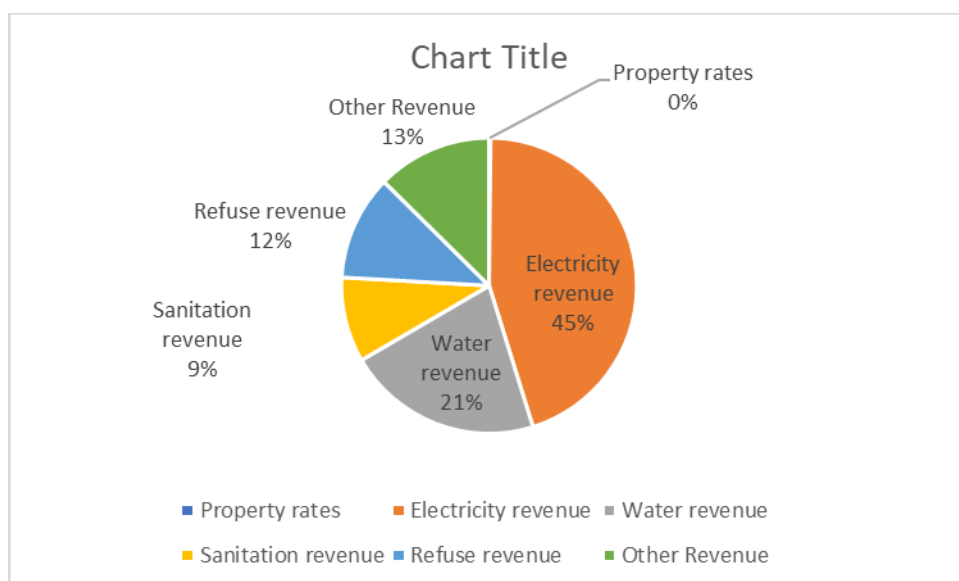
Explanation on YTD variance % - e.g. 101% means that the municipality billed 1% more than what was budget and 97 means the municipality billed 3% less than what was budgeted.

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 May 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	6,906,692	74,472,012	79,618,687	(5,146,675)	93.54
Remuneration of councillors	5,791,509	5,997,097	539,553	5,835,171	5,517,754	317,417	105.75
Debt impairment	19,066,479	19,092,335	-	-	15,910,396	(15,910,396)	-
Depreciation & asset impairment	40,787,397	39,705,595	-	-	33,088,286	(33,088,286)	-
Finance charges	7,200,000	2,775,267	-	-	2,312,764	(2,312,764)	-
Bulk purchases	105,347,176	105,347,176	7,895,416	88,659,244	94,390,978	(5,731,734)	93.93
Other materials	8,584,215	8,389,810	1,060,011	6,719,655	13,072,519	(6,352,864)	51.40
Contracted services	24,029,793	25,844,567	1,525	384,084	870,114	(486,030)	44.14
Other expenditure	26,552,899	27,798,579	4,996,774	57,446,505	59,352,747	(1,906,242)	96.79
Total Expenditure	324,959,669	323,746,130	21,399,971	233,516,671	304,134,245	(70,617,574)	76.78

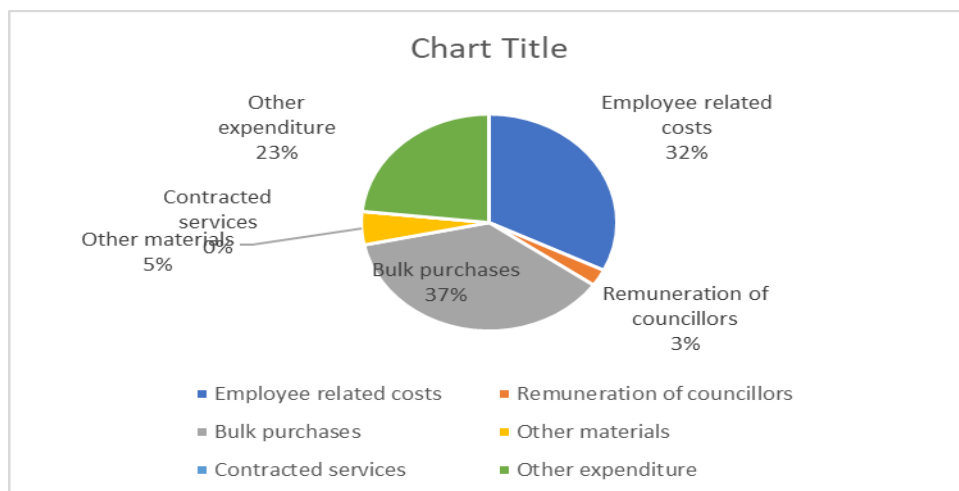
Notes on variances above/under 10%

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.

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) - M11 May							
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	54,784	1,441,923	1,551,615	(109,692)	93
Vote 2 - Financial Services	103,566,698	103,591,286	1,189,730	104,767,737	101,001,608	3,766,129	104
Vote 3 - Corporate Services	7,977,426	7,219,474	137,003	1,740,337	6,768,778	(5,028,441)	26
Vote 4 - Community Services: Community Development	16,103,446	16,158,263	1,745,061	20,342,293	20,740,261	(397,968)	98
Vote 5 - Community Services: Public Safety	2,482,378	2,482,378	180,339	1,382,486	2,187,148	(804,662)	63
Vote 6 - Electrical Engineering Services	86,772,987	87,363,200	6,491,462	74,716,307	79,976,658	(5,260,351)	93
Vote 7 - Infrastructure, Engineering & Technical Services	63,442,096	78,640,010	4,461,711	46,880,815	75,528,809	(28,647,994)	62
Total Revenue by Vote	282,020,593	297,130,172	14,260,090	251,271,898	287,754,877	(36,482,979)	87
Expenditure by Vote							
Vote 1 - Municipal Manager	19,095,365	21,612,098	1,791,230	18,832,662	19,716,856	(884,194)	96
Vote 2 - Financial Services	51,857,443	46,794,459	2,146,265	27,974,963	41,105,754	(13,130,791)	68
Vote 3 - Corporate Services	33,342,669	33,454,657	1,891,819	22,597,515	30,493,963	(7,896,448)	74
Vote 4 - Community Services: Community Development	23,351,214	23,602,942	2,046,835	20,016,261	26,938,134	(6,921,873)	74
Vote 5 - Community Services: Public Safety	8,644,322	9,108,559	658,911	7,486,095	8,261,983	(775,888)	91
Vote 6 - Electrical Engineering Services	98,428,250	98,332,536	5,521,256	63,285,393	88,109,831	(24,824,438)	72
Vote 7 - Infrastructure, Engineering & Technical Services	90,240,406	90,840,878	7,343,655	73,323,782	89,507,724	(16,183,942)	82
Total Expenditure by Vote	324,959,669	323,746,130	21,399,971	233,516,671	304,134,245	(70,617,574)	77
Surplus/ (Deficit) for the year	(42,939,077)	(26,615,958)	(7,139,881)	17,755,227	(16,379,368)	34,134,595	

	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	54,784	1,441,923	1,551,615	(109,692)	93
Vote 2 - Financial Services	103,566,698	103,591,286	1,189,730	104,767,737	101,001,608	3,766,129	104
Vote 3 - Corporate Services	7,977,426	7,219,474	137,003	1,740,337	6,768,778	(5,028,441)	26
Vote 4 - Community Services: Community Development	16,103,446	16,158,263	1,745,061	20,342,293	20,740,261	(397,968)	98
Vote 5 - Community Services: Public Safety	2,482,378	2,482,378	180,339	1,382,486	2,187,148	(804,662)	63
Vote 6 - Electrical Engineering Services	86,772,987	87,363,200	6,491,462	74,716,307	79,976,658	(5,260,351)	93
Vote 7 - Infrastructure, Engineering & Technical Services	63,442,096	78,640,010	4,461,711	46,880,815	75,528,809	(28,647,994)	62
Total Revenue by Vote	282,020,593	297,130,172	14,260,090	251,271,898	287,754,877	(36,482,979)	87

Reasons for variances above/under 10%

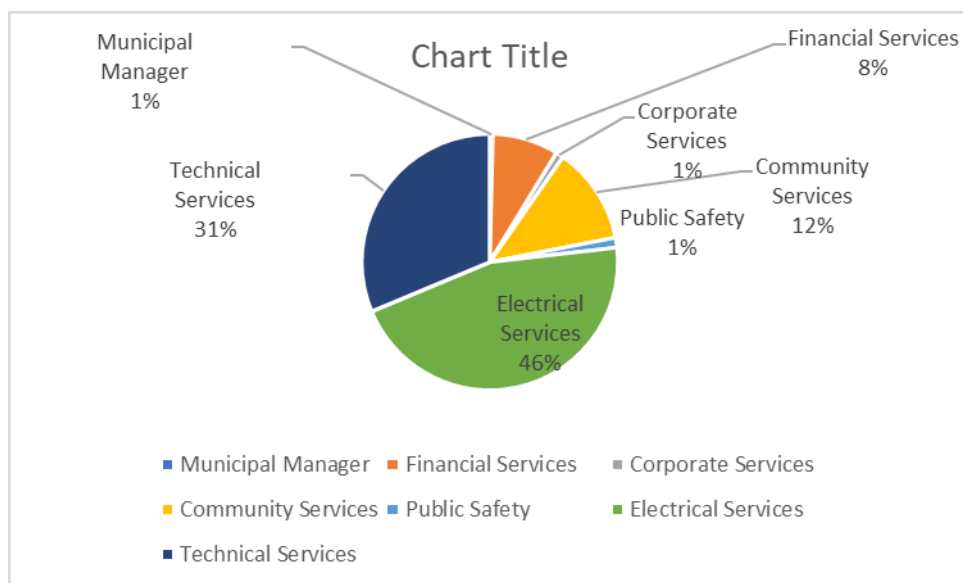
Corporate Services – Rental of facilities lower than the intended budget. Sale of land and stands did not occur as budgeted.

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 May 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	1,791,230	18,832,662	19,716,856	(884,194)	96
Vote 2 - Financial Services	51,857,443	46,794,459	2,146,265	27,974,963	41,105,754	(13,130,791)	68
Vote 3 - Corporate Services	33,342,669	33,454,657	1,891,819	22,597,515	30,493,963	(7,896,448)	74
Vote 4 - Community Services: Community Development	23,351,214	23,602,942	2,046,835	20,016,261	26,938,134	(6,921,873)	74
Vote 5 - Community Services: Public Safety	8,644,322	9,108,559	658,911	7,486,095	8,261,983	(775,888)	91
Vote 6 - Electrical Engineering Services	98,428,250	98,332,536	5,521,256	63,285,393	88,109,831	(24,824,438)	72
Vote 7 - Infrastructure, Engineering & Technical Services	90,240,406	90,840,878	7,343,655	73,323,782	89,507,724	(16,183,942)	82
Total Expenditure by Vote	324,959,669	323,746,130	21,399,971	233,516,671	304,134,245	(70,617,574)	77

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.

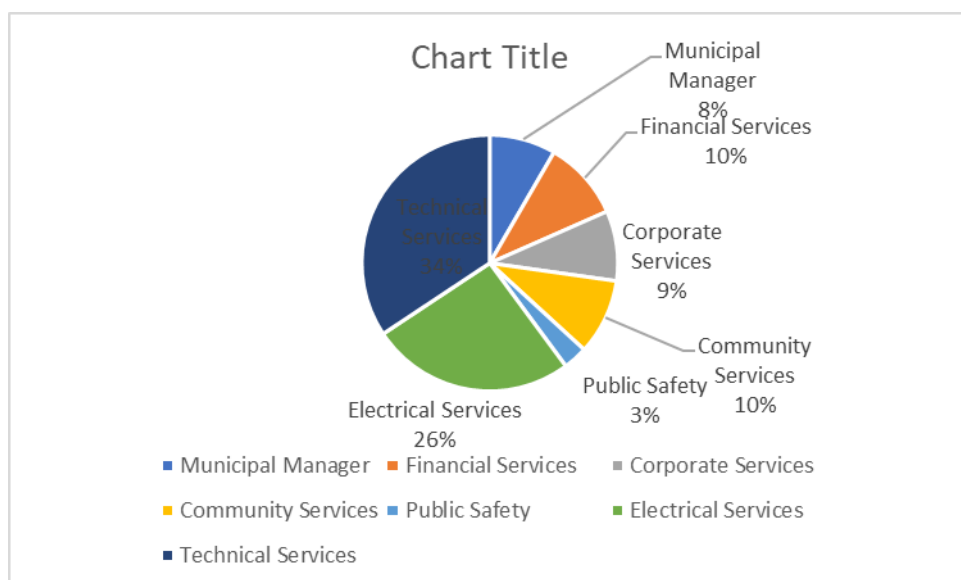
Community Development - Depreciation are not process on a monthly basis as budgeted.

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 May 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 May 2019						
	Original Budget	Adjusted Budget	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	63,402	1,589,816	(1,526,414)	4
Community and social services		595,000	-	515,835	(515,835)	-
Road transport	3,902,000	3,922,000	2,349,757	3,328,795	(979,038)	71
Energy sources	4,000,000	4,000,000	4,411,766	3,799,470	612,296	116
Water management	7,250,000	16,580,000	8,661,303	12,626,539	(3,965,236)	69
Waste water management	8,232,000	13,232,000	3,215,488	11,328,225	(8,112,737)	28
Total Capital Expenditure - Functional Classification	23,384,000	53,178,188	18,701,715	46,298,294	(27,596,579)	40
Funded by:						
National Government	23,384,000	37,714,000	18,638,313	31,083,029	(12,444,716)	60
Provincial Government		475,000	-	395,835	(395,835)	-
Borrowing		13,989,188	-	13,109,614	(13,109,614)	-
Internally generated funds		1,000,000	63,402	1,589,816	(1,526,414)	4
Total Capital Funding	23,384,000	53,178,188	18,701,715	46,178,294	(27,476,579)	40

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 331 May 2019

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M11 May							
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	2,861,292	40,771,132	43,917,039	(3,145,907)	93
Service charges	126,464,719	134,661,687	10,793,867	116,586,422	115,433,472	1,152,950	101
Other revenue	10,101,057	4,866,343	204,826	22,914,170	5,411,044	17,503,126	423
Government - operating	47,927,000	47,927,000	6,598,629	56,803,700	45,914,665	10,889,035	124
Government - capital	23,384,000	38,189,000	-	30,285,000	31,824,165	(1,539,165)	95
Interest	3,898,627	1,240,951	-	5,036,631	7,159,399	(2,122,768)	70
Payments							
Suppliers and employees	(232,084,412)	(218,652,755)	(20,848,176)	(246,715,029)	(196,263,829)	50,451,200	126
NET CASH FROM/(USED) OPERATING ACTIVITIES	23,869,703	52,410,938	(389,561)	25,682,026	53,395,955	27,713,929	48
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)	(2,772,166)	(18,898,742)	(46,178,120)	(27,279,378)	41
NET CASH FROM/(USED) INVESTING ACTIVITIES	(17,422,554)	(46,178,188)	(2,772,166)	(18,898,742)	(46,178,120)	(27,279,378)	41
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Increase (decrease) in consumer deposits	5,088	37,698	-	-	34,556	(34,556)	
Payments							
Repayment of borrowing	(244,426)	(4,363,556)	-	-	224,057	224,057	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(239,338)	(4,325,859)	-	-	258,613	258,613	-
NET INCREASE/ (DECREASE) IN CASH HELD	6,207,811	1,906,892	(3,161,728)	6,783,284	7,476,448		
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		7,898,656	18,184,433		

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 May 2019

Debtors Age Analysis 31 May 2019						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ days	Total
Debtors Age Analysis By Income Source						
Water	1,788,969	1,649,783	857,680	767,534	40,354,432	45,418,398
Electricity	4,022,960	1,105,143	528,226	473,387	44,155,076	50,284,792
Property Rates	2,663,741	1,267,892	663,152	624,207	32,394,231	37,613,223
Waste Water Management	906,808	443,134	233,611	199,294	10,891,698	12,674,545
Waste Management	1,223,831	650,442	402,968	357,012	23,562,839	26,197,092
Total By Income Source	10,745,033	5,300,941	2,834,652	2,542,120	159,928,848	181,351,594
Debtors Age Analysis By Customer Group						
Organs of State	631,083	254,581	149,947	100,162	1,185,345	2,321,118
Commercial	4,042,061	1,681,371	909,809	826,238	52,715,282	60,174,761
Households	6,071,889	3,364,989	1,774,896	1,615,720	106,028,221	118,855,715
Total By Customer Group	10,745,033	5,300,941	2,834,652	2,542,120	159,928,848	181,351,594

Debtors Age Analysis 30 April 2019

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April						
Description	Budget Year 2018/19					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+Days	Total
Water	1 740 866	1 479 920	877 135	789 831	39 654 919	44 542 671
Electricity	3 903 081	1 005 694	607 678	493 777	43 659 849	49 670 079
Property Rates	2 833 305	1 294 846	684 367	688 117	31 781 461	37 282 096
Waste Water Management	916 857	446 513	237 433	206 729	10 724 833	12 532 365
Waste Management	1 251 204	670 129	403 385	367 904	23 178 413	25 871 035
Other	139 837	290 904	148 619	108 110	8 459 330	9 146 800
Total By Income Source	10 785 150	5 188 006	2 958 617	2 654 468	157 458 805	179 045 046
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+Days	
Organs of State	613 106	328 262	242 039	184 789	1 375 714	2 743 910
Commercial	3 918 350	1 582 476	884 495	811 057	51 775 401	58 971 779
Households	6 253 694	3 277 268	1 832 083	1 658 622	104 307 690	117 329 357
Total By Customer Group	10 785 150	5 188 006	2 958 617	2 654 468	157 458 805	179 045 046

The total debtors outstanding at 31 May were R181 351 594, the total debtors outstanding at 30 April were R179 045 046.

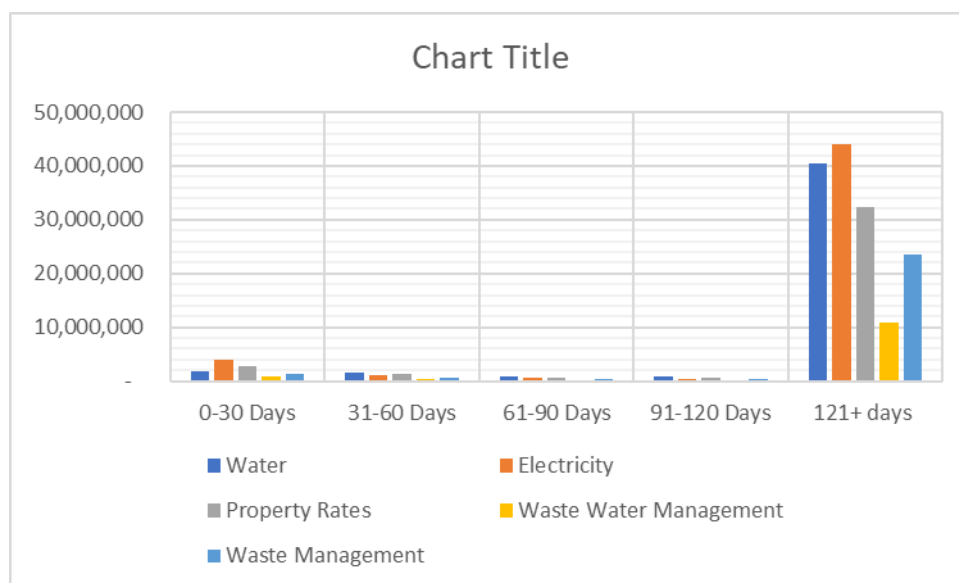
Debtors outstanding for a period more than 121+ days amounts to R159 928 848 compared to R157 458 805 in the previous month.

Businesses owe the municipality R60 174 761 compared to R58 971 779 the previous month.

Chart 8 – Debtors per revenue source

Debtors Age Analysis 31 May 2019						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ days	Total
Debtors Age Analysis By Income Source						
Water	1,788,969	1,649,783	857,680	767,534	40,354,432	45,418,398
Electricity	4,022,960	1,105,143	528,226	473,387	44,155,076	50,284,792
Property Rates	2,663,741	1,267,892	663,152	624,207	32,394,231	37,613,223
Waste Water Management	906,808	443,134	233,611	199,294	10,891,698	12,674,545
Waste Management	1,223,831	650,442	402,968	357,012	23,562,839	26,197,092
Total By Income Source	10,745,033	5,300,941	2,834,652	2,542,120	159,928,848	181,351,594

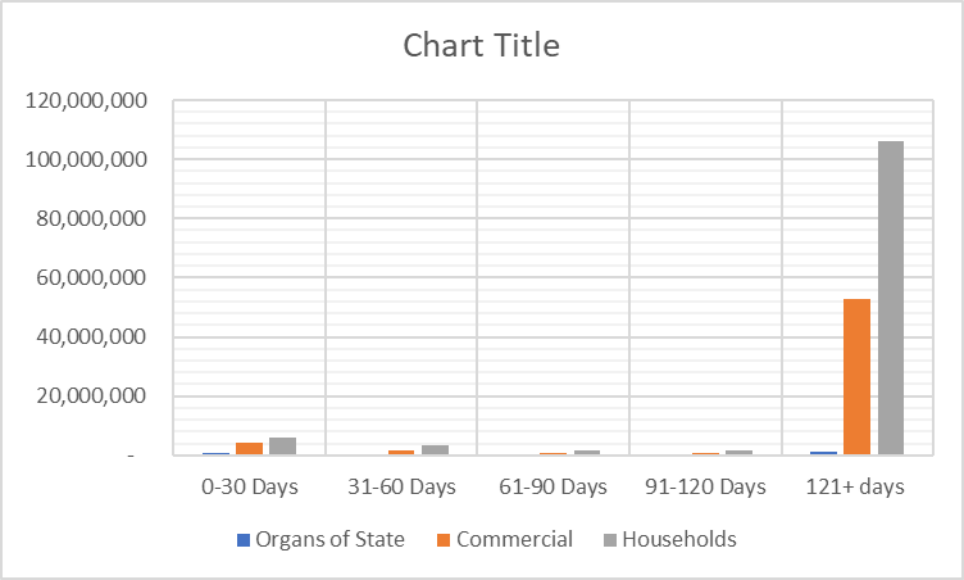
The following chart shows the debtors outstanding per revenue source, Chart as per information above



Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ days	Total
Organs of State	631,083	254,581	149,947	100,162	1,185,345	2,321,118
Commercial	4,042,061	1,681,371	909,809	826,238	52,715,282	60,174,761
Households	6,071,889	3,364,989	1,774,896	1,615,720	106,028,221	118,855,715
Total By Customer Group	10,745,033	5,300,941	2,834,652	2,542,120	159,928,848	181,351,594

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 May 2019

Creditors Age Analysis 31b May 2019						
Description	Budget Year 2018/19					
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total
Creditors Age Analysis By Customer Type						
Bulk Electricity	9,027,659	3,455,115	20,724	6,731,640	66,950,230	86,185,369
Bulk Water	7,760,458	2,789,023	2,287,079	4,056,916	129,971,434	146,864,910
Trade Creditors		1,987,078	323,105	216,053	1,192,644	3,718,880
Auditor General					1,861,415	1,861,415
Total By Customer Type	16,492,876	8,276,457	2,380,908	10,754,608	200,725,724	238,630,573

Creditors Analysis

The outstanding creditors moved from R232 380 126 to R238 630 573, this is an increase of R6 250 447

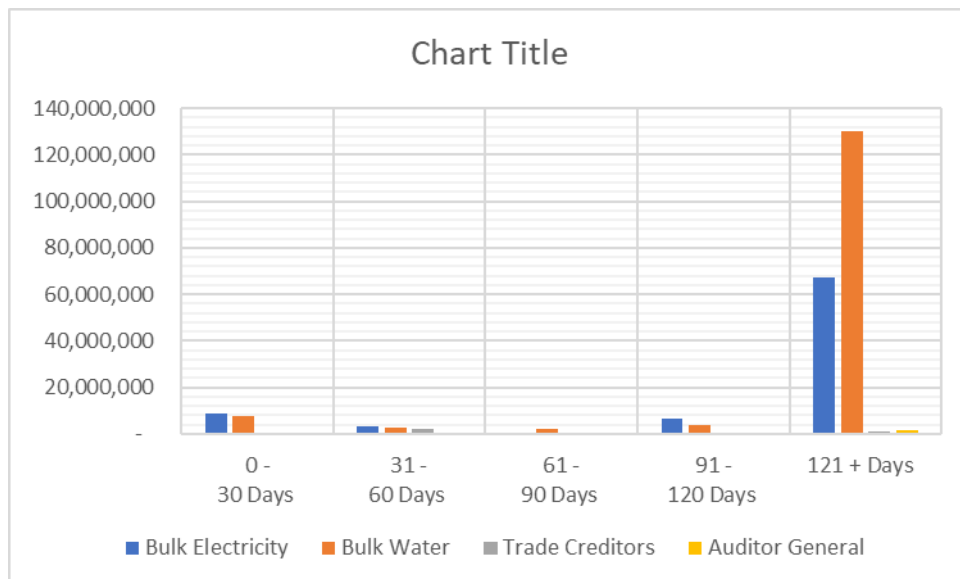


Chart 10

Creditors Age Analysis

The comparison for creditors outstanding between April 2019 and May 2019 is as follows:

Bulk Electricity –April 2019 R83.7 million and May 2019 R86.1 million

Bulk Water –April 2019 R144.0 million and May 2019 R146.8 million

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May							
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	311,526	3,288,701	3,222,893	65,808	102.04
Pension and UIF Contributions	373,864	460,488	28,014	352,208	422,114	(69,906)	83.44
Medical Aid Contributions	20,984	45,358	3,161	33,292	41,578	(8,286)	80.07
Motor Vehicle Allowance	1,269,231	1,281,768	79,822	1,149,254	1,174,954	(25,700)	97.81
Cellphone Allowance	693,600	693,600	59,613	633,987	635,800	(1,813)	99.71
Housing Allowances	-	-	30,196	30,196	-	30,196	
Sub Total - Councillors	5,791,509	5,997,097	512,334	5,487,638	5,497,339	(9,701)	99.82
Senior Managers of the Municipality							
Basic Salaries and Wages	2,880,491	4,025,465	266,148	2,882,637	3,690,010	(807,372)	78.12
Pension and UIF Contributions	527,412	315,036	33,743	368,444	288,783	79,661	127.58
Medical Aid Contributions	52,390	118,562	15,795	161,794	108,682	53,112	148.87
Performance Bonus	-	166,742	-	-	152,847	(152,847)	-
Motor Vehicle Allowance	689,613	427,736	48,280	531,081	392,091	138,990	135.45
Cellphone Allowance	41,145	37,306	6,095	82,802	34,197	48,605	242.13
Housing Allowances	30,370	20,452	2,557	28,128	18,748	9,381	150.04
Other benefits and allowances	251,702	13,601	25,563	651,708	12,467	639,240	5,227.28
Long service awards	36,385	50,907	-	36,763	46,665	(9,902)	78.78
Post-retirement benefit obligations	-	-	-	-	-	-	
Sub Total - Senior Managers of Municipality	4,509,509	5,175,807	398,181	4,743,358	4,744,490	(1,132)	99.98
Other Municipal Staff							
Basic Salaries and Wages	55,637,602	55,803,470	4,317,685	46,561,106	51,153,181	(4,592,075)	91.02
Pension and UIF Contributions	9,863,901	8,299,447	647,367	7,238,618	7,607,827	(369,208)	95.15
Medical Aid Contributions	2,418,495	2,430,886	175,195	1,895,962	2,228,312	(332,350)	85.09
Overtime	3,701,850	4,175,354	482,406	3,870,987	3,827,408	43,579	101.14
Bonus	-	4,491,920	-	-	4,117,594	(4,117,594)	-
Motor Vehicle Allowance	3,370,607	-	223,547	2,482,354	-	2,482,354	
Cellphone Allowance	148,221	196,460	11,804	112,258	180,088	(67,830)	62.34
Housing Allowances	1,110,200	3,882,636	80,975	942,901	3,559,083	(2,616,182)	26.49
Other benefits and allowances	6,606,393	2,873,165	708,493	7,595,406	2,633,734	4,961,671	288.39
Payments in lieu of leave	-	1,218,310	-	-	1,116,784	(1,116,784)	-
Long service awards	233,425	248,248	6,356	223,501	227,561	(4,060)	98.22
Post-retirement benefit obligations	-	-	-	13,259	-	13,259	
Sub Total - Other Municipal Staff	83,090,692	83,619,897	6,653,829	70,936,353	76,651,572	(5,715,220)	92.54
Total Parent Municipality	93,391,710	94,792,801	7,564,343	81,167,348	86,893,401	(5,726,053)	93.41
Total Employee Cost	87,600,201	88,795,704	7,052,010	75,679,710	81,396,062		
Total Expenditure	324,959,669	323,746,130	21,399,971	233,516,671	304,134,245		
% Employee Related Cost to Total Expenditure	27	27	33	32	27		

MFMA 66. The accounting officer of a municipality must, in a format and for periods as may be prescribed, report to the council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely:

- (a) salaries and wages;
- (b) contributions for pensions and medical aid;
- (c) travel, motor car, accommodation, subsistence and other allowances;
- (d) housing benefits and allowances;
- (e) overtime payments;
- (f) loans and advances; and
- (g) any other type of benefit or allowance related to staff.

Employee related cost to total expenditure % of an organisation should be at 25-40% of total expenditure, the ratio for the month of May 33%.

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 June 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 May 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 June 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 municipalities 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