



Nama Khoi Municipality

15 January 2021

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 December 2020 (MONTHLY BUDGET STATEMENT) – 2019/2020 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 ended 31 December 2020.

3. QUERIES AND SUGGESTIONS

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

4. REPORT FOR THE PERIOD ENDING 31 December 2020

This report is based upon financial information, as at 31 December 2020 and available at the time of preparation.

The financial results for the period ended 31 December 2020 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) - M06 December							
Description	2019/20	Budget Year 2020/21					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue By Source							
Property rates	51,321,994	43,233,960	23,809	49,972,088	21,616,986	28,355,102	231
Service charges - electricity revenue	84,892,647	100,055,713	7,275,026	44,487,751	50,027,856	(5,540,105)	89
Service charges - water revenue	31,408,078	39,061,978	2,854,541	15,294,289	19,530,984	(4,236,695)	78
Service charges - sanitation revenue	11,530,545	12,711,912	1,031,714	5,951,974	6,355,944	(403,970)	94
Service charges - refuse revenue	13,532,458	15,303,808	1,140,480	6,842,086	7,651,902	(809,816)	89
Rental of facilities and equipment	3,299,984	1,403,880	513,627	1,392,904	701,964	690,940	198
Interest earned - external investments	2,007,585	1,374,605	18,953	689,778	687,306	2,472	100
Interest earned - outstanding debtors	11,853,864	7,735,662	903,362	5,293,681	3,867,834	1,425,847	137
Fines, penalties and forfeits	434,533	223,033	4,813	82,827	111,516	(28,689)	74
Licences and permits	1,125,402	1,525,292	78,291	725,361	762,648	(37,287)	95
Agency services	226,101	1,280,643	-	117,405	640,320	(522,915)	18
Transfers and subsidies	52,662,581	58,663,696	12,310,582	36,391,908	33,317,346	3,074,562	109
Other revenue	1,855,203	2,239,165	136,274	893,230	1,119,588	(226,358)	80
Gains	(2,072,480)	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)	264,078,495	284,813,347	26,291,472	168,135,282	146,392,194	21,743,088	115
Expenditure By Type							
Employee related costs	100,252,370	99,403,274	7,763,127	46,923,960	50,105,514	(3,181,554)	94
Remuneration of councillors	6,210,381	6,954,328	575,592	3,317,679	3,477,174	(159,495)	95
Debt impairment	41,429,662	20,483,238	-	-	10,241,622	(10,241,622)	-
Depreciation & asset impairment	43,162,549	37,802,754	-	-	18,901,374	(18,901,374)	-
Finance charges	14,888,739	312,817	449,274	2,006,925	156,408	1,850,517	1,283
Bulk purchases	124,349,346	108,146,838	5,865,647	54,646,116	54,073,422	572,694	101
Other materials	7,044,109	7,750,104	406,886	1,843,426	4,302,060	(2,458,634)	43
Contracted services	14,781,194	26,647,028	481,103	7,551,714	13,073,592	(5,521,878)	58
Other expenditure	21,069,640	26,521,220	876,540	10,215,571	13,388,766	(3,173,195)	76
Total Expenditure	373,755,309	334,021,601	16,418,169	126,505,391	167,719,932	(41,214,541)	75
Surplus/(Deficit)	(109,676,814)	(49,208,254)	9,873,303	41,629,891	(21,327,738)	62,957,629	

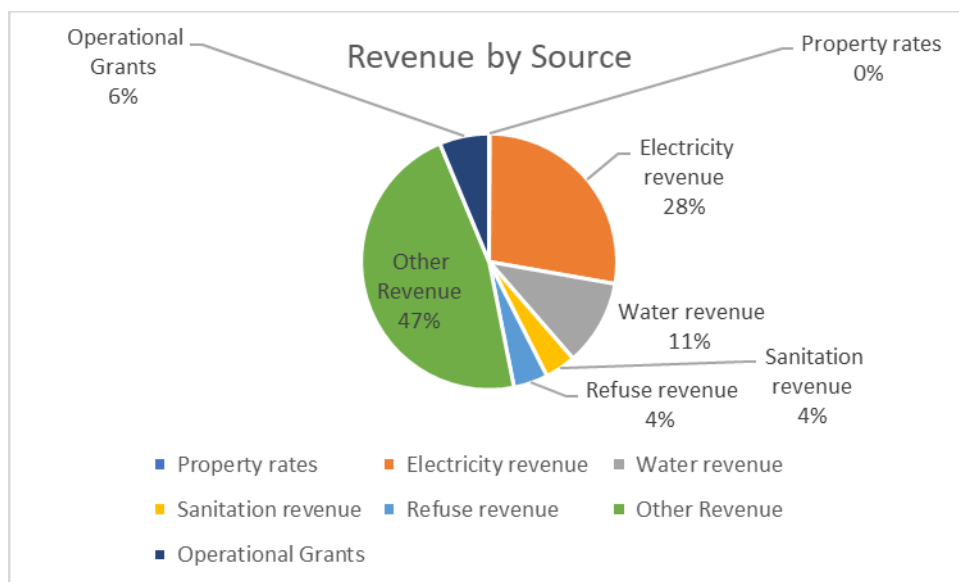
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue By Source							
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Service charges - water revenue	31,408,078	39,061,978	2,854,541	15,294,289	19,530,984	(4,236,695)	78
Service charges - sanitation revenue	11,530,545	12,711,912	1,031,714	5,951,974	6,355,944	(403,970)	94
Service charges - refuse revenue	13,532,458	15,303,808	1,140,480	6,842,086	7,651,902	(809,816)	89
Rental of facilities and equipment	3,299,984	1,403,880	513,627	1,392,904	701,964	690,940	198
Interest earned - external investments	2,007,585	1,374,605	18,953	689,778	687,306	2,472	100
Interest earned - outstanding debtors	11,853,864	7,735,662	903,362	5,293,681	3,867,834	1,425,847	137
Fines, penalties and forfeits	434,533	223,033	4,813	82,827	111,516	(28,689)	74
Licences and permits	1,125,402	1,525,292	78,291	725,361	762,648	(37,287)	95
Agency services	226,101	1,280,643	-	117,405	640,320	(522,915)	18
Transfers and subsidies	52,662,581	58,663,696	12,310,582	36,391,908	33,317,346	3,074,562	109
Other revenue	1,855,203	2,239,165	136,274	893,230	1,119,588	(226,358)	80
Gains	(2,072,480)	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	264,078,495	284,813,347	26,291,472	168,135,282	146,392,194	21,743,088	115

Explanation on YTD variance % - e.g. 151% means that the municipality billed 51% more than what was budget and 90% means the municipality billed 10% less than what was budgeted.

Variances to be discussed in Institutional and Finance Committee

CHART 1

The following chart shows the revenue by source for the month of 31 December 2020 in terms of revenue as a percentage of total revenue.



Expenditure By Type	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	100,252,370	99,403,274	7,763,127	46,923,960	50,105,514	(3,181,554)	94
Remuneration of councillors	6,210,381	6,954,328	575,592	3,317,679	3,477,174	(159,495)	95
Debt impairment	41,429,662	20,483,238	-	-	10,241,622	(10,241,622)	-
Depreciation & asset impairment	43,162,549	37,802,754	-	-	18,901,374	(18,901,374)	-
Finance charges	14,888,739	312,817	449,274	2,006,925	156,408	1,850,517	1,283
Bulk purchases	124,349,346	108,146,838	5,865,647	54,646,116	54,073,422	572,694	101
Other materials	7,044,109	7,750,104	406,886	1,843,426	4,302,060	(2,458,634)	43
Contracted services	14,781,194	26,647,028	481,103	7,551,714	13,073,592	(5,521,878)	58
Other expenditure	21,069,640	26,521,220	876,540	10,215,571	13,388,766	(3,173,195)	76
Total Expenditure	373,755,309	334,021,601	16,418,169	126,505,391	167,719,932	(41,214,541)	75

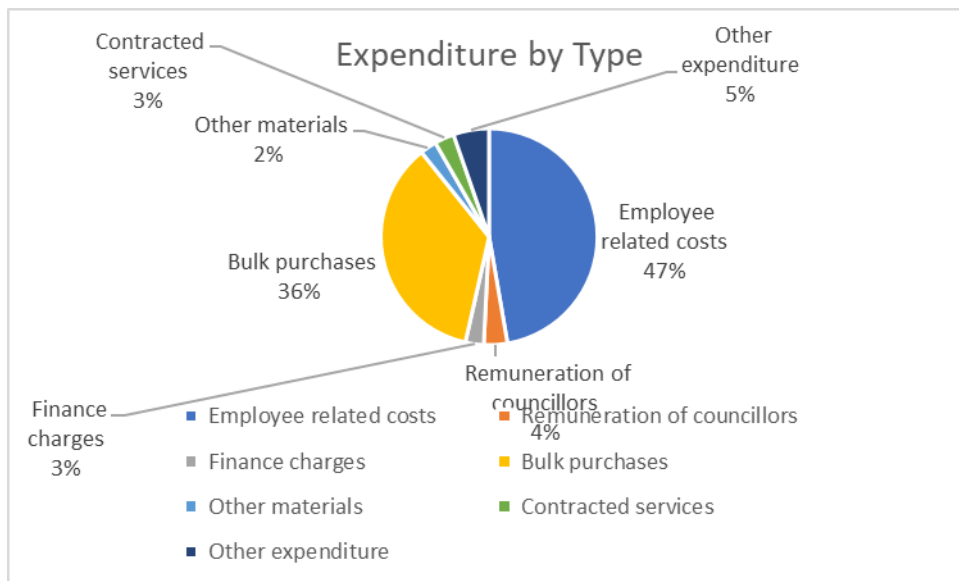
Notes on variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

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

Expenditure by Type



The table below indicates revenue and expenditure by vote

Annexure B – Table C2

NC062 Nama Khoi - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December								
Description	2019/20	Budget Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue - Functional								
Executive and council	1,590,327	1,817,556	1,817,556	259,346	683,648	908,778	(225,130)	75
Finance and administration	116,883,746	106,908,828	114,079,828	13,434,596	92,749,656	57,039,936	35,709,720	163
Community and social services	2,439,959	1,372,945	2,672,945	31,850	647,429	1,336,488	(689,059)	48
Sport and recreation	69,242	7,539,886	6,561,625	2,249	5,980	3,280,806	(3,274,826)	0
Road transport	1,538,972	8,493,011	6,567,385	71,933	686,798	3,283,698	(2,596,900)	21
Energy sources	84,962,968	101,539,214	100,825,599	17,624,121	55,059,555	50,412,798	4,646,757	109
Water management	36,631,629	49,504,127	47,547,254	3,335,970	16,178,475	23,773,620	(7,595,145)	68
Waste water management	20,743,078	35,129,754	33,204,128	1,020,133	10,327,544	16,602,066	(6,274,522)	62
Waste management	13,532,458	15,314,243	15,314,243	1,141,173	6,846,244	7,657,116	(810,872)	89
Other	110,852	45,087	45,087	5,901	20,666	22,542	(1,876)	92
Total Revenue - Functional	278,503,231	327,664,651	328,635,650	36,927,272	183,205,995	164,317,848	18,888,147	111
Expenditure - Functional								
Executive and council	20,183,719	19,937,704	20,114,212	1,731,493	9,759,283	10,057,098	(297,815)	97
Finance and administration	130,551,804	92,901,323	94,003,295	4,192,249	32,703,653	47,001,510	(14,297,857)	70
Internal audit	1,179,430	1,492,849	1,492,849	98,626	602,130	746,424	(144,294)	81
Community and social services	5,348,156	7,803,363	8,254,770	347,580	2,277,189	4,127,406	(1,850,217)	55
Sport and recreation	4,039,534	4,456,504	4,456,504	164,227	1,008,480	2,228,250	(1,219,770)	45
Public safety	2,985,489	5,050,370	5,050,370	186,254	1,228,986	2,525,202	(1,296,216)	49
Planning and development	2,018,020	2,368,471	2,368,471	111,561	659,722	1,184,238	(524,516)	56
Road transport	20,625,171	23,643,649	23,778,602	1,036,427	6,506,355	11,889,378	(5,383,023)	55
Energy sources	100,519,110	104,203,665	104,203,665	6,704,008	52,280,320	52,101,822	178,498	100
Water management	58,845,402	42,663,732	42,217,161	560,010	11,112,997	21,108,582	(9,995,585)	53
Waste water management	15,249,601	17,345,235	17,345,235	703,238	4,666,762	8,672,652	(4,005,890)	54
Waste management	12,207,988	12,154,736	12,154,736	582,496	3,699,514	6,077,370	(2,377,856)	61
Total Expenditure - Functional	373,753,424	334,021,601	335,439,870	16,418,169	126,505,391	167,719,932	(41,214,541)	75
Surplus/ (Deficit) for the year	(95,250,193)	(6,356,950)	(6,804,220)	20,509,103	56,700,604	(3,402,084)	60,102,688	

Reasons for variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

CHART 3

The following chart shows the revenue by vote for 31 December 2020

	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue - Functional								
Executive and council	1,590,327	1,817,556	1,817,556	259,346	683,648	908,778	(225,130)	75
Finance and administration	116,883,746	106,908,828	114,079,828	13,434,596	92,749,656	57,039,936	35,709,720	163
Community and social services	2,439,959	1,372,945	2,672,945	31,850	647,429	1,336,488	(689,059)	48
Sport and recreation	69,242	7,539,886	6,561,625	2,249	5,980	3,280,806	(3,274,826)	0
Road transport	1,538,972	8,493,011	6,567,385	71,933	686,798	3,283,698	(2,596,900)	21
Energy sources	84,962,968	101,539,214	100,825,599	17,624,121	55,059,555	50,412,798	4,646,757	109
Water management	36,631,629	49,504,127	47,547,254	3,335,970	16,178,475	23,773,620	(7,595,145)	68
Waste water management	20,743,078	35,129,754	33,204,128	1,020,133	10,327,544	16,602,066	(6,274,522)	62
Waste management	13,532,458	15,314,243	15,314,243	1,141,173	6,846,244	7,657,116	(810,872)	89
Other	110,852	45,087	45,087	5,901	20,666	22,542	(1,876)	92
Total Revenue - Functional	278,503,231	327,664,651	328,635,650	36,927,272	183,205,995	164,317,848	18,888,147	111

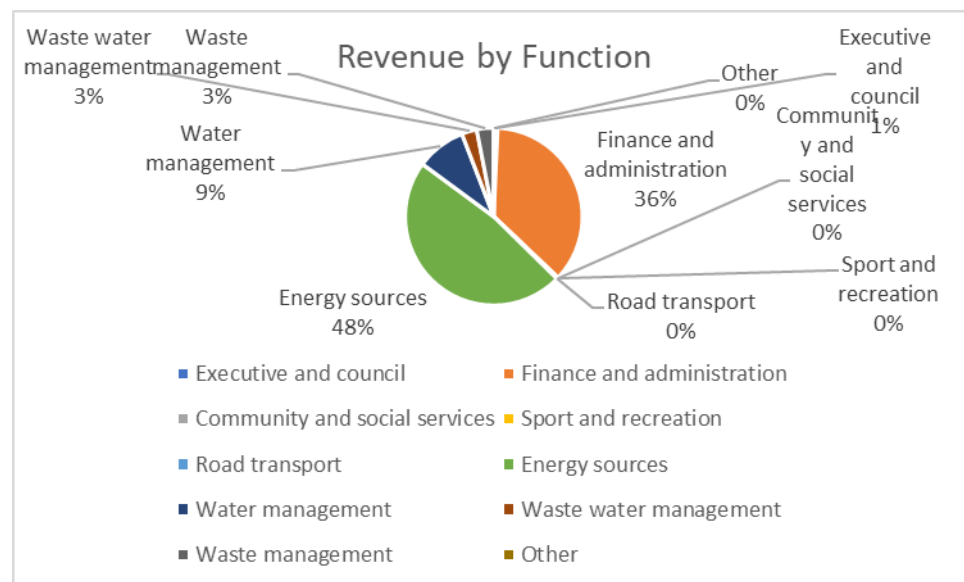
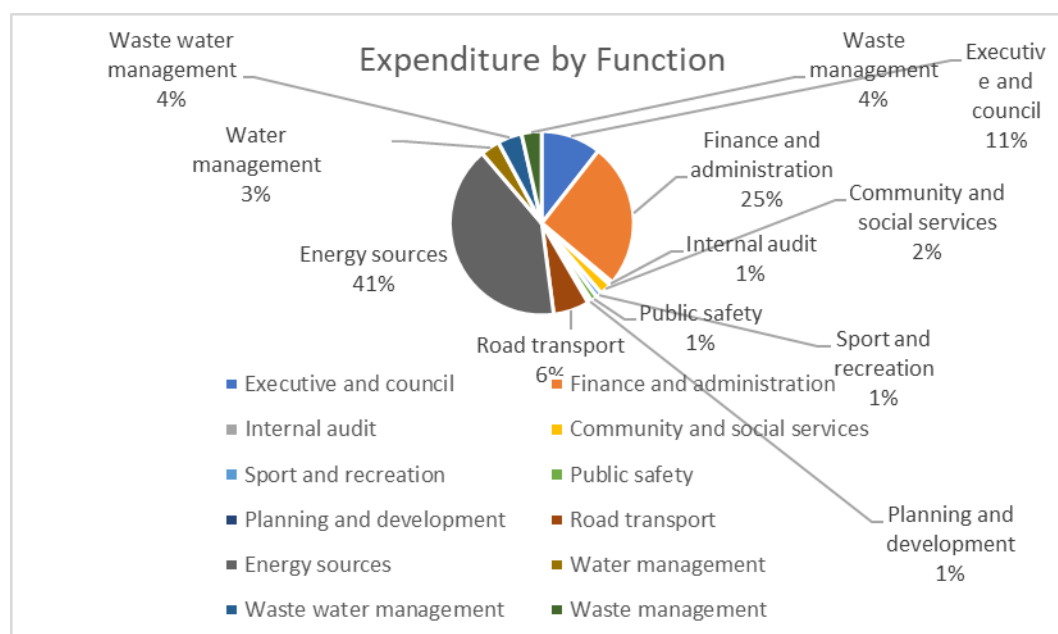


CHART 4

Expenditure - Functional	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Executive and council	20,183,719	19,937,704	20,114,212	1,731,493	9,759,283	10,057,098	(297,815)	97
Finance and administration	130,551,804	92,901,323	94,003,295	4,192,249	32,703,653	47,001,510	(14,297,857)	70
Internal audit	1,179,430	1,492,849	1,492,849	98,626	602,130	746,424	(144,294)	81
Community and social services	5,348,156	7,803,363	8,254,770	347,580	2,277,189	4,127,406	(1,850,217)	55
Sport and recreation	4,039,534	4,456,504	4,456,504	164,227	1,008,480	2,228,250	(1,219,770)	45
Public safety	2,985,489	5,050,370	5,050,370	186,254	1,228,986	2,525,202	(1,296,216)	49
Planning and development	2,018,020	2,368,471	2,368,471	111,561	659,722	1,184,238	(524,516)	56
Road transport	20,625,171	23,643,649	23,778,602	1,036,427	6,506,355	11,889,378	(5,383,023)	55
Energy sources	100,519,110	104,203,665	104,203,665	6,704,008	52,280,320	52,101,822	178,498	100
Water management	58,845,402	42,663,732	42,217,161	560,010	11,112,997	21,108,582	(9,995,585)	53
Waste water management	15,249,601	17,345,235	17,345,235	703,238	4,666,762	8,672,652	(4,005,890)	54
Waste management	12,207,988	12,154,736	12,154,736	582,496	3,699,514	6,077,370	(2,377,856)	61
Total Expenditure - Functional	373,753,424	334,021,601	335,439,870	16,418,169	126,505,391	167,719,932	(41,214,541)	75

The following chart shows the expenditure by vote for 31 December 2020



Reasons for variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

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.

Please note Capital Expenditure subject to correction

NC062 Nama Khoi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2019/20		Budget Year 2020/21						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
12.4 - STORMWATER (867)		-	-	-	-	-	-	-		-
12.2 - 0		-	-	-	-	-	-	-		-
12.6 - 0		-	-	-	-	-	-	-		-
12.3 - 0		-	-	-	-	-	-	-		-
Vote 12 - 0		-	-	-	-	-	-	-		-
	0									
	4,7									
	0									
	2									
12.4 - STORMWATER (867)		-	1,400	1,400	-	-	700	(700)	-100%	1,400
12.2 - 0		(62)	-	-	-	(28)	-	(28)	#DIV/0!	-
12.6 - 0		140	-	-	-	140	-	140	#DIV/0!	-
12.3 - 0		122	7,500	6,522	-	122	3,261	(3,139)	-96%	6,522
Vote 12 - 0		10,482	35,351	29,330	2,047	23,205	14,665	8,541	58%	29,330
	0	10,682	44,251	37,251	2,047	23,440	18,626	4,814	26%	37,251
	0	10,682	44,251	37,251	2,047	23,440	18,626	4,814	26%	37,251
	0									
Governance and administration		2,071	1,400	1,400	-	126,728	700	126,028	18004%	1,400
Executive and council		-	1,400	1,400	-	-	700	(700)	-100%	1,400
Finance and administration		2,071	-	-	-	126,728	-	126,728	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		122	7,500	6,522	-	122	3,261	(3,139)	-96%	6,522
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	7,500	6,522	-	-	3,261	(3,261)	-100%	6,522
Public safety		-	-	-	-	-	-	-		-
Housing		122	-	-	-	122	-	122	#DIV/0!	-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		4,308	5,839	3,913	579	7,775	1,957	5,818	297%	3,913
Planning and development		(62)	-	-	-	(28)	-	(28)	#DIV/0!	-
Road transport		4,370	5,839	3,913	579	7,802	1,957	5,846	299%	3,913
Environmental protection		-	-	-	-	-	-	-		-
Trading services		6,049	29,513	25,417	1,468	15,341	12,708	2,633	21%	25,417
Energy sources		5,365	714	-	-	5,365	-	5,365	#DIV/0!	-
Water management		7,146	6,260	4,803	-	7,652	2,402	5,250	219%	4,803
Waste water management		(6,461)	22,539	20,613	1,468	2,325	10,307	(7,981)	-77%	20,613
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	12,551	44,251	37,251	2,047	149,966	18,626	131,341	705%	37,251
Funded by:										
National Government		10,386	42,851	35,851	2,047	23,265	17,926	5,340	30%	35,851
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		10,386	42,851	35,851	2,047	23,265	17,926	5,340	30%	35,851
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		156	1,400	1,400	-	34	700	(666)	-95%	1,400
Total Capital Funding		10,541	44,251	37,251	2,047	23,300	18,626	4,674	25%	37,251

Variances to be discussed in Institutional and Finance Committee

Please note R127million expenditure in the Finance and administration relates to an error which will be communicated to the Service Provider for correction and further explanation .

CASH FLOW STATEMENT AT 31 December 2020

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	40,460	40,460	3,354	24,392	20,230	4,162	21%	-
Service charges		-	157,664	157,664	10,400	70,797	78,832	(8,036)	-10%	-
Other revenue		-	5,268	5,268	6,747	32,104	2,634	29,470	1119%	-
Transfers and Subsidies - Operational		-	58,664	66,635	10,708	40,037	33,317	6,719	20%	-
Transfers and Subsidies - Capital		-	42,851	35,851	12,700	28,884	17,926	10,958	61%	-
Interest		-	1,375	1,375	-	1,758	687	1,071	156%	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		-	(268,740)	(276,711)	(26,789)	(177,803)	(138,355)	39,447	-29%	-
Finance charges		-	(313)	(313)	-	-	(156)	(156)	100%	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	37,229	30,229	17,120	20,168	15,114	(5,054)	-33%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		-	(44,251)	(37,251)	(3,698)	(15,125)	(18,626)	(3,500)	19%	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(44,251)	(37,251)	(3,698)	(15,125)	(18,626)	(3,500)	19%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	63	63	-	-	31	(31)	-100%	-
Payments										
Repayment of borrowing		-	389	389	-	-	194	194	100%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	451	451	-	-	226	226	100%	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	(6,571)	(6,571)	13,422	5,043	(3,286)			-
Cash/cash equivalents at beginning:		-	6,870	6,870		14,586	6,870			14,586
Cash/cash equivalents at month/year end:		-	298	298		19,629	3,584			14,586

Please errors occurred in the drafting of the Cash Flow Statement, this error will be submitted to the Service Provider, please note all payments made does go through all the necessary requirement as per the MFMA

Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury. The following report shows the debtors outstanding at 30 September 2020

Please note debtor figures are subject to correction

Debtors Age Analysis December 2020						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+Days	Total
Debtors Age Analysis By Income Source						
Water	3,170,590.00	1,689,193.00	1,332,304.00	921,041.00	52,947,852.00	60,060,980.00
Electricity	4,576,794.00	2,005,794.00	1,437,147.00	1,217,381.00	57,309,688.00	66,546,804.00
Property Rates	3,544,080.00	1,450,843.00	1,045,832.00	3,013,230.00	44,252,456.00	53,306,441.00
Waste Water Management	982,566.00	498,294.00	397,362.00	338,979.00	14,520,196.00	16,737,397.00
Waste Management	1,346,534.00	756,281.00	621,691.00	553,988.00	30,992,992.00	34,271,486.00
Receivables from Exchange Transactions - Property Rental Debtors	360,361.00	241,531.00	238,655.00	203,551.00	11,152,335.00	12,196,433.00
Other	-	-	-	-	-	-
Total By Income Source	13,980,925.00	6,641,936.00	5,072,991.00	6,248,170.00	211,175,519.00	243,119,541.00
Debtors Age Analysis By Customer Group						
Organs of State	876,075.00	769,639.00	541,042.00	2,146,563.00	2,965,189.00	7,298,508.00
Commercial	6,043,967.00	2,350,753.00	1,692,868.00	1,642,193.00	70,286,672.00	82,016,453.00
Households	7,060,883.00	3,521,544.00	2,839,081.00	2,459,414.00	137,923,658.00	153,804,580.00
Total By Customer Group	13,980,925.00	6,641,936.00	5,072,991.00	6,248,170.00	211,175,519.00	243,119,541.00

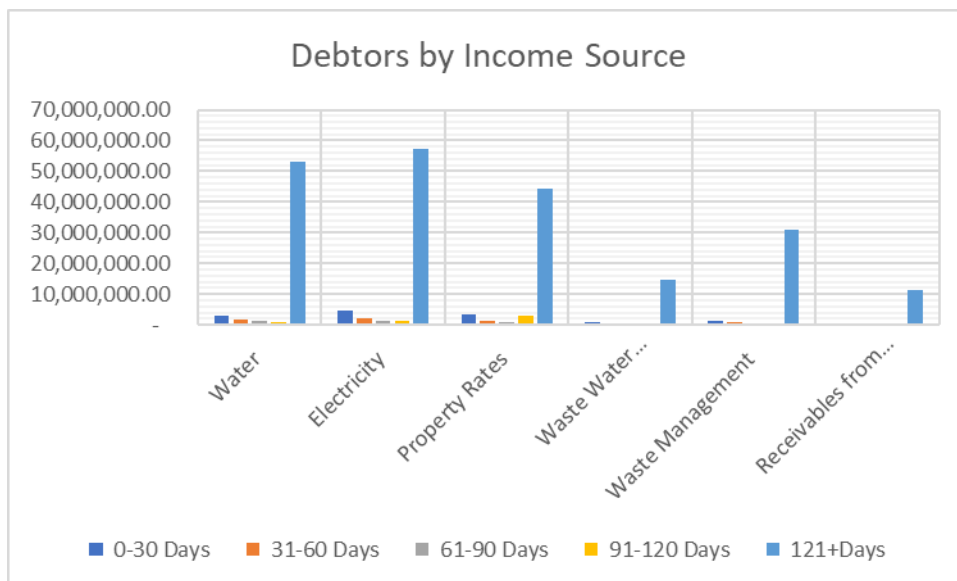
Debtors outstanding for a period more than 121 days amounts to R211 175 519

It must be noted the Municipal Council has amended its policies in an attempt to be more accommodating to consumers, if one takes a look at the rate debtors are increasing it is clear that there is a constant increase in both commercial and households on a monthly basis. The municipality in the past financial year has undergone various agreements with households and has implemented the credit control policy.

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	3,170,590.00	1,689,193.00	1,332,304.00	921,041.00	52,947,852.00	60,060,980.00
Electricity	4,576,794.00	2,005,794.00	1,437,147.00	1,217,381.00	57,309,688.00	66,546,804.00
Property Rates	3,544,080.00	1,450,843.00	1,045,832.00	3,013,230.00	44,252,456.00	53,306,441.00
Waste Water Management	982,566.00	498,294.00	397,362.00	338,979.00	14,520,196.00	16,737,397.00
Waste Management	1,346,534.00	756,281.00	621,691.00	553,988.00	30,992,992.00	34,271,486.00
Receivables from Exchange Transactions - Property Rental Debtors	360,361.00	241,531.00	238,655.00	203,551.00	11,152,335.00	12,196,433.00
Total By Income Source	13,980,925.00	6,641,936.00	5,072,991.00	6,248,170.00	211,175,519.00	243,119,541.00

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

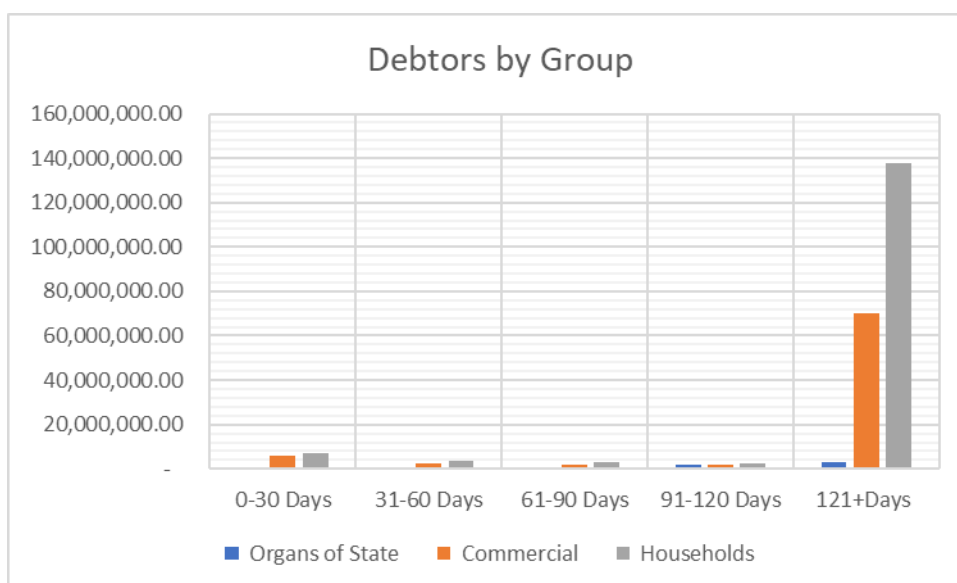


Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+Days	Total
Organs of State	876,075.00	769,639.00	541,042.00	2,146,563.00	2,965,189.00	7,298,508.00
Commercial	6,043,967.00	2,350,753.00	1,692,868.00	1,642,193.00	70,286,672.00	82,016,453.00
Households	7,060,883.00	3,521,544.00	2,839,081.00	2,459,414.00	137,923,658.00	153,804,580.00
Total By Customer Group	13,980,925.00	6,641,936.00	5,072,991.00	6,248,170.00	211,175,519.00	243,119,541.00

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 December 2020

NC062 Nama Khoi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December						
Description	Budget Year 2020/21					
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total
Creditors Age Analysis By Customer Type						
Bulk Electricity	6,841,103	565,521	1,138,967	10,163,326	132,756,689	151,465,606
Bulk Water	-	(1,400,000)	(4,000,000)	-	188,088,598	182,688,598
Trade Creditors	(72,532)	(1,954,285)	1,352,826	263,644	553,981	143,634
Auditor General	-	349,442	330,233	-	-	679,675
Other	(1,732,990)	1,015,696	(656,486)	(425,846)	1,170,707	(628,919)
Total By Customer Type	5,035,581	(1,423,626)	(1,834,460)	10,001,124	322,569,975	334,348,594

Creditors Analysis

Please note that the municipality are currently in litigation cases with ESKOM, the municipality has also approached the Office of the Premier for assistance on the Sedibeng Water outstanding balance and other relating matters. Once formal acknowledgements of agreements are received it will be added to the Section 71.

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December							
Summary of Employee and Councillor remuneration	2019/20	Budget Year 2020/21					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages	3,898,257	4,077,073	387,199	2,203,615	2,038,542	165,073	108
Pension and UIF Contributions	447,565	533,988	22,054	132,324	266,994	(134,670)	50
Medical Aid Contributions	45,823	52,598	3,317	19,902	26,298	(6,396)	76
Cellphone Allowance	697,104	804,309	58,100	352,624	402,156	(49,532)	88
Other benefits and allowances	1,121,632	1,486,360	104,922	609,214	743,184	(133,970)	82
Sub Total - Councillors	6,210,381	6,954,328	575,592	3,317,679	3,477,174	(159,495)	95
Senior Managers of the Municipality							
Basic Salaries and Wages	3,270,247	3,814,866	335,711	1,741,496	1,907,436	(165,940)	91
Pension and UIF Contributions	341,098	370,706	30,313	181,434	185,370	(3,936)	98
Medical Aid Contributions	143,958	154,086	13,505	78,945	77,046	1,899	102
Performance Bonus	154,610	191,515	-	94,939	95,760	(821)	99
Motor Vehicle Allowance	470,528	487,444	69,802	359,880	243,726	116,154	148
Cellphone Allowance	38,553	41,899	3,320	19,920	20,952	(1,032)	95
Housing Allowances	21,786	23,678	6,969	26,697	11,844	14,853	225
Other benefits and allowances	35,840	38,948	1,127	6,668	19,470	(12,802)	34
Long service awards	-	57,645	-	-	28,818	(28,818)	-
Sub Total - Senior Managers of Municipality	4,476,620	5,180,787	460,747	2,509,979	2,590,422	(80,443)	97
Other Municipal Staff							
Basic Salaries and Wages	57,868,335	63,749,038	4,918,940	29,144,305	32,278,332	(3,134,027)	90
Pension and UIF Contributions	8,789,647	9,660,332	754,965	4,607,016	4,830,168	(223,152)	95
Medical Aid Contributions	2,362,629	2,930,791	248,207	1,515,692	1,465,392	50,300	103
Overtime	7,334,325	5,933,784	505,708	3,188,792	2,966,904	221,888	107
Performance Bonus	4,462,855	5,023,080	283,072	2,468,502	2,511,546	(43,044)	98
Cellphone Allowance	206,900	226,299	17,940	108,576	113,148	(4,572)	96
Housing Allowances	4,043,509	4,540,375	343,390	2,071,633	2,270,190	(198,557)	91
Other benefits and allowances	1,257,915	996,101	72,740	446,057	498,060	(52,003)	90
Payments in lieu of leave	2,294,627	816,884	140,302	780,592	408,450	372,142	191
Long service awards	549,182	345,803	17,116	82,816	172,902	(90,086)	48
Post-retirement benefit obligations	6,605,826	-	-	-	-	-	-
Sub Total - Other Municipal Staff	95,775,750	94,222,487	7,302,380	44,413,981	47,515,092	(3,101,111)	93
Total Parent Municipality	106,462,751	106,357,602	8,338,719	50,241,639	53,582,688	(3,341,049)	94
Total Employee Cost	100,252,370	99,403,274	7,763,127	46,923,960	50,105,514		
Total Expenditure	373,755,309	334,021,601	16,418,169	126,505,391	167,719,932		
Total Revenue	264,078,495	284,813,347	26,291,472	168,135,282	146,392,194		
%Employee Cost to Total Expenditure	28	32	47	28	34		
%Employee Cost to Revenue	38	35	30	28	34		

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 December 47% and against Total Revenue it illustrates 30%

5. Financial Implications /Recommendations

Revenue by Type:

Nama Khoi Municipality's budget is in a deficit, this is primarily because service departments are not sustainable, to increase tariffs is not a favourable solution as it only adds to the outstanding debt as the Nama Khoi area are plague by unemployment. The municipality must explore system driven solution such as 100% alignment between services billed and services use. Water and electricity services have losses each year and the core reasons must be identified. The sewerage tanks cost must be way-in versus the long-term solution of a sewage line. Cost of secondary services such as Libraries, Sports & Community Halls must be submitted to the relevant departments for assistances.

Expenditure by type:

Cost containment regulations should be adhered to. Expenditures relating to repairs & maintenance must be carefully monitored. Better understanding of departmental budgets is vital as well as departmental meetings. Payment structures of the municipality must change, payments must be structured to be made on certain days and specific days of the month. Monthly monitoring of activities outlined in the Reviewed Financial Recovery Plan. Adhering to SCM regulations.

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. Revenue/Cash recovery must be structured in a manner that the old outstanding funds received will be used to either settle outstanding creditors or to fund projects that can enhance revenue recovery.

Debtors Analysis

100% billing of correct accounts for all debtors in the Nama Khoi area should be prioritised. Constant debt collecting and implementation of the credit control should be communicated to the community. Interdepartmental communication needs to be improved. Constant notifications to the community must improve. Community members should be invited to resolve old outstanding issues.

Creditors Analysis

The municipality must adhere to pay monthly creditors on time, old outstanding debt must be prioritised and link to the Reviewed Financial Recovery Plan. Intervention is needed with regards to outstanding debt of bulk services. Municipality should strive to receive accounts that the can be service on a monthly basis and therefore communication between all relevant parties is vital.

General Note

Please note that the municipality's financial system and ICT software was hit by a virus on the 9th of December 2020, several activities were brought to an immediate stop, thus far only a few modules has been activated to ensure service delivery activities can continue. A detailed report will be submitted in due course, summarised report is available.

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

Chief Financial Officer

heinri.cloete@namakhoi.gov.za

NAMAKHOIMUNICIPALITY QUALITY CERTIFICATE

I,SAMANTHA A. TATAS-TITUS....., the Municipal Manager of NamaKhoiMunicipality, hereby certify that –

- The monthly report on the implementation of the budget and financial state affairs of the municipality for the month ending 31 December 2020 has been prepared in accordance with the Municipal Finance Management Act 71 and regulations made under that Act.

Print name: SAMANTHA TATAS

Municipal Manager of NamaKhoiMunicipality

Signature:.....



Date:**15 January 2021**.....

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 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