



Nama Khoi Municipality

13 November 2020

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 October 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 October 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 October 2020

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

The financial results for the period ended 31 October 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) - M04 October							
Description	Budget Year 2020/21						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source							
Property rates	43,233,960	43,233,960	20,315	51,010,543	14,411,324	36,599,219	354
Service charges - electricity revenue	100,055,713	100,055,713	7,108,442	30,115,665	33,351,904	(3,236,239)	90
Service charges - water revenue	39,061,978	39,061,978	2,956,568	9,853,375	13,020,656	(3,167,281)	76
Service charges - sanitation revenue	12,711,912	12,711,912	1,011,687	3,936,409	4,237,296	(300,887)	93
Service charges - refuse revenue	15,303,808	15,303,808	1,133,399	4,562,982	5,101,268	(538,286)	89
Rental of facilities and equipment	1,403,880	1,403,880	197,808	705,319	467,976	237,343	151
Interest earned - external investments	1,374,605	1,374,605	132,395	545,162	458,204	86,958	119
Interest earned - outstanding debtors	7,735,662	7,735,662	901,664	3,514,241	2,578,556	935,685	136
Fines, penalties and forfeits	223,033	223,033	38,270	45,197	74,344	(29,147)	61
Licences and permits	1,525,292	1,525,292	119,027	527,562	508,432	19,130	104
Agency services	1,280,643	1,280,643	-	63,061	426,880	(363,819)	15
Transfers and subsidies	58,663,696	66,634,696	-	24,081,326	22,211,564	1,869,762	108
Other revenue	2,239,165	2,239,165	177,153	625,243	746,392	(121,149)	84
Total Revenue (excluding capital transfers and contributions)	284,813,347	292,784,347	13,796,728	129,586,085	97,594,796	31,991,289	133
Expenditure By Type							
Employee related costs	99,403,274	100,210,891	7,584,083	31,081,972	33,403,676	(2,321,704)	93
Remuneration of councillors	6,954,328	6,954,328	546,592	2,194,995	2,318,116	(123,121)	95
Debt impairment	20,483,238	20,483,238	-	-	6,827,748	(6,827,748)	-
Depreciation & asset impairment	37,802,754	37,802,754	-	-	12,600,916	(12,600,916)	-
Finance charges	312,817	312,817	391,321	1,222,116	104,272	1,117,844	1,172
Bulk purchases	108,146,838	108,146,838	9,606,077	42,919,368	36,048,948	6,870,420	119
Other materials	7,750,104	8,604,479	431,461	1,224,532	2,868,040	(1,643,508)	43
Contracted services	26,647,028	26,147,028	1,801,803	4,859,189	8,715,728	(3,856,539)	56
Other expenditure	26,521,220	26,777,497	1,895,579	6,628,471	8,925,844	(2,297,373)	74
Total Expenditure	334,021,601	335,439,870	22,256,916	90,130,643	111,813,288	(21,682,645)	81
Surplus/(Deficit)	(49,208,254)	(42,655,523)	(8,460,188)	39,455,442	(14,218,492)	53,673,934	
Transfers and subsidies - capital (monetary allocations) (National Government)	42,851,304	35,851,303	-	4,434,913	11,950,436	(7,515,523)	

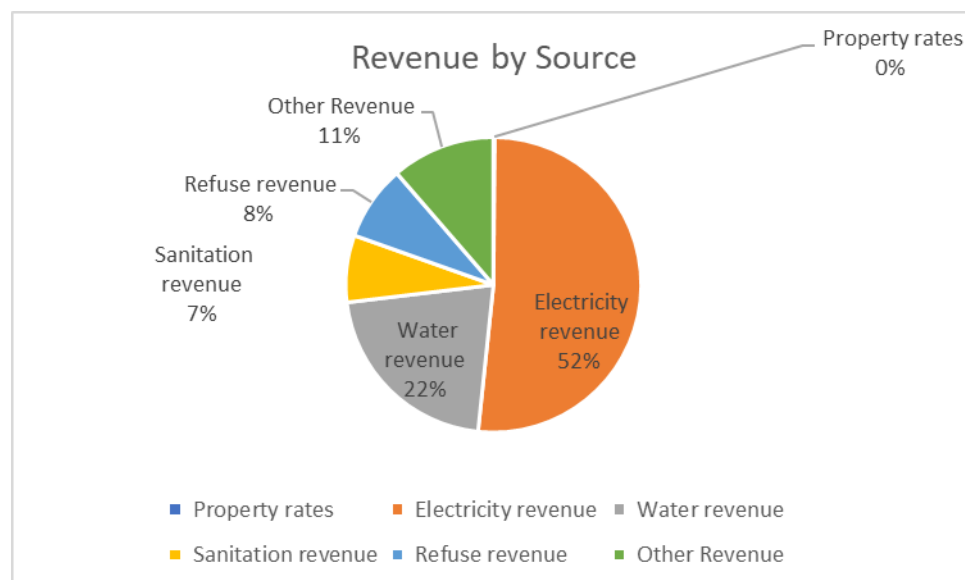
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue By Source							
Property rates	43,233,960	43,233,960	20,315	51,010,543	14,411,324	36,599,219	354
Service charges - electricity revenue	100,055,713	100,055,713	7,108,442	30,115,665	33,351,904	(3,236,239)	90
Service charges - water revenue	39,061,978	39,061,978	2,956,568	9,853,375	13,020,656	(3,167,281)	76
Service charges - sanitation revenue	12,711,912	12,711,912	1,011,687	3,936,409	4,237,296	(300,887)	93
Service charges - refuse revenue	15,303,808	15,303,808	1,133,399	4,562,982	5,101,268	(538,286)	89
Rental of facilities and equipment	1,403,880	1,403,880	197,808	705,319	467,976	237,343	151
Interest earned - external investments	1,374,605	1,374,605	132,395	545,162	458,204	86,958	119
Interest earned - outstanding debtors	7,735,662	7,735,662	901,664	3,514,241	2,578,556	935,685	136
Fines, penalties and forfeits	223,033	223,033	38,270	45,197	74,344	(29,147)	61
Licences and permits	1,525,292	1,525,292	119,027	527,562	508,432	19,130	104
Agency services	1,280,643	1,280,643	-	63,061	426,880	(363,819)	15
Transfers and subsidies	58,663,696	66,634,696	-	24,081,326	22,211,564	1,869,762	108
Other revenue	2,239,165	2,239,165	177,153	625,243	746,392	(121,149)	84
Total Revenue (excluding capital transfers and contributions)	284,813,347	292,784,347	13,796,728	129,586,085	97,594,796	31,991,289	133

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 October 2020 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	99,403,274	100,210,891	7,584,083	31,081,972	33,403,676	(2,321,704)	93
Remuneration of councillors	6,954,328	6,954,328	546,592	2,194,995	2,318,116	(123,121)	95
Debt impairment	20,483,238	20,483,238	-	-	6,827,748	(6,827,748)	-
Depreciation & asset impairment	37,802,754	37,802,754	-	-	12,600,916	(12,600,916)	-
Finance charges	312,817	312,817	391,321	1,222,116	104,272	1,117,844	1,172
Bulk purchases	108,146,838	108,146,838	9,606,077	42,919,368	36,048,948	6,870,420	119
Other materials	7,750,104	8,604,479	431,461	1,224,532	2,868,040	(1,643,508)	43
Contracted services	26,647,028	26,147,028	1,801,803	4,859,189	8,715,728	(3,856,539)	56
Other expenditure	26,521,220	26,777,497	1,895,579	6,628,471	8,925,844	(2,297,373)	74
Total Expenditure	334,021,601	335,439,870	22,256,916	90,130,643	111,813,288	(21,682,645)	81

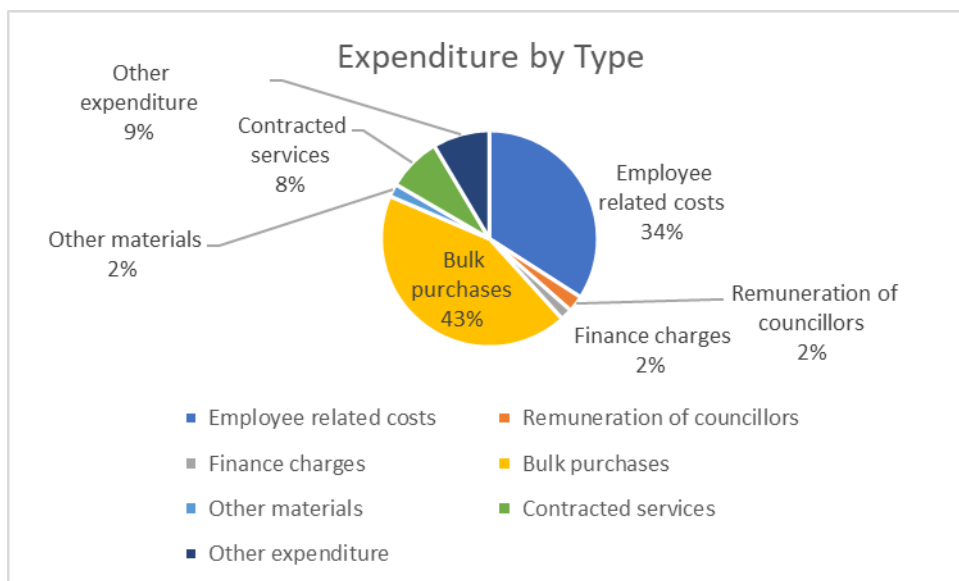
Notes on variances above/under 10%

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) - M04 October							
Description	Budget Year 2020/21						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue - Functional							
Executive and council	1,817,556	1,817,556	70,980	398,867	605,852	(206,985)	66
Finance and administration	106,908,828	114,079,828	1,147,404	79,293,252	38,026,624	41,266,628	209
Community and social services	1,372,945	2,672,945	95,018	528,010	890,992	(362,982)	59
Sport and recreation	7,539,886	6,561,625	3,409	3,423	2,187,204	(2,183,781)	0
Road transport	8,493,011	6,567,385	112,068	446,239	2,189,132	(1,742,893)	20
Energy sources	101,539,214	100,825,599	7,177,762	30,283,087	33,608,532	(3,325,445)	90
Water management	49,504,127	47,547,254	3,046,117	10,156,867	15,849,080	(5,692,213)	64
Waste water management	35,129,754	33,204,128	1,002,519	8,336,925	11,068,044	(2,731,119)	75
Waste management	15,314,243	15,314,243	1,134,092	4,565,754	5,104,744	(538,990)	89
Other	45,087	45,087	7,359	8,574	15,028	(6,454)	57
Total Revenue - Functional	327,664,651	328,635,650	13,796,728	134,020,998	109,545,232	24,475,766	122
Expenditure - Functional							
Executive and council	19,937,704	20,114,212	1,659,984	6,299,531	6,704,732	(405,201)	94
Finance and administration	92,901,323	94,003,295	6,245,548	21,689,305	31,334,340	(9,645,035)	69
Internal audit	1,492,849	1,492,849	99,250	404,878	497,616	(92,738)	81
Community and social services	7,803,363	8,254,770	425,079	1,545,304	2,751,604	(1,206,300)	56
Sport and recreation	4,456,504	4,456,504	159,338	686,944	1,485,500	(798,556)	46
Public safety	5,050,370	5,050,370	203,351	817,507	1,683,468	(865,961)	49
Planning and development	2,368,471	2,368,471	109,400	434,520	789,492	(354,972)	55
Road transport	23,643,649	23,778,602	1,042,356	4,303,462	7,926,252	(3,622,790)	54
Energy sources	104,203,665	104,203,665	6,826,084	38,523,923	34,734,548	3,789,375	111
Water management	42,663,732	42,217,161	4,171,840	9,948,723	14,072,388	(4,123,665)	71
Waste water management	17,345,235	17,345,235	706,982	2,936,745	5,781,768	(2,845,023)	51
Waste management	12,154,736	12,154,736	607,704	2,539,801	4,051,580	(1,511,779)	63
Total Expenditure - Functional	334,021,601	335,439,870	22,256,916	90,130,643	111,813,288	(21,682,645)	81
Surplus/ (Deficit) for the year	(6,356,950)	(6,804,220)	(8,460,188)	43,890,355	(2,268,056)	46,158,411	

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 October 2020

	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue - Functional							
Executive and council	1,817,556	1,817,556	70,980	398,867	605,852	(206,985)	66
Finance and administration	106,908,828	114,079,828	1,147,404	79,293,252	38,026,624	41,266,628	209
Community and social services	1,372,945	2,672,945	95,018	528,010	890,992	(362,982)	59
Sport and recreation	7,539,886	6,561,625	3,409	3,423	2,187,204	(2,183,781)	0
Road transport	8,493,011	6,567,385	112,068	446,239	2,189,132	(1,742,893)	20
Energy sources	101,539,214	100,825,599	7,177,762	30,283,087	33,608,532	(3,325,445)	90
Water management	49,504,127	47,547,254	3,046,117	10,156,867	15,849,080	(5,692,213)	64
Waste water management	35,129,754	33,204,128	1,002,519	8,336,925	11,068,044	(2,731,119)	75
Waste management	15,314,243	15,314,243	1,134,092	4,565,754	5,104,744	(538,990)	89
Other	45,087	45,087	7,359	8,574	15,028	(6,454)	57
Total Revenue - Functional	327,664,651	328,635,650	13,796,728	134,020,998	109,545,232	24,475,766	122

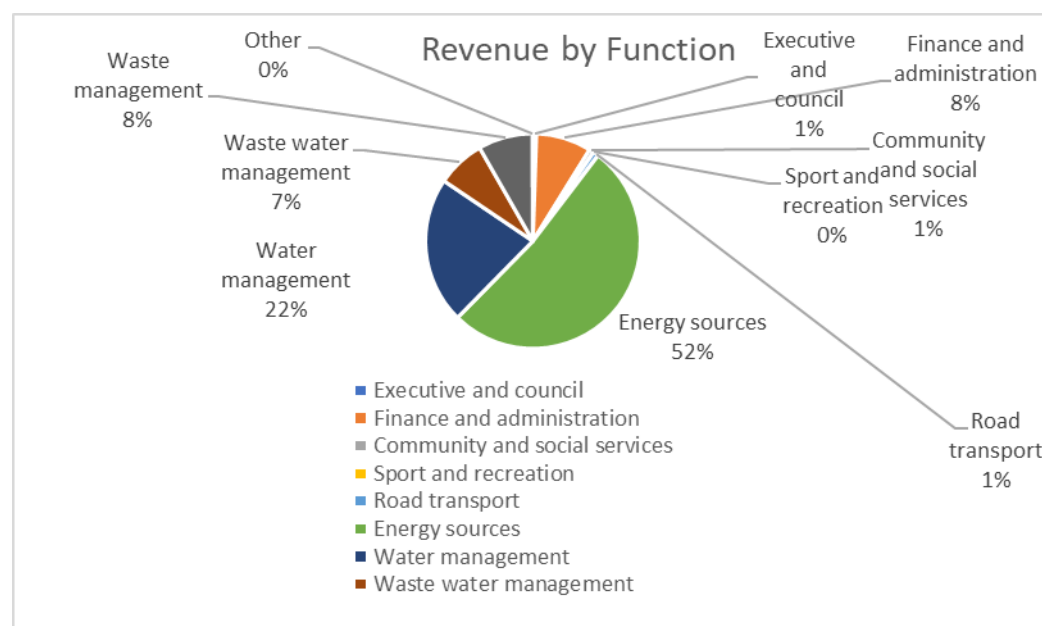
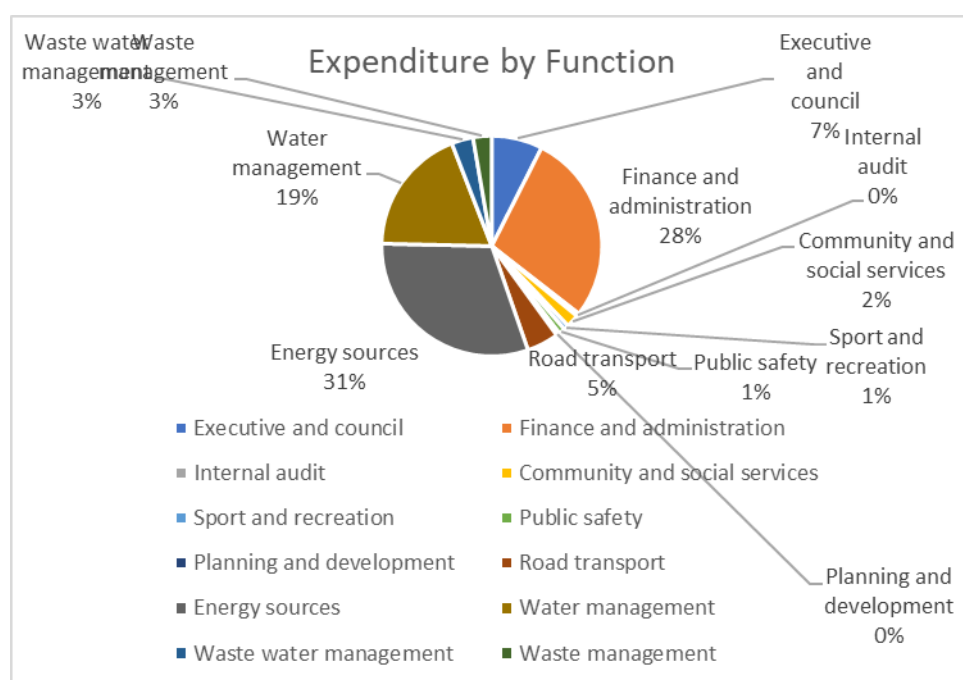


CHART 4

Expenditure - Functional	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Executive and council	19,937,704	20,114,212	1,659,984	6,299,531	6,704,732	(405,201)	94
Finance and administration	92,901,323	94,003,295	6,245,548	21,689,305	31,334,340	(9,645,035)	69
Internal audit	1,492,849	1,492,849	99,250	404,878	497,616	(92,738)	81
Community and social services	7,803,363	8,254,770	425,079	1,545,304	2,751,604	(1,206,300)	56
Sport and recreation	4,456,504	4,456,504	159,338	686,944	1,485,500	(798,556)	46
Public safety	5,050,370	5,050,370	203,351	817,507	1,683,468	(865,961)	49
Planning and development	2,368,471	2,368,471	109,400	434,520	789,492	(354,972)	55
Road transport	23,643,649	23,778,602	1,042,356	4,303,462	7,926,252	(3,622,790)	54
Energy sources	104,203,665	104,203,665	6,826,084	38,523,923	34,734,548	3,789,375	111
Water management	42,663,732	42,217,161	4,171,840	9,948,723	14,072,388	(4,123,665)	71
Waste water management	17,345,235	17,345,235	706,982	2,936,745	5,781,768	(2,845,023)	51
Waste management	12,154,736	12,154,736	607,704	2,539,801	4,051,580	(1,511,779)	63
Total Expenditure - Functional	334,021,601	335,439,870	22,256,916	90,130,643	111,813,288	(21,682,645)	81

The following chart shows the expenditure by vote for 31 October 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) - M04 October

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									
11.2 - LIBRARIES AND INFORMATION SERV (823)		-	-	-	-	-	-	-		-
12.2 - MECHANICAL ENG SERV: WORKSHOPS (865)		-	-	-	-	-	-	-		-
12.6 - 0		-	-	-	-	-	-	-		-
12.3 - 0		-	-	-	-	-	-	-		-
Vote 12 - 0		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
11.2 - LIBRARIES AND INFORMATION SERV (823)		-	1,400	1,400	-	-	467	(467)	-100%	1,400
12.2 - MECHANICAL ENG SERV: WORKSHOPS (865)		(62)	-	-	11	(40)	-	(40)	#DIV/0!	-
12.6 - 0		140	-	-	-	140	-	140	#DIV/0!	-
12.3 - 0		122	7,500	6,522	-	122	2,174	(2,052)	-94%	6,522
Vote 12 - 0		10,482	35,351	29,330	2,646	17,108	9,777	7,331	75%	29,330
Total Capital single-year expenditure	4	10,682	44,251	37,251	2,657	17,330	12,417	4,913	40%	37,251
Total Capital Expenditure		10,682	44,251	37,251	2,657	17,330	12,417	4,913	40%	37,251
Capital Expenditure - Functional Classification										
Governance and administration		2,071	1,400	1,400	-	127,113	467	126,646	27138%	1,400
Executive and council		-	1,400	1,400	-	-	467	(467)	-100%	1,400
Finance and administration		2,071	-	-	-	127,113	-	127,113	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		122	7,500	6,522	-	122	2,174	(2,052)	-94%	6,522
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	7,500	6,522	-	-	2,174	(2,174)	-100%	6,522
Public safety		-	-	-	-	-	-	-		-
Housing		122	-	-	-	122	-	122	#DIV/0!	-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		4,308	5,839	3,913	494	6,167	1,304	4,863	373%	3,913
Planning and development		(62)	-	-	11	(40)	-	(40)	#DIV/0!	-
Road transport		4,370	5,839	3,913	483	6,207	1,304	4,903	376%	3,913
Environmental protection		-	-	-	-	-	-	-		-
Trading services		6,049	29,513	25,417	2,163	10,839	8,472	2,367	28%	25,417
Energy sources		5,365	714	-	-	5,365	-	5,365	#DIV/0!	-
Water management		7,146	6,260	4,803	36	7,282	1,601	5,681	355%	4,803
Waste water management		(6,461)	22,539	20,613	2,128	(1,808)	6,871	(8,679)	-126%	20,613
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	12,551	44,251	37,251	2,657	144,241	12,417	131,824	1062%	37,251
Funded by:										
National Government		10,386	42,851	35,851	2,646	17,168	11,950	5,217	44%	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	2,646	17,168	11,950	5,217	44%	35,851
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		156	1,400	1,400	11	22	467	(444)	-95%	1,400
Total Capital Funding		10,541	44,251	37,251	2,657	17,190	12,417	4,773	38%	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 October 2020

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M04 October

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	-	-	13,487	(13,487)	-100%	-
Service charges		-	157,664	157,664	-	-	50,418	(50,418)	-100%	-
Other revenue		-	5,268	5,268	-	-	2,180	(2,180)	-100%	-
Transfers and Subsidies - Operational		-	58,664	66,635	-	-	22,212	(22,212)	-100%	-
Transfers and Subsidies - Capital		-	42,851	35,851	-	-	11,950	(11,950)	-100%	-
Interest		-	1,375	1,375	-	-	2,172	(2,172)	-100%	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		-	(268,740)	(276,711)	-	-	(92,237)	(92,237)	100%	-
Finance charges		-	(313)	(313)	-	-	(104)	(104)	100%	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	37,229	30,229	-	-	10,076	10,076	100%	-
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)	-	-	(12,417)	(12,417)	100%	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(44,251)	(37,251)	-	-	(12,417)	(12,417)	100%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	63	63	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	389	389	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	451	451	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	(6,571)	(6,571)	-	-	(2,341)			-
Cash/cash equivalents at beginning:		-	6,870	6,870		14,586	6,870			14,586
Cash/cash equivalents at month/year end:		-	298	298		14,586	4,529			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 31 October 2020						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	2,951,984	1,209,878	985,200	953,608	51,813,958	57,914,628
Electricity	4,664,892	1,983,595	1,228,683	1,108,092	55,647,671	64,632,933
Property Rates	3,225,967	3,357,479	970,380	1,162,332	42,973,236	51,689,394
Waste Water Management	941,738	461,139	357,459	323,614	14,136,196	16,220,146
Waste Management	1,315,525	717,971	583,731	539,347	30,138,620	33,295,194
Property Rental Debtors	344,831	236,243	212,948	208,798	10,548,960	11,551,780
Total By Income Source	13,444,937	7,966,305	4,338,401	4,295,791	205,258,641	235,304,075
Debtors Age Analysis By Customer Group						
Organs of State	1,023,099	2,245,668	283,315	184,550	3,083,238	6,819,870
Commercial	5,602,991	2,521,086	1,531,750	1,711,482	67,689,919	79,057,228
Households	6,818,847	3,199,551	2,523,336	2,399,759	134,485,484	149,426,977
Total By Customer Group	13,444,937	7,966,305	4,338,401	4,295,791	205,258,641	235,304,075

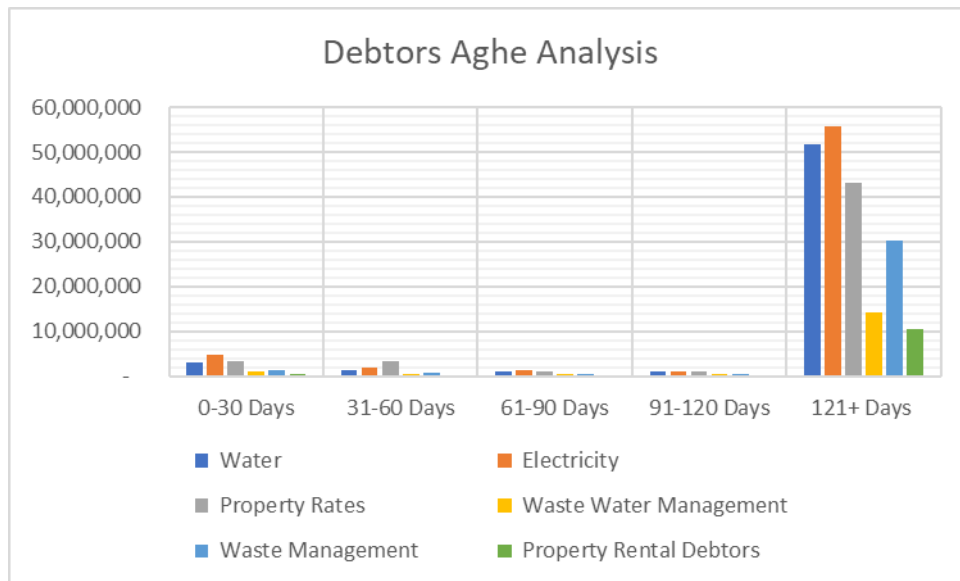
Debtors outstanding for a period more than 121 days amounts to R205 258 641

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

Debtors Age Analysis 31 October 2020						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	2,951,984	1,209,878	985,200	953,608	51,813,958	57,914,628
Electricity	4,664,892	1,983,595	1,228,683	1,108,092	55,647,671	64,632,933
Property Rates	3,225,967	3,357,479	970,380	1,162,332	42,973,236	51,689,394
Waste Water Management	941,738	461,139	357,459	323,614	14,136,196	16,220,146
Waste Management	1,315,525	717,971	583,731	539,347	30,138,620	33,295,194
Property Rental Debtors	344,831	236,243	212,948	208,798	10,548,960	11,551,780
Total By Income Source	13,444,937	7,966,305	4,338,401	4,295,791	205,258,641	235,304,075

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

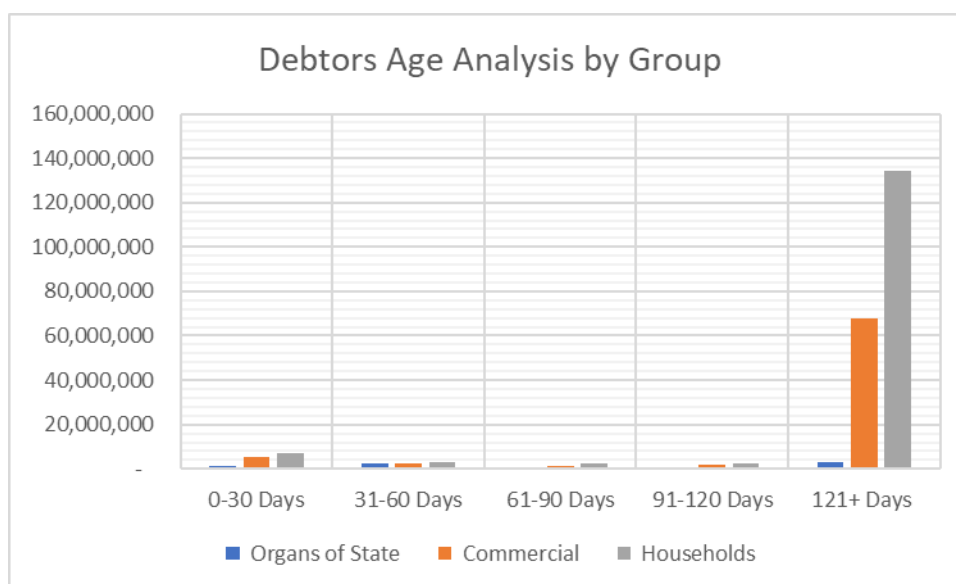


Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	1,023,099	2,245,668	283,315	184,550	3,083,238	6,819,870
Commercial	5,602,991	2,521,086	1,531,750	1,711,482	67,689,919	79,057,228
Households	6,818,847	3,199,551	2,523,336	2,399,759	134,485,484	149,426,977
Total By Customer Group	13,444,937	7,966,305	4,338,401	4,295,791	205,258,641	235,304,075

CHART 9

The following chart shows the debtors outstanding per category, Chart as per information above.



CREDITORS Age Analysis - Annexure B -Table SC4

The creditor's age analysis report shown in Annexure B has been prepared on the basis of the format required by the National Treasury.

The following report shows the creditors outstanding at 31 October 2020

NC062 Nama Khoi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October						
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	1,038,180	3,224,626	12,125,162	12,135,156	115,435,071	143,958,195
Bulk Water	(2,000,000)	(2,000,000)	1,606,922	2,194,349	186,287,328	186,088,599
Trade Creditors	(1,512,119)	231,244	(35,218)	(168,915)	1,870,837	385,829
Auditor General	(769,921)	(372,000)	(359,205)	(238,927)	1,740,052	(1)
Total By Customer Type	(3,243,860)	1,083,870	13,337,661	13,921,663	305,333,288	330,432,622

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 - M04 October							
Summary of Employee and Councillor remuneration	Budget Year 2020/21						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages	4,077,073	4,077,073	358,199	1,457,717	1,359,028	98,689	107
Pension and UIF Contributions	533,988	533,988	22,054	88,216	177,996	(89,780)	50
Medical Aid Contributions	52,598	52,598	3,317	13,268	17,532	(4,264)	76
Cellphone Allowance	804,309	804,309	58,100	236,424	268,104	(31,680)	88
Other benefits and allowances	1,486,360	1,486,360	104,922	399,370	495,456	(96,086)	81
Sub Total - Councillors	6,954,328	6,954,328	546,592	2,194,995	2,318,116	(123,121)	95
Senior Managers of the Municipality							
Basic Salaries and Wages	3,814,866	3,814,866	311,857	1,088,287	1,271,624	(183,337)	86
Pension and UIF Contributions	370,706	370,706	30,313	120,808	123,580	(2,772)	98
Medical Aid Contributions	154,086	154,086	13,088	52,352	51,364	988	102
13th Cheque	191,515	191,515	25,606	94,939	63,840	31,099	149
Motor Vehicle Allowance	487,444	487,444	69,802	220,276	162,484	57,792	136
Cellphone Allowance	41,899	41,899	3,320	13,280	13,968	(688)	95
Housing Allowances	23,678	23,678	6,969	12,759	7,896	4,863	162
Other benefits and allowances	38,948	38,948	1,127	4,414	12,980	(8,566)	34
Long service awards	57,645	57,645	-	-	19,212	(19,212)	-
Sub Total - Senior Managers of Municipality	5,180,787	5,180,787	462,082	1,607,115	1,726,948	(119,833)	93
Other Municipal Staff							
Basic Salaries and Wages	63,749,038	64,556,655	4,884,160	19,310,963	21,518,888	(2,207,925)	90
Pension and UIF Contributions	9,660,332	9,660,332	756,855	3,094,386	3,220,112	(125,726)	96
Medical Aid Contributions	2,930,791	2,930,791	253,609	1,022,425	976,928	45,497	105
Overtime	5,933,784	5,933,784	405,753	2,165,896	1,977,936	187,960	110
13th Cheque	5,023,080	5,023,080	349,774	1,784,177	1,674,364	109,813	107
Cellphone Allowance	226,299	226,299	17,940	72,696	75,432	(2,736)	96
Housing Allowances	4,540,375	4,540,375	342,169	1,384,166	1,513,460	(129,294)	91
Other benefits and allowances	996,101	996,101	83,425	316,744	332,040	(15,296)	95
Payments in lieu of leave	816,884	816,884	24,572	282,289	272,300	9,989	104
Long service awards	345,803	345,803	3,744	41,115	115,268	(74,153)	36
Sub Total - Other Municipal Staff	94,222,487	95,030,104	7,122,001	29,474,857	31,676,728	(2,201,871)	93
Total Parent Municipality	106,357,602	107,165,219	8,130,675	33,276,967	35,721,792	(2,444,825)	93
Total Employee Cost	99,403,274	100,210,891	7,584,083	31,081,972	33,403,676		
Total Revenue	284,813,347	292,784,347	13,796,728	129,586,085	97,594,796		
Total Expenditure	334,021,601	335,439,870	22,256,916	90,130,643	111,813,288		
% Employee Cost to Total Expenditure	30	30	34	34	30		
% Employee Cost to Total Revenue	35	34	55	24	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 October 34% and against Total Revenue it escalates to 55%

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

The municipality should strive to have month end procedures to ensure accurate reporting to the relevant parties. The Municipal Council has adopted the Reviewed Financial Recovery Plan, this plan will be updated on a monthly basis and will be submitted to Council.

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 October 2020has been prepared in accordance with the Municipal Finance Management Act 71and regulations made under that Act.

Print name: SAMANTHA TATAS

Municipal Manager of NamaKhoiMunicipality

Signature:.....

Date: ...**13 November 2020**.....

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