



Nama Khoi Municipality

14 September 2018

The Mayor

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING
31 August 2018(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 August 2018**, ten working days reporting limit expires on **14 September 2018**.

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 August 2018**

This report is based upon financial information, as at 31 August 2018 and available at the time of preparation.

The financial results for the period ended 31 August 2018 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) - M02 August

Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands						%
<u>Revenue By Source</u>						
Property rates	49 087 458	3 311	47 427 038	8 181 242	39 245 796	480%
Service charges - electricity revenue	82 719 739	7 310 860	13 561 778	13 786 626	-224 848	-2%
Service charges - water revenue	33 053 220	2 465 316	4 845 993	5 508 870	-662 877	-12%
Service charges - sanitation revenue	11 004 875	1 306 682	2 609 307	1 834 146	775 161	42%
Service charges - refuse revenue	13 531 791	1 664 445	3 307 160	2 255 298	1 051 862	47%
Rental of facilities and equipment	1 267 715	102 915	283 095	211 288	71 807	34%
Interest earned - external investments	2 183 767	226 729	246 465	363 962	-117 497	-32%
Interest earned - outstanding debtors	1 902 596	776 503	1 553 745	317 100	1 236 645	390%
Fines, penalties and forfeits	5 281 409	3 340	7 621	880 234	-872 613	-99%
Licences and permits	1 438 199	55 370	271 055	239 700	31 355	13%
Agency services	1 156 128	27 817	27 817	0	27 817	#DIV/0!
Transfers and subsidies	47 927 000	2 465 000	20 764 000	18 649 000	2 115 000	11%
Other revenue	1 082 696	271 710	528 555	373 136	155 419	42%
Gains on disposal of PPE	7 000 000	0	0	1 166 666	-1 166 666	-100%
Total Revenue (excluding capital transfers and contributions)	258 636 593	16 679 997	95 433 629	53 767 268	41 666 361	77%
<u>Expenditure By Type</u>						
Employee related costs	87 600 201	7 235 845	13 618 907	14 600 038	-981 131	-7%
Remuneration of councillors	5 791 509	517 626	1 034 252	965 250	69 002	7%
Debt impairment	19 066 479	0	0	3 177 746	-3 177 746	-100%
Depreciation & asset impairment	40 787 397	0	0	6 797 900	-6 797 900	-100%
Finance charges	7 200 000	0	0	1 200 000	-1 200 000	-100%
Bulk purchases	105 347 176	5 302 511	5 302 511	17 557 862	-12 255 351	-70%
Other materials	8 584 215	635 357	688 791	1 430 696	-741 905	-52%
Contracted services	24 029 793	1 386	23 322	4 004 946	-3 981 624	-99%
Transfers and subsidies	0	0	0	0	0	
Other expenditure	26 552 899	3 868 215	8 514 850	4 425 474	4 089 376	92%
Loss on disposal of PPE	0	0	0	0	0	
Total Expenditure	324 959 669	17 560 939	29 182 633	54 159 912	-24 977 279	-46%
Surplus/(Deficit)	-66 323 077	-880 943	66 250 996	-392 644	66 643 640	(0)

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands						%
Revenue By Source						
Property rates	49 087 458	3 311	47 427 038	8 181 242	39 245 796	480%
Service charges - electricity revenue	82 719 739	7 310 860	13 561 778	13 786 626	-224 848	-2%
Service charges - water revenue	33 053 220	2 465 316	4 845 993	5 508 870	-662 877	-12%
Service charges - sanitation revenue	11 004 875	1 306 682	2 609 307	1 834 146	775 161	42%
Service charges - refuse revenue	13 531 791	1 664 445	3 307 160	2 255 298	1 051 862	47%
Rental of facilities and equipment	1 267 715	102 915	283 095	211 288	71 807	34%
Interest earned - external investments	2 183 767	226 729	246 465	363 962	-117 497	-32%
Interest earned - outstanding debtors	1 902 596	776 503	1 553 745	317 100	1 236 645	390%
Fines, penalties and forfeits	5 281 409	3 340	7 621	880 234	-872 613	-99%
Licences and permits	1 438 199	55 370	271 055	239 700	31 355	13%
Agency services	1 156 128	27 817	27 817	0	27 817	#DIV/0!
Transfers and subsidies	47 927 000	2 465 000	20 764 000	18 649 000	2 115 000	11%
Other revenue	1 082 696	271 710	528 555	373 136	155 419	42%
Gains on disposal of PPE	7 000 000	0	0	1 166 666	-1 166 666	-100%
Total Revenue (excluding capital transfers and contributions)	258 636 593	16 679 997	95 433 629	53 767 268	41 666 361	77%

Explanation on YTD variance % - e.g. 480% means that the municipality billed 480% more than what was budgeted and -12 means the municipality billed 12% less than what was budgeted.

Property Rates- Please note property rates are billed once a year, however the consumer the can make payments monthly, quarterly, once, bi-Annually, etc. The amount billed once creates a lot of confusion as the reader gets the impression that the money was received, the issue was discussed with Provincial Treasury where they took the initiative to engage with the Service Provider of the municipality to get a solution for the problem.

Service Charges Sanitation and Refuse Removal – free basic services are deducted from services charges revenue, however it was captured as expenditure and the necessary corrections must be made on the financial system.

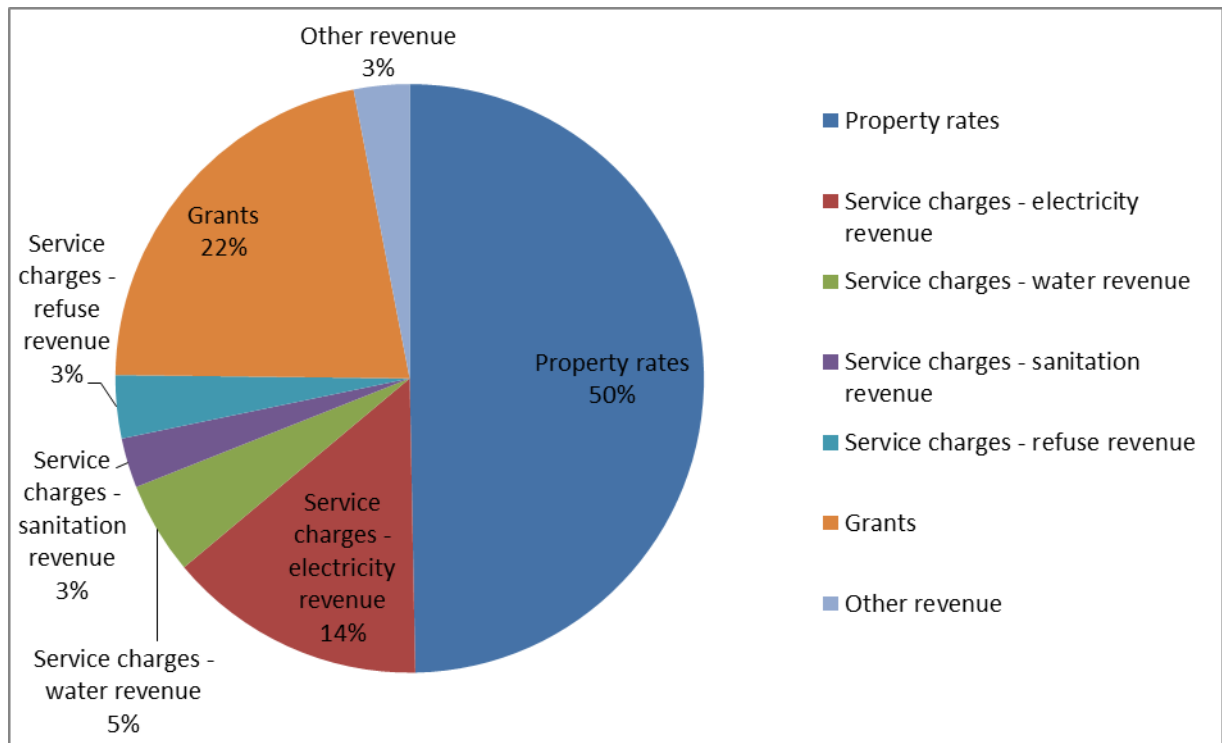
Rental of facilities – Revenue from this item vary on a monthly basis as it includes rental of halls and other facilities which are used as the community needs it.

Interest earned outstanding debtors and Fines & penalties – as the debtors book increase on a monthly basis the interest on these accounts also increase.

Please note that the Provincial Treasury also took the initiative engage with the Service Provider to get solutions for the abnormal variance that is as result of the implementation of MSCOA.

CHART 1

The following chart shows the revenue by source for the month of 31 August 2018 in terms of revenue as a percentage of total revenue.



Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands						%
Expenditure By Type						
Employee related costs	87 600 201	7 235 845	13 618 907	14 600 038	-981 131	-7%
Remuneration of councillors	5 791 509	517 626	1 034 252	965 250	69 002	7%
Debt impairment	19 066 479	0	0	3 177 746	-3 177 746	-100%
Depreciation & asset impairment	40 787 397	0	0	6 797 900	-6 797 900	-100%
Finance charges	7 200 000	0	0	1 200 000	-1 200 000	-100%
Bulk purchases	105 347 176	5 302 511	5 302 511	17 557 862	-12 255 351	-70%
Other materials	8 584 215	635 357	688 791	1 430 696	-741 905	-52%
Contracted services	24 029 793	1 386	23 322	4 004 946	-3 981 624	-99%
Transfers and subsidies	0	0	0	0	0	
Other expenditure	26 552 899	3 868 215	8 514 850	4 425 474	4 089 376	92%
Loss on disposal of PPE	0	0	0	0	-	
Total Expenditure	324 959 669	17 560 939	29 182 633	54 159 912	(24 977)	-46%

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, on the 23 of August 2018 a meeting was held with Provincial Treasury to discussed issues on MSCOA, challenges was identified and Provincial Treasury will have an engagement with the Service provider to get clarity on matters where the municipality cannot process information directly from the municipal system.

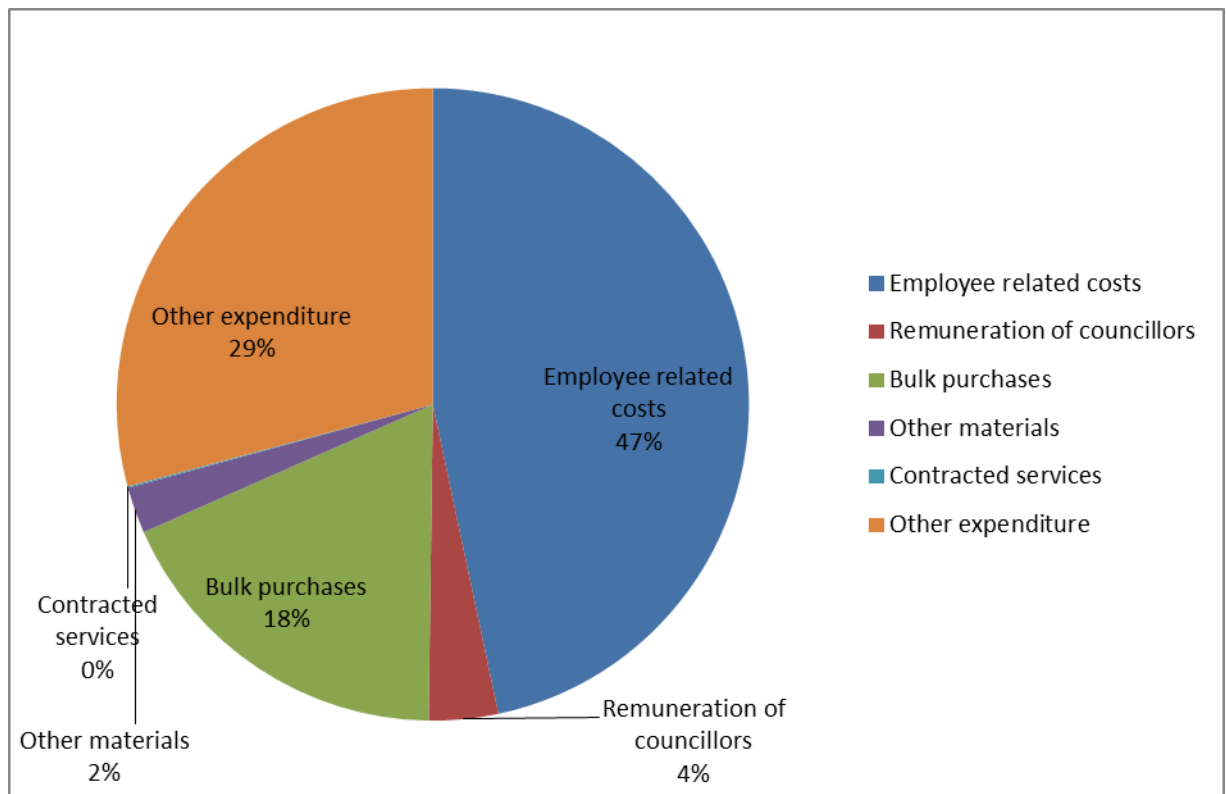
Finance Charges – The municipality has not taken up a new loan yet, therefore there was no interest to be paid.

Bulk purchases – Please note the July payment of Eskom was included in the new Proposed Agreement with Eskom.

Other Expenditure, Contracted Services and other materials - Please note that the Provincial Treasury also took the initiative to engage with the Service Provider to get solutions for the abnormal variance that is a result of the implementation of MSCOA

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) - M02 August						
Vote Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands						%
Revenue by Vote						
Vote 1 - Municipal Manager	1 676	290	330	279	51	18.2%
Vote 2 - Financial Services	103 567	3 233	69 760	17 254	52 506	304.3%
Vote 3 - Corporate Services	7 977	88	168	1 333	(1 164)	-87.4%
Vote 4 - Community Services: Community Development	16 103	1 782	3 725	3 709	17	0.5%
Vote 5 - Community Services: Public Safety	2 482	88	192	414	(221)	-53.5%
Vote 6 - Electrical Engineering Services	86 773	7 358	13 651	14 756	(1 105)	-7.5%
Vote 7 - Infrastructure, Engineering & Technical Services	63 442	3 843	7 607	11 841	(4 234)	-35.8%
Total Revenue by Vote	282 021	16 680	95 434	49 585	45 848	92.5%
Expenditure by Vote						
Vote 1 - Municipal Manager	19 095	1 760	3 177	3 181	(4)	-0.1%
Vote 2 - Financial Services	51 857	1 620	2 953	8 639	(5 687)	-65.8%
Vote 3 - Corporate Services	33 343	1 897	5 387	5 684	(297)	-5.2%
Vote 4 - Community Services: Community Development	23 351	1 884	3 407	4 986	(1 579)	-31.7%
Vote 5 - Community Services: Public Safety	8 644	606	1 270	1 440	(170)	-11.8%
Vote 6 - Electrical Engineering Services	98 428	721	1 348	16 599	(15 251)	-91.9%
Vote 7 - Infrastructure, Engineering & Technical Services	90 240	9 072	11 641	16 584	(4 943)	-29.8%
Total Expenditure by Vote	324 960	17 561	29 183	57 114	(27 931)	-48.9%
Surplus/ (Deficit) for the year	(42 939)	(881)	66 251	(7 529)	73 780	-980.0%

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August						
Vote Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands						%
Revenue by Vote						
Vote 1 - Municipal Manager	1 676	290	330	279	51	18.2%
Vote 2 - Financial Services	103 567	3 233	69 760	17 254	52 506	304.3%
Vote 3 - Corporate Services	7 977	88	168	1 333	(1 164)	-87.4%
Vote 4 - Community Services: Community Development	16 103	1 782	3 725	3 709	17	0.5%
Vote 5 - Community Services: Public Safety	2 482	88	192	414	(221)	-53.5%
Vote 6 - Electrical Engineering Services	86 773	7 358	13 651	14 756	(1 105)	-7.5%
Vote 7 - Infrastructure, Engineering & Technical Services	63 442	3 843	7 607	11 841	(4 234)	-35.8%
Total Revenue by Vote	282 021	16 680	95 434	49 585	45 848	92.5%

Reasons for variances above/under 10%

Municipal Manager- Revenue from building plans lower than the intended budget.

Financial Services - Please note property rates are billed once a year, however the consumer can make payments monthly, quarterly, once, bi-Annually, etc. The amount billed once creates a lot of confusion as the reader gets the impression that the money was received, the issue was discussed with Provincial Treasury where they took the initiative to engage with the Service Provider of the municipality to get a solution for the problem. Please note equitable share was budgeted to be received in equal payments however equitable share are actually received in 3 trances.

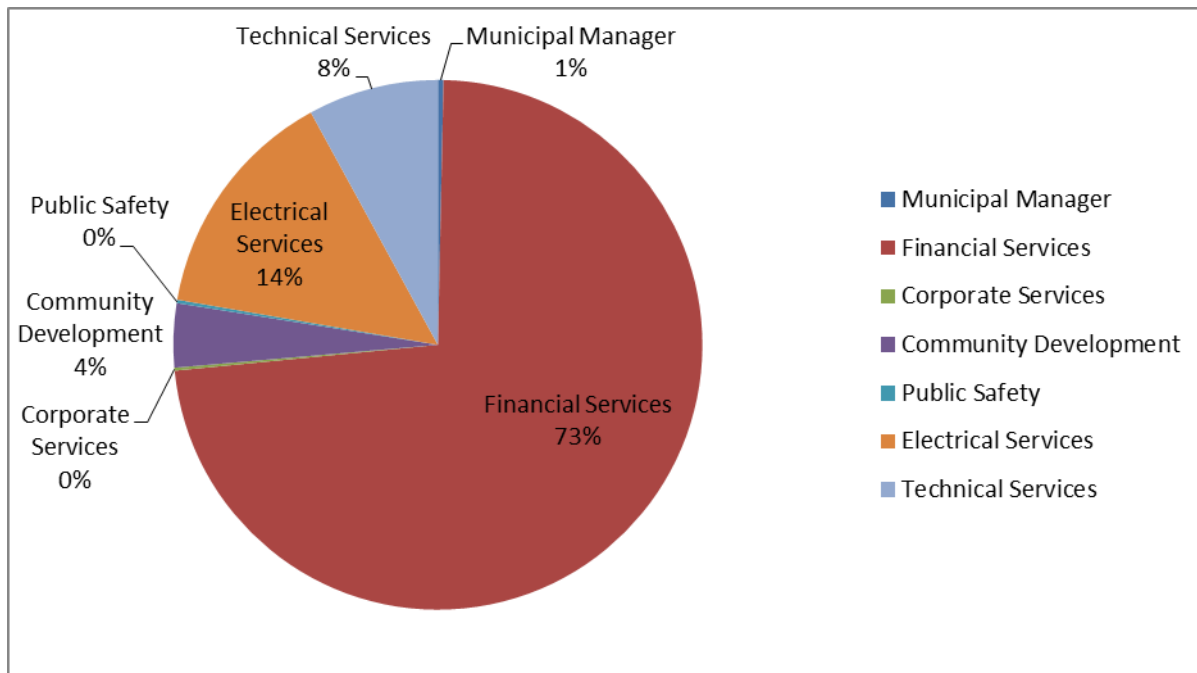
Corporate Services – Rental of facilities lower than the intended budget. Sale of land and stands did not occur as budgeted.

Public Safety - Revenue from License fees moved to the Post office.

Electricity Services and 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 August 2018



Vote Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands						%
Expenditure by Vote						
Vote 1 - Municipal Manager	19 095	1 760	3 177	3 181	(4)	-0.1%
Vote 2 - Financial Services	51 857	1 620	2 953	8 639	(5 687)	-65.8%
Vote 3 - Corporate Services	33 343	1 897	5 387	5 684	(297)	-5.2%
Vote 4 - Community Services: Community Development	23 351	1 884	3 407	4 986	(1 579)	-31.7%
Vote 5 - Community Services: Public Safety	8 644	606	1 270	1 440	(170)	-11.8%
Vote 6 - Electrical Engineering Services	98 428	721	1 348	16 599	(15 251)	-91.9%
Vote 7 - Infrastructure, Engineering & Technical Services	90 240	9 072	11 641	16 584	(4 943)	-29.8%
Total Expenditure by Vote	324 960	17 561	29 183	57 114	(27 931)	-48.9%

Reasons for variances above/under 10%

Financial Services- Please note depreciation as well as debt impairment are not done on a monthly basis, on the 23 of August 2018 a meeting was held with Provincial Treasury to discussed issues on MSCOA, challenges was identified and Provincial Treasury will have an engagement with the Service provider to get clarity on matters where the municipality cannot process information directly from the municipal system.

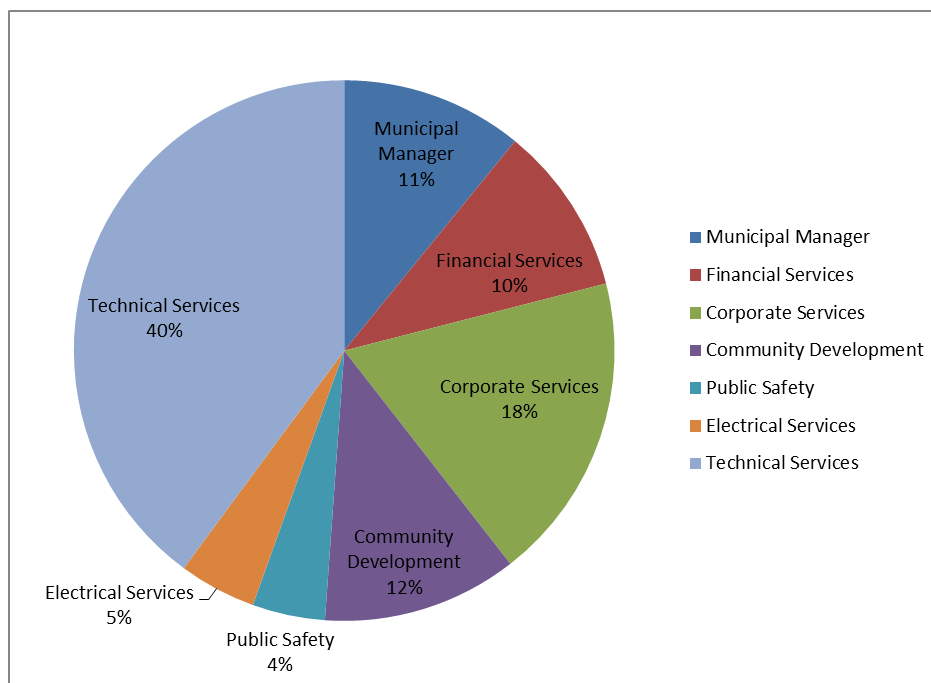
Community Development, – Please note the final agreement from SALGA was not available at the time of payment therefore no salary increase was implement in the month of July 2018, the correction will be done in the month of August 2018. Please note depreciation, on the 23 of August 2018 a meeting was held with Provincial Treasury to discussed issues on MSCOA, challenges was identified and Provincial Treasury will have an engagement with the Service provider to get clarity on matters where the municipality cannot process information directly from the municipal system.

Technical Departments – Please note depreciation, on the 23 of August 2018 a meeting was held with Provincial Treasury to discussed issues on MSCOA, challenges was identified and Provincial

Treasury will have an engagement with the Service provider to get clarity on matters where the municipality cannot process information directly from the municipal system.

CHART 4

The following chart shows the expenditure by vote for 31 August 2018



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.

NC062 Nama Khoi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June							
Vote Description	Budget Year 2017/18						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands							%
Capital Expenditure - Functional Classification							
Road transport	14 384 000	2 500 000	1 097 774	1 765 591	2 396 376	-630 785	-26%
Energy sources	4 000 000	0	1 562 634	1 562 634	666 400	896 234	134%
Water Management	5 000 000	0	44 476	157 950	833 000	-675 050	-81%
Total Capital Expenditure - Functional Classification	23 384 000	2 500 000	2 704 883	3 486 175	3 895 776	-409 601	0
Funded by:							
National Government	24 774 000	36 616 000	2 704 883	3 486 175	3 895 776	-409 601	-11%
Total Capital Funding	24 774 000	36 616 000	2 704 883	3 486 175	3 895 776	-409 601	(0)

Notes on the Capital Expenditure

Capital Expenditure are divided into equal monthly budgeted expenditures, however the budgeted expenditures should be link to the payment schedule as well as the procurement plan of the Technical Department.

CASH FLOW STATEMENT AT 31 August 2018

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M02 August						
Description	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands						%
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	44 178 712	3 369 983	6 226 751	7 363 118	-1 136 367	-15%
Service charges	126 464 719	11 077 122	21 434 790	21 077 455	357 335	2%
Other revenue	10 101 057	1 228 339	5 482 490	1 683 510	3 798 980	226%
Government - operating	47 927 000	2 791 525	21 090 525	18 649 000	2 441 525	13%
Government - capital	23 384 000	0	10 200 000	0	10 200 000	#DIV/0!
Interest	3 898 627	808 933	1 605 934	649 773	956 161	147%
Payments						
Suppliers and employees	-232 084 412	-17 527 369	-56 610 300	-38 680 706	17 929 595	-46%
NET CASH FROM/(USED) OPERATING ACTIVITIES	23 869 703	1 748 534	9 430 189	10 742 150	1 311 960	12%
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	7 000 000	-	-	-	-	
Decrease (Increase) in non-current debtors	-	-	-	-	-	
Decrease (increase) other non-current receiv ables	-1 038 554	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	
Payments						
Capital assets	-23 384 000	-2 158 582	-2 908 582	-3 897 334	-988 752	25%
NET CASH FROM/(USED) INVESTING ACTIVITIES	-17 422 554	-2 158 582	-2 908 582	-3 897 334	-988 752	25%
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Increase (decrease) in consumer deposits	5 088	-	-	-	-	
Payments						
Repayment of borrowi ng	-244 426	-	-	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES	-239 338	0	0	0	0	
NET INCREASE/ (DECREASE) IN CASH HELD	6 207 811	-410 048	6 521 607	6 844 816		
Cash/cash equivalents at beginning:	10 707 985		1 115 373	10 707 985		
Cash/cash equivalents at month/year end:	16 915 796		7 636 980	17 552 800		

NAMA KHOI MUNICIPALITY
REPORT OUTSTANDING MONEY FOR AUGUST 2018

SERVICE POINTS	OUTSTANDING 31.07.2018	ADD BILLINGS	MINUS INCOME	OUTSTANDING 30.08.2018	Collection Rate for the month	Collection Rate includin all oustanding Debt	INCREASING (DECREASING)	% INCREASE (/DECREA SE) (DALING)
A	B	C	D	E			F	G
RATES:								
Springbok	4 716 603.42	3 055 455.32	2 834 596.91	4 937 461.83	92.77	36.47	220 858.41	4.68%
Steinkopf	11 419 589.57	452 252.40	201 148.91	11 670 693.06	44.48	1.69	251 103.49	2.20%
Concordia	1 936 206.15	275 595.68	245 384.05	1 966 417.78	89.04	11.09	30 211.63	1.56%
Komaggas	6 977 918.72	116 839.63	18 683.65	7 076 074.70	15.99	0.26	98 155.98	1.41%
Okiep	2 084 978.36	320 478.91	345 109.52	2 060 347.75	107.69	14.35	(24 630.61)	(1.18%)
Nababeep	1 544 726.39	312 005.71	277 171.55	1 579 560.55	88.84	14.93	34 834.16	2.26%
TOTAL RATES	28 680 022.61	4 532 627.65	3 922 094.59	29 290 555.67	86.53	11.81	610 533.06	2.13%
SERVICES:								
Springbok	8 523 030.54	7 422 264.68	6 891 173.34	9 054 121.88	92.84	43.22	531 091.34	6.23%
Steinkopf	19 725 503.51	785 911.08	358 650.36	20 152 764.23	45.63	1.75	427 260.72	2.17%
Concordia	7 901 497.80	520 117.52	608 075.28	7 813 540.04	116.91	7.22	(87 957.76)	(1.11%)
Komaggas	23 260 354.65	432 240.62	68 759.46	23 623 835.81	15.91	0.29	363 481.16	1.56%
Okiep	12 391 960.93	1 158 460.49	898 648.55	12 651 772.87	77.57	6.63	259 811.94	2.10%
Nababeep*	25 082 198.60	951 011.43	1 745 901.78	24 287 308.25	183.58	6.71	(794 890.35)	(3.17%)
TOTAL SERVICES	96 884 546.03	11 270 005.82	10 571 208.77	97 583 343.08	93.80	9.77	698 797.05	0.72%
LANDSALES								
Springbok	66 215.22	100.00	640.54	65 674.68	640.54	0.97	(540.54)	(0.82%)
Steinkopf	164 111.01	-	-	164 111.01	#DIV/0!	-	-	0.00%
Concordia	147 054.64	0.00	1 115.78	145 938.86	#####	0.76	(1 115.78)	(0.76%)
Komaggas	145 547.59	-	-	145 547.59	#DIV/0!	-	-	0.00%
Okiep	132 022.54	493.00	663.00	131 852.54	134.48	0.50	(170.00)	(0.13%)
Nababeep	40 191.92	-	-	40 191.92	#DIV/0!	-	-	0.00%
TOTAL LANDSALES	695 142.92	593.00	2 419.32	693 316.60	407.98	0.35	(1 826.32)	(0.26%)
GRAZINGFEES								
Springbok	18 903.90	4 471.42	3 733.17	19 642.15	83.49	15.97	738.25	3.91%
Steinkopf	2 039 811.63	60 857.05	27 636.17	2 073 032.51	45.41	1.32	33 220.88	1.63%
Concordia	643 111.91	39 507.45	27 834.93	654 784.43	70.45	4.08	11 672.52	1.82%
Komaggas	1 104 175.84	21 875.00	3 877.01	1 122 173.83	17.72	0.34	17 997.99	1.63%
Okiep	48 460.04	5 828.34	4 560.41	49 727.97	78.25	8.40	1 267.93	2.62%
Nababeep	22 549.72	3 130.51	2 581.91	23 098.32	82.48	10.05	548.60	2.43%
TOTAL GRAZINGFEE	3 877 013.04	135 669.77	70 223.60	3 942 459.21	51.76	1.75	65 446.17	1.69%
DIVERSE:								
Springbok	1 153 127.78	67 581.50	41 853.08	1 178 856.20	61.93	3.43	25 728.42	2.23%
Steinkopf	392 133.57	9 644.99	15 906.36	385 872.20	164.92	3.96	(6 261.37)	(1.60%)
Concordia **	682 850.74	4 336.19	520 078.66	167 108.27	11 993.91	75.68	(515 742.47)	(75.53%)
Komaggas	395 212.49	578.36	14 982.25	380 808.60	2 590.47	3.79	(14 403.89)	(3.64%)
Okiep	343 831.93	22 271.13	11 155.31	354 947.75	50.09	3.05	11 115.82	3.23%
Nababeep	638 384.84	4 953.18	1 073.18	642 264.84	21.67	0.17	3 880.00	0.61%
TOTAAL DIVERSE	3 605 541.35	109 365.35	605 048.84	3 109 857.86	553.24	16.29	(495 683.49)	(13.75%)
GROOT TOTAAL	133 742 265.95	16 048 261.59	15 170 995.12	134 619 532.42	94.53	10.13	877 266.47	0.66%
TOTAL SERVICESPOINTS								
Springbok	14 477 880.86	10 549 872.92	9 771 997.04	15 255 756.74	92.63	39.04	777 875.88	5.37%
Steinkopf	33 741 149.29	1 308 665.52	603 341.80	34 446 473.01	46.10	1.72	705 323.72	2.09%
Concordia	11 310 721.24	839 556.84	1 402 488.70	10 747 789.38	167.05	11.54	(562 931.86)	(4.98%)
Komaggas	31 883 209.29	571 533.61	106 302.37	32 348 440.53	18.60	0.33	465 231.24	1.46%
Okiep	15 001 253.80	1 507 531.87	1 260 136.79	15 248 648.88	83.59	7.63	247 395.08	1.65%
Nababeep	27 328 051.47	1 271 100.83	2 026 728.42	26 572 423.88	159.45	7.09	(755 627.59)	(2.77%)
TOTAL SERVICESPOINTS	133 742 265.95	16 048 261.59	15 170 995.12	134 619 532.42	94.53	10.13	877 266.47	0.66%

- **The report above states the collection rate of the municipality, there are two different collection rate illustrated:**

- o Collection rate for the month – The calculation is based on the current month billings versus the current month's actual income received; which shows the municipality collected 84.68% for the month of August 2018.

- o Collection rate including all outstanding monies– The calculation take into consideration month billing plus the outstanding debt versus current actual money received; this means that the municipality are only collecting 10 % of outstanding moneys at 31 August 2018.

Collection rates for the month illustrated below:

Rates

From the information above the municipality collected 92.77% in Springbok which was the highest collection rate; however the lowest collection rate was at 15.99% which was for Komaggas.

Services

From the information above the municipality collected 183.58% at Nababeep which was the highest collection rate; however the lowest collection rate was at 15.91% which was for Komaggas.

Grazing Fees

From the information above the municipality collected 83.49 % at Springbok which was the highest collection rate; however the lowest collection rate was at 17.72% which was for Komaggas.

Diverse/other

From the information above the municipality collected 11 993 % at Concordia which was the highest collection rate; however the lowest collection rate was at 21.67 % which was for Nababeep.

Service points

From the information above the municipality collected 167.05 % at Concordia which was the highest collection rate; however the lowest collection rate was at 18.60 % which was for Komaggas.

*Given the current situation of the municipality collection rate for service points needs to be above 100% each and every month.

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 August 2018

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August						
Description	Budget Year 2018/19					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
R thousands						
Debtors Age Analysis By Income Source						
Water	1 718 642	1 157 652	588 250	603 853	35 167 873	39 236 270
Electricity	4 573 313	1 243 623	754 995	532 330	30 023 319	37 127 580
Property Rates	9 306 293	1 304 882	598 046	734 933	27 618 638	39 562 792
Waste Water Management	914 545	462 353	214 202	196 912	9 253 779	11 041 791
Waste Management	1 298 098	707 577	373 502	340 170	20 070 569	22 789 916
Other	141 488	122 822	85 654	77 401	7 721 360	8 148 725
Total By Income Source	17 952 379	4 998 909	2 614 649	2 485 599	129 855 538	157 907 074
Debtors Age Analysis By Customer Group						
Organs of State	5 280 932	377 785	240 357	219 344	983 200	7 101 618
Commercial	5 748 481	1 589 478	941 092	912 814	36 894 782	46 086 647
Households	6 922 966	3 031 646	1 433 200	1 353 441	91 977 556	104 718 809
Other	0	0	0	0	0	0
Total By Customer Group	17 952 379	4 998 909	2 614 649	2 485 599	129 855 538	157 907 074

Debtors Age Analysis 31 July 2018

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July						
Description	Budget Year 2018/19					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	1 548 714	1 022 831	655 270	684 491	34 535 075	38 446 381
Electricity	4 522 495	1 303 380	692 861	563 837	30 481 967	37 564 540
Property Rates	8 888 064	1 124 709	777 517	545 667	27 207 197	38 543 154
Waste Water Management	931 995	394 567	214 912	188 039	9 084 804	10 814 317
Waste Management	1 297 943	602 217	370 226	334 176	19 701 375	22 305 937
other	97 860	131 527	96 260	558 362	7 588 655	8 472 664
Total By Income Source	17 287 071	4 579 231	2 807 046	2 874 572	128 599 073	156 146 993
Debtors Age Analysis By Customer Group						
Organs of State	5 098 432	320 673	225 211	92 712	901 412	6 638 440
Commercial	5 330 450	1 591 152	1 086 073	1 309 489	37 230 262	46 547 426
Households	6 858 189	2 667 406	1 495 762	1 472 371	90 467 399	102 961 127
Total By Customer Group	17 287 071	4 579 231	2 807 046	2 874 572	128 599 073	156 146 993

The total debtors outstanding as at 31 July were R156 146 993; the total debtors outstanding at 31 August 2018 were R 157 907 074.

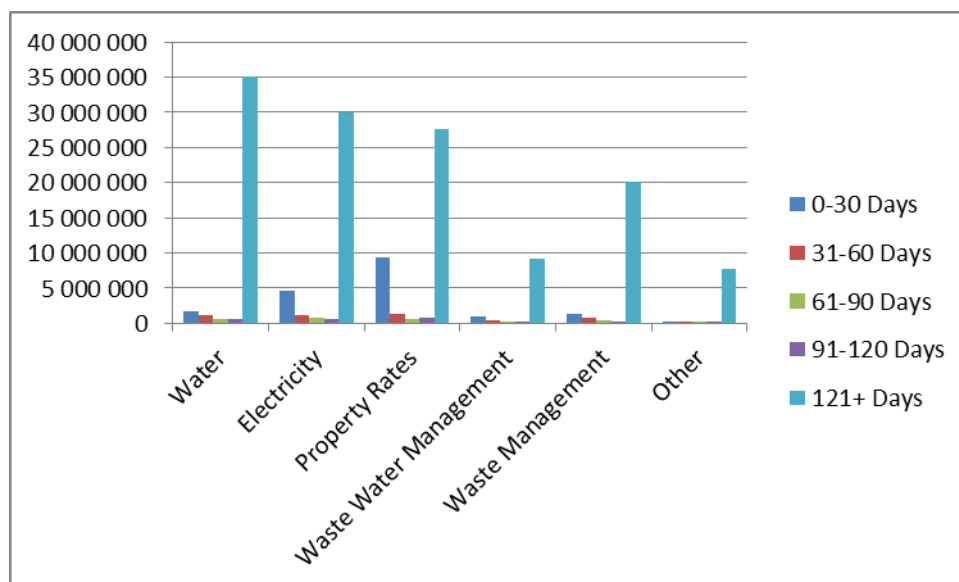
Debtors outstanding for a period more than 121+ days amounts to R129 855 538 compared to 128 599 073 in the previous month.

Businesses owe the municipality R46 086 647 compared to R46 547 426 the previous month.

Chart 8 – Debtors per revenue source

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August						
Description	Budget Year 2018/19					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
R thousands						
Debtors Age Analysis By Income Source						
Water	1 718 642	1 157 652	588 250	603 853	35 167 873	39 236 270
Electricity	4 573 313	1 243 623	754 995	532 330	30 023 319	37 127 580
Property Rates	9 306 293	1 304 882	598 046	734 933	27 618 638	39 562 792
Waste Water Management	914 545	462 353	214 202	196 912	9 253 779	11 041 791
Waste Management	1 298 098	707 577	373 502	340 170	20 070 569	22 789 916
Other	141 488	122 822	85 654	77 401	7 721 360	8 148 725
Total By Income Source	17 952 379	4 998 909	2 614 649	2 485 599	129 855 538	157 907 074

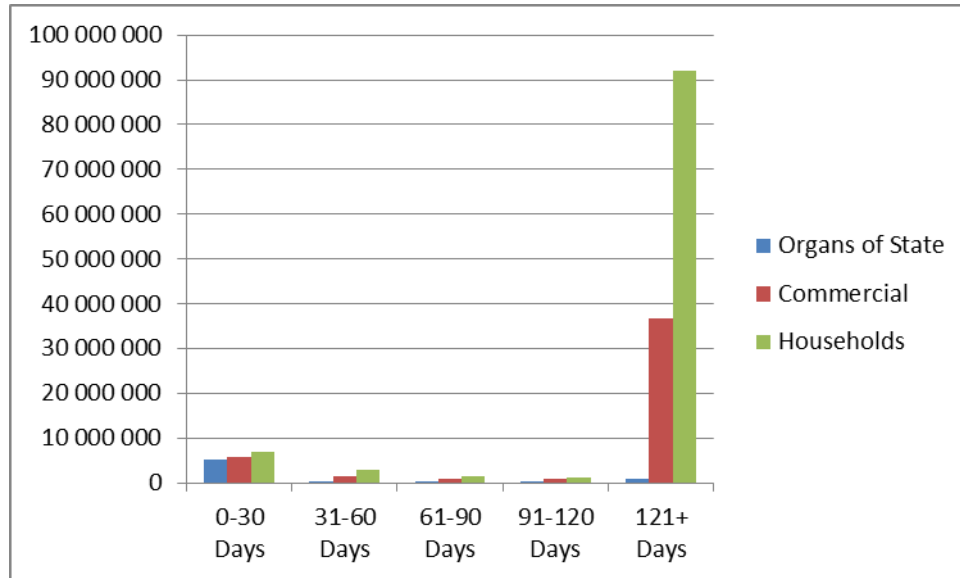
The following chart shows the debtors outstanding per revenue source, Chart as per information above



NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August						
Description	Budget Year 2018/19					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
R thousands						
Debtors Age Analysis By Customer Group						
Organs of State	5 280 932	377 785	240 357	219 344	983 200	7 101 618
Commercial	5 748 481	1 589 478	941 092	912 814	36 894 782	46 086 647
Households	6 922 966	3 031 646	1 433 200	1 353 441	91 977 556	104 718 809
Total By Customer Group	17 952 379	4 998 909	2 614 649	2 485 599	129 855 538	157 907 074

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 August 2018

NC062 Nama Khoi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August						
Description	Budget Year 2018/19					
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 + Days	Total
R thousands						
Creditors Age Analysis By Customer Type						
Bulk Electricity	-1 607 182	1 607 182	-5 113 874	-1 010 621	70 855 033	64 730 538
Bulk Water	5 097 888	2 834 135	0	1 879 296	113 518 100	123 329 419
Trade Creditors	1 320 718	1 081 478	34 937	618 330	2 560 713	5 616 175
Auditor General	0	-272 302	-272 302	-272 302	1 351 624	534 719
Total By Customer Type	4 811 424	5 250 493	-5 351 239	1 214 704	188 285 470	194 210 851

Creditors Analysis

The outstanding creditors moved from R189 312 296 o R194 210 851, this is an increase of R4 898 555.

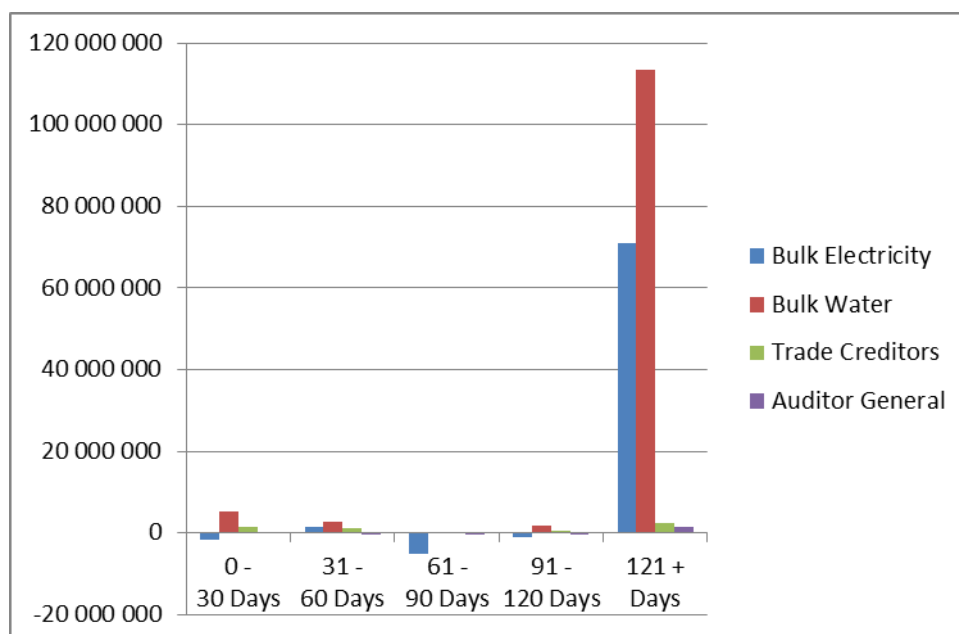


Chart 10

Creditors Age Analysis

The comparison for creditors outstanding between Aug 2018 and July 2018 are as follows:

Bulk Electricity –July 2018, R66.3 million and Aug 2018 R64.7 million

Bulk Water –July 2018, R118.2 million and Aug 2018 R123.3 million

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August						
Summary of Employee and Councillor remuneration	Budget Year 2018/19					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands						
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	3 433 829	287 293	574 586	572 305	2 281	0%
Pension and UIF Contributions	373 864	31 326	62 653	62 311	342	1%
Medical Aid Contributions	20 984	2 914	5 828	3 497	2 331	67%
Motor Vehicle Allowance	1 269 231	103 282	206 565	211 539	-4 974	-2%
Cellphone Allowance	693 600	57 800	115 600	115 600	0	
Housing Allowances	0	0	0	0	0	
Other benefits and allowances	0	0	0	0	0	
Sub Total - Councillors	5 791 509	482 616	965 232	965 252	-20	0%
Senior Managers of the Municipality						
Basic Salaries and Wages	2 880 491	262 130	499 367	480 082	19 285	4%
Pension and UIF Contributions	527 412	33 743	64 758	87 902	-23 144	-26%
Medical Aid Contributions	52 390	13 660	28 634	8 732	19 903	228%
Overtime	0	0	0	0	0	
Performance Bonus	0	0	0	0	0	
Motor Vehicle Allowance	689 613	50 850	96 560	114 936	-18 375	-16%
Cellphone Allowance	41 145	17 466	21 650	6 857	14 792	216%
Housing Allowances	30 370	2 724	5 114	5 062	53	1%
Other benefits and allowances	251 702	39 179	102 486	41 950	60 535	144%
Payments in lieu of leave	0	0	0	0	0	
Long service awards	36 385	0	0	6 064	-6 064	-100%
Post-retirement benefit obligations	0	0	0	0	0	
Sub Total - Senior Managers of Municipality	4 509 509	419 752	818 569	751 585	66 984	9%
Other Municipal Staff						
Basic Salaries and Wages	55 637 602	4 304 857	8 005 077	9 272 934	-1 267 857	-14%
Pension and UIF Contributions	9 863 901	671 740	1 293 175	1 643 983	-350 808	-21%
Medical Aid Contributions	2 418 495	170 200	342 775	403 083	-60 308	-15%
Overtime	3 701 850	341 599	619 254	616 975	2 279	0%
Performance Bonus	0	0	0	0	0	
Motor Vehicle Allowance	3 370 607	241 231	451 185	561 768	-110 583	-20%
Cellphone Allowance	148 221	11 020	9 667	24 703	-15 037	-61%
Housing Allowances	1 110 200	89 905	168 769	185 033	-16 264	-9%
Other benefits and allowances	6 606 393	908 473	1 563 384	1 101 065	462 318	42%
Payments in lieu of leave	0	0	0	0	0	
Long service awards	233 425	34 937	124 108	38 904	85 204	219%
Post-retirement benefit obligations	0	0	0	0	0	
Sub Total - Other Municipal Staff	83 090 692	6 773 962	12 577 393	13 848 449	-1 271 056	-9%
Total Parent Municipality	93 391 710	7 676 330	14 361 194	15 565 285	-1 204 091	-8%
Total Employee Related Cost	87 600 201	7 193 714	13 395 962	14 600 033		(0)
Total Expenditure	324 959 669	17 560 939	29 182 633	54 159 912		
% Employee Cost to Total Expenditure	0.27	0.41	0.46	0.27		

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 Aug 46%.

5. Financial Implications /Recommendations

Revenue by source:

The municipality should strive to budget for realistic anticipated revenue as per MFMA section 18. The municipality are currently in a process whereby it will be assisted by Cogta to have a Simplified Revenue Plan.

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.

Capital Expenditure:

Capital expenditure should be aligned to the approved DORA payment schedule.

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:

Danver Saal

Assistant Accountant

Budget & Treasury

DATE: 14 September 2018

Reviewed BY:

Heinri Cloete

Acting Chief Financial officer

Budget & Treasury

DATE: 14 September 2018

NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE

I, SAMANTHA TITUS, 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 Aug 2018 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 September 2018

Annexure A

Reports and reportable matters

Monthly reports statements – Section 71 MFMA

(1) The accounting officer of a municipality must no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a) Actual revenue, per revenue source
- (b) Actual borrowings
- (c) Actual expenditure per vote
- (d) Actual capital expenditure per vote
- (e) The amount of any allocations received
- (f) Actual expenditure on those allocations, excluding expenditure on –
 - (i) Its share of the local government equitable share, and
 - (ii) Allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) When necessary, an explanation of –
 - (i) Any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
 - (ii) Any material variances from the service delivery and budget implementation plan; and
 - (iii) Any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget

(2) The statement must include –

- (a) A projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
- (b) The prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87 (10)

(3) The amounts reflected in the statement must in each case be compared with corresponding amounts budgeted for in the municipality's approved budget

(4) The statement to the provincial treasury must be in the format of a signed document and in the electronic format.

(5) The accounting officer of a municipality which has received an allocation referred to in subsection (1) (e) during any particular month must, by no later than 10 working days after the end of that month, submit that part of the statement reflecting the particulars referred to in subsection (1) (e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.

(6) The provincial treasury must by no later than 22 working days after the end of each month submit to the National Treasury a consolidated statement in the prescribed format on the state of the municipalities' budgets per municipality and municipal entity

(7) The provincial treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budget per municipality and per municipal entity. The MEC for finance must submit such consolidated statement to the provincial legislature no later than 45 days after end of each quarter.

NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT

General information and contact information

Main tables

	Consolidated Monthly Statements
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