



**Nama Khoi Municipality**

**15 March 2021**

**The Mayor**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING  
28 February 2021 (MONTHLY BUDGET STATEMENT) – 2020/2021 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 28 February 2021.

**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 28 February 2021**

**This report is based upon financial information, as at 28 February 2021 and available at the time of preparation.**

The financial results for the period ended 28 February 2021 are summarised as follows:

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

The summary report indicates the following:

### Table of Contents

Page 3	Table C4-Financial Performance
Page 4	CHART 1- Revenue by source
Page 5	CHART 2 – Expenditure by type
Page 6	Table C3 – Revenue and expenditure by vote
Page 8	CHART 3 – Revenue by vote& Variances
Page 9	CHART 4 – Expenditure by vote& Variances
Page 9	Capital Expenditure
Page 10	Cash Flow Statement
Page 11	Debtors Age Analysis
Page 13	Creditors age analysis
Page 14	Employee Related Cost
Page 15	Financial Implications/Recommendations
Page 16	Interdepartmental and Cluster Impact
Page 17	Quality Certificate
Page 18	Annexure A
Page 20	C-Schedule Table of contents

NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February							
Description	Budget Year 2020/21						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue By Source</b>							
Property rates	43,233,960	43,292,094	17,865	50,005,812	48,648,776	1,357,036	103
Service charges - electricity revenue	100,055,713	101,347,839	7,224,403	59,641,110	62,264,510	(2,623,400)	96
Service charges - water revenue	39,061,978	37,704,118	2,680,073	21,694,467	22,667,491	(973,024)	96
Service charges - sanitation revenue	12,711,912	12,998,818	952,713	7,864,415	8,125,323	(260,908)	97
Service charges - refuse revenue	15,303,808	13,924,188	1,113,028	9,094,549	9,192,554	(98,005)	99
Rental of facilities and equipment	1,403,880	2,644,257	176,974	1,745,554	1,783,717	(38,163)	98
Interest earned - external investments	1,374,605	1,655,346	108,623	1,079,039	1,107,402	(28,363)	97
Interest earned - outstanding debtors	7,735,662	10,636,192	937,583	7,158,942	7,104,326	54,616	101
Fines, penalties and forfeits	223,033	63,205	4,348	87,175	78,903	8,272	110
Licences and permits	1,525,292	1,313,832	62,758	853,332	895,224	(41,892)	95
Agency services	1,280,643	201,266	54,344	171,749	134,177	37,572	128
Transfers and subsidies	58,663,696	66,634,696	746,214	49,338,122	52,200,465	(2,862,343)	95
Other revenue	2,239,165	1,962,255	170,344	1,203,036	1,218,568	(15,532)	99
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>284,813,347</b>	<b>294,378,106</b>	<b>14,249,270</b>	<b>209,937,302</b>	<b>215,421,436</b>	<b>(5,484,134)</b>	<b>97</b>
<b>Expenditure By Type</b>							
Employee related costs	99,403,274	101,642,235	7,744,824	63,312,677	62,960,503	352,174	101
Remuneration of councillors	6,954,328	6,211,101	521,935	4,357,206	4,310,438	46,768	101
Debt impairment	20,483,238	20,483,238	-	-	4,096,648	(4,096,648)	-
Depreciation & asset impairment	37,802,754	37,802,754	-	-	7,560,551	(7,560,551)	-
Finance charges	312,817	312,817	369,047	2,788,056	62,563	2,725,493	4,456
Bulk purchases	108,146,838	108,146,838	6,367,552	67,184,030	70,282,550	(3,098,520)	96
Other materials	7,750,104	9,928,498	320,150	2,532,963	3,755,948	(1,222,985)	67
Contracted services	26,647,028	28,296,714	1,582,362	9,577,897	12,055,770	(2,477,873)	79
Other expenditure	26,521,220	30,351,117	1,931,830	14,518,398	16,139,480	(1,621,082)	90
<b>Total Expenditure</b>	<b>334,021,601</b>	<b>343,175,312</b>	<b>18,837,700</b>	<b>164,271,227</b>	<b>181,224,451</b>	<b>(16,953,224)</b>	<b>91</b>
<b>Surplus/(Deficit)</b>	<b>(49,208,254)</b>	<b>(48,797,206)</b>	<b>(4,588,430)</b>	<b>45,666,075</b>	<b>34,196,985</b>	<b>11,469,090</b>	<b>134</b>

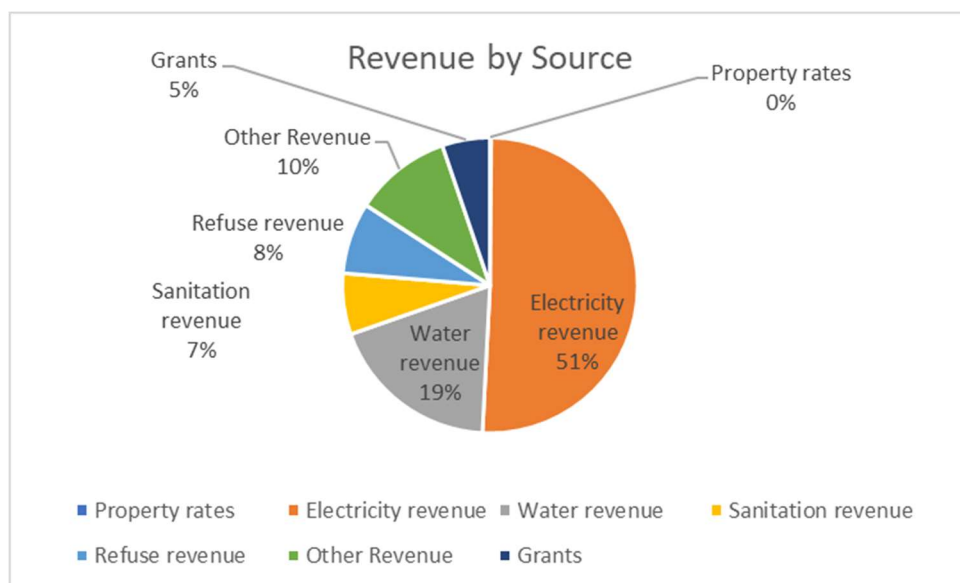
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue By Source</b>							
Property rates	43,233,960	43,292,094	17,865	50,005,812	48,648,776	1,357,036	103
Service charges - electricity revenue	100,055,713	101,347,839	7,224,403	59,641,110	62,264,510	(2,623,400)	96
Service charges - water revenue	39,061,978	37,704,118	2,680,073	21,694,467	22,667,491	(973,024)	96
Service charges - sanitation revenue	12,711,912	12,998,818	952,713	7,864,415	8,125,323	(260,908)	97
Service charges - refuse revenue	15,303,808	13,924,188	1,113,028	9,094,549	9,192,554	(98,005)	99
Rental of facilities and equipment	1,403,880	2,644,257	176,974	1,745,554	1,783,717	(38,163)	98
Interest earned - external investments	1,374,605	1,655,346	108,623	1,079,039	1,107,402	(28,363)	97
Interest earned - outstanding debtors	7,735,662	10,636,192	937,583	7,158,942	7,104,326	54,616	101
Fines, penalties and forfeits	223,033	63,205	4,348	87,175	78,903	8,272	110
Licences and permits	1,525,292	1,313,832	62,758	853,332	895,224	(41,892)	95
Agency services	1,280,643	201,266	54,344	171,749	134,177	37,572	128
Transfers and subsidies	58,663,696	66,634,696	746,214	49,338,122	52,200,465	(2,862,343)	95
Other revenue	2,239,165	1,962,255	170,344	1,203,036	1,218,568	(15,532)	99
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>284,813,347</b>	<b>294,378,106</b>	<b>14,249,270</b>	<b>209,937,302</b>	<b>215,421,436</b>	<b>(5,484,134)</b>	<b>97</b>

**Explanation on YTD variance % - e.g. 1% means that the municipality billed % more than what was budget and 95% means the municipality billed 5% less than what was budgeted.**

Variates to be discussed in Institutional and Finance Committee

### CHART 1

**The following chart shows the revenue by source for the month of 28 February in terms of revenue as a percentage of total revenue.**



### Notes on variances above/under 10%

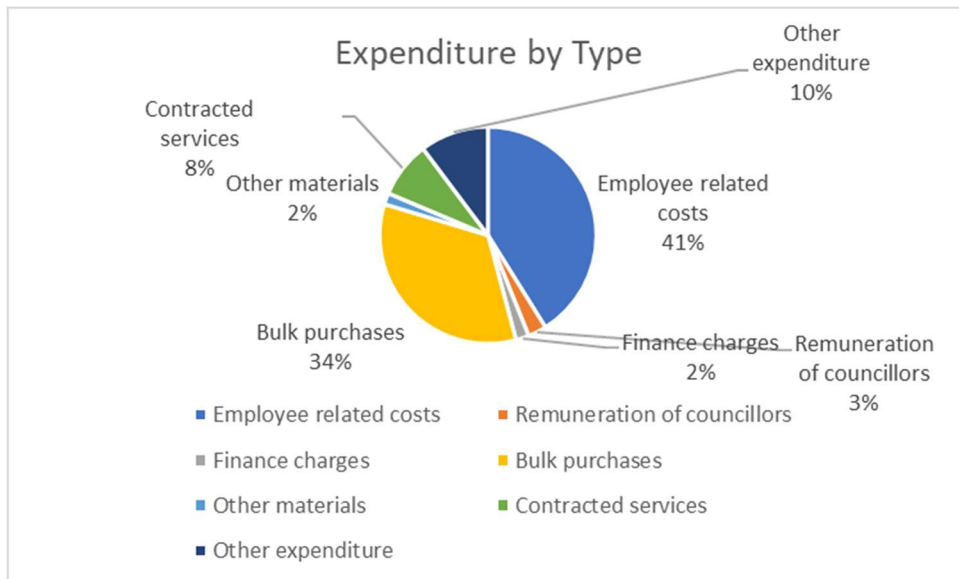
Variates to be discussed in Institutional and Finance Committee

Expenditure By Type	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	99,403,274	101,642,235	7,744,824	63,312,677	62,960,503	352,174	101
Remuneration of councillors	6,954,328	6,211,101	521,935	4,357,206	4,310,438	46,768	101
Debt impairment	20,483,238	20,483,238	-	-	4,096,648	(4,096,648)	-
Depreciation & asset impairment	37,802,754	37,802,754	-	-	7,560,551	(7,560,551)	-
Finance charges	312,817	312,817	369,047	2,788,056	62,563	2,725,493	4,456
Bulk purchases	108,146,838	108,146,838	6,367,552	67,184,030	70,282,550	(3,098,520)	96
Other materials	7,750,104	9,928,498	320,150	2,532,963	3,755,948	(1,222,985)	67
Contracted services	26,647,028	28,296,714	1,582,362	9,577,897	12,055,770	(2,477,873)	79
Other expenditure	26,521,220	30,351,117	1,931,830	14,518,398	16,139,480	(1,621,082)	90
<b>Total Expenditure</b>	<b>334,021,601</b>	<b>343,175,312</b>	<b>18,837,700</b>	<b>164,271,227</b>	<b>181,224,451</b>	<b>(16,953,224)</b>	<b>91</b>

## 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) - M08 February							
Description	Budget Year 2020/21						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Revenue - Functional</b>							
Executive and council	1,817,556	1,678,997	691,344	1,415,536	915,153	500,383	155
Finance and administration	106,908,828	118,556,658	1,288,791	107,549,967	108,708,076	(1,158,109)	99
Community and social services	1,372,945	2,409,248	67,418	788,350	1,058,597	(270,247)	74
Sport and recreation	7,539,886	6,579,708	(246)	5,763	1,316,260	(1,310,497)	0
Housing	-	934,000	-	-	-	-	-
Road transport	8,493,011	5,237,847	113,890	862,887	1,646,765	(783,878)	52
Energy sources	101,539,214	101,893,930	9,327,657	72,344,104	62,667,949	9,676,155	115
Water management	49,504,127	46,401,525	2,764,716	22,754,378	25,137,665	(2,383,287)	91
Waste water management	35,129,754	40,124,199	943,665	12,221,504	17,039,938	(4,818,434)	72
Waste management	15,314,243	13,933,757	1,113,721	9,100,093	9,198,936	(98,843)	99
Other	45,087	51,019	(617)	26,502	31,900	(5,398)	83
<b>Total Revenue - Functional</b>	<b>327,664,651</b>	<b>337,800,888</b>	<b>16,310,339</b>	<b>227,069,084</b>	<b>227,721,239</b>	<b>(652,155)</b>	<b>100</b>
<b>Expenditure - Functional</b>							
Executive and council	19,937,704	19,922,829	1,494,427	12,770,414	12,185,168	585,246	105
Finance and administration	92,901,323	98,823,871	5,551,020	44,234,403	48,028,170	(3,793,767)	92
Internal audit	1,492,849	1,427,909	80,875	777,727	843,063	(65,336)	92
Community and social services	7,803,363	8,151,153	453,519	3,105,808	3,509,730	(403,922)	88
Sport and recreation	4,456,504	4,489,702	148,793	1,340,793	1,851,539	(510,746)	72
Public safety	5,050,370	3,911,336	382,596	1,803,626	1,711,646	91,980	105
Planning and development	2,368,471	2,283,829	111,526	930,324	1,071,770	(141,446)	87
Road transport	23,643,649	23,988,807	1,015,873	8,743,798	10,973,983	(2,230,185)	80
Energy sources	104,203,665	105,613,116	7,538,366	66,548,588	68,330,805	(1,782,217)	97
Water management	42,663,732	43,924,848	699,403	12,451,171	18,186,379	(5,735,208)	68
Waste water management	17,345,235	18,006,849	759,054	6,486,373	8,175,608	(1,689,235)	79
Waste management	12,154,736	12,631,059	602,248	5,078,202	6,106,974	(1,028,772)	83
<b>Total Expenditure - Functional</b>	<b>334,021,601</b>	<b>343,175,308</b>	<b>18,837,700</b>	<b>164,271,227</b>	<b>180,974,835</b>	<b>(16,703,608)</b>	<b>91</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(6,356,950)</b>	<b>(5,374,420)</b>	<b>(2,527,361)</b>	<b>62,797,857</b>	<b>46,746,404</b>	<b>16,051,453</b>	

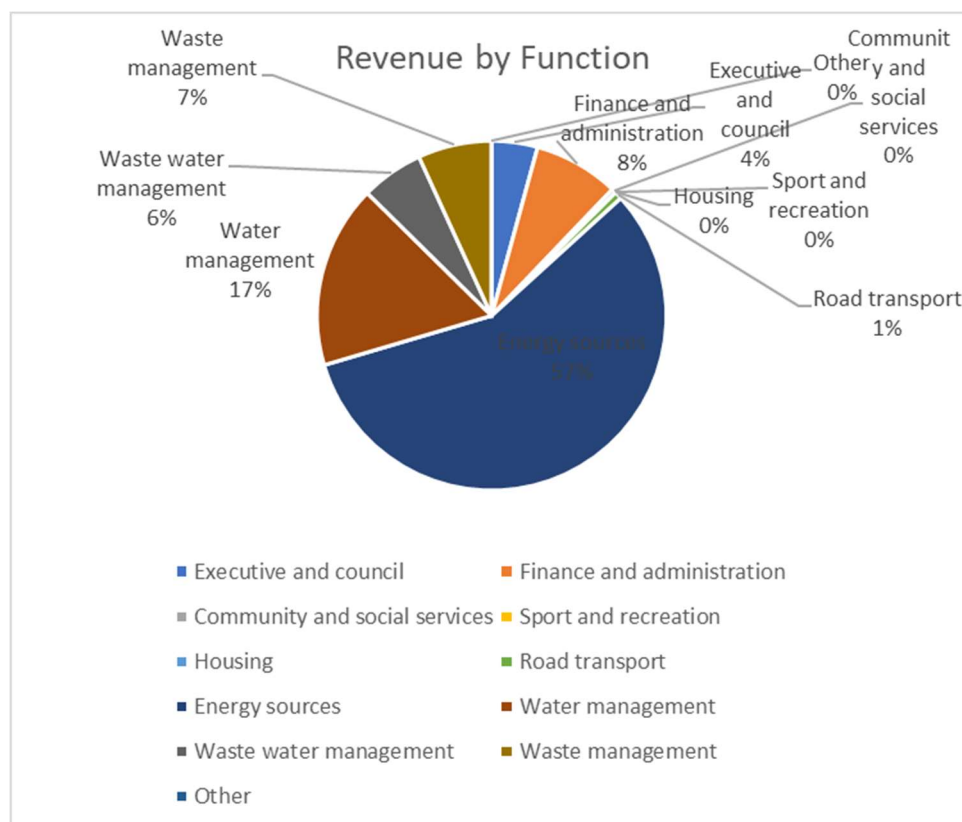
## Reasons for variances above/under 10%

Variances to be discussed in Institutional and Finance Committee

### CHART 3

The following chart shows the revenue by vote for 28 February 2021

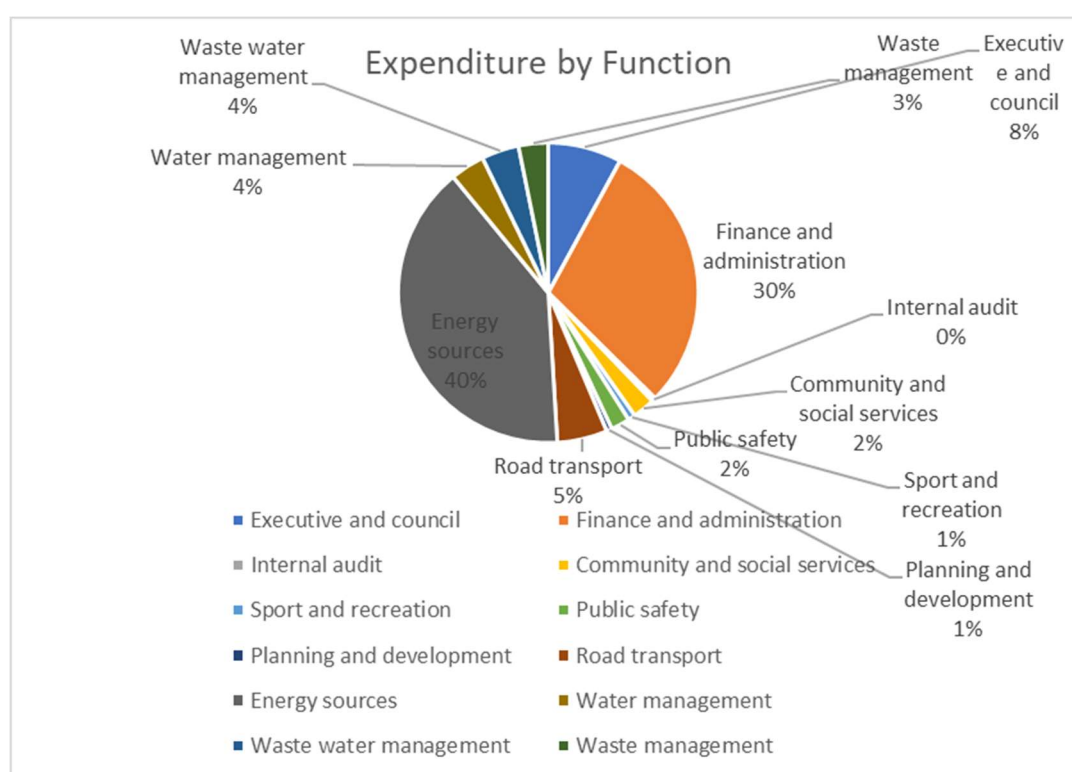
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Revenue - Functional</b>							
Executive and council	1,817,556	1,678,997	691,344	1,415,536	915,153	500,383	155
Finance and administration	106,908,828	118,556,658	1,288,791	107,549,967	108,708,076	(1,158,109)	99
Community and social services	1,372,945	2,409,248	67,418	788,350	1,058,597	(270,247)	74
Sport and recreation	7,539,886	6,579,708	(246)	5,763	1,316,260	(1,310,497)	0
Housing	-	934,000	-	-	-	-	-
Road transport	8,493,011	5,237,847	113,890	862,887	1,646,765	(783,878)	52
Energy sources	101,539,214	101,893,930	9,327,657	72,344,104	62,667,949	9,676,155	115
Water management	49,504,127	46,401,525	2,764,716	22,754,378	25,137,665	(2,383,287)	91
Waste water management	35,129,754	40,124,199	943,665	12,221,504	17,039,938	(4,818,434)	72
Waste management	15,314,243	13,933,757	1,113,721	9,100,093	9,198,936	(98,843)	99
Other	45,087	51,019	(617)	26,502	31,900	(5,398)	83
<b>Total Revenue - Functional</b>	<b>327,664,651</b>	<b>337,800,888</b>	<b>16,310,339</b>	<b>227,069,084</b>	<b>227,721,239</b>	<b>(652,155)</b>	<b>100</b>



**CHART 4**

Expenditure - Functional	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Executive and council	19,937,704	19,922,829	1,494,427	12,770,414	12,185,168	585,246	105
Finance and administration	92,901,323	98,823,871	5,551,020	44,234,403	48,028,170	(3,793,767)	92
Internal audit	1,492,849	1,427,909	80,875	777,727	843,063	(65,336)	92
Community and social services	7,803,363	8,151,153	453,519	3,105,808	3,509,730	(403,922)	88
Sport and recreation	4,456,504	4,489,702	148,793	1,340,793	1,851,539	(510,746)	72
Public safety	5,050,370	3,911,336	382,596	1,803,626	1,711,646	91,980	105
Planning and development	2,368,471	2,283,829	111,526	930,324	1,071,770	(141,446)	87
Road transport	23,643,649	23,988,807	1,015,873	8,743,798	10,973,983	(2,230,185)	80
Energy sources	104,203,665	105,613,116	7,538,366	66,548,588	68,330,805	(1,782,217)	97
Water management	42,663,732	43,924,848	699,403	12,451,171	18,186,379	(5,735,208)	68
Waste water management	17,345,235	18,006,849	759,054	6,486,373	8,175,608	(1,689,235)	79
Waste management	12,154,736	12,631,059	602,248	5,078,202	6,106,974	(1,028,772)	83
<b>Total Expenditure - Functional</b>	<b>334,021,601</b>	<b>343,175,308</b>	<b>18,837,700</b>	<b>164,271,227</b>	<b>180,974,835</b>	<b>(16,703,608)</b>	<b>91</b>

The following chart shows the expenditure by vote for 28 February 2021



**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

Capital Expenditure by Function and Funding Sources							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Executive and council	1,400,000	-	-	-	-	-	
Finance and administration	-	1,520,000	-	202,340	304,000	(101,660)	67
Sport and recreation	7,500,000	6,521,739	-	-	1,304,348	(1,304,348)	-
Housing	-	934,000	-	121,845	186,800	(64,955)	65
Planning and development	-	1,120,000	-	(27,502)	251,583	(279,085)	(11)
Road transport	5,838,669	9,513,043	209,007	8,011,378	4,648,395	3,362,983	172
Energy sources	713,615	-	-	5,364,501	-	5,364,501	
Water management	6,260,351	11,554,000	-	8,106,034	3,078,561	5,027,473	263
Waste water management	22,538,669	14,900,000	641,114	3,763,669	10,647,208	(6,883,539)	35
<b>Total Capital Expenditure - Functional Classification</b>	<b>44,251,304</b>	<b>46,062,782</b>	<b>850,121</b>	<b>25,542,265</b>	<b>20,420,895</b>	<b>5,121,370</b>	<b>125</b>
<b>Funded by:</b>							
National Government	42,851,304	43,422,782	850,121	25,367,427	19,865,312	5,502,115	128
Internally generated funds	1,400,000	2,540,000	-	34,479	535,583	(501,104)	6
<b>Total Capital Funding</b>	<b>44,251,304</b>	<b>45,962,782</b>	<b>850,121</b>	<b>25,401,906</b>	<b>20,400,895</b>	<b>5,001,011</b>	<b>125</b>

Variances to be discussed in Institutional and Finance Committee

## CASH FLOW STATEMENT AT 28 February 2021

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	Budget Year 2020/21								
		2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		-	40,460	40,518	3,231	30,478	27,012	3,466	13%	40,518
Service charges		309,196	157,664	159,406	12,210	91,968	106,271	(14,303)	-13%	159,406
Other revenue		-	5,268	4,781	219	47,444	3,187	44,257	1389%	4,781
Transfers and Subsidies - Operational		-	58,664	66,635	-	40,037	44,423	(4,386)	-10%	66,635
Transfers and Subsidies - Capital		-	42,851	35,581	3,340	32,224	23,721	8,503	36%	35,581
Interest		-	1,375	1,655	20	1,806	1,104	702	64%	1,655
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		-	(268,740)	(300,705)	(17,949)	(228,649)	(200,470)	28,179	-14%	(300,705)
Finance charges		-	(313)	(313)	-	-	(209)	(209)	100%	(313)
Transfers and Grants		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>309,196</b>	<b>37,229</b>	<b>7,559</b>	<b>1,071</b>	<b>15,308</b>	<b>5,039</b>	<b>(10,269)</b>	<b>-204%</b>	<b>7,559</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		-	(44,251)	(46,463)	(2,694)	(17,819)	(30,975)	(13,156)	42%	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(44,251)</b>	<b>(46,463)</b>	<b>(2,694)</b>	<b>(17,819)</b>	<b>(30,975)</b>	<b>(13,156)</b>	<b>42%</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	63	64	-	-	43	(43)	-100%	40
<b>Payments</b>										
Repayment of borrowing		-	389	(3,643)	-	-	(2,429)	(2,429)	100%	(3,643)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>451</b>	<b>(3,579)</b>	<b>-</b>	<b>-</b>	<b>(2,386)</b>	<b>(2,386)</b>	<b>100%</b>	<b>(3,603)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>309,196</b>	<b>(6,571)</b>	<b>(42,484)</b>	<b>(1,623)</b>	<b>(2,511)</b>	<b>(28,322)</b>			<b>3,956</b>
Cash/cash equivalents at beginning:		108,036	6,870	42,588		14,586	42,588			14,586
Cash/cash equivalents at month/year end:		417,232	298	104		12,075	14,265			18,542

## 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 28 February 2021.

NC062 Nama Khoi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February						
Description	Budget Year 2020/21					
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	3,593,213	2,757,348	1,469,538	1,342,771	54,421,406	63,584,276
Electricity	5,632,103	3,827,053	1,569,018	1,232,637	58,985,814	71,246,625
Property Rates	4,010,883	2,139,746	1,281,870	993,592	47,662,379	56,088,470
Waste Water Management	1,072,763	650,481	454,664	390,106	14,977,637	17,545,651
Waste Management	1,463,449	950,570	691,385	616,390	31,862,701	35,584,495
Receivables from Exchange Transactions - Property Rental Debtors	380,475	282,886	260,737	216,843	11,540,373	12,681,314
<b>Total By Income Source</b>	<b>16,152,886</b>	<b>10,608,084</b>	<b>5,727,212</b>	<b>4,792,339</b>	<b>219,450,310</b>	<b>256,730,831</b>
					-	
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	909,150	744,546	546,595	445,298	4,890,632	7,536,221
Commercial	7,233,906	4,290,081	1,972,344	1,442,525	72,518,768	87,457,624
Households	8,009,830	5,573,457	3,208,273	2,904,516	142,040,910	161,736,986
<b>Total By Customer Group</b>	<b>16,152,886</b>	<b>10,608,084</b>	<b>5,727,212</b>	<b>4,792,339</b>	<b>219,450,310</b>	<b>256,730,831</b>

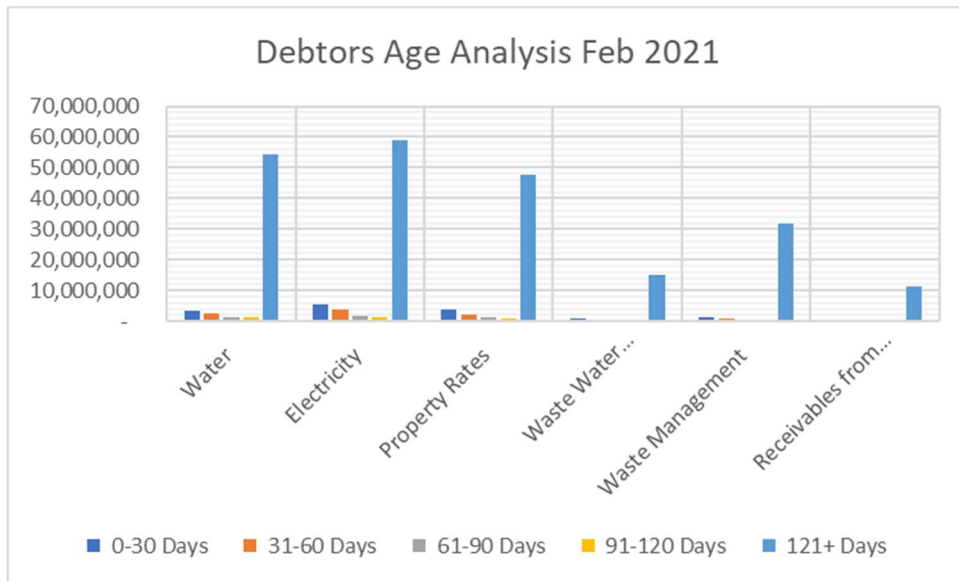
Debtor's outstanding for the period more than 121 days amounts to R219 450 310.

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
<b>Debtors Age Analysis By Income Source</b>						
Water	3,593,213	2,757,348	1,469,538	1,342,771	54,421,406	63,584,276
Electricity	5,632,103	3,827,053	1,569,018	1,232,637	58,985,814	71,246,625
Property Rates	4,010,883	2,139,746	1,281,870	993,592	47,662,379	56,088,470
Waste Water Management	1,072,763	650,481	454,664	390,106	14,977,637	17,545,651
Waste Management	1,463,449	950,570	691,385	616,390	31,862,701	35,584,495
Receivables from Exchange Transactions - Property Rental Debtors	380,475	282,886	260,737	216,843	11,540,373	12,681,314
<b>Total By Income Source</b>	<b>16,152,886</b>	<b>10,608,084</b>	<b>5,727,212</b>	<b>4,792,339</b>	<b>219,450,310</b>	<b>256,730,831</b>

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

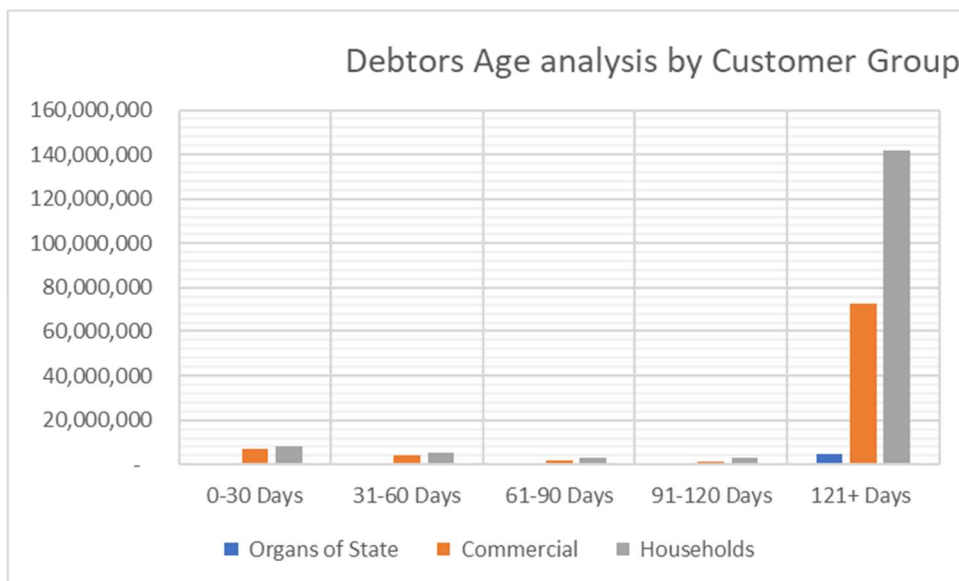


#### Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	909,150	744,546	546,595	445,298	4,890,632	7,536,221
Commercial	7,233,906	4,290,081	1,972,344	1,442,525	72,518,768	87,457,624
Households	8,009,830	5,573,457	3,208,273	2,904,516	142,040,910	161,736,986
<b>Total By Customer Group</b>	<b>16,152,886</b>	<b>10,608,084</b>	<b>5,727,212</b>	<b>4,792,339</b>	<b>219,450,310</b>	<b>256,730,831</b>

#### 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 28 February 2021.

Creditors Age Analysis Feb 2021						
Description	Budget Year 2020/21					Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	
<b>Creditors Age Analysis By Customer Type</b>						
Bulk Electricity	7,633,501	(9,283,543)	6,403,742	1,134,179	136,732,917	142,620,797
Bulk Water	(1,400,000)	(4,200,000)	(1,400,000)	(2,000,000)	186,088,598	177,088,598
Trade Creditors	354,773	(208,158)	(466,862)	(831,345)	1,431,029	279,437
Auditor General	-	(88,667)	-	349,442	330,233	591,009
<b>Total By Customer Type</b>	<b>6,588,274</b>	<b>(13,780,368)</b>	<b>4,536,881</b>	<b>(1,347,724)</b>	<b>324,582,777</b>	<b>320,579,840</b>

### 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 - M08 February						
Summary of Employee and Councillor remuneration	Budget Year 2020/21					
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Councillors (Political Office Bearers plus Other)</b>						
Basic Salaries and Wages	4,077,073	3,950,385	2,877,149	2,816,328	60,821	102
Pension and UIF Contributions	533,988	264,655	174,353	176,433	(2,080)	99
Medical Aid Contributions	52,598	42,394	25,465	27,227	(1,762)	94
Cellphone Allowance	804,309	697,200	465,424	468,020	(2,596)	99
Housing Allowances	-	294,539	193,844	58,908	134,936	329
Other benefits and allowances	1,486,360	961,928	620,971	763,522	(142,551)	81
<b>Sub Total - Councillors</b>	<b>6,954,328</b>	<b>6,211,101</b>	<b>4,357,206</b>	<b>4,310,438</b>	<b>46,768</b>	<b>101</b>
<b>Senior Managers of the Municipality</b>						
Basic Salaries and Wages	3,814,866	1,164,528	389,036	621,170	(232,134)	63
Pension and UIF Contributions	370,706	370,706	229,654	243,626	(13,972)	94
Medical Aid Contributions	154,086	154,086	95,183	104,986	(9,803)	91
Performance Bonus	191,515	191,515	95,554	114,746	(19,192)	83
Motor Vehicle Allowance	487,444	1,563,979	1,019,411	656,541	362,870	155
Cellphone Allowance	41,899	41,899	26,560	26,971	(411)	98
Housing Allowances	23,678	11,574	39,670	7,719	31,951	514
Other benefits and allowances	38,948	38,948	11,470	14,025	(2,555)	82
Long service awards	57,645	57,645	-	11,529	(11,529)	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>5,180,787</b>	<b>3,594,880</b>	<b>1,906,538</b>	<b>1,801,313</b>	<b>105,225</b>	<b>106</b>
<b>% increase</b>						
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	63,749,038	67,430,262	41,395,750	40,886,110	509,640	101
Pension and UIF Contributions	9,660,332	9,703,638	6,164,350	6,209,504	(45,154)	99
Medical Aid Contributions	2,930,791	2,504,647	2,015,542	1,645,325	370,217	123
Overtime	5,933,784	7,043,061	4,673,658	4,627,911	45,747	101
Performance Bonus	5,023,080	5,075,514	3,024,404	3,303,951	(279,547)	92
Motor Vehicle Allowance	-	2,288,220	1,546,197	457,642	1,088,555	338
Cellphone Allowance	226,299	226,157	163,477	143,438	20,039	114
Housing Allowances	4,540,375	1,033,169	670,760	2,088,109	(1,417,349)	32
Other benefits and allowances	996,101	996,774	578,361	580,666	(2,305)	100
Payments in lieu of leave	816,884	1,400,110	1,031,529	1,078,277	(46,748)	96
Long service awards	345,803	345,803	142,111	138,257	3,854	103
<b>Sub Total - Other Municipal Staff</b>	<b>94,222,487</b>	<b>98,047,355</b>	<b>61,406,139</b>	<b>61,159,190</b>	<b>246,949</b>	<b>100</b>
<b>Total Parent Municipality</b>	<b>106,357,602</b>	<b>107,853,336</b>	<b>67,669,883</b>	<b>67,270,941</b>	<b>398,942</b>	<b>101</b>
<b>Total Employee Cost</b>	<b>99,403,274</b>	<b>101,642,235</b>	<b>63,312,677</b>	<b>62,960,503</b>		
<b>Total Expenditure</b>	<b>334,021,601</b>	<b>343,175,312</b>	<b>164,271,227</b>	<b>181,224,451</b>		
<b>Total Revenue</b>	<b>284,813,347</b>	<b>294,378,106</b>	<b>209,937,302</b>	<b>215,421,436</b>		
<b>% Employee Cost to Total Expenditure</b>	<b>30</b>	<b>30</b>	<b>39</b>	<b>35</b>		
<b>%Employee Cost to Total Revenue</b>	<b>35</b>	<b>35</b>	<b>30</b>	<b>29</b>		

**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:

- salaries and wages;
- contributions for pensions and medical aid;
- travel, motor car, accommodation, subsistence and other allowances;
- housing benefits and allowances;
- overtime payments;
- loans and advances; and
- 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 July-Feb 2021 is 30%. Non-capturing of invoices like your Bulk accounts is the cause of the high percentage showing this particular month.

## **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 9<sup>th</sup> 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:**

Henri Cloete

Chief Financial Officer

[heinri.cloete@namakhoi.gov.za](mailto:heinri.cloete@namakhoi.gov.za)

**NAMAKHOI MUNICIPALITY QUALITY CERTIFICATE**

I, SA Tatas-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 28 February 2021 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 Nama Khoi Municipality

Signature:  .....

Date: 15 March 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.

<b>NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT</b>	
<b>General information and contact information</b>	
<b>Main tables</b>	<b>Consolidated Monthly Statements</b>
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
<b>Supporting Tables</b>	
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