



**Nama Khoi Municipality**

**27 July 2023**

**The Mayor**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): QUARTERLY REPORT FOR THE PERIOD ENDING 30 June 2023 (QUARTERLY BUDGET STATEMENT) – 2023-23 FINANCIAL YEAR**

## **1. PURPOSE**

To comply with section 52 of the MFMA, by providing a quarterly 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 the capacity to execute its mandate.

For the reporting period ending June 2023, 30 days reporting limit expires on 30 June 2023

## **3. REPORT FOR THE PERIOD ENDING June 2023**

This report is based on financial information, as on June 2023, and is available at the time of preparation. The C-Schedule is based on information from January to June 2023.

The financial results for the period ended June 2023 are summarised as follows:

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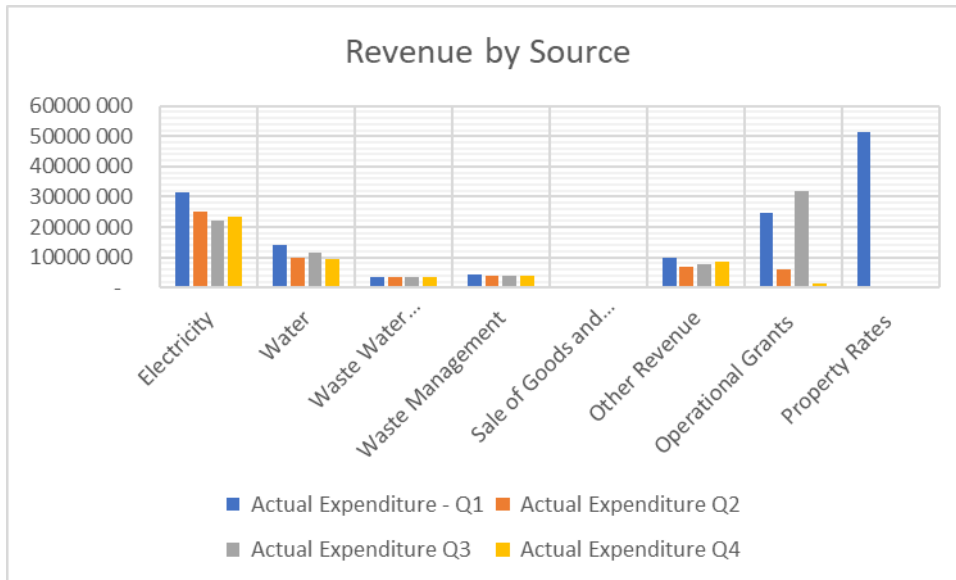
**NORTHERN CAPE: NAMA KHOI (NC062)**  
**STATEMENT OF CAPITAL AND OPERATING EXPENDITURE FOR THE 4TH QUARTER ENDED 30 JUNE 2023 (PRELIMINARY RESULTS)**

**Part1: Operating Revenue and Expenditure**

	2022/23												2021/22		Q4 of 2021/22 to Q4 of 2022/23	
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date		Fourth Quarter			
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget		
R thousands																
<b>Operating Revenue and Expenditure</b>																
<b>Operating Revenue</b>	<b>365 477</b>	<b>373 200</b>	<b>139 696</b>	<b>38,2%</b>	<b>55 517</b>	<b>15,2%</b>	<b>81 214</b>	<b>21,8%</b>	<b>50 390</b>	<b>13,5%</b>	<b>326 817</b>	<b>87,6%</b>	<b>55 213</b>	<b>97,2%</b>	<b>(8,7%)</b>	
<b>Exchange Revenue</b>																
Service charges - Electricity	129 505	129 493	31 623	24,4%	24 909	19,2%	21 995	17,0%	23 585	18,2%	102 113	78,9%	27 898	89,9%	(15,5%)	
Service charges - Water	49 718	49 718	14 278	28,7%	9 835	19,8%	11 671	23,5%	9 443	19,0%	45 227	91,0%	15 718	106,9%	(39,9%)	
Service charges - Waste Water Management	21 098	21 158	3 627	17,2%	3 634	17,2%	3 507	16,6%	3 464	16,4%	14 232	67,3%	3 098	99,1%	11,8%	
Service charges - Waste Management	25 062	25 132	4 189	16,7%	4 070	16,2%	4 021	16,0%	3 994	15,9%	16 275	64,8%	3 473	96,4%	15,0%	
Sale of Goods and Rendering of Services	642	752	151	23,5%	126	19,6%	318	42,3%	135	18,0%	730	97,1%	165	108,3%	(18,2%)	
Agency services	174	380	-	-	59	33,8%	35	9,3%	72	19,0%	166	43,7%	92	130,5%	(21,3%)	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	9 565	14 570	3 746	39,2%	4 211	44,0%	4 522	31,0%	4 981	34,2%	17 459	119,8%	2 845	117,5%	75,1%	
Interest earned from Current and Non Current Assets	1 363	1 980	456	33,5%	437	32,1%	813	41,1%	1 007	50,9%	2 714	137,1%	342	103,4%	194,3%	
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land	1 134	1 134	263	23,2%	265	23,4%	262	23,1%	265	23,3%	1 055	93,0%	234	93,5%	13,0%	
Rental from Fixed Assets	3 014	3 077	660	21,9%	419	13,9%	727	23,6%	647	21,0%	2 453	79,7%	86	89,5%	651,5%	
Licence and permits	1 135	1 507	460	40,6%	282	24,8%	279	18,5%	276	18,3%	1 298	86,2%	296	124,6%	(6,8%)	
Operational Revenue	304	323	3 328	1 095,1%	83	27,3%	(122)	(37,7%)	97	29,9%	3 386	1 048,9%	78	94,5%	23,7%	
<b>Non-Exchange Revenue</b>																
Property rates	55 529	55 049	51 249	92,3%	22	-	115	2%	86	2%	51 472	93,5%	(197)	98,7%	(143,7%)	
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	334	530	142	42,5%	8	2,3%	6	1,1%	27	5,1%	183	34,5%	15	46,3%	80,4%	
Licences or permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	64 422	64 422	24 654	38,3%	6 196	9,6%	32 044	49,7%	1 189	1,8%	64 082	99,5%	554	100,3%	114,5%	
Interest	2 476	3 976	868	35,0%	960	38,8%	1 021	25,7%	1 124	28,3%	3 972	99,9%	516	101,6%	117,8%	
Fuel Levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating Expenditure</b>	<b>416 138</b>	<b>447 855</b>	<b>88 953</b>	<b>21,4%</b>	<b>78 099</b>	<b>18,8%</b>	<b>71 895</b>	<b>16,1%</b>	<b>73 633</b>	<b>16,4%</b>	<b>312 579</b>	<b>69,8%</b>	<b>72 751</b>	<b>72,8%</b>	<b>1,2%</b>	
Employee related costs	110 697	100 809	25 237	22,8%	25 025	22,6%	24 442	24,2%	24 194	24,0%	98 898	98,1%	24 224	93,0%	(1,1%)	
Remuneration of councillors	6 759	7 946	1 552	23,0%	3 016	44,6%	501	6,3%	1 690	21,3%	6 759	85,1%	1 552	99,2%	8,9%	
Bulk purchases - electricity	90 000	90 000	39 516	43,9%	21 398	23,8%	19 030	21,1%	22 635	25,1%	102 578	114,0%	25 190	96,2%	(10,1%)	
Inventory consumed	58 200	59 633	11 588	19,9%	12 607	21,7%	14 747	24,7%	12 107	20,3%	51 048	85,6%	7 372	81,2%	64,2%	
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	41 401	77 775	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	1 964	81	1 745	88,8%	3 529	179,7%	1 922	2 373,0%	3 171	3 914,7%	10 367	12 798,6%	2 143	-	48,0%	
Contracted services	42 298	42 861	3 497	8,3%	3 924	9,3%	3 910	9,1%	3 604	8,4%	14 934	34,8%	5 430	53,7%	(33,6%)	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	20 879	20 879	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs	31 145	40 075	5 818	18,7%	8 601	27,6%	7 342	18,3%	6 233	15,6%	27 994	69,9%	6 839	71,3%	(8,9%)	
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses	12 797	7 797	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>(50 662)</b>	<b>(74 655)</b>	<b>50 743</b>		<b>(22 581)</b>		<b>9 320</b>		<b>(23 243)</b>		<b>14 239</b>		<b>(17 538)</b>			
Transfers and subsidies - capital (monetary allocations)	41 070	41 070	-	-	5 954	14,5%	3 243	7,9%	1 246	3,0%	10 442	25,4%	5 490	39,5%	(77,3%)	
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>(9 592)</b>	<b>(33 585)</b>	<b>50 743</b>		<b>(16 628)</b>		<b>12 563</b>		<b>(21 997)</b>		<b>24 681</b>		<b>(12 048)</b>			

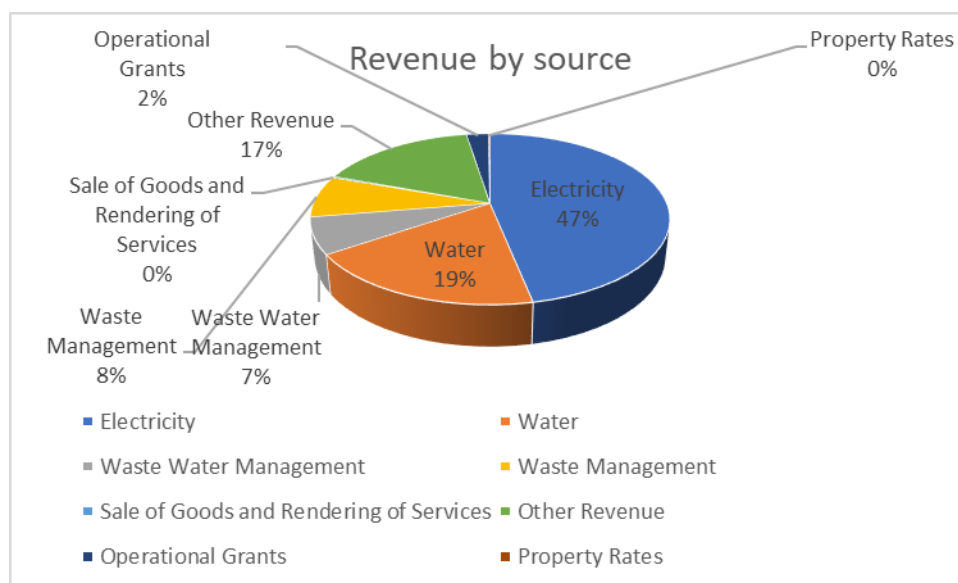
**CHART 1**

The following chart shows the revenue by source differences between the actual year-to-date figures, CHART as per the information above



**Chart 2**

The following chart shows the revenue per source as a percentage of total revenue



**Notes on Revenue**

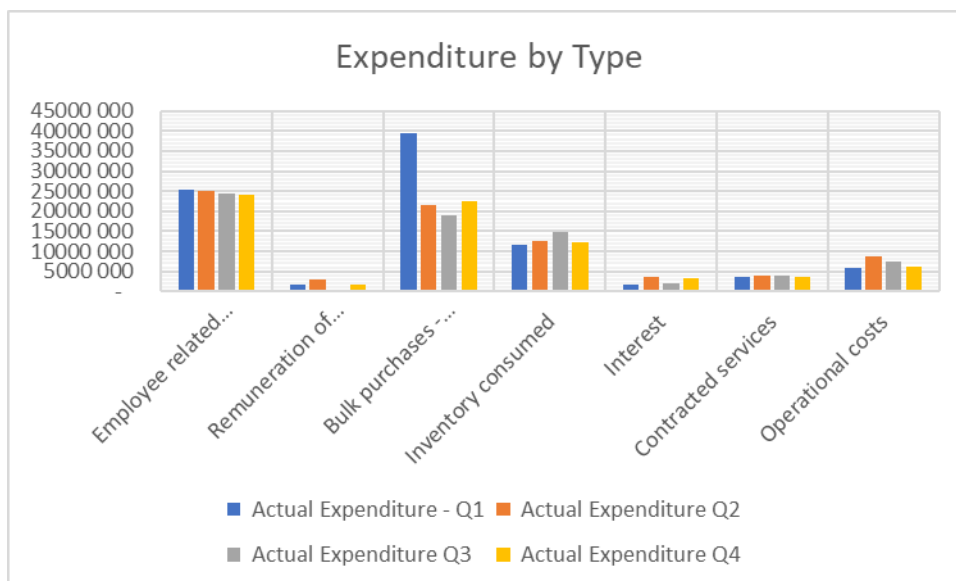
The municipality revenue decreased from the 3rd Quarter to the 4<sup>th</sup> Quarter of 2023-23 with R30.8 million, this is a result of conditional grants received in the third quarter.

Municipality billing amounts fourth quarter compared to the previous year's fourth quarter is 4.8 % more

Service Charges should be closer to 25% which at this stage is lower than budgeted, shows that the municipality is incurring losses.

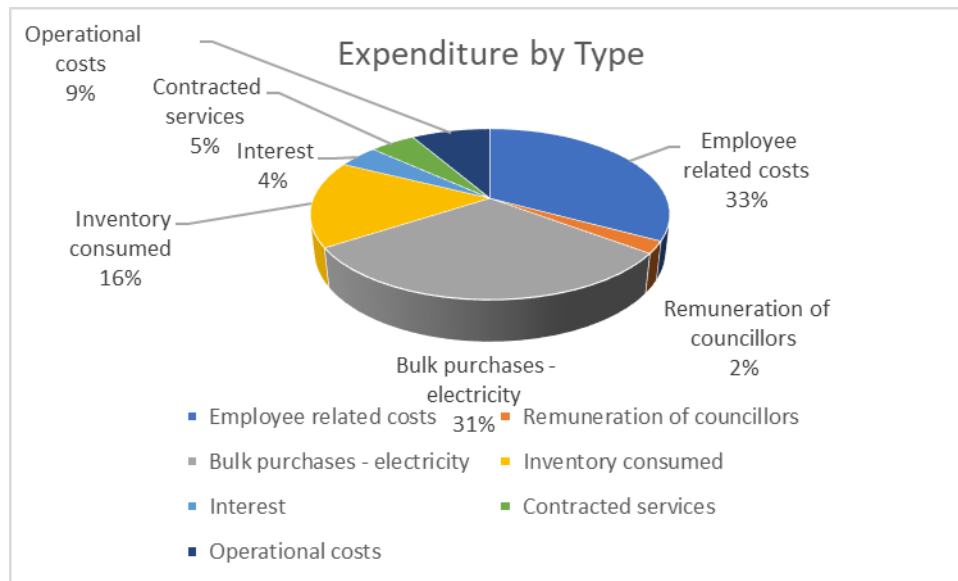
**Expenditure by Type**

**CHART 3** The following chart shows the expenditure by type differences between the actual year-to-date figures, Chart as per the information above



#### Chart 4

The following chart shows the expenditure per type percentage to total expenditure



#### Notes on variances above or below 10%

**Depreciation and debt impairment** – The asset Register is not linked to Financial System; therefore, no monthly depreciation is done.

The municipality paid 16.4% of the total budget in the 4<sup>th</sup> quarter of the current year compared to 16.1% in the previous quarter, with bulk purchases and salaries being the highest contributors.

The municipality spent 33% the of total expenditure on salaries, 31% on bulk purchases, and 16.4% on inventory consumed (water largest contributor) for the fourth quarter.

**Part 2: Capital Revenue and Expenditure**

	2022/23												2021/22		Q4 of 2021/22 to Q4 of 2022/23
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date		Fourth Quarter		
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget	
<b>R thousands</b>															
<b>Capital Revenue and Expenditure</b>															
<b>Source of Finance</b>	<b>84 525</b>	<b>71 812</b>	-	-	<b>5 185</b>	<b>6,1%</b>	<b>2 820</b>	<b>3,9%</b>	<b>7 421</b>	<b>10,3%</b>	<b>15 425</b>	<b>21,5%</b>	<b>2 879</b>	<b>172,7%</b>	<b>157,8%</b>
National Government	41 070	41 070	-	-	5 177	12,6%	2 820	6,9%	1 083	2,6%	9 080	22,1%	2 853	196,0%	(62,0%)
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary alloc)(Departm Agencies, F	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>41 070</b>	<b>41 070</b>	-	-	<b>5 177</b>	<b>12,6%</b>	<b>2 820</b>	<b>6,9%</b>	<b>1 083</b>	<b>2,6%</b>	<b>9 080</b>	<b>22,1%</b>	<b>2 853</b>	<b>196,0%</b>	<b>(62,0%)</b>
Borrowing	25 000	25 000	-	-	-	-	-	-	6 326	25,3%	6 326	25,3%	-	-	(100,0%)
Internally generated funds	18 455	5 742	-	-	8	-	-	-	12	2%	19	3%	25	8,1%	(53,5%)
<b>Capital Expenditure Functional</b>	<b>71 420</b>	<b>71 812</b>	-	-	<b>5 185</b>	<b>7,3%</b>	<b>2 820</b>	<b>3,9%</b>	<b>7 421</b>	<b>10,3%</b>	<b>15 425</b>	<b>21,5%</b>	<b>2 879</b>	<b>179,0%</b>	<b>157,8%</b>
<b>Municipal governance and administration</b>	<b>25 000</b>	<b>25 000</b>	-	-	-	-	-	-	<b>6 326</b>	<b>25,3%</b>	<b>6 326</b>	<b>25,3%</b>	-	-	<b>(100,0%)</b>
Executive and Council	25 000	25 000	-	-	-	-	-	-	6 326	25,3%	6 326	25,3%	-	-	(100,0%)
Finance and administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and Public Safety</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport And Recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and Environmental Services</b>	<b>350</b>	<b>1 392</b>	-	-	<b>8</b>	<b>2,1%</b>	-	-	<b>12</b>	<b>,9%</b>	<b>19</b>	<b>1,4%</b>	<b>188</b>	<b>509,5%</b>	<b>(93,7%)</b>
Planning and Development	270	1 312	-	-	8	2,8%	-	-	12	,9%	19	1,5%	25	16,5%	(53,5%)
Road Transport	80	80	-	-	-	-	-	-	-	-	-	-	162	1 061,7%	(100,0%)
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading Services</b>	<b>46 070</b>	<b>45 420</b>	-	-	<b>5 177</b>	<b>11,2%</b>	<b>2 820</b>	<b>6,2%</b>	<b>1 083</b>	<b>2,4%</b>	<b>9 080</b>	<b>20,0%</b>	<b>2 691</b>	<b>135,9%</b>	<b>(59,7%)</b>
Energy sources	7 000	7 350	-	-	-	-	963	13,1%	733	10,0%	1 696	23,1%	-	141,9%	(100,0%)
Water Management	6 070	7 161	-	-	4 661	76,8%	-	-	-	-	4 661	65,1%	839	182,0%	(100,0%)
Waste Water Management	32 000	30 909	-	-	516	1,6%	1 857	6,0%	350	1,1%	2 723	8,8%	1 852	101,1%	(81,1%)
Waste Management	1 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Important Notification**

Capital Expenditure is drafted in the Technical monthly/quarterly reports to the Infrastructure Committee



## Cash Flow Statement

### Part 3: Cash Receipts and Payments

	2022/23												2021/22		Q4 of 2021/22 to Q4 of 2022/23
	Budget		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date		Fourth Quarter		
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	4th Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted budget	
<b>R thousands</b>															
<b>Cash Flow from Operating Activities</b>															
<b>Receipts</b>	<b>359 356</b>	<b>365 613</b>	<b>96 900</b>	<b>27,0%</b>	<b>70 759</b>	<b>19,7%</b>	<b>77 986</b>	<b>21,3%</b>	<b>54 953</b>	<b>15,0%</b>	<b>300 599</b>	<b>82,2%</b>	<b>56 097</b>	<b>301,2%</b>	<b>(2,0%)</b>
Property rates	49 893	49 460	13 740	27,5%	10 175	20,4%	10 032	20,3%	9 823	19,9%	43 771	88,5%	10 151	32,4%	(3,2%)
Service charges	237 268	242 379	44 448	18,7%	42 012	17,7%	43 807	18,1%	39 797	16,4%	170 063	70,2%	43 437	491,8%	(8,4%)
Other revenue	7 113	8 074	4 376	61,5%	4 393	61,8%	5 196	64,3%	4 038	50,0%	18 003	223,0%	2 459	37,8%	64,2%
Transfers and Subsidies - Operational	22 650	22 650	34 336	151,6%	5 837	25,8%	17 973	79,4%	1 241	5,5%	59 387	262,2%	49	84,0%	2 445,3%
Transfers and Subsidies - Capital	41 070	41 070	-	-	8 342	20,3%	979	2,4%	54	,1%	9 375	22,8%	-	-	(100,0%)
Interest	1 363	1 980	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>	<b>(340 823)</b>	<b>(341 166)</b>	<b>(78 284)</b>	<b>23,0%</b>	<b>(64 074)</b>	<b>18,8%</b>	<b>(100 291)</b>	<b>29,4%</b>	<b>(65 520)</b>	<b>19,2%</b>	<b>(308 168)</b>	<b>90,3%</b>	<b>(39 777)</b>	<b>27,1%</b>	<b>64,7%</b>
Suppliers and employees	(338 859)	(341 085)	(78 284)	23,1%	(64 066)	18,9%	(98 034)	28,7%	(65 510)	19,2%	(305 893)	89,7%	(39 476)	27,0%	65,9%
Finance charges	(1 964)	(81)	-	-	(8)	,4%	(2 258)	2 787,2%	(9)	11,5%	(2 275)	2 808,2%	(301)	-	(96,9%)
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash from/(used) Operating Activities</b>	<b>18 533</b>	<b>24 448</b>	<b>18 616</b>	<b>100,4%</b>	<b>6 685</b>	<b>36,1%</b>	<b>(22 305)</b>	<b>(91,2%)</b>	<b>(10 566)</b>	<b>(43,2%)</b>	<b>(7 569)</b>	<b>(31,0%)</b>	<b>16 319</b>	<b>(2 279,7%)</b>	<b>(164,7%)</b>
<b>Cash Flow from Investing Activities</b>															
<b>Receipts</b>	<b>281</b>	<b>1 192</b>	<b>(16)</b>	<b>(5,6%)</b>	<b>-</b>	<b>-</b>	<b>202</b>	<b>16,9%</b>	<b>(239)</b>	<b>(20,1%)</b>	<b>(53)</b>	<b>(4,5%)</b>	<b>(22)</b>	<b>12,2%</b>	<b>967,2%</b>
Proceeds on disposal of PPE	-	-	11	-	-	-	-	-	-	-	11	-	-	-	-
Decrease (increase) in non-current debtors (not used)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	281	1 192	(27)	(9,5%)	-	-	202	16,9%	(239)	(20,1%)	(64)	(5,4%)	(22)	(9,9%)	967,2%
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>	<b>(71 420)</b>	<b>(71 812)</b>	<b>-</b>	<b>-</b>	<b>434</b>	<b>(,6%)</b>	<b>495</b>	<b>(,7%)</b>	<b>(6 011)</b>	<b>8,4%</b>	<b>(5 081)</b>	<b>7,1%</b>	<b>976</b>	<b>(4,5%)</b>	<b>(716,2%)</b>
Capital assets	(71 420)	(71 812)	-	-	434	(,6%)	495	(,7%)	(6 011)	8,4%	(5 081)	7,1%	976	(4,5%)	(716,2%)
<b>Net Cash from/(used) Investing Activities</b>	<b>(71 139)</b>	<b>(70 619)</b>	<b>(16)</b>	<b>-</b>	<b>434</b>	<b>(,6%)</b>	<b>697</b>	<b>(1,0%)</b>	<b>(6 250)</b>	<b>8,9%</b>	<b>(5 135)</b>	<b>7,3%</b>	<b>953</b>	<b>(8,6%)</b>	<b>(755,8%)</b>
<b>Cash Flow from Financing Activities</b>															
<b>Receipts</b>	<b>25 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Short term loans	25 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>	<b>(4 191)</b>	<b>-</b>	<b>(3 212)</b>	<b>76,6%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 212)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Repayment of borrowing	(4 191)	-	(3 212)	76,6%	-	-	-	-	-	-	(3 212)	-	-	-	-
<b>Net Cash from/(used) Financing Activities</b>	<b>20 809</b>	<b>-</b>	<b>(3 212)</b>	<b>(15,4%)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 212)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in cash held</b>	<b>(31 796)</b>	<b>(46 172)</b>	<b>15 389</b>	<b>(48,4%)</b>	<b>7 120</b>	<b>(22,4%)</b>	<b>(21 608)</b>	<b>46,8%</b>	<b>(16 816)</b>	<b>36,4%</b>	<b>(15 916)</b>	<b>34,5%</b>	<b>17 272</b>	<b>(1 458,3%)</b>	<b>(197,4%)</b>
Cash/cash equivalents at the year begin:	32 480	24 517	24 517	75,5%	39 928	122,9%	47 067	192,0%	25 487	104,0%	24 517	100,0%	857 613	170,6%	(97,0%)
Cash/cash equivalents at the year end:	684	(21 655)	39 928	5 836,3%	47 058	6 878,4%	25 478	(117,7%)	8 704	(40,2%)	8 704	(40,2%)	874 905	(2 613,4%)	(99,0%)

**Important Notification**

It must be noted that the municipality suffered some difficulties with the financial system in the previous financial year; therefore, the comparison to the previous year's quarter is incorrect.

## Debtors Age Analysis - Annexure B -Table SC3

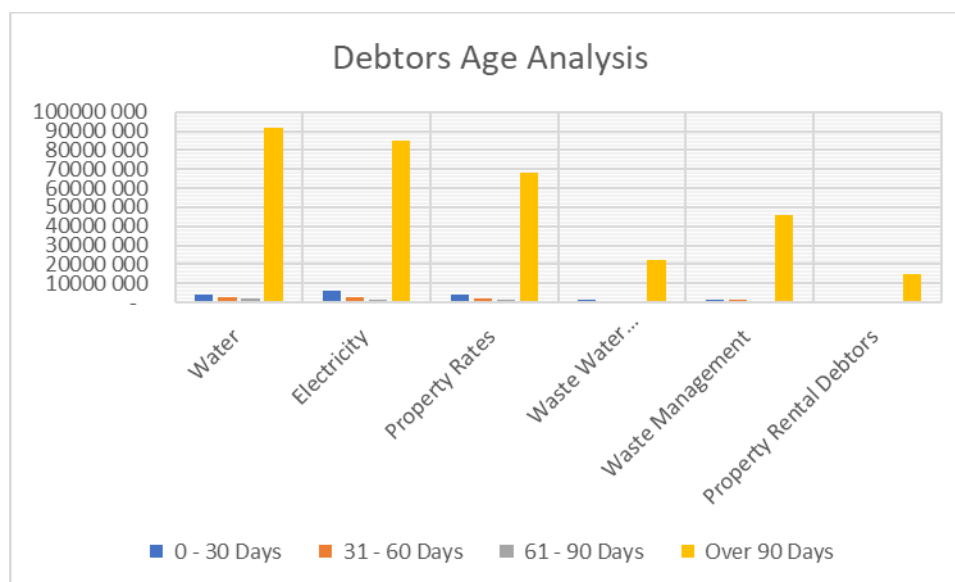
The debtor’s age analysis report shown in Annexure B has been prepared based on the format required by the National Treasury.

The following report shows the debtors outstanding on 30 June 2023

Debtors Age Analysis Fourth Quarter 2023					
Part 4: Debtor Age Analysis	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Total
Debtors Age Analysis By Income Source					
Water	3 894 997	2 708 505	2 057 229	91 912 433	100 573 164
Electricity	6 484 949	2 538 965	1 764 220	84 638 271	95 426 405
Property Rates	3 912 285	1 996 470	1 258 478	68 228 016	75 395 249
Waste Water Management	1 305 997	760 118	547 066	22 310 739	24 923 920
Waste Management	1 793 689	1 144 275	875 482	45 748 970	49 562 416
Property Rental Debtors	375 170	505 731	240 707	14 821 168	15 942 776
<b>Total By Income Source</b>	<b>17 767 087</b>	<b>9 654 064</b>	<b>6 743 182</b>	<b>327 659 597</b>	<b>361 823 930</b>
Debtors Age Analysis By Customer Group					
Organs of State	1 397 702	822 365	413 314	9 114 786	11 748 167
Commercial	7 759 769	3 371 347	2 341 053	104 172 271	117 644 440
Households	8 609 616	5 460 352	3 988 815	214 372 540	232 431 323
<b>Total By Customer Group</b>	<b>17 767 087</b>	<b>9 654 064</b>	<b>6 743 182</b>	<b>327 659 597</b>	<b>361 823 930</b>

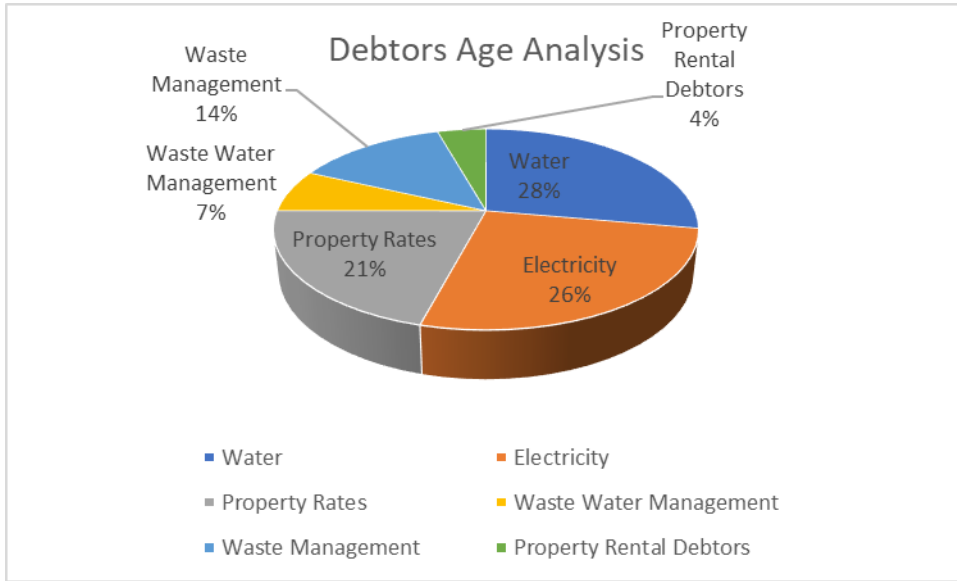
Chart 9 – Debtors per revenue source

The following chart shows the debtors outstanding per revenue source, Chart as per information above\_Q4\_2023-23



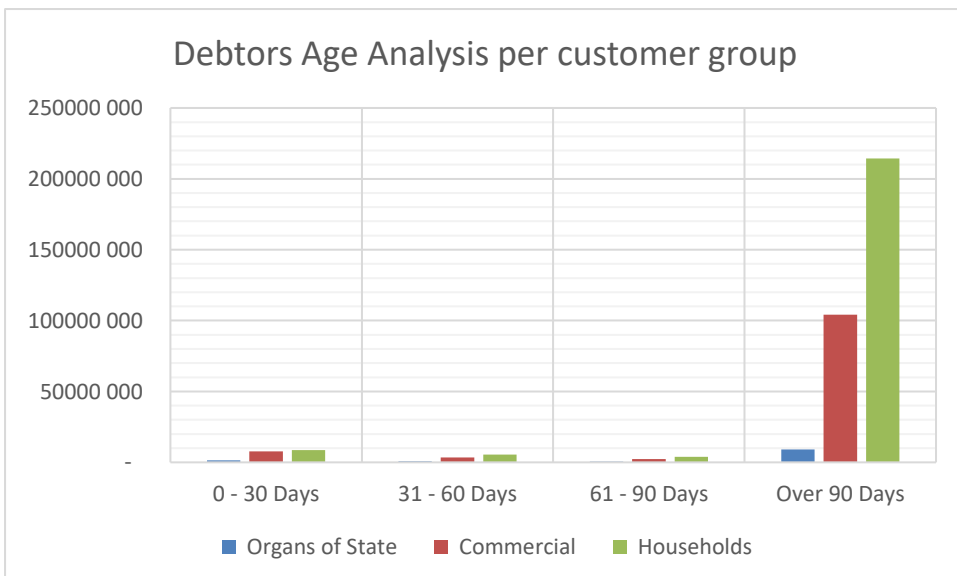
The following chart shows the different services outstanding by debtors\_Q4\_2023-2023

CHART 10



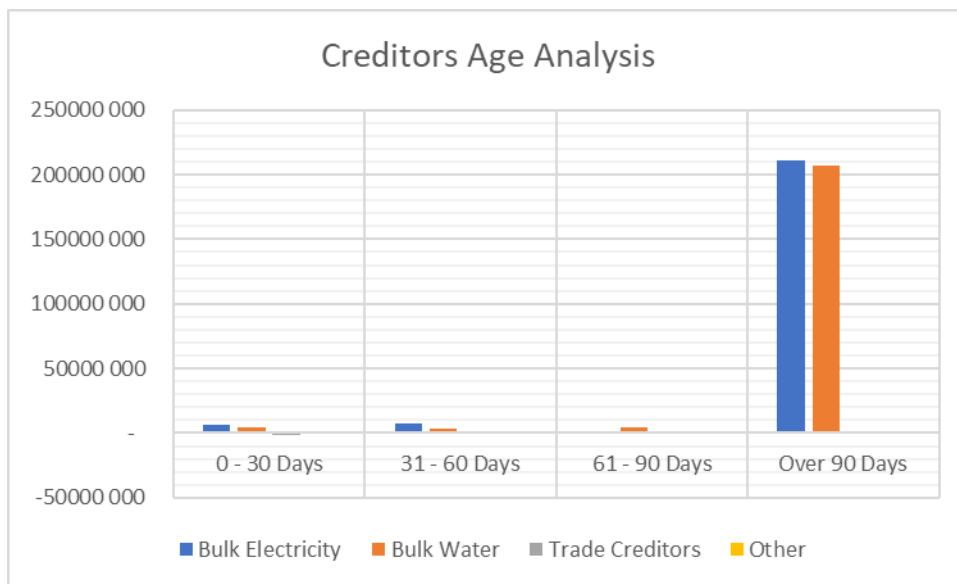
**CHART 11**

The following chart shows the debtors outstanding per category, Chart as per information above\_Q4\_2023-2023



**Creditors age analysis – Annexure B SC4**

<b>Creditor Age Analysis Quarter 4</b>					
	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
<b>Creditor Age Analysis</b>					
Bulk Electricity	6 039 642	6 978 228	1 861 517	210 884 878	225 764 265
Bulk Water	4 124 044	3 797 426	4 088 816	206 808 873	218 819 159
Trade Creditors	- 1 074 289	1 047 527	679 207	1 022 527	1 674 972
Other	- 350 625	61 720	9 753	1 124 355	845 203
<b>Total</b>	<b>8 738 772</b>	<b>11 884 901</b>	<b>6 639 293</b>	<b>420 651 449</b>	<b>447 914 415</b>



## 4. Financial Implications/Recommendations

### Revenue by Type:

64. (1) The accounting officer of a municipality is responsible for the management of the revenue of the municipality. (2) The accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure— (a) that the municipality has effective revenue collection systems consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy; (b) that revenue due to the municipality is calculated on a monthly basis; (c) that accounts for municipal tax and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical; (d) that all money received is promptly deposited in accordance with this Act into the municipality's primary and other bank accounts; (e) that the municipality has and maintains a management, accounting and information system which— (i) recognises revenue when it is earned; (ii) accounts for debtors; and (iii) accounts for receipts of revenue; (f) that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed; (g) that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies and within a prescribed framework; and (h) that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled at least on a weekly basis. (3) The accounting officer must immediately inform the National Treasury of any payments due by an organ of state to the municipality in respect of municipal tax or for municipal services if such payments are regularly in arrears for periods of more than 30 days. (4) The accounting officer must take all reasonable steps to ensure— (a) that any funds collected by the municipality on behalf of another organ of state is transferred to that organ of state at least on a weekly basis; and

(b) that such funds are not used for purposes of the municipality

### Expenditure by type:

65. (1) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality. (2) The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure— (a) that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds; (b) that the municipality has and maintains a management, accounting and information system which— (i) recognises expenditure when it is incurred; (ii) accounts for creditors of the municipality; and (iii) accounts for payments made by the municipality; (c) that the municipality has and maintains a system of internal control in respect of creditors and payments; (d) that payments by the municipality are made— (i) directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and (ii) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit; (e) that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure; (f) that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments; (g) that any dispute concerning payments due by the municipality to

another organ of state is disposed of in terms of legislation regulating disputes between organs of state; (h) that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework; (i) that the municipality's supply chain management policy referred to in section 111 is implemented in a way that is fair, equitable, transparent, competitive and cost-effective; and (j) that all financial accounts of the municipality are closed at the end of each month and reconciled with its records.

### **Capital Expenditure:**

19. (1) A municipality may spend money on a capital project only if— (a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17(2); (b) the project, including the total cost, has been approved by the council; (c) section 33 has been complied with, to the extent that that section may be applicable to the project; and (d) the sources of funding have been considered, are available and have not been committed for other purposes. (2) Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider— (a) the projected cost covering all financial years until the project is operational; and (b) the future operational costs and revenue on the project, including municipal tax and tariff implications. (3) A municipal council may in terms of subsection (1)(b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.

### **Cash Flow Statement:**

Expenditure should be linked to the cash flow budget, once cash is less than budget corrections must be done to avoid the municipality running into cash flow problems. The municipality should strive to use the cash received wisely and for the intended purpose as planned. The 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 so that the old outstanding funds received will be used to either settle outstanding creditors or fund projects that can enhance revenue recovery.

### **Debtors Analysis**

The municipality needs to ensure better distribution of information to the community as well as Councillors. The distribution of monthly accounts should be 100% correct and all methods of distributing accounts should be explored with the best methods being introduced for the different wards. The municipality must also establish a better workflow between departments to ensure the community won't end up with unnecessary accounts.

### **Creditors Analysis**

The municipality must adhere to paying monthly creditors on time, old outstanding debt must be prioritized and linked to the Funded Budget Plan. Intervention is needed with regard to outstanding debt of bulk services. The municipality should strive to receive accounts that can be serviced every

month and therefore communication between all relevant parties is vital. The municipality needs to finalize the action plans against the two biggest creditors.

**General Note**

Municipality adopted the Funded Budget Plan as indicated as part of the Funded Budget Plan there are several activities which include the Cost Containment, on the cost containment several expenditure items are monitored and reported to Council.

Communication and workflow between the different departments need to be prioritized, information needs to align between the different departments. Repairs and maintenance of infrastructure should be carefully planned to avoid unnecessary overtime. Departmental Action/Operational plans must agree with the monthly budgets.



## **5. Interdepartmental and cluster impact**

This report is prepared to achieve MFMA compliance.

## **6. Comments of the Head: Legal Services**

The abovementioned report as such does not call for legal clarification

## **7. Conclusion**

This report is in accordance compliance with section 52 of the MFMA, by providing a statement to the Council containing certain financial particulars

**PREPARED BY:**

**Heinri Cloete**

**Chief Financial Officer**

**Budget & Treasury**

**DATE: 27 July 2023**

**NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE**

I Jan I Swartz the Municipal Manager of Nama Khoi Municipality, hereby certify that –

- Quarterly report on the implementation of the municipality's budget and financial state affairs for the quarter ending 30 June 2023 has been prepared by Section 52 of the Municipal Finance Management Act and regulations made under that Act.

Print Name: JI Swartz

Municipal Manager of Nama Khoi Municipality

Signature:.....

Date: 27 July 2023

## **Annexure A**

### **Reports and reportable matters**

#### **The Mayor of a municipality–**

- (a) must provide general political guidance, over the fiscal and financial affairs of the municipality.
- (b) In providing such general political guidance, may monitor and to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- (c) Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget
- (d) Must, within 30 days report to the council on the implementation of the budget and the financial state of affairs of the municipality; and
- (e) Must exercise the other powers and perform the other duties assigned to the Mayor in terms of this Act or delegated by the council to the Mayor

## **NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT**

### **General information and contact information**

**Please note that the information on the C Schedule is for the period April to June 2023**

#### **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
	Monthly Budget Statement – Actual and revised targets for cash receipts
	Monthly Budget Statement – Parent Municipality Financial Performance
Table SC11	Monthly Budget Statement – Summary of municipal entities
	Consolidated Monthly Budget Statement – Capital expenditure trend
	Consolidated Monthly Budget Statement – Capital expenditure on new assets by asset class

Consolidated Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class

Consolidated Monthly Budget Statement – Expenditure on repairs and maintenance by asset class

Consolidated Monthly Budget Statement – depreciation by asset class

Table SC71

Charts

Attachments:

National Treasury Verification Documents