



**Nama Khoi Municipality**

**13 September 2024**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING 31 August 2024 (MONTHLY BUDGET STATEMENT) – 2024/2025 FINANCIAL YEAR.**

## **1. PURPOSE**

71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to Mr R Kritzinger 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 financial affairs for that month and the financial year up to the end of that month:

## **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 ended 31 August 2024

## **3. QUERIES AND SUGGESTIONS**

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

**Please note that the municipality wishes to notify the reader that information is subject to correction.**

## **4. REPORT FOR THE PERIOD ENDING 31 August 2024**

**This report is based on financial information, as of 31 August 2024, and is available during preparation.**

The financial results for the period ended 31 August are summarised as follows:

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

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Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August						
Description	Budget Year 2024/25		YearTD actual	YearTD budget	YTD variance	YTD variance %
	Original Budget	Monthly actual				
<b>Revenue</b>						
Service charges - Electricity	120,610,505	15,906,826	29,049,337	20,101,750	8,947,587	145
Service charges - Water	57,879,354	3,082,233	6,216,539	9,646,558	- 3,430,019	64
Service charges - Waste Water Management	21,428,961	1,270,897	2,544,240	3,571,494	- 1,027,254	71
Service charges - Waste management	25,847,033	1,470,507	2,944,801	4,307,838	- 1,363,037	68
Sale of Goods and Rendering of Services	3,922,066	37,872	75,027	653,678	- 578,651	11
Agency services	93,786	-	-	15,632	- 15,632	-
Interest earned from Receivables	22,299,427	1,960,222	3,879,071	3,716,570	162,501	104
Interest from Current and Non Current Assets	4,425,355	70,195	105,156	737,562	- 632,406	14
Rent on Land	1,252,978	99,540	199,127	208,830	- 9,703	95
Rental from Fixed Assets	3,399,035	165,862	325,411	566,510	- 241,099	57
Licence and permits	1,664,099	210,299	456,247	277,352	178,895	165
Operational Revenue	408,205	51,612	104,663	68,034	36,629	154
Property rates	57,426,530	4,569,980	16,913,772	9,571,084	7,342,688	177
Fines, penalties and forfeits	603,022	615	893	100,504	- 99,611	1
Transfers and subsidies - Operational	73,321,000	25,074	28,482,074	12,220,164	16,261,910	233
Interest	4,391,925	124,843	164,745	731,988	- 567,243	23
Operational Revenue	-	133,822	350,159	-	350,159	-
Other Gains	60,588,000	-	-	10,098,000	- 10,098,000	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>459,561,281</b>	<b>29,180,399</b>	<b>91,811,262</b>	<b>76,593,548</b>	<b>15,217,714</b>	<b>120</b>
<b>Expenditure By Type</b>						
Employee related costs	105,612,784	8,311,913	16,458,891	17,602,258	- 1,143,367	94
Remuneration of councillors	7,282,094	565,139	1,144,166	1,213,682	- 69,516	94
Bulk purchases - electricity	125,880,000	9,969,106	21,344,480	20,980,000	364,480	102
Inventory consumed	50,096,000	2,555,324	3,035,802	8,349,334	- 5,313,532	36
Debt impairment	22,200,000	-	-	3,699,998	- 3,699,998	-
Depreciation and amortisation	72,391,567	-	-	12,065,262	- 12,065,262	-
Interest	17,225,338	49,896	736,574	2,870,890	- 2,134,316	26
Contracted services	22,215,720	743,431	4,241,684	3,702,620	539,064	115
Irrecoverable debts written off	1,000,000	-	-	166,664	- 166,664	-
Operational costs	27,434,094	1,293,549	2,170,592	4,572,352	- 2,401,760	47
Other Losses	3,420,552	-	-	570,092	- 570,092	-
<b>Total Expenditure</b>	<b>454,758,149</b>	<b>23,488,358</b>	<b>49,132,187</b>	<b>75,793,152</b>	<b>- 26,660,965</b>	<b>65</b>
<b>Surplus/(Deficit)</b>	<b>4,803,132</b>	<b>5,692,041</b>	<b>42,679,075</b>	<b>800,396</b>	<b>41,878,679</b>	

Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August						
Description	Budget Year 2024/25		YearTD actual	YearTD budget	YTD variance	YTD variance %
	Original Budget	Monthly actual				
<b>Revenue</b>						
Service charges - Electricity	120,610,505	15,906,826	29,049,337	20,101,750	8,947,587	145
Service charges - Water	57,879,354	3,082,233	6,216,539	9,646,558	- 3,430,019	64
Service charges - Waste Water Management	21,428,961	1,270,897	2,544,240	3,571,494	- 1,027,254	71
Service charges - Waste management	25,847,033	1,470,507	2,944,801	4,307,838	- 1,363,037	68
Sale of Goods and Rendering of Services	3,922,066	37,872	75,027	653,678	- 578,651	11
Agency services	93,786	-	-	15,632	- 15,632	-
Interest earned from Receivables	22,299,427	1,960,222	3,879,071	3,716,570	162,501	104
Interest from Current and Non Current Assets	4,425,355	70,195	105,156	737,562	- 632,406	14
Rent on Land	1,252,978	99,540	199,127	208,830	- 9,703	95
Rental from Fixed Assets	3,399,035	165,862	325,411	566,510	- 241,099	57
Licence and permits	1,664,099	210,299	456,247	277,352	178,895	165
Operational Revenue	408,205	51,612	104,663	68,034	36,629	154
Property rates	57,426,530	4,569,980	16,913,772	9,571,084	7,342,688	177
Fines, penalties and forfeits	603,022	615	893	100,504	- 99,611	1
Transfers and subsidies - Operational	73,321,000	25,074	28,482,074	12,220,164	16,261,910	233
Interest	4,391,925	124,843	164,745	731,988	- 567,243	23
Operational Revenue	-	133,822	350,159	-	350,159	-
Other Gains	60,588,000	-	-	10,098,000	- 10,098,000	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>459,561,281</b>	<b>29,180,399</b>	<b>91,811,262</b>	<b>76,593,548</b>	<b>15,217,714</b>	<b>120</b>

**Explanation on YTD variance % - e.g. 104% means that the municipality billed 4% more than what was budgeted and 98% means the municipality billed 2% less than what was budgeted.**

Variations to be discussed in the Institutional and Finance Committee

### **Matters of Concern**

Revenue billed should not be seen as actual cash received, The Statement of Financial Performance sometimes gives the reader the idea that the municipality already collected the billed revenue; additionally, it should not be confused with the collection rate as variances relate to the expected budgeted versus the actual billing.

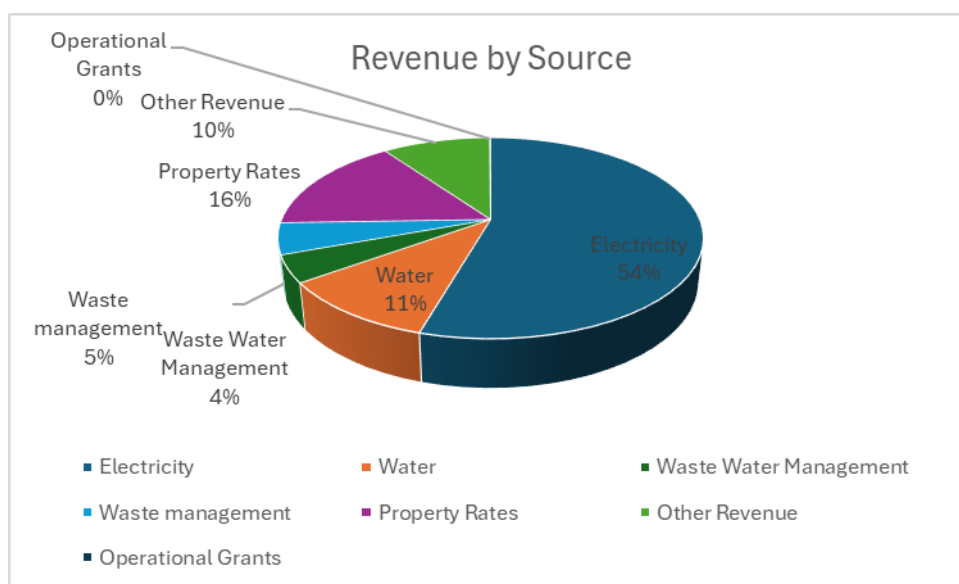
The underperformance of Service Charges is of concern, especially refuse removal and sanitation where the municipality does not have initiatives to limit the over-time being incurred to deliver these services.

It must be noted that there will be a downwards adjustment in Property Rates after the Council approves a further rebate/downward adjustment of the tariff.

The system allows only for the projected budgeted figures to be divided equally this results in unfavorable variances on a month-to-month basis.

### **CHART 1**

**The following chart shows the revenue by source for the month of 31 August 2024 in terms of revenue as a percentage of total revenue.**



Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	105,612,784	8,311,913	16,458,891	17,602,258	- 1,143,367	94
Remuneration of councillors	7,282,094	565,139	1,144,166	1,213,682	- 69,516	94
Bulk purchases - electricity	125,880,000	9,969,106	21,344,480	20,980,000	364,480	102
Inventory consumed	50,096,000	2,555,324	3,035,802	8,349,334	- 5,313,532	36
Debt impairment	22,200,000	-	-	3,699,998	- 3,699,998	-
Depreciation and amortisation	72,391,567	-	-	12,065,262	- 12,065,262	-
Interest	17,225,338	49,896	736,574	2,870,890	- 2,134,316	26
Contracted services	22,215,720	743,431	4,241,684	3,702,620	539,064	115
Irrecoverable debts written off	1,000,000	-	-	166,664	- 166,664	-
Operational costs	27,434,094	1,293,549	2,170,592	4,572,352	- 2,401,760	47
Other Losses	3,420,552	-	-	570,092	- 570,092	-
<b>Total Expenditure</b>	<b>454,758,149</b>	<b>23,488,358</b>	<b>49,132,187</b>	<b>75,793,152</b>	<b>- 26,660,965</b>	<b>65</b>

**Notes on variances above/under 10%**

Variances to be discussed in the Institutional and Finance Committee

**Matter of Concern**

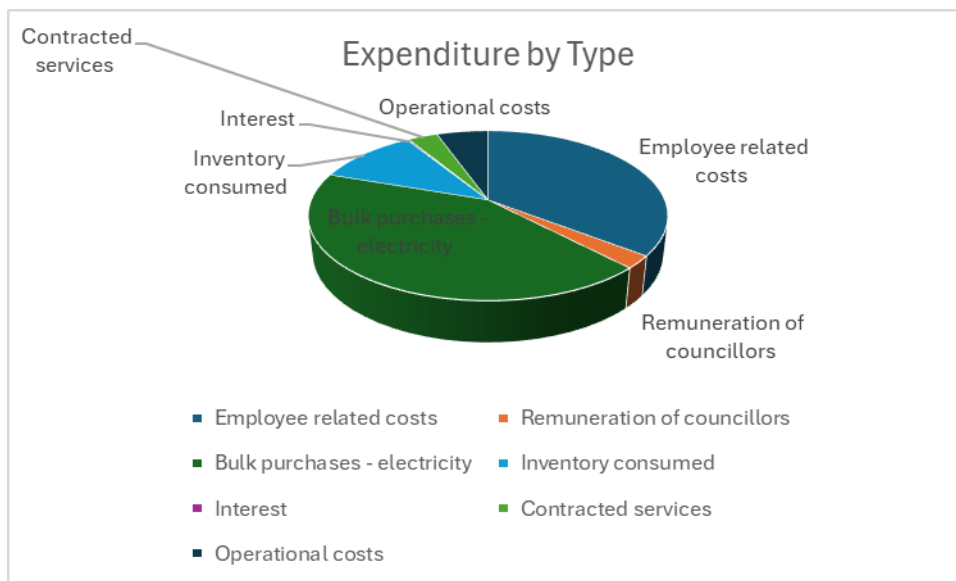
**Debt impairment and Depreciation** - the municipality asset register is not linked to the financial systems and journals are only passed at year-end.

Low expenditure is due to the cash flow situation of the municipality, the low spending has a direct impact on service delivery initiatives.

Consultancy fees paid in the first month of the financial year relate to work done on historical audit issues as well as the investigations currently at the municipality.

**CHART 2**

The following chart shows the expenditure by type in terms of expenditure at a percentage of total expenditure, Chart as per the information above



The table below indicates revenue and expenditure by vote.

Annexure B – Table C3

Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August						
Vote Description	Budget Year 2024/25					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue by Vote</b>						
Vote 1 - EXECUTIVE MAYOR COUNCIL	388,156	31,600	61,493	64,692	- 3,199	95
Vote 2 - MUNICIPAL MANAGER	1,707,595	-	-	284,600	- 284,600	-
Vote 3 - CORPORATE SERVICES	3,230,501	161,930	307,776	538,416	- 230,640	57
Vote 4 - FINANCIAL SERVICES	94,696,445	9,964,739	56,303,262	15,782,738	40,520,524	357
Vote 5 - COMMUNITY SERVICES: COMM DEV	46,372,341	- 663,761	- 1,320,169	7,728,726	- 9,048,895	- 17
Vote 6 - COMMUNITY SERVICES: PUBL SAFETY	1,851,555	208,512	461,899	308,598	153,301	150
Vote 7 - INFRASTRUCTURE; ENG TECHNICAL	337,636,688	19,477,380	35,997,001	56,272,778	- 20,275,777	64
<b>Total Revenue by Vote</b>	<b>485,883,281</b>	<b>29,180,400</b>	<b>91,811,262</b>	<b>80,980,548</b>	<b>10,830,714</b>	<b>113</b>
<b>Expenditure by Vote</b>						
Vote 1 - EXECUTIVE MAYOR COUNCIL	12,914,388	909,990	1,952,593	2,152,428	- 199,835	91
Vote 2 - MUNICIPAL MANAGER	11,596,959	722,058	1,458,702	1,932,828	- 474,126	75
Vote 3 - CORPORATE SERVICES	30,030,344	1,552,517	2,643,013	5,005,060	- 2,362,047	53
Vote 4 - FINANCIAL SERVICES	50,595,496	2,342,988	6,783,677	8,432,584	- 1,648,907	80
Vote 5 - COMMUNITY SERVICES: COMM DEV	63,968,799	1,560,194	2,985,196	10,661,509	- 7,676,313	28
Vote 6 - COMMUNITY SERVICES: PUBL SAFETY	11,489,116	843,796	1,652,212	1,914,872	- 262,660	86
Vote 7 - INFRASTRUCTURE; ENG TECHNICAL	274,163,047	15,556,814	31,656,794	45,693,871	- 14,037,077	69
<b>Total Expenditure by Vote</b>	<b>454,758,149</b>	<b>23,488,357</b>	<b>49,132,187</b>	<b>75,793,152</b>	<b>- 26,660,965</b>	<b>65</b>
<b>Surplus/ (Deficit) for the year</b>	<b>31,125,132</b>	<b>5,692,043</b>	<b>42,679,075</b>	<b>5,187,396</b>	<b>37,491,679</b>	

### Reasons for variances above/under 10%

Variances to be discussed in the Institutional and Finance Committee

### CHART 3

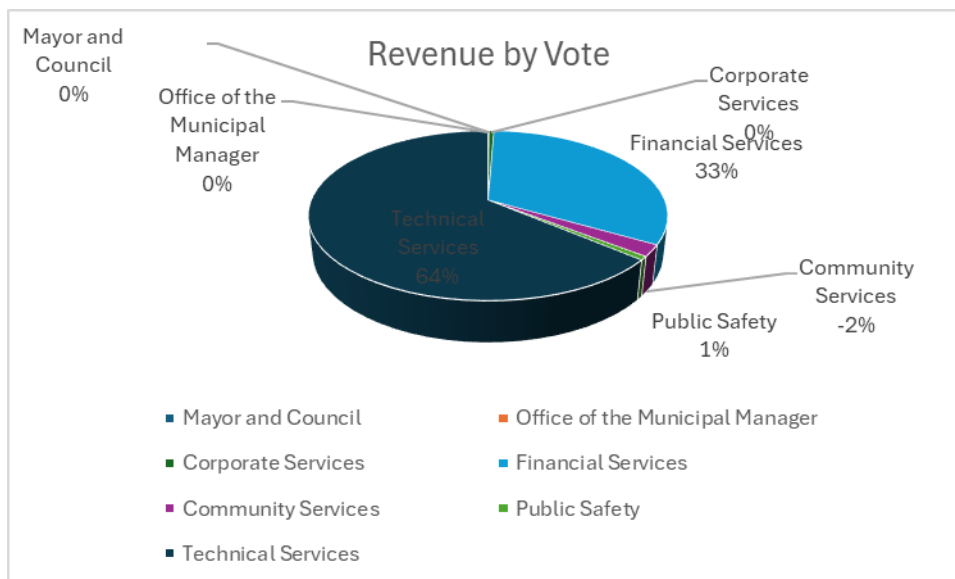
The following chart shows the revenue by vote for 31 August 2024

Revenue by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - EXECUTIVE MAYOR COUNCIL	388,156	31,600	61,493	64,692	- 3,199	95
Vote 2 - MUNICIPAL MANAGER	1,707,595	-	-	284,600	- 284,600	-
Vote 3 - CORPORATE SERVICES	3,230,501	161,930	307,776	538,416	- 230,640	57
Vote 4 - FINANCIAL SERVICES	94,696,445	9,964,739	56,303,262	15,782,738	40,520,524	357
Vote 5 - COMMUNITY SERVICES: COMM DEV	46,372,341	- 663,761	- 1,320,169	7,728,726	- 9,048,895	- 17
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY	1,851,555	208,512	461,899	308,598	153,301	150
Vote 7 - INFRASTRUCTURE: ENG TECHNICAL	337,636,688	19,477,380	35,997,001	56,272,778	- 20,275,777	64
<b>Total Revenue by Vote</b>	<b>485,883,281</b>	<b>29,180,400</b>	<b>91,811,262</b>	<b>80,980,548</b>	<b>10,830,714</b>	<b>113</b>

### Notes on Table Above

Revenue billed does not necessarily mean the monies have collected the actual cash

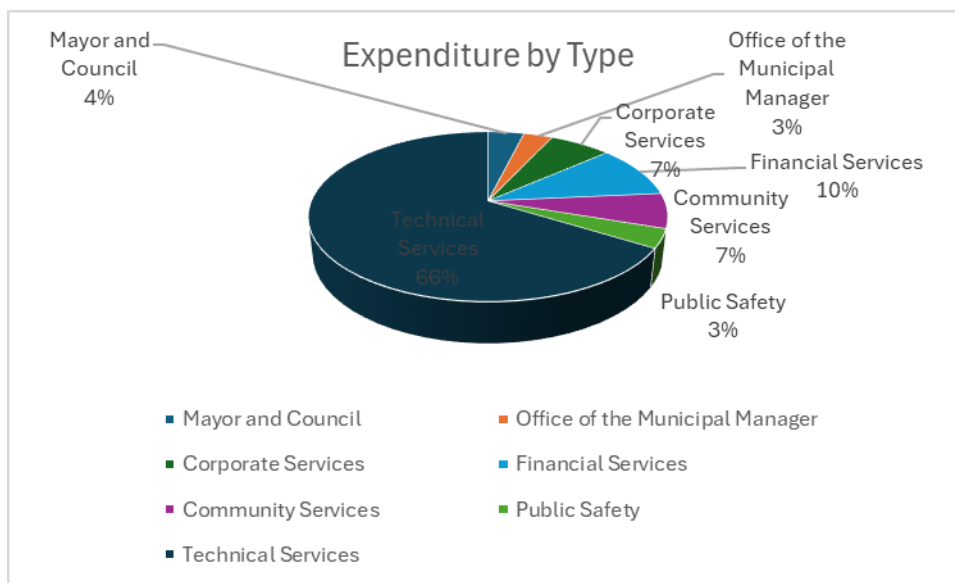
It must be noted Revenue by function includes capital revenue recognized resulting in the difference when compared to revenue by source.



**CHART 4**

Expenditure by Vote	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%
Vote 1 - EXECUTIVE/MAYOR COUNCIL	12,914,388	909,990	1,952,593	2,152,428	- 199,835	91
Vote 2 - MUNICIPAL MANAGER	11,596,959	722,058	1,458,702	1,932,828	- 474,126	75
Vote 3 - CORPORATE SERVICES	30,030,344	1,552,517	2,643,013	5,005,060	- 2,362,047	53
Vote 4 - FINANCIAL SERVICES	50,595,496	2,342,988	6,783,677	8,432,584	- 1,648,907	80
Vote 5 - COMMUNITY SERVICES: COMM DEV	63,968,799	1,560,194	2,985,196	10,661,509	- 7,676,313	28
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY	11,489,116	843,796	1,652,212	1,914,872	- 262,660	86
Vote 7 - INFRASTRUCTURE; ENG TECHNICAL	274,163,047	15,556,814	31,656,794	45,693,871	- 14,037,077	69
<b>Total Expenditure by Vote</b>	<b>454,758,149</b>	<b>23,488,357</b>	<b>49,132,187</b>	<b>75,793,152</b>	<b>- 26,660,965</b>	<b>65</b>

The following chart shows the expenditure by vote for 31 August 2024



**Reasons for variances above/under 10%**

Variances to be discussed in the Institutional and Finance Committee



The Capital expenditure report shown in Annexure B has been prepared based on the format required by the National Treasury.

Please note Capital Expenditure is subject to correction. Errors have been submitted to the Service Provider

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	2023/24		Budget Year 2024/25						
		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>Multi-Year expenditure appropriation</b>	2									
Vote 1 - EXECUTIVE MAYOR COUNCIL		78	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		329	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES		(1,048)	1,800	-	-	300	(300)	-100%	1,800	
Vote 5 - COMMUNITY SERVICES: COMM DEV		-	-	-	-	-	-	-	-	
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY		-	-	-	-	-	-	-	-	
Vote 7 - INFRASTRUCTURE:ENG TECHNICAL		10,997	16,322	-	-	2,720	(2,720)	-100%	16,322	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	
<b>Total Capital Multi-year expenditure</b>	4,7	<b>10,356</b>	<b>18,122</b>	-	-	<b>3,020</b>	<b>(3,020)</b>	<b>-100%</b>	<b>18,122</b>	
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - EXECUTIVE MAYOR COUNCIL		(342)	-	-	-	-	-	-	-	
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	
Vote 4 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	
Vote 5 - COMMUNITY SERVICES: COMM DEV		-	-	-	-	-	-	-	-	
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY		-	-	-	-	-	-	-	-	
Vote 7 - INFRASTRUCTURE:ENG TECHNICAL		786	10,000	-	-	224	1,667	(-87%)	10,000	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	
<b>Total Capital single-year expenditure</b>	4	<b>444</b>	<b>10,000</b>	-	-	<b>224</b>	<b>1,667</b>	<b>(-87%)</b>	<b>10,000</b>	
<b>Total Capital Expenditure</b>		<b>10,800</b>	<b>28,122</b>	-	-	<b>224</b>	<b>4,687</b>	<b>(-95%)</b>	<b>28,122</b>	
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>(264)</b>	<b>1,800</b>	-	-	<b>300</b>	<b>(300)</b>	<b>-100%</b>	<b>1,800</b>	
Executive and council		(264)	-	-	-	-	-	-	-	
Finance and administration		-	1,800	-	-	300	(300)	-100%	1,800	
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>329</b>	-	-	-	-	-	-	-	
Planning and development		329	-	-	-	-	-	-	-	
Road transport		-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	
<b>Trading services</b>		<b>10,735</b>	<b>26,322</b>	-	-	<b>224</b>	<b>4,387</b>	<b>(-95%)</b>	<b>26,322</b>	
Energy sources		-	-	-	-	-	-	-	-	
Water management		1,294	-	-	-	-	-	-	-	
Waste water management		9,441	26,322	-	-	224	4,387	(-95%)	26,322	
Waste management		-	-	-	-	-	-	-	-	
<b>Other</b>		-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>10,800</b>	<b>28,122</b>	-	-	<b>224</b>	<b>4,687</b>	<b>(-95%)</b>	<b>28,122</b>	
<b>Funded by:</b>										
National Government		10,735	26,322	-	-	224	4,387	(-95%)	26,322	
Provincial Government		-	-	-	-	-	-	-	-	
District Municipality		-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-	-	
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporators, Higher Educ Institutions)		-	-	-	-	-	-	-	-	
<b>Transfers recognised - capital</b>		<b>10,735</b>	<b>26,322</b>	-	-	<b>224</b>	<b>4,387</b>	<b>(-95%)</b>	<b>26,322</b>	
<b>Borrowing</b>		<b>78</b>	-	-	-	-	-	-	-	
<b>Internally generated funds</b>	6	<b>(13)</b>	<b>1,800</b>	-	-	-	<b>300</b>	<b>(-100%)</b>	<b>1,800</b>	
<b>Total Capital Funding</b>		<b>10,800</b>	<b>28,122</b>	-	-	<b>224</b>	<b>4,687</b>	<b>(-95%)</b>	<b>28,122</b>	

## CASH FLOW STATEMENT ON 31 August 2024

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	Budget Year 2024/25								
		2023/24 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		48,287	55,018	-	4,568	8,248	9,170	(922)	-10%	55,018
Service charges		189,578	205,264	-	16,301	39,637	34,211	5,427	16%	205,264
Other revenue		10,832	4,096	-	623	1,304	683	622	91%	4,096
Transfers and Subsidies - Operational		69,379	79,315	-	3,308	31,415	13,219	18,196	138%	79,315
Transfers and Subsidies - Capital		20,272	26,322	-	-	5,000	4,387	613	14%	26,322
Interest		30,967	4,425	-	1,539	2,952	738	2,214	300%	4,425
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(352,674)	(330,744)	-	(12,904)	(25,907)	(34,144)	(8,237)	24%	(330,744)
Interest		(3,584)	(17,225)	-	-	-	(2,871)	(2,871)	100%	(17,225)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>13,058</b>	<b>26,472</b>	<b>-</b>	<b>13,435</b>	<b>62,649</b>	<b>25,392</b>	<b>(37,257)</b>	<b>-147%</b>	<b>26,472</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		1,710	-	-	-	-	(248)	248	-100%	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(6,141)	(28,122)	-	-	(258)	(4,687)	(4,429)	95%	(28,122)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(4,431)</b>	<b>(28,122)</b>	<b>-</b>	<b>-</b>	<b>(258)</b>	<b>(4,935)</b>	<b>(4,678)</b>	<b>95%</b>	<b>(28,122)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		20,972	-	-	-	711	-	711	#DIV/0!	-
Borrowing long term/refinancing		(1,274)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	(8,312)	(16,459)	-	(16,459)	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>19,698</b>	<b>-</b>	<b>-</b>	<b>(8,312)</b>	<b>(15,748)</b>	<b>-</b>	<b>15,748</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>28,324</b>	<b>(1,650)</b>	<b>-</b>	<b>5,123</b>	<b>46,644</b>	<b>20,457</b>			<b>(1,650)</b>
Cash/cash equivalents at beginning:		46,846	4,242	-	-	-	4,242			-
Cash/cash equivalents at month/year end:		75,170	2,592	-	5,123	46,644	24,699			(1,650)

### Notes on the Cash Flow Statement

Please note that opening and closing balances are subject to correction and include conditional grants.

Please see the letter from the Service Provider on the errors on the Balance Sheet and the Cash Flow Statement

## 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 debtor's outstanding on 31 August 2024.

Debtors are subject to correction, the municipality experienced challenges while converting to the new system.

Debtors Age Analysis 31 August 2024						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
<b>Debtors Age Analysis By Income Source</b>						
Water	7,552,374	3,076,416	3,060,077	2,429,765	109,969,629	126,088,261
Electricity	17,399,800	1,990,647	1,163,947	1,005,973	87,732,087	109,292,454
Property Rates	13,694,418	1,656,014	1,526,655	1,408,085	74,972,110	93,257,282
Waste Water Management	2,405,532	716,192	628,893	590,559	26,236,074	30,577,250
Waste Management	3,372,627	1,088,018	1,026,418	969,553	53,590,992	60,047,608
Property Rental Debtors	46,874	11,380	10,694	10,126	382,663	461,737
Other	331,167	130,718	127,666	91,630	11,208,573	11,889,754
<b>Total By Income Source</b>	<b>44,802,792</b>	<b>8,669,385</b>	<b>7,544,350</b>	<b>6,505,691</b>	<b>364,092,128</b>	<b>431,614,346</b>
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	7,765,016	392,136	399,939	334,976	8,571,735	17,463,802
Commercial	18,477,802	2,514,804	1,626,486	1,348,450	103,725,887	127,693,429
Households	18,544,974	5,762,445	5,517,925	4,822,265	251,794,506	286,442,115
Other	15,000	-	-	-	-	15,000
<b>Total By Customer Group</b>	<b>44,802,792</b>	<b>8,669,385</b>	<b>7,544,350</b>	<b>6,505,691</b>	<b>364,092,128</b>	<b>431,614,346</b>

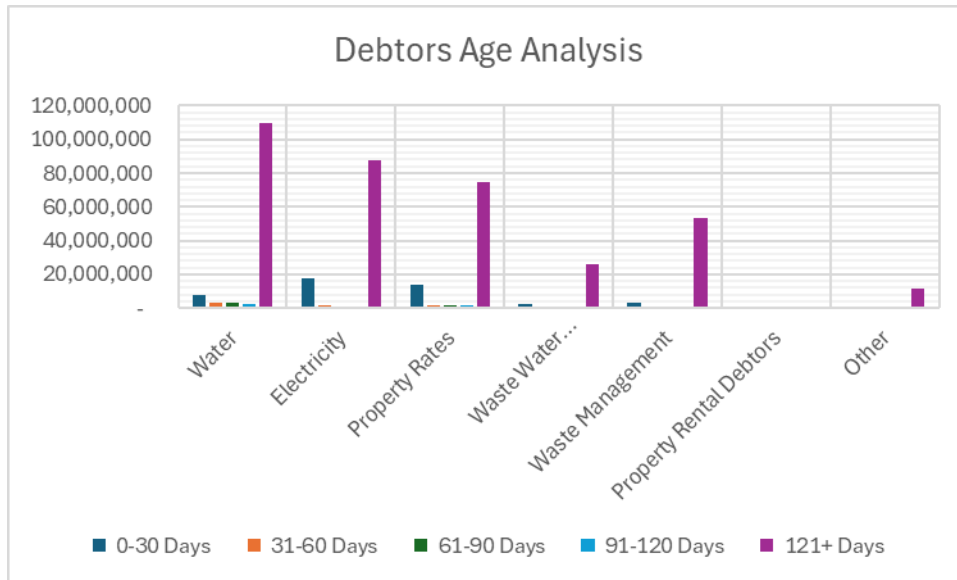
The debtor's outstanding for more than 121 days amounts to R364 092 128

The municipality through the TID rollover process has started to replace faulty and by-passed meters, the results of these actions can be found in the monthly progress reports. Additionally, the municipality has started to write off debt for customers if they are prepared to take prepaid meters to control the municipal outstanding accounts and collect monies before the service is delivered.

**Chart 8 – Debtors per revenue source**

<b>Debtors Age Analysis By Income Source</b>						
Water	7,552,374	3,076,416	3,060,077	2,429,765	109,969,629	126,088,261
Electricity	17,399,800	1,990,647	1,163,947	1,005,973	87,732,087	109,292,454
Property Rates	13,694,418	1,656,014	1,526,655	1,408,085	74,972,110	93,257,282
Waste Water Management	2,405,532	716,192	628,893	590,559	26,236,074	30,577,250
Waste Management	3,372,627	1,088,018	1,026,418	969,553	53,590,992	60,047,608
Property Rental Debtors	46,874	11,380	10,694	10,126	382,663	461,737
Other	331,167	130,718	127,666	91,630	11,208,573	11,889,754
<b>Total By Income Source</b>	<b>44,802,792</b>	<b>8,669,385</b>	<b>7,544,350</b>	<b>6,505,691</b>	<b>364,092,128</b>	<b>431,614,346</b>

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

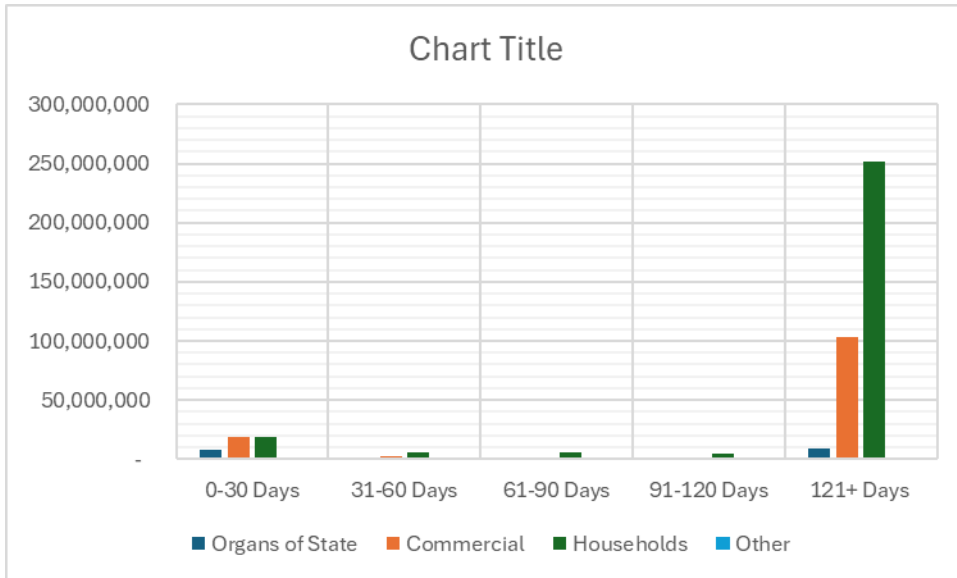


### Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	7,765,016	392,136	399,939	334,976	8,571,735	17,463,802
Commercial	18,477,802	2,514,804	1,626,486	1,348,450	103,725,887	127,693,429
Households	18,544,974	5,762,445	5,517,925	4,822,265	251,794,506	286,442,115
Other	15,000	-	-	-	-	15,000
<b>Total By Customer Group</b>	<b>44,802,792</b>	<b>8,669,385</b>	<b>7,544,350</b>	<b>6,505,691</b>	<b>364,092,128</b>	<b>431,614,346</b>

### CHART 9

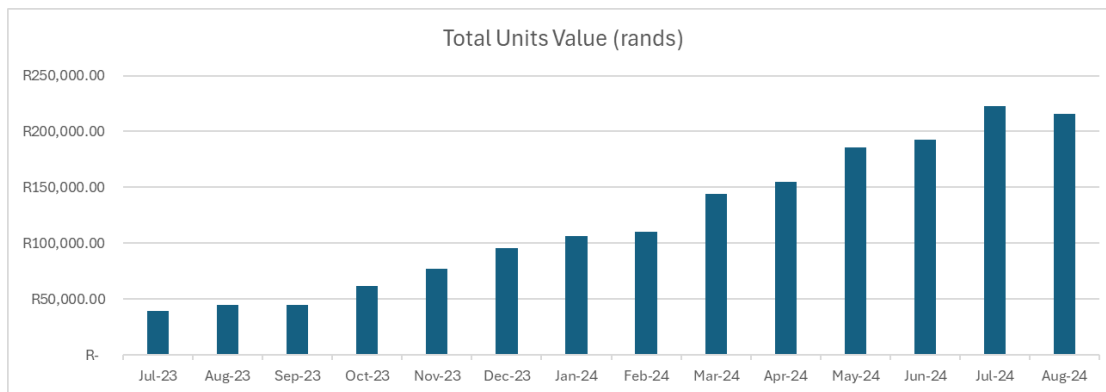
The following chart shows the outstanding debtors per category, as per the information above.



## Revenue Enhancement Initiatives/Progress

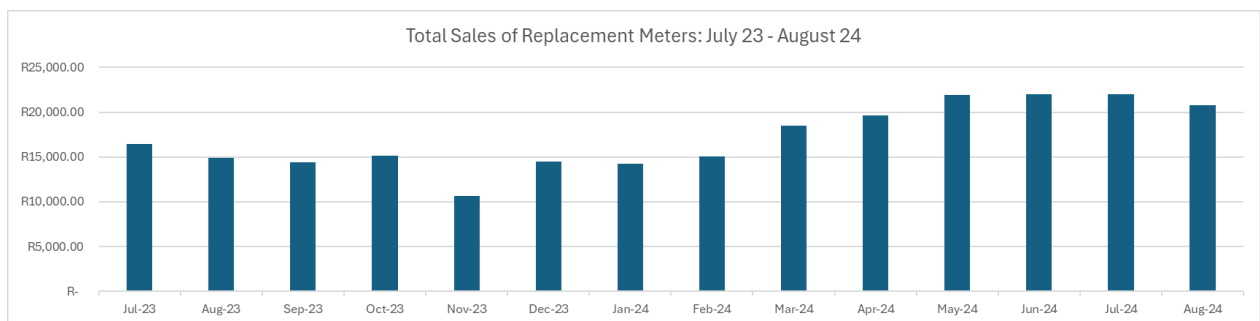
### New Meters Installed

Transaction Month	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24 Total	
Total Units Value (rands)	R39,287.00	R44,940.00	R44,650.00	R61,921.00	R76,727.00	R85,807.00	R106,298.00	R109,878.00	R144,093.00	R155,109.00	R185,380.40	R192,890.00	R222,460.00	R215,447.00	R1,694,887.40



### Old Replacement Meters

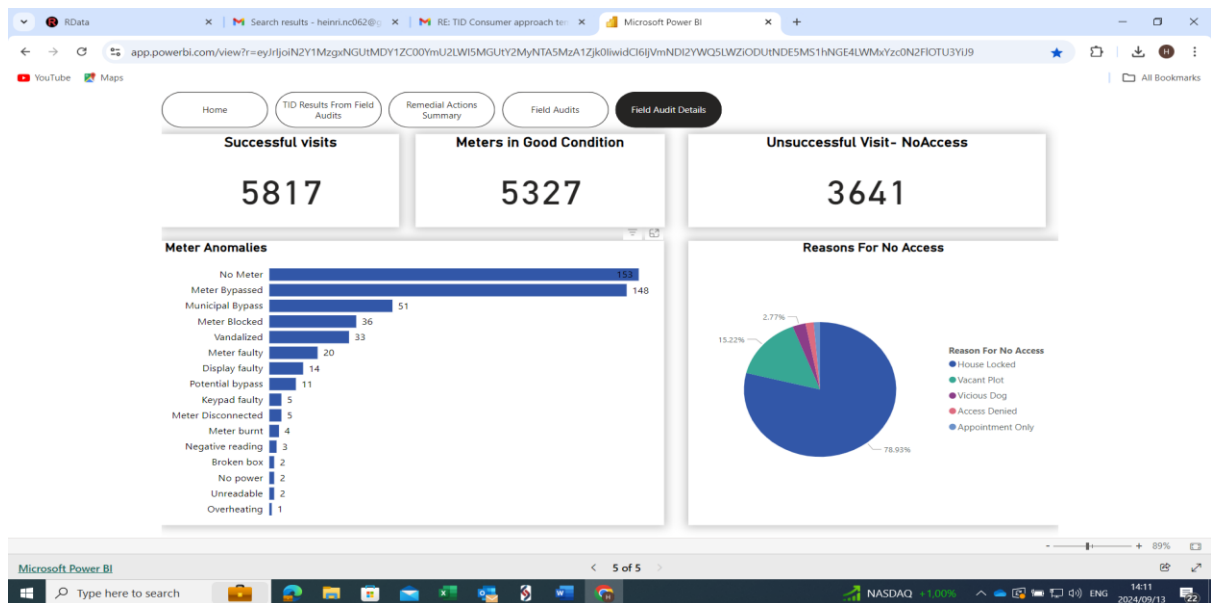
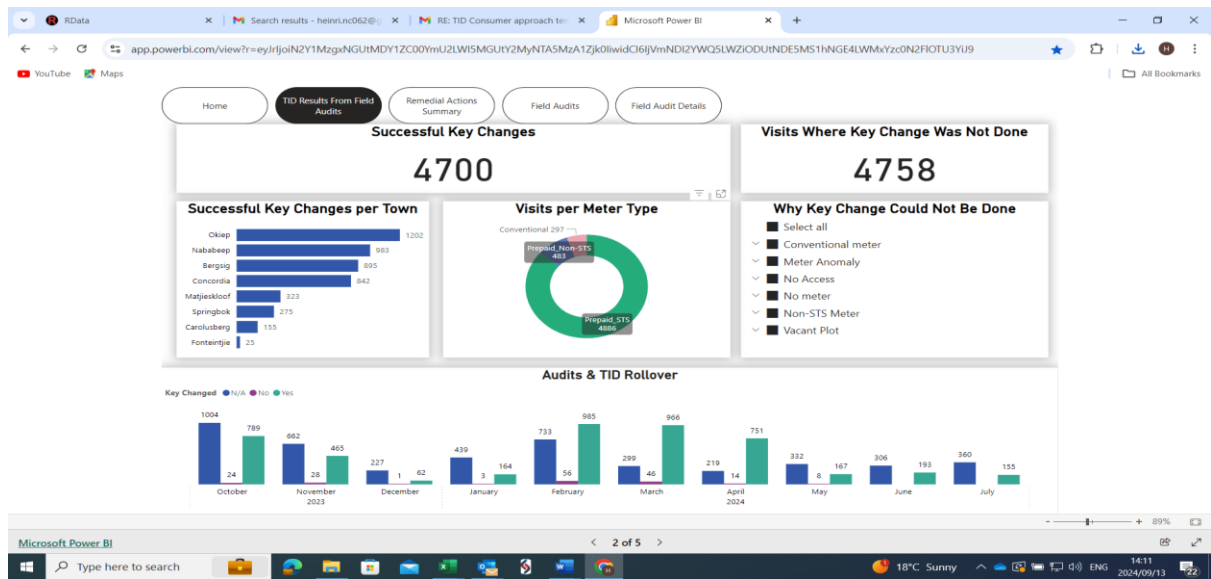
Transaction Month	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24 Total	
Total Value (Vat.Incl)	R16,441.00	R14,875.00	R14,440.00	R15,164.00	R10,610.00	R14,508.00	R14,236.00	R15,034.00	R18,484.00	R19,658.00	R21,912.00	R21,997.00	R 22,013.00	R20,746.00	R240,118.00



## Notes on the Above tables

The tables above show the impact the municipality made by installing and replacing faulty electricity meters, progress has been hampered by finances available to purchase prepaid meters, as well as the capacity issues at the municipality, and lastly the availability of a cherry picker to replace meters outside the houses of consumers.

## TID Rollover Status



## Notes on the information above

The municipality will embark on a process where the token will be distributed to Consumers for them to do the TID rollover as the approach of the municipality was not successful as per the information above, the municipality must also replaced about 600 meters that was found not to be STS compliant.

## CREDITORS Age Analysis - Annexure B -Table SC4

The creditor'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 creditor's outstanding on 31 August 2024.

Creditors Age Analysis						
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total
<b>Creditors Age Analysis By Customer Type</b>						
Bulk Electricity	-	-	198,325	-	224,046,982	224,245,307
Bulk Water	-	-	-	-	225,737,134	225,737,134
Trade Creditors	2,820,309	1,241,035	8,552,031	30,065	3,555,099	16,198,539
Auditor General	-	-	-	-	889,173	889,173
Other	1,402	1,291	781	360	-	3,835
<b>Total By Customer Type</b>	<b>2,821,711</b>	<b>1,242,326</b>	<b>8,751,138</b>	<b>30,425</b>	<b>454,228,388</b>	<b>467,073,988</b>

## Creditors Analysis

Please note creditors' report is subject to correction

From the creditors' age analysis, the municipality has two main creditors: ESKOM and Vaal Central Water.

The municipality applied for the Debt Relief Program and was successful in the application, furthermore, payments thus have been made in consultation with ESKOM.

Municipality have payments agreements with other creditors.

The municipality has a National Dispute with Sedibeng Water now Central Vaal Water

Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August						
Summary of Employee and Councillor remuneration	Budget Year 2024/25					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Councillors (Political Office Bearers plus Other)</b>						
Basic Salaries and Wages	6,058,142	464,464	940,975	1,009,690	- 68,715	93%
Medical Aid Contributions	-	7,916	15,831	-	15,831	
Motor Vehicle Allowance	-	8,068	16,136	-	16,136	
Cellphone Allowance	734,400	57,600	115,886	122,400	- 6,514	95%
Other benefits and allowances	489,552	27,091	55,338	81,592	- 26,254	68%
<b>Sub Total - Councillors</b>	<b>7,282,094</b>	<b>565,139</b>	<b>1,144,166</b>	<b>1,213,682</b>	<b>- 69,516</b>	<b>94%</b>
<b>Senior Managers of the Municipality</b>						
Basic Salaries and Wages	4,855,922	130,114	260,228	809,322	- 549,094	32%
Pension and UIF Contributions	12,751	354	708	2,124	- 1,416	33%
Performance Bonus	855,697	-	-	142,618	- 142,618	0%
Motor Vehicle Allowance	558,451	26,615	53,230	93,076	- 39,846	57%
Cellphone Allowance	94,943	2,638	5,276	15,826	- 10,550	33%
Housing Allowances	141,713	12,199	24,398	23,618	780	103%
Other benefits and allowances	859	24	48	144	- 96	33%
Scarcity	556,034	16,893	33,786	92,672	- 58,886	36%
<b>Sub Total - Senior Managers of Municipality</b>	<b>7,076,370</b>	<b>188,837</b>	<b>377,674</b>	<b>1,179,400</b>	<b>- 801,726</b>	<b>32%</b>
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	61,967,477	4,989,791	9,933,279	10,327,918	- 394,639	96%
Pension and UIF Contributions	9,225,567	689,056	1,391,203	1,537,598	- 146,395	90%
Medical Aid Contributions	4,073,120	331,387	662,774	678,857	- 16,083	98%
Overtime	8,386,437	675,039	1,410,487	1,397,744	12,743	101%
Performance Bonus	4,797,550	424,098	781,908	799,622	- 17,714	98%
Motor Vehicle Allowance	2,994,790	328,753	737,754	499,152	238,602	148%
Cellphone Allowance	229,896	15,131	30,263	38,314	- 8,051	79%
Housing Allowances	687,240	53,821	107,641	114,553	- 6,912	94%
Other benefits and allowances	2,608,030	234,530	463,521	434,712	28,809	107%
Payments in lieu of leave	1,500,000	242,395	304,170	250,002	54,168	122%
Long service awards	150,000	83,910	144,854	25,000	119,854	579%
Post-retirement benefit obligations	1,380,750	-	-	230,126	- 230,126	0%
Acting and post related allowance	535,557	55,167	113,365	89,260	24,105	127%
<b>Sub Total - Other Municipal Staff</b>	<b>98,536,414</b>	<b>8,123,078</b>	<b>16,081,219</b>	<b>16,422,858</b>	<b>- 341,639</b>	<b>98%</b>
<b>Total Parent Municipality</b>	<b>112,894,878</b>	<b>8,877,054</b>	<b>17,603,059</b>	<b>18,815,940</b>	<b>- 1,212,881</b>	<b>94%</b>
<b>Total Employee Cost</b>	<b>105,612,784</b>	<b>8,311,915</b>	<b>16,458,893</b>	<b>17,602,258</b>		
<b>Revenue</b>	<b>459,561,281</b>	<b>29,180,399</b>	<b>91,811,262</b>	<b>76,593,548</b>		
<b>Expenditure</b>	<b>454,758,149</b>	<b>23,488,358</b>	<b>49,132,187</b>	<b>75,793,152</b>		
<b>% Employee Cost to Revenue</b>	<b>23</b>	<b>28</b>	<b>18</b>	<b>23</b>		
<b>% Employee Cost to Expenditure</b>	<b>23</b>	<b>35</b>	<b>33</b>	<b>23</b>		

**Employee-related cost to total expenditure** – Please note employee cost against expenditure amounts to 33%



**National Treasury**

**Municipal Debt Relief**

**MFMA Circular No. 124**

**Municipal Finance Management Act No. 56 of 2003**

Aggregate Collection	Summary - Quarter 1				Q1
	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	45,574,233	36,337,477	9,236,755	80%	80%
2.Collection <u>excl Eskom</u> supplied areas	40,176,684	35,069,740	5,106,944	87%	87%
3.Collection: <b>Property Rates</b>	11,469,489	8,085,655	3,383,834	70%	70%
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)	17,835,078	17,584,326	250,752	99%	99%
5.Total average collection: <b>Water</b>	8,142,113	6,245,806	1,896,307	77%	77%
6.Total average collection: <b>Wastewater</b>	3,570,428	1,951,264	1,619,164	55%	55%
7.Total average collection: <b>Refuse</b>	4,557,124	2,470,425	2,086,699	54%	54%
8.Total average collection: <b>Interest</b>	-	-	-	#DIV/0!	0%



**National Treasury**  
**Municipal Debt Relief**  
**MFMA Circular No. 124**  
**Municipal Finance Management Act No. 56 of 2003**

Province		
NC		
Code	District	Code Description
NC062	Namakwa	Nama Khoi

Monthly Performance Report																																															
Municipal Details			Part A						Part B					Part C			Part D				Part C								Maximization of Revenue Base			Part E										Part F					
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges											Oversight										Compliance Status					
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score			
1.July	Nama Khoi	NC062	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	98%	Non Compliance
2.August	Nama Khoi	NC062	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	No	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	95%	Non Compliance
3.September	Nama Khoi	NC062																																												0%	Non Compliance
4.October	Nama Khoi	NC062																																												0%	Non Compliance
5.November	Nama Khoi	NC062																																												0%	Non Compliance
6.December	Nama Khoi	NC062																																												0%	Non Compliance
7.January	Nama Khoi	NC062																																												0%	Non Compliance
8.February	Nama Khoi	NC062																																												0%	Non Compliance
9.March	Nama Khoi	NC062																																												0%	Non Compliance
10.April	Nama Khoi	NC062																																												0%	Non Compliance
11.May	Nama Khoi	NC062																																												0%	Non Compliance
12.June	Nama Khoi	NC062																																												0%	Non Compliance

NAMA KHOI LOCAL MUNICIPALITY						
GRANTS AND SUBSIDIES FOR THE YEAR ENDED 31 AUGUST 2024						
	OPENING BALANCE	GRANTS RECEIVED	GRANTS REPAID	TRANSFERRED TO REVENUE (OPERATING)	TRANSFERRED TO REVENUE (CAPITAL)	CLOSING BALANCE
	R	R	R	R	R	R
<b>NATIONAL GOVERNMENT</b>						
Finance Management Grant (FMG)	-	3,000,000	-	(350,000)		2,650,000
Municipal Infrastructure Grant (MIG)	11,856	4,610,000				4,621,856
Expanded Public Works Programme (EPWP)	-	308,000				308,000
Integrated National Electrification Programme (INEP)	-					-
Water Service Infrastructure Grant (WSIG)	15,484,283	5,000,000	-			20,484,283
<b>Total</b>	<b>15,191,575</b>	<b>12,918,000</b>	<b>-</b>	<b>(350,000)</b>	<b>-</b>	<b>28,064,139</b>
<b>PROVINCIAL GOVERNMENT</b>						
Libraries, Archives and Museums	512,697					512,697
LG SETA	228,576	-	-	-	-	228,576
Swimming Pool	450,000	-	-	-	-	450,000
Municipal Disaster Recovery Grant	817,356	-	-	-	-	817,356
Housing	1,465,273	-	-	-	-	1,465,273
<b>Total</b>	<b>3,473,902</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,473,902</b>
<b>OTHER GRANT PROVIDERS</b>						
Donations	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ALL SPHERES OF GOVERNMENT</b>	<b>18,665,477</b>	<b>12,918,000</b>	<b>-</b>	<b>(350,000)</b>	<b>-</b>	<b>31,538,041</b>

NAMA KHOI LOCAL MUNICIPALITY					
Financial Year: 2023/2024					
Consolidated Report on Various Deposits					
Period: YTD ended 31 Aug 2024					
Nedbank: Various Own Funding Accounts					
Description	Loan (Fleet)	Equitable Share	Car Allowance	Interest	Total
<u>Opening Balance: 01 July 2024</u>	14,963,123.84	0.00	2,000.72	5,679,764.75	20,644,889.31
Security Against Loan Balance : 01 July 2024	14,963,123.84			5,000,000.00 679,764.75	5,000,000.00 15,642,888.59
<u>Receipts</u>	0.00	0.00	0.00	23,824,833.92	23,824,833.92
Deposits				23,412,804.32	23,412,804.32
Deposits				412,029.60	412,029.60
<u>Withdrawal</u>	0.00	0.00	0.00	-12,500,000.00	-12,500,000.00
Monthly operational needs				-7,000,000.00	-7,000,000.00
Monthly operational needs				-5,500,000.00	-5,500,000.00
<u>Closing Balance: 31 July 2024</u>	14,963,123.84	0.00	2,000.72	17,004,598.67	31,969,723.23

NAMA KHOI MUNICIPALITY										
VAT 201										
VAT REG. 4890198585										
VAT CATEGORY: C										
ACCOUNTING BASE : PAYMENT BASE										
VAT RECONCILIATION										
Financial Year : 2024/2025										
PERIOD : AUGUST 2024										
Output										
Date Submit	Description	Standard rate (Excluding capital goods and/or services and accommodation)	Standard rate (Excluding capital goods and/or services and accommodation)	Zero rate (excluding goods exported)	Exempt & non supplies	Other and imported services	VAT Value	Control		
12	VAT JUNE	14,503,581.04	1,891,771.44	4,079,811.71	1,601,127.28	2,012,647.20	3,904,418.64			
1	VAT JUL	23,073,279.76	3,009,558.23	36,572,677.85	84,869.58		3,009,558.23			
<b>Total Amount</b>		<b>R -</b>	<b>R 37,576,860.80</b>	<b>R 4,901,329.67</b>	<b>R 40,652,489.56</b>	<b>R 1,685,996.86</b>	<b>R -</b>	<b>R 6,913,976.87</b>		
Input Tax										
Date Submit	Period	Description	Capital goods and/or service supplied to you	VAT Value	Other Goods and/or service supplied to you (not capital goods)	VAT Value	Other	VAT Value	VAT Value	Paid (+) Refund (-)
12	VAT JUNE		5,479,462.04	714,712.44	12,369,199.06	1,613,373.79		13,547.45	2,341,633.68	1,562,784.96
1	VAT JUL		257,582.21	33,597.68	27,784,403.96	3,624,052.69			3,657,650.37	-648,092.14
<b>Total Amount</b>		<b>R 5,737,044.25</b>	<b>R 748,310.12</b>	<b>R 40,153,603.01</b>	<b>R 5,237,426.48</b>	<b>R -</b>	<b>R -</b>	<b>R 13,547.45</b>	<b>R 5,999,284.05</b>	<b>R 914,692.82</b>
VAT Reconciliation										
OPENING BALANCE 01/07/24										572,051.45
TOTAL OUTPUT TAX										-6,913,976.87
TOTAL INPUT TAX										5,999,284.05
REFUNDS DURING THE YEAR										-1,220,143.59
PAYMENTS DURING THE YEAR										1,562,784.96
VAT PAYABLE/ REFUNDABLE										0.00
CLOSING BALANCE 31/08/24										-0.00

## **Financial Implications /Recommendations**

### **Revenue by Type:**

The municipality must apply section 64 of the MFMA to adhere to all the revenue requirements, additionally, the following must be introduced or must be improved on:

Credit control and debt collection using pre-paid water meters not only in Eskom areas but also defaulters all over the municipal jurisdiction.

Distribution of correct consumer accounts and also timely correction of errors should it occur.

Updated and verified indigent register.

Replacement of faulty meters needs to fast fast-tracked.

Implementation of green energy initiatives should be carefully monitored to ensure the municipality does not make a loss.

### **Expenditure by type:**

The municipality must apply section 65 of the MFMA to adhere to all the expenditure requirements, additionally, the following must be introduced or must be improved on:

Cost containment measures and controls must be adhered to.

Repairs and maintenance must be done in a manner that ensures the same asset does not keep being repaired.

Should get a balance between technology and manual labour.

Must ensure that bulk accounts are verified and correct.

Get a balance on the overtime and standby hours.

### **Capital Expenditure:**

The municipality must apply section 19 of the MFMA to adhere to all the expenditure requirements, additionally the following must be introduced or must be improve on:

Must ensure that Procurement Plans aligns to the IDP, Budget and SDBIP.

Business plans are submitted on time

SCM processes start before the start of the financial year

Implementation plans are carefully monitored

### **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, and old outstanding debt must be prioritized and linked to the Funded Budget Plan. Intervention is needed regarding the outstanding debt of bulk services. The municipality should strive to receive accounts that can be serviced every month; therefore, communication between all relevant parties is vital. The municipality needs to finalize the action plans against the two biggest creditors.

### **General Note**

Central Vaal Water has not been paid as required.

Strict adherence to Credit Control Measures is required.

The municipality has upgraded to Promun 3 and some challenges have been experienced more specifically in the income department, the municipality did have problems with the distribution of accounts with consumers complaining that their accounts were incorrect.

Some challenges are also being experienced with some reports that differ from the reports in Promun 2.

### **Circular 124 Debt Relief**

Monthly monitoring tool to be submitted.

Must be noted that the municipality has not managed to make full payment to Vaal Central Water.

The municipality did design an app that aligns with the debt relief monitoring report.

The municipality requires assistance with the Property Rates recon

### **Funded Budget Plan and Cost Containment Report**

Progress on the Funded Budget completed as required, report will be submitted as required. It must be noted that updates from other departments are not submitted.

Cost Containment from March to May will be submitted in due Course.

## **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 with section 71 of the MFMA, by providing a statement to the Council containing certain financial particulars.

### **Prepared By:**

Heinri Cloete

Chief Financial Officer

**NAMAKHOI MUNICIPALITY QUALITY CERTIFICATE**

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

- The monthly report on the implementation of the municipal budget and financial state affairs for the month ending 31 August 2024 has been prepared by the Municipal Finance Management Act 71 and regulations made under that Act.

**Print Name: J I Swartz**

Municipal Manager of Nama Khoi Municipality

Signature:.....

Date: .....

## **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 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 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 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 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 the electronic format.
- (5) The accounting officer of a municipality that 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 31 days after the end of each quarter, make public as prescribed, a consolidated statement in the prescribed format on the state of municipalities' budget per municipality and municipal entity. The MEC for finance must submit such consolidated statements to the provincial legislature no later than 45 days after the 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