



Nama Khoi Municipality

15 August 2024

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING 31 July 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 July 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 July 2024

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

The financial results for the period ended 31 July 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) - M01 July						
Description	Budget Year 2024/25					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue						
Service charges - Electricity	120,610,505.00	13,142,510.00	13,142,510.00	10,050,875.00	3,091,635.00	130.76
Service charges - Water	57,879,354.00	3,134,306.00	3,134,306.00	4,823,279.00	- 1,688,973.00	64.98
Service charges - Waste Water Management	21,428,961.00	1,273,343.00	1,273,343.00	1,785,747.00	- 512,404.00	71.31
Service charges - Waste management	25,847,033.00	1,474,294.00	1,474,294.00	2,153,919.00	- 679,625.00	68.45
Sale of Goods and Rendering of Services	3,922,066.00	37,155.00	37,155.00	326,839.00	- 289,684.00	11.37
Agency services	93,786.00	-	-	7,816.00	- 7,816.00	-
Interest earned from Receivables	22,299,427.00	1,918,849.00	1,918,849.00	1,858,285.00	60,564.00	103.26
Interest from Current and Non Current Assets	4,425,355.00	34,961.00	34,961.00	368,781.00	- 333,820.00	9.48
Rent on Land	1,252,978.00	99,587.00	99,587.00	104,415.00	- 4,828.00	95.38
Rental from Fixed Assets	3,399,035.00	159,549.00	159,549.00	283,255.00	- 123,706.00	56.33
Licence and permits	1,664,099.00	245,948.00	245,948.00	138,676.00	107,272.00	177.35
Operational Revenue	408,205.00	53,051.00	53,051.00	34,017.00	19,034.00	155.95
Property rates	57,426,530.00	12,343,792.00	12,343,792.00	4,785,542.00	7,558,250.00	257.94
Fines, penalties and forfeits	603,022.00	278.00	278.00	50,252.00	- 49,974.00	0.55
Transfers and subsidies - Operational	73,321,000.00	28,457,000.00	28,457,000.00	6,110,082.00	22,346,918.00	465.74
Interest	4,391,925.00	39,902.00	39,902.00	365,994.00	- 326,092.00	10.90
Operational Revenue	-	216,336.00	216,336.00	-	216,336.00	
Other Gains	60,588,000.00	-	-	5,049,000.00	- 5,049,000.00	
Discontinued Operations	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)	459,561,281.00	62,630,861.00	62,630,861.00	38,296,774.00	24,334,087.00	163.54
Expenditure By Type						
Employee related costs	105,612,784.00	8,146,977.84	8,146,977.84	8,801,192.00	- 654,214.16	92.57
Remuneration of councillors	7,282,094.00	579,026.71	579,026.71	606,841.00	- 27,814.29	95.42
Bulk purchases - electricity	125,880,000.00	11,375,374.26	11,375,374.26	10,490,000.00	885,374.26	108.44
Inventory consumed	50,096,000.00	480,477.61	480,477.61	4,174,667.00	- 3,694,189.39	11.51
Debt impairment	22,200,000.00	-	-	1,849,999.00	- 1,849,999.00	-
Depreciation and amortisation	72,391,567.00	-	-	6,032,631.00	- 6,032,631.00	-
Interest	17,225,338.00	686,677.47	686,677.47	1,435,445.00	- 748,767.53	47.84
Contracted services	22,215,720.00	3,498,252.97	3,498,252.97	1,851,310.00	1,646,942.97	188.96
Irrecoverable debts written off	1,000,000.00	-	-	83,332.00	- 83,332.00	-
Operational costs	27,434,094.00	877,042.73	877,042.73	2,286,176.00	- 1,409,133.27	38.36
Other Losses	3,420,552.00	-	-	285,046.00	- 285,046.00	-
Total Expenditure	454,758,149.00	25,643,829.59	25,643,829.59	37,896,639.00	- 12,252,809.41	67.67
Surplus/(Deficit)	4,803,132.00	36,987,031.41	36,987,031.41	400,135.00	36,586,896.41	9,243.64

Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July						
Description	Budget Year 2024/25					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue						
Service charges - Electricity	120,610,505.00	13,142,510.00	13,142,510.00	10,050,875.00	3,091,635.00	130.76
Service charges - Water	57,879,354.00	3,134,306.00	3,134,306.00	4,823,279.00	- 1,688,973.00	64.98
Service charges - Waste Water Management	21,428,961.00	1,273,343.00	1,273,343.00	1,785,747.00	- 512,404.00	71.31
Service charges - Waste management	25,847,033.00	1,474,294.00	1,474,294.00	2,153,919.00	- 679,625.00	68.45
Sale of Goods and Rendering of Services	3,922,066.00	37,155.00	37,155.00	326,839.00	- 289,684.00	11.37
Agency services	93,786.00	-	-	7,816.00	- 7,816.00	-
Interest earned from Receivables	22,299,427.00	1,918,849.00	1,918,849.00	1,858,285.00	60,564.00	103.26
Interest from Current and Non Current Assets	4,425,355.00	34,961.00	34,961.00	368,781.00	- 333,820.00	9.48
Rent on Land	1,252,978.00	99,587.00	99,587.00	104,415.00	- 4,828.00	95.38
Rental from Fixed Assets	3,399,035.00	159,549.00	159,549.00	283,255.00	- 123,706.00	56.33
Licence and permits	1,664,099.00	245,948.00	245,948.00	138,676.00	107,272.00	177.35
Operational Revenue	408,205.00	53,051.00	53,051.00	34,017.00	19,034.00	155.95
Property rates	57,426,530.00	12,343,792.00	12,343,792.00	4,785,542.00	7,558,250.00	257.94
Fines, penalties and forfeits	603,022.00	278.00	278.00	50,252.00	- 49,974.00	0.55
Transfers and subsidies - Operational	73,321,000.00	28,457,000.00	28,457,000.00	6,110,082.00	22,346,918.00	465.74
Interest	4,391,925.00	39,902.00	39,902.00	365,994.00	- 326,092.00	10.90
Operational Revenue	-	216,336.00	216,336.00	-	216,336.00	
Other Gains	60,588,000.00	-	-	5,049,000.00	- 5,049,000.00	
Total Revenue (excluding capital transfers and contributions)	459,561,281.00	62,630,861.00	62,630,861.00	38,296,774.00	24,334,087.00	163.54

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

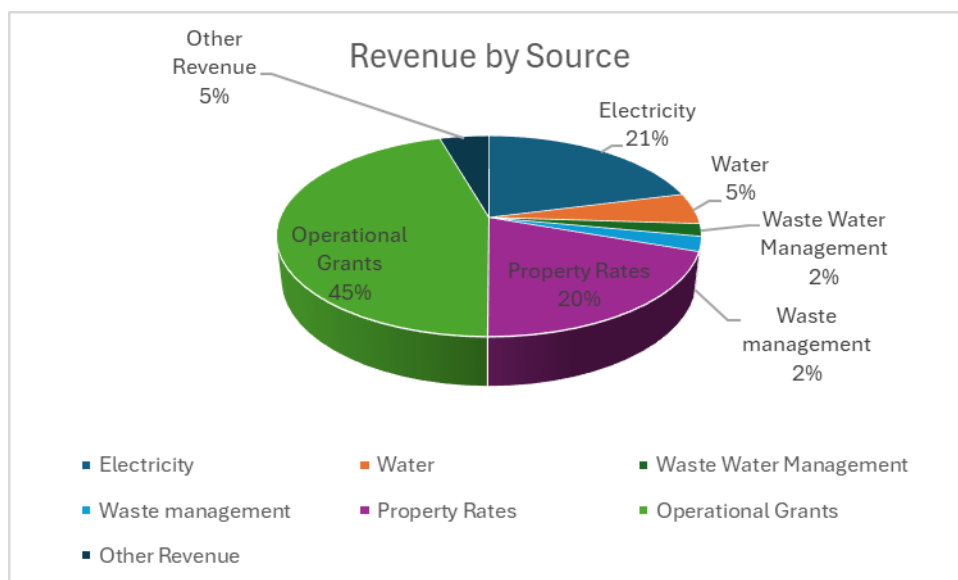
Revenue billed should not be seen as actual cash received, The Statement of Financial Performance sometimes gives the reader the idea that the municipality already collected the billed revenue; additionally, it should not be confused with the collection rate as variances relate to the expected budgeted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

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 July 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	105,612,784.00	8,146,977.84	8,146,977.84	8,801,192.00	- 654,214.16	92.57
Remuneration of councillors	7,282,094.00	579,026.71	579,026.71	606,841.00	- 27,814.29	95.42
Bulk purchases - electricity	125,880,000.00	11,375,374.26	11,375,374.26	10,490,000.00	885,374.26	108.44
Inventory consumed	50,096,000.00	480,477.61	480,477.61	4,174,667.00	- 3,694,189.39	11.51
Debt impairment	22,200,000.00	-	-	1,849,999.00	- 1,849,999.00	-
Depreciation and amortisation	72,391,567.00	-	-	6,032,631.00	- 6,032,631.00	-
Interest	17,225,338.00	686,677.47	686,677.47	1,435,445.00	- 748,767.53	47.84
Contracted services	22,215,720.00	3,498,252.97	3,498,252.97	1,851,310.00	1,646,942.97	188.96
Irrecoverable debts written off	1,000,000.00	-	-	83,332.00	- 83,332.00	-
Operational costs	27,434,094.00	877,042.73	877,042.73	2,286,176.00	- 1,409,133.27	38.36
Other Losses	3,420,552.00	-	-	285,046.00	- 285,046.00	-
Total Expenditure	454,758,149.00	25,643,829.59	25,643,829.59	37,896,639.00	- 12,252,809.41	67.67

Notes on variances above/under 10%

Variances to be discussed in the Institutional and Finance Committee

Matter of Concern

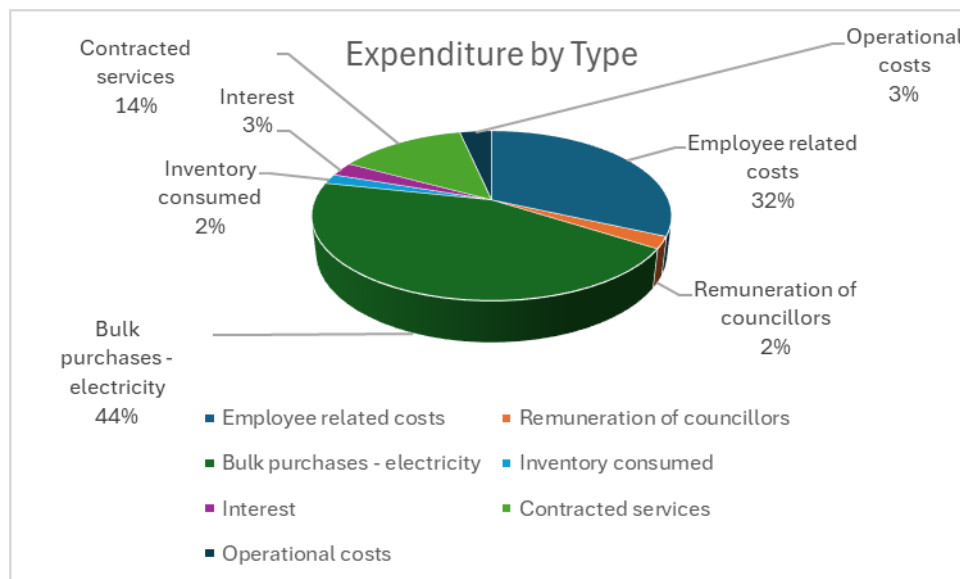
Debt impairment and Depreciation - the municipality asset register is not linked to the financial systems and journals are only passed at year-end.

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) - M01 July						
Vote Description	Budget Year 2024/25					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote						
Mayor and Council	388,156	29,893	29,893	32,346	- 2,453	92
Office of the Municipal Manager	1,707,595	-	-	142,300	- 142,300	-
Corporate Services	3,230,501	145,846	145,846	269,208	- 123,362	54
Financial Services	94,696,445	46,338,522	46,338,522	7,891,369	38,447,153	587
Community Services	46,372,341	- 656,408	- 656,408	3,864,363	- 4,520,771	- 17
Public Safety	1,851,555	253,388	253,388	154,299	99,089	164
Technical Services	337,636,688	16,519,621	16,519,621	28,136,389	- 11,616,768	59
Total Revenue by Vote	485,883,281	62,630,862	62,630,862	40,490,274	22,140,588	155
Expenditure by Vote						
Mayor and Council	12,914,388	1,042,602	1,042,602	1,076,232	- 33,630	97
Office of the Municipal Manager	11,596,959	736,644	736,644	966,414	- 229,770	76
Corporate Services	30,030,344	1,090,496	1,090,496	2,502,530	- 1,412,034	44
Financial Services	50,595,496	4,440,689	4,440,689	4,216,292	224,397	105
Community Services	63,968,799	1,425,002	1,425,002	5,330,780	- 3,905,778	27
Public Safety	11,489,116	808,416	808,416	957,445	- 149,029	84
Technical Services	274,163,047	16,099,979	16,099,979	22,846,946	- 6,746,967	70
Total Expenditure by Vote	454,758,149	25,643,828	25,643,828	37,896,639	- 12,252,811	68
Surplus/ (Deficit) for the year	31,125,132	36,987,034	36,987,034	2,593,635	34,393,399	

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 July 2024

	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue by Vote						
Mayor and Council	388,156	29,893	29,893	32,346	- 2,453	92
Office of the Municipal Manager	1,707,595	-	-	142,300	- 142,300	-
Corporate Services	3,230,501	145,846	145,846	269,208	- 123,362	54
Financial Services	94,696,445	46,338,522	46,338,522	7,891,369	38,447,153	587
Community Services	46,372,341	- 656,408	- 656,408	3,864,363	- 4,520,771	- 17
Public Safety	1,851,555	253,388	253,388	154,299	99,089	164
Technical Services	337,636,688	16,519,621	16,519,621	28,136,389	- 11,616,768	59
Total Revenue by Vote	485,883,281	62,630,862	62,630,862	40,490,274	22,140,588	155

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.

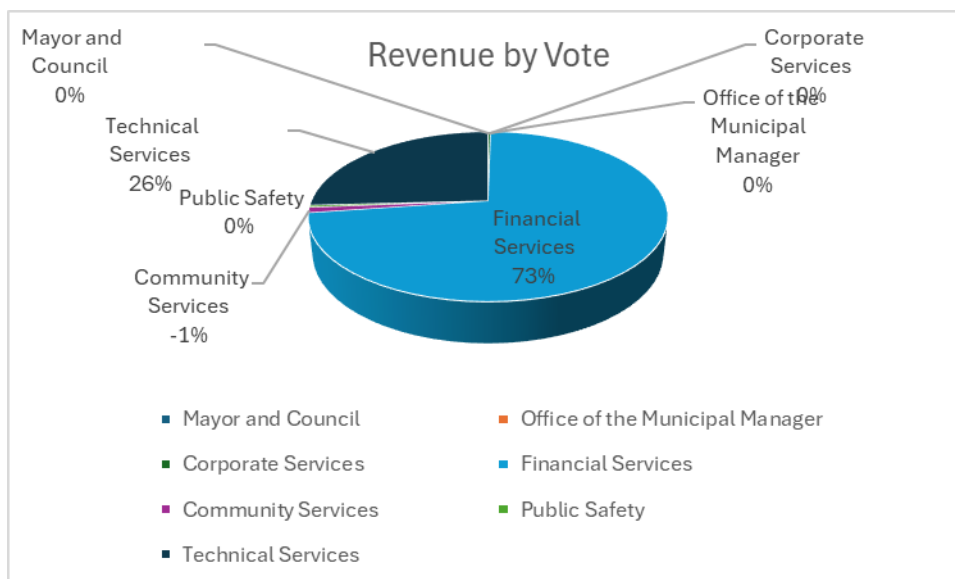
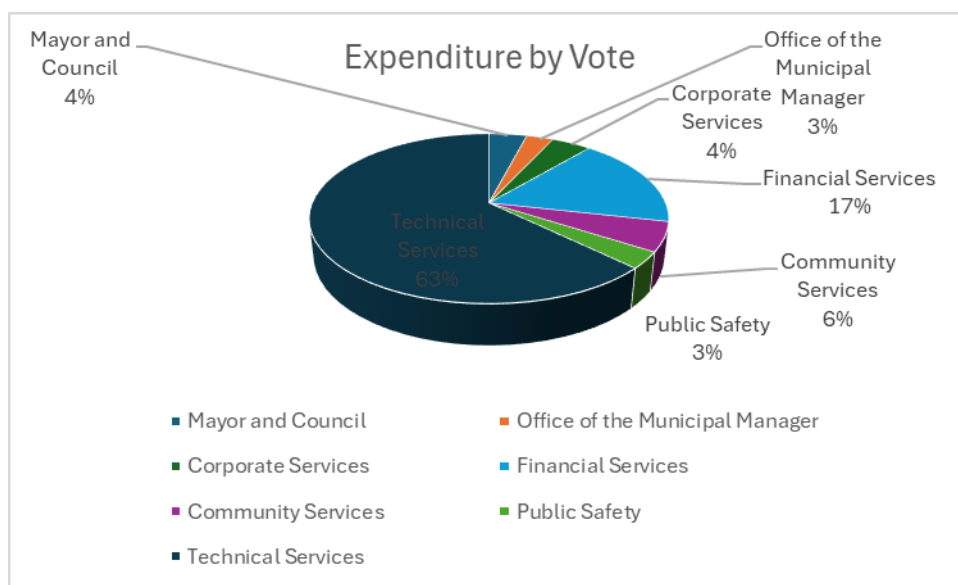


CHART 4

Expenditure by Vote	Original Budget	Monthly actual	YearTDactual	YearTDbudget	YTDvariance	YTDvariance%
Mayor and Council	12,914,388	1,042,602	1,042,602	1,076,232	- 33,630	97
Office of the Municipal Manager	11,596,959	736,644	736,644	966,414	- 229,770	76
Corporate Services	30,030,344	1,090,496	1,090,496	2,502,530	- 1,412,034	44
Financial Services	50,595,496	4,440,689	4,440,689	4,216,292	224,397	105
Community Services	63,968,799	1,425,002	1,425,002	5,330,780	- 3,905,778	27
Public Safety	11,489,116	808,416	808,416	957,445	- 149,029	84
Technical Services	274,163,047	16,099,979	16,099,979	22,846,946	- 6,746,967	70
Total Expenditure by Vote	454,758,149	25,643,828	25,643,828	37,896,639	- 12,252,811	68

The following chart shows the expenditure by vote for 31 July 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) - M01 July

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
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE MAYOR COUNCIL		78	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		413	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES		2,481	1,800	-	-	150	(150)	-100%	1,800	
Vote 5 - COMMUNITY SERVICES: COMM DEV		-	-	-	-	-	-	-	-	
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY		-	-	-	-	-	-	-	-	
Vote 7 - INFRASTRUCTURE:ENG TECHNICAL		6,478	16,322	-	-	1,360	(1,360)	-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]		-	-	-	-	-	-	-	-	
Total Capital Multi-year expenditure	4,7	9,449	18,122	-	-	1,510	(1,510)	-100%	18,122	
Single Year expenditure appropriation	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		3,952	10,000	-	224	833	(609)	-73%	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]		-	-	-	-	-	-	-	-	
Total Capital single-year expenditure	4	3,610	10,000	-	224	833	(609)	-73%	10,000	
Total Capital Expenditure		13,059	28,122	-	224	2,344	(2,120)	-90%	28,122	
Capital Expenditure - Functional Classification										
Governance and administration		(264)	1,800	-	-	150	(150)	-100%	1,800	
Executive and council		(264)	-	-	-	-	-	-	-	
Finance and administration		-	1,800	-	-	150	(150)	-100%	1,800	
Internal audit		-	-	-	-	-	-	-	-	
Community and public safety		-	-	-	-	-	-	-	-	
Community and social services		-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	
Economic and environmental services		413	-	-	-	-	-	-	-	
Planning and development		413	-	-	-	-	-	-	-	
Road transport		-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	
Trading services		12,910	26,322	-	224	2,194	(1,970)	-90%	26,322	
Energy sources		1,738	-	-	-	-	-	-	-	
Water management		-	-	-	-	-	-	-	-	
Waste water management		11,172	26,322	-	224	2,194	(1,970)	-90%	26,322	
Waste management		-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional Classification	3	13,059	28,122	-	224	2,344	(2,120)	-90%	28,122	
Funded by:										
National Government		11,172	26,322	-	224	2,194	(1,970)	-90%	26,322	
Provincial Government		-	-	-	-	-	-	-	-	
District Municipality		-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	
Transfers recognised - capital		11,172	26,322	-	224	2,194	(1,970)	-90%	26,322	
Borrowing	6	78	-	-	-	-	-	-	-	
Internally generated funds		1,809	1,800	-	-	150	(150)	-100%	1,800	
Total Capital Funding		13,059	28,122	-	224	2,344	(2,120)	-90%	28,122	

CASH FLOW STATEMENT ON 31 July 2024

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		48,287	55,018	-	3,680	3,680	4,585	(905)	-20%	55,018
Service charges		188,830	205,264	-	23,336	23,336	17,105	6,231	36%	205,264
Other revenue		8,937	4,096	-	681	681	341	340	100%	4,096
Transfers and Subsidies - Operational		69,545	79,315	-	28,107	28,107	6,610	21,497	325%	79,315
Transfers and Subsidies - Capital		20,272	26,322	-	5,000	5,000	2,194	2,807	128%	26,322
Interest		30,502	4,425	-	1,413	1,413	369	1,044	283%	4,425
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(352,612)	(330,744)	-	(13,003)	(13,003)	(17,072)	(4,069)	24%	(330,744)
Interest		(3,584)	(17,225)	-	-	-	(1,435)	(1,435)	100%	(17,225)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		10,178	26,472	-	49,214	49,214	12,696	(36,518)	-288%	26,472
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		1,710	-	-	-	-	(124)	124	-100%	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(6,141)	(28,122)	-	(258)	(258)	(2,344)	(2,086)	89%	(28,122)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4,431)	(28,122)	-	(258)	(258)	(2,468)	(2,210)	90%	(28,122)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		19,442	-	-	711	711	-	711	#DIV/0!	-
Borrowing long term/refinancing		(1,274)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	(8,147)	(8,147)	-	(8,147)	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		18,167	-	-	(7,436)	(7,436)	-	7,436	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		23,913	(1,650)	-	41,521	41,521	10,228			(1,650)
Cash/cash equivalents at beginning:		46,846	4,242	-	-	-	4,242			-
Cash/cash equivalents at month/year end:		70,759	2,592	-	41,521	41,521	14,471			(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 July 2024.

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

Debtors Age Analysis July 2024						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	8,395,661	3,204,010	2,532,868	2,384,344	108,017,898	124,534,781
Electricity	12,284,812	1,279,021	1,047,387	1,140,019	86,857,033	102,608,272
Property Rates	14,348,074	1,649,355	1,470,146	1,401,604	74,129,268	92,998,447
Waste Water Management	2,389,293	664,860	610,729	580,817	25,794,293	30,039,992
Waste Management	3,315,046	1,073,448	999,195	961,451	52,832,584	59,181,724
Property Rental Debtors	50,793	12,015	10,871	9,090	376,508	459,277
Other	317,231	130,367	92,673	79,955	10,027,810	10,648,036
Total By Income Source	41,100,910	8,013,076	6,763,869	6,557,280	358,035,394	420,470,529
Debtors Age Analysis By Customer Group						
Organs of State	7,158,677	435,819	343,045	375,856	8,413,928	16,727,325
Commercial	14,648,430	1,756,166	1,440,625	1,431,851	102,697,082	121,974,154
Households	19,293,803	5,821,091	4,980,199	4,749,573	246,924,384	281,769,050
Total By Customer Group	41,100,910	8,013,076	6,763,869	6,557,280	358,035,394	420,470,529

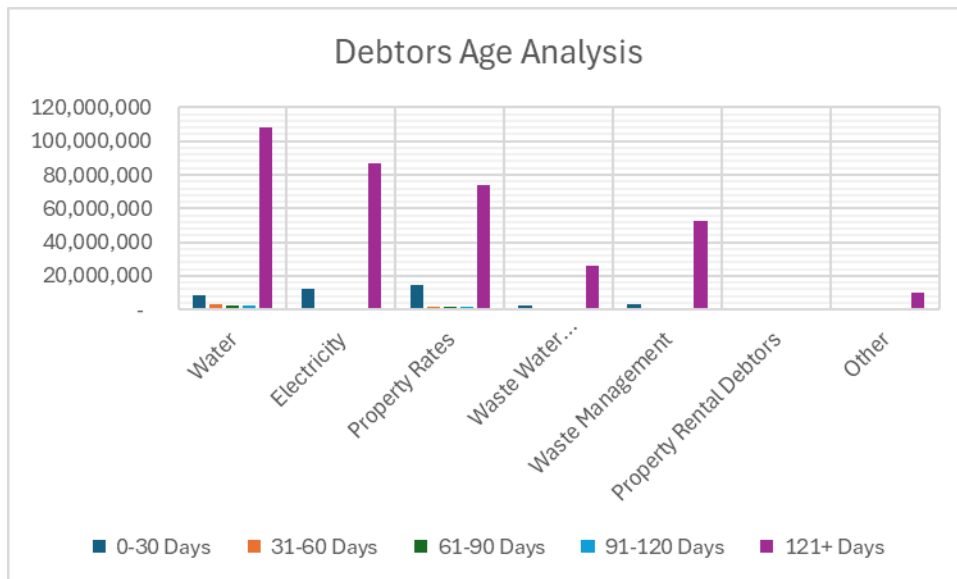
The debtor’s outstanding for more than 121 days amounts to R358 035 394

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

Debtors Age Analysis July 2024						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	8,395,661	3,204,010	2,532,868	2,384,344	108,017,898	124,534,781
Electricity	12,284,812	1,279,021	1,047,387	1,140,019	86,857,033	102,608,272
Property Rates	14,348,074	1,649,355	1,470,146	1,401,604	74,129,268	92,998,447
Waste Water Management	2,389,293	664,860	610,729	580,817	25,794,293	30,039,992
Waste Management	3,315,046	1,073,448	999,195	961,451	52,832,584	59,181,724
Property Rental Debtors	50,793	12,015	10,871	9,090	376,508	459,277
Other	317,231	130,367	92,673	79,955	10,027,810	10,648,036
Total By Income Source	41,100,910	8,013,076	6,763,869	6,557,280	358,035,394	420,470,529

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

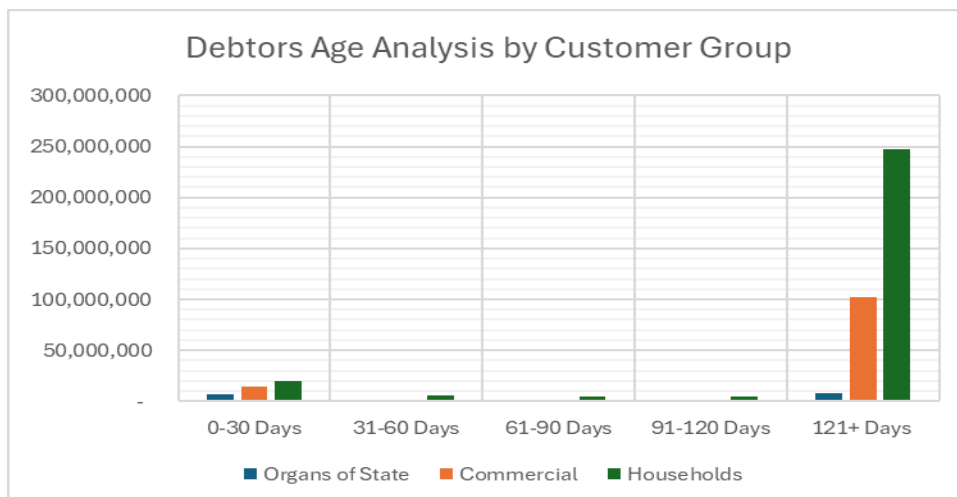


Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	7,158,677	435,819	343,045	375,856	8,413,928	16,727,325
Commercial	14,648,430	1,756,166	1,440,625	1,431,851	102,697,082	121,974,154
Households	19,293,803	5,821,091	4,980,199	4,749,573	246,924,384	281,769,050
Total By Customer Group	41,100,910	8,013,076	6,763,869	6,557,280	358,035,394	420,470,529

CHART 9

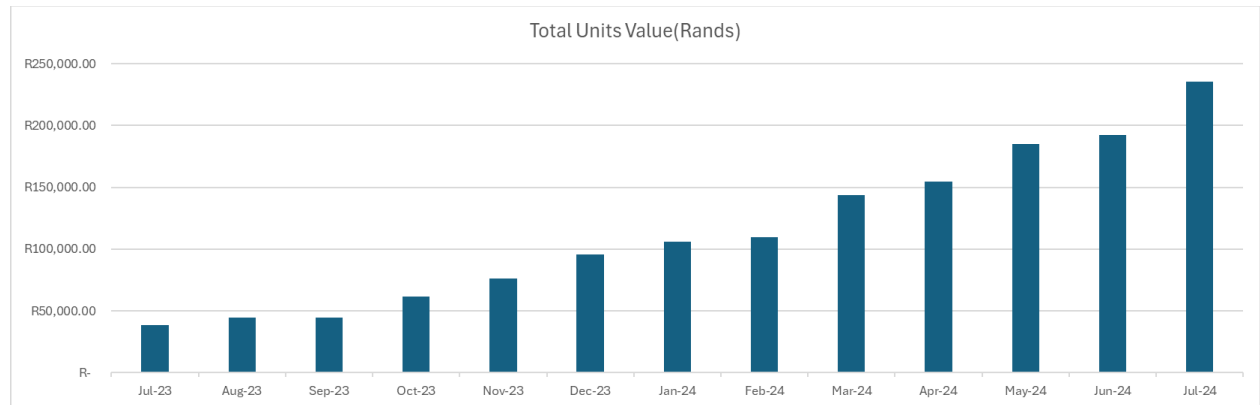
The following chart shows the outstanding debtors per category, as per the information above.



Revenue Enhancement Initiatives/Progress

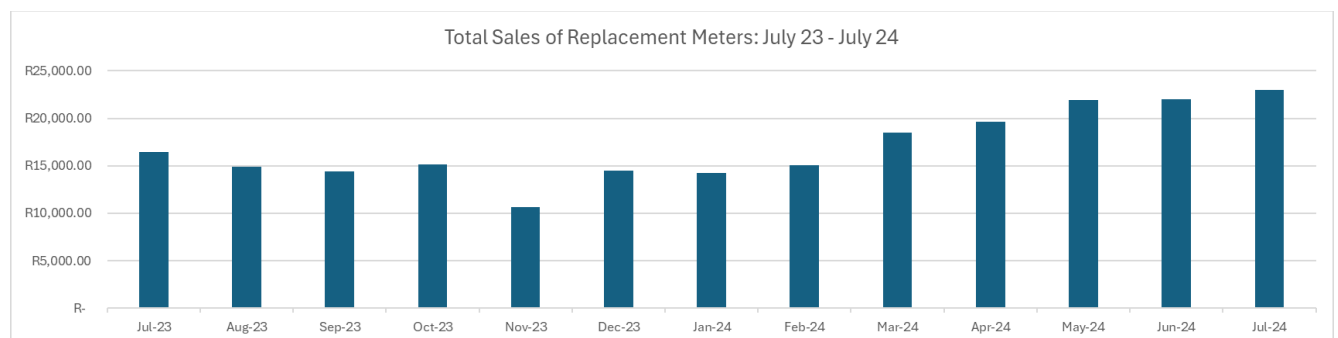
New Meters Installed

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 Total	
Total Units Value(Rands)	R38,787.00	R44,590.00	R44,480.00	R61,521.00	R76,497.00	R95,457.00	R106,128.00	R109,598.00	R143,943.00	R154,709.00	R185,080.40	R192,390.00	R235,300.00	R1,488,480.40



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 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 22,983.00	R220,342.00

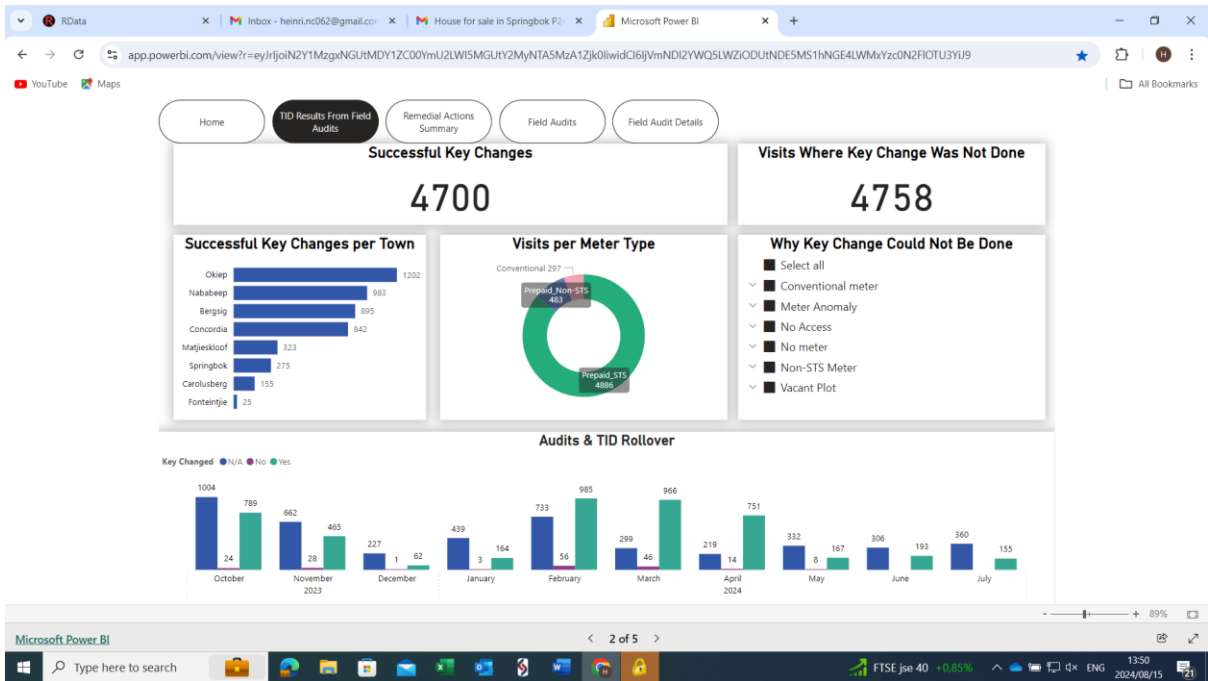


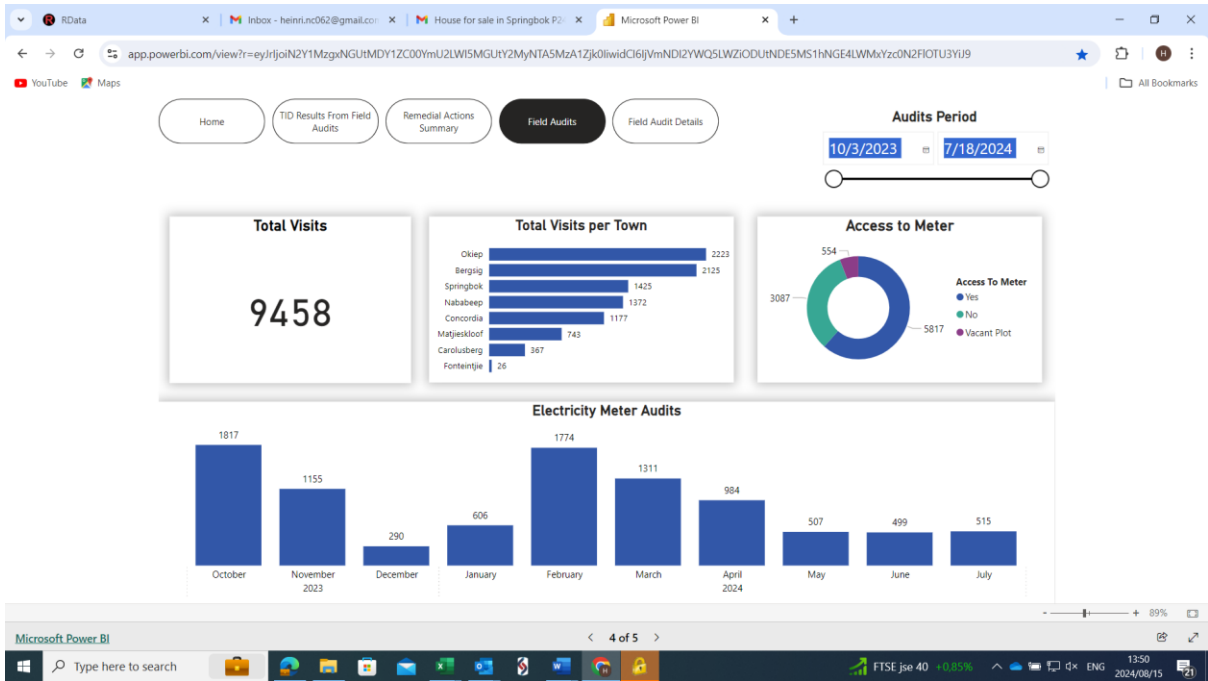
Notes on the Above tables

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

Period:	01 July 2024 - 31 July 2024	
Total:	515	
Criteria	Description	
NO ACCESS	Erf's that could not be accessed or has uncooperative tenants	326
Access Denied		7
Vacant Plot		4
House Locked/Visious Dog		315
ELECTRICITY		189
Bypassed/ Tampered	Meters that are bypassed or partially Bypassed	8 4.23%
Faulty or Bypassed	Meters that has no LCD display - This can either be Faulty or Bypassed	0 0.00%
Suspected Bypass	Customer refused Trip test/ potential municipal bypass	0 0.00%
Keypad faulty	Meters with keypad that are faulty	0 0.00%
No Seals	Meters that has no seals but still operation - Also, uncooperative tenants which did not allow audit to be completed.	108 2.00%
Blocked or No Meter	Power cut by the Municipality	2 1.06%
Meter burnt	Burnt meter	0 0.00%
No meter	Possible unmeasured points	2 1.06%
No Power	Unmeasured points	0 0.00%
No Action Needed	Meters that are functioning correctly	69 36.51%
Not performed	Installation Discrepancies	9 4.76%
Not performed	Coventional Meter	0 0.00%
Not performed	Not an STS Meter	22 11.64%
TID Unsuccessful	Not TID Compliant	0 0.00%
Town		
Bergsig		73
Carolusberg		19
Matjieskloof		33
Springbok		33





Field Audits Findings & Meter Replacements Summary

During field audits, a total of 490 meter anomalies were identified.

From 2023 to date, 376 prepaid meters have been replaced onsite. Of these replacements:

- .325 meters were newly supplied by Syntell.
- .About 51 meters were existing meters.

Meter Replacement Financial Summary

From July 2023 to July 31, 2024:

The new meters have generated a total sales value of approximately **R1 488 480,40**.

The existing meters have generated a total sales value of approximately **R220 342,00**.

Notes on the information above

The above reports show the progress on the TID Rollover

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 July 2024.

Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July						
Description	Budget Year 2024/25					Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	
Creditors Age Analysis By Customer Type						
Bulk Electricity	-	198,325	-	8,518,052	215,578,628	224,295,004
Bulk Water	-	-	-	-	225,737,134	225,737,134
Trade Creditors	4,640,614	8,972,964	219,411	560,096	3,051,643	17,444,727
Auditor General	-	-	-	-	1,689,173	1,689,173
Other	1,291	781	360	-	-	2,433
Total By Customer Type	4,641,905	9,172,070	219,771	9,078,147	446,056,578	469,168,472

Creditors Analysis

Please note creditors' report is subject to correction

From the creditors' age analysis, the municipality has two main creditors: ESKOM and Sedibeng.

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

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

Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July						
Summary of Employee and Councillor remuneration	Budget Year 2024/25					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	6,058,142	476,511	476,511	504,845	- 28,334	94
Medical Aid Contributions	-	7,916	7,916	-	7,916	
Motor Vehicle Allowance	-	8,068	8,068	-	8,068	
Cellphone Allowance	734,400	58,286	58,286	61,200	- 2,914	95
Other benefits and allowances	489,552	28,247	28,247	40,796	- 12,549	69
Sub Total - Councillors	7,282,094	579,028	579,028	606,841	- 27,813	95
Senior Managers of the Municipality						
Basic Salaries and Wages	4,855,922	130,114	130,114	404,661	- 274,547	32
Pension and UIF Contributions	12,751	354	354	1,062	- 708	33
Performance Bonus	855,697	-	-	71,309	- 71,309	-
Motor Vehicle Allowance	558,451	26,615	26,615	46,538	- 19,923	57
Cellphone Allowance	94,943	2,638	2,638	7,913	- 5,275	33
Housing Allowances	141,713	12,199	12,199	11,809	390	103
Other benefits and allowances	859	24	24	72	- 48	33
Scarcity	556,034	16,893	16,893	46,336	- 29,443	36
Sub Total - Senior Managers of Municipality	7,076,370	188,837	188,837	589,700	- 400,863	32
Other Municipal Staff						
Basic Salaries and Wages	61,967,477	4,943,488	4,943,488	5,163,959	- 220,471	96
Pension and UIF Contributions	9,225,567	702,147	702,147	768,799	- 66,652	91
Medical Aid Contributions	4,073,120	331,387	331,387	339,431	- 8,044	98
Overtime	8,386,437	735,448	735,448	698,872	36,576	105
Performance Bonus	4,797,550	357,810	357,810	399,827	- 42,017	89
Motor Vehicle Allowance	2,994,790	409,001	409,001	249,588	159,413	164
Cellphone Allowance	229,896	15,131	15,131	19,159	- 4,028	79
Housing Allowances	687,240	53,821	53,821	57,284	- 3,463	94
Other benefits and allowances	2,608,030	228,991	228,991	217,379	11,612	105
Payments in lieu of leave	1,500,000	61,775	61,775	125,001	- 63,226	49
Long service awards	150,000	60,945	60,945	12,500	48,445	488
Post-retirement benefit obligations	1,380,750	-	-	115,063	- 115,063	-
Acting and post related allowance	535,557	58,198	58,198	44,630	13,568	130
Sub Total - Other Municipal Staff	98,536,414	7,958,142	7,958,142	8,211,492	- 253,350	97
Total Parent Municipality	112,894,878	8,726,007	8,726,007	9,408,033	- 682,026	93
Total Employee Cost	105,612,784	8,146,979	8,146,979	8,801,192		
Revenue	459,561,281	62,630,861	62,630,861	38,296,774		
Expenditure	454,758,149	25,643,830	25,643,830	37,896,639		
%Employee Cost to Revenue	23	13	13	23		
%Employee Cost to Expenditure	23	32	32	23		

Employee-related cost to total expenditure – Please note employee cost against expenditure amounts to 3

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	22,707,816	19,123,625	3,584,191	84%	84%
2.Collection <u>excl Eskom supplied areas</u>	19,932,629	18,598,523	1,334,106	93%	93%
3.Collection: Property Rates	6,632,718	3,362,689	3,270,030	51%	51%
4.Total average collection: Electricity (Municipal supplied areas)	8,178,439	10,521,546	(2,343,107)	129%	129%
5.Total average collection: Water	3,846,274	3,174,853	671,421	83%	83%
6.Total average collection: Wastewater	1,784,433	944,328	840,106	53%	53%
7.Total average collection: Refuse	2,265,952	1,120,210	1,145,742	49%	49%
8.Total average collection: Interest	-	-	-	#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 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						Maximization of Revenue Base		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	No	Yes	Yes	Yes	No	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	N/A	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	93%	Non Compliance				
2.August	Nama Khoi	NC062																																												0%	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

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 July 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.

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