



**Nama Khoi Municipality**

**15 January 2025**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING 30 December 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 30 December 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 30 December 2024**

**This report is based on financial information, as of 30 December 2024, and is available during preparation.**

The financial results for the period ended 30 December 2024 are summarised as follows:

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

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NC062 Nama Khoi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December							
Description	Budget Year 2024/25						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Revenue</b>							
Service charges - Electricity	120,610,505	120,610,505	30,148,289	108,220,542	60,305,250	47,915,292	179
Service charges - Water	57,879,354	57,879,354	2,975,802	21,637,886	28,939,674	- 7,301,788	75
Service charges - Waste Water Management	21,428,961	21,428,961	1,463,638	8,127,848	10,714,482	- 2,586,634	76
Service charges - Waste management	25,847,033	25,847,033	1,636,601	9,296,535	12,923,514	- 3,626,979	72
Sale of Goods and Rendering of Services	3,922,066	3,922,066	35,043	222,005	1,961,034	- 1,739,029	11
Agency services	93,786	93,786	-	-	46,896	- 46,896	-
Interest earned from Receivables	22,299,427	22,299,427	2,002,263	11,714,514	11,149,710	564,804	105
Interest from Current and Non Current Assets	4,425,355	4,425,355	52,771	459,978	2,212,686	- 1,752,708	21
Rent on Land	1,252,978	1,252,978	98,086	595,386	626,490	- 31,104	95
Rental from Fixed Assets	3,399,035	3,399,035	156,468	956,225	1,699,530	- 743,305	56
Licence and permits	1,664,099	1,664,099	245,546	1,510,157	832,056	678,101	181
Operational Revenue	408,205	408,205	32,101	297,748	204,102	93,646	146
Property rates	57,426,530	57,426,530	4,186,067	31,594,828	28,713,252	2,881,576	110
Fines, penalties and forfeits	603,022	603,022	-	3,498	301,512	- 298,014	1
Transfers and subsidies - Operational	73,321,000	73,321,000	22,801,717	54,802,318	36,660,492	18,141,826	149
Interest	4,391,925	4,391,925	112,361	617,589	2,195,964	- 1,578,375	28
Operational Revenue	-	-	133,181	883,664	-	883,664	-
Other Gains	60,588,000	60,588,000	-	-	30,294,000	- 30,294,000	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>459,561,281</b>	<b>459,561,281</b>	<b>66,079,934</b>	<b>250,940,721</b>	<b>229,780,644</b>	<b>21,160,077</b>	<b>109</b>
<b>Expenditure By Type</b>							
Employee related costs	105,612,784	105,612,850	8,505,984	49,095,149	52,806,586	- 3,711,437	93
Remuneration of councillors	7,282,094	7,282,102	875,756	3,789,133	3,641,054	148,079	104
Bulk purchases - electricity	125,880,000	125,880,000	9,270,101	76,102,948	62,940,000	13,162,948	121
Inventory consumed	50,096,000	50,096,000	4,076,335	16,946,951	25,048,002	- 8,101,051	68
Debt impairment	22,200,000	22,200,000	-	-	11,099,994	- 11,099,994	-
Depreciation and amortisation	72,391,567	72,391,567	-	-	36,195,786	- 36,195,786	-
Interest	17,225,338	17,225,338	439,927	2,449,303	8,612,670	- 6,163,367	28
Contracted services	22,215,720	22,215,730	3,858,370	14,039,833	11,107,860	2,931,973	126
Irrecoverable debts written off	1,000,000	1,000,000	-	-	499,992	- 499,992	-
Operational costs	27,434,094	27,434,103	2,512,808	10,780,482	13,717,065	- 2,936,583	79
Other Losses	3,420,552	3,420,552	-	-	1,710,276	- 1,710,276	-
<b>Total Expenditure</b>	<b>454,758,149</b>	<b>454,758,242</b>	<b>29,539,281</b>	<b>173,203,799</b>	<b>227,379,285</b>	<b>- 54,175,486</b>	<b>76</b>
<b>Surplus/(Deficit)</b>	<b>4,803,132</b>	<b>4,803,039</b>	<b>36,540,653</b>	<b>77,736,922</b>	<b>2,401,359</b>	<b>75,335,563</b>	

	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
<b>Revenue</b>							
Service charges - Electricity	120,610,505	120,610,505	30,148,289	108,220,542	60,305,250	47,915,292	179
Service charges - Water	57,879,354	57,879,354	2,975,802	21,637,886	28,939,674	- 7,301,788	75
Service charges - Waste Water Management	21,428,961	21,428,961	1,463,638	8,127,848	10,714,482	- 2,586,634	76
Service charges - Waste management	25,847,033	25,847,033	1,636,601	9,296,535	12,923,514	- 3,626,979	72
Sale of Goods and Rendering of Services	3,922,066	3,922,066	35,043	222,005	1,961,034	- 1,739,029	11
Agency services	93,786	93,786	-	-	46,896	- 46,896	-
Interest earned from Receivables	22,299,427	22,299,427	2,002,263	11,714,514	11,149,710	564,804	105
Interest from Current and Non Current Assets	4,425,355	4,425,355	52,771	459,978	2,212,686	- 1,752,708	21
Rent on Land	1,252,978	1,252,978	98,086	595,386	626,490	- 31,104	95
Rental from Fixed Assets	3,399,035	3,399,035	156,468	956,225	1,699,530	- 743,305	56
Licence and permits	1,664,099	1,664,099	245,546	1,510,157	832,056	678,101	181
Operational Revenue	408,205	408,205	32,101	297,748	204,102	93,646	146
Property rates	57,426,530	57,426,530	4,186,067	31,594,828	28,713,252	2,881,576	110
Fines, penalties and forfeits	603,022	603,022	-	3,498	301,512	- 298,014	1
Transfers and subsidies - Operational	73,321,000	73,321,000	22,801,717	54,802,318	36,660,492	18,141,826	149
Interest	4,391,925	4,391,925	112,361	617,589	2,195,964	- 1,578,375	28
Operational Revenue	-	-	133,181	883,664	-	883,664	-
Other Gains	60,588,000	60,588,000	-	-	30,294,000	- 30,294,000	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>459,561,281</b>	<b>459,561,281</b>	<b>66,079,934</b>	<b>250,940,721</b>	<b>229,780,644</b>	<b>21,160,077</b>	<b>109</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 incurred to deliver these services.

The municipality needs to do an analysis of the electricity billing as it is much higher than the budgeted amount, it also has an impact on the collection rate of the municipality and ultimately impacting on the compliance of the Eskom Debt Relief.

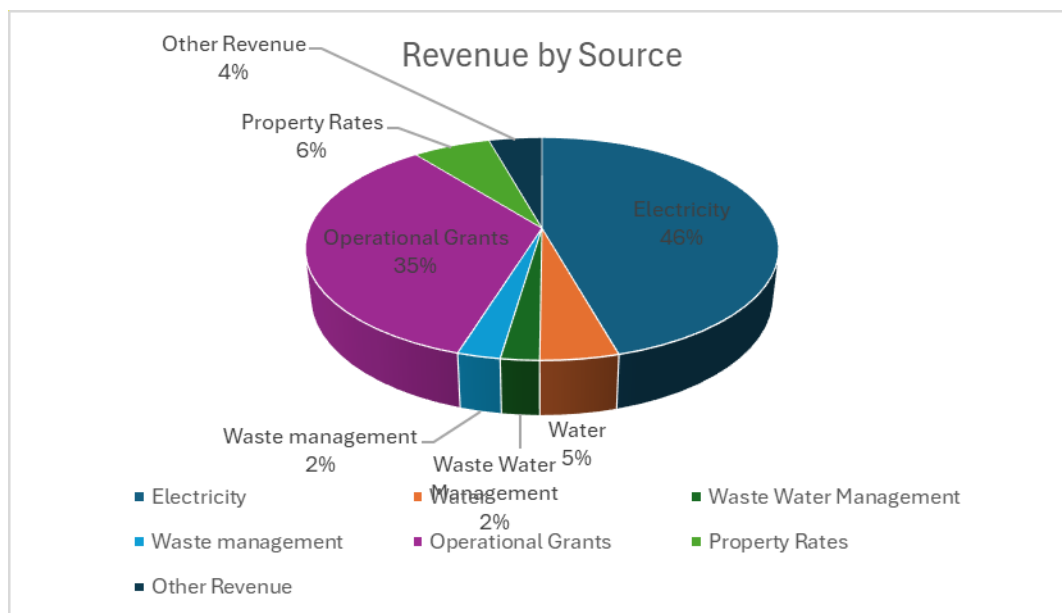
It must be noted that property rate rebates will continue on a monthly basis with the municipality adjusted rates downwards with an average of 19%.

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

It must be noted that the municipality has taken over the Town of Kleinzee, and revenue will increase. The necessary adjustments to revenue must be made with the Adjustment Budget.

#### CHART 1

The following chart shows the revenue by source for the month of 30 December 2024 in terms of revenue as a percentage of total revenue.



Expenditure By Type	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Employee related costs	105,612,784	105,612,850	8,505,984	49,095,149	52,806,586	- 3,711,437	93
Remuneration of councillors	7,282,094	7,282,102	875,756	3,789,133	3,641,054	148,079	104
Bulk purchases - electricity	125,880,000	125,880,000	9,270,101	76,102,948	62,940,000	13,162,948	121
Inventory consumed	50,096,000	50,096,000	4,076,335	16,946,951	25,048,002	- 8,101,051	68
Debt impairment	22,200,000	22,200,000	-	-	11,099,994	- 11,099,994	-
Depreciation and amortisation	72,391,567	72,391,567	-	-	36,195,786	- 36,195,786	-
Interest	17,225,338	17,225,338	439,927	2,449,303	8,612,670	- 6,163,367	28
Contracted services	22,215,720	22,215,730	3,858,370	14,039,833	11,107,860	2,931,973	126
Irrecoverable debts written off	1,000,000	1,000,000	-	-	499,992	- 499,992	-
Operational costs	27,434,094	27,434,103	2,512,808	10,780,482	13,717,065	- 2,936,583	79
Other Losses	3,420,552	3,420,552	-	-	1,710,276	- 1,710,276	-
<b>Total Expenditure</b>	<b>454,758,149</b>	<b>454,758,242</b>	<b>29,539,281</b>	<b>173,203,799</b>	<b>227,379,285</b>	<b>- 54,175,486</b>	<b>76</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's asset register is not linked to the financial systems, and journals are only passed at year-end.

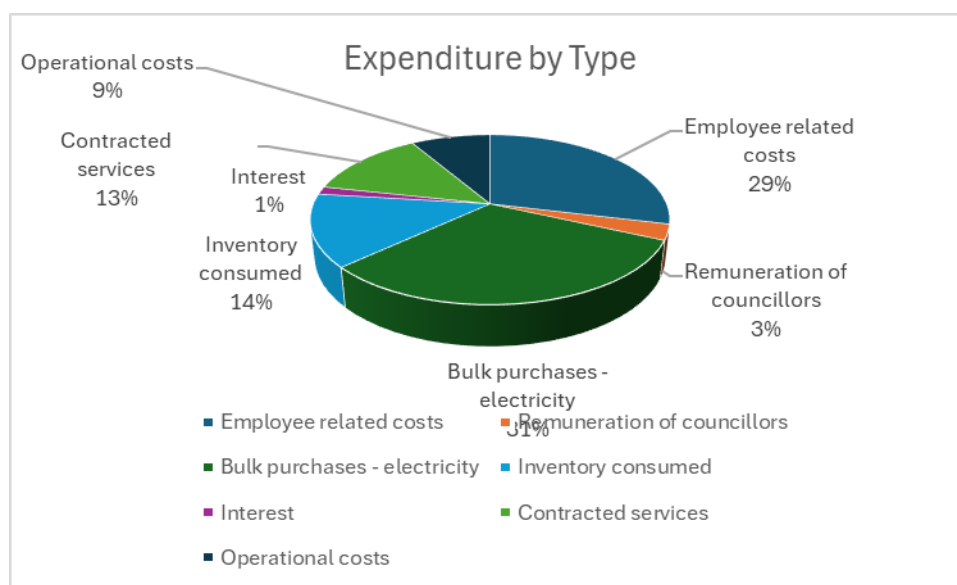
Low expenditure is due to the cash flow situation of the municipality, the low spending has a direct impact on service delivery initiatives.

Contract services are linked to consultants the municipality uses for various services, including performance management, accounting assistance towards the AFS, asset register, and other service delivery items.

Bulk electricity billing for winter months is higher than the summer months, however, the system only allowed for budgeted amounts to be equal, and it resulted in the municipality exceeding the budgeted amount.

## 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

NC062 Nama Khoi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December							
Vote Description	Budget Year 2024/25						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>Revenue by Vote</b>							
Vote 1 - EXECUTIVE MAYOR COUNCIL	388,156	388,156	13,755	167,487	194,076	- 26,589	86
Vote 2 - MUNICIPAL MANAGER	1,707,595	1,707,595	149	982,697	853,800	128,897	115
Vote 3 - CORPORATE SERVICES	3,230,501	3,230,501	166,324	949,161	1,615,248	- 666,087	59
Vote 4 - FINANCIAL SERVICES	94,696,445	94,696,445	32,498,959	117,128,735	47,348,214	69,780,521	247
Vote 5 - COMMUNITY SERVICES: COMM DEV	46,372,341	46,372,341	- 509,162	- 3,118,693	23,186,178	- 26,304,871	- 13
Vote 6 - COMMUNITY SERVICES: PUBL SAFETY	1,851,555	1,851,555	230,723	1,483,347	925,794	557,553	160
Vote 7 - INFRASTRUCTURE; ENG TECHNICAL	337,636,688	362,079,688	35,789,743	139,269,609	176,966,006	- 37,696,397	79
<b>Total Revenue by Vote</b>	<b>485,883,281</b>	<b>510,326,281</b>	<b>68,190,491</b>	<b>256,862,343</b>	<b>251,089,316</b>	<b>5,773,027</b>	<b>102</b>
<b>Expenditure by Vote</b>							
Vote 1 - EXECUTIVE MAYOR COUNCIL	12,914,388	12,914,408	1,276,172	6,207,823	6,457,232	- 249,409	96
Vote 2 - MUNICIPAL MANAGER	11,596,959	11,596,971	1,089,067	5,759,642	5,798,496	- 38,854	99
Vote 3 - CORPORATE SERVICES	30,030,344	30,030,353	2,582,985	9,685,334	15,015,189	- 5,329,855	65
Vote 4 - FINANCIAL SERVICES	50,595,496	50,595,500	4,924,594	21,625,467	25,297,756	- 3,672,289	85
Vote 5 - COMMUNITY SERVICES: COMM DEV	63,968,799	63,968,819	1,554,781	9,159,180	31,984,443	- 22,825,263	29
Vote 6 - COMMUNITY SERVICES: PUBL SAFETY	11,489,116	11,489,121	731,483	4,731,953	5,744,585	- 1,012,632	82
Vote 7 - INFRASTRUCTURE; ENG TECHNICAL	274,163,047	274,163,070	17,380,199	116,034,399	137,081,584	- 21,047,185	85
<b>Total Expenditure by Vote</b>	<b>454,758,149</b>	<b>454,758,242</b>	<b>29,539,281</b>	<b>173,203,798</b>	<b>227,379,285</b>	<b>- 54,175,487</b>	<b>76</b>
<b>Surplus/ (Deficit) for the year</b>	<b>31,125,132</b>	<b>55,568,039</b>	<b>38,651,210</b>	<b>83,658,545</b>	<b>23,710,031</b>	<b>59,948,514</b>	

## Reasons for variances above/under 10%

Variances to be discussed in the Institutional and Finance Committee

### CHART 3

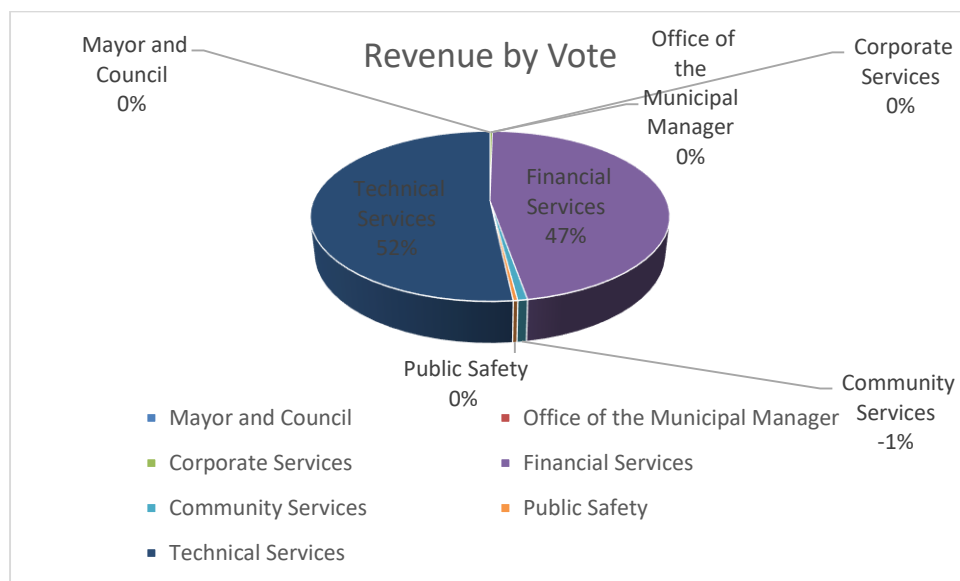
The following chart shows the revenue by vote for 30 December 2024

Expenditure by Vote	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - EXECUTIVE MAYOR COUNCIL	12,914,388	12,914,408	1,276,172	6,207,823	6,457,232	- 249,409	96
Vote 2 - MUNICIPAL MANAGER	11,596,959	11,596,971	1,089,067	5,759,642	5,798,496	- 38,854	99
Vote 3 - CORPORATE SERVICES	30,030,344	30,030,353	2,582,985	9,685,334	15,015,189	- 5,329,855	65
Vote 4 - FINANCIAL SERVICES	50,595,496	50,595,500	4,924,594	21,625,467	25,297,756	- 3,672,289	85
Vote 5 - COMMUNITY SERVICES: COMM DEV	63,968,799	63,968,819	1,554,781	9,159,180	31,984,443	- 22,825,263	29
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY	11,489,116	11,489,121	731,483	4,731,953	5,744,585	- 1,012,632	82
Vote 7 - INFRASTRUCTURE: ENG TECHNICAL	274,163,047	274,163,070	17,380,199	116,034,399	137,081,584	- 21,047,185	85
<b>Total Expenditure by Vote</b>	<b>454,758,149</b>	<b>454,758,242</b>	<b>29,539,281</b>	<b>173,203,798</b>	<b>227,379,285</b>	<b>- 54,175,487</b>	<b>76</b>

### Notes on Table Above

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

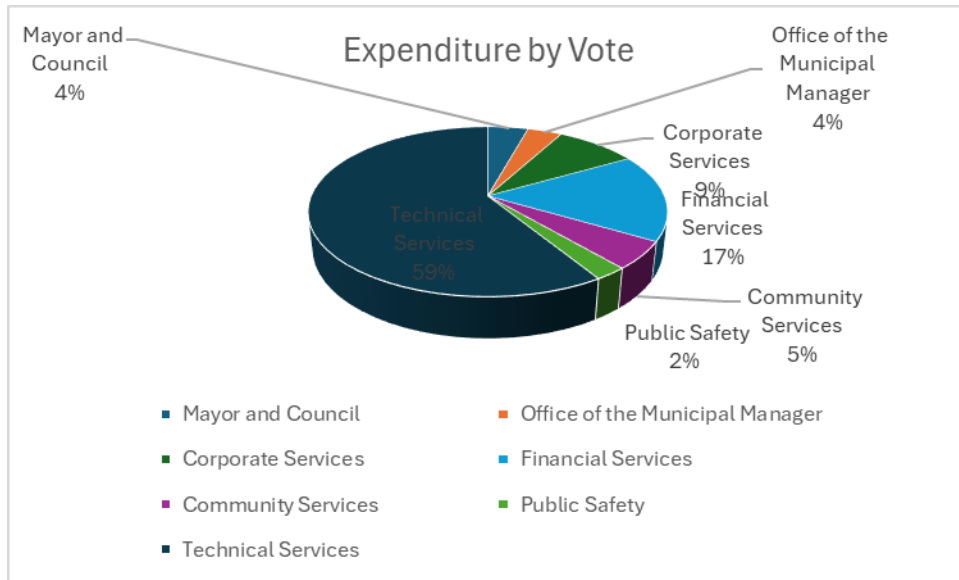
It must be noted Revenue by function includes capital revenue recognized resulting in the difference when compared to revenue by source.



### CHART 4

Expenditure by Vote	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Vote 1 - EXECUTIVE MAYOR COUNCIL	12,914,388	12,914,408	999,776	4,931,651	5,381,036	- 449,385	92
Vote 2 - MUNICIPAL MANAGER	11,596,959	11,596,971	1,086,731	4,670,575	4,832,082	- 161,507	97
Vote 3 - CORPORATE SERVICES	30,030,344	30,030,353	1,100,685	7,102,349	12,512,659	- 5,410,310	57
Vote 4 - FINANCIAL SERVICES	50,595,496	50,595,500	1,942,270	16,700,873	21,081,464	- 4,380,591	79
Vote 5 - COMMUNITY SERVICES: COMM DEV	63,968,799	63,968,818	1,606,457	7,604,399	26,653,714	- 19,049,315	29
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY	11,489,116	11,489,121	770,486	4,000,471	4,787,158	- 786,687	84
Vote 7 - INFRASTRUCTURE: ENG TECHNICAL	274,163,047	274,163,070	18,483,692	98,654,201	114,234,659	- 15,580,458	86
<b>Total Expenditure by Vote</b>	<b>454,758,149</b>	<b>454,758,241</b>	<b>25,990,097</b>	<b>143,664,519</b>	<b>189,482,772</b>	<b>- 45,818,253</b>	<b>76</b>

The following chart shows the expenditure by vote for 30 December 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

NC062 Nama Khoi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

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	1,800	-	1,333	900	433	48%	1,800
Vote 5 - COMMUNITY SERVICES: COMM DEV		-	-	-	-	-	-	-	-	-
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY		-	-	-	-	-	-	-	-	-
Vote 7 - INFRASTRUCTURE:ENG TECHNICAL		10,997	16,322	45,589	660	3,792	17,917	(14,125)	-79%	45,589
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>47,389</b>	<b>660</b>	<b>5,124</b>	<b>18,817</b>	<b>(13,692)</b>	<b>-73%</b>	<b>47,389</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	10,000	1,835	3,795	5,000	(1,205)	-24%	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>10,000</b>	<b>1,835</b>	<b>3,795</b>	<b>5,000</b>	<b>(1,205)</b>	<b>-24%</b>	<b>10,000</b>
<b>Total Capital Expenditure</b>		<b>10,800</b>	<b>28,122</b>	<b>57,389</b>	<b>2,495</b>	<b>8,920</b>	<b>23,817</b>	<b>(14,897)</b>	<b>-63%</b>	<b>57,389</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		(264)	1,800	1,800	-	-	900	(900)	-100%	1,800
Executive and council		(264)	-	-	-	-	-	-	-	-
Finance and administration		-	1,800	1,800	-	-	900	(900)	-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>		329	-	-	-	-	-	-	-	-
Planning and development		329	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		10,735	26,322	55,589	2,495	8,920	22,917	(13,997)	-61%	55,589
Energy sources		-	-	-	-	-	-	-	-	-
Water management		1,294	-	-	-	-	-	-	-	-
Waste water management		9,441	26,322	55,589	2,495	8,920	22,917	(13,997)	-61%	55,589
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>10,800</b>	<b>28,122</b>	<b>57,389</b>	<b>2,495</b>	<b>8,920</b>	<b>23,817</b>	<b>(14,897)</b>	<b>-63%</b>	<b>57,389</b>
<b>Funded by:</b>										
National Government		10,735	26,322	50,765	2,495	6,033	21,309	(15,275)	-72%	50,765
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)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>10,735</b>	<b>26,322</b>	<b>50,765</b>	<b>2,495</b>	<b>6,033</b>	<b>21,309</b>	<b>(15,275)</b>	<b>-72%</b>	<b>50,765</b>
<b>Borrowing</b>	6	78	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		(13)	1,800	6,624	-	2,886	2,508	378	15%	6,624
<b>Total Capital Funding</b>		<b>10,800</b>	<b>28,122</b>	<b>57,389</b>	<b>2,495</b>	<b>8,920</b>	<b>23,817</b>	<b>(14,897)</b>	<b>-63%</b>	<b>57,389</b>

## CASH FLOW STATEMENT ON 30 December 2024

NC062 Nama Khoi - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		48,287	55,018	55,018	3,402	27,043	27,509	(467)	-2%	55,018
Service charges		189,578	205,264	205,264	24,454	126,576	102,632	23,944	23%	205,264
Other revenue		10,832	4,096	4,096	3,344	5,355	2,048	3,307	161%	4,096
Transfers and Subsidies - Operational		69,379	79,315	79,315	22,484	78,896	39,658	39,238	99%	79,315
Transfers and Subsidies - Capital		20,272	26,322	50,765	3,100	12,710	21,309	(8,599)	-40%	50,765
Interest		30,885	4,425	4,425	1,591	9,120	2,213	6,907	312%	4,425
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(570,506)	(330,744)	(332,306)	(18,953)	(90,862)	(103,057)	(12,195)	12%	(332,306)
Interest		(3,384)	(17,225)	(17,225)	-	-	(8,613)	(8,613)	100%	(17,225)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(204,657)</b>	<b>26,472</b>	<b>49,352</b>	<b>39,421</b>	<b>168,837</b>	<b>83,698</b>	<b>(85,139)</b>	<b>-102%</b>	<b>49,352</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		1,710	-	-	-	(1,710)	(745)	(965)	130%	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(6,141)	(28,122)	(52,565)	(2,969)	(10,510)	(22,209)	(11,699)	53%	(52,565)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(4,431)</b>	<b>(28,122)</b>	<b>(52,565)</b>	<b>(2,969)</b>	<b>(12,219)</b>	<b>(22,953)</b>	<b>(10,734)</b>	<b>47%</b>	<b>(52,565)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		20,972	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(1,274)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	(8,506)	(49,095)	-	(49,095)	#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>(8,506)</b>	<b>(49,095)</b>	<b>-</b>	<b>49,095</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(189,391)</b>	<b>(1,650)</b>	<b>(3,213)</b>	<b>27,947</b>	<b>107,523</b>	<b>60,745</b>			<b>(3,213)</b>
Cash/cash equivalents at beginning:		46,846	4,242	52,336		44,220	52,336			44,220
Cash/cash equivalents at month/year end:		(142,545)	2,592	49,122	27,947	151,743	113,081			41,007

### Nama Khoi Municipality (NC062) Bank Reconciliation Report

CashBook : - NEDBANK 2024/2025

Processing Month : 6

#### Reconciliation Summary

Cashbook Opening Balance	✓	13,679,329.33
Payments for Period		--46,670,180.10
Receipts for Period	✓	53,117,611.71
Item/Cashbook	✓	20,126,760.94
Uncleared Payments	✓	1,501,195.05
Uncleared Receipts	✓	-565,460.80
	✓	-2,382,692.06
Unknown Items		
Sub Total	✓	18,679,803.13
Statement Balance	✓	-18,679,803.13

### **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

It must also be noted that the cash/cash equivalents balance includes unspent grants.

It must be noted that the R151 million does not reflect the correct corresponding bank status with the call accounts included, as there are some errors in the financial systems. Bank reconciliation and grant reports will reflect the correct status.

## 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 30 December 2024.

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

Debtors Age Analysis December 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	8,631,580	2,504,157	2,401,172	2,293,735	117,392,800	133,223,444
Electricity	32,032,432	6,045,760	3,028,290	2,276,017	90,267,250	133,649,749
Property Rates	7,079,832	1,668,446	1,451,204	1,086,368	77,866,711	89,152,561
Waste Water Management	2,644,503	724,901	653,190	626,132	27,891,902	32,540,628
Waste Management	3,629,187	1,097,804	1,028,829	1,002,957	56,441,534	63,200,311
Property Rental Debtors	44,379	12,292	10,314	10,607	413,690	491,282
Other	573,282	210,652	197,602	198,144	17,402,485	18,582,165
<b>Total By Income Source</b>	<b>54,635,195</b>	<b>12,264,012</b>	<b>8,770,601</b>	<b>7,493,960</b>	<b>387,676,372</b>	<b>470,840,140</b>
<b>Debtors Age Analysis By Customer Group</b>						
Organs of State	16,264,068	1,093,854	478,526	466,079	8,497,497	26,800,024
Commercial	16,021,439	5,917,171	3,444,281	2,659,547	109,635,866	137,678,304
Households	22,334,688	5,252,987	4,847,794	4,368,334	269,543,009	306,346,812
Other	15,000	-	-	-	-	15,000
<b>Total By Customer Group</b>	<b>54,635,195</b>	<b>12,264,012</b>	<b>8,770,601</b>	<b>7,493,960</b>	<b>387,676,372</b>	<b>470,840,140</b>

The debtor's outstanding for more than 121 days amounts to R387 676 372

The municipality has identified meters that will need to be replaced, this was identified through the TID rollover process and general investigations, the municipality ordered pre-paid meters that are expected to be delivered in February 2025. The electricity team is currently busy reprogramming old pre-paid meters that will be used to replace PT meters that are currently not working.

It's clear that a certain portion of billed revenue results in debtors, this can be a result of long outstanding disputes that have accumulated interest, and the interest is accumulated interest on interest every month, the municipality is in the process of considering the write-off of these outstanding debts.

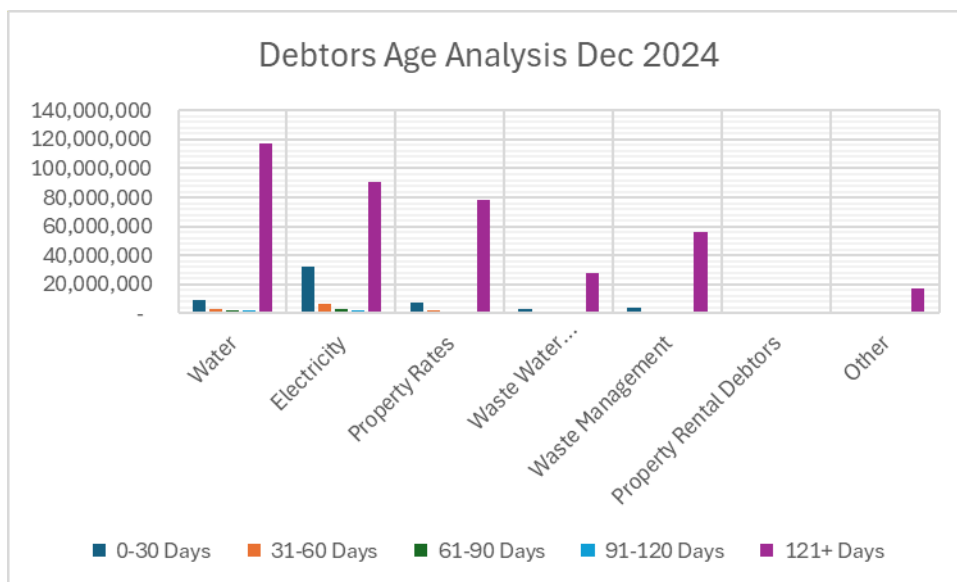
It must be noted that the municipality had discussions with Vaal Central Water to offset accounts, the proposal from the municipality will be sent in due course if agreed there will be a positive impact on both the outstanding debtors and creditors.

The municipality appointed Rural Maintenance Pty Ltd to assist with the billing and collection of municipal fees, the appointment includes the replacement of meters as well as testing meters, further details and a progress report will be added in the following months.

**Chart 8 – Debtors per revenue source**

Debtors Age Analysis December 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	8,631,580	2,504,157	2,401,172	2,293,735	117,392,800	133,223,444
Electricity	32,032,432	6,045,760	3,028,290	2,276,017	90,267,250	133,649,749
Property Rates	7,079,832	1,668,446	1,451,204	1,086,368	77,866,711	89,152,561
Waste Water Management	2,644,503	724,901	653,190	626,132	27,891,902	32,540,628
Waste Management	3,629,187	1,097,804	1,028,829	1,002,957	56,441,534	63,200,311
Property Rental Debtors	44,379	12,292	10,314	10,607	413,690	491,282
Other	573,282	210,652	197,602	198,144	17,402,485	18,582,165
<b>Total By Income Source</b>	<b>54,635,195</b>	<b>12,264,012</b>	<b>8,770,601</b>	<b>7,493,960</b>	<b>387,676,372</b>	<b>470,840,140</b>

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

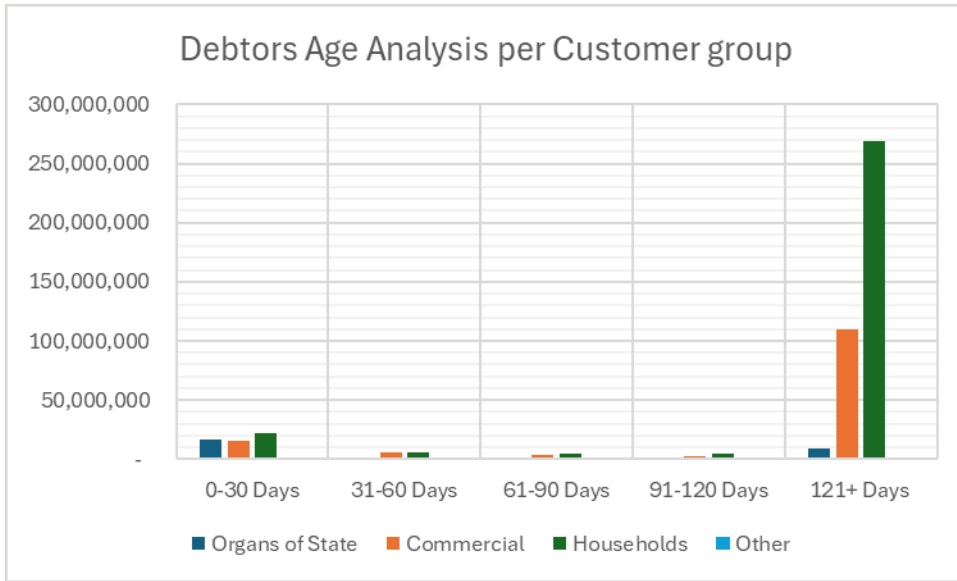


**Debtor Age Analysis by Category**

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	16,264,068	1,093,854	478,526	466,079	8,497,497	26,800,024
Commercial	16,021,439	5,917,171	3,444,281	2,659,547	109,635,866	137,678,304
Households	22,334,688	5,252,987	4,847,794	4,368,334	269,543,009	306,346,812
Other	15,000	-	-	-	-	15,000
<b>Total By Customer Group</b>	<b>54,635,195</b>	<b>12,264,012</b>	<b>8,770,601</b>	<b>7,493,960</b>	<b>387,676,372</b>	<b>470,840,140</b>

**CHART 9**

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



### Revenue Enhancement Initiatives/Progress

The municipality has the Syntell revenue enhancement programme that includes the TID rollover, meter replacement, bulk meters, green energy initiatives, etc

The municipality also appointed Rural Maintenance Pty Ltd, the action plan and initiatives will be shared in the following monthly reports.

## TID Rollover Status

### 1. Purpose

The purpose of this document is to mark the completion of the Data Management, Revenue Protection Audit and TID Rollover process by assessing the project's performance and lessons learned. a. Background Nama Khoi Municipality required a vending system for vending and TID Rollover process. Syntell (Pty) Ltd has been appointed to provide the prepayment system, third party vending and TID Rollover process. b. Purpose The project objective is to audit and perform TID Rollover on Nama Khoi Municipality prepayment meters and revenue protection and cleansing and revenue enhancement. The net outcome will result in updated meters, anomaly meters corrected, and accurate data captured and validated on the vending system.

### 2. Project Successes & Challenges

**a. Project Successes & Work Completed This section describes the work completed as well as the added services provided to ensure deliverables are met.**

1. Training All local field staff was deployed and trained on the project. 2. Awareness Campaign material All material was drafted and approved by the municipality. A general notice was published on the local newspaper and the pamphlets was distributed and posted in social media. 3. Sweep Inspections: a. Water Meter Inspections: A total of sweep inspections 10764 were completed during field visits of which: • 7695 were successful visits and • A total of 3069 visits were conducted to properties multiple times and access to meter could not be gained. b. Electricity Meter Inspections & TID Rollover: A total of 9458 sweep inspections were completed during field visits of which: • 5817 were successful visits with 5327 meters in good condition and about 490 meters having anomalies. • A total of 3641 visits were conducted to properties multiple times and access to meter could not be gained

4. TID Rollover TID Rollover of all the meters in the vending system was done in two phases. Phase 1, the field approach here the field auditors will visit the meters and physically change it. And Phase 2, the Customer Approach were the TID tokens are spawned for customers to receive on first credit purchase and insert the TID tokens on the meter themselves. • Phase 1 – Field Approach: Started in the inception of the project, Oct 2023 to July 2024, 5194 active STS Electricity meters were successfully TID Rolled over during field inspections, • Phase 2 – Customer Approach: Started in September 2024 to October 2024. 2486 actively buying electricity meters TID tokens were generated and issued via the vending system. 4080 STS meters that had old and/or no last purchase history on the vending system TID Tokens were spawned for customers to receive on first purchase of credit tokens. (1894 meters have had purchases after the TID; 3911 meters have not yet purchased electricity, and 761 meters have been disconnected. The project is closing with 3911 active meters remaining to buy electricity, to confirm that they have been successfully TID rolled over) 5. Reporting: Weekly and monthly reports (Audit & TID and Management summary) were submitted. Meters that were found bypassed, bypassed by the municipality, faulty or suspected to be bypassed were forwarded to the municipality

**b. Project Challenges Gaining access to properties was a challenge in this project; houses were locked and therefore the field teams couldn't access the meters to perform audits and TID rollover process. Due to this challenge, the TID for 6566 STS active meters was done via customer approach.**

3. Outstanding Issue(s) Deliverable Estimated time of Completion 1. Monitor customers who are not purchasing and send the reports to Namakhoi monthly. NO ETA

4. Lessons learned. 1. We assumed that we would gain enough access by generally advertising the TID Rollover projects. However, the customers were not home majority of the times which forced us to do multiple trips. Learnt that perhaps we should have conducted an intensive consumer awareness repeatedly to get consumers to understand the impact of TID, so they could make means to be at home and allow the teams access to their homes.

5. Results Based on the milestones identified in the Project Plan, the below indicators for the overall status of the Nama Khoi Municipality TID Rollover project have been identified. Indicator Status

Phase I: Project Initiation Achieved

Phase II: Agreements and Procurement Achieved

Phase III: Routing & Training Achieved

Phase IV: Meter Inspections Achieved

Phase V: Reporting Achieved Phase

VI: Handover



## 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 30 December 2024.

NC062 Nama Khoi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December						
Description	Budget Year 2024/25					
	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	-	1,752	62,605	3,193	224,161,058	224,228,608
Bulk Water	-	-	-	-	225,737,134	225,737,134
Trade Creditors	2,986,770	1,446,091	979,975	1,554,862	13,120,327	20,088,026
Auditor General	-	-	-	-	889,173	889,173
Other	14,770	41,098	-	-	2,045	57,913
<b>Total By Customer Type</b>	<b>3,001,540</b>	<b>1,488,941</b>	<b>1,042,580</b>	<b>1,558,055</b>	<b>463,909,738</b>	<b>471,000,854</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.

The municipality has payment agreements with other creditors.

It must be noted that the municipality had discussions with Vaal Central Water to offsetting of accounts, the proposal from the municipality will be sent in due course if agreed there will be a positive impact on both the outstanding debtors and creditors.

It must be noted that the municipality has been having issues making payments to the Department of Safety and Liaison since moving to Promun 3, the municipality is in constant communication with the Service Provider to resolve the issue and payments will be made as soon as the problem on the financial system is resolved.

NC062 Nama Khoi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December							
Summary of Employee and Councillor remuneration	Budget Year 2024/25						
	Original Budget	Adjusted 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	6,058,145	773,882	3,174,245	3,029,073	145,172	105
Medical Aid Contributions	-	1	5,515	45,093	1	45,092	-
Motor Vehicle Allowance	-	1	8,068	48,408	1	48,407	-
Cellphone Allowance	734,400	734,402	61,200	357,686	367,202	- 9,516	97
Other benefits and allowances	489,552	489,553	27,091	163,701	244,777	- 81,076	67
<b>Sub Total - Councillors</b>	<b>7,282,094</b>	<b>7,282,102</b>	<b>875,756</b>	<b>3,789,133</b>	<b>3,641,054</b>	<b>148,079</b>	<b>104</b>
<b>Senior Managers of the Municipality</b>							
Basic Salaries and Wages	4,855,922	4,855,922	130,114	780,685	2,427,966	- 1,647,281	32
Pension and UIF Contributions	12,751	12,751	354	2,125	6,372	- 4,247	33
Performance Bonus	855,697	855,697	316,611	316,611	427,854	- 111,243	74
Motor Vehicle Allowance	558,451	558,451	26,615	159,689	279,228	- 119,539	57
Cellphone Allowance	94,943	94,943	2,638	15,827	47,478	- 31,651	33
Housing Allowances	141,713	141,713	12,199	73,195	70,854	2,341	103
Other benefits and allowances	859	859	24	143	432	- 289	33
Scarcity	556,034	556,034	16,893	101,357	278,016	- 176,659	36
<b>Sub Total - Senior Managers of Municipality</b>	<b>7,076,370</b>	<b>7,076,370</b>	<b>505,448</b>	<b>1,449,632</b>	<b>3,538,200</b>	<b>- 2,088,568</b>	<b>41</b>
<b>Other Municipal Staff</b>							
Basic Salaries and Wages	61,967,477	61,809,232	5,020,911	29,416,285	30,911,819	- 1,495,534	95
Pension and UIF Contributions	9,225,567	9,225,575	673,499	4,100,910	4,612,802	- 511,892	89
Medical Aid Contributions	4,073,120	4,073,123	340,493	1,968,907	2,036,564	- 67,657	97
Overtime	8,386,437	8,386,443	905,874	4,693,254	4,193,238	500,016	112
Performance Bonus	4,797,550	4,836,643	346,159	2,287,483	2,416,576	- 129,093	95
Motor Vehicle Allowance	2,994,790	2,994,795	243,764	1,882,863	1,497,413	385,450	126
Cellphone Allowance	229,896	229,898	13,935	90,335	114,936	- 24,601	79
Housing Allowances	687,240	687,243	52,877	326,080	343,632	- 17,552	95
Other benefits and allowances	2,608,030	2,608,046	295,936	1,473,627	1,304,060	169,567	113
Payments in lieu of leave	1,500,000	1,619,168	27,402	805,389	804,181	1,208	100
Longservice awards	150,000	150,003	-	201,663	75,003	126,660	269
Post-retirement benefit obligations	1,380,750	1,380,750	-	-	690,378	- 690,378	-
Acting and post related allowance	535,557	535,561	79,688	398,720	267,784	130,936	149
In kind benefits	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	<b>98,536,414</b>	<b>98,536,480</b>	<b>8,000,538</b>	<b>47,645,516</b>	<b>49,268,386</b>	<b>- 1,622,870</b>	<b>97</b>
<b>Total Parent Municipality</b>	<b>112,894,878</b>	<b>112,894,952</b>	<b>9,381,742</b>	<b>52,884,281</b>	<b>56,447,640</b>	<b>- 3,563,359</b>	<b>94</b>
<b>Total Employee Cost</b>	<b>105,612,784</b>	<b>105,612,850</b>	<b>8,505,986</b>	<b>49,095,148</b>	<b>52,806,586</b>		
<b>Revenue</b>	<b>459,561,281</b>	<b>459,561,281</b>	<b>66,079,934</b>	<b>250,940,721</b>	<b>229,780,644</b>		
<b>Expenditure</b>	<b>454,758,149</b>	<b>454,758,242</b>	<b>29,539,281</b>	<b>173,203,799</b>	<b>227,379,285</b>		
<b>%Employee Cost to Revenue</b>	<b>23</b>	<b>23</b>	<b>13</b>	<b>20</b>	<b>23</b>		
<b>%Employee Cost to Expenditure</b>	<b>23</b>	<b>23</b>	<b>29</b>	<b>28</b>	<b>23</b>		

**Employee-related cost to total expenditure** – Please note employee cost against expenditure amounts to 13%

It must be noted that the Performance Bonus for other municipal staff relates to the 13<sup>th</sup> cheque/birthday bonus.

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

Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	65,101,565	52,919,079	12,182,486	81%	81%	50,206,181	33,710,740	16,495,441	67%	67%
2.Collection excl Eskom supplied areas	56,945,379	51,056,321	5,889,059	90%	90%	40,344,125	30,837,360	9,506,765	76%	76%
3.Collection: <b>Property Rates</b>	16,665,158	11,853,286	4,811,872	71%	71%	11,970,131	12,329,964	(359,833)	103%	103%
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)	23,767,203	26,012,913	(2,245,710)	109%	109%	17,710,546	12,817,816	4,892,729	72%	72%
5.Total average collection: <b>Water</b>	12,463,850	8,707,242	3,756,608	70%	70%	11,959,952	4,802,393	7,157,559	40%	40%
6.Total average collection: <b>Wastewater</b>	5,356,544	2,805,310	2,551,234	52%	52%	3,800,858	1,715,713	2,085,145	45%	45%
7.Total average collection: <b>Refuse</b>	6,848,810	3,540,328	3,308,482	52%	52%	4,764,694	2,044,853	2,719,841	43%	43%

**Notes on table above**

From the comparison above there is a sharp decline in the collection rate of the municipality, it must be noted that it was the first month the municipality issued account for the town of Kleinzee and quite a lot of complains was received as the consumers are not familiar with municipal accounts and was used to the flat rates that was charged by De Beers.

The municipality stop the blocking of electricity and introduced the auxiliary services whereby the 70/30 principle was introduced, meaning that the consumer only gets 70% with electricity and 30 % goes to outstanding debt each time a consumer with an outstanding debt purchases electricity, from the figures above the initiatives is not very effective.



**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						Part E						Part F		Month applicable												
Month	Code Descr	Code	Eskom And Bulk water current account						Compliance with a funded MTRF					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											
			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	No	98%	Non Compliance	Yes
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	No	95%	Non Compliance	Yes
3.September	Nama Khoi	NC062	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	No	98%	Non Compliance	Yes
4.October	Nama Khoi	NC062	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	95%	Non Compliance	Yes
5.November	Nama Khoi	NC062	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	98%	Non Compliance	Yes
6.December	Nama Khoi	NC062	Yes	No	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	93%	Non Compliance	Yes
7.January	Nama Khoi	NC062																																										0%	Non Compliance	Yes	
8.February	Nama Khoi	NC062																																										0%	Non Compliance	Yes	
9.March	Nama Khoi	NC062																																										0%	Non Compliance	Yes	
10.April	Nama Khoi	NC062																																										0%	Non Compliance	Yes	
11.May	Nama Khoi	NC062																																										0%	Non Compliance	Yes	
12.June	Nama Khoi	NC062																																										0%	Non Compliance	Yes	

**Notes on the table above**

The municipality is still compliant with the debt relief with a few exceptions like the unfunded budget status, however, the municipality does have a funded budget plan that is monitored on a monthly basis and progress is submitted to the various departments. The municipality is also having challenges with the Water Board, however the offset of accounts is in progress. Compliance issues such as the documents to be uploaded on the gomuni portal must be prioritised.

<b>NAMA KHOI MUNICIPALITY</b> <b>VAT 201</b> <b>VAT REG. 4890198585</b> <b>VAT CATEGORY: C</b> <b>ACCOUNTING BASE : PAYMENT BASE</b> <b>VAT RECONCILIATION</b> <b>Financial Year : 2024/2025</b> <b>PERIOD : December 2024</b>											
Output											
Date Submit		Description		Standard rate ( Excluding capital goods and/or services and accomodation	Standard rate ( Excluding capital goods and/or services and accomodation	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	
	2	VAT AUGUST		13,589,064.78	1,772,486.71	3,308,000.00	209,474.33			1,772,486.71	
	3	VAT SEPTEMBER		19,628,923.35	2,560,294.35	28,298,839.81	193,164.74			2,560,294.35	
	4	VAT OCT		14,801,950.69	1,930,689.22	7,970,586.04	233,262.13			1,930,689.22	
	5	VAT NOV		25,975,674.99	3,388,131.52	5,161,871.12	257,047.44			3,388,131.52	
<b>Total Amount</b>			<b>R -</b>	<b>R 111,572,474.60</b>	<b>R 14,552,931.47</b>	<b>R 85,391,786.53</b>	<b>R 2,578,945.50</b>	<b>R -</b>		<b>R 16,565,578.67</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
	2	VAT AUGUST	0.00		17,381,009.00	2,267,088.13				2,267,088.13	-494,601.42
	3	VAT SEPTEMBER	0.00		15,824,576.15	2,064,075.15				2,064,075.15	496,219.20
	4	VAT OCT	2,915,300.60	380,256.60	23,094,577.76	3,012,336.23				3,392,592.83	-1,461,903.61
	5	VAT NOV	4,214,849.21	549,762.94	18,972,401.92	2,474,661.12				3,024,424.06	363,707.46
<b>Total Amount</b>			<b>R 12,867,194.06</b>	<b>R 1,678,329.66</b>	<b>R 115,426,167.84</b>	<b>R 15,055,587.11</b>	<b>R -</b>	<b>R -</b>	<b>R 13,547.45</b>	<b>R 16,747,464.22</b>	<b>-R 181,885.55</b>
VAT Reconciliation											
OPENING BALANCE 01/07/24											572,051.45
TOTAL OUTPUT TAX											-16,565,578.67
TOTAL INPUT TAX											16,747,464.22
REFUNDS :DURING THE YEAR											-3,176,648.62
PAYMENTS DURING THE YEAR											2,422,711.62
VAT PAYABLE/ REFUNDABLE											0.00
CLOSING BALANCE 31/12/24											-0.00

<b>NAMA KHOI LOCAL MUNICIPALITY</b> <b>Financial Year: 2024/2025</b> <b>Consolidated Report on Various Deposits</b> <b>Period: YTD ended 31 Dec 2024</b> <b>Nedbank: Various Own Funding Accounts</b>					
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	24,951,261.18	24,951,261.18
Deposits				23,412,804.32	23,412,804.32
Deposits				412,029.60	412,029.60
Deposits				368,674.55	368,674.55
Deposits				299,233.19	299,233.19
Deposits				252,697.12	252,697.12
Deposits				205,822.40	205,822.40
<u>Withdrawal</u>					
Withdrawa	-8,000,000.00	0.00	0.00	-24,600,000.00	- 32,600,000.00
Monthly operational needs				-7,000,000.00	- 7,000,000.00
Monthly operational needs				-5,500,000.00	- 5,500,000.00
Monthly operational needs				-10,000,000.00	- 10,000,000.00
Monthly operational needs	-8,000,000.00			-2,100,000.00	- 10,100,000.00
Monthly operational needs					-
Monthly operational needs					-
<u>Closing Balance: 31 Dec 2024</u>	6,963,123.84	0.00	2,000.72	6,031,025.93	12,996,150.49

<b>NAMA KHOI LOCAL MUNICIPALITY</b>						
<b>GRANTS AND SUBSIDIES FOR THE YEAR ENDED 30 DECEMBER 2024</b>						
	<b>OPENING BALANCE</b>	<b>GRANTS RECEIVED</b>	<b>GRANTS REPAID</b>	<b>TRANSFERRED TO REVENUE (OPERATING)</b>	<b>TRANSFERRED TO REVENUE (CAPITAL)</b>	<b>CLOSING BALANCE</b>
	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>NATIONAL GOVERNMENT</b>						
Finance Management Grant (FMG)	-	3,000,000	-	(2,559,373)		440,627
Municipal Infrastructure Grant (MIG)	11,856	7,710,000	(11,856)	(1,532,521)		6,177,479
Expanded Public Works Programme (EPWP)	-	861,000		(982,548)		(121,548)
Integrated National Electrification Programme (INEP)	-					-
Water Service Infrastructure Grant (WSIG)	15,484,283	5,000,000	(5,484,283)	(4,389,103)		10,610,897
<b>Total</b>	<b>15,191,575</b>	<b>16,571,000</b>	<b>(5,496,139)</b>	<b>(9,463,545)</b>	<b>-</b>	<b>17,107,455</b>
<b>PROVINCIAL GOVERNMENT</b>						
Libraries, Archives and Museums	512,697			(667,746)	-	(155,049)
LG SETA	228,576	-	-	-	-	228,576
Swimming Pool	450,000	-	-	-	-	450,000
Municipal Disaster Recovery Grant	817,356	-	-	-	(817,356)	-
Municipal Disaster Response Grant		24,444,000		(759,232)		23,684,768
Housing	1,465,273					1,465,273
<b>Total</b>	<b>3,473,902</b>	<b>24,444,000</b>	<b>-</b>	<b>(1,426,977)</b>	<b>(817,356)</b>	<b>25,673,568</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>41,015,000</b>	<b>(5,496,139)</b>	<b>(10,890,522)</b>	<b>(817,356)</b>	<b>42,781,023</b>

### Notes on the above tables

VAT reports show the municipality either has tax obligations or tax refunds on a monthly basis, the more payments the municipality the likelihood of a refund is more, however, it also means that the municipality received less cash from consumers meaning a decline in collection rate.

Interest report shows the various call accounts the municipality has where interest from grants is transferred and used for operational needs

Grant reports show the movement of grants for the financial year

## **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 the timely correction of errors should they occur.

Updated and verified indigent register.

Replacement of faulty meters needs to be 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 during the audit with some reports that differ from the reports in Promun 2.

The takeover of Kleinzee town was not budgeted and will cause unauthorized expenditure in certain expenditure items, especially in the salaries and the bulk purchases.



It is important that the Council take note of the differences in tariff between Nama Khoi Municipality and De Beers tariff structures and also take note of the income received for the services in Kleinsee versus the expenditure incurred.

The municipality introduced the 70/30 auxiliary services which means the customer with outstanding debt will only receive 70% worth of electricity and 30 % will go to the outstanding debt, however, with the analysis of the previous quarter there is a decline in the collection rate which might have an impact on the debt relief.

The municipality appointed Rural Maintenance Pty Ltd to assist the municipality with debt collection and debt management, the action plan and initiatives will be reported on in the following months reporting.

### **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 had a decline in compliance of the debt relief programme

### **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.

The National Treasury has re-assess the budget and has found it to be unfunded

The municipality has several votes that are overspent and were required to open the parameters that block transactions once a vote has reached the budgeted amount, the finances are keeping track of these transactions and will table them at the Mid-Year Assessment.

## **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, Jan I Swartz 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 30 December 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

A signed Quality Certificate is a separate document due to the document signed by the CFO, Municipal Manager and Mayor Manually

## **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 31days 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