



Nama Khoi Municipality

22 January 2025

The Mayor

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): QUARTERLY REPORT FOR THE PERIOD ENDING 31 December 2024 (QUARTERLY BUDGET STATEMENT) – 2024/25 FINANCIAL YEAR

1. PURPOSE

To comply with section 52 of the MFMA, by providing a quarterly statement on the implementation of the budget and financial state of affairs of the municipality to the Council, as legislated.

2. STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability, and optimal institutional transformation with the capacity to execute its mandate.

For the reporting period ending 31 December 2024, 30 days reporting limit expires on 30 October 2024.

3. REPORT FOR THE PERIOD ENDING 31 December 2024

This report is based on financial information, as at 31 December 2024. The C-Schedule is based on information from 1 October 2024 to 31 December 2024.

The financial results for the period ended 31 December 2024 are summarised as follows:

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Part1: Operating Revenue and Expenditure

	2024/25							2023/24		Q2 of 2023/24 to Q2 of 2024/25
	Budget	First Quarter		Second Quarter		Year to Date		Second Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
R thousands										
Operating Revenue and Expenditure										
Operating Revenue	459,561	116,089	25.3%	134,934	29.4%	251,022	54.6%	73,422	50.8%	83.8%
Exchange Revenue										
Service charges - Electricity	120,611	39,246	32.5%	69,016	57.2%	108,262	89.8%	26,055	36.7%	164.9%
Service charges - Water	57,879	9,076	15.7%	12,562	21.7%	21,638	37.4%	11,033	36.8%	13.9%
Service charges - Waste Water Management	21,429	3,863	18.0%	4,268	19.9%	8,132	37.9%	3,668	33.5%	16.4%
Service charges - Waste Management	25,847	4,484	17.3%	4,812	18.6%	9,297	36.0%	4,226	32.6%	13.9%
Sale of Goods and Rendering of Services	3,922	109	2.8%	113	2.9%	222	5.7%	1,584	232.4%	(92.8%)
Agency services	94	-	-	-	-	-	-	31	11.2%	(100.0%)
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	22,299	5,830	26.1%	5,885	26.4%	11,715	52.5%	5,302	69.3%	11.0%
Interest earned from Current and Non Current Assets	4,425	156	3.5%	304	6.9%	460	10.4%	790	98.0%	(61.5%)
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	1,253	299	23.8%	297	23.7%	595	47.5%	282	47.4%	5.2%
Rental from Fixed Assets	3,399	475	14.0%	481	14.1%	956	28.1%	499	33.2%	(3.7%)
Licence and permits	1,664	674	40.5%	870	52.3%	1,544	92.8%	310	46.0%	180.5%
Operational Revenue	408	154	37.7%	146	35.9%	301	73.6%	95	57.2%	53.7%
Non-Exchange Revenue										
Property rates	57,427	21,540	37.5%	10,055	17.5%	31,595	55.0%	111	88.6%	8,923.8%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	603	3	.5%	0	.1%	3	.6%	149	30.0%	(99.7%)
Licences or permits	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	73,321	29,403	40.1%	25,399	34.6%	54,802	74.7%	17,902	66.6%	41.9%
Interest	4,392	293	6.7%	325	7.4%	618	14.1%	1,385	66.9%	(76.6%)
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	484	-	400	-	884	-	-	-	(100.0%)
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Gains	60,588	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Operating Expenditure	454,758	74,622	16.4%	98,636	21.7%	173,259	38.1%	61,463	30.0%	60.5%
Employee related costs	105,613	25,412	24.1%	23,728	22.5%	49,140	46.5%	25,117	48.2%	(5.5%)
Remuneration of councillors	7,282	1,718	23.6%	2,071	28.4%	3,789	52.0%	2,436	61.0%	(15.0%)
Bulk purchases - electricity	125,880	32,804	26.1%	43,299	34.4%	76,103	60.5%	7,518	32.6%	475.9%
Inventory consumed	50,096	3,547	7.1%	13,399	26.7%	16,947	33.8%	12,007	32.9%	11.6%
Debt impairment	22,200	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	72,392	-	-	-	-	-	-	-	-	-
Interest	17,225	1,178	6.8%	1,271	7.4%	2,449	14.2%	856	318.7%	48.6%
Contracted services	22,216	6,524	29.4%	7,525	33.9%	14,049	63.2%	5,475	21.6%	37.5%
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	1,000	-	-	-	-	-	-	-	-	-
Operational costs	27,434	3,439	12.5%	7,342	26.8%	10,781	39.3%	8,055	39.8%	(8.8%)
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Losses	3,421	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	4,803	41,466		36,298		77,764		11,959		
Transfers and subsidies - capital (monetary allocations)	26,322	-	-	5,922	22.5%	5,922	22.5%	2,853	7.8%	107.5%
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions	31,125	41,466		42,219		83,686		14,812		

CHART 1

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

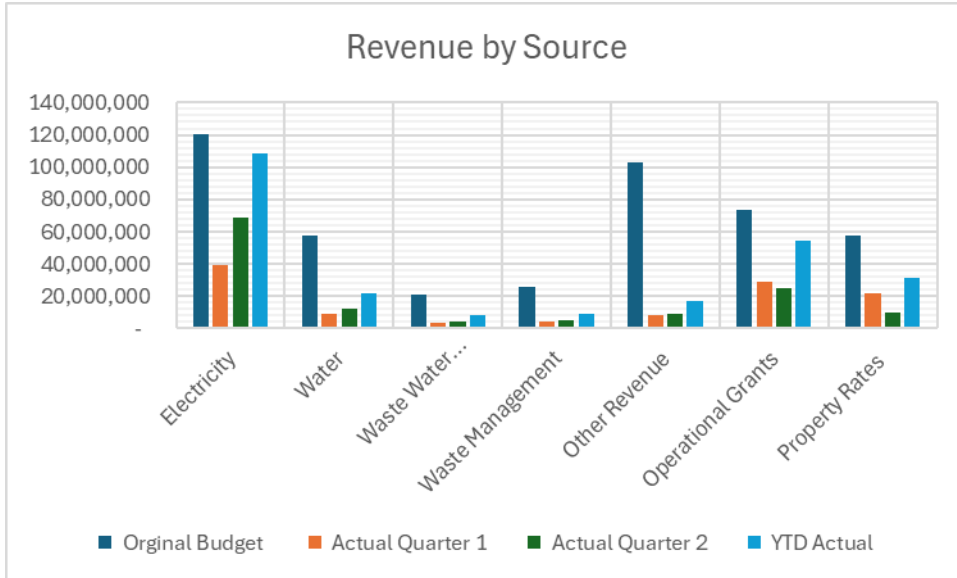
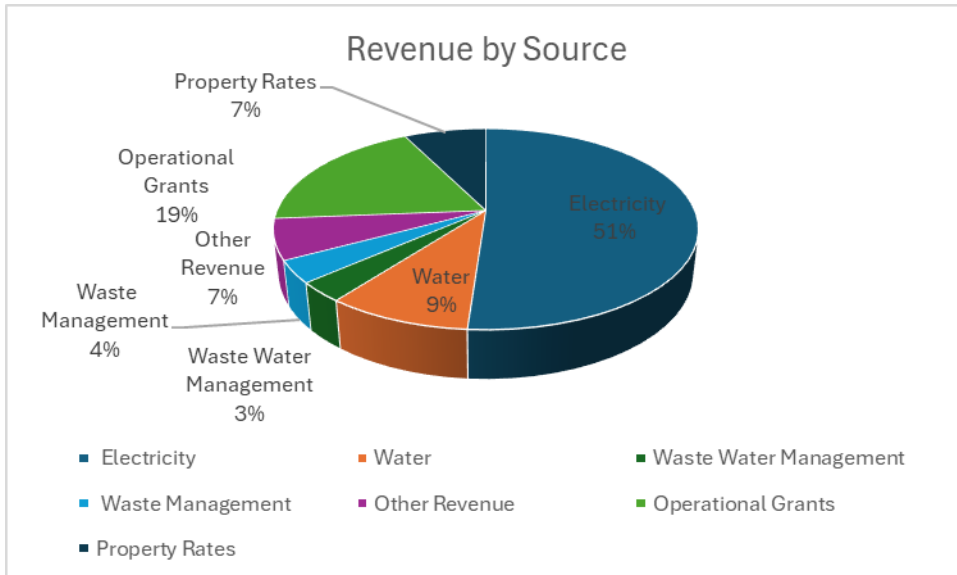


Chart 2

The following chart shows the revenue per source as a percentage for Quarter 2 2024/25.



Notes on Revenue:

The figures above is rounded off to thousands

The municipality’s revenue for quarter 1 2024/25 financial year amounted to R116,088,836.

The municipality’s revenue for quarter 2 2024/25 financial year amounted to R134,933,643

The biggest contributor to the increase in revenue is electricity, however, it should be noted that an error was found in the billing of December 2024, corrective journals were done in January 2025 and it will only be reflected in the Section 71 report of January 2025.

There was also a decrease in revenue for property rates and operational grants, the municipal equitable share is divided into 3 payments with the first payment in July being the biggest therefore results in the grant being less in the next two quarters,

The biggest contributor to revenue was Service charges – Electricity with 51% of the revenue, followed by operational grants at 19%.

Expenditure by Type

CHART 3:

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

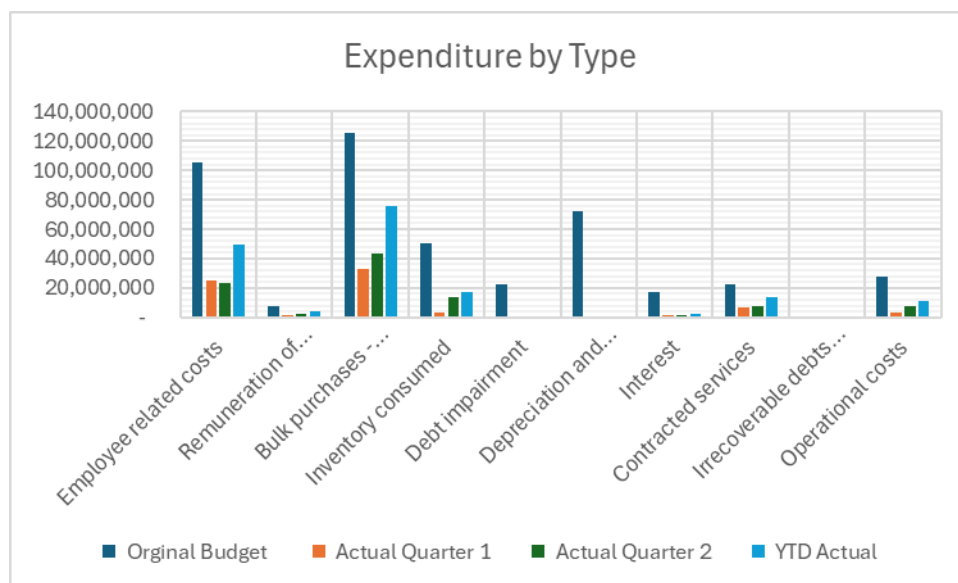
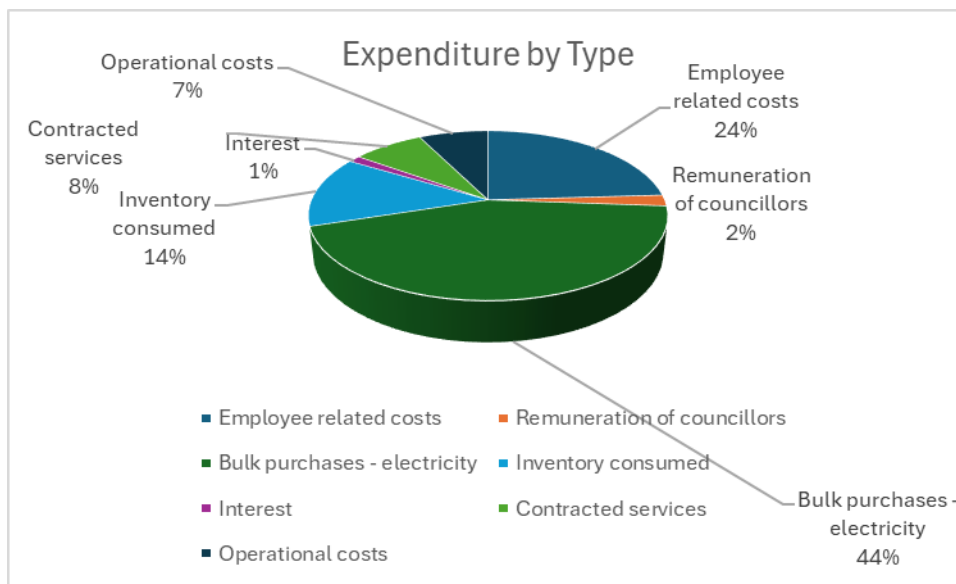


Chart 4

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



Notes on expenditure:

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

Debt Impairment – This is not done on a monthly basis.

Expenditure for quarter 1 amounted to R74,622,458.

Expenditure for quarter2 amounted to R 98,636,048

The biggest contributors to the increase from quarter 1 are the bulk purchases for electricity and water

Bulk purchases – electricity contributed 44% of expenditure while Employee related cost contributed 24% of expenditure incurred for the second quarter.

Part 2: Capital Revenue and Expenditure

	2024/25							2023/24		Q2 of 2023/24 to Q2 of 2024/25
	Budget	First Quarter		Second Quarter		Year to Date		Second Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
R thousands										
Capital Revenue and Expenditure										
Source of Finance	28,122	224	.8%	8,696	30.9%	8,920	31.7%	2,675	4.8%	225.0%
National Government	26,322	224	.9%	5,809	22.1%	6,033	22.9%	2,481	6.8%	134.2%
Provincial Government	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary alloc)(Departm Agencies,H	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	26,322	224	.9%	5,809	22.1%	6,033	22.9%	2,481	6.8%	134.2%
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1,800	-	-	2,886	160.3%	2,886	160.3%	194	1.2%	1,385.0%
Capital Expenditure Functional	28,122	224	.8%	8,696	30.9%	8,920	31.7%	2,675	4.8%	225.0%
Municipal governance and administration	1,800	-	-	-	-	-	-	-	-	-
Executive and Council	-	-	-	-	-	-	-	-	-	-
Finance and administration	1,800	-	-	-	-	-	-	-	-	-
Internal audit	-	-	-	-	-	-	-	-	-	-
Community and Public Safety	-	-	-	-	-	-	-	-	-	-
Community and Social Services	-	-	-	-	-	-	-	-	-	-
Sport And Recreation	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and Environmental Services	-	-	-	-	-	-	-	194	-	(100.0%)
Planning and Development	-	-	-	-	-	-	-	194	-	(100.0%)
Road Transport	-	-	-	-	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Trading Services	26,322	224	.9%	8,696	33.0%	8,920	33.9%	2,481	6.4%	250.5%
Energy sources	-	-	-	-	-	-	-	-	-	-
Water Management	-	-	-	-	-	-	-	-	-	-
Waste Water Management	26,322	224	.9%	8,696	33.0%	8,920	33.9%	2,481	6.8%	250.5%
Waste Management	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

Important Notification

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



Cash Flow Statement

Part 3: Cash Receipts and Payments

	2024/25							2023/24		Q2 of 2023/24 to Q2 of 2024/25
	Budget	First Quarter		Second Quarter		Year to Date		Second Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
R thousands										
Cash Flow from Operating Activities										
Receipts	374,441	186,471	49.8%	154,623	41.3%	341,094	91.1%	116,220	59.8%	33.0%
Property rates	55,018	61,874	112.5%	73,439	133.5%	135,313	245.9%	11,178	40.5%	557.0%
Service charges	205,264	419,103	204.2%	467,336	227.7%	886,439	431.9%	52,903	23.3%	783.4%
Other revenue	4,096	(756,637)	(18,473.3%)	(626,732)	(15,301.7%)	(1,383,370)	(33,775.0%)	32,424	874.7%	(2,032.9%)
Transfers and Subsidies - Operational	79,315	426,931	538.3%	186,257	234.8%	613,188	773.1%	19,476	631.0%	856.4%
Transfers and Subsidies - Capital	26,322	35,000	133.0%	53,970	205.0%	88,970	338.0%	240	6.2%	22,382.1%
Interest	4,425	200	4.5%	354	8.0%	554	12.5%	-	-	(100.0%)
Dividends	-	-	-	-	-	-	-	-	-	-
Payments	(347,969)	(85,538)	24.6%	(72,132)	20.7%	(157,670)	45.3%	(78,926)	37.6%	(8.6%)
Suppliers and employees	(330,744)	(85,538)	25.9%	(72,132)	21.8%	(157,670)	47.7%	(78,920)	37.0%	(8.6%)
Finance charges	(17,225)	-	-	-	-	-	-	(6)	132.6%	(100.0%)
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Net Cash from/(used) Operating Activities	26,472	100,933	381.3%	82,491	311.6%	183,424	692.9%	37,294	296.3%	121.2%
Cash Flow from Investing Activities										
Receipts	-	-	-	-	-	-	-	(93)	-	(100.0%)
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors (not used)	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	(93)	-	(100.0%)
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
Payments	(28,122)	(258)	.9%	(10,252)	36.5%	(10,510)	37.4%	544	(1.1%)	(1,984.6%)
Capital assets	(28,122)	(258)	.9%	(10,252)	36.5%	(10,510)	37.4%	544	(1.1%)	(1,984.6%)
Net Cash from/(used) Investing Activities	(28,122)	(258)	.9%	(10,252)	36.5%	(10,510)	37.4%	451	(.9%)	(2,372.3%)
Cash Flow from Financing Activities										
Receipts	-	4,979	-	4,979	-	9,958	-	(1,274)	-	(490.7%)
Short term loans	-	4,979	-	4,979	-	9,958	-	-	-	(100.0%)
Borrowing long term/refinancing	-	-	-	-	-	-	-	(1,274)	-	(100.0%)
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-
Payments	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-
Net Cash from/(used) Financing Activities	-	4,979	-	4,979	-	9,958	-	(1,274)	-	(490.7%)
Net Increase/(Decrease) in cash held	(1,650)	105,654	(6,401.6%)	77,218	(4,678.7%)	182,872	(11,080.3%)	36,471	(560.1%)	111.7%
Cash/cash equivalents at the year begin:	4,242	-	-	149,877	3,532.9%	-	-	118,131	190.8%	26.9%
Cash/cash equivalents at the year end:	2,592	105,654	4,076.3%	227,092	8,761.6%	227,092	8,761.6%	154,623	2,932.8%	46.9%

Notes on Cash Flow Statement

The Cash Flow Statement does not reflect the correct opening and closing balances, the Bank reconciliation, Grant Reconciliation, and Interest Reconciliation reflect the correct amount as per the bank account.

<div style="display: flex; justify-content: space-between; align-items: center;">  <div style="text-align: center;"> <p>Nama Khoi Local Municipality</p> <p>Bank Reconciliation</p> <p>Financial Year: 2024/2025</p> <p>Period: JULY 2024 TILL DEC 2024</p> <p>Nedbank: Primary Account, Current, 1192371690</p> </div>  </div>						
	JUL	AUG	SEP	OCT	NOV	DEC
Cashbook Opening Balance	4,989,163.94	40,374,072.20	5,928,822.75	29,158,754.74	16,556,711.70	13,679,329.33
Less: Payments for period	-39,390,525.56	-65,529,246.82	-26,439,170.60	-62,427,799.76	-34,412,404.76	-46,670,180.10
Add : Receipt for period	74,775,433.82	29,787,907.19	49,670,751.39	49,850,686.87	31,535,022.39	53,117,611.71
Cashbook Closing Balance	40,374,072.20	4,632,732.57	29,160,403.54	16,581,641.85	13,679,329.33	20,126,760.94
Add : Uncleared Payments	2,668,806.79	623,731.74	78,782.87	102,731.55	73,035.87	1,501,195.05
Less : Uncleared Receipts	-1,072,346.18	-476,820.06	-1,101,374.01	-778,646.78	-295,061.33	-565,460.80
Less : Unknown Items	-36,027,163.50	-95,657.69	9,762,183.35	202,004.64	66,437.27	-2,382,692.06
Sub Total	5,943,369.31	4,683,986.56	37,899,995.75	16,107,731.26	13,523,741.14	18,679,803.13
Reconciled Closing Bank Balance	5,943,369.31	4,683,986.56	37,899,995.75	16,107,731.26	13,523,741.14	18,679,803.13
Difference	-0.00	-0.00	0.00	0.00	0.00	0.00

NAMA KHOI LOCAL MUNICIPALITY

Financial Year: 2024/2025

Consolidated Report on Various Deposits

Period: YTD ended 31 Dec 2024

Nedbank: Various Own Funding Accounts

Description		Loan (Fleet)	Equitable Share	Car Allowance	Interest	Total
<i>Opening Balance 01 July 2024</i>		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	Jul				23,412,804.32	23,412,804.32
Deposits	August				412,029.60	412,029.60
Deposits	September				368,674.55	368,674.55
Deposits	October				299,233.19	299,233.19
Deposits	November				252,697.12	252,697.12
Deposits	December				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	Jul				-7,000,000.00	- 7,000,000.00
Monthly operational needs	August				-5,500,000.00	- 5,500,000.00
Monthly operational needs	September				-10,000,000.00	- 10,000,000.00
Monthly operational needs	October	-8,000,000.00			-2,100,000.00	- 10,100,000.00
Monthly operational needs	November					-
Monthly operational needs	December					-
<i>Closing Balance: 31 Dec 2024</i>		6,963,123.84	0.00	2,000.72	6,031,025.93	12,996,150.49

NAMA KHOI LOCAL MUNICIPALITY

GRANTS AND SUBSIDIES FOR THE YEAR ENDED 30 DECEMBER 2024

	OPENING BALANCE R	GRANTS RECEIVED R	GRANTS REPAID R	TRANSFERRED TO REVENUE (OPERATING) R	TRANSFERRED TO REVENUE (CAPITAL) R	CLOSING BALANCE R
NATIONAL GOVERNMENT						
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
Total	15,191,575	16,571,000	(5,496,139)	(9,463,545)	-	17,107,455
PROVINCIAL GOVERNMENT						
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
Total	3,473,902	24,444,000	-	(1,426,977)	(817,356)	25,673,568
OTHER GRANT PROVIDERS						
Donations	-	-	-	-	-	-
Total	-	-	-	-	-	-
ALL SPHERES OF GOVERNMENT	18,665,477	41,015,000	(5,496,139)	(10,890,522)	(817,356)	42,781,023

Debtors Age Analysis

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

The following report shows the debtors outstanding on 31 December 2024

Part 4: Debtor Age Analysis										
R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	8,632	6.5%	2,504	1.9%	2,401	1.8%	119,687	89.8%	133,223	28.3%
Trade and Other Receivables from Exchange Transactions - Electricity	32,032	24.0%	6,046	4.5%	3,028	2.3%	92,543	69.2%	133,650	28.4%
Receivables from Non-exchange Transactions - Property Rates	7,080	7.9%	1,668	1.9%	1,451	1.6%	78,953	88.6%	89,153	18.9%
Receivables from Exchange Transactions - Waste Water Management	2,645	8.1%	725	2.2%	653	2.0%	28,518	87.6%	32,541	6.9%
Receivables from Exchange Transactions - Waste Management	3,629	5.7%	1,098	1.7%	1,029	1.6%	57,444	90.9%	63,200	13.4%
Receivables from Exchange Transactions - Property Rental Debtors	44	9.0%	12	2.5%	10	2.1%	424	86.4%	491	.1%
Interest on Arrear Debtor Accounts	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-
Other	573	3.1%	211	1.1%	198	1.1%	17,601	94.7%	18,582	3.9%
Total By Income Source	54,635	11.6%	12,264	2.6%	8,771	1.9%	395,170	83.9%	470,840	100.0%
Debtors Age Analysis By Customer Group										
Organs of State	16,264	60.7%	1,094	4.1%	479	1.8%	8,964	33.4%	26,800	5.7%
Commercial	16,021	11.6%	5,917	4.3%	3,444	2.5%	112,295	81.6%	137,678	29.2%
Households	22,335	7.3%	5,253	1.7%	4,848	1.6%	273,911	89.4%	306,347	65.1%
Other	15	100.0%	-	-	-	-	-	-	15	-
Total By Customer Group	54,635	11.6%	12,264	2.6%	8,771	1.9%	395,170	83.9%	470,840	100.0%

Notes on Debtors

The municipality continues to assist consumers by addressing old outstanding debt.

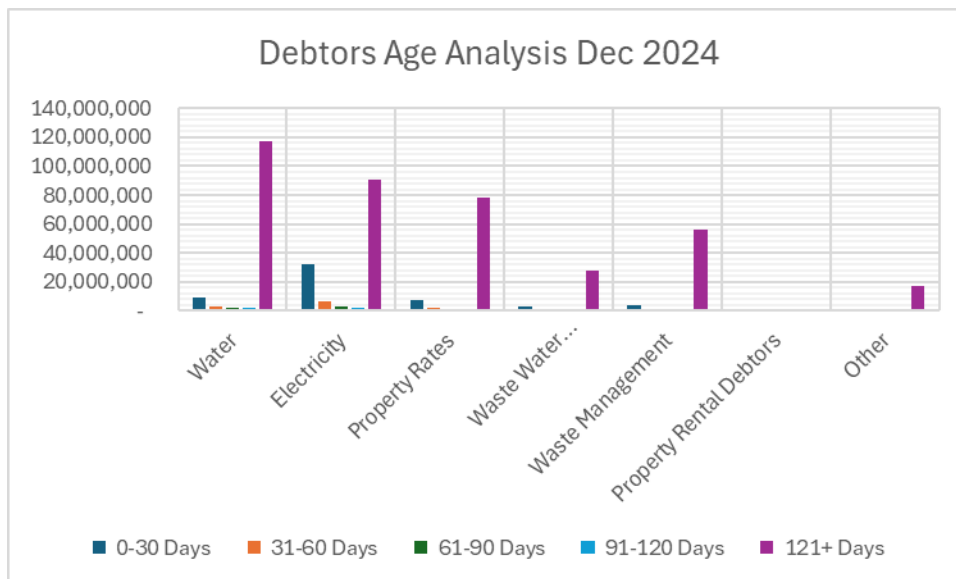
The municipal write-off committee deals with old outstanding debt, the committee encourages the community to use prepaid meters.

The municipality concluded the TID rollover process which was used to conduct a consumer audit on the user's meters, the audit identified meters with low or no consumption and the municipality is in the process of replacing the identified meters.

The municipality is also busy with the implementation of Revenue Enhancement initiatives, with the Syntell programme already implemented, the municipality will be implementing the Rural Maintenance revenue enhancement programme in the next quarter.

Chart 9 – Debtors per revenue source

The following chart shows the debtors outstanding per revenue source, Chart as per information above Q2 (31 December 2024).



The following chart shows the different services outstanding as a percentage by debtors 31 December 2024.

CHART 10

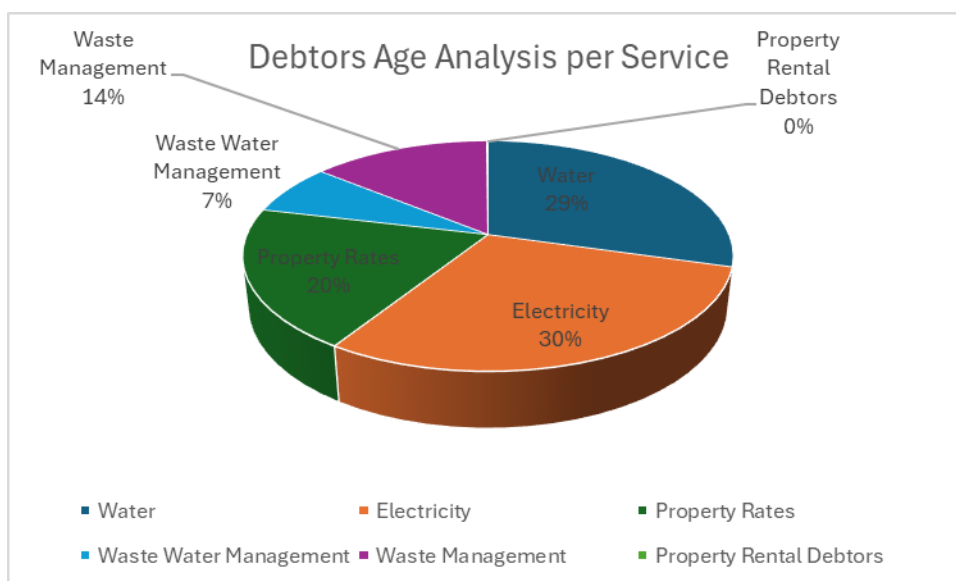
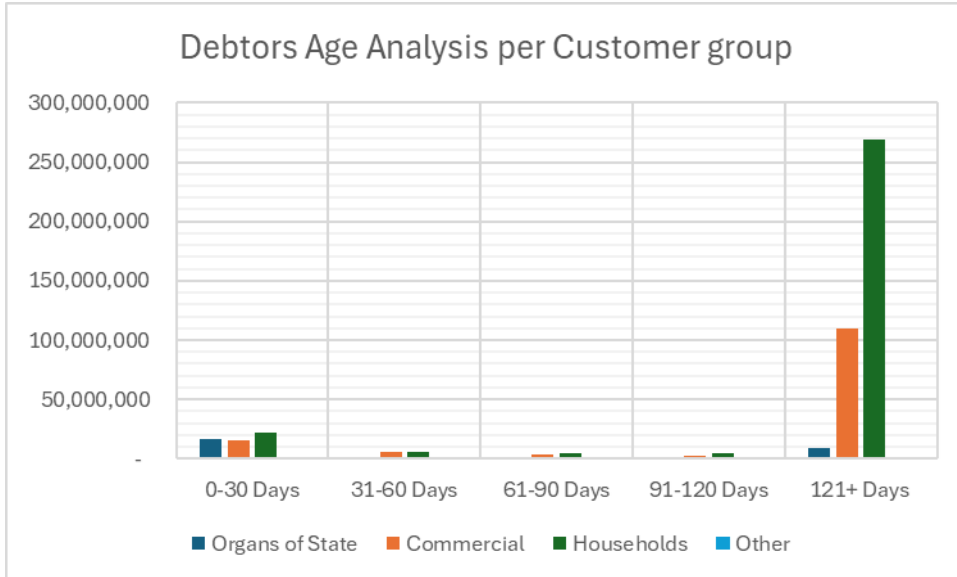


CHART 11

The following chart shows the debtors outstanding per category, Chart as per information 31 December 2024.



Creditors age analysis – Annexure B

Part 5: Creditor Age Analysis

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	-	-	2	-	63	-	224,164	100.0%	224,229	47.6%
Bulk Water	-	-	-	-	-	-	225,737	100.0%	225,737	47.9%
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	2,987	14.9%	1,446	7.2%	980	4.9%	14,675	73.1%	20,088	4.3%
Auditor-General	-	-	-	-	-	-	889	100.0%	889	.2%
Other	15	25.5%	41	71.0%	-	-	2	3.5%	58	-
Medical Aid deductions	538	100.0%	-	-	-	-	-	-	538	.1%
Total	3,539	.8%	1,489	.3%	1,043	.2%	465,468	98.7%	471,538	100.0%

Notes on Creditors

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.

Collection Rate

Aggregate Collection	Summary - Quarter 1					Summary - Quarter 2				
	Billing	Collection	R - Billing not collected	% Collection	Q1	Billing	Collection	R - Billing not collected	% Collection	Q2
1.Collection for whole demarcation	65,101,565	52,919,079	12,182,486	81%	81%	72,420,642	49,306,492	23,114,150	68%	68%
2.Collection excl Eskom supplied areas	56,945,379	51,056,321	5,889,059	90%	90%	58,170,874	45,602,696	12,568,178	78%	78%
3.Collection: Property Rates	16,665,158	11,853,286	4,811,872	71%	71%	17,876,187	15,870,360	2,005,827	89%	89%
4.Total average collection: Electricity (Municipal supplied areas)	23,767,203	26,012,913	(2,245,710)	109%	109%	24,683,667	19,915,299	4,768,367	81%	81%
5.T total average collection: Water	12,463,850	8,707,242	3,756,608	70%	70%	17,012,298	7,680,778	9,331,521	45%	45%
6.T total average collection: Wastewater	5,356,544	2,805,310	2,551,234	52%	52%	5,701,215	2,773,586	2,927,629	49%	49%
7.T total average collection: Refuse	6,848,810	3,540,328	3,308,482	52%	52%	7,147,275	3,066,469	4,080,806	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 Kleinsee 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.

4. 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 timely correction of errors should they occur.
- Keeping an updated and verified indigent register.
- Replacement of faulty meters needs to be 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.
- We 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 improved on:

- Must ensure that Procurement Plans align with 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 Kleinsee 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.

5. Interdepartmental and cluster impact

This report is prepared to achieve MFMA compliance.

6. Comments of the Head: Legal Services

The above mentioned report as such does not call for legal clarification.

7. Conclusion

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

PREPARED BY:

Henri Cloete

Chief Financial Officer

Budget & Treasury

DATE: 22 January 2025

NAMA KHOI MUNICIPALITY QUALITY CERTIFICATE

I, Jan I Swartz the Municipal Manager of Nama Khoi Municipality, at this moment certify that –

- A quarterly report on the implementation of the municipality's budget and financial state affairs for the quarter ending 31 December 2024 has been prepared by Section 52 of the Municipal Finance Management Act and regulations made under that Act.

Print Name: JI Swartz

Municipal Manager of Nama Khoi Municipality

Signature:.....

Date: 30 October 2024

Annexure A

Reports and reportable matters

The Mayor of a municipality–

- (a) must provide general political guidance, over the fiscal and financial affairs of the municipality.
- (b) In providing such general political guidance, may monitor and to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;
- (c) Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget
- (d) Must, within 31 days report to the council on the implementation of the budget and the financial state of affairs of the municipality; and
- (e) Must exercise the other powers and perform the other duties assigned to the Mayor in terms of this Act or delegated by the council to the Mayor