



Nama Khoi Municipality

14 February 2025

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

1. PURPOSE

71. (1) The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to Mr R Kritzinger the Mayor of the municipality and the relevant Provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the financial affairs for that month and the financial year up to the end of that month:

2. STRATEGIC OBJECTIVE

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

For the reporting period ended 31 January 2025

3. QUERIES AND SUGGESTIONS

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

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

4. REPORT FOR THE PERIOD ENDING 31 January 2025

This report is based on financial information, as of 31 January 2025, and is available during preparation.

The financial results for the period ended 31 January 2025 are summarised as follows:

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

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Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January							
Description	Budget Year 2024/25						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue							
Service charges - Electricity	120,610,505	120,610,505	- 2,339,226	105,881,316	70,356,125	35,525,191	150
Service charges - Water	57,879,354	57,879,354	6,005,593	27,643,480	33,762,953	- 6,119,473	82
Service charges - Waste Water Management	21,428,961	21,428,961	1,422,942	9,550,789	12,500,229	- 2,949,440	76
Service charges - Waste management	25,847,033	25,847,033	1,607,019	10,903,554	15,077,433	- 4,173,879	72
Sale of Goods and Rendering of Services	3,922,066	3,922,066	47,497	269,502	2,287,873	- 2,018,371	12
Agency services	93,786	93,786	-	-	54,712	- 54,712	-
Interest earned from Receivables	22,299,427	22,299,427	2,100,076	13,814,590	13,007,995	806,595	106
Interest from Current and Non Current Assets	4,425,355	4,425,355	94,589	554,567	2,581,467	- 2,026,900	21
Rent on Land	1,252,978	1,252,978	98,061	693,446	730,905	- 37,459	95
Rental from Fixed Assets	3,399,035	3,399,035	145,267	1,101,492	1,982,785	- 881,293	56
Licence and permits	1,664,099	1,664,099	254,038	1,764,195	970,732	793,463	182
Operational Revenue	408,205	408,205	49,657	347,405	238,119	109,286	146
Property rates	57,426,530	57,426,530	2,995,528	34,590,356	33,498,794	1,091,562	103
Fines, penalties and forfeits	603,022	603,022	383	3,881	351,764	- 347,883	1
Transfers and subsidies - Operational	73,321,000	73,321,000	443,727	55,246,044	42,770,574	12,475,470	129
Interest	4,391,925	4,391,925	122,673	740,262	2,561,958	- 1,821,696	29
Operational Revenue	-	-	129,217	1,012,881	-	1,012,881	-
Other Gains	60,588,000	60,588,000	-	-	35,343,000	- 35,343,000	-
Total Revenue (excluding capital transfers and contributions)	459,561,281	459,561,281	13,177,041	264,117,760	268,077,418	- 3,959,658	99
Expenditure By Type							
Employee related costs	105,612,784	105,612,850	8,898,980	57,994,129	61,607,652	- 3,613,523	94
Remuneration of councillors	7,282,094	7,282,102	631,301	4,420,434	4,247,895	172,539	104
Bulk purchases - electricity	125,880,000	125,880,000	9,152,415	85,255,362	73,430,000	11,825,362	116
Inventory consumed	50,096,000	50,096,000	8,329,826	25,276,777	29,222,669	- 3,945,892	86
Debt impairment	22,200,000	22,200,000	-	-	12,949,993	- 12,949,993	-
Depreciation and amortisation	72,391,567	72,391,567	-	-	42,228,417	- 42,228,417	-
Interest	17,225,338	17,225,338	426,545	2,875,848	10,048,115	- 7,172,267	29
Contracted services	22,215,720	22,215,730	959,384	14,977,376	12,959,170	2,018,206	116
Irrecoverable debts written off	1,000,000	1,000,000	-	-	583,324	- 583,324	-
Operational costs	27,434,094	27,434,103	4,533,233	15,313,715	16,003,241	- 689,526	96
Other Losses	3,420,552	3,420,552	-	-	1,995,322	- 1,995,322	-
Total Expenditure	454,758,149	454,758,242	32,931,683	206,113,642	265,275,798	- 59,162,156	78
Surplus/(Deficit)	4,803,132	4,803,039	- 19,754,642	58,004,118	2,801,620	55,202,498	

	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
Revenue							
Service charges - Electricity	120,610,505	120,610,505	- 2,339,226	105,881,316	70,356,125	35,525,191	150
Service charges - Water	57,879,354	57,879,354	6,005,593	27,643,480	33,762,953	- 6,119,473	82
Service charges - Waste Water Management	21,428,961	21,428,961	1,422,942	9,550,789	12,500,229	- 2,949,440	76
Service charges - Waste management	25,847,033	25,847,033	1,607,019	10,903,554	15,077,433	- 4,173,879	72
Sale of Goods and Rendering of Services	3,922,066	3,922,066	47,497	269,502	2,287,873	- 2,018,371	12
Agency services	93,786	93,786	-	-	54,712	- 54,712	-
Interest earned from Receivables	22,299,427	22,299,427	2,100,076	13,814,590	13,007,995	806,595	106
Interest from Current and Non Current Assets	4,425,355	4,425,355	94,589	554,567	2,581,467	- 2,026,900	21
Rent on Land	1,252,978	1,252,978	98,061	693,446	730,905	- 37,459	95
Rental from Fixed Assets	3,399,035	3,399,035	145,267	1,101,492	1,982,785	- 881,293	56
Licence and permits	1,664,099	1,664,099	254,038	1,764,195	970,732	793,463	182
Operational Revenue	408,205	408,205	49,657	347,405	238,119	109,286	146
Property rates	57,426,530	57,426,530	2,995,528	34,590,356	33,498,794	1,091,562	103
Fines, penalties and forfeits	603,022	603,022	383	3,881	351,764	- 347,883	1
Transfers and subsidies - Operational	73,321,000	73,321,000	443,727	55,246,044	42,770,574	12,475,470	129
Interest	4,391,925	4,391,925	122,673	740,262	2,561,958	- 1,821,696	29
Operational Revenue	-	-	129,217	1,012,881	-	1,012,881	-
Other Gains	60,588,000	60,588,000	-	-	35,343,000	- 35,343,000	-
Total Revenue (excluding capital transfers and contributions)	459,561,281	459,561,281	13,177,041	264,117,760	268,077,418	- 3,959,658	99

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.

Variances 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 analyze the electricity bill, which is much higher than the budgeted amount. This has an impact on the municipality's collection rate and ultimately on the compliance of the Eskom Debt Relief; a correction was done in the month of January 2025, however, further investigations are needed as the monthly billed vs actual cash received does not align.

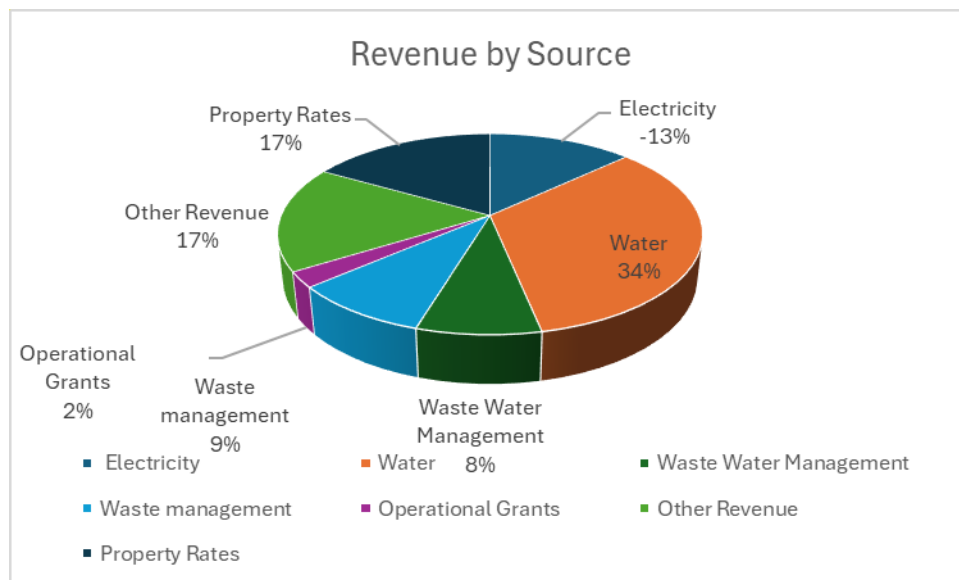
It must be noted that property rate rebates will continue monthly, with the municipality adjusting rates downwards by an average of 19%.

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 31 January 2025 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	8,898,980	57,994,129	61,607,652	- 3,613,523	94
Remuneration of councillors	7,282,094	7,282,102	631,301	4,420,434	4,247,895	172,539	104
Bulk purchases - electricity	125,880,000	125,880,000	9,152,415	85,255,362	73,430,000	11,825,362	116
Inventory consumed	50,096,000	50,096,000	8,329,826	25,276,777	29,222,669	- 3,945,892	86
Debt impairment	22,200,000	22,200,000	-	-	12,949,993	- 12,949,993	-
Depreciation and amortisation	72,391,567	72,391,567	-	-	42,228,417	- 42,228,417	-
Interest	17,225,338	17,225,338	426,545	2,875,848	10,048,115	- 7,172,267	29
Contracted services	22,215,720	22,215,730	959,384	14,977,376	12,959,170	2,018,206	116
Irrecoverable debts written off	1,000,000	1,000,000	-	-	583,324	- 583,324	-
Operational costs	27,434,094	27,434,103	4,533,233	15,313,715	16,003,241	- 689,526	96
Other Losses	3,420,552	3,420,552	-	-	1,995,322	- 1,995,322	-
Total Expenditure	454,758,149	454,758,242	32,931,683	206,113,642	265,275,798	- 59,162,156	78

Notes on variances above/under 10%

Variances to be discussed in the Institutional and Finance Committee

Matter of Concern

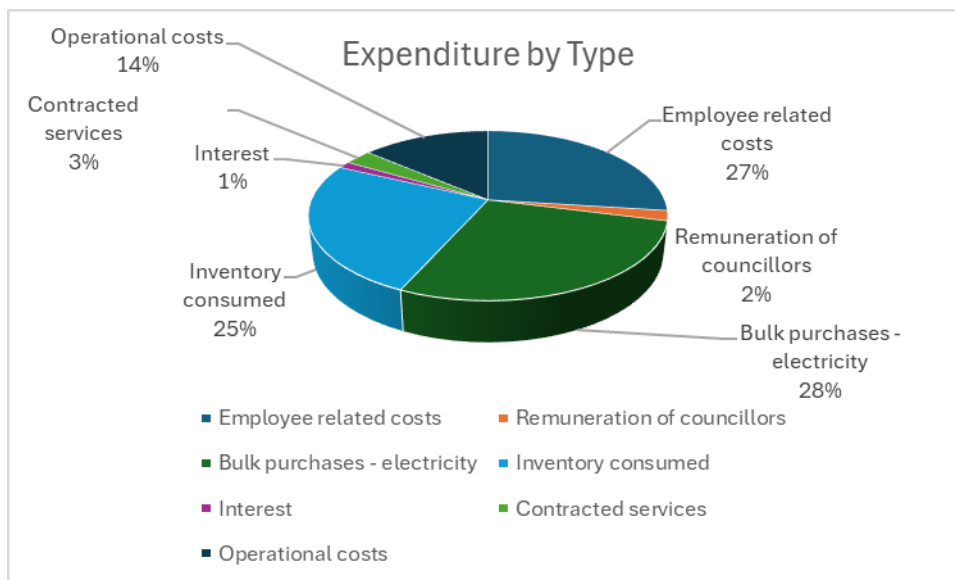
Debt impairment and Depreciation: The municipality's asset register is not linked to the financial systems, and journals are only passed at year-end.

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

Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January							
Vote Description	Budget Year 2024/25						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Revenue by Vote							
Vote 1 - EXECUTIVE MAYOR COUNCIL	388,156	388,156	33,738	201,225	226,422	- 25,197	89
Vote 2 - MUNICIPAL MANAGER	1,707,595	1,707,595	247,452	1,230,149	996,100	234,049	123
Vote 3 - CORPORATE SERVICES	3,230,501	3,230,501	160,919	1,110,080	1,884,456	- 774,376	59
Vote 4 - FINANCIAL SERVICES	94,696,445	94,696,445	- 58,342,031	58,786,704	55,239,583	3,547,121	106
Vote 5 - COMMUNITY SERVICES: COMM DEV	46,372,341	46,372,341	26,179,537	23,060,844	27,050,541	- 3,989,697	85
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY	1,851,555	1,851,555	248,676	1,732,022	1,080,093	651,929	160
Vote 7 - INFRASTRUCTURE; ENG TECHNICAL	337,636,688	362,079,688	44,366,465	183,636,074	207,818,283	- 24,182,209	88
Total Revenue by Vote	485,883,281	510,326,281	12,894,756	269,757,098	294,295,478	- 24,538,380	92
Expenditure by Vote							
Vote 1 - EXECUTIVE MAYOR COUNCIL	12,914,388	12,914,408	1,005,883	7,213,706	7,533,428	- 319,722	96
Vote 2 - MUNICIPAL MANAGER	11,596,959	11,596,971	880,512	6,640,154	6,764,910	- 124,756	98
Vote 3 - CORPORATE SERVICES	30,030,344	30,030,353	1,337,859	11,023,193	17,517,719	- 6,494,526	63
Vote 4 - FINANCIAL SERVICES	50,595,496	50,595,500	5,313,911	26,939,378	29,514,048	- 2,574,670	91
Vote 5 - COMMUNITY SERVICES: COMM DEV	63,968,799	63,968,819	2,136,443	11,295,623	37,315,172	- 26,019,549	30
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY	11,489,116	11,489,121	1,052,368	5,784,321	6,702,012	- 917,691	86
Vote 7 - INFRASTRUCTURE; ENG TECHNICAL	274,163,047	274,163,070	21,204,707	137,217,267	159,928,509	- 22,711,242	86
Total Expenditure by Vote	454,758,149	454,758,242	32,931,683	206,113,642	265,275,798	- 59,162,156	78
Surplus/ (Deficit) for the year	31,125,132	55,568,039	- 20,036,927	63,643,456	29,019,680	34,623,776	

Reasons for variances above/under 10%

Variances to be discussed in the Institutional and Finance Committee

CHART 3

The following chart shows the revenue by vote for 31 January 2025

Revenue by Vote	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Vote 1 - EXECUTIVE MAYOR/COUNCIL	388,156	388,156	33,738	201,225	226,422	-	25,197
Vote 2 - MUNICIPAL MANAGER	1,707,595	1,707,595	247,452	1,230,149	996,100	-	234,049
Vote 3 - CORPORATE SERVICES	3,230,501	3,230,501	160,919	1,110,080	1,884,456	-	774,376
Vote 4 - FINANCIAL SERVICES	94,696,445	94,696,445	-	58,342,031	58,786,704	-	3,547,121
Vote 5 - COMMUNITY SERVICES: COMM DEV	46,372,341	46,372,341	26,179,537	23,060,844	27,050,541	-	3,989,697
Vote 6 - COMMUNITY SERVICES: PUBL SAFETY	1,851,555	1,851,555	248,676	1,732,022	1,080,093	-	651,929
Vote 7 - INFRASTRUCTURE: ENG TECHNICAL	337,636,688	362,079,688	44,366,465	183,636,074	207,818,283	-	24,182,209
Total Revenue by Vote	485,883,281	510,326,281	12,894,756	269,757,098	294,295,478	-	24,538,380

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.

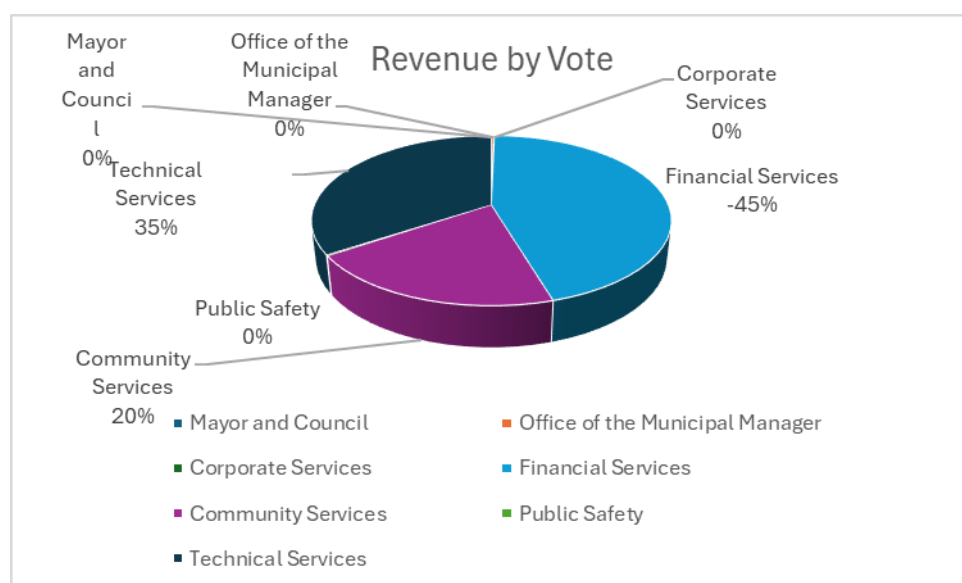
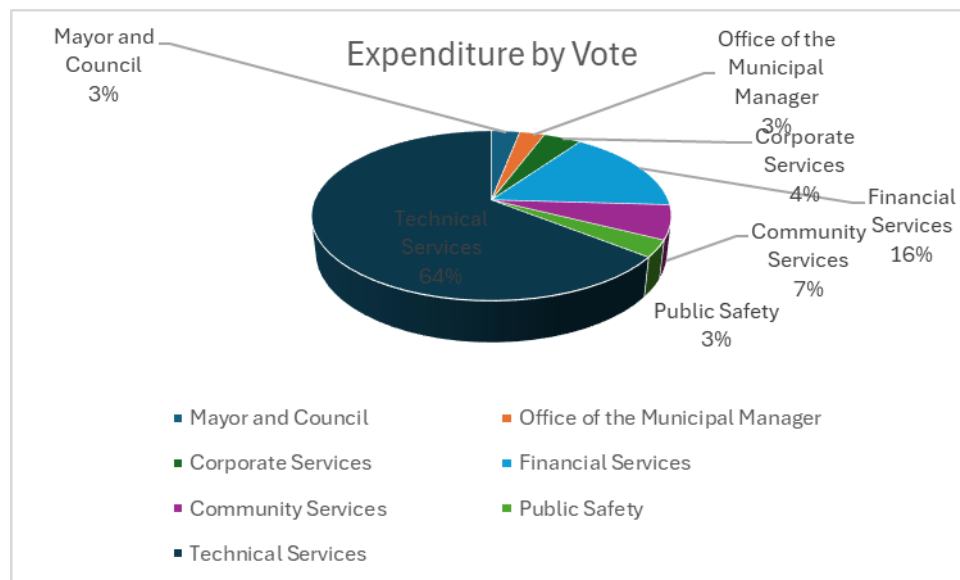


CHART 4

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	1,005,883	7,213,706	7,533,428	- 319,722	96
Vote 2 - MUNICIPAL MANAGER	11,596,959	11,596,971	880,512	6,640,154	6,764,910	- 124,756	98
Vote 3 - CORPORATE SERVICES	30,030,344	30,030,353	1,337,859	11,023,193	17,517,719	- 6,494,526	63
Vote 4 - FINANCIAL SERVICES	50,595,496	50,595,500	5,313,911	26,939,378	29,514,048	- 2,574,670	91
Vote 5 - COMMUNITY SERVICES: COMM DEV	63,968,799	63,968,819	2,136,443	11,295,623	37,315,172	- 26,019,549	30
Vote 6 - COMMUNITY SERVICES: PUBLIC SAFETY	11,489,116	11,489,121	1,052,368	5,784,321	6,702,012	- 917,691	86
Vote 7 - INFRASTRUCTURE: ENG TECHNICAL	274,163,047	274,163,070	21,204,707	137,217,267	159,928,509	- 22,711,242	86
Total Expenditure by Vote	454,758,149	454,758,242	32,931,683	206,113,642	265,275,798	- 59,162,156	78

The following chart shows the expenditure by vote for 31 January 2025



Reasons for variances above/under 10%

Variances to be discussed in the Institutional and Finance Committee

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

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

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M07 January

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE MAYOR COUNCIL		78	-	-	-	-	-	-		-
Vote 2 - MUNICIPAL MANAGER		329	-	-	-	-	-	-		-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-		-
Vote 4 - FINANCIAL SERVICES		(1,048)	1,800	1,800	3,091	4,424	1,050	3,374	321%	1,800
Vote 5 - COMMUNITY SERVICES: COMM DEV		-	-	-	-	-	-	-		-
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY		-	-	-	-	-	-	-		-
Vote 7 - INFRASTRUCTURE:ENG TECHNICAL		10,997	16,322	45,589	(3,065)	727	22,529	(21,802)	-97%	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]		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	10,356	18,122	47,389	26	5,150	23,579	(18,428)	-78%	47,389
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE MAYOR COUNCIL		(342)	-	-	-	-	-	-		-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-		-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-		-
Vote 4 - FINANCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 5 - COMMUNITY SERVICES: COMM DEV		-	-	-	-	-	-	-		-
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY		-	-	-	-	-	-	-		-
Vote 7 - INFRASTRUCTURE:ENG TECHNICAL		786	10,000	10,000	-	3,795	5,833	(2,038)	-35%	10,000
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-		-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-		-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-		-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-		-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-		-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-		-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-		-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	444	10,000	10,000	-	3,795	5,833	(2,038)	-35%	10,000
Total Capital Expenditure		10,800	28,122	57,389	26	8,945	29,412	(20,466)	-70%	57,389
Capital Expenditure - Functional Classification										
Governance and administration		(264)	1,800	1,800	26	26	1,050	(1,024)	-98%	1,800
Executive and council		(264)	-	-	-	-	-	-		-
Finance and administration		-	1,800	1,800	26	26	1,050	(1,024)	-98%	1,800
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		329	-	-	-	-	-	-		-
Planning and development		329	-	-	-	-	-	-		-
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		10,735	26,322	55,589	-	8,920	28,362	(19,442)	-69%	55,589
Energy sources		-	-	-	-	-	-	-		-
Water management		1,294	-	-	-	-	-	-		-
Waste water management		9,441	26,322	55,589	-	8,920	28,362	(19,442)	-69%	55,589
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	10,800	28,122	57,389	26	8,945	29,412	(20,466)	-70%	57,389
Funded by:										
National Government		10,735	26,322	50,765	-	6,033	26,218	(20,185)	-77%	50,765
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-		-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		10,735	26,322	50,765	-	6,033	26,218	(20,185)	-77%	50,765
Borrowing	6	78	-	-	-	-	-	-		-
Internally generated funds		(13)	1,800	6,624	26	2,912	3,194	(282)	-9%	6,624
Total Capital Funding		10,800	28,122	57,389	26	8,945	29,412	(20,466)	-70%	57,389

CASH FLOW STATEMENT ON 31 January 2025

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		48,287	55,018	55,018	2,976	30,019	32,094	(2,075)	-6%	55,018
Service charges		260,094	205,264	205,264	9,815	203,472	119,737	83,735	70%	205,264
Other revenue		10,843	4,096	4,096	9,882	4,535	2,389	2,146	90%	4,096
Transfers and Subsidies - Operational		69,379	79,315	79,315	-	78,896	46,267	32,629	71%	79,315
Transfers and Subsidies - Capital		20,272	26,322	50,765	-	12,710	26,218	(13,508)	-52%	50,765
Interest		30,885	4,425	4,425	1,699	10,819	2,581	8,237	319%	4,425
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(570,506)	(330,744)	(332,306)	(22,721)	(113,562)	(120,285)	(6,723)	6%	(332,306)
Interest		(3,384)	(17,225)	(17,225)	-	-	(10,048)	(10,048)	100%	(17,225)
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(134,129)	26,472	49,352	1,650	226,889	98,954	(127,935)	-129%	49,352
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		1,710	-	-	-	(1,710)	(869)	(841)	97%	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(6,141)	(28,122)	(52,565)	(30)	(10,540)	(27,268)	(16,728)	61%	(52,565)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4,431)	(28,122)	(52,565)	(30)	(12,249)	(28,137)	(15,888)	56%	(52,565)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		20,972	-	-	-	-	-	-		-
Borrowing long term/refinancing		(1,274)	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	(8,899)	(57,994)	-	(57,994)	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		19,698	-	-	(8,899)	(57,994)	-	57,994	#DIV/0!	-
NET INCREASE/(DECREASE) IN CASH HELD		(118,863)	(1,650)	(3,213)	(7,279)	156,645	70,817			(3,213)
Cash/cash equivalents at beginning:		46,846	4,242	52,336		44,220	52,336			44,220
Cash/cash equivalents at month/year end:		(72,017)	2,592	49,122	(7,279)	200,865	123,153			41,007

Nama Khoi Municipality (NC062)
Bank Reconciliation Report

CashBook : - NEDBANK 2024/2025		Processing Month :7
Reconciliation Summary		
Cashbook Opening Balance	✓	20,121,220.51
Payments for Period		--308,719,377.35
Receipts for Period	✓	289,946,210.61
Item/Cashbook	✓	1,348,053.77
Uncleared Payments	✓	523,668.84
Uncleared Receipts	✓	-881,059.01
	✓	99,190.78
Unknown Items		
Sub Total	✓	1,089,854.38
Statement Balance	✓	-1,089,854.38
Difference	✓	0.00

Capturer: Approver :

Date :2/14/2025 12:00:00 AM

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 R200 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, interest reports, 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 31 January 2025.

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

Debtors Age Analysis By Income Source January 2025						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	10,898,462	3,078,697	2,355,435	2,356,478	119,342,331	138,031,403
Electricity	18,302,004	7,979,705	5,521,698	2,993,207	92,337,151	127,133,765
Property Rates	7,243,196	1,748,952	1,457,615	1,332,316	78,259,029	90,041,108
Waste Water Management	2,702,237	837,656	677,560	638,734	28,413,675	33,269,862
Waste Management	3,712,927	1,261,835	1,039,411	1,003,970	57,311,294	64,329,437
Property Rental Debtors	47,345	13,425	11,358	10,304	421,883	504,315
Other	587,054	260,596	198,039	196,238	17,579,033	18,820,960
Total By Income Source	43,493,225	15,180,866	11,261,116	8,531,247	393,664,396	472,130,850
Debtors Age Analysis By Customer Group						
Organs of State	3,077,696	998,222	596,524	412,873	8,636,915	13,722,230
Commercial	16,493,146	5,520,412	5,692,695	3,385,910	111,919,061	143,011,224
Households	23,907,383	8,662,232	4,971,897	4,732,464	273,108,420	315,382,396
Other	15,000	-	-	-	-	15,000
Total By Customer Group	43,493,225	15,180,866	11,261,116	8,531,247	393,664,396	472,130,850

The debtor's outstanding for more than 121 days amounts to R393 664 396

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.

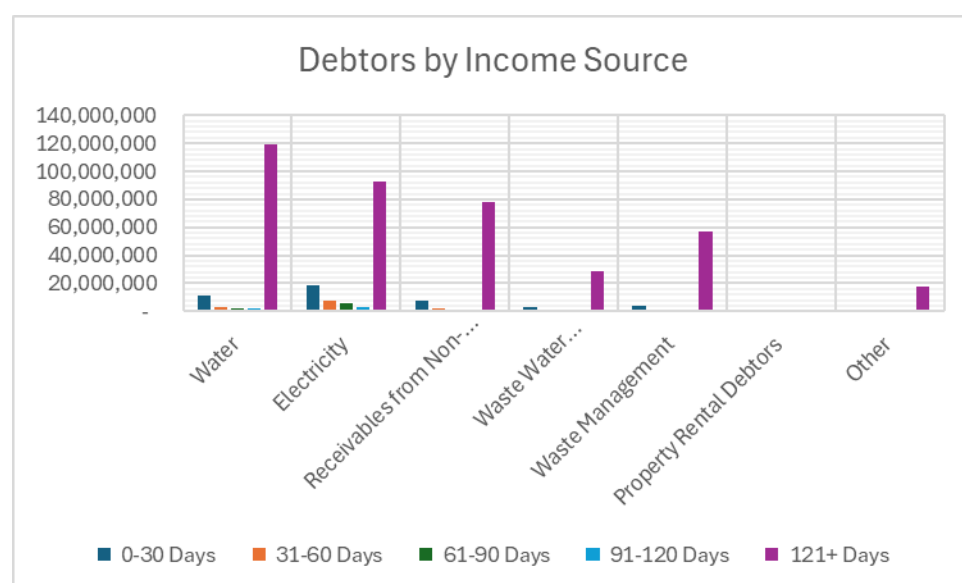
It must be noted that the municipality had discussions with Vaal Central Water to offset accounts, the proposal from the municipality will be sent in due course if agreed there will be a positive impact on both the outstanding debtors and creditors.

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 January 2025						
Debtors Age Analysis By Income Source	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Water	10,898,462	3,078,697	2,355,435	2,356,478	119,342,331	138,031,403
Electricity	18,302,004	7,979,705	5,521,698	2,993,207	92,337,151	127,133,765
Receivables from Non-exchange Transactions - Property Rates	7,243,196	1,748,952	1,457,615	1,332,316	78,259,029	90,041,108
Waste Water Management	2,702,237	837,656	677,560	638,734	28,413,675	33,269,862
Waste Management	3,712,927	1,261,835	1,039,411	1,003,970	57,311,294	64,329,437
Property Rental Debtors	47,345	13,425	11,358	10,304	421,883	504,315
Other	587,054	260,596	198,039	196,238	17,579,033	18,820,960
Total By Income Source	43,493,225	15,180,866	11,261,116	8,531,247	393,664,396	472,130,850

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

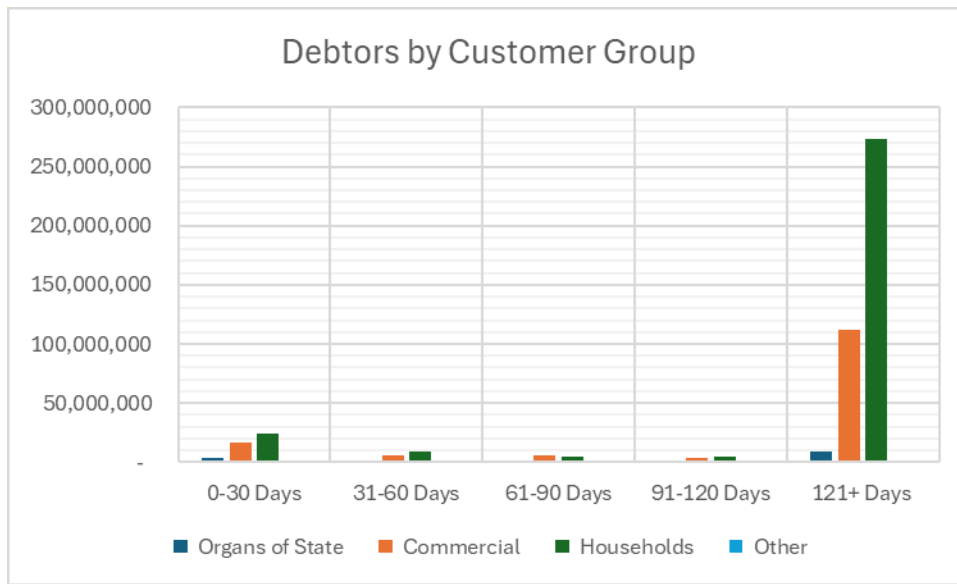


Debtor Age Analysis by Category

Debtors Age Analysis By Customer Group	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Organs of State	3,077,696	998,222	596,524	412,873	8,636,915	13,722,230
Commercial	16,493,146	5,520,412	5,692,695	3,385,910	111,919,061	143,011,224
Households	23,907,383	8,662,232	4,971,897	4,732,464	273,108,420	315,382,396
Other	15,000	-	-	-	-	15,000
Total By Customer Group	43,493,225	15,180,866	11,261,116	8,531,247	393,664,396	472,130,850

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

The TID rollover process concluded the municipality is in the process of replacing meters that were identified during the audit and could not be rolled over, detailed analysis of the process was stipulated in the previous month's reports.

CREDITORS Age Analysis - Annexure B -Table SC4

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

The following report shows the creditor's outstanding on 31 January 2025.

Creditors Age Analysis January 2025						
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121+ Days	Total
Creditors Age Analysis By Customer Type						
Bulk Electricity	-	-	1,752	18,917	224,135,847	224,156,516
Bulk Water	-	-	-	-	225,737,134	225,737,134
Trade Creditors	12,711,575	95,297	187,192	190,181	12,243,388	25,427,631
Auditor General	-	2,774,288	-	-	889,173	3,663,462
Other	-	4,114	41,098	-	2,045	47,258
Total By Customer Type	12,711,575	2,873,699	230,042	209,098	463,007,587	479,032,000

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 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 problem has thus far been resolved.

The municipality must do a corrective journal between the Trade Creditors and Bulk Water.

Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January							
Summary of Employee and Councilor remuneration	Budget Year 2024/25		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
	Original Budget	Adjusted Budget					
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages	6,058,142	6,058,145	525,997	3,700,242	3,533,918	166,324	105
Medical Aid Contributions	-	1	8,945	54,038	1	54,037	
Motor Vehicle Allowance	-	1	8,068	56,476	1	56,475	
Cellphone Allowance	734,400	734,402	61,200	418,886	428,402	- 9,516	98
Other benefits and allowances	489,552	489,553	27,091	190,792	285,573	- 94,781	67
Sub Total - Councillors	7,282,094	7,282,102	631,301	4,420,434	4,247,895	172,539	104
Senior Managers of the Municipality							
Basic Salaries and Wages	4,855,922	4,855,922	248,940	1,029,625	2,832,627	- 1,803,002	36
Pension and UIF Contributions	12,751	12,751	708	2,834	7,434	- 4,600	38
Performance Bonus	855,697	855,697	-	316,611	499,163	- 182,552	63
Motor Vehicle Allowance	558,451	558,451	60,117	219,806	325,766	- 105,960	67
Cellphone Allowance	94,943	94,943	3,600	19,427	55,391	- 35,964	35
Housing Allowances	141,713	141,713	12,199	85,394	82,663	2,731	103
Other benefits and allowances	859	859	36	179	504	- 325	36
Scarcity	556,034	556,034	32,126	133,482	324,352	- 190,870	41
Sub Total - Senior Managers of Municipality	7,076,370	7,076,370	357,726	1,807,358	4,127,900	- 2,320,542	44
Other Municipal Staff							
Basic Salaries and Wages	61,967,477	61,809,232	4,975,951	34,392,236	36,061,393	- 1,669,157	95
Pension and UIF Contributions	9,225,567	9,225,575	665,079	4,765,989	5,381,601	- 615,612	89
Medical Aid Contributions	4,073,120	4,073,123	356,337	2,325,244	2,375,990	- 50,746	98
Overtime	8,386,437	8,386,443	1,011,189	5,704,443	4,892,110	812,333	117
Performance Bonus	4,797,550	4,836,643	256,932	2,544,415	2,819,924	- 275,509	90
Motor Vehicle Allowance	2,994,790	2,994,795	270,356	2,153,219	1,746,977	406,242	123
Cellphone Allowance	229,896	229,898	25,537	115,872	134,091	- 18,219	86
Housing Allowances	687,240	687,243	50,648	376,728	400,901	- 24,173	94
Other benefits and allowances	2,608,030	2,608,046	510,103	1,983,730	1,521,393	462,337	130
Payments in lieu of leave	1,500,000	1,619,168	249,246	1,054,635	940,014	114,621	112
Longservice awards	150,000	150,003	99,898	301,561	87,503	214,058	345
Post-retirement benefit obligations	1,380,750	1,380,750	-	-	805,441	- 805,441	-
Acting and post related allowance	535,557	535,561	69,978	468,698	312,414	156,284	150
Sub Total - Other Municipal Staff	98,536,414	98,536,480	8,541,254	56,186,770	57,479,752	- 1,292,982	98
Total Parent Municipality	112,894,878	112,894,952	9,530,281	62,414,562	65,855,547	- 3,440,985	95
Total Employee Cost	105,612,784	105,612,850	8,898,980	57,994,128	61,607,652		
Revenue	459,561,281	459,561,281	13,177,041	264,117,760	268,077,418		
Expenditure	454,758,149	454,758,242	32,931,683	206,113,642	265,275,798		
% employee cost to Revenue	23	23	68	22	23		
% employee cost to Expenditure	23	23	27	28	23		

Employee-related cost to total expenditure – Please note employee cost against expenditure amounts to 27%

It must be noted that the Performance Bonus for other municipal staff relates to the 13th 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	Summary - Quarter 3				Q1
	Billing	Collection	R - Billing not collected	% Collection		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%	72,420,642	49,306,492	23,114,150	68%	68%	27,431,865	10,285,609	17,146,256	37%	37%
2.Collection <u>excl Eskom supplied areas</u>	56,945,379	51,056,321	5,889,059	90%	90%	58,170,874	45,602,696	12,568,178	78%	78%	22,062,477	9,507,709	12,554,768	43%	43%
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%	6,084,864	3,030,045	3,054,819	50%	50%
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%	9,410,006	3,691,140	5,718,866	39%	39%
5.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%	7,662,600	1,982,772	5,679,828	26%	26%
6.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%	1,902,476	718,224	1,184,253	38%	38%
7.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%	2,371,919	863,428	1,508,491	36%	36%

Notes on table above

From the comparison above there is a sharp decline in the collection rate of the municipality

The municipality stopped 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 initiative is not very effective.

Additional reports show that a high number of consumers have not paid their accounts for the month of January and it resulted in the municipality collection rate dipping from the previous quarter to a dangerously low 37%.



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																																											Month applicable				
Municipal Details			Part A						Part B					Part C			Part D				Part C							Maximization of Revenue Base			Part E										Part F						
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges										Oversight										Compliance Status						
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score			
1.July	Nama Khoi	NC062	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A	Yes	Yes	N/A	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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	No	Yes	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	Yes	N/A	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	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	93%	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.

NAMA KHOI MUNICIPALITY VAT 201 VAT REG. 4890198585 VAT CATEGORY: C ACCOUNTING BASE : PAYMENT BASE VAT RECONCILIATION Financial Year : 2024/2025 PERIOD : JANUARIE 2025											
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	
	6	VAT DEC		25,570,630.73	3,335,299.66	23,691,991.23	178,406.37			3,335,299.66	
Total Amount			R -	R 137,143,105.33	R 17,888,231.13	R 109,083,777.76	R 2,757,351.87	R -		R 19,900,878.33	
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
	6	VAT DEC	2,110,555.13	275,289.80	32,678,587.83	4,262,424.50				4,537,714.30	-1,202,414.64
Total Amount			R 14,977,749.19	R 1,953,619.46	R 148,104,755.68	R 19,318,011.61	R -	R -	R 13,547.45	R 21,285,178.52	-R 1,384,300.19
VAT Reconciliation											
OPENING BALANCE 01/07/24											572,051.45
TOTAL OUTPUT TAX											-19,900,878.33
TOTAL INPUT TAX											21,285,178.52
REFUNDS DURING THE YEAR											-4,379,063.26
PAYMENTS DURING THE YEAR											2,422,711.62
VAT PAYABLE/ REFUNDABLE											0.00
CLOSING BALANCE 31/01/25											-0.00

<p style="text-align: center;"> NAMA KHOI LOCAL MUNICIPALITY Financial Year: 2024/2025 Consolidated Report on Various Deposits Period: YTD ended 31 Jan 2025 Nedbank: Various Own Funding Accounts </p>					
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>	8,000,000.00	0.00	0.00	25,842,967.44	33,842,967.44
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
Deposits	January	8,000,000.00		891,706.26	8,891,706.26
<u>Withdrawal</u>	Withdrawa	-8,000,000.00	0.00	0.00	-24,600,000.00
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			-	-
Monthly operational needs	January			-	-
<u>Closing Balance: 31 Dec 2024</u>	14,963,123.84	0.00	2,000.72	6,922,732.19	21,887,856.75

NAMA KHOI LOCAL MUNICIPALITY						
GRANTS AND SUBSIDIES FOR THE YEAR ENDED 31 JANUARY 2025						
	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	-	(2,608,968)		391,032
Municipal Infrastructure Grant (MIG)	11,856	7,710,000	(11,856)	(1,532,521)		6,177,479
Expanded Public Works Programme (EPWP)	-	861,000		(1,230,000)		(369,000)
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)	(9,760,592)	-	16,810,408
PROVINCIAL GOVERNMENT						
Libraries, Archives and Museums	512,697			(814,425)	-	(301,728)
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	-	(2,391,013)	-	25,526,889
OTHER GRANT PROVIDERS						
Donations	-		-	-		-
Total	-	-	-	-	-	-
ALL SPHERES OF GOVERNMENT	18,665,477	41,015,000	(5,496,139)	(12,151,605)	-	42,337,297

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

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 De Beers contribution funds has been received and has been moved to a call account.

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 urgently needs to return to the blocking of electricity for outstanding accounts.

The municipality urgently needs to plan to complete projects that has not been officially close as it hampers the approval of new projects.

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.

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 with 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 31 January 2025 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.

NAMA KHOI MUNICIPALITY SCHEDULE C MONTHLY BUDGET STATEMENT	
General information and contact information	
Main tables	Consolidated Monthly Statements
Table C1-SUM	Summary
Table C2-FinPer SC	Financial Performance (standard classification)
Table C2C	Financial Performance (standard classification)
Table C3-Fin Per V	Financial Performance (revenue and expenditure by municipal vote)
Table C3C	Financial Performance (revenue and expenditure by municipal vote)
Table C4-FinPerRE	Financial Performance (revenue and expenditure)
Table C5-CAPEX	Capital Expenditure (municipal vote, standard classification)
Table C5C	Capital Expenditure (municipal vote, standard classification)
Table C6-FinPos	Financial Position
Table C7-Cflow	Cash Flow
Supporting Tables	
Table SC1	Material variance explanations
Table SC2	Monthly Budget Statement – Performance Indicators
Table SC3	Monthly Budget Statement – Aged debtors
Table SC4	Monthly Budget Statement – Aged creditors
Table S5	Monthly Budget Statement – Investment portfolio
Table SC6	Monthly Budget Statement – Transfer and grant receipts
Table SC7	Monthly Budget Statement – Transfer and grant expenditure
Table SC8	Monthly Budget Statement – Councillor and staff benefits
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