



Nama Khoi Municipality

18 August 2025

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): MONTHLY REPORT FOR THE PERIOD ENDING 31 July 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 July 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 July 2025

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

The financial results for the period ended 31 July 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) - M01 July					
Description	Budget Year 2025/26				
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
Revenue					
Exchange Revenue					
Service charges - Electricity	159,926,757	1,300,320	1,300,320	13,327,230	- 12,026,910
Service charges - Water	61,257,394	549,509	549,509	5,104,784	- 4,555,275
Service charges - Waste Water Management	22,600,169	52,605	52,605	1,883,347	- 1,830,742
Service charges - Waste management	26,984,303	12,780	12,780	2,248,692	- 2,235,912
Sale of Goods and Rendering of Services	4,389,195	35,547	35,547	365,767	- 330,220
Agency services	97,913	-	-	8,159	- 8,159
Interest earned from Receivables	23,280,602	56,422	56,422	1,940,050	- 1,883,628
Interest from Current and Non Current Assets	16,932,576	14,988	14,988	1,411,050	- 1,396,062
Rent on Land	1,308,109	-	-	109,009	- 109,009
Rental from Fixed Assets	3,548,593	32,146	32,146	295,716	- 263,570
Licence and permits	4,023,621	221,371	221,371	335,301	- 113,930
Operational Revenue	577,243	14,306	14,306	48,104	- 33,798
Property rates	59,953,295	27,654	27,654	4,996,111	- 4,968,457
Fines, penalties and forfeits	634,553	222	222	52,880	- 52,658
Transfers and subsidies - Operational	77,232,000	30,408,578	30,408,578	6,436,002	23,972,576
Interest	4,585,170	21,172	21,172	382,098	- 360,926
Other Gains	60,588,000	-	-	5,049,000	- 5,049,000
Total Revenue (excluding capital transfers and	527,919,493	32,747,620	32,747,620	43,993,300	- 11,245,680
Expenditure By Type					
Employee related costs	119,327,557	9,188,242	9,188,242	9,943,975	- 755,733
Remuneration of councillors	8,044,502	624,040	624,040	670,376	- 46,336
Bulk purchases - electricity	152,145,000	16,947,389	16,947,389	12,678,750	4,268,639
Inventory consumed	54,490,724	516,919	516,919	4,540,893	- 4,023,974
Debt impairment	42,900,000	-	-	3,575,001	- 3,575,001
Depreciation and amortisation	72,391,567	-	-	6,032,631	- 6,032,631
Interest	20,653,218	383,538	383,538	1,721,101	- 1,337,563
Contracted services	45,075,084	1,136,269	1,136,269	3,756,256	- 2,619,987
Irrecoverable debts written off	1,100,000	-	-	91,668	- 91,668
Operational costs	37,827,573	394,370	394,370	3,152,302	- 2,757,932
Other Losses	10,152,061	-	-	846,005	- 846,005
Total Expenditure	564,107,286	29,190,766	29,190,766	47,008,958	- 17,818,192
Surplus/(Deficit)	- 36,187,793	3,556,854	3,556,854	- 3,015,658	6,572,512

Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July					
Description	Budget Year 2025/26				
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
Revenue					
Exchange Revenue					
Service charges - Electricity	159,926,757	1,300,320	1,300,320	13,327,230	- 12,026,910
Service charges - Water	61,257,394	549,509	549,509	5,104,784	- 4,555,275
Service charges - Waste Water Management	22,600,169	52,605	52,605	1,883,347	- 1,830,742
Service charges - Waste management	26,984,303	12,780	12,780	2,248,692	- 2,235,912
Sale of Goods and Rendering of Services	4,389,195	35,547	35,547	365,767	- 330,220
Agency services	97,913	-	-	8,159	- 8,159
Interest earned from Receivables	23,280,602	56,422	56,422	1,940,050	- 1,883,628
Interest from Current and Non Current Assets	16,932,576	14,988	14,988	1,411,050	- 1,396,062
Rent on Land	1,308,109	-	-	109,009	- 109,009
Rental from Fixed Assets	3,548,593	32,146	32,146	295,716	- 263,570
Licence and permits	4,023,621	221,371	221,371	335,301	- 113,930
Operational Revenue	577,243	14,306	14,306	48,104	- 33,798
Property rates	59,953,295	27,654	27,654	4,996,111	- 4,968,457
Fines, penalties and forfeits	634,553	222	222	52,880	- 52,658
Transfers and subsidies - Operational	77,232,000	30,408,578	30,408,578	6,436,002	23,972,576
Interest	4,585,170	21,172	21,172	382,098	- 360,926
Other Gains	60,588,000	-	-	5,049,000	- 5,049,000
Total Revenue (excluding capital transfers and	527,919,493	32,747,620	32,747,620	43,993,300	- 11,245,680

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

The municipality reported in previous reports that the monthly billing and consumer accounts are of concern. The municipality managed to align the billing data between the two systems for the period financial year; however, due to some concern regarding the property rates and consumer accounts the municipality did not bill the consumers before month end, and the debtors and billing data was incomplete. The municipality and the service provider are working on a process to ensure that the consumers accounts are billed in equal monthly cycles while also ensuring the data strings and the monthly reports will reflect the correct information.

Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
Employee related costs	119,327,557	9,188,242	9,188,242	9,943,975	- 755,733
Remuneration of councillors	8,044,502	624,040	624,040	670,376	- 46,336
Bulk purchases - electricity	152,145,000	16,947,389	16,947,389	12,678,750	4,268,639
Inventory consumed	54,490,724	516,919	516,919	4,540,893	- 4,023,974
Debt impairment	42,900,000	-	-	3,575,001	- 3,575,001
Depreciation and amortisation	72,391,567	-	-	6,032,631	- 6,032,631
Interest	20,653,218	383,538	383,538	1,721,101	- 1,337,563
Contracted services	45,075,084	1,136,269	1,136,269	3,756,256	- 2,619,987
Irrecoverable debts written off	1,100,000	-	-	91,668	- 91,668
Operational costs	37,827,573	394,370	394,370	3,152,302	- 2,757,932
Other Losses	10,152,061	-	-	846,005	- 846,005
Total Expenditure	564,107,286	29,190,766	29,190,766	47,008,958	- 17,818,192

The table below indicates revenue and expenditure by vote.

Annexure B – Table C3

Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July					
Vote Description	Budget Year 2025/26				
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance
Revenue by Vote					
Vote 1 - EXECUTIVE MAYOR COUNCIL	405,235	-	-	33,770	- 33,770
Vote 2 - MUNICIPAL MANAGER	2,099,609	2,110	2,110	174,968	- 172,858
Vote 3 - CORPORATE SERVICES	3,612,575	39,872	39,872	301,048	- 261,176
Vote 4 - FINANCIAL SERVICES	153,255,788	30,552,215	30,552,215	12,771,322	17,780,893
Vote 5 - COMMUNITY SERVICES: COMM DEV	19,532,602	27,355	27,355	1,627,718	- 1,600,363
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY	4,049,351	230,028	230,028	337,446	- 107,418
Vote 7 - INFRASTRUCTURE;ENG TECHNICAL	367,660,335	1,896,039	1,896,039	30,638,361	- 28,742,322
Total Revenue by Vote	550,615,495	32,747,619	32,747,619	45,884,633	- 13,137,014
Expenditure by Vote					
Vote 1 - EXECUTIVE MAYOR COUNCIL	14,927,781	1,150,271	1,150,271	1,243,982	- 93,711
Vote 2 - MUNICIPAL MANAGER	13,871,824	678,905	678,905	1,155,992	- 477,087
Vote 3 - CORPORATE SERVICES	35,268,378	1,001,525	1,001,525	2,939,033	- 1,937,508
Vote 4 - FINANCIAL SERVICES	64,873,873	2,667,103	2,667,103	5,406,155	- 2,739,052
Vote 5 - COMMUNITY SERVICES: COMM DEV	74,325,447	1,559,998	1,559,998	6,193,790	- 4,633,792
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY	14,909,450	853,608	853,608	1,242,453	- 388,845
Vote 7 - INFRASTRUCTURE;ENG TECHNICAL	345,930,533	21,279,356	21,279,356	28,827,553	- 7,548,197
Total Expenditure by Vote	564,107,286	29,190,766	29,190,766	47,008,958	- 17,818,192
Surplus/ (Deficit) for the year	- 13,491,791	3,556,853	3,556,853	- 1,124,325	4,681,178

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

0 - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2024/25		Budget Year 2025/26						
		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		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES		4,579	1,050	-	-	88	(88)	-100%	1,050	
Vote 5 - COMMUNITY SERVICES: COMM DEV		-	-	-	-	-	-	-	-	
Vote 6 - COMMUNITY SERVICES: PUBLSAFETY		-	-	-	-	-	-	-	-	
Vote 7 - INFRASTRUCTURE:ENG TECHNICAL		16,725	50,212	-	1,531	1,531	(2,653)	-63%	50,212	
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	21,305	51,262	-	1,531	1,531	(2,741)	-64%	51,262	
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE MAYOR COUNCIL		-	-	-	-	-	-	-	-	
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		168	26,380	-	-	2,198	(2,198)	-100%	26,380	
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	168	26,380	-	-	2,198	(2,198)	-100%	26,380	
Total Capital Expenditure		21,473	77,642	-	1,531	6,470	(4,939)	-76%	77,642	
Capital Expenditure - Functional Classification										
Governance and administration		182	1,050	-	-	88	(88)	-100%	1,050	
Executive and council		-	-	-	-	-	-	-	-	
Finance and administration		182	1,050	-	-	88	(88)	-100%	1,050	
Internal audit		-	-	-	-	-	-	-	-	
Community and public safety		-	-	-	-	-	-	-	-	
Community and social services		-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	
Economic and environmental services		-	9,063	-	-	755	(755)	-100%	9,063	
Planning and development		-	-	-	-	-	-	-	-	
Road transport		-	9,063	-	-	755	(755)	-100%	9,063	
Environmental protection		-	-	-	-	-	-	-	-	
Trading services		21,291	67,529	-	1,531	5,627	(4,096)	-73%	67,529	
Energy sources		-	4,517	-	-	376	(376)	-100%	4,517	
Water management		168	9,695	-	-	808	(808)	-100%	9,695	
Waste water management		21,123	53,317	-	1,531	4,443	(2,912)	-66%	53,317	
Waste management		-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional Classification	3	21,473	77,642	-	1,531	6,470	(4,939)	-76%	77,642	
Funded by:										
National Government		17,299	47,139	-	-	3,928	(3,928)	-100%	47,139	
Provincial Government		-	-	-	-	-	-	-	-	
District Municipality		-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		-	-	-	-	-	-	-	-	
Transfers recognised - capital		17,299	47,139	-	-	3,928	(3,928)	-100%	47,139	
Borrowing	6	-	-	-	-	-	-	-	-	
Internally generated funds		4,174	30,503	-	1,531	2,542	(1,011)	-40%	30,503	
Total Capital Funding		21,473	77,642	-	1,531	6,470	(4,939)	-76%	77,642	

Project and Capital expenditure progress is discussed in the Infrastructure Committee meetings

CASH FLOW STATEMENT ON 31 July 2025

0 - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2024/25	Budget Year 2025/26							
		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		10,800	47,117	-	2	2	3,926	(3,924)	-100%	47,117
Service charges		-	236,208	-	1,289	1,289	19,684	(18,395)	-93%	236,208
Other revenue		711,350	70,374	-	6,081	6,081	5,864	217	4%	70,374
Transfers and Subsidies - Operational		452,607	77,232	-	86,597	86,597	6,436	80,161	1246%	77,232
Transfers and Subsidies - Capital		-	22,696	-	6,426	6,426	1,891	4,535	240%	22,696
Interest		-	40,213	-	15	15	3,351	(3,336)	-100%	40,213
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(271,695)	(508,527)	-	(61,401)	(61,401)	(27,797)	33,604	-121%	(508,527)
Interest		-	(20,653)	-	-	-	(1,721)	(1,721)	100%	(20,653)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		903,062	(35,340)	-	39,010	39,010	11,636	(27,374)	-235%	(35,340)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		-	(89,289)	-	(1,838)	(1,838)	(7,441)	(5,602)	75%	(89,289)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(89,289)	-	(1,838)	(1,838)	(7,441)	(5,602)	75%	(89,289)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		254	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		254	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		903,316	(124,628)	-	37,172	37,172	4,195			(124,628)
Cash/cash equivalents at beginning:		44,220	253,877	-	-	-	253,877			-
Cash/cash equivalents at month/year end:		947,536	129,249	-	37,172	37,172	258,072			(124,628)

Notes on the Cash Flow Statement

The Cash Flow Statement does not reflect the information as the month billing data has not been incorporated between the two financial systems.

Bank Reconciliation

Nama Khoi Municipality (NC062)
Bank Reconciliation Report

CashBook : - Nedbank Main
Statement Number:11289-11379

Processing Month :1

Statement Date :8/13/2025
12:00:00 AM

Reconciliation Summary

Cashbook Opening Balance	-953,529.00
Payments for Period	--64,580,081.34
Receipts for Period	73,637,674.36
Item/Cashbook	8,104,064.02
<hr/>	
Uncleared Payments	1,709,548.29
Uncleared Receipts	0.00
	█ -6,556,444.97
Unknown Items	
Sub Total	█ 3,257,167.34
<hr/>	
Statement Balance	█ -3,257,167.34
Difference	█ 0.00

Nama Khoi Municipality (NC062)
Bank Reconciliation Report

CashBook : - Nedbank Rural
Statement Number:377-519

Processing Month :1

Statement Date :8/13/2025
12:00:00 AM

Reconciliation Summary

Cashbook Opening Balance	✔	10,014,139.57
Payments for Period		--20,078,826.11
Receipts for Period	✔	21,147,290.10
Item/Cashbook	✔	11,082,603.42
<hr/>		
Uncleared Payments		0.00
Uncleared Receipts		0.00
		0.00
Unknown Items		
Sub Total		11,082,603.42
<hr/>		
Statement Balance		-11082603.42
Difference		0.00

Debtors Age Analysis - Annexure B -Table SC3

The debtor's age analysis report shown in Annexure B has been prepared based on the format required by the National Treasury. The following report shows the debtor's outstanding on 31 July 2025.

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

Debtors Age Analysis July 2025						
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total
Debtors Age Analysis By Income Source						
Water	4,401,211	2,923,066	2,742,910	2,231,869	121,190,004	133,489,060
Electricity	7,423,179	4,198,170	4,618,677	4,771,608	94,799,147	115,810,781
Property Rates	2,201,301	1,631,802	1,480,096	1,335,464	78,796,281	85,444,944
Waste Water Management	965,930	802,426	740,699	635,438	28,764,495	31,908,988
Waste Management	1,376,805	1,214,559	1,157,301	991,597	58,080,020	62,820,282
Property Rental Debtors	15,675	12,659	11,921	10,601	427,293	478,149
Other	249,785	238,620	228,139	180,716	17,559,625	18,456,885
Total By Income Source	16,633,886	11,021,302	10,979,743	10,157,293	399,616,865	448,409,089
Debtors Age Analysis By Customer Group						
Organs of State	1,092,411	781,582	628,261	559,840	8,821,381	11,883,475
Commercial	7,395,622	4,331,060	4,808,503	4,910,972	114,099,085	135,545,242
Households	8,145,853	5,908,660	5,542,979	4,686,481	276,696,399	300,980,372
Total By Customer Group	16,633,886	11,021,302	10,979,743	10,157,293	399,616,865	448,409,089

Notes on Debtors' Age Analysis

The municipality reported in previous reports that the monthly billing and consumer accounts are of concern. The municipality managed to align the billing data between the two systems for the period financial year; however, due to some concern regarding the property rates and consumer accounts the municipality did not bill the consumers before month end, and the debtors and billing data was incomplete. The municipality and the service provider are working on a process to ensure that the consumers accounts are billed in equal monthly cycles while also ensuring the data strings and the monthly reports will reflect the correct information.

The municipality had a decline in the collection rate for the second and third quarters. This is a result of implementing the 70/30 auxiliary service rule, meaning 30 % of every electricity purchase goes to outstanding debt of customers with outstanding balances and no electricity blocking; this resulted in

CREDITORS Age Analysis - Annexure B -Table SC4

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

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

0 - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description	NT Code	Budget Year 2025/26								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	769	40	1,912	-	-	39	224,118	226,878	224,295
Bulk Water	0200	-	-	-	-	-	-	-	225,737	225,737	225,737
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	6,297	4,703	1,288	18	437	4,548	4,730	8,030	30,051	17,716
Auditor General	0800	-	600	-	-	-	-	-	889	1,490	1,689
Other	0900	-	-	-	-	-	-	5	1	7	2
Medical Aid deductions	0950	603	-	-	-	-	-	-	-	603	535
Total By Customer Type	1000	6,900	6,072	1,328	1,930	437	4,548	4,775	458,775	484,765	469,974

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 have been made in consultation with ESKOM. The municipality received the approved letter for the first 1/3 of the Eskom Debt to be written off, but this does not reflect on the creditors' age analysis. The municipality is also very close to the second write-off and has maintained to requirements of the ESKOM write-off requirements. The correct outstanding amount to ESKOM after July 2025 should reflect on R70 million +/-.

The municipality has payment agreements with other creditors.

The correct information regarding the outstanding debt to the Water Board should reflect as per the information below:

Nama Khoi Municipality agrees to the proposal of Vaal Central to write off the amount of R204 833 289(Capital) and R 57 265 059 interest.

Nama Khoi Municipality's outstanding amount of R 39 256 248 will be written off over 36 months in terms of the condition of the water incentive scheme.

Nama Khoi Municipality pays the outstanding amount of R 12 272 983 to Vaal Central over 12 months as per the payment plan

Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July						
Summary of Employee and Councillor remuneration	Budget Year 2025/26					
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
Councillors (Political Office Bearers plus Other)						
Basic Salaries and Wages	6,718,937	511,235	511,235	559,912	- 48,677	91
Medical Aid Contributions	47,348	8,945	8,945	3,946	- 4,999	227
Motor Vehicle Allowance	101,657	8,068	8,068	8,471	- 403	95
Cellphone Allowance	751,140	61,200	61,200	62,595	- 1,395	98
Other benefits and allowances	425,420	34,591	34,591	35,452	- 861	98
Sub Total - Councillors	8,044,502	624,039	624,039	670,376	- 46,337	93
Senior Managers of the Municipality						
Basic Salaries and Wages	4,254,288	237,740	237,740	354,523	- 116,783	67
Pension and UIF Contributions	13,388	708	708	1,116	- 408	63
Performance Bonus	812,474	-	-	67,705	- 67,705	-
Motor Vehicle Allowance	319,871	54,717	54,717	26,657	- 28,060	205
Cellphone Allowance	99,700	5,600	5,600	8,310	- 2,710	67
Housing Allowances	148,813	12,199	12,199	12,401	- 202	98
Other benefits and allowances	901	50	50	77	- 27	65
Scarcity	583,892	30,466	30,466	48,658	- 18,192	63
Acting and post related allowance	-	3,192	3,192	-	- 3,192	-
Sub Total - Senior Managers of Municipality	6,233,327	344,672	344,672	519,447	- 174,775	66
Other Municipal Staff						
Basic Salaries and Wages	68,732,135	5,559,254	5,559,254	5,727,680	- 168,426	97
Pension and UIF Contributions	9,923,585	722,116	722,116	826,967	- 104,851	87
Medical Aid Contributions	6,261,025	385,994	385,994	521,752	- 135,758	74
Overtime	9,867,497	903,488	903,488	822,292	- 81,196	110
Performance Bonus	5,334,217	394,880	394,880	444,517	- 49,637	89
Motor Vehicle Allowance	4,105,811	311,113	311,113	342,150	- 31,037	91
Cellphone Allowance	266,023	24,000	24,000	22,169	- 1,831	108
Housing Allowances	739,342	53,831	53,831	61,612	- 7,781	87
Other benefits and allowances	3,275,657	273,974	273,974	272,976	- 998	100
Payments in lieu of leave	1,897,984	19,763	19,763	158,166	- 138,403	12
Long service awards	340,432	13,301	13,301	28,370	- 15,069	47
Post-retirement benefit obligations	1,449,926	-	-	120,827	- 120,827	-
Acting and post related allowance	900,596	181,855	181,855	75,050	- 106,805	242
Sub Total - Other Municipal Staff	113,094,230	8,843,569	8,843,569	9,424,528	- 580,959	94
Total Parent Municipality	127,372,059	9,812,280	9,812,280	10,614,351	- 802,071	92
Total Employee Cost	119,327,557	9,188,241	9,188,241	9,943,975		
Total Expenditure	564,107,286	29,190,766	29,190,766	47,008,958		
%Employee Cost to Total Expenditure	21	31	31	21		

Employee-related cost to total expenditure –

The municipality has moved the billing of service to the Rural Maintenance system, which has resulted in a portion of the billing taking place in the Promun 3 Financial System and the rest in the Rural Maintenance system. The two service providers have engaged and shared information, which has enabled the municipality to produce the C-Schedule containing billing information. However, there are still some minor errors that will be corrected as month 13 errors and will be reflected in the Annual Financial Statements.

The municipality is within the norm of 25-40%



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

Province		
NC		
Code	District	Code Description
NC062	Namakwa	Nama Khoi

Monthly Performance Report																																																	
Municipal Details			Part A						Part B					Part C			Part D				Part E							Part F		Month applicable																			
			Eskom And Bulk water current account						Compliance with a funded MTREF					FRP/BFP & Tariff Assessment			Electricity and water as collection tools				Quarterly collection of property rates and services charges							Maximization of Revenue Base			Oversight							Compliance Status											
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score					
1.July	Nama Khoi	NC062	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	N/A	N/A	Yes	Yes	Yes	No	Yes	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	95%	Non Compliance	Yes			
2.August	Nama Khoi	NC062	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	Select	No	0%	Non Compliance	Yes	
3.September	Nama Khoi	NC062																																													0%	Non Compliance	Yes
4.October	Nama Khoi	NC062																																													0%	Non Compliance	Yes
5.November	Nama Khoi	NC062																																													0%	Non Compliance	Yes
6.December	Nama Khoi	NC062																																													0%	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; however, the municipality does have a funded budget plan that is monitored every month, and progress is submitted to the various departments. The municipality is also having challenges with the Water Board, but the municipality has been invited to apply for the Water Incentive Scheme.

The municipality has moved the billing of service to the Rural Maintenance system, which has resulted in a portion of the billing taking place in the Promun 3 Financial System and the rest in the Rural Maintenance system. The two service providers have engaged and shared information, which has enabled the municipality to produce the C-Schedule containing billing information. However, there are still some minor errors that will be corrected as month 13 errors and will be reflected in the Annual Financial Statements. The outstanding information relating to the debt relief programme will also be submitted in due course.

NAMA KHOI LOCAL MUNICIPALITY

Financial Year: 2025/2026

Consolidated Report on Various Deposits

Period: YTD ended 31 July 2025

Nedbank: Various Own Funding Accounts

Description		Loan (Fleet)	Equitable Share	Interest	Total
<i>Opening Balance 01 July 2025</i>		10,763,123.84	0.00	9,028,828.13	19,793,952.69
Security Against Loan				5,000,000.00	5,000,000.00
Balance : 01 July 2025		10,763,123.84		679,764.75	11,442,888.59
<u>Receipts</u>		4,200,000.00	0.00	1,903,181.34	6,103,181.34
Deposits	Jul	4,200,000.00		1,903,181.34	6,103,181.34
<u>Withdrawal</u>		0.00	0.00	-1,278,311.70	- 1,278,311.70
Monthly operational needs	Jul			-1,278,311.70	- 1,278,311.70
<i>Closing Balance: 31 July 2025</i>		14,963,123.84	0.00	9,653,697.77	24,618,822.33

Notes on the above tables

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

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 for defaulters all over the municipal jurisdiction.

Distribution of correct consumer accounts and the timely correction of errors should they occur.

Updated and verified the 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 incur 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 the budget, corrections must be made 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 for 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 did not submit the monthly report and the required information as per the Debt Relief Programme as requested, due to some challenges with the billing date and consumer accounts, verification processes took longer than anticipated and the municipality did not want to have issue accounts to consumers with longer than 30 day cycles.

Circular 124 Debt Relief

The monthly monitoring tool is submitted.

Water Incentive Scheme

It must be noted that the municipality could not submit all the required information due to the system and consumer account issues.

Funded Budget Plan and Cost Containment Report

Progress on the Funded Budget is completed as required, report will be submitted as required.

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, Don Malan the Acting Municipal Manager of Nama Khoi Municipality, hereby certify that –

- The monthly report on the implementation of the municipal budget and financial state affairs for the month ending 31 July 2025 has been prepared by the Municipal Finance Management Act 71 and regulations made under that Act.

Print Name: DON MALAN

Acting Municipal Manager of Nama Khoi Municipality

A signed Quality Certificate is a separate document due to the document being 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 31 days after the end of each quarter, make public as prescribed, a consolidated statement in the prescribed format on the state of municipalities' budget per municipality and municipal entity. The MEC for finance must submit such consolidated statements to the provincial legislature no later than 45 days after the end of each quarter.

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