



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

PREPARED IN TERMS OF THE LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT,
2003: MUNICIPAL BUDGET AND REPORTING REGULATIONS

31 DECEMBER 2024

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GLOSSARY

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from the Provincial or National Government or other municipalities.

Budget – The Financial plan of the municipality

Budget-Related Policy – Policy of a municipality affecting or affected by the budget.

Capital expenditure – Spending on assets. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principal piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF – Medium Term Revenue and Expenditure Framework. A -term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure – Spending on the day-to-day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Vote – One of the main segments into which a budget is divided, usually at the directorate/department level.

INTRODUCTION

This report has been prepared in terms of the following legislative framework:

- The Municipal Finance Management Act – No. 56 of 2003, Section 72, and
- The Municipal Budget and Reporting Regulations, 35. “33.

A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts, and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.” The objective of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability, and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

LEGISLATIVE FRAMEWORK

In terms of section 72 (1) of the MFMA, the accounting officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year. Take note that Section 52, Quarterly Budget Monitoring Report for the second quarter, will be incorporated in this report. The requirements of section 52(d) will be met in this Mid-year Budget and Assessment Report.

EXECUTIVE SUMMARY

This report is a summary of the main budget issues arising from the budget monitoring process. It compares the progress of the budget in terms of actual income and expenditure to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP). The following categories provide a consolidated overview of the implementation of the budget of the municipality.

The report shows a year-to-date deficit of R46m, while a budgeted deficit of R62m was projected. Council approved a Budget Funding Plan when the 24/25 annual budget was adopted. This report includes a section focusing on the Budget Funding Progress, where the *Budget Funding Plan* outcomes are compared to the actual outcome for the first six months of 24/25.

FINANCIAL PERFORMANCE

OPERATING REVENUE BY SOURCE

The municipality's year-to-date revenue is 22% lower than the year-to-date budget. The main contributor to the variance is *water service charges* with an 88% variance. The shutdown of the Lesotho Highlands Water Project for the whole of quarter 2 (and 3) had a bigger impact than anticipated. Management budgeted less than 50% of the previous year's *water service charges*; yet even this figure was too high when the actual figures were considered. The reduction in water usage had a knock-on effect on other service charges such as *wastewater* (variance of 30%) and *electricity* (23%).

FS193 Nketoana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		102,915	92,548	-	56,919	56,919	46,274	10,645	23%	92,548
Service charges - Water		102,957	45,057	-	47,100	47,100	25,029	22,071	88%	45,057
Service charges - Waste Water Management		37,359	30,500	-	19,820	19,820	15,250	4,570	30%	30,500
Service charges - Waste management		31,756	28,751	-	17,311	17,311	14,376	2,935	20%	28,751
Sale of Goods and Rendering of Services		1,012	1,426	-	510	510	713	(204)	-29%	1,426
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		200,533	96,696	-	43,361	43,361	48,348	(4,987)	-10%	96,696
Interest from Current and Non Current Assets		932	299	-	731	731	149	582	390%	299
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2,085	1,926	-	995	995	963	32	3%	1,926
Licence and permits		9	21	-	10	10	11	(1)	-8%	21
Operational Revenue		73	209	-	504	504	104	400	384%	209
Non-Exchange Revenue										
Property rates		18,332	18,900	-	9,486	9,486	9,450	36	0%	18,900
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		652	578	-	442	442	289	154	53%	578
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		146,846	142,783	-	102,764	102,764	96,122	6,642	7%	142,783
Interest		-	-	-	13,233	13,233	-	13,233	#DIV/0!	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		386	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		645,846	459,695	-	313,187	313,187	257,078	56,109	22%	459,695

OPERATING EXPENDITURE BY TYPE

The actual expenditure for the first six months is 13% higher than the year-to-date budget. The biggest contributor to this variance is the *irrecoverable debts written off* (variance 291%). The 23/24 annual financial statements were finalized after the 24/25 budget was adopted by the Council. The *irrecoverable debts written off* were restated with a material adjustment to the 23/24 annual financial statements. This meant that the 24/25 budget (which was based on the previous audit outcome) was insufficient as it did not include the significant increase in *irrecoverable debts written off*.

FS193 Nketoana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		186,772	168,400	–	89,400	89,400	84,200	5,200	6%	168,400
Remuneration of councillors		11,638	7,176	–	4,098	4,098	3,588	510	14%	7,176
Bulk purchases - electricity		99,261	105,000	–	48,916	48,916	52,250	(3,334)	-6%	105,000
Inventory consumed		15,236	23,057	–	7,876	7,876	11,528	(3,652)	-32%	23,057
Debt impairment		188	85,442	–	31,138	31,138	42,721	(11,583)	-27%	85,442
Depreciation and amortisation		86,710	58,744	–	32,755	32,755	29,372	3,383	12%	58,744
Interest		39,795	50,400	–	10,795	10,795	25,200	(14,405)	-57%	50,400
Contracted services		41,051	34,012	–	11,884	11,884	17,006	(5,122)	-30%	34,012
Transfers and subsidies		–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		422,169	47,153	–	92,179	92,179	23,576	68,603	291%	47,153
Operational costs		49,331	58,526	–	30,765	30,765	30,076	690	2%	58,526
Losses on Disposal of Assets		6,061	–	–	–	–	–	–	–	–
Other Losses		19,410	–	–	–	–	–	–	–	–
Total Expenditure		977,621	637,911	–	359,806	359,806	319,518	40,289	13%	637,911
Surplus/(Deficit)		(331,775)	(178,216)	–	(46,620)	(46,620)	(62,440)	15,820	-25%	(178,216)
Transfers and subsidies - capital (monetary allocations)		77,251	131,149	–	34,997	34,997	65,574	(30,578)	-47%	131,149
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(254,525)	(47,067)	–	(11,623)	(11,623)	3,135			(47,067)
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		(254,525)	(47,067)	–	(11,623)	(11,623)	3,135			(47,067)
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(254,525)	(47,067)	–	(11,623)	(11,623)	3,135			(47,067)
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		(254,525)	(47,067)	–	(11,623)	(11,623)	3,135			(47,067)

CAPITAL EXPENDITURE

FS193 Nketoana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - Half Year

Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited	Original	Adjusted	Mid Year	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		1,327	1,629	-	593	593	814	(221)	-27%	1,629
Vote 4 - Waste Management		2,037	2,000	-	-	-	2,000	(2,000)	-100%	2,000
Vote 5 - Local Economic Development		-	-	-	-	-	-	-	-	-
Vote 6 - Roads Transport		4,257	14,071	-	3,545	3,545	7,036	(3,491)	-50%	14,071
Vote 7 - Water		109,350	106,270	-	58,798	58,798	53,135	5,663	11%	106,270
Vote 8 - Electricity		-	7,183	-	2,880	2,880	3,591	(712)	-20%	7,183
Vote 9 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - Housing		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	116,971	131,153	-	65,816	65,816	66,576	(761)	-1%	131,153
Total Capital Expenditure		116,971	131,153	-	65,816	65,816	66,576	(761)	-1%	131,153

Please refer to **Capital Programme Performance** for capital spending per grant and project.

CAPITAL FUNDING BY SOURCE

FS193 Nketoana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - Half Year

Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited	Original	Adjusted	Mid Year	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Funded by:										
National Government		81,854	131,149	-	65,816	65,816	65,574	241	0%	131,149
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-		-
Transfers recognised - capital		81,854	131,149	-	65,816	65,816	65,574	241	0%	131,149
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		1,648	3,100	-	134	134	2,550	(2,416)	-95%	3,100
Total Capital Funding		83,502	134,249	-	65,950	65,950	68,124	(2,175)	-3%	134,249

The capital budget decreased from R 188,236,000 (2023/2024) to R 134,249,000 in 2024/25 (original approved budget). No budget adjustments have been made to date.

CASH FLOW STATEMENT

This statement reflects the actual cash the municipality received and utilized.

FS193 Nketoana - Table C7 Monthly Budget Statement - Cash Flow - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		14,546	39,026	-	7,218	7,218	19,513	(12,295)	-63%	39,026
Service charges		151,703	211,748	-	80,232	80,232	108,374	(28,142)	-26%	211,748
Other revenue		3,358	100,847	-	4,040	4,040	50,423	(46,384)	-92%	100,847
Transfers and Subsidies - Operational		122,344	142,783	-	104,511	104,511	96,122	8,389	9%	142,783
Transfers and Subsidies - Capital		87,978	131,894	-	66,096	66,096	65,947	149	0%	131,894
Interest		-	-	-	1,487	1,487	-	1,487	#DIV/0!	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(104,208)	-	-	(141,375)	(141,375)	-	(141,375)	#DIV/0!	-
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		275,721	626,297	-	122,209	122,209	340,379	218,171	64%	626,297
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		79,462	(134,249)	-	(75,937)	(75,937)	(68,124)	(7,812)	11%	(134,249)
NET CASH FROM/(USED) INVESTING ACTIVITIES		79,462	(134,249)	-	(75,937)	(75,937)	(68,124)	7,812	-11%	(134,249)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		355,183	492,048	-	46,272	46,272	272,255			492,048
Cash/cash equivalents at beginning:		1,904	1,946	-		8,650	1,946			8,650
Cash/cash equivalents at month/year end:		357,087	493,994	-		54,922	274,200			500,698

FINANCIAL POSITION

DEBTOR AGE ANALYSIS

The table below reflects the total outstanding consumer accounts of the Nketoana Local Municipality on 31 December 2024:

FS193 Nketoana - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - Half Year

Description	NT Code	Budget Year 2024/25										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	7,901	7,130	5,700	7,608	10,132	8,188	9,408	248,781	304,848	284,118	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	7,062	5,873	5,720	5,885	5,893	5,780	5,893	26,526	68,630	49,976	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	1,379	974	910	891	869	849	770	51,930	58,572	55,309	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	3,358	3,107	2,805	3,065	3,753	2,256	2,762	117,911	139,018	129,747	-	-	
Receivables from Exchange Transactions - Waste Management	1600	2,846	2,524	2,456	2,431	2,396	2,401	2,120	130,435	147,610	139,784	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	299	299	299	-	-	
Interest on Arrear Debtor Accounts	1810	9,449	9,403	9,244	9,091	9,010	8,558	17,084	581,699	653,538	625,442	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	135	164	373	101	89	46	59	32,155	33,122	32,451	-	-	
Total By Income Source	2000	32,129	29,175	27,208	29,071	32,142	28,079	38,098	1,188,736	1,405,636	1,317,125	-	-	
2023/24 - totals only		43,010	35,623	33,602	33,740	32,216	32,364	31,331	1,008,140	1,250,025	1,137,791	-	-	
Debtors Age Analysis By Customer Group														
Organs of State	2200	5,284	5,060	3,164	6,116	6,055	5,256	7,731	173,754	212,421	198,913	-	-	
Commercial	2300	8,847	6,908	7,683	6,798	7,528	7,656	9,200	47,331	101,951	78,513	-	-	
Households	2400	17,998	17,208	16,360	16,157	18,558	15,167	21,166	968,650	1,091,264	1,039,699	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	32,129	29,175	27,208	29,071	32,142	28,079	38,098	1,188,736	1,405,636	1,317,125	-	-	

AGING PER ACCOUNT TYPE

Account Type	Current	30 Days	60 Days	90 Days	120 Days	150 Days	180+ Days	Total
Business	R0	R8,555,210	R6,701,460	R7,474,820	R6,640,621	R7,364,603	R48,659,096	R85,395,810
Departmental	-R93	R855	R842	R0	R0	-R50	-R900	R655
Education	R0	R194,957	R291,351	R102,394	R120,420	R276,901	R11,179,073	R12,165,096
Farming	-R6,759	R3,068,810	R3,013,298	R1,418,229	R4,077,722	R3,783,121	R101,620,532	R116,974,952
Rural Development	R0	R108,915	R94,070	R83,695	R80,913	R149,114	R856,184	R1,372,889
Industrial	R0	R39,615	R2,091	R2,260	R1,943	R1,924	R18,475	R66,308
Municipal	R0	R0	R0	R0	R0	R0	-R183	-R183
Place Of Worship	R0	R160,669	R143,214	R149,065	R138,078	R143,515	R14,950,186	R15,684,727
Public Service	R0	R28,308	R26,195	R7,748	R9,230	R9,230	R1,291,606	R1,372,317
Residential	-R2,971	R17,142,375	R16,334,264	R15,719,406	R15,455,251	R18,153,122	R1,003,419,973	R1,086,221,420
Vacant Land	-R937	R289,378	R255,334	R288,027	R330,543	R291,743	R21,614,009	R23,068,096
Professional	R0	R334,620	R337,229	R334,657	R329,266	R353,679	R34,684,885	R36,374,335
Staff Total	-R382	R397,413	R213,214	R157,158	R142,862	R190,422	R6,379,796	R7,480,483
State Prop-Rates	R0	R89,831	R72,976	R69,790	R69,231	R110,229	-R2,004,238	-R1,592,182
Indigent	-R91,287	R681,322	R736,743	R452,778	R578,459	R231,988	-R558,837	R2,031,167
National (Services Only)	R0	R132,320	R97,494	R85,911	R43,635	R28,626	R428,925	R816,911
Provincial (Services Only)	R0	R548,145	R581,766	R480,508	R827,386	R643,333	R6,173,716	R9,254,854
Total	R102,429	R31,772,741	R28,901,542	R26,826,447	R28,845,559	R31,731,500	R1,248,712,297	R1,396,687,656

CONSUMER CHART

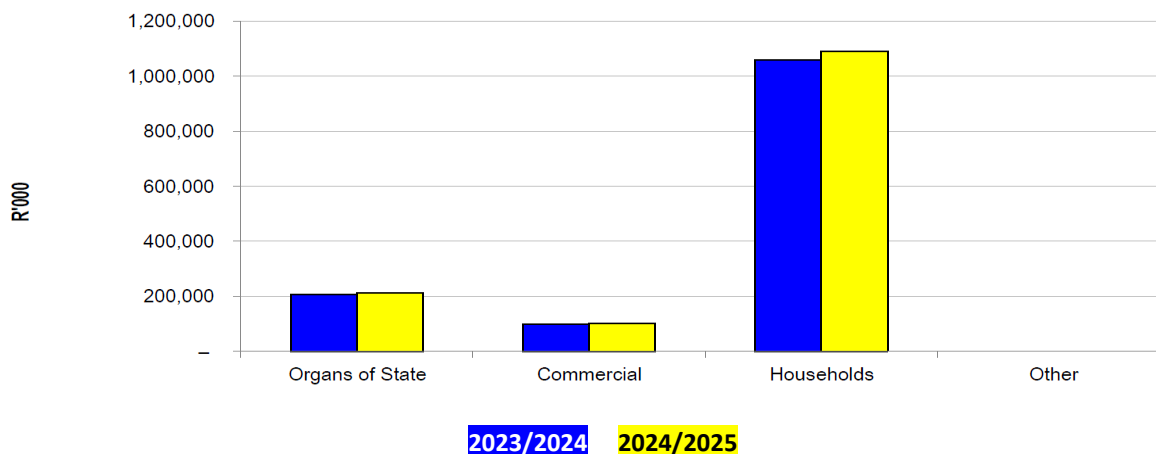


Chart C4 Consumer Debtors (total by Debtor Customer Category)

	2023/24	Budget Year 2024/25
Organs of State	206,049	212,421
Commercial	98,892	101,951
Households	1,058,526	1,091,264
Other	-	-

DEBTOR AGEING CHART

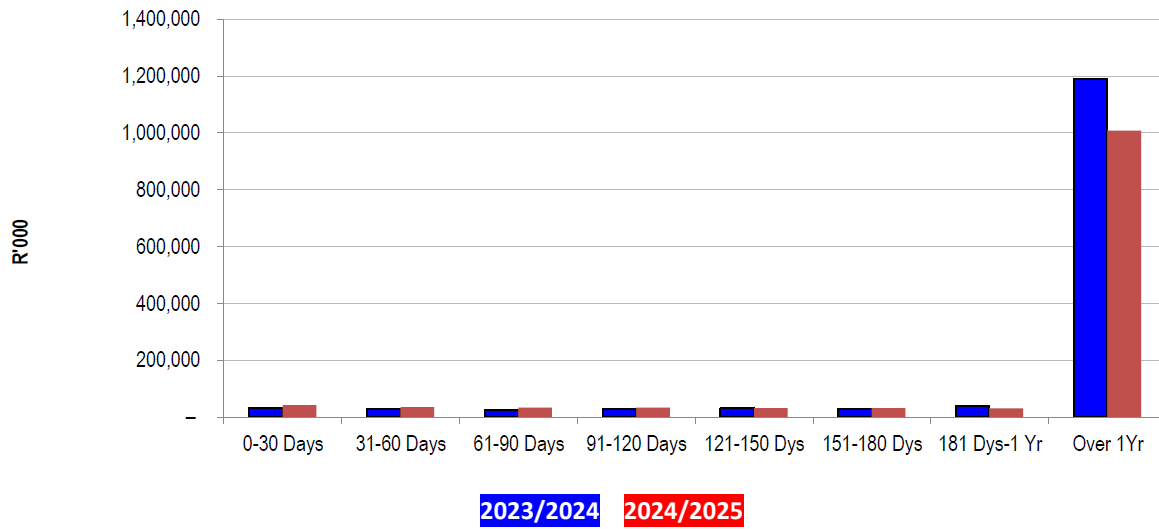
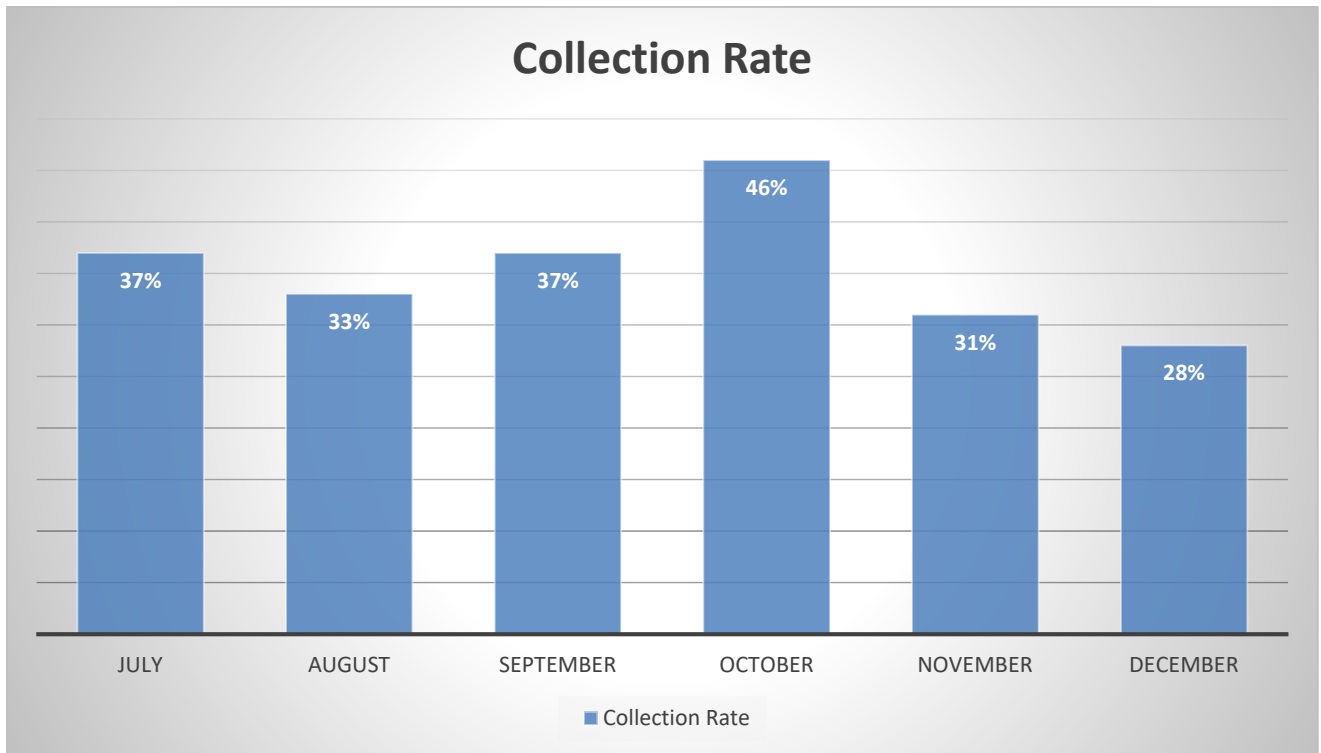


Chart C3 Aged Consumer Debtors Analysis

	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
Budget Year 2024/;	32,129	29,175	27,208	29,071	32,142	28,079	38,098	1,189,736
2023/24	43,010	35,623	33,602	33,740	32,216	32,364	31,331	1,008,140

COLLECTION RATES

Month	2024/2025
July	37%
August	33%
September	37%
October	46%
November	31%
December	28%
Average	35%



COLLECTION RATES PER TOWN

Town	Settlement	Movement	Billing	Payment Rate
Reitz	-R7,091,668	R12,932,146	R14,324,906	50%
Petrus Steyn	-R583,716	R2,150,386	R3,021,239	19%
Lindley	-R5,405	R53,526	R53,526	10%
Arlington	-R20,293	R181,297	R181,297	11%
Vrede Rd Reitz	R0	R43	R43	0%
Senekal Rd Reitz	-R5,500	R61,159	R61,159	9%
Petsana	-R153,244	R3,670,067	R4,931,753	3%
Mamafubedu	-R133,045	-R2,624,828	R3,775,457	4%
Ntha	-R127,663	-R1,971,322	R1,900,264	7%
Leratswana	-R38,886	R1,843,102	R1,841,945	2%
Lindley Rd Farms	-R464,740	R1,216,522	R2,181,773	21%
Bethlehem Rd Farms Arlington	-R32,969	R172,001	R172,001	19%
Reitz Rd Farms	-R167,583	R401,744	R409,207	41%
Heilbron Rd Petrus St Farms	-R13,368	R56,371	R56,371	24%
Sasolburg	R0	R15	R15	0%
Payment Advanced	-R261,189	R0	R0	0%
Total	-R9,099,269	R18,142,230	R32,910,955	

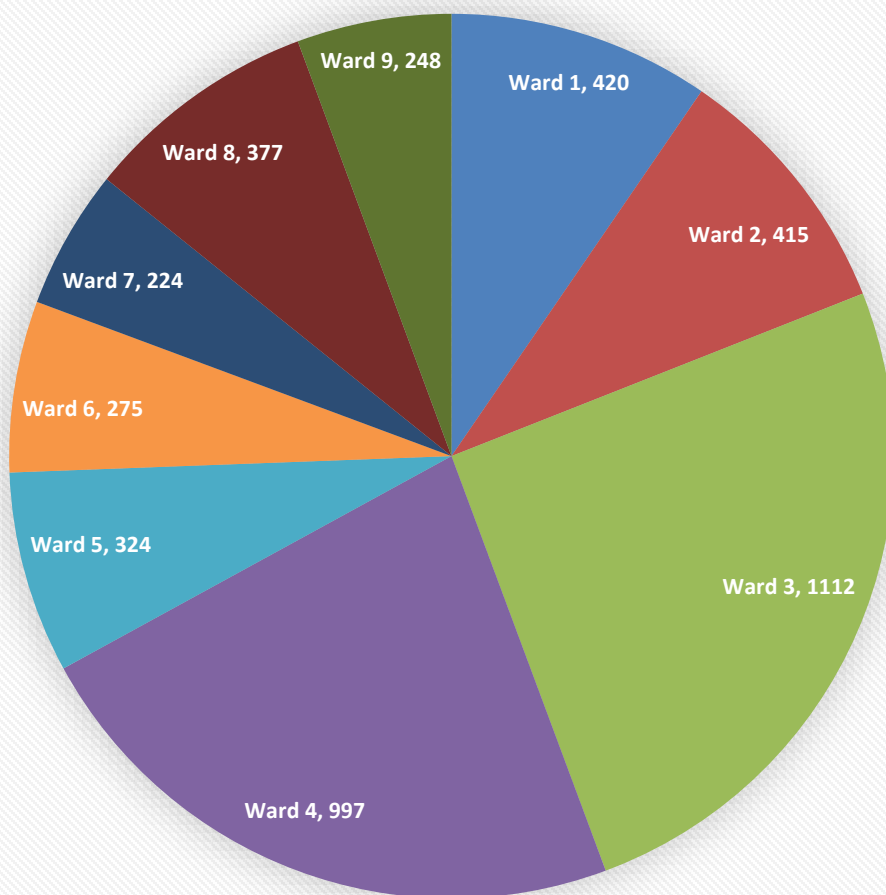
BILLING AND PAYMENTS REPORT

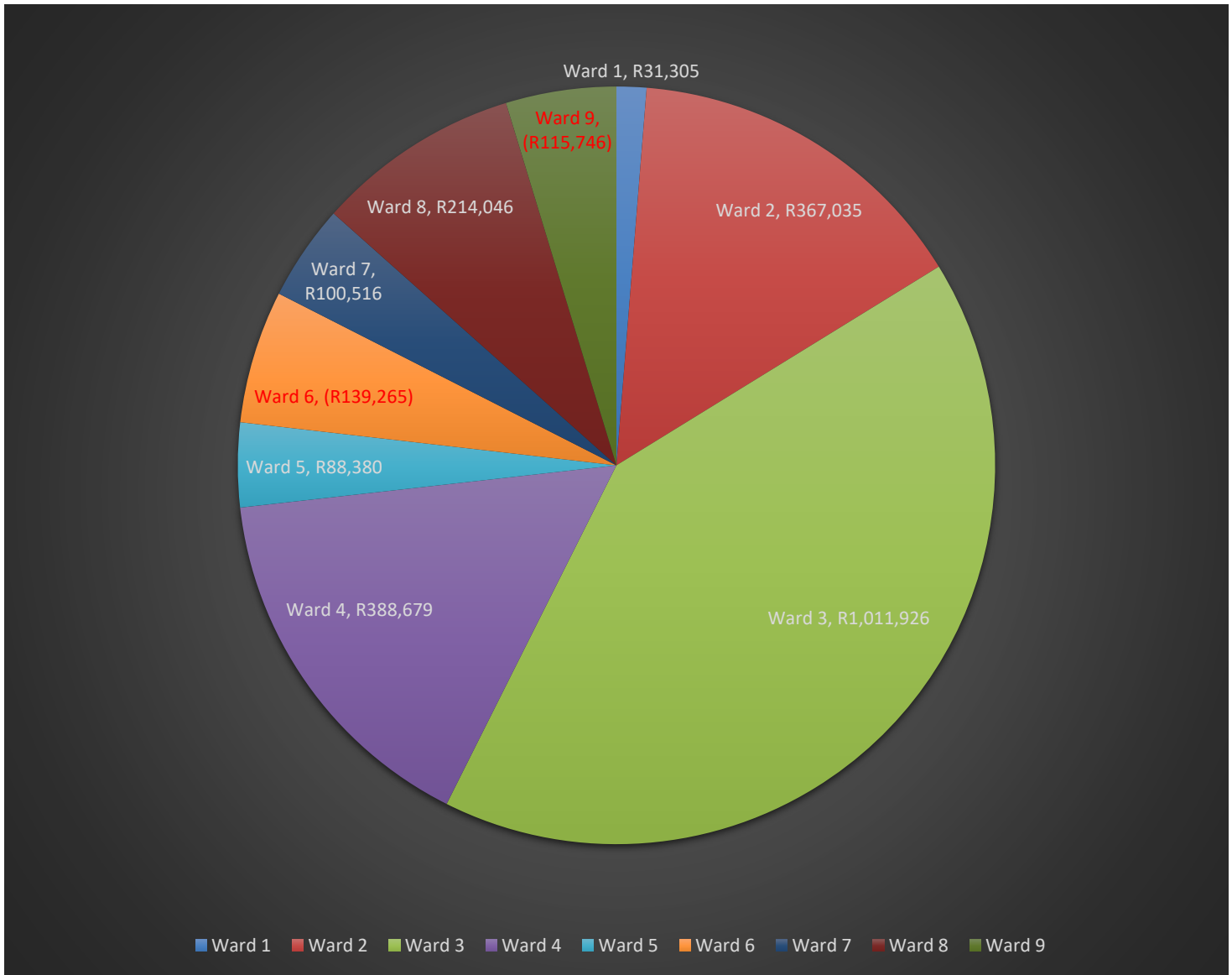
Month	Opening Balance	Billing	Payments	Closing Balance	Payment Rate
July	R1,360,230,323	R38,351,996	-R14,112,017	R1,360,288,508	37%
August	R1,359,581,221	R39,902,813	-R13,405,184	R1,386,078,850	33%
September	R1,386,078,850	-R3,939,405	-R13,305,282	R1,368,834,162	37%
October	R1,368,815,212	R10,270,810	-R14,756,450	R1,364,329,573	46%
November	R1,364,329,573	R33,844,115	-R10,526,429	R1,387,647,259	31%
December	R1,387,647,259	R18,142,230	-R9,101,832	R1,396,687,656	28%

INDIGENT REPORT

The table and charts provide the numbers and account balances per ward and town. At the end of quarter two, the municipality had 4,392 registered indigents on the financial database.

Ward	Town	Number	Balance
Ward 1	Mamafubedu	420	R31,305
Ward 2	Petrus Steyn	415	R367,035
Ward 3	Ntha	1112	R1,011,926
Ward 4	Lindley	997	R388,679
Ward 5	Arlington/Leratswana	324	R88,380
Ward 6	Reitz/Petsana	275	-R139,265
Ward 7	Petsana/Reitz	224	R100,516
Ward 8	Petsana	377	R214,046
Ward 9	Petsana	248	-R115,746
Total		4392	R1,946,875





CREDITOR AGE ANALYSIS

FS193 Nketoana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 - Half Year

Description	NT Code	Budget Year 2024/25									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	8,037	17,004	-	-	31,213	-	13,833	103,333	173,420	61,014	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	20,066	10,644	1,133	351	4,056	763	3,278	673,245	713,534	699,498	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	28,102	27,648	1,133	351	35,269	763	17,111	776,578	886,954	760,512	

BALANCES OVER R1M

Creditor Name	Ageing	0days	30days	60days	90days	120days	Total
Eskom	Current	R10,645,613	R21,199,665	R0	R0	R812,768,222	R844,613,499
Bonke N Trading Cc	Current	R5,847,303	R4,859,444	R0	R0	R0	R10,706,747
Salga	Current	R0	R0	R0	R0	R2,784,935	R2,784,935
Mashinini Enterprise Trust	Current	R0	R0	R0	R0	R2,254,730	R2,254,730
Dept Of Water And Sanitation	Current	R0	R0	R0	R0	R1,451,176	R1,451,176
Kumula Investment Pty Ltd	Current	R501,682	R765,812	R0	R0	R0	R1,267,493
Aqua Transport Plant Hire	Current	R0	R0	R0	R0	R1,064,210	R1,064,210
L K G A Construction And Proj	Current	R1,008,910	R0	R0	R0	R0	R1,008,910

**This lists the 10 biggest balances, not the full payable listing*

TRANSFERS AND GRANTS

RECEIPTS

SC6

FS193 Nketoana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		134,306	138,783	-	103,527	103,527	92,522	11,005	11.9%	138,783
Expanded Public Works Programme Integrated Grant		808	-	-	840	840	-	840	#DIV/0!	-
Local Government Financial Management Grant		2,850	-	-	2,800	2,800	-	2,800	#DIV/0!	-
Equitable Share		130,648	138,783	-	99,887	99,887	92,522	7,365	8.0%	138,783
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants		134,306	138,783	-	103,527	103,527	92,522	11,005	11.9%	138,783
Capital Transfers and Grants										
National Government:		27,337	-	-	41,831	41,831	-	41,831	#DIV/0!	-
Municipal Infrastructure Grant		19,648	-	-	26,400	26,400	-	26,400	#DIV/0!	-
Integrated National Electrification Programme Grant		-	-	-	431	431	-	431	#DIV/0!	-
Water Services Infrastructure Grant		7,689	-	-	15,000	15,000	-	15,000	#DIV/0!	-
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants		27,337	-	-	41,831	41,831	-	41,831	#DIV/0!	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		161,643	138,783	-	145,358	145,358	92,522	52,836	57.1%	138,783

EXPENDITURE

SC7

FS193 Nketoana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		4,200	-	-	2,196	2,196	-	2,196	#DIV/0!	-
Expanded Public Works Programme Integrated Grant		1,121	-	-	840	840	-	840	#DIV/0!	-
Local Government Financial Management Grant	3	3,080	-	-	1,356	1,356	-	1,356	#DIV/0!	-
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants		4,200	-	-	2,196	2,196	-	2,196	#DIV/0!	-
Capital Transfers and Grants										
National Government:		30,925	-	-	10,732	10,732	-	10,732	#DIV/0!	-
Municipal Infrastructure Grant		16,468	-	-	5,357	5,357	-	5,357	#DIV/0!	-
Integrated National Electrification Programme Grant		1	-	-	-	-	-	-		-
Water Services Infrastructure Grant		14,456	-	-	5,375	5,375	-	5,375	#DIV/0!	-
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants		30,925	-	-	10,732	10,732	-	10,732	#DIV/0!	-
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		35,125	-	-	12,928	12,928	-	12,928	#DIV/0!	-

Please refer to **Capital Programme Performance** for capital spending per grant and project.

CAPITAL PROGRAMME PERFORMANCE

MUNICIPAL INFRASTRUCTURE GRANT

PROJECT	Budget	Actual Expenditure	Unspent Amount	Unspent %
Project Management Unit (PMU)	1,448,300.00	724,149.99	724,150.01	50%
Petsana: Upgrading of 1.6km gravel roads to paved roads and storm water drainage (MIS:470810)	10,725,227.26	7,714,202.43	3,011,024.83	28%
Reitz: Construction of Alternative Dam in Geluk Farm (MIS:477458)	11,083,162.54	2,762,910.38	8,320,252.16	75%
Arlington: Upgrading of Sports Facility Phase 2 (MIS:358739)	2,875,508.20	183,745.17	2,691,763.03	94%
Petsana: Installation of 5 (30m) high mast lights (MIS:509983)	2,736,802.00	2,326,033.81	410,768.19	15%
Total	28,869,000.00	13,711,041.78	15,157,958.22	

Allocation 28,869,000.00
 % Spent at 31 December 2024 **47%**

WATER SERVICES INFRASTRUCTURE GRANT

	Allocation	Quarter 1	Quarter 2	Total	Unspent
Matoding Water Supply	-R18,000,000	R11,500,013	R2,619,016	R14,119,029	-R3,880,971
Refurbish 10 existing boreholes and drilling 12 new boreholes	-R13,750,000	R0	R2,380,984	R2,380,984	-R11,369,016
Total	-R31,750,000	R11,500,013	R5,000,000	R16,500,013	-R15,249,987

REGIONAL BULK INFRASTRUCTURE GRANT

PROJECT	Contract Value	22/23 Expenditure	23/24 Expenditure	24/25 Expenditure (Q1)	24/25 Expenditure (Q2)	Total Expenditure	Expenditure %
Phase 1, Stage 1: Reitz WTW: Part B and raw water pump station and High Lift Pump Station	40,322,247	834,701	9,871,624	5,648,796	2,020,844	18,375,965	46%
Phase 1, Stage 2 Part D: Construction of 12 km 315mm dia m PVC pipeline from Reitz to Petrus Steyn	49,959,839	1,860,815	23,221,319	-	864,377	25,946,511	52%
Phase 2, Stage 4: Construction of 3MI Reservoir in Petrus Steyn	16,821,145	4,547,982	7,310,696	1,344,916	1,188,849	14,392,442	86%
Phase 2, Stage 8.1: Construction of 3MI Lindley	18,999,616	4,214,004	8,395,242	2,124,564	180,566	14,914,376	78%
Phase 2, Stage 10: Construction of 3MI Arlington	17,425,411	843,887	1,824,360	731,379	-	3,399,626	20%

EMPLOYEE-RELATED COSTS

SC8

FS193 Nketoana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - Half Year

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		10,900	6,250	-	3,721	3,721	3,125	597	19%	6,250
Pension and UIF Contributions		737	186	-	377	377	93	284	304%	186
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	569	-	-	-	284	(284)	-100%	569
Cellphone Allowance		-	172	-	-	-	86	(86)	-100%	172
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		11,638	7,176	-	4,098	4,098	3,588	510	14%	7,176
% increase	4		-38.3%							-38.3%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		12,037	5,642	-	3,846	3,846	2,821	1,025	36%	5,642
Pension and UIF Contributions		17	22	-	12	12	11	1	6%	22
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	537	-	11	11	268	(258)	-96%	537
Motor Vehicle Allowance		68	378	-	161	161	189	(28)	-15%	378
Cellphone Allowance		-	77	-	-	-	39	(39)	-100%	77
Housing Allowances		-	54	-	3	3	27	(24)	-89%	54
Other benefits and allowances		573	-	-	387	387	-	387	#DIV/0!	-
Payments in lieu of leave		4,897	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		17,592	6,709	-	4,419	4,419	3,355	1,065	32%	6,709
% increase	4		-61.9%							-61.9%

FS193 Nketoana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - Half Year

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Other Municipal Staff										
Basic Salaries and Wages		100,001	108,514	-	51,689	51,689	54,257	(2,567)	-5%	108,514
Pension and UIF Contributions		19,916	18,687	-	10,334	10,334	9,344	990	11%	18,687
Medical Aid Contributions		4,453	3,022	-	2,580	2,580	1,511	1,069	71%	3,022
Overtime		12,811	10,047	-	6,739	6,739	5,023	1,716	34%	10,047
Performance Bonus		7,501	6,782	-	3,887	3,887	3,391	496	15%	6,782
Motor Vehicle Allowance		9,465	7,253	-	5,454	5,454	3,626	1,828	50%	7,253
Cellphone Allowance		1,902	1,917	-	980	980	958	21	2%	1,917
Housing Allowances		1,471	1,709	-	758	758	854	(96)	-11%	1,709
Other benefits and allowances		2,030	1,689	-	1,211	1,211	844	366	43%	1,689
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		(398)	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	4,743	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		5,285	2,072	-	1,348	1,348	1,036	313	30%	2,072
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		169,180	161,691	-	84,980	84,980	80,845	4,135	5%	161,691
% increase	4		-4.4%							-4.4%
Total Parent Municipality		198,410	175,576	-	93,498	93,498	87,788	5,710	7%	175,576

OVERTIME PER DEPARTMENT

Department	July	August	September	October	November	December	Total
Community	R93,529	R104,873	R137,054	R187,498	R187,359	R268,860	R979,173
Corporate	R6,068	R6,250	R8,863	R15,905	R2,540	R4,234	R43,860
Finance	R13,024	R4,809	R28,024	R7,600	R0	R0	R53,457
LED Tourism And Planning	R873	R3,299	R0	R0	R0	R0	R4,172
Office Of Municipal Manager	R23,231	R10,938	R0	R0	R14,751	R0	R48,920
Office Of The Mayor	R0	R0	R0	R5,422	R0	R208	R5,630
Office Of The Speaker	R4,378	R2,363	R0	R0	R0	R0	R6,741
Other	R16,780	R24,744	R28,878	R28,098	R30,497	R39,144	R168,141
Political Office - Speaker	R4,508	R2,433	R0	R0	R0	R2,644	R9,585
Technical	R299,192	R306,856	R338,776	R321,951	R285,116	R308,942	R1,860,833
Total	R461,583	R466,566	R541,594	R566,474	R520,263	R624,032	R3,180,513

A total of 23,551 hours of overtime were claimed across all departments in the first six months of the financial year.

Below is a list of employees who have been paid more than R30k in six months for overtime:

Employee Code	Name	Amount
0020	Mr M LABUSCHAGNE	63,580.52
0147	Mr TR MAKHANYA	59,889.78
WI015	Mr NM MOLAKENG	57,692.33
WI017	Mr BJ RADEBE	45,177.08
0072	Mr MS CELE	43,777.47
0071	Mr TJ MOSEA	43,710.76
0680	Mr T.L SEFATE	42,627.43
0414	Mr MP SIKHOSANA	41,346.30
0547	Mr MP CHABALALA	39,171.67
0124	Mr TP TSHABALALA	36,399.00
0336	Mr TI MOFOKENG	35,920.89
WG087	Mr T MOLOI	35,775.47
0248	Mr PJ MAKASHANE	33,083.72
0611	Mr MI NKOMO	33,045.25
0621	Mr SM MAKHOBABA	32,778.91
0509	Mr MJ MOKOENA	31,732.73
WP154	Mr JB KHUMALO	31,455.72
0053	Mr BI SIKHOSANA	30,736.37
0388	Mr ME MABEA	30,693.27
0495	Mr MM MALINDI	30,483.16
0610	Mr SJ MIYA	30,271.76

SUPPLY CHAIN MANAGEMENT

BID STATISTICS

CONTRACTS UNDER R 300,000

Description	RFQ no.	Advert date	Closing date	Amount	Region
Supply and delivery of crusher dust in Mamafubedu unit	2340/2024	21/11/2024	29/11/2024	R82,340	Thabo Mofutsanyana
supply of SS60 bitumen drums in Mamafubedu unit	2428/2024	06/11/2024	14/11/2024	R175,000	Free State
leasing of 4m3 tipper truck for Lindley	2427/2024	04/11/2024	12/11/2024	R283,500	Thabo Mofutsanyana
Supply of cold asphalt bags (25kg)	2429/2024	06/11/2024	14/11/2024	R198,000	Nketoana Municipality
Hiring trucks for transporting water to Petsana wards 8 & 9	2431/2024	06/11/2024	14/11/2024	R198,029	Nketoana Municipality
Installation of Mamafubedu community hall (clear view) 140m Galvanised 12.5m wire 3/4 mm	2146/2023	10/02/2023	20/02/2023	R157,080	Nketoana Municipality
Supply and delivery of rectangular portal culverts	2139/2023	03/02/2023	13/02/2023	R97,992	Nketoana Municipality
Supply and delivery of electrical materials	2142/2023	08/02/2023	16/02/2023	R94,000	Free State
Leasing of cherry picker for Reitz	2422/2024	24/10/2024	01/11/2024	R245,025	Nketoana Municipality
leasing of 4m3 tipper truck for Reitz	2426/2024	04/11/2024	12/11/2024	R280,000	Nketoana Municipality
supply of T6 rotating element	2434/2024	15/11/2024	25/11/2025	R183,500	Nketoana Municipality
hiring of cherry picker for Ntha/Lindley	2366/2024	19/08/2024	29/08/2024	R250,200	Free State
Supply of materials for parks and cemetery	2358/2024	31/10/2024	08/11/2024	R88,927	Thabo Mofutsanyana
Brush cutter with autocut 36.2 moving heads, goggles, and harness.	2437/2024	13/11/2024	20/11/2024	R219,386	Nketoana Municipality
Hiring a septic truck (honey sucker for emptying VIP toilets in Leratswana.	2432/2024	06/11/2024	14/11/2024	R295,000	Nketoana Municipality
Supply and delivery of water materials	2424/2024	21/11/2024	29/11/2024	R269,275	Nketoana Municipality
Supply and delivery of cable joints	2371/2024	29/10/2024	06/11/2024	R164,109	Thabo Mofutsanyana

Description	RFQ no.	Advert date	Closing date	Amount	Region
Supply and delivery of water pump electrical components	2340/2024	29/10/2024	06/11/2024	R165,121	Thabo Mofutsanyana
Leasing 4m3 tipper truck for Mamafubedu	2425/2024	01/11/2024	11/11/2024	R291,600	Thabo Mofutsanyana
Supply and delivery of crusher dust in Reitz	2416/2024	11/10/2024	21/10/2024	R89,470	Thabo Mofutsanyana
Supply and delivery of crusher dust in Lindley	2415/2024	11/10/2024	21/10/2024	R62,629	Thabo Mofutsanyana
Supply of ss60 drums in Reitz unit	2413/2024	11/10/2024	21/10/2024	R225,000	Thabo Mofutsanyana
Supply of ss60 drums in Lindley unit	2412/2024	11/10/2024	21/10/2024	R15,000	Thabo Mofutsanyana
Hiring excavator to remove slit form the storage dams.	2404/2024	01/10/2024	09/10/2024	R70,000	Nketoana Municipality
Hiring 2 (10) cube tipper trucks	2406/2024	01/10/2024	01/10/2024	R69,000	Thabo Mofutsanyana
Hiring water truck to transport water to Matoding section for 30 days.	2419/2024	16/10/2024	24/10/2024	R99,015	Nketoana Municipality
Hiring water truck to transport water to informal settlement Petsana for 30 days.	2418/2024	16/10/2024	24/10/2024	R99,015	Nketoana Municipality
Hiring water truck to transport water to informal settlement Petsana for 60 days.	2392/2024	29/09/2024	03/10/2024	R198,030	Nketoana Municipality
Hiring tipper trucks in Reitz	2402/2024	01/10/2024	09/10/2024	R69,000	Thabo Mofutsanyana
Hiring water truck for Ntha informal settlement and Kaallaagte	2396/2024	01/10/2024	09/10/2024	R215,050	Nketoana Municipality
Hiring water truck for Leratswana and Arlington.	2410/2024	09/10/2024	19/10/2024	R184,000	Nketoana Municipality
Hiring trucks for transporting water to Petsana wards 8 & 9	2394/2024	26/09/2024	03/10/2024	R198,029	Nketoana Municipality
Supply of grass-cutting slasher heavy 1.8 meter	2448/2024	27/11/2024	05/12/2024	R141,738	Nketoana Municipality
Maintenance of enviro-loo toilets	2447/2024	27/11/2024	05/12/2024	R215,875	Nketoana Municipality
Supply and delivery of A4 50mg/m2, 500 sheets printing boxes white paper.	2352/2024	02/08/2024	14/08/2024	R76,002	Nketoana Municipality

Description	RFQ no.	Advert date	Closing date	Amount	Region
Purchasing of 24 ports hybrid with man console	2341/2024	24/07/2024	01/08/2024	R163,200	Nketoana Municipality
Hiring of an excavator and low bed to remove the slit from the storage dams in Arlington.	2350/2024	18/07/2024	26/07/2024	R70,000	Nketoana Municipality
Supply and delivery of cleaning materials.	2357/2024	05/08/2024	14/08/2024	R81,799	Thabo Mofutsanyana
Supply and delivery of oils	2362/2024	12/07/2024	21/08/2024	R112,000	Nketoana Municipality
Maintenance of Reitz landfill site	2161/2024	13/08/2024	21/08/2024	R298,250	Thabo Mofutsanyana
Installation of Mamafubedu community hall (clear view) 140m Galvanised 12.5m wire 3/4 mm	2146/2023	10/02/2023	20/02/2023	R157,080	Nketoana Municipality
Supply and delivery of rectangular portal culverts	2139/2023	03/02/2023	13/02/2023	R97,992	Nketoana Municipality
Supply and delivery of electrical materials	2142/2023	08/02/2023	16/02/2023	R94,000	Free State
Supply and delivery of electrical materials	2370/2024	19/08/2024	29/08/2024	R290,400	Thabo Mofutsanyana
Sand filter three water plants	2376/2024	19/08/2024	29/08/2024	R288,100	Thabo Mofutsanyana
Supply and delivery of water pipe clamps.	2375/2024	19/08/2024	29/08/2024	R154,000	Nketoana Municipality
hiring of cherry picker for Ntha/lindley	2366/2024	19/08/2024	29/08/2024	R250,200	Free State
Supply and delivery of stationery	2358/2024	05/08/2024	14/08/2024	R97,102	Thabo Mofutsanyana
Supply and delivery of crusher dust in Mamafubedu unit	2328/2024	16/07/2024	24/07/2024	R76,002	Nketoana Municipality
Supply and delivery of 100M3 crusher dust in Arlington unit	2335/2024	18/07/2024	26/07/2024	R95,268	Nketoana Municipality
Supply and delivery of ss60 drums in Reitz	2337/2024	18/07/2024	26/07/2024	R 273,000	Nketoana Municipality
Supply and delivery of 100M3 crusher dust in Reitz unit.	2339/2024	18/07/2024	26/07/2024	R 103,552	Nketoana Municipality
Hiring of Jetting truck for unblocking sewer lines	2364/2024	19/08/2024	27/08/2024	R 72,036	Free State
Hiring septic truck for emptying VIP toilets " Leratswana	2363/2024	19/08/2024	27/08/2024	R 136,000	Nketoana Municipality

CONTRACTS OVER R 300,000

Description	RFQ no.	Advert date	Compulsory briefing session	Closing date	Name of bidder	Region	Amount
Upgrading/Refurbishment of Arlington Sports Facility	NKT262/2024	29/08/2024	N/A	20/09/2024	Ntjapedi Enterprise	Nketoana Local Municipality	R 2,632,199

IRREGULAR EXPENDITURE

PAYEE	DESCRIPTION	AMOUNT	REASON
Nkateko Group	NKT236/2022 Construction of 3ml concrete reservoir in Lindley Phase 8.1	261,186.84	Bid Specifications did not include local content as per requirements of PPR
Nkateko Group	NKT236/2022 Construction of 3ml concrete reservoir in Lindley Phase 8.1	159,738.16	Bid Specifications did not include local content as per requirements of PPR
Nkateko Group	NKT236/2022 Construction of 3ml concrete reservoir in Lindley Phase 8.1	180,565.72	Bid Specifications did not include local content as per requirements of PPR
Kumula Investment	NKT237 Construction of 3ML concrete reservoir in Petrus Steyn-Phase 4	1,344,915.63	Bid Specifications did not include local content as per requirements of PPR
Kumula Investment	NKT237 Construction of 3ML concrete reservoir in Petrus Steyn-Phase 4	1,431,476.62	Bid Specifications did not include local content as per requirements of PPR
Kumula Investment	NKT237 Construction of 3ML concrete reservoir in Petrus Steyn-Phase 4	1,005,831.31	Bid Specifications did not include local content as per requirements of PPR
Keep It Reactive	NKT243/2022 New high lift pump station and 2ML reinforced concrete storage reservoir Phase 1B	1,952,973.91	Bid Specifications did not include local content as per requirements of PPR
Keep It Reactive	NKT243/2022 New high lift pump station and 2ML reinforced concrete storage reservoir Phase 1B	1,897,194.15	Bid Specifications did not include local content as per requirements of PPR
Keep It Reactive	NKT243/2022 New high lift pump station and 2ML reinforced concrete storage reservoir Phase 1B	657,505.99	Bid Specifications did not include local content as per requirements of PPR
Lkga	NKT242/2022 Construction of 12km pipeline (315mm, 250mm and 200mm dia PVC) from Reitz Water Treatment Works to Petrus Steyn - Phase 2D	987,533.74	Bid Specifications did not include local content as per requirements of PPR
Lkga	NKT242/2022 Construction of 12km pipeline (315mm, 250mm and 200mm dia PVC) from Reitz Water	392,447.56	Bid Specifications did not include local content as per requirements of PPR

PAYEE	DESCRIPTION	AMOUNT	REASON
	Treatment Works to Petrus Steyn - Phase 2D		
Sebatsi	Construction of 2.5ML concrete reservoir in Lindley/Ntha	450,096.07	Bid Specifications did not include local content as per requirements of PPR
Sebatsi	Construction of 2.5ML concrete reservoir in Lindley/Ntha	1,421,270.48	Bid Specifications did not include local content as per requirements of PPR
Sebatsi	Construction of 2.5ML concrete reservoir in Lindley/Ntha	460,917.44	Bid Specifications did not include local content as per requirements of PPR
Sebatsi	Construction of 2.5ML concrete reservoir in Lindley/Ntha	292,411.72	Bid Specifications did not include local content as per requirements of PPR
Keep IT Reactive	NKT243/2022 New high lift pump station and 2ML reinforced concrete storage reservoir Phase 1B	582,974.11	Bid Specifications did not include local content as per requirements of PPR
Keep IT Reactive	NKT243/2022 New high lift pump station and 2ML reinforced concrete storage reservoir Phase 1B	951,880.77	Bid Specifications did not include local content as per requirements of PPR
Lkga	NKT242/2022 Construction of 12km pipeline (315mm, 250mm and 200mm dia PVC) from Reitz Water Treatment Works to Petrus Steyn - Phase 2D	1,008,909.88	Bid Specifications did not include local content as per requirements of PPR
Lkga	NKT242/2022 Construction of 12km pipeline (315mm, 250mm and 200mm dia PVC) from Reitz Water Treatment Works to Petrus Steyn - Phase 2D	864,376.74	Bid Specifications did not include local content as per requirements of PPR
Rampai Attorneys	Panel of attorneys	434,615.23	Quotation not sourced before mandate given to the service provider
Lessing Attorneys (JML Attorneys)	Panel of attorneys	687,480.00	Quotation not sourced before mandate given to the service provider
Lessing Attorneys (JML Attorneys)	Panel of attorneys	285,254.33	Quotation not sourced before mandate given to the service provider

15,758,582.49

DEVIATIONS FROM SUPPLY CHAIN PROCESSES

No.	Amount	Description of incident	Reason for deviation
1	R218,040	A water tanker/truck was urgently needed to deliver water from Mamafubedu to Lindley for a period of 60 days	Due to low levels, the dry season experienced in the municipal area does not allow the municipality to pump water into certain areas. Lack of water poses a threat to life. There is no alternative measure or source in place for water provision except through delivery by water trucks/water tankers. The Ash and False Rivers supply the Arlington/Leratswana and Lindley/Ntha areas. Both rivers are completely dry due to lack of rainfall. As a medium-term plan, the Municipality requested funding from the Department of Water and Sanitation to refurbish existing boreholes in the Arlington/Leratswana and Lindley/Ntha areas. In the immediate, the provision of water through trucks/tankers is the only solution. Normal tender processes would take +/- 10 days, which would be detrimental for a community already without water. The Municipality has dispatched its water truck to Lindley/Ntha to alleviate the problem. However, due to the vast land and population of the area, at least 3 trucks/tankers were needed.
2	R232,000	A water tanker/truck was urgently needed to deliver water from Mamafubedu to Lindley for a period of 60 days	Due to low levels, the dry season experienced in the municipal area does not allow the municipality to pump water into certain areas. Lack of water poses a threat to life. There is no alternative measure or source in place for water provision except through delivery by water trucks/water tankers. The Ash and False Rivers supply the Arlington/Leratswana and Lindley/Ntha areas. Both rivers are completely dry due to lack of rainfall. As a medium-term plan, the Municipality requested funding from the Department of Water and Sanitation to refurbish existing boreholes in the Arlington/Leratswana and Lindley/Ntha areas. In the immediate, the provision of water through trucks/tankers is the only solution. Normal tender processes would take +/- 10 days, which would be detrimental for a community already without water. The Municipality has dispatched its water truck to Lindley/Ntha to alleviate the problem. However, due to the vast land and population of the area, at least 3 trucks/tankers were needed.

CONTRACTS

Tender Description	Contract Amount	Contract Duration	Start Date	Amount Paid
Appointment of a service provider for the review/recovery and calculation of value-added tax	R0	3 Years	13-01-2022	R799,109
Construction of 3ml concrete reservoir in Lindley Phase 8.1	R18,999,616	11.25 Months	01-09-2023	R8,395,242
Construction of 3ml concrete reservoir in Petrus Steyn Phase 4	R16,821,145	11.25 Months	01-09-2023	R8,076,455
Panel of three service providers for the supply and delivery of chemicals (flocculent), reagents, and laboratory ware for water and wastewater treatment works for a period of three years	N/A	3 Years	23-12-2022	R0
Construction of 2.5ML concrete reservoir in Lindley/Ntha	R15,498,327	48 weeks	04-06-2023	R6,682,480
Construction of 3ML concrete reservoir in Leratswana/Arlington phase 10	R17,425,411	48 weeks	04-06-2023	R1,824,360
Construction of 12KM Pipeline from Reitz Water Treatment Works to Petrus Steyn Phase 2D	R49,959,939	72 weeks	04-06-2023	R22,625,765
New High Lift Station and 2ML reinforced concrete storage reservoir Phase 1B	R40,322,246	72 weeks	04-06-2023	R8,894,384
Construction of Matoding water supply	R32,518,237	10 weeks	03-12-2024	R6,271,046
Construction of the Reitz alternative dam at Geluk Farm	R23,987,397	8 months	04-06-2024	R0
Petsana, Upgrading of 1.6km gravel roads to paved roads and storm water	R15,593,602	6 months	06-03-2024	R5,048,353
Supply, delivery, installation, and commissioning power supply machine (UPS)	R442,750	Once-off	Once-off	R0
Provision of short-term insurance for 36 months	R1,428,979	3 Years	06-01-2024	R1,428,979
Compilation of annual financial Statements for 36 months	R2,835,000	3 Years	15-05-2024	R0
Compilation of fixed asset register for 36 months	R3,997,967	3 Years	18-06-2024	R0
Compilation of Valuation Roll for financial year 01/07/2025 to 30/06/2030	R1,650,335 for general valuation roll PLUS rates	5 Years	07-01-2025	R0
Refurbishment of 12 existing, drilling and equipping of 10 new boreholes in Petrus Steyn and Reitz consecutively (Turnkey)	R13,000,000	4 Months	09-06-2024	R0
Installation of 5 (30m) high mast lights in Petsana.	R2,313,800	2 Months	07-05-2024	R0

Tender Description	Contract Amount	Contract Duration	Start Date	Amount Paid
Construction of 11kv take-over switching station in Lindley.	R5,498,101	8 months	20-09-2024	R0
Upgrading/Refurbishment of Arlington Sports Facility	R2,632,197	6 months	11-07-2024	R0

UNAUTHORIZED EXPENDITURE

Unauthorized expenditure is calculated annually since material items such as debt impairment, depreciation, actuarial valuations, etc. are finalized at yearend. The mid-year budget adjustments will anticipate unauthorized expenditure based on projections and then aim to reduce and avoid unauthorized expenditure per vote at yearend.

The municipality is operating with an unfunded budget and unauthorized expenditures will inevitably be incurred. The budget funding plan that was adopted with the 2024/2025 MTREF aims to move the municipality towards a funded budget and reduce unauthorized expenditures.

FS193 Nketoana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		186,772	168,400	-	89,400	89,400	84,200	5,200	6%	168,400
Remuneration of councillors		11,638	7,176	-	4,098	4,098	3,588	510	14%	7,176
Bulk purchases - electricity		99,261	105,000	-	48,916	48,916	52,250	(3,334)	-8%	105,000
Inventory consumed		15,236	23,057	-	7,876	7,876	11,528	(3,652)	-32%	23,057
Debt impairment		188	85,442	-	31,138	31,138	42,721	(11,583)	-27%	85,442
Depreciation and amortisation		86,710	58,744	-	32,755	32,755	29,372	3,383	12%	58,744
Interest		39,795	50,400	-	10,795	10,795	25,200	(14,405)	-57%	50,400
Contracted services		41,051	34,012	-	11,884	11,884	17,006	(5,122)	-30%	34,012
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		422,169	47,153	-	92,179	92,179	23,576	68,603	291%	47,153
Operational costs		49,331	58,526	-	30,765	30,765	30,076	690	2%	58,526
Losses on Disposal of Assets		6,061	-	-	-	-	-	-	-	-
Other Losses		19,410	-	-	-	-	-	-	-	-
Total Expenditure		977,621	637,911	-	359,806	359,806	319,518	40,289	13%	637,911
Surplus/(Deficit)		(331,775)	(178,216)	-	(46,620)	(46,620)	(62,440)	15,820	-25%	(178,216)
Transfers and subsidies - capital (monetary allocations)		77,251	131,149	-	34,997	34,997	65,574	(30,578)	-47%	131,149
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(254,525)	(47,067)	-	(11,623)	(11,623)	3,135			(47,067)
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(254,525)	(47,067)	-	(11,623)	(11,623)	3,135			(47,067)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(254,525)	(47,067)	-	(11,623)	(11,623)	3,135			(47,067)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(254,525)	(47,067)	-	(11,623)	(11,623)	3,135			(47,067)

From the above mid-year assessment, there has already been unauthorized expenditure incurred on the "irrecoverable debts written off" item.

FRUITLESS & WASTEFUL EXPENDITURE

The Fruitless & Wasteful Expenditure up to December 2024 amounts to R 14.6 million.

Period	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
AG (SA)	R0	R0	R0	R0	R0	R0	R0
DBSA	R44,061	R44,483	R0	R0	R0	R0	R88,544
ESKOM (bulk account)	R1,798,293	R2,070,039	R1,893,210	R2,302,235	R2,609,076	R2,262,982	R12,935,835
ESKOM	R7,612	R5,893	R2,736	R3,803	R2,639	R0	R22,683
SARS (EMP201)	R304,359	R281,555	R311,901	R254,575	R248,205	R217,270	R1,617,865
Grand Total	R2,154,325	R2,401,969	R2,207,848	R2,560,612	R2,859,920	R2,480,252	R14,664,926

EXTERNAL LOANS

The municipality's borrowings are limited to a loan from the Development Bank of South Africa.

Loan name	Principal debt	Opening balance	Borrowings	Repayments	Interest accrued	Other movements	Closing balance
DBSA	R 9,600,000	R 4,695,878	R-	R-	R-	R-	R 4,695,878

INVESTMENT PORTFOLIO

CASH BALANCES

<i>Account type</i>	<i>Balance</i>
Operating account	R 2 000 034
Banktel account	R-2 801 670
Call account	R 22 019 088
Total	R 22 157 237

BANK BALANCES

<i>Account type</i>	<i>Balance</i>
Operating account	R 275 862
Banktel account	R-137 713
Call account	R 22 019 088
Total	R 22 157 237

OTHER FINANCIAL ASSETS

<i>Asset type</i>	<i>Balance</i>
VKB – Unlisted shares	R 5 000
VKB – Preference shares	R 440 182
VKB – Shareholders loan	R 176 990
Old Mutual - Policy	R 837 161
Standard Bank – Money Market	R 36 113
Total	R 1 495 446

BUDGET FUNDING PROGRESS

The municipality's unfunded budget was adopted with a budget funding plan. The funding plan is monitored monthly to ensure progress towards a funded budget. The funding plan criteria and outcomes are tabled below:

Budget Funding Matrix	Nov-24	Dec-24
Trade Payables – balance	R 882,972,000	R 886,954,000
Trade Payables - % overdue	98%	97%
Monthly Eskom statement	R 827,156,945	R 848,241,819
Monthly Waterboards and DWA statement	R 8,921,909	R 8,921,909
Cash and short-term liquidity (days) - Improve cost coverage to: <ul style="list-style-type: none"> • FY 2021/22 – 15 days cash on hand. • FY 2022/23 – 30 days cash on hand • FY 2023/24 – 2 months cash on hand 	0 days	21 days
Implement positive Cash flow statement: <ul style="list-style-type: none"> • Establish a Cash Management Committee and meet weekly. • Compile, implement, and monitor monthly cash flow projections. • Ring-fencing of conditional grants 	<ul style="list-style-type: none"> • No • No • No 	<ul style="list-style-type: none"> • No • No • No
Reduce non-core expenditure: <ul style="list-style-type: none"> - Legal costs - Interest paid - Consulting fees 	<ul style="list-style-type: none"> - R 1,143,161 - R 0 - R 386,784 	<ul style="list-style-type: none"> - R 448,473 - R 0 - R 632,364
Collection rates	31%	28%
Implement Credit Control and Debt Collection Policy	Yes	Yes
Monthly Oversight - Report Monthly to Municipal Structures	Yes	Yes
Clear unallocated deposits	R 240,624	R -670,010
Reduce Debtors balance	R1,387,647,259	R1,396,656
Reduce Employee-related cost	R 12,974,984	R 12,929,981
Minimize capital spending from own funds. FY 2023/24 - Zero Spending. Year 2 - Provide 10% of Cash Surplus (A7) Year 3 - Provide 30% of cash Surplus (A7)	Currently, all projects are funded by government grants	Currently, all projects are funded by government grants

FINANCIAL RATIOS

FS193 Nketoana - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 - Half Year

Description of financial indicator	Basis of calculation	Ref	2023/24	Budget Year 2024/25			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		4.1%	17.1%	0.0%	3.0%	9.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		131.3%	884.2%	0.0%	170.7%	884.2%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	51.7%	-9.4%	0.0%	51.4%	-9.4%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.7%	7.0%	0.0%	1.6%	7.0%
Revenue Management							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		101.4%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		28.9%	36.6%	0.0%	28.5%	36.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		1.1%	4.0%	0.0%	1.7%	4.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		19.6%	23.7%	0.0%	3.4%	12.5%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational						

Description	Mid-year result	Norm	Narration
Capital Charges to Operating Expenditure	9%	0% - 20%	In line with the norm.
Borrowed funding of 'own' capital expenditure	0%	0%	In line with the norm.
Debt to Equity	884%	1.0 - 1.5	Not in line with the norm due to significant Eskom balance.
Gearing	0%	25% - 50%	Not in line with norm due to unfunded budget position.
Current Ratio	-9.4%	1.5 - 2:1	Not in line with the norm due to significant bad debt provisions and the high Eskom balance.
Liquidity Ratio	7%	2:1	Not in line with the norm due to the high Eskom balance.
Annual Debtors Collection Rate (Payment Level %)	N/A	95%	Covered under receivables. Not within the norm.
Outstanding Debtors to Revenue	0%	N/A	N/A
Longstanding Debtors Recovered	0%	N/A	N/A
Creditors System Efficiency	N/A	N/A	N/A
Percentage Of Provisions Not Funded	N/A	N/A	N/A
Electricity Distribution Losses	N/A	N/A	N/A
Water Distribution Losses	N/A	N/A	N/A
Employee costs	36.6%	25% - 40%	In line with the norm.
Repairs & Maintenance	4%	8%	Not in line with the norm. Some expenditure items need to be reclassified to R&M.
Interest & Depreciation	12.5%	N/A	N/A

MID-YEAR PERFORMANCE ASSESSMENT SCHEDULES

C1

FS193 Nketoana - Table C1 Monthly Budget Statement Summary - M06 - Half Year

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	18,332	18,900	-	9,486	9,486	9,450	36	0%	18,900
Service charges	274,986	196,857	-	141,150	141,150	100,929	40,222	40%	196,857
Investment revenue	932	299	-	731	731	149	582	390%	299
Transfers and subsidies - Operational	146,846	142,783	-	102,764	102,764	96,122	6,642	7%	142,783
Other own revenue	204,749	100,856	-	59,055	59,055	50,428	8,627	17%	-
Total Revenue (excluding capital transfers and contributions)	645,846	459,695	-	313,187	313,187	257,078	56,109	22%	459,695
Employee costs	186,772	168,400	-	89,400	89,400	84,200	5,200	6%	168,400
Remuneration of Councillors	11,638	7,176	-	4,098	4,098	3,588	510	14%	7,176
Depreciation and amortisation	86,710	58,744	-	32,755	32,755	29,372	3,383	12%	58,744
Interest	39,795	50,400	-	10,795	10,795	25,200	(14,405)	-57%	50,400
Inventory consumed and bulk purchases	114,496	128,057	-	56,792	56,792	63,778	(6,986)	-11%	128,057
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	538,211	225,134	-	165,967	165,967	113,379	52,587	46%	225,134
Total Expenditure	977,621	637,911	-	359,806	359,806	319,518	40,289	13%	637,911
Surplus/(Deficit)	(331,775)	(178,216)	-	(46,620)	(46,620)	(62,440)	15,820	-25%	(178,216)
Transfers and subsidies - capital (monetary allocations)	77,251	131,149	-	34,997	34,997	65,574	(30,578)	-47%	131,149
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	(254,525)	(47,067)	-	(11,623)	(11,623)	3,135	(14,758)	-471%	(47,067)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(254,525)	(47,067)	-	(11,623)	(11,623)	3,135	(14,758)	-471%	(47,067)

C2

FS193 Nketoana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 - Half Year

Description	Ref	Budget Year 2024/25								
		2023/24 Audited	Original	Adjusted	Mid Year	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		356,846	185,026	-	137,937	137,937	104,581	33,356	32%	185,026
Executive and council		-	20,458	-	8,529	8,529	13,639	(5,110)	-37%	20,458
Finance and administration		356,846	164,567	-	129,408	129,408	90,942	38,466	42%	164,567
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,004	12,522	-	5,055	5,055	8,132	(3,077)	-38%	12,522
Community and social services		-	2,629	-	1,093	1,093	1,752	(660)	-38%	2,629
Sport and recreation		639	6,848	-	2,776	2,776	4,394	(1,618)	-37%	6,848
Public safety		311	528	-	119	119	308	(189)	-61%	528
Housing		53	2,517	-	1,067	1,067	1,678	(610)	-36%	2,517
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		23,594	39,988	-	9,941	9,941	21,823	(11,882)	-54%	39,988
Planning and development		-	1,829	-	763	763	1,219	(456)	-37%	1,829
Road transport		23,594	38,160	-	9,178	9,178	20,604	(11,426)	-55%	38,160
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		341,652	353,308	-	195,250	195,250	188,116	7,133	4%	353,308
Energy sources		103,249	103,361	-	59,997	59,997	52,233	7,764	15%	103,361
Water management		168,482	172,123	-	90,094	90,094	93,895	(3,801)	-4%	172,123
Waste water management		37,359	38,510	-	23,151	23,151	20,589	2,562	12%	38,510
Waste management		32,564	39,314	-	22,008	22,008	21,400	608	3%	39,314
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	723,097	590,844	-	348,183	348,183	322,652	25,531	8%	590,844
Expenditure - Functional										
<i>Governance and administration</i>		231,709	193,503	-	83,122	83,122	97,564	(14,442)	-15%	193,503
Executive and council		49,690	39,925	-	17,814	17,814	19,963	(2,149)	-11%	39,925
Finance and administration		181,741	153,577	-	65,308	65,308	77,601	(12,293)	-16%	153,577
Internal audit		279	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		54,116	54,838	-	28,176	28,176	27,419	757	3%	54,838
Community and social services		10,735	4,434	-	3,797	3,797	2,217	1,580	71%	4,434
Sport and recreation		30,263	35,181	-	17,113	17,113	17,590	(477)	-3%	35,181
Public safety		8,203	11,041	-	4,275	4,275	5,520	(1,245)	-23%	11,041
Housing		4,915	4,183	-	2,990	2,990	2,091	899	43%	4,183
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		20,997	54,030	-	12,814	12,814	27,015	(14,201)	-53%	54,030
Planning and development		2,484	3,238	-	1,201	1,201	1,619	(418)	-26%	3,238
Road transport		18,513	50,792	-	11,612	11,612	25,396	(13,784)	-54%	50,792
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		670,499	335,537	-	235,531	235,531	167,518	68,013	41%	335,537
Energy sources		390,580	148,820	-	67,450	67,450	74,160	(6,710)	-9%	148,820
Water management		106,114	96,073	-	80,576	80,576	48,036	32,539	68%	96,073
Waste water management		49,486	53,188	-	45,034	45,034	26,594	18,440	69%	53,188
Waste management		124,319	37,457	-	42,472	42,472	18,728	23,744	127%	37,457
<i>Other</i>		300	3	-	164	164	2	162	10475%	3
Total Expenditure - Functional	3	977,621	637,911	-	359,806	359,806	319,518	40,289	13%	637,911
Surplus/ (Deficit) for the year		(254,525)	(47,067)	-	(11,623)	(11,623)	3,135	(14,758)	-471%	(47,067)

C3

FS193 Nketoana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 - Half Year

Vote Description	Ref	2023/24		Budget Year 2024/25						
		Audited	Original	Adjusted	Mid Year	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	20,458	-	8,529	8,529	13,639	(5,110)	-37.5%	20,458
Vote 2 - Finance and Administration		356,830	164,567	-	129,408	129,408	90,942	38,466	42.3%	164,567
Vote 3 - Community Services		951	10,005	-	3,988	3,988	6,454	(2,467)	-38.2%	10,005
Vote 4 - Waste Management		32,564	39,314	-	22,008	22,008	21,400	608	2.8%	39,314
Vote 5 - Local Economic Development		-	1,829	-	763	763	1,219	(456)	-37.4%	1,829
Vote 6 - Roads Transport		23,594	38,160	-	9,178	9,178	20,604	(11,426)	-55.5%	38,160
Vote 7 - Water		168,482	172,123	-	90,094	90,094	93,895	(3,801)	-4.0%	172,123
Vote 8 - Electricity		103,249	103,361	-	59,997	59,997	52,233	7,764	14.9%	103,361
Vote 9 - Waste Water		37,359	38,510	-	23,151	23,151	20,589	2,562	12.4%	38,510
Vote 10 - Housing		53	2,517	-	1,067	1,067	1,678	(610)	-36.4%	2,517
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	723,080	590,844	-	348,183	348,183	322,652	25,531	7.9%	590,844
Expenditure by Vote	1									
Vote 1 - Executive and Council		49,690	39,925	-	17,814	17,814	19,963	(2,149)	-10.8%	39,925
Vote 2 - Finance and Administration		176,911	151,856	-	63,080	63,080	76,741	(13,660)	-17.8%	151,856
Vote 3 - Community Services		49,201	50,655	-	25,186	25,186	25,328	(142)	-0.6%	50,655
Vote 4 - Waste Management		124,319	37,457	-	42,472	42,472	18,728	23,744	126.8%	37,457
Vote 5 - Local Economic Development		2,484	3,238	-	1,201	1,201	1,619	(418)	-25.8%	3,238
Vote 6 - Roads Transport		18,513	50,792	-	11,612	11,612	25,396	(13,784)	-54.3%	50,792
Vote 7 - Water		101,170	96,073	-	78,104	78,104	48,036	30,067	62.6%	96,073
Vote 8 - Electricity		390,580	148,820	-	67,450	67,450	74,160	(6,710)	-9.0%	148,820
Vote 9 - Waste Water		32,053	53,188	-	36,317	36,317	26,594	9,723	36.6%	53,188
Vote 10 - Housing		4,915	4,183	-	2,990	2,990	2,091	899	43.0%	4,183
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	949,835	636,186	-	346,226	346,226	318,656	27,571	8.7%	636,186
Surplus/ (Deficit) for the year	2	(226,755)	(45,343)	-	1,957	1,957	3,997	(2,040)	-51.0%	(45,343)

C4

FS193 Nketoana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Half Year

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		102,915	92,548	-	56,919	56,919	46,274	10,645	23%	92,548
Service charges - Water		102,957	45,057	-	47,100	47,100	25,029	22,071	88%	45,057
Service charges - Waste Water Management		37,359	30,500	-	19,820	19,820	15,250	4,570	30%	30,500
Service charges - Waste management		31,756	28,751	-	17,311	17,311	14,376	2,935	20%	28,751
Sale of Goods and Rendering of Services		1,012	1,426	-	510	510	713	(204)	-29%	1,426
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		200,533	96,696	-	43,361	43,361	48,348	(4,987)	-10%	96,696
Interest from Current and Non Current Assets		932	299	-	731	731	149	582	390%	299
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2,085	1,926	-	995	995	963	32	3%	1,926
Licence and permits		9	21	-	10	10	11	(1)	-8%	21
Operational Revenue		73	209	-	504	504	104	400	384%	209
Non-Exchange Revenue										
Property rates		18,332	18,900	-	9,486	9,486	9,450	36	0%	18,900
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		652	578	-	442	442	289	154	53%	578
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		146,846	142,783	-	102,764	102,764	96,122	6,642	7%	142,783
Interest		-	-	-	13,233	13,233	-	13,233	#DIV/0!	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		386	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		645,846	459,695	-	313,187	313,187	257,078	56,109	22%	459,695
Expenditure By Type										
Employee related costs		186,772	168,400	-	89,400	89,400	84,200	5,200	6%	168,400
Remuneration of councillors		11,638	7,176	-	4,098	4,098	3,588	510	14%	7,176
Bulk purchases - electricity		99,261	105,000	-	48,916	48,916	52,250	(3,334)	-6%	105,000
Inventory consumed		15,236	23,057	-	7,876	7,876	11,528	(3,652)	-32%	23,057
Debt impairment		188	85,442	-	31,138	31,138	42,721	(11,583)	-27%	85,442
Depreciation and amortisation		86,710	58,744	-	32,755	32,755	29,372	3,383	12%	58,744
Interest		39,795	50,400	-	10,795	10,795	25,200	(14,405)	-57%	50,400
Contracted services		41,051	34,012	-	11,884	11,884	17,006	(5,122)	-30%	34,012
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		422,169	47,153	-	92,179	92,179	23,576	68,603	291%	47,153
Operational costs		49,331	58,526	-	30,765	30,765	30,076	690	2%	58,526
Losses on Disposal of Assets		6,061	-	-	-	-	-	-	-	-
Other Losses		19,410	-	-	-	-	-	-	-	-
Total Expenditure		977,621	637,911	-	359,806	359,806	319,518	40,289	13%	637,911
Surplus/(Deficit)		(331,775)	(178,216)	-	(46,620)	(46,620)	(62,440)	15,820	-25%	(178,216)
Transfers and subsidies - capital (monetary allocations)		77,251	131,149	-	34,997	34,997	65,574	(30,578)	-47%	131,149
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(254,525)	(47,067)	-	(11,623)	(11,623)	3,135			(47,067)
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(254,525)	(47,067)	-	(11,623)	(11,623)	3,135			(47,067)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(254,525)	(47,067)	-	(11,623)	(11,623)	3,135			(47,067)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(254,525)	(47,067)	-	(11,623)	(11,623)	3,135			(47,067)

C5

FS193 Nketoana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - Half Year

Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited	Original	Adjusted	Mid Year	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		-	-	-	-	-	-	-	-	-
Vote 4 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 5 - Local Economic Development		-	-	-	-	-	-	-	-	-
Vote 6 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 7 - Water		-	-	-	-	-	-	-	-	-
Vote 8 - Electricity		-	-	-	-	-	-	-	-	-
Vote 9 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - Housing		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Community Services		1,327	1,629	-	593	593	814	(221)	-27%	1,629
Vote 4 - Waste Management		2,037	2,000	-	-	-	2,000	(2,000)	-100%	2,000
Vote 5 - Local Economic Development		-	-	-	-	-	-	-	-	-
Vote 6 - Roads Transport		4,257	14,071	-	3,545	3,545	7,036	(3,491)	-50%	14,071
Vote 7 - Water		109,350	106,270	-	58,798	58,798	53,135	5,663	11%	106,270
Vote 8 - Electricity		-	7,183	-	2,880	2,880	3,591	(712)	-20%	7,183
Vote 9 - Waste Water		-	-	-	-	-	-	-	-	-
Vote 10 - Housing		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	116,971	131,153	-	65,816	65,816	66,576	(761)	-1%	131,153
Total Capital Expenditure		116,971	131,153	-	65,816	65,816	66,576	(761)	-1%	131,153

C6

FS193 Nketoana - Table C6 Monthly Budget Statement - Financial Position - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		8,638	70,643	-	21,237	70,643
Trade and other receivables from exchange transactions		321,350	(273,234)	-	322,515	(273,234)
Receivables from non-exchange transactions		104,885	(38,590)	-	109,050	(38,590)
Current portion of non-current receivables		-	-	-	-	-
Inventory		18,338	(4,627)	-	18,322	(4,627)
VAT		177,782	147,225	-	198,823	147,225
Other current assets		4,551	4,273	-	4,551	4,273
Total current assets		635,545	(94,310)	-	674,498	(94,310)
Non current assets						
Investments		1,437	1,677	-	1,437	1,677
Investment property		78,308	122,555	-	78,308	122,555
Property, plant and equipment		1,011,335	913,031	-	1,044,530	913,031
Biological assets		68	132	-	68	132
Living and non-living resources		-	-	-	-	-
Heritage assets		530	530	-	530	530
Intangible assets		0	0	-	-	0
Trade and other receivables from exchange transactions		224,053	224,053	-	224,053	224,053
Non-current receivables from non-exchange transactions		308	308	-	308	308
Other non-current assets		-	-	-	-	-
Total non current assets		1,316,040	1,262,286	-	1,349,234	1,262,286
TOTAL ASSETS		1,951,585	1,167,977	-	2,023,732	1,167,977

FS193 Nketoana - Table C6 Monthly Budget Statement - Financial Position - M06 - Half Year

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		4,607	4,118	-	4,696	4,118
Consumer deposits		2,453	2,282	-	2,535	2,282
Trade and other payables from exchange transactions		995,974	825,020	-	1,034,364	825,020
Trade and other payables from non-exchange transactions		(808)	3,322	-	31,735	3,322
Provision		69,686	51,326	-	75,901	51,326
VAT		150,129	116,906	-	162,553	116,906
Other current liabilities		6,216	-	-	-	-
Total current liabilities		1,228,257	1,002,974	-	1,311,784	1,002,974
Non current liabilities						
Financial liabilities		-	(0)	-	(0)	(0)
Provision		42,098	43,446	-	42,098	43,446
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		26,741	24,622	-	26,741	24,622
Total non current liabilities		68,839	68,068	-	68,839	68,068
TOTAL LIABILITIES		1,297,095	1,071,042	-	1,380,623	1,071,042
NET ASSETS	2	654,490	96,934	-	643,109	96,934
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		(698,507)	(1,358,038)	-	(837,396)	(1,358,038)
Reserves and funds		1,480,505	1,454,972	-	1,480,505	1,454,972
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	781,998	96,934	-	643,109	96,934

C7

FS193 Nketoana - Table C7 Monthly Budget Statement - Cash Flow - M06 - Half Year

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		14,546	39,026	-	7,218	7,218	19,513	(12,295)	-63%	39,026
Service charges		151,703	211,748	-	80,232	80,232	108,374	(28,142)	-26%	211,748
Other revenue		3,358	100,847	-	4,040	4,040	50,423	(46,384)	-92%	100,847
Transfers and Subsidies - Operational		122,344	142,783	-	104,511	104,511	96,122	8,389	9%	142,783
Transfers and Subsidies - Capital		87,978	131,894	-	66,096	66,096	65,947	149	0%	131,894
Interest		-	-	-	1,487	1,487	-	1,487	#DIV/0!	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(104,208)	-	-	(141,375)	(141,375)	-	(141,375)	#DIV/0!	-
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		275,721	626,297	-	122,209	122,209	340,379	218,171	64%	626,297
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		79,462	(134,249)	-	(75,937)	(75,937)	(68,124)	(7,812)	11%	(134,249)
NET CASH FROM/(USED) INVESTING ACTIVITIES		79,462	(134,249)	-	(75,937)	(75,937)	(68,124)	7,812	-11%	(134,249)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		355,183	492,048	-	46,272	46,272	272,255			492,048
Cash/cash equivalents at beginning:		1,904	1,946	-		8,650	1,946			8,650
Cash/cash equivalents at month/year end:		357,087	493,994	-		54,922	274,200			500,698

MATERIAL VARIANCES TO THE SDBIP

Nketoana Local Municipality's Service Delivery & Budget Implementation Plan (SDBIP), as legislated, is aligned to the municipality's Integrated Development Plan (IDP) as well as the Annual Budget. There are therefore no significant variances to report on.

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, SM Nhlapo, The Municipal Manager of Nketoana Local Municipality, hereby certify that the mid-year budget and performance assessment for the 2024/2025 financial year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Name	Designation	Signature	Date
<i>Mokete Nhlapo</i>	<i>Municipal Manager</i>		<i>20 January 2025</i>

EXECUTIVE MAYOR'S QUALITY CERTIFICATION

Section 54 of the MFMA requires the Mayor of a municipality to take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

I, Cllr MT Mokoena, the Mayor of Nketoana Local Municipality, hereby certify that the mid-year budget and performance assessment for the 2024/2025 financial year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Name	Designation	Signature	Date
<i>Cllr MT Mokoena</i>	<i>Mayor</i>		<i>24 January 2025</i>