



MFMA SECTION 71 REPORT MONTH ENDING 31 AUGUST 2024

- DISTRIBUTION:

- Executive Mayor: **Mr. Motloheloa Mokatsane**

- Acting Municipal Manager:

- Acting Chief Financial Officer: **Dr Jimmy Maswanganyi**

- Sector Departments: **National and Provincial Departments**

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer

PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 AUGUST 2024

TO: THE EXECUTIVE MAYOR

1. Purpose

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 31 AUGUST 2024

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 May 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

The municipality realises, the critical importance of having a minimum 3 month's cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Moqhaka Local Municipality recovers fully to ensure its sustainability and financial viability. Serious actions will be taken to realise this target and Council's buy-in be secured, to turn the municipality around is critically important. The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on quality service being rendered.

Currently, the total debtor's book is standing at R1 554 527 085, of which 89% of the debt is owed more than 90 days totalling R1 388 181 496. Included in the total debt, R100 499 673 is owed by Government, R183 412 504 by Business and R1 162 592 596 by Households. Included in the Households debt is R165 662 006 by Indigent Households. The municipality continues to urge its debtors to meet their obligation to the municipality or make payment arrangements. The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. There needs to be a major paradigm shift in the payment culture across all customer groups.

This can only be achieved when the Debt Collection and Credit Control Policy is strictly, consistently and fairly applied to all customer groups. Consumers that are not paying for services are reminded that no municipality will remain sustainable and functional, if it expects to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality, as there is a direct correlation between providing quality services and consumers' willingness to pay.

Tough decisions must be taken with support from the political leadership to have a meaningful impact and produce positive results. This action is long overdue, especially considering the municipality's financial crisis and major threat to its financial viability and sustainability. For the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. Serious consideration should be given to the service delivery and financial implications of all decisions taken.

Ensure that legislations/acts, regulations, circulars, by-laws and policies are adhered to diligently, consistently and fairly. Enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money. Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges can no longer be delayed, we have noted an increase in emergency maintenance which seems excessive, as no competitive bidding is taking place, because of the impact of asset failure on service delivery.

We are striving to ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and to refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

It is imperative that all municipal officials must have the inherent desire to do their job to the best of their ability, ensure the full payment of services accounts, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's strategic objectives. Foremost to all of these, have the community's best interest at heart.

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 May 2009, regarding the “Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations” necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. “The monthly budget statement of a municipality 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.” Further, Section 71 of the MFMA requires that, “the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.” For the reporting period ending 31 August 2024, the ten working day reporting limit expires on 13 September 2024.

3. Executive summary

The Statement of Financial Performance is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 below:

Table 1. Consolidated summary: Statement of Financial Performance: YTD Budget

Summary Statement of Financial Performance: YTD Budget					
Description	YTD Budget Oct 24	YTD Actual Oct 24	Variance Favourable (Unfavourable)	%YTD Actual vs YTD Budget	% Variance vs Actual Favourable (Unfavourable)
Total Revenue (Excluding Capital Transfers and Contributions)	174 000	128 404	45 596	26%	36%
Total Revenue including Capital Transfers and Contributions	302 899	128 404	174 495	58%	-136%
Total Operational Expenditure					

As indicated in Table 1 above, as of 31 August 2024, the billed revenue excluding capital grants amounted to R128 404 298 which resulted in a satisfactory variance of 26% when compared to YTD Budget of R174 000 167. The billed revenue including capital grants amounted to R128 404 298, resulting in a satisfactory variance of 58% when compared to YTD budget of R302 898 883. Capital Grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reason. The Total Operational Expenditure amounted to R46 252 versus the YTD Budget of R109 206, resulting in an unsatisfactory variance of -136%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to the fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category per line item by 100. The capital projections were also done in the same fashion. Please note that variances within a 5 to 10 percent range, as prescribed by National Treasury are acceptable and need not necessarily be explained.

4. Budget Performance Overview

The municipality is implementing the approved budget for 2024/25 financial year. The budget for 2024/25 is not funded, but the budget funding plan will accompany this report as it encapsulates the recommendations for the improvement of the collection rate. As per table 1 above, overall operational revenue is performing satisfactorily. Operational expenditure is 89.6% spent which is slightly under-spent with the contributing factors being depreciation, which is not provided for, the capturing of the 2024-2025 Eskom account and post-retirement health benefits which is not yet accounted for.

The municipality's Debt Relief application to National Treasury was approved, effective 1 December 2023. The municipality had engagement with ESKOM to arrange for the outstanding debt amounting to R1 458 408 639,20. A repayment proposal will be submitted to ESKOM for approval when the municipal council has resolved. The municipality has not made significant strides to settle the monthly current accounts to Eskom, but smaller payments towards the account are being made consistently made whenever financially possible. During the month of August 2024, a payment of R50 million was made towards the account. A cost containment policy has been implemented to control the administration of new orders, non-essential expenditure, pre-approve overtime and manage fuel consumption of municipal fleet.

The municipality is in the process of engaging with the seven approved service providers by National Treasury on the RT29 transversal contract relating to the installation of smart water & electricity meters. Smart water meters are specifically earmarked for the areas where ESKOM distributes electricity to improve collection in those areas.

The municipality has an incentive policy to assist account holders to settle their outstanding accounts. The policy is implementable as follows:

Incentives for Households, Churches, NPOs, Farmers, Government, Schools, etc. (Excluding Business/Industrial)

- Discount of 10% for settlement of debt between R 3 000 to R 15 000
- Discount of 20% for settlement of debt between R 15 001 and R 30 000
- Discount of 30% for settlement of debt between R 30 001 and R 50 000
- Discount of 40% for settlement of debt between R 50 001 and R 150 000
- Discount of 50% for settlement of debt between R 150 001 and more

Incentives for Businesses/Industrial

- Discount of 10% for settlement of debt between R 30 000 to R 60 000
- Discount of 20% for settlement of debt between R 60 001 and R 100 000

- Discount of 30% for settlement of debt between R 100 001 and R 150 000
- Discount of 40% for settlement of debt between R 150 001 and R 250 000
- Discount of 50% for settlement of debt between R 250 001 and more

The municipality collects 60% from each electricity purchase for all accounts in arrears longer than the approved period, to improve collection as per the Debt Collection & Credit Control policy. Departments are engaged on a regularly basis to recoup outstanding debt owed by Organs of State. The non-buying prepaid consumers must be urgently addressed, and the municipality is confident that the smart prepaid metering solution will assist the municipality tremendously in improving on its billing accuracy and ensuring cash inflows from prepaid sales. There are four debt collection companies that are appointed to assist with the debt collection challenges.

The municipality is meeting with the top different categories of Debtors to deal with their disputes, negotiating settlement amounts, encourage them to enter in payment arrangements and recommend possible solutions that will address their outstanding accounts.

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		394 583	553 019	553 019	35 280	40 994	92 170	(51 176)	-56%	553 019
Service charges - Water		173 153	195 587	195 587	17 784	30 614	32 598	(1 984)	-6%	195 587
Service charges - Waste Water Management		65 954	70 019	70 019	6 066	12 107	11 670	437	4%	70 019
Service charges - Waste management		46 961	48 564	48 564	4 282	8 540	8 094	446	6%	48 564
Sale of Goods and Rendering of Services		6 220	10 265	10 265	355	923	1 711	(788)	-46%	10 265
Agency services								-		
Interest								-		
Interest earned from Receivables		69 946	34 557	34 557	5 400	11 862	5 759	6 103	106%	34 557
Interest from Current and Non Current Assets		34	30	30	-	-	5	(5)	-100%	30
Dividends		3 637	1 736	1 736	179	208	289	(82)	-28%	1 736
Rent on Land								-		
Rental from Fixed Assets		6 593	8 535	8 535	204	536	1 422	(887)	-62%	8 535
Licence and permits		-	-	-	-	-	-	-		-
Operational Revenue		4 027	12 324	12 324	(62)	1 580	2 054	(474)	-23%	12 324
Non-Exchange Revenue								-		
Property rates		88 207	90 509	90 509	7 771	15 526	15 085	441	3%	90 509
Surcharges and Taxes								-		
Fines, penalties and forfeits		6 569	5 309	5 309	94	38	885	(846)	-96%	5 309
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		314 054	311 514	311 514	-	124 403	51 919	72 484	140%	311 514
Interest		7 761	2 982	2 982	761	1 514	497	1 017	205%	2 982
Fuel Levy								-		
Operational Revenue		839	678	678	74	148	113	35	31%	678
Gains on disposal of Assets		25 992	-	-	-	-	-	-		-
Other Gains		65	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		1 214 593	1 345 628	1 345 628	78 187	248 993	224 271	24 721	11%	1 345 628

Exchange and Non-Exchange Revenue

Revenue analysis for the month ending 31 August 2024

Revenue types		Section 71 of 31 August 2024					Two Month Ending 31 August 2024				
	Annual Budget 2023/2024	Budget	Billing per GS 560	Billing vs Budget	(BS-566) Actual Income	Income vs Billing	Budget	Billing per GS 560	Billing vs Budget	(BM-310) Actual Income	Income vs Billing
Property rates	90 509 071	7 542 423	7 770 754	103%	3 866 034	50%	15 084 845	15 526 326	103%	8 129 283	52%
Electricity - conventional	343 217 833	28 601 486	21 755 550	76%	30 189 391	139%	57 202 972	30 325 559	53%	42 243 239	139%
Water	195 400 475	16 283 373	17 778 135	109%	3 616 408	20%	32 566 746	30 607 272	94%	6 775 662	22%
Sanitation	69 800 488	5 816 707	6 063 390	104%	2 308 750	38%	11 633 415	12 104 489	104%	4 262 969	35%
Refuse	48 564 221	4 047 018	4 281 531	106%	1 557 668	36%	8 094 037	8 539 797	106%	2 927 879	34%
Total Direct Services	747 492 088	62 291 007	57 649 360	93%	41 538 251	72%	124 582 015	97 103 443	78%	64 339 032	66%
Other revenue	92 497 269	7 708 106	1 625 142	21%	1 297 967	80%	15 416 212	2 712 824	18%	2 453 034	90%
Revenue from Billed services	839 989 357	69 999 113	59 274 502	85%	42 836 218	72%	139 998 226	99 816 267	71%	66 792 066	67%
Electricity - prepaid	204 011 643	17 000 970	13 882 633	82%	13 882 633	100%	34 001 941	28 588 031	84%	28 588 031	100%
grants	1 044 001 000	87 000 083	73 157 134	84%	56 718 851	78%	174 000 167	128 404 298	74%	95 380 097	74%
Operational grants and subsidies	3 059 000	-	-	-	-	-	4 495 716	-	0%	-	0%
Equitable share	298 568 000	-	-	-	-	-	124 403 000	-	0%	-	0%
Total Revenue	1 345 628 000	87 000 083	73 157 134	84%	56 718 851	78%	302 898 883	128 404 298	42%	95 380 097	74%

Comments on Section 71 Report.

Collection rate for waste water management is 38% for the month of August 2024.

Collection rate for waste management is 36% for the month of August 2024.

Collection rate for water is 20% for the month of August 2024.

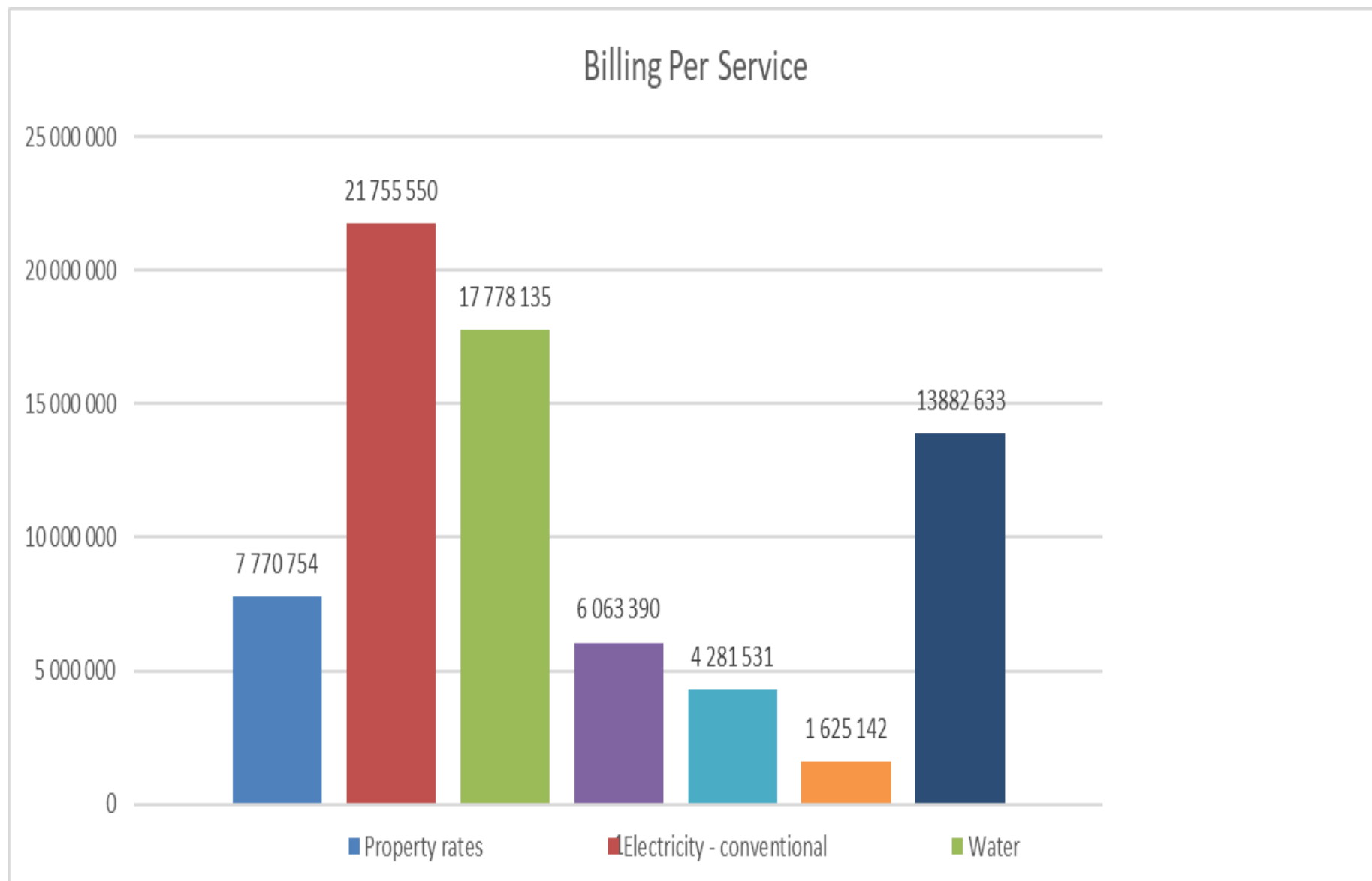
The collection rate on Property rates is 50% for the month of August 2024. The implementation of the new valuation roll, new tariffs have an impact on the low collection rate.

Vat is not considered as part of income in this report since it will be paid over to SARS.

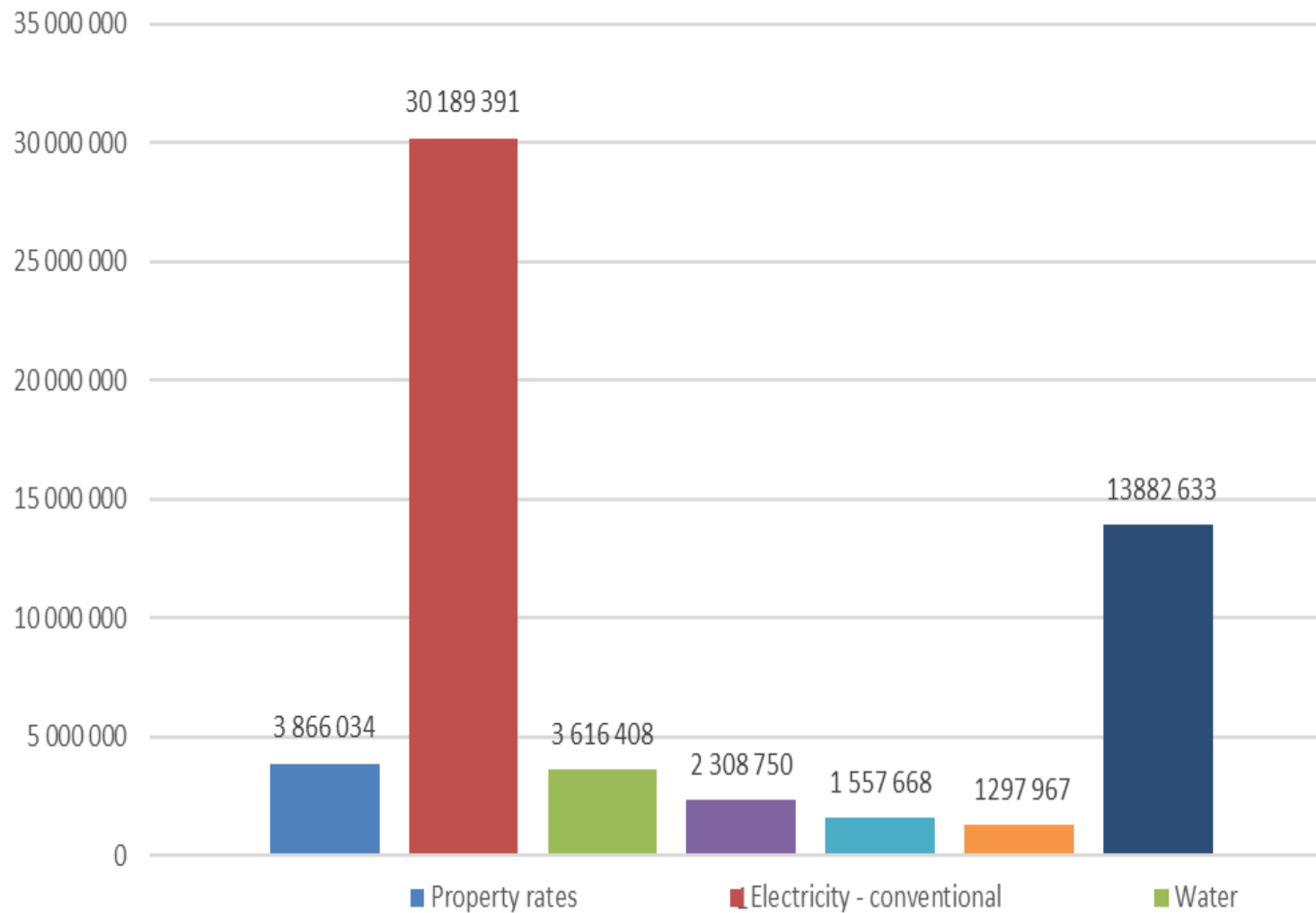
Conventional electricity revenue collection is 139% for the month of August 2024 due to a high amount of credit journals on cycle 10 that is for maximum demand electricity meters & for Maokeng to Revenue before operational grants versus billing is 78% for for the month of August 2024.

Total Revenue Collection Percentage inclusive of Zero Grant Funding for the month August 2024 is also 78% due to no Grants received.

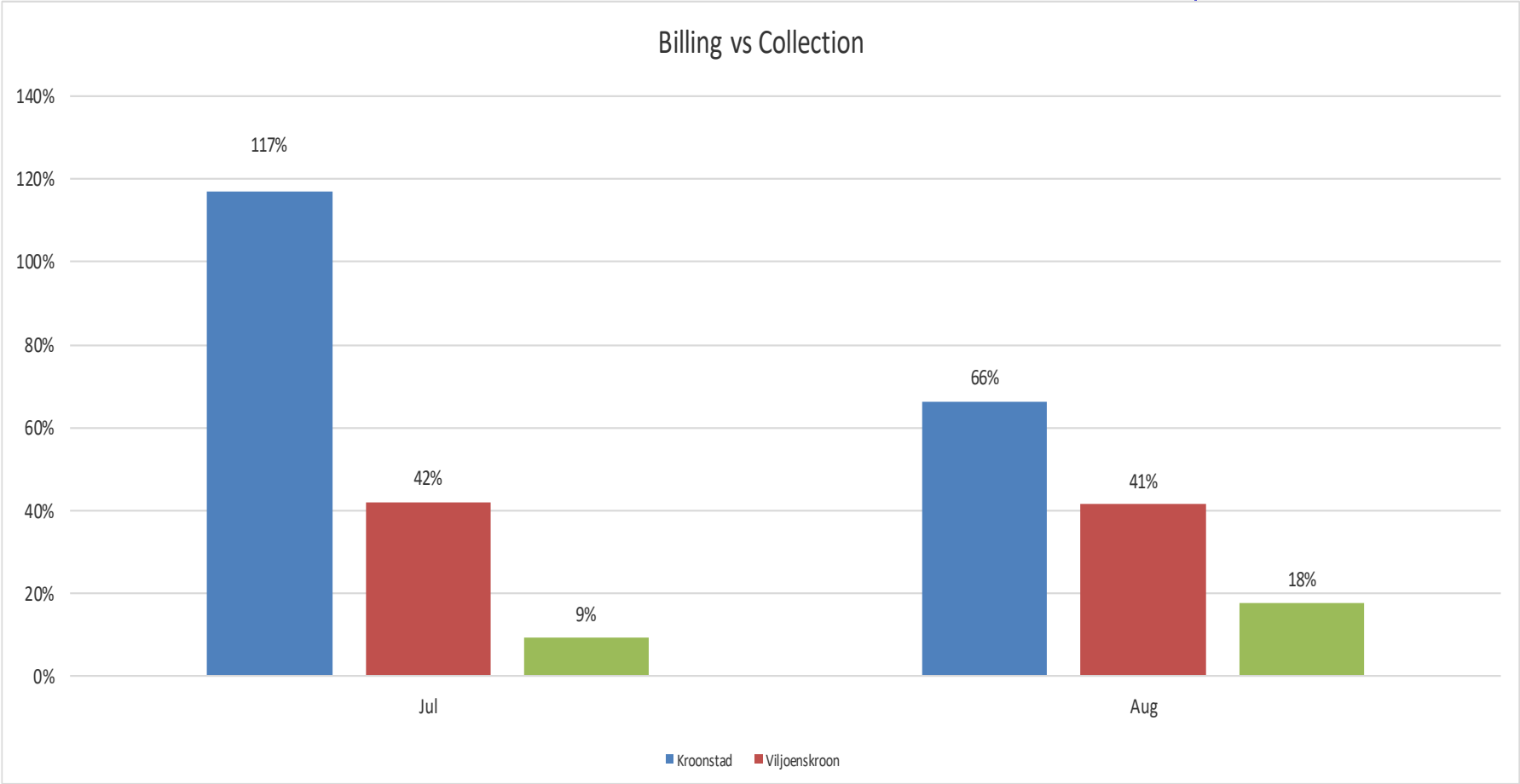
Indigents Contribution for Prepaid Electricity in August 2024 is R909 115 + R141 687 (FBE in ESKOM Supplied Areas) = R1 050 802



Collection Per Service



BILLING & REVENUE PER TOWN 01/07/2024 - 30/06/2025 (Excluding Pre-paid Electricity)									
Month	Kroonstad			Viljoenskroon				Steynsrus	
	Billing (BP135)	Receipts (BP135)	Percentage	Billing (BP135)	Receipts (BP135)	Percentage	Billing (BP135)	Receipts (BP135)	Percentage
Jul	17 625 091	20 630 003	117%	14 546 604	6 129 030	42%	2 379 274	223 947	9%
Aug	50 026 530	33 212 880	66%	11 994 176	4 968 316	41%	1 802 829	317 936	18%
Total	17 625 091	20 630 003	117%	14 546 604	6 129 030	42%	2 379 274	223 947	9%



PRE-PAID ELECTRICITY SALES 2024-2025 FINANCIAL YEAR

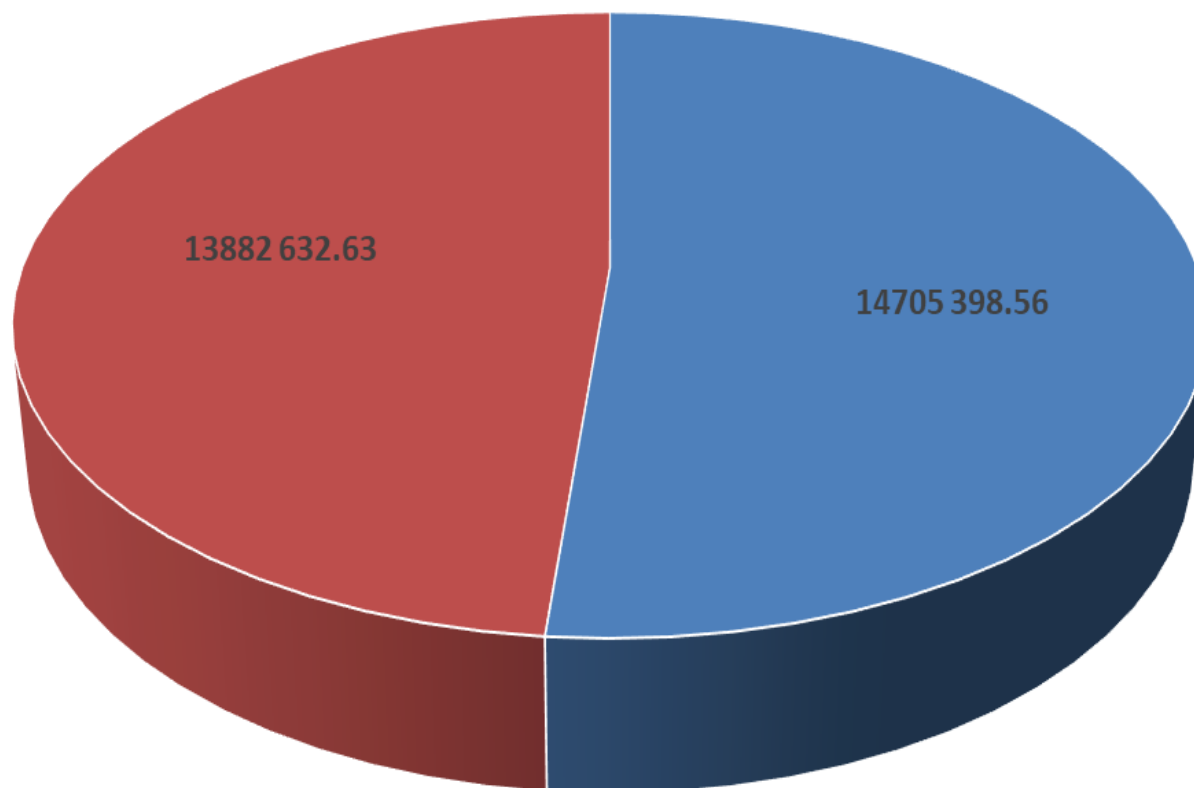
Month	Arrears	Cost of Units	Vat	Cash Tendered	Units Sold	FBE Value	% Movement
Jul	R0.00	R14 705 398.56	R2 205 583.77	R16 910 982.33	6 624 751.00	R896 486.00	↑ 12%
Aug	R0.00	R13 882 632.63	R2 082 178.30	R15 964 810.93	6 310 561.70	R909 115.00	↓ -6%
	R0.00	R14 705 398.56	R2 205 583.77	R16 910 982.33	6 624 751.00	R896 486.00	

The average collection rate for Kroonstad/Maokeng for August 2024 is 66% , Viljoenskroon/Rammulutsi is 41% & Steynsrus/Matlwangtlwang is 18%.

Kroonstad/Maokeng generated a revenue of R33.2m for August 2024, Viljoenskroon/Rammolutsi generated R4.97m & Steynsrus/Matlwangtlwang generated R317 936

The cost of revenue generated through prepaid electricity for the month of August 2024 is R13 882 633. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales



■ Juy ■ Aug

4.2 Operating expenditure by type

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
<u>Expenditure By Type</u>										
Employee related costs		404 323	451 339	451 339	33 199	68 524	75 224	(6 700)	-9%	451 339
Remuneration of councillors		22 251	29 578	29 578	1 733	3 484	4 930	(1 446)	-29%	29 578
Bulk purchases - electricity		418 560	427 440	427 440	1 076	1 311	71 240	(69 929)	-98%	427 440
Inventory consumed		14 879	21 223	21 223	3 359	3 676	3 537	139	4%	21 223
Debt impairment		–	58 783	58 783	–	–	9 797	(9 797)	-100%	58 783
Depreciation and amortisation		121 050	9 870	9 870	–	–	1 645	(1 645)	-100%	9 870
Interest		6 029	8 698	8 698	550	1 100	1 450	(350)	-24%	8 698
Contracted services		135 341	158 841	158 941	11 004	14 988	26 483	(11 495)	-43%	158 941
Transfers and subsidies		84	1 049	1 049	–	–	175	(175)	-100%	1 049
Irrecoverable debts written off		176 661	1 486	1 486	307	691	248	443	179%	1 486
Operational costs		117 817	142 099	141 999	8 695	12 402	23 674	(11 273)	-48%	141 999
Losses on Disposal of Assets		15 203	60	60	–	–	10	(10)	-100%	60
Other Losses		106	–	–	–	–	–	–		–
Total Expenditure		1 432 305	1 310 466	1 310 466	59 922	106 174	218 412	(112 238)	-51%	1 310 466

Comparison against YTD Budget

As indicated in the Table above, as at 30 September 2024, expenditure shows an unsatisfactory variance of minus 51%. The YTD actual amounted to R106 174 000 against the YTD budget of R218 412 000.

- Employee related costs show a satisfactory variance of minus 9.0%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- Remuneration of councillors is showing an unsatisfactory variance of minus 29%.
- Bulk purchases – Electricity is showing an unsatisfactory variance of minus 98%, since the July payment of R50 million went against the arrears and not the current account.
- The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 4%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure.
- The major backlog and deterioration of infrastructure is negatively influencing the Repairs & Maintenance expenditure line items. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally.

There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

- Depreciation was projected for on a straight-line basis, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system for integration.
- Interest is showing an unsatisfactory variance of minus 24%, due to the Interest on External borrowing being paid monthly and the first instalment for the current financial year was paid during July 2024. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- Expenditure on Contracted services is showing an unsatisfactory variance of minus 43%.
- Transfers and subsidies showing negative variance of minus 100%, due to non-expenditure & no commitment to show movement.
- Operational cost is showing an unsatisfactory variance of minus 48% as a result of the following line items under Operational Cost (OC)

- Costs are incurred for Professional Bodies membership & Subscriptions, for predominantly annual SALGA membership fees.
- Audit Cost for external auditors incurred were R753 000 in the month of August 2024.

4.3 Capital Expenditure

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description		Ref	2023/24	Budget Year 2024/25							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		1									
Single Year expenditure appropriation		2									
Vote 01 - Executive & Council			107	—	—	—	—	—	—	—	
Vote 02 - Municipal Manager			61	400	400	—	—	67	(67)	-100%	400
Vote 03 - Corporate Services			727	2 500	2 500	530	570	417	153	37%	2 500
Vote 04 - Finance			804	2 077	1 827	134	134	323	(190)	-59%	1 827
Vote 05 - Technical Services			668	78 142	78 142	3 066	8 773	13 024	(4 251)	-33%	78 142
Vote 06 - Community Services			3 023	14 600	14 600	—	—	2 433	(2 433)	-100%	14 600
Vote 07 - Local Economic Development			241	872	1 122	74	74	168	(94)	-56%	1 122
Vote 08 - .			—	—	—	—	—	—	—	—	—
Vote 09 - .			—	—	—	—	—	—	—	—	—
Vote 10 - .			—	—	—	—	—	—	—	—	—
Vote 11 - .			—	—	—	—	—	—	—	—	—
Vote 12 - .			—	—	—	—	—	—	—	—	—
Vote 13 - .			—	—	—	—	—	—	—	—	—
Vote 14 - .			—	—	—	—	—	—	—	—	—
Vote 15 - Other			—	—	—	—	—	—	—	—	—
Total Capital single-year expenditure		4	5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591
Total Capital Expenditure			5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591
Capital Expenditure - Functional Classification											
Governance and administration			1 833	5 750	5 500	664	703	936	(232)	-25%	5 500
Executive and council			147	—	—	—	—	—	—	—	—
Finance and administration			1 686	5 750	5 500	664	703	936	(232)	-25%	5 500
Internal audit			—	—	—	—	—	—	—	—	—
Community and public safety			2 483	13 122	13 372	87	90	2 210	(2 120)	-96%	13 372
Community and social services			955	5 197	5 197	—	—	866	(866)	-100%	5 197
Sport and recreation			233	4 081	4 331	74	74	703	(629)	-89%	4 331
Public safety			1 237	3 843	3 843	13	16	641	(625)	-98%	3 843
Housing			58	—	—	—	—	—	—	—	—
Health			—	—	—	—	—	—	—	—	—
Economic and environmental services			55	31 596	31 596	3 053	6 808	5 266	1 542	29%	31 596
Planning and development			—	205	205	—	—	34	(34)	-100%	205
Road transport			55	31 234	31 234	3 053	6 808	5 206	1 602	31%	31 234
Environmental protection			—	157	157	—	—	26	(26)	-100%	157
Trading services			1 259	48 071	48 071	—	1 949	8 012	(6 062)	-76%	48 071
Energy sources			20	3 348	3 348	—	149	558	(409)	-73%	3 348
Water management			354	25 011	25 011	—	1 800	4 168	(2 369)	-57%	25 011
Waste water management			208	15 890	15 890	—	—	2 648	(2 648)	-100%	15 890
Waste management			677	3 822	3 822	—	—	637	(637)	-100%	3 822
Other			—	52	52	—	—	9	(9)	-100%	52
Total Capital Expenditure - Functional Class		3	5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591
Funded by:											
National Government			26	64 627	64 627	3 057	8 614	10 771	(2 157)	-20%	64 627
Provincial Government			—	—	—	—	—	—	—	—	—
District Municipality			—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher			—	—	—	—	—	—	—	—	—
Transfers recognised - capital			26	64 627	64 627	3 057	8 614	10 771	(2 157)	-20%	64 627
Borrowing		6	—	—	—	—	—	—	—	—	—
Internally generated funds			5 604	33 964	33 964	747	936	5 661	(4 724)	-83%	33 964
Total Capital Funding			5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591

As indicated in the Table above, the YTD Actual on capital expenditure as at end of August 2024 amounted to R9 551 000. The total YTD capex is funded from Capital grants R8 614 000 and internally generated funds R936 000. Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

The majority of capital projects are based on a functionality criterion. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately must be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately.

It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report, Table C5 has been prepared on the prescribed monthly C-schedule and is categorised by municipal vote and functional classification.

4.4 Cash flows

CASH FLOW ANALYSIS FOR THE MONTH ENDING	
Detail	Aug-24
Cash Receipts by Source	
Property rates	3 693 112
Service charges - electricity revenue	34 614 767
Service charges - water revenue	3 081 626
Service charges - sanitation revenue	2 085 244
Service charges - refuse revenue	1 618 135
Service charges - other	-
Interest earned - external investments	617 703
Interest earned - outstanding debtors	270 503
Fines	-
Transfer receipts - operational	3 949 501
Other revenue	34 245 702
Cash Receipts by Source	84 176 293
Other Cash Flows/Receipts by Source	
Transfer receipts - capital	
Borrowing long term/refinancing	-
Total Cash Receipts by Source	84 176 293
Cash Payments by Type	
Employee related costs	33 199 005
Remuneration of councillors	1 732 975
Bulk purchases - Electricity	12 575 523
Contracted services	11 004 062
General expenses	19 643 820
Cash Payments by Type	78 155 385
Other Cash Flows/Payments by Type	
Capital assets	3 949 501
Repayment of borrowing	-
Total Cash Payments by Type	82 104 886
Net Increase/(Decrease) in Cash Held	2 071 407
Cash/cash equivalents at the month/year begin:	93 265 844
Cash/cash equivalents at the month/year end:	95 337 251
Cash Book Balance (GL)	-

Cash is monitored on a daily basis. The municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. This is also evident by the escalation in debt owed to ESKOM.

Moqhaka Local Municipality (FS201): Monthly Budget Statement: S71 Monthly Report: October 2024
5. In-year Budget Statement Tables

The financial results for the period under review are consisting of the following C-Schedule tables:

- (a) Table C1: Summary
- (b) Table C2: Financial Performance (Functional Classification)
- (c) Table C3: Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Financial Performance (Revenue and Expenditure)
- (e) Table C5: Capital Expenditure by vote, functional classification and funding
- (f) Table C6: Statement of Financial Position
- (g) Table C7: Cash Flow

						Total Debtors as at 31 July 2024	1 531 772 980
						% Increase / (Decrease) in Debtors	1%
Highlights	30-Jun	31-Jul	% Change	31-Aug	% Change	Reference	
Services							
Councillors' debt (>90 days)	R 1 318 095	R 1 345 346	2%	R 1 370 641	2%	BP136-r	
Officials debt (>90 days)	R 2 454 677	R 2 579 954	5%	R 2 672 837	4%	BP136-a	
Sundry debtors							
Telephones (Officials & Councillors)	R607 077.66	R626 782.76	3%	R647 719.55	3%	BP136-rt	
Indigents	R 158 762 711	R 162 186 192	2%	R 165 662 006	2%	BP136-ia	
Total Debt 90 Days +	R 163 142 561	R 166 738 275	2%	R 170 353 203	2%		

The municipality implemented full credit control processes to improve our cashflow and collection rate. This included serving of disconnection notices through the SMSs, emails, and other social media platforms, communicating to Customers that are in arrears, that their electricity will be disconnected due to non-payment of accounts.

The municipality usually conducts a mass blocking of all prepaid meters of Customers that are owing the Municipality. Our collection efforts are also exacerbated by the tampering crisis we are currently facing as a municipality. The community does not see the importance of paying for municipal services; and that ultimately this is a key part required for effective service delivery. There is a poor payment culture within the jurisdiction of our Municipality and drastic measures need to be taken to get people back to the culture of paying their municipal accounts monthly without fail. As Revenue Management we are currently trying to formulate a new strategy with the resources at our disposal, to deal with this behaviour that poses a serious threat to the sustainability of our Municipality.

As of 31 August 2024, the Government Debt was as follows:

	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
PROVINCIAL DEPARTMENTS								
OFFICE OF THE PREMIER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE LEGISATURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF TOURISM, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE PROVINCIAL TREASURY	9 928.00	0.00	0.00	9 224.00	0.00	19 152.00	0.00	19 152.00
DEPARTMENT OF HEALTH (PH)	11 933 068.00	6 723 921.00	0.00	7 699 480.00	26 462.00	26 382 931.00	0.00	26 382 931.00
DEPARTMENT OF EDUCATION (PE)	114487.00	793 485.00	3 406 025.00	14 076 315.00	0.00	18 390 312.00	0.00	18 390 312.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	230 120.00	0.00	230 120.00	0.00	230 120.00
LOCAL GOVERNMENT & HOUSING(LG)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PUBLIC WORKS, ROADS, TRANSP(PW)	905 883.00	14 630 988.00	415.00	699 753.00	2 937.00	16 239 976.00	0.00	16 239 976.00
PUBLIC SAFETY, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGRICULTURE (PA)	0.00	240.00	0.00	0.00	0.00	240.00	0.00	240.00
SPORTS, ARTS & CULTURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	12 963 366.00	22 148 634.00	3 406 440.00	22 714 892.00	29 399.00	61 262 731.00	0.00	61 262 731.00
				0.00				
SCHOOLS (SECTION 21)	8 974 575.00	15 104 838.00	2 832.00	3 804.00	412 386.00	24 498 435.00	0.00	24 498 435.00
NATIONAL DEPARTMENTS	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
CORRECTIONAL SERVICES (NC)	1 523 854.00	2 326.00	0.00	166 312.00	0.00	1 692 492.00	0.00	1 692 492.00
DEFENCE (ND)	2 903 685.00	4 636 292.00	5 975.00	279 435.00	13 830.00	7 839 217.00	0.00	7 839 217.00
HOUSING (NH)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LABOUR (NL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAND AFFAIRS (NA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MINERALS & ENERGY	22 462.00	120 008.00	158 994.00	50 424.00	62 338.00	414 226.00	0.00	414 226.00
PUBLIC WORKS (NW)	22 239.00	372 573.00	1 274 123.00	62 127.00	0.00	1 731 062.00	0.00	1 731 062.00
SA POLICE(NP)	791 932.00	776 778.00	5 160.00	800 919.00	1 418.00	2 376 207.00	0.00	2 376 207.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	336 437.00	209 651.00	0.00	51 017.00	5 444.00	602 549.00	0.00	602 549.00
TOTAL	5 600 609.00	6 117 628.00	1 444 252.00	1 410 234.00	83 030.00	14 655 753.00		14 655 753.00
TOTAL	27 538 550.00	43 371 100.00	4 853 524.00	24 128 930.00	524 815.00	100 416 919.00	-	100 416 919.00
						TOTAL		100 416 919.00
						LESS CREDIT		0.00
						GRAND TOTAL		100 416 919.00

MUNICIPAL DEBT RETURN FORM - Provincial & National Departments

Municipality: **FS201 Moqhaka**Financial Year: **2023/24**

2024/25

Reporting Month: **M02 August**

	Provincial Public Works & Infrastructure	Education		National Public Works	TOTAL
		Section 20 Schools (Payable by Department of Education)	Section 21 Schools (Payable by Schools)		
<i>R'000</i>					
Property Rates	3 406			1 444	4 851
0-30 Days	1 689			704	2 394
31-60 Days	1 679			635	2 314
61-90 Days	6			13	19
Over 90 Days	32			92	124
Water	12 963	—	8 975	5 601	27 539
0-30 Days	826	—	449	1 318	2 593
31-60 Days	1 557	—	512	695	2 764
61-90 Days	818	—	414	621	1 853
Over 90 Days	9 763	—	7 599	2 967	20 330
Electricity	22 149	—	15 105	6 118	43 371
0-30 Days	1 747	—	1 387	1 086	4 221
31-60 Days	1 226	—	1 003	813	3 042
61-90 Days	1 161	—	747	590	2 498
Over 90 Days	18 014	—	11 968	3 629	33 610
Sanitation	15 171			850	16 021
0-30 Days	1 035			171	1 206
31-60 Days	1 035			71	1 106
61-90 Days	943			65	1 009
Over 90 Days	12 157			542	12 700
Refuse Removal	7 544			561	8 104
0-30 Days	529			91	619
31-60 Days	529			40	568
61-90 Days	467			36	503
Over 90 Days	6 020			394	6 414
Other	29	—	419	83	532
0-30 Days	0	—	2	3	4
31-60 Days	0	—	2	3	4
61-90 Days	0	—	2	2	4
Over 90 Days	29	—	414	76	519
TOTAL	61 263	—	24 499	14 656	100 417
0-30 Days	5 826	—	1 838	3 372	11 036
31-60 Days	6 025	—	1 516	2 257	9 799
61-90 Days	3 395	—	1 163	1 328	5 886
Over 90 Days	46 016	—	19 981	7 699	73 697

Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses

- Disconnection of consumers to be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt.
- Data cleansing of the entire debtor's book, and data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (sms) and e-mail.
- Improve in the accuracy of monthly billing.
- Ensure meters are read consistently and timeously, and significantly reduce interim readings and ultimately eliminate interim readings.
- Reduce material billing errors by thoroughly interrogating billing exception reports prior to final billing run.
- Enhance customer relations and consumer satisfaction by improving on the turnaround time when dealing with billing queries.
- Introduce electronic complaints management system/register for account queries.
- Ensure faulty and bypassed electricity meters are replaced.
- Ensure that stuck, leaking, faulty or damaged water meters are replaced.
- Do regular follow-ups on meter replacements.
- Accurately update the system with latest information
- Reduce the turnaround time for installation of replacement or new meters.
- Ensure improved synergy and improved communication between internal department like Town Planning, Infrastructure, GIS and Billing.
- Interrogate billing and prepaid electricity reports monthly and take immediate remedial action to address anomalies or discrepancies.
- Ensure that all billable properties are billed for Property rates and services.
- Ensure that customers are billed at the correct approved tariff by linking each customer to the correct tariff code loaded on the system.
- Reduce Electricity and Water losses.
- Introduce automated metering for bulk consumers.
- Electricity Cost of Supply Study was finalised
- Ensure qualifying indigents are registered on the system, immediately upon verification.
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed/replaced immediately for all approved indigents.

- Improve on service delivery and personnel performance, to enhance customer's willingness to pay.
- Reduce or curb unnecessary expenditure by diligently applying cost containment measures.
- Improve on routine maintenance on particularly revenue generating assets.
- Spend funds effectively with good value for money.

6. Debtors' Analysis

MonthEnd	Mun	Item	Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 Days & Older	Total
M02 Aug	FS201	1100	Debtors Age Analysis By Income Source					
		1200	Trade and Other Receivables from Exchange Transactions - Water	25 414 309	19 315 049	17 079 363	726 785 864	788 594 585
		1300	Trade and Other Receivables from Exchange Transactions - Electricity	29 729 798	10 622 784	7 983 080	120 641 842	168 977 504
		1400	Receivables from Non-exchange Transactions - Property Rates	8 101 657	6 051 251	3 132 992	96 930 169	114 216 069
		1500	Receivables from Exchange Transactions - Waste Water Management	8 053 904	6 610 760	5 960 209	217 790 872	238 415 745
		1600	Receivables from Exchange Transactions - Waste Management	5 647 905	4 660 779	4 238 843	157 429 162	171 976 689
		1700	Receivables from Exchange Transactions - Property Rental Debtors	0	0	0	0	0
		1810	Interest on Arrear Debtor Accounts	0	0	0	0	0
		1820	Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	0	0	0	0	0
		1900	Other	902 520	1 926 894	913 492	68 603 587	72 346 493
		2000	Total By Income Source	77 850 093	49 187 517	39 307 979	1 388 181 496	1 554 527 085
		2100	Debtors Age Analysis By Customer Group					
		2200	Organs of State	20 883 997	5 890 871	7 438 390	66 286 415	100 499 673
		2300	Commercial	27 635 115	8 969 220	7 145 587	139 662 582	183 412 504
		2400	Households	36 383 650	27 440 904	24 487 870	1 074 280 172	1 162 592 596
		2500	Other	-7 052 669	6 886 522	236 132	107 952 327	108 022 312
		2600	Total By Customer Group	77 850 093	49 187 517	39 307 979	1 388 181 496	1 554 527 085

Comments:

Total outstanding debt has increased from R1 531 772 980 in July 2024 to R1 554 527 085 in August 2024. The increase is a result of minimum or no payments by the account holders and the defaulters.

Water debt was R788 594 585 in July 2024 & is R788 594 585 in August 2024 & accounts for 51% of the outstanding debt due to non-payment, burst pipes, leaking water meters and consumption by unmetered stands.

Electricity outstanding debt was R178 875 535 in July 2024 & is R168 977 504 in August 2024 & is 11% of the total debt and this is mainly from the basic charges for infrastructure maintenance.

Property Rates outstanding debt was R110 017 950 in July 2024 & is R114 216 069 in August 2024 against total debt is 7% and relates to non-payment of accounts.

Sanitation/Sewerage accounts for 15% of the total outstanding debt of R238 415 745 & was R233 150 005 in July 2024 & and represents water consumed and non-payment of accounts.

Refuse Removal was R168 210 290 in July 2024 & is R171 976 689 in August 2024. That accounts for 11% of the total outstanding debt and is a result of accounts in arrears,

R72 019 317 in July 2024 & R72 346 493 in August is 5% for "Other" debt represents the debt from indirect services on sundry accounts like rental, telephone, advertising & signs, and more.

Government debt was R90 947 074 in July 2024 & is R100 499 673 in August 2024. This represents 6% of the total outstanding debt of R1 554 527 085 and is gradually being paid.

Business/Commercial debt was R196 803 311 in July 2024 & is R183 412 504 in August 2024. This represents 12% of the total outstanding debt and is impacted by small business establishments in the townships that are either rented out to non-South Africans and where owners passed on.

Debt by Households was R1 136 564 281 in July 2024 & is R1 162 592 596 in August 2024 and that accounts for 75% of the total debt. This is inclusive of R165 662 006 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R107 458 314 in July 2024 & is R108 022 312 in August 2024 & that is 7% of the total outstanding debt.

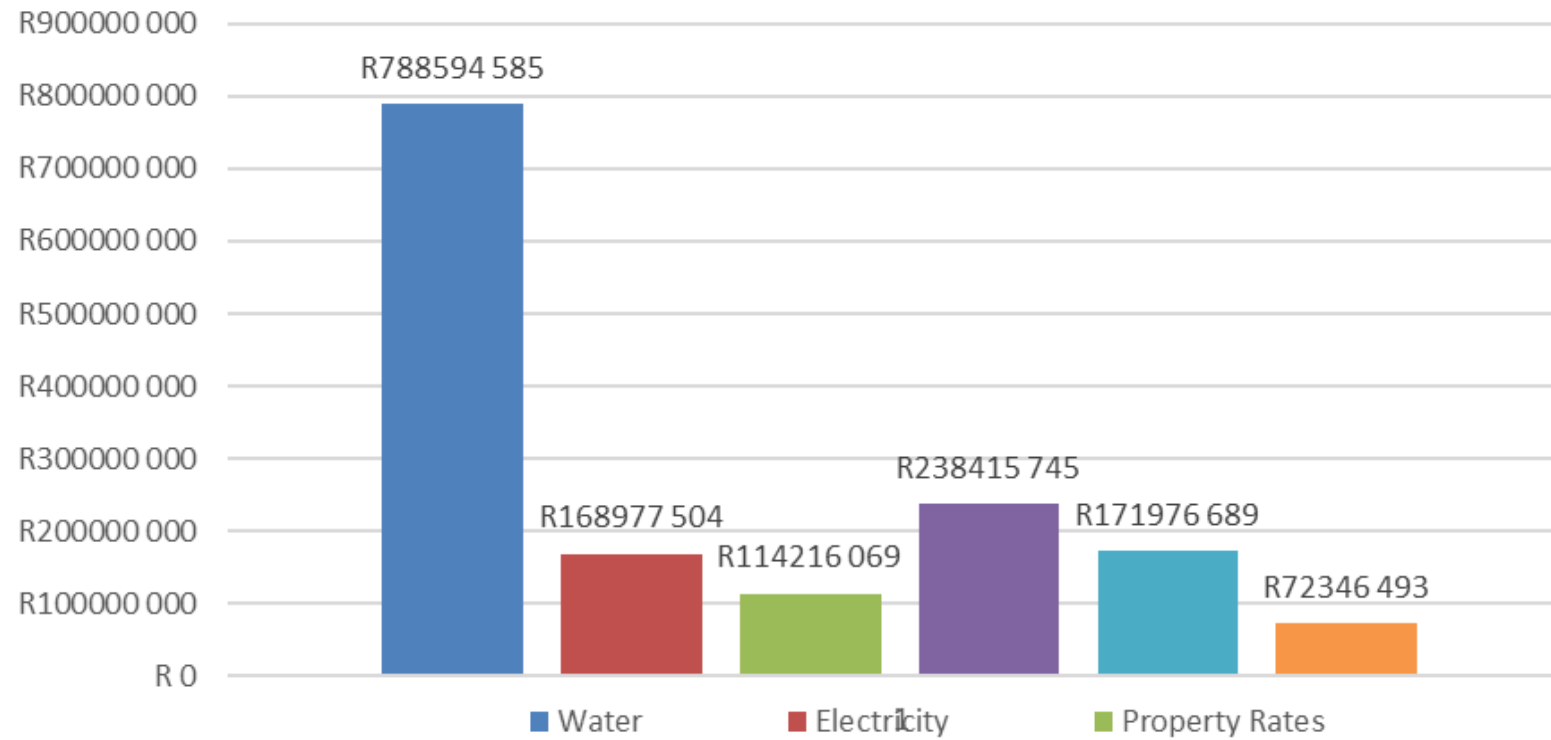
Councillors owed R1 345 346 in July 2024 & R1 370 641 in August 2024. Officials owed R2 579 954 in July 2024 & R2 672 837 in August 2024.

The Municipality urgently needs to resolve on proper implementation of the Debt Collection & Credit Control Policy and other policies for debt collection purposes.

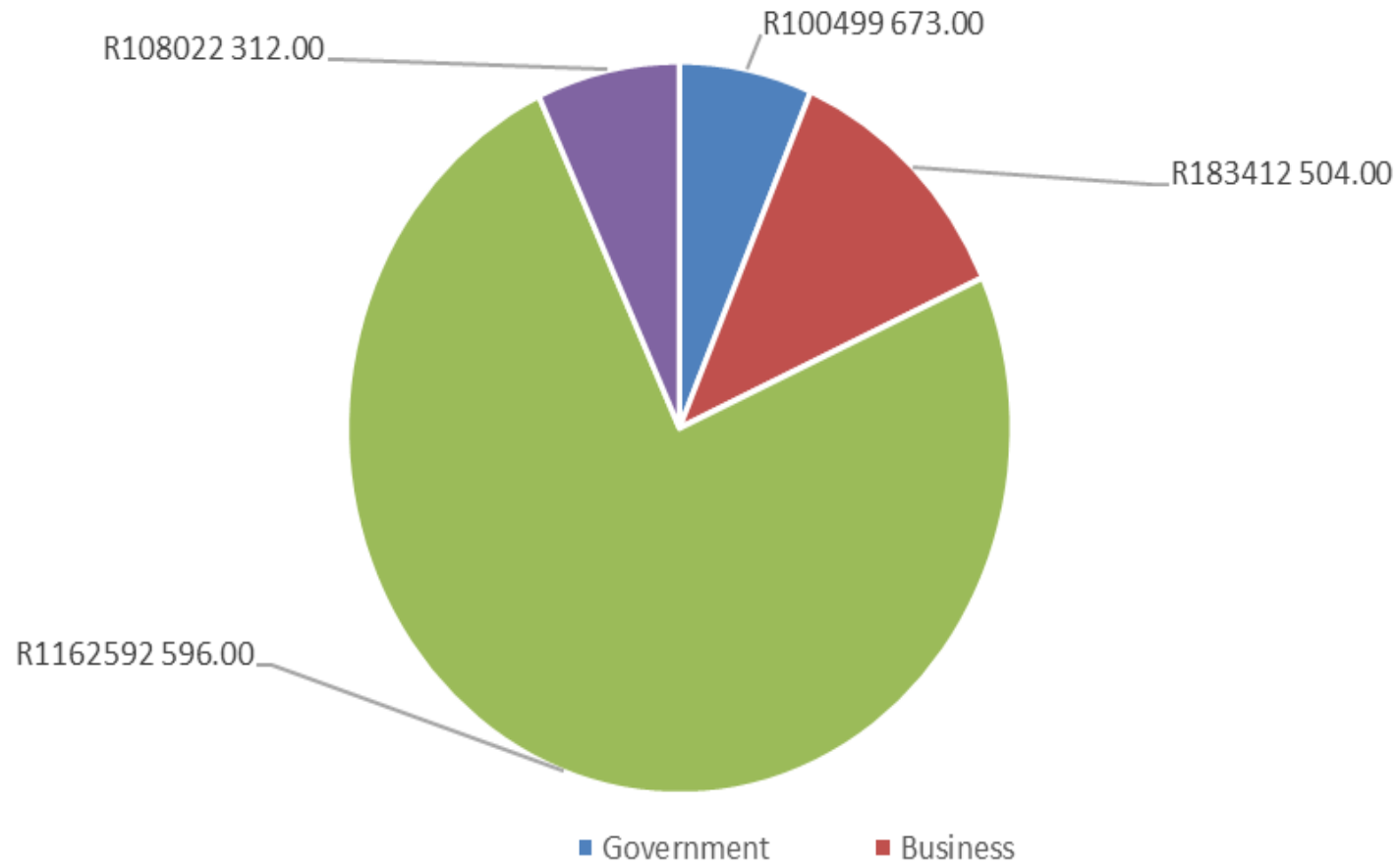
There are currently 4 debt collection companies appointed until June 2025, but their performance was hampered by the cyber-attack on the financial system between 05 June 2023 and 30 April 2024.

The delay in appointing the Directors, including the Chief Financial officer plays a very critical role in the financial distress facing the municipality.

Age Analysis by Income Source



Age Analysis By Customer Group



An analysis revealed that the catalysts for this condition are the volume of accountholders in arrears, the poor economic circumstances of a large number of our accountholders, and the increasing cost of services beyond the Municipality's control. There is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. The municipality will process this debt and submit it to Council for approval for write off. We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts.

The municipality held a strategic planning session between 17 and 19 October 2023 to address its financial challenges and come up with resolutions in improving/enhancing the revenue collection. We anticipate a marked turnaround of this trend and in conjunction with a concerted effort to retard the escalation of ageing debt, we are focusing on improving the accuracy and regularity of our billing as well as our communication with our accountholders. Indigent verification is a continuous process, and we are encouraging accountholders whose households qualify, to approach the Municipality for an assessment and possible registration as an Indigent Household. The benefits of this are the provision of free basic services and assistance with arrear debt owed to the Municipality. The payment culture of consumers needs to improve across all areas. - Articulated in the paragraph below under "Revenue Management" is a detailed plan with interventions and improvements.

Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	117 509 510.11	16 558 979.95	-754 400.76	45 419.40	42 243.00	15 892 241.59	-11 820 633.28	121 581 118.42	-74%	4 071 608.31
2	530 665 884.19	16 674 490.18	-5 284 416.52	25 224.26	7 667.00	11 422 964.92	-1 524 777.65	540 564 071.46	-13%	9 898 187.27
3	23 004 477.49	5 261 183.96	-5 282 710.02	0.00	0.00	-21 526.06	-18 238 601.83	4 744 349.60	84728%	-18 260 127.89
4	54 014 876.37	541 763.49	-16 286.23	0.00	0.00	525 477.26	-151 898.73	54 388 454.90	-29%	373 578.53
6	16 274 742.26	1 516 276.32	-138 194.90	0.00	0.00	1 378 081.42	-410 546.57	17 242 277.11	-30%	967 534.85
7	21 376 961.63	917 504.81	-285 299.65	1 129.55	0.00	633 334.71	-90 287.21	21 920 009.13	-14%	543 047.50
8	9 012 675.73	1 064 854.08	47 996.46	0.00	0.00	1 112 850.54	-302 510.75	9 823 015.52	-27%	810 339.79
9	2 367 331.69	16 605.52	-38 411.47	20 125.00	0.00	-1 680.95	-11 500.00	2 354 150.74	684%	-13 180.95
10	59 549 859.76	12 284 085.85	-1 395 016.65	0.00	857.00	10 889 926.20	-7 301 497.28	63 138 288.68	-67%	3 588 428.92
11	75 856 733.29	2 427 247.91	-481 241.15	0.00	0.00	1 946 006.76	-549 513.64	77 253 226.41	-28%	1 396 493.12
13	529 259 837.53	15 795 368.70	-1 276 982.82	0.00	5 259.00	14 523 644.88	-1 946 933.95	541 836 548.46	-13%	12 576 710.93
14	6 638 293.88	4 816 622.22	0.00	0.00	0.00	4 816 622.22	-4 463 701.19	6 991 214.91	-93%	352 921.03
15	6 890.10	60.31	0.00	0.00	0.00	60.31	0.00	6 950.41	0%	60.31
16	86 234 906.28	8 289 886.29	-99 485.76	3 602.94	857.00	8 194 860.47	-1 746 357.39	92 683 409.36	-21%	6 448 503.08
	1 531 772 980.31	86 164 929.59	-15 004 449.47	95 501.15	56 883.00	71 312 864.27	-48 558 759.47	1 554 527 085.11	-68%	22 754 104.80

The August 2024 total billing was R71 312 864.27 and collection amounted to R78 558 759.47, which is 68% collection on current billing for the month. Cycle 3 is for a specific maize producing company that runs on its own cycle for control purposes. The account is always up to date or

paid in advance. Cycle 15 relates to Viljoenskroon maximum demand meters and normally lacks activity due to the challenges experienced by the account holders that side of town/municipality. Cycle 9 relates to sundry debtors and is improved by purchase of vacant stands most of the time.

7. Creditors' Analysis

Detail	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	Total -
Bulk Electricity	69 198 511	76 950 771	67 288 087	1 244 971				1 243 726 299	1 458 408 639
Loan repayments	996 458	591 182	1 704 416					2 245 365	5 537 421
Trade Creditors	9 324 952	4 740 863							14 065 815
Auditor General	51 482	775 006							826 488
DWS	1 115 675	1 563 260	7 015 323	5 168 944					14 863 202
WORKMENS COMPENSATION				1 014 024					1 014 024
GOVERNMENT GARAGE	371 550			3 575 378					3 946 928
Total	81 058 628	84 621 082	76 007 826	11 003 318	-	-	-	1 245 971 664	1 498 662 518

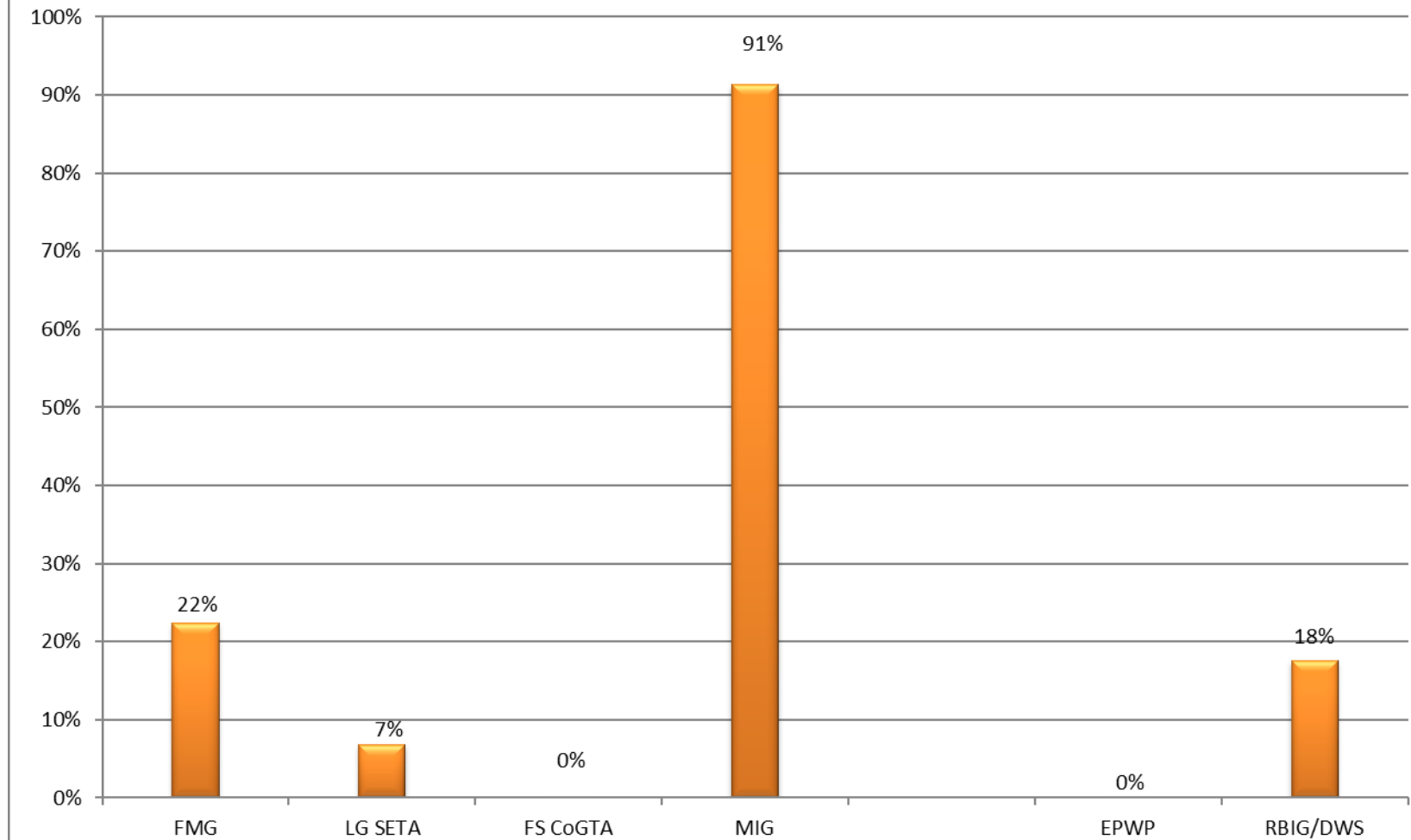
Bulk Electricity – As at the 30 August 2024, the outstanding debt owed to ESKOM amounted to R1 458 408 639. As per the Debt Relief approval, the municipality must honour the payment of the monthly current account and only the outstanding balance of R365 000 000 after approval of the debt relief application. The municipality is yet to enter into a payment arrangement. Trade creditors are all suppliers registered on the municipality's database and it is a prerequisite for these suppliers to be registered on the Central Supplier Database (CSD). Auditor General – the current account due to the AGSA is R826 488. Other creditors – includes Sundry creditors which were unpaid as at 30 August 2024 amount to R19 824 154.

8. Investment portfolio analysis

Moqhaka Municipality					
Year End	30-Jun-25				
Section	Finance				
Compiled by	ID Mphosi				
Purpose	Investment Register				
The municipality holds the following investments with ABSA Bank.					
Detail	Bank Acc num	Type of investment	Vote num		
ABSA - 1	20-7531-4898	Fixed Deposit	34055053140ZZZZZZWWM		
ABSA - 2	20-5824-7882	Fixed Deposit	34055053040ZZZZZZWWM		
ABSA - 3	91-3190-1443	Call Account	34055053240ZZZZZZWWM		
	20-7531-4898	20-5824-7882	91-3190-1443		
	ABSA - 1	ABSA - 2	ABSA - 3	Total	
Balance 01-Jul- 2024	5 608.89	118 622.25	40 795 171.52	40 919 402.66	
Prior period error	-	-	-	-	
Adjusted Balance	5 608.89	118 622.25	40 787 125.85	40 911 356.99	
	-	-	49 977 242.08	49 977 242.08	
Invested	-	-	67 497 000.00	67 497 000.00	
Withdrawn	-	-	-18 000 000.00	-18 000 000.00	
Interest earned	-		480 242.08	480 242.08	
Balance at 31-Jul-2024	5 608.89	118 622.25	90 764 367.93	90 888 599.07	
	52.02		1 799 349.35		
Invested	-	-	50 181 646.00	50 181 646.00	
Withdrawn	-	-	-49 000 000.00	-49 000 000.00	
Interest earned	52.02	-	617 703.35	617 755.37	
Balance at 31-Aug-2024	5 660.91	118 622.25	92 563 717.28	92 688 000.44	

Report on conditional grants at	31-Aug-24					
Municipality:	FS201 Moqhaka					
Financial Accounting for Grant Funds Received and Expended						
	OPERATIONAL GRANTS		CAPITAL GRANTS			
	Finance Management Grant (FMG)	LG SETA (Mandatory)	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
DORA Allocation for the 2024/25	2 300 000		46 656 000	1 299 000	17 971 000	65 926 000
Unspent grants at beginning of the financial year		2 791 897				-
Received Prior Months		113 716	12 497 000		5 220 139	17 717 139
Received This Month	2 300 000	-		325 000	1 324 502	1 649 502
Total Funds Received	2 300 000	2 905 613	12 497 000	325 000	6 544 641	19 366 641
Spent Prior Months	21 455	10 850	7 043 283	-		7 043 283
Spent This Month	493 501	179 400	4 366 038		1 151 740	5 517 778
Grants refunded					-	-
Total Funds Spent	514 956	190 250	11 409 321	-	1 151 740	12 561 061
Total funds Received and Not Spent	1 785 044	2 715 363	1 087 679	325 000	5 392 901	6 805 580
Percentage of Funds Spent	22%	7%	91%	0%	18%	65%
Funds Currently Committed but Not Spent	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-

GRANTS SPENDING 2024/25



9. Allocation and grant receipts and expenditure

FS201 Moqhaka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		283 146	310 788	310 788	–	124 403	51 798	72 605	140.2%	310 788
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		278 006	298 568	298 568	–	124 403	49 761	74 642	150.0%	298 568
Expanded Public Works Programme Integrated Grant		–	9 920	9 920	–	–	1 653	(1 653)	-100.0%	9 920
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–		–
Local Government Financial Management Grant		2 300	2 300	2 300	–	–	383	(383)	-100.0%	2 300
Municipal Disaster Relief Grant	3	2 840	–	–	–	–	–	–		–
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Other transfers and grants [insert description]								–		
Provincial Government:		29 247	–	–	–	–	–	–		–
Infrastructure Grant		29 247	–	–	–	–	–	–		–
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		1 661	726	726	–	–	121	(121)	-100.0%	726
ESKOM		–	–	–	–	–	–	–		–
National Economical Development and Labour Council		1 463	–	–	–	–	–	–		–
National Skills Fund		198	726	726	–	–	121	(121)	-100.0%	726
Total Operating Transfers and Grants	5	314 054	311 514	311 514	–	124 403	51 919	72 484	139.6%	311 514
Capital Transfers and Grants										
National Government:		51 222	64 627	64 627	–	–	10 771	(10 771)	-100.0%	64 627
Integrated National Electrification Programme Grant		2 050	–	–	–	–	–	–		–
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		44 352	46 656	46 656	–	–	7 776	(7 776)	-100.0%	46 656
Water Services Infrastructure Grant		4 820	17 971	17 971	–	–	2 995	(2 995)	-100.0%	17 971
Provincial Government:		–	1 237	1 237	–	–	206	(206)	-100.0%	1 237
Capacity Building and Other Grants		–	–	–	–	–	–	–		–
Infrastructure Grant		–	1 237	1 237	–	–	206	(206)	-100.0%	1 237
District Municipality:		–	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	–	–	–	–		–
Other grant providers:		5	–	–	(0)	(0)	–	(0)		–
[insert description]								–		
Developers Contribution		–	–	–	–	–	–	–		–
Office of the Pension Fund Adjudicator		(2)	–	–	(0)	(0)	–	(0)		–
Unspecified		7	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	51 227	65 864	65 864	(0)	(0)	10 977	(10 978)	-100.0%	65 864
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	365 281	377 378	377 378	(0)	124 403	62 896	61 506	97.8%	377 378

FS201 Moqhaka - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		100 324	137 896	137 906	9 445	19 763	22 984	(3 221)	-14.0%	137 906
Equitable Share		97 207	125 676	125 686	9 015	19 311	20 947	(1 636)	-7.8%	125 686
Expanded Public Works Programme Integrated Grant		1 359	9 920	9 920	0	0	1 653	(1 653)	-100.0%	9 920
Local Government Financial Management Grant		2 012	2 300	2 300	430	451	383	68	17.8%	2 300
Municipal Disaster Relief Grant		(253)	-	-	-	-	-	-		-
Water Services Infrastructure Grant		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		184	1 000	1 000	156	167	167	0	0.1%	1 000
Education Training and Development Practices SETA		184	1 000	1 000	156	167	167	0	0.1%	1 000
Total operating expenditure of Transfers and Grants:		100 508	138 896	138 906	9 601	19 929	23 151	(3 221)	-13.9%	138 906
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		26	64 627	64 627	3 057	8 614	10 771	(2 157)	-20.0%	64 627
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Local Government Financial Management Grant		-	-	-	-	-	-	-		-
Municipal Disaster Relief Grant		26	-	-	-	-	-	-		-
Municipal Infrastructure Grant		0	46 656	46 656	3 057	8 614	7 776	838	10.8%	46 656
Water Services Infrastructure Grant		-	17 971	17 971	-	-	2 995	(2 995)	-100.0%	17 971
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Capacity Building and Other Grants		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
Specify (Add grant description)		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Unspecified		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		26	64 627	64 627	3 057	8 614	10 771	(2 157)	-20.0%	64 627
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		100 535	203 523	203 533	12 658	28 544	33 922	(5 378)	-15.9%	203 533

- R124 403 000 of Operational grant monies was received for the month under review.
- There was no Capital grant money received for the month under review.
- Correcting journals are processed monthly to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

10. Councillor and board member allowances and employee benefits

31 August 2024

Debt owed by Councillors / Municipal Officials					
Age Analysis	Councillors		Municipal Officials		
	Former R	Current R	Former R	Current R	
0 - 30 Days	R43 414.17	R40 538.17	R245 132.29	R233 015.49	
31 - 60 Days	R36 180.00	R39 967.11	R167 334.42	R198 328.95	
61 - 90 Days	R32 125.47	R34 236.01	R158 215.38	R159 093.08	
Over 90 Days	R1 452 626.18	R1 479 095.99	R2 834 973.20	R2 950 204.90	
Total	R1 564 345.82	R1 593 837.28	R3 405 655.29	R3 540 642.42	

REPORT ON STAFF BENEFITS: Staff costs analysis for the month (MFMA Section 66)

Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)

31 August 2024

DESCRIPTION	Budget 2024/2025	Actual 31-Aug-24	YTD 31-Aug-24	% Exp
EMPLOYEE RELATED COST				
SENIOR MANAGEMENT				
SM - SALARIES ALLOW AND SERV BENEFITS				
MM - SALARIES ALLOW AND SERV BENEFITS				
SM MM: SAL & ALL - BASIC SALARY	1 040 930.00	60 680.35	121 360.00	11.66
SM MM: SAL & ALL - PERFORM BASED BONUS	149 275.00			
SM MM: ALLOW - CELLULAR & TELEPHONE	33 201.00	3 000.00	6 000.00	18.07
SM MM: ALLOW - HOUSING BENEFITS				
SM MM: ALLOW - TRAVEL OR MOTOR VEHICLE	265 810.00	19 507.75	39 015.00	14.68
SM MM: SRB - LONG SERVICE				
SUB TOTAL: MM - SAL ALLOW & SERV BENEF	1 489 216.00	83 188.10	166 375.00	11.17
CFO - SALARIES ALLOW AND SERV BENEFITS				
SM CFO: SAL & ALL - BASIC SALARY	900 793.00	0.00	0.00	0.00
SM CFO: SAL & ALL - PERFORM BASED BONUS	54 908.00			
SM CFO: ALLOW - CELLULAR & TELEPHONE	6 640.00	0.00	0.00	0.00
SM CFO: ALLOW - HOUSING BENEFITS				
SM CFO: ALLOW - TRAVEL OR MOTOR VEHICLE	55 335.00	0.00	0.00	0.00
SM CFO: SRB - ENTERTAINMENT	15 735.00	0.00	0.00	0.00

SM CFO: SRB - ACTING & POST RELATE ALLOW				
SUB TOTAL: CFO - SAL ALLOW & SERV BENEF	1 033 411.00	0.00	0.00	0.00
D01 - SALARIES ALLOW AND SERV BENEFITS				
SM D01: SAL & ALL - BASIC SALARY	947 376.00	0.00	0.00	0.00
SM D01: SAL & ALL - PERFORM BASED BONUS	55 013.00	0.00		
SM D01: ALLOW - CELLULAR & TELEPHONE	9 960.00	0.00	0.00	0.00
SM D01: ALLOW - HOUSING BENEFITS				
SM D01: ALLOW - TRAVEL OR MOTOR VEHICLE	159 473.00	0.00	0.00	0.00
SM D01: SRB - ENTERTAINMENT	5 245.00	0.00	0.00	0.00
SM D01: SRB - ACTING & POST RELATE ALLOW				
SUB TOTAL: DTS - SAL ALLOW & SERV BENEF	1 177 067.00	0.00	0.00	0.00
DO2 - SALARIES ALLOW AND SERV BENEFITS				
SM D02: SAL & ALL - BASIC SALARY	818 367.00	65 753.25	131 506.00	16.07
SM D02: SAL & ALL - PERFORM BASED BONUS	220 485.00			
SM D02: ALLOW - CELLULAR & TELEPHONE	18 528.00	1 000.00	2 000.00	10.79
SM D02: ALLOW - HOUSING BENEFITS	103 811.00	0.00	0.00	
SM D02: ALLOW - TRAVEL OR MOTOR VEHICLE	555 884.00	43 658.00	87 316.00	15.71
SM D02: ALLOW - ACCOM TRAVEL & INCIDENT.	0.00	0.00	0.00	
SM D02: SRB - ENTERTAINMENT	10 490.00	0.00	0.00	0.00
SM D02: SRB - ACTING & POST RELATE ALLOW				
SUB TOTAL: DPS - SAL ALLOW & SERV BENEF	1 727 565.00	110 411.25	220 822.00	12.78
DO3 - SALARIES ALLOW AND SERV BENEFITS				
SM D03: SAL & ALL - BASIC SALARY	895 759.00	0.00	0.00	0.00
SM D03: SAL & ALL - PERFORM BASED BONUS	53 714.00			
SM D03: ALLOW - CELLULAR & TELEPHONE	5 412.00	0.00	0.00	0.00
SM D03: ALLOW - HOUSING BENEFITS	175 238.00	0.00	0.00	0.00
SM D03: ALLOW - TRAVEL OR MOTOR VEHICLE	99 517.00	0.00	0.00	0.00
SM D03: SRB - ENTERTAINMENT	0.00			

SM D03: SRB - ACTING & POST RELATE ALLOW				
SUB TOTAL: DCH - SAL ALLOW & SERV BENEF	1 229 640.00	0.00	0.00	0.00
DO4 - SALARIES ALLOW AND SERV BENEFITS				
SM D04: SAL & ALL - BASIC SALARY	892 060.00			
SM D04: SAL & ALL - PERFORM BASED BONUS	8 178.00			
SM D04: ALLOW - CELLULAR & TELEPHONE	8 559.00			
SM D04: ALLOW - HOUSING BENEFITS	81 852.00			
SM D04: ALLOW - TRAVEL OR MOTOR VEHICLE	60 816.00			
SM D04: SRB - ENTERTAINMENT				
SUB TOTAL: DCS - SAL ALLOW & SERV BENEF	1 051 465.00			
SUB TOTAL: SM - SAL ALLOW & SERV BENEF	7 708 364.00	193 599.35	387 197.00	5.02
SM - SOCIAL CONTRIBUTIONS				
MM - SOCIAL CONTRIBUTIONS				
SM MM: SOC CONTR: MEDICAL	68 736.00			0.00
SM MM: SOC CONTR: PENSION FUNDS	116 203.00	10 922.46	21 844.92	18.80
SM MM: SOC CONTR: UIF	2 422.00	177.12	354.24	14.63
SUB TOTAL: MM - SOCIAL CONTRIBUTIONS	187 361.00	11 099.58	22 199.16	11.85
CFO - SOCIAL CONTRIBUTIONS				
SM CFO: SOC CONTR: GROUP LIFE INSURANCE				
SM CFO: SOC CONTR: MEDICAL	66 431.00			0.00
SM CFO: SOC CONTR: PENSION FUNDS	132 807.00			0.00
SM CFO: SOC CONTR: UIF	2 459.00			0.00
SM CFO: SOC CONTR: BARGAINING COUNCIL				
SUB TOTAL: CFO - SOCIAL CONTRIBUTIONS	201 697.00	0.00	0.00	0.00
D01 - SOCIAL CONTRIBUTIONS				
SM D01: SOC CONTR: GROUP LIFE INSURANCE				
SM D01: SOC CONTR: MEDICAL	69 820.00			0.00
SM D01: SOC CONTR: PENSION FUNDS	144 119.00			0.00
SM D01: SOC CONTR: UIF	2 461.00			0.00
SM D01: SOC CONTR: BARGAINING COUNCIL	0.00			

SUB TOTAL: DTS - SOCIAL CONTRIBUTIONS	216 400.00	0.00	0.00	0.00
D02 - SOCIAL CONTRIBUTIONS				
SM D02: SOC CONTR: GROUP LIFE INSURANCE				
SM D02: SOC CONTR: MEDICAL	37 057.00			0.00
SM D02: SOC CONTR: PENSION FUNDS	55 936.00	11 835.59	23 671.18	42.32
SM D02: SOC CONTR: UIF	2 459.00	177.12	354.24	14.41
SM D02: SOC CONTR: BARGAINING COUNCIL				
SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS	95 452.00	12 012.71	24 025.42	25.17
D03 - SOCIAL CONTRIBUTIONS				
SM D03: SOC CONTR: GROUP LIFE INSURANCE				
SM D03: SOC CONTR: MEDICAL	42 022.00			0.00
SM D03: SOC CONTR: PENSION FUNDS				
SM D03: SOC CONTR: UIF	2 434.00			0.00
SM D03: SOC CONTR: BARGAINING COUNCIL				
SUB TOTAL: DCH - SOCIAL CONTRIBUTIONS	44 456.00	0.00	0.00	0.00
SUB TOTAL: SM - SOCIAL CONTRIBUTIONS				
SM - POST RETIREMENT BENEFITS				
SM: PRB - MED: CURRENT SERVICE COST				
SM: PRB - MED: INTEREST COST	5 751 703.00	412 798.82	412 798.82	7.18
SM: PRB - PENS: INTEREST COST	742 998.00	0.00	0.00	0.00
SUB TOTAL : SM - POST RETIREMENT BENEFIT	6 494 701.00	412 798.82	412 798.82	6.36
SM: PST RET BEN OBL CST CAP PPE				
SUB TOTAL : SM - COST CAPITALISED TO PPE				
SUB TOTAL : SENIOR MANAGEMENT	14 948 431.00	629 510.46	846 220.40	5.66
MUNICIPAL STAFF				
MS - SALARIES ALLOW AND SERV BENEFITS				
MS: SAL & ALL: BASIC SALARY & WAGES	271 059 050.00	19 694 222.48	39 528 588.25	

MS: SAL & ALL: PERFORMANCE BASED BONUSES	28 646.00	0.00	0.00	
MS: ALL - CELLULAR & TELEPHONE	872 036.00	37 910.00	76 554.44	
MS: HB & INC: HOUSING BENEFITS	2 013 195.00	139 175.37	275 617.92	
MS: ALL - LEAVE PAY	3 075 518.00	295 060.45	455 689.65	
MS: ALL - TRAVEL OR MOTOR VEHICLE	24 606 437.00	1 790 008.00	3 555 213.03	
MS: OVERTIME - NON STRUCTURED	33 870 731.00	2 968 956.69	6 240 217.47	
MS: OVERTIME - STRUCTURED	61 717.00	3 010.39	3 010.39	
MS: PAYMENTS - SHIFT ADD REMUNERATIO				
MS: SRB - ANNUAL BONUS	21 273 371.00	920 069.32	4 268 266.93	
MS: SRB - LONG SERVICE AWARD	2 117 536.00	186 509.53	289 223.67	
MS: SRB - STANDBY ALLOWANCE	4 137 422.00	391 704.97	775 445.06	
MS: IN-KIND BENEFITS	3 371.00	0.00	0.00	
MS: SRB - NON PENSIONABLE	1 750.00	0.00	0.00	
SUB TOTAL : MS - SAL ALLOW & SERV BENEF	363 120 780.00	26 426 627.20	55 467 826.81	
MS - SOCIAL CONTRIBUTIONS				
MS: SOC CONTR - BARGAINING COUNCIL	145 297.00	11 763.85	23 499.32	
MS: SOC CONTR - GROUP LIFE INSURANCE	1 416 399.00	83 086.78	166 173.56	
MS: SOC CONTR - MEDICAL	25 515 593.00	2 331 457.06	4 665 146.14	
MS: SOC CONTR - PENSION	41 812 794.00	3 524 548.63	6 971 232.59	
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 276 431.00	169 554.04	338 778.82	
SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	71 166 514.00	6 120 410.36	12 164 830.43	
MS: PRB - MED: CURRENT SERVICE COST	2 092 015.00	8 859.60	17 719.20	
MS: PRB - MED: INTEREST COST				
MS: PRB - PENS: INTEREST COST				
MS: PRB - OTHER: LEAVE GRATUITY				
SUB TOTAL : MS - POST RETIREMENT BEN	2 092 015.00	8 859.60	17 719.20	
MS - COST CAPITALISED TO PPE				
MS: IN-KIND BENEFITS CST CAP PPE	11 324.00	13 595.00	27 198.80	
SUB TOTAL : MS - COST CAPITALISED TO PPE	11 324.00	13 595.00	27 198.80	
SUB TOTAL : MUNICIPAL STAFF	436 390 633.00	32 569 492.16	67 677 575.24	

SUB TOTAL : EMPLOYEE RELATED COST	451 339 064.00	33 199 002.62	68 523 795.64	
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REPORT ON STAFF BENEFITS: Staff costs analysis for the month (MFMA Section 66)

Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)

Analysis of overtime per department

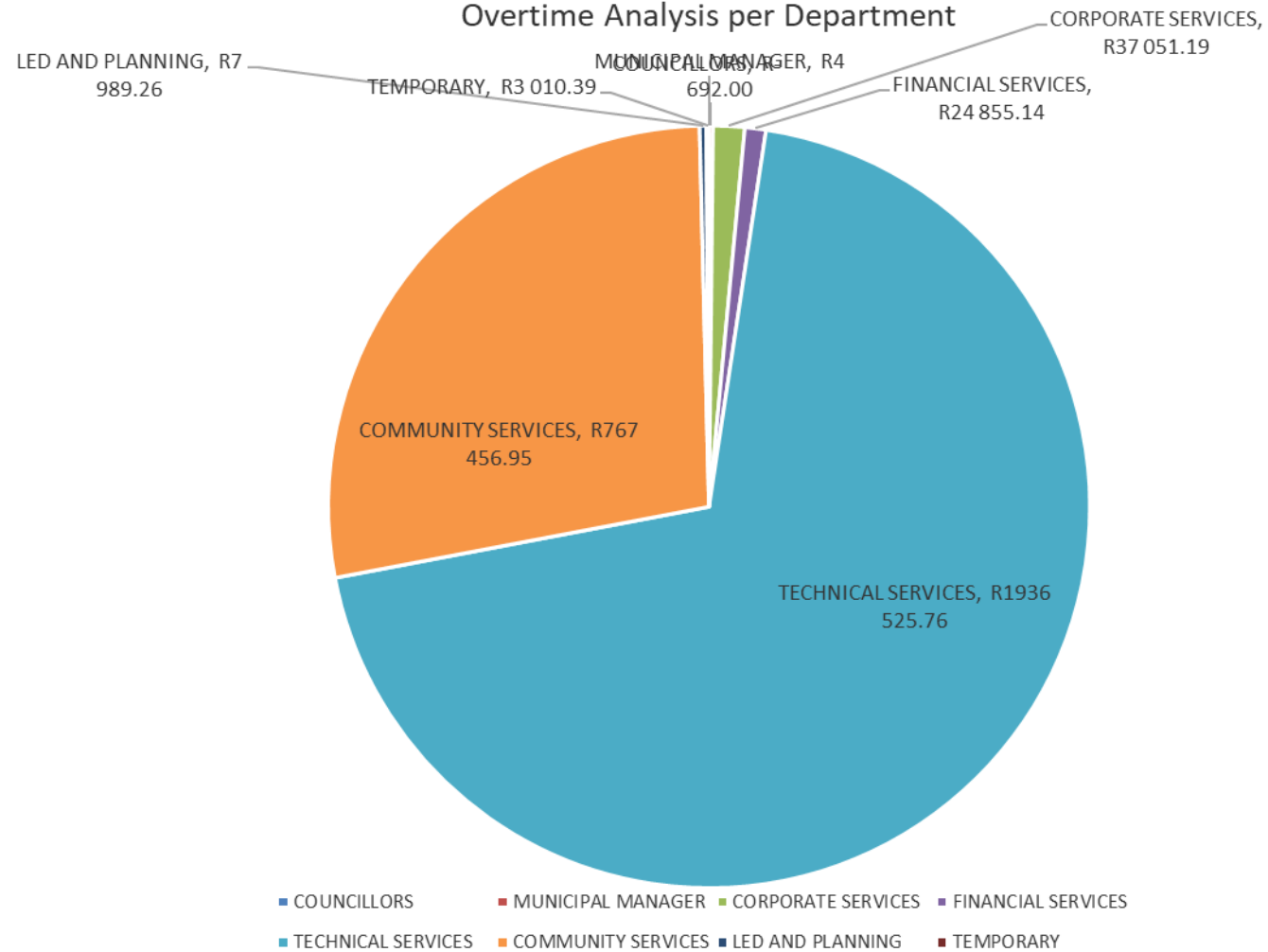
	31-Jul-24		31-Aug-24		30-Sep-24	
Description	Hours	Cost	Hours	Cost	Hours	Cost
Municipal Manager	-	-	36	4 692	-	-
Corporate Services	301	55 950	301	37 051		
Financial Services	226	34 812	55	24 855		
Technical Services	10 484	1 880 962	10 811	1 936 526		
Community Services	5 756	1 204 640	4 424	767 457		
LED & Planning			60	7 989		
Temporary			16	3 010		
Total	16 767	3 176 364	15 702	2 781 581	-	-

The overtime needs to be administered and only real emergencies be attended to after hours, on weekends and on holidays.

Each department needs to do proper planning to manage their own budget in order to avoid unnecessary expenditure,

thus ensuring that they stay within the budget for the year, to avoid overspending.

Overtime Analysis per Department



The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible. Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is consistent and correlates to the normal estimated time to complete a job of a similar nature.
- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant, and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2012/13 MTREF.

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies.
- Approval of Overtime prior to it being incurred.
- Inability to manage overtime proactively.
- Curbing / Limiting / Curtailing expenditure on Overtime.
- Monitoring expenditure on Overtime.
- Utilizing the available workforce optimally.
- Implementing an alternative method of compensation.
- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance.
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system.

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 831	7 394	7 394	243	503	1 232	(729)	-59%	7 394
Pension and UIF Contributions		1 708	1 839	1 839	139	278	306	(28)	-9%	1 839
Medical Aid Contributions		737	1 194	1 194	62	124	199	(75)	-38%	1 194
Motor Vehicle Allowance		12 926	14 071	14 071	1 122	2 244	2 345	(101)	-4%	14 071
Cellphone Allowance		1 956	2 882	2 882	165	330	480	(151)	-31%	2 882
Housing Allowances								—		
Other benefits and allowances		93	2 198	2 198	2	5	366	(362)	-99%	2 198
Sub Total - Councillors		22 251	29 578	29 578	1 733	3 484	4 930	(1 446)	-29%	29 578
% increase	4		32.9%	32.9%						32.9%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 333	5 495	5 495	126	253	916	(663)	-72%	5 495
Pension and UIF Contributions		125	461	461	23	46	77	(31)	-40%	461
Medical Aid Contributions		—	284	284	—	—	47	(47)	-100%	284
Overtime								—		
Performance Bonus		92	542	542	—	—	90	(90)	-100%	542
Motor Vehicle Allowance		718	1 197	1 197	63	126	199	(73)	-37%	1 197
Cellphone Allowance		48	82	82	4	8	14	(6)	-42%	82
Housing Allowances		—	361	361	—	—	60	(60)	-100%	361
Other benefits and allowances		—	—	—	—	—	—	—		—
Payments in lieu of leave								—		
Long service awards		—	—	—	—	—	—	—		—
Post-retirement benefit obligations	2	10 445	6 495	6 495	413	413	1 082	(670)	-62%	6 495
Entertainment		36	31	31	—	—	5	(5)	-100%	31
Scarcity								—		
Acting and post related allowance								—		
In kind benefits								—		
Sub Total - Senior Managers of Municipality		12 796	14 948	14 948	630	846	2 491	(1 645)	-66%	14 948
% increase	4		16.8%	16.8%						16.8%
Other Municipal Staff										
Basic Salaries and Wages		229 995	271 059	271 059	19 694	39 529	45 177	(5 648)	-13%	271 059
Pension and UIF Contributions		42 300	45 506	45 506	3 777	7 476	7 584	(108)	-1%	45 506
Medical Aid Contributions		25 041	25 516	25 516	2 331	4 665	4 253	412	10%	25 516
Overtime		40 338	33 932	33 932	2 972	6 243	5 655	588	10%	33 932
Performance Bonus		18 206	21 302	21 302	920	4 268	3 550	718	20%	21 302
Motor Vehicle Allowance		21 518	24 606	24 606	1 790	3 555	4 101	(546)	-13%	24 606
Cellphone Allowance		496	872	872	38	77	145	(69)	-47%	872
Housing Allowances		1 560	2 013	2 013	139	276	336	(60)	-18%	2 013
Other benefits and allowances		3 971	4 284	4 284	403	799	714	85	12%	4 284
Payments in lieu of leave		7 051	3 076	3 076	295	456	513	(57)	-11%	3 076
Long service awards		924	2 118	2 118	187	289	353	(64)	-18%	2 118
Post-retirement benefit obligations	2	—	2 092	2 092	9	18	349	(331)	-95%	2 092
Entertainment								—		
Scarcity								—		
Acting and post related allowance								—		
In kind benefits		—	3	3	—	—	1	(		

As depicted in the Table above, Employee related costs is satisfactory and showing a variance of minus 3%. Post-retirement benefit obligations are part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors Remuneration is showing a satisfactory variance of minus 29% when compared to the YTD Budget. The Gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils was implemented accordingly.

Management needs to do more to address the issues on Overtime which is higher than the ideal IYM percentage and is overspent for the year under review. For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime.

The Overtime controls are not effective and the desired outcome to remain within budget, was not achieved for 2023/24 financial year. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with experienced and qualified personnel. The historic contract appointments and continuous appointment of contract workers is negatively affecting the salary expenditure and hampering the municipality's ability to fill vacancies as contract workers are being carried by budgeted vacancies. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours were limited to 30 hours per month within most departments, but this control has since been abolished, negatively contributing to the overall Overtime expenditure. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

11. Material Variances to the Service Delivery and Budget Implementation Plan

Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 4.1 to 4.3 or emphasised elsewhere in this Monthly Budget Statement. Any other material variances to the SDBIP will be included in the quarterly Section 52 (d) report for the period ending 30 September 2024.

12. Capital programme performance

Report on conditional grants at	31-Aug-24					
Municipality:	FS201 Moqhaka					
Financial Accounting for Grant Funds Received and Expended						
	OPERATIONAL GRANTS		CAPITAL GRANTS			
	Finance Management Grant (FMG)	LG SETA (Mandatory)	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
DORA Allocation for the 2024/25	2 300 000		46 656 000	1 299 000	17 971 000	65 926 000
Unspent grants at beginning of the financial year		2 791 897				-
Received Prior Months		113 716	12 497 000		5 220 139	17 717 139
Received This Month	2 300 000	-		325 000	1 324 502	1 649 502
Total Funds Received	2 300 000	2 905 613	12 497 000	325 000	6 544 641	19 366 641
Spent Prior Months	21 455	10 850	7 043 283	-		7 043 283
Spent This Month	493 501	179 400	4 366 038		1 151 740	5 517 778
Grants refunded					-	-
Total Funds Spent	514 956	190 250	11 409 321	-	1 151 740	12 561 061
Total funds Received and Not Spent	1 785 044	2 715 363	1 087 679	325 000	5 392 901	6 805 580
Percentage of Funds Spent	22%	7%	91%	0%	18%	65%
Funds Currently Committed but Not Spent	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-

FS 201								
MOQHAKA LOCAL MUNICIPALITY								
MIG GRANT REGISTER								
Name of grant: MIG								
Details	Projects Descriptions	Cheque Ref.	Invoice Date	Vote where expenditure is captured	Funds Received	Expenditure (incl Vat)	Balance	
Aug-24								
Opening Balance								5 453 717.08
Funds Received								
Expenditure								
R/FS/19923/23/25	Maokeng/Seeisoville: Construction of 1.46km paved road and storm water at Mahabane Street (MIS: 458604)	90041193	31-07-2024			109 425.95		
R/FS/19923/23/25	Maokeng/Seeisoville: Construction of 1.46km paved road and storm water at Mahabane Street (MIS: 458604)	90041430	24-07-2024			99 075.95		
R/FS/19922/23/25	Maokeng/Brentpark: Construction of 1.316km paved road and storm water at Canon street (MIS:458296)	90041275	15-08-2024			190 487.55		
R/FS/19924/23/25	Maokeng: Gelukwaarts - Upgrading of Masione and Stiloane Street (0.796km) to a paved road (MIS:478759)	90041330	31-07-2024			157 951.83		
R/FS/19924/23/25	Maokeng: Gelukwaarts - Upgrading of Masione and Stiloane Street (0.796km) to a paved road (MIS:478759)	90041335	02-08-2024			791 223.24		
R/FS/19924/23/25	Maokeng: Gelukwaarts - Upgrading of Masione and Stiloane Street (0.796km) to a paved road (MIS:478759)	90041560	02-08-2024			174 066.58		
R/FS/19924/23/25	Maokeng: Gelukwaarts - Upgrading of Masione and Stiloane Street (0.796km) to a paved road (MIS:478759)	90041565	26-08-2024			2 630 727.34		
PMU	CP Botha MIG Quarterly Meeting 23/08/24 Bloemfontein	90041522	22-08-2024			3 341.92		
PMU	O Garegae MIG Quarterly Meeting 23/08/24 Bloemfontein	90041523	22-08-2024			2 570.92		
PMU	O Garegae Pink Session 22/08/2024 Kempton Park	90041524	22-08-2024			3 394.92		
PMU	S Modise Pink Session 22/08/2024 Kempton Park	90041525	22-08-2024			3 450.92		
PMU	PMU Telephone July 2024	salary	30-08-2024			426.65		
PMU	CP Botha - Salary	salary	30-08-2024			144 383.68		
PMU	SJ Modise - Salary	salary	30-08-2024			44 290.97		
PMU	O Garegae - Salary	salary	30-08-2024			6 765.09		
PMU	K Mbele - Salary	salary	30-08-2024			4 454.00		
Closing Balance					-	4 366 037.51		1 087 679.57

Implementation of projects is normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.

13. Other Supporting Documentation



ESKOM HOLDINGS SOC LTD REG NO 2002/016627/30
VAT REG NO 4742101508

MOGHAKA LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICE
PO BOX 302
KROONSTAD
9500

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 037366
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



TEL: 08600 37556
SMS:

CUSTOMER SELF SERVICE WEBSITE
<https://csonline.eskom.co.za>

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 56070087916

TAX INVOICE

E-MAIL: alet@moghaka.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	R	20,671.11
DIST. NETWORK CAPACITY CHARGE	R	978,707.09
NETWORK DEMAND CHARGE (C/KWH) (ALL)	R	109,942.91
ANCILLARY SERVICE (ALL)	R	175,005.09
ENERGY CHARGE (STD)	R	17,979,766.46
DEMAND CHARGE	R	280,046.62
DX EXCESS NETWORK CAPACITY CHA	R	104,343.88
NETWORK DEMAND CHARGE (C/KWH)	R	215,443.75
ENERGY CHARGE (PEAK)	R	25,727,180.03
ENERGY CHARGE (OFF)	R	9,509,634.30
ELECTRIFICATION AND RURAL SUBS (ALL)	R	3,674,633.02
TRANSMISSION NETWORK CAPACITY	R	940,800.00
NETWORK DEMAND CHARGE	R	913,174.08
URBAN LOW VOLTAGE SUBSIDY	R	1,697,400.00
REACTIVE ENERGY	R	1,902.04
SERVICE CHARGE	R	244,399.35
TOTAL CHARGES FOR BILLING PERIOD	R	62,673,049.73

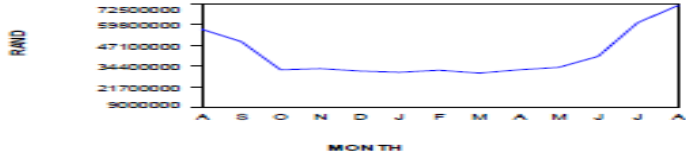
ACCOUNT SUMMARY FOR AUGUST 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-08-08)	R	1,372,259,357.70
PAYMENT(S) RECEIVED	Cash - 2024-07-12	R	-50,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	62,673,049.73
ADJUSTMENT	Interest on overdue account	R	73,582.50
ADJUSTMENT	Interest on overdue account	R	455,799.26
VAT RAISED ON ITEMS AT 14%		R	4,307,381.83
VAT RAISED ON ITEMS AT 15%		R	0.00
		R	9,400,957.47

ARREARS				CURRENT	TOTAL DUE
>90 DAYS	61-90 DAYS	31-60 DAYS	16-30 DAYS		
1,208,593.83	46,377,438.47	67,288,087.05	0.00	76,950,770.75	TOTAL DUE R 1,399,210,128.49

Account OVERDUE - Subject to Disconnection

RAND



MONTH

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BILL GROUP	
BILL PAGE	1 OF 4

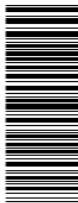
ACCOUNT NO / REFERENCE NO
9345061750

NAME
MOGHAKA LOCAL MUNICIPALITY

FAX NUMBER
0863593556

0934 9345061750

11341 9345061750



9345061750



9345061750



TOTAL AMOUNT DUE
1,399,210,128.45

PAYMENT ARRANGEMENT

INSTALMENT

ARREARS (Due Immediately) 0.00

322,259,357.70

DUE DATE (For Current Amount) 2024-09-07

AMOUNT PAID

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

14. Conclusion

This report meets the MFMA requirement for the Executive Mayor to receive the Section 71 'Monthly Budget Statement' within 10 working days after the end of the month.

Communication

In compliance to legislative requirements (Section 71 of the MFMA), this document is provided to all stakeholders by placing it on the municipal website: www.moghaka.gov.za

MFMA S71 statement hereby explicitly advise as part of the MFMA Circular 124: Condition 6.9 reporting, risk associated and mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget

1. These are the risks associated with the implementation of the municipality's Budget Funding Plan and / or Funded Budget

The following are the budget and other financial issues:

- Water and Electricity losses
- Collection on arrear debtors and liquidity of the Municipality
- The municipality not meeting the average daily cash collection target
- Defaulting on the high months and partial payments to ESKOM
- Non-compliance to MFMA Circular 124 Municipal Debt Relief and prescribed conditions
- Notice of disconnection from ESKOM
- Risk of forfeiting our NERSA license and the serious implications this will have on the operations of the municipality
- Insufficient cash to pay salaries and creditors for goods and services rendered
- Stopping of conditional capital grants.
- Disapproval of rollover requests
- The billed income of electricity and water in rand values are below the budgeted amounts which puts additional pressure on the budget and cash flow.
- The municipality is facing a huge financial crisis. If drastic measures are not taken immediately because the cash flow is on the verge of collapsing.

- Issues pertaining to Employee related costs, Overtime expenditure, Contract appointments and EPWP Expenditure

15. Annexure A: C-schedules

FS201 Moqhaka - Table C1 Monthly Budget Statement Summary - M02 August

Description	2023/24	Budget Year 2024/25							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	88 207	90 509	90 509	7 771	15 526	15 085	441	3%	90 509
Service charges	680 651	867 189	867 189	63 412	92 254	144 531	(52 277)	-36%	867 189
Investment revenue	34	30	30	–	–	5	(5)	-100%	30
Transfers and subsidies - Operational	314 054	311 514	311 514	–	124 403	51 919	72 484	0	311 514
Other own revenue	131 648	76 386	76 386	7 004	16 809	12 731	4 078	32%	–
Total Revenue (excluding capital transfers and contributions)	1 214 593	1 345 628	1 345 628	78 187	248 993	224 271	24 721	11%	1 345 628
Employee costs	404 323	451 339	451 339	33 199	68 524	75 224	(6 700)	-9%	451 339
Remuneration of Councillors	22 251	29 578	29 578	1 733	3 484	4 930	(1 446)	-29%	29 578
Depreciation and amortisation	121 050	9 870	9 870	–	–	1 645	(1 645)	-100%	9 870
Interest	6 029	8 698	8 698	550	1 100	1 450	(350)	-24%	8 698
Inventory consumed and bulk purchases	433 439	448 663	448 663	4 434	4 987	74 777	(69 791)	-93%	448 663
Transfers and subsidies	84	1 049	1 049	–	–	175	(175)	-100%	1 049
Other expenditure	445 128	361 269	361 269	20 006	28 080	60 212	(32 132)	-53%	361 269
Total Expenditure	1 432 305	1 310 466	1 310 466	59 922	106 174	218 412	(112 238)	-51%	1 310 466
Surplus/(Deficit)	(217 711)	35 162	35 162	18 264	142 818	5 859	136 959	2338%	35 162
Transfers and subsidies - capital (monetary allocations)	51 220	64 627	64 627	(0)	(0)	10 771	###	-100%	64 627
Transfers and subsidies - capital (in-kind)	7	1 237	1 237	–	–	206	(206)	-100%	1 237
Surplus/(Deficit) after capital transfers & contributions	(166 484)	101 026	101 026	18 264	142 818	16 836	125 982	748%	101 026
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(166 484)	101 026	101 026	18 264	142 818	16 836	125 982	748%	101 026
Capital expenditure & funds sources									
Capital expenditure	5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591
Capital transfers recognised	26	64 627	64 627	3 057	8 614	10 771	(2 157)	-20%	64 627
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	5 604	33 964	33 964	747	936	5 661	(4 724)	-83%	33 964
Total sources of capital funds	5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591
Financial position									
Total current assets	1 222 359	448 185	448 185		773 067				448 185
Total non current assets	2 000 694	2 983 725	2 983 725		2 010 245				2 983 725
Total current liabilities	1 499 719	516 230	516 230		1 451 578				516 230
Total non current liabilities	147 268	70 369	70 369		147 268				70 369
Community wealth/Equity	1 716 181	2 849 645	2 849 645		1 184 851				2 849 645
Cash flows									
Net cash from (used) operating	(9 267)	(674 222)	(674 222)	(1 727)	2 330	(112 370)	(114 700)	102%	(674 222)
Net cash from (used) investing	19 972	(98 868)	(98 868)	(3 804)	(9 941)	(16 478)	(6 537)	40%	(98 868)
Net cash from (used) financing	(137)	(348 363)	(348 363)	(312)	(554)	(58 061)	(57 506)	99%	(348 363)
Cash/cash equivalents at the month/year end	(10 797)	(1 145 173)	(1 145 173)	(17 680)	(18 071)	(210 629)	(192 558)	91%	(1 131 358)
Debtors & creditors 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	Total
Debtors Age Analysis									
Total By Income Source	77 850	49 188	39 308	1 388 181	–	–	–	–	1 554 527
Creditors Age Analysis									
Total Creditors	88 811	74 958	48 082	8 224	–	–	–	1 219 389	1 439 464

FS201 Moqhaka - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Revenue - Functional</u>										
<i>Governance and administration</i>		421 969	307 563	307 563	9 227	142 896	51 261	91 636	179%	307 563
Executive and council		307 242	204 456	204 456	192	124 644	34 076	90 568	266%	204 456
Finance and administration		114 726	103 108	103 108	9 035	18 252	17 185	1 067	6%	103 108
Internal audit		—	—	—	—	—	—	—		—
<i>Community and public safety</i>		13 971	26 947	26 947	368	2 276	4 491	(2 215)	-49%	26 947
Community and social services		1 850	3 573	3 573	117	254	595	(341)	-57%	3 573
Sport and recreation		2 893	5 232	5 232	44	98	872	(774)	-89%	5 232
Public safety		2 849	4 905	4 905	39	99	818	(719)	-88%	4 905
Housing		6 379	13 237	13 237	168	1 826	2 206	(381)	-17%	13 237
Health		—	—	—	—	—	—	—		—
<i>Economic and environmental services</i>		48 147	48 603	48 603	142	403	8 100	(7 698)	-95%	48 603
Planning and development		2 269	1 729	1 729	142	295	288	6	2%	1 729
Road transport		45 878	46 763	46 763	1	108	7 794	(7 686)	-99%	46 763
Environmental protection		—	110	110	—	—	18	(18)	-100%	110
<i>Trading services</i>		781 733	1 028 379	1 028 379	68 450	103 417	171 396	(67 979)	-40%	1 028 379
Energy sources		404 111	584 727	584 727	34 923	41 433	97 454	(56 021)	-57%	584 727
Water management		212 197	265 446	265 446	20 995	37 016	44 241	(7 225)	-16%	265 446
Waste water management		108 812	103 334	103 334	7 339	14 628	17 222	(2 594)	-15%	103 334
Waste management		56 613	74 873	74 873	5 192	10 340	12 479	(2 139)	-17%	74 873
<i>Other</i>	4	—	—	—	—	—	—	—		—
Total Revenue - Functional	2	1 265 820	1 411 492	1 411 492	78 186	248 992	235 249	13 744	6%	1 411 492
<u>Expenditure - Functional</u>										
<i>Governance and administration</i>		360 274	327 192	327 192	26 126	46 210	54 533	(8 322)	-15%	327 192
Executive and council		125 323	107 648	107 648	7 996	16 551	17 941	(1 390)	-8%	107 648
Finance and administration		231 006	214 976	214 976	17 834	29 047	35 830	(6 783)	-19%	214 976
Internal audit		3 945	4 568	4 568	296	612	761	(150)	-20%	4 568
<i>Community and public safety</i>		103 864	125 520	125 520	8 146	16 380	20 920	(4 541)	-22%	125 520
Community and social services		16 137	18 759	18 759	784	1 769	3 127	(1 358)	-43%	18 759
Sport and recreation		40 542	48 127	48 127	3 610	7 062	8 021	(960)	-12%	48 127
Public safety		39 276	49 422	49 422	3 047	6 106	8 237	(2 131)	-26%	49 422
Housing		7 910	9 212	9 212	704	1 444	1 535	(92)	-6%	9 212
Health		—	—	—	—	—	—	—		—
<i>Economic and environmental services</i>		87 217	72 713	72 713	5 243	8 449	12 119	(3 670)	-30%	72 713
Planning and development		8 862	13 818	13 818	660	1 318	2 303	(985)	-43%	13 818
Road transport		75 133	54 826	54 826	4 338	6 610	9 138	(2 528)	-28%	54 826
Environmental protection		3 222	4 069	4 069	246	521	678	(157)	-23%	4 069
<i>Trading services</i>		879 852	781 911	781 911	20 267	34 897	130 319	(95 422)	-73%	781 911
Energy sources		539 525	517 289	517 289	4 132	6 188	86 215	(80 027)	-93%	517 289
Water management		171 920	116 593	116 593	7 058	11 092	19 432	(8 341)	-43%	116 593
Waste water management		100 230	73 954	73 954	5 292	10 068	12 326	(2 257)	-18%	73 954
Waste management		68 176	74 075	74 075	3 786	7 549	12 346	(4 797)	-39%	74 075
<i>Other</i>		1 098	3 130	3 130	139	238	522	(283)	-54%	3 130
Total Expenditure - Functional	3	1 432 305	1 310 466	1 310 466	59 922	106 174	218 412	(112 238)	-51%	1 310 466
Surplus/ (Deficit) for the year		(166 484)	101 026	101 026	18 264	142 818	16 836	125 982	7.4828045	101 026

FS201 Moqhaka - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		307 242	204 456	204 456	192	124 644	34 076	90 568	265.8%	204 456
Vote 02 - Municipal Manager		2 840	-	-	-	-	-	-		-
Vote 03 - Corporate Services		196	2 301	2 301	(281)	(172)	383	(556)	-145.0%	2 301
Vote 04 - Finance		111 091	100 441	100 441	9 300	18 379	16 740	1 639	9.8%	100 441
Vote 05 - Technical Services		770 998	1 000 269	1 000 269	63 258	93 186	166 712	(73 526)	-44.1%	1 000 269
Vote 06 - Community Services		61 430	83 843	83 843	5 358	10 712	13 974	(3 262)	-23.3%	83 843
Vote 07 - Local Economic Development		12 023	20 183	20 183	360	2 244	3 364	(1 120)	-33.3%	20 183
Vote 08 - .		-	-	-	-	-	-	-		-
Vote 09 - .		-	-	-	-	-	-	-		-
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	1 265 820	1 411 492	1 411 492	78 186	248 992	235 249	13 744	5.8%	1 411 492
Expenditure by Vote	1									
Vote 01 - Executive & Council		102 817	99 504	99 504	7 574	15 687	16 584	(898)	-5.4%	99 504
Vote 02 - Municipal Manager		22 600	28 093	28 093	1 727	3 570	4 682	(1 113)	-23.8%	28 093
Vote 03 - Corporate Services		61 986	60 329	60 329	4 021	7 240	10 055	(2 815)	-28.0%	60 329
Vote 04 - Finance		72 264	69 950	69 950	5 944	10 343	11 659	(1 316)	-11.3%	69 950
Vote 05 - Technical Services		902 783	773 445	773 445	22 213	36 567	128 908	(92 341)	-71.6%	773 445
Vote 06 - Community Services		237 990	233 399	233 399	15 905	27 471	38 900	(11 430)	-29.4%	233 399
Vote 07 - Local Economic Development		31 864	45 745	45 745	2 538	5 297	7 624	(2 327)	-30.5%	45 745
Vote 08 - .		-	-	-	-	-	-	-		-
Vote 09 - .		-	-	-	-	-	-	-		-
Vote 10 - .		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	1 432 305	1 310 466	1 310 466	59 922	106 174	218 412	(112 238)	-51.4%	1 310 466
Surplus/ (Deficit) for the year	2	(166 484)	101 026	101 026	18 264	142 818	16 836	125 982	748.3%	101 026

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description		Ref	2023/24	Budget Year 2024/25							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue											
Exchange Revenue											
Service charges - Electricity			394 583	553 019	553 019	35 280	40 994	92 170	(51 176)	-56%	553 019
Service charges - Water			173 153	195 587	195 587	17 784	30 614	32 598	(1 984)	-6%	195 587
Service charges - Waste Water Management			65 954	70 019	70 019	6 066	12 107	11 670	437	4%	70 019
Service charges - Waste management			46 961	48 564	48 564	4 282	8 540	8 094	446	6%	48 564
Sale of Goods and Rendering of Services			6 220	10 265	10 265	355	923	1 711	(788)	-46%	10 265
Agency services									-		
Interest									-		
Interest earned from Receivables			69 946	34 557	34 557	5 400	11 862	5 759	6 103	106%	34 557
Interest from Current and Non Current Assets			34	30	30	-	-	5	(5)	-100%	30
Dividends			3 637	1 736	1 736	179	208	289	(82)	-28%	1 736
Rent on Land									-		
Rental from Fixed Assets			6 593	8 535	8 535	204	536	1 422	(887)	-62%	8 535
Licence and permits			-	-	-	-	-	-	-		
Operational Revenue			4 027	12 324	12 324	(62)	1 580	2 054	(474)	-23%	12 324
Non-Exchange Revenue											
Property rates			88 207	90 509	90 509	7 771	15 526	15 085	441	3%	90 509
Surcharges and Taxes									-		
Fines, penalties and forfeits			6 569	5 309	5 309	94	38	885	(846)	-96%	5 309
Licence and permits			-	-	-	-	-	-	-		
Transfers and subsidies - Operational			314 054	311 514	311 514	-	124 403	51 919	72 484	140%	311 514
Interest			7 761	2 982	2 982	761	1 514	497	1 017	205%	2 982
Fuel Levy									-		
Operational Revenue			839	678	678	74	148	113	35	31%	678
Gains on disposal of Assets			25 992	-	-	-	-	-	-		
Other Gains			65	-	-	-	-	-	-		
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)			1 214 593	1 345 628	1 345 628	78 187	248 993	224 271	24 721	11%	1 345 628
Expenditure By Type											
Employee related costs			404 323	451 339	451 339	33 199	68 524	75 224	(6 700)	-9%	451 339
Remuneration of councillors			22 251	29 578	29 578	1 733	3 484	4 930	(1 446)	-29%	29 578
Bulk purchases - electricity			418 560	427 440	427 440	1 076	1 311	71 240	(69 929)	-98%	427 440
Inventory consumed			14 879	21 223	21 223	3 359	3 676	3 537	139	4%	21 223
Debt impairment			-	58 783	58 783	-	-	9 797	(9 797)	-100%	58 783
Depreciation and amortisation			121 050	9 870	9 870	-	-	1 645	(1 645)	-100%	9 870
Interest			6 029	8 698	8 698	550	1 100	1 450	(350)	-24%	8 698
Contracted services			135 341	158 841	158 941	11 004	14 988	26 483	(11 495)	-43%	158 941
Transfers and subsidies			84	1 049	1 049	-	-	175	(175)	-100%	1 049
Irrecoverable debts written off			176 661	1 486	1 486	307	691	248	443	179%	1 486
Operational costs			117 817	142 099	141 999	8 695	12 402	23 674	(11 273)	-48%	141 999
Losses on Disposal of Assets			15 203	60	60	-	-	10	(10)	-100%	60
Other Losses			106	-	-	-	-	-	-		
Total Expenditure			1 432 305	1 310 466	1 310 466	59 922	106 174	218 412	(112 238)	-51%	1 310 466
Surplus/(Deficit)			(217 711)	35 162	35 162	18 264	142 818	5 859	136 959	0	35 162
Transfers and subsidies - capital (monetary allocations)			51 220	64 627	64 627	(0)	(0)	10 771	(10 771)	(0)	64 627
Transfers and subsidies - capital (in-kind)			7	1 237	1 237	-	-	206	(206)	(0)	1 237
Surplus/(Deficit) after capital transfers & contributions			(166 484)	101 026	101 026	18 264	142 818	16 836	125 982	0	101 026
Income Tax									-		
Surplus/(Deficit) after income tax			(166 484)	101 026	101 026	18 264	142 818	16 836	125 982	0	101 026
Share of Surplus/Deficit attributable to Joint Venture									-		
Share of Surplus/Deficit attributable to Minorities									-		
Surplus/(Deficit) attributable to municipality			(166 484)	101 026	101 026	18 264	142 818	16 836	125 982	0	101 026
Share of Surplus/Deficit attributable to Associate									-		
Intercompany/Parent subsidiary transactions									-		
Surplus/ (Deficit) for the year			(166 484)	101 026	101 026	18 264	142 818	16 836	125 982	0	101 026

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		107	–	–	–	–	–	–		–
Vote 02 - Municipal Manager		61	400	400	–	–	67	(67)	-100%	400
Vote 03 - Corporate Services		727	2 500	2 500	530	570	417	153	37%	2 500
Vote 04 - Finance		804	2 077	1 827	134	134	323	(190)	-59%	1 827
Vote 05 - Technical Services		668	78 142	78 142	3 066	8 773	13 024	(4 251)	-33%	78 142
Vote 06 - Community Services		3 023	14 600	14 600	–	–	2 433	(2 433)	-100%	14 600
Vote 07 - Local Economic Development		241	872	1 122	74	74	168	(94)	-56%	1 122
Total Capital single-year expenditure	4	5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591
Total Capital Expenditure		5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591
Capital Expenditure - Functional Classification										
Governance and administration		1 833	5 750	5 500	664	703	936	(232)	-25%	5 500
Executive and council		147	–	–	–	–	–	–		–
Finance and administration		1 686	5 750	5 500	664	703	936	(232)	-25%	5 500
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		2 483	13 122	13 372	87	90	2 210	(2 120)	-96%	13 372
Community and social services		955	5 197	5 197	–	–	866	(866)	-100%	5 197
Sport and recreation		233	4 081	4 331	74	74	703	(629)	-89%	4 331
Public safety		1 237	3 843	3 843	13	16	641	(625)	-98%	3 843
Housing		58	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		55	31 596	31 596	3 053	6 808	5 266	1 542	29%	31 596
Planning and development		–	205	205	–	–	34	(34)	-100%	205
Road transport		55	31 234	31 234	3 053	6 808	5 206	1 602	31%	31 234
Environmental protection		–	157	157	–	–	26	(26)	-100%	157
Trading services		1 259	48 071	48 071	–	1 949	8 012	(6 062)	-76%	48 071
Energy sources		20	3 348	3 348	–	149	558	(409)	-73%	3 348
Water management		354	25 011	25 011	–	1 800	4 168	(2 369)	-57%	25 011
Waste water management		208	15 890	15 890	–	–	2 648	(2 648)	-100%	15 890
Waste management		677	3 822	3 822	–	–	637	(637)	-100%	3 822
Other		–	52	52	–	–	9	(9)	-100%	52
Total Capital Expenditure - Functional Classification	3	5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591
Funded by:										
National Government		26	64 627	64 627	3 057	8 614	10 771	(2 157)	-20%	64 627
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers recognised - capital		26	64 627	64 627	3 057	8 614	10 771	(2 157)	-20%	64 627
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		5 604	33 964	33 964	747	936	5 661	(4 724)	-83%	33 964
Total Capital Funding		5 630	98 591	98 591	3 804	9 551	16 432	(6 881)	-42%	98 591

FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M02 August

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		524 513	2 783	2 783	13 800	2 783
Trade and other receivables from exchange transactions		525 811	236 799	236 799	550 208	236 799
Receivables from non-exchange transactions		53 531	41 960	41 960	61 469	41 960
Current portion of non-current receivables						
Inventory		87 485	100 984	100 984	87 798	100 984
VAT		904	34 445	34 445	4 078	34 445
Other current assets		30 115	31 215	31 215	55 715	31 215
Total current assets		1 222 359	448 185	448 185	773 067	448 185
Non current assets						
Investments		390	277	277	390	277
Investment property		122 442	195 597	195 597	122 442	195 597
Property, plant and equipment		1 867 742	2 780 550	2 780 550	1 877 293	2 780 550
Biological assets						
Living and non-living resources						
Heritage assets		7 754	2 627	2 627	7 754	2 627
Intangible assets		2 365	4 674	4 674	2 365	4 674
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		2 000 694	2 983 725	2 983 725	2 010 245	2 983 725
TOTAL ASSETS		3 223 053	3 431 910	3 431 910	2 783 312	3 431 910
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		—	(2 032)	(2 032)	(554)	(2 032)
Consumer deposits		13 550	13 734	13 734	13 629	13 734
Trade and other payables from exchange transactions		1 304 802	485 809	485 809	1 221 490	485 809
Trade and other payables from non-exchange transactions		27 032	—	—	47 661	—
Provision		156 780	68 424	68 424	156 780	68 424
VAT		(2 444)	(49 705)	(49 705)	12 574	(49 705)
Other current liabilities		—	—	—	—	—
Total current liabilities		1 499 719	516 230	516 230	1 451 578	516 230
Non current liabilities						
Financial liabilities		16 202	27 823	27 823	16 202	27 823
Provision		131 066	42 547	42 547	131 066	42 547
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		—	—	—	—	—
Total non current liabilities		147 268	70 369	70 369	147 268	70 369
TOTAL LIABILITIES		1 646 988	586 599	586 599	1 598 847	586 599
NET ASSETS	2	1 576 065	2 845 311	2 845 311	1 184 465	2 845 311
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 716 181	2 848 351	2 848 351	1 184 851	2 848 351
Reserves and funds		—	1 294	1 294	—	1 294
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	1 716 181	2 849 645	2 849 645	1 184 851	2 849 645

FS201 Moqhaka - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		59 293	115 114	115 114	3 785	7 768	19 186	(11 418)	-60%	115 114
Service charges		430 886	881 165	881 165	52 207	86 090	146 861	(60 771)	-41%	881 165
Other revenue		116 019	(487 853)	(487 853)	8 626	65 535	(81 309)	146 844	-181%	(487 853)
Transfers and Subsidies - Operational		281 769	311 029	311 029	2 625	127 028	51 838	75 190	145%	311 029
Transfers and Subsidies - Capital		108 185	65 353	65 353	286	18 004	10 892	7 111	65%	65 353
Interest		3 293	–	–	355	826	–	826	#DIV/0!	–
Dividends		3 637	1 736	1 736	179	208	289	(82)	-28%	1 736
Payments										
Suppliers and employees		(1 012 349)	(1 560 767)	(1 560 767)	(69 790)	(303 129)	(260 128)	43 002	-17%	(1 560 767)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(9 267)	(674 222)	(674 222)	(1 727)	2 330	(112 370)	(114 700)	102%	(674 222)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		25 992	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments		(390)	(277)	(277)	–	(390)	(46)	(344)	745%	(277)
Payments										
Capital assets		(5 630)	(98 591)	(98 591)	(3 804)	(9 551)	(16 432)	(6 881)	42%	(98 591)
NET CASH FROM/(USED) INVESTING ACTIVITIES		19 972	(98 868)	(98 868)	(3 804)	(9 941)	(16 478)	(6 537)	40%	(98 868)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		(137)	(346 331)	(346 331)	–	–	(57 722)	57 722	-100%	(346 331)
Payments										
Repayment of borrowing		–	(2 032)	(2 032)	(312)	(554)	(339)	216	-64%	(2 032)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(137)	(348 363)	(348 363)	(312)	(554)	(58 061)	(57 506)	99%	(348 363)
NET INCREASE/ (DECREASE) IN CASH HELD		10 567	(1 121 453)	(1 121 453)	(5 843)	(8 166)	(186 909)			(1 121 453)
Cash/cash equivalents at beginning:		(21 364)	(23 720)	(23 720)	(11 837)	(9 905)	(23 720)			(9 905)
Cash/cash equivalents at month/year end:		(10 797)	(1 145 173)	(1 145 173)	(17 680)	(18 071)	(210 629)			(1 131 358)

Annexure A2 - Monthly



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Free State Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Aug'24

Period

National Financial Year

2024/25

Demarcation Code of Municipality being assessed

FS201

District

Fezile Dabi

Demarcation Description

Moqhaka

I, name and surname of HOD, hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set-out in **MFMA Circular No. 124** and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set-out in the table below:

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop
down list

Condition	6,3 + 6,12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - refer condition 6.12.2	Does not have function
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Does not have function
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Does not have function
4	6.3.1	- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.	No

5	6.3.2 6.3.3	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	Yes
6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2024/25 Main Adjustment MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx ?	No
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes

		Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".	
11	6.4.2	- If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes
		Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.	
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	Yes
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes

	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, <i>demonstrated, through its by-laws and budget related policies</i> that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity? Yes	
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? Yes	
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i> No	
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, <i>Note – the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i> Yes	
	6.6	Supporting evidence: <i>The National Treasury and/ or provincial treasury's related budget assessment confirms the municipality's relevant MTREF's related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i>	
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
19	6.7.1	- Has the municipality achieved a minimum of <i>80 per cent average quarterly collection</i> of property rates and service charges with effect from 01 April 2023 and <i>85 per cent average quarterly collection</i> with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal? No	

		<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	Yes
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Yes
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Yes
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No

24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	N/a
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za ?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes

30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes
	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	Yes
	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes
		<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	
	6.10	<i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i>	
33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes

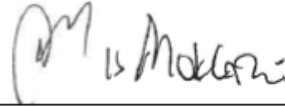
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? Yes
		<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? No
		<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation? No
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? No
		<i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i>

39		No Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	
40	6.13	Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i> No	
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief? No	
Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.			

PT: HOD/ NT / MM Name:

IS MOKGATLE

Signature of HOD/ NT/ MM:



Date:

11 September 2024

16.2 Municipal Debt Relief Performance across the period of debt relief participation

The municipality reported using the new section 71 template for the first in July 2024 without intervention or guidance from the allocated National Treasury Advisor. There are therefore no comments nor tables or charts to attach.

16.3 The National Treasury Debt Relief Compliance Assessment

The latest National Treasury debt relief compliance certificate and non-compliance report issued to the municipality for the month of October 2024 is attached to this S71 report.

Here are the specific conditions that were not fully met in July 2024 according to the monitoring tool:

Condition 17: Restricting the water supply.

Condition 18: Restricting indigent for water and electricity.

Condition 23: No installation of smart prepaid meters.

Condition 24: Smart Meter Policy not yet adopted; and

Condition 26: National Treasury's rates reconciliation

16.4 MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7

(Maintain a minimum average quarterly collection of property rates and services charges)

16.4.1 Monthly / Quarterly collection per ward

Collection Rate Assessment								
Total Aggregate Collection		2.August - Reporting for July in August			3.September - Reporting for August in September			
		Collection in August	R - Billing not collected	% Collection	Billing For August	Collection for in September	R - Billing not collected	% Collection
1.Collection for whole demarcation	Summary	47 191 030	27 668 734	146%	72 307 020	33 460 033	38 846 988	46%
2.Collection <u>excl Eskom</u> supplied areas		39 075 258	20 840 371	277%	49 261 748	24 158 978	26 104 842	49%
3.Collection: Property Rates		3 783 010	3 933 671	49%	7 616 285	7 128 006	488 279	94%
4.Total average collection: Electricity (Municipal supplied areas)		34 620 097	0	-440%	26 822 286	17 794 020	9 028 266	66%
5.Total average collection: Water		4 087 164	10 191 771	29%	20 398 959	4 072 955	16 326 004	20%
6.Total average collection: Wastewater		2 600 430	4 155 186	38%	7 040 460	2 434 847	4 605 614	35%
7.Total average collection: Refuse		1 750 076	3 094 174	36%	4 953 708	1 714 856	3 238 852	35%
8. 7.Total average collection: Interest		350 254	6 293 933	5%	5 475 320	315 348	5 159 972	6%

Complete This Section			Quarter 1 Performance Per Ward						
Services	Electricity Supplier	Ward Name & Number	2.August			3.September			
			Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August	Collection for August in September	Rand Value of Billing not collected	% Collection
Property Rates Tax	Eskom supplied	1	16 199	33 376	33%	49 307	69 991	0	142%
Electricity			59 665	0	127%	647 023	40 006	607 017	6%
Water			33 509	278 832	11%	298 486	17 913	280 573	6%
Refuse			3 448	170 210	2%	173 933	4 045	169 888	2%
Waste Water			5 132	76 398	6%	228 030	5 378	222 653	2%
Interest			36 955	230 964	14%	271 684	942	270 742	0%
Property Rates Tax	Partial Eskom & Mun Supplied	2	144 410	250 589	37%	394 955	269 517	125 438	68%
Electricity			638 054	337 907	65%	(249 707)	995 808	0	-399%
Water			47 161	262 711	15%	316 182	46 046	270 136	15%
Refuse			31 936	117 611	21%	149 792	32 830	116 961	22%
Waste Water			38 877	172 825	18%	201 903	40 232	161 671	20%
Interest			10 061	272 567	4%	288 955	43 636	245 320	15%
Property Rates Tax	Mun Supplied	3	243 009	874 352	22%	1 126 489	894 579	231 910	79%
Electricity			536 531	196 289	73%	1 276 992	608 771	668 221	48%
Water			300 020	1 481 459	17%	1 695 583	663 475	1 032 108	39%
Refuse			192 818	200 095	49%	403 240	208 436	194 804	52%
Waste Water			226 485	312 632	42%	550 227	262 613	287 614	48%
Interest			19 425	110 271	15%	132 391	14 036	118 355	11%

Property Rates Tax	Mun Supplied	4	537	3 326	14%	3 863	587	3 276	15%
Electricity			32 645	50 137	39%	93 449	25 786	67 663	28%
Water			19 616	416 965	4%	505 303	20 706	484 598	4%
Refuse			4 384	60 547	7%	70 646	6 879	63 767	10%
Waste Water			6 248	78 289	7%	86 882	9 082	77 800	10%
Interest			1 503	114 186	1%	130 268	1 209	129 059	1%
Property Rates Tax	Mun Supplied	5	94	3 447	3%	3 541	81	3 459	2%
Electricity			1 994	41 087	5%	43 274	1 949	41 325	5%
Water			10 522	387 572	3%	433 866	10 742	423 124	2%
Refuse			4 621	61 663	7%	64 682	4 254	60 428	7%
Waste Water			4 730	79 477	6%	82 793	5 099	77 694	6%
Interest			606	90 778	1%	92 744	290	92 454	0%
Property Rates Tax	Mun Supplied	6	543	57 246	1%	57 788	104 020	0	180%
Electricity			52 884	0	127%	93 601	22 058	71 543	24%
Water			113 014	296 565	28%	479 250	22 165	457 086	5%
Refuse			8 749	103 189	8%	112 990	11 433	101 556	10%
Waste Water			11 296	139 608	7%	151 941	14 057	137 884	9%
Interest			1 656	94 615	2%	98 812	2 725	96 087	3%
Property Rates Tax	Mun Supplied	7	60 757	181 582	25%	223 051	176 327	46 725	79%
Electricity			199 623	206 757	49%	396 810	385 593	11 218	97%
Water			32 830	445 439	7%	437 018	33 736	403 282	8%
Refuse			15 078	102 828	13%	116 115	14 406	101 709	12%
Waste Water			18 241	133 929	12%	152 109	16 368	135 741	11%
Interest			3 797	203 965	2%	189 764	14 234	175 530	8%

Property Rates Tax	Mun Supplied	8	2 004	28 777	7%	30 781	24 462	6 319	79%
Electricity			8 462	78 259	10%	86 482	24 591	61 891	28%
Water			26 807	329 356	8%	391 450	30 445	361 005	8%
Refuse			12 977	79 752	14%	93 105	12 867	80 238	14%
Waste Water			16 326	102 086	14%	118 765	15 341	103 424	13%
Interest			1 458	111 225	1%	114 893	1 785	113 108	2%
Property Rates Tax	Mun Supplied	9	4 432	158 514	3%	162 946	183 348	0	113%
Electricity			72 333	168 486	30%	189 893	115 809	74 083	61%
Water			131 712	51 149	72%	503 267	49 866	453 401	10%
Refuse			32 753	145 119	18%	177 872	22 405	155 467	13%
Waste Water			40 669	216 670	16%	258 469	26 244	232 225	10%
Interest			20 441	189 550	10%	258 150	4 795	253 354	2%
Property Rates Tax	Mun Supplied	10	9 181	19 302	32%	35 331	30 277	5 054	86%
Electricity			12 923	95 657	12%	111 707	14 482	97 225	13%
Water			52 151	519 126	9%	524 140	61 956	462 184	12%
Refuse			16 786	102 916	14%	116 572	22 250	94 322	19%
Waste Water			21 624	132 041	14%	152 611	27 884	124 727	18%
Interest			1 471	145 603	1%	150 472	3 092	147 379	2%
Property Rates Tax	Mun Supplied	11	2 046	349 195	1%	351 227	671 823	0	191%
Electricity			55 188	779 019	7%	1 064 503	141 796	922 707	13%
Water			30 323	1 269 876	2%	1 270 084	29 145	1 240 940	2%
Refuse			13 450	273 400	5%	281 691	10 898	270 793	4%
Waste Water			16 258	472 275	3%	482 036	15 153	466 882	3%
Interest			2 914	233 792	1%	238 772	4 884	233 888	2%

Property Rates Tax	Mun Supplied	12	5 870	85 044	6%	90 914	156 344	0	172%
Electricity			49 026	105 280	32%	160 996	47 518	113 477	30%
Water			59 000	300 499	16%	503 222	31 761	471 461	6%
Refuse			22 912	118 829	16%	139 957	15 588	124 369	11%
Waste Water			33 217	162 071	17%	193 501	19 600	173 901	10%
Interest			12 638	135 801	9%	147 620	3 320	144 300	2%
Property Rates Tax	Mun Supplied	13	548 832	0	126%	436 119	375 161	60 958	86%
Electricity			23 372 644	0	230%	7 281 049	4 870 121	2 410 928	67%
Water			656 844	591 236	53%	1 280 246	347 316	932 930	27%
Refuse			215 918	154 230	58%	368 001	116 226	251 774	32%
Waste Water			384 226	181 974	68%	563 271	203 093	360 177	36%
Interest			35 394	689 925	5%	(438 151)	32 526	0	-7%
Property Rates Tax	Mun Supplied	14	2 985	56 745	5%	59 820	103 292	0	173%
Electricity			35 409	59 777	37%	103 487	13 481	90 006	13%
Water			44 973	429 489	9%	418 117	39 871	378 246	10%
Refuse			16 935	105 730	14%	123 199	17 330	105 869	14%
Waste Water			20 866	144 049	13%	167 118	21 283	145 834	13%
Interest			2 901	146 504	2%	186 560	1 574	184 985	1%
Property Rates Tax	Mun Supplied	15	12 288	53 241	19%	65 528	100 792	0	154%
Electricity			59 690	138 246	30%	243 241	55 409	187 831	23%
Water			74 945	356 299	17%	497 226	64 540	432 685	13%
Refuse			20 479	116 420	15%	144 460	19 869	124 591	14%
Waste Water			33 185	159 113	17%	190 701	24 543	166 159	13%
Interest			5 176	125 336	4%	131 652	2 486	129 165	2%

Property Rates Tax	Mun Supplied	16	997 036	578 796	63%	1 584 287	1 519 030	65 257	96%
Electricity			2 391 659	0	-8%	6 716 715	3 356 400	3 360 315	50%
Water			882 689	0	103%	1 440 326	1 142 441	297 885	79%
Refuse			469 594	278 341	63%	751 678	523 441	228 237	70%
Waste Water			763 681	408 601	65%	1 188 414	830 701	357 713	70%
Interest			32 148	374 100	8%	428 119	62 626	365 493	15%
Property Rates Tax	Mun Supplied	17	972 443	521 868	65%	1 487 957	1 163 835	324 122	78%
Electricity			2 065 231	619 207	77%	3 092 330	1 846 037	1 246 293	60%
Water			835 728	453 521	65%	1 214 271	791 981	422 289	65%
Refuse			457 502	198 827	70%	661 627	462 360	199 267	70%
Waste Water			695 834	234 609	75%	935 988	629 470	306 518	67%
Interest			56 417	177 221	24%	231 485	46 315	185 171	20%
Property Rates Tax	Partial Eskom & Mun Supplied	18	320 558	256 169	56%	576 751	629 554	0	109%
Electricity			4 921 842	257 479	95%	5 349 220	5 147 775	201 445	96%
Water			660 689	613 712	52%	1 214 918	624 776	590 142	51%
Refuse			187 951	203 360	48%	391 493	190 866	200 627	49%
Waste Water			236 184	296 328	44%	531 907	245 928	285 979	46%
Interest			74 489	600 092	11%	681 741	23 783	657 958	3%
Property Rates Tax	Eskom supplied	19	-	26 405	0%	26 744	26 744	-	100%
Electricity			-	88	0%	88	-	88	0%
Water			2 691	920 886	0%	595 308	3 374	591 933	1%
Refuse			1 439	101 504	1%	125 788	1 726	124 062	1%
Waste Water			1 750	136 094	1%	173 272	2 222	171 050	1%
Interest			392	660 678	0%	697 729	27 046	670 683	4%

Property Rates Tax	Partial Eskom & Mun Supplied	20	697	55 818	1%	51 230	86 156	0	168%
Electricity			571	13 829	4%	14 418	609	13 809	4%
Water			27 998	315 894	8%	382 495	9 453	373 042	2%
Refuse			4 787	144 903	3%	158 561	7 134	151 426	4%
Waste Water			4 974	190 142	3%	198 376	8 016	190 360	4%
Interest			1 032	536 871	0%	284 417	2 072	282 345	1%
Property Rates Tax	Eskom supplied	21	130 052	103 174	56%	239 018	176 864	62 154	74%
Electricity			-	1 159	0%	1 159	-	1 159	0%
Water			15 143	472 421	3%	5 959 935	4 995	5 954 940	0%
Refuse			11 883	250 473	5%	320 309	4 048	316 261	1%
Waste Water			14 489	319 121	4%	419 154	4 052	415 103	1%
Interest			11 050	924 367	1%	1 033 326	2 673	1 030 653	0%
Property Rates Tax	Eskom supplied	22	309 037	349 451	47%	558 640	365 224	193 415	65%
Electricity			53 724	43 614	55%	105 556	80 019	25 537	76%
Water			28 799	21 623	57%	38 267	26 253	12 014	69%
Refuse			3 675	4 227	47%	7 999	5 563	2 436	70%
Waste Water			6 140	6 853	47%	12 992	8 486	4 507	65%
Interest			18 330	125 521	13%	123 918	19 301	104 617	16%

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Households



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

Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))

Instruction - complete only with information of the current households registered as indigent with the municipality (*Do NOT include the information of all households*)

Description	Ref	As Per Debt Relief Application	Current Year - 2024/2025				2024/2025 - Monthly Monitoring			
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	
Indigent Household service targets	1									
Water : (Include All Indigent households also in Eskom supplied areas)										
Indigent HH's with piped water inside dwelling		12 711	12 711	–	12 711	12 757	12 670			
Indigent HH's with piped water inside yard (but not in dwelling)		–	–	–	–	–	–			
Indigent HH's using public tap (at least min.service level)	2	–	–	–	–	–	–			
Indigent HH's with other water supply (at least min.service level)	4	–	–	–	–	–	–			
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		12 711	12 711	–	12 711	12 757	12 670	–		
Indigent HH's using public tap (< min.service level)	3	–	–	–	–	–	–			
Indigent HH's with other water supply (< min.service level)	4	–	–	–	–	–	–			
Indigent HH's with No water supply		–	–	–	–	–	–			
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		–	–	–	–	–	–	–		
Total number of registered indigent households	5	12 711	12 711	–	12 711	12 757	12 670	–		

Status of Water meters :

Number of Indigent HH's with prepaid Water

Number of Indigent HH's with conventional metered Water

Number of Indigent HH's NOT metered currently - Water

Number of Indigent HH's with **NO Water supply** - No metering**Total number of registered indigent households****Status of unlimited supply of Water :**Number of Indigent HH's with **conventional metered Water** - where the municipality is **NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month**Number of Indigent HH's **NOT metered** currently receiving unlimited supply - Water**Total number of registered indigent households receiving unlimited supply - Water**Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's **billed for consumption above the 6 kilolitres****Energy : (Include All Indigent households also in Eskom supplied areas)**

Indigent HH's with Electricity (at least min.service level)

Indigent HH's with Electricity - prepaid (min.service level)

Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total

Indigent HH's with Electricity (< min.service level)

Indigent HH's with Electricity - prepaid (< min. service level)

Indigent HH's with other energy sources

Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total**Total number of registered indigent households**

		-	-	-	-	-	-	-
		10 204	10 204	-	10 204	10 231	10 259	10 194
		1 538	1 538	-	1 538	1 607	1 606	1 633
		-	-	-	-	-	-	-
10		11 742	11 742	-	11 742	11 838	11 865	11 827
		12 711	12 711	-	12 711	12 757	12 670	12 696
		1 538	1 538	-	1 538	1 607	1 606	1 633
		14 249	14 249	-	14 249	14 364	14 276	14 329
11		12 711	12 711	-	13 000	12 757	12 670	12 696
		-	-	-	-	-	-	-
		12 711	12 711	-	13 000	12 757	12 670	12 696
		12 711	12 711	-	13 000	12 757	12 670	12 696
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
5		12 711	12 711	-	13 000	12 757	12 670	12 696

Status of Electricity meters :							
Number of Indigent HH's with prepaid Electricity		12 711	12 711	–	13 000	12 757	12 670
Number of Indigent HH's with conventional metered Electricity		–	–	–	–	–	–
Number of Indigent HH's NOT metered currently - Electricity		–	–	–	–	–	–
Number of indigent HH's with other energy sources - No metering		–	–	–	–	–	–
Total number of registered indigent households	12	12 711	12 711	–	13 000	12 757	12 670
Status of unlimited supply of Electricity :							
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT <i>physically restricting Electricity to the national free basic limit of 50kwh per household per month</i>		–	–	–	–	–	–
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity		–	–	–	–	–	–
Total number of registered indigent households receiving unlimited supply - Electricity		–	–	–	–	–	–
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	13	–	–	–	–	–	–
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)							
Water (6 kilolitres per household per month)	7	12 711	12 711	–	13 000	12 757	12 670
Electricity/other energy (50kwh per household per month)		12 711	12 711	–	13 000	12 757	12 670
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)							
Water (6 kilolitres per household per month)		182	200	–	200	196	185
Electricity/other energy (50kwh per household per month)		114	124	–	124	136	135
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)							
Water (6 kilolitres per household per month)		–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–
Total cost of FBS Water and Electricity provided to ALL Households	8	296	324	–	324	332	320

Highest level of free service provided per household (ALL Households)

Property rates (R value threshold)		-	-	-	-	-	-
Water (kilolitres per household per month)		10	10	-	10	10	10
Sanitation (kilolitres per household per month)		10	10	-	10	10	10
Sanitation (Rand per household per month)		57	67	-	67	61	
Electricity (kwh per household per month)		50	50	-	50	50	50
Refuse (average litres per week)		5	5	-	5	5	5

Revenue cost of subsidised services provided for ALL Households (R'000)

Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)

PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)

Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA)

	9						
	14(a)	-	-	-	-	-	-
	14(b)	-	-	-	-	-	-
		-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)	15	4	4	4	4	4	4
Sanitation (in excess of free sanitation service to indigent households)	16	4	4	4	4	4	4
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-
Other		-	-	-	-	-	-
Total revenue cost of subsidised services provided		8	8	8	8	8	8

Votenummer	Description	Curr Mth Exp	Curr Mth Exp	Curr Mth Exp
		Jul	Aug	Sep
31251178950FBZZZZHO	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	-		
31252260380FBP83ZZHO	OS: B&A PROJECT MANAGEMENT	-		
31252260600FBP83ZZHO	OS: CATERING SERVICES	-		
31252270370FBP83ZZHO	C&PS: B&A HUMAN RESOURCES	21 454.68		
31252303300FBP83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	-		
34052110010FBP83ZZHO	MS: SAL & ALL: BASIC SALARY & WAGES	-		
34052303300FBQ83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	-		
34056470020FBD70ZZHO	COMPUTERS	-		
34056470020FBD70ZZWM	COMPUTERS	-		
34301025100F6FB5ZZHO	RESIDENTIAL PROPERTIES: DEVELOPED	-		
34301321170F6FB1ZZHO	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-		
35321321170F1FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-		
35321321170F2FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-		
35321321190F1FB1ZZWM	ELEC SALES: DOMESTIC LOW: PREPAID	-		
35321321200F1FB1ZZWM	ELEC SALES: DOMESTIC HIGH HOME POWER 1	1 095.93		
35321321380F1FB1ZZWM	ELEC: AVAILABILITY CHARGES	754 018.97		
35411324020F1FB4ZZWM	WATER: SALE - CONVENTIONAL	895 724.37		
35411324070F1FB4ZZWM	WATER: AVAILABILITY CHARGES	1 602 948.85		
35441324020F5FB2ZZWM	WATER: SALE - CONVENTIONAL	-		
35511323020F1FB2ZZWM	WASTE WATER MANG: SANITATION CHARGES	1 070 961.51		
35511323060F1FB2ZZWM	WASTE WATER MANG: AVAILABILITY CHARGES	879 520.61		
36621322030F1FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	-		
36621322030F3FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	1 397 508.50		
36621322050F1FB3ZZWM	WASTE MANGEMENT: AVAILABILITY CHARGES	126 217.59		

6 749 451.01	-	-
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7.14%	0.00%	0.00%
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BUDGET 2023-2024 FBS BUDGET	DESCRIPTION	BUDGET	YTD	% USED
31251178950FBZZZZHO	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	-R2 300 000.00	-	0.00%
31252260380FBP83ZZHO	OS: B&A PROJECT MANAGEMENT	R1 400 000.00	-	0.00%
31252260600FBP83ZZHO	OS: CATERING SERVICES	R0.00	-	-
31252270370FBP83ZZHO	C&PS: B&A HUMAN RESOURCES	R400 000.00	21 454.68	-
31252303300FBP83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	R0.00	-	-
34052110010FBP83ZZHO	MS: SAL & ALL: BASIC SALARY & WAGES	R500 000.00	-	0.00%
34052303300FBQ83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	R0.00	-	-
34056470020FBD70ZZHO	COMPUTERS	R0.00	-	-
34056470020FBD70ZZWM	COMPUTERS	R0.00	-	-
34301025100F6FB5ZZHO	RESIDENTIAL PROPERTIES: DEVELOPED	R0.00	-	-
34301321170F6FB1ZZHO	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	R0.00	-	-

35321321170F1FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-R359 928.00	-	-
35321321170F2FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	R0.00	-	
35321321190F1FB1ZZWM	ELEC SALES: DOMESTIC LOW: PREPAID	R9 931 769.00	-	-
35321321200F1FB1ZZWM	ELEC SALES: DOMESTIC HIGH HOME POWER 1	R43 295.00	1 095.93	2.53%
35321321380F1FB1ZZWM	ELEC: AVAILABILITY CHARGES	R9 299 258.00	754 018.97	8.11%
35411324020F1FB4ZZWM	WATER: SALE - CONVENTIONAL	R11 155 234.00	895 724.37	8.03%
35411324070F1FB4ZZWM	WATER: AVAILABILITY CHARGES	R19 319 248.00	1 602 948.85	8.30%
35441324020F5FB2ZZWM	WATER: SALE - CONVENTIONAL	R0.00	-	-
35511323020F1FB2ZZWM	WASTE WATER MANG: SANITATION CHARGES	R14 318 301.00	1 070 961.51	7.48%
35511323060F1FB2ZZWM	WASTE WATER MANG: AVAILABILITY CHARGES	R11 564 525.00	879 520.61	7.61%
36621322030F1FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	R17 620 181.00	-	-
36621322030F3FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	R0.00	1 397 508.50	#DIV/0!
36621322050F1FB3ZZWM	WASTE MANGEMENT: AVAILABILITY CHARGES	R1 670 151.00	126 217.59	7.56%
		R94 562 034.00	R6 749 451.01	7.14%

16.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base)

Property Rates Reconciliation							
Province	Free State						
District	Fezile Dabi						
Type							
Municipal Name	Moghaka Local Municipality						
GV Period	01/07/2024 - 30/06/2028						
Financial Year	2024/2025						
Reconciliation Period	Quarter 1						
Reconciliation Overview							
High Level Reconciliation							
Propety Categories	Number of Properties				Market Values		
	GV	MFS	Variance		GV Market Values	MFS Market Values	Variance
Residential	44 917	44 918	- 1		7 594 841653	7 594 496 653	345 000.00
Industrial	352	352	0		362 374 000	362 374 000	-
Business and Commercial	1195	1195	0		1030 907 110	1030 907 110	-
Agricultural	3628	3627	1		5 954 268 749	5 954 256 749	12 000.00
Mining	31	31	0		55 374 000	55 374 000	-
State Owned for Public Purpose	160	160	0		1168 197 013	1168 197 013	-
PSI	492	493	- 1		39 327 901	38 431901	896 000.00
PBO	280	279	1		253 141003	253 081003	60 000.00
Multi Use			0				-
Vacant	508	508	0		49 139 106	49 139 106	-
POW	5	6	- 1		1440 000	1690 000	250 000.00
Municipal	139	139	0		186 489 100	186 489 100	-
Other (PT,PSP)	620	619	1		207 608 501	207 358 501	250 000.00
	52327	52327	0		16 903 108 136.00	16 901795 136.00	1313 000.00

Detailed Reconciliation							
Propety Categories	Monthly Billing				Quarterly		
Propety Categories	GV	MFS	Variance		GV	MFS	Variance
Residential	1995 858	1995 813	45		5 987 572.59	5 987 438.85	133.74
Industrial	530 093	530 093	-		1590 278.76	1590 278.76	-
Business and Commercial	1575 614	1584 185	- 8 571		4 726 841.91	4 752 554.40	- 25 712.49
Agricultural	972 426	971 507	919		2 917 278.12	2 914 522.11	2 756.01
Mining	179 504	179 504	-		538 512.06	538 512.06	-
State Owned for Public Purpose	2 372 428	2 372 428	-		7 117 285.32	7 117 285.32	-
PSI			-		-	-	-
PBO			-		-	-	-
Multi Use			-		-	-	-
Vacant	43 890	43 890	-		131669.10	131669.10	-
POW			-		-	-	-
Municipal			-		-	-	-
Other	85 760	85 679	80		257 278.68	257 037.93	240.75
Total	<u>R7 755 572.18</u>	<u>R7 763 099.51</u>	<u>-R7 527.33</u>		<u>23 266 716.54</u>	23 289 298.53	- 22 581.99

16.6 MFMA Circular 124 – Condition 6.3 (Maintaining the Eskom bulk current account) and Condition 6.12 (Proper Management of Resources)

i) Indicated below is the Eskom Bulk current account invoice for August 2024 due and payable during the month of reporting, on or before 3 September 2024.



ESKOM HOLDINGS SOC LTD REG NO 2002/016627/30
VAT REG NO 4740101608

MOQHAKA LOCAL MUNICIPALITY
ATT CHIEF FINANCIAL OFFICE
PO BOX 302
KROONSTAD
9500

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

CONTACT CENTRE: (0860) 037566
FAX NO: 0862 437 566
E-MAIL: customerservices@eskom.co.za
WEB: WWW.ESKOM.CO.ZA



TEL: 08600 37566
SMS:

CUSTOMER SELF SERVICE WEBSITE
<https://csonline.eskom.co.za>

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

DIRECT DEPOSIT DETAIL

BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 66070067318

TAX INVOICE

E-MAIL: alet@moqhaka.gov.za

ACCOUNT TRANSACTION SUMMARY

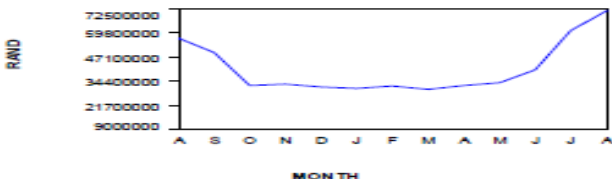
ADMINISTRATION CHARGE		R	20,671.11
DIST. NETWORK CAPACITY CHARGE		R	978,707.09
NETWORK DEMAND CHARGE (CIKWH) (ALL)		R	109,942.91
ANCILLARY SERVICE (ALL)		R	175,005.09
ENERGY CHARGE (STD)	9,816,815.00	R	17,979,766.46
DEMAND CHARGE	551.49	R	280,046.62
DX EXCESS NETWORK CAPACITY CHA		R	104,343.88
NETWORK DEMAND CHARGE (CIKWH)		R	215,443.75
ENERGY CHARGE (PEAK)	4,241,482.00	R	25,727,180.03
ENERGY CHARGE (OFF)	9,627,747.00	R	9,609,634.30
ELECTRIFICATION AND RURAL SUBS (ALL)		R	3,674,633.02
TRANSMISSION NETWORK CAPACITY		R	940,800.00
NETWORK DEMAND CHARGE		R	913,174.08
URBAN LOW VOLTAGE SUBSIDY		R	1,697,400.00
REACTIVE ENERGY	6,721.00	R	1,902.04
SERVICE CHARGE		R	244,399.35

TOTAL CHARGES FOR BILLING PERIOD R **62,673,049.73**

ACCOUNT SUMMARY FOR AUGUST 2024

BALANCE BROUGHT FORWARD	(Due Date 2024-08-08)	R	1,372,259,357.70
PAYMENT(S) RECEIVED	Cash - 2024-07-12	R	-50,000,000.00
TOTAL CHARGES FOR BILLING PERIOD		R	62,673,049.73
ADJUSTMENT	Interest on overdue account	R	73,582.50
ADJUSTMENT	Interest on overdue account	R	495,799.26
ADJUSTMENT	Interest on overdue account	R	4,307,381.83
VAT RAISED ON ITEMS AT 14%		R	0.00
VAT RAISED ON ITEMS AT 15%		R	9,400,957.47

ARREARS				CURRENT	TOTAL DUE	R	1,399,210,128.49
>90 DAYS	81-90 DAYS	31-90 DAYS	16-30 DAYS				
1,208,593.83	46,377,438.47	67,288,087.05	0.00	76,950,770.79			



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BILL GROUP	
BILL PAGE	1 OF 4

ACCOUNT NO / REFERENCE NO	9345061750
NAME	MOQHAKA LOCAL MUNICIPALITY
FAX NUMBER	0865895586
	0934 9345061750

11341 9345061750



>>>>>> 9207 6934 5061 7504



TOTAL AMOUNT DUE
1,399,210,128.45

PAYMENT ARRANGEMENT	
INSTALMENT	0.00
ARREARS (Due Immediately)	322,259,357.70
DUE DATE (For Current Amount)	2024-09-07
AMOUNT PAID	

LATE PAYMENT CHARGES WILL BE
ADDED TO OVERDUE ACCOUNT

16.7 Municipal Debt Relief Monitoring Plan – Progress report

Indicated in the table below is the monthly progress in terms of the municipal debt relief monitoring.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)	6.3.1 The municipality must monthly pay and maintain its Eskom bulk current account and bulk water current account - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice	Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice	Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)	Compliant - ESKOM The municipality settled R63,149m excl interest of R3,178m on 25 June 2024 on the current ESKOM account for May 2024 amounting to R66,327m. Compliant - DWS No billing was raised for May 2024, due to the servitude (free water quota) allocated to the municipality
	6.3.1 (a) At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. (b) Pay the monthly debt instalment of R6,700m to Eskom on 15th of each month	Monthly, 5th of each month		Non-compliant The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of July 2024, but settled R18,758m on the o/s balance of Dec 2023 acc (R5,108m) and R13,000m on the Feb 2024 acc. And paid R650k, on WRM levies. The municipality settled R6.7m on the payment arrangement of ESKOM on 21 June 2024. The due is the 15th of each month.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
	6.3.2 Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment	Within 1 day after making payment	Proof of payment and proof of email submission	Compliant Email was sent within one day of payment to ESKOM and DWS.
	6.3.3 Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.	Monthly, within 10 working days after month end	GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant Proof of Payments made in May 2024 was uploaded onto GoMuni on 6 June 2024. Due date is 14 June 2024.
	6.3.4 - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS	Monthly, within 10 working days after month end	Monthly financial data strings	Compliant Transactions as per the ledger reconciles with the monthly datastrings. However minor account payments for Eskom and DWS are posted to the same bulk control votes. Erroneous transactions will be journalised, where applicable. Disclosure issue - the capturing of the current invoice on the system is problematic because it is only received in the new month and captured after month-end closure, resulting in a misalignment between the YTD actual and outstanding creditor amount.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	Compliant Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.
	6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner	Monthly	Number of disconnected / blocked meters	Prepaid disconnections = 32 351 Conventional disconnections = 338 Total = 32 689
	6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner	Monthly	Number of restricted / interrupted supply	Non-compliant. Transversal Contract for smart meters has been awarded by National Treasury. Supply Chain is in the process of applying to access the transversal tender.
	6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.	Monthly	No of indigent consumers	Non-compliant Due to the financial constraints currently faced by many of our Indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.1 The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm	Monthly (Internal) and Quarterly (Debt Relief)	Collect R10,000 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)	Non-Compliant Monthly S71 Revenue Collection rate per Ward for Property rates and Services only = 62% Quarterly collection rate per ward = 79% Municipality's average collection rate = 80% Not achieved Average daily cash collection for May 2024, was R5,889m.
	6.7.2 If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that – 6.7.2.1 Underperformance directly relates to Eskom Supplied areas 6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s) 6.7.2.3 The municipality has attempted to <u>enter into</u> SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure	Quarterly	Monthly S71 Revenue Collection Ward Template	Non-Compliant Quarterly S71 Revenue Collection rate per Ward = 79% Compliant Average collection rate = 80%

	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 8,000 Q1: 1,000 Q2: 2,000 Q3: 3,000 Q4: 2,000 (As per SDBIP)	The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters. The municipality also applied for smart meter grant, administered by National Treasury
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MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 8,000 Q1: 500 Q2: 3,000 Q3: 2,500 Q4: 2,000 (As per SDBIP)	The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters.

	6.7.4 All new electricity connections from 2023/24 MTREF must be smart-pre-paid meters	Quarterly	Report on the number of new connections installed with smart prepaid electricity meters	The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters.

6.8 Completeness of the revenue base	6.8.1 The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	Compliant GVR reconciliation for the 4th quarter was completed Monday, 08 July 2024.
	6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury			Compliant GVR reconciliation submitted Tuesday, 9 July 2024

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.9 Monitor and report on implementation	6.9.1 MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	Compliant Report included in the monthly S71 report for May 2024
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			

6.10 Provincial Treasury's Certification of municipal compliance	6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT			
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	The municipality received the compliance certificates for May 2024. Management must take remedial actions as per the recommendations made by National Treasury

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	Compliant A call deposit account to serve as a sub-account was opened on 13 November 2023 with our primary banker. Sub-account account no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No.124

	6.12.1 must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	Finalised Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies have been allocated on the system. Compliant The ESKOM and DWS current accounts were paid directly from the Primary bank account. Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124
MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
	6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose	Monthly	Investment account and bank statement and proof of payment aligned to actual amounts	Compliant The ESKOM and DWS accounts were paid directly from the Primary bank account. Municipality has a backlog in terms of built-up reserves. Salaries and third-party salary payments

				requirement difficult to maintain.
	The municipality monthly submit a copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	Compliant Investment account statement no longer required in terms of Municipal Debt Relief Supplementary Guide to MFMA Circular No. 124. Primary bank account statement is uploaded on <u>GoMuni</u> . Revenue received to be aligned to actual payments. Payments made directly from Primary bank account.

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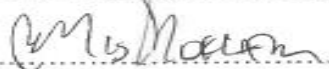
Quality Certificate

I, IS Mokgatlhe the Acting Municipal Manager of Moghaka Local Municipality hereby certify that: -

- ☒ The monthly budget statement
- ☐ Quarterly report on the implementation of the budget and financial affairs of the
- ☐ Mid-year budget and performance assessment

For the month of August 2024 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Municipal Manager of Moghaka Local Municipality (FS201)

Signature: 

Date: 11/09/2024