



MFMA SECTION 71 REPORT MONTH ENDING 31 OCTOBER 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 OCTOBER 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 OCTOBER 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 have to be taken to realise this target and Council's buy-in be secured, to the 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 590 390 291, of which 89.74% of the debt is owed more than 90 days totalling R1 427 152 338. Included in the total debt, R104 826 619 is owed by Government, R185 863 665 by Business and R1 192 658 611 by Households. Included in the Households debt is R172 184 527 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 October 2024, the ten working day reporting limit expires on 14 November 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)	348 000	254 836	93 164	27%	37%
Total Revenue including Capital Transfers and Contributions	476 899	379 239	97 660	20%	26%
Total Operational Expenditure					

As indicated in Table 1 above, as of 31 October 2024, the billed revenue excluding capital grants amounted to R254 835 514 which resulted in a satisfactory variance of 27% when compared to YTD Budget of R348 000 333. The billed revenue including capital grants amounted to R379 238 514, resulting in a satisfactory variance of 20% when compared to YTD budget of R476 899 049. 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 590 390 291. 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 October 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) - M04 October

Description	Ref	Budget Year 2024/25								
		2023/24 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	35 659	116 390	184 339	(67 950)	-37%	553 019
Service charges - Water		173 153	195 587	195 587	12 538	56 076	65 196	(9 119)	-14%	195 587
Service charges - Waste Water Management		65 954	70 019	70 019	6 054	24 200	23 340	860	4%	70 019
Service charges - Waste management		46 961	48 564	48 564	4 440	17 250	16 188	1 062	7%	48 564
Sale of Goods and Rendering of Services		6 220	10 265	10 265	869	2 174	3 422	(1 248)	-36%	10 265
Agency services										
Interest										
Interest earned from Receivables		69 946	34 557	34 557	6 403	24 047	11 519	12 528	109%	34 557
Interest from Current and Non Current Assets		34	30	30		25	10	15	152%	30
Dividends		3 637	1 736	1 736	26	255	579	(324)	-56%	1 736
Rent on Land										
Rental from Fixed Assets		6 593	8 535	8 535	436	1 315	2 845	(1 530)	-54%	8 535
Licence and permits										
Operational Revenue		4 027	12 324	12 324	3 791	5 088	4 108	980	24%	12 324
Non-Exchange Revenue										
Property rates		88 207	90 509	90 509	7 847	31 145	30 170	976	3%	90 509
Surcharges and Taxes										
Fines, penalties and forfeits		6 569	5 309	5 309	210	243	1 770	(1 527)	-86%	5 309
Licence and permits										
Transfers and subsidies - Operational		314 054	311 514	311 514		124 403	103 838	20 565	20%	311 514
Interest		7 761	2 982	2 982	772	3 059	994	2 065	208%	2 982
Fuel Levy										
Operational Revenue		839	678	678	74	296	226	70	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	79 119	405 964	448 543	(42 578)	-9%	1 345 628
Expenditure By Type										
Employee related costs		404 323	451 339	451 339	34 901	141 308	150 448	(9 139)	-6%	451 339
Remuneration of councillors		22 251	29 578	29 578	1 744	6 961	9 859	(2 898)	-29%	29 578
Bulk purchases - electricity		418 560	427 440	427 440	884	3 412	142 480	(139 068)	-98%	427 440
Inventory consumed		14 879	21 223	21 223	5 545	12 018	7 074	4 943	70%	21 223
Debt impairment			58 783	58 783			19 594	(19 594)	-100%	58 783
Depreciation and amortisation		121 050	9 870	9 870			3 290	(3 290)	-100%	9 870
Interest		6 029	8 698	8 698	550	2 200	2 899	(699)	-24%	8 698
Contracted services		135 341	158 841	158 791	10 381	36 961	52 950	(15 989)	-30%	158 791
Transfers and subsidies		84	1 049	1 049	30	30	350	(319)	-91%	1 049
Irrecoverable debts written off		176 661	1 486	1 486	705	1 477	495	981	198%	1 486
Operational costs		117 817	142 099	142 089	16 674	39 144	47 358	(8 214)	-17%	142 089
Losses on Disposal of Assets		15 203	60	60			20	(20)	-100%	60
Other Losses		106								
Total Expenditure		1 432 305	1 310 466	1 310 406	71 414	243 511	436 818	(193 307)	-44%	1 310 406
Surplus/(Deficit)		(217 711)	35 162	35 222	7 704	162 453	11 725	150 729	0	35 222
Transfers and subsidies - capital (monetary allocations)		51 220	64 627	64 627	(0)	7 043	21 542	(14 500)	(0)	64 627
Transfers and subsidies - capital (in-kind)		7	1 237	1 237			412	(412)	(0)	1 237
Surplus/(Deficit) after capital transfers & contributions		(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	0	101 086
Income Tax										
Surplus/(Deficit) after income tax		(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	0	101 086
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	0	101 086
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	0	101 086

Exchange and Non-Exchange Revenue

Revenue analysis for the month ending 31 October 2024

Revenue Types	Section 71 of 31 October 2024						Four Months Ending 31 October 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	7 846 541	104%	6 593 609	84%	30 169 690	31 145 377	103%	21 941 935	70%
Electricity - conventional	343 217 833	28 601 486	22 464 350	79%	30 733 604	137%	114 405 944	62 127 765	54%	88 577 900	143%
Water	195 400 475	16 283 373	12 531 898	77%	7 932 190	63%	65 133 492	56 063 986	86%	18 327 068	33%
Sanitation	69 800 488	5 816 707	6 045 194	104%	4 231 894	70%	23 266 829	24 188 740	104%	10 656 973	44%
Refuse	48 564 221	4 047 018	4 439 546	110%	2 622 167	59%	16 188 074	17 249 802	107%	7 062 009	41%
Total Direct Services	747 492 088	62 291 007	53 327 529	86%	52 113 463	98%	249 164 029	190 775 670	77%	146 565 885	77%
Other revenue	92 497 269	7 708 106	4 924 068	64%	10 186 282	207%	30 832 423	9 515 712	31%	14 777 926	155%
Revenue from Billed services	839 989 357	69 999 113	58 251 598	83%	62 299 745	107%	279 996 452	200 291 382	72%	161 343 811	81%
Electricity - prepaid	204 011 643	17 000 970	13 097 080	77%	13 097 080	100%	68 003 881	54 544 132	80%	54 544 132	100%
grants	1 044 001 000	87 000 083	71 348 678	82%	75 396 825	106%	348 000 333	254 835 514	73%	215 887 943	85%
Operational grants and subsidies	3 059 000	-	-	-	-	-	4 495 716	-	0%	-	0%
Equitable share	298 568 000	-	-	-	-	-	124 403 000	124 403 000	100%	124 403 000	0%
Total Revenue	1 345 628 000	87 000 083	71 348 678	82%	75 396 825	106%	476 899 049	379 238 514	80%	340 290 943	90%

Comments on Section 71 Report.

Collection rate for waste water management is 70% for the month of October 2024 and 44% for the first four months of 2024-2025.

Collection rate for waste management is 59% for the month of October 2024 and 41% for the first four months of 2024-2025.

Collection rate for water is 63% for the month of October 2024 and 33% for the first four months of 2024-2025.

The collection rate on Property rates is 84% for the month of October 2024 and 70% for the first four months of 2024-2025.

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

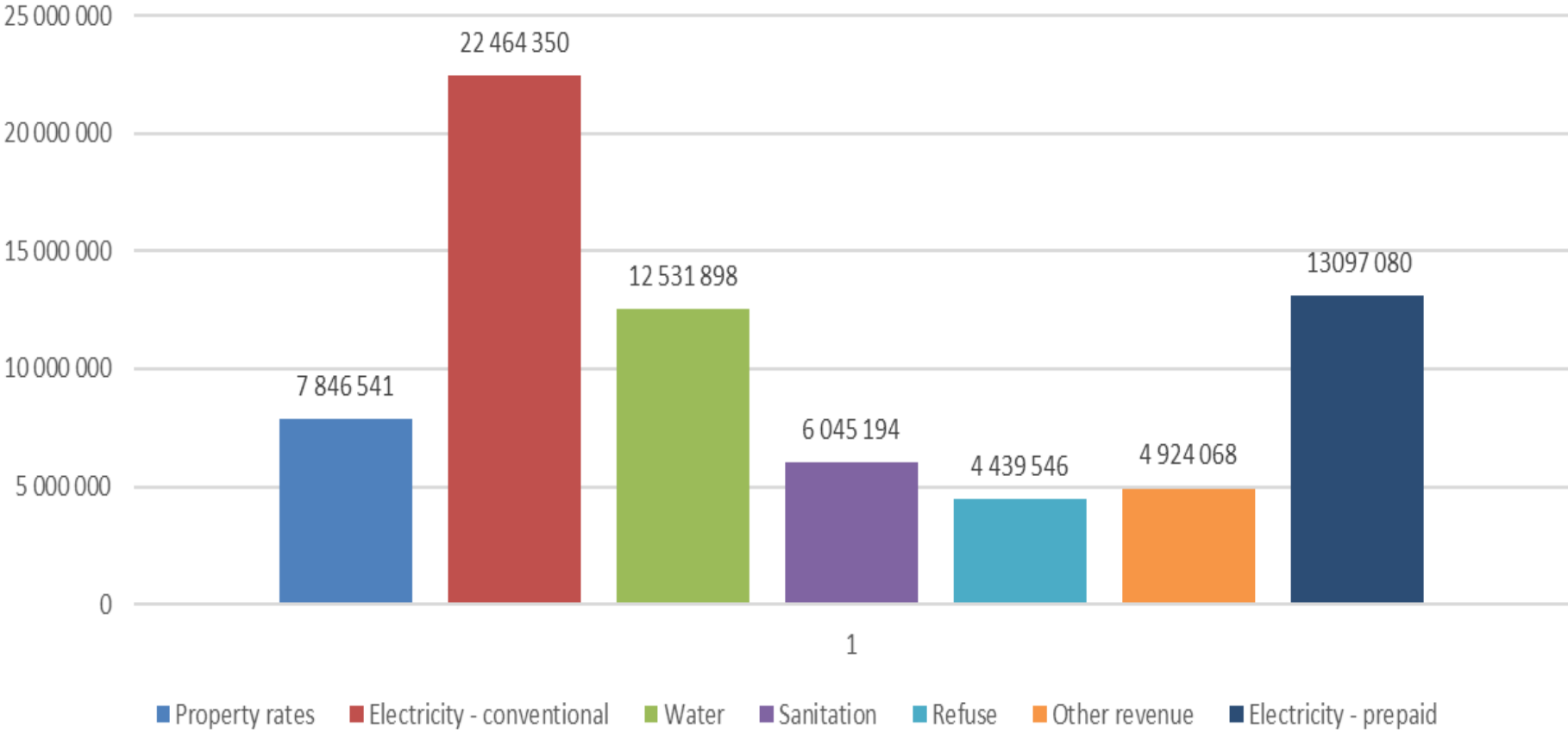
Conventional electricity revenue collection is 137% for the month of October 2024 and 143% for the first four months of 2024-2025.

Revenue before operational grants versus billing is 106% for the month of October 2024 and 85% for the first four months of 2024-2025.

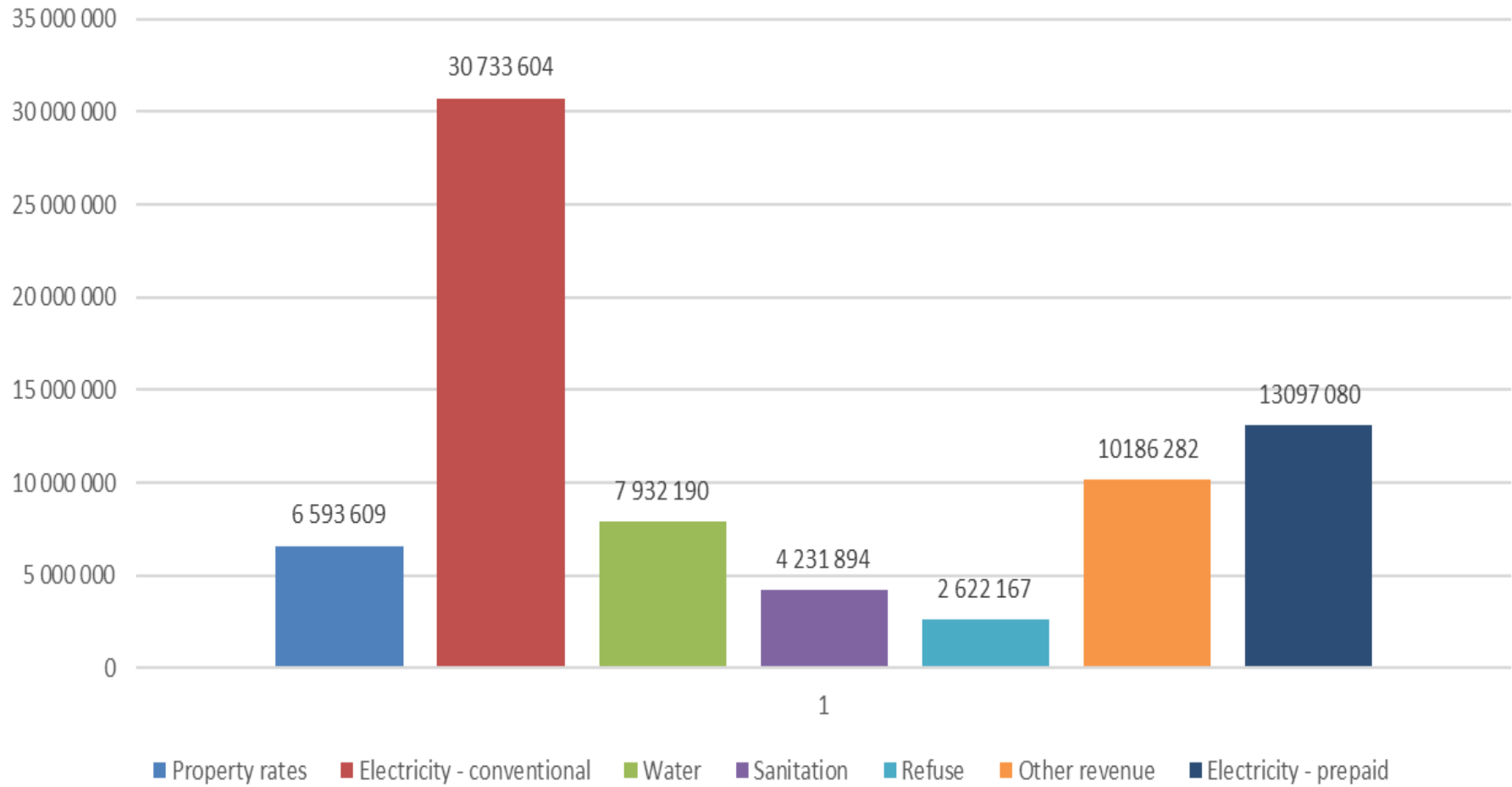
Total Revenue Collection Percentage with Zero Grant Funding received for the month October 2024 is also 106% and 90% for the first four months of 2024-2025.

Indigents Contribution for Prepaid Electricity in October 2024 is R905 914.50 + R181 083.60 (FBE in ESKOM Supplied Areas) = R1 086998.10

Billing Per Service

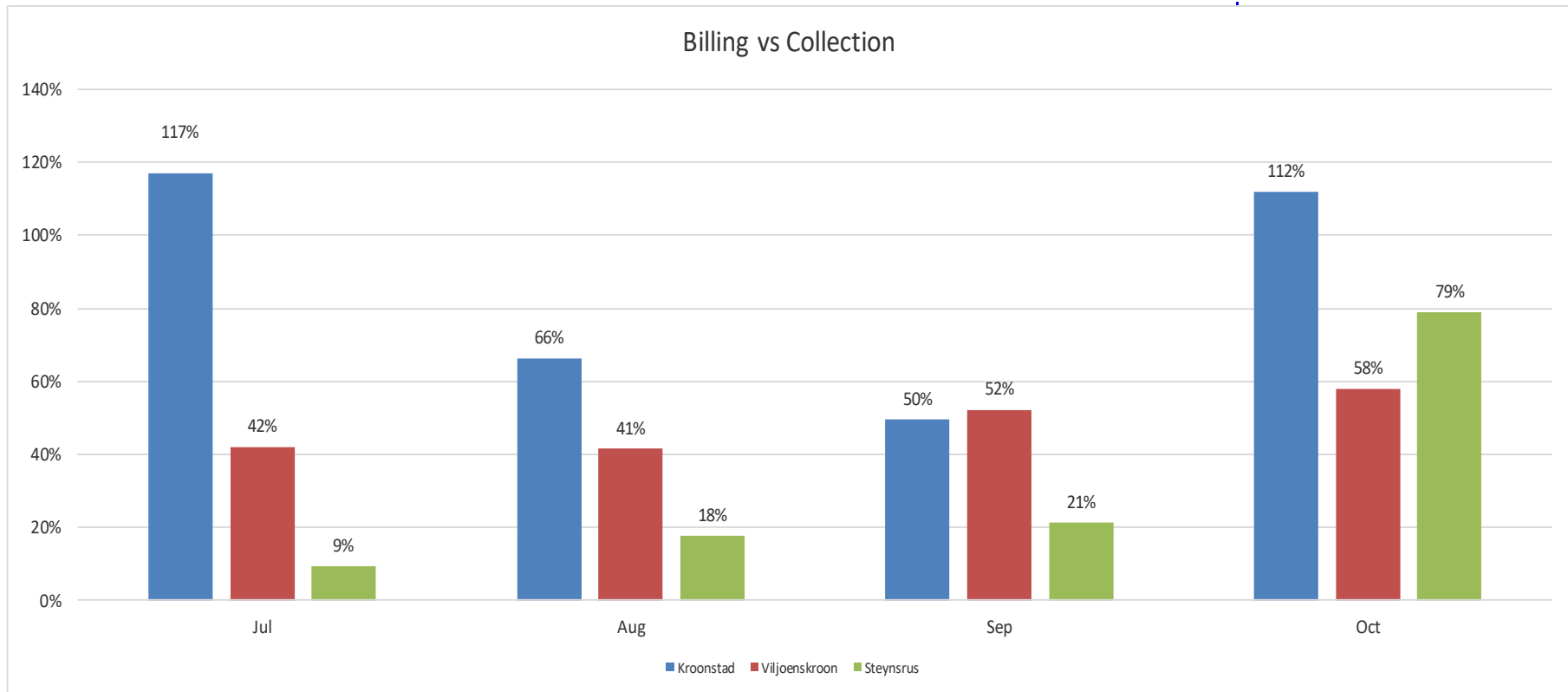


Collection Per Service



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%
Sep	55 478 882	27 503 055	50%	13 663 931	7 138 552	52%	2 206 218	466 363	21%
Oct	53 594 744	60 235 132	112%	14 365 893	8 300 431	58%	935 561	738 550	79%
Total	176 725 247	141 581 070	80%	54 570 603	26 536 329	49%	6 388 322	1 008 246	16%



PRE-PAID ELECTRICITY SALES 2024-2025 FINANCIAL YEAR

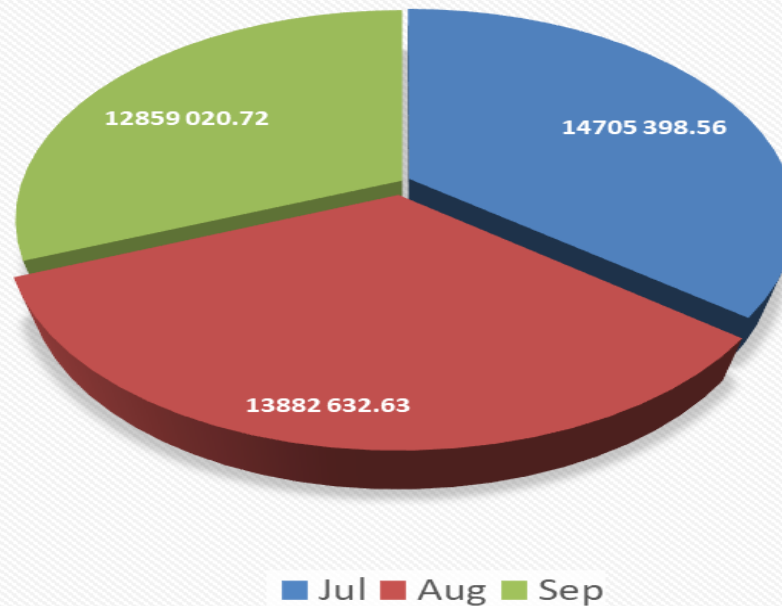
Month	Arrears	Cost of Units	Vat	Cash Tendered	Units Sold	FBE Value	% Movement
Jul	R0.00	R14 705 398.56	R2 205 583.77	R16 910 982.33	6 624 751.00	R896 486.00	↑ R12.00
Aug	R0.00	R13 882 632.63	R2 082 178.30	R15 964 810.93	6 310 561.70	R909 115.00	↓ -6%
Sep	R0.00	R12 859 020.72	R1 928 654.97	R14 787 675.69	5 914 137.10	R903 146.50	↓ -7%
Oct	R0.00	R13 097 080.09	R1 964 357.35	R15 061 437.44	5 990 322.40	R905 914.50	↑ 2%
Totals	R0.00	R54 544 132.00	R8 180 774.39	R62 724 906.39	24 839 772.20	R3 614 662.00	

The average collection rate for Kroonstad/Maokeng for October 2024 is 112% , Viljoenskroon/Rammulutsi is 58 & Steynsrus/Matlwangtlwang is 79%.

Kroonstad/Maokeng generated a revenue of R60.2m for October 2024, Viljoenskroon/Rammolutsi generated R8.3m & Steynsrus/Matlwangtlwang generated R738 550

The cost of revenue generated through prepaid electricity for the month of October 2024 is R13 097 080.09 The electricity vendors are contributing to these sales.

Prepaid Electricity Sales @ Cost



4.2 Operating expenditure by type

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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										
Expenditure By Type										
Employee related costs		404 323	451 339	451 339	34 901	141 308	150 448	(9 139)	-6%	451 339
Remuneration of councillors		22 251	29 578	29 578	1 744	6 961	9 859	(2 898)	-29%	29 578
Bulk purchases - electricity		418 560	427 440	427 440	884	3 412	142 480	(139 068)	-98%	427 440
Inventory consumed		14 879	21 223	21 223	5 545	12 018	7 074	4 943	70%	21 223
Debt impairment		–	58 783	58 783	–	–	19 594	(19 594)	-100%	58 783
Depreciation and amortisation		121 050	9 870	9 870	–	–	3 290	(3 290)	-100%	9 870
Interest		6 029	8 698	8 698	550	2 200	2 899	(699)	-24%	8 698
Contracted services		135 341	158 841	158 791	10 381	36 961	52 950	(15 989)	-30%	158 791
Transfers and subsidies		84	1 049	1 049	30	30	350	(319)	-91%	1 049
Irrecoverable debts written off		176 661	1 486	1 486	705	1 477	495	981	198%	1 486
Operational costs		117 817	142 099	142 089	16 674	39 144	47 358	(8 214)	-17%	142 089
Losses on Disposal of Assets		15 203	60	60	–	–	20	(20)	-100%	60
Other Losses		106	–	–	–	–	–	–	–	–
Total Expenditure		1 432 305	1 310 466	1 310 406	71 414	243 511	436 818	(193 307)	-44%	1 310 406

Comparison against YTD Budget

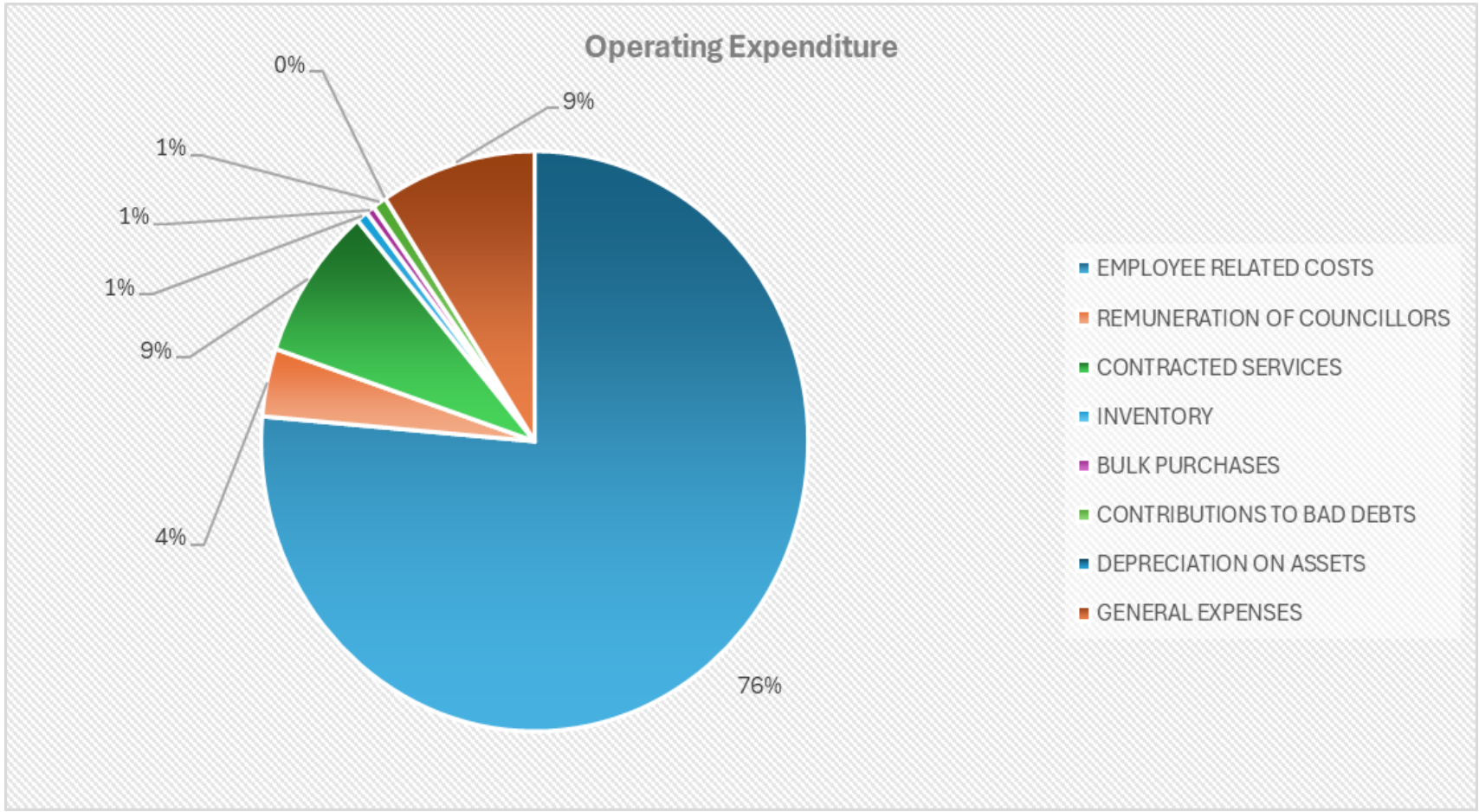
As indicated in the Table above, as at 30 September 2024, expenditure shows an unsatisfactory variance of minus 44%. The YTD actual amounted to R243 511 000 against the YTD budget of R436 818 000.

- Employee related costs show a satisfactory variance of minus 6.0%. 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 70%. 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 30%.
- Transfers and subsidies showing negative variance of minus 91%, due to non-expenditure & no commitment to show movement.
- Operational cost is showing an unsatisfactory variance of minus 17% 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 R4 940 128 in the month of October 2024.



OPERATING EXPENSES					
DESCRIPTION	Annual Budget 2024/2025	Actual 2024/07/31	YTD 2024/07/31	Variance	% Exp

OPERATIONAL COST					
OC: ADV/PUB/MARK - CORP & MUN ACTIVI	2 029 298	103 333	103 333	1 925 965	5
OC: ADV/PUB/MARK - MUNICIPAL NEWSLET	1 200 000		-	1 200 000	0
OC: ADV/PUB/MARK - SIGNS	357 250	-	-	357 250	0
OC: ADV/PUB/MARK - STAFF RECRUITMENT	314 700	-	-	314 700	0
OC: ADV/PUB/MARK - TENDERS	220 919	14 976	14 976	205 943	6
OC: AUDIT COST: EXTERNAL	9 441 000	753 637	753 637	8 687 363	8
OC: BC/FAC/C FEES - BANK ACCOUNTS	1 273 379	61 991	61 991	1 211 388	5
OC: COMMISSION - THIRD PARTY VENDORS	14 462 785	113 991	113 991	14 348 794	1
OC: COMM - LICENCES (RADIO & TELEVIS	67 537	-	-	67 537	0
OC: COMM - POSTAGE/STAMPS/FRANKING M	2 058 884	-	-	2 058 884	0
OC: COMM - SMS BULK MESSAGE SERVICE	-			-	
OC: COMM - PHONE FAX TELEGRAPH & TEL	2 098 000	-	-	2 098 000	0
OC: CONTR TO PROV - REHAB LANDFILL S	89 325	-	-	89 325	0
OC: DEEDS	279 402	-	-	279 402	0
OC: DRIVERS LICENCES & PERMITS	15 565	-	-	15 565	0
OC: ENTERTAINMENT - EXEC MAYOR	31 470	3 990	3 990	27 480	13
OC: ENTERTAINMENT - COUNCILLORS	31 470	-	-	31 470	0
OC: ENTERTAINMENT - SENIOR MANAGEMENT	230 780	12 749	12 749	218 031	6
OC: ENTERTAINMENT - SPEAKER	31 470	1 998	1 998	29 472	6
OC: ENTERTAINMENT - CHIEF WHIP	31 470	3 796	3 796	27 674	12
OC: EXT COM SERV PROV - GPS LICENCE	3 096 763	-	-	3 096 763	0
OC: EXT COM SERV PROV - S/WARE LICEN	2 722 774	-	-	2 722 774	0
OC: HIRE CHARGES	42 775 059	1 559 063	1 559 063	41 215 996	4
OC: INSUR UNDER - EXCESS PAYMENTS	450 000	15 126	15 126	434 874	3
OC: INSUR UNDER - PREMIUMS	4 800 000	2 166	2 166	4 797 834	0
OC: LIC - VEHICLE LIC & REGISTRATION	1 680 766	3 062	3 062	1 677 704	0
OC: LIC - VEHICLE LIC & REGISTR FLEE	14 059	-	-	14 059	0
OC: PRINTING & PUBLICATIONS	773 519	-	-	773 519	0
OC: PROFESSIONAL BODIES M/SHIP & SUB	173 931	6 950	6 950	166 981	4
OC: REMUNERATION TO WARD COMMITTEES	2 937 200	90 500	90 500	2 846 700	3
OC: ROAD WORTHY TEST FLEET	18 059	-	-	18 059	0
OC: SKILLS DEVELOPMENT FUND LEVY	3 278 444	312 116	312 116	2 966 328	10
OC: SEARCH FEES	16 469			16 469	
OC: SERVITUDES & LAND SURVEYS	52 450			52 450	
OC: SIGNAGE	599 746	20 971	20 971	578 775	4
OC: TOLL GATE FEES FLEET	4 214			4 214	
OC: TRANSPORT - EVENTS	146 370	2 500	2 500	143 870	2
OC: T&S DOM - ACCOMMODATION	2 531 575	113 958	113 958	2 417 617	5
OC: T&S DOM - DAILY ALLOWANCE	1 769 974	79 278	79 278	1 690 696	5
OC: T&S DOM - FOOD & BEVERAGE (SERVE	600 710		-	600 710	0
OC: T&S DOM TRP - W/OUT OPR OWN TRAN	2 158 747	108 654	108 654	2 050 093	5
OC: T&S DOM PUB TRP - ROAD TRANSPORT	368 262	1 849	1 849	366 413	0
OC: T&S - NON-EMPLOYEES	209 800	5 345	5 345	204 455	3
OC: TRANSPORT - MUNICIPAL ACTIVITIES	55 230	-	-	55 230	0
OC: UNIFORM & PROTECTIVE CLOTHING	5 679 737	-	-	5 679 737	0
OC: VEHICLE TRACKING FLEET	353 327	-	-	353 327	
OC: WET FUEL	12 670 199	310 748	310 748	12 359 451	3
OC: WORKMEN'S COMPENSATION FUND	1 753 823	-	-	1 753 823	0
SUB TOTAL : OPERATIONAL COST	125 955 911	3 702 747	3 702 747	122 253 164	61

4.3 Capital Expenditure

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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	-	-	-	15	-	15	#DIV/0!	-
Vote 02 - Municipal Manager		61	400	400	-	-	133	(133)	-100%	400
Vote 03 - Corporate Services		727	2 500	2 810	(34)	574	868	(294)	-34%	2 810
Vote 04 - Finance		804	2 077	1 577	-	134	596	(463)	-78%	1 577
Vote 05 - Technical Services		668	78 142	78 142	9 962	22 701	26 047	(3 346)	-13%	78 142
Vote 06 - Community Services		3 023	14 600	14 600	251	2 202	4 867	(2 664)	-55%	14 600
Vote 07 - Local Economic Development		241	872	1 122	30	290	359	(69)	-19%	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	98 651	10 209	25 916	32 870	(6 954)	-21%	98 651
Total Capital Expenditure		5 630	98 591	98 651	10 209	25 916	32 870	(6 954)	-21%	98 651
Capital Expenditure - Functional Classification										
Governance and administration		1 833	5 750	5 560	(34)	722	1 855	(1 133)	-61%	5 560
Executive and council		147	-	-	-	15	-	15	#DIV/0!	-
Finance and administration		1 686	5 750	5 560	(34)	707	1 855	(1 148)	-62%	5 560
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2 483	13 122	13 372	62	298	4 442	(4 144)	-93%	13 372
Community and social services		955	5 197	5 197	-	-	1 732	(1 732)	-100%	5 197
Sport and recreation		233	4 081	4 331	30	221	1 429	(1 207)	-85%	4 331
Public safety		1 237	3 843	3 843	32	77	1 281	(1 205)	-94%	3 843
Housing		58	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		55	31 596	31 596	5 408	15 241	10 532	4 709	45%	31 596
Planning and development		-	205	205	-	69	68	1	1%	205
Road transport		55	31 234	31 234	5 408	15 172	10 412	4 761	46%	31 234
Environmental protection		-	157	157	-	-	52	(52)	-100%	157
Trading services		1 259	48 071	48 071	4 774	9 655	16 024	(6 368)	-40%	48 071
Energy sources		20	3 348	3 348	-	149	1 116	(967)	-87%	3 348
Water management		354	25 011	25 011	4 522	7 303	8 337	(1 034)	-12%	25 011
Waste water management		208	15 890	15 890	-	-	5 297	(5 297)	-100%	15 890
Waste management		677	3 822	3 822	251	2 202	1 274	929	73%	3 822
Other		-	52	52	-	-	17	(17)	-100%	52
Total Capital Expenditure - Functional Classification	3	5 630	98 591	98 651	10 209	25 916	32 870	(6 954)	-21%	98 651
Funded by:										
National Government		26	64 627	64 627	9 941	22 265	21 542	723	3%	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 Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		26	64 627	64 627	9 941	22 265	21 542	723	3%	64 627
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		5 604	33 964	34 024	267	3 651	11 328	(7 678)	-68%	34 024
Total Capital Funding		5 630	98 591	98 651	10 209	25 916	32 870	(6 954)	-21%	98 651

As indicated in the Table above, the YTD Actual on capital expenditure as at end of July 2024 amounted to R25 916 000. The total YTD capex is funded from Capital grants R22 265 000 and Internally generated funds R3 651 000. 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	Oct-24
Cash Receipts by Source	
Property rates	4 636 194
Service charges - electricity revenue	34 837 429
Service charges - water revenue	7 746 146
Service charges - sanitation revenue	4 104 822
Service charges - refuse revenue	2 775 588
Service charges - other	-
Interest earned - external investments	515 791
Interest earned - outstanding debtors	238 342
Fines	-
Transfer receipts - operational	-
Other revenue	15 151 657
Cash Receipts by Source	70 005 969
Other Cash Flows/Receipts by Source	
Transfer receipts - capital	4 542 662
Borrowing long term/refinancing	-
Total Cash Receipts by Source	74 548 631
Cash Payments by Type	
Employee related costs	34 901 013
Remuneration of councillors	1 744 197
Bulk purchases - Electricity	10 216 179
Contracted services	11 938 244
General expenses	17 205 542
Cash Payments by Type	76 005 175
Other Cash Flows/Payments by Type	
Capital assets	10 226 512
Repayment of borrowing	-
Total Cash Payments by Type	86 231 687
Net Increase/(Decrease) in Cash Held	-11 683 056
Cash/cash equivalents at the month/year begin:	91 504 098
Cash/cash equivalents at the month/year end:	79 821 042
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.

Moghaka 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 30 September 2024 1 590 768 206

Highlights	31-Aug	30-Sep	% Change	31-Oct	% Change	Reference	% Increase / (Decrease) in Debtors
Services							
Councillors' debt (>90 days)	R 1 370 641	R 1 397 900	2%	R 1 428 746	2%	BP136-r	
Officials debt (>90 days)	R 2 672 837	R 2 762 090	3%	R 2 787 425	1%	BP136-a	
Sundry debtors							
Telephones (Officials & Councillors)	R647 719.55	R651 153.34	1%	R709 083.28	9%	BP136-rt	
Indigents	R 165 662 006	R 169 112 526	2%	R 172 184 527	2%	BP136-ia	
Total Debt 90 Days +	R 170 353 203	R 173 923 669	2%	R 177 109 781	2%		0%

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 October 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	10 644.00	0.00	0.00	9 876.00	0.00	20 520.00	0.00	20 520.00
DEPARTMENT OF HEALTH (PH)	12 078 709.00	7 223 273.00	0.00	8 302 806.00	26 462.00	27 631 250.00	0.00	27 631 250.00
DEPARTMENT OF EDUCATION (PE)	143438.00	996 282.00	72 139.00	14 533 591.00	0.00	15 745 450.00	0.00	15 745 450.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	236 963.00	0.00	236 963.00	0.00	236 963.00
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)	943 751.00	15 076 299.00	662.00	725 819.00	3 214.00	16 749 745.00	0.00	16 749 745.00
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	13 176 542.00	23 296 094.00	72 801.00	23 809 055.00	29 676.00	60 384 168.00	0.00	60 384 168.00
				0.00				
SCHOOLS (SECTION 21)	9 638 319.00	16 481 811.00	3 519.00	4 266.00	86 928.00	26 214 843.00	0.00	26 214 843.00
NATIONAL DEPARTMENTS	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
CORRECTIONAL SERVICES (NC)	3 395 464.00	216 615.00	0.00	227 975.00	0.00	3 840 054.00	0.00	3 840 054.00
DEFENCE (ND)	2 623 726.00	5 599 482.00	11 951.00	429 554.00	13 830.00	8 678 543.00	0.00	8 678 543.00
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	23 044.00	123 007.00	213 393.00	51 522.00	66 754.00	477 720.00	0.00	477 720.00
PUBLIC WORKS (NW)	8 526.00	169 138.00	2 617 357.00	54 839.00	0.00	2 849 860.00	0.00	2 849 860.00
SA POLICE(NP)	883 529.00	429 891.00	10 515.00	811 527.00	1 418.00	2 136 880.00	0.00	2 136 880.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	69 686.00	68 854.00	0.00	21 932.00	848.00	161 320.00	0.00	161 320.00
TOTAL	7 003 975.00	6 606 987.00	2 853 216.00	1 597 349.00	82 850.00	18 144 377.00		18 144 377.00
TOTAL	29 818 836.00	46 384 892.00	2 929 536.00	25 410 670.00	199 454.00	104 743 388.00	-	104 743 388.00
						TOTAL		104 743 388.00
						LESS CREDIT		0.00
						GRAND TOTAL		104 743 388.00

v5
MUNICIPAL DEBT RETURN FORM - Provincial & National Departments



Municipality: **FS201 Mqheke**
 Financial Year: **2023/24** 2024/25
 Reporting Month: **M04 October**

R'000	Provincial Public Works & Infrastructure	Education		National Public Works	TOTAL
		Section 20 Schools (Payable by Department of Education)	Section 21 Schools (Payable by Schools)		
Property Rates	73			2 853	2 926
0-30 Days	19			705	723
31-60 Days	18			704	722
61-90 Days	6			704	711
Over 90 Days	30			740	770
Water	13 177		9 676	7 004	29 856
0-30 Days	977		649	1 524	3 149
31-60 Days	845		506	1 519	2 871
61-90 Days	809		435	1 250	2 494
Over 90 Days	10 545		8 086	2 711	21 342
Electricity	23 296		16 444	6 607	46 347
0-30 Days	1 071		1 168	799	3 039
31-60 Days	1 235		1 400	715	3 351
61-90 Days	1 734		1 184	656	3 574
Over 90 Days	19 256		12 692	4 436	36 384
Sanitation	15 754			972	16 726
0-30 Days	1 035			170	1 205
31-60 Days	1 035			159	1 194
61-90 Days	1 035			53	1 089
Over 90 Days	12 649			589	13 238
Refuse Removal	6 055			626	6 680
0-30 Days	719			90	809
31-60 Days	529			84	613
61-90 Days	529			30	559
Over 90 Days	6 278			422	6 700
Other	30		95	83	207
0-30 Days	0		2	2	4
31-60 Days	0		2	3	4
61-90 Days	0		2	3	4
Over 90 Days	29		90	75	194
TOTAL	60 384		26 215	18 144	104 743
0-30 Days	3 821		1 819	3 290	8 930
31-60 Days	3 663		1 908	3 185	8 755
61-90 Days	4 113		1 620	2 697	8 430
Over 90 Days	48 787		20 868	8 973	78 628

Payments received during reporting month (whole amount) 9 858 724,00 2 740 553,30 12 599 277,30

Compiled By TD Dhlamini:
 Reviewed by LG Motaung:
 Reviewed by KS Theletsane:

Approved By:
 Rank: **Acting CFO**
 Date: **07/11/2024**

- The total age analysis should correspond to the total Organs of State reported on the monthly aged debtors (AD) return.
- Education (Schools) is only responsible for the payment of water & electricity. Property rates, sanitation & refuse removal for schools remain the responsibility of Provincial Public Works.
- Provide the detail per school on the separate sheets provided.
- Parastatals (Transnet, TELKOM, etc.) is responsible for the payment of their own municipal accounts.

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

YearEnd	MonthEnd	Mun	Item	Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 days & Older	Total-
2025	M04 Oct	FS201	1100	Debtors Age Analysis By Income Source					
			1200	Trade and Other Receivables from Exchange Transactions - Water	20 149 998	19 403 685	22 471 258	748 499 087	810 524 028
			1300	Trade and Other Receivables from Exchange Transactions - Electricity	26 785 648	11 163 706	10 040 395	124 186 412	172 176 161
			1400	Receivables from Non-exchange Transactions - Property Rates	6 200 665	4 257 342	3 832 022	100 560 361	114 850 390
			1500	Receivables from Exchange Transactions - Waste Water Management	7 832 352	6 609 101	6 266 429	226 130 604	246 838 486
			1600	Receivables from Exchange Transactions - Waste Management	5 690 420	4 664 813	4 445 286	163 676 043	178 476 562
			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	1 760 644	807 474	856 715	64 099 831	67 524 664
			2000	Total By Income Source	68 419 727	46 906 121	47 912 105	1 427 152 338	1 590 390 291
			2100	Debtors Age Analysis By Customer Group					
			2200	Organs of State	17 739 587	8 436 603	7 543 691	71 106 738	104 826 619
			2300	Commercial	26 289 557	9 173 751	7 286 682	143 113 675	185 863 665
			2400	Households	29 496 719	27 012 973	30 294 194	1 105 854 725	1 192 658 611
			2500	Other	-5 106 136	2 282 794	2 787 538	107 077 200	107 041 396
			2600	Total By Customer Group	68 419 727	46 906 121	47 912 105	1 427 152 338	1 590 390 291

Comments:

Total outstanding debt has increased from R1 590 768 206 in September 2024 to R1 590 390 291 in October 2024.

The increase is a result of minimum or no payments by the account holders and the defaulters.

Water debt was R802 104 423 on 30 September 2024 & R810 524 028 in October 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 R181 177 801 on 30 September 2024 & R172 176 161 in October 2024 & is 11% of the total debt and this is mainly from the conventional meters consumption for both industrial, commercial and households, as well as availability/basic charges for infrastructure maintenance.

Property Rates outstanding debt was R115 070 203 on 30 September 2024 & R114 850 390 in October 2024 & against total debt is 7% and relates to non-payment of accounts.

Sanitation/Sewerage accounts for 16% of the total outstanding debt with R246 838 486 in October 2024 & and also emanates from non-payment of accounts.

Refuse Removal was R175 791 222 on 30 September 2024 & R178 476 562 in October 2024 & accounts for 11% of the total outstanding debt.

Total for Other Debt or Sundries on 30 September 2024 was R72 787 079 & R67 524 664 in October 2024, which accounts for 4% for total outstanding debt. It represents the debt from indirect services on sundry accounts like rental, telephone, advertising & signs, and more.

Government debt was R106 268 619 on 30 September 2024 & R104 826 619 in October 2024. This represents 7% of the total outstanding debt of R1 590 390 291 and is gradually being addressed.

Business/Commercial debt was R193 615 836 in September 2024 & R185 863 665 in October 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 182 253 917 in September 2024 & R1 192 658 611 in October 2024. That accounts for 75% of the total debt. This is inclusive of R172 184 527 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R108 629 834 in September 2024 & R107 041 396 & that is 7% of the total outstanding debt.

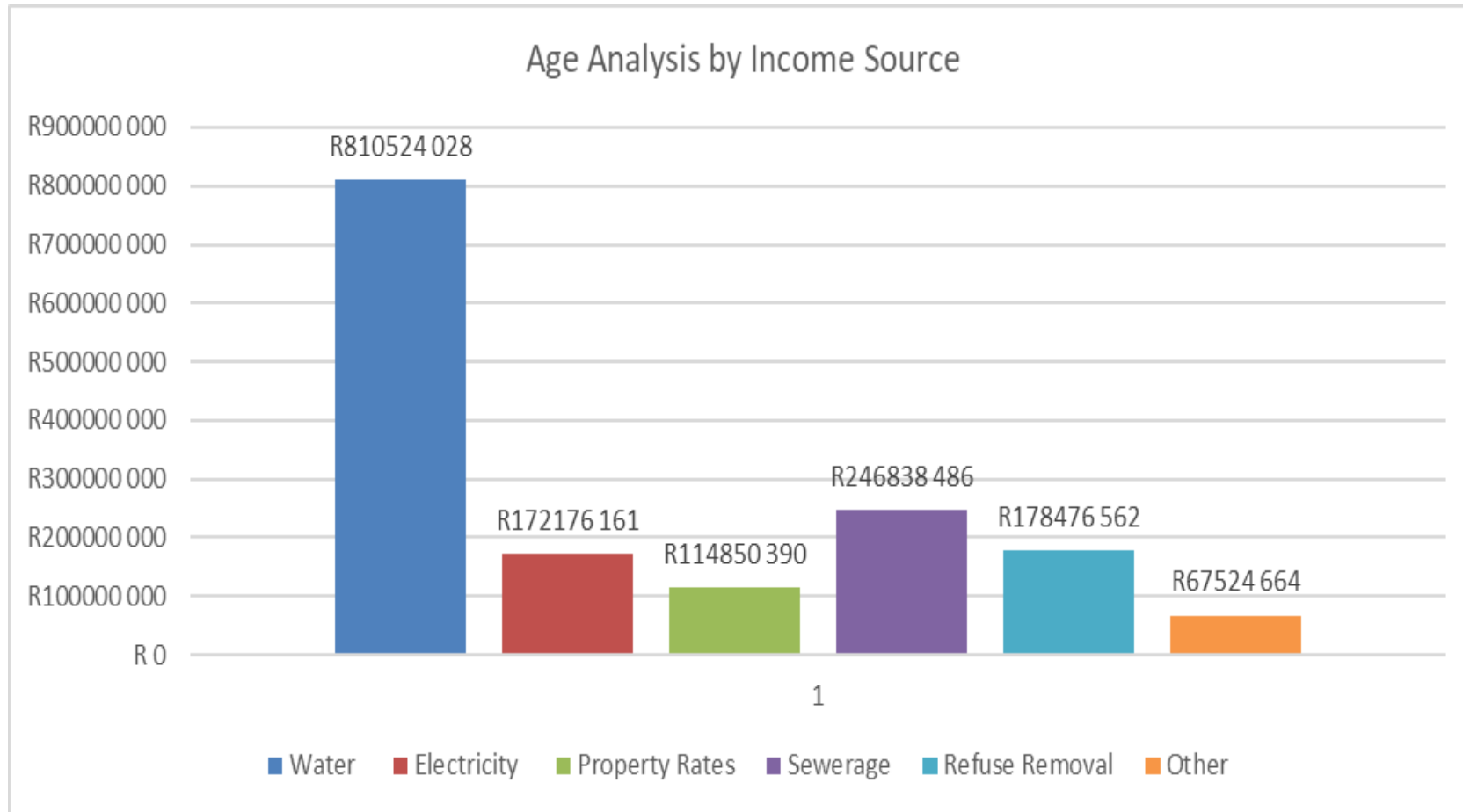
On 30 September 2024, Councillors owed R1 397 000 & R1 428 746 in October 2024, Officials owed R2 762 090 in September & R2 787 425 in October. Telephone accounts had a balance of R651 153.34 in September & R709 083.28 in October 2024.

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

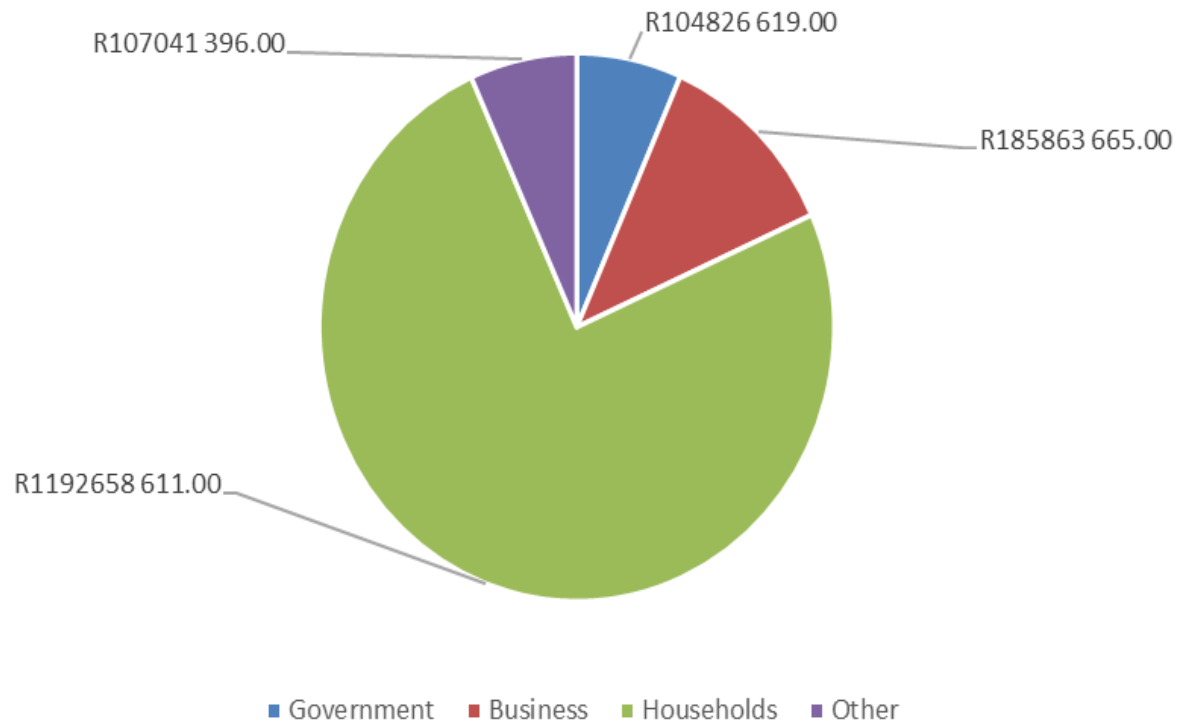
There are currently 4 debt collection companies appointed until June 2025, but their performance was hampered by the cyber-attack on the financial

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. The Municipality now has an acting Municipali Manager at this point in time of reporting.



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	125 656 771.15	16 320 377.59	-782 993.04	42 764.35	69 859.00	15 650 007.90	-18 494 855.58	122 811 923.47	-118%	-2 844 847.68
2	551 413 821.55	17 202 642.16	-5 782 131.45	18 060.07	14 911.00	11 453 481.78	-2 393 378.42	560 473 924.91	-21%	9 060 103.36
3	10 787 771.85	3 010 341.63	0.00	0.00	0.00	3 010 341.63	-11 185 534.21	2 612 579.27	-372%	-8 175 192.58
4	54 420 906.48	523 713.89	568 494.85	0.00	0.00	1 092 208.74	-1 368 020.32	54 145 094.90	-125%	-275 811.58
6	17 515 449.71	1 510 030.74	63 333.34	0.00	0.00	1 573 364.08	-2 140 937.82	16 947 875.97	-136%	-567 573.74
7	22 323 614.08	841 312.26	-183 707.47	2 368.36	857.00	660 830.15	-355 125.92	22 629 318.31	-54%	305 704.23
8	9 465 022.59	699 646.43	-371 045.59	10 303.45	0.00	338 904.29	-240 833.58	9 563 093.30	-71%	98 070.71
9	2 365 235.28	16 316.94	-12 998.20	0.00	0.00	3 318.74	-20 650.00	2 347 904.02	-622%	-17 331.26
10	64 681 463.81	11 592 090.33	-997 992.46	0.00	1 104 137.00	11 698 234.87	-16 828 582.76	59 551 115.92	-144%	-5 130 347.89
11	78 993 082.18	1 381 673.48	-457 538.90	11 426.30	0.00	935 560.88	-738 549.60	79 190 093.46	-79%	197 011.28
13	548 522 821.46	11 409 458.42	-1 686 105.30	74 795.89	12 097.00	9 810 246.01	-3 598 459.42	554 734 608.05	-37%	6 211 786.59
14	6 830 320.76	4 725 775.28	-170 188.74	0.00	0.00	4 555 586.54	-4 701 471.82	6 684 435.48	-103%	-145 885.28
15	7 010.72	60.31	0.00	0.00	0.00	60.31	-500.00	6 571.03	0%	-439.69
16	97 784 914.80	8 302 173.53	-188 122.06	0.00	0.00	8 114 051.47	-7 207 213.29	98 691 752.98	-89%	906 838.18
	1 590 768 206.42	77 535 612.99	-10 000 995.02	159 718.42	1 201 861.00	68 896 197.39	-69 274 112.74	1 590 390 291.07	-101%	-377 915.35

The October 2024 total billing was R68 896 197.39 from R71 349 091.07 in September 2024. There were complaints by some business customers regarding the CT- Ratio on their meters that had to be corrected and that led to corrections in credit of R31 million in September. 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

Creditors

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	47 824 907	43 556 948	69 198 511	-				1 375 710 128	1 536 290 494
Loan repayments	996 458	591 182	1 704 416					1 145 365	4 437 421
Trade Creditors	4 303 736	1 919 358	2 567 310	2 918 608					11 709 012
Auditor General	4 940 128	-							4 940 128
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	59 552 454	47 630 748	80 485 560	12 676 955	-	-	-	1 376 855 493	1 577 201 209

Bulk Electricity – As at the 31 October 2024, the outstanding debt owed to ESKOM amounted to R1 536 290 494. 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 R4 940 128. Other creditors – includes Sundry creditors which were unpaid as at 30 October 2024 amount to R19 824 154,57.

8. Investment portfolio analysis

Moqhaka Municipality



Year End 30-Jun-25
Section Finance
Compiled by ID Mphosi
Purpose Investment Register

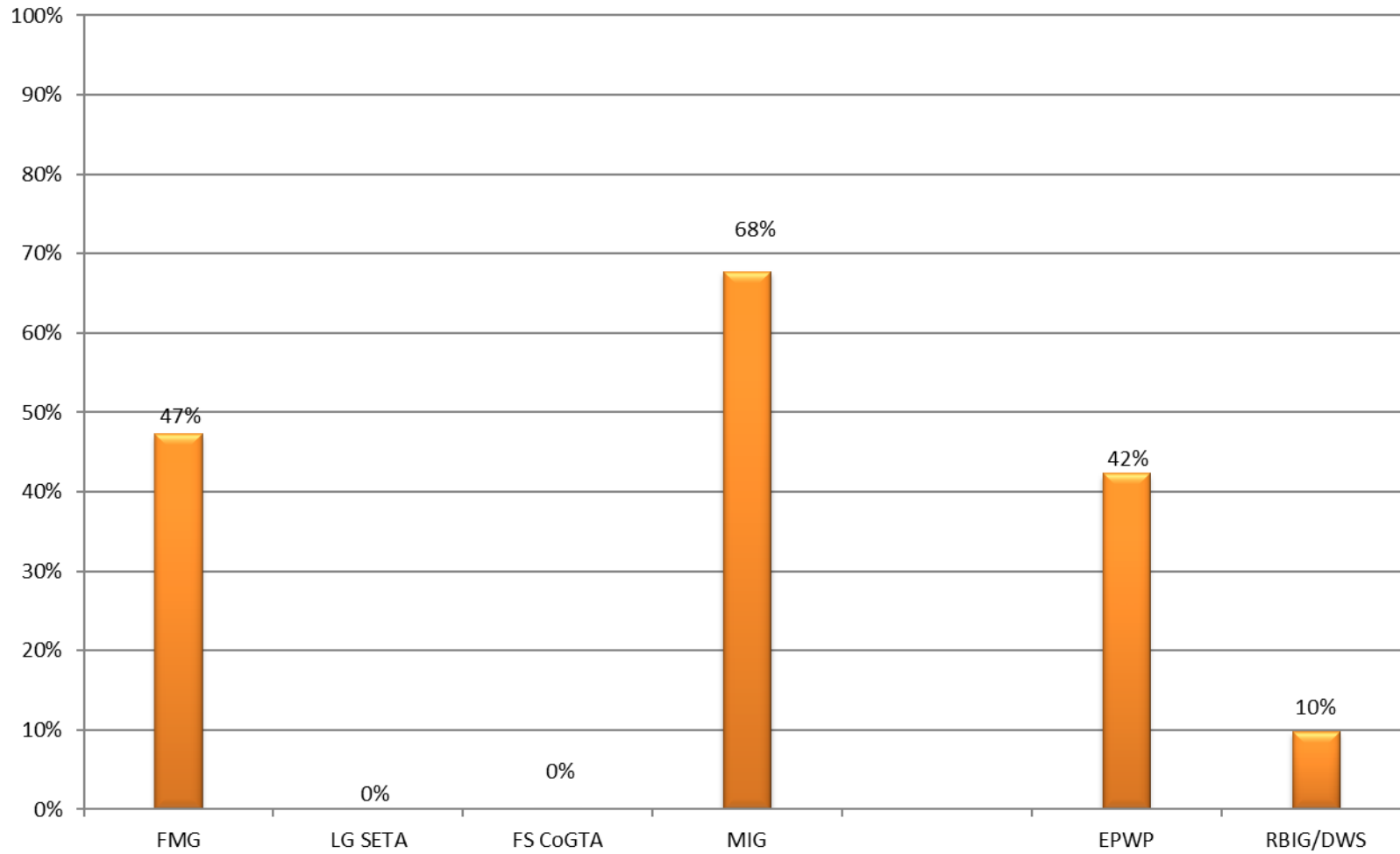
The municipality holds the following investments with ABSA Bank.

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
Invested	-	-	49 977 242.08	49 977 242.08
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
	54.01		-6 641 111.88	-6 641 057.87
Invested	-	-	31 637 000.00	31 637 000.00
Withdrawn	-	-	-38 812 716.43	-38 812 716.43
Interest earned	54.01	-	534 604.55	534 658.56
Balance at 30-Sep-2024	5 714.92	118 622.25	85 922 605.40	86 046 942.57
			-9 984 209.17	-21 000 000.00
Invested	-	-	7 500 000.00	7 500 000.00
Withdrawn	-	-	-18 000 000.00	-18 000 000.00
Interest earned	-	-	515 790.83	-10 500 000.00
Balance at 31-Oct-2024	5 714.92	118 622.25	75 938 396.23	65 046 942.57

9. Allocation and grant receipts and expenditure

Report on conditional grants at	31-Oct-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					-
Unspent grants at beginning of the financial year						-
Received Prior Months	2 300 000	113 716	32 134 000	325 000	7 178 783	39 637 783
Received This Month	-	-	-	-	4 542 662	4 542 662
Total Funds Received	2 300 000	113 716	32 134 000	325 000	11 721 445	44 180 445
Spent Prior Months	744 415	175 646	16 333 957	64 400	1 151 740	17 550 097
Spent This Month	342 351		5 430 307	73 148	-	5 503 455
Grants refunded					-	-
Total Funds Spent	1 086 766	175 646	21 764 264	137 548	1 151 740	23 053 552
Total funds Received and Not Spent	1 213 234	-61 930	10 369 736	187 452	10 569 705	21 126 893
Percentage of Funds Spent	47%	#DIV/0!	68%	42%	10%	52%
Funds Currently Committed but Not Spent	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-

GRANTS SPENDING 2024/25



FS201 Moqhaka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

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	103 596	20 807	20.1%	310 788
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Equitable Share		278 006	298 568	298 568	-	124 403	99 523	24 880	25.0%	298 568
Expanded Public Works Programme Integrated Grant		-	9 920	9 920	-	-	3 307	(3 307)	-100.0%	9 920
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Local Government Financial Management Grant		2 300	2 300	2 300	-	-	767	(767)	-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	-	-	242	(242)	-100.0%	726
ESKOM		-	-	-	-	-	-	-		-
National Economical Development and Labour Council		1 463	-	-	-	-	-	-		-
National Skills Fund		198	726	726	-	-	242	(242)	-100.0%	726
Total Operating Transfers and Grants	5	314 054	311 514	311 514	-	124 403	103 838	20 565	19.8%	311 514
Capital Transfers and Grants										
National Government:		51 222	64 627	64 627	-	7 043	21 542	(14 499)	-67.3%	64 627
Integrated National Electrification Programme Grant		2 050	-	-	-	-	-	-		-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		44 352	46 656	46 656	-	7 043	15 552	(8 509)	-54.7%	46 656
Water Services Infrastructure Grant		4 820	17 971	17 971	-	-	5 990	(5 990)	-100.0%	17 971
Provincial Government:		-	1 237	1 237	-	-	412	(412)	-100.0%	1 237
Capacity Building and Other Grants		-	-	-	-	-	-	-		-
Infrastructure Grant		-	1 237	1 237	-	-	412	(412)	-100.0%	1 237
District Municipality:		-	-	-	-	-	-	-		-
Specify (Add grant description)		-	-	-	-	-	-	-		-
Other grant providers:		5	-	-	(0)	(1)	-	(1)		-
[insert description]		-	-	-	-	-	-	-		-
Developers Contribution		-	-	-	-	-	-	-		-
Office of the Pension Fund Adjudicator		(2)	-	-	(0)	(1)	-	(1)		-
Unspecified		7	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	51 222	65 864	65 864	(0)	7 043	21 955	(14 912)	-67.9%	65 864
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	365 281	377 378	377 378	(0)	131 446	125 793	5 653	4.5%	377 378

FS201 Moqhaka - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		100 324	137 896	137 906	7 923	36 056	45 969	(9 913)	-21.6%	137 906
Equitable Share		97 207	125 676	125 686	7 510	34 929	41 895	(6 967)	-16.6%	125 686
Expanded Public Works Programme Integrated Grant		1 359	9 920	9 920	73	139	3 307	(3 168)	-95.8%	9 920
Local Government Financial Management Grant		2 012	2 300	2 300	340	1 000	767	234	30.5%	2 300
Municipal Disaster Relief Grant		(253)	-	-	-	(13)	-	(13)		-
Water Services Infrastructure Grant		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		184	1 000	1 000	-	190	333	(143)	-43.0%	1 000
Education Training and Development Practices SETA		184	1 000	1 000	-	190	333	(143)	-43.0%	1 000
Total operating expenditure of Transfers and Grants:		100 508	138 896	138 906	7 923	36 246	46 302	(10 056)	-21.7%	138 906
Capital expenditure of Transfers and Grants										
National Government:		26	64 627	64 627	9 941	22 265	21 542	723	3.4%	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	5 439	17 764	15 552	2 212	14.2%	46 656
Water Services Infrastructure Grant		-	17 971	17 971	4 502	4 502	5 990	(1 489)	-24.9%	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	9 941	22 265	21 542	723	3.4%	64 627
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		100 535	203 523	203 533	17 864	58 511	67 844	(9 333)	-13.8%	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 October 2024

Debt owed by Councillors / Municipal Officials				
Age Analysis	Councillors		Municipal Officials	
	Former R	Current R	Former R	Current R
0 - 30 Days	R43 729.26	R44 181.74	R253 508.23	R222 106.61
31 - 60 Days	R36 481.82	R39 517.37	R180 443.96	R188 818.02
61 - 90 Days	R39 467.41	R36 060.84	R184 504.57	R161 974.34
Over 90 Days	R1 507 637.62	R1 539 119.71	R3 040 277.67	R3 076 761.96
Total	R1 627 316.11	R1 658 879.66	R3 658 734.43	R3 649 660.93

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)

DESCRIPTION	Budget 2024/2025	Actual	YTD	% Exp
		31-Oct-24	31-Oct-24	
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	242 721.40	23.32
SM MM: SAL & ALL - PERFORM BASED BONUS	149 275.00			
SM MM: ALLOW - CELLULAR & TELEPHONE	33 201.00	3 000.00	12 000.00	36.14
SM MM: ALLOW - HOUSING BENEFITS				
SM MM: ALLOW - TRAVEL OR MOTOR VEHICLE	265 810.00	19 507.75	78 031.00	29.36
SM MM: SRB - LONG SERVICE				
SUB TOTAL: MM - SAL ALLOW & SERV BENEF	1 489 216.00	83 188.10	332 752.40	22.34
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	263 013.00	32.14
SM D02: SAL & ALL - PERFORM BASED BONUS	220 485.00			
SM D02: ALLOW - CELLULAR & TELEPHONE	18 528.00	1 000.00	4 000.00	21.59
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	174 633.52	31.42
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	441 646.52	25.56
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	774 398.92	10.05
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	43 689.84	37.60
SM MM: SOC CONTR: UIF	2 422.00	177.12	708.48	29.25
SUB TOTAL: MM - SOCIAL CONTRIBUTIONS	187 361.00	11 099.58	44 398.32	23.70
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	0.00	35 506.77	63.48
SM D02: SOC CONTR: UIF	2 459.00	177.12	708.48	28.81
SM D02: SOC CONTR: BARGAINING COUNCIL				
SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS	95 452.00	177.12	36 215.25	37.94

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
SUB TOTAL: SM - SOCIAL CONTRIBUTIONS	745 366.00		0.00	
SM - POST RETIREMENT BENEFITS				
SM: PRB - MED: CURRENT SERVICE COST				
SM: PRB - MED: INTEREST COST	5 751 703.00	0.00	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	0.00	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	204 876.05	1 267 811.31	8.48
MUNICIPAL STAFF				
MS - SALARIES ALLOW AND SERV BENEFITS				
MS: SAL & ALL: BASIC SALARY & WAGES	271 059 050.00	20 540 872.18	83 793 171.54	
MS: SAL & ALL: PERFORMANCE BASED BONUSES	28 646.00	0.00	0.00	
MS: ALL - CELLULAR & TELEPHONE	872 036.00	37 361.20	149 705.22	
MS: HB & INC: HOUSING BENEFITS	2 013 195.00	147 545.93	578 472.10	
MS: ALL - LEAVE PAY	3 075 518.00	95 777.51	991 946.94	
MS: ALL - TRAVEL OR MOTOR VEHICLE	24 606 437.00	1 764 028.48	7 259 439.88	
MS: OVERTIME - NON STRUCTURED	33 870 731.00	3 044 525.90	12 350 997.04	
MS: OVERTIME - STRUCTURED	61 717.00	4 128.94	8 712.26	
MS: PAYMENTS - SHIFT ADD REMUNERATIO				
MS: SRB - ANNUAL BONUS	21 273 371.00	1 906 775.19	7 256 243.49	
MS: SRB - LONG SERVICE AWARD	2 117 536.00	45 211.37	424 568.22	
MS: SRB - STANDBY ALLOWANCE	4 137 422.00	409 164.78	1 589 632.78	

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	27 995 391.48	114 402 889.47	
MS - SOCIAL CONTRIBUTIONS				
MS: SOC CONTR - BARGAINING COUNCIL	145 297.00	11 657.45	48 367.72	
MS: SOC CONTR - GROUP LIFE INSURANCE	1 416 399.00	84 180.22	337 255.11	
MS: SOC CONTR - MEDICAL	25 515 593.00	2 310 955.46	9 306 602.66	
MS: SOC CONTR - PENSION	41 812 794.00	3 685 622.50	14 340 734.49	
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 276 431.00	169 598.52	681 219.30	
SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	71 166 514.00	6 262 014.15	24 714 179.28	
MS: PRB - MED: CURRENT SERVICE COST				
MS: PRB - MED: INTEREST COST	2 092 015.00	425 142.82	868 862.04	
MS: PRB - PENS: INTEREST COST				
MS: PRB - OTHER: LEAVE GRATUITY				
SUB TOTAL : MS - POST RETIREMENT BEN	2 092 015.00	425 142.82	868 862.04	
MS - COST CAPITALISED TO PPE				
MS: IN-KIND BENEFITS CST CAP PPE	11 324.00	13 588.15	54 375.10	
SUB TOTAL : MS - COST CAPITALISED TO PPE	11 324.00	13 588.15	54 375.10	
SUB TOTAL : MUNICIPAL STAFF	436 390 633.00	34 696 136.60	140 040 305.89	
SUB TOTAL : EMPLOYEE RELATED COST	451 339 064.00	34 901 012.65	141 308 117.20	

31 October 2024

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

Description

Municipal Manager
Corporate Services
Financial Services
Technical Services
Community Services
LED & Planning
Temporary
Total

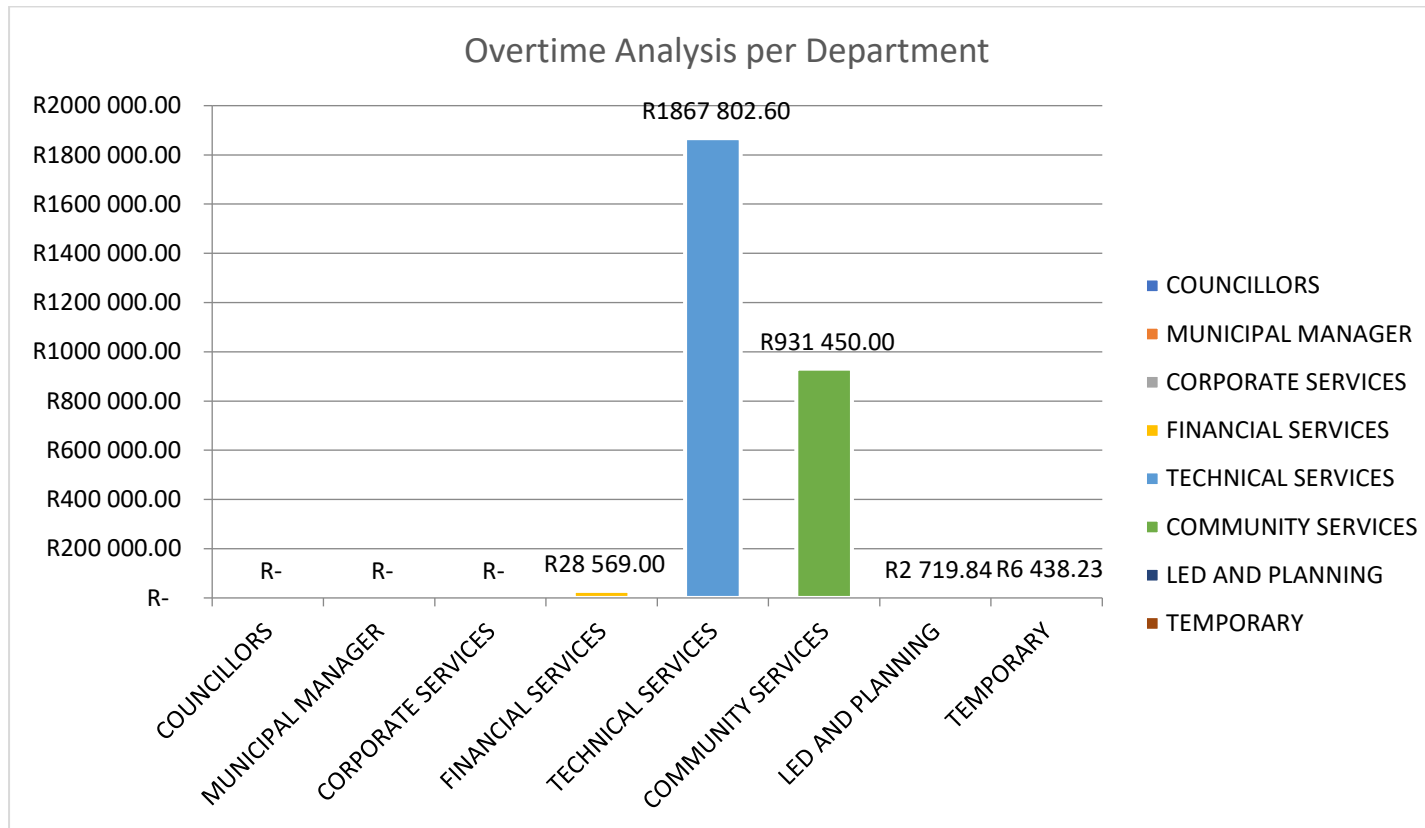
31-Oct-24	
Hours	Cost
-	-
-	-
92	28 569
9 787	1 867 803
4 823	931 450
21	2 720
50	6 438
14 773	2 836 979

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.

FS201 Moqhaka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

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	990	2 465	(1 475)	-60%	7 394
Pension and UIF Contributions		1 708	1 839	1 839	139	556	613	(57)	-9%	1 839
Medical Aid Contributions		737	1 194	1 194	62	248	398	(150)	-38%	1 194
Motor Vehicle Allowance		12 926	14 071	14 071	1 133	4 498	4 690	(192)	-4%	14 071
Cellphone Allowance		1 956	2 882	2 882	165	659	961	(301)	-31%	2 882
Housing Allowances										
Other benefits and allowances		93	2 198	2 198	2	9	733	(724)	-99%	2 198
Sub Total - Councillors		22 251	29 578	29 578	1 744	6 961	9 859	(2 898)	-29%	29 578
% increase	4		32.9%	32.9%						32.9%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	1 333	5 495	5 495	126	506	1 832	(1 326)	-72%	5 495
Pension and UIF Contributions		125	461	461	11	81	154	(73)	-48%	461
Medical Aid Contributions		-	284	284	-	-	95	(95)	-100%	284
Overtime										
Performance Bonus		92	542	542	-	-	181	(181)	-100%	542
Motor Vehicle Allowance		718	1 197	1 197	63	253	399	(146)	-37%	1 197
Cellphone Allowance		48	82	82	4	16	27	(11)	-42%	82
Housing Allowances		-	361	361	-	-	120	(120)	-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	2 165	(1 752)	-81%	6 495
Entertainment		36	31	31	-	-	11	(11)	-100%	31
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		12 796	14 948	14 948	205	1 268	4 983	(3 715)	-75%	14 948
% increase	4		16.8%	16.8%						16.8%
Other Municipal Staff										
Basic Salaries and Wages		229 995	271 059	271 059	20 541	83 793	90 353	(6 560)	-7%	271 059
Pension and UIF Contributions		42 300	45 506	45 506	3 939	15 359	15 169	190	1%	45 506
Medical Aid Contributions		25 041	25 516	25 516	2 311	9 307	8 505	801	9%	25 516
Overtime		40 338	33 932	33 932	3 049	12 360	11 311	1 049	9%	33 932
Performance Bonus		18 206	21 302	21 302	1 907	7 256	7 101	155	2%	21 302
Motor Vehicle Allowance		21 518	24 606	24 606	1 764	7 259	8 202	(943)	-11%	24 606
Cellphone Allowance		496	872	872	37	150	291	(141)	-49%	872
Housing Allowances		1 560	2 013	2 013	148	578	671	(93)	-14%	2 013
Other benefits and allowances		3 971	4 284	4 284	421	1 638	1 428	210	15%	4 284
Payments in lieu of leave		7 051	3 076	3 076	96	992	1 025	(33)	-3%	3 076
Long service awards		924	2 118	2 118	45	425	706	(281)	-40%	2 118
Post-retirement benefit obligations	2	-	2 092	2 092	425	869	697	172	25%	2 092
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits		-	3	3	-	-	1	(1)	-100%	3
Sub Total - Other Municipal Staff		391 400	436 379	436 379	34 683	139 986	145 461	(5 475)	-4%	436 379
% increase	4		11.5%	11.5%						11.5%
Total Parent Municipality		426 447	480 905	480 905	36 632	148 215	160 303	(12 088)	-8%	480 905
Unpaid salary, allowances & benefits in arrears:			12.8%	12.8%						12.8%
TOTAL MANAGERS AND STAFF		404 196	451 328	451 328	34 887	141 254	150 444	(9 190)	-6%	451 328

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.



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 2024/25 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.

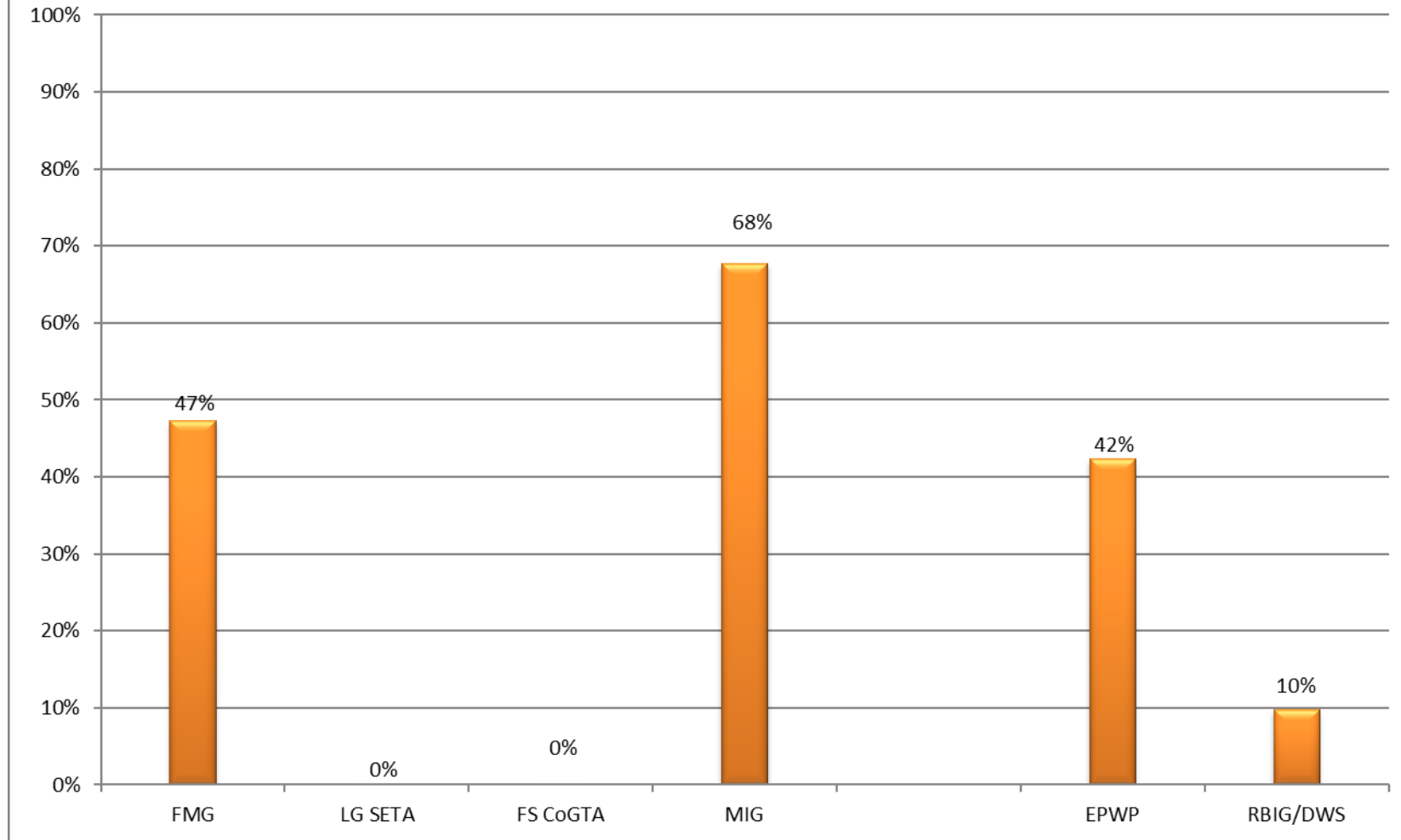
11. Material Variances to the Service Delivery and Budget Implementation Plan


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-Oct-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					-
Unspent grants at beginning of the financial year						-
Received Prior Months	2 300 000	113 716	32 134 000	325 000	7 178 783	39 637 783
Received This Month	-	-	-		4 542 662	4 542 662
Total Funds Received	2 300 000	113 716	32 134 000	325 000	11 721 445	44 180 445
Spent Prior Months	744 415	175 646	16 333 957	64 400	1 151 740	17 550 097
Spent This Month	342 351		5 430 307	73 148	-	5 503 455
Grants refunded					-	-
Total Funds Spent	1 086 766	175 646	21 764 264	137 548	1 151 740	23 053 552
Total funds Received and Not Spent	1 213 234	-61 930	10 369 736	187 452	10 569 705	21 126 893
Percentage of Funds Spent	47%	#DIV/0!	68%	42%	10%	52%
Funds Currently Committed but Not Spent	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-

GRANTS SPENDING 2024/25



FS 201								
MOQHAKA LOCAL MUNICIPALITY								
MIG GRANT REGISTER								
						Receipts	Expenditure	
Name of grant: MIG								
Details	Projects Descriptions	Cheque Ref.	Invoice Date	Vote where expenditure is captured	Funds Received	Expenditure (incl Vat)	Balance	
Oct-24								
Opening Balance					35217610220ZZZZZZWM		15 800 042.56	
Funds Received								
R/FS/19922/23/25	Maokeng/Brentpark: Construction of 1.316km paved road and storm water at	90042134	04-10-2024			1 566 603.91		
R/FS/19922/23/25	Maokeng/Brentpark: Construction of 1.316km paved road and storm water at	90042507	30-10-2024			1 583 039.75		
R/FS/19924/23/25	Maokeng: Gelukwaarts - Upgrading of Masione and Stiloane Street (0.796km) to a	90042135	04-10-2024			152 600.09		
R/FS/19924/23/25	Maokeng: Gelukwaarts - Upgrading of Masione and Stiloane Street (0.796km) to a	90042496	30-10-2024			1 109 067.81		
R/FS/19924/23/25	Maokeng: Gelukwaarts - Upgrading of Masione and Stiloane Street (0.796km) to a	90042502	30-10-2024			129 048.89		
R/FS20640/25/26	Maokeng (Seeisville): Construction of 1,005km paved road at Makobe Street (MIS:	90042524	31-10-2024			719 550.69		
PMU	O Garegae WSIG Monthly Meeting 09-10-	90042364	18-10-2024			2 556.42		
PMU	CP Botha - Salary - October 2024	Salary	31-10-2024			104 925.95		
PMU	O Garegae - Salary - October 2024	Salary	31-10-2024			6 765.09		
PMU	SJ Modise - Salary - October 2024	Salary	31-10-2024			51 693.96		
PMU	K Mbele - Salary - October 2024	Salary	31-10-2024			4 454.00		
Closing Balance					-	5 430 306.56	10 369 736.00	

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
OCT 24

.rail
transfer

Thu, Oct 31, 2024 at 03:21:57 PM

Group **19058 - MOQHAKA LOCAL MUNICIPALITY**
 Operator **031 - RYAN D BUYS**
 Batch Name & Description **90042515 90042515**
 Status **Finally Approved**

Batch Status

	Captured	First Approver	Second Approver	Third Approver	Final Approver
Operator	31	31			21
Operator Name	RYAN D BUYS	RYAN D BUYS			IRENE MOKHESENG
Approval Level					
Date	2024/10/31	2024/10/31			2024/10/31
Time	08:25:56	10:36:58			14:22:06
Roll-over Date					

Batch Details

Batch Entry Number 1

From Account	334536	MOQHAKA LOCAL MUNICIPALITY - 000004053274876	
Description	90042515	Frequency	Adhoc
Beneficiary Code			
To Account	223625	ESKOM 9345061750 - 0000055070067316	
Description	MOQHAKA MUNICIPALITY	Mandate	
Date	2024/10/31	Amount	5,000,000.00
Roll-over date			
Transaction Number	246171	Transaction Status	S
Immediate Interbank Payment	No		

To View Payment Confirmation Details [click here](#)

Important Notice for Payments: To view cut-off times [click here](#). No reversals can be done on payments.

To View Payment Confirmation Cost Analysis [click here](#)

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 Expenditur

15. Annexure A: C-schedules

FS201 Moqhaka - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		421 969	307 563	307 563	12 618	163 636	102 521	61 115	60%	307 563
Executive and council		307 242	204 456	204 456	2 696	127 403	68 152	59 251	87%	204 456
Finance and administration		114 726	103 108	103 108	9 922	36 233	34 369	1 864	5%	103 108
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		13 971	26 947	26 947	1 425	4 236	8 982	(4 746)	-53%	26 947
Community and social services		1 850	3 573	3 573	170	564	1 191	(627)	-53%	3 573
Sport and recreation		2 893	5 232	5 232	295	513	1 744	(1 231)	-71%	5 232
Public safety		2 849	4 905	4 905	534	681	1 635	(954)	-58%	4 905
Housing		6 379	13 237	13 237	425	2 479	4 412	(1 933)	-44%	13 237
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		48 147	48 603	48 603	183	7 786	16 201	(8 415)	-52%	48 603
Planning and development		2 269	1 729	1 729	183	635	576	59	10%	1 729
Road transport		45 878	46 763	46 763	-	7 151	15 588	(8 436)	-54%	46 763
Environmental protection		-	110	110	-	-	37	(37)	-100%	110
Trading services		781 733	1 028 379	1 028 379	64 893	237 348	342 793	(105 444)	-31%	1 028 379
Energy sources		404 111	584 727	584 727	36 361	118 155	194 909	(76 754)	-39%	584 727
Water management		212 197	265 446	265 446	15 830	69 003	88 482	(19 479)	-22%	265 446
Waste water management		108 812	103 334	103 334	7 340	29 296	34 445	(5 149)	-15%	103 334
Waste management		56 613	74 873	74 873	5 363	20 895	24 958	(4 063)	-16%	74 873
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 265 820	1 411 492	1 411 492	79 118	413 007	470 497	(57 490)	-12%	1 411 492
Expenditure - Functional										
Governance and administration		360 274	327 192	327 132	23 411	94 363	109 058	(14 695)	-13%	327 132
Executive and council		125 323	107 648	107 648	6 184	29 341	35 883	(6 542)	-18%	107 648
Finance and administration		231 006	214 976	214 916	16 870	63 716	71 653	(7 937)	-11%	214 916
Internal audit		3 945	4 568	4 568	357	1 306	1 523	(216)	-14%	4 568
Community and public safety		103 864	125 520	125 520	8 548	33 974	41 841	(7 866)	-19%	125 520
Community and social services		16 137	18 759	18 759	1 144	3 719	6 253	(2 535)	-41%	18 759
Sport and recreation		40 542	48 127	48 127	3 521	14 654	16 043	(1 388)	-9%	48 127
Public safety		39 276	49 422	49 422	3 201	12 722	16 474	(3 752)	-23%	49 422
Housing		7 910	9 212	9 212	681	2 879	3 071	(192)	-6%	9 212
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		87 217	72 713	72 713	7 338	22 472	24 238	(1 766)	-7%	72 713
Planning and development		8 862	13 818	13 818	797	2 927	4 606	(1 680)	-36%	13 818
Road transport		75 133	54 826	54 826	6 350	18 610	18 275	335	2%	54 826
Environmental protection		3 222	4 069	4 069	191	935	1 356	(421)	-31%	4 069
Trading services		879 852	781 911	781 911	31 981	92 211	260 638	(168 427)	-65%	781 911
Energy sources		539 525	517 289	517 289	6 490	16 899	172 430	(155 531)	-90%	517 289
Water management		171 920	116 593	116 593	10 598	29 246	38 864	(9 618)	-25%	116 593
Waste water management		100 230	73 954	73 954	8 320	26 157	24 652	1 505	6%	73 954
Waste management		68 176	74 075	74 075	6 573	19 909	24 692	(4 783)	-19%	74 075
Other		1 098	3 130	3 130	136	491	1 044	(553)	-53%	3 130
Total Expenditure - Functional	3	1 432 305	1 310 466	1 310 406	71 414	243 511	436 818	(193 307)	-44%	1 310 406
Surplus/ (Deficit) for the year		(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	4.0326887	101 086

FS201 Moqhaka - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

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	2 696	127 403	68 152	59 251	86.9%	204 456
Vote 02 - Municipal Manager		2 840	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		196	2 301	2 301	798	240	767	(527)	-68.7%	2 301
Vote 04 - Finance		111 091	100 441	100 441	9 082	35 845	33 480	2 365	7.1%	100 441
Vote 05 - Technical Services		770 998	1 000 269	1 000 269	59 530	223 605	333 423	(109 818)	-32.9%	1 000 269
Vote 06 - Community Services		61 430	83 843	83 843	6 074	22 173	27 948	(5 775)	-20.7%	83 843
Vote 07 - Local Economic Development		12 023	20 183	20 183	938	3 742	6 728	(2 986)	-44.4%	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	79 118	413 007	470 497	(57 490)	-12.2%	1 411 492
Expenditure by Vote										
	1									
Vote 01 - Executive & Council		102 817	99 504	99 504	5 738	27 522	33 168	(5 646)	-17.0%	99 504
Vote 02 - Municipal Manager		22 600	28 093	28 093	1 790	7 526	9 365	(1 838)	-19.6%	28 093
Vote 03 - Corporate Services		61 986	60 329	60 269	3 363	14 165	20 103	(5 938)	-29.5%	60 269
Vote 04 - Finance		72 264	69 950	69 950	6 974	22 635	23 317	(682)	-2.9%	69 950
Vote 05 - Technical Services		902 783	773 445	773 445	32 899	96 375	257 816	(161 440)	-62.6%	773 445
Vote 06 - Community Services		237 990	233 399	233 399	17 671	63 880	77 800	(13 920)	-17.9%	233 399
Vote 07 - Local Economic Development		31 864	45 745	45 745	2 980	11 407	15 249	(3 842)	-25.2%	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	1 310 406	71 414	243 511	436 818	(193 307)	-44.3%	1 310 406
Surplus/ (Deficit) for the year	2	(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	403.3%	101 086

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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	35 659	116 390	184 339	(67 950)	-37%	553 019
Service charges - Water		173 153	195 587	195 587	12 538	56 076	65 196	(9 119)	-14%	195 587
Service charges - Waste Water Management		65 954	70 019	70 019	6 054	24 200	23 340	860	4%	70 019
Service charges - Waste management		46 961	48 564	48 564	4 440	17 250	16 188	1 062	7%	48 564
Sale of Goods and Rendering of Services		6 220	10 265	10 265	869	2 174	3 422	(1 248)	-36%	10 265
Agency services										
Interest										
Interest earned from Receivables		69 946	34 557	34 557	6 403	24 047	11 519	12 528	109%	34 557
Interest from Current and Non Current Assets		34	30	30		25	10	15	152%	30
Dividends		3 637	1 736	1 736	26	255	579	(324)	-56%	1 736
Rent on Land										
Rental from Fixed Assets		6 593	8 535	8 535	436	1 315	2 845	(1 530)	-54%	8 535
Licence and permits										
Operational Revenue		4 027	12 324	12 324	3 791	5 088	4 108	980	24%	12 324
Non-Exchange Revenue										
Property rates		88 207	90 509	90 509	7 847	31 145	30 170	976	3%	90 509
Surcharges and Taxes										
Fines, penalties and forfeits		6 569	5 309	5 309	210	243	1 770	(1 527)	-86%	5 309
Licence and permits										
Transfers and subsidies - Operational		314 054	311 514	311 514		124 403	103 838	20 565	20%	311 514
Interest		7 761	2 982	2 982	772	3 059	994	2 065	208%	2 982
Fuel Levy										
Operational Revenue		839	678	678	74	296	226	70	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	79 119	405 964	448 543	(42 578)	-9%	1 345 628
Expenditure By Type										
Employee related costs		404 323	451 339	451 339	34 901	141 308	150 448	(9 139)	-6%	451 339
Remuneration of councillors		22 251	29 578	29 578	1 744	6 961	9 859	(2 898)	-29%	29 578
Bulk purchases - electricity		418 560	427 440	427 440	884	3 412	142 480	(139 068)	-98%	427 440
Inventory consumed		14 879	21 223	21 223	5 545	12 018	7 074	4 943	70%	21 223
Debt impairment			58 783	58 783			19 594	(19 594)	-100%	58 783
Depreciation and amortisation		121 050	9 870	9 870			3 290	(3 290)	-100%	9 870
Interest		6 029	8 698	8 698	550	2 200	2 899	(699)	-24%	8 698
Contracted services		135 341	158 841	158 791	10 381	36 961	52 950	(15 989)	-30%	158 791
Transfers and subsidies		84	1 049	1 049	30	30	350	(319)	-91%	1 049
Irrecoverable debts written off		176 661	1 486	1 486	705	1 477	495	981	198%	1 486
Operational costs		117 817	142 099	142 089	16 674	39 144	47 358	(8 214)	-17%	142 089
Losses on Disposal of Assets		15 203	60	60			20	(20)	-100%	60
Other Losses		106								
Total Expenditure		1 432 305	1 310 466	1 310 406	71 414	243 511	436 818	(193 307)	-44%	1 310 406
Surplus/(Deficit)		(217 711)	35 162	35 222	7 704	162 453	11 725	150 729	0	35 222
Transfers and subsidies - capital (monetary allocations)		51 220	64 627	64 627	(0)	7 043	21 542	(14 500)	(0)	64 627
Transfers and subsidies - capital (in-kind)		7	1 237	1 237			412	(412)	(0)	1 237
Surplus/(Deficit) after capital transfers & contributions		(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	0	101 086
Income Tax										
Surplus/(Deficit) after income tax		(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	0	101 086
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	0	101 086
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		(166 484)	101 026	101 086	7 704	169 496	33 679	135 817	0	101 086

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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	-	-	-	15	-	15	#DIV/0!	-	
Vote 02 - Municipal Manager		61	400	400	-	-	133	(133)	-100%	400	
Vote 03 - Corporate Services		727	2 500	2 810	(34)	574	868	(294)	-34%	2 810	
Vote 04 - Finance		804	2 077	1 577	-	134	596	(463)	-78%	1 577	
Vote 05 - Technical Services		668	78 142	78 142	9 962	22 701	26 047	(3 346)	-13%	78 142	
Vote 06 - Community Services		3 023	14 600	14 600	251	2 202	4 867	(2 664)	-55%	14 600	
Vote 07 - Local Economic Development		241	872	1 122	30	290	359	(69)	-19%	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	98 651	10 209	25 916	32 870	(6 954)	-21%	98 651	
Total Capital Expenditure		5 630	98 591	98 651	10 209	25 916	32 870	(6 954)	-21%	98 651	
Capital Expenditure - Functional Classification											
Governance and administration		1 833	5 750	5 560	(34)	722	1 855	(1 133)	-61%	5 560	
Executive and council		147	-	-	-	15	-	15	#DIV/0!	-	
Finance and administration		1 686	5 750	5 560	(34)	707	1 855	(1 148)	-62%	5 560	
Internal audit		-	-	-	-	-	-	-	-	-	
Community and public safety		2 483	13 122	13 372	62	298	4 442	(4 144)	-93%	13 372	
Community and social services		955	5 197	5 197	-	-	1 732	(1 732)	-100%	5 197	
Sport and recreation		233	4 081	4 331	30	221	1 429	(1 207)	-85%	4 331	
Public safety		1 237	3 843	3 843	32	77	1 281	(1 205)	-94%	3 843	
Housing		58	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
Economic and environmental services		55	31 596	31 596	5 408	15 241	10 532	4 709	45%	31 596	
Planning and development		-	205	205	-	69	68	1	1%	205	
Road transport		55	31 234	31 234	5 408	15 172	10 412	4 761	46%	31 234	
Environmental protection		-	157	157	-	-	52	(52)	-100%	157	
Trading services		1 259	48 071	48 071	4 774	9 655	16 024	(6 368)	-40%	48 071	
Energy sources		20	3 348	3 348	-	149	1 116	(967)	-87%	3 348	
Water management		354	25 011	25 011	4 522	7 303	8 337	(1 034)	-12%	25 011	
Waste water management		208	15 890	15 890	-	-	5 297	(5 297)	-100%	15 890	
Waste management		677	3 822	3 822	251	2 202	1 274	929	73%	3 822	
Other		-	52	52	-	-	17	(17)	-100%	52	
Total Capital Expenditure - Functional Classification	3	5 630	98 591	98 651	10 209	25 916	32 870	(6 954)	-21%	98 651	
Funded by:											
National Government		26	64 627	64 627	9 941	22 265	21 542	723	3%	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 Educ Institutions)		-	-	-	-	-	-	-	-	-	
Transfers recognised - capital		26	64 627	64 627	9 941	22 265	21 542	723	3%	64 627	
Borrowing	6	-	-	-	-	-	-	-	-	-	
Internally generated funds		5 604	33 964	34 024	267	3 651	11 328	(7 678)	-68%	34 024	
Total Capital Funding		5 630	98 591	98 651	10 209	25 916	32 870	(6 954)	-21%	98 651	

FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M04 October

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		(9 905)	2 783	2 783	(3 641)	2 783
Trade and other receivables from exchange transactions		525 811	236 799	236 799	590 713	236 799
Receivables from non-exchange transactions		53 531	41 960	41 960	62 289	41 960
Current portion of non-current receivables						
Inventory		87 485	100 984	100 984	89 649	100 984
VAT		904	34 445	34 445	19 549	34 445
Other current assets		30 115	31 215	31 215	55 697	31 215
Total current assets		687 941	448 185	448 185	814 256	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	2 780 610	1 893 676	2 780 610
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	2 983 785	2 026 628	2 983 785
TOTAL ASSETS		2 688 634	3 431 910	3 431 970	2 840 884	3 431 970
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		—	(2 032)	(2 032)	(1 063)	(2 032)
Consumer deposits		13 550	13 734	13 734	14 786	13 734
Trade and other payables from exchange transactions		1 304 802	485 809	485 809	1 212 514	485 809
Trade and other payables from non-exchange transactions		27 032	—	—	67 919	—
Provision		156 780	68 424	68 424	156 780	68 424
VAT		(2 444)	(49 705)	(49 705)	31 537	(49 705)
Other current liabilities		—	—	—	—	—
Total current liabilities		1 499 719	516 230	516 230	1 482 473	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	1 629 741	586 599
NET ASSETS	2	1 041 647	2 845 311	2 845 371	1 211 143	2 845 371
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 716 181	2 848 351	2 848 351	1 211 678	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	1 211 678	2 849 645

FS201 Moqhaka - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	Budget Year 2024/25								
		2023/24 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	6 471	21 372	38 371	(17 000)	-44%	115 114
Service charges		430 886	881 165	881 165	59 541	182 924	293 722	(110 798)	-38%	881 165
Other revenue		116 019	(487 853)	(487 853)	6 181	72 974	(162 618)	235 591	-145%	(487 853)
Transfers and Subsidies - Operational		281 769	311 029	311 029	-	127 028	103 676	23 352	23%	311 029
Transfers and Subsidies - Capital		108 185	65 353	65 353	7 665	45 306	21 784	23 521	108%	65 353
Interest		3 293	-	-	809	1 920	-	1 920	#DIV/0!	-
Dividends		3 637	1 736	1 736	26	255	579	(324)	-56%	1 736
Payments										
Suppliers and employees		(1 012 349)	(1 560 767)	(1 560 767)	(88 028)	(465 666)	(520 256)	(54 590)	10%	(1 560 767)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(9 267)	(674 222)	(674 222)	(7 335)	(13 888)	(224 741)	(210 852)	94%	(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)	(92)	(298)	323%	(277)
Payments										
Capital assets		(5 630)	(98 591)	(98 591)	(10 209)	(25 916)	(32 864)	(6 948)	21%	(98 591)
NET CASH FROM/(USED) INVESTING ACTIVITIES		19 972	(98 868)	(98 868)	(10 209)	(26 306)	(32 956)	(6 650)	20%	(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)	-	-	(115 444)	115 444	-100%	(346 331)
Payments										
Repayment of borrowing		-	(2 032)	(2 032)	(260)	(1 063)	(677)	385	-57%	(2 032)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(137)	(348 363)	(348 363)	(260)	(1 063)	(116 121)	(115 058)	99%	(348 363)
NET INCREASE/ (DECREASE) IN CASH HELD		10 567	(1 121 453)	(1 121 453)	(17 804)	(41 257)	(373 818)			(1 121 453)
Cash/cash equivalents at beginning:		(21 364)	(23 720)	(23 720)	(32 968)	(9 905)	(23 720)			(9 905)
Cash/cash equivalents at month/year end:		(10 797)	(1 145 173)	(1 145 173)	(50 772)	(51 162)	(397 538)			(1 131 358)



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

Oct'24

Period

2024/25

National Financial Year

FS201

Demarcation Code of Municipality being assessed

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	<input type="text" value="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 ?	<input type="text" value="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?	<input type="text" value="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.	<input type="text" value="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 ?	<input type="text" value="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
		<i>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".</i>	
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
		<i>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".</i>	

11	6.4.2	<p>- 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)?</p>	<input type="text" value="Yes"/>
<p><i>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.</i></p>			
12	6.4.2	<p>- 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)?</p> <p><i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p>	<input type="text" value="Yes"/>
13	6.4.2	<p>- 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 (<i>For example higher winter Eskom tariffs, lower January collection rates, etc.?</i>)</p>	<input type="text" value="Yes"/>
14	6.5	<p>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?</p>	<input type="text" value="Yes"/>
<p>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:</p>			

15	6.6.1	<p>- 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?</p>	<input type="text" value="Yes"/>
16	6.6.2	<p>- 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?</p>	<input type="text" value="Yes"/>
17	6.6.3	<p>- 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></p>	<input type="text" value="No"/>
18	6.6.4	<p>- 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></p>	<input type="text" value="Yes"/>
	6.6	<p><i>Supporting evidence: 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></p>	
	6.7	<p>Maintain a minimum average quarterly collection of property rates and services charges –</p>	
19	6.7.1	<p>- Has the municipality achieved 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 - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?</p>	<input type="text" value="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
31	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
32	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

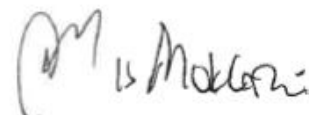
		<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of 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		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.	No

40	6.13	<p>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></p>	No
41	6.14	<p>'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	No
<p><i>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.</i></p>			

PT: HOD/ NT / MM Name:

IS MOKGATLE

Signature of HOD/ NT/ MM:



Date:

13 November 2024

6.2 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

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

Free State			
Code		District	
FS201			

Collection Rate Assessment										
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1. Collection for whole demarcation	155 867 651	106 322 748	49 544 903	68%	68%	141 548 781	58 741 162	82 807 619	41%	41%
2. Collection excl Eskom supplied areas	97 761 174	81 508 449	16 252 725	83%	83%	105 000 543	49 166 934	55 833 608	47%	47%
3. Collection: Property Rates	22 645 506	14 711 118	7 934 387	65%	65%	15 581 050	6 466 465	9 114 585	42%	42%
4. Total average collection: Electricity (Municipal supplied areas)	31 391 686	66 298 816	(34 907 130)	211%	211%	59 280 526	34 828 297	24 452 229	59%	59%
5. Total average collection: Water	48 841 936	11 796 765	37 045 171	24%	24%	29 502 102	8 897 097	20 605 006	30%	30%
6. Total average collection: Wastewater	20 326 410	7 309 020	13 017 390	36%	36%	14 040 907	4 788 469	9 252 438	34%	34%
7. Total average collection: Refuse	14 421 011	5 072 006	9 349 005	35%	35%	9 908 082	2 963 310	6 944 772	30%	30%
8. Total average collection: Interest	18 241 102	1 135 022	17 106 080	6%	0%	13 236 114	797 525	12 438 589	6%	6%

4.October - Reporting for September in October				5.November - Reporting for October in November			
Billing For September	Collection in October	R - Billing not collected	% Collection	Billing For October	Collection in November	R - Billing not collected	%
74 646 819	58 741 162	18 267 730	79%	66 901 962	-	66 901 962	
55 247 590	49 166 934	14 603 825	89%	49 752 953	-	49 752 953	
7 776 803	6 466 465	1 310 338	83%	7 804 248	-	7 804 248	
32 466 223	34 828 297	0	107%	26 814 302	-	26 814 302	
15 474 630	8 897 097	6 577 533	57%	14 027 472	-	14 027 472	
7 007 325	4 788 469	2 218 856	68%	7 033 582	-	7 033 582	
4 956 641	2 963 310	1 993 331	60%	4 951 441	-	4 951 441	
6 965 196	797 525	6 167 672	11%	6 270 918	-	6 270 918	

Complete This Section

Quarter 2 Performance

Services	Electricity Supplier	Ward Name & Number	4.October				5.November			
			Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	Billing For October	Collection for October in November	Rand Value of Billing not collected	% Collection
Property Rates Tax	Eskom supplied	1	49 512	38 995	10 516	79%	49 512		49 512	0%
Electricity			77 497	92 037	0	119%	74 157		74 157	0%
Water			237 645	16 816	220 829	7%	233 612		233 612	0%
Refuse			173 933	27 110	146 823	16%	168 460		168 460	0%
Waste Water			228 030	49 668	178 362	22%	219 529		219 529	0%
Interest			275 666	14 732	260 934	5%	245 064		245 064	0%
Property Rates Tax	Partial Eskom & Mun Supplied	2	399 363	237 097	162 266	59%	408 140		408 140	0%
Electricity			1 323 269	334 300	988 969	25%	(82 565)		0	0%
Water			290 535	59 446	231 089	20%	147 406		147 406	0%
Refuse			149 547	46 678	102 869	31%	154 226		154 226	0%
Waste Water			201 713	68 143	133 570	34%	203 791		203 791	0%
Interest			370 772	30 267	340 505	8%	254 580		254 580	0%
Property Rates Tax	Mun Supplied	3	1 127 139	626 581	500 557	56%	1 125 010		1 125 010	0%
Electricity			1 087 196	712 040	375 155	65%	949 054		949 054	0%
Water			2 213 588	379 312	1 834 276	17%	1 789 011		1 789 011	0%
Refuse			403 299	376 914	26 386	93%	406 569		406 569	0%
Waste Water			549 858	578 675	0	105%	555 557		555 557	0%
Interest			133 494	18 856	114 638	14%	128 924		128 924	0%

Property Rates Tax	Mun Supplied	4	3 863	1 501	2 362	39%	3 863	3 863	0%
Electricity			125 574	32 614	92 960	26%	88 620	88 620	0%
Water			468 105	18 299	449 806	4%	394 825	394 825	0%
Refuse			71 881	7 137	64 744	10%	72 704	72 704	0%
Waste Water			86 210	8 611	77 599	10%	87 340	87 340	0%
Interest			131 814	1 790	130 025	1%	133 772	133 772	0%
Property Rates Tax	Mun Supplied	5	3 541	2 097	1 443	59%	3 541	3 541	0%
Electricity			42 921	3 674	39 247	9%	42 745	42 745	0%
Water			253 389	15 339	238 050	6%	237 173	237 173	0%
Refuse			64 134	5 973	58 161	9%	60 659	60 659	0%
Waste Water			81 445	7 633	73 812	9%	81 744	81 744	0%
Interest			94 322	580	93 741	1%	94 057	94 057	0%
Property Rates Tax	Mun Supplied	6	57 788	53 176	4 612	92%	57 788	57 788	0%
Electricity			156 341	19 872	136 469	13%	143 158	143 158	0%
Water			369 045	96 647	272 398	26%	556 435	556 435	0%
Refuse			113 013	32 713	80 300	29%	110 472	110 472	0%
Waste Water			151 207	58 479	92 727	39%	148 253	148 253	0%
Interest			100 470	1 291	99 178	1%	98 810	98 810	0%
Property Rates Tax	Mun Supplied	7	242 343	125 385	116 958	52%	242 338	242 338	0%
Electricity			462 848	388 545	74 303	84%	427 849	427 849	0%
Water			397 330	40 068	357 262	10%	365 285	365 285	0%
Refuse			117 769	31 691	86 079	27%	113 102	113 102	0%
Waste Water			151 995	49 772	102 223	33%	149 566	149 566	0%
Interest			214 318	6 858	207 460	3%	213 641	213 641	0%

Property Rates Tax	Mun Supplied	8	30 781	12 400	18 381	40%	30 781	30 781	0%
Electricity			99 655	10 673	88 981	11%	91 204	91 204	0%
Water			457 540	36 053	421 487	8%	334 549	334 549	0%
Refuse			92 830	21 480	71 350	23%	93 242	93 242	0%
Waste Water			118 412	29 730	88 682	25%	120 163	120 163	0%
Interest			116 778	2 279	114 499	2%	118 154	118 154	0%
Property Rates Tax	Mun Supplied	9	162 946	93 978	68 968	58%	162 946	162 946	0%
Electricity			346 562	64 050	282 513	18%	238 993	238 993	0%
Water			560 421	62 202	498 219	11%	482 738	482 738	0%
Refuse			177 460	69 918	107 542	39%	177 460	177 460	0%
Waste Water			256 815	120 285	136 531	47%	257 864	257 864	0%
Interest			263 108	5 734	257 374	2%	247 800	247 800	0%
Property Rates Tax	Mun Supplied	10	40 399	19 460	20 940	48%	40 399	40 399	0%
Electricity			123 722	19 406	104 317	16%	107 642	107 642	0%
Water			675 357	59 932	615 425	9%	364 705	364 705	0%
Refuse			119 191	29 023	90 168	24%	101 088	101 088	0%
Waste Water			153 112	43 163	109 949	28%	132 042	132 042	0%
Interest			153 826	4 419	149 407	3%	123 661	123 661	0%
Property Rates Tax	Mun Supplied	11	351 227	339 075	12 152	97%	351 227	351 227	0%
Electricity			984 019	952 185	31 834	97%	813 921	813 921	0%
Water			1 432 491	1 557 275	0	109%	1 270 354	1 270 354	0%
Refuse			290 621	176 816	113 805	61%	292 130	292 130	0%
Waste Water			489 472	348 718	140 753	71%	492 374	492 374	0%
Interest			244 501	3 368	241 134	1%	123 166	123 166	0%

Property Rates Tax	Mun Supplied	12	90 914	81 128	9 786	89%	90 914	90 914	0%
Electricity			161 205	52 816	108 389	33%	156 849	156 849	0%
Water			354 646	40 602	314 044	11%	479 962	479 962	0%
Refuse			135 469	53 905	81 564	40%	139 820	139 820	0%
Waste Water			187 202	93 992	93 210	50%	193 326	193 326	0%
Interest			148 414	4 135	144 278	3%	150 222	150 222	0%
Property Rates Tax	Mun Supplied	13	437 758	481 610	0	110%	411 208	411 208	0%
Electricity			11 978 798	16 629 632	0	139%	9 627 397	9 627 397	0%
Water			1 582 008	814 486	767 522	51%	860 518	860 518	0%
Refuse			359 109	223 465	135 644	62%	359 670	359 670	0%
Waste Water			546 223	410 752	135 471	75%	557 858	557 858	0%
Interest			605 365	157 963	447 402	26%	436 702	436 702	0%
Property Rates Tax	Mun Supplied	14	59 820	67 057	0	112%	59 820	59 820	0%
Electricity			128 042	18 727	109 315	15%	93 897	93 897	0%
Water			358 788	111 121	247 667	31%	345 417	345 417	0%
Refuse			124 709	55 596	69 113	45%	127 634	127 634	0%
Waste Water			166 715	90 329	76 386	54%	167 665	167 665	0%
Interest			180 657	45 309	135 348	25%	187 129	187 129	0%
Property Rates Tax	Mun Supplied	15	65 528	46 672	18 856	71%	65 528	65 528	0%
Electricity			233 416	32 239	201 177	14%	212 787	212 787	0%
Water			454 954	89 272	365 682	20%	386 218	386 218	0%
Refuse			143 362	55 431	87 932	39%	143 499	143 499	0%
Waste Water			191 350	88 077	103 273	46%	191 686	191 686	0%
Interest			137 346	9 708	127 638	7%	107 239	107 239	0%

Property Rates Tax	Mun Supplied	16	1 598 333	1 656 837	0	104%	1 598 748	1 598 748	0%
Electricity			6 395 937	7 853 165	0	123%	5 764 983	5 764 983	0%
Water			1 070 119	2 860 789	0	267%	1 742 235	1 742 235	0%
Refuse			761 158	753 286	7 873	99%	758 485	758 485	0%
Waste Water			1 197 535	1 255 633	0	105%	1 199 336	1 199 336	0%
Interest			447 383	368 007	79 377	82%	400 030	400 030	0%
Property Rates Tax	Mun Supplied	17	1 489 272	1 252 930	236 342	84%	1 494 536	1 494 536	0%
Electricity			2 889 332	2 195 693	693 639	76%	2 669 983	2 669 983	0%
Water			1 536 864	1 840 008	0	120%	1 327 917	1 327 917	0%
Refuse			654 515	619 799	34 716	95%	659 724	659 724	0%
Waste Water			925 958	913 956	12 002	99%	933 784	933 784	0%
Interest			231 898	59 060	172 838	25%	199 758	199 758	0%
Property Rates Tax	Partial Eskom & Mun Supplied	18	572 412	527 227	45 185	92%	596 815	596 815	0%
Electricity			5 738 222	5 365 674	372 548	94%	5 314 809	5 314 809	0%
Water			1 207 040	733 512	473 528	61%	897 228	897 228	0%
Refuse			388 535	303 962	84 573	78%	391 079	391 079	0%
Waste Water			523 180	443 215	79 965	85%	531 956	531 956	0%
Interest			679 312	41 834	637 477	6%	568 309	568 309	0%
Property Rates Tax	Eskom supplied	19	26 744	17 567	9 177	66%	26 744	26 744	0%
Electricity			88	-	88	0%	88	88	0%
Water			671 390	4 081	667 308	1%	819 244	819 244	0%
Refuse			131 914	10 551	121 363	8%	132 325	132 325	0%
Waste Water			172 922	18 847	154 075	11%	173 447	173 447	0%
Interest			704 180	191	703 989	0%	706 992	706 992	0%

Property Rates Tax	Partial Eskom & Mun Supplied	20	56 515	39 418	17 097	70%	51 230	51 230	0%
Electricity			14 594	702	13 892	5%	14 682	14 682	0%
Water			170 611	26 732	143 880	16%	585 668	585 668	0%
Refuse			158 354	27 649	130 705	17%	158 628	158 628	0%
Waste Water			202 404	47 353	155 050	23%	202 834	202 834	0%
Interest			546 446	3 638	542 808	1%	518 924	518 924	0%
Property Rates Tax	Eskom supplied	21	239 018	207 771	31 247	87%	239 381	239 381	0%
Electricity			1 159	-	1 159	0%	1 159	1 159	0%
Water			651 087	8 397	642 691	1%	364 664	364 664	0%
Refuse			317 936	28 083	289 852	9%	322 561	322 561	0%
Waste Water			412 574	53 668	358 906	13%	420 474	420 474	0%
Interest			1 036 940	7 680	1 029 260	1%	1 076 642	1 076 642	0%
Property Rates Tax	Eskom supplied	22	671 587	538 502	133 085	80%	693 779	693 779	0%
Electricity			95 823	50 250	45 573	52%	62 889	62 889	0%
Water			61 679	26 710	34 970	43%	42 307	42 307	0%
Refuse			7 902	6 130	1 772	78%	7 902	7 902	0%
Waste Water			12 992	9 767	3 225	75%	12 992	12 992	0%
Interest			148 186	9 824	138 362	7%	137 342	137 342	0%

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 [unl](#))

Description	Ref	As Per Debt Relief Application	2024/2025 - Monthly Monitoring						
		Current Year - 2024/2025							
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04
Indigent Household service targets	1								
<i>Water: (Include All Indigent households also in Eskom supplied areas)</i>									
Indigent HH's with piped water inside dwelling		12 711	12 711	-	12 711	12 757	12 670	12 696	12 733
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	12 696	12 733
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	12 696	12 733

Status of Water meters :								
Number of Indigent HH's with prepaid Water								
Number of Indigent HH's with conventional metered Water	10 204	10 204	-	10 204	10 231	10 259	10 194	10 245
Number of Indigent HH's NOT metered currently - Water	1 538	1 538	-	1 538	1 607	1 606	1 633	1 637
Number of Indigent HH's with NO Water supply - No metering	-	-	-	-	-	-	-	-
Total number of registered indigent households	11 742	11 742	-	11 742	11 838	11 865	11 827	11 882
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								
	12 711	12 711	-	12 711	12 757	12 670	12 696	12 733
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water	1 538	1 538	-	1 538	1 607	1 606	1 633	1 637
Total number of registered indigent households receiving unlimited supply - Water	14 249	14 249	-	14 249	14 364	14 276	14 329	14 370
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres								
	12 711	12 711	-	13 000	12 757	12 670	12 696	12 733
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)	12 711	12 711	-	13 000	12 757	12 670	12 696	12 733
<i>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</i>	12 711	12 711	-	13 000	12 757	12 670	12 696	12 733
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	12 711	12 711	-	13 000	12 757	12 670	12 696	12 733

Status of Electricity meters :									
Number of Indigent HH's with prepaid Electricity	12 711	12 711	-	13 000	12 757	12 670	12 696	12 733	
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	12 711	12 711	-	13 000	12 757	12 670	12 696	12 733	12
Status of unlimited supply of Electricity :									
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month	-	-	-	-	-	-	-	-	
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)	12 711	12 711	-	13 000	12 757	12 670	12 696	12 733	7
Electricity/other energy (50kwh per household per month)	12 711	12 711	-	13 000	12 757	12 670	12 696	12 733	
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	225	184	
Electricity/other energy (50kwh per household per month)	114	124	-	124	136	135	135	137	
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	296	324	-	324	332	320	360	320	8

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	10	10
Sanitation (kilolitres per household per month)		10	10	-	10	10	10	10	10
Sanitation (Rand per household per month)		145	170	-	170	153	154	154	154
Electricity (kwh per household per month)		50	50	-	50	50	50	50	50
Refuse (average litres per week)		5	5	-	5	5	5	5	5
Revenue cost of subsidised services provided for ALL Households (R'000)		9							
Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)	-	-	-	-	-	-	-	-
PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(b)	-	-	-	-	-	-	-	-
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)	15	4	4	4	4	4	4	4	4
Sanitation (in excess of free sanitation service to indigent households)	16	4	4	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	8	8

Votenumbr	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	095.93	2.53%
35321321380F1FB1ZZWM	ELEC: AVAILABILITY CHARGES	R9 299 258.00	018.97	8.11%
35411324020F1FB4ZZWM	WATER: SALE - CONVENTIONAL	R11 155 234.00	724.37	8.03%
35411324070F1FB4ZZWM	WATER: AVAILABILITY CHARGES	R19 319 248.00	948.85	8.30%
35441324020F5FB2ZZWM	WATER: SALE - CONVENTIONAL	R0.00	-	-
35511323020F1FB2ZZWM	WASTE WATER MANG: SANITATION CHARGES	R14 318 301.00	961.51	7.48%
35511323060F1FB2ZZWM	WASTE WATER MANG: AVAILABILITY CHARGES	R11 564 525.00	520.61	7.61%
36621322030F1FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	R17 620 181.00	-	-
36621322030F3FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	R0.00	508.50	#DIV/0!
36621322050F1FB3ZZWM	WASTE MANGEMENT: AVAILABILITY CHARGES	R1 670 151.00	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 2						
Reconciliation Overview							
High Level Reconciliation							
Property Categories	Number of Properties				Market Values		
	GV	MFS	Variance		GV Market Values	MFS Market Values	Variance
Residential	44 917	44 908	9		7 594 841 653	7 478 741 759	116 099 894.00
Industrial	352	351	1		362 374 000	361 095 000	1279 000.00
Business and Co	1195	1200	-5		1 030 907 110	1 075 319 610	- 44 412 500.00
Agricultural	3628	3616	12		5 954 268 749	5 905 136 749	49 132 000.00
Mining	31	31	0		55 374 000	55 374 000	-
State Owned for	160	160	0		1 168 197 013	1 168 197 013	-
PSI	492	493	-1		39 327 901	38 431 901	896 000.00
PBO	280	279	1		253 141 003	253 081 003	60 000.00
Multi Use			0				-
Vacant	508	25	483		49 139 106	4 110 000	45 029 106.00
POW	5	6	-1		1 440 000	1 690 000	- 250 000.00
Municipal	139	139	0		186 489 100	186 489 100	-
Other (PT,PSP)	620	1118	-498		207 608 501	394 727 501	- 187 119 000.00
	<u>52327</u>	<u>52326</u>	<u>1</u>		<u>16 903 108 136 00</u>	<u>16 922 393 636 00</u>	<u>= 19 285 500 00</u>

Detailed Reconciliation

Property Category	Monthly Billing				Quarterly		
	GV	MFS	Variance		GV	MFS	Variance
Residential	1995 858	2 014 957	- 19 100		5 987 572.59	6 044 871.21	- 57 298.62
Industrial	530 093	529 537	556		1590 278.76	1588 610.07	1668.69
Business and Co	1575 614	1666 846	- 91232		4 726 841.91	5 000 539.08	- 273 697.17
Agricultural	972 426	963 321	9 105		2 917 278.12	2 889 962.10	27 316.02
Mining	179 504	179 504	-		538 512.06	538 512.06	-
State Owned for	2 372 428	2 372 428	-		7 117 285.32	7 117 285.32	-
PSI			-		-	-	-
PBO			-		-	-	-
Multi Use			-		-	-	-
Vacant	43 890	43 855	35		131669.10	131563.80	105.30
POW			-		-	-	-
Municipal			-		-	-	-
Other	85 760	77 351	8 408		257 278.68	232 053.42	25 225.26
Total	<u>R7 755 572.18</u>	<u>R7 847 799.02</u>	<u>-R92 226.84</u>		<u>23 266 716.54</u>	<u>23 543 397.06</u>	<u>- 276 680.52</u>

Prepared By DINEO MOKOENA **Date** 30/10/2024

Contact Details 056-216-9300

Signature

Reviewed By SAMMY THELETSANE **Date** 04/11/2024

Contact Details 056-216-9158

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 October 2024 due and payable during the month of reporting, on or before 3 November 2024.

Audit Trail

Batch Transfer

Wed, Oct 9, 2024 at 09:55:38 /

Group 19058 - MOQHAKA LOCAL MUNICIPALITY
Operator 021 - IRENE MOKHESENG
Batch Name & Description 90042221 90042221
Status Finally Approved

Operator	Captured	First Approver	Second Approver	Third Approver	Final Approver
	31	31			21
Operator Name	RYAN D BUYS	RYAN D BUYS			IRENE MOKHESENG
Approval Level					
Date	2024/10/09	2024/10/09			2024/10/09
Time	08:36:31	09:34:34			09:54:05
Roll-over Date					

Batch Status

Batch Details

Batch Entry Number 1

From Account	334536	MOQHAKA LOCAL MUNICIPALITY - 000004053274876
Description	90042221	Frequency
Beneficiary Code		
To Account	223628	ESXOW 8349061750 - 0000055070067316
Description	MOQHAKA MUNICIPALITY	Mandate
Date	2024/10/09	Amount
Roll-over date		
Transaction Number	244583	Transaction Status
Immediate Interbank Payment	No	

Adhoc

3,380,000.00

5

To View Payment Confirmation Details [click here](#).

Important Notice for Payments: To view cut-off times [click here](#). No reversals can be done on payments.

To View Payment Confirmation Cost Analysis [click here](#).

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
<p>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)</p>	<p>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</p>	<p>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</p>	<p>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</p>	<p>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</p>
	<p>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</p>	<p>Monthly, 5th of each month</p>		<p>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.</p>

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)	<p>6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order:</p> <ul style="list-style-type: none"> (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity 	Monthly	Monthly billing reconciliation / Financial system generated hierachy allocation report	<p>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.</p>
	<p>6.6.2 The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	<p>Prepaid disconnections = 32 351 Conventional disconnections = 338 Total = 32 689</p>
	<p>6.6.3 The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	<p>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.</p>
	<p>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.</p>	Monthly	No of indigent consumers	<p>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.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
<p>6.7 Maintain a minimum average quarterly collection of property rates and services charges</p>	<p>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</p>	<p>Monthly (Internal) and Quarterly (Debt Relief)</p>	<p>Collect R10,000 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)</p>	<p>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.</p>
	<p>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</p>	<p>Quarterly</p>	<p>Monthly S71 Revenue Collection Ward Template</p>	<p>Non-Compliant Quarterly S71 Revenue Collection rate per Ward = 79% Compliant Average collection rate = 80%</p>

	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

	<p>6.12.1 must apportion and ring-fence in a sub-account to its primary bank account –</p> <p>(a) all electricity, water and sanitation revenue the municipality collects in any month; and</p> <p>(b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation</p>	<p>Funds to be invested weekly and withdrawn monthly</p>	<p>Investment account and primary bank statement</p>	<p>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.</p> <p>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</p>
<p>MFMA Circular Reference and Focus Areas</p>	<p>Eskom Debt Relief Conditions</p>	<p>Reporting Frequency / Target Dates</p>	<p>Target / Portfolio of Evidence</p>	<p>Reporting period - June 2024 Comments</p>
	<p>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</p>	<p>Monthly</p>	<p>Investment account and bank statement and proof of payment aligned to actual amounts</p>	<p>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 thirdparty salary payments</p>

				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.

KROONSTAD

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OUR REFERENCE: JIMMY MASWANGANYI /wm Ref Nr:

Quality Certificate

I, IS Mokgatle the Acting Municipal Manager of Moqhaka Local Municipality hereby certify that: -

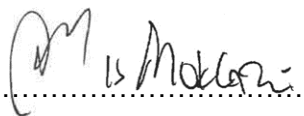
The monthly budget statement

quarterly report on the implementation of the budget and financial affairs of the

Mid-year budget and performance assessment

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

Municipal Manager of Moqhaka Local Municipality (FS201)

Signature: 

Date: ...13 November 2024