"People's power in action"

MFMA SECTION 71 REPORT MONTH ENDING 30 SEPTEMBER 2024

DISTRIBUTION:	
Executive Mayor:	**Mr. Motloheloa Mokatsane**
Acting Municipal Manager:	
Acting Chief Financial Officer:	**Dr Jimmy Maswanganyi**
Sector Departments:	**National and Provincial Departments**
	Upload to the National Treasury GoMuni Portal

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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 30 SEPTEMBER 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 30 SEPTEMBER 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 590 768 206, of which 91% of the debt is owed more than 90 days totalling R1 413 137 871. Of the total debt, R106 268 619 is owed by Government, R193 615 836 by Business and R1 182 253 917 by Households. Included in the Households debt is RR 169 112 526 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 also 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 30 September 2024, the ten working day reporting limit expires on 15 August 2024.

3. Executive summary

The Statement of Financial Performance shown in Annexure A, Table C4, 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 and Table 2 below:

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

Summary Statement of Financial Performance: YTD Budget					
Description	YTD Budget July 2024	YTD Actual July 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transferes and contributions)	112 136	170 806	58 670	152%	34,30%
Total Revenue including capital transferes and contributions)	117 625	170 806	53 181	145%	31,10%
Total Operational Expenditure	109 206	46 252	- 62 954	-42,30%	-136%

As indicated in Table 1 above, as of 30 September 2024, the billed revenue excluding capital grants amounted to R170 806 which resulted in a satisfactory variance of 34.3% when compared to YTD Budget of R112 136. The billed revenue including capital grants amounted to R170 806, resulting in a satisfactory variance of 31.1% when compared to YTD budget of R117 625. Capital Grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reason for the variances is articulated in Section 4.1 below. The Total Operational Expenditure amounted to R46 252 versus the YTD Budget of R109 206, resulting in an unsatisfactory variance of -136%. Reasons for the variance are articulated in Section 4.2 below.

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 12. 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 June 2024 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 intents to have an engagement with ESKOM to arrange for the outstanding debt amounting to R365 million. A repayment proposal will be submitted to ESKOM for approval. The municipality has not made significant strides to settle the monthly current accounts to Eskom, but smaller payments towards the account have been consistently made whenever financially possible. During the month of July 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) - M03 September

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		394 583	553 019	553 019	39 737	80 730	138 255	(57 524)	-42%	553 019
Service charges - Water		173 153	195 587	195 587	12 925	43 538	48 897	(5 359)	-11%	195 587
Service charges - Waste Water Management		65 954	70 019	70 019	6 039	18 146	17 505	642	4%	70 019
Service charges - Waste management		46 961	48 564	48 564	4 270	12 810	12 141	669	6%	48 564
Sale of Goods and Rendering of Services		6 220	10 265	10 265	382	1 305	2 566	(1 261)	-49%	10 265
Agency services								–		
Interest								–		
Interest earned from Receivables		69 946	34 557	34 557	5 782	17 644	8 639	9 005	104%	34 557
Interest from Current and Non Current Assets		34	30	30	25	25	8	18	237%	30
Dividends		3 637	1 736	1 736	21	228	434	(206)	-47%	1 736
Rent on Land								–		
Rental from Fixed Assets		6 593	8 535	8 535	343	879	2 134	(1 255)	-59%	8 535
Licence and permits		–	–	–	–	–	–	–		–
Operational Revenue		4 027	12 324	12 324	(284)	1 296	3 081	(1 785)	-58%	12 324
Non-Exchange Revenue								–		
Property rates		88 207	90 509	90 509	7 773	23 299	22 627	672	3%	90 509
Surcharges and Taxes								–		
Fines, penalties and forfeits		6 569	5 309	5 309	(6)	33	1 327	(1 294)	-98%	5 309
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		314 054	311 514	311 514	–	124 403	77 878	46 525	60%	311 514
Interest		7 761	2 982	2 982	773	2 287	746	1 541	207%	2 982
Fuel Levy								–		
Operational Revenue		839	678	678	74	222	170	53	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**	**77 853**	**326 846**	**336 407**	**(9 561)**	**-3%**	**1 345 628**

Exchange and Non-Exchange Revenue

Revenue Types		Section 71 of 30 September 2024					Three Months (Quarter) Ending 30 September 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	7 772 510	103%	7 219 043	93%	22 627 268	23 298 835	103%	15 348 326	66%
Electricity - conventional	343 217 833	28 601 486	26 387 627	92%	15 601 057	59%	85 804 458	39 663 415	46%	57 844 296	146%
Water	195 400 475	16 283 373	12 924 816	79%	3 619 216	28%	48 850 119	43 532 088	89%	10 394 878	24%
Sanitation	69 800 488	5 816 707	6 039 057	104%	2 162 110	36%	17 450 122	18 143 546	104%	6 425 079	35%
Refuse	48 564 221	4 047 018	4 270 459	106%	1 511 963	35%	12 141 055	12 810 256	106%	4 439 842	35%
Total Direct Services	**747 492 088**	**62 291 007**	**57 394 469**	**92%**	**30 113 388**	**52%**	**186 873 022**	**137 448 141**	**74%**	**94 452 421**	**69%**
Other revenue	92 497 269	7 708 106	1 878 820	24%	1 438 234	77%	23 124 317	4 591 644	20%	4 591 644	100%
Revenue from Billed services	**839 989 357**	**69 999 113**	**59 273 288**	**85%**	**31 551 622**	**53%**	**209 997 339**	**142 039 785**	**68%**	**99 044 065**	**70%**
Electricity - prepaid	204 011 643	17 000 970	12 859 021	76%	12 859 021	100%	51 002 911	41 447 052	**81%**	41 447 052	100%
Revenue before operational grants	**1 044 001 000**	**87 000 083**	**72 132 309**	**83%**	**44 410 643**	**62%**	**261 000 250**	**183 486 837**	**70%**	**140 491 117**	**77%**
Operational grants and subsidies	3 059 000	-	-	-	-	**-**	4 495 716	-	**0%**	-	**0%**
Equitable share	298 568 000	-	-	-	-	**-**	124 403 000	-	**0%**	-	**0%**
Total Revenue	**1 345 628 000**	**87 000 083**	**72 132 309**	**83%**	**44 410 643**	**62%**	**389 898 966**	**183 486 837**	**47%**	**140 491 117**	**77%**

Comments on Section 71 Report.

Collection rate for waste water management is 36% for the month of September 2024 and 35% for the first quarter of 2024-2025.

Collection rate for waste management is 35% for the month of September 2024 and 35% for the fisrt quarter of 2024-2025.

Collection rate for water is 28% for the month of September 2024 and 24% for the first quarter of 2024-2025.

The collection rate on Property rates is 93% for the month of September 2024 and 66% for the first quarter of 2024-2025.

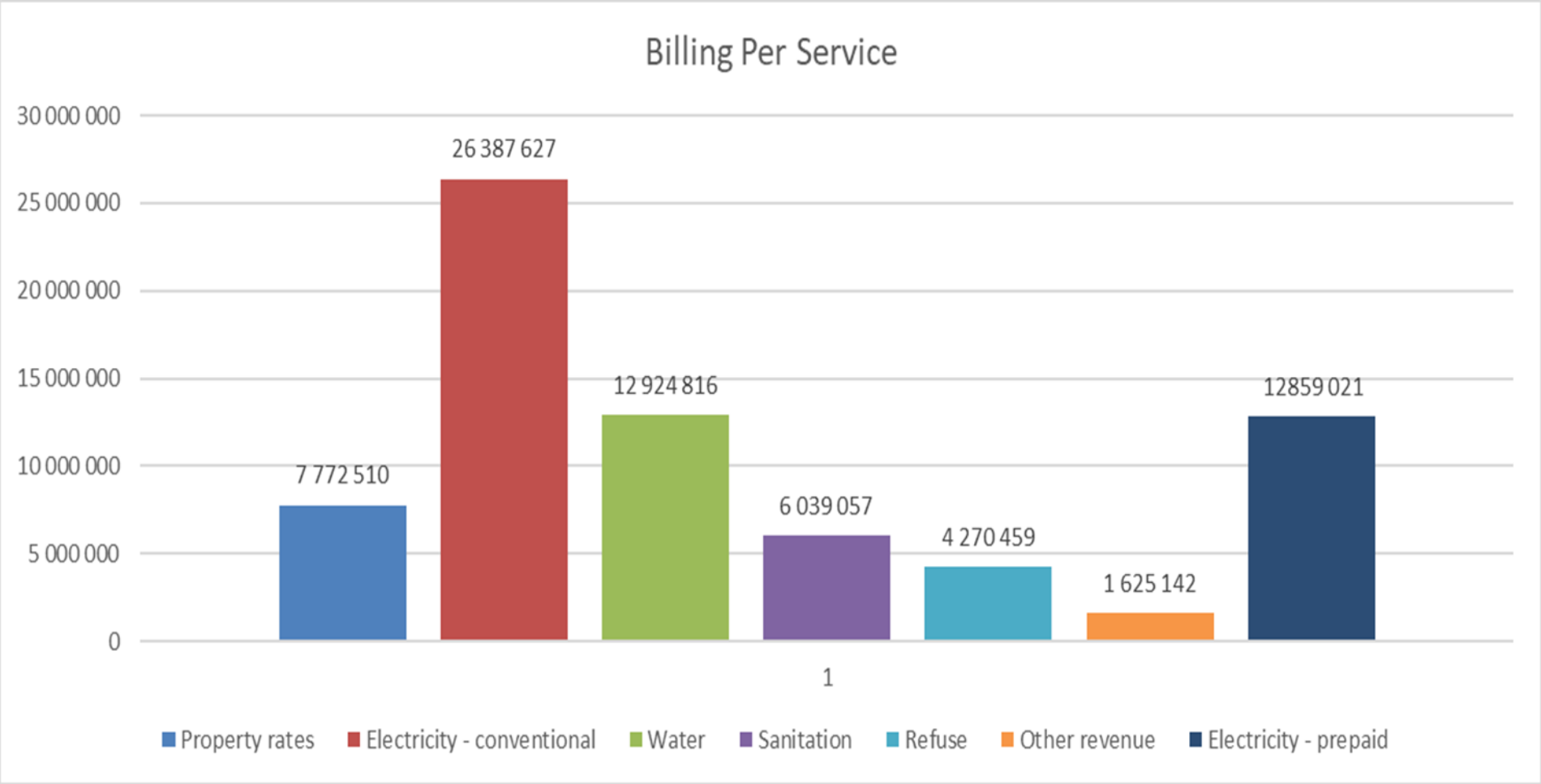
Vat is not considered as part of income in this report since it will be paid over to SARS.

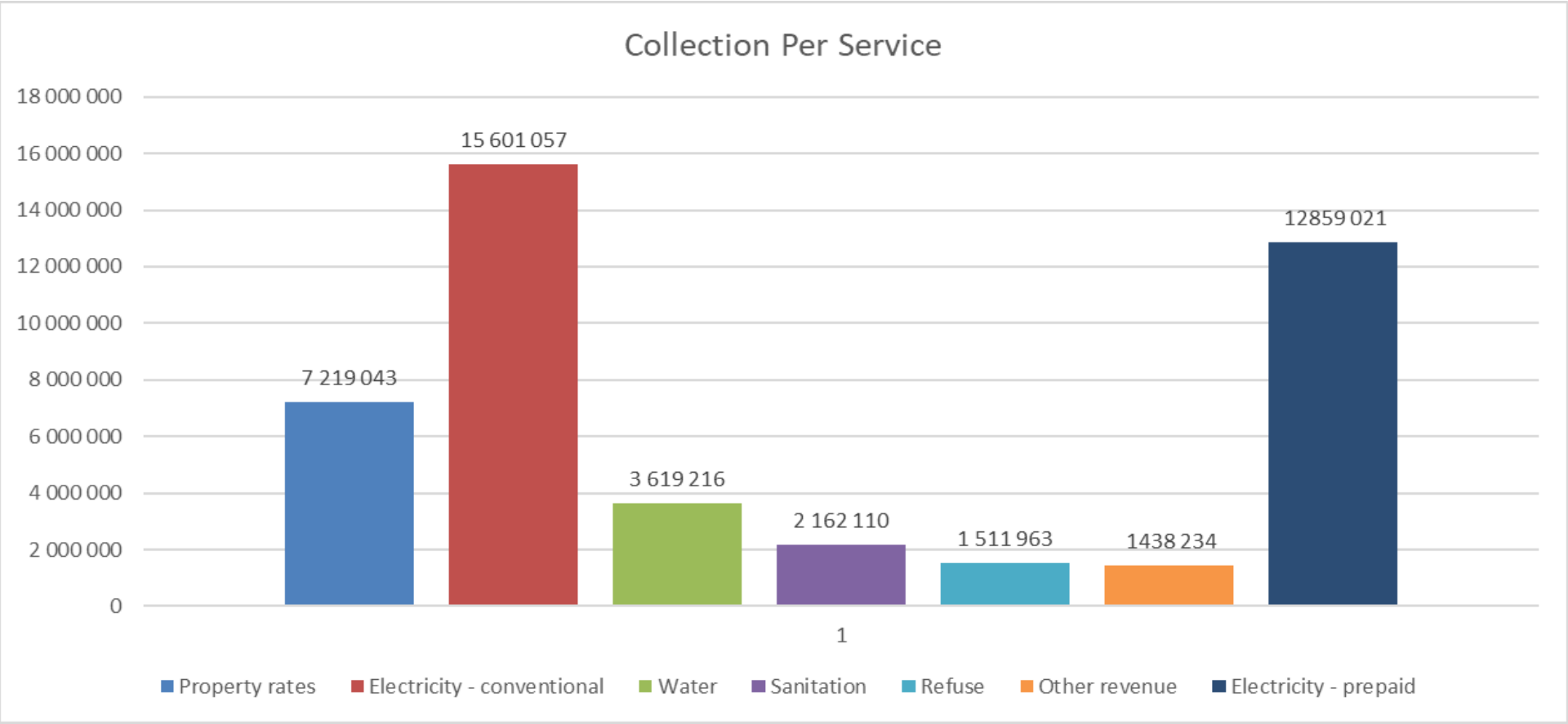
Conventional electricity revenue collection is 59% for the month of September 2024 and 146% for the first quarter of 2024-2025.

Revenue before operational grants versus billing is 62% for the month of September 2024 and 77% for the first quarter of 2024-2025.

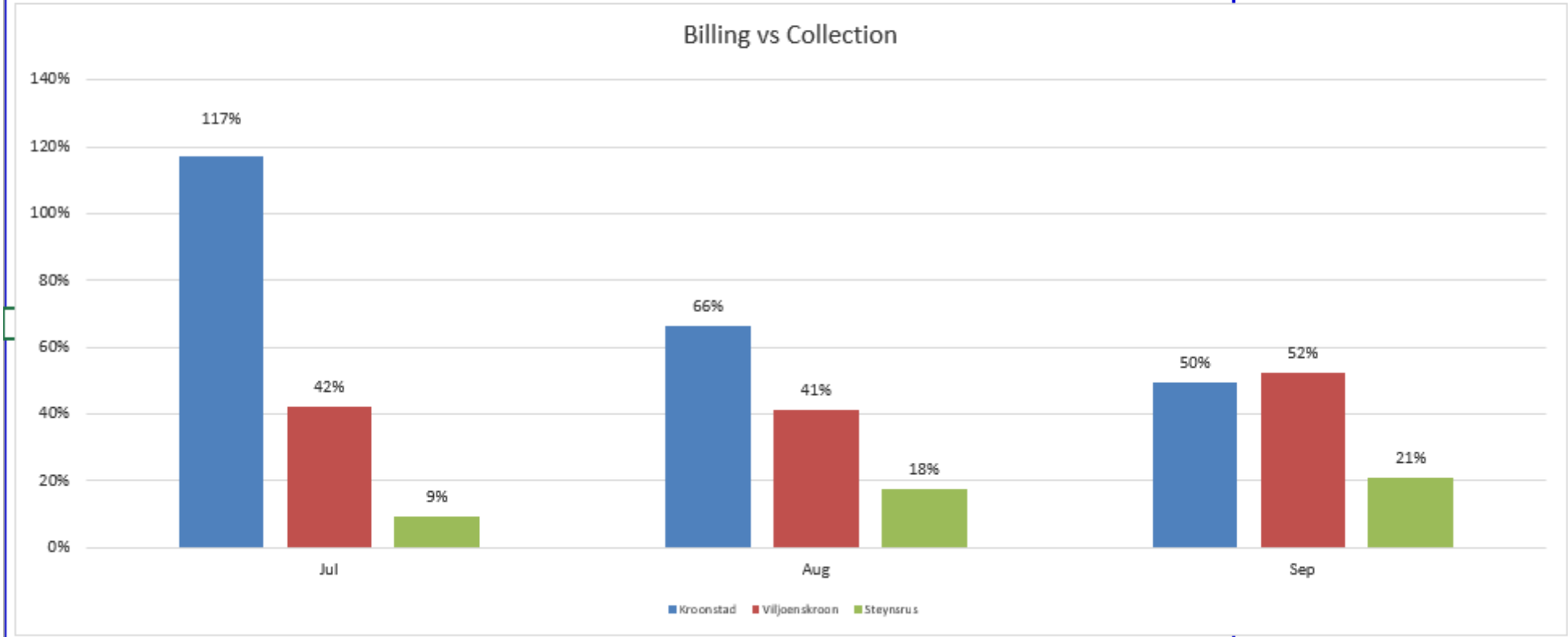
Total Revenue Collection Percentage with Zero Grant Funding received for the month September 2024 is also 62% and the 77% for the first quarter of 2024-2025.

Indigents Contribution for Prepaid Electricity in September 2024 is R903 146.50 + R140 130 (FBE in ESKOM Supplied Areas) = R1 043 276.50


Billing Per Service
30 000 000
25 000 000
20 000 000
15 000 000
10 000 000
5 000 000
0
7 772 510
26 387 627
12 924 816
6 039 057
4 270 459
1 625 142
12859 021
1
Property rates
Electricity - conventional
Water
Sanitation
Refuse
Other revenue
Electricity - prepaid


Collection Per Service
18 000 000
16 000 000
14 000 000
12 000 000
10 000 000
8 000 000
6 000 000
4 000 000
2 000 000
0
7 219 043
15 601 057
3 619 216
2 162 110
1 511 963
1438 234
12859 021
1
Property rates
Electricity - conventional
Water
Sanitation
Refuse
Other revenue
Electricity - prepaid

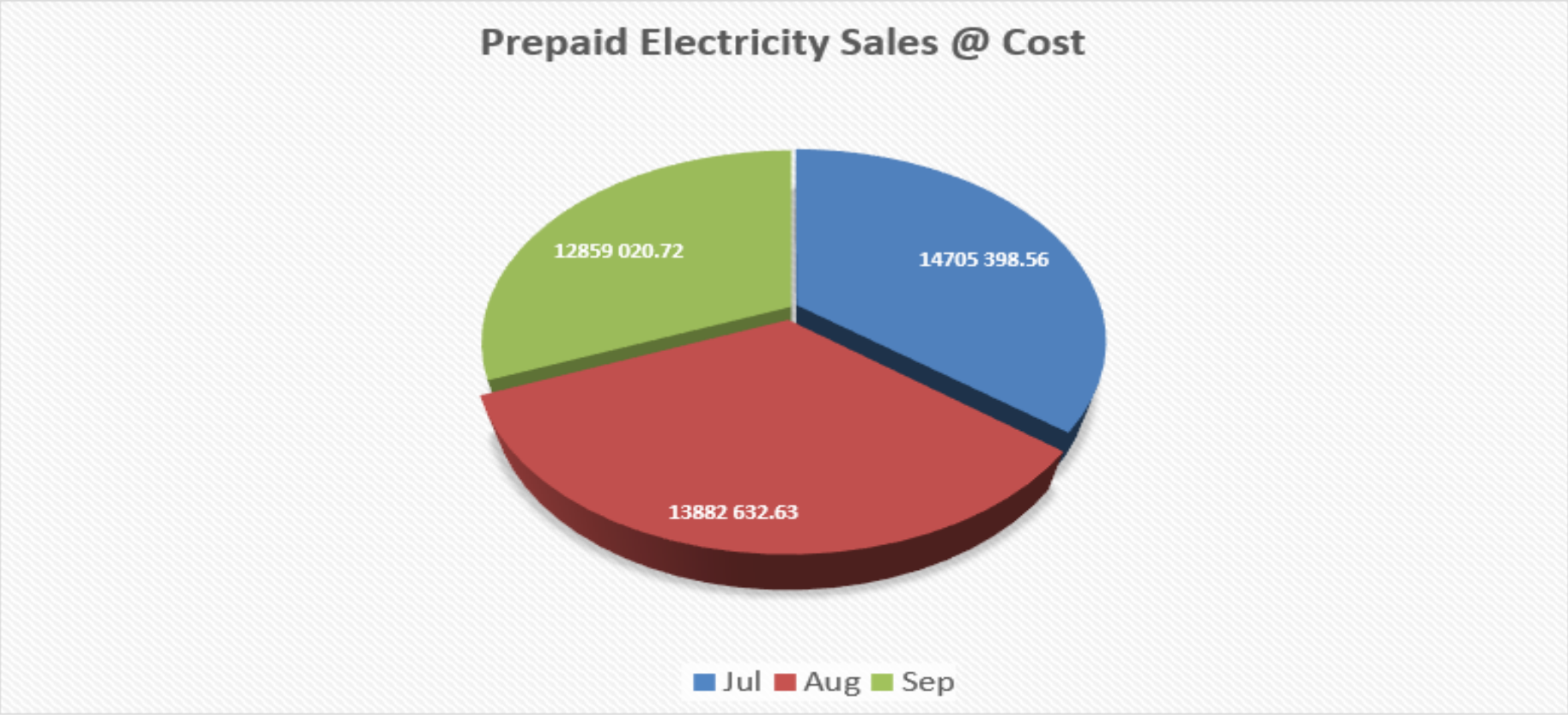
BILLING & REVENUE PER TOWN 01/07/2024 - 30/06/2025 (Excluding Pre-paid Electricity)									
Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing (BP135)	Receipts (BP135)	Percentage	Billing (BP135)	Receipts (BP135)	Percentage	Billing (BP135)	Receipts (BP135)	Percentage
Jul	17 625 091	20 630 003	117%	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%
Total	**123 130 503**	**81 345 938**	**66%**	**40 204 710**	**18 235 897**	**45%**	**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	12%
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%
Totals	**R0.00**	**R41 447 051.91**	**R6 216 417.04**	**R47 663 468.95**	**18 849 449.80**	**R2 708 747.50**	

The average collection rate for Kroonstad/Maokeng for September 2024 is 50% , Viljoenskroon/Rammulutsi is 52% & Steynsrus/Matlwangtlwang is 21%.
Kroonstad/Maokeng generated a revenue of R27.5m for September 2024, Viljoenskroon/Rammolutsi generated R7m & Steynsrus/Matlwangtlwang generated R466 363
The cost of revenue generated through prepaid electricity for the month of September 2024 is R12 859 021. The electricity vendors are contributing to these sales.



4.2 Operating expenditure by type

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		404 323	451 339	451 339	37 883	106 407	112 836	(6 429)	-6%	451 339
Remuneration of councillors		22 251	29 578	29 578	1 733	5 217	7 394	(2 178)	-29%	29 578
Bulk purchases - electricity		418 560	427 440	427 440	1 218	2 529	106 860	(104 331)	-98%	427 440
Inventory consumed		14 879	21 223	21 223	2 797	6 473	5 306	1 167	22%	21 223
Debt impairment		–	58 783	58 783	–	–	14 696	(14 696)	-100%	58 783
Depreciation and amortisation		121 050	9 870	9 870	–	–	2 468	(2 468)	-100%	9 870
Interest		6 029	8 698	8 698	550	1 650	2 175	(525)	-24%	8 698
Contracted services		135 341	158 841	158 851	11 592	26 580	39 720	(13 140)	-33%	158 851
Transfers and subsidies		84	1 049	1 049	–	–	262	(262)	-100%	1 049
Irrecoverable debts written off		176 661	1 486	1 486	81	772	371	400	108%	1 486
Operational costs		117 817	142 099	142 089	10 068	22 470	35 516	(13 046)	-37%	142 089
Losses on Disposal of Assets		15 203	60	60	–	–	15	(15)	-100%	60
Other Losses		106	–	–	–	–	–	–		–
Total Expenditure		**1 432 305**	**1 310 466**	**1 310 466**	**65 922**	**172 097**	**327 618**	**(155 522)**	**-47%**	**1 310 466**

Comparison against YTD Budget

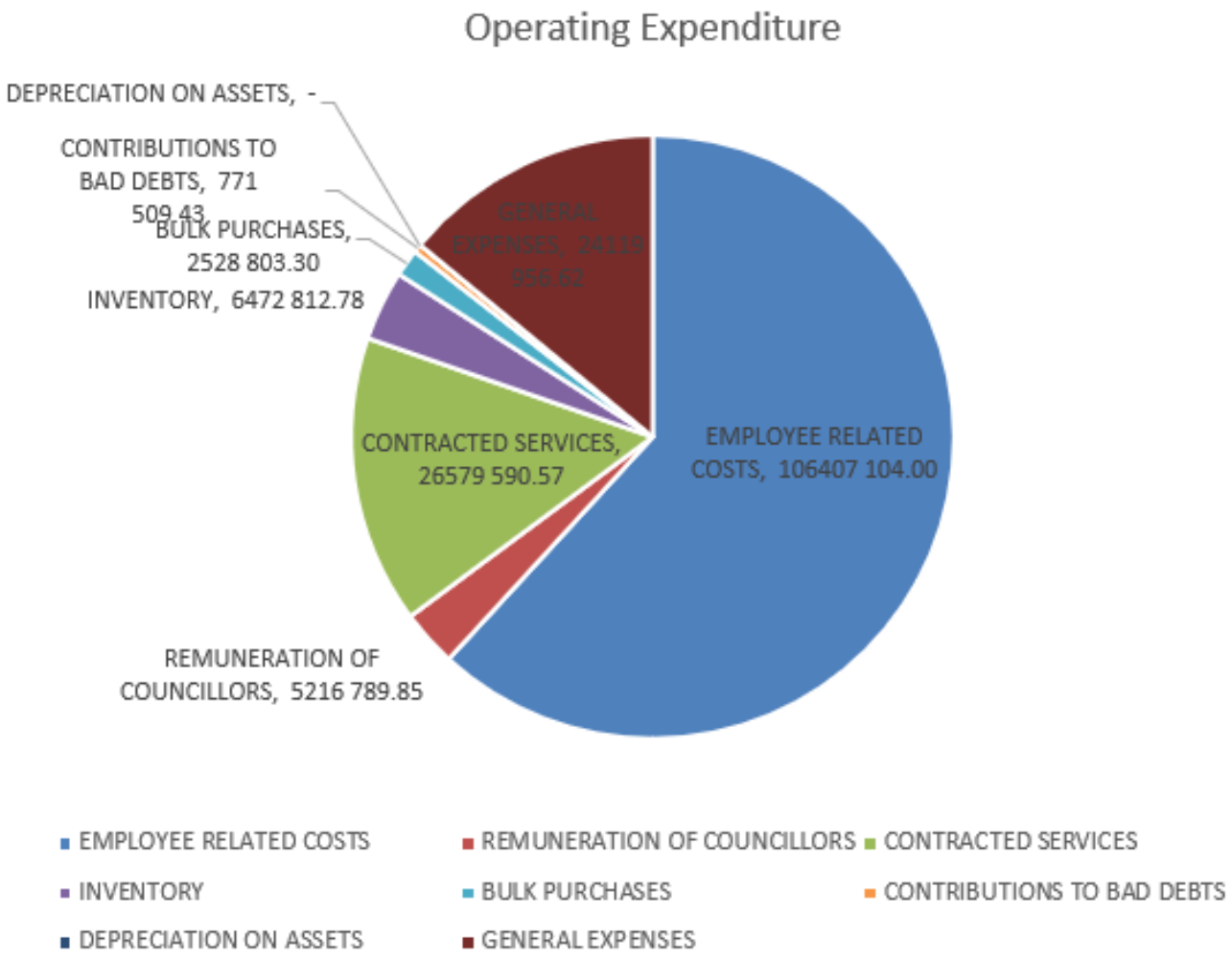
As indicated in the Table above, as at 30 September 2024, expenditure shows an unsatisfactory variance of minus 47%. The YTD actual amounted to R172097 000 against the YTD budget of R327 618 000.

- 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 22%. 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 33%.
  - Transfers and subsidies showing negative variance of minus 100%, due to non-expenditure & no commitment to show movement.
  - Operational cost is showing an unsatisfactory variance of minus 37% 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 R447 012 in the month of July 2024.


Operating Expenditure
DEPRECIATION ON ASSETS, -
CONTRIBUTIONS TO BAD DEBTS, 771 509.43
BULK PURCHASES, 2528 803.30
INVENTORY, 6472 812.78
GENERAL EXPENSES, 24119 956.62
CONTRACTED SERVICES, 26579 590.57
EMPLOYEE RELATED COSTS, 106407 104.00
REMUNERATION OF COUNCILLORS, 5216 789.85
EMPLOYEE RELATED COSTS
REMUNERATION OF COUNCILLORS
CONTRACTED SERVICES
INVENTORY
BULK PURCHASES
CONTRIBUTIONS TO BAD DEBTS
DEPRECIATION ON ASSETS
GENERAL EXPENSES

OPERATING EXPENSES					
DESCRIPTION	Annual Budget 2024/2025	Actual 30-Sep-24	YTD 30-Sep-24	Variance	% Exp
OPERATIONAL COST					
OC: ADV/PUB/MARK - CORP & MUN ACTIVI	2 029 298	128 522	235 354	1 793 944	1
OC: ADV/PUB/MARK - MUNICIPAL NEWSLET	1 200 000	-	-	1 200 000	
OC: ADV/PUB/MARK - SIGNS	357 250	-	-	357 250	
OC: ADV/PUB/MARK - STAFF RECRUITMENT	314 700	37 000	37 174	277 526	
OC: ADV/PUB/MARK - TENDERS	220 919	-	14 976	205 943	8
OC: AUDIT COST: EXTERNAL	9 441 000	-	753 637	8 687 363	2
OC: BC/FAC/C FEES - BANK ACCOUNTS	1 273 379	159 840	308 502	964 877	
OC: COMMISSION - THIRD PARTY VENDORS	14 462 785	38 702	1 321 594	13 141 191	
OC: COMM - CELL CONTRACT (SUBS & CAL					12
OC: COMM - LICENCES (RADIO & TELEVIS	67 537	-	-	67 537	
OC: COMM - POSTAGE/STAMPS/FRANKING M	2 058 884	79 711	84 926	1 973 958	
OC: COMM - RADIO & TV TRANSMISSIONS					
OC: COMM - SMS BULK MESSAGE SERVICE	-	-	-		
OC: COMM - PHONE FAX TELEGRAPH & TEL	2 098 000	175 394	417 545	1 680 455	
OC: CONTR TO PROV - REHAB LANDFILL S	89 325	-	-	89 325	
OC: DEEDS	279 402	16 395	16 395	263 007	52
OC: DRIVERS LICENCES & PERMITS	15 565	-	-	15 565	
OC: ENTERTAINMENT - EXEC MAYOR	31 470	-	3 990	27 480	
OC: ENTERTAINMENT - COUNCILLORS	31 470	-	-	31 470	2
OC: ENTERTAINMENT - SENIOR MANAGEMENT	220 780	14 784	32 950	187 830	
OC: ENTERTAINMENT - SPEAKER	31 470	-	1 998	29 472	27
OC: ENTERTAINMENT - CHIEF WHIP	31 470	12 250	16 046	15 424	0
OC: EXT COM SERV PROV - GPS LICENCE	3 096 763	8 967	8 967	3 087 796	
OC: EXT COM SERV PROV - S/WARE LICEN	2 622 774			2 622 774	13
OC: EXT COM SERV PROV - SYSTEM ADVIS	-				11
OC: HIRE CHARGES	42 775 059	6 465 757	11 468 101	31 306 958	
OC: INSUR UNDER - CLAIM PAID 3RD PAR					1
OC: INSUR UNDER - EXCESS PAYMENTS	450 000	5 000	24 896	425 104	1
OC: INSUR UNDER - PREMIUMS	4 800 000	1 946	1 842 702	2 957 298	19
OC: LEARNERSHIPS & INTERNSHIPS					
OC: LIC - VEHICLE LIC & REGISTRATION	1 680 766	65 632	201 273	1 479 493	12
OC: LIC - VEHICLE LIC & REGISTR FLEE	14 059	-	-	14 059	
OC: PERSONNEL AGENCY FEES (PERS RECR					
OC: PRINTING & PUBLICATIONS	773 519	5 100	34 350	739 169	
OC: PROFESSIONAL BODIES M/SHIP & SUB	183 931	-	6 950	176 981	
OC: REMUNERATION TO WARD COMMITTEES	2 937 200	89 500	269 500	2 667 700	
OC: ROAD WORTHY TEST FLEET	18 059	-	-	18 059	
OC: SKILLS DEVELOPMENT FUND LEVY	3 278 444	327 958	924 564	2 353 880	
OC: SEARCH FEES	16 469	-	-	16 469	12
OC: SERVITUDES & LAND SURVEYS	52 450	-	-	52 450	0
OC: SIGNAGE	599 746	37 601	79 646	520 100	

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OC: SMALL DIFFERENCES TOLERANCES					
OC: TOLL GATE FEES	-				
OC: TOLL GATE FEES FLEET	4 214	-	-	4 214	0
OC: TRANSPORT - EVENTS	146 370	-	2 500	143 870	
OC: TRANSPORT - FUNERALS					
OC: T&S DOM - ACCOMMODATION	2 581 575	166 498	362 102	2 219 473	
OC: T&S DOM - DAILY ALLOWANCE	1 809 974	66 330	187 249	1 622 725	
OC: T&S DOM - FOOD & BEVERAGE (SERVE	600 710	43 550	43 550	557 160	
OC: T&S DOM TRP - W/OUT OPR OWN TRAN	2 158 747	159 954	325 884	1 832 863	3
OC: T&S DOM PUB TRP - ROAD TRANSPORT	368 262	4 283	8 425	359 837	
OC: T&S - NON-EMPLOYEES	209 800	2 873	11 408	198 392	
OC: TRANSPORT - MUNICIPAL ACTIVITIES	55 230	37 840	37 840	17 390	
OC: UNIFORM & PROTECTIVE CLOTHING	5 679 737	-	661 163	5 018 574	
OC: VEHICLE TRACKING FLEET	353 327			353 327	
OC: WET FUEL	12 670 199	816 125	1 615 079	11 055 120	
OC: WORKMEN'S COMPENSATION FUND	1 753 823			1 753 823	
SUB TOTAL : OPERATIONAL COST	**125 945 911**	**8 967 512**	**21 361 236**	**104 584 675**	**5**

4.3 Capital Expenditure

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

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	–	15	#DIV/0!	–
Vote 02 - Municipal Manager		61	400	400	–	–	100	(100)	-100%	400
Vote 03 - Corporate Services		727	2 500	2 500	38	608	625	(17)	-3%	2 500
Vote 04 - Finance		804	2 077	1 827	–	134	474	(340)	-72%	1 827
Vote 05 - Technical Services		668	78 142	78 142	3 967	12 740	19 535	(6 796)	-35%	78 142
Vote 06 - Community Services		3 023	14 600	14 600	1 951	1 951	3 650	(1 699)	-47%	14 600
Vote 07 - Local Economic Development		241	872	1 122	186	261	263	(3)	-1%	1 122
Vote 08 - .		–	–	–	–	–	–	–		–
Vote 09 - .		–	–	–	–	–	–	–		–
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	5 630	98 591	98 591	6 157	15 708	24 648	**(8 940)**	**-36%**	98 591
Total Capital Expenditure		**5 630**	**98 591**	**98 591**	**6 157**	**15 708**	**24 648**	**(8 940)**	**-36%**	**98 591**
Capital Expenditure - Functional Classification										
Governance and administration		**1 833**	**5 750**	**5 500**	**53**	**756**	**1 392**	(636)	-46%	**5 500**
Executive and council		147	–	–	15	15	–	15	#DIV/0!	–
Finance and administration		1 686	5 750	5 500	38	742	1 392	(650)	-47%	5 500
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**2 483**	**13 122**	**13 372**	**146**	**236**	**3 326**	(3 090)	-93%	**13 372**
Community and social services		955	5 197	5 197	–	–	1 299	(1 299)	-100%	5 197
Sport and recreation		233	4 081	4 331	117	191	1 066	(874)	-82%	4 331
Public safety		1 237	3 843	3 843	29	45	961	(916)	-95%	3 843
Housing		58	–	–	–	–	–	–		–
Health								–		
Economic and environmental services		**55**	**31 596**	**31 596**	**3 026**	**9 834**	**7 899**	1 935	24%	**31 596**
Planning and development		–	205	205	69	69	51	18	35%	205
Road transport		55	31 234	31 234	2 957	9 765	7 809	1 956	25%	31 234
Environmental protection		–	157	157	–	–	39	(39)	-100%	157
Trading services		**1 259**	**48 071**	**48 071**	**2 932**	**4 882**	**12 018**	(7 136)	-59%	**48 071**
Energy sources		20	3 348	3 348	–	149	837	(688)	-82%	3 348
Water management		354	25 011	25 011	981	2 781	6 253	(3 472)	-56%	25 011
Waste water management		208	15 890	15 890	–	–	3 973	(3 973)	-100%	15 890
Waste management		677	3 822	3 822	1 951	1 951	955	996	104%	3 822
Other		–	52	52	–	–	13	(13)	-100%	52
Total Capital Expenditure - Functional Classification	3	**5 630**	**98 591**	**98 591**	**6 157**	**15 708**	**24 648**	**(8 940)**	**-36%**	**98 591**
Funded by:										
National Government		26	64 627	64 627	3 710	12 324	16 157	(3 832)	-24%	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**	**3 710**	**12 324**	**16 157**	**(3 832)**	**-24%**	**64 627**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		5 604	33 964	33 964	2 447	3 383	8 491	(5 108)	-60%	33 964
Total Capital Funding		**5 630**	**98 591**	**98 591**	**6 157**	**15 708**	**24 648**	**(8 940)**	**-36%**	**98 591**

As indicated in the Table above, the YTD Actual on capital expenditure as at end of October 2024 amounted to R15 708 000. The total YTD capex is funded from Capital grants R12 324 000 and Internally generated funds R3 383 000. 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	**Sep-24**
Cash Receipts by Source	
Property rates	6 553 682
Service charges - electricity revenue	17 793 533
Service charges - water revenue	3 963 227
Service charges - sanitation revenue	1 917 894
Service charges - refuse revenue	1 584 882
Service charges - other	-
Interest earned - external investments	534 604
Interest earned - outstanding debtors	267 077
Fines	-
Transfer receipts - operational	-
Other revenue	22 608 227
Cash Receipts by Source	**55 223 126**
Other Cash Flows/Receipts by Source	
Transfer receipts - capital	19 637 000
Borrowing long term/refinancing	-
Total Cash Receipts by Source	**74 860 126**
Cash Payments by Type	
Employee related costs	37 883 306
Remuneration of councillors	1 732 975
Bulk purchases - Electricity	6 218 014
Contracted services	13 330 886
General expenses	13 371 314
Cash Payments by Type	**72 536 495**
Other Cash Flows/Payments by Type	
Capital assets	6 156 784
Repayment of borrowing	-
Total Cash Payments by Type	**78 693 279**
Net Increase/(Decrease) in Cash Held	**-3 833 153**
Cash/cash equivalents at the month/year begin:	**95 337 251**
Cash/cash equivalents at the month/year end:	**91 504 098**
Cash Book Balance (GL)	-

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

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

YearEnd	MonthEnd	Mun	Item	Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total-
2025	M03 Sep	FS201	1100	Debtors Age Analysis By Income Source					
			1200	Trade and Other Receivables from Exchange Transactions - Water	R22 374 529.00	R23 324 502.00	R18 693 375.00	R737 712 017.00	R802 104 423.00
			1300	Trade and Other Receivables from Exchange Transactions - Electricity	R30 745 385.00	R17 485 899.00	R8 484 554.00	R124 461 963.00	R181 177 801.00
			1400	Receivables from Non-exchange Transactions - Property Rates	R8 118 232.00	R4 482 503.00	R3 878 095.00	R98 591 373.00	R115 070 203.00
			1500	Receivables from Exchange Transactions - Waste Water Management	R7 987 213.00	R6 787 918.00	R6 285 733.00	R222 776 614.00	R243 837 478.00
			1600	Receivables from Exchange Transactions - Waste Management	R5 604 023.00	R4 771 627.00	R4 442 687.00	R160 972 885.00	R175 791 222.00
			1700	Receivables from Exchange Transactions - Property Rental Debtors	R0.00	R0.00	R0.00	R0.00	R0.00
			1810	Interest on Arrear Debtor Accounts	R0.00	R0.00	R0.00	R0.00	R0.00
			1820	Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	R0.00	R0.00	R0.00	R0.00	R0.00
			1900	Other	R1 410 435.00	R866 075.00	R1 887 550.00	R68 623 019.00	R72 787 079.00
			2000	Total By Income Source	R76 239 817.00	R57 718 524.00	R43 671 994.00	R1 413 137 871.00	R1 590 768 206.00
			2100	Debtors Age Analysis By Customer Group					
			2200	Organs of State	R20 237 941.00	R7 967 072.00	R5 421 795.00	R72 641 811.00	R106 268 619.00
			2300	Commercial	R29 255 599.00	R14 599 950.00	R6 820 416.00	R142 939 871.00	R193 615 836.00
			2400	Households	R32 592 786.00	R32 021 647.00	R26 103 755.00	R1 091 535 729.00	R1 182 253 917.00
			2500	Other	-R5 846 509.00	R3 129 855.00	R5 326 028.00	R106 020 460.00	R108 629 834.00
			2600	Total By Customer Group	R76 239 817.00	R57 718 524.00	R43 671 994.00	R1 413 137 871.00	R1 590 768 206.00

Highlights	31-Jul	31-Aug	% Change	30-Sep	% Change	Reference
Services						
Councillors' debt (>90 days)	R 1 345 346	R 1 370 641	2%	R 1 397 900	2%	BP136-r
Officials debt (>90 days)	R 2 579 954	R 2 672 837	4%	R 2 762 090	3%	BP136-a
Sundry debtors						
Telephones (Officials & Councillors)	R626 782.76	R647 719.55	3%	R651 153.34	1%	BP136-rt
Indigents	R 162 186 192	R 165 662 006	**2%**	R 169 112 526	2%	BP136-ia
Total Debt 90 Days +	**R 166 738 275**	**R 170 353 203**	**2%**	**R 173 923 669**	**2%**	

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

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

As of 30 September 2024, the Government Debt was as follows:

MOQHAKA MUNICIPALITY	FINANCIAL YEAR		2024/25					
	MONTH END		Sep-24					
	0							
	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.	10 286.00	0.00	0.00	9 550.00	0.00	19 836.00	0.00	19 836.00
FREE STATE PROVINCIAL TREASURY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF HEALTH (PH)	12 700 699.00	7 401 451.00	0.00	8 227 840.00	26 462.00	28 356 452.00	0.00	28 356 452.00
DEPARTMENT OF EDUCATION (PE)	115173.00	931 562.00	1 735 362.00	15 076 577.00	0.00	17 858 674.00	0.00	17 858 674.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	233 541.00	0.00	233 541.00	0.00	233 541.00
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)	949 879.00	15 039 254.00	539.00	723 277.00	3 068.00	16 716 017.00	0.00	16 716 017.00
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	**13 776 037.00**	**23 372 507.00**	**1 735 901.00**	**24 270 785.00**	**29 530.00**	**63 184 760.00**	**0.00**	**63 184 760.00**
				0.00				
SCHOOLS (SECTION 21)	9 372 236.00	15 818 863.00	15 517.00	20 386.00	90 526.00	**25 317 528.00**	0.00	**25 317 528.00**
NATIONAL DEPARTMENTS	**WATER**	**ELEC**	**RATES**	**SE & RF**	**OTHER**	**TOTAL**	**PAYMENT**	**OUTST**
CORRECTIONAL SERVICES (NC)	2 315 737.00	113 478.00	0.00	171 036.00	0.00	2 600 251.00	0.00	2 600 251.00
DEFENCE (ND)	3 230 669.00	5 166 557.00	8 963.00	428 809.00	13 830.00	8 848 828.00	0.00	8 848 828.00
HOUSING (NH)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LABOUR (NL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAND AFFAIRS (NA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MINERALS & ENERGY	22 754.00	121 508.00	186 190.00	50 973.00	64 530.00	445 955.00	0.00	445 955.00
PUBLIC WORKS (NW)	25 827.00	490 282.00	1 945 740.00	67 336.00	0.00	2 529 185.00	0.00	2 529 185.00
SA POLICE(NP)	840 933.00	930 684.00	7 779.00	836 739.00	1 418.00	2 617 553.00	0.00	2 617 553.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	386 941.00	269 336.00	0.00	61 983.00	5 911.00	724 171.00	0.00	724 171.00
TOTAL	**6 822 861.00**	**7 091 845.00**	**2 148 672.00**	**1 616 876.00**	**85 689.00**	**17 765 943.00**		**17 765 943.00**
TOTAL	**29 971 134.00**	**46 283 215.00**	**3 900 090.00**	**25 908 047.00**	**205 745.00**	**106 268 231.00**	**-**	**106 268 231.00**
						TOTAL		**106 268 231.00**
						LESS CREDIT		**0.00**
						GRAND TOTAL		**106 268 231.00**

v5

MUNICIPAL DEBT RETURN FORM - Provincial & National Departments

treasury
Department of Treasury
FREE STATE PROVINCE

Municipality: ***FS201 Moqhaka***

Financial Year: ***2023/24*** 2024/25
Reporting Month: ***M03 September***

R'000	Provincial Public Works & Infrastructure	Education: Section 20 Schools *(Payable by Department of Education)*	Education: Section 21 Schools *(Payable by Schools)*	National Public Works	TOTAL
Property Rates	**1 736**			**2 149**	**3 885**
0-30 Days	1 676			704	2 381
31-60 Days	19			704	723
61-90 Days	9			635	643
Over 90 Days	32			105	138
Water	**13 776**	**–**	**9 376**	**6 823**	**29 975**
0-30 Days	853	–	528	1 574	2 955
31-60 Days	809	–	447	1 303	2 560
61-90 Days	1 555	–	502	620	2 677
Over 90 Days	10 559	–	7 898	3 327	21 784
Electricity	**23 373**	**–**	**15 814**	**7 092**	**46 279**
0-30 Days	1 265	–	1 618	1 077	3 960
31-60 Days	1 734	–	1 238	1 003	3 975
61-90 Days	1 219	–	948	797	2 963
Over 90 Days	19 155	–	12 011	4 215	35 380
Sanitation	**16 201**			**985**	**17 186**
0-30 Days	1 035			173	1 208
31-60 Days	1 035			169	1 204
61-90 Days	1 035			71	1 106
Over 90 Days	13 096			572	13 667
Refuse Removal	**8 070**			**632**	**8 702**
0-30 Days	529			92	621
31-60 Days	529			89	618
61-90 Days	529			40	568
Over 90 Days	6 484			411	6 895
Other	**30**	**–**	**126**	**86**	**242**
0-30 Days	0	–	29	3	32
31-60 Days	0	–	3	3	5
61-90 Days	0	–	3	3	5
Over 90 Days	29	–	92	78	199
TOTAL	**63 185**	**–**	**25 317**	**17 766**	**106 268**
0-30 Days	5 359	–	2 174	3 622	11 156
31-60 Days	4 126	–	1 688	3 271	9 085
61-90 Days	4 346	–	1 453	2 165	7 963
Over 90 Days	49 354	–	20 002	8 707	78 063
Payments received during reporting month *(whole amount)*	*3 328 051.60*			-	*3 328 051.60*

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 - 120 Days	Total-
2025	M03 Sep	FS201	1100	Debtors Age Analysis By Income Source					
			1200	Trade and Other Receivables from Exchange Transactions - Water	R22 374 529.00	R23 324 502.00	R18 693 375.00	R737 712 017.00	R802 104 423.00
			1300	Trade and Other Receivables from Exchange Transactions - Electricity	R30 745 385.00	R17 485 899.00	R8 484 554.00	R124 461 963.00	R181 177 801.00
			1400	Receivables from Non-exchange Transactions - Property Rates	R8 118 232.00	R4 482 503.00	R3 878 095.00	R98 591 373.00	R115 070 203.00
			1500	Receivables from Exchange Transactions - Waste Water Management	R7 987 213.00	R6 787 918.00	R6 285 733.00	R222 776 614.00	R243 837 478.00
			1600	Receivables from Exchange Transactions - Waste Management	R5 604 023.00	R4 771 627.00	R4 442 687.00	R160 972 885.00	R175 791 222.00
			1700	Receivables from Exchange Transactions - Property Rental Debtors	R0.00	R0.00	R0.00	R0.00	R0.00
			1810	Interest on Arrear Debtor Accounts	R0.00	R0.00	R0.00	R0.00	R0.00
			1820	Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	R0.00	R0.00	R0.00	R0.00	R0.00
			1900	Other	R1 410 435.00	R866 075.00	R1 887 550.00	R68 623 019.00	R72 787 079.00
			2000	Total By Income Source	R76 239 817.00	R57 718 524.00	R43 671 994.00	R1 413 137 871.00	R1 590 768 206.00
			2100	Debtors Age Analysis By Customer Group					
			2200	Organs of State	R20 237 941.00	R7 967 072.00	R5 421 795.00	R72 641 811.00	R106 268 619.00
			2300	Commercial	R29 255 599.00	R14 599 950.00	R6 820 416.00	R142 939 871.00	R193 615 836.00
			2400	Households	R32 592 786.00	R32 021 647.00	R26 103 755.00	R1 091 535 729.00	R1 182 253 917.00
			2500	Other	-R5 846 509.00	R3 129 855.00	R5 326 028.00	R106 020 460.00	R108 629 834.00
			2600	Total By Customer Group	R76 239 817.00	R57 718 524.00	R43 671 994.00	R1 413 137 871.00	R1 590 768 206.00

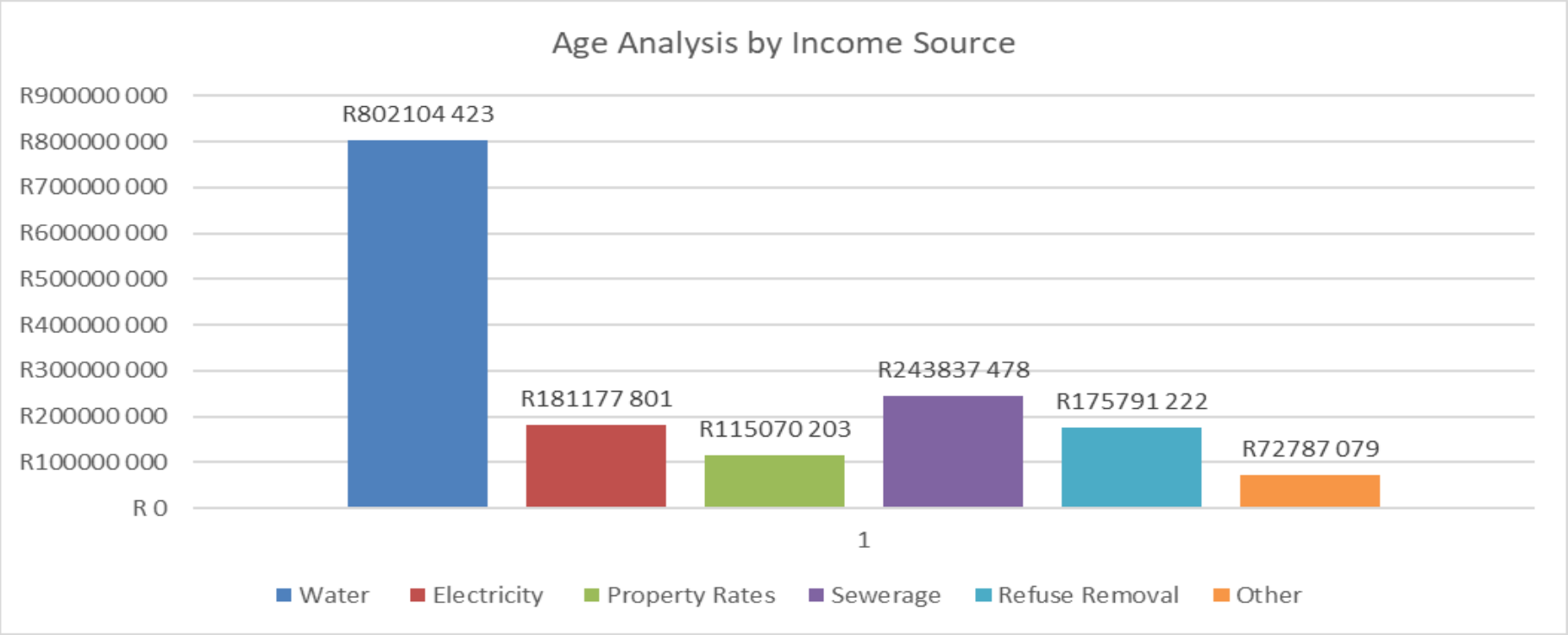
Comments:

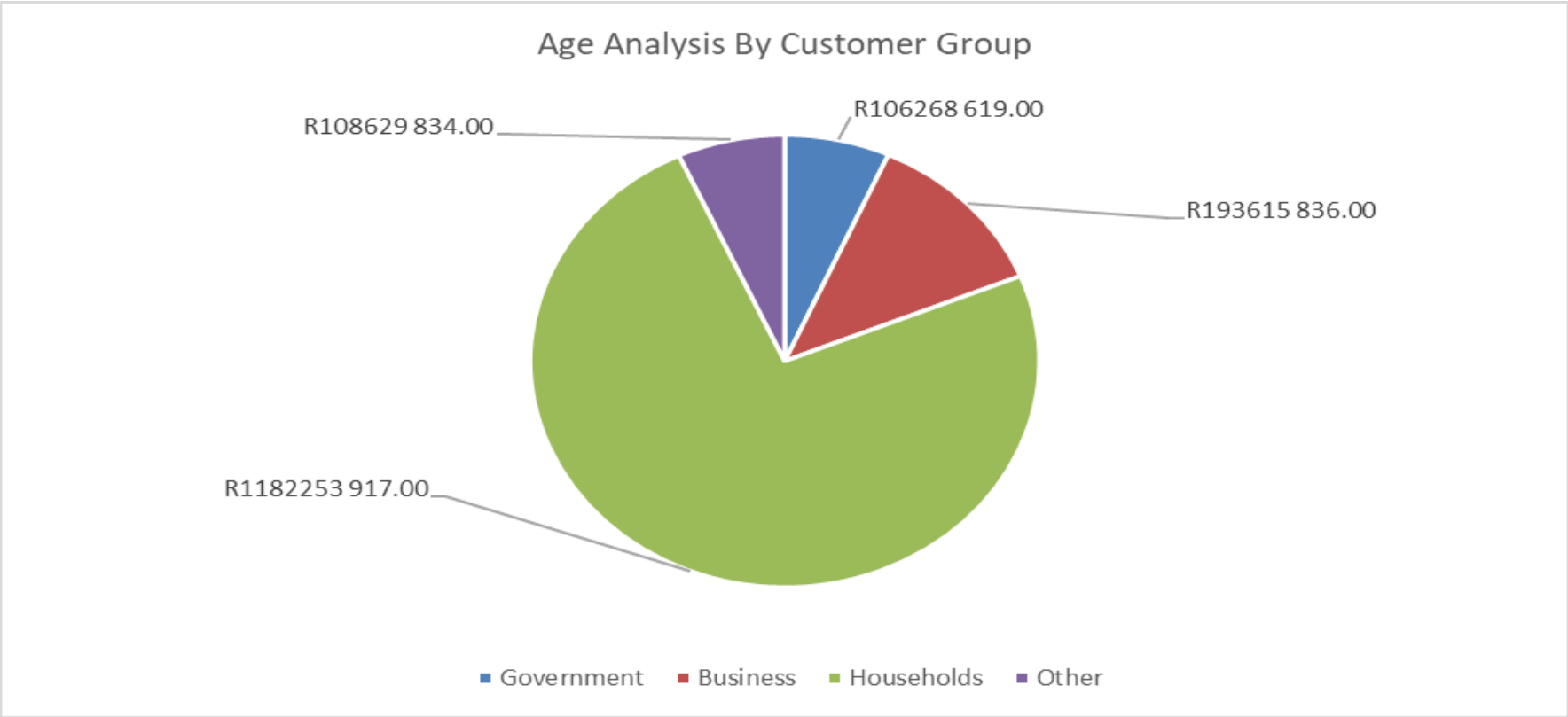
Total outstanding debt has increased from R1 554 527 085 in August 2024 to R1 590 768 206 in September 2024.
The increase is a result of minimum or no payments by the account holders and the defaulters.
Water debt was R802 104 423on 30 September 2024 & accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters and consumption by unmetered stands.
Electricity outstanding debt was R181 177 801 on 30 September 2024 & 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 & against total debt is 7% and relates to non-payment of accounts.
Sanitation/Sewerage accounts for 15% of the total outstanding debt with R243 837 478 & and also emanates from non-payment of accounts.
Refuse Removal was R175 791 222 on 30 September 2024 & accounts for 11% of the total outstanding debt.
Total for Other Debt or Sundries on 30 September 2024 was R72 787 079, which accounts for 5% 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. This represents 7% of the total outstanding debt of R1 590 768 206 and is gradually being addressed.
Business/Commercial debt was R193 615 836 in September 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 and that accounts for 74% of the total debt. This is inclusive of R169 112 526 owed by indigent households.
The remaining Other Income debt by many other various categories of debtors was R108 629 834 in September 2024 & that is 7% of the total outstanding debt.

On 30 September 2024, Councillors owed R1 397 000, Officials owed R2 762 090, and telephone accounts had a balance of R651 153.34.

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 does not even have an acting Municipal Manager at this point in time of reporting.


Age Analysis by Income Source
R900000 000
R800000 000
R700000 000
R600000 000
R500000 000
R400000 000
R300000 000
R200000 000
R100000 000
R 0
R802104 423
R181177 801
R115070 203
R243837 478
R175791 222
R72787 079
1
Water
Electricity
Property Rates
Sewerage
Refuse Removal
Other


Age Analysis By Customer Group
R106268 619.00
R193615 836.00
R1182253 917.00
R108629 834.00
Government
Business
Households
Other

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	121 581 118.42	16 685 744.81	-868 669.02	81 631.13	28 505.00	15 927 211.92	-11 851 559.19	125 656 771.15	-74%	4 075 652.73
2	540 564 071.46	18 031 912.72	-5 695 228.45	2 821.75	7 792.00	12 347 298.02	-1 497 547.93	551 413 821.55	-12%	10 849 750.09
3	4 744 349.60	6 043 422.25	0.00	0.00	0.00	6 043 422.25	0.00	10 787 771.85	0%	6 043 422.25
4	54 388 454.90	1 339 576.11	-1 182 668.18	0.00	0.00	156 907.93	-124 456.35	54 420 906.48	-79%	32 451.58
6	17 242 277.11	1 657 831.46	-189 395.89	0.00	0.00	1 468 435.57	-1 195 262.97	17 515 449.71	-81%	273 172.60
7	21 920 009.13	956 470.76	-382 805.90	0.00	837.00	574 501.86	-170 896.91	22 323 614.08	-30%	403 604.95
8	9 823 015.52	469 311.75	-70 621.56	0.00	857.00	399 547.19	-757 540.12	9 465 022.59	-190%	-357 992.93
9	2 354 150.74	16 690.75	10 543.79	0.00	0.00	27 234.54	-16 150.00	2 365 235.28	-59%	11 084.54
10	63 138 288.68	11 778 611.06	-1 496 648.43	0.00	0.00	10 281 962.63	-8 738 787.50	64 681 463.81	-85%	1 543 175.13
11	77 253 226.41	3 138 976.63	-932 758.31	0.00	0.00	2 206 218.32	-466 362.55	78 993 082.18	-21%	1 739 855.77
13	541 836 548.46	11 274 872.42	-2 360 818.68	52 748.91	9 526.00	8 976 328.65	-2 290 055.65	548 522 821.46	-26%	6 686 273.00
14	6 991 214.91	4 687 602.19	0.00	0.00	0.00	4 687 602.19	-4 848 496.34	6 830 320.76	-103%	-160 894.15
15	6 950.41	60.31	0.00	0.00	0.00	60.31	0.00	7 010.72	0%	60.31
16	92 683 409.36	8 237 140.54	634.07	14 585.08	0.00	8 252 359.69	-3 150 854.25	97 784 914.80	-38%	5 101 505.44
	1 554 527 085.11	84 318 223.76	-13 168 436.56	151 786.87	47 517.00	71 349 091.07	-35 107 969.76	1 590 768 206.42	-49%	36 241 121.31

The July 2024 total billing was reduced from an average of R64 million per month to R34.5 million due to the high number of billing correcting journals as reflected in cycle 10, which consists of maximum demand meters for all towns. 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 one month. Cycle 3 is for a specific mielie production company that runs on its own cycle for control purposes. The account is always up to date, but 0% is because their cycle versus payment date is different from other billing cycles. 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	43 556 948	69 198 511	76 950 771	1 307 259				1 305 952 099	1 496 965 588
Loan repayments	996 458	591 182	1 704 416					1 695 365	4 987 421
Trade Creditors	5 864 603	3 573 228	4 767 397	143 750					14 348 978
Auditor General	447 012	-							447 012
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	**52 352 246**	**74 926 181**	**90 437 907**	**11 209 356**	**-**	**-**	**-**	**1 307 647 464**	1 536 573 154

Bulk Electricity – As at the 30 September 2024, the outstanding debt owed to ESKOM amounted to R1 496 965 588. 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 R447 012. Other creditors – includes Sundry creditors such as DWS, Workmen Compensation and Government Garage which were unpaid as at 30 September 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	34055053140ZZZZZZZWM
ABSA - 2	20-5824-7882	Fixed Deposit	34055053040ZZZZZZZWM
ABSA - 3	91-3190-1443	Call Account	34055053240ZZZZZZZWM

	20-7531-4898	20-5824-7882	91-3190-1443	
	ABSA - 1	**ABSA - 2**	**ABSA - 3**	**Total**
Balance 01-Jul- 2024	**5 608.89**	**118 622.25**	**40 795 171.52**	**40 919 402.66**
Prior period error	-	-	-	-
Adjusted Balance	**5 608.89**	**118 622.25**	**40 787 125.85**	**40 911 356.99**
	-	-	49 977 242.08	49 977 242.08
Invested	-	-	67 497 000.00	**67 497 000.00**
Withdrawn	-	-	-18 000 000.00	**-18 000 000.00**
Interest earned	-		**480 242.08**	**480 242.08**
Balance at 31-Jul-2024	**5 608.89**	**118 622.25**	**90 764 367.93**	**90 888 599.07**
	52.02		1 799 349.35	
Invested	-	-	50 181 646.00	50 181 646.00
Withdrawn	-	-	-49 000 000.00	**-49 000 000.00**
Interest earned	52.02	-	**617 703.35**	**617 755.37**
Balance at 31-Aug-2024	**5 660.91**	**118 622.25**	**92 563 717.28**	**92 688 000.44**
	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**

Report on conditional grants at	30-Sep-24					
Municipality:	FS201 Moqhaka					
Financial Accounting for Grant Funds Received and Expended						
	OPERATIONAL GRANTS		CAPITAL GRANTS			
	Finance Management Grant (FMG)	LG SETA (Mandatory)	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
DORA Allocation for the 2024/25	**2 300 000**		**46 656 000**	**1 299 000**	**17 971 000**	**65 926 000**
Unspent grants at beginning of the financial year		**2 791 897**				**-**
Received Prior Months	2 300 000	113 716	12 497 000	325 000	6 544 640	**19 366 640**
Received This Month	-	-	19 637 000		634 142	**20 271 142**
Total Funds Received	**2 300 000**	**2 905 613**	**32 134 000**	**325 000**	**7 178 782**	**39 637 782**
Spent Prior Months	514 955	190 250	11 409 320	-	1 151 740	**12 561 060**
Spent This Month	229 459	26 775	4 924 637	64 400	-	**4 989 037**
Grants refunded					-	**-**
Total Funds Spent	744 414	217 025	16 333 957	64 400	1 151 740	**17 550 097**
Total funds Received and Not Spent	**1 555 586**	**2 688 588**	**15 800 043**	**260 600**	**6 027 042**	**22 087 685**
Percentage of Funds Spent	32%	8%	51%	20%	16%	44%
Funds Currently Committed but Not Spent	-	-	-	-	-	**-**
Scheduled Transfers Withheld	-	-	-	-	-	**-**

9. Allocation and grant receipts and expenditure

FS201 Moqhaka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		**283 146**	**310 788**	**310 788**	**–**	**124 403**	**77 697**	**46 706**	**60.1%**	**310 788**
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		278 006	298 568	298 568	–	124 403	74 642	49 761	66.7%	298 568
Expanded Public Works Programme Integrated Grant		–	9 920	9 920	–	–	2 480	(2 480)	-100.0%	9 920
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–		–
Local Government Financial Management Grant		2 300	2 300	2 300	–	–	575	(575)	-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**	**–**	**–**	**181**	(181)	-100.0%	**726**
ESKOM		–	–	–	–	–	–	–		–
National Economical Development and Labour Council		1 463	–	–	–	–	–	–		–
National Skills Fund		198	726	726	–	–	181	(181)	-100.0%	726
Total Operating Transfers and Grants	5	**314 054**	**311 514**	**311 514**	**–**	**124 403**	**77 878**	**46 525**	**59.7%**	**311 514**
Capital Transfers and Grants										
National Government:		51 222	64 627	64 627	7 043	7 043	16 157	(9 113)	**-56.4%**	64 627
Integrated National Electrification Programme Grant		2 050	–	–	–	–	–	–		–
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		44 352	46 656	46 656	7 043	7 043	11 664	(4 621)	-39.6%	46 656
Water Services Infrastructure Grant		4 820	17 971	17 971	–	–	4 493	(4 493)	-100.0%	17 971
Provincial Government:		**–**	**1 237**	**1 237**	**–**	**–**	**309**	(309)	-100.0%	**1 237**
Capacity Building and Other Grants		–	–	–	–	–	–	–		–
Infrastructure Grant		–	1 237	1 237	–	–	309	(309)	-100.0%	1 237
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Specify (Add grant description)		–	–	–	–	–	–	–		–
Other grant providers:		**5**	**–**	**–**	**(0)**	**(0)**	**–**	(0)		**–**
[insert description]								–		
Developers Contribution		–	–	–	–	–	–	–		–
Office of the Pension Fund Adjudicator		(2)	–	–	(0)	(0)	–	(0)		–
Unspecified		7	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	**51 227**	**65 864**	**65 864**	**7 043**	**7 043**	**16 466**	**(9 423)**	**-57.2%**	**65 864**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	365 281	377 378	377 378	7 043	131 446	94 344	37 101	39.3%	377 378

FS201 Moqhaka - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		**100 324**	**137 896**	**137 906**	**8 370**	**28 133**	**34 476**	**(6 343)**	**-18.4%**	**137 906**
Equitable Share		97 207	125 676	125 686	8 108	27 419	31 421	– (4 002)	-12.7%	125 686
Expanded Public Works Programme Integrated Grant		1 359	9 920	9 920	65	66	2 480	(2 414)	-97.4%	9 920
Local Government Financial Management Grant		2 012	2 300	2 300	209	661	575	86	14.9%	2 300
Municipal Disaster Relief Grant		(253)	–	–	(13)	(13)	–	(13)		–
Water Services Infrastructure Grant		–	–	–	–	–	–	–		–
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Infrastructure Grant		–	–	–	–	–	–	– –		–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
								–		
Other grant providers:		**184**	**1 000**	**1 000**	**23**	**190**	**250**	(60)	-23.9%	**1 000**
Education Training and Development Practices SETA		184	1 000	1 000	23	190	250	(60)	-23.9%	1 000
Total operating expenditure of Transfers and Grants:		**100 508**	**138 896**	**138 906**	**8 394**	**28 323**	**34 726**	**(6 403)**	**-18.4%**	**138 906**
Capital expenditure of Transfers and Grants										
National Government:		26	64 627	64 627	3 710	12 324	16 157	(3 832)	**-23.7%**	64 627
Integrated National Electrification Programme Grant		–	–	–	–	–	–	– –		–
Local Government Financial Management Grant		–	–	–	–	–	–	–		–
Municipal Disaster Relief Grant		26	–	–	–	–	–	–		–
Municipal Infrastructure Grant		0	46 656	46 656	3 710	12 324	11 664	660	5.7%	46 656
Water Services Infrastructure Grant		–	17 971	17 971	–	–	4 493	(4 493)	-100.0%	17 971
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
								–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Capacity Building and Other Grants		–	–	–	–	–	–	–		–
Infrastructure Grant		–	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	–	–	–	–		–
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Unspecified		–	–	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		**26**	**64 627**	**64 627**	**3 710**	**12 324**	**16 157**	**(3 832)**	**-23.7%**	**64 627**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**100 535**	**203 523**	**203 533**	**12 104**	**40 647**	**50 883**	**(10 236)**	**-20.1%**	**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. 30 September 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)

DESCRIPTION	Budget 2024/2025	Actual 31-Aug-24	YTD 31-Aug-24	% Exp
EMPLOYEE RELATED COST				
SENIOR MANAGEMENT				
SM - SALARIES ALLOW AND SERV BENEFITS				
MM - SALARIES ALLOW AND SERV BENEFITS				
SM MM: SAL & ALL - BASIC SALARY	1 040 930.00	60 680.35	182 041.05	17.49
SM MM: SAL & ALL - PERFORM BASED BONUS	149 275.00			
SM MM: ALLOW - CELLULAR & TELEPHONE	33 201.00	3 000.00	9 000.00	27.11
SM MM: ALLOW - HOUSING BENEFITS				
SM MM: ALLOW - TRAVEL OR MOTOR VEHICLE	265 810.00	19 507.75	58 523.00	22.02
SM MM: SRB - LONG SERVICE				
SUB TOTAL: MM - SAL ALLOW & SERV BENEF	**1 489 216.00**	**83 188.10**	**249 564.05**	16.76
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	197 259.75	24.10
SM D02: SAL & ALL - PERFORM BASED BONUS	220 485.00			
SM D02: ALLOW - CELLULAR & TELEPHONE	18 528.00	1 000.00	3 000.00	16.19
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	130 975.14	23.56
SM D02: ALLOW - ACCOM TRAVEL & INCIDENT.	0.00	0.00	0.00	
SM D02: SRB - ENTERTAINMENT	10 490.00	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**	**331 234.89**	19.17
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**	**580 798.94**	7.53
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	32 767.38	28.20
SM MM: SOC CONTR: UIF	2 422.00	177.12	531.36	21.94
SUB TOTAL: MM - SOCIAL CONTRIBUTIONS	**187 361.00**	**11 099.58**	**33 298.74**	17.77
CFO - SOCIAL CONTRIBUTIONS				
SM CFO: SOC CONTR: GROUP LIFE INSURANCE				
SM CFO: SOC CONTR: MEDICAL	66 431.00			0.00
SM CFO: SOC CONTR: PENSION FUNDS	132 807.00			0.00
SM CFO: SOC CONTR: UIF	2 459.00			0.00
SM CFO: SOC CONTR: BARGAINING COUNCIL				
SUB TOTAL: CFO - SOCIAL CONTRIBUTIONS	**201 697.00**	**0.00**	**0.00**	0.00
D01 - SOCIAL CONTRIBUTIONS				
SM D01: SOC CONTR: GROUP LIFE INSURANCE				
SM D01: SOC CONTR: MEDICAL	69 820.00			0.00
SM D01: SOC CONTR: PENSION FUNDS	144 119.00			0.00
SM D01: SOC CONTR: UIF	2 461.00			0.00
SM D01: SOC CONTR: BARGAINING COUNCIL	0.00			
SUB TOTAL: DTS - SOCIAL CONTRIBUTIONS	**216 400.00**	**0.00**	**0.00**	0.00

D02 - SOCIAL CONTRIBUTIONS				
SM D02: SOC CONTR: GROUP LIFE INSURANCE				
SM D02: SOC CONTR: MEDICAL	37 057.00			0.00
SM D02: SOC CONTR: PENSION FUNDS	55 936.00	11 835.59	35 506.77	63.48
SM D02: SOC CONTR: UIF	2 459.00	177.12	531.36	21.61
SM D02: SOC CONTR: BARGAINING COUNCIL				
SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS	**95 452.00**	**12 012.71**	**36 038.13**	37.76
D03 - SOCIAL CONTRIBUTIONS				
SM D03: SOC CONTR: GROUP LIFE INSURANCE				
SM D03: SOC CONTR: MEDICAL	42 022.00			0.00
SM D03: SOC CONTR: PENSION FUNDS				
SM D03: SOC CONTR: UIF	2 434.00			0.00
SM D03: SOC CONTR: BARGAINING COUNCIL				
SUB TOTAL: DCH - SOCIAL CONTRIBUTIONS	**44 456.00**	**0.00**	**0.00**	0.00
SUB TOTAL: SM - SOCIAL CONTRIBUTIONS				
SM - POST RETIREMENT BENEFITS				
SM: PRB - MED: CURRENT SERVICE COST				
SM: PRB - MED: INTEREST COST	5 751 703.00	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**	**216 711.64**	**1 062 934.63**	7.11
MUNICIPAL STAFF				
MS - SALARIES ALLOW AND SERV BENEFITS				
MS: SAL & ALL: BASIC SALARY & WAGES	271 059 050.00	23 723 711.11	63 252 299.36	
MS: SAL & ALL: PERFORMANCE BASED BONUSES	28 646.00	0.00	0.00	
MS: ALL - CELLULAR & TELEPHONE	872 036.00	35 789.58	112 344.02	

MS: HB & INC: HOUSING BENEFITS	2 013 195.00	155 308.25	430 926.17	
MS: ALL - LEAVE PAY	3 075 518.00	440 479.78	896 169.43	
MS: ALL - TRAVEL OR MOTOR VEHICLE	24 606 437.00	1 940 198.00	5 495 411.00	
MS: OVERTIME - NON STRUCTURED	33 870 731.00	3 066 253.67	9 306 471.00	
MS: OVERTIME - STRUCTURED	61 717.00	1 572.93	4 583.32	
MS: PAYMENTS - SHIFT ADD REMUNERATIO				
MS: SRB - ANNUAL BONUS	21 273 371.00	1 081 201.37	5 349 468.30	
MS: SRB - LONG SERVICE AWARD	2 117 536.00	90 133.18	379 356.00	
MS: SRB - STANDBY ALLOWANCE	4 137 422.00	405 022.94	1 180 468.00	
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**	**30 939 670.81**	**86 407 496.60**	
MS - SOCIAL CONTRIBUTIONS				
MS: SOC CONTR - BARGAINING COUNCIL	145 297.00	13 210.95	36 710.27	
MS: SOC CONTR - GROUP LIFE INSURANCE	1 416 399.00	86 901.33	253 074.89	
MS: SOC CONTR - MEDICAL	25 515 593.00	2 330 501.06	6 995 647.89	
MS: SOC CONTR - PENSION	41 812 794.00	3 683 879.40	10 655 111.99	
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 276 431.00	172 841.96	511 620.00	
SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	**71 166 514.00**	**6 287 334.70**	**18 452 165.04**	
MS: PRB - MED: CURRENT SERVICE COST	2 092 015.00	426 000.00	443 719.22	
MS: PRB - MED: INTEREST COST				
MS: PRB - PENS: INTEREST COST				
MS: PRB - OTHER: LEAVE GRATUITY				
SUB TOTAL : MS - POST RETIREMENT BEN	**2 092 015.00**	**426 000.00**	**443 719.22**	
MS - COST CAPITALISED TO PPE				
MS: IN-KIND BENEFITS CST CAP PPE	11 324.00	13 595.00	40 786.95	
SUB TOTAL : MS - COST CAPITALISED TO PPE	**11 324.00**	**13 595.00**	**40 786.95**	
SUB TOTAL : MUNICIPAL STAFF	**436 390 633.00**	**37 666 600.51**	**105 344 167.81**	
SUB TOTAL : EMPLOYEE RELATED COST	**451 339 064.00**	**37 883 312.15**	**106 407 102.44**	

Analysis of overtime per department

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

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

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

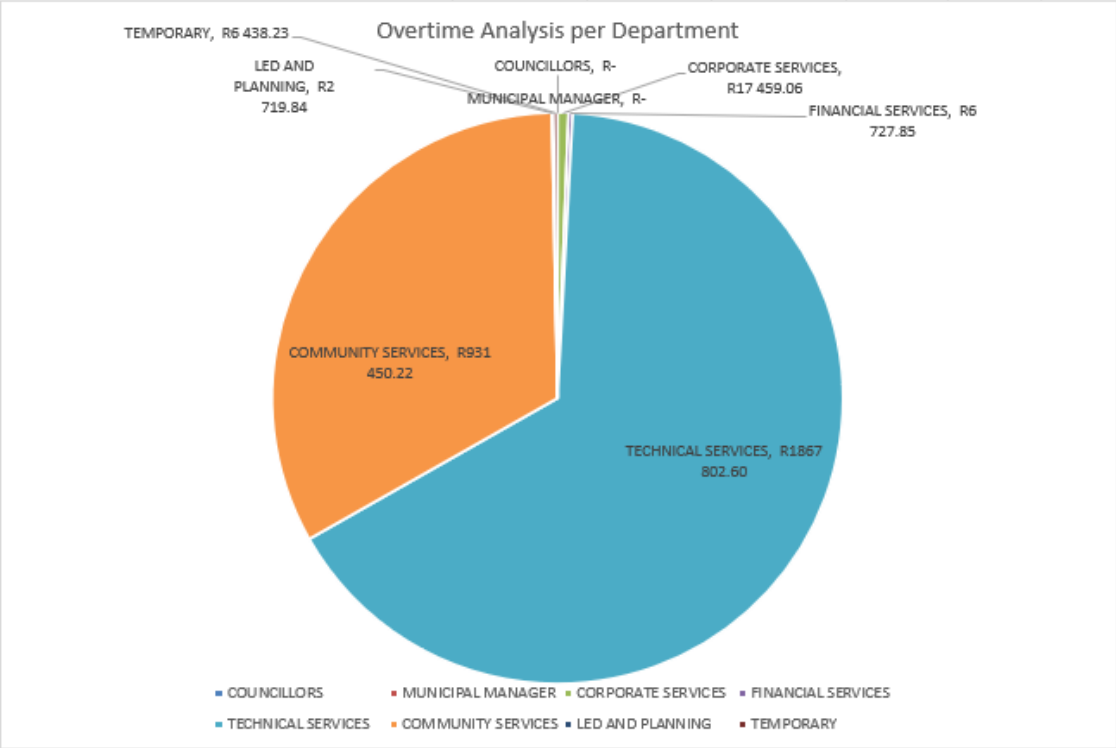
REPORT ON STAFF BENEFITS: Staff costs analysis for the month (MFMA Section 66)

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

Analysis of overtime per department

	31-Jul-24		31-Aug-24		30-Sep-24	
Description	**Hours**	**Cost**	**Hours**	**Cost**	**Hours**	**Cost**
Municipal Manager	-	-	36	4 692	-	-
Corporate Services	301	55 950	301	37 051	301	17 459
Financial Services	226	34 812	55	24 855	20	6 728
Technical Services	10 484	1 880 962	10 811	1 936 526	9 787	1 867 803
Community Services	5 756	1 204 640	4 424	767 457	4 823	931 450
LED & Planning			60	7 989	21	2 720
Temporary			16	3 010	50	6 438
Total	**16 767**	**3 176 364**	**15 702**	**2 781 581**	**15 001**	**2 832 598**

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 2012/13 MTREF.

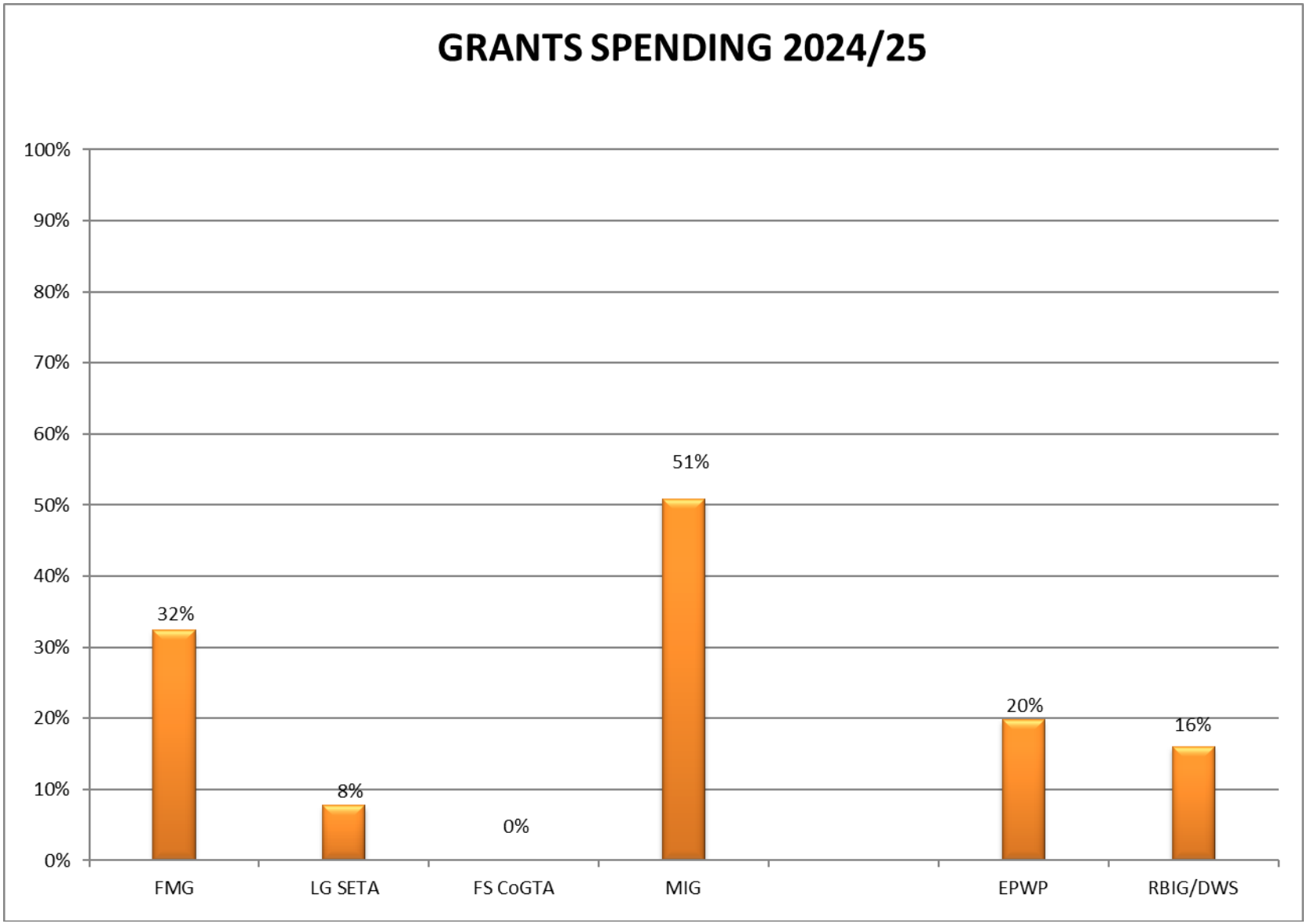
- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and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

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	30-Sep-24					
Municipality:	FS201 Moqhaka					
Financial Accounting for Grant Funds Received and Expended						
	OPERATIONAL GRANTS		CAPITAL GRANTS			
	Finance Management Grant (FMG)	LG SETA (Mandatory)	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
DORA Allocation for the 2024/25	**2 300 000**		**46 656 000**	**1 299 000**	**17 971 000**	**65 926 000**
Unspent grants at beginning of the financial year		**2 791 897**				**-**
Received Prior Months	2 300 000	113 716	12 497 000	325 000	6 544 640	**19 366 640**
Received This Month	-	-	19 637 000		634 142	**20 271 142**
Total Funds Received	**2 300 000**	**2 905 613**	**32 134 000**	**325 000**	**7 178 782**	**39 637 782**
Spent Prior Months	514 955	190 250	11 409 320	-	1 151 740	**12 561 060**
Spent This Month	229 459	26 775	4 924 637	64 400	-	**4 989 037**
Grants refunded					-	**-**
Total Funds Spent	744 414	217 025	16 333 957	64 400	1 151 740	**17 550 097**
Total funds Received and Not Spent	**1 555 586**	**2 688 588**	**15 800 043**	**260 600**	**6 027 042**	**22 087 685**
Percentage of Funds Spent	32%	8%	51%	20%	16%	44%
Funds Currently Committed but Not Spent	-	-	-	-	-	**-**
Scheduled Transfers Withheld	-	-	-	-	-	**-**


GRANTS SPENDING 2024/25
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
32%
8%
0%
51%
20%
16%
FMG
LG SETA
FS CoGTA
MIG
EPWP
RBIG/DWS

FS 201							
MOQHAKA LOCAL MUNICIPALITY							
MIG GRANT REGISTER							
Name of grant: MIG							
Details	Projects Descriptions	Cheque Ref.	Invoice Date	Vote where expenditure is captured	Funds Received	Expenditure (incl Vat)	Balance
Sep-24							
Opening Balance							**1 087 679.57**
Funds Received		Deposit	20-09-2024	**35217620220ZZZZZZZWM**	**19 637 000.00**		
Expenditure							
R/FS/19923/23/25	Maokeng/Seeisoville: Construction of 1.46km paved road and storm water at Mahabane Street (MIS:458604)	90041674	05-09-2024			410 208.89	
R/FS/19923/23/25	Maokeng/Seeisoville: Construction of 1.46km paved road and storm water at Mahabane Street (MIS:458604)	90042057	26-09-2024			345 354.66	
R/FS/19922/23/25	Maokeng/Brentpark: Construction of 1.316km paved road and storm water at Canon Street (MIS:458296)	90041626	03-09-2024			958 845.14	
R/FS/19922/23/25	Maokeng/Brentpark: Construction of 1.316km paved road and storm water at Canon Street (MIS:458296)	90042021	25-09-2024			217 821.21	
W/FS19851/23/25	Maokeng/Brentpark: Construction of 1.5ml steel Reservoir, 0.5ml Elevated Steel Tank and Pumpstation (MIS:458610)	90041721	06-09-2024			197 427.06	
W/FS19851/23/25	Maokeng/Brentpark: Construction of 1.5ml steel Reservoir, 0.5ml Elevated Steel Tank and Pumpstation (MIS:458610)	90042024	25-09-2024			191 062.71	
W/FS19851/23/25	Maokeng/Brentpark: Construction of 1.5ml steel Reservoir, 0.5ml Elevated Steel Tank and Pumpstation (MIS:458610)	90042025	25-09-2024			190 683.21	
W/FS19851/23/25	Maokeng/Brentpark: Construction of 1.5ml steel Reservoir, 0.5ml Elevated Steel Tank and Pumpstation (MIS:458610)	90041712	06-09-2024			53 446.25	
W/FS19851/23/25	Maokeng/Brentpark: Construction of 1.5ml steel Reservoir, 0.5ml Elevated Steel Tank and Pumpstation (MIS:458610)	90041023	25-09-2024			78 791.11	
W/FS19851/23/25	Maokeng/Brentpark: Construction of 1.5ml steel Reservoir, 0.5ml Elevated Steel Tank and Pumpstation (MIS:458610)	90041887	16-09-2024			134 964.00	
R/FS/19924/23/25	Maokeng: Gelukwaarts - Upgrading of Masione and Stiloane Street (0.796km) to a paved road (MIS:478759)	90042022	25-09-2024			1 830 646.59	
PMU	Lebisang Katlehong Trading - S Modise Laptop	90041714	06-09-2024			26 448.85	
PMU	O Garegae - WSIG Monthly Meeting 11/09/2024 Bloemfontein	90042045	26-09-2024			2 556.42	
PMU	CP Botha - Salary - September 2024	Salary	30-09-2024			223 467.86	
PMU	O Garegae - Salary - September 2024	Salary	30-09-2024			6 765.09	
PMU	SJ Modise - Salary - September 2024	Salary	30-09-2024			51 693.96	
PMU	K Mbele - Salary - September 2024	Salary	30-09-2024			4 454.00	
Closing Balance					**19 637 000.00**	**4 924 637.01**	**15 800 042.56**

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

ESKOM HOLDINGS SOC LTD REG NO 2002/015627/30
VAT REG NO 4740101608

NORTH WESTERN REGION
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NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

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

YOUR ACCOUNT NO	9345061750
SECURITY HELD	514.59
BILLING DATE	2024-08-08
TAX INVOICE NO	934898878495
ACCOUNT MONTH	AUGUST 2024
CURRENT DUE DATE	2024-09-07
VAT REG NO	4000846578

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 56070067316

TAX INVOICE

E-MAIL: alet@moqhaka.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	20,671.11
DIST. NETWORK CAPACITY CHARGE		R	978,707.09
NETWORK DEMAND CHARGE (C/KWH) (ALL)		R	109,942.91
ANCILLARY SERVICE (ALL)		R	175,005.09
ENERGY CHARGE (STD)	9,816,815.00	R	17,979,766.46
DEMAND CHARGE	551.49	R	280,046.62
DX EXCESS NETWORK CAPACITY CHA		R	104,343.88
NETWORK DEMAND CHARGE (C/KWH)		R	215,443.75
ENERGY CHARGE (PEAK)	4,241,482.00	R	25,727,180.03
ENERGY CHARGE (OFF)	9,627,747.00	R	9,609,634.30
ELECTRIFICATION AND RURAL SUBS (ALL)		R	3,674,633.02
TRANSMISSION NETWORK CAPACITY		R	940,800.00
NETWORK DEMAND CHARGE		R	913,174.08
URBAN LOW VOLTAGE SUBSIDY		R	1,697,400.00
REACTIVE ENERGY	6,721.00	R	1,902.04
SERVICE CHARGE		R	244,399.35
TOTAL CHARGES FOR BILLING PERIOD		R	62,673,049.73

ACCOUNT SUMMARY FOR AUGUST 2024

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

ARREARS

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

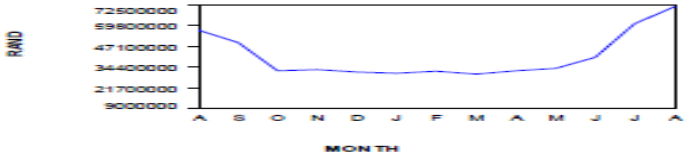
Account OVERDUE - Subject to Disconnection

ACCOUNT NO / REFERENCE NO
9345061750
NAME
MOQHAKA LOCAL MUNICIPALITY
FAX NUMBER
0863893386

0934 9345061750

11341 9345061750
>>>>>>> 9207 6934 5061 7504

TOTAL AMOUNT DUE
1,399,210,128.45



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

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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BILL GROUP	
BILL PAGE	1 OF 4

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.moqhaka.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 is in rand values are below the budgeted amounts which puts additional pressure on the budget and cash flow.

- The municipality is facing a huge financial crisis. If drastic measures are not taken immediately because the cash flow is on the verge of collapsing.

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

15. Annexure A: C-schedules

FS201 Moqhaka - Table C1 Monthly Budget Statement Summary - M03 September

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	88 207	90 509	90 509	7 773	23 299	22 627	672	3%	90 509
Service charges	680 651	867 189	867 189	62 971	155 225	216 797	(61 572)	-28%	867 189
Investment revenue	34	30	30	25	25	8	18	237%	30
Transfers and subsidies - Operational	314 054	311 514	311 514	–	124 403	77 878	46 525	0	311 514
Other own revenue	131 648	76 386	76 386	7 084	23 894	19 097	4 797	25%	–
Total Revenue (excluding capital transfers and contributions)	**1 214 593**	**1 345 628**	**1 345 628**	**77 853**	**326 846**	**336 407**	**(9 561)**	**-3%**	**1 345 628**
Employee costs	404 323	451 339	451 339	37 883	106 407	112 836	(6 429)	-6%	451 339
Remuneration of Councillors	22 251	29 578	29 578	1 733	5 217	7 394	(2 178)	-29%	29 578
Depreciation and amortisation	121 050	9 870	9 870	–	–	2 468	(2 468)	-100%	9 870
Interest	6 029	8 698	8 698	550	1 650	2 175	(525)	-24%	8 698
Inventory consumed and bulk purchases	433 439	448 663	448 663	4 015	9 002	112 166	(103 164)	-92%	448 663
Transfers and subsidies	84	1 049	1 049	–	–	262	(262)	-100%	1 049
Other expenditure	445 128	361 269	361 269	21 741	49 821	90 318	(40 497)	-45%	361 269
Total Expenditure	**1 432 305**	**1 310 466**	**1 310 466**	**65 922**	**172 097**	**327 618**	**(155 522)**	**-47%**	**1 310 466**
Surplus/(Deficit)	**(217 711)**	**35 162**	**35 162**	**11 931**	**154 749**	**8 788**	**145 961**	**1661%**	**35 162**
Transfers and subsidies - capital (monetary allocations)	51 220	64 627	64 627	7 043	7 043	16 157	(9 114)	-56%	64 627
Transfers and subsidies - capital (in-kind)	7	1 237	1 237	–	–	309	(309)	-100%	1 237
Surplus/(Deficit) after capital transfers & contributions	**(166 484)**	**101 026**	**101 026**	**18 974**	**161 792**	**25 254**	**136 538**	**541%**	**101 026**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(166 484)**	**101 026**	**101 026**	**18 974**	**161 792**	**25 254**	**136 538**	**541%**	**101 026**
Capital expenditure & funds sources									
Capital expenditure	**5 630**	**98 591**	**98 591**	**6 157**	**15 708**	**24 648**	**(8 940)**	**-36%**	**98 591**
Capital transfers recognised	26	64 627	64 627	3 710	12 324	16 157	(3 832)	-24%	64 627
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**5 604**	**33 964**	**33 964**	**2 447**	**3 383**	**8 491**	**(5 108)**	**-60%**	**33 964**
Total sources of capital funds	**5 630**	**98 591**	**98 591**	**6 157**	**15 708**	**24 648**	**(8 940)**	**-36%**	**98 591**
Financial position									
Total current assets	1 222 359	448 185	448 185		805 699				448 185
Total non current assets	2 000 694	2 983 725	2 983 725		2 016 401				2 983 725
Total current liabilities	1 499 719	516 230	516 230		1 471 393				516 230
Total non current liabilities	147 268	70 369	70 369		147 268				70 369
Community wealth/Equity	**1 716 181**	**2 849 645**	**2 849 645**		**1 204 021**				**2 849 645**
Cash flows									
Net cash from (used) operating	(9 267)	(674 222)	(674 222)	(8 883)	(6 553)	(168 556)	(162 002)	96%	(674 222)
Net cash from (used) investing	19 972	(98 868)	(98 868)	(6 157)	(16 098)	(24 717)	(8 619)	35%	(98 868)
Net cash from (used) financing	(137)	(348 363)	(348 363)	(248)	(803)	(87 091)	(86 288)	99%	(348 363)
Cash/cash equivalents at the month/year end	**(10 797)**	**(1 145 173)**	**(1 145 173)**	**(32 968)**	**(33 358)**	**(304 083)**	**(270 725)**	**89%**	**(1 131 358)**

FS201 Moqhaka - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**421 969**	**307 563**	**307 563**	**8 122**	**151 018**	**76 891**	74 128	96%	**307 563**
Executive and council		307 242	204 456	204 456	63	124 707	51 114	73 594	144%	204 456
Finance and administration		114 726	103 108	103 108	8 059	26 311	25 777	534	2%	103 108
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**13 971**	**26 947**	**26 947**	**535**	**2 811**	**6 737**	(3 926)	-58%	**26 947**
Community and social services		1 850	3 573	3 573	139	393	893	(500)	-56%	3 573
Sport and recreation		2 893	5 232	5 232	120	218	1 308	(1 090)	-83%	5 232
Public safety		2 849	4 905	4 905	48	147	1 226	(1 080)	-88%	4 905
Housing		6 379	13 237	13 237	228	2 054	3 309	(1 256)	-38%	13 237
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**48 147**	**48 603**	**48 603**	**7 201**	**7 604**	**12 151**	(4 547)	-37%	**48 603**
Planning and development		2 269	1 729	1 729	158	452	432	20	5%	1 729
Road transport		45 878	46 763	46 763	7 043	7 151	11 691	(4 540)	-39%	46 763
Environmental protection		–	110	110	–	–	28	(28)	-100%	110
Trading services		**781 733**	**1 028 379**	**1 028 379**	**69 038**	**172 455**	**257 095**	**(84 639)**	-33%	**1 028 379**
Energy sources		404 111	584 727	584 727	40 361	81 794	146 182	(64 388)	-44%	584 727
Water management		212 197	265 446	265 446	16 157	53 173	66 361	(13 188)	-20%	265 446
Waste water management		108 812	103 334	103 334	7 328	21 956	25 833	(3 878)	-15%	103 334
Waste management		56 613	74 873	74 873	5 193	15 532	18 718	(3 186)	-17%	74 873
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Total Revenue - Functional	2	**1 265 820**	**1 411 492**	**1 411 492**	**84 896**	**333 889**	**352 873**	**(18 984)**	**-5%**	**1 411 492**
Expenditure - Functional										
Governance and administration		**360 274**	**327 192**	**327 192**	**24 742**	**70 952**	**81 799**	(10 847)	-13%	**327 192**
Executive and council		125 323	107 648	107 648	6 606	23 157	26 912	(3 755)	-14%	107 648
Finance and administration		231 006	214 976	214 976	17 799	46 846	53 744	(6 899)	-13%	214 976
Internal audit		3 945	4 568	4 568	337	949	1 142	(193)	-17%	4 568
Community and public safety		**103 864**	**125 520**	**125 520**	**9 047**	**25 426**	**31 380**	(5 954)	-19%	**125 520**
Community and social services		16 137	18 759	18 759	806	2 574	4 690	(2 116)	-45%	18 759
Sport and recreation		40 542	48 127	48 127	4 072	11 134	12 032	(898)	-7%	48 127
Public safety		39 276	49 422	49 422	3 415	9 521	12 356	(2 835)	-23%	49 422
Housing		7 910	9 212	9 212	754	2 198	2 303	(105)	-5%	9 212
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**87 217**	**72 713**	**72 713**	**6 685**	**15 134**	**18 178**	(3 045)	-17%	**72 713**
Planning and development		8 862	13 818	13 818	812	2 130	3 455	(1 324)	-38%	13 818
Road transport		75 133	54 826	54 826	5 650	12 260	13 706	(1 447)	-11%	54 826
Environmental protection		3 222	4 069	4 069	223	744	1 017	(273)	-27%	4 069
Trading services		**879 852**	**781 911**	**781 911**	**25 333**	**60 230**	**195 478**	**(135 248)**	-69%	**781 911**
Energy sources		539 525	517 289	517 289	4 221	10 409	129 322	(118 913)	-92%	517 289
Water management		171 920	116 593	116 593	7 557	18 648	29 148	(10 500)	-36%	116 593
Waste water management		100 230	73 954	73 954	7 768	17 837	18 489	(652)	-4%	73 954
Waste management		68 176	74 075	74 075	5 786	13 336	18 519	(5 183)	-28%	74 075
Other		**1 098**	**3 130**	**3 130**	**116**	**354**	**783**	**(428)**	**-55%**	**3 130**
Total Expenditure - Functional	3	**1 432 305**	**1 310 466**	**1 310 466**	**65 922**	**172 097**	**327 619**	**(155 522)**	**-47%**	**1 310 466**
Surplus/ (Deficit) for the year		**(166 484)**	**101 026**	**101 026**	**18 974**	**161 792**	**25 254**	**136 538**	**5.4065161**	**101 026**

FS201 Moqhaka - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Executive & Council		307 242	204 456	204 456	63	124 707	51 114	73 594	144.0%	204 456
Vote 02 - Municipal Manager		2 840	–	–	–	–	–	–		–
Vote 03 - Corporate Services		196	2 301	2 301	(386)	(559)	575	(1 134)	-197.1%	2 301
Vote 04 - Finance		111 091	100 441	100 441	8 384	26 763	25 110	1 653	6.6%	100 441
Vote 05 - Technical Services		770 998	1 000 269	1 000 269	70 889	164 074	250 067	(85 993)	-34.4%	1 000 269
Vote 06 - Community Services		61 430	83 843	83 843	5 387	16 099	20 961	(4 862)	-23.2%	83 843
Vote 07 - Local Economic Development		12 023	20 183	20 183	559	2 803	5 046	(2 242)	-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**	**84 896**	**333 889**	**352 873**	**(18 984)**	**-5.4%**	**1 411 492**
Expenditure by Vote	1									
Vote 01 - Executive & Council		102 817	99 504	99 504	6 097	21 783	24 876	(3 093)	-12.4%	99 504
Vote 02 - Municipal Manager		22 600	28 093	28 093	2 167	5 737	7 023	(1 287)	-18.3%	28 093
Vote 03 - Corporate Services		61 986	60 329	60 329	3 562	10 802	15 083	(4 280)	-28.4%	60 329
Vote 04 - Finance		72 264	69 950	69 950	5 318	15 661	17 488	(1 827)	-10.4%	69 950
Vote 05 - Technical Services		902 783	773 445	773 445	26 909	63 476	193 362	(129 885)	-67.2%	773 445
Vote 06 - Community Services		237 990	233 399	233 399	18 739	46 209	58 350	(12 141)	-20.8%	233 399
Vote 07 - Local Economic Development		31 864	45 745	45 745	3 130	8 427	11 436	(3 009)	-26.3%	45 745
Vote 08 - .		–	–	–	–	–	–	–		–
Vote 09 - .		–	–	–	–	–	–	–		–
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**1 432 305**	**1 310 466**	**1 310 466**	**65 922**	**172 097**	**327 618**	**(155 522)**	**-47.5%**	**1 310 466**
Surplus/ (Deficit) for the year	2	**(166 484)**	**101 026**	**101 026**	**18 974**	**161 792**	**25 254**	**136 538**	**540.6%**	**101 026**

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		394 583	553 019	553 019	39 737	80 730	138 255	(57 524)	-42%	553 019
Service charges - Water		173 153	195 587	195 587	12 925	43 538	48 897	(5 359)	-11%	195 587
Service charges - Waste Water Management		65 954	70 019	70 019	6 039	18 146	17 505	642	4%	70 019
Service charges - Waste management		46 961	48 564	48 564	4 270	12 810	12 141	669	6%	48 564
Sale of Goods and Rendering of Services		6 220	10 265	10 265	382	1 305	2 566	(1 261)	-49%	10 265
Agency services								–		
Interest								–		
Interest earned from Receivables		69 946	34 557	34 557	5 782	17 644	8 639	9 005	104%	34 557
Interest from Current and Non Current Assets		34	30	30	25	25	8	18	237%	30
Dividends		3 637	1 736	1 736	21	228	434	(206)	-47%	1 736
Rent on Land								–		
Rental from Fixed Assets		6 593	8 535	8 535	343	879	2 134	(1 255)	-59%	8 535
Licence and permits		–	–	–	–	–	–	–		–
Operational Revenue		4 027	12 324	12 324	(284)	1 296	3 081	(1 785)	-58%	12 324
Non-Exchange Revenue								–		
Property rates		88 207	90 509	90 509	7 773	23 299	22 627	672	3%	90 509
Surcharges and Taxes								–		
Fines, penalties and forfeits		6 569	5 309	5 309	(6)	33	1 327	(1 294)	-98%	5 309
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		314 054	311 514	311 514	–	124 403	77 878	46 525	60%	311 514
Interest		7 761	2 982	2 982	773	2 287	746	1 541	207%	2 982
Fuel Levy								–		
Operational Revenue		839	678	678	74	222	170	53	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**	**77 853**	**326 846**	**336 407**	**(9 561)**	**-3%**	**1 345 628**
Expenditure By Type										
Employee related costs		404 323	451 339	451 339	37 883	106 407	112 836	(6 429)	-6%	451 339
Remuneration of councillors		22 251	29 578	29 578	1 733	5 217	7 394	(2 178)	-29%	29 578
Bulk purchases - electricity		418 560	427 440	427 440	1 218	2 529	106 860	(104 331)	-98%	427 440
Inventory consumed		14 879	21 223	21 223	2 797	6 473	5 306	1 167	22%	21 223
Debt impairment		–	58 783	58 783	–	–	14 696	(14 696)	-100%	58 783
Depreciation and amortisation		121 050	9 870	9 870	–	–	2 468	(2 468)	-100%	9 870
Interest		6 029	8 698	8 698	550	1 650	2 175	(525)	-24%	8 698
Contracted services		135 341	158 841	158 851	11 592	26 580	39 720	(13 140)	-33%	158 851
Transfers and subsidies		84	1 049	1 049	–	–	262	(262)	-100%	1 049
Irrecoverable debts written off		176 661	1 486	1 486	81	772	371	400	108%	1 486
Operational costs		117 817	142 099	142 089	10 068	22 470	35 516	(13 046)	-37%	142 089
Losses on Disposal of Assets		15 203	60	60	–	–	15	(15)	-100%	60
Other Losses		106	–	–	–	–	–	–		–
Total Expenditure		**1 432 305**	**1 310 466**	**1 310 466**	**65 922**	**172 097**	**327 618**	**(155 522)**	**-47%**	**1 310 466**
Surplus/(Deficit)		**(217 711)**	**35 162**	**35 162**	**11 931**	**154 749**	**8 788**	**145 961**	**0**	**35 162**
Transfers and subsidies - capital (monetary allocations)		51 220	64 627	64 627	7 043	7 043	16 157	(9 114)	**(0)**	64 627
Transfers and subsidies - capital (in-kind)		7	1 237	1 237	–	–	309	(309)	**(0)**	1 237
Surplus/(Deficit) after capital transfers & contributions		**(166 484)**	**101 026**	**101 026**	**18 974**	**161 792**	**25 254**	**136 538**	**0**	**101 026**
Income Tax								–		
Surplus/(Deficit) after income tax		**(166 484)**	**101 026**	**101 026**	**18 974**	**161 792**	**25 254**	**136 538**	**0**	**101 026**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**(166 484)**	**101 026**	**101 026**	**18 974**	**161 792**	**25 254**	136 538	0	**101 026**
Share of Surplus/Deficit attributable to Associate								–		
Intercompany/Parent subsidiary transactions								–		
Surplus/ (Deficit) for the year		**(166 484)**	**101 026**	**101 026**	**18 974**	**161 792**	**25 254**	**136 538**	**0**	**101 026**

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

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	–	15	#DIV/0!	–
Vote 02 - Municipal Manager		61	400	400	–	–	100	(100)	-100%	400
Vote 03 - Corporate Services		727	2 500	2 500	38	608	625	(17)	-3%	2 500
Vote 04 - Finance		804	2 077	1 827	–	134	474	(340)	-72%	1 827
Vote 05 - Technical Services		668	78 142	78 142	3 967	12 740	19 535	(6 796)	-35%	78 142
Vote 06 - Community Services		3 023	14 600	14 600	1 951	1 951	3 650	(1 699)	-47%	14 600
Vote 07 - Local Economic Development		241	872	1 122	186	261	263	(3)	-1%	1 122
Vote 08 - .		–	–	–	–	–	–	–		–
Vote 09 - .		–	–	–	–	–	–	–		–
Vote 10 - .		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	5 630	98 591	98 591	6 157	15 708	24 648	**(8 940)**	**-36%**	98 591
Total Capital Expenditure		**5 630**	**98 591**	**98 591**	**6 157**	**15 708**	**24 648**	**(8 940)**	**-36%**	**98 591**
Capital Expenditure - Functional Classification										
Governance and administration		**1 833**	**5 750**	**5 500**	**53**	**756**	**1 392**	(636)	-46%	**5 500**
Executive and council		147	–	–	15	15	–	15	#DIV/0!	–
Finance and administration		1 686	5 750	5 500	38	742	1 392	(650)	-47%	5 500
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**2 483**	**13 122**	**13 372**	**146**	**236**	**3 326**	(3 090)	-93%	**13 372**
Community and social services		955	5 197	5 197	–	–	1 299	(1 299)	-100%	5 197
Sport and recreation		233	4 081	4 331	117	191	1 066	(874)	-82%	4 331
Public safety		1 237	3 843	3 843	29	45	961	(916)	-95%	3 843
Housing		58	–	–	–	–	–	–		–
Health								–		
Economic and environmental services		**55**	**31 596**	**31 596**	**3 026**	**9 834**	**7 899**	1 935	24%	**31 596**
Planning and development		–	205	205	69	69	51	18	35%	205
Road transport		55	31 234	31 234	2 957	9 765	7 809	1 956	25%	31 234
Environmental protection		–	157	157	–	–	39	(39)	-100%	157
Trading services		**1 259**	**48 071**	**48 071**	**2 932**	**4 882**	**12 018**	(7 136)	-59%	**48 071**
Energy sources		20	3 348	3 348	–	149	837	(688)	-82%	3 348
Water management		354	25 011	25 011	981	2 781	6 253	(3 472)	-56%	25 011
Waste water management		208	15 890	15 890	–	–	3 973	(3 973)	-100%	15 890
Waste management		677	3 822	3 822	1 951	1 951	955	996	104%	3 822
Other		–	52	52	–	–	13	(13)	-100%	52
Total Capital Expenditure - Functional Classification	3	**5 630**	**98 591**	**98 591**	**6 157**	**15 708**	**24 648**	**(8 940)**	**-36%**	**98 591**
Funded by:										
National Government		26	64 627	64 627	3 710	12 324	16 157	(3 832)	-24%	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**	**3 710**	**12 324**	**16 157**	**(3 832)**	**-24%**	**64 627**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		5 604	33 964	33 964	2 447	3 383	8 491	(5 108)	-60%	33 964
Total Capital Funding		**5 630**	**98 591**	**98 591**	**6 157**	**15 708**	**24 648**	**(8 940)**	**-36%**	**98 591**

FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2023/24	Budget Year 2024/25			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		524 513	2 783	2 783	4 305	2 783
Trade and other receivables from exchange transactions		525 811	236 799	236 799	584 824	236 799
Receivables from non-exchange transactions		53 531	41 960	41 960	62 412	41 960
Current portion of non-current receivables						
Inventory		87 485	100 984	100 984	87 446	100 984
VAT		904	34 445	34 445	10 994	34 445
Other current assets		30 115	31 215	31 215	55 719	31 215
Total current assets		**1 222 359**	**448 185**	**448 185**	**805 699**	**448 185**
Non current assets						
Investments		390	277	277	390	277
Investment property		122 442	195 597	195 597	122 442	195 597
Property, plant and equipment		1 867 742	2 780 550	2 780 550	1 883 450	2 780 550
Biological assets						
Living and non-living resources						
Heritage assets		7 754	2 627	2 627	7 754	2 627
Intangible assets		2 365	4 674	4 674	2 365	4 674
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		**2 000 694**	**2 983 725**	**2 983 725**	**2 016 401**	**2 983 725**
TOTAL ASSETS		**3 223 053**	**3 431 910**	**3 431 910**	**2 822 100**	**3 431 910**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(2 032)	(2 032)	(803)	(2 032)
Consumer deposits		13 550	13 734	13 734	13 600	13 734
Trade and other payables from exchange transactions		1 304 802	485 809	485 809	1 219 460	485 809
Trade and other payables from non-exchange transactions		27 032	–	–	60 254	–
Provision		156 780	68 424	68 424	156 780	68 424
VAT		(2 444)	(49 705)	(49 705)	22 103	(49 705)
Other current liabilities		–	–	–	–	–
Total current liabilities		**1 499 719**	**516 230**	**516 230**	**1 471 393**	**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**	**1 618 661**	**586 599**
NET ASSETS	2	**1 576 065**	**2 845 311**	**2 845 311**	**1 203 439**	**2 845 311**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 716 181	2 848 351	2 848 351	1 204 021	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**	**1 204 021**	**2 849 645**

FS201 Moqhaka - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		59 293	115 114	115 114	7 133	14 901	28 779	(13 877)	-48%	115 114
Service charges		430 886	881 165	881 165	37 293	123 383	220 291	(96 908)	-44%	881 165
Other revenue		116 019	(487 853)	(487 853)	1 258	66 793	(121 963)	188 756	-155%	(487 853)
Transfers and Subsidies - Operational		281 769	311 029	311 029	–	127 028	77 757	49 271	63%	311 029
Transfers and Subsidies - Capital		108 185	65 353	65 353	19 637	37 641	16 338	21 302	130%	65 353
Interest		3 293	–	–	284	1 111	–	1 111	#DIV/0!	–
Dividends		3 637	1 736	1 736	21	228	434	(206)	-47%	1 736
Payments										
Suppliers and employees		(1 012 349)	(1 560 767)	(1 560 767)	(74 509)	(377 638)	(390 192)	(12 553)	3%	(1 560 767)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(9 267)**	**(674 222)**	**(674 222)**	**(8 883)**	**(6 553)**	**(168 556)**	**(162 002)**	**96%**	**(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)	(69)	(321)	463%	(277)
Payments										
Capital assets		(5 630)	(98 591)	(98 591)	(6 157)	(15 708)	(24 648)	(8 940)	36%	(98 591)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**19 972**	**(98 868)**	**(98 868)**	**(6 157)**	**(16 098)**	**(24 717)**	**(8 619)**	**35%**	**(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)	–	–	(86 583)	86 583	-100%	(346 331)
Payments										
Repayment of borrowing		–	(2 032)	(2 032)	(248)	(803)	(508)	295	-58%	(2 032)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(137)**	**(348 363)**	**(348 363)**	**(248)**	**(803)**	**(87 091)**	**(86 288)**	**99%**	**(348 363)**
NET INCREASE/ (DECREASE) IN CASH HELD		**10 567**	**(1 121 453)**	**(1 121 453)**	**(15 288)**	**(23 454)**	**(280 363)**			**(1 121 453)**
Cash/cash equivalents at beginning:		(21 364)	(23 720)	(23 720)	(17 680)	(9 905)	(23 720)			(9 905)
Cash/cash equivalents at month/year end:		(10 797)	(1 145 173)	(1 145 173)	(32 968)	(33 358)	(304 083)			(1 131 358)

16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure A2 - Monthly

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Municipality Self-Assessment

Certificate of Compliance: Municipal Debt Relief Conditions for Application Sept'24

Period 2024/25

National Financial Year FS201

Demarcation Code of Municipality being assessed

District	**Fezile Dabi**
Demarcation Description	**Moqhaka**

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

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

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

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

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

	6.6	**Electricity and water as collection tools –** has the municipality, with effect from the tabling of the 2023/24 MTREF, ***demonstrated, through its by-laws and budget related policies*** that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	No
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? 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.	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? ***Note –*** *the municipality's monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.*	No
	6.6	***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.*	
	6.7	**Maintain a minimum average quarterly collection of property rates and services charges –**	
19	6.7.1	- Has the municipality achieved a minimum of *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?	Not yet end of quarter

		***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.*	
	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 and 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;	not yet the end of a quarter
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)?	not yet the end of a quarter
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 and the reason(s) for the failure?	not yet the end of a quarter
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and 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?	No
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?	No
	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 identified? ***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*	N/a
28	6.8.2	- **For the latest ending Quarte**r -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?	N/a
	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? ***Note -*** *condition 6.9.2 has a typing error and must refer to 6.9.1.*	6.9.1 = 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?	No FRP
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?	No FRP
		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.	
	6.10	*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:*	
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? ***Note -*** *in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.*	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?	No
		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.*	
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
		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.*	
	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
		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).*	

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	**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? ***Note -*** *to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.*	No
41	6.14	'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?	Yes
		Note: *By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.*	

PT: HOD/ NT / MM Name:	**IS MOKGATLE**
Signature of HOD/ NT/ MM:	IS Mokgatle
Date:	**14 October 2024**

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

The municipality is reporting using the new section 71 template for the first in July 2024. There are therefore no comments nor tables pr 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 July 2024 is attached to this S71 report.

Here are the specific conditions that were not fully met in July 2024 according to the monitoring tool:
Condition 17: Restricting the water supply.
Condition 18: Restricting indigent for water and electricity.
Condition 23: No installation of smart prepaid meters.
Condition 24: Smart Meter Policy not yet adopted; and
Condition 26: National Treasury's rates reconciliation

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

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

16.4.1 Monthly / Quarterly collection per ward

Collection Rate Assessment

Total Aggregate Collection	Summary - Quarter 1				Q1
	Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	155 867 651	106 295 218	49 572 433	68%	68%
2.Collection excl Eskom supplied areas	97 761 174	81 508 449	16 252 725	83%	83%
3.Collection: **Property Rates**	22 645 506	14 702 889	7 942 616	65%	65%
4.Total average collection: **Electricity** (Municipal supplied areas)	31 391 686	66 298 816	(34 907 130)	211%	211%
5.Total average collection: **Water**	48 841 936	11 796 765	37 045 171	24%	24%
6.Total average collection: **Wastewater**	20 326 410	7 309 020	13 017 390	36%	36%
7.Total average collection: **Refuse**	14 421 011	5 072 006	9 349 005	35%	35%
8. 7.Total average collection: **Interest**	18 241 102	1 115 722	17 125 381	6%	

Complete This Section

Quarter 1 Performance Per Ward

Services	Electricity Supplier	Ward Name & Number	3.September								Q1
			Collection for August in September	Rand Value of Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection		
Property Rates Tax	Eskom supplied	1	69 991	0	142%	148 457	90 646	57 810	61%		61%
Electricity			40 006	607 017	6%	744 911	146 491	598 421	20%		20%
Water			17 913	280 573	6%	904 538	67 450	837 088	7%		7%
Refuse			4 045	169 888	2%	511 965	11 533	500 433	2%		2%
Waste Water			5 378	222 653	2%	523 657	12 554	511 103	2%		2%
Interest			942	270 742	0%	799 912	38 512	761 401	5%		5%
Property Rates Tax	Partial Eskom & Mun Supplied	2	269 517	125 438	68%	1 191 122	508 294	682 828	43%		43%
Electricity			995 808	0	-399%	1 331 740	1 976 580	(644 839)	148%		148%
Water			46 046	270 136	15%	908 292	139 939	768 354	15%		15%
Refuse			32 830	116 961	22%	435 441	100 706	334 735	23%		23%
Waste Water			40 232	161 671	20%	604 203	121 982	482 221	20%		20%
Interest			43 636	245 320	15%	840 004	59 357	780 648	7%		7%
Property Rates Tax	Mun Supplied	3	894 579	231 910	79%	3 283 202	1 373 235	1 909 967	42%		42%
Electricity			608 771	668 221	48%	2 459 666	1 575 606	884 060	64%		64%
Water			663 475	1 032 108	39%	5 232 540	1 344 998	3 887 543	26%		26%
Refuse			208 436	194 804	52%	1 166 685	603 034	563 651	52%		52%
Waste Water			262 613	287 614	48%	1 595 078	722 739	872 339	45%		45%
Interest			14 036	118 355	11%	380 465	44 168	336 297	12%		12%

Property Rates Tax	Mun Supplied	4	587	3 276	15%
Electricity			25 786	67 663	28%
Water			20 706	484 598	4%
Refuse			6 879	63 767	10%
Waste Water			9 082	77 800	10%
Interest			1 209	129 059	1%
Property Rates Tax	Mun Supplied	5	81	3 459	2%
Electricity			1 949	41 325	5%
Water			10 742	423 124	2%
Refuse			4 254	60 428	7%
Waste Water			5 099	77 694	6%
Interest			290	92 454	0%
Property Rates Tax	Mun Supplied	6	104 020	0	180%
Electricity			22 058	71 543	24%
Water			22 165	457 086	5%
Refuse			11 433	101 556	10%
Waste Water			14 057	137 884	9%
Interest			2 725	96 087	3%
Property Rates Tax	Mun Supplied	7	176 327	46 725	79%
Electricity			385 593	11 218	97%
Water			33 736	403 282	8%
Refuse			14 406	101 709	12%
Waste Water			16 368	135 741	11%
Interest			14 234	175 530	8%

Property Rates Tax	Mun Supplied	8	24 462	6 319	79%
Electricity			24 591	61 891	28%
Water			30 445	361 005	8%
Refuse			12 867	80 238	14%
Waste Water			15 341	103 424	13%
Interest			1 785	113 108	2%
Property Rates Tax	Mun Supplied	9	183 348	0	113%
Electricity			115 809	74 083	61%
Water			49 866	453 401	10%
Refuse			22 405	155 467	13%
Waste Water			26 244	232 225	10%
Interest			4 795	253 354	2%
Property Rates Tax	Mun Supplied	10	30 277	5 054	86%
Electricity			14 482	97 225	13%
Water			61 956	462 184	12%
Refuse			22 250	94 322	19%
Waste Water			27 884	124 727	18%
Interest			3 092	147 379	2%
Property Rates Tax	Mun Supplied	11	671 823	0	191%
Electricity			141 796	922 707	13%
Water			29 145	1 240 940	2%
Refuse			10 898	270 793	4%
Waste Water			15 153	466 882	3%
Interest			4 884	233 888	2%

Property Rates Tax	Mun Supplied	12	156 344	0	172%
Electricity			47 518	113 477	30%
Water			31 761	471 461	6%
Refuse			15 588	124 369	11%
Waste Water			19 600	173 901	10%
Interest			3 320	144 300	2%
Property Rates Tax	Mun Supplied	13	375 161	60 958	86%
Electricity			4 870 121	2 410 928	67%
Water			347 316	932 930	27%
Refuse			116 226	251 774	32%
Waste Water			203 093	360 177	36%
Interest			32 526	0	-7%
Property Rates Tax	Mun Supplied	14	103 292	0	173%
Electricity			13 481	90 006	13%
Water			39 871	378 246	10%
Refuse			17 330	105 869	14%
Waste Water			21 283	145 834	13%
Interest			1 574	184 985	1%
Property Rates Tax	Mun Supplied	15	100 792	0	154%
Electricity			55 409	187 831	23%
Water			64 540	432 685	13%
Refuse			19 869	124 591	14%
Waste Water			24 543	166 159	13%
Interest			2 486	129 165	2%

Property Rates Tax	Mun Supplied	16	1 519 030	65 257	96%
Electricity			3 356 400	3 360 315	50%
Water			1 142 441	297 885	79%
Refuse			523 441	228 237	70%
Waste Water			830 701	357 713	70%
Interest			62 626	365 493	15%
Property Rates Tax	Mun Supplied	17	1 163 835	324 122	78%
Electricity			1 846 037	1 246 293	60%
Water			791 981	422 289	65%
Refuse			462 360	199 267	70%
Waste Water			629 470	306 518	67%
Interest			46 315	185 171	20%
Property Rates Tax	Partial Eskom & Mun Supplied	18	629 554	0	109%
Electricity			5 147 775	201 445	96%
Water			624 776	590 142	51%
Refuse			190 866	200 627	49%
Waste Water			245 928	285 979	46%
Interest			23 783	657 958	3%
Property Rates Tax	Eskom supplied	19	26 744	-	100%
Electricity			-	88	0%
Water			3 374	591 933	1%
Refuse			1 726	124 062	1%
Waste Water			2 222	171 050	1%
Interest			27 046	670 683	4%

Property Rates Tax	Partial Eskom & Mun Supplied	20	86 156	0	168%
Electricity			609	13 809	4%
Water			9 453	373 042	2%
Refuse			7 134	151 426	4%
Waste Water			8 016	190 360	4%
Interest			2 072	282 345	1%
Property Rates Tax	Eskom supplied	21	176 864	62 154	74%
Electricity			-	1 159	0%
Water			4 995	5 954 940	0%
Refuse			4 048	316 261	1%
Waste Water			4 052	415 103	1%
Interest			2 673	1 030 653	0%
Property Rates Tax	Eskom supplied	22	365 224	193 415	65%
Electricity			80 019	25 537	76%
Water			26 253	12 014	69%
Refuse			5 563	2 436	70%
Waste Water			8 486	4 507	65%
Interest			19 301	104 617	16%

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Households

National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

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

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

Description	Ref	As Per Debt Relief Application	Select Current Financial Year			Select Year Monitored		
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03
Indigent Household service targets	1							
Water : *(Include All Indigent households also in Eskom supplied areas)*								
Indigent HH's with piped water inside dwelling		12 711	12 711	–	12 711	12 757	12 670	12 696
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**
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**
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
Number of Indigent HH's NOT metered currently - Water		1 538	1 538	–	1 538	1 607	1 606	1 633
Number of Indigent HH's with NO Water supply - No metering								

Number of Indigent HH's with NO Water supply - No metering		–	–	–	–	–	–	–
Total number of registered indigent households	10	**11 742**	**11 742**	–	**11 742**	**11 838**	**11 865**	**11 827**
Status of unlimited supply of Water :								
Number of Indigent HH's with conventional metered Water - where the municipality is *NOT physcally 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
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water		1 538	1 538	–	1 538	1 607	1 606	1 633
Total number of registered indigent households receiving unlimited supply - Water		**14 249**	**14 249**	–	**14 249**	**14 364**	**14 276**	**14 329**
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's **billed for consumption above the 6 kilolitres**	11	12 711	12 711	–	13 000	12 757	12 670	12 696
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
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		**12 711**	**12 711**	–	**13 000**	**12 757**	**12 670**	**12 696**
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	5	**12 711**	**12 711**	–	**13 000**	**12 757**	**12 670**	**12 696**
Status of Electricity meters :								
Number of Indigent HH's with prepaid Electricity		12 711	12 711	–	13 000	12 757	12 670	12 696
Number of Indigent HH's with conventional metered Electricity		–	–	–	–	–	–	–
Number of Indigent HH's NOT metered currently - Electricity		–	–	–	–	–	–	–
Number of indigent HH's with other energy sources - No metering		–	–	–	–	–	–	–
Total number of registered indigent households	12	**12 711**	**12 711**	–	**13 000**	**12 757**	**12 670**	**12 696**
Status of unlimited supply of Electricity :								
Number of Indigent HH's with conventional metered Electricity - where the municipality is *NOT physcally 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)*	7							
Water (6 kilolitres per household per month)		12 711	12 711	–	13 000	12 757	12 670	12 696
Electricity/other energy (50kwh per household per month)		12 711	12 711	–	13 000	12 757	12 670	12 696
Cost of Free Basic Services provided to ALL Househols in - Formal Settlements (R'000)								
Water (6 kilolitres per household per month)		182	200	–	200	196	185	225
Electricity/other energy (50kwh per household per month)		114	124	–	124	136	135	135
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)								
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–
Total cost of FBS Water and Electricity provided to ALL Households	8	**296**	**324**	**–**	**324**	**332**	**320**	**360**
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
Sanitation (kilolitres per household per month)		10	10	–	10	10	10	10
Sanitation (Rand per household per month)		145	170	–	170	153	154	154
Electricity (kwh per household per month)		50	50	–	50	50	50	50
Refuse (average litres per week)		5	5	–	5	5	5	5

Revenue cost of subsidised services provided for ALL Households (R'000)	9									
Residential Category : Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	14(a)	–	–	–	–	–	–	–		
PSI Category : Property rates **(tariff adjustment)** (**impermissable 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		
Sanitation **(in excess of free sanitation service to indigent households)**	16	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**	–	–

References

1. Include services provided by another entity; e.g. Eskom

2. Stand distance <= 200m from dwelling

3. Stand distance > 200m from dwelling

4. Borehole, spring, rain-water tank etc.

*5. Must agree to total number of **registered indigent households** in municipal area (formal and informal settlements receiving services must be included)*

6. Include value of subsidy provided by municipality above provincial subsidy level

7. Show number of households receiving at least these levels of services completely free (formal and informal settlements must be included)

*8. Must reflect the cost to the municipality of providing the Free Basic Service (Water and Electricity) to **ALL Households***

9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share

10. The total number of registered HH's reported on rows 19 & 24 must be the same

11. Of the Total number of registered indigents HH's receiving unlimited supply of Water reported on row 27, provide number of these Indigent HH's that are issued with a monthly bill for the consumption above the 6 kilolitres FBS water

12. The total number of registered HH's reported on rows 39 & 44 must be the same

13. Of the Total number of registered indigents HH's receiving unlimited supply of Electricity reported on row 51, provide number of these Indigent HH's that are issued with a monthly bill for consumption above 50 kwh FBS electricity

*14.(a) Impermissibles on Residential Properties - (15000 * Number of Residential properties) - Provide the actual rand value not to be billed*

*14.(b) Impermissibles on Public Service Infrastructure (PSI) - (30% * Property Market Value * Number of PSI Properties) - Provide the actual rand value not to be billed*

15.(a) Free Water to Indigent HH's exceeding the 6 killolitres FBS water

15.(b) Free Water to any HH's that is not Indigent

16. If the Municipality provides unlimited free basic water to any indigent and / or any other household , it must also account for the related unlimited sanitation

Votenumber	Description	Curr Mth Exp	Curr Mth Exp	Curr Mth Exp
		Jul	Aug	Sep
31251178950FBZZZZZHO	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	-	-
		7.14%	0.00%	0.00%

BUDGET 2023-2024 FBS BUDGET	DESCRIPTION	BUDGET	YTD	% USED
31251178950FBZZZZZHO	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	-R2 300 000.00	-	0.00%
31252260380FBP83ZZHO	OS: B&A PROJECT MANAGEMENT	R1 400 000.00	-	0.00%
31252260600FBP83ZZHO	OS: CATERING SERVICES	R0.00	-	-
31252270370FBP83ZZHO	C&PS: B&A HUMAN RESOURCES	R400 000.00	21 454.68	-
31252303300FBP83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	R0.00	-	-
34052110010FBP83ZZHO	MS: SAL & ALL: BASIC SALARY & WAGES	R500 000.00	-	0.00%
34052303300FBQ83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	R0.00	-	-
34056470020FBD70ZZHO	COMPUTERS	R0.00	-	-

34056470020FBD70ZZWM	COMPUTERS	R0.00	-	-
34301025100F6FB5ZZHO	RESIDENTIAL PROPERTIES: DEVELOPED	R0.00	-	-
34301321170F6FB1ZZHO	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	R0.00	-	-
35321321170F1FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-R359 928.00	-	-
35321321170F2FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	R0.00	-	
35321321190F1FB1ZZWM	ELEC SALES: DOMESTIC LOW: PREPAID	R9 931 769.00	-	-
35321321200F1FB1ZZWM	ELEC SALES: DOMESTIC HIGH HOME POWER 1	R43 295.00	1 095.93	2.53%
35321321380F1FB1ZZWM	ELEC: AVAILABILITY CHARGES	R9 299 258.00	754 018.97	8.11%
35411324020F1FB4ZZWM	WATER: SALE - CONVENTIONAL	R11 155 234.00	895 724.37	8.03%
35411324070F1FB4ZZWM	WATER: AVAILABILITY CHARGES	R19 319 248.00	1 602 948.85	8.30%
35441324020F5FB2ZZWM	WATER: SALE - CONVENTIONAL	R0.00	-	-
35511323020F1FB2ZZWM	WASTE WATER MANG: SANITATION CHARGES	R14 318 301.00	1 070 961.51	7.48%
35511323060F1FB2ZZWM	WASTE WATER MANG: AVAILABILITY CHARGES	R11 564 525.00	879 520.61	7.61%
36621322030F1FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	R17 620 181.00	-	-
36621322030F3FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	R0.00	1 397 508.50	#DIV/0!

36621322050F1FB3ZZWM	WASTE MANGEMENT: AVAILABILITY CHARGES	R1 670 151.00	126 217.59	7.56%
		R94 562 034.00	R6 749 451.01	7.14%

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

Property Rates Reconciliation							
Province	Free State						
District	Fezile Dabi						
Type							
Municipal Name	Moqhaka Local Municipality						
GV Period	01/07/2024 - 30/06/2028						
Financial Year	2024/2025						
Reconciliation Period	Quarter 1						
Reconciliation Overview							
High Level Reconciliation							
Propety Categories	Number of Properties				Market Values		
	GV	MFS	Variance		GV Market Values	MFS Market Values	Variance
Residential	44 917	44 914	3		7 594 841653	7 595 031653	- 190 000.00
Industrial	352	352	0		362 374 000	362 374 000	-
Business and Commercial	1195	1198	- 3		1030 907 110	1032 064 610	- 1157 500.00
Agricultural	3628	3627	1		5 954 268 749	5 955 486 749	- 1218 000.00
Mining	31	31	0		55 374 000	55 374 000	-
State Owned for Public Purpose	160	160	0		1168 197 013	1168 197 013	-
PSI	492	493	- 1		39 327 901	38 431901	896 000.00
PBO	280	279	1		253 141003	253 081003	60 000.00
Multi Use			0				-
Vacant	508	508	0		49 139 106	49 139 106	-
POW	5	6	- 1		1440 000	1690 000	- 250 000.00
Municipal	139	139	0		186 489 100	186 489 100	-
Other (PT,PSP)	620	620	0		207 608 501	223 433 501	- 15 825 000.00
	52327	52327	0		16 903 108 136.00	16 920 792 636.00	- 17 684 500.00

Propety Categories	Monthly Billing				Quarterly		
Propety Categories	GV	MFS	Variance		GV	MFS	Variance
Residential	1995 858	1996 352	- 495		5 987 572.59	5 989 057.20	- 1484.61
Industrial	530 093	531552	- 1459		1590 278.76	1594 655.13	- 4 376.37
Business and Commercial	1575 614	1591337	- 15 723		4 726 84191	4 774 01199	- 47 170.08
Agricultural	972 426	971204	1222		2 917 278.12	2 913 612.12	3 666.00
Mining	179 504	179 504	-		538 512.06	538 512.06	-
State Owned for Public Purpose	2 372 428	2 372 428	-		7 117 285.32	7 117 285.32	-
PSI			-		-	-	-
PBO			-		-	-	-
Multi Use			-		-	-	-
Vacant	43 890	43 890	-		131669.10	131669.10	-
POW			-		-	-	-
Municipal			-		-	-	-
Other	85 760	94 453	- 8 694		257 278.68	283 360.02	- 26 08134
Total	R7 755 572.18	R7 780 720.98	- R25 148.80		23 266 716.54	23 342 162.94	- 75 446.40

Prepared By DINEO MOKOENA Date 30/09/2024

Contatct Details 056-216-9300

Signature

Reviewed By SAMMY THELETSANE Date 01/10/2024

Contatct Details 056-216-9158

Signature

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

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

Eskom

ESKOM HOLDINGS SOC LTD REG NO 2002/015527/30
VAT REG NO 4740101508

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

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

Eskom
TEL: 08600 37566
SMS:

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

NORTH WESTERN REGION
PRIVATE BAG X16 WESTVILLE 3630

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

YOUR ACCOUNT NO	9345061750
SECURITY HELD	514.59
BILLING DATE	2024-08-08
TAX INVOICE NO	934898878495
ACCOUNT MONTH	AUGUST 2024
CURRENT DUE DATE	2024-09-07
VAT REG NO	4000846578

DIRECT DEPOSIT DETAIL
BANK: First National Bank
BRANCH CODE: 223626
BANK ACC NO: 66070087318

TAX INVOICE

E-MAIL: alet@moqhaka.gov.za

ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE		R	20,671.11
DIST. NETWORK CAPACITY CHARGE		R	978,707.09
NETWORK DEMAND CHARGE (C/KWH) (ALL)		R	109,942.91
ANCILLARY SERVICE (ALL)		R	175,005.09
ENERGY CHARGE (STD)	9,816,815.00	R	17,979,766.46
DEMAND CHARGE	551.49	R	280,046.62
DX EXCESS NETWORK CAPACITY CHA		R	104,343.88
NETWORK DEMAND CHARGE (C/KWH)		R	215,443.75
ENERGY CHARGE (PEAK)	4,241,482.00	R	25,727,180.03
ENERGY CHARGE (OFF)	9,627,747.00	R	9,609,634.30
ELECTRIFICATION AND RURAL SUBS (ALL)		R	3,674,633.02
TRANSMISSION NETWORK CAPACITY		R	940,800.00
NETWORK DEMAND CHARGE		R	913,174.08
URBAN LOW VOLTAGE SUBSIDY		R	1,697,400.00
REACTIVE ENERGY	6,721.00	R	1,902.04
SERVICE CHARGE		R	244,399.35
TOTAL CHARGES FOR BILLING PERIOD		R	**62,673,049.73**

ACCOUNT SUMMARY FOR AUGUST 2024

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

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

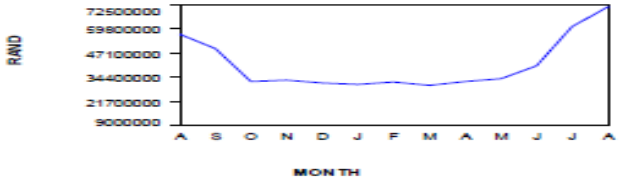
Account OVERDUE - Subject to Disconnection

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

0934 9345061750

11341 9345061750
>>>>>>> 9207 6934 5061 7504

TOTAL AMOUNT DUE
1,399,210,128.45



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

LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT

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BILL GROUP	
BILL PAGE	1 OF 4

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16.7 Municipal Debt Relief Monitoring Plan – Progress report

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

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

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

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

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

	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 8,000 Q1: 1,000 Q2: 2,000 Q3: 3,000 Q4: 2,000 (As per SDBIP)	The municipality applied to National Treasury to partake in the RT29 transversal tender for smart prepaid meters. The municipality also applied for smart meter grant, administered by National Treasury

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 Reconcialiation & GoMuni Status of Schedule of Revenue Documents Submissions Report	**Compliant** GVR reconciliation for the 4th quarter was completed Monday,08 July 2024.
	6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury			**Compliant** GVR reconciliation submitted Tuesday, 9 July 2024

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

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

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

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

				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 GoMuni. Revenue received to be aligned to actual payments. Payments made directly from Primary bank account.

KROONSTAD

302, 9500 - Hill Str/St, 9499

STEYNSRUS

6, 9515 - Van Riebeeck Str/St

VILJOENSKROON

X 02, 9520- Deneyssen Str/St

MOQHAKA MUNICIPALITY

"People's power in action"

TEL: 056 2169140 jimmy@moqhaka.gov.za

OUR REFERENCE: JIMMY MASWANGANYI /wm Ref Nr:

Quality Certificate

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

[X] The monthly budget statement

[ ] uarterly report on the implementation of the budget and financial affairs of the

☐ Mid-year budget and performance assessment

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

Municipal Manager of Moghaka Local Municipality (FS201)

Signature: ……..

Date: 14 October 2024