



*"People's power in action"*

## **MFMA SECTION 71 REPORT MONTH ENDING 31 JULY 2024**

**DISTRIBUTION:**

**Executive Mayor:**

**Mr. Motloheloa Mokatsane**

**Acting Municipal Manager:**

**Adv. Mzwakhe Mofokeng**

**Acting Chief Financial Officer:**

**Mr. Roy Visagie**

**Sector Departments:**

**National and Provincial Departments**

**Uploaded to the National Treasury GoMuni Portal**

## Table of Contents

1. Purpose.....	6
2. Background .....	<b>Error! Bookmark not defined.</b>
3. Executive summary .....	<b>Error! Bookmark not defined.</b>
4. Budget performance overview .....	9
4.1 Operating Revenue by Source .....	<b>Error! Bookmark not defined.</b>
4.2 Operating Expenditure by Type .....	<b>Error! Bookmark not defined.</b>
4.3 Capital expenditure.....	<b>Error! Bookmark not defined.</b>
4.4 Cash flows .....	<b>Error! Bookmark not defined.</b>
5. In-year budget statement tables .....	<b>Error! Bookmark not defined.</b>
6. Debtors' Analysis .....	28
7. Creditors' Analysis .....	33
8. Investment portfolio analysis .....	34
9. Allocation and grant receipts and expenditure .....	34
10. Councillor and board member allowances and employee benefits.....	38
11. Material variances to the service delivery and budget implementation plan.....	<b>Error! Bookmark not defined.</b>
12. Capital programme performance .....	49
13. Other supporting documents .....	<b>Error! Bookmark not defined.</b>
14. Conclusion.....	<b>Error! Bookmark not defined.</b>
15. Annexure A: C-schedules .....	<b>Error! Bookmark not defined.</b>
16. Annexure B: Compliance with the conditions for Municipal Debt Relief.....	<b>Error! Bookmark not defined.</b>
16.1 MFMA Circular 124 – Municipality Compliance Self-Assessment .....	<b>Error! Bookmark not defined.</b>
16.2 Municipal Debt Relief Performance across the period of debt relief participation.....	<b>Error! Bookmark not defined.</b>
16.5 MFMA Circular 124 – Condition 6.8 (Completeness of the revenue base) .....	83

16.6 MFMA Circular 124 – Condition 6.3 and Condition 6.12 ..... **Error! Bookmark not defined.**  
17. Municipal Manager’s quality certification ..... **Error! Bookmark not defined.**  
18. Recommendations ..... **Error! Bookmark not defined.**

## List of Tables

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget .....	5
Table 2: Consolidated summary: Statement of Financial Performance: Adjusted Budget .....	5
Table 3: Table C4 Financial Performance (Revenue) .....	6
Table 4: Table C4 Financial Performance (Expenditure) .....	9
Table 4.1 R&M Expenditure per Directorate per inventory type .....	10
Table 4.2 R&M Expenditure per Service per inventory type .....	11
Table 5.1: Summary of YTD Bulk Electricity expenditure .....	13
Table 5.2: Summary of YTD Bulk Water expenditure .....	14
Table 6.1: Summary of outstanding ESKOM debt .....	14
Table 6.2: Summary of outstanding DWS debt .....	15
Table 6.3: Summary of payments per payment date .....	18
Table 7: High level summary: Capital Expenditure .....	20
Table 8: Supporting Table SC3: Aged Debtors .....	24
Table 9: Monthly collection rate .....	34
Table 10: Revised Average collection rate .....	34
Table 11: Supporting Table SC4: Aged Creditors .....	39
Table 12: Supporting Table SC5: Investment portfolio .....	40
Table 13: Supporting Table SC6: Transfers and grant receipts .....	42
Table 14: Supporting Table SC7(1): Transfers and grant expenditure .....	43
Table 15: Summary of expenditure per grant .....	43
Table 16: Supporting Table SC7(2) - Expenditure against approved rollovers .....	44
Table 17: Supporting Table SC8: Councillor and staff benefits .....	45
Table 18: Current YTD Overtime expenditure excl Night-shift allowance .....	46
Table 19: Detailed capital expenditure report .....	50

## List of Charts

Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue .....	8
Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure .....	13
Chart 2.1: Monthly payments to DWS & ESKOM .....	17
Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt .....	19
Chart 3: Total Capital expenditure .....	20
Chart 4: Call investment deposits and Cash & cash equivalents at year-end .....	21
Chart 5: Cash & cash equivalents and Cost coverage ratio .....	22
Chart 6.1: Debtor's age analysis by Income Source .....	25
Chart 6.2: Debtor's age analysis by Customer Group .....	26
Chart 7: Debt over 90 days as a percentage of Total O/S Debt .....	31

Chart 8: Aged Consumer Debtor Analysis .....	32
Chart 9: Consumer Debtors (total by Debtor Customer Category) .....	32
Chart 10: Comparative trend: Monthly and Revised average collection rate .....	35
Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity .....	36
Chart 11.2: Monthly billing receipts per revenue source and % contribution .....	37
Chart 12: Billing receipts per Customer Group .....	38
Chart 13: Aged Creditors Analysis .....	39
Chart 14: Call investment deposits at month-end .....	41
Chart 14.1: Overtime Actual vs Budget .....	47
Chart 14.2: Monthly and Annual Overtime Comparison .....	47
Chart 15: Capital Expenditure Monthly Trend: actual v target .....	49
Chart 16: Capital Expenditure: YTD actual vs YTD target .....	49

**List of Abbreviations and Acronyms used in the Monthly Budget Statement**

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

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

**TO: THE EXECUTIVE MAYOR**

**1. Purpose**

**DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 31 JULY 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 Mqohaka 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 R 1 531 772 980, of which 89% of the debt is owed more than 90 days totalling R1 364 508 321. Of the total debt, R90 947 074 is owed by Government, R196 803 311 by Business and R1 136 564 281 by Households. Included in the Households debt is R162 186 192 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 complemented 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 31 July 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 transfers and contributions)	112 136	170 806	58 670	152%	34,30%
Total Revenue including capital transfers 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 31 July 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 intends 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 regular 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) - M01 July**

R thousands	Description	Ref	Budget Year 2024/25							Full Year Forecast			
			2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		YTD variance %		
	<b>Revenue</b>												
	<b>Exchange Revenue</b>												
	Service charges - Electricity		392 965	553 019	553 019	5 713	5 713	5 713	46 085	(40 372)	-88%	553 019	
	Service charges - Water		171 376	195 587	195 587	12 829	12 829	12 829	16 299	(3 470)	-21%	195 587	
	Service charges - Waste Water Management		65 954	70 019	70 019	6 041	6 041	6 041	5 835	206	4%	70 019	
	Service charges - Waste management		46 961	48 564	48 564	4 258	4 258	4 258	4 047	211	5%	48 564	
	Sale of Goods and Rendering of Services		6 220	10 265	10 265	568	568	568	855	(287)	-34%	10 265	
	Agency services												
	Interest												
	Interest earned from Receivables		69 946	34 557	34 557	6 462	6 462	6 462	2 880	3 583	124%	34 557	
	Interest from Current and Non Current Assets		34	30	30	-	-	-	3	(3)	-100%	30	
	Dividends		3 672	1 736	1 736	29	29	29	145	(116)	-80%	1 736	
	Rent on Land												
	Rental from Fixed Assets		6 595	8 535	8 535	332	332	332	711	(379)	-53%	8 535	
	Licence and permits		-	-	-	-	-	-	-	-		-	
	Operational Revenue		694	12 324	12 324	1 643	1 643	1 643	1 027	616	60%	12 324	
	<b>Non-Exchange Revenue</b>												
	Property rates		88 207	90 509	90 509	7 756	7 756	7 756	7 542	213	3%	90 509	
	Surcharges and Taxes												
	Fines, penalties and forfeits		6 569	5 309	5 309	(56)	(56)	(56)	442	(498)	-113%	5 309	
	Licence and permits		-	-	-	-	-	-	-	-		-	
	Transfers and subsidies - Operational		314 054	311 514	311 514	124 403	124 403	124 403	25 959	98 444	379%	311 514	
	Interest		7 761	2 982	2 982	753	753	753	249	505	203%	2 982	
	Fuel Levy												
	Operational Revenue		839	678	678	74	74	74	57	18	31%	678	
	Gains on disposal of Assets		(126)	-	-	-	-	-	-	-		-	
	Other Gains		(317)	-	-	-	-	-	-	-		-	
	Discontinued Operations												
	<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 181 403</b>	<b>1 345 628</b>	<b>1 345 628</b>	<b>170 806</b>	<b>170 806</b>	<b>170 806</b>	<b>112 136</b>	<b>58 670</b>	<b>52%</b>	<b>1 345 628</b>	

## Exchange and Non-Exchange Revenue

Revenue types	Section 71 of 31 July 2024				First Month Ending 30 June 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	7 755 572	103%	4 263 250	55%	7 542 423	7 755 572	103%	4 263 250	55%
Electricity - conventional	343 217 833	28 601 486	8 570 009	30%	12 053 848	141%	28 601 486	8 570 009	30%	12 053 848	141%
Water	195 400 475	16 283 373	12 829 138	79%	3 159 253	25%	16 283 373	12 829 138	79%	3 159 253	25%
Sanitation	69 800 488	5 816 707	6 041 099	104%	1 954 219	32%	5 816 707	6 041 099	104%	1 954 219	32%
Refuse	48 564 221	4 047 018	4 258 266	105%	1 370 211	32%	4 047 018	4 258 266	105%	1 370 211	32%
<b>Total Direct Services</b>	<b>747 492 088</b>	<b>62 291 007</b>	<b>39 454 084</b>	<b>63%</b>	<b>22 800 781</b>	<b>58%</b>	<b>62 291 007</b>	<b>39 454 084</b>	<b>63%</b>	<b>22 800 781</b>	<b>58%</b>
Other revenue	92 497 269	7 708 106	1 087 682	14%	1 155 068	106%	7 708 106	1 087 682	14%	1 155 068	106%
<b>Revenue from Billed services</b>	<b>839 989 357</b>	<b>69 999 113</b>	<b>40 541 766</b>	<b>58%</b>	<b>23 955 848</b>	<b>59%</b>	<b>69 999 113</b>	<b>40 541 766</b>	<b>58%</b>	<b>23 955 848</b>	<b>59%</b>
Electricity - prepaid	204 011 643	17 000 970	14 705 399	86%	14 705 399	100%	17 000 970	14 705 399	86%	14 705 399	100%
grants	1 044 001 000	87 000 083	55 247 164	64%	38 661 247	70%	87 000 083	55 247 164	64%	38 661 247	70%
Operational grants and subsidies	3 059 000	-	-	-	-	-	4 495 716	-	0%	-	#DIV/0!
Equitable share	298 568 000	124 403 000	124 403 000	100%	124 403 000	100%	124 403 000	124 403 000	100%	124 403 000	100%
<b>Total Revenue</b>	<b>1 345 628 000</b>	<b>211 403 083</b>	<b>179 650 164</b>	<b>85%</b>	<b>163 064 247</b>	<b>91%</b>	<b>215 898 799</b>	<b>179 650 164</b>	<b>83%</b>	<b>163 064 247</b>	<b>91%</b>

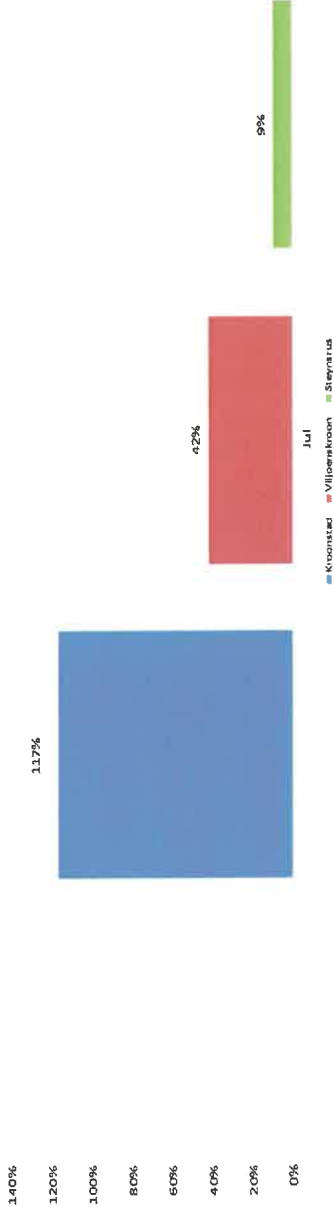
### Comments on Section 71 Report.

Collection rate for waste water management is 32% for the month of July 2024.  
 Collection rate for waste management is 32% for the month of July 2024.  
 Collection rate for water is 25% for the month of July 2024.  
 The collection rate on Property rates is 55% for the month of July 2024. The implementation of the new valuation roll, new tariffs have an impact on the low collection rate.  
 Vat is not considered as part of income in this report since it will be paid over to SARS.  
 Conventional electricity revenue collection is 141% for the month of June 2024 due to a high amount of credit journals on cycle 10 that is for maximum demand electricity meters..  
 Revenue from billed services, exclusive of operational grants versus billing is 59% for the month of July 2024.  
 Total Revenue Collection Percentage inclusive of Zero Grant Funding for the month July 2024 is 91%.  
 Indigents Contribution for Prepaid Electricity in July 2024 is R896 468 + R141 687 (FBE in ESKOM Supplied Areas) = R1 038 155  
 Debt Collection efforts in Matiwangtlwang & Rammolutsi are negatively affected by the electricity supply being by ESKOM.

**BILLING & REVENUE PER TOWN 01/07/2024 - 30/06/2025 (Excluding Pre-paid Electricity)**

Month	Kroonstad		Viljoenskroon		Steynsrus	
	Billing (BP135)	Percentage	Billing (BP135)	Percentage	Billing (BP135)	Percentage
Jul	17 625 091	117%	14 546 604	42%	2 379 274	9%
<b>Total</b>	<b>17 625 091</b>	<b>117%</b>	<b>14 546 604</b>	<b>42%</b>	<b>2 379 274</b>	<b>9%</b>

Billing vs Collection



**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%
	<b>R0.00</b>	<b>R14 705 398.56</b>	<b>R2 205 583.77</b>	<b>R16 910 982.33</b>	<b>6 624 751.00</b>	<b>R896 486.00</b>	

The average collection rate for Kroonstad/Mackeng for July 2024 is 117%, Viljoenskroon/Rammulubi is 42% & Steynsrus/Matwengiveng is 9%. Kroonstad/Mackeng generated a revenue of R20.8m for July 2024, Viljoenskroon/Rammulubi generated R0.1m & Steynsrus/Matwengiveng generated R223.947. The cost of revenue generated through prepaid electricity for the month of July 2024 is R14 705 398.56. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales



## 4.2 Operating expenditure by type

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

R thousands	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					
	<b>Expenditure By Type</b>															
	Employee related costs		398 791	451 339	451 339	35 325	35 325	37 612	(2 287)	-6%	451 339					
	Remuneration of councillors		22 251	29 578	29 578	1 751	1 751	2 465	(714)	-29%	29 578					
	Bulk purchases - electricity		418 290	427 440	427 440	235	235	35 620	(35 385)	-99%	427 440					
	Inventory consumed		28 235	21 223	21 223	317	317	1 769	(1 452)	-82%	21 223					
	Debt impairment		-	58 783	58 783	-	-	4 899	(4 899)	-100%	58 783					
	Depreciation and amortisation		103 526	9 870	9 870	-	-	823	(823)	-100%	9 870					
	Interest		6 029	8 698	8 698	550	550	725	(175)	-24%	8 698					
	Contracted services		139 917	158 841	158 841	3 983	3 983	13 237	(9 253)	-70%	158 841					
	Transfers and subsidies		84	1 049	1 049	-	-	87	(87)	-100%	1 049					
	Irrecoverable debts written off		176 758	1 486	1 486	384	384	124	260	210%	1 486					
	Operational costs		102 382	142 099	142 099	3 707	3 707	11 842	(8 135)	-69%	142 099					
	Losses on Disposal of Assets		6 424	60	60	-	-	5	(5)	-100%	60					
	Other Losses		(7 867)	-	-	-	-	-	-	-	-					
	<b>Total Expenditure</b>		<b>1 394 819</b>	<b>1 310 466</b>	<b>1 310 466</b>	<b>46 252</b>	<b>46 252</b>	<b>109 206</b>	<b>(62 954)</b>	<b>-58%</b>	<b>1 310 466</b>					

## Comparison against YTD Budget

As indicated in the Table above, as at 31 July 2024, expenditure shows an unsatisfactory variance of minus 58%. The YTD actual amounted to R46 252 000 against the YTD budget of R109 206 000.

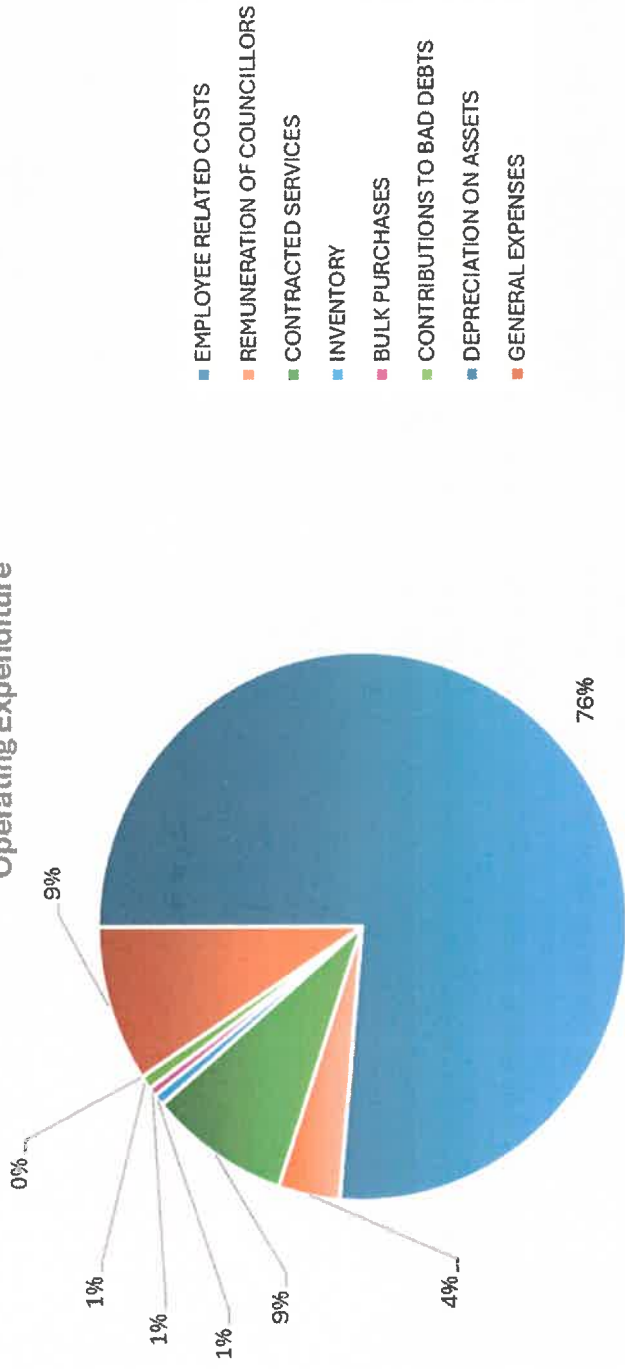
- Employee related costs show a satisfactory variance of minus 6.0%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- Remuneration of councillors is showing an unsatisfactory variance of minus 29%.
- Bulk purchases – Electricity is showing an unsatisfactory variance of minus 99%, 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 82%. 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 70%.
- 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 69% as a result of the following line items under Operational Cost (OC)
  - Costs are incurred for Professional Bodies membership & Subscriptions, for predominantly annual SALGA membership fees.
  - Audit Cost for external auditors incurred were R753 000 in the month of July 2024.

### Operating Expenditure



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

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

### 4.3 Capital Expenditure

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

R thousands	Vote Description	Budget Year 2024/25										
		2023/24 Audited Outcome	Ref	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
1	Single Year expenditure appropriation											
2	Vote 01 - Executive & Council	107										
	Vote 02 - Municipal Manager	61		400				33	(33)	-100%	400	
	Vote 03 - Corporate Services	727		2 500	39			208	(169)	-81%	2 500	
	Vote 04 - Finance	804		2 077				173	(173)	-100%	2 077	
	Vote 05 - Technical Services	(63)		78 142				5 707	(604)	-12%	78 142	
	Vote 06 - Community Services	4 520		14 600				1 217	(1 217)	-100%	14 600	
	Vote 07 - Local Economic Development	241		872				73	(73)	-100%	872	
	Total Capital single-year expenditure	6 396		98 591	5 747			8 216	(2 469)	-30%	98 591	
	Total Capital Expenditure	6 396		98 591	5 747			8 216	(2 469)	-30%	98 591	
	Capital Expenditure - Functional Classification											
	Governance and administration	1 833		5 750	39			479	(440)	-92%	5 750	
	Executive and council	147										
	Finance and administration	1 686		5 750	39			479	(440)	-92%	5 750	
	Internal audit											
	Community and public safety	3 980		13 122	3			1 093	(1 091)	-100%	13 122	
	Community and social services	955		5 197				433	(433)	-100%	5 197	
	Sport and recreation	1 730		4 081				340	(340)	-100%	4 081	
	Public safety	1 237		3 843	3			320	(317)	-99%	3 843	
	Housing	58										
	Health											
	Economic and environmental services	(17 530)		31 596	3 755			2 633	1 122	43%	31 596	
	Planning and development			205				17	(17)	-100%	205	
	Road transport	(17 530)		31 234	3 755			2 603	1 152	44%	31 234	
	Environmental protection			157				13	(13)	-100%	157	
	Trading services	18 112		48 071	1 949			4 006	(2 057)	-51%	48 071	
	Energy sources	20		3 348	149			279	(130)	-46%	3 348	
	Water management	15 099		25 011	1 800			2 084	(284)	-14%	25 011	
	Waste water management	2 317		15 890				1 324	(1 324)	-100%	15 890	
	Waste management	677		3 822				318	(318)	-100%	3 822	
	Other			52				4	(4)	-100%	52	
	Total Capital Expenditure - Functional Classification	6 396		98 591	5 747			8 216	(2 469)	-30%	98 591	
	Funded by:											
	National Government											
	Provincial Government	805		64 627	5 558			5 386	172	3%	64 627	
	District Municipality											
	Transfers and subsidies - capital (monetary allocations) (Nat./Prov. Departm. Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educ institutions)											
	Transfers recognised - capital	805		64 627	5 558			5 386	172	3%	64 627	
	Borrowing											
	Internally generated funds	5 591		33 964	189			2 830	(2 641)	-83%	33 964	
	Total Capital Funding	6 396		98 591	5 747			8 216	(2 469)	-30%	98 591	

As indicated in the Table above, the YTD Actual on capital expenditure as at end of July 2024 amounted to R5 747 000. The total YTD capex is funded from Capital grants R5 558 000 and Internally generated funds R189 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**

**31 July 2024**

**Cash Receipts by Source**

Property rates	4 268 143
Service charges - electricity revenue	12 529 638
Service charges - water revenue	3 518 181
Service charges - sanitation revenue	1 767 304
Service charges - refuse revenue	1 469 874
Service charges - other	0
Interest earned - external investments	480 242
Interest earned - outstanding debtors	410 323
Fines	0
Transfer receipts - operational	124 403 000
Other revenue	23 085 574
<b>Cash Receipts by Source</b>	<b>171 932 279</b>
<b>Other Cash Flows/Receipts by Source</b>	
Transfer receipts - capital	17 717 138
Contributions recognised - capital & Contributed assets	0
Borrowing long term/refinancing	0
<b>Total Cash Receipts by Source</b>	<b>189 649 417</b>
<b>Cash Payments by Type</b>	
Employee related costs	35 324 794
Remuneration of councillors	1 750 839
Bulk purchases - Electricity	50 235 265
Contracted services	3 983 453
General expenses	44 188 548
<b>Cash Payments by Type</b>	<b>135 482 899</b>
<b>Other Cash Flows/Payments by Type</b>	
Capital assets	5 746 789
Repayment of borrowing	0
<b>Total Cash Payments by Type</b>	<b>141 229 688</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>48 419 729</b>
<b>Cash/cash equivalents at the month/year begin:</b>	<b>44 846 115</b>
<b>Cash/cash equivalents at the month/year end:</b>	<b>93 265 844</b>

**Cash Book Balance (GL)**

-

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

### Moghaka Local Municipality (FS201): Monthly Budget Statement: S71 Monthly Report: July 2024 5. In-year Budget Statement Tables

Analysis of Debtors as at 31 July 2024					
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
<b>Debtors Age Analysis By Income</b>					
Water	21 213 769	17 797 152	20 436 637	710 052 325	769 499 883
Electricity	26 873 448	13 514 195	14 377 913	124 109 979	178 875 535
Property Rates	7 998 380	3 707 257	3 178 119	95 134 194	110 017 950
Sewerage	7 916 138	6 333 599	5 907 075	212 993 193	233 150 005
Refuse Removal	5 519 832	4 480 839	4 194 509	154 015 110	168 210 290
Other	1 993 427	933 653	888 717	68 203 520	72 019 317
<b>Total By Income Source</b>	<b>71 514 994</b>	<b>46 766 695</b>	<b>48 982 970</b>	<b>1 364 508 321</b>	<b>1 531 772 980</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	16 269 353	7 644 801	4 382 441	62 650 479	90 947 074
Business	26 323 729	13 120 831	12 843 260	144 515 491	196 803 311
Households	31 358 648	25 658 597	26 674 646	1 052 872 390	1 136 564 281
Other	-2 436 736	342 466	5 082 623	104 469 961	107 458 314
<b>Total By Customer Group</b>	<b>71 514 994</b>	<b>46 766 695</b>	<b>48 982 970</b>	<b>1 364 508 321</b>	<b>1 531 772 980</b>

Highlights	Total Debtors as at 30 June 2024				% Increase / (Decrease) In Debtors	Reference
	31-May	30-Jun	31-Jul	% Change		
<b>Services</b>						
Councillors' debt (>90 days)	R 1 307 431	R 1 318 095	R 1 345 346	2%		BP136-r
Officials debt (>90 days)	R 2 398 238	R 2 454 677	R 2 579 954	5%		BP136-e
<b>Sundry debtors</b>						
Telephones (Officials & Councillors)	R 643 821.86	R 607 077.66	R 626 782.76	3%		BP136-rt
Indigents	R 155 545 401	R 158 762 711	R 162 186 192	2%		BP136-ia
<b>Total Debt 90 Days +</b>	<b>R 159 894 892</b>	<b>R 163 142 561</b>	<b>R 166 738 275</b>	<b>2%</b>		

We 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.

	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
<b>PROVINCIAL DEPARTMENTS</b>								
OFFICE OF THE PREMIER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE LEGISLATURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF TOURISM, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE PROVINCIAL TREASURY	9 572.00	0.00	0.00	8 896.00	0.00	18 470.00	0.00	18 470.00
DEPARTMENT OF HEALTH (PH)	11 187 116.00	5 985 202.00	0.00	7 171 125.00	26 462.00	24 379 905.00	0.00	24 379 905.00
DEPARTMENT OF EDUCATION (PE)	96524.00	656 363.00	1 727 121.00	13 068 191.00	0.00	15 548 199.00	0.00	15 548 199.00
DEPARTM OF SOCIAL DEVIPS)	0.00	0.00	0.00	226 696.00	0.00	226 696.00	0.00	226 696.00
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)	866 343.00	13 768 637.00	292.00	676 234.00	2 820.00	15 314 326.00	0.00	15 314 326.00
PUBLIC SAFETY, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGRICULTURE (PA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SPORTS, ARTS & CULTURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>12 159 555.00</b>	<b>20 420 202.00</b>	<b>1 727 413.00</b>	<b>21 151 144.00</b>	<b>29 282.00</b>	<b>55 487 596.00</b>	<b>0.00</b>	<b>55 487 596.00</b>
<b>SCHOOLS (SECTION 21)</b>	<b>8 791 630.00</b>	<b>14 298 762.00</b>	<b>2 131.00</b>	<b>2 808.00</b>	<b>412 510.00</b>	<b>23 507 841.00</b>	<b>0.00</b>	<b>23 507 841.00</b>
<b>NATIONAL DEPARTMENTS</b>								
CORRECTIONAL SERVICES (NC)	586 531.00	0.00	0.00	109 373.00	0.00	695 904.00	0.00	695 904.00
DEFENCE (ND)	2 603 476.00	4 031 646.00	2 987.00	187 081.00	13 830.00	6 839 020.00	0.00	6 839 020.00
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	22 138.00	118 489.00	131 786.00	49 876.00	60 172.00	382 463.00	0.00	382 463.00
PUBLIC WORKS (NW)	31 024.00	354 390.00	602 506.00	59 617.00	0.00	1 047 537.00	0.00	1 047 537.00
SA POLICE(NP)	787 532.00	693 063.00	2 770.00	781 096.00	1 418.00	2 265 879.00	0.00	2 265 879.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	378 916.00	173 803.00	0.00	49 746.00	5 080.00	607 545.00	0.00	607 545.00
<b>TOTAL</b>	<b>4 409 617.00</b>	<b>5 371 391.00</b>	<b>740 051.00</b>	<b>1 236 789.00</b>	<b>80 500.00</b>	<b>11 838 348.00</b>		<b>11 838 348.00</b>
<b>TOTAL</b>	<b>25 360 802.00</b>	<b>40 090 355.00</b>	<b>2 469 595.00</b>	<b>22 390 741.00</b>	<b>522 292.00</b>	<b>90 833 785.00</b>	<b>-</b>	<b>90 833 785.00</b>
						<b>TOTAL</b>		<b>90 833 785.00</b>
						<b>LESS CREDIT</b>		<b>0.00</b>
						<b>GRAND TOTAL</b>		<b>90 833 785.00</b>

## MUNICIPAL DEBT RETURN FORM - Provincial &amp; National Departments

Municipality: **FS201 Moqhaka**
**treasury**  
 Department of  
 Treasury  
 FREE STATE PROVINCE
Financial Year: **2023/24**

2024/25

Reporting Month: **M01 July**

	Provincial Public Works & Infrastructure	Education		National Public Works	TOTAL
		Section 20 Schools (Payable by Department of Education)	Section 21 Schools (Payable by Schools)		
<b>Property Rates</b>	<b>1 727</b>			<b>740</b>	<b>2 467</b>
0-30 Days	1 689			635	2 324
31-60 Days	6			13	19
61-90 Days	6			13	19
Over 90 Days	27			78	105
<b>Water</b>	<b>12 160</b>		<b>8 792</b>	<b>4 410</b>	<b>26 361</b>
0-30 Days	1 575		532	722	2 828
31-60 Days	819		449	622	1 891
61-90 Days	526		319	390	1 235
Over 90 Days	9 240		7 492	2 675	19 406
<b>Electricity</b>	<b>20 420</b>		<b>14 331</b>	<b>5 371</b>	<b>40 123</b>
0-30 Days	1 245		1 120	873	3 238
31-60 Days	1 161		821	652	2 635
61-90 Days	671		991	3 269	4 931
Over 90 Days	17 343		11 399	577	29 320
<b>Sanitation</b>	<b>14 136</b>			<b>766</b>	<b>14 891</b>
0-30 Days	1 035			130	1 165
31-60 Days	943			65	1 009
61-90 Days	938			31	969
Over 90 Days	11 219			529	11 749
<b>Refuse Removal</b>	<b>7 015</b>			<b>482</b>	<b>7 497</b>
0-30 Days	529			42	571
31-60 Days	467			37	503
61-90 Days	464			19	483
Over 90 Days	5 556			384	5 940
<b>Other</b>	<b>29</b>		<b>385</b>	<b>81</b>	<b>494</b>
0-30 Days	0		2	3	4
31-60 Days	0		2	2	4
61-90 Days	0		2	3	4
Over 90 Days	29		380	73	482
<b>TOTAL</b>	<b>56 488</b>		<b>23 508</b>	<b>11 838</b>	<b>90 834</b>
0-30 Days	6 073		1 654	2 404	10 131
31-60 Days	3 397		1 272	1 392	6 060
61-90 Days	2 605		1 311	3 725	7 641
Over 90 Days	43 414		19 271	4 317	67 002
<b>Payments received during reporting month (whole amount)</b>				<b>254 857.09</b>	<b>254 857.09</b>

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

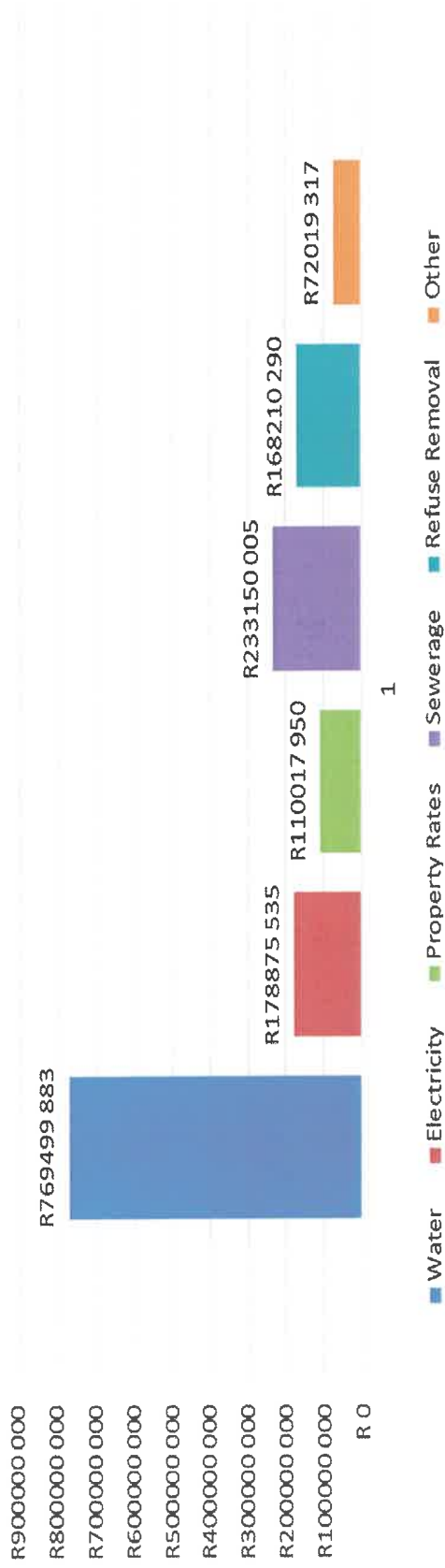
- Disconnection of consumers to be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt.
- Data cleansing of the entire debtor's book, and data cleansing to positively influence the reachability of consumers and assist 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.

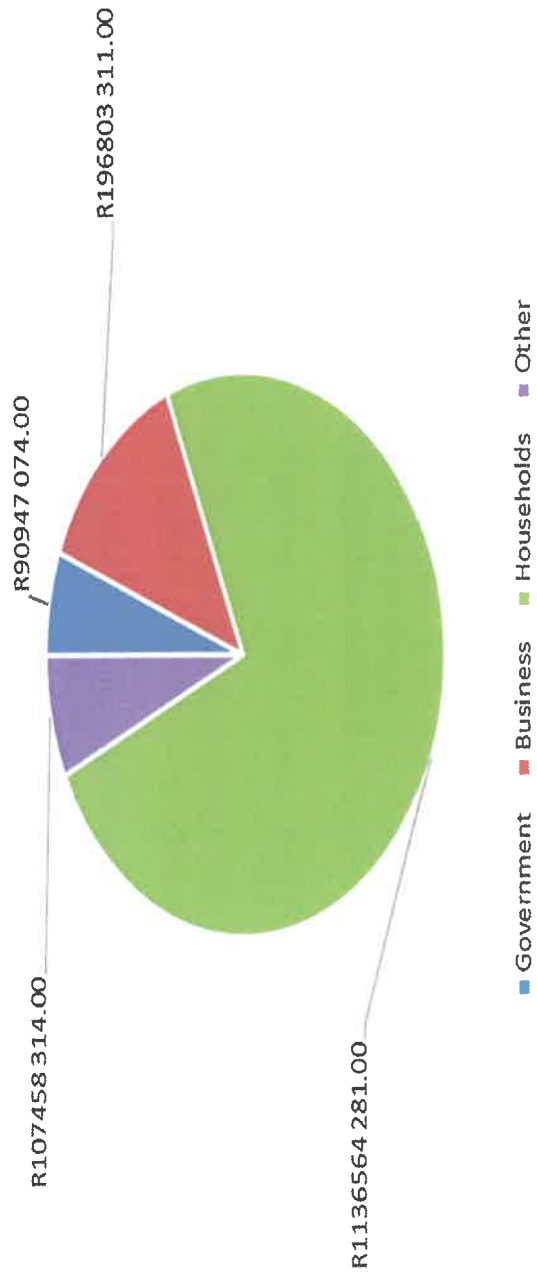
## 6. Debtors' Analysis

Year	Month	Item	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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to Council Policy
End	End	Mun	FS201											
2025	M01	1100	Debtors Age Analysis By Income Source											
		1200	Trade and Other Receivables from Exchange Transactions - Water	21 213 769	17 797 152	20 436 637	710 062 325	0	0	0	0	769 499 883	0	0
		1300	Trade and Other Receivables from Exchange Transactions - Electricity	26 873 448	13 514 195	14 377 913	124 109 979	0	0	0	0	178 875 635	0	0
		1400	Receivables from Non-exchange Transactions - Property Rates	7 998 380	3 707 257	3 178 119	95 134 194	0	0	0	0	110 017 950	0	0
		1500	Receivables from Exchange Transactions - Waste Water Management	7 916 138	6 333 569	5 907 075	212 983 193	0	0	0	0	233 150 005	0	0
		1600	Receivables from Exchange Transactions - Waste Management	5 519 832	4 480 839	4 194 509	154 015 110	0	0	0	0	168 210 290	0	0
		1700	Receivables from Exchange Transactions - Property Rental Debtors	0	0	0	0	0	0	0	0	0	0	0
		1810	Interest on Arrear Debtor Accounts	0	0	0	0	0	0	0	0	0	0	0
		1820	Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	0	0	0	0	0	0	0	0	0	0	0
		1900	Other	1 983 427	933 653	888 717	66 203 520	0	0	0	0	72 019 317	0	0
		2000	Total By Income Source	71 514 994	46 766 695	48 982 970	1 364 508 321	0	0	0	0	1 531 772 980	0	0
		2100	Debtors Age Analysis By Customer Group											
		2200	Organs of State	16 289 353	7 644 801	4 382 441	62 660 479	0	0	0	0	90 947 074	0	0
		2300	Commercial	26 323 729	13 120 831	12 843 260	144 515 491	0	0	0	0	196 803 311	0	0
		2400	Households	31 358 648	25 658 597	26 674 646	1 062 872 390	0	0	0	0	1 196 564 281	0	0
		2500	Other	-2 436 736	342 466	5 082 623	104 469 961	0	0	0	0	107 468 314	0	0
		2600	Total By Customer Group	71 514 994	46 766 695	48 982 970	1 364 508 321	0	0	0	0	1 531 772 980	0	0

### Age Analysis by Income Source



### Age Analysis By Customer Group



### Comments:

- Total outstanding debt has increased from R1 526 357 741 in June 2024 to R1 531 772 980 in July 2024. The increase is a result of minimum or no payments by the account holders and the defaulters.
- Water debt of R769 499 883 accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters and consumption by unmetered stands.
- Electricity outstanding debt of R178 875 535 accounts for 12% of the total debt and this is mainly from the basic charges for infrastructure maintenance.
- Property Rates outstanding debt of R110 017 950 against total debt is 7% and relates to non-payment of accounts.
- Sanitation or Sewerage accounts for 15% of the total outstanding debt at R233 150 005 and goes along with water consumption and non-payment of accounts.
- Refuse Removal at R168 210 290 accounts for 11% of the total outstanding debt and is a result of accounts in arrears, R72 019 317 which is 5% for "Other" debt represents the debt from indirect services on sundry accounts like rental, telephone, advertising & signs, and more.
- Government debt of R90 947 074 represents 6% of the total outstanding debt of R1 531 772 980 and is gradually being paid.
- Business/Commercial debt of R196 803 311 represents 13% 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 is at R1 136 564 281 and that accounts for 74% of the total debt. This is inclusive of R162 186 192 owed by indigent households.
- The remaining debt by many other various categories of debtors is R107 458 314 and that is 7% of the total outstanding debt. Councillors owe R1 345 346 as at the end of July 2024. Officials owe R2 579 954 as at the end of July 2024.
- The Municipality urgently needs to resolve on proper implementation of the Debt Collection & Credit Control Policy and other policies for debt collection purposes.
- There are currently 4 debt collection companies appointed until June 2025, but their performance was hampered by the cyberattack 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.

An analysis revealed that the catalysts for this condition are the volume of account holders in arrears, the poor economic circumstances of a large number of our account holders, 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.

**Highlights**

**Services**

Councillors' debt (>90 days)

Officials debt (>90 days)

**Sundry debtors**

Telephones (Officials & Councillors)

**Indigents**

**Total Debt 90 Days +**

	<b>31-May</b>	<b>30-Jun</b>	<b>% Change</b>	<b>31-Jul</b>	<b>% Change</b>	<b>Reference</b>
	R 1 307 431	R 1 318 095	1%	R 1 345 346	2%	BP136-r
	R 2 398 238	R 2 454 677	2%	R 2 579 954	5%	BP136-a
	R643 821,86	R607 077,66	-6%	R626 782,76	3%	BP136-rt
	R 155 545 401	R 158 762 711	2%	R 162 186 192	2%	BP136-ia
	<b>R 159 894 892</b>	<b>R 163 142 561</b>	<b>2%</b>	<b>R 166 738 275</b>	<b>2%</b>	

Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	117 871 141.94	10 247 313.16	-1 014 192.77	59 943.38	19 326.00	9 312 389.77	-9 674 021.60	117 509 510.11	-104%	-361 631.83
2	519 641 586.69	17 322 911.04	-5 141 527.98	13 655.38	11 042.00	12 206 080.44	-1 181 782.94	530 665 884.19	-10%	11 024 297.50
3	18 040 020.00	4 964 457.49	0.00	0.00	0.00	4 964 457.49	0.00	23 004 477.49	0%	4 964 457.49
4	51 830 452.04	563 074.43	1 700 800.65	9 875.00	0.00	2 273 750.08	-89 325.75	54 014 876.37	-4%	2 184 424.33
6	15 612 333.84	1 517 530.88	-395 779.29	0.00	0.00	1 121 751.59	-459 343.17	16 274 742.26	-41%	662 408.42
7	20 756 316.67	914 326.43	-208 467.15	2 054.52	0.00	707 913.80	-87 268.84	21 376 961.63	-12%	620 644.96
8	8 750 631.59	505 959.76	531.77	0.00	0.00	506 491.53	-244 447.39	9 012 675.73	-48%	262 044.14
9	2 378 979.05	16 622.80	-6 851.04	0.00	0.00	9 771.76	-21 419.12	2 367 331.69	-219%	-11 647.36
10	87 295 873.11	10 654 642.15	-32 027 770.96	0.00	42 878.00	-21 330 250.81	-6 415 762.54	59 549 859.76	30%	-27 746 013.35
11	73 701 406.34	2 648 900.96	-449 516.10	178 175.57	1 714.00	2 379 274.43	-223 947.48	75 856 733.29	-9%	2 155 326.95
13	521 132 381.12	11 101 963.10	-1 134 334.03	10 876.33	3 336.00	9 981 841.40	-1 854 384.99	529 259 837.53	-19%	8 127 456.41
14	6 355 936.54	4 557 002.08	0.00	0.00	0.00	4 557 002.08	-4 274 644.74	6 638 293.88	-94%	282 357.34
15	-870.21	60.31	7 700.00	0.00	0.00	7 760.31	0.00	6 890.10	0%	7 760.31
16	80 838 802.34	7 988 527.12	-138 732.09	2 940.62	0.00	7 852 735.65	-2 456 631.71	86 234 906.28	-31%	5 396 103.94
	1 524 204 591.06	73 003 291.71	-38 808 138.99	277 520.80	78 296.00	34 550 969.52	-26 982 980.27	1 531 772 980.31	-78%	7 567 989.25


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

## 7. Creditors' Analysis

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Over 1 Year	Total
Bulk Electricity	76 850 770,79	67 288 087,05	46 377 438,47	1 208 593,83	-	1 207 485 238,31	1 399 210 128,45
Loan repayments	996 458,00	591 182,00	1 704 416,00	-	-	2 245 365,00	5 537 421,00
Trade Creditors	9 813 195,59	143 750,00	-	-	-	-	9 956 945,59
Auditor General	41 137,33	163 323,72	1 121 053,21	3 070 545,48	-	-	4 396 059,74
Other	1 487 225,03	1 563 259,94	-	7 015 323,10	-	9 758 346,50	19 824 154,57
<b>Total</b>	<b>89 188 786,74</b>	<b>69 749 602,71</b>	<b>49 202 907,68</b>	<b>11 294 462,41</b>	<b>-</b>	<b>1 219 488 949,81</b>	<b>1 438 924 709,35</b>

**Bulk Electricity** – As at the 31 July 2024, the outstanding debt owed to ESKOM amounted to R1 399 210 128,45. As per the Debt Relief approval, the municipality must honour the payment of the monthly current account and only the outstanding balance of R365 000 000 after approval of the debt relief application. The municipality is yet to enter into a payment arrangement. Trade creditors are all suppliers registered on the municipality's database and it is a prerequisite for these suppliers to be registered on the Central Supplier Database (CSD). Auditor General – the current account due to the AGSA is R4 396 059,74. Other creditors – includes Sundry creditors which were unpaid as at 31 July 2024 amount to R19 824 154,57.

## 8. Investment portfolio analysis

Moghaka Municipality		30-Jun-25			
Year End	30-Jun-25	Finance			
Section	Finance	ID Mphosi			
Compiled by	ID Mphosi	Investment Register			
Purpose	Investment Register				
<p>The municipality holds the following investments with ABSA Bank.</p>					
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		
	<b>20-7531-4898</b>	<b>20-5824-7882</b>	<b>91-3190-1443</b>		
	<b>ABSA - 1</b>	<b>ABSA - 2</b>	<b>ABSA - 3</b>	<b>Total</b>	
<b>Balance 01-Jul- 2023</b>	<b>5 608,89</b>	<b>118 622,25</b>	<b>40 795 171,52</b>	<b>40 919 402,66</b>	
Prior period error	-	-	-	-	
<b>Adjusted Balance</b>	<b>5 608,89</b>	<b>118 622,25</b>	<b>40 787 125,85</b>	<b>40 911 356,99</b>	
Invested	-	-	49 977 242,08	49 977 242,08	
Withdrawn	-	-	67 497 000,00	67 497 000,00	
Interest earned	-	-	-18 000 000,00	-18 000 000,00	
	-	-	<b>480 242,08</b>	<b>480 242,08</b>	
<b>Balance at 31-Jul- 2023</b>	<b>5 608,89</b>	<b>118 622,25</b>	<b>90 764 367,93</b>	<b>90 888 599,07</b>	

**Report on conditional grants at  
Municipality:**

**31 July 2024**  
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)	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
		2791896,58		16080061,5	-
Unspent grants at beginning of the financial year					
Received Prior Months					16 080 062
Received This Month	2 300 000	0	1 249 700	5 220 138,8	17 717 139
<b>Total Funds Received</b>	<b>2 300 000</b>	<b>2791896,58</b>	<b>1 249 700</b>	<b>2 130 200,3</b>	<b>33 797 200</b>
Spent Prior Months					-
Spent This Month	21 455	10 850	704 3283		7 043 283
Grants refunded				0	-
Total Funds Spent	21 455	10 850	704 3283	0	7 043 283
<b>Total funds Received and Not Spent</b>	<b>2 278 545</b>	<b>2 781 047</b>	<b>5 453 717</b>	<b>21 300 200</b>	<b>26 753 917</b>
<b>Percentage of Funds Spent</b>	<b>1%</b>	<b>0%</b>	<b>56%</b>	<b>0%</b>	<b>21%</b>
Funds Currently Committed but Not Spent	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-

**DORA Allocation for the 2024/25**

**Unspent grants at beginning of the financial year**

Received Prior Months

Received This Month

**Total Funds Received**

Spent Prior Months

Spent This Month

Grants refunded

Total Funds Spent

**Total funds Received and Not Spent**

**Percentage of Funds Spent**

Funds Currently Committed but Not Spent

Scheduled Transfers Withheld

**Capital Government grants and subsidies consist of the following:**

Municipal Infrastructure Grant	12 497 000
Water Services Infrastructure Grant	21 300 200
<b>Total</b>	<b>33 797 200</b>

## 9. Allocation and grant receipts and expenditure

R thousands		Budget Year 2024/25											
		2023/24	Ref	Description	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>RECEIPTS:</b>													
<b>Operating Transfers and Grants</b>		1,2											
<b>National Government:</b>													
	Energy Efficiency and Demand Side Management Grant			310 788	310 788	310 788	124 403	124 403	25 899	98 504	380.3%	310 788	
	Equitable Share			298 568	298 568	298 568	124 403	124 403	24 881	99 522	400.0%	298 568	
	Expanded Public Works Programme Integrated Grant			9 920	9 920	9 920			827	(827)	-100.0%	9 920	
	Integrated National Electrification Programme Grant												
	Local Government Financial Management Grant			2 300	2 300	2 300			192	(192)	100.0%	2 300	
	Municipal Disaster Relief Grant	3											
	Municipal Infrastructure Grant												
	Other transfers and grants [insert description]												
<b>Provincial Government:</b>													
	Infrastructure Grant												
	Other transfers and grants [insert description]												
<b>District Municipality:</b>													
	[insert description]			726	726	726			60	(60)	-100.0%	726	
<b>Other grant providers:</b>													
	ESKOM												
	National Economical Development and Labour Council			1 463									
	National Skills Fund			198	726	726			60	(60)	-100.0%	726	
	<b>Total Operating Transfers and Grants</b>	5		314 054	311 514	311 514	124 403	124 403	25 959	98 444	379.2%	311 514	
<b>Capital Transfers and Grants</b>													
	<b>National Government:</b>												
	Integrated National Electrification Programme Grant			64 627	64 627	64 627			5 386	(5 386)	-100.0%	64 627	
	Municipal Disaster Relief Grant												
	Municipal Infrastructure Grant			46 656	46 656	46 656			3 888	(3 888)	100.0%	46 656	
	Water Services Infrastructure Grant			17 971	17 971	17 971			1 498	(1 498)	-100.0%	17 971	
	<b>Provincial Government:</b>												
	Capacity Building and Other Grants			1 237	1 237	1 237			103	(103)	-100.0%	1 237	
	Infrastructure Grant			1 237	1 237	1 237			103	(103)	-100.0%	1 237	
<b>District Municipality:</b>													
	Specify (Add grant description)												
	<b>Other grant providers:</b>												
	[insert description]												
	Developers Contribution												
	Office of the Pension Fund Adjudicator												
	Unspecified												
	<b>Total Capital Transfers and Grants</b>	5		65 854	65 854	65 854	(0)	(0)	5 489	(5 489)	-100.0%	65 854	
	<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5		365 281	377 378	377 378	124 403	124 403	31 448	92 955	295.6%	377 378	

**FS201 Moqhaka - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 July**

R thousands	Description	Ref	Budget Year 2024/25												
			2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast				
	<b>Operating expenditure of Transfers and Grants</b>														
	<b>National Government:</b>		89 376	137 896	137 896	10 318	10 318	11 491	(1 174)	-10.2%	137 896				
	Equitable Share		86 035	125 676	125 676	10 296	10 296	10 473	(177)	-1.7%	125 676				
	Expanded Public Works Programme Integrated Grant		1 359	9 920	9 920	0	0	827	(826)	-100.0%	9 920				
	Local Government Financial Management Grant		2 235	2 300	2 300	21	21	192	(170)	-88.8%	2 300				
	Municipal Disaster Relief Grant		(253)	-	-	-	-	-	-	-	-				
	Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-				
	<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-				
	Infrastructure Grant		-	-	-	-	-	-	-	-	-				
	<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-				
	<b>Other grant providers:</b>		184	1 000	1 000	11	11	83	(72)	-87.0%	1 000				
	Education Training and Development Practices SETA		184	1 000	1 000	11	11	83	(72)	-87.0%	1 000				
	<b>Total operating expenditure of Transfers and Grants:</b>		89 561	138 896	138 896	10 328	10 328	11 575	(1 246)	-10.8%	138 896				
	<b>Capital expenditure of Transfers and Grants</b>														
	<b>National Government:</b>		805	64 627	64 627	5 558	5 558	5 386	172	3.2%	64 627				
	Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-				
	Local Government Financial Management Grant		-	-	-	-	-	-	-	-	-				
	Municipal Disaster Relief Grant		26	-	-	-	-	-	-	-	-				
	Municipal Infrastructure Grant		779	46 656	46 656	5 558	5 558	3 888	1 670	42.9%	46 656				
	Water Services Infrastructure Grant		-	17 971	17 971	-	-	1 498	(1 498)	-100.0%	17 971				
	<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-				
	Infrastructure Grant		-	-	-	-	-	-	-	-	-				
	<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-				
	Capacity Building and Other Grants		-	-	-	-	-	-	-	-	-				
	Infrastructure Grant		-	-	-	-	-	-	-	-	-				
	Specify (Add grant description)		-	-	-	-	-	-	-	-	-				
	<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-				
	Unspecified		-	-	-	-	-	-	-	-	-				
	<b>Total capital expenditure of Transfers and Grants</b>		805	64 627	64 627	5 558	5 558	5 386	172	3.2%	64 627				
	<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		90 366	203 523	203 523	15 886	15 886	16 960	(1 074)	-6.3%	203 523				

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

**10. Councillor and board member allowances and employee benefits**

**31 July 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		% Exp
		31-Jul-24	YTD 31-Jul-24	
<b>EMPLOYEE RELATED COST</b>				
<b>SENIOR MANAGEMENT</b>				
SM - SALARIES ALLOW AND SERV BENEFITS				
<b>MM - SALARIES ALLOW AND SERV BENEFITS</b>				
SM MM: SAL & ALL - BASIC SALARY	1 040 930,00	60 680,35	60 680,35	5,82
SM MM: SAL & ALL - PERFORM BASED BONUS	149 275,00	0,00	0,00	0,00
SM MM: ALLOW - CELLULAR & TELEPHONE	33 201,00	3 000,00	3 000,00	9,00
SM MM: ALLOW - HOUSING BENEFITS				
SM MM: ALLOW - TRAVEL OR MOTOR VEHICLE	265 810,00	19 507,75	19 507,75	7,33
SM MM: SRB - LONG SERVICE				
<b>SUB TOTAL: MM - SAL ALLOW &amp; SERV BENEF</b>	<b>1 489 216,00</b>	<b>83 188,10</b>	<b>83 188,10</b>	<b>5,58</b>
<b>CFO - SALARIES ALLOW AND SERV BENEFITS</b>				
SM CFO: SAL & ALL - BASIC SALARY	900 793,00			
SM CFO: SAL & ALL - PERFORM BASED BONUS	54 908,00			
SM CFO: ALLOW - CELLULAR & TELEPHONE	6 640,00			
SM CFO: ALLOW - HOUSING BENEFITS				
SM CFO: ALLOW - TRAVEL OR MOTOR VEHICLE	55 335,00			

SM CFO: SRB - ENTERTAINMENT	15 735,00	0,00	0,00	0,00
SM CFO: SRB - ACTING & POST RELATE ALLOW				
<b>SUB TOTAL: CFO - SAL ALLOW &amp; SERV BENEF</b>	<b>1 033 411,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D01 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D01: SAL & ALL - BASIC SALARY	947 376,00			
SM D01: SAL & ALL - PERFORM BASED BONUS	55 013,00			
SM D01: ALLOW - CELLULAR & TELEPHONE	9 960,00			
SM D01: ALLOW - HOUSING BENEFITS				
SM D01: ALLOW - TRAVEL OR MOTOR VEHICLE	159 473,00			
SM D01: SRB - ENTERTAINMENT	5 245,00	0,00	0,00	0,00
SM D01: SRB - ACTING & POST RELATE ALLOW				
<b>SUB TOTAL: DTS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 177 067,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D02 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D02: SAL & ALL - BASIC SALARY	818 367,00	65 753,25	65 753,25	8,03
SM D02: SAL & ALL - PERFORM BASED BONUS	220 485,00			
SM D02: ALLOW - CELLULAR & TELEPHONE	18 528,00	1 000,00	1 000,00	5,39
SM D02: ALLOW - HOUSING BENEFITS	103 811,00			
SM D02: ALLOW - TRAVEL OR MOTOR VEHICLE	555 884,00	43 658,38	43 658,38	7,85
SM D02: ALLOW - ACCOM TRAVEL & INCIDENT.				
SM D02: SRB - ENTERTAINMENT	10 490,00	0,00	0,00	0,00
SM D02: SRB - ACTING & POST RELATE ALLOW				
<b>SUB TOTAL: DPS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 727 565,00</b>	<b>110 411,63</b>	<b>110 411,63</b>	<b>6,39</b>
<b>D03 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D03: SAL & ALL - BASIC SALARY	895 759,00			
SM D03: SAL & ALL - PERFORM BASED BONUS	53 714,00			
SM D03: ALLOW - CELLULAR & TELEPHONE	5 412,00			
SM D03: ALLOW - HOUSING BENEFITS	175 238,00			
SM D03: ALLOW - TRAVEL OR MOTOR VEHICLE	99 517,00			
SM D03: SRB - ENTERTAINMENT	0,00			
SM D03: SRB - ACTING & POST RELATE ALLOW				

<b>SUB TOTAL: DCH - SAL ALLOW &amp; SERV BENEF</b>	<b>1 229 640,00</b>		<b>0,00</b>	<b>0,00</b>
<b>D04 - SALARIES ALLOW AND SERV BENEFITS</b>				
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	0,00			
<b>SUB TOTAL: DCS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 051 465,00</b>			
<b>SUB TOTAL: SM - SAL ALLOW &amp; SERV BENEF</b>	<b>7 708 364,00</b>	<b>193 599,73</b>	<b>193 599,73</b>	<b>2,51</b>
<b>SM - SOCIAL CONTRIBUTIONS</b>				
<b>MM - SOCIAL CONTRIBUTIONS</b>				
SM MM: SOC CONTR: MEDICAL	68 736,00			
SM MM: SOC CONTR: PENSION FUNDS	116 203,00	10 922,46	10 922,46	9,39
SM MM: SOC CONTR: UIF	2 422,00	177,12	177,12	7,31
<b>SUB TOTAL: MM - SOCIAL CONTRIBUTIONS</b>	<b>187 361,00</b>	<b>11 099,58</b>	<b>11 099,58</b>	<b>5,92</b>
<b>CFO - SOCIAL CONTRIBUTIONS</b>				
SM CFO: SOC CONTR: GROUP LIFE INSURANCE				
SM CFO: SOC CONTR: MEDICAL	66 431,00			
SM CFO: SOC CONTR: PENSION FUNDS	132 807,00			
SM CFO: SOC CONTR: UIF	2 459,00			
SM CFO: SOC CONTR: BARGAINING COUNCIL				
<b>SUB TOTAL: CFO - SOCIAL CONTRIBUTIONS</b>	<b>201 697,00</b>			
<b>D01 - SOCIAL CONTRIBUTIONS</b>				
SM D01: SOC CONTR: GROUP LIFE INSURANCE				
SM D01: SOC CONTR: MEDICAL	69 820,00			
SM D01: SOC CONTR: PENSION FUNDS	144 119,00			
SM D01: SOC CONTR: UIF	2 461,00			
SM D01: SOC CONTR: BARGAINING COUNCIL				
<b>SUB TOTAL: DTS - SOCIAL CONTRIBUTIONS</b>	<b>216 400,00</b>			
<b>D02 - SOCIAL CONTRIBUTIONS</b>				
SM D02: SOC CONTR: GROUP LIFE INSURANCE				

SM D02: SOC CONTR: MEDICAL	37 057,00				
SM D02: SOC CONTR: PENSION FUNDS	55 936,00	11 835,59	11 835,59		21,15
SM D02: SOC CONTR: UIF	2 459,00	177,12	177,12		7,20
SM D02: SOC CONTR: BARGAINING COUNCIL					
<b>SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS</b>	<b>95 452,00</b>	<b>12 012,71</b>	<b>12 012,71</b>		<b>12,58</b>
<b>D03 - SOCIAL CONTRIBUTIONS</b>					
SM D03: SOC CONTR: GROUP LIFE INSURANCE					
SM D03: SOC CONTR: MEDICAL	42 022,00				
SM D03: SOC CONTR: PENSION FUNDS					
SM D03: SOC CONTR: UIF	2 434,00		0,00		0,00
SM D03: SOC CONTR: BARGAINING COUNCIL					
<b>SUB TOTAL: DCH - SOCIAL CONTRIBUTIONS</b>	<b>44 456,00</b>				
<b>SUB TOTAL: SM - SOCIAL CONTRIBUTIONS</b>	<b>745 366,00</b>	<b>23112,29</b>	<b>23112,29</b>		<b>3,10</b>
<b>SM - POST RETIREMENT BENEFITS</b>					
SM: PRB - MED: CURRENT SERVICE COST					
SM: PRB - MED: INTEREST COST	5 751 703,00	0,00	0,00		0,00
SM: PRB - PENS: INTEREST COST	742 998,00				
<b>SUB TOTAL : SM - POST RETIREMENT BENEFIT</b>	<b>6 494 701,00</b>	<b>0,00</b>	<b>0,00</b>		<b>0,00</b>
SM: PST RET BEN OBL CST CAP PPE					
<b>SUB TOTAL : SM - COST CAPITALISED TO PPE</b>					
<b>SUB TOTAL : SENIOR MANAGEMENT</b>	<b>14 948 431,00</b>	<b>216 712,02</b>	<b>216 712,02</b>		<b>1,44</b>
<b>MUNICIPAL STAFF</b>					
<b>MS - SALARIES ALLOW AND SERV BENEFITS</b>					
MS: SAL & ALL: BASIC SALARY & WAGES	271 059 050,00	19 834 365,77	19 834 365,77		7,31
MS: SAL & ALL: PERFORMANCE BASED BONUSES	28 646,00	0,00	0,00		0,00
MS: ALL - CELLULAR & TELEPHONE	872 036,00	38 644,44	38 644,44		4,43
MS: HB & INC: HOUSING BENEFITS	2 013 195,00	136 442,55	136 442,55		6,77
MS: ALL - LEAVE PAY	3 075 518,00	160 629,20	160 629,20		5,22
MS: ALL - TRAVEL OR MOTOR VEHICLE	24 606 437,00	1 765 204,15	1 765 204,15		7,17
MS: OVERTIME - NON STRUCTURED	33 870 731,00	3 271 260,78	3 271 260,78		9,65

MS: OVERTIME - STRUCTURED	61 717,00	0,00	0,00	0,00	0,00
MS: PAYMENTS - SHIFT ADD REMUNERATIO					
MS: OVERTIME - NIGHT SHIFT					
MS: SRB - ANNUAL BONUS	21 273 371,00	3 348 197,61	3 348 197,61		15,73
MS: SRB - LONG SERVICE AWARD	2 117 536,00	102 714,14	102 714,14		4,85
MS: SRB - STANDBY ALLOWANCE	4 137 422,00	383 740,09	383 740,09		9,27
MS: IN-KIND BENEFITS	3 371,00				
MS: SRB - NON PENSIONABLE	1 750,00				
<b>SUB TOTAL : MS - SAL ALLOW &amp; SERV BENEF</b>	<b>363 120 780,00</b>	<b>29 041 198,73</b>	<b>29 041 198,73</b>		<b>7,99</b>
<b>MS - SOCIAL CONTRIBUTIONS</b>					
MS: SOC CONTR - BARGAINING COUNCIL	145 297,00	11 735,47	11 735,47		8,07
MS: SOC CONTR - GROUP LIFE INSURANCE	1 416 399,00	83 086,78	83 086,78		5,86
MS: SOC CONTR - MEDICAL	25 515 593,00	2 333 689,08	2 333 689,08		9,14
MS: SOC CONTR - PENSION	41 812 794,00	3 446 683,96	3 446 683,96		8,24
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 276 431,00	169 224,78	169 224,78		7,43
<b>SUB TOTAL : MS - SOCIAL CONTRIBUTIONS</b>	<b>71 166 514,00</b>	<b>6 044 420,07</b>	<b>6 044 420,07</b>		<b>8,49</b>
MS: PRB - MED: CURRENT SERVICE COST					
MS: PRB - MED: INTEREST COST	2 092 015,00	8 859,60	8 859,60		0,42
MS: PRB - PENS: INTEREST COST					
MS: PRB - OTHER: LEAVE GRATUITY					
<b>SUB TOTAL : MS - POST RETIREMENT BEN</b>	<b>2 092 015,00</b>	<b>8 859,60</b>	<b>8 859,60</b>		<b>0,42</b>
<b>MS - COST CAPITALISED TO PPE</b>					
MS: IN-KIND BENEFITS CST CAP PPE	11 324,00	13 603,15	13 603,15		120,12
<b>SUB TOTAL : MS - COST CAPITALISED TO PPE</b>	<b>11 324,00</b>	<b>13 603,15</b>	<b>13 603,15</b>		<b>120,12</b>
<b>SUB TOTAL : MUNICIPAL STAFF</b>	<b>436 390 633,00</b>	<b>35 108 081,55</b>	<b>35 108 081,55</b>		<b>8,04</b>
<b>SUB TOTAL : EMPLOYEE RELATED COST</b>	<b>451 339 064,00</b>	<b>35 324 793,57</b>	<b>35 324 793,57</b>		<b>7,82</b>

**Analysis of overtime per department**

	<b>31-Jul-24</b>	
<b>Description</b>	<b>Hours</b>	<b>Cost</b>
Municipal Manager	-	-
Corporate Services	300,50	55 950,15
Financial Services	226,10	34 811,89
Technical Services	10 484,00	1 880 961,79
Community Services	5 756,00	1 204 640,48
LED & Planning	-	-
TEMPORARY (LED)	-	-
<b>Total</b>	<b>16 782,60</b>	<b>3 179 374,70</b>

**FS201 Moqhaka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July**

R thousands	Ref	2023/24 Audited Outcome	Budget Year 2024/25					Full Year Forecast	
			Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget		YTD variance
	1	A	B	C			D		
<b>Summary of Employee and Councillor remuneration</b>									
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		4 831	7 394	7 394	261	616	(355)	-56%	7 394
Pension and UIF Contributions		1 708	1 839	1 839	139	153	(14)	-9%	1 839
Medical Aid Contributions		737	1 194	1 194	62	99	(37)	-38%	1 194
Mobv. Vehicle Allowance		12 926	14 071	14 071	1 122	1 173	(51)	-4%	14 071
Cellphone Allowance		1 956	2 882	2 882	165	240	(75)	-31%	2 882
Housing Allowances		93	2 198	2 198	2	183	(181)	-99%	2 198
Other benefits and allowances		22 251	29 578	29 578	1 751	2 465	(714)	-29%	29 578
<b>Sub Total - Councillors</b>	<b>4</b>		<b>32.9%</b>	<b>32.9%</b>	<b>1 751</b>	<b>2 465</b>	<b>(714)</b>	<b>-29%</b>	<b>32.9%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages		1 333	5 495	5 495	126	458	(332)	-72%	5 495
Pension and UIF Contributions		125	461	461	23	38	(15)	-40%	461
Medical Aid Contributions		-	284	284	-	24	(24)	-100%	284
Overtime		92	542	542	-	45	(45)	-100%	542
Mobv. Vehicle Allowance		718	1 197	1 197	63	100	(37)	-37%	1 197
Cellphone Allowance		48	82	82	4	7	(3)	-42%	82
Housing Allowances		-	361	361	-	30	(30)	-100%	361
Other benefits and allowances		-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		3 659	6 495	6 495	-	541	(541)	-100%	6 495
Post-retirement benefit obligations		36	31	31	-	3	(3)	-100%	31
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>4</b>	<b>6 010</b>	<b>14 948</b>	<b>14 948</b>	<b>217</b>	<b>1 246</b>	<b>(1 029)</b>	<b>-83%</b>	<b>14 948</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		229 929	271 059	271 059	19 834	22 588	(2 754)	-12%	271 059
Pension and UIF Contributions		42 300	45 506	45 506	3 699	3 792	(93)	-2%	45 506
Medical Aid Contributions		24 996	25 516	25 516	2 334	2 126	207	10%	25 516
Overtime		40 338	33 932	33 932	3 271	2 828	444	16%	33 932
Performance Bonus		18 208	21 302	21 302	3 348	1 775	1 573	89%	21 302
Mobv. Vehicle Allowance		21 518	24 606	24 606	1 765	2 051	(286)	-14%	24 606
Cellphone Allowance		496	872	872	39	73	(34)	-47%	872
Housing Allowances		1 560	2 013	2 013	136	168	(31)	-19%	2 013
Other benefits and allowances		3 971	4 284	4 284	395	357	38	11%	4 284
Payments in lieu of leave		7 051	3 076	3 076	161	256	(96)	-37%	3 076
Long service awards		924	2 118	2 118	103	176	(74)	-42%	2 118
Post-retirement benefit obligations		1 364	2 092	2 092	9	174	(165)	-95%	2 092
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	<b>4</b>	<b>352 654</b>	<b>436 379</b>	<b>436 379</b>	<b>35 094</b>	<b>36 365</b>	<b>(1 271)</b>	<b>-3%</b>	<b>436 379</b>
<b>% Increase</b>			<b>11.1%</b>	<b>11.1%</b>			<b>(1 271)</b>	<b>-3%</b>	<b>11.1%</b>
<b>Total Parent Municipality</b>		<b>420 915</b>	<b>480 905</b>	<b>480 905</b>	<b>37 062</b>	<b>40 076</b>	<b>(3 014)</b>	<b>-8%</b>	<b>480 905</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>420 915</b>	<b>480 905</b>	<b>480 905</b>	<b>37 062</b>	<b>40 076</b>	<b>(3 014)</b>	<b>-8%</b>	<b>480 905</b>
<b>% Increase</b>			<b>14.3%</b>	<b>14.3%</b>			<b>(3 014)</b>	<b>-8%</b>	<b>14.3%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>398 664</b>	<b>451 328</b>	<b>451 328</b>	<b>35 311</b>	<b>37 611</b>	<b>(2 300)</b>	<b>-6%</b>	<b>451 328</b>

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 13<sup>th</sup> 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.

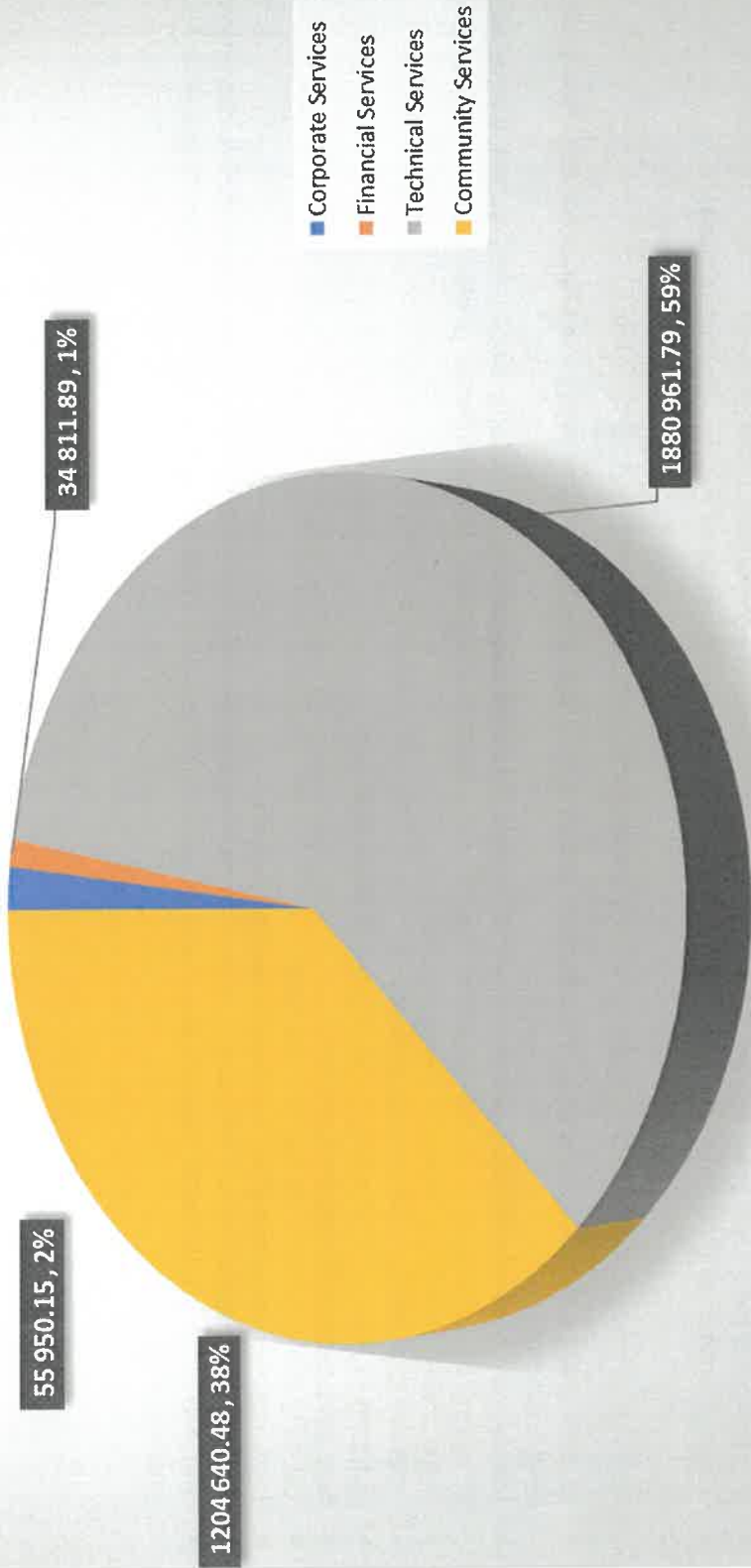
Management needs to do more to address the issues on Overtime which is higher than the ideal IYM percentage and is overspent for the year under review. For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift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

## Analysis of Overtime Per Department

Description	31-Jul-24	
	Hours	Cost
Municipal Manager	-	-
Corporate Services	300.50	55 950.15
Financial Services	226.10	34 811.89
Technical Services	10 484.00	1 880 961.79
Community Services	5 756.00	1 204 640.48
LED & Planning	-	-
TEMPORARY (LED)	-	-
<b>Total</b>	<b>16 782.60</b>	<b>3 179 374.70</b>

# Overtime Analysis



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 Municipality:	31-Jul-24		CAPITAL GRANTS	
	FS201	Moghaka	Municipal Infrastructure Grant (MIG)	Water Services Infrastructure Grant (WSIG)
Financial Accounting for Grant Funds Received and Expended	OPERATIONAL GRANTS		CAPITAL GRANTS	
	Finance Management Grant (FMG)	LG SETA (Mandatory)	Municipal Infrastructure Grant (MIG)	Water Services Infrastructure Grant (WSIG)
<b>DORA Allocation for the 2024/25</b>	2 300 000		46 656 000	17 971 000
<b>Unspent grants at beginning of the financial year</b>		2 991 897		16 080 062
Received Prior Months				
Received This Month	2 300 000		12 497 000	4 971 000
<b>Total Funds Received</b>	<b>2 300 000</b>	<b>2 991 897</b>	<b>12 497 000</b>	<b>21 051 062</b>
Spent Prior Months				
Spent This Month	21 455	10 850	7 043 283	
Grants refunded				
Total Funds Spent	21 455	10 850	7 043 283	-
<b>Total funds Received and Not Spent</b>	<b>2 278 545</b>	<b>2 981 047</b>	<b>5 453 717</b>	<b>21 051 062</b>
<b>Percentage of Funds Spent</b>	<b>1%</b>	<b>0%</b>	<b>56%</b>	<b>0%</b>
Funds Currently Committed but Not Spent	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-

FS 201		MOQHAKA LOCAL MUNICIPALITY		MOQHAKA		
MIG GRANT REGISTER				MIG GRANT REGISTER		
Name of grant: MIG		Projects Descriptions		Receipts Expenditure		
Details		Cheque Ref.	Invoice Date	Funds Received	Expenditure (incl Vat)	Balance
<b>Jul-24</b>						
<b>Opening Balance</b>						
Funds Received		Deposit		12 497 000,00		-
Expenditure						
R/FS/19923/23/25	Maokeng/Seeisoville: Construction of 1.46km paved road and storm water at Mahabane Street (MIS:458604)	238224	08-07-2024	419 094,10		
R/FS/19923/23/25	Maokeng/Seeisoville: Construction of 1.46km paved road and storm water at Mahabane Street (MIS: 458604)	239657	26-07-2024	678 079,08		
R/FS/19402/23/25	Maokeng/Constantia: Construction of 0.51km paved road and storm water at Messi Street (MIS:4588272)	238227	08-07-2024	202 210,90		
R/FS/19922/23/25	Maokeng/Brentpark: Construction of 1.316km paved road and storm water at Canon street (MIS:458296)	238222	08-07-2024	752 662,60		
R/FS/19922/23/25	Maokeng/Brentpark: Construction of 1.316km paved road and storm water at Canon street (MIS:458296)	239656	26-07-2024	1 674 181,24		
W/FS/19851/23/25	Maokeng (Brentpark): Construction of 1.5ml Steel Reservoir, 0.5ml Elevated Steel Tank and Pumpstation (MIS:458610)	238228	08-07-2024	2 316 828,85		
W/FS/19851/23/25	Maokeng (Brentpark): Construction of 1.5ml Steel Reservoir, 0.5ml Elevated Steel Tank and Pumpstation (MIS:458610)	238225	08-07-2024	152 733,55		
R/FS/19924/23/25	Maokeng: Gelukwaarts - Upgrading of Masionne and Stilwane Street (0.796km) to a paved road (MIS:478759)	238226	08-07-2024	443 230,61		
R/FS/49924/23/25	Maokeng: Gelukwaarts - Upgrading of Masionne and Stilwane Street (0.796km) to a paved road (MIS:478759)	238468	18-07-2024	249 715,40		
<b>Closing Balance</b>				12 497 000,00	6 888 676,33	5 608 323,67

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

### **13. Other Supporting Documentation**



**ESKOM HOLDINGS SOC. LTD.** REG. NO. 2002/011462/06  
 VAT REG. NO. 474016206



**NORTH WESTERN REGION**  
 PRIVATE BAG 116 WESTVILLE 2010  
 CONTACT CENTRE: (021) 03 2565  
 FAX NO: 021 437 366  
 E-MAIL: customerservice@eskom.co.za  
 WEB: WWW.ESKOM.CO.ZA

YOUR ACCOUNT NO	9345061750
SECURITY HELD	214.59
BILLING DATE	2024-08-08
TAX INVOICE NO	9345061750
ACCOUNT MONTH	AUGUST 2024
CURRENT DUE DATE	2024-08-07
VAT REG NO	400284573

E-MAIL: [info@eskom.co.za](mailto:info@eskom.co.za)

### TAX INVOICE

#### ACCOUNT TRANSACTION SUMMARY

ADMINISTRATION CHARGE	20 871.51
ELECT. NETWORK CAPACITY CHARGE	978 207.09
NETWORK DEMAND CHARGE (CROWM) (ALL)	129 282.28
ADDITIONAL SERVICE (ALL)	17 378 255.46
ENERGY CHARGE (TOD)	380 046.62
ENERGY CHARGE (TOD) (CROWM)	104 343.49
NETWORK DEMAND CHARGE (CROWM)	218 443.78
ENERGY CHARGE (REAR)	25 727 180.03
ELECTRIFICATION AND RURAL CLUD (ALL)	9 605 834.30
TRANSMISSION NETWORK CAPACITY	3 400 000.00
NETWORK DEMAND CHARGE	313 374.00
URBAN LOW VOLTAGE SUBSIDY	1 099 202.24
REACTIVE ENERGY SERVICE CHARGE	3 44 339.35

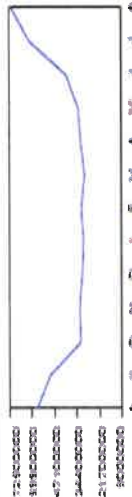
#### TOTAL CHARGES FOR BILLING PERIOD

**92 873 049.73**

#### ACCOUNT SUMMARY FOR AUGUST 2024

BALANCE BRINGING FORWARD	1 372 239 257.70
DEBIT CHARGES FOR AUGUST 2024	92 873 049.73
CREDIT CHARGES FOR BILLING PERIOD	62 675 048.75
ADJUSTMENT	77 892.30
ADJUSTMENT	4 995 799.29
ADJUSTMENT	4 207 281.83
ADJUSTMENT	9 400 057.47

PERIOD	2-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	121-180 DAYS	181-360 DAYS	CURRENT
TOTAL DUE	1 300 593.83	45 377 438.47	57 288 087.05	0.00	76 850 770.73	0.00	1 399 210,128.45



MONTHLY

PAGE RUN NO	22/59
BILL GROUP	3 CF 4

ACCOUNT NO / REFERENCE NO	9345061750
NAME	MUCHAKA LOCAL MUNICIPALITY
TAX NUMBER	0955895565
0934	9345061750



9207 6934 9081 7904



**TOTAL AMOUNT DUE**  
**1,399,210,128.45**

PAYMENT AGREEMENT	
INSTALLMENT	0.00
APPEAR	0.00
DUPLICATE	222,239,233.70
DUPLICATE	0.00
DUPLICATE	0.00
DUPLICATE	0.00
DUPLICATE	0.00

**LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT**

## 14. Conclusion

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

### Communication

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

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

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

The following are the budget and other financial issues:

- o Water and Electricity losses
- o Collection on arrear debtors and liquidity of the Municipality
- o The municipality not meeting the average daily cash collection target
- o Defaulting on the high months and partial payments to ESKOM
- o Non-compliance to MFMA Circular 124 Municipal Debt Relief and prescribed conditions
- o Notice of disconnection from ESKOM
- o Risk of forfeiting our NERSA license and the serious implications this will have on the operations of the municipality
- o Insufficient cash to pay salaries and creditors for goods and services rendered
- o Stopping of conditional capital grants.
- o 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 C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

R thousands	Description	Ref	Budget Year 2024/25																	
			2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast									
	<b>Revenue - Functional</b>	1																		
	<b>Governance and administration</b>																			
	Executive and council		392 171	307 563	307 563	133 669	133 669	133 669	25 630	108 039	422%	307 563								
	Finance and administration		281 124	204 456	204 456	124 452	124 452	124 452	17 038	107 415	630%	204 456								
	Internal audit		111 047	103 108	103 108	9 217	9 217	9 217	8 592	625	7%	103 108								
	<b>Community and public safety</b>																			
	Community and social services		13 973	26 947	26 947	1 909	1 909	1 909	2 246	(337)	-15%	26 947								
	Sport and recreation		1 850	3 573	3 573	138	138	138	298	(160)	-54%	3 573								
	Public safety		2 896	5 232	5 232	54	54	54	436	(382)	-88%	5 232								
	Housing		2 849	4 905	4 905	60	60	60	409	(349)	-85%	4 905								
	Health		6 379	13 237	13 237	1 658	1 658	1 658	1 103	554	50%	13 237								
	<b>Economic and environmental services</b>																			
	Planning and development		48 147	48 603	48 603	260	260	260	4 050	(3 790)	-94%	48 603								
	Road transport		2 269	1 729	1 729	153	153	153	144	9	6%	1 729								
	Environmental protection		45 878	46 763	46 763	107	107	107	3 897	(3 790)	-97%	46 763								
	<b>Trading services</b>																			
	Energy sources		776 339	1 028 379	1 028 379	34 968	34 968	34 968	85 698	(50 731)	-59%	1 028 379								
	Water management		402 493	584 727	584 727	6 510	6 510	6 510	48 727	(42 217)	-87%	584 727								
	Waste water management		210 421	265 446	265 446	16 021	16 021	16 021	22 120	(6 099)	-28%	265 446								
	Waste management		108 812	103 334	103 334	7 289	7 289	7 289	8 611	(1 322)	15%	103 334								
	<b>Other</b>	4	56 613	74 873	74 873	5 147	5 147	5 147	6 239	(1 092)	-18%	74 873								
	<b>Total Revenue - Functional</b>	2	1 232 630	1 411 492	1 411 492	170 806	170 806	170 806	117 624	53 182	45%	1 411 492								
	<b>Expenditure - Functional</b>																			
	<b>Governance and administration</b>																			
	Executive and council		323 842	327 192	327 192	20 084	20 084	20 084	27 266	(7 182)	-26%	327 192								
	Finance and administration		100 484	107 648	107 648	8 555	8 555	8 555	8 971	(416)	-5%	107 648								
	Internal audit		219 419	214 976	214 976	11 213	11 213	11 213	17 915	(6 702)	-37%	214 976								
	<b>Community and public safety</b>																			
	Community and social services		3 940	4 568	4 568	316	316	316	381	(65)	-17%	4 568								
	Sport and recreation		102 353	125 520	125 520	8 234	8 234	8 234	10 460	(2 226)	-21%	125 520								
	Public safety		15 962	18 759	18 759	984	984	984	1 563	(579)	-37%	18 759								
	Housing		39 896	48 127	48 127	3 452	3 452	3 452	4 011	(559)	-14%	48 127								
	Health		38 722	49 422	49 422	3 058	3 058	3 058	4 119	(1 060)	-26%	49 422								
	<b>Economic and environmental services</b>																			
	Planning and development		7 873	9 212	9 212	739	739	739	768	(28)	-4%	9 212								
	Road transport		86 954	72 713	72 713	3 206	3 206	3 206	6 059	(2 854)	-47%	72 713								
	Environmental protection		8 782	13 818	13 818	658	658	658	1 152	(494)	-43%	13 818								
	<b>Trading services</b>																			
	Energy sources		74 951	54 826	54 826	2 272	2 272	2 272	4 569	(2 297)	-50%	54 826								
	Water management		3 221	4 069	4 069	276	276	276	339	(63)	-19%	4 069								
	Waste water management		880 575	781 911	781 911	14 630	14 630	14 630	65 159	(50 530)	-78%	781 911								
	Waste management		528 173	517 289	517 289	2 056	2 056	2 056	43 107	(41 052)	-95%	517 289								
	<b>Other</b>	3	184 799	116 593	116 593	4 034	4 034	4 034	9 716	(5 682)	-58%	116 593								
			100 009	73 954	73 954	4 777	4 777	4 777	6 163	(1 386)	-22%	73 954								
			67 694	74 075	74 075	3 763	3 763	3 763	6 173	(2 410)	-39%	74 075								
			1 094	3 130	3 130	99	99	99	261	(162)	-62%	3 130								
	<b>Total Expenditure - Functional</b>	3	1 394 819	1 310 466	1 310 466	46 252	46 252	46 252	109 206	(62 954)	-58%	1 310 466								
	<b>Surplus/(Deficit) for the year</b>		(162 188)	101 026	101 026	124 554	124 554	124 554	8 418	116 136	13.795975	101 026								

**FS201 Moqhaka - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July**

Vote Description		Budget Year 2024/25													
		2023/24 Audited Outcome	Ref	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast				
<b>R thousands</b>															
<b>Revenue by Vote</b>			1												
Vote 01 - Executive & Council		281 124		204 456	204 456	124 452	124 452	17 038	107 415	630.4%	204 456				
Vote 02 - Municipal Manager		2 840		-	-	-	-	-	-	-	-				
Vote 03 - Corporate Services		(3 137)		2 301	2 301	109	109	192	(83)	-43.1%	2 301				
Vote 04 - Finance		110 744		100 441	100 441	9 078	9 078	8 370	708	8.5%	100 441				
Vote 05 - Technical Services		767 604		1 000 269	1 000 269	29 928	29 928	83 356	(53 428)	-64.1%	1 000 269				
Vote 06 - Community Services		61 432		83 843	83 843	5 354	5 354	6 987	(1 633)	-23.4%	83 843				
Vote 07 - Local Economic Development		12 023		20 183	20 183	1 884	1 884	1 682	202	12.0%	20 183				
Vote 08 -		-		-	-	-	-	-	-	-	-				
Vote 09 -		-		-	-	-	-	-	-	-	-				
Vote 10 -		-		-	-	-	-	-	-	-	-				
Vote 11 -		-		-	-	-	-	-	-	-	-				
Vote 12 -		-		-	-	-	-	-	-	-	-				
Vote 13 -		-		-	-	-	-	-	-	-	-				
Vote 14 -		-		-	-	-	-	-	-	-	-				
Vote 15 - Other		-		-	-	-	-	-	-	-	-				
<b>Total Revenue by Vote</b>		<b>1 232 630</b>	<b>2</b>	<b>1 411 492</b>	<b>1 411 492</b>	<b>170 806</b>	<b>170 806</b>	<b>117 624</b>	<b>53 182</b>	<b>45.2%</b>	<b>1 411 492</b>				
<b>Expenditure by Vote</b>			1												
Vote 01 - Executive & Council		83 091		99 504	99 504	8 113	8 113	8 292	(179)	-2.2%	99 504				
Vote 02 - Municipal Manager		22 527		28 093	28 093	1 842	1 842	2 341	(499)	-21.3%	28 093				
Vote 03 - Corporate Services		53 817		60 329	60 329	3 219	3 219	5 028	(1 809)	-36.0%	60 329				
Vote 04 - Finance		69 063		69 950	69 950	4 399	4 399	5 829	(1 431)	-24.5%	69 950				
Vote 05 - Technical Services		903 694		773 445	773 445	14 354	14 354	64 454	(50 100)	-77.7%	773 445				
Vote 06 - Community Services		231 088		233 399	233 399	11 565	11 565	19 450	(7 885)	-40.5%	233 399				
Vote 07 - Local Economic Development		31 538		45 745	45 745	2 760	2 760	3 812	(1 052)	-27.6%	45 745				
Vote 08 -		-		-	-	-	-	-	-	-	-				
Vote 09 -		-		-	-	-	-	-	-	-	-				
Vote 10 -		-		-	-	-	-	-	-	-	-				
Vote 11 -		-		-	-	-	-	-	-	-	-				
Vote 12 -		-		-	-	-	-	-	-	-	-				
Vote 13 -		-		-	-	-	-	-	-	-	-				
Vote 14 -		-		-	-	-	-	-	-	-	-				
Vote 15 - Other		-		-	-	-	-	-	-	-	-				
<b>Total Expenditure by Vote</b>		<b>1 394 819</b>	<b>2</b>	<b>1 310 466</b>	<b>1 310 466</b>	<b>46 252</b>	<b>46 252</b>	<b>109 206</b>	<b>(62 954)</b>	<b>-57.6%</b>	<b>1 310 466</b>				
<b>Surplus/ (Deficit) for the year</b>		<b>(162 188)</b>	<b>2</b>	<b>101 026</b>	<b>101 026</b>	<b>124 554</b>	<b>124 554</b>	<b>8 418</b>	<b>116 136</b>	<b>1379.6%</b>	<b>101 026</b>				

**FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July**

R thousands	Ref	Description	Budget Year 2024/25					YTD variance %	Full Year Forecast
			2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual		
<b>Revenue</b>									
Exchange Revenue									
Service charges - Electricity		392 965	553 019	553 019	5 713	5 713	46 085	553 019	
Service charges - Water		171 376	195 587	195 587	12 829	12 829	16 299	195 587	
Service charges - Waste Water Management		65 954	70 019	70 019	6 041	6 041	5 835	70 019	
Service charges - Waste management		46 961	48 564	48 564	4 258	4 258	4 047	48 564	
Sale of Goods and Rendering of Services		6 220	10 265	10 265	568	568	855	10 265	
Agency services									
Interest		69 946	34 557	34 557	6 462	6 462	2 680	34 557	
Interest earned from Receivables		34	30	30	—	—	3	30	
Interest from Current and Non Current Assets		3 672	1 736	1 736	29	29	145	1 736	
Dividends									
Rent on Land									
Rental from Fixed Assets		6 595	8 535	8 535	332	332	711	8 535	
Licence and permits		694	12 324	12 324	1 643	1 643	1 027	12 324	
Operational Revenue		88 207	90 509	90 509	7 756	7 756	7 542	90 509	
Property rates									
Surcharges and Taxes		6 569	5 309	5 309	(56)	(56)	442	5 309	
Fines, penalties and forfeits									
Licence and permits		314 054	311 514	311 514	124 403	124 403	25 959	311 514	
Transfers and subsidies - Operational		7 761	2 982	2 982	753	753	249	2 982	
Interest									
Fuel Levy		839	678	678	74	74	57	678	
Operational Revenue		(126)	—	—	—	—	—	—	
Gains on disposal of Assets		(317)	—	—	—	—	—	—	
Other Gains									
Discontinued Operations									
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 181 403</b>	<b>1 345 628</b>	<b>1 345 628</b>	<b>170 806</b>	<b>170 806</b>	<b>112 136</b>	<b>1 345 628</b>	
<b>Expenditure By Type</b>									
Employee related costs		398 791	451 339	451 339	35 325	35 325	37 612	451 339	
Remuneration of councillors		22 251	29 578	29 578	1 751	1 751	2 465	29 578	
Bulk purchases - electricity		418 280	427 440	427 440	235	235	35 620	427 440	
Inventory consumed		28 235	21 223	21 223	317	317	1 769	21 223	
Debt impairment		—	58 783	58 783	—	—	4 899	58 783	
Depreciation and amortisation		103 526	9 870	9 870	550	550	823	9 870	
Interest		6 029	8 698	8 698	—	—	725	8 698	
Contracted services		139 917	158 841	158 841	3 983	3 983	13 237	158 841	
Transfers and subsidies		84	1 049	1 049	—	—	87	1 049	
Irrecoverable debts written off		176 758	1 486	1 486	384	384	124	1 486	
Operational costs		102 382	142 099	142 099	3 707	3 707	11 842	142 099	
Losses on Disposal of Assets		6 424	60	60	—	—	5	60	
Other Losses		(7 857)	—	—	—	—	—	—	
<b>Total Expenditure</b>		<b>1 394 819</b>	<b>1 310 466</b>	<b>1 310 466</b>	<b>46 252</b>	<b>46 252</b>	<b>109 206</b>	<b>1 310 466</b>	
<b>Surplus/(Deficit)</b>		<b>(213 416)</b>	<b>35 162</b>	<b>35 162</b>	<b>124 554</b>	<b>124 554</b>	<b>2 929</b>	<b>35 162</b>	
Transfers and subsidies - capital (monetary allocations)		51 220	64 627	64 627	(0)	(0)	5 386	64 627	
Transfers and subsidies - capital (in-kind)		7	1 237	1 237	—	—	103	1 237	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(162 188)</b>	<b>101 026</b>	<b>101 026</b>	<b>124 554</b>	<b>124 554</b>	<b>8 418</b>	<b>101 026</b>	
Income Tax									
<b>Surplus/(Deficit) after income tax</b>		<b>(162 188)</b>	<b>101 026</b>	<b>101 026</b>	<b>124 554</b>	<b>124 554</b>	<b>8 418</b>	<b>101 026</b>	
Share of Surplus/Deficit attributable to Joint Venture									
Share of Surplus/Deficit attributable to Minorities									
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(162 188)</b>	<b>101 026</b>	<b>101 026</b>	<b>124 554</b>	<b>124 554</b>	<b>8 418</b>	<b>101 026</b>	
Share of Surplus/Deficit attributable to Associates									
Intercompany/Parent/subsidiary transactions									
<b>Surplus/ (Deficit) for the year</b>		<b>(162 188)</b>	<b>101 026</b>	<b>101 026</b>	<b>124 554</b>	<b>124 554</b>	<b>8 418</b>	<b>101 026</b>	

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

R thousands	Vote Description	Ref	Budget Year 2024/25							Full Year Forecast	
			2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance		YTD variance %
	<b>Single Year expenditure appropriation</b>	1									
	Vote 01 - Executive & Council	2	107	400	400	—	—	—	—	—	—
	Vote 02 - Municipal Manager		61	400	400	—	—	—	—	—	—
	Vote 03 - Corporate Services		727	2 500	2 500	39	39	39	33	(33)	-100%
	Vote 04 - Finance		804	2 077	2 077	—	—	—	208	(169)	-81%
	Vote 05 - Technical Services		(63)	78 142	78 142	5 707	5 707	5 707	173	(173)	-100%
	Vote 06 - Community Services		4 520	14 600	14 600	—	—	—	6 512	(804)	-12%
	Vote 07 - Local Economic Development		241	872	872	—	—	—	1 217	(1 217)	-100%
	<b>Total Capital single-year expenditure</b>	4	6 396	98 591	98 591	5 747	5 747	5 747	8 216	(2 469)	-30%
	<b>Total Capital Expenditure</b>		6 396	98 591	98 591	5 747	5 747	5 747	8 216	(2 469)	-30%
	<b>Capital Expenditure - Functional Classification</b>										
	<b>Governance and administration</b>		1 833	5 750	5 750	39	39	39	479	(440)	-92%
	Executive and council		147	—	—	—	—	—	—	—	—
	Finance and administration		1 686	5 750	5 750	39	39	39	479	(440)	-92%
	Internal audit		—	—	—	—	—	—	—	—	—
	<b>Community and public safety</b>		3 980	13 122	13 122	3	3	3	1 093	(1 091)	-100%
	Community and social services		955	5 197	5 197	—	—	—	433	(433)	-100%
	Sport and recreation		1 730	4 081	4 081	—	—	—	340	(340)	-100%
	Public safety		1 237	3 843	3 843	3	3	3	320	(317)	-99%
	Housing		58	—	—	—	—	—	—	—	—
	Health		—	—	—	—	—	—	—	—	—
	<b>Economic and environmental services</b>		(17 530)	31 596	31 596	3 755	3 755	3 755	2 633	1 122	43%
	Planning and development		205	205	205	—	—	—	17	(17)	-100%
	Road transport		(17 530)	31 234	31 234	3 755	3 755	3 755	2 603	1 152	44%
	Environmental protection		—	157	157	—	—	—	13	(13)	-100%
	<b>Trading services</b>		18 112	48 071	48 071	1 949	1 949	1 949	4 006	(2 057)	-51%
	Energy sources		20	3 348	3 348	149	149	149	279	(130)	-46%
	Water management		15 099	25 011	25 011	1 800	1 800	1 800	2 084	(284)	-14%
	Waste water management		2 317	15 890	15 890	—	—	—	1 324	(1 324)	-100%
	Waste management		677	3 822	3 822	—	—	—	318	(318)	-100%
	<b>Other</b>		—	52	52	—	—	—	4	(4)	-100%
	<b>Total Capital Expenditure - Functional Classification</b>	3	6 396	98 591	98 591	5 747	5 747	5 747	8 216	(2 469)	-30%
	<b>Funded by:</b>										
	National Government		805	64 627	64 627	5 558	5 558	5 558	5 386	172	3%
	Provincial Government		—	—	—	—	—	—	—	—	—
	District Municipality		—	—	—	—	—	—	—	—	—
	Transfers and subsidies - capital (monetary allocations)		—	—	—	—	—	—	—	—	—
	(Nat./Prov Departm Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		—	—	—	—	—	—	—	—	—
	<b>Transfers recognised - capital</b>		805	64 627	64 627	5 558	5 558	5 558	5 386	172	3%
	<b>Borrowing</b>	6	—	—	—	—	—	—	—	—	—
	<b>Internally generated funds</b>		5 591	33 964	33 964	189	189	189	2 830	(2 641)	-93%
	<b>Total Capital Funding</b>		6 396	98 591	98 591	5 747	5 747	5 747	8 216	(2 469)	-30%

**FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M01 July**

R thousands	Description	Ref	Budget Year 2024/25				Full Year Forecast
			2023/24 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	
	<b>ASSETS</b>	1					
	<b>Current assets</b>						
	Cash and cash equivalents		451 730	2 783	2 783	126 937	2 783
	Trade and other receivables from exchange transactions		522 253	236 799	236 799	702 565	236 799
	Receivables from non-exchange transactions		53 501	41 960	41 960	66 235	41 960
	Current portion of non-current receivables						
	Inventory		82 870	100 984	100 984	84 605	100 984
	VAT		904	34 445	34 445	7 049	34 445
	Other current assets		41 914	31 215	31 215	(40 388)	31 215
	<b>Total current assets</b>		<b>1 153 172</b>	<b>448 185</b>	<b>448 185</b>	<b>947 002</b>	<b>448 185</b>
	<b>Non current assets</b>						
	Investments		390	277	277	390	277
	Investment property		105 102	195 597	195 597	105 102	195 597
	Property, plant and equipment		1 884 431	2 780 550	2 780 550	1 895 698	2 780 550
	Biological assets						
	Living and non-living resources		7 754	2 627	2 627	7 754	2 627
	Heritage assets		2 365	4 674	4 674	2 799	4 674
	Intangible assets						
	Trade and other receivables from exchange transactions						
	Non-current receivables from non-exchange transactions						
	Other non-current assets						
	<b>Total non current assets</b>		<b>2 000 042</b>	<b>2 983 725</b>	<b>2 983 725</b>	<b>2 011 743</b>	<b>2 983 725</b>
	<b>TOTAL ASSETS</b>		<b>3 153 214</b>	<b>3 431 910</b>	<b>3 431 910</b>	<b>2 958 745</b>	<b>3 431 910</b>
	<b>LIABILITIES</b>						
	<b>Current liabilities</b>						
	Bank overdraft						
	Financial liabilities		(3 003)	(2 032)	(2 032)	(242)	(2 032)
	Consumer deposits		13 564	13 734	13 734	13 614	13 734
	Trade and other payables from exchange transactions		1 308 608	485 809	485 809	1 238 292	485 809
	Trade and other payables from non-exchange transactions		27 032			44 749	
	Provision		157 996	68 424	68 424	157 821	68 424
	VAT		(2 454)	(49 705)	(49 705)	19 709	(49 705)
	Other current liabilities						
	<b>Total current liabilities</b>		<b>1 501 742</b>	<b>516 230</b>	<b>516 230</b>	<b>1 473 944</b>	<b>516 230</b>
	<b>Non current liabilities</b>						
	Financial liabilities		16 202	27 823	27 823	16 202	27 823
	Provision		124 026	42 547	42 547	124 026	42 547
	Long term portion of trade payables						
	Other non-current liabilities						
	<b>Total non current liabilities</b>		<b>140 228</b>	<b>70 369</b>	<b>70 369</b>	<b>140 228</b>	<b>70 369</b>
	<b>TOTAL LIABILITIES</b>		<b>1 641 970</b>	<b>586 599</b>	<b>586 599</b>	<b>1 614 172</b>	<b>586 599</b>
	<b>NET ASSETS</b>	2	<b>1 511 244</b>	<b>2 845 311</b>	<b>2 845 311</b>	<b>1 344 573</b>	<b>2 845 311</b>
	<b>COMMUNITY WEALTH/EQUITY</b>						
	Accumulated surplus/(deficit)		1 716 854	2 848 351	2 848 351	1 344 750	2 848 351
	Reserves and funds			1 294	1 294		1 294
	Other						
	<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 716 854</b>	<b>2 849 645</b>	<b>2 849 645</b>	<b>1 344 750</b>	<b>2 849 645</b>

FS201 Moqhaka - Table C7 Monthly Budget Statement - Cash Flow - M01 July

R thousands	Ref	Description	Budget Year 2024/25								
			2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
		Property rates	59 293	115 114	115 114	3 983	3 983	9 593	(5 610)	-58%	115 114
		Service charges	430 973	881 165	881 165	33 884	33 884	73 430	(39 547)	-54%	881 165
		Other revenue	156 218	(487 853)	(487 853)	56 910	56 910	(40 654)	97 564	-240%	(487 853)
		Transfers and Subsidies - Operational	281 769	311 029	311 029	124 403	124 403	25 919	98 484	380%	311 029
		Transfers and Subsidies - Capital	97 185	65 353	65 353	17 717	17 717	5 446	12 271	225%	65 353
		Interest	—	—	—	471	471	—	471	#DIV/0!	—
		Dividends	344	1 736	1 736	29	29	145	(116)	-80%	1 736
<b>Payments</b>											
		Suppliers and employees	(1 004 460)	(1 560 767)	(1 560 767)	(233 340)	(233 340)	(130 064)	103 276	-79%	(1 560 767)
		Interest	—	—	—	—	—	—	—	—	—
		Transfers and Subsidies	—	—	—	—	—	—	—	—	—
		<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>21 321</b>	<b>(674 222)</b>	<b>(674 222)</b>	<b>4 057</b>	<b>4 057</b>	<b>(56 185)</b>	<b>(60 242)</b>	<b>107%</b>	<b>(674 222)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
		Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—
		Decrease (increase) in non-current receivables	—	—	—	—	—	—	—	—	—
		Decrease (increase) in non-current investments	(390)	(277)	(277)	—	(390)	(23)	(367)	1590%	(277)
<b>Payments</b>											
		Capital assets	(75 120)	(98 591)	(98 591)	(5 747)	(5 747)	(8 216)	(2 469)	30%	(98 591)
		<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(75 511)</b>	<b>(98 868)</b>	<b>(98 868)</b>	<b>(5 747)</b>	<b>(5 747)</b>	<b>(8 239)</b>	<b>(2 102)</b>	<b>26%</b>	<b>(98 868)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
		Short term loans	—	—	—	—	—	—	—	—	—
		Borrowing long term/reinancing	—	—	—	—	—	—	—	—	—
		Increase (decrease) in consumer deposits	(137)	(346 331)	(346 331)	—	—	(28 861)	28 861	-100%	(346 331)
<b>Payments</b>											
		Repayment of borrowing	(3 003)	(2 032)	(2 032)	(242)	(242)	(169)	73	-43%	(2 032)
		<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 140)</b>	<b>(348 363)</b>	<b>(348 363)</b>	<b>(242)</b>	<b>(242)</b>	<b>(29 030)</b>	<b>(28 788)</b>	<b>99%</b>	<b>(348 363)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>											
		Cash/cash equivalents at beginning:	(57 329)	(1 121 453)	(1 121 453)	(1 932)	(2 322)	(93 454)	—	—	(1 121 453)
		Cash/cash equivalents at month/year end:	(21 364)	(23 720)	(23 720)	44 985	44 985	(23 720)	44 985	—	44 985
		Cash/cash equivalents at month/year end:	(78 694)	(1 145 173)	(1 145 173)	43 053	42 663	(117 174)	—	—	(1 076 468)

**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**

**Period**

Jul'24

**National Financial Year**

2024/25

**Demarcation Code of Municipality being assessed**

FS201

**District**

**Fezile Dabi**

**Demarcation Description**

**Moqhaka**

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

## Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6.3 + 6.12 Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption).	
1	6.12.2 - Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	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 <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	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 <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>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.</i>	Yes
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 <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	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?	<input type="text" value="Yes"/>
7	6.4	Compliance with a funded MTREF – <i>(choose from drop down list the MTREF assessed)</i>	<input type="text" value="2024/25 Adopted MTREF"/>
8	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?</a>	<input type="text" value="No"/>
9	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?	<input type="text" value="Yes"/>
10	6.4.1	- Has the municipality made adequate provision for debt impairment <i>(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)</i> on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?  <i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	<input type="text" value="Yes"/>
	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment <i>(considering its asset register and physical state of assets)</i> on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	<input type="text" value="No"/>

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

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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? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively? <i>Note – the municipality’s monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	No
6.6 <i>Supporting evidence: The National Treasury and/ or provincial treasury’s related budget assessment confirms the municipality’s relevant MTREF’s related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i>			
6.7 <b>Maintain a minimum average quarterly collection of property rates and services charges –</b>			
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges <b>with effect from 01 April 2023</b> and <b>85 per cent average quarterly collection with effect from 01 April 2024</b> 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



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?	
26	6.8	Municipality's Completeness of the revenue base –	No
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	N/a
28	6.8.2	- <b>For the latest ending Quarter</b> -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 <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	N/a
29	6.9	Monitor and report on implementation –	
29	6.9.1	- <b>MFMA section 71 reporting</b> – 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	<p>- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?  <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i></p>	6.9.1 = Yes
31	6.9.3	<p>- <b>Municipalities with financial recovery plans (FRP)</b> – 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?</p>	No FRP
32	6.9.4	<p>- 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 <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a></p>	No FRP
33	6.10	<p><i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i></p> <p><i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i></p>	
33	6.10.1	<p>- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?</p>	Yes
34	6.10.2	<p>- 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 <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a>  <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i></p>	Yes

35	6.10.3	<p>- 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?</p> <p style="text-align: right;">No</p>
<p><i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i></p>		
36	6.11	<p><b>Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?</b></p> <p style="text-align: right;">No</p>
<p><i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124; condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i></p>		
<p><b>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</b></p>		
37	6.12.1	<p>- 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?</p> <p style="text-align: right;">No</p>
38	6.12.2	<p>- 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?</p> <p style="text-align: right;">No</p>

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

**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)



Municipal Debt Relief - Monthly Revenue Collection Reporting (condition 6.7)

Province **Free State** Demarcation Code **FS201** Municipality **Moqhaka**

Demarcation Code **FS201**

Municipality **Moqhaka**

Average collection rate (MFMA Circular 124 condition 6.7)

**NB - Collection rate principle applied ( Cash collection of previous month billing)**

Collection Rate Assessment		1. July - Reporting for June in July				2. August - Reporting for July in August			
Total Aggregate Collection		Billing for June	Collection in July	R. Billing not collected	% Collection	Billing for July	Collection in August	R. Billing not collected	% Collection
1. Collection for whole demarcation		51 188 214	25 668 486	26 972 807	50%	32 372 417	40 239 667	40 239 667	0%
2. Collection excl Eskom supplied areas		84 386 184	18 274 212	24 906 435	53%	14 113 242	44 167 925	44 167 925	0%
3. Collection: Property Rates		7 382 540	3 791 873	3 520 867	53%	7 716 081	7 716 081	7 716 081	0%
4. Total average collection: Electricity (Municipal supplied areas)	Summary	12 486 650	13 884 699	0	112%	(7 857 251)	0	0	0%
5. Total average collection: Water		14 154 041	3 636 646	10 527 395	26%	14 278 935	14 278 935	14 278 935	0%
6. Total average collection: Wastewater		6 530 334	2 371 743	4 258 591	35%	6 755 616	6 755 616	6 755 616	0%
7. Total average collection: Refuse		4 623 053	1 607 074	3 015 979	35%	4 846 250	4 846 250	4 846 250	0%
8. 7. Total average collection: Interest		6 121 596	469 420	5 652 175	8%	6 644 187	6 644 187	6 644 187	0%

Complete This Section		1. July				2. August				
Services	Electricity Supplier	Ward Name & Number	Billing for June	Collection for June in July	Rend Value of Billing not collected	% Collection	Billing for July	Collection for July in August	Rend Value of Billing not collected	% Collection
<b>Property Rates Tax</b>										
Electricity			49 575	4 457	45 118	9%	49 575	49 575	49 575	0%
Water	Eskom supplied		51 068	46 820	4 249	92%	46 820	46 820	46 820	0%
Refuse			293 711	16 028	277 683	5%	312 341	312 341	312 341	0%
Waste Water			164 374	4 039	160 335	2%	173 658	173 658	173 658	0%
Interest			214 097	2 045	212 052	1%	81 530	81 530	81 530	0%
			260 310	615	259 694	0%	267 919	267 919	267 919	0%
<b>Property Rates Tax</b>										
Electricity			401 168	94 367	306 801	24%	394 999	394 999	394 999	0%
Water			605 485	342 717	262 768	57%	975 962	975 962	975 962	0%
Refuse			282 238	46 731	235 507	17%	309 872	309 872	309 872	0%
Waste Water			136 102	35 940	100 163	26%	149 547	149 547	149 547	0%
Interest			190 598	42 874	147 725	22%	211 702	211 702	211 702	0%
			268 421	5 660	262 760	2%	282 628	282 628	282 628	0%
<b>Property Rates Tax</b>										
Electricity			1 039 352	235 647	803 705	23%	1 117 361	1 117 361	1 117 361	0%
Water			449 855	430 304	19 550	96%	732 820	732 820	732 820	0%
Refuse			1 755 478	381 503	1 373 975	22%	1 781 479	1 781 479	1 781 479	0%
Waste Water			370 532	201 780	168 752	54%	392 913	392 913	392 913	0%
Interest			505 734	233 641	272 093	46%	539 117	539 117	539 117	0%
			118 378	10 707	107 671	9%	129 696	129 696	129 696	0%
<b>Property Rates Tax</b>										
Electricity			3 317	655	2 662	20%	3 863	3 863	3 863	0%
Water			71 943	37 264	34 680	52%	82 782	82 782	82 782	0%
Refuse			447 517	38 017	409 500	8%	436 581	436 581	436 581	0%
Waste Water			61 218	5 658	55 560	9%	64 931	64 931	64 931	0%
Interest			79 608	7 969	71 638	10%	84 537	84 537	84 537	0%
			126 682	1 623	125 059	1%	115 689	115 689	115 689	0%
<b>Property Rates Tax</b>										
Electricity			1 893	2 804	0	148%	3 541	3 541	3 541	0%
Water			34 500	2 734	31 766	8%	43 081	43 081	43 081	0%
Refuse			349 834	10 500	339 334	3%	398 094	398 094	398 094	0%
Waste Water			61 960	4 976	56 984	8%	66 283	66 283	66 283	0%
Interest			78 881	6 102	72 779	8%	84 206	84 206	84 206	0%
			89 647	354	89 294	0%	91 383	91 383	91 383	0%



<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	14	49 181	997	48 184	2%	59 730	59 730	0%
			76 194	14 326	61 868	19%	95 186	95 186	0%
			422 131	49 468	372 663	12%	474 462	474 462	0%
			118 124	19 923	98 201	17%	122 665	122 665	0%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	15	156 526	25 016	131 510	16%	164 914	164 914	0%
			179 645	2 837	176 808	2%	149 406	149 406	0%
			55 856	1 172	54 684	2%	65 528	65 528	0%
			151 275	44 017	107 258	29%	197 936	197 936	0%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	16	400 153	58 205	341 948	15%	431 243	431 243	0%
			136 933	21 695	115 238	16%	136 899	136 899	0%
			181 604	27 066	154 538	15%	192 298	192 298	0%
			129 099	2 493	126 606	2%	130 512	130 512	0%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	17	1 487 867	1 021 397	466 470	69%	1 575 831	1 575 831	0%
			3 505 465	2 340 881	1 164 584	67%	(30 054 682)	0	0%
			1 667 672	847 014	820 658	51%	859 829	859 829	0%
			687 840	508 719	179 120	74%	747 935	747 935	0%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	17	1 064 404	755 719	308 684	71%	1 172 282	1 172 282	0%
			43 863	88 916	0	203%	406 248	406 248	0%
			1 485 051	867 869	617 182	58%	1 494 312	1 494 312	0%
			(7 378 140)	1 097 095	0	-15%	2 684 438	2 684 438	0%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	17	987 970	669 744	318 226	68%	1 289 249	1 289 249	0%
			613 927	376 351	237 576	61%	656 330	656 330	0%
			864 298	568 813	295 484	66%	930 442	930 442	0%
			182 398	33 996	148 401	19%	233 638	233 638	0%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Partial Eskom & Mun Supplied	18	549 996	292 419	257 577	53%	576 727	576 727	0%
			4 708 693	4 613 629	95 063	98%	5 179 321	5 179 321	0%
			630 957	700 695	0	111%	1 274 402	1 274 402	0%
			364 946	177 318	187 628	49%	391 311	391 311	0%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Eskom supplied	19	492 838	224 031	268 807	45%	532 512	532 512	0%
			643 426	22 020	621 406	3%	674 581	674 581	0%
			16 792	-	16 792	0%	26 405	26 405	0%
			70	-	70	0%	88	88	0%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Eskom supplied	19	717 998	5 252	712 747	1%	923 577	923 577	0%
			124 576	2 163	122 413	2%	102 943	102 943	0%
			163 388	1 104	162 284	1%	137 844	137 844	0%
			688 358	329	688 028	0%	661 071	661 071	0%



16.4.2 Monthly - Restriction of Free Basic Services to Indigent Households



**Municipal Debt Relief - Monthly Reporting - Indigent Households Information (MFMA Circular 124 (Condition 6.6))**  
 Instruction - complete only with information of the current households registered as indigent with the municipality ( Do NOT include the information of all households unless explicitly stated otherwise)

Ref	Description	2024/2025 - Monthly Monitoring														
		As Per Debt Relief Application	Current Year - 2024/2025	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10	M11	M12
	Baseline	Adopted Budget	Adjusted Budget													
1	<b>Indigent Household service targets</b>	12 711	12 711	12 711	12 757											
	<b>Water: ( include All Indigent households also in Eskom supplied areas )</b>															
	Indigent HH's with piped water inside dwelling															
	Indigent HH's with piped water inside yard (but not in dwelling)															
2	Indigent HH's using public tap (at least min service level)															
4	Indigent HH's with other water supply (at least min service level)															
	<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>	12 711	12 711	12 711	12 757											
3	Indigent HH's using public tap (< min service level)															
4	Indigent HH's with other water supply (< min service level)															
	<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>															
5	<b>Total number of registered Indigent households</b>	12 711	12 711	12 711	12 757											
	<b>Status of Water meters:</b>															
	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											
	Number of Indigent HH's NOT metered currently - Water	1 538	1 538	1 538	1 507											
	Number of Indigent HH's with <b>NO Water supply</b> - No metering															
10	<b>Total number of registered indigent households</b>	11 742	11 742	11 742	11 838											

	<b>Status of Water meters.</b>												
	Number of indigent HH's with prepaid Water												
	Number of indigent HH's with conventional metered water												
	Number of indigent HH's NOT metered currently - Water												
	Number of indigent HH's with NO Water supply - No metering												
	<b>Total number of registered indigent households</b>												
10	10,204	10,204	10,204	10,204	10,204	10,204	10,204	10,204	10,204	10,204	10,204	10,204	10,204
	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538
	11,742	11,742	11,742	11,742	11,742	11,742	11,742	11,742	11,742	11,742	11,742	11,742	11,742
	<b>Status of Unlimited supply of Water :</b>												
	Number of indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic rate of 6 kilolitres per household per month												
	Number of indigent HH's NOT receiving currently unlimited supply - Water												
	<b>Total number of registered indigent households receiving unlimited supply - Water</b>												
	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	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711
	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538	1,538
	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249
	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711
	<b>Energy: (Include All indigent households also in Eskom supplied areas)</b>												
	Indigent HH's with Electricity (at least min service level)												
	Indigent HH's with Electricity - prepaid (min service level)												
	<b>Total no. of indigent HH's receiving Minimum Service Level and Above sub-total</b>												
	Indigent HH's with Electricity (< min service level)												
	Indigent HH's with Electricity - prepaid (< min service level)												
	Indigent HH's with other energy sources												
	<b>Total no. of indigent HH's receiving - Below Minimum Service Level sub-total</b>												
	<b>Total number of registered indigent households</b>												
5	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711
	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711
	<b>Status of Electricity meters :</b>												
	Number of indigent HH's with prepaid Electricity												
	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												
	<b>Total number of registered indigent households</b>												
	<b>Status of unlimited supply of Electricity :</b>												
	Number of indigent HH's with conventional metered Electricity - where the municipality is NOT physically restricting Electricity to the national free basic rate of 50kwh per household per month												
12	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711
	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711	12,711

13	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Number of ALL Households receiving Free Basic Service (including registered indigent Households) Water (6 litres per household per month) Electricity/other energy (50kwh per household per month)	12 711 12 711	-	-	13 000 13 000	12 757 12 757	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000) Water (6 litres per household per month) Electricity/other energy (50kwh per household per month) Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000) Water (6 litres per household per month) Electricity/other energy (50kwh per household per month) Total cost of FBS Water and Electricity provided to ALL Households	2 539 1 538	-	-	2 500 3 600	2 699 1 906	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Highest level of free services provided per household (ALL Households) Property rates (R value threshold) Water (litres per household per month) Sanitation (litres per household per month) Sanitation (Rand per household per month) Electricity (kwh per household per month) Refuse (average litres per week) Revenue cost of subsidised services provided for ALL Households (R'000)	3 846	4 115	-	4 100	4 104	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRSA) PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRSA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14(a)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14(b)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Additional Subsidies: Property taxes, exemptions, reductions and rebates (in excess of section 17 of MPRA)	15	16	6	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
Water (in excess of 6 kilolitres per indigent household per month)	-	4	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	4	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical/other energy (in excess of 50 kWh per indigent household per month)	-	4	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Housing - vertical release	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing - kip structure subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

- REGISTRATION**
1. Include services provided by another entity, e.g. Esivam
  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 (normal 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 complexly free (normal 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 HHs reported on rows 19 & 24 must be the same
  11. Of the Total number of registered indigent HHs receiving unlimited supply of Water reported on row 27, provide number of these indigent HHs that are issued with a monthly bill for the consumption above the 6 kilolitres FBS water
  12. The total number of registered HHs reported on rows 39 & 44 must be the same
  13. Of the Total number of registered indigent HHs receiving unlimited supply of Electricity reported on row 51, provide number of these indigent HHs that are issued with a monthly bill for consumption above 50 kWh FBS electricity
  14. (a) Impenetrables on Residential Properties - ( 15000 \* Number of Residential properties ) - **Provide the actual raw value not to be billed**
  14. (b) Impenetrables on Public Service Infrastructure (PSI) - ( 30% \* Property Market Value \* Number of PSI Properties ) - **Provide the actual raw value not to be billed**
  15. (a) Free Water to indigent HHs exceeding the 6 kilolitres FBS water
  15. (b) Free Water to any HHs **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

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

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

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

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


Priority Rates Reconciliation									
Project Name		Mophaka Local Municipality							
Project Code		01/01/2024 - 30/09/2028							
Type		Quarter 3							
Municipal Name		Mophaka Local Municipality							
Municipal Period		2024-2025							
Financial Year		2024-2025							
Reconciliation Period		Quarter 3							
Reconciliation Overview									
High Level Reconciliation									
Property Category	OV	MPS	Variance	OV Market Values	MPS Market Values	Variance	OV Market Values	MPS Market Values	Variance
Residential	44 977	44 977	0	7 504 841 823	7 504 841 823	0	7 504 841 823	7 504 841 823	0
Industrial	352	352	0	242 374 300	242 374 300	0	242 374 300	242 374 300	0
Business and Commercial	1 148	1 148	0	1 030 907 110	1 030 907 110	0	1 030 907 110	1 030 907 110	0
Agricultural	20 238	20 238	0	8 254 258 743	8 254 258 743	0	8 254 258 743	8 254 258 743	0
Mining	31	31	0	55 274 300	55 274 300	0	55 274 300	55 274 300	0
State Owned for Public Purpose	1 033	1 033	0	1 108 167 213	1 108 167 213	0	1 108 167 213	1 108 167 213	0
PBI	482	482	0	26 227 941	26 227 941	0	26 227 941	26 227 941	0
PBO	200	200	0	25 743 300	25 743 300	0	25 743 300	25 743 300	0
Muti Use	528	528	0	42 136 126	42 136 126	0	42 136 126	42 136 126	0
Vacant	5	5	0	1 442 300	1 442 300	0	1 442 300	1 442 300	0
POW	178	178	0	18 435 100	18 435 100	0	18 435 100	18 435 100	0
Municipal	620	620	0	207 828 301	207 828 301	0	207 828 301	207 828 301	0
Other (P/B/P)	2 242	2 242	0	18 223 246 246	18 223 246 246	0	18 223 246 246	18 223 246 246	0
<b>Total</b>	<b>61 108 624</b>	<b>61 108 624</b>	<b>0</b>	<b>23 289 714 54</b>	<b>23 289 714 54</b>	<b>0</b>	<b>23 289 714 54</b>	<b>23 289 714 54</b>	<b>0</b>
Detailed Reconciliation									
Property Category	OV	MPS	Variance	OV	MPS	Variance	OV	MPS	Variance
Residential	44 977	44 977	0	7 504 841 823	7 504 841 823	0	7 504 841 823	7 504 841 823	0
Industrial	352	352	0	242 374 300	242 374 300	0	242 374 300	242 374 300	0
Business and Commercial	1 148	1 148	0	1 030 907 110	1 030 907 110	0	1 030 907 110	1 030 907 110	0
Agricultural	20 238	20 238	0	8 254 258 743	8 254 258 743	0	8 254 258 743	8 254 258 743	0
Mining	31	31	0	55 274 300	55 274 300	0	55 274 300	55 274 300	0
State Owned for Public Purpose	1 033	1 033	0	1 108 167 213	1 108 167 213	0	1 108 167 213	1 108 167 213	0
PBI	482	482	0	26 227 941	26 227 941	0	26 227 941	26 227 941	0
PBO	200	200	0	25 743 300	25 743 300	0	25 743 300	25 743 300	0
Muti Use	528	528	0	42 136 126	42 136 126	0	42 136 126	42 136 126	0
Vacant	5	5	0	1 442 300	1 442 300	0	1 442 300	1 442 300	0
POW	178	178	0	18 435 100	18 435 100	0	18 435 100	18 435 100	0
Municipal	620	620	0	207 828 301	207 828 301	0	207 828 301	207 828 301	0
Other	2 242	2 242	0	18 223 246 246	18 223 246 246	0	18 223 246 246	18 223 246 246	0
<b>Total</b>	<b>61 108 624</b>	<b>61 108 624</b>	<b>0</b>	<b>23 289 714 54</b>	<b>23 289 714 54</b>	<b>0</b>	<b>23 289 714 54</b>	<b>23 289 714 54</b>	<b>0</b>

Prepared By:  Date:

Signature:

Reviewed By:  Date:

Contact Details:  Contact Details:

Signature: 

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

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



**ESKOM HOLDINGS SOC LTD** REG NO 208219182728  
 VAT REG NO 4746701688

**MOHAKA LOCAL MUNICIPALITY**  
 ATT CHIEF FINANCIAL OFFICE  
 PO BOX 302  
 KROONSTAD  
 9500



**NORTH WESTERN REGION**  
 PRIVATE BAG 116 WESTVILLE 2630  
 CONTACT CENTRE: (0860) 037566  
 FAX NO: 0652 437 366  
 E-MAIL: customerenquiries@eskom.co.za  
 WEB: WWW.ESKOM.CO.ZA

**CUSTOMER SELF SERVICE WEBSITE**  
<https://www.eskom.co.za>  
 NORTH WESTERN REGION  
 PRIVATE BAG 116 WESTVILLE 2630  
**DIRECT DEPOSIT DETAIL**  
 BANK: First National Bank  
 BRANCH CODE: 223674  
 BANK ACC NO: 68878997314

<b>YOUR ACCOUNT NO</b>	<b>9345061750</b>
<b>SECURITY HELD</b>	534359
<b>BILLING DATE</b>	2024-09-08
<b>TAX INVOICE NO</b>	934898878495
<b>ACCOUNT MONTH</b>	AUGUST 2024
<b>CURRENT DUE DATE</b>	2024-09-07
<b>VAT REG NO</b>	4000846578

**TAX INVOICE**

**ACCOUNT TRANSACTION SUMMARY**

ADMINISTRATION CHARGE	RE	20,671.11
DIST. NETWORK CAPACITY CHARGE	RE	979,707.09
NETWORK DEMAND CHARGE (COWM) (ALL)	RE	109,842.91
ANCILLARY SERVICE (ALL)	RE	175,005.09
ENERGY CHARGE (2TD)	RE	17,979,786.48
DEMAND CHARGE	RE	280,046.62
DK EXCESS NETWORK CAPACITY CHG.	RE	105,343.88
NETWORK DEMAND CHARGE (COWM)	RE	215,443.75
ENERGY CHARGE (OFT)	RE	26,727,180.03
ELECTRIFICATION AND RURAL SUBS. (ALL)	RE	9,609,634.30
NETWORK DEMAND CHARGE	RE	340,803.00
URBAN LOW VOLTAGE SUBSIDY	RE	993,174.06
REACTIVE ENERGY SERVICE CHARGE	RE	1,597,400.00
	RE	1,302.04
	RE	244,259.35
<b>TOTAL CHARGES FOR BILLING PERIOD</b>	RE	<b>62,673,043.73</b>

**ACCOUNT SUMMARY FOR AUGUST 2024**

BALANCE BROUGHT FORWARD	RE	1,372,259,357.70
PAYMENTS RECEIVED	RE	-50,000,000.00
TOTAL CHARGES FOR BILLING PERIOD	RE	62,673,043.73
ADJUSTMENT	RE	73,682.90
ADJUSTMENT	RE	435,739.26
VAT RAISED ON ITEMS AT 15%	RE	4,307,381.03
VAT RAISED ON ITEMS AT 15%	RE	9,400,967.47

(Due Date 2024-09-08)  
 Cash - 2024-07-12  
 Interest on overdue account  
 Interest on overdue account  
 Interest on overdue account

PERIOD	PERIOD	PERIOD	PERIOD	PERIOD
0-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	121-180 DAYS
1,208,593.83	46,377,436.47	67,288,067.03	0.00	76,550,770.73
<b>ACCOUNT OVER DUE - Subject to Disconnection</b>				<b>TOTAL DUE R 1,399,210,128.45</b>

<b>TOTAL AMOUNT DUE</b>	<b>1,399,210,128.45</b>
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<b>PAYMENT ARRANGEMENT</b>	
<b>INSTALLMENT</b>	0.00
<b>APPEARS</b>	2024-09-07
<b>DATE DUE</b>	2024-09-07
<b>AMOUNT PAID</b>	

<b>ACCOUNT NO / REFERENCE NO</b>	<b>9345061750</b>
<b>NAME</b>	<b>MOHAKA LOCAL MUNICIPALITY</b>
<b>FAX NUMBER</b>	<b>0865893386</b>
<b>PHONE NO</b>	<b>0934 9345061750</b>

11341 9345061750 444

9207 934 5061 7804

Energy

Pay

**TOTAL AMOUNT DUE**  
1,399,210,128.45

**PAYMENT ARRANGEMENT**

**INSTALLMENT** 0.00

**APPEARS** 2024-09-07

**DATE DUE** 2024-09-07

**AMOUNT PAID**

**LATE PAYMENT CHARGES WILL BE ADDED TO OVERDUE ACCOUNT**

**PAGE RUN NO** 22/39

**BILL GROUP** 1 OF 4

**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
<p><b>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)</b></p>	<p><b>6.3.1</b> The municipality must monthly pay and maintain its Eskom bulk current account and bulk water current account - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice</p> <p><b>6.3.1 (a)</b> At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS.  <b>(b)</b> Pay the monthly debt instalment of R6,700m to Eskom on 15th of each month</p>	<p>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</p>	<p>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</p>	<p><b>Compliant - ESKOM</b>                      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.  <b>Compliant - DWS</b>                      No billing was raised for May 2024, due to the servitude (free water quota) allocated to the municipality</p>
		<p>Monthly, 5th of each month</p>		<p><b>Non-compliant</b>                      The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of July 2024, but settled R18,758m on the o/s balance of Dec 2023 acc (R5,108m) and R13,000m on the Feb 2024 acc. And paid R650k, on WRM levies. The municipality settled R6.7m on the payment arrangement of ESKOM on 21 June 2024. The due is the 15th of each month.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
	<p>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</p>	<p>Within 1 day after making payment</p>	<p>Proof of payment and proof of email submission</p>	<p><b>Compliant</b> Email was sent within one day of payment to Eskom and DWS.</p>
	<p>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.</p>	<p>Monthly, within 10 working days after month end</p>	<p>GoMuni Status of Scheduled Revenue Documents Submissions Report</p>	<p><b>Compliant</b> Proof of Payments made in May 2024 was uploaded onto GoMuni on 6 June 2024. Due date is 14 June 2024.</p>
	<p>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</p>	<p>Monthly, within 10 working days after month end</p>	<p>Monthly financial data strings</p>	<p><b>Compliant</b> Transactions as per the ledger reconciles with the monthly datastings. 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.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
	<p><b>6.6.1</b> Issue monthly billing and allocate payment received from customers in the following priority order:</p> <ul style="list-style-type: none"> <li>(1) Property Rates</li> <li>(2) Water</li> <li>(3) Waste Water</li> <li>(4) Refuse Removal and</li> <li>(5) Electricity</li> </ul>	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	<p><b>Compliant</b> Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.</p>
	<p><b>6.6.2</b> The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	<p>Prepaid disconnections = 32 351 Conventional disconnections = 338 Total = 32 689</p>
<p><b>6.6</b> Electricity and Water Collection (Demonstration through by-laws and budget related policies)</p>	<p><b>6.6.3</b> The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	<p><b>Non-compliant.</b> Transversal Contract for smart meters has been awarded by National Treasury. Supply Chain is in the process of applying to access the transversal tender.</p>
	<p><b>6.6.4</b> If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	Monthly	No of indigent consumers	<p><b>Non-compliant</b> Due to the financial constraints currently faced by many of our indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.</p>

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

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

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

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

<b>MFMA Circular Reference and Focus Areas</b>	<b>Reporting Frequency / Target Dates</b>	<b>Target / Portfolio of Evidence</b>	<b>Reporting period - June 2024 Comments</b>
<b>6.9 Monitor and report on implementation</b>	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	<b>Compliant</b> Report included in the monthly S71 report for May 2024
<b>Eskom Debt Relief Conditions</b>			
<b>6.9.1 MFMA section 71 reporting</b> – 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?			
<b>6.9.2</b> If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
<b>6.9.3 Municipalities with financial recovery plans (FRP)</b> – 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			

<p><b>6.10 Provincial Treasury's Certification of municipal compliance</b></p>	<p><b>6.10 Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA to performed by the relevant PT</b></p>			
	<p>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</p>	<p>Monthly, within 1 days after issue</p>	<p>NT: LGBA Compliance Certification</p>	<p>The municipality received the compliance certificates for May 2024. Management must take remedial actions as per the recommendations made by National Treasury</p>

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

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

<p>requirement difficult to maintain.</p>				
<p><b>Compliant</b> 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 <del>GoMuni</del> Revenue received to be aligned to actual payments. Payments made directly from Primary bank account.</p>	<p>Bank statement and proof of payment aligned to actual receipts</p>	<p>Monthly, within 10 working days after month end</p>	<p>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</p>	

**KROONSTAD**  
📍 302, 9500 - 📄 Hill Str/St, 9499  
☎ (056) 21-69140 📠 (056) 21-69122

**STEYNSRUS**  
📍 6, 9515 - 📄 Van Riebeeck Str/St  
☎ (056) 471-0006 📠 (056) 471-0428

**VILJOENSKROON**  
📍 X 02, 9520- 📄 Deneysen Str/St  
☎ (056) 343-9400 📠 (056) 343-2505



TEL: 056 2169140

royv@moqhaka.gov.za

**OUR REFERENCE: Roy Visagie/wm**

**Ref Nr:**

### Quality Certificate

I, **Adv. MM Mofokeng** the Acting Municipal Manager of Moghaka Local Municipality hereby certify that: -

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

For the month of July 2024/25 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: ..... *M. Mofokeng* .....

Date: ..... *19/8/2024* .....

