



MFMA SECTION 71 REPORT MONTH ENDING

31 JULY 2025

- DISTRIBUTION:

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

- Municipal Manager: **Mrs Halio Portia Tshabalala**

- Acting Chief Financial Officer: **Dr Roy Lucyiano Visagie**

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

- **Upload to the National Treasury GoMuni Portal**

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

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

PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 31 MAY 2025

TO: THE EXECUTIVE MAYOR

1. Purpose

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 30 JULY 2025

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

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

Currently, the total debtor's book is standing at R1 877 786 043, of which 90% of the debt is owed more than 90 days totalling R1 686 359 038. Included in the total debt, R127 956 580 is owed by Government or Organs of State, R232 281 011 by Business and R1 387 174 045 by Households. Included in the Households debt is R 234 876 924 by Indigent Households. The municipality continues to urge its debtors to meet their obligation to the municipality or make payment arrangements. The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. There needs to be a major paradigm shift in the payment culture across all customer groups.

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

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

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

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

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 May 2009, regarding the “Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations” necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. “The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.” Further, Section 71 of the MFMA requires that, “the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.” For the reporting period ending 31 July 2025, the ten working day reporting limit expires on Friday the 14th of August 2025.

3. Executive summary

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

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

Description	YTD Budget Jul 25	YTD Actual Jul 25	Variance Favourable (Unfavourable)	% YTD Budget vs YTD Actual	% Variance vs Actual Favourable (Unfavourable)
Total Revenue (Excluding Capital Transfers and Contributions)	R 222 074 750	R 220 490 766	(R1 583 984)	99%	(1%)
Total Revenue including Capital Transfers and Contributions	R297 606 750	R225 085 766	(R72 520 984)	76%	(24%)
Total Operational Expenditure	R115 570 000	R171 137 000	R55 567 000	(148%)	48%

As indicated in Table 1 above, as of 31 July 2025, the actual billed revenue including operational transfers, but excluding capital grants amounted to R220 490 766, which resulted in an unsatisfactory variance of 1% when compared to YTD Budget of R222 074 750. The billed revenue does not include capital grants. Capital Grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reason. Actual revenue inclusive of Capital Grants was R225 085 766 from the budget of R297 606 750. The Total Operational Expenditure amounted to R171 137 000 versus the YTD Budget of R115 570 000, resulting in a satisfactory variance of 48%.

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

4. Budget Performance Overview

The municipality is implementing the approved budget for 2025/26 financial year. The budget for 2025/26 is not funded, but the budget funding plan was approved by council, as it encapsulates the recommendations for the improvement of the collection rate. Overall, operational revenue collection is not performing satisfactorily at 86% against monthly billing and inclusive of operational grants recognized, considering the warnings to restrict the electricity supply for consumers. Operational expenditure is 89.6% spent which is slightly under-spent with the contributing factors being depreciation, which is not provided for, the capturing of the 2024-2025 Eskom account and post-retirement health benefits which is not yet accounted for.

The municipality's Debt Relief application to National Treasury was approved, effective 1 December 2023. The municipality had engagement with ESKOM to arrange for the outstanding debt amounting to R1 851 238 432,81. A repayment proposal will be submitted to ESKOM for approval when the municipal council has resolved. The municipality is now making significant strides to settle the monthly current accounts to Eskom, as small payments towards the account are being made consistently made whenever financially possible. During the month of July 2026, a payment of R35 000 000 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 was not successful in engaging 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 were 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 used to collect 60% from each electricity purchase for all accounts in arrears longer than the approved period, to improve collection as per the Debt Collection & Credit Control policy. Departments are engaged on a regularly basis to recoup outstanding debt owed by Organs of State. The non-buying prepaid consumers must be urgently addressed, and the municipality is confident that the smart prepaid metering solution will assist the municipality tremendously in improving on its billing accuracy and ensuring cash inflows from prepaid sales. There are four debt collection companies that are appointed to assist with the debt collection challenges.

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

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

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		418 662	548 139	548 139	54 656	54 656	45 678	8 978	20%	548 139
Service charges - Water		166 867	204 038	204 038	13 232	13 232	17 003	(3 771)	-22%	204 038
Service charges - Waste Water Management		72 624	73 321	73 321	6 233	6 233	6 110	123	2%	73 321
Service charges - Waste management		51 188	50 701	50 701	4 382	4 382	4 225	157	4%	50 701
Sale of Goods and Rendering of Services		5 678	8 764	8 764	379	379	730	(352)	-48%	8 764
Agency services										
Interest										
Interest earned from Receivables		86 303	78 687	78 687	8 144	8 144	6 557	1 587	24%	78 687
Interest from Current and Non Current Assets		39	63	63	-	-	5	(5)	-100%	63
Dividends		5 822	4 744	4 744	24	24	395	(371)	-94%	4 744
Rent on Land										
Rental from Fixed Assets		5 340	9 256	9 256	335	335	771	(436)	-57%	9 256
Licence and permits		-	-	-	-	-	-	-		-
Special rating levies										
Operational Revenue		11 381	14 960	14 960	143	143	1 247	(1 104)	-89%	14 960
Non-Exchange Revenue										
Property rates		93 605	94 806	94 806	8 201	8 201	7 901	300	4%	94 806
Surcharges and Taxes										
Fines, penalties and forfeits		4 755	5 784	5 784	(76)	(76)	482	(558)	-116%	5 784
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		331 012	328 582	328 582	130 294	130 294	27 382	102 912	376%	328 582
Interest		10 024	8 373	8 373	859	859	698	161	23%	8 373
Fuel Levy										
Operational Revenue		888	(267)	(267)	77	77	(22)	100	-449%	(267)
Gains on disposal of Assets		(3 299)	-	-	-	-	-	-		-
Other Gains		310	-	-	-	-	-	-		-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		1 261 199	1 429 951	1 429 951	226 882	226 882	119 163	107 719	90%	1 429 951
Expenditure By Type										
Employee related costs		430 929	449 410	449 410	38 636	38 636	37 451	1 185	3%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 799	1 799	2 457	(658)	-27%	29 484
Bulk purchases - electricity		486 867	428 185	428 185	-	-	35 682	(35 682)	-100%	428 185
Inventory consumed		15 090	26 574	26 574	1 121	1 121	2 215	(1 093)	-49%	26 574
Debt impairment		78	61 096	61 096	-	-	5 091	(5 091)	-100%	61 096
Depreciation and amortisation		112 391	10 305	10 305	-	-	859	(859)	-100%	10 305
Interest		97 719	8 790	8 790	121 145	121 145	733	120 412	16438%	8 790
Contracted services		142 731	197 383	197 383	5 763	5 763	16 449	(10 686)	-65%	197 383
Transfers and subsidies		269	1 095	1 095	(25)	(25)	91	(116)	-127%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	159	159	331	(172)	-52%	3 966
Operational costs		143 721	170 482	170 482	2 545	2 545	14 207	(11 662)	-82%	170 482
Losses on Disposal of Assets		2 133	63	63	-	-	5	(5)	-100%	63
Other Losses		-	-	-	(6)	(6)	-	(6)	#DIV/0!	-
Total Expenditure		1 625 286	1 386 834	1 386 834	171 137	171 137	115 570	55 567	48%	1 386 834
Surplus/(Deficit)		(364 087)	43 117	43 117	55 745	55 745	3 592	52 152	0	43 117
Transfers and subsidies - capital (monetary allocations)		48 042	66 532	66 532	-	-	5 544	(5 544)	(0)	66 532
Transfers and subsidies - capital (in-kind)		14	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		(316 031)	109 649	109 649	55 745	55 745	9 137	46 608	0	109 649
Income Tax										
Surplus/(Deficit) after income tax		(316 031)	109 649	109 649	55 745	55 745	9 137	46 608	0	109 649
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		(316 031)	109 649	109 649	55 745	55 745	9 137	46 608	0	109 649
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
Surplus/ (Deficit) for the year		(316 031)	109 649	109 649	55 745	55 745	9 137	46 608	0	109 649

Exchange and Non-Exchange Revenue

Revenue analysis for the month ending 31 July 2025

Revenue Types	Section 71 of 30 July 2025						First Month Ending 31 July 2025				
	Annual Budget 2024/2025	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	94 806 436	7 900 536	8 200 770	104%	4 578 481	56%	7 900 536	8 200 770	104%	4 578 481	56%
Electricity - conventional	384 403 973	32 033 664	40 112 890	125%	27 695 588	69%	32 033 664	40 112 890	125%	27 695 588	69%
Water	204 038 000	17 003 167	13 231 750	78%	5 914 392	45%	17 003 167	13 231 750	78%	5 914 392	45%
Sanitation	73 321 000	6 110 083	6 231 138	102%	2 805 386	45%	6 110 083	6 231 138	102%	2 805 386	45%
Refuse	50 701 046	4 225 087	4 382 033	104%	1 915 295	44%	4 225 087	4 382 033	104%	1 915 295	44%
Total Direct Services	807 270 455	67 272 538	72 158 581	107%	42 909 143	59%	67 272 538	72 158 581	107%	42 909 143	59%
Other revenue	130 363 518	10 863 627	2 510 723	23%	1 516 744	60%	10 863 627	2 510 723	23%	1 516 744	60%
Revenue from Billed services	937 633 973	78 136 164	74 669 304	96%	44 425 886	59%	78 136 164	74 669 304	96%	44 425 886	59%
Electricity - prepaid	163 735 027	13 644 586	15 527 462	114%	15 527 462	100%	13 644 586	15 527 462	114%	15 527 462	100%
grants	1 101 369 000	91 780 750	90 196 766	98%	59 953 348	66%	91 780 750	90 196 766	98%	59 953 348	66%
Operational grants and subsidies	6 877 000	-	-	-	-	-	-	-	-	-	-
Equitable share	312 705 000	130 294 000	130 294 000	100%	130 294 000	100%	130 294 000	130 294 000	100%	130 294 000	100%
Total Revenue	1 420 951 000	222 074 750	220 490 766	99%	190 247 348	86%	222 074 750	220 490 766	99%	190 247 348	86%

Comments on Section 71 Report.

Collection rate for waste water management is 45% for the month of July 2025 and 45% for year to date.

Collection rate for waste management is 44% for the month of July 2025 and 44% for the year to date.

Collection rate for water is 45% for the month of July 2025 and 45% for the year to date.

The collection rate on Property Rates is 56% for the month of July 2025 and 56% for the year to date.

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

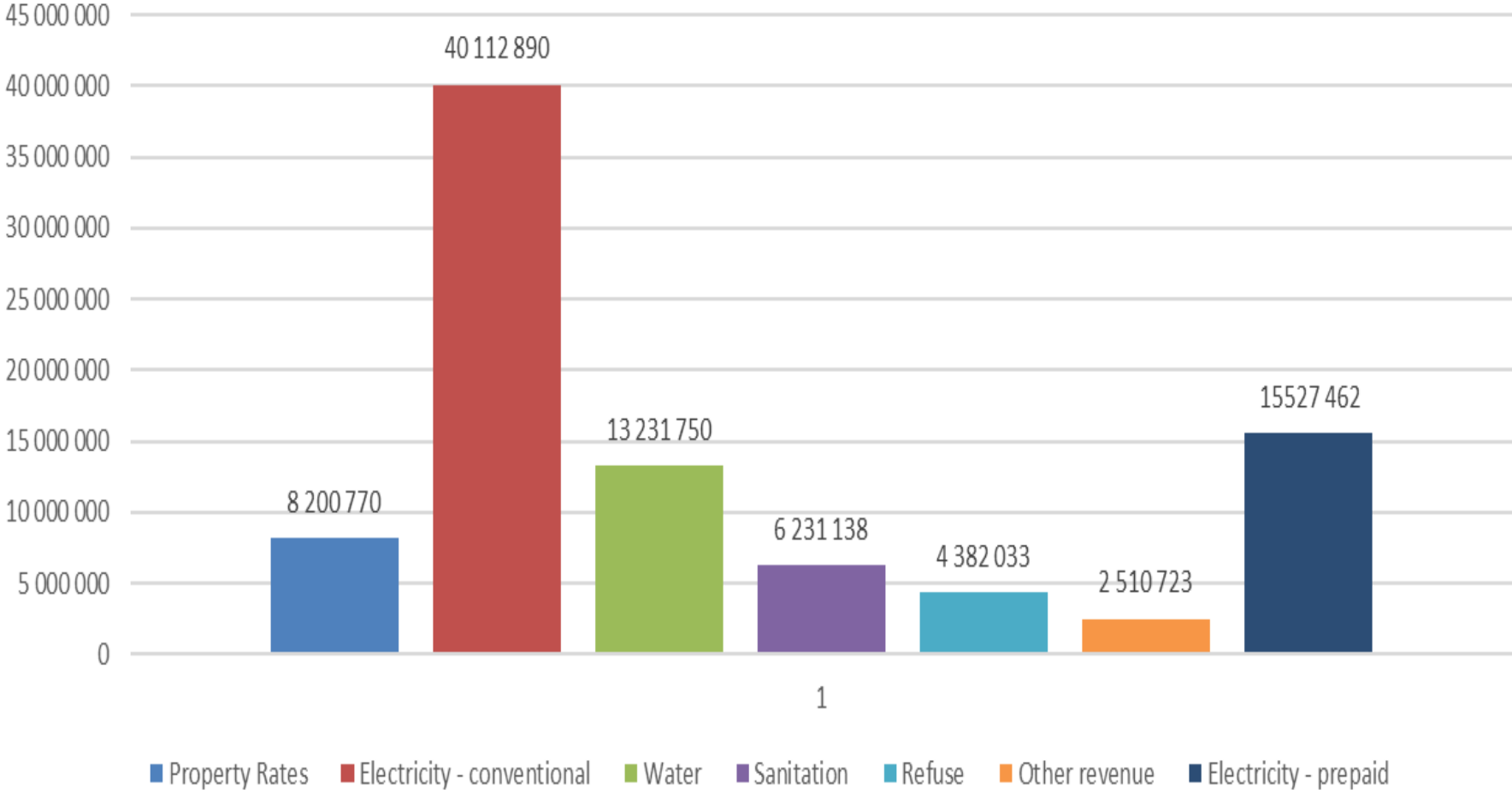
Conventional electricity revenue collection is 69% for the month of July 2025 and 69% for year to date.

Revenue before operational grants versus billing is 66% for the month of July 2025 and 66% for the year to date.

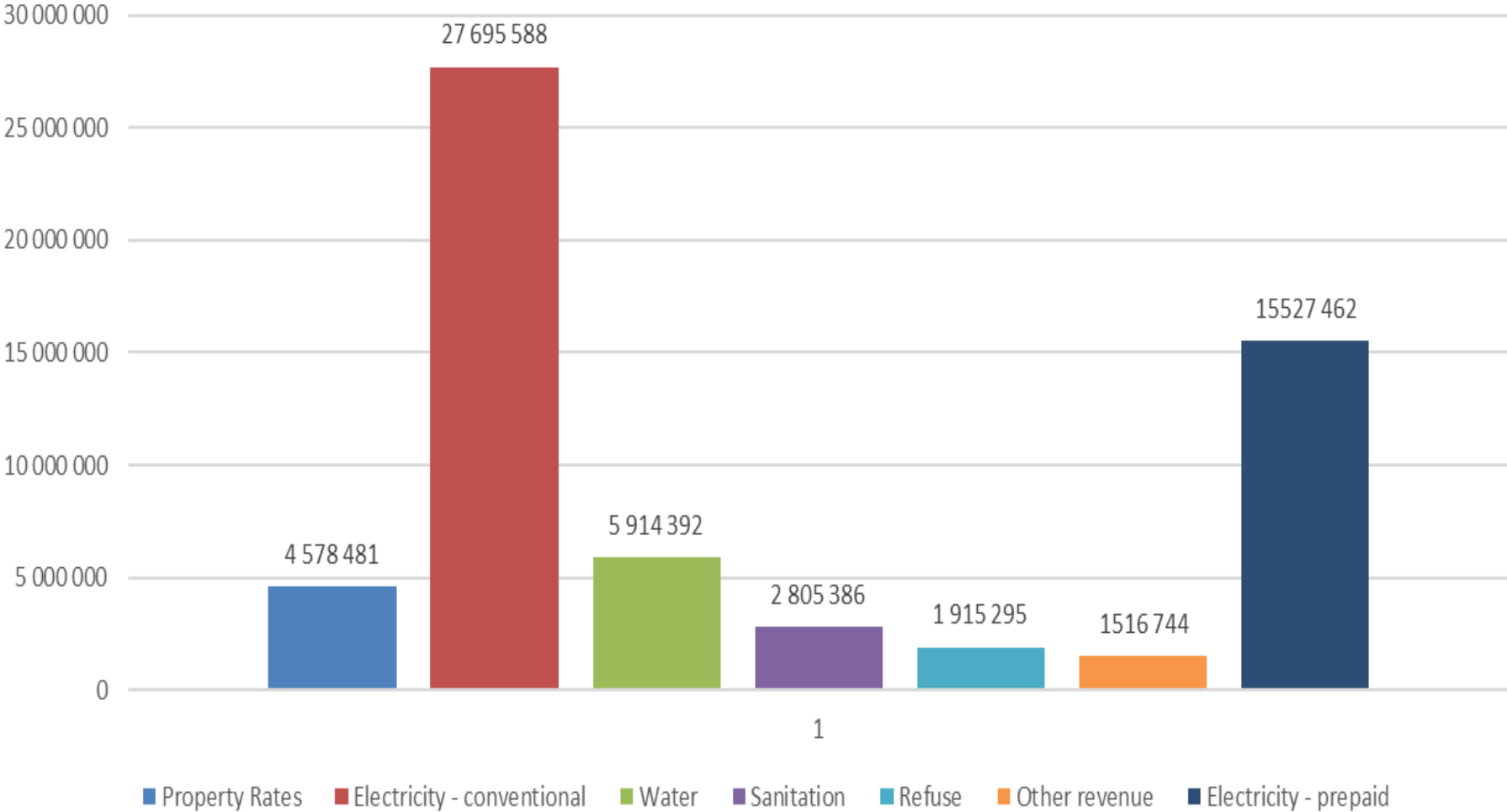
Total Revenue Collection Percentage with Zero Grant Funding received for the month July 2025 is also 86% for the period under review.

Indigents Contribution for Prepaid Electricity in July 2025 is R1 046 253 + R189 348.21 (FBE in ESKOM Supplied Areas) = R1 232 601.21

Billing Per Service



Collection Per Service



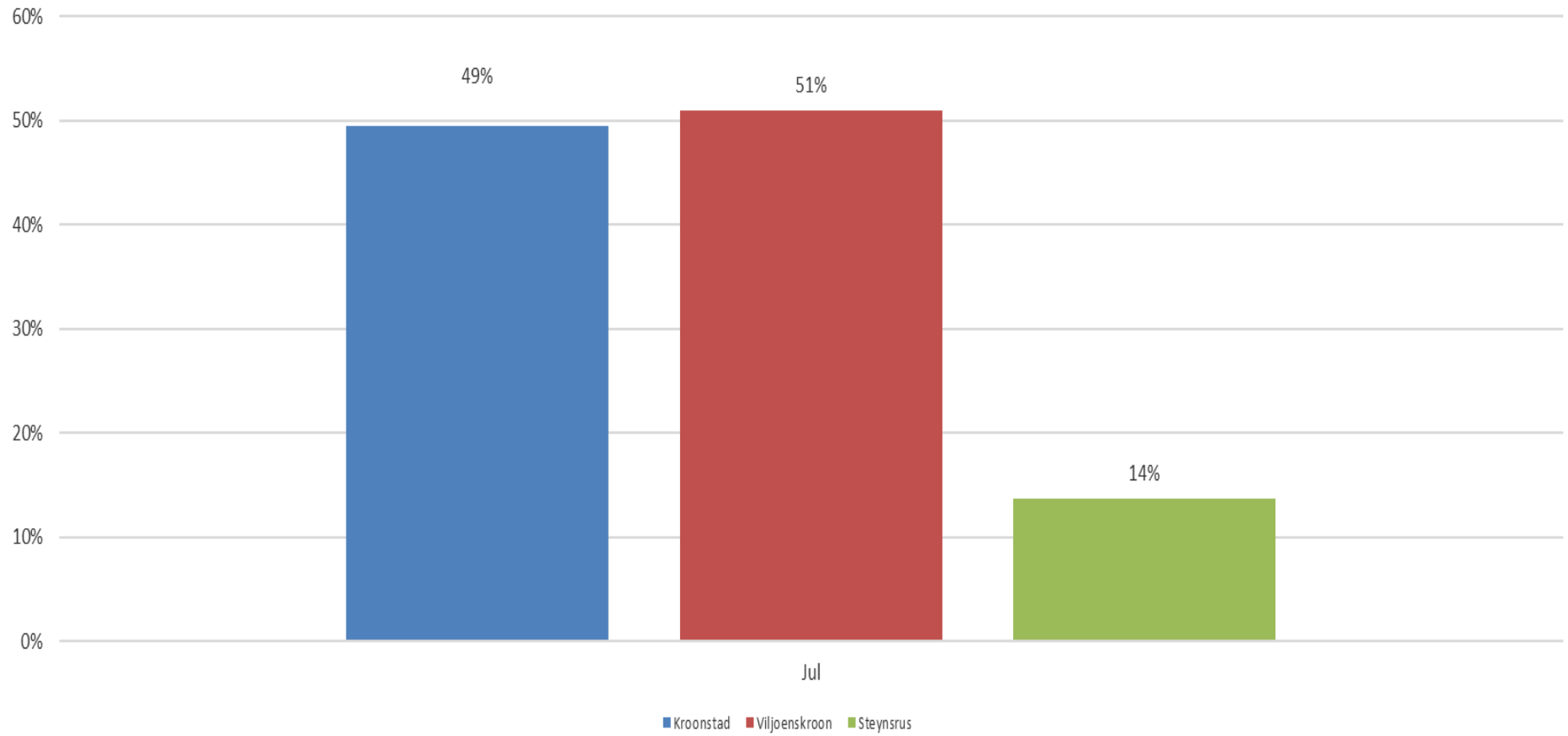
Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	152 696 306.10	30 893 246.79	-582 508.20	144 153.46	108 314.00	30 563 206.05	-11 725 100.41	171 534 411.74	-38%	18 838 105.64
2	656 704 054.17	20 168 400.44	-5 792 170.34	15 869.64	7 092.00	14 399 191.74	-1 761 565.33	669 341 680.58	-12%	12 637 626.41
3	3 667 356.95	5 939 369.39	0.00	0.00	0.00	5 939 369.39	-9 606 758.00	-31.66	-162%	-3 667 388.61
4	59 244 699.49	586 544.94	-15 593.43	0.00	0.00	570 951.51	-38 095.79	59 777 555.21	-7%	532 855.72
6	19 909 541.96	1 533 218.61	-100 854.82	0.00	0.00	1 432 363.79	-236 770.12	21 105 135.63	-17%	1 195 593.67
7	26 863 568.71	797 431.05	-248 703.96	0.00	700.00	549 427.09	-201 072.86	27 211 922.94	-37%	348 354.23
8	10 188 026.39	4 260 490.21	-3 461 102.39	323.32	3 717.00	803 428.14	-259 041.89	10 732 412.64	-32%	544 386.25
9	2 433 124.47	13 359.89	0.00	0.00	0.00	13 359.89	-1 000.00	2 445 484.36	-7%	12 359.89
10	66 873 526.48	11 537 982.49	-1 080 838.71	0.00	35 814.00	10 492 957.78	-6 354 025.67	71 012 458.59	-61%	4 138 932.11
11	91 857 667.47	2 801 598.31	-494 583.77	9 000.00	0.00	2 316 014.54	-315 861.58	93 857 820.43	-14%	2 000 152.96
13	622 656 166.30	11 742 819.07	-1 623 755.38	4 198.19	11 638.69	10 134 900.57	-2 475 087.27	630 315 979.60	-24%	7 659 813.30
14	8 045 319.92	4 993 187.68	-74 597.10	0.00	0.00	4 918 590.58	-5 192 320.70	7 771 589.80	-106%	-273 730.12
15	7 133.67	67.89	0.00	0.00	0.00	67.89	0.00	7 201.56	0%	67.89
16	109 780 825.66	9 289 270.26	-95 970.06	9 881.32	131 028.00	9 334 209.52	-6 442 612.59	112 672 422.59	-69%	2 891 596.93
	1 830 927 317.74	104 556 987.02	-13 570 678.16	183 425.93	298 303.69	91 468 038.48	-44 609 312.21	1 877 786 044.01	-49%	46 858 726.27

The July 2025 receipts amounted to R44 609 312,21 against billing of R91 468 038,48. That was 49% collection rate.


BILLING & REVENUE PER TOWN 01/07/2025 - 30/06/2026 (Excluding Pre-paid Electricity)

Month	Kroonstad			Viljoenskroon			Steynsrus		
	Billing (BP135)	Receipts (BP135)	Percentage	Billing (BP135)	Receipts (BP135)	Percentage	Billing (BP135)	Receipts (BP135)	Percentage
Jul	74 098 465	36 626 043	49%	15 053 559	7 667 408	51%	2 316 015	315 862	14%
Total	74 098 465	36 626 043	49%	15 053 559	7 667 408	51%	2 316 015	315 862	14%

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	R15 527 461.73	R2 328 890.09	R17 856 351.82	6 351 289.70	R1 046 253.00	 9%
Totals	R0.00	R15 527 461.73	R2 328 890.09	R17 856 351.82	R6 351 289.70	R1 046 253.00	

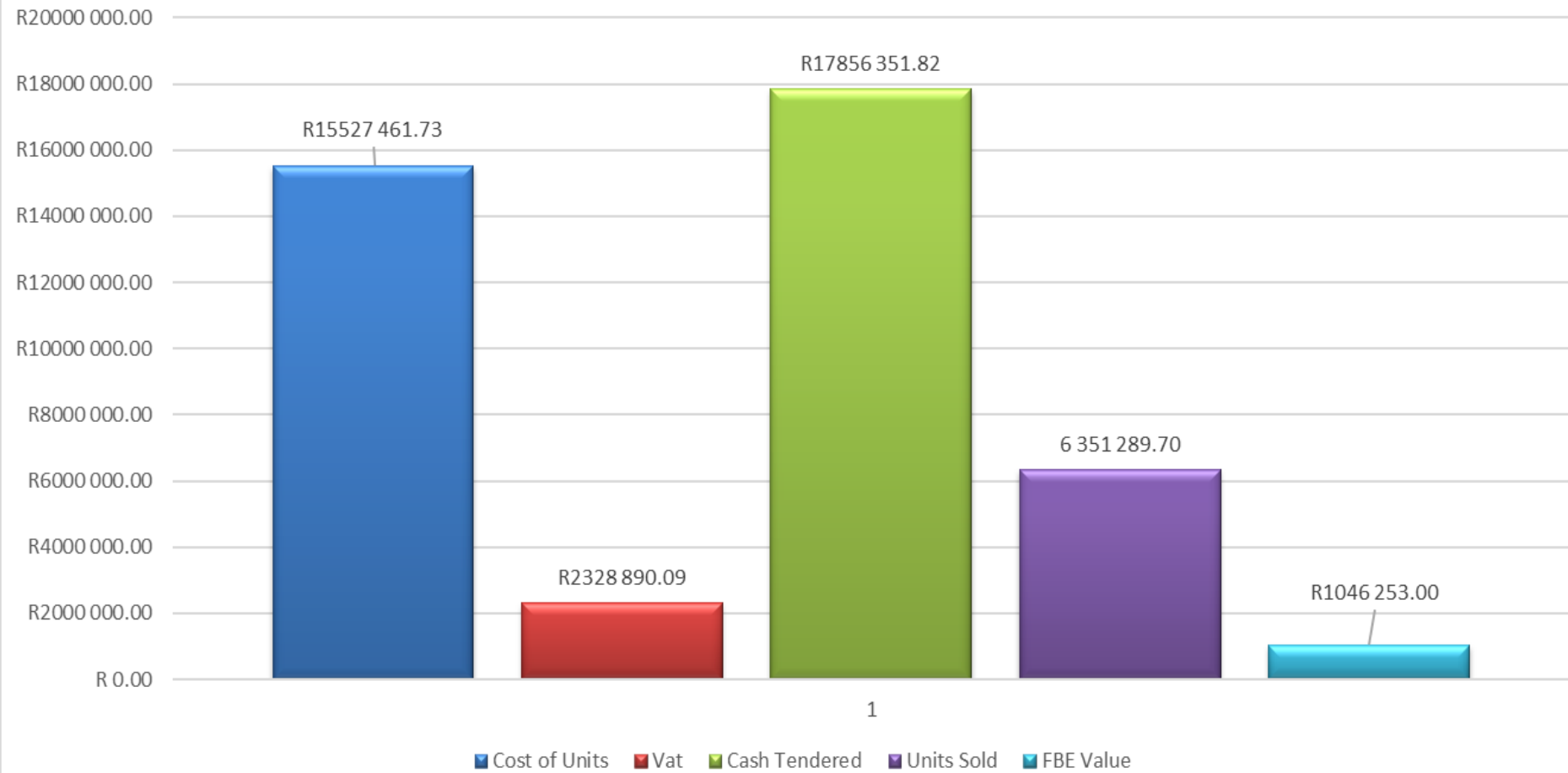
Billing for Kroonstad/Maokeng, Brentpark in July 2025 was R74m, Viljoenskroon/Rammolutsi was R15m and Steynsrus/Matlwangtlwang was R2.3 million

The average collection rate for Kroonstad/Maokeng/Brentpark for July 2025 is 49% , Viljoenskroon/Rammolutsi is 51% & Steynsrus/Matlwangtlwang is 14%.

Kroonstad/Maokeng/Brentpark generated a revenue of R36.6m for July 2025, Viljoenskroon/Rammolutsi generated R7.7m & Steynsrus/Matlwangtlwang generated R315 862.

The cost of revenue generated through prepaid electricity for the month of June 2025 is R14 219 781.26. The electricity vendors are contributing to these sales.

Prepaid Electricity Statistics



4.2 Operating expenditure by type

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

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Expenditure By Type									
Employee related costs	430 929	449 410	449 410	38 636	38 636	37 451	1 185	3%	449 410
Remuneration of councillors	22 444	29 484	29 484	1 799	1 799	2 457	(658)	-27%	29 484
Bulk purchases - electricity	486 867	428 185	428 185	–	–	35 682	(35 682)	-100%	428 185
Inventory consumed	15 090	26 574	26 574	1 121	1 121	2 215	(1 093)	-49%	26 574
Debt impairment	78	61 096	61 096	–	–	5 091	(5 091)	-100%	61 096
Depreciation and amortisation	112 391	10 305	10 305	–	–	859	(859)	-100%	10 305
Interest	97 719	8 790	8 790	121 145	121 145	733	120 412	16438%	8 790
Contracted services	142 731	197 383	197 383	5 763	5 763	16 449	(10 686)	-65%	197 383
Transfers and subsidies	269	1 095	1 095	(25)	(25)	91	(116)	-127%	1 095
Irrecoverable debts written off	170 915	3 966	3 966	159	159	331	(172)	-52%	3 966
Operational costs	143 721	170 482	170 482	2 545	2 545	14 207	(11 662)	-82%	170 482
Losses on Disposal of Assets	2 133	63	63	–	–	5	(5)	-100%	63
Other Losses	–	–	–	(6)	(6)	–	(6)	#DIV/0!	–
Total Expenditure	1 625 286	1 386 834	1 386 834	171 137	171 137	115 570	55 567	48%	1 386 834

Comparison against YTD Budget

As indicated in the Table above, as at 31 July 2025, expenditure shows an unsatisfactory variance of minus 48%. The YTD actual amounted to R171 137 000 against the YTD budget of R115 570 000.

- Employee related costs show a satisfactory variance of 3%. 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 27%.
- Bulk purchases – Electricity is showing an unsatisfactory variance of minus 100%.
- The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 49%. 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 16438% which is a clear indication of a need to increase our budget, 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 65%.
- Transfers and subsidies showing negative variance of minus 127%, due to non-expenditure & no commitment to show movement.
- Operational cost is showing an unsatisfactory variance of minus 82% 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.

OPERATING EXPENSES					
DESCRIPTION	Annual Budget 2025/2026	Actual 31-Jul-25	YTD 31-Jul-25	Variance (Unspent Budget)	% Exp
EMPLOYEE RELATED COSTS	449 409 838,00	38 635 910,00	38 635 910,77	410 773 927,23	8,60
REMUNERATION OF COUNCILLORS	29 484 431,00	1 799 348,17	1 799 348,17	27 685 082,83	6,10
BULK PURCHASES	428 185 402,00	-	-	428 185 402,00	-
INVENTORY	26 574 038,00	1 121 210,31	1 121 210,31	25 452 827,69	4,22
DEPRECIATION ON ASSETS	10 282 705,00	-	-	10 282 705,00	-
INTEREST	8 790 312,00	121 145 000,00	121 145 000,00	-112 354 688,00	1 378,16
CONTRACTED SERVICES	197 382 443,00	5 763 115,66	5 763 115,66	191 619 327,34	2,92
TRANSFERS AND SUBSIDIES	1 095 158,00	-25 000,00	-25 000,00	1 120 158,00	-2,28
CONTRIBUTIONS TO BAD DEBTS	3 966 284,00	158 879,64	158 879,61	3 807 404,39	4,01
OPERATIONAL EXPENDITURE	151 967 436,00	2 540 371,76	2 540 370,91	149 427 065,09	1,67
OPERATING LEASES	18 515 003,00	4 271,97	4 271,00	18 510 732,00	0,02
TOTAL EXPENDITURE (NETT)	1 325 653 050,00	171 143 107,51	171 143 106,43	1 154 509 943,57	12,91
OUTSOURCE SERVICES					
DESCRIPTION	Annual Budget 2025/2026	Actual 31-Jul-25	YTD 31-Jul-25	Variance	
OS: BURIAL SERVICES	286 227,00	0,00	0,00	286 227,00	-
OS: B&A HUMAN RESOURCES	0,00	0,00	0,00	0,00	-
OS: B&A OCCUPATIONAL HEALTH & SAFETY	0,00	0,00	0,00	0,00	-
OS: B&A ORGANISATIONAL	0,00	0,00	0,00	0,00	-
OS: B&A PROJECT MANAGEMENT	1 984 127,00	233 727,46	233 727,46	1 750 399,54	11,78
OS: B&A RESEARCH & ADVISORY	923 138,00	21 120,00	21 120,00	902 018,00	2,29
OS: B&A QUALIFICATION VERIFICATION	0,00	0,00	0,00	0,00	-
OS: B&A VALUER	3 285 468,00	0,00	0,00	3 285 468,00	-
OS: CATERING SERVICES	1 281 869,00	9 833,98	9 833,98	1 272 035,02	0,77
OS: CLEANING SERVICES	216 757,00	0,00	0,00	216 757,00	-
OS: ELECTRICAL	19 029 252,00	98 188,29	98 188,29	18 931 063,71	0,52
OS:ILLEGAL DUMPING	547 578,00	0,00	0,00	547 578,00	-
OS: MEDICAL SERVICES [HEALTH SERV &	580 742,00	0,00	0,00	580 742,00	-
OS: PERSONNEL & LABOUR	12 448 300,00	21 122,46	21 122,46	12 427 177,54	0,17
OS: CONNECT/DIS-CONNECTION: ELECTICI	9 279,00	0,00	0,00	9 279,00	-
OS: TRAFFIC FINES MANAGEMENT	174 997,00	0,00	0,00	174 997,00	-
OS: TRANSPORT SERVICES	0,00	0,00	0,00	0,00	-
SUB TOTAL : OUTSOURCE SERVICES	40 767 734,00	383 992,19	383 992,19	40 383 741,81	0,94

CONSULTANTS AND PROFESSIONAL SERVICES					-
C&PS: B&A AIR POLLUTION	100 000,00	0,00	0,00	100 000,00	-
C&PS: B&A AUDIT COMMITTEE	210 276,00	0,00	0,00	210 276,00	-
C&PS: B&A BUSINESS & FIN MANAGEMENT	4 900 000,00	0,00	0,00	4 900 000,00	-
C&PS: B&A HUMAN RESOURCES	4 068 969,00	14 694,00	14 694,00	4 054 275,00	0,36
C&PS: B&A MEDICAL EXAMINATIONS	1 000 000,00	20 935,00	20 935,00	979 065,00	2,09
C&PS: B&A OCCUPATIONAL HEALTH & SAFE	484 938,00	4 400,00	4 400,00	480 538,00	0,91
C&PS: B&A PROJECT MANAGEMENT	20 550 770,00	4 711 979,00	4 711 979,00	15 838 791,00	22,93
C&PS: B&A PROJ MAN(COMM CRISIS)	0,00	0,00	0,00	0,00	-
C&PS: B&A PROJ MAN(TRAI & AWARE)	0,00	0,00	0,00	0,00	-
C&PS: B&A PROJ MAN(COMM CRISIS)	500 000,00	0,00	0,00	500 000,00	-
C&PS: B&A PROJ MAN(EMERG RESPOND)	1 000 000,00	0,00	0,00	1 000 000,00	-
C&PS: B&A RESEARCH & ADVISORY	5 500,00	0,00	0,00	5 500,00	-
C&PS: B&A SYSTEM SUPPORT	20 880,00	0,00	0,00	20 880,00	-
C&PS: I&P ENGINEERING CIVIL	1 617 156,00	0,00	0,00	1 617 156,00	-
C&PS: I&P LAND & QUANTITY SURVEYORS	150 000,00	0,00	0,00	150 000,00	-
C&PS: I&P LAND SCAPE DESIGNER	374 796,00	0,00	0,00	374 796,00	-
C&PS: I&P TOWN PLANNER	130 000,00	0,00	0,00	130 000,00	-
C&PS: LAB SERV WATER	6 314 187,00	262 197,21	262 197,21	6 051 989,79	4,15
C&PS: LEGAL COST ADVICE & LITIGATION	7 500 000,00	0,00	0,00	7 500 000,00	-
C&PS: LEGAL COST ISSUE OF SUMMONS	300 000,00	0,00	0,00	300 000,00	-
C&PS: LEGAL COST COLLECTION	1 429 296,00	50 267,77	50 267,77	1 379 028,23	3,52
SUB TOTAL : CONSULTANT AND PROF SERV	50 656 768,00	5 064 472,98	5 064 472,98	45 592 295,02	10,00
CONTRACTORS					-
CONTR: ARTISTS & PERFORMERS	55 230,00	0,00	0,00	55 230,00	-
CONTR: BUILDING CONTRACTORS	1 438 062,00	0,00	0,00	1 438 062,00	-
CONTR: CATERING SERVICES	164 273,00	0,00	0,00	164 273,00	-
CONTR: EMPLOYEE WELLNESS	657 094,00	0,00	0,00	657 094,00	-
CONTR: EVENT PROMOTERS	200 000,00	0,00	0,00	200 000,00	-
CONTR: FIRE SERVICES	0,00	0,00	0,00	0,00	-
CONTR: GARDENING SERVICES	300 068,00	0,00	0,00	300 068,00	-
CONTR: INTERIOR DECORATOR	219 031,00	0,00	0,00	219 031,00	-
CONTR: INSPECTION FEES	1 879 353,00	138 536,30	138 536,30	1 740 816,70	7,37
CONTR: MAINT OF BUILDINGS & FACILIT	15 985 864,00	12 761,81	12 761,81	15 973 102,19	0,08
CONTR: MAINTENANCE OF EQUIPMENT	7 051 852,00	27 189,67	27 189,67	7 024 662,33	0,39
CONTR: MAINTENANCE OF EQUIPMENT (FLE	3 774 643,00	3 362,50	3 362,50	3 771 280,50	0,09
CONTR: MAINTENANCE FLEET	12 993 793,00	49 008,43	49 008,43	12 944 784,57	0,38
CONTR: PEST CONTROL & FUMIGATION	164 273,00	0,00	0,00	164 273,00	-
CONTR: PLANTS FLOWERS & OTH DECORATI	47 165,00	0,00	0,00	47 165,00	-
CONTR: PREPAID ELECTRICITY VENDORS	13 000 000,00	75 022,78	75 022,78	12 924 977,22	0,58
CONTR: SAFEGUARD & SECURITY	42 000 000,00	0,00	0,00	42 000 000,00	-
CONTR: TRAFFIC & STREET LIGHTS	6 027 240,00	8 769,00	8 769,00	6 018 471,00	0,15
SUB TOTAL : CONTRACTORS	105 957 941,00	314 650,49	314 650,49	105 643 290,51	0,30
CONTRACTED SERVICES	197 382 443,00	5 763 115,66	5 763 115,66	191 619 327,34	2,92

OPERATIONAL COST					
OC: ADV/PUB/MARK - CORP & MUN ACTIVI	2 063 944,00	126 408,00	126 408,00	1 937 536,00	6,12
OC: ADV/PUB/MARK - MUNICIPAL NEWSLET	800 000,00	-198 608,70	-198 608,70	998 608,70	-24,83
OC: ADV/PUB/MARK - SIGNS	358 000,00	0,00	0,00	358 000,00	-
OC: ADV/PUB/MARK - STAFF RECRUITMENT	328 547,00	0,00	0,00	328 547,00	-
OC: ADV/PUB/MARK - TENDERS	230 640,00	0,00	0,00	230 640,00	-
OC: AUDIT COST: EXTERNAL	11 247 482,00	0,00	0,00	11 247 482,00	-
OC: BC/FAC/C FEES - BANK ACCOUNTS	1 329 408,00	84 410,63	84 410,63	1 244 997,37	6,35
OC: COMMISSION - THIRD PARTY VENDORS	18 440 000,00	108 040,60	108 040,60	18 331 959,40	0,59
OC: COMM - CELL CONTRACT (SUBS & CAL	0,00	0,00	0,00	0,00	-
OC: COMM - LICENCES (RADIO & TELEVIS	83 447,00	0,00	0,00	83 447,00	-
OC: COMM - POSTAGE/STAMPS/FRANKING M	2 100 000,00	0,00	0,00	2 100 000,00	-
OC: COMM - RADIO & TV TRANSMISSIONS	0,00	0,00	0,00	0,00	-
OC: COMM - SMS BULK MESSAGE SERVICE	0,00	0,00	0,00	0,00	-
OC: COMM - PHONE FAX TELEGRAPH & TEL	2 500 000,00	0,00	0,00	2 500 000,00	-
OC: CONTR TO PROV - REHAB LANDFILL S	93 255,00	0,00	0,00	93 255,00	-
OC: DEEDS	329 402,00	0,00	0,00	329 402,00	-
OC: DRIVERS LICENCES & PERMITS	14 771,00	0,00	0,00	14 771,00	-
OC: ENTERTAINMENT - EXEC MAYOR	32 855,00	1 969,19	1 969,19	30 885,81	5,99
OC: ENTERTAINMENT - COUNCILLORS	32 855,00	0,00	0,00	32 855,00	-
OC: ENTERTAINMENT - SENIOR MANAGEMENT	230 496,00	5 379,55	5 379,55	225 116,45	2,33
OC: ENTERTAINMENT - SPEAKER	10 440,00	780,00	780,00	9 660,00	7,47
OC: ENTERTAINMENT - CHIEF WHIP	36 540,00	0,00	0,00	36 540,00	-
OC: EXT COM SERV PROV - GPS LICENCE	8 604 229,00	0,00	0,00	8 604 229,00	-
OC: EXT COM SERV PROV - S/WARE LICEN	2 317 859,00	147 306,80	147 306,80	2 170 552,20	6,36
OC: EXT COM SERV PROV - SYSTEM ADVIS	0,00	0,00	0,00	0,00	-
OC: HIRE CHARGES	54 376 667,00	1 196 938,77	1 196 938,00	53 179 729,00	2,20
OC: INSUR UNDER - CLAIM PAID 3RD PAR	0,00	0,00	0,00	0,00	-
OC: INSUR UNDER - EXCESS PAYMENTS	500 000,00	103 826,08	103 826,00	396 174,00	20,77
OC: INSUR UNDER - PREMIUMS	4 500 000,00	1 108,08	1 108,08	4 498 891,92	0,02
OC: LEARNERSHIPS & INTERNSHIPS	100 000,00	0,00	0,00	100 000,00	-
OC: LIC - VEHICLE LIC & REGISTRATION	1 756 542,00	48 955,50	48 955,50	1 707 586,50	2,79
OC: LIC - VEHICLE LIC & REGISTR FLEE	14 678,00	0,00	0,00	14 678,00	-
OC: PERSONNEL AGENCY FEES (PERS RECR	0,00	0,00	0,00	0,00	-
OC: PRINTING & PUBLICATIONS	845 438,00	0,00	0,00	845 438,00	-
OC: PROFESSIONAL BODIES M/SHIP & SUB	375 226,00	28 847,00	28 847,00	346 379,00	7,69
OC: REMUNERATION TO WARD COMMITTEES	3 066 437,00	91 500,00	91 500,00	2 974 937,00	2,98
OC: ROAD WORTHY TEST FLEET	18 854,00	0,00	0,00	18 854,00	-
OC: SKILLS DEVELOPMENT FUND LEVY	4 466 696,00	334 593,60	334 593,60	4 132 102,40	7,49
OC: SEARCH FEES	17 194,00	0,00	0,00	17 194,00	-
OC: SERVITUDES & LAND SURVEYS	54 758,00	0,00	0,00	54 758,00	-
OC: SIGNAGE	521 724,00	0,00	0,00	521 724,00	-
OC: SMALL DIFFERENCES TOLERANCES	0,00	0,00	0,00	0,00	-
OC: TOLL GATE FEES	0,00	0,00	0,00	0,00	-
OC: TOLL GATE FEES FLEET	4 400,00	0,00	0,00	4 400,00	-
OC: TRANSPORT - EVENTS	97 756,00	0,00	0,00	97 756,00	-
OC: TRANSPORT - FUNERALS	0,00	0,00	0,00	0,00	-

OC: T&S DOM - ACCOMMODATION	3 168 708,00	58 716,63	58 716,63	3 109 991,37	1,85
OC: T&S DOM - DAILY ALLOWANCE	2 153 496,00	25 704,00	25 704,00	2 127 792,00	1,19
OC: T&S DOM - FOOD & BEVERAGE (SERVE	312 860,00	53,80	53,80	312 806,20	0,02
OC: T&S DOM TRP - W/OUT OPR OWN TRAN	2 801 784,00	82 904,84	82 904,84	2 718 879,16	2,96
OC: T&S DOM PUB TRP - ROAD TRANSPORT	365 171,00	0,00	0,00	365 171,00	-
OC: T&S - NON-EMPLOYEES	309 516,00	14 697,04	14 697,04	294 818,96	4,75
OC: TRANSPORT - MUNICIPAL ACTIVITIES	57 660,00	0,00	0,00	57 660,00	-
OC: UNIFORM & PROTECTIVE CLOTHING	7 024 497,00	0,00	0,00	7 024 497,00	-
OC: VEHICLE TRACKING FLEET	626 892,00	0,00	0,00	626 892,00	-
OC: WET FUEL	11 415 321,00	276 840,35	276 840,35	11 138 480,65	2,43
OC: WORKMEN'S COMPENSATION FUND	1 830 991,00	0,00	0,00	1 830 991,00	-
SUB TOTAL : OPERATIONAL COST	151 967 436,00	2 540 371,76	2 540 370,91	149 427 065,09	1,67
INVENTORY					
INV - CONSUMABLE STORES - STANDARD RATED	15 088 136,00	70 276,79	70 276,79	15 017 859,21	
INV - CONSUMABLE STORES - WATER METERS	0,00	0,00	0,00	0,00	
INV - CONSUMABLE STORES - CHEMICALS	0,00	0,00	0,00	0,00	
INV - CONSUMABLE STORES -STD RATED FLEET	1 885,00	0,00	0,00	1 885,00	
INV - CONSUMABL STORES -ZERO RATED FLEET	0,00	0,00	0,00	0,00	
INVENTORY - MATERIALS & SUPPLIES	1 041 710,00	1 640,87	1 640,87	1 040 069,13	
INVENTORY - MATERIALS & SUPPLIES FLEET	2 307,00	0,00	0,00	2 307,00	
INVENTORY - WATER	10 440 000,00	1 049 292,65	1 049 292,65	9 390 707,35	
SUB TOTAL - INVENTORY	26 574 038,00	1 121 210,31	1 121 210,31	25 452 827,69	
BULK PURCHASES					
ESKOM	428 185 402,00	0,00	0,00	428 185 402,00	
BULK WATER PURCHASES					
SUB TOTAL : BULK PURCHASES	428 185 402,00	0,00	0,00	428 185 402,00	
INTEREST DIVIDENDS AND RENT ON LAND					-
INT PAID BOR: ANNUITY LOANS	6 600 000,00	121 145 000,00	121 145 000,00	-114 545 000,00	1 835,53
INT PAID: OVERDUE ACCOUNTS	2 190 312,00	0,00	0,00	2 190 312,00	-
SUB TOTAL - INTEREST DIVID & RENT -	8 790 312,00	121 145 000,00	121 145 000,00	-112 354 688,00	1 378,16
OPERATING LEASES					-
OPR LEASES: FURNITURE & OFFICE EQUIP	3 376 619,00	4 271,97	4 271,00	3 372 348,00	0,13
OPR LEASES: INFRA - TRANSPORTATION	0,00	0,00	0,00	0,00	-
OPR LEASES: MACHINERY & EQUIPMENT	23 064,00	0,00	0,00	23 064,00	-
OPR LEASES: TRANSPORT ASSETS	15 115 320,00	0,00	0,00	15 115 320,00	-
SUB TOTAL : OPERATING LEASES	18 515 003,00	4 271,97	4 271,00	18 510 732,00	0,02
BAD DEBTS WRITTEN OFF					
IRRECOVERABLE DEBTS WRITTEN OFF_EXCHANGE					
IRRECOV DEBTS W/OFF_EXCHG:ELECTRICITY	1 149 906,00	21 538,87	21 538,84	1 128 367,16	1,87
IRRECOV DEBTS W/OFF_EXCHG:NON-SPECIFIC	-	0,00	0,00	0,00	-
IRRECOV DEBTS W/OFF_EXCHG:WASTE	177 704,00	14 427,16	14 427,16	163 276,84	8,12
IRRECOV DEBTS W/OFF_EXCHG:WASTE WATER	228 604,00	20 599,35	20 599,35	208 004,65	9,01
IRRECOV DEBTS W/OFF_EXCHG:WATER	1 261 670,00	25 997,78	25 997,78	1 235 672,22	2,06
SUB TOTAL : IRRECOV BAD DEBT W/OFF_EXCH	2 817 884,00	82 563,16	82 563,13	2 735 320,87	2,93

IRRECOVERABLE DEBTS W/OFF_NON-EXCHANGE					
IRRECOV DEBTS W/OFF_NON-EXCH:PROP RATES	1 148 400,00	76 316,48	76 316,48	1 072 083,52	6,65
SUB TOTAL : IRREC BAD DEBT W/OFF_NON-EX	1 148 400,00	76 316,48	76 316,48	1 072 083,52	6,65
SUB TOTAL : BAD DEBTS WRITTEN OFF	3 966 284,00	158 879,64	158 879,61	3 807 404,39	4,01
TRANSFERS AND SUBSIDIES					-
HH SSP SOC ASS: SOCIAL RELIEF	1 095 158,00	-25 000,00	-25 000,00	1 120 158,00	-2,28
SUB TOTAL : OPERATIONAL : ALLOC IN K	1 095 158,00	-25 000,00	-25 000,00	1 120 158,00	-2,28
OPERATIONAL : MONETARY					-
SUB TOTAL : OPERATIONAL : MONETARY	0,00	0,00	0,00	0,00	-
SUB TOTAL : TRANSFERS & SUBSIDIES	1 095 158,00	-25 000,00	-25 000,00	1 049 000,00	-2,28
DEPRECIATION & AMORTISATION					
DEPRECIATION COMPUTER EQUIPMENT	394 635,00	0,00	0,00	0,00	-
DEPRECIATION WATER SUPPLY DISTRIBUTION	876 125,00	0,00	0,00	0,00	-
DEPRECIATION FURNITURE & OFFICE EQUIPM	821 327,00	0,00	0,00	0,00	-
DEPRECIATION ELEC MV NETWORKS	4 380 624,00	0,00	0,00	0,00	-
DEPRECIATION ELEC LV NETWORKS	876 125,00	0,00	0,00	0,00	-
DEPRECIATION MACHINERY & EQUIPMENT	1 301 834,00	0,00	0,00	0,00	-
DEPRECIATION TRANSPORT ASSETS	1 528 800,00	0,00	0,00	0,00	-
DEPRECIATION COMMUNITY CAPITAL SPARES	103 235,00	0,00	0,00	0,00	-
SUB TOTAL : DEPRECIATION & AMORTISATION	10 282 705,00	-	-	0,00	-

4.3 Capital Expenditure

Capital Expenditure - Functional Classification										
Governance and administration		2 581	2 981	2 981	-	-	248	(248)	-100%	2 981
Executive and council		15	-	-	-	-	-	-		-
Finance and administration		2 532	2 981	2 981	-	-	248	(248)	-100%	2 981
Internal audit		34	-	-	-	-	-	-		-
Community and public safety		653	29 350	29 350	13	13	2 446	(2 433)	-99%	29 350
Community and social services		-	550	550	-	-	46	(46)	-100%	550
Sport and recreation		542	5 853	5 853	1	1	488	(487)	-100%	5 853
Public safety		84	22 947	22 947	12	12	1 912	(1 900)	-99%	22 947
Housing		27	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		8 677	42 144	42 144	-	-	3 512	(3 512)	-100%	42 144
Planning and development		129	-	-	-	-	-	-		-
Road transport		8 533	42 064	42 064	-	-	3 505	(3 505)	-100%	42 064
Environmental protection		15	80	80	-	-	7	(7)	-100%	80
Trading services		36 718	20 546	20 546	-	-	1 712	(1 712)	-100%	20 546
Energy sources		98	250	250	-	-	21	(21)	-100%	250
Water management		24 718	18 524	18 524	-	-	1 544	(1 544)	-100%	18 524
Waste water management		11 900	1 773	1 773	-	-	148	(148)	-100%	1 773
Waste management		3	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	48 629	95 021	95 021	13	13	7 918	(7 906)	-100%	95 021
Funded by:										
National Government		41 092	66 532	66 532	12	12	5 544	(5 532)	-100%	66 532
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		9	-	-	-	-	-	-		-
Transfers recognised - capital		41 101	66 532	66 532	12	12	5 544	(5 532)	-100%	66 532
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		7 528	28 489	28 489	1	1	2 374	(2 373)	-100%	28 489
Total Capital Funding		48 629	95 021	95 021	13	13	7 918	(7 906)	-100%	95 021

As indicated in the Table above, the YTD Actual on capital expenditure as at end July 2025 amounted to R13 000. The total YTD capex is funded from Capital grants R12 000, and Internally generated funds R1 000. Capex is extremely low and major intervention

is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

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

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

4.4 Cash flows

CASH FLOW ANALYSIS FOR THE MONTH ENDING	
Detail	Jul-25
Cash Receipts by Source	
Property rates	4 773 880
Service charges - electricity revenue	28 726 564
Service charges - water revenue	5 377 661
Service charges - sanitation revenue	2 421 549
Service charges - refuse revenue	1 880 862
Service charges - other	-
Interest earned - external investments	399 352
Interest earned - outstanding debtors	400 685
Fines	-
Transfer receipts - operational	128 998 000
Other revenue	29 096 125
Cash Receipts by Source	202 074 678
Other Cash Flows/Receipts by Source	
Transfer receipts - capital	-
Borrowing long term/refinancing	-
Total Cash Receipts by Source	202 074 678
Cash Payments by Type	
Employee related costs	38 635 911
Remuneration of councillors	1 799 348
Bulk purchases - Electricity	37 580 787
Contracted services	5 763 115
General expenses	59 514 920
Cash Payments by Type	143 294 081
Other Cash Flows/Payments by Type	
Capital assets	12 929
Repayment of borrowing	-
Total Cash Payments by Type	143 307 010
Net Increase/(Decrease) in Cash Held	58 767 668
Cash/cash equivalents at the month/year begin:	20 110 141
Cash/cash equivalents at the month/year end:	78 877 809

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

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		57 716	120 179	120 179	4 385	4 385	10 015	(5 630)	-56%	120 179
Service charges		574 570	864 329	864 329	53 899	53 899	72 027	(18 128)	-25%	864 329
Other revenue		13 217	(134 111)	(134 111)	2 752	2 752	(11 176)	13 928	-125%	(134 111)
Transfers and Subsidies - Operational		329 184	334 714	334 714	130 294	130 294	27 893	102 401	367%	334 714
Transfers and Subsidies - Capital		52 270	68 228	68 228	4 595	4 595	5 686	(1 091)	-19%	68 228
Interest		9 906	-	-	474	474	-	474	#DIV/0!	-
Dividends		5 832	4 744	4 744	24	24	395	(371)	-94%	4 744
Payments										
Suppliers and employees		(1 127 983)	(1 637 348)	(1 637 348)	(189 204)	(189 204)	(136 446)	52 759	-39%	(1 637 348)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES		(85 289)	(379 265)	(379 265)	7 220	7 220	(31 605)	(38 825)	123%	(379 265)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	8 493	8 493	0	0	708	(708)	-100%	8 493
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(47 990)	(95 021)	(95 021)	(13)	(13)	(7 918)	(7 906)	100%	(95 021)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(47 990)	(86 529)	(86 529)	(13)	(13)	(7 211)	(7 198)	100%	(86 529)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	209	209	-	209	#DIV/0!	-
Payments										
Repayment of borrowing		(3 086)	(2 121)	(2 121)	(307)	(307)	(177)	131	-74%	(2 121)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3 086)	(2 121)	(2 121)	(99)	(99)	(177)	(78)	44%	(2 121)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		(9 905)	(24 764)	(24 764)	(23 158)	(23 158)	(24 764)			(23 158)
Cash/cash equivalents at month/year end:		(146 269)	(492 678)	(492 678)	(16 049)	(16 049)	(63 756)			(491 072)

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

Moqhaka Local Municipality (FS201): Monthly Budget Statement: S71 Monthly Report: July 2025
5. In-year Budget Statement Tables

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

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

The municipality is now implementing full credit control processes to improve its cashflow and collection rate. This includes restricting power to payment defaulters, 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.

Highlights	31-May	30-Jun	% Change	31-Jul	% Change	Reference
Services						
Councillors' debt (>90 days)	R 1 592 770	R 1 611 671	1%	R 1 655 438	3%	BP136-r
Officials debt (>90 days)	R 3 004 058	R 3 185 993	6%	R 3 270 233	3%	BP136-a
Sundry debtors						
Telephones (Officials & Councillors)	R699 657.63	R670 945.80	-4%	R707 766.49	5%	BP136-rt
Indigents	R 221 974 400	R 228 696 947	3%	R 234 876 924	3%	BP136-ia
Total Debt 90 Days +	R 227 270 886	R 234 165 557	3%	R 240 510 362	3%	

The municipality 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 of 31 July 2025, the Government Debt was as follows:

JULY 2025	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
PROVINCIAL DEPARTMENTS								
OFFICE OF THE PREMIER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE LEGISATURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF TOURISM, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE PROVINCIAL TREASURY	13 886.00	0.00	0.00	12 832.00	1 486.00	28 204.00	0.00	28 204.00
DEPARTMENT OF HEALTH (PH)	12 282 850.00	8 298 434.00	0.00	11 640 442.00	26 462.00	32 248 188.00	0.00	32 248 188.00
DEPARTMENT OF EDUCATION (PE)	107461.00	1 321 276.00	6 943 139.00	17 776 332.00	0.00	26 148 208.00	0.00	26 148 208.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	267 913.00	0.00	267 913.00	0.00	267 913.00
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)	976 153.00	15 460 563.00	1 771.00	846 483.00	2 352.00	17 287 322.00	0.00	17 287 322.00
PUBLIC SAFETY, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGRICULTURE (PA)	0.00	240.00	0.00	0.00	0.00	240.00	0.00	240.00
SPORTS, ARTS & CULTURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	13 380 350.00	25 080 513.00	6 944 910.00	30 544 002.00	30 300.00	75 980 075.00	0.00	75 980 075.00
				0.00				
SCHOOLS (SECTION 21)	11 019 901.00	20 739 103.00	6 340.00	8 015.00	32 895.00	31 806 254.00	0.00	31 806 254.00
NATIONAL DEPARTMENTS								
	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
CORRECTIONAL SERVICES (NC)	2 513 914.00	1 984 649.00	0.00	344 192.00	0.00	4 842 755.00	0.00	4 842 755.00
DEFENCE (ND)	3 785 409.00	6 276 937.00	3 126.00	898 039.00	14 175.00	10 977 686.00	0.00	10 977 686.00
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	25 778.00	138 780.00	174 915.00	56 477.00	87 855.00	483 805.00	0.00	483 805.00
PUBLIC WORKS (NW)	11 314.00	102 327.00	633 299.00	73 584.00	0.00	820 524.00	0.00	820 524.00
SA POLICE(NP)	918 329.00	762 131.00	2 883.00	1 002 319.00	2 143.00	2 687 805.00	0.00	2 687 805.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	131 824.00	140 689.00	0.00	33 367.00	1 373.00	307 253.00	0.00	307 253.00
TOTAL	7 386 568.00	9 405 513.00	814 223.00	2 407 978.00	105 546.00	20 119 828.00		20 119 828.00
TOTAL	31 786 819.00	55 225 129.00	7 765 473.00	32 959 995.00	168 741.00	127 906 157.00	-	127 906 157.00
						TOTAL		127 906 157.00
						LESS CREDIT		0.00
						GRAND TOTAL		127 906 157.00

MUNICIPAL DEBT RETURN FORM - Provincial & National Departments

Municipality: **FS201 Moqhaka**Financial Year: **2023/24** 2025/26Reporting Month: **M01 July**

	Provincial Public Works & Infrastructure	Education		National Public Works	TOTAL
		Section 20 Schools <i>(Payable by Department of Education)</i>	Section 21 Schools <i>(Payable by Schools)</i>		
<i>R'000</i>					
Property Rates	6 945			814	7 759
0-30 Days	1 764			666	2 430
31-60 Days	1 686			15	1 701
61-90 Days	1 686			15	1 701
Over 90 Days	1 808			119	1 928
Water	13 380	–	11 020	7 387	31 787
0-30 Days	870	–	413	1 147	2 430
31-60 Days	617	–	297	1 248	2 162
61-90 Days	1 010	–	281	493	1 784
Over 90 Days	10 884	–	10 029	4 498	25 410
Electricity	25 081	–	20 739	9 406	55 225
0-30 Days	1 269	–	1 413	2 402	5 083
31-60 Days	1 079	–	1 125	1 463	3 666
61-90 Days	828	–	832	430	2 089
Over 90 Days	21 905	–	17 370	5 111	44 386
Sanitation	20 209			1 501	21 710
0-30 Days	1 082			180	1 262
31-60 Days	1 034			170	1 204
61-90 Days	1 034			158	1 192
Over 90 Days	17 059			992	18 052
Refuse Removal	10 335			907	11 242
0-30 Days	547			94	641
31-60 Days	528			90	617
61-90 Days	528			83	611
Over 90 Days	8 732			640	9 373
Other	30	–	47	106	183
0-30 Days	0	–	2	4	6
31-60 Days	0	–	2	3	5
61-90 Days	0	–	2	3	5
Over 90 Days	30	–	42	96	168
TOTAL	75 980	–	31 806	20 120	127 906
0-30 Days	5 531	–	1 828	4 493	11 852
31-60 Days	4 945	–	1 423	2 988	9 356
61-90 Days	5 086	–	1 114	1 182	7 382
Over 90 Days	60 418	–	27 442	11 457	99 317
Payments received during reporting month (whole amount)	92 332.99			3 555 950.79	3 648 283.78

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, 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

4	Outstanding Debtor's by Customer Group	Current (0 to 30 days)	31 to 60 Days	61 to 90 Days	Over 90 days	Total
4.1	Households	R 32 742 995	R 26 767 481	R 27 256 680	R 1 300 406 889	R 1 387 174 045
4.2	Business / Commercial	R 51 247 197	R 8 632 835	R 7 175 258	R 165 225 721	R 232 281 011
4.3	Organs of State (Provincial & National Departments)	R 21 225 775	R 7 383 182	R 7 071 177	R 92 276 446	R 127 956 580
4.4	Other	-R 6 344 767	R 5 026 657	R 3 242 535	R 128 449 982	R 130 374 407
	Total					R 1 877 786 043
5	Outstanding Debtor's by Income Source	Current (0 to 30 days)	31 to 60 Days	61 to 90 Days	Over 90 days	Total
5.1	Water	R 20 895 697	R 18 390 995	R 18 990 480	R 875 607 773	R 933 884 945
5.2	Electricity	R 53 837 634	R 11 566 222	R 8 474 659	R 146 165 732	R 220 044 247
5.3	Property Rates	R 8 201 347	R 5 197 130	R 4 949 183	R 118 073 521	R 136 421 181
5.4	Sanitation	R 8 244 587	R 6 855 535	R 6 644 077	R 269 425 910	R 291 170 109
5.5	Refuse removal	R 5 781 798	R 4 841 111	R 4 694 301	R 195 526 860	R 210 844 070
5.6	Other	R 1 910 137	R 959 162	R 992 950	R 81 559 242	R 85 421 491
	Total	R 98 871 200	R 47 810 155	R 44 745 650	R 1 686 359 038	R 1 877 786 043

Comments:

Total outstanding debt has increased from R1 830 927 318 in June 2025 to R1 877 786 043 in July 2025. The 3% increase amounting to R46 858 725 is a result of minimum/non-payments of accounts.

Water outstanding debt was R920 361 646 in June 2025 and has increased to R933 884 945 in July 2025. That accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters.

Electricity outstanding debt was R201 272 796 in June 2025 and has increased to R220 044 247 in July 2025. This is 12% of the total debt, mainly due to non-implementation of the Debt Collection & Credit Control policy.

There were also payments from different categories of debtors for service and availability/basic charges for infrastructure maintenance. However, theft and illegal electricity connections remain a serious concern.

Property Rates outstanding debt was R132 535 293 in June 2025 and has increased to R136 421 181 in July 2025. This account for 7% against total debt.

Sanitation/Sewerage outstanding debt was R285 499 460 in June 2025 and has increased to R291 170 109 in July 2025. This accounts for 16% of the total debt and emanates from non-payment of accounts.

Total outstanding debt for Refuse Removal or Solid Waste was R206 830 400 in June 2025 and has increased to R210 844 070 in July 2025. This accounts for 11% of the total outstanding debt.

Total outstanding debt for Other or Sundries was R84 427 723 in June 2025 and has increased to R85 421 491 in July 2025, which accounts for 5% for total outstanding debt. It represents the debt from indirect services on sundry accounts like rental, telephone, advertising & signs, and more.

Government debt was R121 543 413 in June 2025 and has increased to R127 956 580 in July 2025. This represents 7% of the total outstanding debt that Public Works is in the process of addressing.

Business/Commercial debt was R219 661 132 in June 2025 and has increased to R232 281 011 in July 2025. This represents 12% of the total outstanding debt and is impacted by small business establishments in the townships that are either rented out to non-South Africans and where owners passed on.

Debt by Households was R1 365 160 531 in June 2025 and has increased to R1 387 174 045 in July 2025. That accounts for 74% of the total debt. This is inclusive of R234 876 924 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R124 562 242 in June 2025 and has increased to R130 374 407 in July 2025. That is 7% of the total outstanding debt.

The total debt by Councillors was R1 611 671 in June 2025 and has increased to R1 655 438 in July 2025 (3%), Officials owed R3 185 993 in June 2025 and that increased to R3 270 233 in July 2025 (3%).

Telephone accounts had a balance of R670 945.80 in June 2025 that has increased to R707 766.49 (5% increase).

The Municipality urgently needs to resolve on approving the Revenue Enhancement Strategy that was compiled with the assistance of Treasury, CoGTA & SALGA & implement the Debt Collection & Credit Control Policy and other policies for debt collection purposes in October 2023 as the same issues remain.

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

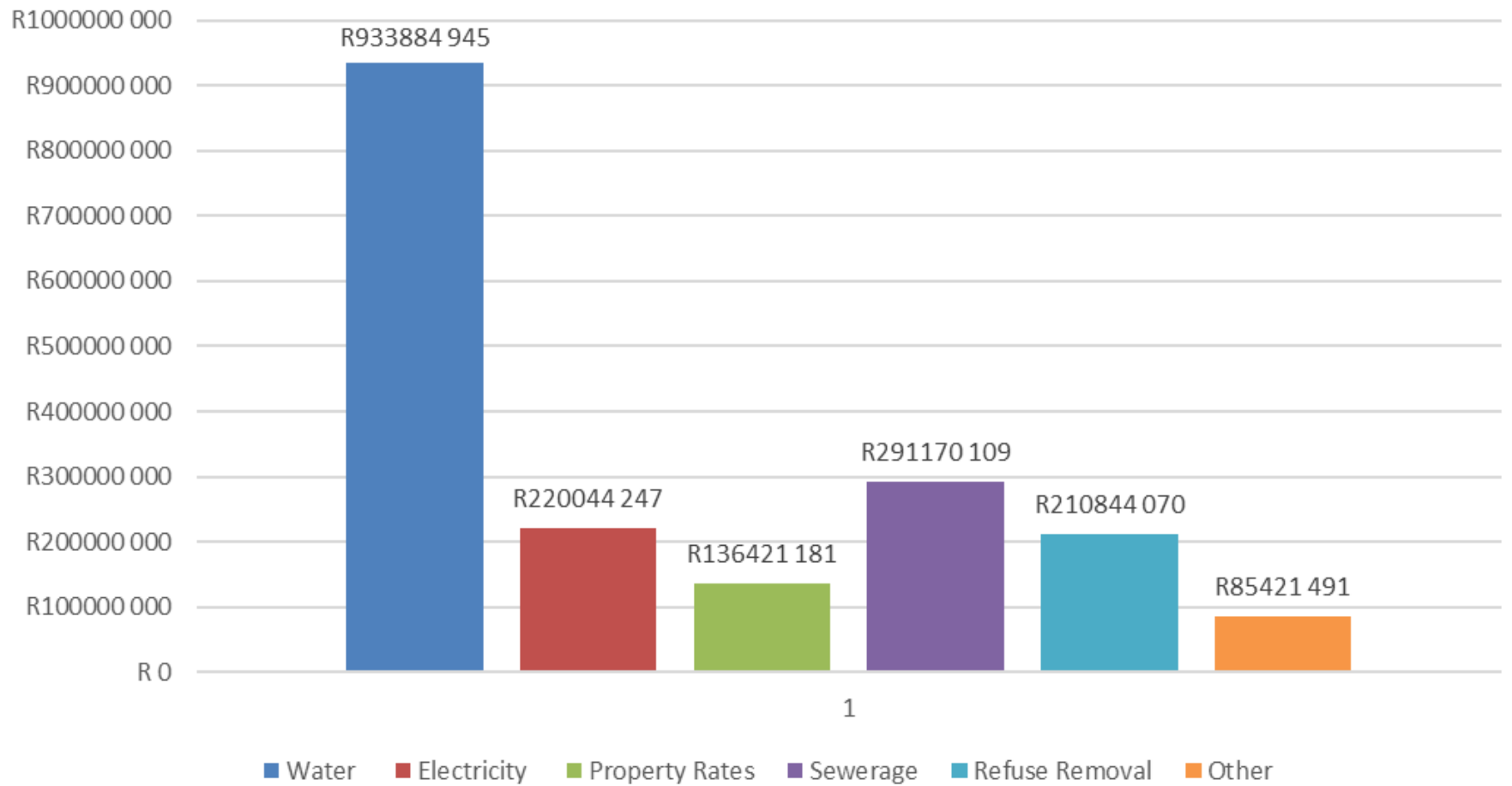
Blockings of the prepaid electricity meters & disconnections for the conventional electricity meters for categories of payment defaulters plays a major role in the collection rate and revenue enhancement.

The Municipal Manager is back in the office to enforce the implementation of the Debt Collection & Credit Control policy, as well as the Cost Containment policy.

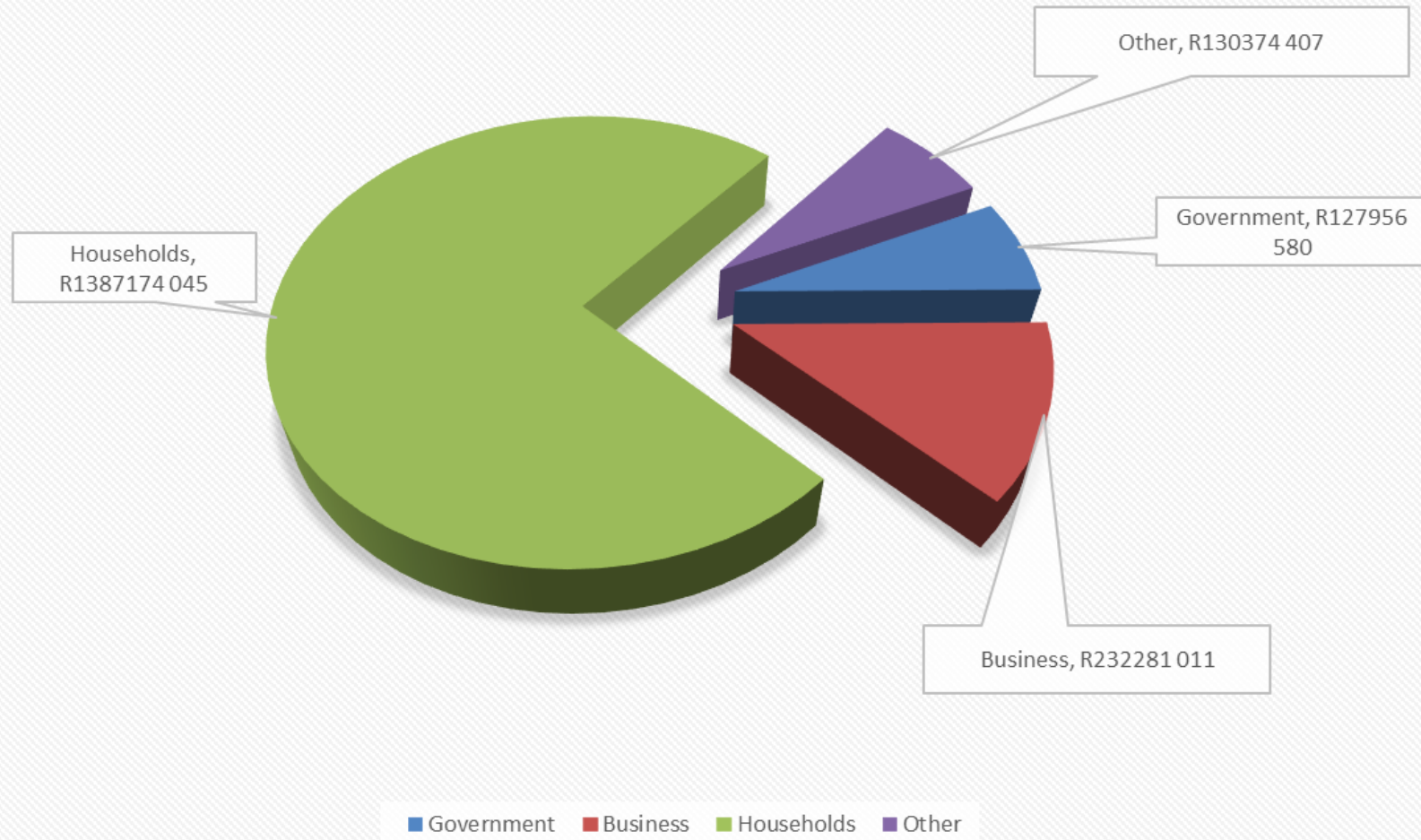
The delay in appointing the Directors, including the Chief Financial officer plays a very critical role in the financial distress facing the municipality.

The Municipality operates with administrative leadership that mostly is in acting capacity. The process of appointing Directors should unfold without more delays.

Age Analysis by Income Source



Age Analysis By Customer Group



An analysis revealed that the catalysts for this condition are the:

- ✚ High volume of account holders in arrears,
- ✚ The poor economic circumstances of many of the accountholders,
- ✚ and the increasing cost of services beyond the Municipality's control.

There is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. The municipality will process this debt and submit it to Council for approval for write off. We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts.


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

7. Creditors' Analysis

Creditors									
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total -
Bulk Electricity	81 473 087	132 739 187	-	-	-	-	-	1 682 499 246	1 896 711 520
Loan repayments	666 898	646 794	1 250 865					7 017 865,27	9 582 422
Trade Creditors	10 888 149	-	-	-	-	-	-	-	10 888 149
Auditor General	-	-	-	-	-	-	-	-	-
DWS	1 115 675	1 563 260	7 015 323					5 168 944	14 863 202
WORKMENS COMPENSATION	-							1 014 024	1 014 024
GOVERNMENT GARAGE	371 550							4 341 831	4 713 381
Total	94 515 359	134 949 241	8 266 188	-	-	-	-	1 700 041 911	1 937 772 699

Bulk Electricity – As at the 31 July 2025, the outstanding debt owed to ESKOM amounted to R1 896 711 520. 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 R0. Other creditors – includes Sundry creditors which were unpaid as at 31 July 2025 amount to R41 061 179.00

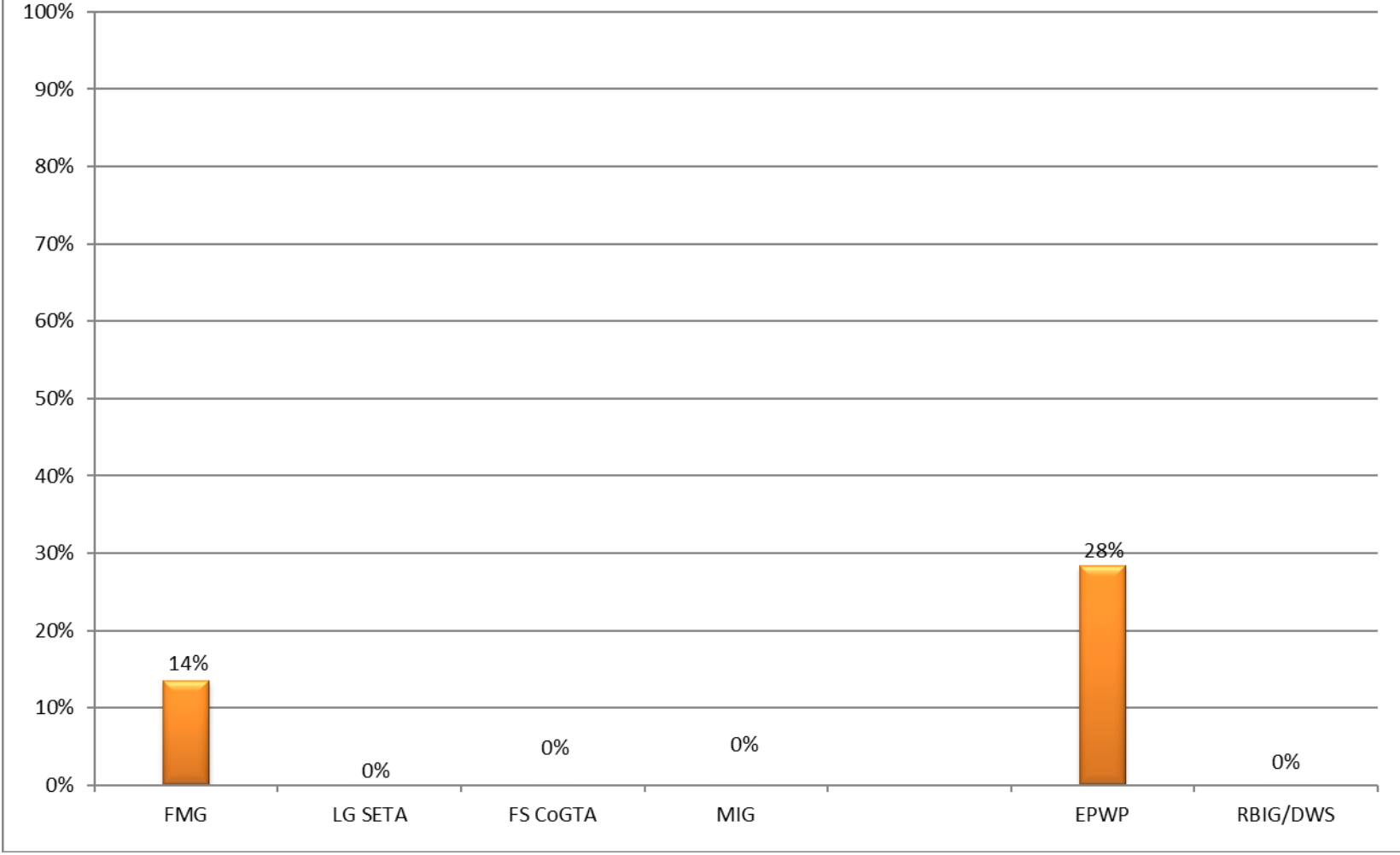
8. Investment portfolio analysis

Moqhaka Municipality				
Year End	30-Jul-26			
Section	Finance			
Compiled by	ID Mphosi			
Purpose	Investment Register			
				
<i>The municipality holds the following investments with ABSA Bank.</i>				
Detail	Bank Acc num	Type of investment	Vote num	
ABSA - 1	20-7531-4898	Fixed Deposit	34055053140ZZZZZZW	
ABSA - 2	20-5824-7882	Fixed Deposit	34055053040ZZZZZZW	21 465 760,64
ABSA - 3	91-3190-1443	Call Account	34055053240ZZZZZZW	
	20-7531-4898	20-5824-7882	91-3190-1443	
	ABSA - 1	ABSA - 2	ABSA - 3	Total
Balance 01-Jul- 2025	6 040,56	129 607,22	22 165 244,44	22 300 892,22
Prior period error		-	-	-
Adjusted Balance	6 040,56	129 607,22	22 165 244,44	22 300 892,22
	-	-	50 994 351,86	50 994 351,86
Invested	-	-	114595000	114 595 000,00
Withdrawn	-	-	-64000000	-64 000 000,00
Interest earned	-	-	399351,86	399 351,86
Balance at 31-Jul-2025	6 040,56	129 607,22	73 159 596,30	73 295 244,08

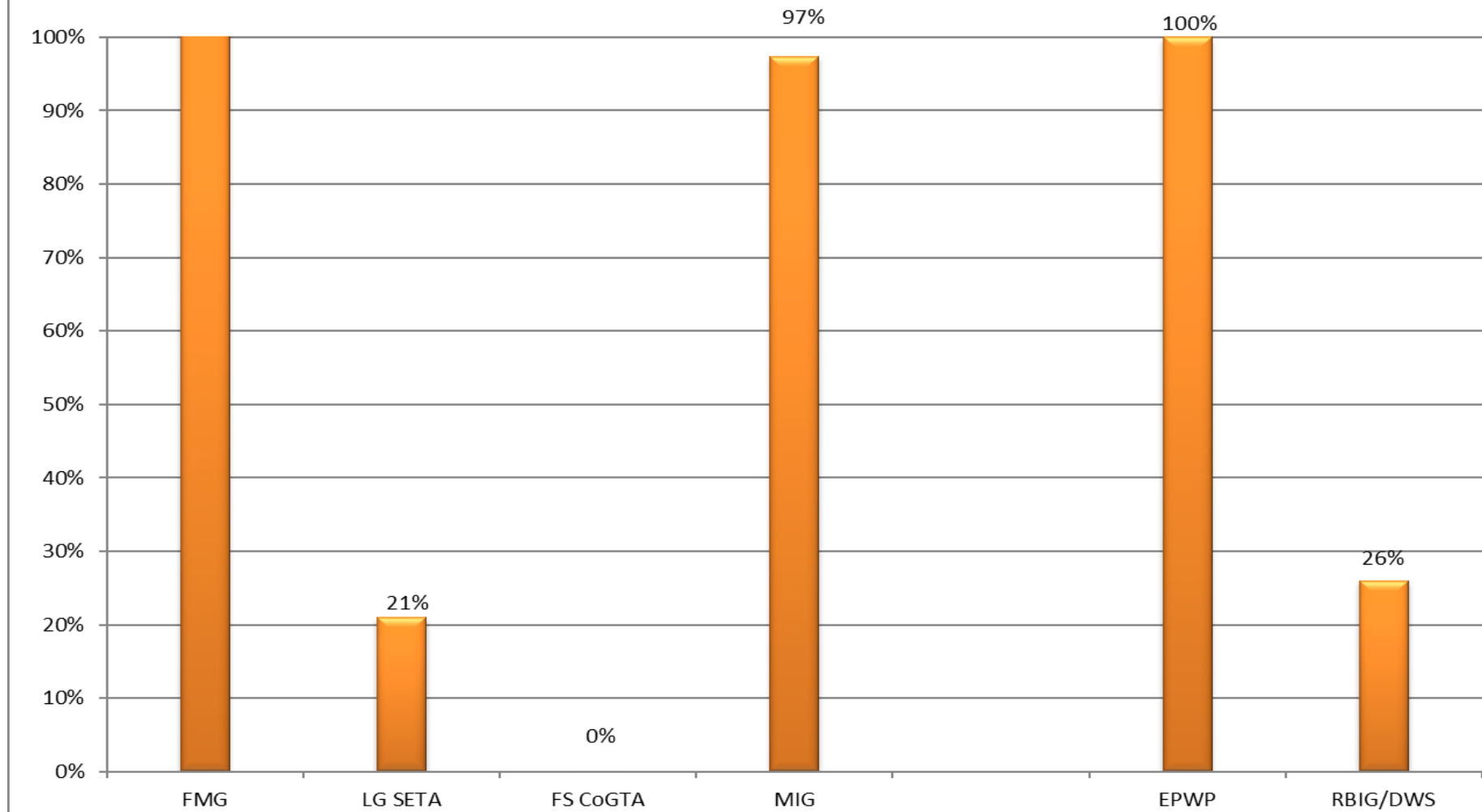
9. Allocation and grant receipts and expenditure

Report on conditional grants at	31 July 2025					
Municipality:	FS201 Moqhaka					
Financial Accounting for Grant Funds Received and Expended						
	OPERATIONAL GRANTS		CAPITAL GRANTS			
	Finance Management Grant (FMG)	LG SETA (Mandatory)	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
DORA Allocation for the 2025/26	2 300 000					-
Unspent grants at beginning of the financial year		-				-
Received Prior Months	-			-	-	-
Received This Month	-	-	-	374 000	4 595 000	4 969 000
Total Funds Received	-	-	-	374 000	4 595 000	4 969 000
Spent Prior Months	-			-	-	-
Spent This Month	310 835			106 260	-	106 260
Grants refunded					-	-
Total Funds Spent	310 835	-		106 260	-	106 260
Total funds Received and Not Spent	-310 835	-	-	267 740	4 595 000	4 862 740
Percentage of Funds Spent	14%	#DIV/0!	#DIV/0!	28%	0%	2%
Funds Currently Committed but Not Spent	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-

GRANTS SPENDING 2025/26 JULY



GRANTS SPENDING 2024/25 JUNE



FS201 Moqhaka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		329 232	325 501	325 501	130 294	130 294	27 125	103 169	380,3%	325 501
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		298 568	312 705	312 705	130 294	130 294	26 059	104 235	400,0%	312 705
Expanded Public Works Programme Integrated Grant		-	1 496	1 496	-	-	125	(125)	-100,0%	1 496
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		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		28 364	9 000	9 000	-	-	750	(750)	-100,0%	9 000
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		1 780	3 081	3 081	-	-	257	(257)	-100,0%	3 081
ESKOM		-	-	-	-	-	-	-	-	-
National Economical Development and Labour Council		1 104	-	-	-	-	-	-	-	-
National Skills Fund		676	3 081	3 081	-	-	257	(257)	-100,0%	3 081
Total Operating Transfers and Grants	5	331 012	328 582	328 582	130 294	130 294	27 382	102 912	375,8%	328 582
Capital Transfers and Grants										
National Government:		-	67 471	67 471	-	-	5 623	(5 623)	-100,0%	67 471
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	48 709	48 709	-	-	4 059	(4 059)	-100,0%	48 709
Water Services Infrastructure Grant		-	18 762	18 762	-	-	1 563	(1 563)	-100,0%	18 762
Provincial Government:		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	67 471	67 471	-	-	5 623	(5 623)	-100,0%	67 471
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	331 012	396 053	396 053	130 294	130 294	33 004	97 290	294,8%	396 053

- No Operational grant monies was received for the month under review.
- 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 2025

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 2025/2026	Actual 31-Jul-25	YTD 31-Jul-25	% Exp
EMPLOYEE RELATED COST				
SENIOR MANAGEMENT				
SM - SALARIES ALLOW AND SERV BENEFITS				
MM - SALARIES ALLOW AND SERV BENEFITS				
SM MM: SAL & ALL - BASIC SALARY	1 094 538,00	72 887,15	72 887,15	6,66
SM MM: SAL & ALL - PERFORM BASED BONUS	156 963,00	0,00	0,00	0,00
SM MM: ALLOW - CELLULAR & TELEPHONE	34 911,00	3 000,00	3 000,00	8,59
SM MM: ALLOW - HOUSING BENEFITS	0,00	0,00	0,00	#DIV/0!
SM MM: ALLOW - TRAVEL OR MOTOR VEHICLE	279 499,00	20 833,30	20 833,33	7,45
SM MM: SRB - LONG SERVICE	0,00	47 650,28	47 650,28	#DIV/0!
SUB TOTAL: MM - SAL ALLOW & SERV BENEF	1 565 911,00	144 370,73	144 370,76	9,22

CFO - SALARIES ALLOW AND SERV BENEFITS				
SM CFO: SAL & ALL - BASIC SALARY	185,00	947	-	-
SM CFO: SAL & ALL - PERFORM BASED BONUS	736,00	57	-	-
SM CFO: ALLOW - CELLULAR & TELEPHONE	982,00	6	-	-
SM CFO: ALLOW - HOUSING BENEFITS	-		-	-
SM CFO: ALLOW - TRAVEL OR MOTOR VEHICLE	186,00	58	-	-
SM CFO: SRB - ENTERTAINMENT	16 546,00		-	-
SM CFO: SRB - ACTING & POST RELATE ALLOW				
SUB TOTAL: CFO - SAL ALLOW & SERV BENEF	1 086 635,00		0,00	0,00
D01 - SALARIES ALLOW AND SERV BENEFITS				
SM D01: SAL & ALL - BASIC SALARY	996 166,00		0,00	0,00
SM D01: SAL & ALL - PERFORM BASED BONUS	57 846,00		0,00	0,00
SM D01: ALLOW - CELLULAR & TELEPHONE	10 473,00		1 000,00	1 000,00
SM D01: ALLOW - HOUSING BENEFITS	0,00		0,00	#DIV/0!
SM D01: ALLOW - TRAVEL OR MOTOR VEHICLE	167 686,00		24 710,09	24 710,09
SM D01: SRB - ENTERTAINMENT	0,00		-	-
SM D01: SRB - ACTING & POST RELATE ALLOW				
SUB TOTAL: DTS - SAL ALLOW & SERV BENEF	1 232 171,00		25 710,09	25 710,09
DO2 - SALARIES ALLOW AND SERV BENEFITS				
SM D02: SAL & ALL - BASIC SALARY	860 513,00		67 923,00	67 923,00
SM D02: SAL & ALL - PERFORM BASED BONUS	0,00		0,00	0,00
SM D02: ALLOW - CELLULAR & TELEPHONE	19 482,00		1 000,00	1 000,00
SM D02: ALLOW - HOUSING BENEFITS	109 157,00		0,00	0,00
SM D02: ALLOW - TRAVEL OR MOTOR VEHICLE	584 512,00		45 104,95	45 104,95
SM D02: ALLOW - ACCOM TRAVEL & INCIDENT.	-		-	#DIV/0!

SM D02: SRB - ENTERTAINMENT	11 030,00	-	0,00	0,00
SM D02: SRB - ACTING & POST RELATE ALLOW		0,00	0,00	#DIV/0!
SUB TOTAL: DPS - SAL ALLOW & SERV BENEF	1 584 694,00	114 027,95	114 027,95	7,20
DO3 - SALARIES ALLOW AND SERV BENEFITS				
SM D03: SAL & ALL - BASIC SALARY	941 891,00	-	-	0,00
SM D03: SAL & ALL - PERFORM BASED BONUS	56 480,00	-	-	0,00
SM D03: ALLOW - CELLULAR & TELEPHONE	5 691,00	-	-	0,00
SM D03: ALLOW - HOUSING BENEFITS	184 263,00	-	-	0,00
SM D03: ALLOW - TRAVEL OR MOTOR VEHICLE	104 643,00	-	-	0,00
SM D03: SRB - ENTERTAINMENT	-	-	-	#DIV/0!
SM D03: SRB - ACTING & POST RELATE ALLOW	-	-	-	#DIV/0!
SUB TOTAL: DCH - SAL ALLOW & SERV BENEF	1 292 968,00	0,00	0,00	0,00
DO4 - SALARIES ALLOW AND SERV BENEFITS				
SM D04: SAL & ALL - BASIC SALARY	986 330,00	-	-	0,00
SM D04: SAL & ALL - PERFORM BASED BONUS	8 600,00	-	-	0,00
SM D04: ALLOW - CELLULAR & TELEPHONE	9 000,00	-	-	0,00
SM D04: ALLOW - HOUSING BENEFITS	86 068,00	-	-	0,00
SM D04: ALLOW - TRAVEL OR MOTOR VEHICLE	63 948,00	-	-	0,00

SM D04: SRB - ENTERTAINMENT	-	-	-	#DIV/0!
SUB TOTAL: DCS - SAL ALLOW & SERV BENEF	1 153 946,00			0,00
SUB TOTAL: SM - SAL ALLOW & SERV BENEF	7 916 325,00	284 108,77	284 108,80	3,59
SM - SOCIAL CONTRIBUTIONS				
MM - SOCIAL CONTRIBUTIONS				
SM MM: SOC CONTR: MEDICAL	72 276,00	0,00	0,00	0,00
SM MM: SOC CONTR: PENSION FUNDS	122 187,00	13 119,69	13 119,69	10,74
SM MM: SOC CONTR: UIF	2 547,00	177,12	177,12	6,95
SUB TOTAL: MM - SOCIAL CONTRIBUTIONS	197 010,00	13 296,81	13 296,81	6,75
CFO - SOCIAL CONTRIBUTIONS				
SM CFO: SOC CONTR: GROUP LIFE INSURANCE	-	-	-	-
	6			
SM CFO: SOC CONTR: MEDICAL	995,00	-	-	-
	139			
SM CFO: SOC CONTR: PENSION FUNDS	648,00	-	-	-
	2			
SM CFO: SOC CONTR: UIF	576,00	-	-	-
SM CFO: SOC CONTR: BARGAINING COUNCIL	-	-	-	-
SUB TOTAL: CFO - SOCIAL CONTRIBUTIONS	149 219,00	0,00	0,00	0,00
D01 - SOCIAL CONTRIBUTIONS				
SM D01: SOC CONTR: GROUP LIFE INSURANCE	0,00	0,00	0,00	#DIV/0!
SM D01: SOC CONTR: MEDICAL	73 416,00	0,00	0,00	0,00
SM D01: SOC CONTR: PENSION FUNDS	151 541,00	10 771,93	10 771,93	7,11
SM D01: SOC CONTR: UIF	2 588,00	177,12	177,12	6,84
SM D01: SOC CONTR: BARGAINING COUNCIL	0,00	0,00	0,00	#DIV/0!
SUB TOTAL: DTS - SOCIAL CONTRIBUTIONS	227 545,00	10 949,05	10 949,05	4,81
D02 - SOCIAL CONTRIBUTIONS				
SM D02: SOC CONTR: GROUP LIFE INSURANCE	0,00	0,00	0,00	#DIV/0!

SM D02: SOC CONTR: MEDICAL	38 965,00	0,00	0,00	0,00
SM D02: SOC CONTR: PENSION FUNDS	74 671,00	0,00	0,00	0,00
SM D02: SOC CONTR: UIF	2 586,00	177,12	177,12	6,85
SM D02: SOC CONTR: BARGAINING COUNCIL	0,00	0,00	0,00	#DIV/0!
SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS	116 222,00	177,12	177,12	0,15
D03 - SOCIAL CONTRIBUTIONS				
SM D03: SOC CONTR: GROUP LIFE INSURANCE				
SM D03: SOC CONTR: MEDICAL	22 093,00	-	-	0,00
SM D03: SOC CONTR: PENSION FUNDS	-	-	-	#DIV/0!
SM D03: SOC CONTR: UIF	1 280,00	-	-	0,00
SM D03: SOC CONTR: BARGAINING COUNCIL	-	-	-	#DIV/0!
SUB TOTAL: DCH - SOCIAL CONTRIBUTIONS	23 373,00	0,00	0,00	0,00
SUB TOTAL: SM - SOCIAL CONTRIBUTIONS	713 369,00	24 422,98	24 422,98	3,42
SM - POST RETIREMENT BENEFITS				
SM: PRB - MED: CURRENT SERVICE COST				
SM: PRB - MED: INTEREST COST	5 250 508,00	9 790,20	9 790,20	0,19
SM: PRB - PENS: INTEREST COST	781 263,00	-	-	-
SUB TOTAL : SM - POST RETIREMENT BENEFIT	6 031 771,00	9 790,20	9 790,20	0,16
SM: PST RET BEN OBL CST CAP PPE				
SUB TOTAL : SM - COST CAPITALISED TO PPE				
SUB TOTAL : SENIOR MANAGEMENT	14 661 465,00	318 321,95	318 321,98	2,17
MUNICIPAL STAFF				
MS - SALARIES ALLOW AND SERV BENEFITS				
MS: SAL & ALL: BASIC SALARY & WAGES	258 251 928,00	21 851 447,11	21 851 447,11	8,46

MS: SAL & ALL: PERFORMANCE BASED BONUSES	30 121,00	0,00	0,00	0,00
MS: ALL - CELLULAR & TELEPHONE	800 052,00	38 418,16	38 418,16	4,80
MS: HB & INC: HOUSING BENEFITS	2 091 443,00	135 290,57	135 290,57	6,47
MS: ALL - LEAVE PAY	4 315 814,00	487 349,16	487 349,16	11,29
MS: ALL - TRAVEL OR MOTOR VEHICLE	25 556 843,00	1 869 375,18	1 869 375,18	7,31
MS: OVERTIME - NON STRUCTURED	31 687 614,00	2 965 383,55	2 965 383,55	9,36
MS: OVERTIME - STRUCTURED	64 895,00	3 292,83	3 292,83	5,07
MS: PAYMENTS - SHIFT ADD REMUNERATIO	-	-	-	#DIV/0!
MS: SRB - ANNUAL BONUS	22 708 446,00	3 773 995,49	3 773 995,49	16,62
MS: SRB - LONG SERVICE AWARD	0,00	0,00	0,00	#DIV/0!
MS: SRB - STANDBY ALLOWANCE	4 447 026,00	371 095,24	371 095,24	8,34
MS: IN-KIND BENEFITS	545,00	-	-	0,00
MS: SRB - NON PENSIONABLE	840,00	-	-	0,00
MS: SRB - LSA CURR SERV	422,00	034,83	034,83	8,96
SUB TOTAL : MS - SAL ALLOW & SERV BENEF	351 912 989,00	31 670 682,12	31 670 682,12	9,00
MS - SOCIAL CONTRIBUTIONS				#DIV/0!
MS: SOC CONTR - BARGAINING COUNCIL	166 344,00	11 475,90	11 475,90	6,90
MS: SOC CONTR - GROUP LIFE INSURANCE	1 488 851,00	86 823,35	86 823,35	5,83
MS: SOC CONTR - MEDICAL	28 189 091,00	2 424 076,65	2 424 076,65	8,60
MS: SOC CONTR - PENSION	45 670 003,00	3 947 237,10	3 947 237,10	8,64
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 488 849,00	168 400,52	168 400,52	6,77
SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	78 003 138,00	6 638 013,52	6 638 013,52	8,51
MS: PRB - MED: CURRENT SERVICE COST				#DIV/0!
MS: PRB - MED: INTEREST COST	4 689 734,00	-4 680,00	-4 680,00	-0,10
MS: PRB - PENS: INTEREST COST				#DIV/0!
MS: PRB - OTHER: LEAVE GRATUITY		0,00	0,00	#DIV/0!
SUB TOTAL : MS - POST RETIREMENT BEN	4 689 734,00	-4 680,00	-4 680,00	-0,10
MS - COST CAPITALISED TO PPE				#DIV/0!

MS: IN-KIND BENEFITS CST CAP PPE	142 512,00	13 573,15	13 573,15	9,52
SUB TOTAL : MS - COST CAPITALISED TO PPE	142 512,00	13 573,15	13 573,15	9,52
SUB TOTAL : MUNICIPAL STAFF	434 748 373,00	38 317 588,79	38 317 588,79	8,81
SUB TOTAL : EMPLOYEE RELATED COST	449 409 838,00	38 635 910,74	38 635 910,77	8,60

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

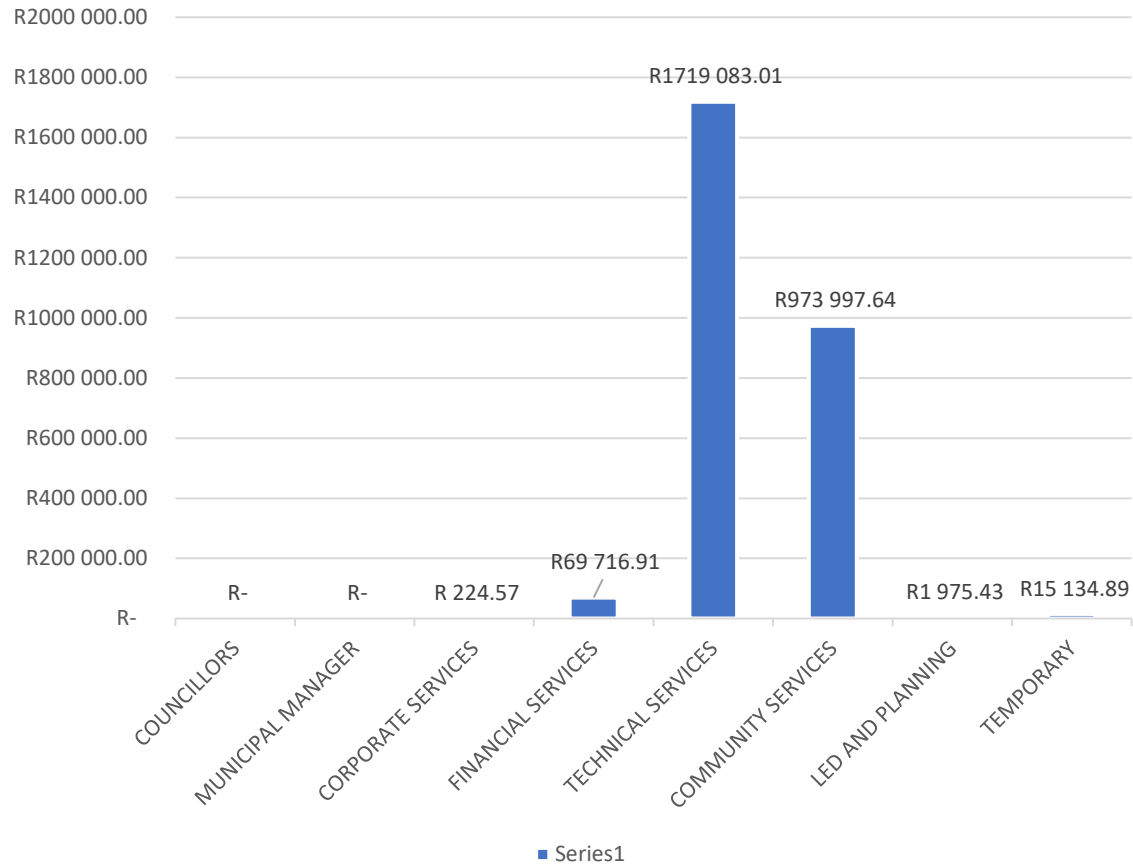
Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)

Analysis of overtime per department

Description	31-Jul-25	
	Hours	Cost
Municipal Manager	-	-
Corporate Services	41	225
Financial Services	71	717
Technical Services	9	1 719
Community Services	4	973
LED & Planning	16	975
Temporary	110	135
Total	13	2 780

The overtime needs to be administered and only real emergencies be attended to after hours, on weekends and on holidays. Each department needs to do proper planning to manage their own budget in order to avoid unnecessary expenditure, thus ensuring that they stay within the budget for the year, to avoid overspending.

Analysis of overtime per department



Other Municipal Staff										
Basic Salaries and Wages		249 614	258 252	258 252	21 851	21 851	21 521	330	2%	258 252
Pension and UIF Contributions		47 276	49 648	49 648	4 202	4 202	4 137	65	2%	49 648
Medical Aid Contributions		28 690	28 189	28 189	2 424	2 424	2 349	75	3%	28 189
Overtime		38 220	31 753	31 753	2 969	2 969	2 646	323	12%	31 753
Performance Bonus		20 011	22 739	22 739	3 774	3 774	1 895	1 879	99%	22 739
Motor Vehicle Allowance		21 506	25 557	25 557	1 869	1 869	2 130	(260)	-12%	25 557
Cellphone Allowance		496	800	800	38	38	67	(28)	-42%	800
Housing Allowances		1 721	2 091	2 091	135	135	174	(39)	-22%	2 091
Other benefits and allowances		4 776	4 615	4 615	383	383	385	(2)	-1%	4 615
Payments in lieu of leave		8 118	4 316	4 316	487	487	360	128	35%	4 316
Long service awards		1 964	1 953	1 953	175	175	163	12	8%	1 953
Post-retirement benefit obligations	2	2 120	4 690	4 690	(5)	(5)	391	(395)	-101%	4 690
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits		-	4	4	-	-	0	(0)	-100%	4
Sub Total - Other Municipal Staff		424 511	434 606	434 606	38 304	38 304	36 217	2 087	6%	434 606
% increase	4		2,4%	2,4%						2,4%
Total Parent Municipality		453 210	478 752	478 752	40 422	40 422	39 896	525	1%	478 752

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 2025/26 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.

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



Audit Trail

Batch Transfer

Tue, Jul 15, 2025 at 04:10:10 PM

Group 19058 - MOQHAKA LOCAL MUNICIPALITY
 Operator 010 - PAULA DARINA DU PLESSIS
 Batch Name & Description 90045989 90045989
 Status Finally Approved

	Captured	First Approver	Second Approver	Third Approver	Final Approver
Operator	10	31			22
Operator Name	PAULA DARINA DU PLESSIS	RYAN D BUYS			SAMUEL THELETSANE
Approval Level					
Date	2025/07/15	2025/07/15			2025/07/15
Time	11:24:06	15:30:28			15:49:04
Roll-over Date					

Batch Status

Batch Details

Batch Entry Number 1

From Account	334536	MOQHAKA LOCAL MUNICIPALITY - 0000004053274876		
Description	9345061750	90045989	Frequency	Adhoc
Beneficiary Code				
To Account	223626	ESKOM 9345061750 - 0000055070067316		
Description		MOQHAKA MUNICIPALITY	Mandate	
Date	2025/07/15		Amount	25,000,000.00
Roll-over date				
Transaction Number	263051		Transaction Status	S
Immediate Interbank Payment	No			

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

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

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

14. Conclusion

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

Communication

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

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

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

The following are the budget and other financial issues:

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

15. Annexure A: C-schedules

FS201 Moqhaka - Table C1 Monthly Budget Statement Summary - M01 July

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	93 605	94 806	94 806	8 201	8 201	7 901	300	4%	94 806
Service charges	709 340	876 199	876 199	78 503	78 503	73 017	5 486	8%	876 199
Investment revenue	39	63	63	-	-	5	(5)	-100%	63
Transfers and subsidies - Operational	331 012	328 582	328 582	130 294	130 294	27 382	102 912	0	328 582
Other own revenue	127 204	130 301	130 301	9 884	9 884	10 858	(974)	-9%	130 301
Total Revenue (excluding capital transfers and contributions)	1 261 199	1 429 951	1 429 951	226 882	226 882	119 163	107 719	90%	1 429 951
Employee costs	430 929	449 410	449 410	38 636	38 636	37 451	1 185	3%	449 410
Remuneration of Councillors	22 444	29 484	29 484	1 799	1 799	2 457	(658)	-27%	29 484
Depreciation and amortisation	112 391	10 305	10 305	-	-	859	(859)	-100%	10 305
Interest	97 719	8 790	8 790	121 145	121 145	733	120 412	16438%	8 790
Inventory consumed and bulk purchases	501 957	454 759	454 759	1 121	1 121	37 897	(36 775)	-97%	454 759
Transfers and subsidies	269	1 095	1 095	(25)	(25)	91	(116)	-127%	1 095
Other expenditure	459 578	432 991	432 991	8 461	8 461	36 083	(27 622)	-77%	432 991
Total Expenditure	1 625 286	1 386 834	1 386 834	171 137	171 137	115 570	55 567	48%	1 386 834
Surplus/(Deficit)	(364 087)	43 117	43 117	55 745	55 745	3 592	52 152	1452%	43 117
Transfers and subsidies - capital (monetary)	48 042	66 532	66 532	-	-	5 544	(5 544)	-100%	66 532
Transfers and subsidies - capital (in-kind)	14	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(316 031)	109 649	109 649	55 745	55 745	9 137	46 608	510%	109 649
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(316 031)	109 649	109 649	55 745	55 745	9 137	46 608	510%	109 649
Capital expenditure & funds sources									
Capital expenditure	48 629	95 021	95 021	13	13	7 918	(7 906)	-100%	95 021
Capital transfers recognised	41 101	66 532	66 532	12	12	5 544	(5 532)	-100%	66 532
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	7 528	28 489	28 489	1	1	2 374	(2 373)	-100%	28 489
Total sources of capital funds	48 629	95 021	95 021	13	13	7 918	(7 906)	-100%	95 021

Financial position								
Total current assets	788 559	467 905	467 905		790 095			
Total non current assets	1 920 324	3 107 101	3 107 101		1 916 703			
Total current liabilities	1 900 503	538 944	538 944		1 846 426			
Total non current liabilities	140 648	73 466	73 466		140 648			
Community wealth/Equity	1 454 531	2 967 331	2 967 331		719 886			
Cash flows								
Net cash from (used) operating	(85 289)	(379 265)	(379 265)	7 220	7 220	(31 605)	(38 825)	123%
Net cash from (used) investing	(47 990)	(86 529)	(86 529)	(13)	(13)	(7 211)	(7 198)	100%
Net cash from (used) financing	(3 086)	(2 121)	(2 121)	(99)	(99)	(177)	(78)	44%
Cash/cash equivalents at the month/year end	(146 269)	(492 678)	(492 678)	(16 049)	(16 049)	(63 756)	(47 707)	75%
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr

FS201 Moqhaka - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		425 622	335 761	335 761	98 918	98 918	27 980	70 938	254%	335 761
Executive and council		305 722	215 840	215 840	89 344	89 344	17 987	71 357	397%	215 840
Finance and administration		119 900	119 921	119 921	9 574	9 574	9 993	(419)	-4%	119 921
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 177	26 179	26 179	468	468	2 182	(1 713)	-79%	26 179
Community and social services		1 816	3 730	3 730	189	189	311	(122)	-39%	3 730
Sport and recreation		2 357	3 511	3 511	38	38	293	(254)	-87%	3 511
Public safety		3 211	5 123	5 123	41	41	427	(386)	-90%	5 123
Housing		4 792	13 815	13 815	201	201	1 151	(951)	-83%	13 815
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		48 520	51 052	51 052	240	240	4 254	(4 015)	-94%	51 052
Planning and development		1 932	1 773	1 773	132	132	148	(15)	-10%	1 773
Road transport		46 589	49 164	49 164	107	107	4 097	(3 990)	-97%	49 164
Environmental protection		-	115	115	-	-	10	(10)	-100%	115
Trading services		822 937	1 083 491	1 083 491	127 256	127 256	90 291	36 965	41%	1 083 491
Energy sources		424 325	575 441	575 441	62 867	62 867	47 953	14 913	31%	575 441
Water management		244 384	306 472	306 472	31 145	31 145	25 539	5 606	22%	306 472
Waste water management		90 301	116 972	116 972	19 009	19 009	9 748	9 262	95%	116 972
Waste management		63 926	84 606	84 606	14 235	14 235	7 050	7 184	102%	84 606
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 309 255	1 496 483	1 496 483	226 882	226 882	124 707	102 175	82%	1 496 483
Expenditure - Functional										
Governance and administration		396 680	369 217	369 217	143 588	143 588	30 768	112 820	367%	369 217
Executive and council		67 951	116 725	116 725	131 330	131 330	9 727	121 603	1250%	116 725
Finance and administration		324 634	247 021	247 021	11 927	11 927	20 585	(8 658)	-42%	247 021
Internal audit		4 096	5 471	5 471	331	331	456	(125)	-27%	5 471
Community and public safety		112 766	131 037	131 037	8 362	8 362	10 920	(2 558)	-23%	131 037
Community and social services		17 426	19 911	19 911	843	843	1 659	(817)	-49%	19 911
Sport and recreation		46 043	54 314	54 314	3 562	3 562	4 526	(965)	-21%	54 314
Public safety		40 586	46 363	46 363	3 141	3 141	3 864	(723)	-19%	46 363
Housing		8 712	10 448	10 448	817	817	871	(54)	-6%	10 448
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		96 344	73 339	73 339	4 223	4 223	6 112	(1 888)	-31%	73 339
Planning and development		9 746	13 203	13 203	958	958	1 100	(142)	-13%	13 203
Road transport		83 779	55 796	55 796	3 022	3 022	4 650	(1 628)	-35%	55 796
Environmental protection		2 819	4 339	4 339	243	243	362	(119)	-33%	4 339
Trading services		1 018 179	809 881	809 881	14 876	14 876	67 490	(52 614)	-78%	809 881
Energy sources		577 390	522 453	522 453	1 781	1 781	43 538	(41 757)	-96%	522 453
Water management		223 451	125 979	125 979	4 828	4 828	10 498	(5 670)	-54%	125 979
Waste water management		121 748	78 647	78 647	4 280	4 280	6 554	(2 274)	-35%	78 647
Waste management		95 590	82 802	82 802	3 987	3 987	6 900	(2 913)	-42%	82 802
Other		1 316	3 361	3 361	88	88	280	(192)	-69%	3 361
Total Expenditure - Functional	3	1 625 286	1 386 834	1 386 834	171 137	171 137	115 570	55 567	48%	1 386 834
Surplus/ (Deficit) for the year		(316 031)	109 649	109 649	55 745	55 745	9 137	46 608	5,1011764	109 649

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

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		305 722	215 840	215 840	89 344	89 344	17 987	71 357	396,7%	215 840
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		1 783	4 725	4 725	-	-	394	(394)	-100,0%	4 725
Vote 04 - Finance		117 673	114 432	114 432	9 548	9 548	9 536	12	0,1%	114 432
Vote 05 - Technical Services		805 599	1 048 049	1 048 049	113 129	113 129	87 337	25 791	29,5%	1 048 049
Vote 06 - Community Services		68 990	93 973	93 973	14 468	14 468	7 831	6 637	84,8%	93 973
Vote 07 - Local Economic Development		9 488	19 464	19 464	393	393	1 622	(1 229)	-75,7%	19 464
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 309 255	1 496 483	1 496 483	226 882	226 882	124 707	102 175	81,9%	1 496 483
Expenditure by Vote	1									
Vote 01 - Executive & Council		93 735	108 137	108 137	130 815	130 815	9 012	121 803	1351,6%	108 137
Vote 02 - Municipal Manager		24 430	31 004	31 004	1 707	1 707	2 584	(877)	-33,9%	31 004
Vote 03 - Corporate Services		60 825	79 395	79 395	3 692	3 692	6 616	(2 924)	-44,2%	79 395
Vote 04 - Finance		180 414	79 522	79 522	4 645	4 645	6 627	(1 982)	-29,9%	79 522
Vote 05 - Technical Services		1 016 017	794 247	794 247	15 213	15 213	66 187	(50 975)	-77,0%	794 247
Vote 06 - Community Services		213 358	247 195	247 195	12 099	12 099	20 600	(8 501)	-41,3%	247 195
Vote 07 - Local Economic Development		36 507	47 334	47 334	2 967	2 967	3 945	(978)	-24,8%	47 334
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 625 286	1 386 834	1 386 834	171 137	171 137	115 570	55 567	48,1%	1 386 834
Surplus/ (Deficit) for the year	2	(316 031)	109 649	109 649	55 745	55 745	9 137	46 608	510,1%	109 649

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

Description	Ref	Budget Year 2025/26				
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		(23 158)	2 905	2 905	(78 826)	2 905
Trade and other receivables from exchange transactions		633 737	247 218	247 218	676 538	247 218
Receivables from non-exchange transactions		71 173	43 806	43 806	75 174	43 806
Current portion of non-current receivables						
Inventory		81 831	105 427	105 427	80 823	105 427
VAT		2 263	35 960	35 960	13 676	35 960
Other current assets		22 711	32 588	32 588	22 711	32 588
Total current assets		788 559	467 905	467 905	790 095	467 905
Non current assets						
Investments		390	289	289	390	289
Investment property		122 185	204 203	204 203	122 185	204 203
Property, plant and equipment		1 788 063	2 895 342	2 895 342	1 784 442	2 895 342
Biological assets						
Living and non-living resources						
Heritage assets		7 754	2 743	2 743	7 754	2 743
Intangible assets		1 932	4 525	4 525	1 932	4 525
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		1 920 324	3 107 101	3 107 101	1 916 703	3 107 101
TOTAL ASSETS		2 708 882	3 575 006	3 575 006	2 706 798	3 575 006
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		—	(2 121)	(2 121)	(307)	(2 121)
Consumer deposits		15 564	14 338	14 338	15 778	14 338
Trade and other payables from exchange transactions		1 705 200	507 185	507 185	1 634 726	507 185
Trade and other payables from non-exchange transactions		6 343	—	—	10 938	—
Provision		166 196	71 434	71 434	166 196	71 434
VAT		7 199	(51 892)	(51 892)	19 094	(51 892)
Other current liabilities		—	—	—	—	—
Total current liabilities		1 900 503	538 944	538 944	1 846 426	538 944
Non current liabilities						
Financial liabilities		9 582	29 047	29 047	9 582	29 047
Provision		131 066	44 419	44 419	131 066	44 419
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		—	—	—	—	—
Total non current liabilities		140 648	73 466	73 466	140 648	73 466
TOTAL LIABILITIES		2 041 151	612 409	612 409	1 987 075	612 409
NET ASSETS		667 731	2 962 597	2 962 597	719 723	2 962 597
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 454 531	2 965 980	2 965 980	719 886	2 965 980
Reserves and funds		—	1 351	1 351	—	1 351
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	1 454 531	2 967 331	2 967 331	719 886	2 967 331

Annexure A2 - Monthly



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Free State Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Jul'25

Period

2025/26

National Financial Year

FS201

Demarcation Code of Municipality being assessed

District

Fezile Dabi

Demarcation Description

Moqhaka

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

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6,3 + 6,12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <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 https://lguploadportal.treasury.gov.za?	Does not have function
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Does not have function

4	6.3.1	<p>- Has the municipality paid its Eskom bulk current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)?</p> <p>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.</p>	<input type="text" value="No"/>
5	6.3.2 6.3.3	<p>- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?</p>	<input type="text" value="Yes"/>
6	6.3.4	<p>- 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?</p>	<input type="text" value="Yes"/>
	6.4	<p>Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)</p>	<input type="text" value="2024/25 Main Adjustment MTREF"/>
7	6.4.1	<p>- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?</p>	<input type="text" value="No"/>
8	6.4.1	<p>- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?</p>	<input type="text" value="Yes"/>
9	6.4.1	<p>- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p>	<input type="text" value="Yes"/>

		<i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (<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?	Yes
		<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	
11	6.4.2	- If the municipality's MTREF is not funded , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	Yes
		<i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assesses whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i>	
12	6.4.2	- If the municipality's MTREF is not funded and it has an FRP per the legislative framework , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	Yes

13	6.4.2	<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"/>
14	6.5	<p>Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?</p>	<input type="text" value="Yes"/>
<p>6.6 Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, <i>demonstrated, through its by-laws and budget related policies</i> that:</p>			
15	6.6.1	<p>- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?</p>	<input type="text" value="Yes"/>
16	6.6.2	<p>- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?</p>	<input type="text" value="Yes"/>
17	6.6.3	<p>- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? 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.</p>	<input type="text" value="No"/>

18	6.6.4	<p>- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively?</p> <p><i>Note – the municipality’s monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i></p>	<input type="text" value="Yes"/>
6.6		<p>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.</p>	
6.7		<p>Maintain a minimum average quarterly collection of property rates and services charges –</p>	
19	6.7.1	<p>- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?</p>	<input type="text" value="No"/>
		<p><i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p>	
6.7.2		<p>- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :</p>	
20	6.7.2.1	<p>* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;</p>	<input type="text" value="Yes"/>
21	6.7.2.2	<p>* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?</p>	<input type="text" value="Yes"/>

22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Yes
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
	6.8	Municipality's Completeness of the revenue base –	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <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>	Na

28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality’s funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality’s monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes
31	6.9.3	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	Yes
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?	Yes
<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>			
	6.10	<i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i>	

33	6.10.1	<p>- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?</p>	<input type="text" value="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 https://lguploadportal.treasury.gov.za? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i></p>	<input type="text" value="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>	<input type="text" value="Yes"/>
<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>Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?</p>	<input type="text" value="No"/>
<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>			
	6.12	<p>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</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>	<input type="text" value="No"/>
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>	<input type="text" value="No"/>
<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>Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.</p>	<input type="text" value="No"/>
40	6.13	<p>Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i></p>	<input type="text" value="No"/>
41	6.14	<p>'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	<input type="text" value="No"/>

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

PT: HOD/ NT / MM Name: _____

Signature of HOD/ NT/ MM: _____

Date: _____

*** Note – if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procuration of the HOD / MM must be attached as an Annexure to this Certificate of Compliance.*

***Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - comments need to be incorporated into the related PT report*

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

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

-16.3 The National Treasury Debt Relief Compliance Assessment

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

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

Condition 17: Restricting the water supply.

Condition 18: Restricting indigent for water and electricity.

Condition 23: No installation of smart prepaid meters.

Condition 24: Smart Meter Policy not yet adopted; and
Condition 26: National Treasury's rates reconciliation

16.4 MFMA Circular 124 – Condition 6.6 (Electricity and Water as Collection Tools) & Condition 6.7
(Maintain a minimum average quarterly collection of property rates and services charges)

16.4.1 Monthly / Quarterly collection per ward

National Treasury**Municipal Debt Relief****MFMA Circular No. 124****Municipal Finance Management Act No. 56 of 2003****Code****FS201****Collection Rate Assessment**

Aggregate Collection	Summary - Quarter 1				Q1
	Billing	Collection	R - Billing not collected	% Collection	
1. Collection for whole demarcation	166 014 296	44 778 319	121 235 977	27%	27%
2. Collection <u>excl Eskom supplied areas</u>	123 137 210	35 162 533	87 974 677	29%	29%
3. Collection: Property Rates	15 620 186	4 689 800	10 930 386	30%	30%
4. Total average collection: Electricity (Municipal supplied areas)	85 770 721	28 199 574	57 571 148	33%	33%
5. Total average collection: Water	26 060 030	6 488 221	19 571 809	25%	25%
6. Total average collection: Wastewater	14 051 955	2 997 785	11 054 170	21%	21%
7. Total average collection: Refuse	9 836 747	1 902 255	7 934 492	19%	19%
8. Total average collection: Interest	14 674 656	500 684	14 173 972	3%	0%

Collection Rate Assessment

Total Aggregate Collection	1.July - Reporting for June in July				Billing For July
	Billing For June	Collection in July	R - Billing not collected	% Collection	
1.Collection for whole demarcation	68 439 582	44 778 319	23 661 263	65%	97 574 714
2.Collection <u>excl Eskom supplied areas</u>	49 044 953	35 162 533	20 354 794	72%	74 092 257
3.Collection: Property Rates	7 809 935	4 689 800	3 120 135	60%	7 810 251
4.Total average collection: Electricity (Municipal supplied areas)	28 806 157	28 199 574	606 584	98%	56 964 564
5.Total average collection: Water	11 226 720	6 488 221	4 738 499	58%	14 833 310
6.Total average collection: Wastewater	6 818 822	2 997 785	3 821 037	44%	7 233 133
7.Total average collection: Refuse	4 784 910	1 902 255	2 882 656	40%	5 051 837
8. 7.Total average collection: Interest	8 993 037	500 684	8 492 353	6%	5 681 619

Complete This Section			1.July				
Services	Electricity Supplier	Ward Name & Number	Billing For June	Collection for June in July	Rand Value of Billing not collected	% Collection	Billing For July
Property Rates Tax	Eskom supplied	1	49 512	10 848	38 664	22%	51 760
Electricity			59 845	55 770	4 075	93%	65 427
Water			302 778	27 585	275 193	9%	319 119
Refuse			139 150	4 992	134 158	4%	181 006
Waste Water			191 704	6 049	185 655	3%	237 040
Interest			366 479	1 090	365 389	0%	341 385
Property Rates Tax	Partial Eskom & Mun Supplied	2	412 271	382 071	30 200	93%	401 219
Electricity			673 380	499 375	174 005	74%	4 560 296
Water			265 872	41 598	224 273	16%	342 524
Refuse			137 676	34 737	102 940	25%	157 617
Waste Water			192 958	47 644	145 314	25%	222 936
Interest			361 951	101 954	259 997	28%	310 028
Property Rates Tax	Mun Supplied	3	1 125 739	275 073	850 666	24%	1 171 866
Electricity			1 941 118	1 359 027	582 091	70%	2 201 216
Water			1 453 030	2 913 176	0	200%	1 419 844
Refuse			399 035	241 223	157 812	60%	411 512
Waste Water			545 377	317 295	228 082	58%	564 722
Interest			171 599	20 671	150 928	12%	157 154

Property Rates Tax	Mun Supplied	4	3 863	1 854	2 009	48%	4 035
Electricity			83 745	35 316	48 429	42%	94 688
Water			365 108	21 052	344 056	6%	415 573
Refuse			64 983	7 282	57 701	11%	67 199
Waste Water			84 478	8 974	75 504	11%	87 330
Interest			211 097	2 209	208 888	1%	196 952
Property Rates Tax	Mun Supplied	5	3 541	763	2 778	22%	3 698
Electricity			38 271	5 399	32 872	14%	45 825
Water			379 075	22 675	356 400	6%	423 106
Refuse			55 566	6 754	48 812	12%	63 068
Waste Water			71 087	9 622	61 465	14%	80 775
Interest			142 917	1 424	141 493	1%	155 407
Property Rates Tax	Mun Supplied	6	57 555	559	56 996	1%	60 143
Electricity			98 686	63 422	35 264	64%	140 128
Water			491 590	98 984	392 607	20%	563 623
Refuse			104 619	19 822	84 797	19%	107 130
Waste Water			141 278	25 220	116 058	18%	145 486
Interest			268 398	32 368	236 031	12%	249 858
Property Rates Tax	Mun Supplied	7	242 342	169 368	72 974	70%	220 339
Electricity			338 955	480 896	0	142%	383 436
Water			423 985	47 464	376 520	11%	369 232
Refuse			111 631	18 007	93 624	16%	115 545
Waste Water			145 653	20 076	125 577	14%	150 993
Interest			331 063	30 917	300 145	9%	272 332

Property Rates Tax	Mun Supplied	8	30 785	1 175	29 610	4%	32 153
Electricity			79 720	14 445	65 275	18%	101 576
Water			450 043	65 666	384 377	15%	462 338
Refuse			92 830	19 787	73 043	21%	95 211
Waste Water			119 639	24 750	94 889	21%	122 923
Interest			205 021	5 708	199 312	3%	191 766
Property Rates Tax	Mun Supplied	9	162 952	1 282	161 670	1%	170 403
Electricity			636 639	101 042	535 597	16%	6 748 074
Water			624 718	101 670	523 049	16%	496 102
Refuse			114 937	39 528	75 409	34%	167 586
Waste Water			160 079	55 828	104 252	35%	248 432
Interest			261 392	14 371	247 021	5%	(2 305 492)
Property Rates Tax	Mun Supplied	10	40 402	8 531	31 871	21%	42 239
Electricity			102 251	18 408	83 843	18%	122 534
Water			622 124	70 263	551 861	11%	529 226
Refuse			115 888	29 017	86 871	25%	117 552
Waste Water			150 468	36 765	113 704	24%	152 594
Interest			246 943	12 976	233 967	5%	226 758
Property Rates Tax	Mun Supplied	11	351 229	2 687	348 542	1%	367 038
Electricity			800 157	107 360	692 796	13%	909 688
Water			1 051 234	39 019	1 012 216	4%	1 333 813
Refuse			278 666	15 536	263 130	6%	293 506
Waste Water			477 964	20 094	457 871	4%	504 180
Interest			423 608	8 618	414 989	2%	395 350

Property Rates Tax	Mun Supplied	12	90 888	3 870	87 017	4%	94 965
Electricity			136 905	20 139	116 766	15%	172 317
Water			517 200	42 732	474 468	8%	490 054
Refuse			132 135	20 719	111 416	16%	137 239
Waste Water			183 537	26 498	157 039	14%	189 682
Interest			331 555	5 675	325 881	2%	310 169
Property Rates Tax	Mun Supplied	13	432 090	367 132	64 958	85%	453 292
Electricity			10 426 991	13 657 090	0	131%	26 427 688
Water			330 684	303 571	27 113	92%	465 318
Refuse			360 885	38 530	322 355	11%	361 434
Waste Water			559 054	309 064	249 990	55%	566 871
Interest			853 975	31 186	822 789	4%	632 693
Property Rates Tax	Mun Supplied	14	59 825	5 069	54 756	8%	62 263
Electricity			115 702	16 543	99 158	14%	145 328
Water			392 030	66 822	325 208	17%	502 958
Refuse			120 121	25 236	94 885	21%	125 067
Waste Water			163 067	32 892	130 174	20%	169 521
Interest			271 198	8 196	263 002	3%	254 909
Property Rates Tax	Mun Supplied	15	65 532	2 571	62 961	4%	68 483
Electricity			204 392	69 262	135 131	34%	194 234
Water			431 029	89 660	341 369	21%	654 231
Refuse			136 524	24 287	112 236	18%	140 670
Waste Water			182 589	28 434	154 155	16%	188 516
Interest			254 680	3 594	251 086	1%	239 008

Property Rates Tax	Mun Supplied	16	1 585 641	1 165 643	419 998	74%	1 344 980
Electricity			4 673 104	3 596 515	1 076 588	77%	5 900 205
Water			933 501	1 285 838	0	138%	1 561 094
Refuse			753 527	561 661	191 866	75%	782 979
Waste Water			1 191 295	904 903	286 393	76%	1 250 030
Interest			476 555	88 750	387 805	19%	466 975
Property Rates Tax	Mun Supplied	17	1 471 046	1 232 150	238 896	84%	1 560 776
Electricity			2 542 556	1 942 230	600 326	76%	3 231 313
Water			(588 368)	699 483	0	-119%	1 152 048
Refuse			653 708	553 949	99 759	85%	682 779
Waste Water			926 222	802 923	123 299	87%	971 986
Interest			178 509	58 299	120 209	33%	272 419
Property Rates Tax	Partial Eskom & Mun Supplied	18	597 732	403 831	193 901	68%	625 051
Electricity			5 776 430	6 139 346	0	106%	5 477 482
Water			981 586	485 875	495 711	49%	951 467
Refuse			389 718	223 780	165 938	57%	404 948
Waste Water			527 646	296 826	230 821	56%	552 846
Interest			775 938	60 385	715 553	8%	724 692
Property Rates Tax	Eskom supplied	19	26 744	100	26 644	0%	27 940
Electricity			88	-	88	0%	98
Water			424 051	19 419	404 632	5%	855 429
Refuse			131 075	1 543	129 532	1%	136 716
Waste Water			171 889	2 727	169 162	2%	178 906
Interest			826 419	690	825 729	0%	769 693

Property Rates Tax	Partial Eskom & Mun Supplied	20	56 962	1 641	55 322	3%	59 528
Electricity			13 977	1 058	12 920	8%	15 560
Water			604 250	12 827	591 423	2%	554 137
Refuse			170 365	4 893	165 472	3%	168 732
Waste Water			213 952	6 203	207 749	3%	211 279
Interest			636 442	1 606	634 836	0%	590 021
Property Rates Tax	Eskom supplied	21	239 786	115 773	124 013	48%	251 378
Electricity			1 159	-	1 159	0%	1 290
Water			736 291	7 832	728 459	1%	961 303
Refuse			314 107	4 921	309 186	2%	326 257
Waste Water			406 069	5 214	400 855	1%	422 685
Interest			1 226 937	2 866	1 224 070	0%	1 140 590
Property Rates Tax	Eskom supplied	22	703 497	537 810	165 687	76%	736 704
Electricity			62 086	16 930	45 156	27%	26 161
Water			34 911	25 010	9 901	72%	10 770
Refuse			7 765	6 051	1 714	78%	8 084
Waste Water			12 817	9 787	3 030	76%	13 401
Interest			170 363	7 131	163 232	4%	88 952

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Household

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

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

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

Description	Ref	As Per Debt Relief Application	2025/2026 - Monthly Monitoring											
		Current Year - 2025/2026	Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06	M07	M08
Indigent Household service targets	1													
<i>Water: (Include All Indigent households also in Eskom supplied areas)</i>														
Indigent HH's with piped water inside dwelling		12 711	12 757	-	13 237	13 308								
Indigent HH's with piped water inside yard (but not in dwelling)		-	-	-	-	-								
Indigent HH's using public tap (at least min.service level)	2	-	-	-	-	-								
Indigent HH's with other water supply (at least min.service level)	4	-	-	-	-	-								
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		12 711	12 757	-	13 237	13 308	-	-	-	-	-	-	-	
Indigent HH's using public tap (< min.service level)	3	-	-	-	-	-								
Indigent HH's with other water supply (< min.service level)	4	-	-	-	-	-								
Indigent HH's with No water supply		-	-	-	-	-								
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-	-	
Total number of registered indigent households	5	12 711	12 757	-	13 237	13 308	-	-	-	-	-	-	-	

Status of Water meters :

Number of Indigent HH's with prepaid Water
 Number of Indigent HH's with conventional metered Water
 Number of Indigent HH's NOT metered currently - Water
 Number of Indigent HH's with **NO Water supply** - No metering

Total number of registered indigent households**Status of unlimited supply of Water :**

Number of Indigent HH's with **conventional metered Water** - where the municipality is **NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month**

Number of Indigent HH's **NOT metered** currently receiving unlimited supply - Water

Total number of registered indigent households receiving unlimited supply - Water

Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's **billed for consumption above the 6 kilolitres**

Energy : (Include All Indigent households also in Eskom supplied areas)

Indigent HH's with Electricity (at least min.service level)
 Indigent HH's with Electricity - prepaid (min.service level)
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total
 Indigent HH's with Electricity (< min.service level)
 Indigent HH's with Electricity - prepaid (< min. service level)
 Indigent HH's with other energy sources

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

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

Total number of registered indigent households

	-	-	-	-	-					
	10 204	10 231	-	10 483	10 468					
	1 538	1 607	-	1 700	1 718					
	-	-	-	-	-	-	-	-	-	-
10	11 742	11 838	-	12 183	12 186	-	-	-	-	-
	12 711	12 757	-	13 237	13 308					
	1 538	1 607	-	1 700	1 718	-	-	-	-	-
	14 249	14 364	-	14 937	15 026	-	-	-	-	-
11	12 711	12 757	-	13 237	13 308					
	-	-	-	-	-					
	12 711	12 757	-	13 237	13 308					
	12 711	12 757	-	13 237	13 308	-	-	-	-	-
	-	-	-	-	-					
	-	-	-	-	-					
	-	-	-	-	-					
5	12 711	12 757	-	13 237	13 308	-	-	-	-	-
	12 711	12 757	-	13 237	13 308					
	-	-	-	-	-					
	-	-	-	-	-					
	-	-	-	-	-	-	-	-	-	-
12	12 711	12 757	-	13 237	13 308	-	-	-	-	-

Status of unlimited supply of Electricity :										
Number of Indigent HH's with <i>conventional metered Electricity</i> - where the municipality is <i>NOT physically restricting Electricity to the national free basic limit of 50kwh per household per month</i>		-	-	-	-	-	-	-	-	-
Number of Indigent HH's <i>NOT metered</i> currently receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity		-	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh		13	-	-	-	-	-	-	-	-
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)		7								
Water (6 kilolitres per household per month)		12 711	12 757	-	13 237	13 308				
Electricity/other energy (50kwh per household per month)		12 711	12 757	-	13 237	13 308				
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)										
Water (6 kilolitres per household per month)		182	196	-	189	195				
Electricity/other energy (50kwh per household per month)		114	124	-	194	196				
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)										
Water (6 kilolitres per household per month)		-	-	-	-	-				
Electricity/other energy (50kwh per household per month)		-	-	-	-	-				
Total cost of FBS Water and Electricity provided to ALL Households		8	296	320	-	383	391	-	-	-
Highest level of free service provided per household (ALL Households)										
Property rates (R value threshold)		-	-	-	-	-				
Water (kilolitres per household per month)		10	10	-	10	10				
Sanitation (kilolitres per household per month)		10	10	-	10	10				
Sanitation (Rand per household per month)		145	170	-	154	160				
Electricity (kwh per household per month)		50	50	-	50	50				
Refuse (average litres per week)		30	30	-	30	30				

Revenue cost of subsidised services provided for ALL Households (R'000)										
9										
Residential Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(a)	-	-	-	-	-	-	-	-	-
PSI Category : Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	14(b)	-	-	-	-	-	-	-	-	-
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)	15	4	4	4	4	4	4	4	4	4
Sanitation (in excess of free sanitation service to indigent households)	16	4	4	4	4	4	4	4	4	4
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		8	8	8	8	8	8	-	-	-

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of **registered indigent households** in municipal area (formal and informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (formal and informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service (Water and Electricity) to **ALL Households**
9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share
10. The total number of registered HH's reported on rows 19 & 24 must be the same
11. Of the Total number of registered indigents HH's receiving unlimited supply of Water reported on row 27, provide number of these Indigent HH's that are issued with a monthly bill for the consumption above the 6 kilolitres FBS water
12. The total number of registered HH's reported on rows 39 & 44 must be the same
13. Of the Total number of registered indigents HH's receiving unlimited supply of Electricity reported on row 51, provide number of these Indigent HH's that are issued with a monthly bill for consumption above 50 kwh FBS electricity
- 14.(a) Impermissibles on Residential Properties - (15000 * Number of Residential properties) - **Provide the actual rand value not to be billed**
- 14.(b) Impermissibles on Public Service Infrastructure (PSI) - (30% * Property Market Value * Number of PSI Properties) - **Provide the actual rand value not to be billed**
- 15.(a) Free Water to Indigent HH's exceeding the 6 kilolitres FBS water
- 15.(b) Free Water to any HH's that is not Indigent
- 16.If the Municipality provides unlimited free basic water to any indigent and / or any other household , it must also account for the related unlimited sanitation

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

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

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

16.5 -MFMA Circular 124 – Condition 6.8 Valuation Roll Reconciliation (Completeness of the revenue base)

Property Rates Reconciliation						
Province	Free State					
District	Fezile Dabi					
Type						
Municipal Name	Moghaka Local Municipality					
GV Period	01/07/2024 - 30/06/2028					
Financial Year	2025/2026					
Reconciliation Period	Quarter 1					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	Number of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	44 996	44 996	0	7 538 100 653	7 538 100 653	-
Industrial	318	318	0	351309 000	351309 000	-
Business and Commercial	1132	1132	0	1068 755 610	1068 755 610	-
Agricultural	3607	3607	0	5 873 968 751	5 873 968 751	-
Mining	31	31	0	55 374 000	55 374 000	-
State Owned for Public Purpose	158	158	0	1 168 197 013	1 168 197 013	-
PSI	492	492	0	38 281 901	38 281 901	-
PBO	280	280	0	253 231 003	253 231 003	-
Multi Use	0	0	0			-
Vacant	611	611	0	74 326 607	74 326 607	-
POW	8	8	0	2 420 000	2 420 000	-
Municipal	222	222	0	202 167 102	202 167 102	-
Other (PT,PSP)	461	461	0	180 087 501	180 087 501	-
	<u>52316</u>	<u>52316</u>	<u>0</u>	<u>16 806 219 441 00</u>	<u>16 806 219 441 00</u>	<u>-</u>

Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	2 109 384	2 109 384	-	6 328 151.73	6 328 151.73	-
Industrial	521038	521038	-	1563 115.20	1563 115.20	-
Business and Commercial	1686 149	1686 149	-	5 058 446.49	5 058 446.49	-
Agricultural	1011146	1011146	-	3 033 438.63	3 033 438.63	-
Mining	187 349	187 349	-	562 045.92	562 045.92	-
State Owned for Public Purpose	2 477 499	2 477 499	-	7 432 497.72	7 432 497.72	-
PSI			-	-	-	-
PBO			-	-	-	-
Multi Use			-	-	-	-
Vacant	133 015	133 015	-	399 045.93	399 045.93	-
POW			-	-	-	-
Municipal			-	-	-	-
Other	80 968	80 968	-	242 903.34	242 903.34	-
Total	<u>R8 206 548.32</u>	<u>R8 206 548.32</u>	<u>R0.00</u>	<u>24 619 644.96</u>	<u>24 619 644.96</u>	-

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

i) Indicated below is the Eskom Bulk current account invoice for October 2024 due and payable during the month of reporting, on or before 3 June 2025.



Audit Trail

Batch Transfer

Tue, Jul 15, 2025 at 04:10:10 PM

Group **19058 - MOQHAKA LOCAL MUNICIPALITY**
 Operator **010 - PAULA DARINA DU PLESSIS**
 Batch Name & Description **90045989 90045989**
 Status **Finally Approved**

	Captured	First Approver	Second Approver	Third Approver	Final Approver
Operator	10	31			22
Operator Name	PAULA DARINA DU PLESSIS	RYAN D BUYS			SAMUEL THELETSANE
Approval Level					
Date	2025/07/15	2025/07/15			2025/07/15
Time	11:24:06	15:30:28			15:49:04
Roll-over Date					

Batch Status

Batch Details			
Batch Entry Number 1			
From Account	334536	MOQHAKA LOCAL MUNICIPALITY - 0000004053274876	
Description	9345061750	90045989	Frequency Adhoc
Beneficiary Code			
To Account	223626	ESKOM 9345061750 - 0000055070067316	
Description		MOQHAKA MUNICIPALITY	Mandate
Date	2025/07/15		Amount 35,000,000.00
Roll-over date			
Transaction Number	263051		Transaction Status S
Immediate Interbank Payment	No		

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

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

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

16.7 Municipal Debt Relief Monitoring Plan – Progress report

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

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

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

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

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

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

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

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

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

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

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

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

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

KROONSTAD

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STEYNSRUS

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OUR REFERENCE: Roy Visagie /rv Ref Nr:

Quality Certificate

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

The monthly budget statement

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

Mid-year budget and performance assessment

For the month of July 2025 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Municipal Manager of Moqhaka Local Municipality (FS201)

Signature:

Date: