



MFMA SECTION 71 REPORT MONTH ENDING

31 AUGUST 2025

- DISTRIBUTION:

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

- Acting 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 AUGUST 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 31 AUGUST 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 891 759 367, of which 90% of the debt is owed more than 90 days totalling R1 698 575 674. Included in the total debt, R129 644 098 is owed by Government or Organs of State, R225 994 505 by Business and R1 406 772 285 by Households. Included in the Households debt is R240 952 250 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 improving to a desired level, and this does 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 12th of September 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 to Aug 25	YTD Actual to Aug 25	Variance Favourable (Unfavourable)	% YTD Budget vs YTD Actual	% Variance vs Actual Favourable (Unfavourable)
Total Revenue (Excluding Capital Transfers and Contributions)	R 313 855 500	R 291 319 475	(R22 536 025)	93%	(7%)
Total Revenue including Capital Transfers and Contributions	R320 682 605	R298 146 580	(R22 536 025)	93%	(7%)
Total Operational Expenditure	R231 140 000	R226 806 000	R4 334 000	(98%)	2%

As indicated in Table 1 above, as of 31 August 2025, the actual billed revenue including operational transfers, but excluding capital grants amounted to R291 319 475, which resulted in an unsatisfactory variance of 7% when compared to YTD Budget of R313 855 500. 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 R298 146 580 from the budget of R320 682 605. The Total Operational Expenditure amounted to R226 806 000 versus the YTD Budget of R231 140 000, resulting in a satisfactory variance of 98%.

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 August 2025, a payment of **R10 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) - M02 August

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		435 252	548 139	548 139	32 567	87 223	91 357	(4 134)	-5%	548 139
Service charges - Water		164 103	204 038	204 038	13 760	26 992	34 006	(7 014)	-21%	204 038
Service charges - Waste Water Management		72 624	73 321	73 321	6 245	12 478	12 220	258	2%	73 321
Service charges - Waste management		51 188	50 701	50 701	4 366	8 748	8 450	297	4%	50 701
Sale of Goods and Rendering of Services		5 678	8 764	8 764	300	679	1 461	(782)	-54%	8 764
Agency services								-		
Interest								-		
Interest earned from Receivables		86 303	78 687	78 687	7 968	16 112	13 114	2 997	23%	78 687
Interest from Current and Non Current Assets		39	63	63	-	-	11	(11)	-100%	63
Dividends		5 822	4 744	4 744	799	823	791	32	4%	4 744
Rent on Land								-		
Rental from Fixed Assets		5 339	9 256	9 256	303	638	1 543	(905)	-59%	9 256
Licence and permits		-	-	-	-	-	-	-		-
Special rating levies								-		
Operational Revenue		7 419	14 960	14 960	(190)	(47)	2 493	(2 541)	-102%	14 960
Non-Exchange Revenue										
Property rates		93 605	94 806	94 806	8 204	16 404	15 801	603	4%	94 806
Surcharges and Taxes								-		
Fines, penalties and forfeits		4 755	5 784	5 784	102	26	964	(938)	-97%	5 784
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		331 012	328 582	328 582	-	130 294	54 764	75 530	138%	328 582
Interest		10 024	8 373	8 373	838	1 696	1 396	301	22%	8 373
Fuel Levy								-		
Operational Revenue		888	(267)	(267)	78	155	(44)	200	-449%	(267)
Gains on disposal of Assets		(2 284)	-	-	-	-	-	-		-
Other Gains		8 240	-	-	-	-	-	-		-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		1 280 007	1 429 951	1 429 951	75 338	302 220	238 325	63 895	27%	1 429 951
Expenditure By Type										
Employee related costs		452 951	449 410	449 410	38 540	77 176	74 902	2 274	3%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 799	3 599	4 914	(1 315)	-27%	29 484
Bulk purchases - electricity		486 867	428 185	428 185	1 168	1 168	71 364	(70 196)	-98%	428 185
Inventory consumed		17 948	26 574	26 574	1 880	3 001	4 429	(1 428)	-32%	26 574
Debt impairment		78	61 096	61 096	-	-	10 183	(10 183)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	1 718	(1 718)	-100%	10 305
Interest		99 037	8 790	8 790	550	121 695	1 465	120 230	8207%	8 790
Contracted services		146 907	197 383	197 383	3 055	8 818	32 897	(24 079)	-73%	197 383
Transfers and subsidies		244	1 095	1 095	-	(25)	183	(208)	-114%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	654	812	661	151	23%	3 966
Operational costs		179 190	170 482	170 482	8 023	10 568	28 414	(17 846)	-63%	170 482
Losses on Disposal of Assets		2 133	63	63	-	-	11	(11)	-100%	63
Other Losses		4 613	-	-	-	(6)	-	(6)	#DIV/0!	-
Total Expenditure		1 695 568	1 386 834	1 386 834	55 669	226 806	231 140	(4 334)	-2%	1 386 834

Exchange and Non-Exchange Revenue

Revenue analysis for the month ending 31 August 2025

Revenue Types	Section 71 of 31 August 2025						Two Months Ending 31 August 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	8 203 526	104%	6 835 955	83%	15 801 073	16 404 296	104%	11 414 437	70%
Electricity - conventional	384 403 973	32 033 664	20 265 791	63%	24 051 205	119%	64 067 329	60 378 681	94%	51 746 793	86%
Water	204 038 000	17 003 167	13 760 080	81%	8 594 438	62%	34 006 333	26 991 830	79%	14 508 831	54%
Sanitation	73 321 000	6 110 083	6 214 383	102%	6 593 068	106%	12 220 167	12 445 521	102%	9 398 454	76%
Refuse	50 701 046	4 225 087	4 365 608	103%	4 052 409	93%	8 450 174	8 747 641	104%	5 967 704	68%
Total Direct Services	807 270 455	67 272 538	52 809 389	79%	50 127 076	95%	134 545 076	124 967 969	93%	93 036 219	74%
Other revenue	130 363 518	10 863 627	3 050 774	28%	2 175 764	71%	21 727 253	5 561 497	26%	3 692 508	66%
Revenue from Billed services	937 633 973	78 136 164	55 860 163	71%	52 302 839	94%	156 272 329	130 529 466	84%	96 728 727	74%
Electricity - prepaid	163 735 027	13 644 586	14 968 547	110%	14 968 547	100%	27 289 171	30 496 009	112%	30 496 009	100%
grants	1 101 369 000	91 780 750	70 828 710	77%	67 271 386	95%	183 561 500	161 025 475	88%	127 224 736	79%
Operational grants and subsidies	6 877 000	-	-	-	-	-	-	-	-	-	-
Equitable share	312 705 000	-	-	-	-	-	130 294 000	130 294 000	100%	130 294 000	100%
Total Revenue	1 420 951 000	91 780 750	70 828 710	77%	67 271 386	95%	313 855 500	291 319 475	93%	257 518 736	88%

Comments on Section 71 Report.

Collection rate for waste water management is 106% for the month of August 2025 and 76% for year to date.

Collection rate for waste management is 93% for the month of August 2025 and 68% for the year to date.

Collection rate for water is 62% for the month of August 2025 and 54% for the year to date.

The collection rate on Property Rates is 83% for the month of August 2025 and 70% for the year to date.

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

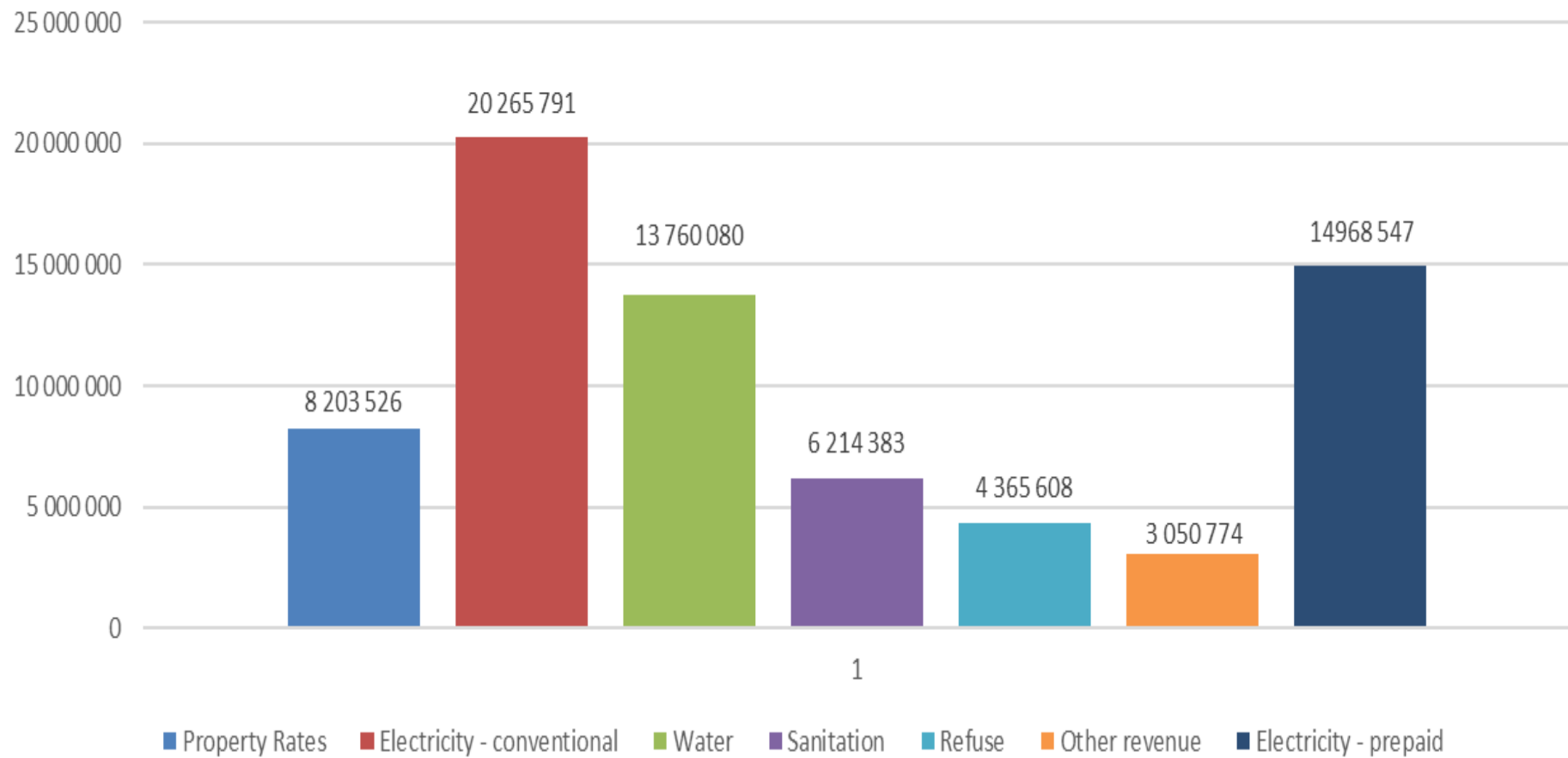
Conventional electricity revenue collection is 1199% for the month of August 2025 and 70% for year to date.

Revenue before operational grants versus billing is 95% for the month of August 2025 due to electricity meters blocking and 79% for the year to date as there were no blockings in June and July

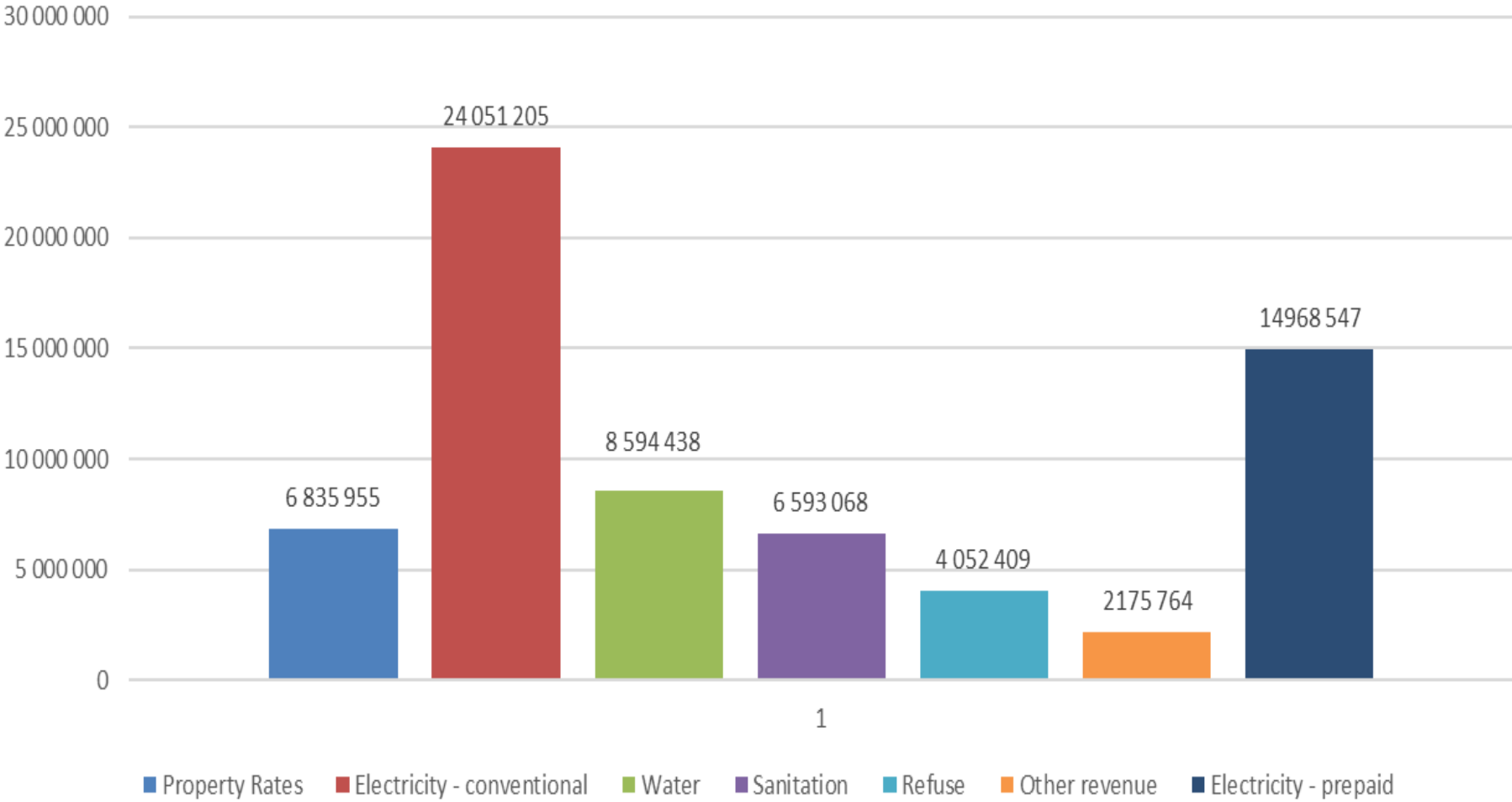
Total Revenue Collection Percentage with Zero or No Grant Funding received for the month August 2025 remains 95% and 88% for the period under review.

Indigents Contribution for Prepaid Electricity in August 2025 is R1 051 657 + R189 348.21 (FBE in Eskom Supplied Areas) = R1 241 005.21

Billing Per Service



Collection Per Service



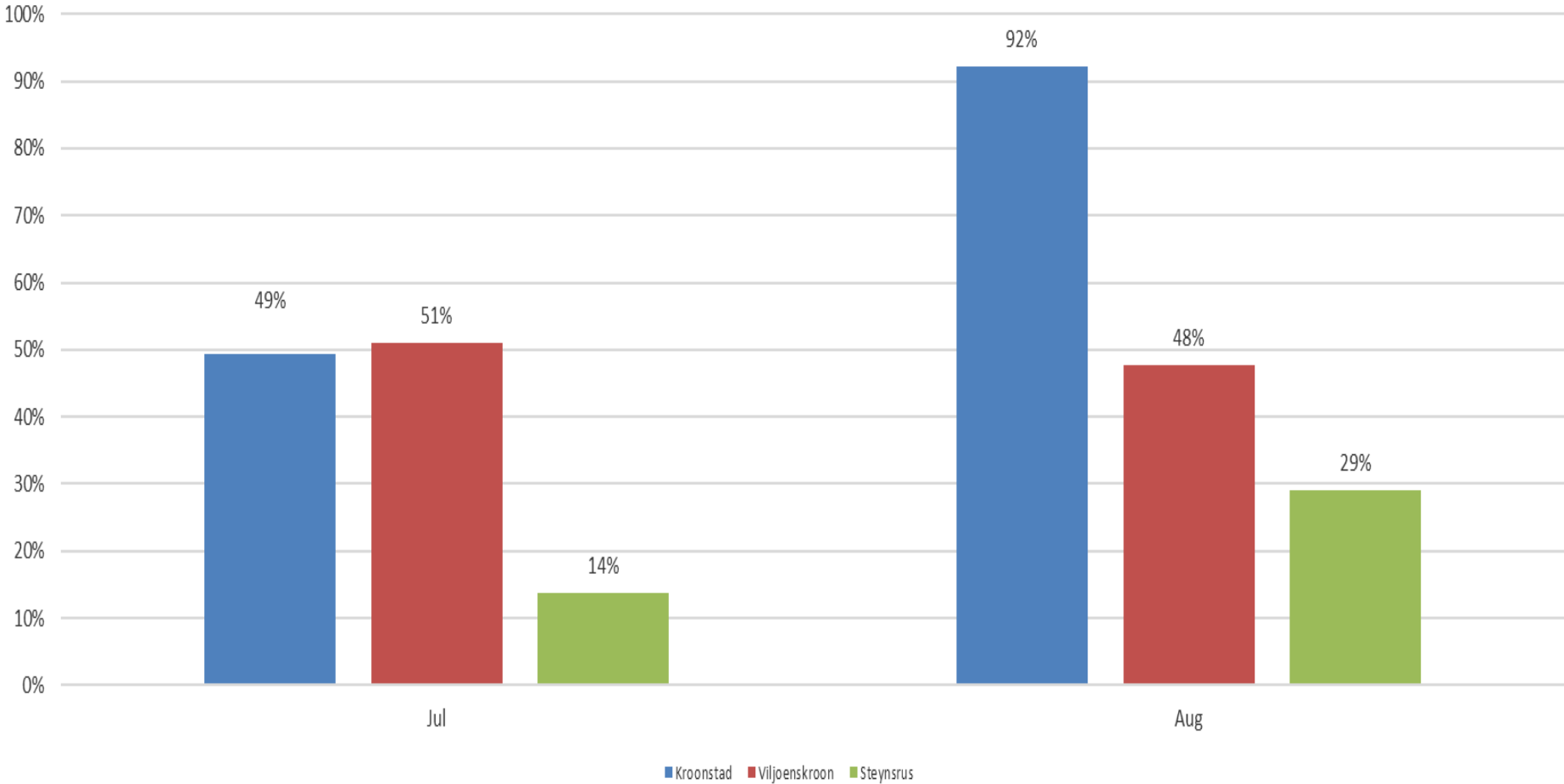
Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	171 534 411.74	19 943 325.59	-15 386 736.64	74 968.05	54 393.94	4 685 950.94	-17 056 417.00	159 163 945.68	-364%	-12 370 466.06
2	669 356 926.02	20 717 069.87	-6 118 971.62	18 290.92	13 439.88	14 629 829.05	-6 973 227.42	677 013 527.65	-48%	7 656 601.63
3	-31.66	5 753 029.08	0.00	0.00	0.00	5 753 029.08	0.00	5 752 997.42	0%	5 753 029.08
4	59 762 309.77	565 303.72	31 717.86	0.00	0.00	597 021.58	-90 075.96	60 269 255.39	-15%	506 945.62
6	21 105 135.63	1 582 205.16	-854.82	0.00	0.00	1 581 350.34	-1 079 144.66	21 607 341.31	-68%	502 205.68
7	27 211 922.94	1 028 101.84	-235 435.21	1 962.82	895.00	795 524.45	-301 027.98	27 706 419.41	-38%	494 496.47
8	10 732 412.64	456 204.54	-365 696.77	0.00	675.00	91 182.77	-258 106.03	10 565 489.38	-283%	-166 923.26
9	2 445 484.36	13 351.77	200.00	0.00	0.00	13 551.77	-18 150.00	2 440 886.13	-134%	-4 598.23
10	68 954 839.31	13 069 432.94	-1 777 472.75	0.00	0.00	11 291 960.19	-10 126 927.81	70 119 871.69	-90%	1 165 032.38
11	93 857 820.43	2 769 436.35	-486 142.95	8 831.75	3 867.00	2 295 992.15	-667 534.96	95 486 277.62	-29%	1 628 457.19
13	630 315 979.60	12 364 455.95	-1 479 205.74	17 278.43	14 319.95	10 916 848.59	-2 967 882.40	638 264 945.79	-27%	7 948 966.19
14	7 771 589.80	5 542 134.07	0.00	0.00	0.00	5 542 134.07	-4 885 626.90	8 428 096.97	-88%	656 507.17
15	7 201.56	67.89	0.00	0.00	0.00	67.89	0.00	7 269.45	0%	67.89
16	114 730 041.87	9 998 124.72	-1 792 449.99	0.00	0.00	8 205 674.73	-8 002 673.97	114 933 042.63	-98%	203 000.76
	1 877 786 044.01	93 802 243.49	-27 611 048.63	121 331.97	87 590.77	66 400 117.60	-52 426 795.09	1 891 759 366.52	-79%	13 973 322.51

The August 2025 receipts amounted to R52 426b795,09 against billing of R66b400b117.60. That translates to 79% 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%
Aug	47 645 075	43 905 751	92%	16 459 051	7 853 509	48%	2 295 992	667 535	29%
Total	121 743 540	80 531 793	66%	31 512 610	15 520 917	49%	4 612 007	983 397	21%

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%
Aug	R0.00	R14 968 546.87	R2 245 077.90	R17 213 624.77	6 162 356.70	R1 051 657.00	 -4%
Totals	R0.00	R30 496 008.60	R4 573 967.99	R35 069 976.59	R12 513 646.40	R2 097 910.00	

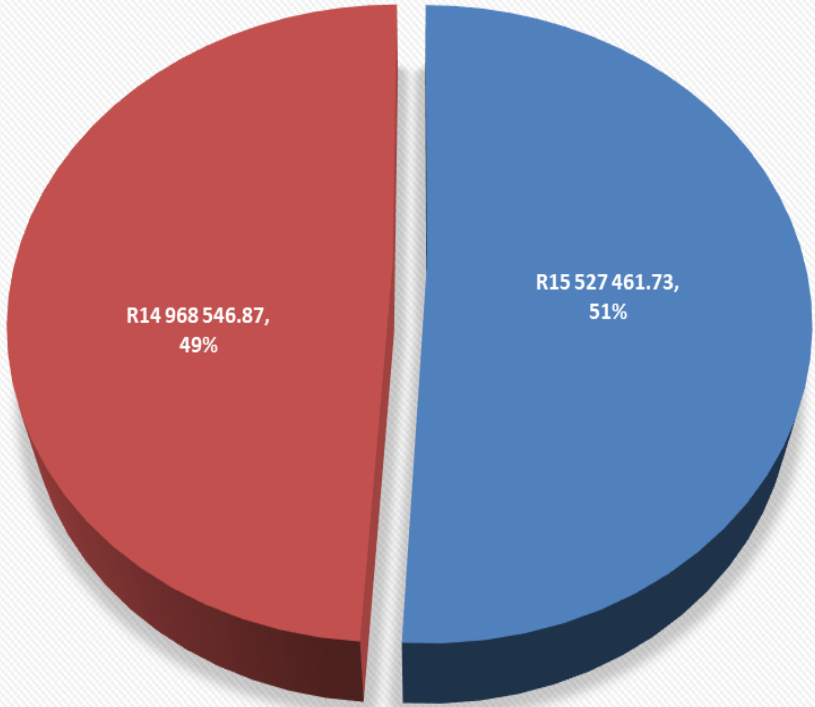
Billing for Kroonstad/Maokeng, Brentpark in August 2025 was R47.6m, Viljoenskroon/Rammolutsi was R16m and Steynsrus/Matlwangtlwang was R2.3 million

The average collection rate for Kroonstad/Maokeng/Brentpark for August 2025 is 92% , Viljoenskroon/Rammolutsi is 48% & Steynsrus/Matlwangtlwang is 29%.

Kroonstad/Maokeng/Brentpark generated a revenue of R43.9m for August 2025, Viljoenskroon/Rammolutsi generated R7.9m & Steynsrus/Matlwangtlwang generated R667 535.

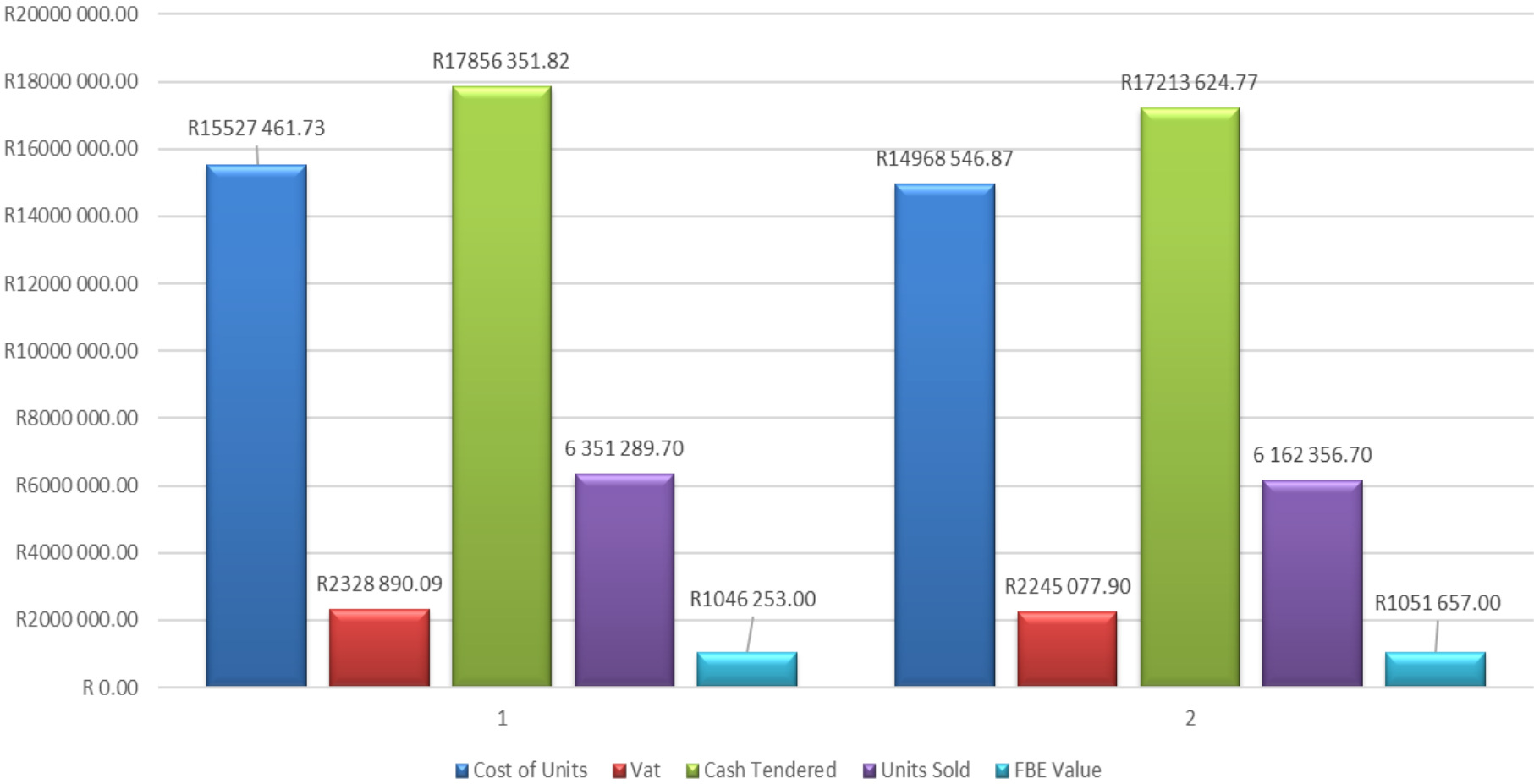
The cost of revenue generated through prepaid electricity for the month of August 2025 is R14 968 546.87. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales @ Cost



Jul Aug

Prepaid Electricity Statistics



4.2 Operating expenditure by type

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

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										
Expenditure By Type										
Employee related costs		452 951	449 410	449 410	38 540	77 176	74 902	2 274	3%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 799	3 599	4 914	(1 315)	-27%	29 484
Bulk purchases - electricity		486 867	428 185	428 185	1 168	1 168	71 364	(70 196)	-98%	428 185
Inventory consumed		17 948	26 574	26 574	1 880	3 001	4 429	(1 428)	-32%	26 574
Debt impairment		78	61 096	61 096	-	-	10 183	(10 183)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	1 718	(1 718)	-100%	10 305
Interest		99 037	8 790	8 790	550	121 695	1 465	120 230	8207%	8 790
Contracted services		146 907	197 383	197 383	3 055	8 818	32 897	(24 079)	-73%	197 383
Transfers and subsidies		244	1 095	1 095	-	(25)	183	(208)	-114%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	654	812	661	151	23%	3 966
Operational costs		179 190	170 482	170 482	8 023	10 568	28 414	(17 846)	-63%	170 482
Losses on Disposal of Assets		2 133	63	63	-	-	11	(11)	-100%	63
Other Losses		4 613	-	-	-	(6)	-	(6)	#DIV/0!	-
Total Expenditure		1 695 568	1 386 834	1 386 834	55 669	226 806	231 140	(4 334)	-2%	1 386 834

Comparison against YTD Budget

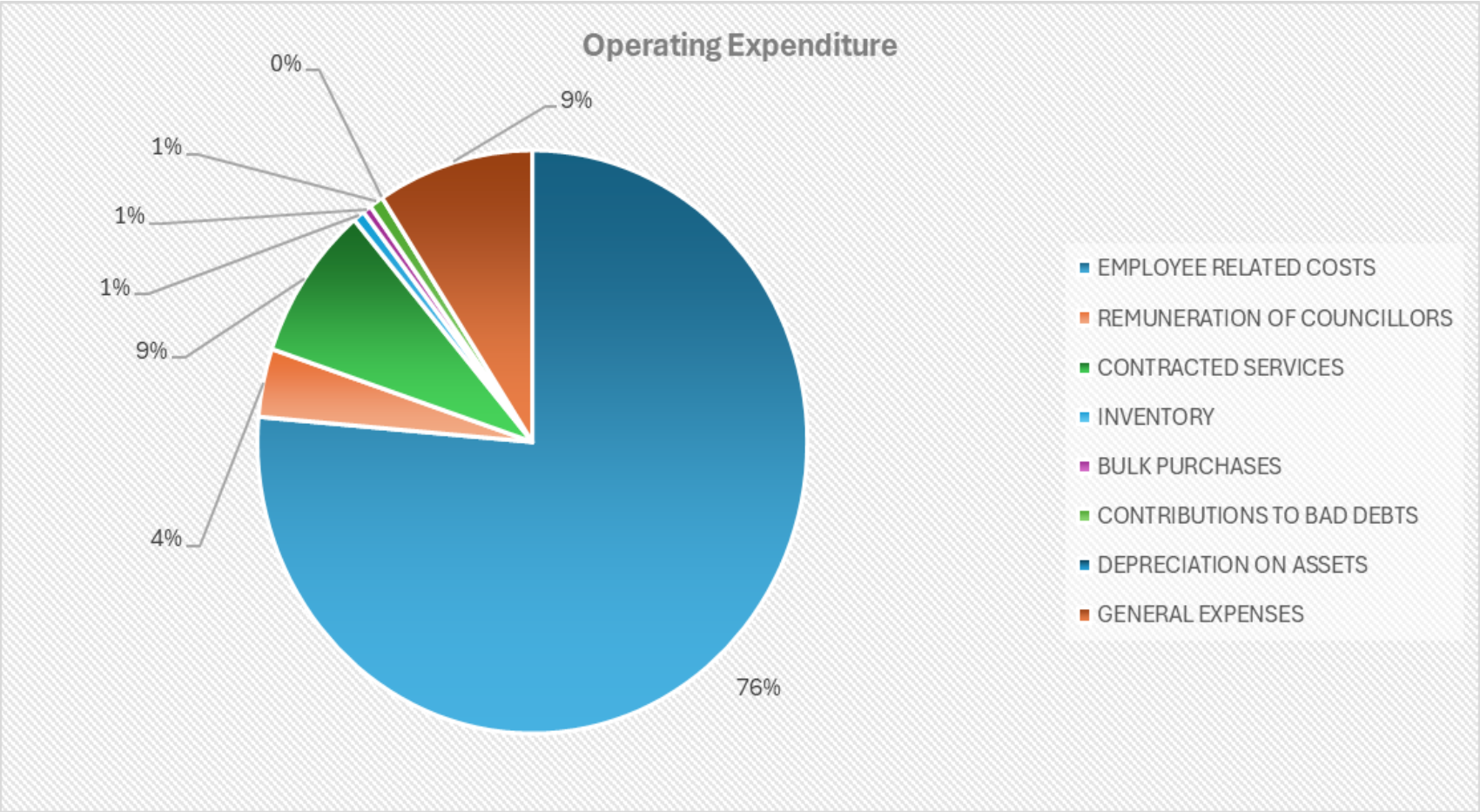
As indicated in the Table above, as at 31 August 2025, expenditure shows an unsatisfactory variance of minus 2%. The YTD actual amounted to R226 806 000 against the YTD budget of R231 140 000.

- 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 98%.
- The expenditure on Inventory consumed is showing an unsatisfactory variance of 32%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure.
- The major backlog and deterioration of infrastructure is negatively influencing the Repairs & Maintenance expenditure line items. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds

required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally.

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

- Depreciation was projected for on a straight-line basis, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system for integration.
- Interest is showing an unsatisfactory variance of minus 30%, 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 73%.
- Transfers and subsidies showing negative variance of minus 114%, due to non-expenditure & no commitment to show movement.
- Operational cost is showing an unsatisfactory variance of minus 63% 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-Aug-25	YTD 31-Aug-25	Variance (Unspent Budget)	% Exp
EMPLOYEE RELATED COSTS	449 409 838,00	38 540 022,05	77 175 932,82	372 233 905,18	17,17
REMUNERATION OF COUNCILLORS	29 484 431,00	1 799 348,17	3 598 696,34	25 885 734,66	12,21
BULK PURCHASES	428 185 402,00	1 168 306,47	1 168 306,47	427 017 095,53	0,27
INVENTORY	26 574 038,00	1 879 769,88	3 000 980,19	23 573 057,81	11,29
DEPRECIATION ON ASSETS	10 282 705,00	-	-	10 282 705,00	-
INTEREST	8 790 312,00	550 000,00	121 695 000,00	-112 904 688,00	1 384,42
CONTRACTED SERVICES	197 382 921,00	3 054 733,55	8 817 849,21	188 565 071,79	4,47
TRANSFERS AND SUBSIDIES	1 095 158,00	-	-25 000,00	1 120 158,00	-2,28
CONTRIBUTIONS TO BAD DEBTS	3 966 284,00	653 561,13	812 440,77	3 153 843,23	20,48
OPERATIONAL EXPENDITURE	151 967 436,00	7 461 134,33	10 001 506,09	141 965 929,91	6,58
OPERATING LEASES	18 515 003,00	562 357,54	566 629,51	17 948 373,49	3,06
TOTAL EXPENDITURE (NETT)	1 325 653 528,00	55 669 233,12	226 812 341,40	1 098 841 186,60	17,11
DESCRIPTION	Annual Budget 2025/2026	Actual 31-Aug-25	YTD 31-Aug-25	Variance	
OUTSOURCE SERVICES					-
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	59 128,78	292 856,24	1 691 270,76	14,76
OS: B&A RESEARCH & ADVISORY	923 138,00	0,00	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	32 173,91	32 173,91	3 253 294,09	0,98
OS: CATERING SERVICES	1 281 869,00	111 849,50	121 683,48	1 160 185,52	9,49
OS: CLEANING SERVICES	216 757,00	0,00	0,00	216 757,00	-
OS: ELECTRICAL	19 029 252,00	63 601,00	161 789,29	18 867 462,71	0,85
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	47 788,00	68 910,46	12 379 389,54	0,55
OS: CONNECT/DIS-CONNECTION: ELECTICI	9 757,00	0,00	0,00	9 757,00	-
OS: TRAFFIC FINES MANAGEMENT	174 997,00	10 920,00	10 920,00	164 077,00	6,24
OS: TRANSPORT SERVICES	0,00	0,00	0,00	0,00	-
SUB TOTAL : OUTSOURCE SERVICES	40 768 212,00	325 461,19	709 453,38	40 058 758,62	1,74
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	44 864,00	44 864,00	165 412,00	21,34
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	113 951,30	128 645,30	3 940 323,70	3,16
C&PS: B&A MEDICAL EXAMINATIONS	1 000 000,00	0,00	20 935,00	979 065,00	2,09
C&PS: B&A OCCUPATIONAL HEALTH & SAFE	484 938,00	0,00	4 400,00	480 538,00	0,91
C&PS: B&A PROJECT MANAGEMENT	20 550 770,00	0,00	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	76 100,27	338 297,48	5 975 889,52	5,36
C&PS: LEGAL COST ADVICE & LITIGATION	7 500 000,00	-1 525 414,74	-1 525 414,74	9 025 414,74	-20,34
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	57 324,20	107 591,97	1 321 704,03	7,53
SUB TOTAL : CONSULTANT AND PROF SERV	50 656 768,00	-1 233 174,97	3 831 298,01	46 825 469,99	7,56

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	138 193,30	276 729,60	1 602 623,40	14,72
CONTR: MAINT OF BUILDINGS & FACILIT	15 985 864,00	91 495,00	104 256,81	15 881 607,19	0,65
CONTR: MAINTENANCE OF EQUIPMENT	7 051 852,00	39 401,46	66 591,13	6 985 260,87	0,94
CONTR: MAINTENANCE OF EQUIPMENT (FLE	3 774 643,00	62 161,50	65 524,00	3 709 119,00	1,74
CONTR: MAINTENANCE FLEET	12 993 793,00	243 296,16	292 304,59	12 701 488,41	2,25
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	48 756,88	123 779,66	12 876 220,34	0,95
CONTR: SAFEGUARD & SECURITY	42 000 000,00	3 308 259,03	3 308 259,03	38 691 740,97	7,88
CONTR: TRAFFIC & STREET LIGHTS	6 027 240,00	30 884,00	39 653,00	5 987 587,00	0,66
SUB TOTAL : CONTRACTORS	105 957 941,00	3 962 447,33	4 277 097,82	101 680 843,18	4,04
CONTRACTED SERVICES	197 382 921,00	3 054 733,55	8 817 849,21	188 565 071,79	4,47
OPERATIONAL COST					
OC: ADV/PUB/MARK - CORP & MUN ACTIVI	2 063 944,00	0,00	126 408,00	1 937 536,00	6,12
OC: ADV/PUB/MARK - MUNICIPAL NEWSLET	800 000,00	0,00	-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	5 256,18	5 256,18	323 290,82	1,60
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	128 358,67	212 769,30	1 116 638,70	16,00
OC: COMMISSION - THIRD PARTY VENDORS	18 440 000,00	937 888,22	1 045 928,82	17 394 071,18	5,67
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	94 398,75	94 398,75	2 005 601,25	4,50
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	100 679,45	100 679,45	2 399 320,55	4,03
OC: CONTR TO PROV - REHAB LANDFILL S	93 255,00	0,00	0,00	93 255,00	-
OC: DEEDS	329 402,00	7 309,35	7 309,35	322 092,65	2,22
OC: DRIVERS LICENCES & PERMITS	14 771,00	0,00	0,00	14 771,00	-
OC: ENTERTAINMENT - EXEC MAYOR	32 855,00	2 120,00	4 089,19	28 765,81	12,45
OC: ENTERTAINMENT - COUNCILLORS	32 855,00	0,00	0,00	32 855,00	-
OC: ENTERTAINMENT - SENIOR MANAGEMENT	230 496,00	17 520,23	22 899,78	207 596,22	9,94
OC: ENTERTAINMENT - SPEAKER	10 440,00	1 714,80	2 494,80	7 945,20	23,90
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	0,00	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	4 290 982,10	5 487 920,87	48 888 746,13	10,09
OC: INSUR UNDER - CLAIM PAID 3RD PAR	0,00	0,00	0,00	0,00	-
OC: INSUR UNDER - EXCESS PAYMENTS	500 000,00	43 206,08	147 032,16	352 967,84	29,41
OC: INSUR UNDER - PREMIUMS	4 500 000,00	30 898,62	32 006,70	4 467 993,30	0,71
OC: LEARNERSHIPS & INTERNSHIPS	100 000,00	0,00	0,00	100 000,00	-
OC: LIC - VEHICLE LIC & REGISTRATION	1 756 542,00	58 501,00	107 456,50	1 649 085,50	6,12
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	14 521,74	43 368,74	331 857,26	11,56
OC: REMUNERATION TO WARD COMMITTEES	3 066 437,00	0,00	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	15 153,15	349 746,75	4 116 949,25	7,83
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	22 408,70	22 408,70	499 315,30	4,30
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	116 626,71	175 343,34	2 993 364,66	5,53
OC: T&S DOM - DAILY ALLOWANCE	2 153 496,00	79 498,64	105 202,64	2 048 293,36	4,89
OC: T&S DOM - FOOD & BEVERAGE (SERVE	312 860,00	0,00	53,80	312 806,20	0,02
OC: T&S DOM TRP - W/OUT OPR OWN TRAN	2 801 784,00	181 033,57	263 938,41	2 537 845,59	9,42
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	5 997,61	20 694,65	288 821,35	6,69
OC: TRANSPORT - MUNICIPAL ACTIVITIES	57 660,00	0,00	0,00	57 660,00	-
OC: UNIFORM & PROTECTIVE CLOTHING	7 024 497,00	294 196,95	294 196,95	6 730 300,05	4,19
OC: VEHICLE TRACKING FLEET	626 892,00	0,00	0,00	626 892,00	-
OC: WET FUEL	11 415 321,00	543 362,44	820 202,79	10 595 118,21	7,19
OC: WORKMEN'S COMPENSATION FUND	1 830 991,00	469 501,37	469 501,37	1 361 489,63	25,64
SUB TOTAL : OPERATIONAL COST	151 967 436,00	7 461 134,33	10 001 506,09	141 965 929,91	6,58

INVENTORY					
INV - CONSUMABLE STORES - STANDARD RATED	15 088 136,00	787 332,67	857 609,46	14 230 526,54	
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	38 918,00	40 558,87	1 001 151,13	
INVENTORY - MATERIALS & SUPPLIES FLEET	2 307,00	0,00	0,00	2 307,00	
INVENTORY - WATER	10 440 000,00	1 053 519,21	2 102 811,86	8 337 188,14	
SUB TOTAL - INVENTORY	26 574 038,00	1 879 769,88	3 000 980,19	23 573 057,81	
BULK PURCHASES					
ESKOM	428 185 402,00	1 168 306,47	1 168 306,47	427 017 095,53	
BULK WATER PURCHASES					
SUB TOTAL : BULK PURCHASES	428 185 402,00	1 168 306,47	1 168 306,47	427 017 095,53	
INTEREST DIVIDENDS AND RENT ON LAND					-
INT PAID BOR: ANNUITY LOANS	6 600 000,00	550 000,00	121 695 000,00	-115 095 000,00	1 843,86
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	550 000,00	121 695 000,00	-112 904 688,00	1 384,42
OPERATING LEASES					-
OPR LEASES: FURNITURE & OFFICE EQUIP	3 376 619,00	4 271,97	8 543,94	3 368 075,06	0,25
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	558 085,57	558 085,57	14 557 234,43	3,69
SUB TOTAL : OPERATING LEASES	18 515 003,00	562 357,54	566 629,51	17 948 373,49	3,06
BAD DEBTS WRITTEN OFF					
IRRECOVERABLE DEBTS WRITTEN OFF_EXCHANGE					
IRRECOV DEBTS W/OFF_EXCHG:ELECTRICITY	1 149 906,00	100 390,88	121 929,75	1 027 976,25	10,60
IRRECOV DEBTS W/OFF_EXCHG:NON-SPECIFIC	-	0,00	0,00	0,00	-
IRRECOV DEBTS W/OFF_EXCHG:WASTE	177 704,00	74 202,46	88 629,62	89 074,38	49,87
IRRECOV DEBTS W/OFF_EXCHG:WASTE WATER	228 604,00	95 249,64	115 848,99	112 755,01	50,68
IRRECOV DEBTS W/OFF_EXCHG:WATER	1 261 670,00	219 230,76	245 228,54	1 016 441,46	19,44
SUB TOTAL : IRRECOV BAD DEBT W/OFF_EXCH	2 817 884,00	489 073,74	571 636,90	2 246 247,10	20,29
IRRECOVERABLE DEBTS W/OFF_NON-EXCHANGE					
IRRECOV DEBTS W/OFF_NON-EXCH:PROP RATES	1 148 400,00	164 487,39	240 803,87	907 596,13	20,97
SUB TOTAL : IRREC BAD DEBT W/OFF_NON-EX	1 148 400,00	164 487,39	240 803,87	907 596,13	20,97
SUB TOTAL : BAD DEBTS WRITTEN OFF	3 966 284,00	653 561,13	812 440,77	3 153 843,23	20,48
TRANSFERS AND SUBSIDIES					-
HH SSP SOC ASS: SOCIAL RELIEF	1 095 158,00	0,00	-25 000,00	1 120 158,00	-2,28
SUB TOTAL : OPERATIONAL : ALLOC IN K	1 095 158,00	0,00	-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	0,00	-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

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

Vote 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									

Governance and administration		2 581	2 981	2 981	7	7	497	(490)	-99%	2 981
Executive and council		15	-	-	-	-	-	-		-
Finance and administration		2 532	2 981	2 981	7	7	497	(490)	-99%	2 981
Internal audit		34	-	-	-	-	-	-		-
Community and public safety		383	29 350	29 350	9 337	9 350	4 892	4 459	91%	29 350
Community and social services		-	550	550	-	-	92	(92)	-100%	550
Sport and recreation		271	5 853	5 853	-	1	976	(975)	-100%	5 853
Public safety		84	22 947	22 947	9 337	9 349	3 824	5 525	144%	22 947
Housing		27	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		263	42 144	42 144	350	350	7 024	(6 674)	-95%	42 144
Planning and development		129	-	-	-	-	-	-		-
Road transport		119	42 064	42 064	350	350	7 011	(6 661)	-95%	42 064
Environmental protection		15	80	80	-	-	13	(13)	-100%	80
Trading services		1 674	20 546	20 546	10	10	3 424	(3 415)	-100%	20 546
Energy sources		98	250	250	-	-	42	(42)	-100%	250
Water management		143	18 524	18 524	10	10	3 087	(3 078)	-100%	18 524
Waste water management		1 434	1 773	1 773	-	-	295	(295)	-100%	1 773
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	4 900	95 021	95 021	9 704	9 717	15 837	(6 120)	-39%	95 021
Funded by:										
National Government		128	66 532	66 532	9	21	11 089	(11 068)	-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		136	66 532	66 532	9	21	11 089	(11 068)	-100%	66 532
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		4 763	28 489	28 489	9 696	9 697	4 748	4 948	104%	28 489
Total Capital Funding		4 900	95 021	95 021	9 704	9 717	15 837	(6 120)	-39%	95 021

As indicated in the Table above, the YTD Actual on capital expenditure as at end of August 2025 amounted to R9 717 000. The total YTD capex is funded from Capital grants R21 000 and Internally generated funds R9 697 000. Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

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

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

4.4 Cash flows

CASH FLOW ANALYSIS FOR THE MONTH ENDING	
Detail	Aug-25
Cash Receipts by Source	
Property rates	6 399 790
Service charges - electricity revenue	23 686 568
Service charges - water revenue	8 113 577
Service charges - sanitation revenue	5 725 732
Service charges - refuse revenue	3 723 997
Service charges - other	-
Interest earned - external investments	369 028
Interest earned - outstanding debtors	720 206
Fines	-
Transfer receipts - operational	2 300 000
Other revenue	29 188 979
Cash Receipts by Source	80 227 877
Other Cash Flows/Receipts by Source	
Transfer receipts - capital	15 537 625
Borrowing long term/refinancing	-
Total Cash Receipts by Source	95 765 502
Cash Payments by Type	
Employee related costs	38 540 022
Remuneration of councillors	3 054 733
Bulk purchases - Electricity	1 168 306
Contracted services	3 054 733
General expenses	25 690 318
Cash Payments by Type	71 508 112
Other Cash Flows/Payments by Type	
Capital assets	9 704 159
Repayment of borrowing	-
Total Cash Payments by Type	81 212 271
Net Increase/(Decrease) in Cash Held	14 553 231
Cash/cash equivalents at the month/year begin:	78 877 809
Cash/cash equivalents at the month/year end:	93 431 040
Cash Book Balance (GL)	-

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: June 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	30-Jun	31-Jul	% Change	31-Aug	% Change	Reference
Services						
Councillors' debt (>90 days)	R 1 611 671	R 1 655 438	3%	R 1 659 747	0%	BP136-r
Officials debt (>90 days)	R 3 185 993	R 3 270 233	3%	R 3 126 333	-4%	BP136-a
Sundry debtors						
Telephones (Officials & Councillors)	R670 945.80	R707 766.49	5%	R708 131.64	0%	BP136-rt
Indigents	R 228 696 947	R 234 876 924	3%	R 240 952 250	3%	BP136-ia
Total Debt 90 Days +	R 234 165 557	R 240 510 362	3%	R 246 446 461	2%	

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 August 2025, the Government Debt was as follows:

Aug-25	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.	14 262.00	0.00	0.00	13 174.00	1 708.00	29 144.00	0.00	29 144.00
FREE STATE PROVINCIAL TREASURY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF HEALTH (PH)	11 419 877.00	8 157 510.00	0.00	11 265 617.00	26 462.00	30 869 466.00	0.00	30 869 466.00
DEPARTMENT OF EDUCATION (PE)	117465.00	1 418 540.00	8 708 697.00	16 858 564.00	0.00	27 103 266.00	0.00	27 103 266.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	271 483.00	0.00	271 483.00	0.00	271 483.00
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)	968 938.00	15 565 411.00	1 898.00	843 014.00	2 352.00	17 381 613.00	0.00	17 381 613.00
PUBLIC SAFETY, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGRICULTURE (PA)	0.00	240.00	0.00	0.00	0.00	240.00	0.00	240.00
SPORTS, ARTS & CULTURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	12 520 542.00	25 141 701.00	8 710 595.00	29 251 852.00	30 522.00	75 655 212.00	0.00	75 655 212.00
				0.00				
SCHOOLS (SECTION 21)	11 202 640.00	21 655 518.00	6 092.00	8 061.00	33 422.00	32 905 733.00	0.00	32 905 733.00
NATIONAL DEPARTMENTS	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
CORRECTIONAL SERVICES (NC)	2 505 765.00	2 467 072.00	0.00	265 489.00	0.00	5 238 326.00	0.00	5 238 326.00
DEFENCE (ND)	3 525 449.00	6 673 780.00	6 252.00	361 240.00	14 175.00	10 580 896.00	0.00	10 580 896.00
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	26 114.00	140 565.00	203 355.00	57 049.00	90 168.00	517 251.00	0.00	517 251.00
PUBLIC WORKS (NW)	1 764.00	103 786.00	1 334 078.00	73 875.00	0.00	1 513 503.00	0.00	1 513 503.00
SA POLICE(NP)	944 545.00	929 789.00	5 407.00	1 021 001.00	2 143.00	2 902 885.00	0.00	2 902 885.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	82 084.00	169 632.00	0.00	33 836.00	1 363.00	286 915.00	0.00	286 915.00
TOTAL	7 085 721.00	10 484 624.00	1 549 092.00	1 812 490.00	107 849.00	21 039 776.00		21 039 776.00
TOTAL	30 808 903.00	57 281 843.00	10 265 779.00	31 072 403.00	171 793.00	129 600 721.00	-	129 600 721.00
						TOTAL		129 600 721.00
						LESS CREDIT		0.00
						GRAND TOTAL		129 600 721.00

MUNICIPAL DEBT RETURN FORM - Provincial & National Departments



Municipality: **FS201 Moqhaka**

Financial Year: **2023/24** 2025/26

Reporting Month: **M02 August**

R'000	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>		
Property Rates	8 710			1 549	10 259
0-30 Days	1 766			735	2 501
31-60 Days	1 764			666	2 430
61-90 Days	1 686			15	1 701
Over 90 Days	3 494			134	3 628
Water	12 521	–	11 202	7 086	30 809
0-30 Days	791	–	315	1 947	3 053
31-60 Days	869	–	371	1 135	2 375
61-90 Days	616	–	289	431	1 336
Over 90 Days	10 243	–	10 227	3 574	24 045
Electricity	25 142	–	21 656	10 485	57 282
0-30 Days	1 473	–	1 567	4 231	7 271
31-60 Days	1 239	–	1 214	1 911	4 364
61-90 Days	1 075	–	1 099	591	2 765
Over 90 Days	21 356	–	17 775	3 751	42 882
Sanitation	19 316	–	–	1 127	20 443
0-30 Days	1 082	–	–	223	1 305
31-60 Days	1 082	–	–	78	1 159
61-90 Days	1 034	–	–	61	1 095
Over 90 Days	16 118	–	–	765	16 884
Refuse Removal	9 935	–	–	685	10 621
0-30 Days	547	–	–	94	641
31-60 Days	547	–	–	42	589
61-90 Days	528	–	–	34	561
Over 90 Days	8 314	–	–	515	8 829
Other	31	–	47	108	185
0-30 Days	0	–	2	3	5
31-60 Days	0	–	2	4	6
61-90 Days	0	–	2	3	5
Over 90 Days	30	–	42	99	170
TOTAL	75 655	–	32 905	21 040	129 600
0-30 Days	5 660	–	1 884	7 232	14 776
31-60 Days	5 501	–	1 586	3 835	10 923
61-90 Days	4 939	–	1 390	1 134	7 463
Over 90 Days	59 555	–	28 044	8 838	96 438

Payments received during reporting month (whole amount)	5 918 160.19			120 340.67	6 038 500.86
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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 must 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 34 421 661	R 27 732 700	R 25 843 470	R 1 318 774 454	R 1 406 772 285
4.2	Business / Commercial	R 33 295 545	R 23 996 985	R 7 822 971	R 160 879 004	R 225 994 505
4.3	Organs of State (Provincial & National Departments)	R 25 710 231	R 7 464 763	R 7 154 704	R 89 314 400	R 129 644 098
4.4	Other	-R 8 221 513	R 5 740 943	R 2 221 233	R 129 607 816	R 129 348 479
	Total					R 1 891 759 367
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 22 762 997	R 19 178 206	R 17 230 868	R 885 178 717	R 944 350 788
5.2	Electricity	R 38 817 525	R 26 355 229	R 8 976 134	R 144 276 740	R 218 425 628
5.3	Property Rates	R 8 292 012	R 5 978 401	R 4 829 993	R 118 928 260	R 138 028 666
5.4	Sanitation	R 5 827 826	R 4 783 048	R 4 599 273	R 197 088 625	R 212 298 772
5.5	Refuse removal	R 8 341 420	R 6 768 297	R 6 467 284	R 270 782 010	R 292 359 011
5.6	Other	R 1 164 144	R 1 872 210	R 938 826	R 82 321 322	R 86 296 502
	Total	R 85 205 924	R 64 935 391	R 43 042 378	R 1 698 575 674	R 1 891 759 367

Comments:

Total outstanding debt has increased from R1 877 786 043 in July 2025 to R1 891 759 367 in August 2025. The 1% increase amounting to R13 973 324 is a result of minimum/non-payments of accounts.

Water outstanding debt was R933 884 945 in July 2025 to R944 350 788 in August 2025. That accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters.

Electricity outstanding debt was R220 044 247 in July 2025 and has decreased to R218 425 628 in August 2025. This is 12% of the total debt, mainly due to 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 R136 421 181 in July 2025 and has increased to R138 028 666 in August 2025. This account for 7% against total debt.

Total outstanding debt for sanitation/Sewerage was R210 844 070 in July 2025 and has increased to R212 298 772 in August 2025. This accounts for 11% of the total outstanding debt.

Refuse Removal or Solid Waste outstanding debt was R291 170 109 in July 2025 and has increased to R292 359 011 in August 2025. This accounts for 15% of the total debt and emanates from non-payment of accounts.

Total outstanding debt for Other or Sundries was R85 421 491 in July 2025 and has increased to R86 296 502 in August 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 R127 956 580 in July 2025 and has increased to R129 644 098 in August 2025. This represents 7% of the total outstanding debt that Public Works is in the process of addressing.

Business/Commercial debt was R232 281 011 in July 2025 has decreased to R225 994 505 in August 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 387 174 045 in July 2025 and has increased to R1 406 772 285 in August 2025. That accounts for 74% of the total debt. This is inclusive of R240 952 250 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R130 374 407 in July 2025 and has decreased to R129 348 479 in August 2025. That is 7% of the total outstanding debt.

The total debt by Councillors was R1 655 438 in July 2025 and has increased to R1 659 747 in August 2025 (0% increase/decrease), Officials owed R3 270 233 in July 2025 and that has decreased to R3 126 333 in August 2025 (4% decrease).

Telephone accounts had a balance of R707 766.49 in July 2025 and increased to R708 131.64 (0% increase/decrease).

The Municipality urgently needs to resolve on approving the Revenue Enhancement Strategy that with the inputs of Treasury, CoGTA & SALGA & implement the Debt Collection & Credit Control Policy and other policies for debt collection purposes or financial sustainability.

There were 4 debt collection companies appointed until June 2025. The Municipality is in the process of compiling tender specifications for new appointments to be made or join the Provincial transversal contract.

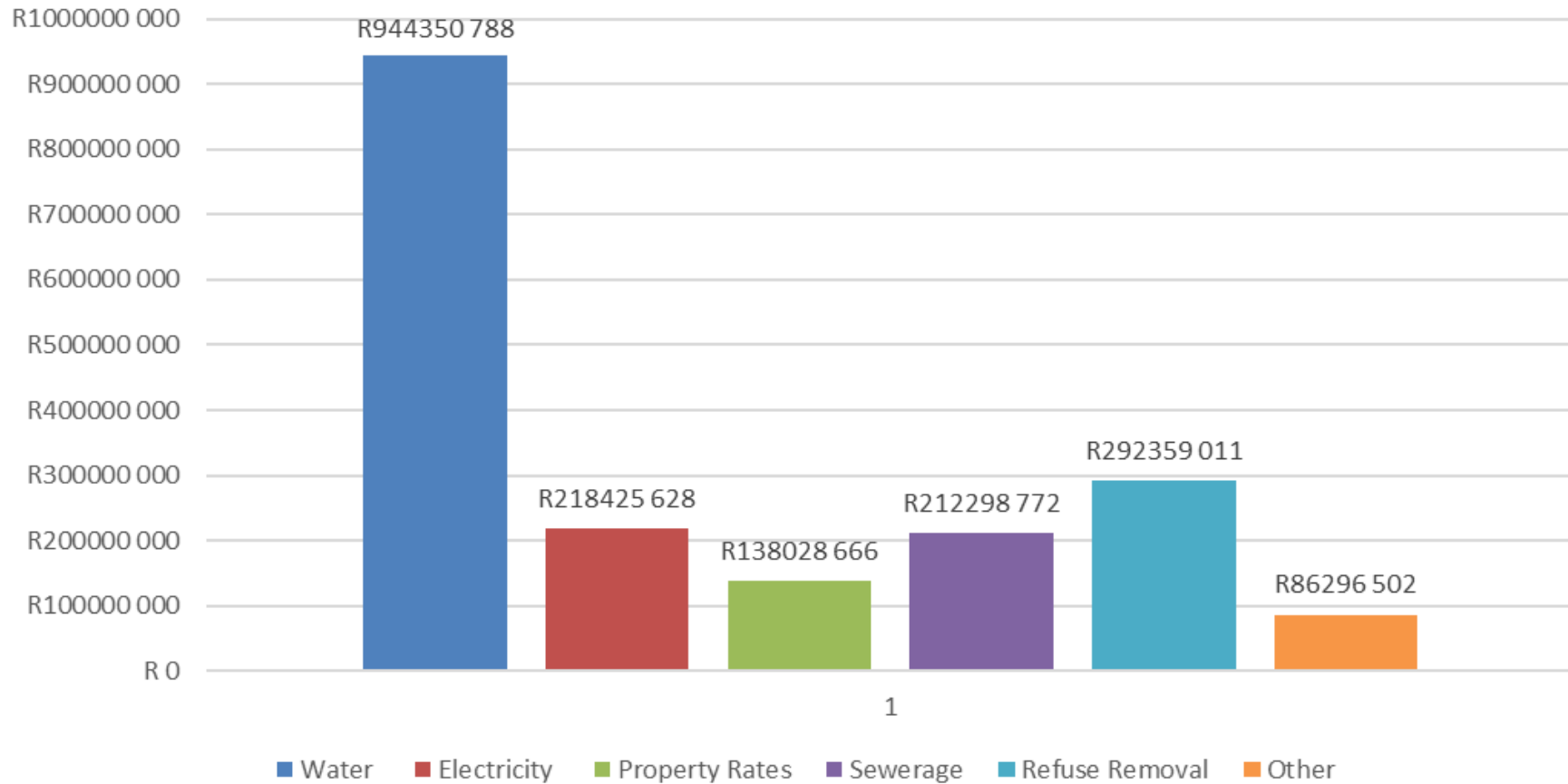
Blockings of the prepaid electricity meters & disconnections for the conventional electricity meters for categories of payment defaulters plays a major role in the collection rate and revenue enhancement.

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.

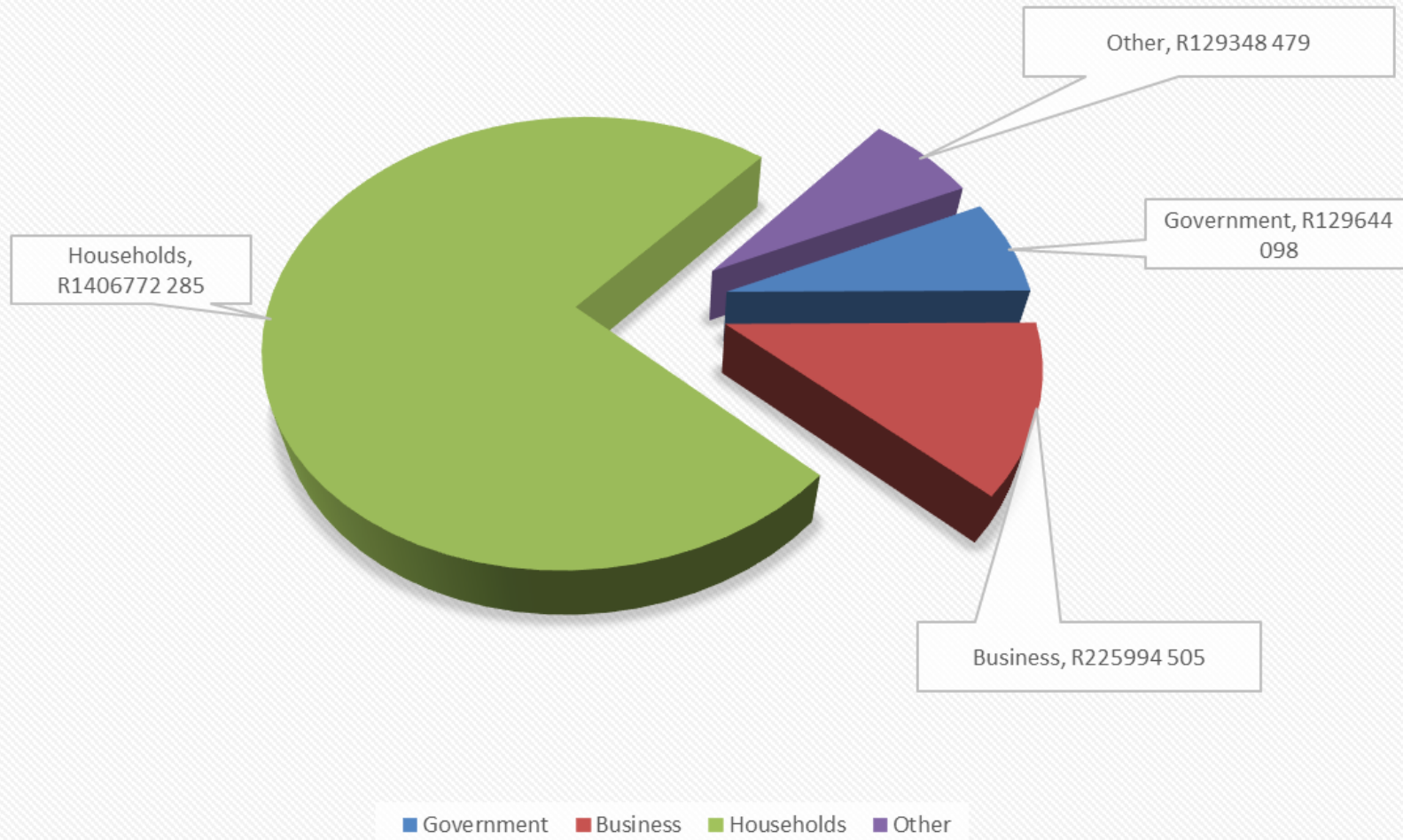
The delay in appointing the Directors, including the Chief Financial officer plays a very critical role in the financial distress facing the municipality.

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	73 628 886	81 473 087	76 026 252	-	-	-	-	1 730 212 180	1 961 340 405
Loan repayments	666 898	646 794	1 250 865					7 017 865,27	9 582 422
Trade Creditors	6 201 530	2 554 646	-	-	-	-	-	-	8 756 176
Auditor General	1 054 730	3 337	-	-	-	-	-	-	1 058 067
DWS	898 718	898 718	898 718					22 575 298	25 271 452
WORKMENS COMPENSATION	-							1 014 024	1 014 024
GOVERNMENT GARAGE	547 036							-	547 036
Total	82 997 798	85 576 582	78 175 835	-	-	-	-	1 760 819 367	2 007 569 582

Bulk Electricity – As at the 31 August 2025, the outstanding debt owed to Eskom amounted to R1 961 340 405. 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 R1 054 730. Other creditors – includes Sundry creditors which were unpaid as at 31 August 2025 amount to R8 314 182.

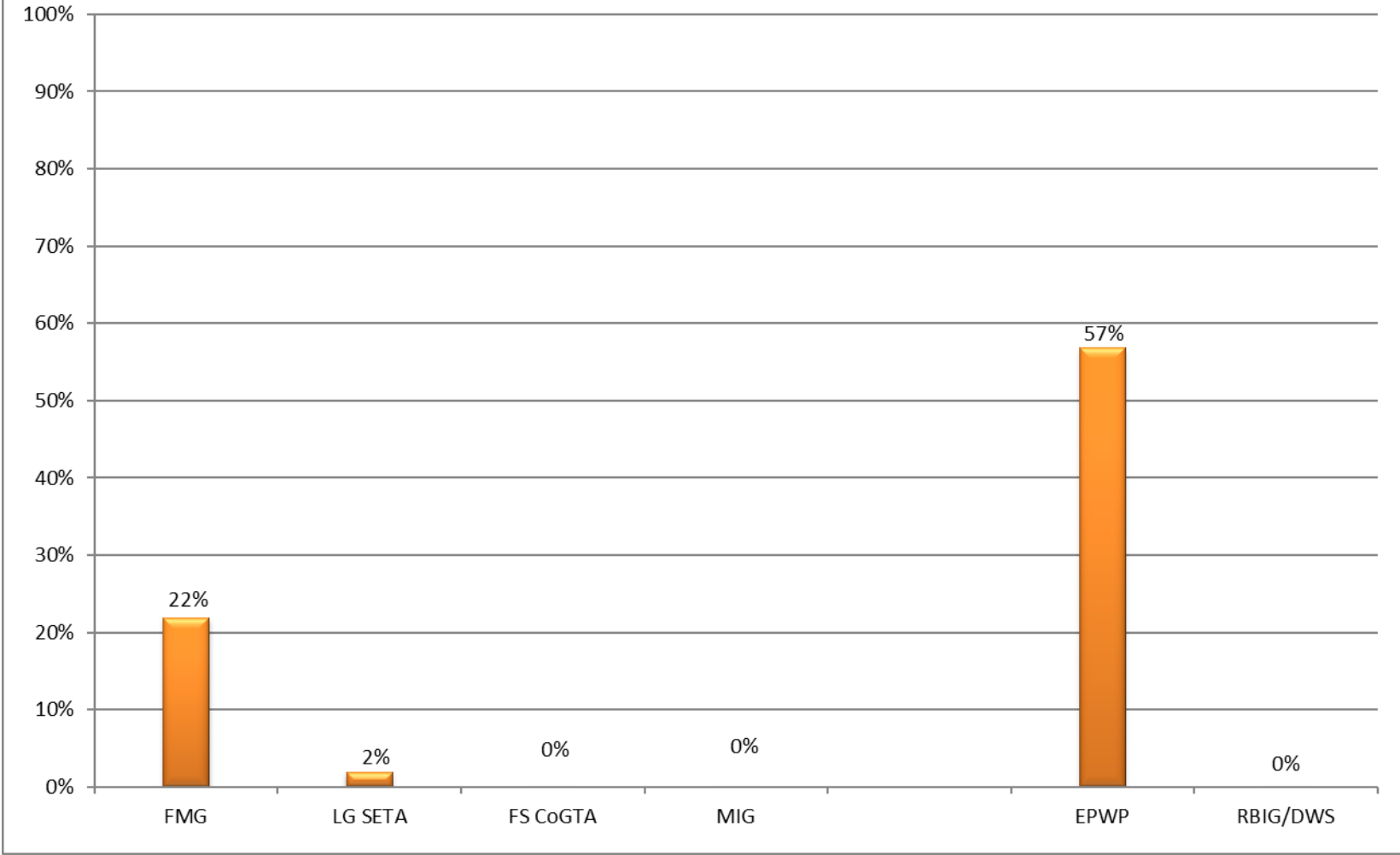
8. Investment portfolio analysis

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	16 165 244,44	16 300 892,22
	-	-	56 994 351,86	56 994 351,86
Invested	-	-	120 595 000,00	120 595 000,00
Withdrawn	-	-	-64 000 000,00	-64 000 000,00
Interest earned	-		399 351,86	399 351,86
Balance at 31-Jul-2025	6 040,56	129 607,22	73 159 596,30	73 295 244,08
	109,47		8 205 548,02	8 205 657,49
Invested			35 336 519,94	35 336 519,94
Withdrawn			-27 500 000,00	-27 500 000,00
Interest earned	109,47		369 028,08	369 137,55
Balance at 31-Aug-2025	6 150,03	129 607,22	81 365 144,32	81 500 901,57

9. Allocation and grant receipts and expenditure

Report on conditional grants at	31 August 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		2 530 931				-
Received Prior Months	-	2 530 931		-	-	-
Received This Month	2 300 000	-	-	374 000	4 595 000	4 969 000
Total Funds Received	2 300 000	2 530 931	-	374 000	4 595 000	4 969 000
Spent Prior Months	310 835			106 260	-	106 260
Spent This Month	192 556	49 000		106 211	-	106 211
Grants refunded					-	-
Total Funds Spent	503 391	49 000		212 471	-	212 471
Total funds Received and Not Spent	1 796 609	2 481 931	-	161 529	4 595 000	4 756 529
Percentage of Funds Spent	22%	2%	#DIV/0!	57%	0%	4%
Funds Currently Committed but Not Spent	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-

GRANTS SPENDING 2025/26 AUGUST



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

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	54 250	76 044	140,2%	325 501
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Equitable Share		298 568	312 705	312 705	-	130 294	52 117	78 177	150,0%	312 705
Expanded Public Works Programme Integrated Grant		-	1 496	1 496	-	-	249	(249)	-100,0%	1 496
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Local Government Financial Management Grant		2 300	2 300	2 300	-	-	383	(383)	-100,0%	2 300
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant		28 364	9 000	9 000	-	-	1 500	(1 500)	-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	-	-	514	(514)	-100,0%	3 081
ESKOM		-	-	-	-	-	-	-		-
National Economical Development and Labour Council		1 104	-	-	-	-	-	-		-
National Skills Fund		676	3 081	3 081	-	-	514	(514)	-100,0%	3 081
Total Operating Transfers and Grants	5	331 012	328 582	328 582	-	130 294	54 764	75 530	137,9%	328 582
Capital Transfers and Grants										
National Government:		-	67 471	67 471	-	-	11 245	(11 245)	-100,0%	67 471
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	48 709	48 709	-	-	8 118	(8 118)	-100,0%	48 709
Water Services Infrastructure Grant		-	18 762	18 762	-	-	3 127	(3 127)	-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	-	-	11 245	(11 245)	-100,0%	67 471
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	331 012	396 053	396 053	-	130 294	66 009	64 285	97,4%	396 053

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

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		124 051	150 727	150 727	7 965	141 523	25 121	116 402	463,4%	150 727
Equitable Share		120 619	137 931	137 931	7 695	140 828	22 989	117 840	512,6%	137 931
Expanded Public Works Programme Integrated Grant		1 163	1 496	1 496	112	249	249	(0)	-0,1%	1 496
Local Government Financial Management Grant		2 282	2 300	2 300	158	446	383	63	16,3%	2 300
Municipal Disaster Relief Grant		(13)	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		-	9 000	9 000	-	-	1 500	(1 500)	-100,0%	9 000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		646	3 081	3 081	49	49	514	(465)	-90,5%	3 081
Education Training and Development Practices SETA		646	3 081	3 081	49	49	514	(465)	-90,5%	3 081
Total operating expenditure of Transfers and Grants:		124 697	153 808	153 808	8 014	141 572	25 635	115 937	452,3%	153 808
Capital expenditure of Transfers and Grants										
National Government:		128	66 532	66 532	9	21	11 089	(11 068)	-99,8%	66 532
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		128	48 937	48 937	9	21	8 156	(8 136)	-99,7%	48 937
Water Services Infrastructure Grant		-	17 595	17 595	-	-	2 933	(2 933)	-100,0%	17 595
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Other grant providers:		9	-	-	-	-	-	-	-	-
Unspecified		9	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		136	66 532	66 532	9	21	11 089	(11 068)	-99,8%	66 532
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		124 834	220 340	220 340	8 022	141 593	36 724	104 869	285,6%	220 340

- R2 300 000 for FMG was received as an operational for the month under review.
- R374 000 for EPWP and R4 595 000 for WSIG was received as Capital Grant for the month under review.
- Correcting journals are processed monthly to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

10. Councillor and board member allowances and employee benefits

31 August 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	YTD	% Exp
		31-Aug-25	31-Aug-25	
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	74 582,15	147 469,30	13,47
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	6 000,00	17,19
SM MM: ALLOW - HOUSING BENEFITS	0,00	0,00	0,00	#DIV/0!
SM MM: ALLOW - TRAVEL OR MOTOR VEHICLE	279 499,00	20 833,33	41 666,66	14,91
SM MM: SRB - LONG SERVICE	0,00	0,00	47 650,28	#DIV/0!
SUB TOTAL: MM - SAL ALLOW & SERV BENEF	1 565 911,00	98 415,48	242 786,24	15,50
CFO - SALARIES ALLOW AND SERV BENEFITS				
SM CFO: SAL & ALL - BASIC SALARY	947 185,00	-	-	-

SM CFO: SAL & ALL - PERFORM BASED BONUS	57 736,00	-	-	-
SM CFO: ALLOW - CELLULAR & TELEPHONE	6 982,00	-	-	-
SM CFO: ALLOW - HOUSING BENEFITS	-	-	-	-
SM CFO: ALLOW - TRAVEL OR MOTOR VEHICLE	58 186,00	-	-	-
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	0,00
D01 - SALARIES ALLOW AND SERV BENEFITS				
SM D01: SAL & ALL - BASIC SALARY	996 166,00	61 539,05	61 539,05	6,18
SM D01: SAL & ALL - PERFORM BASED BONUS	57 846,00	0,00	0,00	0,00
SM D01: ALLOW - CELLULAR & TELEPHONE	10 473,00	1 000,00	2 000,00	19,10
SM D01: ALLOW - HOUSING BENEFITS	0,00	0,00	0,00	#DIV/0!
SM D01: ALLOW - TRAVEL OR MOTOR VEHICLE	167 686,00	24 710,09	49 420,18	29,47
SM D01: SRB - ENTERTAINMENT	0,00	-	-	-
SM D01: SRB - ACTING & POST RELATE ALLOW				
SUB TOTAL: DTS - SAL ALLOW & SERV BENEF	1 232 171,00	87 249,14	112 959,23	9,17
D02 - SALARIES ALLOW AND SERV BENEFITS				
SM D02: SAL & ALL - BASIC SALARY	860 513,00	69 618,00	137 541,00	15,98
SM D02: SAL & ALL - PERFORM BASED BONUS	0,00	0,00	0,00	#DIV/0!
SM D02: ALLOW - CELLULAR & TELEPHONE	19 482,00	1 000,00	2 000,00	10,27
SM D02: ALLOW - HOUSING BENEFITS	109 157,00	0,00	0,00	0,00
SM D02: ALLOW - TRAVEL OR MOTOR VEHICLE	584 512,00	45 104,95	90 209,90	15,43
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	#DIV/0!
SUB TOTAL: DPS - SAL ALLOW & SERV BENEF	1 584 694,00	115 722,95	229 750,90	14,50
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	301 387,57	585 496,37	7,40

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	26 239,38	21,47
SM MM: SOC CONTR: UIF	2 547,00	177,12	354,24	13,91
SUB TOTAL: MM - SOCIAL CONTRIBUTIONS	197 010,00	13 296,81	26 593,62	13,50
CFO - SOCIAL CONTRIBUTIONS				
SM CFO: SOC CONTR: GROUP LIFE INSURANCE	-	-	-	-
SM CFO: SOC CONTR: MEDICAL	6 995,00	-	-	-
SM CFO: SOC CONTR: PENSION FUNDS	139 648,00	-	-	-
SM CFO: SOC CONTR: UIF	2 576,00	-	-	-
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	177,12	177,12	0,24
SM D01: SOC CONTR: PENSION FUNDS	151 541,00	10 771,93	21 543,86	14,22
SM D01: SOC CONTR: UIF	2 588,00	0,00	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	21 898,10	9,62
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	354,24	13,70
SM D02: SOC CONTR: BARGAINING COUNCIL	0,00	0,00	0,00	#DIV/0!
SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS	116 222,00	177,12	354,24	0,30
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	48 845,96	6,85
SM - POST RETIREMENT BENEFITS				
SM: PRB - MED: CURRENT SERVICE COST				
SM: PRB - MED: INTEREST COST	5 250 508,00	9 790,20	19 580,40	0,37
SM: PRB - PENS: INTEREST COST	781 263,00	-	-	-
SUB TOTAL : SM - POST RETIREMENT BENEFIT	6 031 771,00	9 790,20	19 580,40	0,32
SM: PST RET BEN OBL CST CAP PPE				
SUB TOTAL : SM - COST CAPITALISED TO PPE				
SUB TOTAL : SENIOR MANAGEMENT	14 661 465,00	335 600,75	653 922,73	4,46
MUNICIPAL STAFF				
MS - SALARIES ALLOW AND SERV BENEFITS				
MS: SAL & ALL: BASIC SALARY & WAGES	258 251 928,00	21 511 484,36	43 362 931,47	16,79
MS: SAL & ALL: PERFORMANCE BASED BONUSES	30 121,00	0,00	0,00	0,00
MS: ALL - CELLULAR & TELEPHONE	800 052,00	73 453,02	111 871,18	13,98
MS: HB & INC: HOUSING BENEFITS	2 091 443,00	135 590,57	270 881,14	12,95

MS: ALL - LEAVE PAY	4 315 814,00	1 622 710,14	2 110 059,30	48,89
MS: ALL - TRAVEL OR MOTOR VEHICLE	25 556 843,00	1 865 975,46	3 735 350,64	14,62
MS: OVERTIME - NON STRUCTURED	31 687 614,00	3 144 229,87	6 109 613,42	19,28
MS: OVERTIME - STRUCTURED	64 895,00	0,00	3 292,83	5,07
MS: PAYMENTS - SHIFT ADD REMUNERATIO	-	-	-	#DIV/0!
MS: SRB - ANNUAL BONUS	22 708 446,00	1 015 725,34	4 789 720,83	21,09
MS: SRB - LONG SERVICE AWARD	0,00	0,00	0,00	#DIV/0!
MS: SRB - STANDBY ALLOWANCE	4 447 026,00	645 939,90	1 017 035,14	22,87
MS: IN-KIND BENEFITS	3 545,00	-	-	0,00
MS: SRB - NON PENSIONABLE	1 840,00	-	-	0,00
MS: SRB - LSA CURR SERV	1 953 422,00	1 546 533,15	1 721 567,98	88,13
SUB TOTAL : MS - SAL ALLOW & SERV BENEF	351 912 989,00	31 561 641,81	63 232 323,93	17,97
MS - SOCIAL CONTRIBUTIONS				#DIV/0!
MS: SOC CONTR - BARGAINING COUNCIL	166 344,00	11 417,30	22 893,20	13,76
MS: SOC CONTR - GROUP LIFE INSURANCE	1 488 851,00	86 823,35	173 646,70	11,66
MS: SOC CONTR - MEDICAL	28 189 091,00	2 435 393,26	4 859 469,91	17,24
MS: SOC CONTR - PENSION	45 670 003,00	3 939 478,55	7 886 715,65	17,27
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 488 849,00	168 299,53	336 700,05	13,53
SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	78 003 138,00	6 641 411,99	13 279 425,51	17,02
MS: PRB - MED: CURRENT SERVICE COST				#DIV/0!
MS: PRB - MED: INTEREST COST	4 689 734,00	0,00	-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	0,00	-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	38 216 626,95	76 520 642,59	17,60
SUB TOTAL : EMPLOYEE RELATED COST	449 409 838,00	38 552 227,70	77 174 565,32	17,17

31 August 2025

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

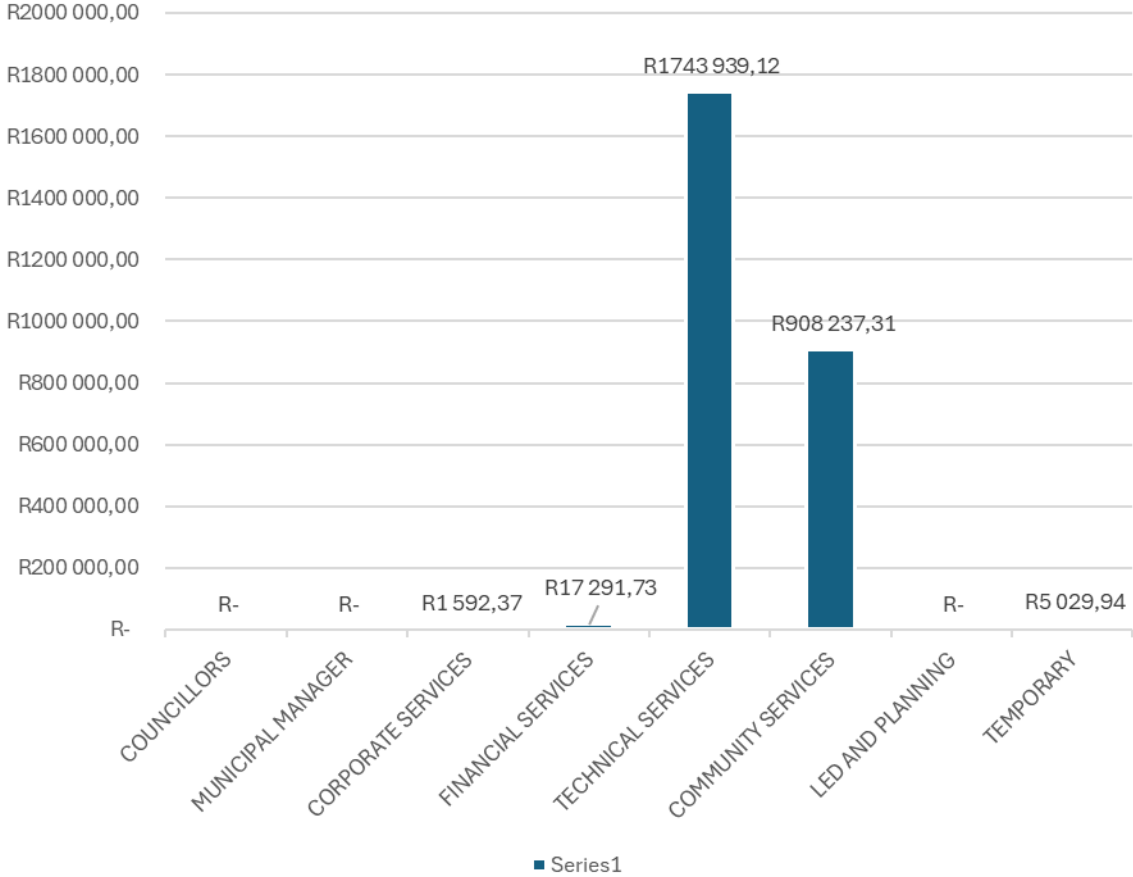
Description	30-Aug-25	
	Hours	Cost
Municipal Manager	-	-
Corporate Services	11	1 592
Financial Services	112	17 292
Technical Services	9 791	1 743 939
Community Services	4 725	908 237
LED & Planning	,	,
Temporary	60	5 030
Total	14 699	2 676 090

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



FS201 Moqhaka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 043	7 774	7 774	977	1 227	1 296	(69)	-5%	7 774
Pension and UIF Contributions		1 756	1 934	1 934	19	166	322	(157)	-49%	1 934
Medical Aid Contributions		752	1 255	1 255	61	121	209	(88)	-42%	1 255
Motor Vehicle Allowance		13 760	14 795	14 795	74	1 241	2 466	(1 225)	-50%	14 795
Cellphone Allowance		2 105	3 031	3 031	159	331	505	(174)	-35%	3 031
Housing Allowances								-		
Other benefits and allowances		28	695	695	511	513	116	397	343%	695
Sub Total - Councillors		22 444	29 484	29 484	1 799	3 599	4 914	(1 315)	-27%	29 484
% increase	4		31,4%	31,4%						31,4%
Senior Managers of the Municipality										
Basic Salaries and Wages		1 702	5 827	5 827	206	347	971	(625)	-64%	5 827
Pension and UIF Contributions		266	500	500	24	49	83	(35)	-42%	500
Medical Aid Contributions		-	214	214	0	0	36	(35)	-100%	214
Overtime								-		
Performance Bonus		127	338	338	-	-	56	(56)	-100%	338
Motor Vehicle Allowance		953	1 258	1 258	91	181	210	(28)	-14%	1 258
Cellphone Allowance		62	87	87	5	10	14	(4)	-31%	87
Housing Allowances		-	379	379	-	-	63	(63)	-100%	379
Other benefits and allowances		-	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	48	-	48	#DIV/0!	-
Post-retirement benefit obligations	2	26 574	6 032	6 032	10	20	1 005	(986)	-98%	6 032
Entertainment		1	28	28	-	-	5	(5)	-100%	28
Scarcity								-		
Acting and post related allowance								-		
In kind benefits								-		
Sub Total - Senior Managers of Municipality		29 685	14 661	14 661	336	654	2 444	(1 790)	-73%	14 661
% increase	4		-50,6%	-50,6%						-50,6%
Other Municipal Staff										
Basic Salaries and Wages		249 693	258 252	258 252	21 511	43 363	43 042	321	1%	258 252
Pension and UIF Contributions		47 250	49 648	49 648	4 195	8 397	8 275	122	1%	49 648
Medical Aid Contributions		28 691	28 189	28 189	2 435	4 859	4 698	161	3%	28 189
Overtime		38 218	31 753	31 753	3 144	6 113	5 292	821	16%	31 753
Performance Bonus		20 335	22 739	22 739	1 016	4 790	3 790	1 000	26%	22 739
Motor Vehicle Allowance		21 447	25 557	25 557	1 866	3 735	4 260	(524)	-12%	25 557
Cellphone Allowance		493	800	800	73	112	133	(22)	-16%	800
Housing Allowances		1 722	2 091	2 091	136	271	349	(78)	-22%	2 091
Other benefits and allowances		4 879	4 615	4 615	657	1 040	769	271	35%	4 615
Payments in lieu of leave		8 351	4 316	4 316	1 623	2 110	719	1 391	193%	4 316
Long service awards		2 009	1 953	1 953	1 547	1 722	326	1 396	429%	1 953
Post-retirement benefit obligations	2	15	4 690	4 690	-	(5)	782	(786)	-101%	4 690
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits		-	4	4	-	-	1	(1)	-100%	4
Sub Total - Other Municipal Staff		423 103	434 606	434 606	38 203	76 507	72 435	4 072	6%	434 606
% increase	4		2,7%	2,7%						2,7%
Total Parent Municipality		475 232	478 752	478 752	40 338	80 760	79 793	967	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 2024/25 MTREF.

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

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

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

12. Capital programme performance.

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

13. Other Supporting Documentation



Eskom Aug 25

Audit Trail

Batch Transfer

Mon, Sep 1, 2025 at 04:16:30 PM

Group 19058 - MQQHAKA LOCAL MUNICIPALITY
 Operator 010 - PAULA DARINA DU PLESSIS
 Batch Name & Description 90046539 90046539
 Status Finally Approved

	Captured	First Approver	Second Approver	Third Approver	Final Approver
Operator	10	21			22
Operator Name	PAULA DARINA DU PLESSIS	IRENE MOKHESENG			SAMUEL THELETSANE
Approval Level					
Date	2025/09/01	2025/09/01			2025/09/01
Time	14:25:46	15:18:04			15:56:24
Roll-over Date					

Batch Status

Batch Details

Batch Entry Number 1

From Account	334536	MQQHAKA LOCAL MUNICIPALITY - 000004053274876	
Description	9345061750 90046539	Frequency	Adhoc
Beneficiary Code			
To Account	223626	ESKOM 9345061750 - 0000055070067316	
Description	MQQHAKA MUNICIPALITY	Mandate	
Date	2025/09/01	Amount	10,000,000.00
Roll-over date			
Transaction Number	266457	Transaction Status	5
Immediate Interbank Payment	No		

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

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

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

14. Conclusion

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

Communication

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

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

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

The following are the budget and other financial issues:

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

15. Annexure A: C-schedules

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

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	8 204	16 404	15 801	603	4%	94 806
Service charges	723 166	876 199	876 199	56 938	135 440	146 033	(10 593)	-7%	876 199
Investment revenue	39	63	63	-	-	11	(11)	-100%	63
Transfers and subsidies - Operational	331 012	328 582	328 582	-	130 294	54 764	75 530	0	328 582
Other own revenue	132 185	130 301	130 301	10 197	20 081	21 717	(1 636)	-8%	130 301
Total Revenue (excluding capital transfers and contributions)	1 280 007	1 429 951	1 429 951	75 338	302 220	238 325	63 895	27%	1 429 951
Employee costs	452 951	449 410	449 410	38 540	77 176	74 902	2 274	3%	449 410
Remuneration of Councillors	22 444	29 484	29 484	1 799	3 599	4 914	(1 315)	-27%	29 484
Depreciation and amortisation	112 242	10 305	10 305	-	-	1 718	(1 718)	-100%	10 305
Interest	99 037	8 790	8 790	550	121 695	1 465	120 230	8207%	8 790
Inventory consumed and bulk purchases	504 814	454 759	454 759	3 048	4 169	75 793	(71 624)	-94%	454 759
Transfers and subsidies	244	1 095	1 095	-	(25)	183	(208)	-114%	1 095
Other expenditure	503 836	432 991	432 991	11 732	20 193	72 166	(51 973)	-72%	432 991
Total Expenditure	1 695 568	1 386 834	1 386 834	55 669	226 806	231 140	(4 334)	-2%	1 386 834
Surplus/(Deficit)	(415 561)	43 117	43 117	19 669	75 413	7 185	68 229	950%	43 117
Transfers and subsidies - capital (monetary)	48 042	66 532	66 532	-	-	11 089	###	-100%	66 532
Transfers and subsidies - capital (in-kind)	14	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(367 505)	109 649	109 649	19 669	75 413	18 273	57 140	313%	109 649
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(367 505)	109 649	109 649	19 669	75 413	18 273	57 140	313%	109 649
Capital expenditure & funds sources									
Capital expenditure	4 900	95 021	95 021	9 704	9 717	15 837	(6 120)	-39%	95 021
Capital transfers recognised	136	66 532	66 532	9	21	11 089	(11 068)	-100%	66 532
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	4 763	28 489	28 489	9 696	9 697	4 748	4 948	104%	28 489
Total sources of capital funds	4 900	95 021	95 021	9 704	9 717	15 837	(6 120)	-39%	95 021

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

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									
Revenue - Functional										
Governance and administration		430 604	335 761	335 761	8 288	107 205	55 960	51 245	92%	335 761
Executive and council		314 666	215 840	215 840	(1 809)	87 535	35 973	51 561	143%	215 840
Finance and administration		115 938	119 921	119 921	10 096	19 670	19 987	(316)	-2%	119 921
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 176	26 179	26 179	479	947	4 363	(3 416)	-78%	26 179
Community and social services		1 816	3 730	3 730	148	337	622	(285)	-46%	3 730
Sport and recreation		2 356	3 511	3 511	29	68	585	(517)	-88%	3 511
Public safety		3 211	5 123	5 123	42	83	854	(771)	-90%	5 123
Housing		4 792	13 815	13 815	259	459	2 302	(1 843)	-80%	13 815
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		48 520	51 052	51 052	118	358	8 509	(8 150)	-96%	51 052
Planning and development		1 932	1 773	1 773	118	250	296	(45)	-15%	1 773
Road transport		46 589	49 164	49 164	1	108	8 194	(8 086)	-99%	49 164
Environmental protection		-	115	115	-	-	19	(19)	-100%	115
Trading services		836 763	1 083 491	1 083 491	66 453	193 710	180 582	13 128	7%	1 083 491
Energy sources		440 915	575 441	575 441	33 685	96 552	95 907	645	1%	575 441
Water management		241 620	306 472	306 472	18 529	49 674	51 079	(1 404)	-3%	306 472
Waste water management		90 301	116 972	116 972	8 335	27 344	19 495	7 849	40%	116 972
Waste management		63 926	84 606	84 606	5 905	20 139	14 101	6 039	43%	84 606
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 328 063	1 496 483	1 496 483	75 338	302 220	249 414	52 806	21%	1 496 483

Expenditure - Functional										
Governance and administration		429 573	369 217	369 217	22 058	165 646	61 537	104 110	169%	369 217
Executive and council		92 868	116 725	116 725	6 824	138 154	19 454	118 700	610%	116 725
Finance and administration		332 609	247 021	247 021	14 844	26 771	41 171	(14 399)	-35%	247 021
Internal audit		4 096	5 471	5 471	390	721	912	(191)	-21%	5 471
Community and public safety		112 755	131 037	131 037	8 806	17 168	21 840	(4 672)	-21%	131 037
Community and social services		17 429	19 911	19 911	808	1 650	3 319	(1 668)	-50%	19 911
Sport and recreation		46 132	54 314	54 314	3 486	7 048	9 053	(2 005)	-22%	54 314
Public safety		40 581	46 363	46 363	3 739	6 880	7 727	(847)	-11%	46 363
Housing		8 612	10 448	10 448	773	1 590	1 741	(152)	-9%	10 448
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		98 920	73 339	73 339	5 720	9 943	12 223	(2 280)	-19%	73 339
Planning and development		9 741	13 203	13 203	819	1 777	2 201	(423)	-19%	13 203
Road transport		86 357	55 796	55 796	4 563	7 585	9 299	(1 715)	-18%	55 796
Environmental protection		2 822	4 339	4 339	338	581	723	(142)	-20%	4 339
Trading services		1 053 003	809 881	809 881	18 980	33 855	134 980	(101 125)	-75%	809 881
Energy sources		583 765	522 453	522 453	2 501	4 281	87 076	(82 794)	-95%	522 453
Water management		223 631	125 979	125 979	6 711	11 539	20 997	(9 458)	-45%	125 979
Waste water management		138 429	78 647	78 647	5 223	9 503	13 108	(3 605)	-28%	78 647
Waste management		107 180	82 802	82 802	4 545	8 532	13 800	(5 268)	-38%	82 802
Other		1 316	3 361	3 361	106	193	560	(367)	-65%	3 361
Total Expenditure - Functional	3	1 695 568	1 386 834	1 386 834	55 669	226 806	231 140	(4 334)	-2%	1 386 834
Surplus/ (Deficit) for the year		(367 505)	109 649	109 649	19 669	75 413	18 273	57 140	3,1269542	109 649

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

Vote 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
Revenue by Vote	1									
Vote 01 - Executive & Council		306 737	215 840	215 840	(1 809)	87 535	35 973	51 561	143%	215 840
01.1 - Mayors Office		-	-	-	-	-	-	-		-
01.2 - Speakers Office		-	-	-	-	-	-	-		-
01.3 - Office Of The Whip		-	-	-	-	-	-	-		-
01.4 - Other Councilors		-	-	-	-	-	-	-		-
01.5 - Council General Expenses		306 737	215 840	215 840	(1 809)	87 535	35 973	51 561	143%	215 840
Vote 02 - Municipal Manager		-	-	-	-	-	-	-		-
02.1 - Municipal Manager Administration		-	-	-	-	-	-	-		-
02.2 - Internal Audit		-	-	-	-	-	-	-		-
02.3 - Regional Co-Ordinator Steynsrus		-	-	-	-	-	-	-		-
02.4 - Regional Co-Ordinator Vlijoenskroon		-	-	-	-	-	-	-		-
02.5 - Communication & Marketing		-	-	-	-	-	-	-		-
02.6 - Idp & Pms		-	-	-	-	-	-	-		-
02.7 - Call Centre (Risk)		-	-	-	-	-	-	-		-
02.8 - Call Centre		-	-	-	-	-	-	-		-
Vote 03 - Corporate Services		(2 178)	4 725	4 725	(324)	(324)	788	(1 111)	-141%	4 725
03.1 - Records & Administration		(2 853)	1 644	1 644	(324)	(324)	274	(598)	-218%	1 644
03.2 - Manager Corporate Services		-	-	-	-	-	-	-		-
03.3 - Human Resources		675	3 081	3 081	-	-	514	(514)	-100%	3 081
03.4 - Information Technology		-	-	-	-	-	-	-		-
03.5 - Occupational Health & Safety		-	-	-	-	-	-	-		-
03.6 - Legal Services		-	-	-	-	-	-	-		-
Vote 04 - Finance		117 673	114 432	114 432	10 410	19 958	19 072	886	5%	114 432
04.1 - Finance Services Administration		-	-	-	-	-	-	-		-
04.2 - Scm Stores/Logistics		628	1 807	1 807	-	4	301	(297)	-99%	1 807
04.3 - Asset Management		-	-	-	-	-	-	-		-
04.4 - Valuations & Assessment Rates		103 459	103 284	103 284	9 026	18 079	17 214	865	5%	103 284
04.5 - Revenue		7 454	4 466	4 466	585	1 052	744	308	41%	4 466
04.6 - Budget & Expenditure		6 132	4 875	4 875	799	823	813	11	1%	4 875
Vote 05 - Technical Services		819 425	1 048 049	1 048 049	60 549	173 678	174 675	(997)	-1%	1 048 049

05.1 - Civil Services Administration	-	-	-	-	-	-	-	-	-	-
05.2 - Fleet Management	-	-	-	-	-	-	-	-	-	-
05.3 - Roads & Streets	46 589	49 164	49 164	1	108	8 194	(8 086)	-99%	49 164	
05.4 - Electricity Services Administration	-	-	-	-	-	-	-	-	-	
05.5 - Electricity Distribution	439 804	568 242	568 242	33 599	96 441	94 707	1 734	2%	568 242	
05.6 - Electricity Metering Section	1 111	7 199	7 199	86	111	1 200	(1 089)	-91%	7 199	
05.7 - Water Services Administration	210 570	279 516	279 516	18 529	49 674	46 586	3 088	7%	279 516	
05.8 - Pumps & Purification	28 364	9 000	9 000	-	-	1 500	(1 500)	-100%	9 000	
05.9 - Reticulation	-	-	-	-	-	-	-	-	-	
05.10 - Storage Dams	2 687	17 956	17 956	-	-	2 993	(2 993)	-100%	17 956	
05.11 - Sewerage & Purification	90 003	88 380	88 380	7 774	15 585	14 730	855	6%	88 380	
05.12 - Sewerage Network	299	28 592	28 592	561	11 759	4 765	6 994	147%	28 592	
Vote 06 - Community Services	76 918	93 973	93 973	6 094	20 563	15 662	4 900	31%	93 973	
06.1 - Community Services Administration	7 929	-	-	-	-	-	-	-	-	
06.2 - Emergency & Disaster Management	-	-	-	-	-	-	-	-	-	
06.3 - Security	-	-	-	-	-	-	-	-	-	
06.4 - Traffic	2 218	4 118	4 118	40	78	686	(609)	-89%	4 118	
06.5 - Fire Fighting	993	1 005	1 005	2	5	168	(163)	-97%	1 005	
06.6 - Parks Administration	-	-	-	-	-	-	-	-	-	
06.7 - Public Gardens	-	-	-	-	-	-	-	-	-	
06.8 - Biodiversity & Landscaping	-	115	115	-	-	19	(19)	-100%	115	
06.9 - Cemeteries	1 763	3 510	3 510	146	333	585	(252)	-43%	3 510	
06.10 - Civic Centre	53	220	220	2	4	37	(33)	-90%	220	
06.11 - Recreation	35	399	399	(1)	3	66	(63)	-95%	399	
06.12 - Public Toilets	-	-	-	-	-	-	-	-	-	
06.13 - Refuse Removal	63 926	84 606	84 606	5 905	20 139	14 101	6 039	43%	84 606	
06.14 - Landfill Site	-	-	-	-	-	-	-	-	-	
06.15 - Street Cleaning Services	-	-	-	-	-	-	-	-	-	
Vote 07 - Local Economic Development	9 488	19 464	19 464	417	810	3 244	(2 434)	-75%	19 464	
07.1 - Administration	-	-	-	-	-	-	-	-	-	
07.2 - Local Economic Development	-	-	-	-	-	-	-	-	-	
07.3 - Kroonpark Resort	2 321	3 112	3 112	30	65	519	(454)	-88%	3 112	
07.4 - Housing	4 792	13 815	13 815	259	459	2 302	(1 843)	-80%	13 815	
07.5 - Planning	1 932	1 773	1 773	118	250	296	(45)	-15%	1 773	
07.6 - Building Survey	443	763	763	10	36	127	(91)	-72%	763	
07.7 - Tourism	-	-	-	-	-	-	-	-	-	
Vote 08 - .	-	-	-	-	-	-	-	-	-	
Vote 09 - .	-	-	-	-	-	-	-	-	-	
Vote 10 - .	-	-	-	-	-	-	-	-	-	
Vote 11 -	-	-	-	-	-	-	-	-	-	
Vote 12 -	-	-	-	-	-	-	-	-	-	
Vote 13 -	-	-	-	-	-	-	-	-	-	
Vote 14 -	-	-	-	-	-	-	-	-	-	
Vote 15 - Other	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote	2	1 328 063	1 496 483	1 496 483	75 338	302 220	249 414	52 806	21%	1 496 483

Expenditure by Vote									
Vote 01 - Executive & Council	94 416	108 137	108 137	5 445	136 259	18 023	-		
01.1 - Mayors Office	14 926	18 994	18 994	1 258	2 450	3 166	118 236	656%	108 137
01.2 - Speakers Office	12 847	15 153	15 153	999	2 024	2 526	(716)	-23%	18 994
01.3 - Office Of The Whip	4 874	6 377	6 377	323	657	1 063	(502)	-20%	15 153
01.4 - Other Councilors	20 157	26 534	26 534	1 631	3 226	4 422	(405)	-38%	6 377
01.5 - Council General Expenses	41 612	41 080	41 080	1 233	127 902	6 847	(1 196)	-27%	26 534
Vote 02 - Municipal Manager	24 596	31 004	31 004	2 016	3 723	5 167	121 055	1768%	41 080
02.1 - Municipal Manager Administration	4 570	5 139	5 139	385	738	856	(1 445)	-28%	31 004
02.2 - Internal Audit	4 096	5 471	5 471	390	721	912	(119)	-14%	5 139
02.3 - Regional Co-Ordinator Steynsrus	1 611	3 066	3 066	179	304	511	(191)	-21%	5 471
02.4 - Regional Co-Ordinator Viljoenskroon	3 175	4 031	4 031	233	481	672	(207)	-41%	3 066
02.5 - Communication & Marketing	2 945	3 497	3 497	119	31	583	(191)	-28%	4 031
02.6 - Idp & Pms	3 464	4 057	4 057	254	606	676	(552)	-95%	3 497
02.7 - Call Centre (Risk)	963	1 273	1 273	84	159	212	(70)	-10%	4 057
02.8 - Call Centre	3 772	4 471	4 471	373	683	745	(53)	-25%	1 273
Vote 03 - Corporate Services	68 151	79 395	79 395	1 934	5 626	13 233	(62)	-8%	4 471
03.1 - Records & Administration	15 372	15 038	15 038	1 179	2 627	2 506	(7 607)	-57%	79 395
03.2 - Manager Corporate Services	10 954	5 114	5 114	475	851	852	121	5%	15 038
03.3 - Human Resources	12 709	16 272	16 272	1 079	2 176	2 712	(1)	0%	5 114
03.4 - Information Technology	18 396	30 151	30 151	554	1 117	5 025	(536)	-20%	16 272
03.5 - Occupational Health & Safety	3 074	4 533	4 533	164	357	756	(3 909)	-78%	30 151
03.6 - Legal Services	7 646	8 286	8 286	(1 517)	(1 501)	1 381	(398)	-53%	4 533
Vote 04 - Finance	176 711	79 522	79 522	5 853	10 498	13 254	(2 883)	-209%	8 286
04.1 - Finance Services Administration	17 433	16 562	16 562	439	797	2 760	(2 756)	-21%	79 522
04.2 - Scm Stores/Logistics	12 409	6 376	6 376	1 176	2 224	1 063	(1 963)	-71%	16 562
04.3 - Asset Management	3 651	4 641	4 641	333	691	773	1 161	109%	6 376
04.4 - Valuations & Assessment Rates	1 216	6 640	6 640	150	201	1 107	(83)	-11%	4 641
04.5 - Revenue	33 944	32 658	32 658	2 895	4 928	5 443	(905)	-82%	6 640
04.6 - Budget & Expenditure	108 057	12 646	12 646	860	1 656	2 108	(515)	-9%	32 658
Vote 05 - Technical Services	1 041 831	794 247	794 247	20 783	35 996	132 375	(451)	-21%	12 646
05.1 - Civil Services Administration	2 618	4 029	4 029	556	758	672	(96 379)	-73%	794 247
05.2 - Fleet Management	6 286	6 592	6 592	578	1 108	1 099	86	13%	4 029
05.3 - Roads & Streets	86 303	55 796	55 796	4 551	7 565	9 299	10	1%	6 592
05.4 - Electricity Services Administration	4 338	7 171	7 171	271	483	1 195	(1 735)	-19%	55 796
05.5 - Electricity Distribution	553 644	483 963	483 963	2 432	3 561	80 660	(712)	-60%	7 171
05.6 - Electricity Metering Section	34 513	32 176	32 176	1 715	3 391	5 363	(77 099)	-96%	483 963
05.7 - Water Services Administration	3 698	54 310	54 310	1 516	2 804	9 052	(1 971)	-37%	32 176
05.8 - Pumps & Purification	37 738	44 761	44 761	2 412	4 460	7 460	(6 248)	-69%	54 310
05.9 - Reticulation	23 741	22 209	22 209	1 535	2 367	3 702	(3 000)	-40%	44 761
05.10 - Storage Dams	150 445	4 957	4 957	-	-	826	(1 335)	-36%	22 209
05.11 - Sewerage & Purification	46 249	36 158	36 158	2 006	3 925	6 026	(826)	-100%	4 957
05.12 - Sewerage Network	92 261	42 124	42 124	3 212	5 573	7 021	(2 102)	-35%	36 158
Vote 06 - Community Services	253 494	247 195	247 195	16 715	28 814	41 199	(1 447)	-21%	42 124
06.1 - Community Services Administration	(6 118)	3 449	3 449	994	1 157	575	(12 386)	-30%	247 195
06.2 - Emergency & Disaster Management	4 320	8 477	8 477	352	703	1 413	583	101%	3 449
06.3 - Security	61 800	57 451	57 451	4 671	6 261	9 575	(710)	-50%	8 477
06.4 - Traffic	18 079	19 994	19 994	1 439	2 827	3 332	(3 315)	-35%	57 451
06.5 - Fire Fighting	19 622	22 340	22 340	1 704	3 223	3 723	(506)	-15%	19 994
06.6 - Parks Administration	10 065	9 630	9 630	761	1 515	1 605	(500)	-13%	22 340
06.7 - Public Gardens	12 375	20 414	20 414	1 055	2 227	3 402	(90)	-6%	9 630
06.8 - Biodiversity & Landscaping	2 822	4 339	4 339	338	581	723	(1 175)	-35%	20 414
06.9 - Cemeteries	10 533	7 132	7 132	232	525	1 189	(142)	-20%	4 339
06.10 - Civic Centre	2 060	4 303	4 303	162	337	717	(664)	-56%	7 132
06.11 - Recreation	10 077	6 756	6 756	405	815	1 126	(380)	-53%	4 303
06.12 - Public Toilets	37	106	106	-	-	18	(311)	-28%	6 756
06.13 - Refuse Removal	76 857	63 152	63 152	3 462	6 373	10 525	(18)	-100%	106
06.14 - Landfill Site	21 434	12 531	12 531	280	553	2 089	(4 153)	-39%	63 152
06.15 - Street Cleaning Services	9 531	7 121	7 121	859	1 718	1 187	(1 535)	-74%	12 531
Vote 07 - Local Economic Development	36 369	47 334	47 334	2 924	5 891	7 889	531	45%	7 121
07.1 - Administration	363	2 760	2 760	75	128	460	(1 998)	-25%	47 334
07.2 - Local Economic Development	1 372	2 855	2 855	102	247	476	(332)	-72%	2 760
07.3 - Kroonpark Resort	15 932	17 054	17 054	1 087	2 132	2 842	(229)	-48%	2 855
07.4 - Housing	8 612	10 448	10 448	773	1 590	1 741	(710)	-25%	17 054
07.5 - Planning	4 906	6 291	6 291	464	924	1 049	(152)	-9%	10 448
07.6 - Building Survey	3 867	4 566	4 566	317	676	761	(125)	-12%	6 291
07.7 - Tourism	1 316	3 361	3 361	106	193	560	(85)	-11%	4 566
							(367)	-65%	3 361

Total Expenditure by Vote	2	1 695 568	1 386 834	1 386 834	55 669	226 806	231 140	(4 334)	(0)	1 386 834
Surplus/ (Deficit) for the year	2	(367 505)	109 649	109 649	19 669	75 413	18 273	57 140	0	109 649

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

Description	Ref	2024/25	Budget Year 2025/26			
		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	(77 659)	2 905
Trade and other receivables from exchange transactions		640 991	247 218	247 218	696 101	247 218
Receivables from non-exchange transactions		71 173	43 806	43 806	76 882	43 806
Current portion of non-current receivables						
Inventory		81 831	105 427	105 427	84 104	105 427
VAT		3 168	35 960	35 960	12 656	35 960
Other current assets		22 711	32 588	32 588	22 721	32 588
Total current assets		796 718	467 905	467 905	814 805	467 905
Non current assets						
Investments		390	289	289	390	289
Investment property		123 200	204 203	204 203	123 200	204 203
Property, plant and equipment		1 805 751	2 895 342	2 895 342	1 815 468	2 895 342
Biological assets						
Living and non-living resources						
Heritage assets		7 754	2 743	2 743	7 754	2 743
Intangible assets		4 359	4 525	4 525	4 359	4 525
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		1 941 454	3 107 101	3 107 101	1 951 171	3 107 101
TOTAL ASSETS		2 738 171	3 575 006	3 575 006	2 765 976	3 575 006

LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	(2 121)	(2 121)	(886)	(2 121)
Consumer deposits		15 564	14 338	14 338	15 831	14 338
Trade and other payables from exchange transactions		1 756 299	507 185	507 185	1 674 677	507 185
Trade and other payables from non-exchange transactions		6 343	-	-	20 440	-
Provision		184 238	71 434	71 434	184 238	71 434
VAT		7 199	(51 892)	(51 892)	27 735	(51 892)
Other current liabilities		-	-	-	-	-
Total current liabilities		1 969 643	538 944	538 944	1 922 034	538 944
Non current liabilities						
Financial liabilities		9 582	29 047	29 047	9 582	29 047
Provision		142 254	44 419	44 419	142 254	44 419
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		151 836	73 466	73 466	151 836	73 466
TOTAL LIABILITIES		2 121 479	612 409	612 409	2 073 870	612 409
NET ASSETS	2	616 692	2 962 597	2 962 597	692 106	2 962 597
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 454 962	2 965 980	2 965 980	692 458	2 965 980
Reserves and funds		-	1 351	1 351	-	1 351
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1 454 962	2 967 331	2 967 331	692 458	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

Aug'25

Period

2025/26

National Financial Year

FS201

Demarcation Code of Municipality being assessed

District

Fezile Dabi

Demarcation Description

Moqhaka

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

Municipal Debt Relief Conditions (Monthly Reporting)

Choose from drop down list

Condition	6,3 + 6,12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <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 (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	
11	6.4.2	- 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 <i>(For example higher winter Eskom tariffs, lower January collection rates, etc.?)</i></p>	<input type="text" value="Yes"/>
14	6.5	<p>Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality’s annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?</p>	<input type="text" value="Yes"/>
<p>6.6 Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, <i>demonstrated, through its by-laws and budget related policies</i> that:</p>			
15	6.6.1	<p>- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?</p>	<input type="text" value="Yes"/>
16	6.6.2	<p>- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?</p>	<input type="text" value="Yes"/>
17	6.6.3	<p>- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? 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 Kilotres 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	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Yes
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Yes
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	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
		<i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i>	
	6.10	<i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i>	

33	6.10.1	- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?	Yes
34	6.10.2	- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?	Yes
		<i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i>	
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	No
		<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>	
	6.12	For the duration of the Municipal Debt Relief (to ensure proper management of resources):	

37	6.12.1	<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	234 480 971	94 744 816	139 736 155	40%	40%
2. Collection <u>excl Eskom supplied areas</u>	174 114 656	75 558 782	98 555 873	43%	43%
3. Collection: Property Rates	23 794 538	11 310 756	12 483 782	48%	48%
4. Total average collection: Electricity (Municipal supplied areas)	109 169 018	51 886 634	57 282 384	48%	48%
5. Total average collection: Water	42 127 838	14 848 153	27 279 686	35%	35%
6. Total average collection: Wastewater	21 375 932	9 469 769	11 906 163	44%	44%
7. Total average collection: Refuse	15 032 776	5 891 164	9 141 612	39%	39%
8. Total average collection: Interest	22 980 868	1 338 340	21 642 528	6%	0%

Collection Rate Assessment

Notes	Total Aggregate Collection	2. August - Reporting for July in August				3. St
		Billing For July	Collection in August	R - Billing not collected	% Collection	Billing For August
1	1. Collection for whole demarcation	97 574 714	49 966 498	47 608 216	51%	68 466 676
2	2. Collection <u>excl Eskom supplied areas</u>	74 092 257	40 396 249	40 755 082	55%	50 977 445
3	3. Collection: Property Rates	7 810 251	6 620 956	1 189 295	85%	8 174 352
4	4. Total average collection: Electricity (Municipal supplied areas)	56 964 564	23 687 061	33 277 503	42%	23 398 297
5	5. Total average collection: Water	14 833 310	8 359 932	6 473 378	56%	16 067 809
6	6. Total average collection: Wastewater	7 233 133	6 471 985	761 148	89%	7 323 977
7	7. Total average collection: Refuse	5 051 837	3 988 909	1 062 928	79%	5 196 029
8	8. 7. Total average collection: Interest	5 681 619	837 655	4 843 964	15%	8 306 211

Services	Electricity Supplier	Ward Name & Number	Billing For July	Collection for July in August	Rand Value of Billing not collected	% Collection	Billing For August
Property Rates Tax	Eskom supplied	1	51 760	10 673	41 087	21%	51 760
Electricity			65 427	57 719	7 708	88%	68 555
Water			319 119	13 389	305 730	4%	313 636
Refuse			181 006	20 928	160 077	12%	180 014
Waste Water			237 040	45 480	191 560	19%	234 961
Interest			341 385	3 927	337 458	1%	329 227
Property Rates Tax	Partial Eskom & Mun Supplied	2	401 219	262 478	138 741	65%	438 924
Electricity			4 560 296	478 164	4 082 132	10%	(2 985 526)
Water			342 524	78 766	263 759	23%	284 885
Refuse			157 617	76 290	81 327	48%	158 133
Waste Water			222 936	105 130	117 805	47%	224 018
Interest			310 028	52 724	257 304	17%	347 374
Property Rates Tax	Mun Supplied	3	1 171 866	340 692	831 175	29%	1 169 580
Electricity			2 201 216	1 898 368	302 848	86%	2 674 856
Water			1 419 844	1 577 777	0	111%	1 143 921
Refuse			411 512	493 096	0	120%	405 927
Waste Water			564 722	769 807	0	136%	560 204
Interest			157 154	86 338	70 816	55%	110 367

Property Rates Tax	Mun Supplied	4	4 035	995	3 040	25%	4 035
Electricity			94 688	17 339	77 348	18%	99 510
Water			415 573	53 912	361 661	13%	151 922
Refuse			67 199	13 915	53 284	21%	67 211
Waste Water			87 330	13 394	73 936	15%	87 512
Interest			196 952	6 031	190 921	3%	196 084
Property Rates Tax	Mun Supplied	5	3 698	514	3 184	14%	3 678
Electricity			45 825	5 042	40 784	11%	45 737
Water			423 106	48 762	374 344	12%	443 420
Refuse			63 068	15 200	47 868	24%	62 926
Waste Water			80 775	12 121	68 654	15%	80 592
Interest			155 407	2 347	153 060	2%	154 950
Property Rates Tax	Mun Supplied	6	60 143	3 346	56 797	6%	60 143
Electricity			140 128	12 925	127 203	9%	161 029
Water			563 623	80 817	482 806	14%	535 713
Refuse			107 130	52 818	54 312	49%	102 365
Waste Water			145 486	79 744	65 742	55%	141 853
Interest			249 858	5 261	244 597	2%	250 038
Property Rates Tax	Mun Supplied	7	220 339	86 403	133 936	39%	254 297
Electricity			383 436	281 222	102 214	73%	133 079
Water			369 232	88 257	280 976	24%	288 479
Refuse			115 545	55 727	59 818	48%	115 615
Waste Water			150 993	70 959	80 034	47%	150 993
Interest			272 332	10 138	262 194	4%	313 052

Property Rates Tax	Mun Supplied	8	32 153	42 340	0	132%	32 153
Electricity			101 576	69 382	32 194	68%	96 324
Water			462 338	91 256	371 082	20%	546 589
Refuse			95 211	57 410	37 801	60%	95 672
Waste Water			122 923	74 377	48 546	61%	123 512
Interest			191 766	35 071	156 695	18%	190 497
Property Rates Tax	Mun Supplied	9	170 403	1 579 658	0	927%	170 403
Electricity			6 748 074	126 766	6 621 308	2%	857 377
Water			496 102	1 048 507	0	211%	588 580
Refuse			167 586	580 282	0	346%	180 131
Waste Water			248 432	1 085 001	0	437%	263 350
Interest			(2 305 492)	6 614	0	0%	294 532
Property Rates Tax	Mun Supplied	10	42 239	8 814	33 425	21%	42 239
Electricity			122 534	18 872	103 662	15%	120 054
Water			529 226	100 672	428 554	19%	551 120
Refuse			117 552	44 312	73 240	38%	116 250
Waste Water			152 594	48 132	104 462	32%	152 442
Interest			226 758	6 622	220 136	3%	218 016
Property Rates Tax	Mun Supplied	11	367 038	5 883	361 155	2%	367 038
Electricity			909 688	1 024 234	0	113%	1 001 025
Water			1 333 813	1 684 108	0	126%	1 219 300
Refuse			293 506	359 803	0	123%	390 616
Waste Water			504 180	675 143	0	134%	503 815
Interest			395 350	9 499	385 851	2%	398 003

Property Rates Tax	Mun Supplied	12	94 965	9 202	85 763	10%	94 965
Electricity			172 317	86 888	85 429	50%	165 001
Water			490 054	119 930	370 124	24%	794 301
Refuse			137 239	72 616	64 623	53%	136 868
Waste Water			189 682	115 892	73 790	61%	190 363
Interest			310 169	9 186	300 983	3%	310 735
Property Rates Tax	Mun Supplied	13	453 292	458 234	0	101%	458 047
Electricity			26 427 688	8 071 875	18 355 813	31%	1 501 410
Water			465 318	363 984	101 334	78%	1 481 629
Refuse			361 434	249 551	111 883	69%	365 280
Waste Water			566 871	429 190	137 680	76%	577 549
Interest			632 693	126 255	506 438	20%	748 787
Property Rates Tax	Mun Supplied	14	62 263	4 304	57 959	7%	62 530
Electricity			145 328	39 906	105 421	27%	123 032
Water			502 958	87 324	415 634	17%	399 288
Refuse			125 067	65 756	59 311	53%	124 625
Waste Water			169 521	88 095	81 427	52%	169 079
Interest			254 909	8 159	246 749	3%	235 340
Property Rates Tax	Mun Supplied	15	68 483	4 236	64 246	6%	69 425
Electricity			194 234	84 338	109 896	43%	254 844
Water			654 231	134 787	519 444	21%	486 664
Refuse			140 670	75 803	64 867	54%	140 848
Waste Water			188 516	95 518	92 998	51%	188 886
Interest			239 008	6 817	232 191	3%	235 645

Property Rates Tax	Mun Supplied	17	1 560 776	1 197 549	363 226	77%	1 544 631
Electricity			3 231 313	1 802 269	1 429 045	56%	5 272 454
Water			1 152 048	938 378	213 670	81%	1 608 351
Refuse			682 779	553 780	128 999	81%	736 035
Waste Water			971 986	784 000	187 986	81%	1 063 572
Interest			272 419	96 509	175 910	35%	248 586
Property Rates Tax	Partial Eskom & Mun Supplied	18	625 051	443 946	181 105	71%	606 075
Electricity			5 477 482	5 470 697	6 785	100%	6 274 698
Water			951 467	548 419	403 048	58%	1 335 952
Refuse			404 948	318 839	86 109	79%	390 013
Waste Water			552 846	476 273	76 573	86%	534 446
Interest			724 692	133 248	591 444	18%	650 939
Property Rates Tax	Eskom supplied	19	27 940	114	27 826	0%	27 940
Electricity			98	-	98	0%	98
Water			855 429	15 358	840 071	2%	1 018 492
Refuse			136 716	13 631	123 085	10%	135 954
Waste Water			178 906	21 519	157 387	12%	177 993
Interest			769 693	449	769 245	0%	772 533
Property Rates Tax	Partial Eskom & Mun Supplied	20	59 528	1 268	58 261	2%	59 426
Electricity			15 560	1 230	14 331	8%	15 560
Water			554 137	23 954	530 183	4%	655 597
Refuse			168 732	31 084	137 648	18%	169 483
Waste Water			211 279	52 103	159 176	25%	211 699
Interest			590 021	6 087	583 934	1%	594 414

Property Rates Tax	Eskom supplied	21	251 378	83 617	167 761	33%	251 761
Electricity			1 290	-	1 290	0%	1 290
Water			961 303	11 755	949 548	1%	1 029 071
Refuse			326 257	28 017	298 240	9%	326 466
Waste Water			422 685	58 407	364 278	14%	422 472
Interest			1 140 590	5 890	1 134 701	1%	1 149 971
Property Rates Tax	Eskom supplied	22	736 704	491 339	245 365	67%	734 370
Electricity			26 161	63 929	0	244%	82 052
Water			10 770	22 231	0	206%	35 405
Refuse			8 084	5 804	2 280	72%	8 084
Waste Water			13 401	9 100	4 301	68%	13 401
Interest			88 952	26 275	62 677	30%	157 618

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*)

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
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	13 354		
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	13 354	-	
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	13 354	-	

Status of Water meters :						
Number of Indigent HH's with prepaid Water	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Water	10 204	10 231	-	10 483	10 468	10 519
Number of Indigent HH's NOT metered currently - Water	1 538	1 607	-	1 700	1 718	1 718
Number of Indigent HH's with NO Water supply - No metering	-	-	-	-	-	-
Total number of registered indigent households	11 742	11 838	-	12 183	12 186	12 237
Status of unlimited supply of Water :						
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month	12 711	12 757	-	13 237	13 308	13 354
Number of Indigent HH's NOT metered currently receiving unlimited supply - Water	1 538	1 607	-	1 700	1 718	1 718
Total number of registered indigent households receiving unlimited supply - Water	14 249	14 364	-	14 937	15 026	15 072
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	12 711	12 757	-	13 237	13 308	13 354
Energy : (Include All Indigent households also in Eskom supplied areas)						
Indigent HH's with Electricity (at least min.service level)	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (min.service level)	12 711	12 757	-	13 237	13 308	13 354
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total	12 711	12 757	-	13 237	13 308	13 354
Indigent HH's with Electricity (< min.service level)	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (< min. service level)	-	-	-	-	-	-
Indigent HH's with other energy sources	-	-	-	-	-	-
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total	-	-	-	-	-	-
Total number of registered indigent households	12 711	12 757	-	13 237	13 308	13 354
Status of Electricity meters :						
Number of Indigent HH's with prepaid Electricity	12 711	12 757	-	13 237	13 308	13 354
Number of Indigent HH's with conventional metered Electricity	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Electricity	-	-	-	-	-	-
Number of indigent HH's with other energy sources - No metering	-	-	-	-	-	-
Total number of registered indigent households	12 711	12 757	-	13 237	13 308	13 354

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	13 354	
Electricity/other energy (50kwh per household per month)		12 711	12 757	-	13 237	13 308	13 354	
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	193	
Electricity/other energy (50kwh per household per month)		114	124	-	194	196	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	389
Highest level of free service provided per household (ALL Households)								
Property rates (R value threshold)		-	-	-	-	-	-	
Water (kilolitres per household per month)		10	10	-	10	10	10	
Sanitation (kilolitres per household per month)		10	10	-	10	10	10	
Sanitation (Rand per household per month)		145	170	-	154	160	160	
Electricity (kwh per household per month)		50	50	-	50	50	50	
Refuse (average litres per week)		30	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	4
Sanitation (in excess of free sanitation service to indigent households)	16	4	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	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						
Propety Categories	Number of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	44 996	45 017	-21	7 538 100 653	7 534 766 652	3 334 001.00
Industrial	318	317	1	351309 000	350 909 000	400 000.00
Business and Commercial	1132	1133	-1	1068 755 610	1073 145 610	4 390 000.00
Agricultural	3607	3607	0	5 873 968 751	5 870 608 753	3 359 998.00
Mining	31	31	0	55 374 000	55 374 000	-
State Owned for Public Purpose	158	143	15	1168 197 013	1166 927 013	1270 000.00
PSI	492	492	0	38 281901	38 281901	-
PBO	280	280	0	253 231003	253 231003	-
Multi Use	0		0			-
Vacant	611	604	7	74 326 607	72 041608	2 284 999.00
POW	8	8	0	2 420 000	2 420 000	-
Municipal	222	224	-2	202 167 102	202 147 005	20 097.00
Other (PT,PSP)	461	458	3	180 087 501	178 887 501	1200 000.00
	<u>52316</u>	<u>52314</u>	<u>2</u>	<u>16 806 219 141.00</u>	<u>16 798 740 046.00</u>	<u>7 479 095.00</u>

Property Categories	Monthly Billing				Quarterly		
Property Categories	GV	MFS	Variance		GV	MFS	Variance
Residential	2 109 384	2 111 541	- 2 157		6 328 151.73	6 334 622.61	- 6 470.88
Industrial	521 038	521 598	- 560		1 563 115.20	1 564 795.20	- 1 680.00
Business and Commercial	1 686 149	1 693 283	- 7 134		5 058 446.49	5 079 847.74	- 21 401.25
Agricultural	1 011 146	1 009 823	1 323		3 033 438.63	3 029 469.63	3 969.00
Mining	187 349	187 349	-		562 045.92	562 045.92	-
State Owned for Public Purpose	2 477 499	2 478 349	- 850		7 432 497.72	7 435 047.72	- 2 550.00
PSI			-		-	-	-
PBO			-		-	-	-
Multi Use			-		-	-	-
Vacant	133 015	134 288	- 1 273		399 045.93	402 863.46	- 3 817.53
POW			-		-	-	-
Municipal			-		-	-	-
Other	80 968	80 968	-		242 903.34	242 903.34	-
Total	<u>R8 206 548.32</u>	<u>R8 217 198.54</u>	<u>- R10 650.22</u>		<u>24 619 644.96</u>	<u>24 651 595.62</u>	<u>- 31 950.66</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.



ESKOM August

Audit Trail

Batch Transfer

Mon, Sep 1, 2025 at 04:16:30 PM

Group **19058 - MQHAKA LOCAL MUNICIPALITY**
Operator **010 - PAULA DARINA DU PLESSIS**
Batch Name & Description **90046539 90046539**
Status **Finally Approved**

	Captured	First Approver	Second Approver	Third Approver	Final Approver
Operator	10	21			22
Operator Name	PAULA DARINA DU PLESSIS	IRENE MOKHESENG			SAMUEL THELETSANE
Approval Level					
Date	2025/09/01	2025/09/01			2025/09/01
Time	14:25:46	15:15:04			15:56:24
Roll-over Date					

Batch Status

Batch Details

Batch Entry Number 1

From Account	334536	MQHAKA LOCAL MUNICIPALITY - 000004053274876		
Description	9145061750	90046539	Frequency	Adhoc
Beneficiary Code				
To Account	223626	ESKOM 9145061750 - 0000055070067316		
Description		MQHAKA MUNICIPALITY	Mandate	
Date		2025/09/01	Amount	10,000,000.00
Roll-over date				
Transaction Number	266457		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> <p>(1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity</p>	Monthly	Monthly billing reconciliation / Financial system generated hierarchy 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

☎ 302, 9500 - 📄 Hill Str/St, 9499

STEYNSRUS

☎ 6, 9515 - 📄 Van Riebeeck Str/St

VILJOENSKROON

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OUR REFERENCE: Roy Visagie /rv Ref Nr:

Quality Certificate

I, Portia Tshabalala 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 August 2025 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Municipal Manager of Moghaka Local Municipality (FS201)

Signature:

Date: