



**MFMA SECTION 71 REPORT MONTH ENDING**

**30 SEPTEMBER 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 30 SEPTEMBER 2025**

### **TO: THE EXECUTIVE MAYOR**

#### **1. Purpose**

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 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 920 995 620, of which 90% of the debt is owed more than 90 days totalling R1 722 445 211. Included in the total debt, R134 455 623 is owed by Government or Organs of State, R226 613 629 by Business and R1 427 760 202 by Households. Included in the Households debt is R248 981 257 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 30 September 2025, the ten working day reporting limit expires on Friday the 14<sup>th</sup> of October 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 Sep 25	YTD Actual to Sep 25	Variance Favourable (Unfavourable)	% YTD Budget vs YTD Actual	% Variance vs Actual Favourable (Unfavourable)
Total Revenue (Excluding Capital Transfers and Contributions)	R357 488 000	R87 133 000	(R270 355 000)	24%	(76%)
Total Revenue including Capital Transfers and Contributions	R374 121 000	R87 133 000	(R286 988 000)	23%	(77%)
Total Operational Expenditure	R346 710 000	R125 585 000	(R221 125 000)	36%	(64%)

As indicated in Table 1 above, as of 30 September 2025, the actual billed revenue including operational transfers, but excluding capital grants amounted to R357 488 000, which resulted in an unsatisfactory variance of 24% when compared to YTD Budget of R374 121 000. 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 R357 488 000 from the budget of 374 121 000. The Total Operational Expenditure amounted to R221 125 000 versus the YTD Budget of R346 710 000, resulting in a satisfactory variance of 36%.

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 September 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) - M03 September**

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		435 252	548 139	548 139	44 541	131 764	137 035	(5 271)	-4%	548 139
Service charges - Water		164 103	204 038	204 038	13 666	40 658	51 009	(10 352)	-20%	204 038
Service charges - Waste Water Management		72 624	73 321	73 321	6 211	18 689	18 330	359	2%	73 321
Service charges - Waste management		51 188	50 701	50 701	4 366	13 114	12 675	439	3%	50 701
Sale of Goods and Rendering of Services		5 678	8 764	8 764	377	1 056	2 191	(1 135)	-52%	8 764
Agency services								-		
Interest								-		
Interest earned from Receivables		86 303	78 687	78 687	8 036	24 148	19 672	4 476	23%	78 687
Interest from Current and Non Current Assets		39	63	63	-	-	16	(16)	-100%	63
Dividends		5 822	4 744	4 744	22	845	1 186	(341)	-29%	4 744
Rent on Land								-		
Rental from Fixed Assets		5 339	9 256	9 256	986	1 623	2 314	(691)	-30%	9 256
Licence and permits		-	-	-	-	-	-	-		-
Special rating levies								-		
Operational Revenue		7 419	14 960	14 960	(282)	(330)	3 740	(4 070)	-109%	14 960
<b>Non-Exchange Revenue</b>										
Property rates		93 605	94 806	94 806	8 224	24 629	23 702	927	4%	94 806
Surcharges and Taxes								-		
Fines, penalties and forfeits		4 755	5 784	5 784	113	139	1 446	(1 307)	-90%	5 784
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		331 012	328 582	328 582	-	130 294	82 146	48 148	59%	328 582
Interest		10 024	8 373	8 373	795	2 491	2 093	398	19%	8 373
Fuel Levy								-		
Operational Revenue		888	(267)	(267)	78	233	(67)	299	-449%	(267)
Gains on disposal of Assets		(2 284)	-	-	-	-	-	-		-
Other Gains		8 240	-	-	-	-	-	-		-
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 280 007</b>	<b>1 429 951</b>	<b>1 429 951</b>	<b>87 133</b>	<b>389 352</b>	<b>357 488</b>	<b>31 865</b>	<b>9%</b>	<b>1 429 951</b>
<b>Expenditure By Type</b>										
Employee related costs		452 951	449 410	449 410	37 549	114 725	112 353	2 372	2%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 799	5 398	7 371	(1 973)	-27%	29 484
Bulk purchases - electricity		486 867	428 185	428 185	56 150	57 318	107 046	(49 728)	-46%	428 185
Inventory consumed		17 948	26 574	26 574	1 661	4 662	6 644	(1 982)	-30%	26 574
Debt impairment		78	61 096	61 096	-	-	15 274	(15 274)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	2 576	(2 576)	-100%	10 305
Interest		99 037	8 790	8 790	550	122 245	2 198	120 047	5463%	8 790
Contracted services		146 907	197 383	197 383	16 295	25 113	49 346	(24 233)	-49%	197 383
Transfers and subsidies		244	1 095	1 095	30	5	274	(269)	-98%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	1 513	2 325	992	1 333	134%	3 966
Operational costs		179 190	170 482	170 482	10 038	20 606	42 621	(22 015)	-52%	170 482
Losses on Disposal of Assets		2 133	63	63	-	-	16	(16)	-100%	63
Other Losses		4 613	-	-	-	(6)	-	(6)	#DIV/0!	-
<b>Total Expenditure</b>		<b>1 695 568</b>	<b>1 386 834</b>	<b>1 386 834</b>	<b>125 585</b>	<b>352 391</b>	<b>346 710</b>	<b>5 680</b>	<b>2%</b>	<b>1 386 834</b>

## Exchange and Non-Exchange Revenue

### Revenue analysis for the month ending 30 September 2025

Revenue Types	Section 71 of 30 September 2025						Three Months (Quarter) Ending 30 September 2025				
	Annual Budget 2025/2026	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	8 224 383	104%	5 648 651	69%	23 701 609	24 628 679	104%	17 063 088	69%
Electricity - conventional	384 403 973	32 033 664	31 175 023	97%	31 540 067	101%	96 100 993	91 553 704	95%	83 286 860	91%
Water	204 038 000	17 003 167	13 665 939	80%	6 323 555	46%	51 009 500	40 657 769	80%	20 832 386	51%
Sanitation	73 321 000	6 110 083	6 210 929	102%	3 469 962	56%	18 330 250	18 656 450	102%	12 868 416	69%
Refuse	50 701 046	4 225 087	4 366 312	103%	2 319 280	53%	12 675 262	13 113 953	103%	8 286 984	63%
<b>Total Direct Services</b>	<b>807 270 455</b>	<b>67 272 538</b>	<b>63 642 587</b>	<b>95%</b>	<b>49 301 515</b>	<b>77%</b>	<b>201 817 614</b>	<b>188 610 555</b>	<b>93%</b>	<b>142 337 734</b>	<b>75%</b>
Other revenue	130 363 518	10 863 627	4 164 075	38%	2 026 169	49%	32 590 880	9 725 572	30%	5 718 677	59%
<b>Revenue from Billed services</b>	<b>937 633 973</b>	<b>78 136 164</b>	<b>67 806 661</b>	<b>87%</b>	<b>51 327 685</b>	<b>76%</b>	<b>234 408 493</b>	<b>198 336 127</b>	<b>85%</b>	<b>148 056 411</b>	<b>75%</b>
Electricity - prepaid	163 735 027	13 644 586	13 554 176	99%	13 554 176	100%	40 933 757	44 050 185	108%	44 050 185	100%
<b>grants</b>	<b>1 101 369 000</b>	<b>91 780 750</b>	<b>81 360 837</b>	<b>89%</b>	<b>64 881 860</b>	<b>80%</b>	<b>275 342 250</b>	<b>242 386 312</b>	<b>88%</b>	<b>192 106 596</b>	<b>79%</b>
Operational grants and subsidies	6 877 000	-	-	-	-	-	-	-	-	-	-
Equitable share	312 705 000	-	-	-	-	-	130 294 000	130 294 000	100%	130 294 000	100%
<b>Total Revenue</b>	<b>1 420 951 000</b>	<b>91 780 750</b>	<b>81 360 837</b>	<b>89%</b>	<b>64 881 860</b>	<b>80%</b>	<b>405 636 250</b>	<b>372 680 312</b>	<b>92%</b>	<b>322 400 596</b>	<b>87%</b>

### Comments on Section 71 Report.

Collection rate for waste water management is 56% for the month of September 2025 and 69% for year to date.

Collection rate for waste management is 53% for the month of September 2025 and 63% for the year to date.

Collection rate for water is 46% for the month of September 2025 and 51% for the year to date.

The collection rate on Property Rates is 69% for the month of September 2025 and 69% for the year to date.

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

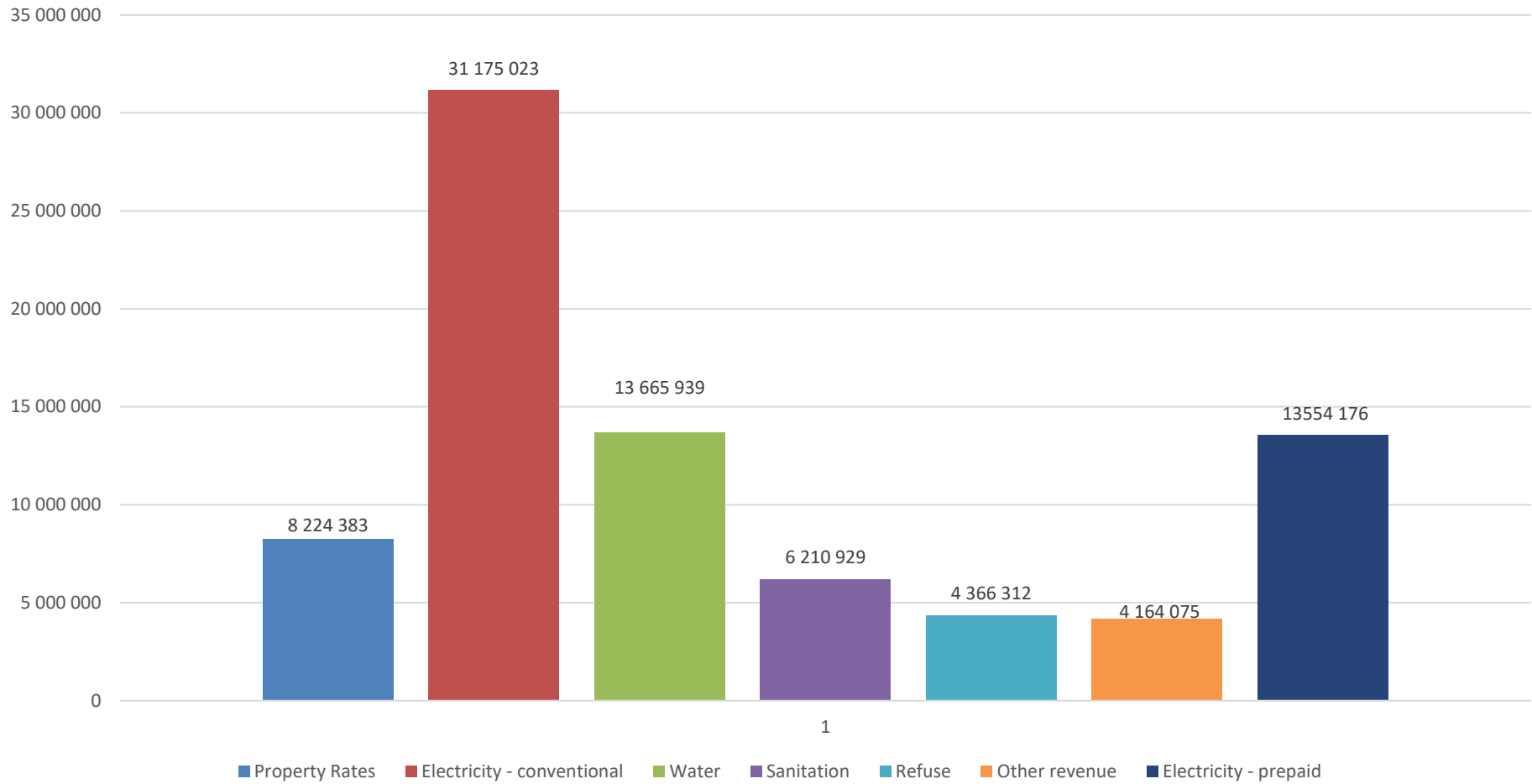
Conventional electricity revenue collection is 101% for the month of September 2025 and 91% for year to date.

**Revenue before operational grants versus billing is 80% for the month of September 2025 due to debt collection policy implementation and 79% for the year to date.**

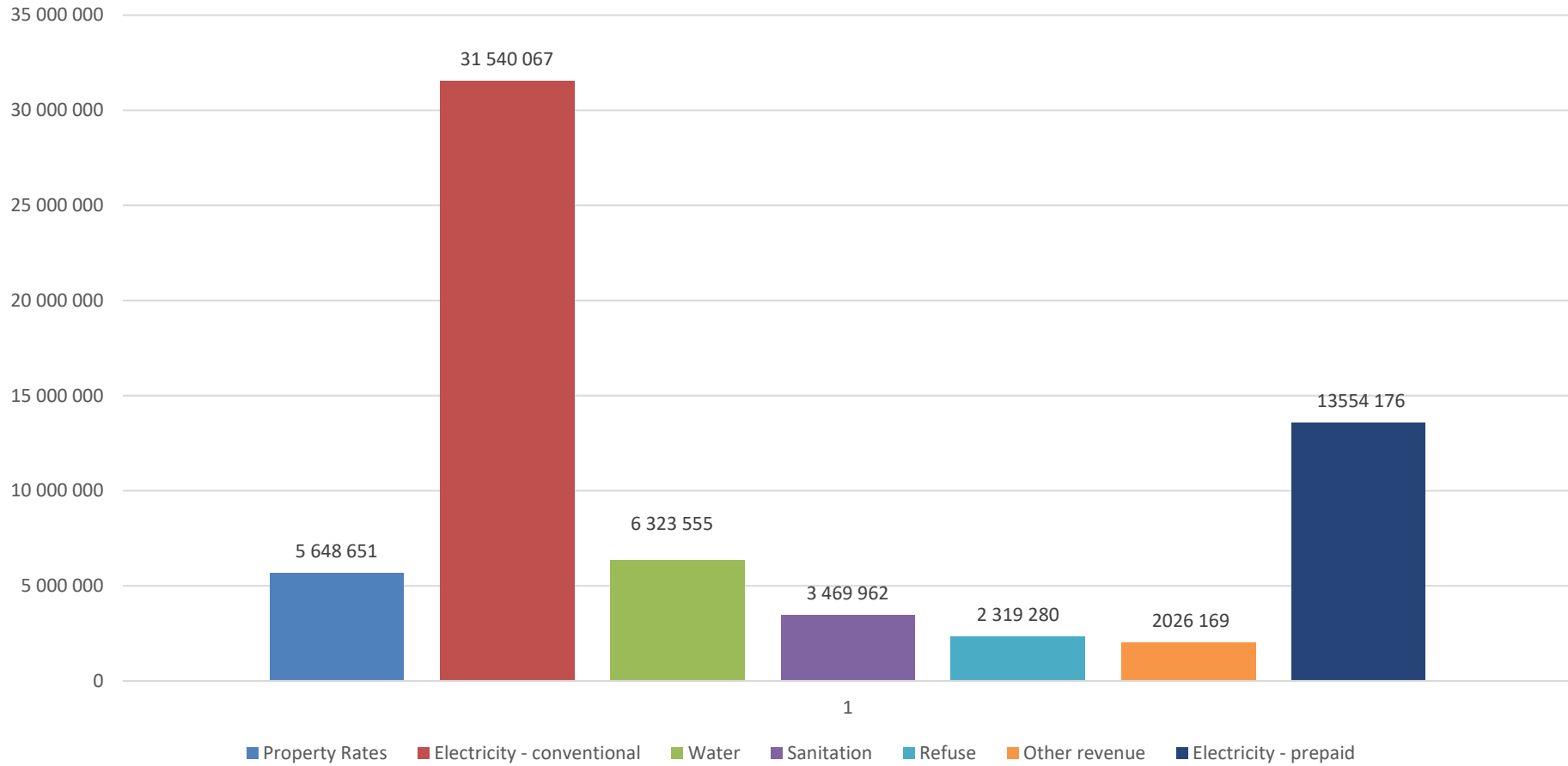
Total Revenue Collection Percentage with Zero or No Grant Funding received for the month September 2025 remains 80% and 87% for the period under review.

Indigents Contribution for Prepaid Electricity in September 2025 is R1 039 401.50 + R189 348.21 (FBE in ESKOM Supplied Areas) = R1 228 749.71

### Billing Per Service



### Collection Per Service



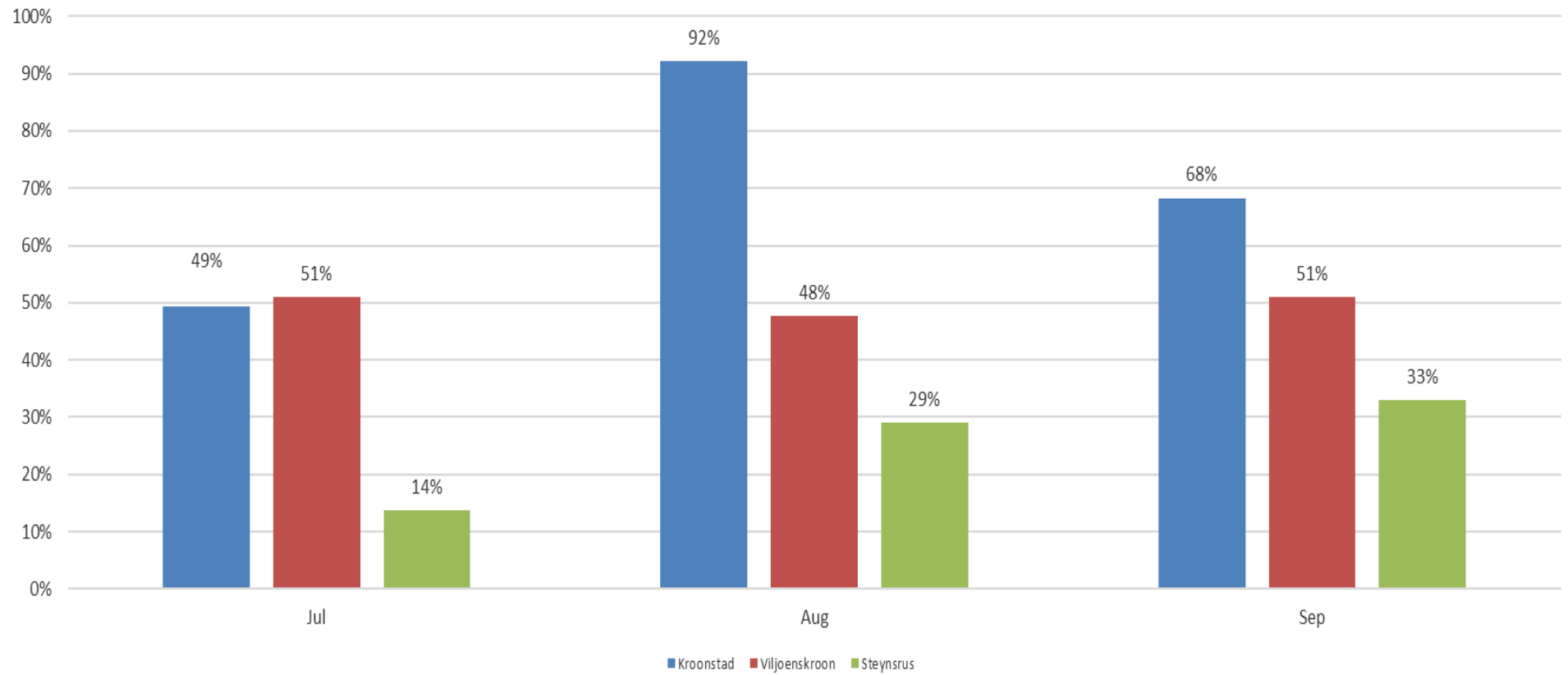
The September 2025 receipts amounted to R51 461 626.46 against billing of R80 697 897.78. That translates to 64 % collection rate.

Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	159 163 945.68	19 803 086.91	-2 045 429.55	44 940.37	29 172.00	17 831 769.73	-15 654 282.40	161 341 433.01	-88%	2 177 487.33
2	677 013 527.65	21 362 644.96	-5 993 579.12	12 030.42	15 215.00	15 396 311.26	-3 508 933.00	688 900 905.91	-23%	11 887 378.26
3	5 752 997.42	5 038 479.40	0.00	0.00	0.00	5 038 479.40	-5 753 029.00	5 038 447.82	-114%	-714 549.60
4	60 269 255.39	1 357 929.63	3 686.07	6 000.00	0.00	1 367 615.70	-151 211.98	61 485 659.11	-11%	1 216 403.72
6	21 607 341.31	1 661 653.91	-854.82	0.00	0.00	1 660 799.09	-269 629.63	22 998 510.77	-16%	1 391 169.46
7	27 706 419.41	1 005 653.13	-242 765.66	0.00	0.00	762 887.47	-212 322.22	28 256 984.66	-28%	550 565.25
8	10 565 489.38	99 668.29	-62 318.14	0.00	0.00	37 350.15	-368 476.86	10 234 362.67	-987%	-331 126.71
9	2 440 886.13	13 590.90	-400.00	0.00	0.00	13 190.90	-5 500.00	2 448 577.03	-42%	7 690.90
10	70 119 871.69	12 218 495.96	-1 860 833.99	16 873.05	0.00	10 374 535.02	-8 812 384.12	71 682 022.59	-85%	1 562 150.90
11	95 486 277.62	2 900 896.53	-671 413.87	5 732.17	4 052.00	2 239 266.83	-738 883.99	96 986 660.46	-33%	1 500 382.84
13	638 264 945.79	12 318 713.76	-1 459 678.03	0.00	11 294.00	10 870 329.73	-2 480 066.29	646 655 209.23	-23%	8 390 263.44
14	8 428 096.97	5 607 338.96	0.00	0.00	0.00	5 607 338.96	-5 921 677.92	8 113 758.01	-106%	-314 338.96
15	7 269.45	67.89	0.00	0.00	0.00	67.89	0.00	7 337.34	0%	67.89
16	114 933 042.63	9 164 279.62	-54 821.07	1 479.10	387 000.00	9 497 937.65	-7 585 229.05	116 845 751.23	-80%	1 912 708.60
	1 891 759 366.52	92 552 499.85	-12 388 408.18	87 055.11	446 733.00	80 697 879.78	-51 461 626.46	1 920 995 619.84	-64%	29 236 253.32




**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%
Sep	61 980 876	42 320 998	68%	16 477 737	8 401 744	51%	2 239 267	738 884	33%
<b>Total</b>	<b>183 724 416</b>	<b>122 852 792</b>	<b>67%</b>	<b>47 990 346</b>	<b>23 922 661</b>	<b>50%</b>	<b>6 851 274</b>	<b>1 722 281</b>	<b>25%</b>

### Billing vs Collection



### PRE-PAID ELECTRICITY SALES 2024-2025 FINANCIAL YEAR

Month	Arrears	Cost of Units	Vat	Cash Tendered	Units Sold	FBE Value	% Movement
Jul	R0	R15 527 462	R2 328 890	R17 856 352	R6 351 290	R1 046 253	 <b>9%</b>
Aug	R0	R14 968 547	R2 245 078	R17 213 625	R6 162 357	R1 051 657	 <b>-4%</b>
Sep	R0	R13 554 176	R2 032 933	R15 587 109	R5 651 698	R1 039 402	 <b>-9%</b>
<b>Totals</b>	<b>R0</b>	<b>R44 050 184</b>	<b>R6 606 901</b>	<b>R50 657 085</b>	<b>R18 165 344</b>	<b>R3 137 312</b>	

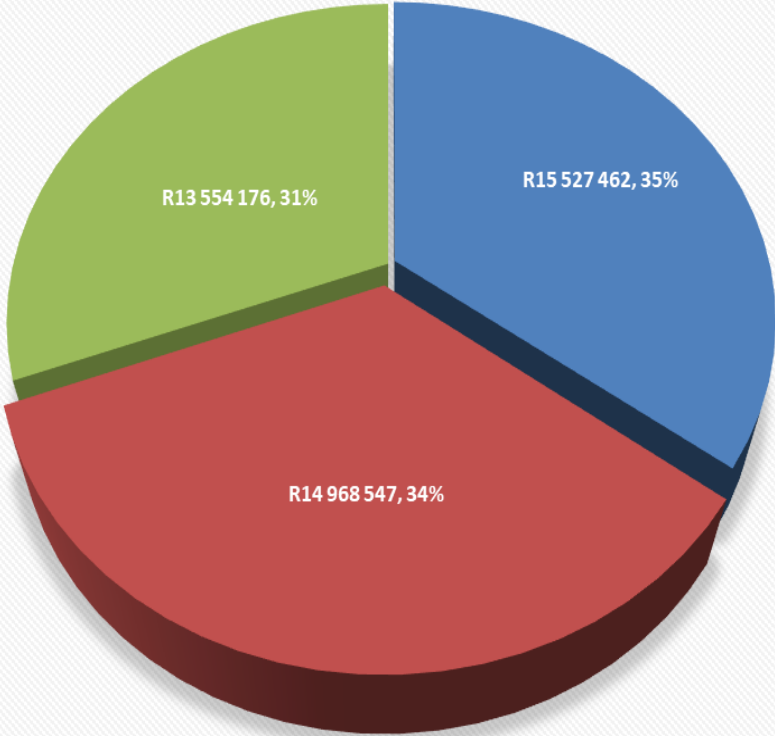
Billing for Kroonstad/Maokeng, Brentpark in September 2025 was R62m, Viljoenskroon/Rammolutsi was R16m and Steynsrus/Matlwangtlwang was R2.2 million

The average collection rate for Kroonstad/Maokeng/Brentpark for September 2025 is 68% , Viljoenskroon/Rammolutsi is 51% & Steynsrus/Matlwangtlwang is 33%.

Kroonstad/Maokeng/Brentpark generated a revenue of R42.3m for August 2025, Viljoenskroon/Rammolutsi generated R8.4m & Steynsrus/Matlwangtlwang generated R738 884.

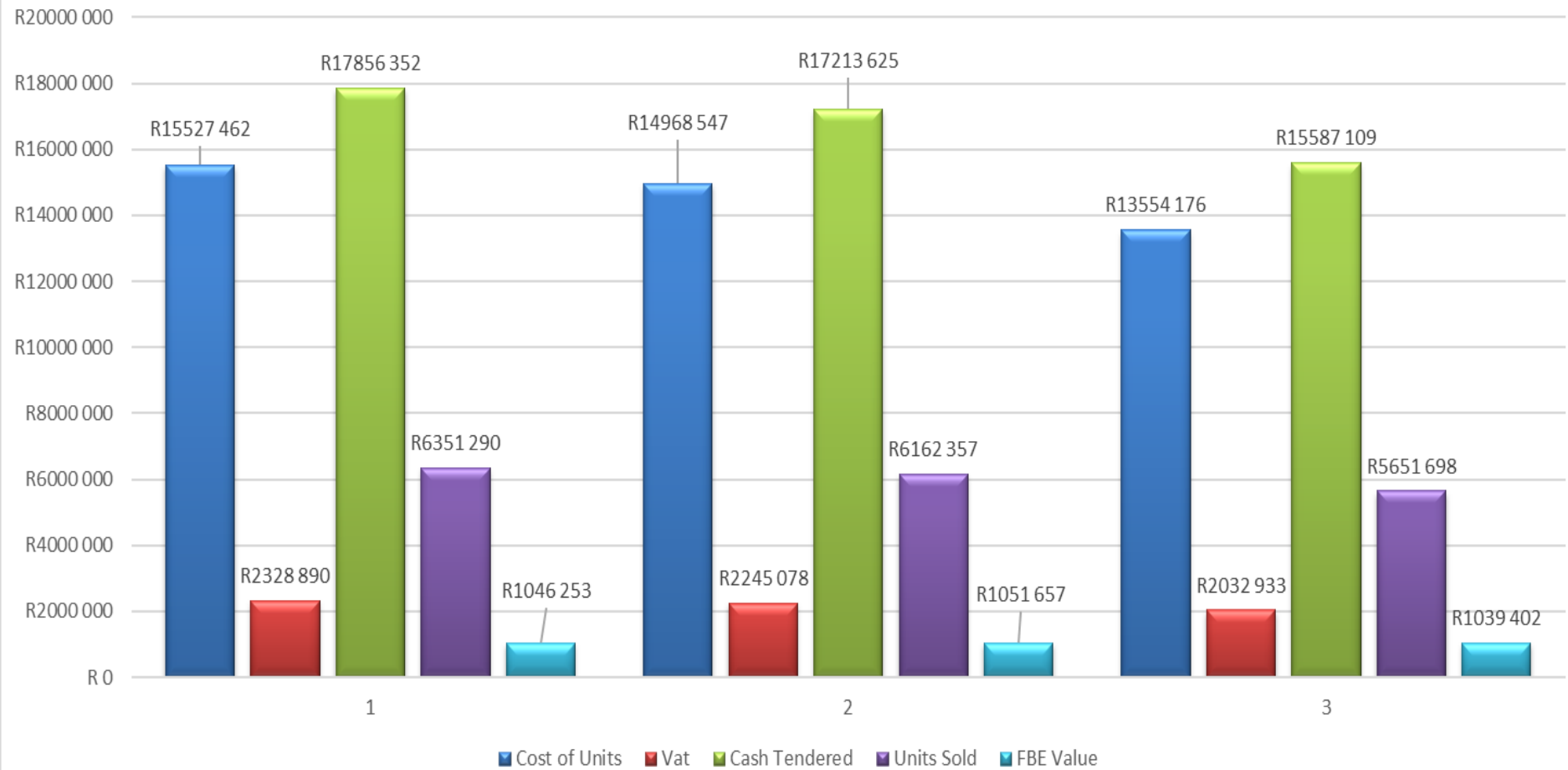
The cost of revenue generated through prepaid electricity for the month of September 2025 is R13 554 175.88. The electricity vendors are contributing to these sales.

### Prepaid Electricity Sales @ Cost



Jul Aug Sep

## Prepaid Electricity Statistics



## 4.2 Operating expenditure by type

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

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
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		452 951	449 410	449 410	37 549	114 725	112 353	2 372	2%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 799	5 398	7 371	(1 973)	-27%	29 484
Bulk purchases - electricity		486 867	428 185	428 185	56 150	57 318	107 046	(49 728)	-46%	428 185
Inventory consumed		17 948	26 574	26 574	1 661	4 662	6 644	(1 982)	-30%	26 574
Debt impairment		78	61 096	61 096	-	-	15 274	(15 274)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	2 576	(2 576)	-100%	10 305
Interest		99 037	8 790	8 790	550	122 245	2 198	120 047	5463%	8 790
Contracted services		146 907	197 383	197 383	16 295	25 113	49 346	(24 233)	-49%	197 383
Transfers and subsidies		244	1 095	1 095	30	5	274	(269)	-98%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	1 513	2 325	992	1 333	134%	3 966
Operational costs		179 190	170 482	170 482	10 038	20 606	42 621	(22 015)	-52%	170 482
Losses on Disposal of Assets		2 133	63	63	-	-	16	(16)	-100%	63
Other Losses		4 613	-	-	-	(6)	-	(6)	#DIV/0!	-
<b>Total Expenditure</b>		<b>1 695 568</b>	<b>1 386 834</b>	<b>1 386 834</b>	<b>125 585</b>	<b>352 391</b>	<b>346 710</b>	<b>5 680</b>	<b>2%</b>	<b>1 386 834</b>

### Comparison against YTD Budget

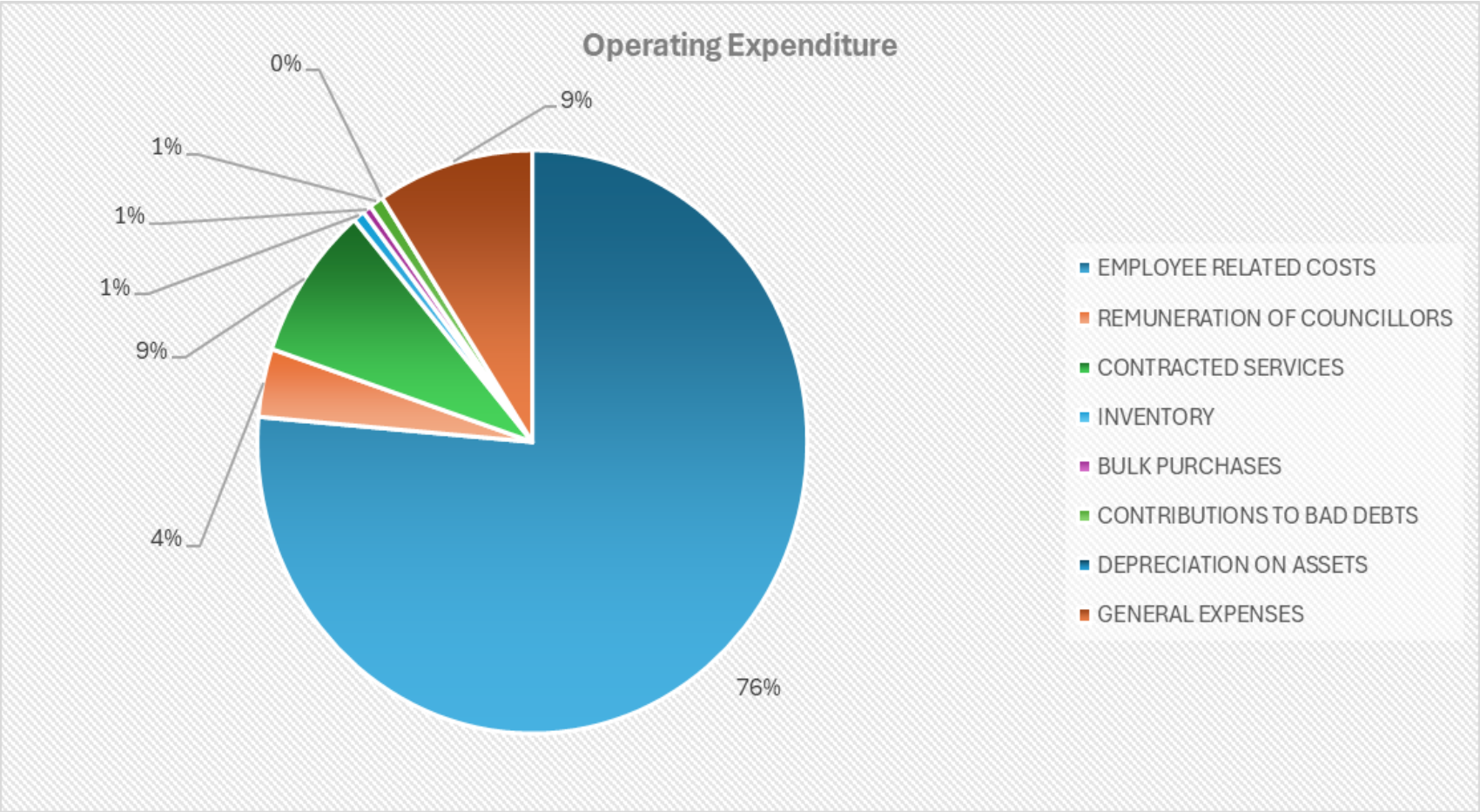
As indicated in the Table above, as at 30 September 2025, expenditure shows an unsatisfactory variance of minus 2%. The YTD actual amounted to R352 391 000 against the YTD budget of R346 710 000.

- Employee related costs show a satisfactory variance of 2%. 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 -46%.
- The expenditure on Inventory consumed is showing an unsatisfactory variance minus 30%. 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 49%.
- Transfers and subsidies showing negative variance of minus 98%, due to non-expenditure & no commitment to show movement.
- Operational cost is showing an unsatisfactory variance of minus 52% 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.



<b>OPERATING EXPENSES</b>					
<b>DESCRIPTION</b>	<b>Annual Budget 2025/2026</b>	<b>Actual 30-Sep-25</b>	<b>YTD 30-Sep-25</b>	<b>Variance (Unspent Budget)</b>	<b>% Exp</b>
EMPLOYEE RELATED COSTS	449 409 838,00	37 549 256,00	114 725 188,99	334 684 649,01	<b>25,53</b>
REMUNERATION OF COUNCILLORS	29 484 431,00	1 799 348,17	5 398 044,51	24 086 386,49	<b>18,31</b>
BULK PURCHASES	428 185 402,00	56 149 919,64	57 318 226,11	370 867 175,89	<b>13,39</b>
INVENTORY	26 574 038,00	1 660 749,21	4 661 729,40	21 912 308,60	x` x`
DEPRECIATION ON ASSETS	10 282 705,00	-	-	10 282 705,00	-
INTEREST	8 790 312,00	550 000,00	122 245 000,00	-113 454 688,00	<b>1 390,68</b>
CONTRACTED SERVICES	197 382 921,00	16 295 062,80	25 112 912,17	172 270 008,83	<b>12,72</b>
TRANSFERS AND SUBSIDIES	1 095 158,00	30 000,00	5 000,00	1 090 158,00	<b>0,46</b>
CONTRIBUTIONS TO BAD DEBTS	3 966 284,00	1 512 582,85	2 325 023,62	1 641 260,38	<b>58,62</b>
OPERATIONAL EXPENDITURE	151 967 436,00	9 544 986,05	19 546 493,04	132 420 942,96	<b>12,86</b>
OPERATING LEASES	18 515 003,00	492 596,84	1 059 226,35	17 455 776,65	<b>5,72</b>
<b>TOTAL EXPENDITURE (NETT)</b>	<b>1 325 653 528,00</b>	<b>125 584 501,56</b>	<b>352 396 844,19</b>	<b>973 256 683,81</b>	<b>26,58</b>
<b>DESCRIPTION</b>	<b>Annual Budget 2025/2026</b>	<b>Actual 30-Sep-25</b>	<b>YTD 30-Sep-25</b>	<b>Variance</b>	
<b>OUTSOURCE SERVICES</b>					-
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	351 985,02	1 632 141,98	<b>17,74</b>
OS: B&A RESEARCH & ADVISORY	923 138,00	0,00	21 120,00	902 018,00	<b>2,29</b>
OS: B&A QUALIFICATION VERIFICATION	0,00	0,00	0,00	0,00	-
OS: B&A VALUER	3 285 468,00	0,00	32 173,91	3 253 294,09	<b>0,98</b>
OS: CATERING SERVICES	1 281 869,00	24 669,28	146 352,76	1 135 516,24	<b>11,42</b>
OS: CLEANING SERVICES	216 757,00	0,00	0,00	216 757,00	-
OS: ELECTRICAL	19 029 252,00	204 368,13	366 157,42	18 663 094,58	<b>1,92</b>
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	37 003,90	105 914,36	12 342 385,64	<b>0,85</b>
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	21 840,00	153 157,00	<b>12,48</b>
OS: TRANSPORT SERVICES	0,00	0,00	0,00	0,00	-
<b>SUB TOTAL : OUTSOURCE SERVICES</b>	<b>40 768 212,00</b>	<b>336 090,09</b>	<b>1 045 543,47</b>	<b>39 722 668,53</b>	<b>2,56</b>
<b>CONSULTANTS AND PROFESSIONAL SERVICES</b>					-
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	6 868,00	51 732,00	158 544,00	<b>24,60</b>
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	26 140,00	154 785,30	3 914 183,70	<b>3,80</b>
C&PS: B&A MEDICAL EXAMINATIONS	1 000 000,00	0,00	20 935,00	979 065,00	<b>2,09</b>
C&PS: B&A OCCUPATIONAL HEALTH & SAFE	484 938,00	0,00	4 400,00	480 538,00	<b>0,91</b>
C&PS: B&A PROJECT MANAGEMENT	20 550 770,00	8 241 247,27	12 953 226,43	7 597 543,57	<b>63,03</b>
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	523 450,64	861 748,12	5 452 438,88	<b>13,65</b>
C&PS: LEGAL COST ADVICE & LITIGATION	7 500 000,00	22 206,51	-1 503 208,23	9 003 208,23	<b>-20,04</b>
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	36 931,19	144 523,16	1 284 772,84	<b>10,11</b>
<b>SUB TOTAL : CONSULTANT AND PROF SERV</b>	<b>50 656 768,00</b>	<b>8 856 843,61</b>	<b>12 688 141,78</b>	<b>37 968 626,22</b>	<b>25,05</b>

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	0,00	276 729,60	1 602 623,40	14,72
CONTR: MAINT OF BUILDINGS & FACILIT	15 985 864,00	91 220,00	195 476,81	15 790 387,19	1,22
CONTR: MAINTENANCE OF EQUIPMENT	7 051 852,00	73 015,62	139 606,75	6 912 245,25	1,98
CONTR: MAINTENANCE OF EQUIPMENT (FLE	3 774 643,00	122 846,54	188 370,54	3 586 272,46	4,99
CONTR: MAINTENANCE FLEET	12 993 793,00	1 115 246,45	1 407 551,04	11 586 241,96	10,83
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	3 906 739,33	4 030 518,99	8 969 481,01	31,00
CONTR: SAFEGUARD & SECURITY	42 000 000,00	0,00	3 308 259,03	38 691 740,97	7,88
CONTR: TRAFFIC & STREET LIGHTS	6 027 240,00	1 793 061,16	1 832 714,16	4 194 525,84	30,41
<b>SUB TOTAL : CONTRACTORS</b>	<b>105 957 941,00</b>	<b>7 102 129,10</b>	<b>11 379 226,92</b>	<b>94 578 714,08</b>	<b>10,74</b>
<b>CONTRACTED SERVICES</b>	<b>197 382 921,00</b>	<b>16 295 062,80</b>	<b>25 112 912,17</b>	<b>172 270 008,83</b>	<b>12,72</b>
<b>OPERATIONAL COST</b>					
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	4 100,32	9 356,50	319 190,50	2,85
OC: ADV/PUB/MARK - TENDERS	230 640,00	0,00	0,00	230 640,00	-
OC: AUDIT COST: EXTERNAL	11 247 482,00	920 058,90	920 058,90	10 327 423,10	8,18
OC: BC/FAC/C FEES - BANK ACCOUNTS	1 329 408,00	82 842,95	295 612,25	1 033 795,75	22,24
OC: COMMISSION - THIRD PARTY VENDORS	18 440 000,00	1 044 014,59	2 089 943,41	16 350 056,59	11,33
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	10 380,45	104 779,20	1 995 220,80	4,99
OC: COMM - RADIO & TV TRANSMISSIONS	0,00	0,00	0,00	0,00	-
OC: COMM - SMS BULK MESSAGE SERVICE	0,00	0,00	0,00	0,00	-
OC: COMM - PHONE FAX TELEGRAPH & TEL	2 500 000,00	0,00	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	0,00	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	0,00	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	6 022,30	28 922,08	201 573,92	12,55
OC: ENTERTAINMENT - SPEAKER	10 440,00	0,00	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	5 897 475,92	11 385 396,79	42 991 270,21	20,94
OC: INSUR UNDER - CLAIM PAID 3RD PAR	0,00	0,00	0,00	0,00	-
OC: INSUR UNDER - EXCESS PAYMENTS	500 000,00	1 000,00	148 032,16	351 967,84	29,61
OC: INSUR UNDER - PREMIUMS	4 500 000,00	2 175,00	34 182,60	4 465 817,40	0,76
OC: LEARNERSHIPS & INTERNSHIPS	100 000,00	0,00	0,00	100 000,00	-
OC: LIC - VEHICLE LIC & REGISTRATION	1 756 542,00	82 998,00	190 454,50	1 566 087,50	10,84
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	13 717,26	57 086,00	318 140,00	15,21
OC: REMUNERATION TO WARD COMMITTEES	3 066 437,00	183 500,00	275 000,00	2 791 437,00	8,97
OC: ROAD WORTHY TEST FLEET	18 854,00	0,00	0,00	18 854,00	-
OC: SKILLS DEVELOPMENT FUND LEVY	4 466 696,00	16 944,92	366 691,67	4 100 004,33	8,21
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	30 405,66	52 814,36	468 909,64	10,12
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	93 303,58	268 646,92	2 900 061,08	8,48
OC: T&S DOM - DAILY ALLOWANCE	2 153 496,00	34 353,40	139 556,04	2 013 939,96	6,48
OC: T&S DOM - FOOD & BEVERAGE (SERVE	312 860,00	2 246,72	2 300,52	310 559,48	0,74
OC: T&S DOM TRP - W/OUT OPR OWN TRAN	2 801 784,00	91 015,06	354 953,47	2 446 830,53	12,67
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	7 203,35	27 898,00	281 618,00	9,01
OC: TRANSPORT - MUNICIPAL ACTIVITIES	57 660,00	0,00	0,00	57 660,00	-
OC: UNIFORM & PROTECTIVE CLOTHING	7 024 497,00	72 420,00	366 616,95	6 657 880,05	5,22
OC: VEHICLE TRACKING FLEET	626 892,00	0,00	0,00	626 892,00	-
OC: WET FUEL	11 415 321,00	948 807,67	1 769 010,46	9 646 310,54	15,50
OC: WORKMEN'S COMPENSATION FUND	1 830 991,00	0,00	469 501,37	1 361 489,63	25,64
<b>SUB TOTAL : OPERATIONAL COST</b>	<b>151 967 436,00</b>	<b>9 544 986,05</b>	<b>19 546 493,04</b>	<b>132 420 942,96</b>	<b>12,86</b>

INVENTORY					
INV - CONSUMABLE STORES - STANDARD RATED	15 088 136,00	554 580,16	1 412 189,62	13 675 946,38	
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	0,00	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	1 106 169,05	3 208 980,91	7 231 019,09	
<b>SUB TOTAL - INVENTORY</b>	<b>26 574 038,00</b>	<b>1 660 749,21</b>	<b>4 661 729,40</b>	<b>21 912 308,60</b>	
BULK PURCHASES					
ESKOM	428 185 402,00	56 149 919,64	57 318 226,11	370 867 175,89	
BULK WATER PURCHASES					
<b>SUB TOTAL : BULK PURCHASES</b>	<b>428 185 402,00</b>	<b>56 149 919,64</b>	<b>57 318 226,11</b>	<b>370 867 175,89</b>	
INTEREST DIVIDENDS AND RENT ON LAND					-
INT PAID BOR: ANNUITY LOANS	6 600 000,00	550 000,00	122 245 000,00	-115 645 000,00	<b>1 852,20</b>
INT PAID: OVERDUE ACCOUNTS	2 190 312,00	0,00	0,00	2 190 312,00	-
<b>SUB TOTAL - INTEREST DIVID &amp; RENT -</b>	<b>8 790 312,00</b>	<b>550 000,00</b>	<b>122 245 000,00</b>	<b>-113 454 688,00</b>	<b>1 390,68</b>
OPERATING LEASES					-
OPR LEASES: FURNITURE & OFFICE EQUIP	3 376 619,00	4 271,97	12 815,91	3 363 803,09	<b>0,38</b>
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	488 324,87	1 046 410,44	14 068 909,56	<b>6,92</b>
<b>SUB TOTAL : OPERATING LEASES</b>	<b>18 515 003,00</b>	<b>492 596,84</b>	<b>1 059 226,35</b>	<b>17 455 776,65</b>	<b>5,72</b>
BAD DEBTS WRITTEN OFF					
IRRECOVERABLE DEBTS WRITTEN OFF_EXCHANGE					
IRRECOV DEBTS W/OFF_EXCHG:ELECTRICITY	1 149 906,00	267 808,81	389 738,56	760 167,44	<b>33,89</b>
IRRECOV DEBTS W/OFF_EXCHG:NON-SPECIFIC	-	0,00	0,00	0,00	-
IRRECOV DEBTS W/OFF_EXCHG:WASTE	177 704,00	43 203,11	131 832,73	45 871,27	<b>74,19</b>
IRRECOV DEBTS W/OFF_EXCHG:WASTE WATER	228 604,00	76 215,71	192 064,70	36 539,30	<b>84,02</b>
IRRECOV DEBTS W/OFF_EXCHG:WATER	1 261 670,00	74 498,24	319 726,78	941 943,22	<b>25,34</b>
<b>SUB TOTAL : IRRECOV BAD DEBT W/OFF_EXCH</b>	<b>2 817 884,00</b>	<b>461 725,87</b>	<b>1 033 362,77</b>	<b>1 784 521,23</b>	<b>36,67</b>
IRRECOVERABLE DEBTS W/OFF_NON-EXCHANGE					
IRRECOV DEBTS W/OFF_NON-EXCH:PROP RATES	1 148 400,00	1 050 856,98	1 291 660,85	-143 260,85	<b>112,47</b>
<b>SUB TOTAL : IRREC BAD DEBT W/OFF_NON-EX</b>	<b>1 148 400,00</b>	<b>1 050 856,98</b>	<b>1 291 660,85</b>	<b>-143 260,85</b>	<b>112,47</b>
<b>SUB TOTAL : BAD DEBTS WRITTEN OFF</b>	<b>3 966 284,00</b>	<b>1 512 582,85</b>	<b>2 325 023,62</b>	<b>1 641 260,38</b>	<b>58,62</b>
TRANSFERS AND SUBSIDIES					-
HH SSP SOC ASS: SOCIAL RELIEF	1 095 158,00	30 000,00	5 000,00	1 090 158,00	<b>0,46</b>
<b>SUB TOTAL : OPERATIONAL : ALLOC IN K</b>	<b>1 095 158,00</b>	<b>30 000,00</b>	<b>5 000,00</b>	<b>1 090 158,00</b>	<b>0,46</b>
OPERATIONAL : MONETARY					-
<b>SUB TOTAL : OPERATIONAL : MONETARY</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	-
<b>SUB TOTAL : TRANSFERS &amp; SUBSIDIES</b>	<b>1 095 158,00</b>	<b>30 000,00</b>	<b>5 000,00</b>	<b>1 049 000,00</b>	<b>0,46</b>
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	-
<b>SUB TOTAL : DEPRECIATION &amp; AMORTISATION</b>	<b>10 282 705,00</b>	-	-	<b>0,00</b>	-

### 4.3 Capital Expenditure

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

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									
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		2 581	2 981	2 981	49	57	745	(688)	-92%	2 981
Executive and council		15	-	-	-	-	-	-		-
Finance and administration		2 532	2 981	2 981	49	57	745	(688)	-92%	2 981
Internal audit		34	-	-	-	-	-	-		-
<b>Community and public safety</b>		383	29 350	29 350	1 662	11 013	7 338	3 675	50%	29 350
Community and social services		-	550	550	27	27	138	(110)	-80%	550
Sport and recreation		271	5 853	5 853	-	1	1 463	(1 462)	-100%	5 853
Public safety		84	22 947	22 947	1 635	10 984	5 737	5 248	91%	22 947
Housing		27	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		263	42 144	42 144	783	1 133	10 536	(9 403)	-89%	42 144
Planning and development		129	-	-	-	-	-	-		-
Road transport		119	42 064	42 064	783	1 133	10 516	(9 383)	-89%	42 064
Environmental protection		15	80	80	-	-	20	(20)	-100%	80
<b>Trading services</b>		1 674	20 546	20 546	-	10	5 137	(5 127)	-100%	20 546
Energy sources		98	250	250	-	-	63	(63)	-100%	250
Water management		143	18 524	18 524	-	10	4 631	(4 621)	-100%	18 524
Waste water management		1 434	1 773	1 773	-	-	443	(443)	-100%	1 773
Waste management		-	-	-	-	-	-	-		-
<b>Other</b>		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure - Functional Classification</b>	3	4 900	95 021	95 021	2 495	12 212	23 755	(11 544)	-49%	95 021

As indicated in the Table above, the YTD Actual on capital expenditure as at end of September 2025 amounted to R12 212 000. The total YTD capex is funded from Capital grants R25 000 and Internally generated funds R12 186 000. 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**

<b>Cash Receipts by Source</b>	<b>31 July 2025</b>	<b>31 August 2025</b>	<b>30 September 2025</b>
Property rates	4 773 880	6 399 790	4 605 199
Service charges - electricity revenue	28 726 564	23 686 568	31 491 467
Service charges - water revenue	5 377 661	8 113 577	6 145 135
Service charges - sanitation revenue	2 421 549	5 725 732	2 935 438
Service charges - refuse revenue	1 880 862	3 723 997	2 066 638
Service charges - other	0	0	0
Interest earned - external investments	399 352	369 028	326 467
Interest earned - outstanding debtors	400 685	720 206	934 255
Fines	0	0	0
Transfer receipts - operational	128 998 000	2 300 000	0
Other revenue	29 096 125	29 188 979	13 905 568
<b>Cash Receipts by Source</b>	<b>202 074 678</b>	<b>80 227 877</b>	<b>62 410 167</b>
<b>Other Cash Flows/Receipts by Source</b>			
Transfer receipts - capital	0	15 537 625	1 992 914
Contributions recognised - capital & Contributed assets	0	0	0
Borrowing long term/refinancing	0	0	0
<b>Total Cash Receipts by Source</b>	<b>202 074 678</b>	<b>95 765 502</b>	<b>64 403 081</b>
<b>Cash Payments by Type</b>			
Employee related costs	38 635 911	38 540 022	37 549 256
Remuneration of councillors	1 799 348	3 054 733	1 799 348
Bulk purchases - Electricity	37 580 787	1 168 306	11 411 386
Contracted services	5 763 115	3 054 733	16 295 063
General expenses	59 514 920	25 690 318	7 212 662
<b>Cash Payments by Type</b>	<b>143 294 081</b>	<b>71 508 112</b>	<b>74 267 715</b>
<b>Other Cash Flows/Payments by Type</b>			
Capital assets	12 929	9 704 159	23 199 508
Repayment of borrowing	0	0	0
<b>Total Cash Payments by Type</b>	<b>143 307 010</b>	<b>81 212 271</b>	<b>97 467 223</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>58 767 668</b>	<b>14 553 231</b>	<b>-33 064 142</b>
<b>Cash/cash equivalents at the month/year begin:</b>	<b>20 110 141</b>	<b>78 877 809</b>	<b>93 431 040</b>
<b>Cash/cash equivalents at the month/year end:</b>	<b>78 877 809</b>	<b>93 431 040</b>	<b>60 366 898</b>
<b>Cash Book Balance (GL)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		57 716	120 179	120 179	5 251	16 257	30 045	(13 787)	-46%	120 179
Service charges		581 142	864 329	864 329	57 790	167 974	216 082	(48 108)	-22%	864 329
Other revenue		8 965	(134 111)	(134 111)	(8 437)	(39 495)	(33 528)	(5 968)	18%	(134 111)
Transfers and Subsidies - Operational		330 336	334 714	334 714	9 477	149 273	83 678	65 594	78%	334 714
Transfers and Subsidies - Capital		52 270	68 228	68 228	-	4 595	17 057	(12 462)	-73%	68 228
Interest		9 900	-	-	952	3 024	-	3 024	#DIV/0!	-
Dividends		5 822	4 744	4 744	22	845	1 186	(341)	-29%	4 744
<b>Payments</b>										
Suppliers and employees		(1 133 236)	(1 637 348)	(1 637 348)	(87 189)	(388 771)	(409 337)	(20 566)	5%	(1 637 348)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(87 086)</b>	<b>(379 265)</b>	<b>(379 265)</b>	<b>(22 133)</b>	<b>(86 298)</b>	<b>(94 816)</b>	<b>(8 518)</b>	<b>9%</b>	<b>(379 265)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		(2 284)	8 493	8 493	0	(21)	2 123	(2 144)	-101%	8 493
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(4 900)	(95 021)	(95 021)	(815)	(10 532)	(23 755)	(13 224)	56%	(95 021)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(7 184)</b>	<b>(86 529)</b>	<b>(86 529)</b>	<b>(814)</b>	<b>(10 553)</b>	<b>(21 632)</b>	<b>(11 079)</b>	<b>51%</b>	<b>(86 529)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		(1 178)	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	402	656	-	656	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		-	(2 121)	(2 121)	-	(886)	(530)	356	-67%	(2 121)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(1 178)</b>	<b>(2 121)</b>	<b>(2 121)</b>	<b>402</b>	<b>(230)</b>	<b>(530)</b>	<b>(300)</b>	<b>57%</b>	<b>(2 121)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>										
Cash/cash equivalents at beginning:		(9 905)	(24 764)	(24 764)	(97 694)	(23 158)	(24 764)			(23 158)
Cash/cash equivalents at month/year end:		(105 352)	(492 678)	(492 678)	(120 238)	(120 238)	(141 742)			(491 072)

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

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

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

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

The municipality is now implementing full credit control processes to improve its cashflow and collection rate. This includes restricting power to payment defaulters, serving of disconnection notices through the SMSs, emails, and other social media platforms, communicating to Customers that are in arrears, that their electricity will be disconnected due to non-payment of accounts.

Highlights	31-Jul	31-Aug	% Change	30-Sept	% Change	Reference
<b>Services</b>						
Councillors' debt (>90 days)	R 1 655 438	R 1 659 747	0%	R 1 626 045	-2%	BP136-r
Officials debt (>90 days)	R 3 270 233	R 3 126 333	-4%	R 3 080 860	-1%	BP136-a
<b>Sundry debtors</b>						
Telephones (Officials & Councillors)	R707 766.49	R708 131.64	0%	R711 131.53	0%	BP136-rt
<b>Indigents</b>	R 234 876 924	R 240 952 250	3%	R 248 981 257	3%	BP136-ia
<b>Total Debt 90 Days +</b>	<b>R 240 510 362</b>	<b>R 246 446 461</b>	<b>2%</b>	<b>R 254 399 293</b>	<b>3%</b>	

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 30 September 2025, the Government Debt was as follows:

Sept-25	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
<b>PROVINCIAL DEPARTMENTS</b>								
OFFICE OF THE PREMIER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE LEGISATURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF TOURISM, ETC.	14 636.00	0.00	0.00	13 516.00	1 936.00	30 088.00	0.00	30 088.00
FREE STATE PROVINCIAL TREASURY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF HEALTH (PH)	12 133 555.00	8 823 379.00	0.00	11 816 541.00	26 462.00	32 799 937.00	0.00	32 799 937.00
DEPARTMENT OF EDUCATION (PE)	128668.00	1 512 486.00	10 474 275.00	17 891 965.00	0.00	30 007 394.00	0.00	30 007 394.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	275 052.00	0.00	275 052.00	0.00	275 052.00
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)	1 011 791.00	16 083 766.00	2 026.00	866 297.00	2 352.00	17 966 232.00	0.00	17 966 232.00
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
<b>TOTAL</b>	<b>13 288 650.00</b>	<b>26 419 871.00</b>	<b>10 476 301.00</b>	<b>30 863 371.00</b>	<b>30 750.00</b>	<b>81 078 943.00</b>	<b>0.00</b>	<b>81 078 943.00</b>
				<b>0.00</b>				
<b>SCHOOLS (SECTION 21)</b>	<b>11 545 707.00</b>	<b>22 827 112.00</b>	<b>5 744.00</b>	<b>8 107.00</b>	<b>33 422.00</b>	<b>34 420 092.00</b>	<b>0.00</b>	<b>34 420 092.00</b>
<b>NATIONAL DEPARTMENTS</b>								
	<b>WATER</b>	<b>ELEC</b>	<b>RATES</b>	<b>SE &amp; RF</b>	<b>OTHER</b>	<b>TOTAL</b>	<b>PAYMENT</b>	<b>OUTST</b>
CORRECTIONAL SERVICES (NC)	2 430 380.00	1 861 735.00	0.00	292 182.00	0.00	4 584 297.00	0.00	4 584 297.00
DEFENCE (ND)	2 695 724.00	5 685 075.00	9 378.00	167 079.00	14 173.00	8 571 429.00	0.00	8 571 429.00
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	26 421.00	140 355.00	135 964.00	57 621.00	92 510.00	452 871.00	0.00	452 871.00
PUBLIC WORKS (NW)	16 599.00	131 066.00	2 034 333.00	77 082.00	0.00	2 259 080.00	0.00	2 259 080.00
SA POLICE(NP)	959 034.00	881 891.00	8 174.00	1 040 336.00	2 143.00	2 891 578.00	0.00	2 891 578.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	13 405.00	92 194.00	0.00	11 345.00	1 430.00	118 374.00	0.00	118 374.00
<b>TOTAL</b>	<b>6 141 563.00</b>	<b>8 792 316.00</b>	<b>2 187 849.00</b>	<b>1 645 645.00</b>	<b>110 256.00</b>	<b>18 877 629.00</b>		<b>18 877 629.00</b>
<b>TOTAL</b>	<b>30 975 920.00</b>	<b>58 039 299.00</b>	<b>12 669 894.00</b>	<b>32 517 123.00</b>	<b>174 428.00</b>	<b>134 376 664.00</b>	<b>-</b>	<b>134 376 664.00</b>
						<b>TOTAL</b>		<b>134 376 664.00</b>
						<b>LESS CREDIT</b>		<b>0.00</b>
						<b>GRAND TOTAL</b>		<b>134 376 664.00</b>

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

Municipality: **FS201 Moqhaka**Financial Year: **2023/24** 2025/26Reporting Month: **M03 September**

R'000	Provincial Public Works & Infrastructure	Education		National Public Works	TOTAL
		Section 20 Schools (Payable by Department of Education)	Section 21 Schools (Payable by Schools)		
<b>Property Rates</b>	<b>10 476</b>			<b>2 188</b>	<b>12 664</b>
0-30 Days	1 766			735	2 501
31-60 Days	1 766			735	2 501
61-90 Days	1 764			666	2 430
Over 90 Days	5 181			52	5 233
<b>Water</b>	<b>13 289</b>	<b>–</b>	<b>11 546</b>	<b>6 142</b>	<b>30 976</b>
0-30 Days	776	–	642	923	2 341
31-60 Days	791	–	287	1 940	3 018
61-90 Days	869	–	362	514	1 745
Over 90 Days	10 852	–	10 254	2 765	23 871
<b>Electricity</b>	<b>26 420</b>	<b>–</b>	<b>22 827</b>	<b>8 792</b>	<b>58 039</b>
0-30 Days	1 343	–	1 893	2 420	5 657
31-60 Days	1 449	–	1 426	3 017	5 892
61-90 Days	1 238	–	1 194	690	3 123
Over 90 Days	22 389	–	18 314	2 665	43 368
<b>Sanitation</b>	<b>20 387</b>			<b>989</b>	<b>21 376</b>
0-30 Days	1 082			80	1 162
31-60 Days	1 082			70	1 152
61-90 Days	1 082			56	1 138
Over 90 Days	17 141			784	17 925
<b>Refuse Removal</b>	<b>10 477</b>			<b>656</b>	<b>11 133</b>
0-30 Days	547			44	591
31-60 Days	547			39	586
61-90 Days	547			31	578
Over 90 Days	8 835			543	9 378
<b>Other</b>	<b>31</b>	<b>–</b>	<b>47</b>	<b>110</b>	<b>188</b>
0-30 Days	0	–	2	3	5
31-60 Days	0	–	2	3	5
61-90 Days	0	–	2	4	6
Over 90 Days	30	–	42	101	174
<b>TOTAL</b>	<b>81 079</b>	<b>–</b>	<b>34 420</b>	<b>18 878</b>	<b>134 377</b>
0-30 Days	5 515	–	2 537	4 204	12 256
31-60 Days	5 636	–	1 714	5 803	13 153
61-90 Days	5 501	–	1 558	1 960	9 019
Over 90 Days	64 428	–	28 611	6 910	99 949
<b>Payments received during reporting month (whole amount)</b>	<b>98 326.00</b>			<b>5 932 604.32</b>	<b>6 030 930.32</b>

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

- Disconnection of consumers 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

<b>4</b>	<b>Outstanding Debtor's by Customer Group</b>	<b>Current (0 to 30 days)</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>Over 90 days</b>	<b>Total</b>
4.1	Organs of State (Provincial & National Departments)	R 25 453 578	R 9 020 576	R 7 333 917	R 92 647 552	<b>R 134 455 623</b>
4.2	Business / Commercial	R 33 452 291	R 10 324 632	R 22 070 245	R 160 766 461	<b>R 226 613 629</b>
4.3	Households	R 34 241 173	R 29 496 371	R 26 892 981	R 1 337 129 677	<b>R 1 427 760 202</b>
4.4	Other	-R 9 848 287	R 6 211 347	R 3 901 585	R 131 901 521	<b>R 132 166 166</b>
	<b>Total</b>					<b>R 1 920 995 620</b>
<b>5</b>	<b>Outstanding Debtor's by Income Source</b>	<b>Current (0 to 30 days)</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>Over 90 days</b>	<b>Total</b>
5.1	Water	R 22 099 017	R 20 995 812	R 18 202 653	R 896 174 754	<b>R 957 472 236</b>
5.2	Electricity	R 37 131 237	R 15 316 907	R 23 499 994	R 146 652 569	<b>R 222 600 707</b>
5.3	Property Rates	R 8 652 546	R 6 056 255	R 5 571 874	R 119 487 127	<b>R 139 767 802</b>
5.4	Sanitation	R 8 356 082	R 6 809 600	R 6 476 328	R 275 386 533	<b>R 297 028 543</b>
5.5	Refuse removal	R 5 871 610	R 4 815 102	R 4 594 959	R 200 410 495	<b>R 215 692 166</b>
5.6	Other	R 1 188 263	R 1 059 250	R 1 852 920	R 84 333 733	<b>R 88 434 166</b>
	<b>Total</b>	<b>R 83 298 755</b>	<b>R 55 052 926</b>	<b>R 60 198 728</b>	<b>R 1 722 445 211</b>	<b>R 1 920 995 620</b>

## **Comments:**

Total outstanding debt has increased from R1 891 759 367 in August 2025 to R1 920 995 620 in September 2025. The 2% increase amounting to R29 236 253 is a result of minimum/non-payments of accounts.

Water outstanding debt was R944 350 788 in August 2025 and increased to R957 472 236 in September 2025. That accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters.

Electricity outstanding debt was R218 425 628 in August 2025 and increased to R222 600 707 in September 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 R138 028 666 in August 2025 and increased to R139 767 802 in September 2025. This account for 7% against total debt.

Total outstanding debt for sanitation/Sewerage was R292 359 011 in August 2025 and increased to R297 028 543 in September 2025. This accounts for 15% of the total outstanding debt.

Refuse Removal or Solid Waste outstanding debt was R212 298 772 in August 2025 and increased to R215 692 166. This accounts for 11% of the total debt and emanates from non-payment of accounts.

Total outstanding debt for Other or Sundries was R86 296 502 in August 2025 and increased to R88 434 166 in September 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 R129 644 098 in August 2025 and increased to R134 455 623 in September 2025. This represents 7% of the total outstanding debt that Public Works is in the process of addressing.

Business/Commercial debt was R225 994 505 in August 2025 and increased to R226 613 629 in September 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 406 772 285 in August 2025 and increased to R1 427 760 202 in September 2025. That accounts for 74% of the total debt. This is inclusive of R248 981 257 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R129 348 479 in August 2025 and increased to R132 166 166 in September 2025. That is 7% of the total outstanding debt.

The total debt by Councillors was R1 659 747 in August 2025 and R1 626 045 (2% decrease), Officials owed R3 126 333 in August 2025 and R3 080 860 in September 2025 (1% decrease).

Telephone accounts had a balance of R708 131.64 in August 2025 and R711 131.53 in September 2025 (0% increase/decrease).

The Municipality needs to resolve on approving the Revenue Enhancement Strategy & implement the Debt Collection & Credit Control Policy consistently.

There were 4 debt collection companies appointed until June 2025. The Municipality is considering joining the National Treasury RT27-2024 debt collection transversal contract.

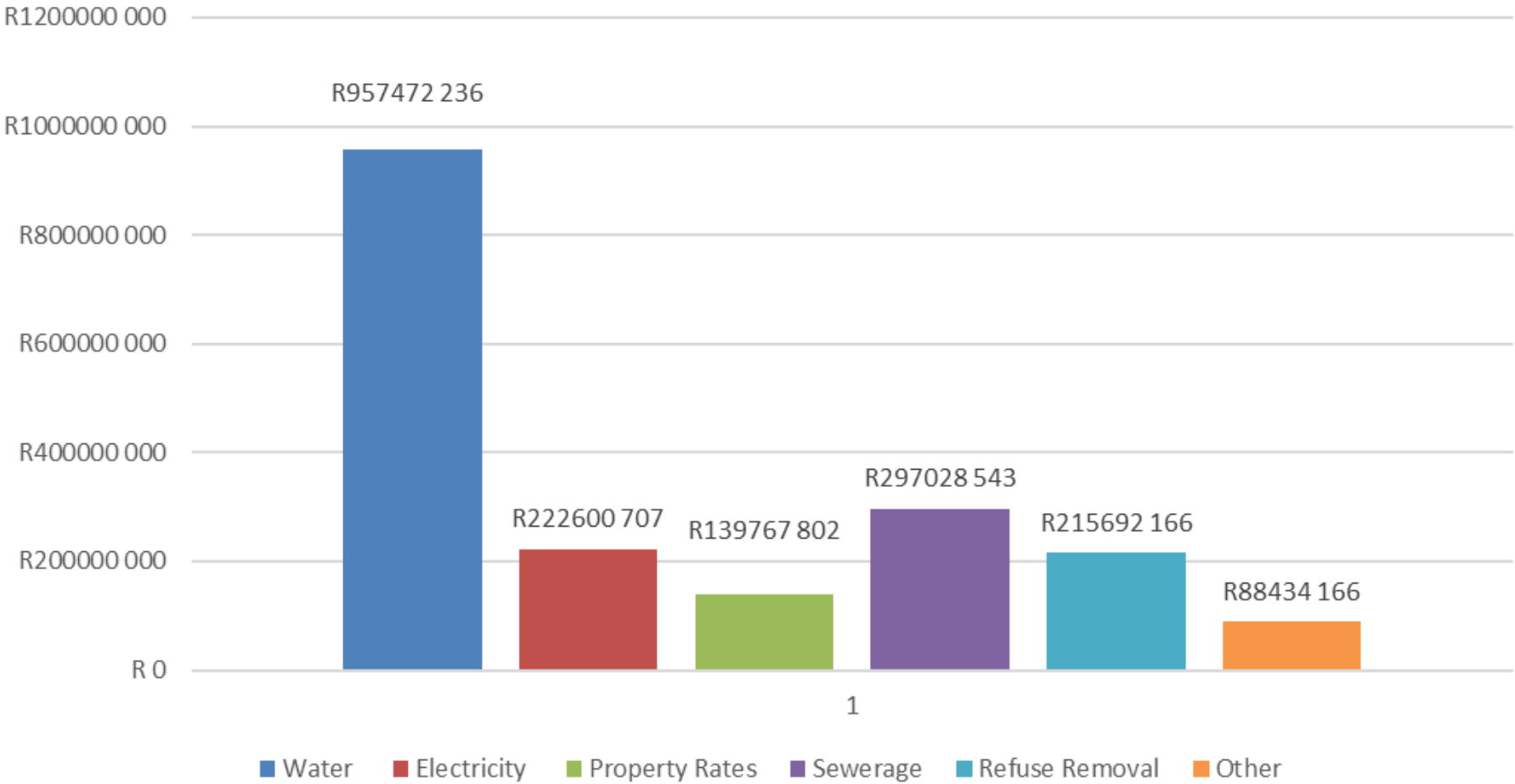
Blockings of the prepaid electricity meters & disconnections for the conventional electricity meters for categories of payment defaulters plays a major role in the collection rate and revenue enhancement.

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.

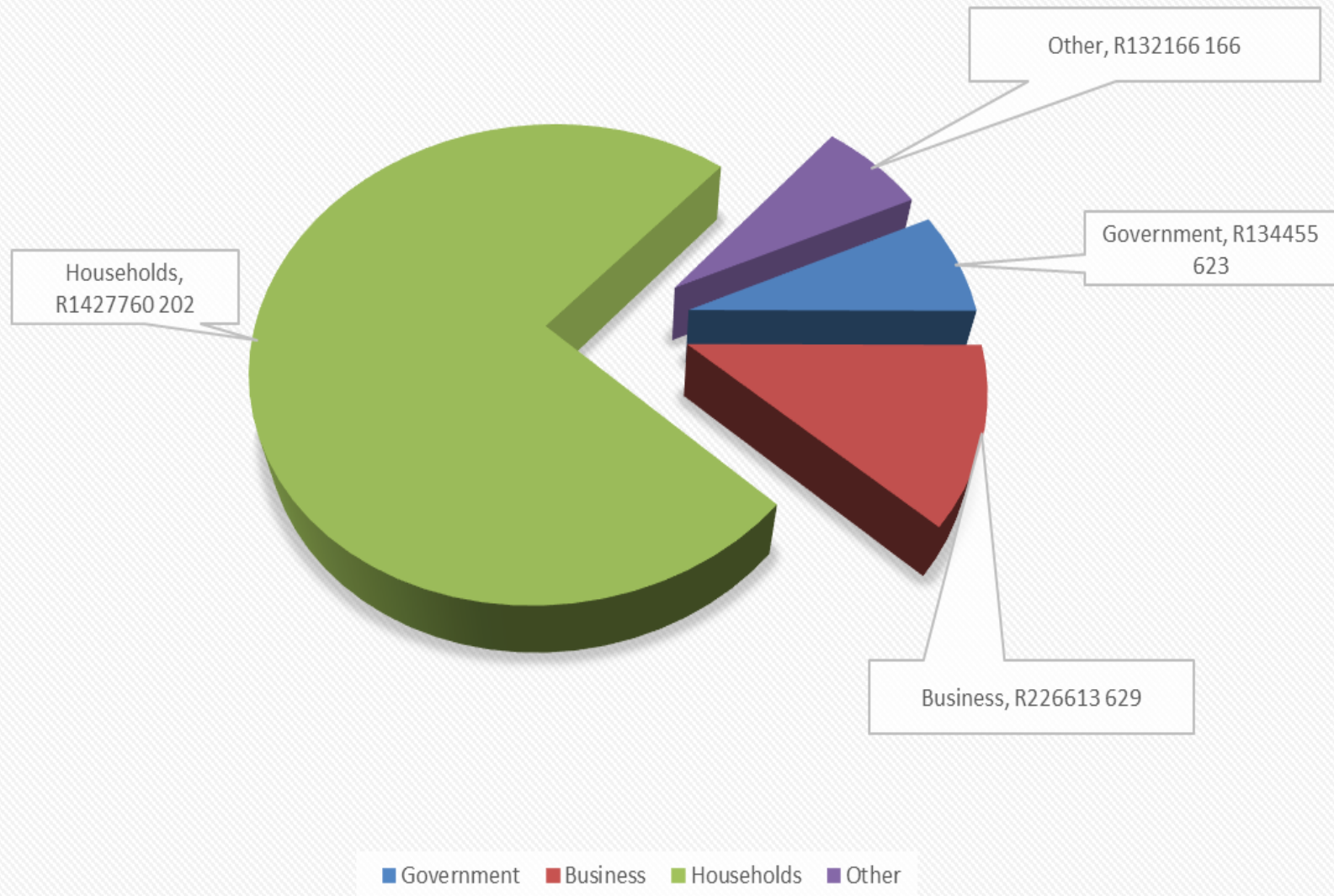
The three years and seven months delay in appointing the Chief Financial Officer and other Directors plays a very critical role in the financial distress facing the municipality.

The Municipality operates with administrative leadership that mostly is in acting capacity. The municipality is politically unstable, and the leadership vacuum affects operations.

### 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

Creditor Age Analysis September 2025									
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	54 429 512	73 628 886	81 473 086	-	-	-	-	1 806 238 433	2 015 769 917
Loan repayments	676 595	666 898	661 179					6 132 058,14	8 136 730
Trade Creditors	6 387 628	3 171 659	1 821 678	-	-	-	-	-	11 380 965
Auditor General	2 590 804	-	-	-	-	-	-	-	2 590 804
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
<b>Total</b>	<b>65 530 292</b>	<b>78 366 161</b>	<b>84 854 661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 835 959 813</b>	<b>2 064 710 928</b>

**Bulk Electricity** – As at the 30 September 2025, the outstanding debt owed to ESKOM amounted to R2 015 769 917. 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 R2 590 804. Other creditors – includes Sundry creditors which were unpaid as at 30 September 2025 amount to **R1 561 060**.

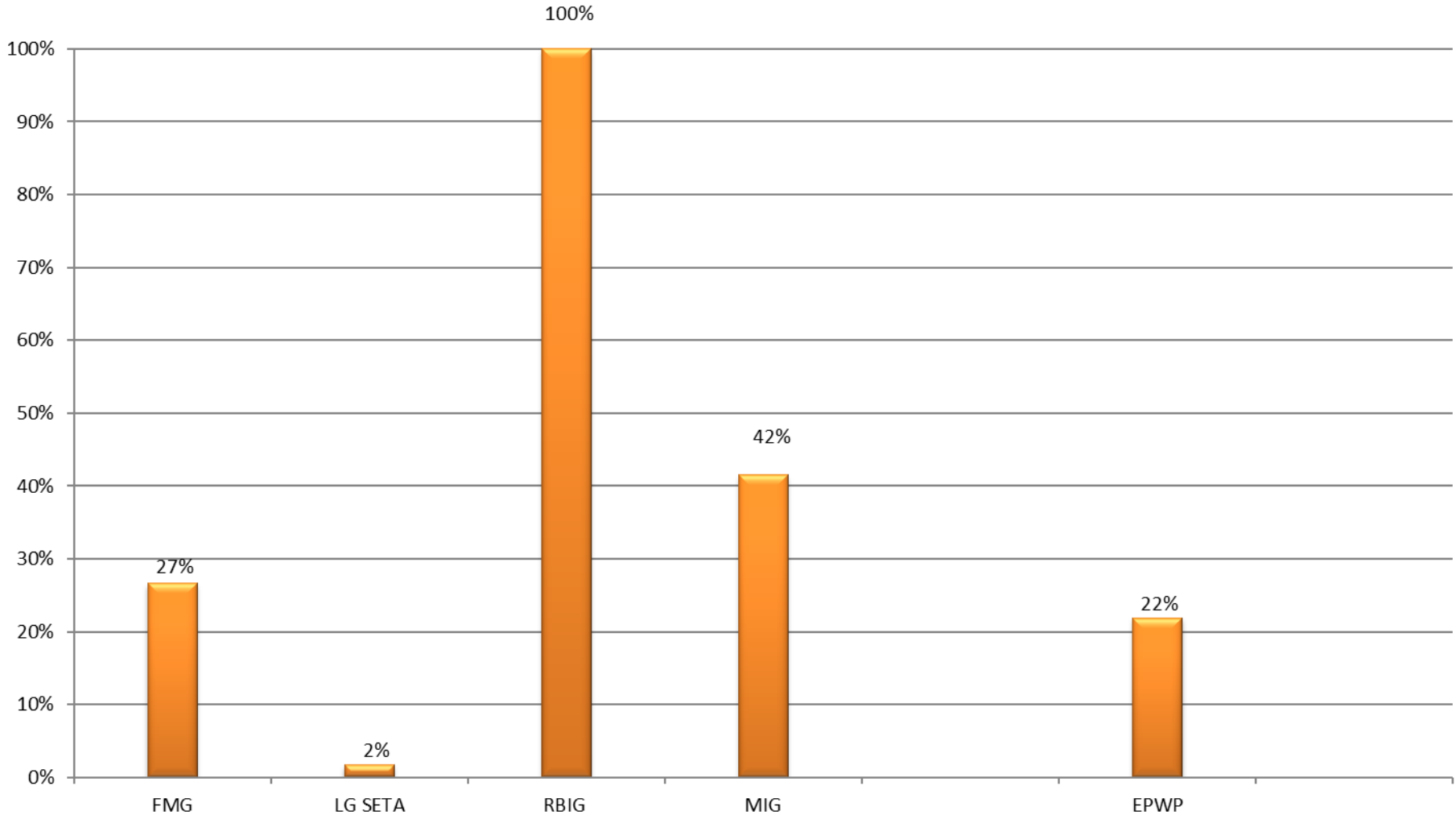
## 8. Investment portfolio analysis

<b>Moghaka Municipality</b>				
<b>Year End</b>	30-Jul-26			
<b>Section</b>	Finance			
<b>Compiled by</b>	ID Mphosi			
<b>Purpose</b>	Investment Register			
<i>The municipality holds the following investments with ABSA Bank.</i>				
<b>Detail</b>	<b>Bank Acc num</b>	<b>Type of investment</b>	<b>Vote num</b>	
ABSA - 1	20-7531-4898	Fixed Deposit	34055053140ZZZZZZWWM	
ABSA - 2	20-5824-7882	Fixed Deposit	34055053040ZZZZZZWWM	21 465 760.64
ABSA - 3	91-3190-1443	Call Account	34055053240ZZZZZZWWM	
	<b>20-7531-4898</b>	<b>20-5824-7882</b>	<b>91-3190-1443</b>	
	<b>ABSA - 1</b>	<b>ABSA - 2</b>	<b>ABSA - 3</b>	<b>Total</b>
<b>Balance 01-Jul- 2025</b>	<b>6 040.56</b>	<b>129 607.22</b>	<b>22 165 244.44</b>	<b>22 300 892.22</b>
Prior period error		-	-	-
<b>Adjusted Balance</b>	<b>6 040.56</b>	<b>129 607.22</b>	<b>16 165 244.44</b>	<b>16 300 892.22</b>
	-	-	<b>56 994 351.86</b>	<b>56 994 351.86</b>
Invested	-	-	120 595 000.00	<b>120 595 000.00</b>
Withdrawn	-	-	-64 000 000.00	<b>-64 000 000.00</b>
Interest earned	-	-	399 351.86	<b>399 351.86</b>
<b>Balance at 31-Jul-2025</b>	<b>6 040.56</b>	<b>129 607.22</b>	<b>73 159 596.30</b>	<b>73 295 244.08</b>
	109.47		8 205 548.02	8 205 657.49
Invested			35 336 519.94	35 336 519.94
Withdrawn			-27 500 000.00	<b>-27 500 000.00</b>
Interest earned	109.47		<b>369 028.08</b>	<b>369 137.55</b>
<b>Balance at 31-Aug-2025</b>	<b>6 150.03</b>	<b>129 607.22</b>	<b>81 365 144.32</b>	<b>81 500 901.57</b>
			-30 673 532.29	-30 673 532.29
Invested			10 500 000.00	10 500 000.00
Withdrawn			-41 500 000.00	-41 500 000.00
Interest earned			326 467.71	326 467.71
<b>Balance at 30-Sep-2025</b>	<b>6 150.03</b>	<b>129 607.22</b>	<b>50 691 612.03</b>	<b>50 827 369.28</b>

**9. Allocation and grant receipts and expenditure**

<b>Report on conditional grants at</b>	<b>30-Sep-25</b>						
<b>Municipality:</b>	<b>FS201 Moqhaka</b>						
<b>Financial Accounting for Grant Funds Received and Expended</b>							
	<b>OPERATIONAL GRANTS</b>			<b>CAPITAL GRANTS</b>			
	<b>Finance Management Grant (FMG)</b>	<b>LG SETA (Mandatory)</b>	<b>RBIG</b>	<b>Municipal Infrastructure Grant (MIG)</b>	<b>Extended Public Works Programme (EPWP)</b>	<b>Water Services Infrastructure Grant (WSIG)</b>	<b>Total Capital Grants</b>
<b>DORA Allocation for the 2025/26</b>	<b>2 300 000</b>	<b>-</b>	<b>-</b>	<b>48 937 000</b>	<b>1 496 000</b>	<b>17 595 000</b>	<b>68 028 000</b>
<b>Unspent grants at beginning of the financial year</b>		<b>2 839 813</b>		<b>1 198 333</b>			<b>1 198 333</b>
Received Prior Months	2 300 000		15 163 625		374 000	4 595 000	<b>4 969 000</b>
Received This Month	-	-	1 140 914	852 000	-	-	<b>852 000</b>
<b>Total Funds Received</b>	<b>2 300 000</b>	<b>2 839 813</b>	<b>16 304 539</b>	<b>2 050 333</b>	<b>374 000</b>	<b>4 595 000</b>	<b>7 019 333</b>
Spent Prior Months	503 392	49 000	15 163 625	-	212 471	-	<b>212 471</b>
Spent This Month	109 665	-	1 140 914	851 915	114 919	-	<b>966 834</b>
Grants refunded	-	-	-	-	-	-	<b>-</b>
Total Funds Spent	613 057	49 000	16 304 539	851 915	327 390	-	<b>1 179 305</b>
<b>Total funds Received and Not Spent</b>	<b>1 686 943</b>	<b>2 790 813</b>	<b>-</b>	<b>1 198 418</b>	<b>46 610</b>	<b>4 595 000</b>	<b>5 840 028</b>
<b>Percentage of Funds Spent</b>	<b>27%</b>	<b>2%</b>	<b>100%</b>	<b>42%</b>	<b>22%</b>	<b>0%</b>	<b>17%</b>
Funds Currently Committed but Not Spent	-	-	-	-	-	-	<b>-</b>
Scheduled Transfers Withheld	-	-	-	-	-	-	<b>-</b>
<b>Capital Government grants and subsidies consist of the following:</b>							
Municipal Infrastructure Grant	48 937 000						
Water Services Infrastructure Grant	17 595 000						
EPWP (Incentive)	1 496 000						
<b>Total</b>	<b>68 028 000</b>						

# GRANTS SPENDING 2025/26



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

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
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		329 232	325 501	325 501	-	130 294	81 375	48 919	60,1%	325 501
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Equitable Share		298 568	312 705	312 705	-	130 294	78 176	52 118	66,7%	312 705
Expanded Public Works Programme Integrated Grant		-	1 496	1 496	-	-	374	(374)	-100,0%	1 496
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Local Government Financial Management Grant		2 300	2 300	2 300	-	-	575	(575)	-100,0%	2 300
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant		28 364	9 000	9 000	-	-	2 250	(2 250)	-100,0%	9 000
Other transfers and grants [insert description]										
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>Other grant providers:</b>		1 780	3 081	3 081	-	-	770	(770)	-100,0%	3 081
ESKOM		-	-	-	-	-	-	-		-
National Economical Development and Labour Council		1 104	-	-	-	-	-	-		-
National Skills Fund		676	3 081	3 081	-	-	770	(770)	-100,0%	3 081
<b>Total Operating Transfers and Grants</b>	5	331 012	328 582	328 582	-	130 294	82 146	48 148	58,6%	328 582
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	67 471	67 471	-	-	16 868	(16 868)	-100,0%	67 471
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	48 709	48 709	-	-	12 177	(12 177)	-100,0%	48 709
Water Services Infrastructure Grant		-	18 762	18 762	-	-	4 690	(4 690)	-100,0%	18 762
<b>Provincial Government:</b>		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	-	67 471	67 471	-	-	16 868	(16 868)	-100,0%	67 471
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	331 012	396 053	396 053	-	130 294	99 013	31 281	31,6%	396 053

- R852 000 for MIG 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**

**30 September 2025**

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

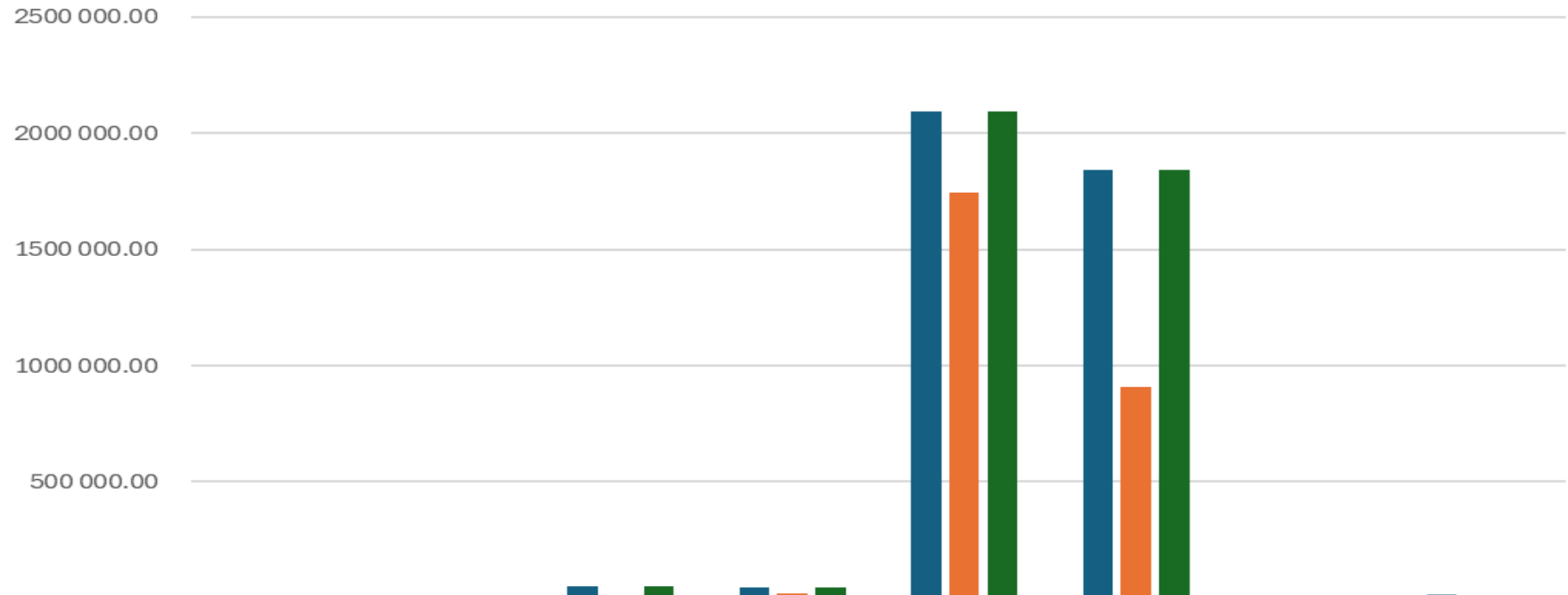
**Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)**

**Analysis of overtime per department**

<b>Description</b>	<b>30-Jul-25</b>		<b>31-Aug-25</b>		<b>30-Sep-25</b>	
	<b>Hours</b>	<b>Cost</b>	<b>Hours</b>	<b>Cost</b>	<b>Hours</b>	<b>Cost</b>
Municipal Manager	,	,	-	-	,	,
Corporate Services	41	1 592.37	11	1 592.37	231	47 940.67
Financial Services	71	69 716.91	112	17 291.73	275	43 246.24
Technical Services	9 474	1 719 266.09	9 791	1 743 939.12	10 449	2 095 823.54
Community Services	4 010	973 997.64	4 725	908 237.31	4 608	1 843 263.72
LED & Planning	16	1 975.43	,	,	-	-
Temporary	110	15 134.89	29	5 029.94	39	5 668.77
<b>Total</b>	<b>13 723</b>	<b>2 781 683.33</b>	<b>14 668</b>	<b>2 676 090.47</b>	<b>15 602</b>	<b>4 035 942.94</b>

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



	COUNCILLO RS	MUNICIPAL MANAGER	CORPORATE SERVICES	FINANCIAL SERVICES	TECHNICAL SERVICES	COMMUNIT Y SERVICES	LED AND PLANNING	TEMPORARY
■ July	-	-	47 940.67	43 246.24	2095 823.5	1843 263.7	1 975.43	15 134.89
■ August	-	-	1 592.37	17 291.73	1743 939.1	908 237.00	-	5 029.94
■ September	-	-	47 940.67	43 246.24	2095 823.5	1843 263.7	-	5 668.77

■ July ■ August ■ September

30 September 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
	Budget 2025/2026	30-Sep-25	30-Sep-25	
<b>EMPLOYEE RELATED COST</b>				
<b>SENIOR MANAGEMENT</b>				
SM - SALARIES ALLOW AND SERV BENEFITS				
<b>MM - SALARIES ALLOW AND SERV BENEFITS</b>				
SM MM: SAL & ALL - BASIC SALARY	1 094 538,00	74 582,15	222 051,45	20,29
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	9 000,00	25,78
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	62 499,99	22,36
SM MM: SRB - LONG SERVICE	0,00	0,00	47 650,28	#DIV/0!
<b>SUB TOTAL: MM - SAL ALLOW &amp; SERV BENEF</b>	<b>1 565 911,00</b>	<b>98 415,48</b>	<b>341 201,72</b>	<b>21,79</b>
<b>CFO - SALARIES ALLOW AND SERV BENEFITS</b>				
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				
<b>SUB TOTAL: CFO - SAL ALLOW &amp; SERV BENEF</b>	<b>1 086 635,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D01 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D01: SAL & ALL - BASIC SALARY	996 166,00	61 539,05	123 078,10	12,36
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	3 000,00	28,65
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	74 130,27	44,21
SM D01: SRB - ENTERTAINMENT	0,00	-	-	-
SM D01: SRB - ACTING & POST RELATE ALLOW				
<b>SUB TOTAL: DTS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 232 171,00</b>	<b>87 249,14</b>	<b>200 208,37</b>	<b>16,25</b>
<b>DO2 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D02: SAL & ALL - BASIC SALARY	860 513,00	69 618,00	207 159,00	24,07
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	3 000,00	15,40
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	135 314,85	23,15
SM D02: ALLOW - ACCOM TRAVEL & INCIDENT.	-	-	-	#DIV/0!
SM D02: SRB - ENTERTAINMENT	11 030,00	-	0,00	0,00
SM D02: SRB - ACTING & POST RELATE ALLOW		0,00	0,00	#DIV/0!
<b>SUB TOTAL: DPS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 584 694,00</b>	<b>115 722,95</b>	<b>345 473,85</b>	<b>21,80</b>

<b>DO3 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D03: SAL & ALL - BASIC SALARY	941 891,00	-	-	<b>0,00</b>
SM D03: SAL & ALL - PERFORM BASED BONUS	56 480,00	-	-	<b>0,00</b>
SM D03: ALLOW - CELLULAR & TELEPHONE	5 691,00	-	-	<b>0,00</b>
SM D03: ALLOW - HOUSING BENEFITS	184 263,00	-	-	<b>0,00</b>
SM D03: ALLOW - TRAVEL OR MOTOR VEHICLE	104 643,00	-	-	<b>0,00</b>
SM D03: SRB - ENTERTAINMENT	-	-	-	<b>#DIV/0!</b>
SM D03: SRB - ACTING & POST RELATE ALLOW	-	-	-	<b>#DIV/0!</b>
<b>SUB TOTAL: DCH - SAL ALLOW &amp; SERV BENEF</b>	<b>1 292 968,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>DO4 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D04: SAL & ALL - BASIC SALARY	986 330,00	-	-	<b>0,00</b>
SM D04: SAL & ALL - PERFORM BASED BONUS	8 600,00	-	-	<b>0,00</b>
SM D04: ALLOW - CELLULAR & TELEPHONE	9 000,00	-	-	<b>0,00</b>
SM D04: ALLOW - HOUSING BENEFITS	86 068,00	-	-	<b>0,00</b>
SM D04: ALLOW - TRAVEL OR MOTOR VEHICLE	63 948,00	-	-	<b>0,00</b>
SM D04: SRB - ENTERTAINMENT	-	-	-	<b>#DIV/0!</b>
<b>SUB TOTAL: DCS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 153 946,00</b>			<b>0,00</b>
<b>SUB TOTAL: SM - SAL ALLOW &amp; SERV BENEF</b>	<b>7 916 325,00</b>	<b>301 387,57</b>	<b>886 883,94</b>	<b>11,20</b>
<b>SM - SOCIAL CONTRIBUTIONS</b>				
<b>MM - SOCIAL CONTRIBUTIONS</b>				
SM MM: SOC CONTR: MEDICAL	72 276,00	0,00	0,00	<b>0,00</b>
SM MM: SOC CONTR: PENSION FUNDS	122 187,00	13 119,69	39 359,07	<b>32,21</b>
SM MM: SOC CONTR: UIF	2 547,00	177,12	531,36	<b>20,86</b>
<b>SUB TOTAL: MM - SOCIAL CONTRIBUTIONS</b>	<b>197 010,00</b>	<b>13 296,81</b>	<b>39 890,43</b>	<b>20,25</b>
<b>CFO - SOCIAL CONTRIBUTIONS</b>				
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	-	-	-	-
<b>SUB TOTAL: CFO - SOCIAL CONTRIBUTIONS</b>	<b>149 219,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D01 - SOCIAL CONTRIBUTIONS</b>				
SM D01: SOC CONTR: GROUP LIFE INSURANCE	0,00	0,00	0,00	<b>#DIV/0!</b>
SM D01: SOC CONTR: MEDICAL	73 416,00	177,12	354,24	<b>0,48</b>
SM D01: SOC CONTR: PENSION FUNDS	151 541,00	10 771,93	32 315,79	<b>21,32</b>
SM D01: SOC CONTR: UIF	2 588,00	0,00	177,12	<b>6,84</b>
SM D01: SOC CONTR: BARGAINING COUNCIL	0,00	0,00	0,00	<b>#DIV/0!</b>
<b>SUB TOTAL: DTS - SOCIAL CONTRIBUTIONS</b>	<b>227 545,00</b>	<b>10 949,05</b>	<b>32 847,15</b>	<b>14,44</b>
<b>D02 - SOCIAL CONTRIBUTIONS</b>				
SM D02: SOC CONTR: GROUP LIFE INSURANCE	0,00	0,00	0,00	<b>#DIV/0!</b>
SM D02: SOC CONTR: MEDICAL	38 965,00	0,00	0,00	<b>0,00</b>
SM D02: SOC CONTR: PENSION FUNDS	74 671,00	0,00	0,00	<b>0,00</b>
SM D02: SOC CONTR: UIF	2 586,00	177,12	531,36	<b>20,55</b>
SM D02: SOC CONTR: BARGAINING COUNCIL	0,00	0,00	0,00	<b>#DIV/0!</b>
<b>SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS</b>	<b>116 222,00</b>	<b>177,12</b>	<b>531,36</b>	<b>0,46</b>
<b>D03 - SOCIAL CONTRIBUTIONS</b>				
SM D03: SOC CONTR: GROUP LIFE INSURANCE				
SM D03: SOC CONTR: MEDICAL	22 093,00	-	-	<b>0,00</b>
SM D03: SOC CONTR: PENSION FUNDS	-	-	-	<b>#DIV/0!</b>
SM D03: SOC CONTR: UIF	1 280,00	-	-	<b>0,00</b>
SM D03: SOC CONTR: BARGAINING COUNCIL	-	-	-	<b>#DIV/0!</b>
<b>SUB TOTAL: DCH - SOCIAL CONTRIBUTIONS</b>	<b>23 373,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>SUB TOTAL: SM - SOCIAL CONTRIBUTIONS</b>	<b>713 369,00</b>	<b>24 422,98</b>	<b>73 268,94</b>	<b>10,27</b>



<b>SM - POST RETIREMENT BENEFITS</b>				
SM: PRB - MED: CURRENT SERVICE COST				
SM: PRB - MED: INTEREST COST	5 250 508,00	9 790,20	29 370,60	<b>0,56</b>
SM: PRB - PENS: INTEREST COST	781 263,00	-	-	-
<b>SUB TOTAL : SM - POST RETIREMENT BENEFIT</b>	<b>6 031 771,00</b>	<b>9 790,20</b>	<b>29 370,60</b>	<b>0,49</b>
SM: PST RET BEN OBL CST CAP PPE				
<b>SUB TOTAL : SM - COST CAPITALISED TO PPE</b>				
<b>SUB TOTAL : SENIOR MANAGEMENT</b>	<b>14 661 465,00</b>	<b>335 600,75</b>	<b>989 523,48</b>	<b>6,75</b>
<b>MUNICIPAL STAFF</b>				
<b>MS - SALARIES ALLOW AND SERV BENEFITS</b>				
MS: SAL & ALL: BASIC SALARY & WAGES	258 251 928,00	21 515 850,43	64 878 781,90	<b>25,12</b>
MS: SAL & ALL: PERFORMANCE BASED BONUSES	30 121,00	54 857,05	54 857,05	<b>182,12</b>
MS: ALL - CELLULAR & TELEPHONE	800 052,00	41 077,27	152 948,45	<b>19,12</b>
MS: HB & INC: HOUSING BENEFITS	2 091 443,00	137 931,03	408 812,17	<b>19,55</b>
MS: ALL - LEAVE PAY	4 315 814,00	486 751,65	2 596 810,95	<b>60,17</b>
MS: ALL - TRAVEL OR MOTOR VEHICLE	25 556 843,00	1 991 886,50	5 727 237,14	<b>22,41</b>
MS: OVERTIME - NON STRUCTURED	31 687 614,00	3 458 085,33	9 567 698,75	<b>30,19</b>
MS: OVERTIME - STRUCTURED	64 895,00	0,00	3 292,83	<b>5,07</b>
MS: PAYMENTS - SHIFT ADD REMUNERATIO	-	-	-	<b>#DIV/0!</b>
MS: SRB - ANNUAL BONUS	22 708 446,00	858 412,39	5 648 133,22	<b>24,87</b>
MS: SRB - LONG SERVICE AWARD	0,00	0,00	0,00	<b>#DIV/0!</b>
MS: SRB - STANDBY ALLOWANCE	4 447 026,00	1 225 379,57	2 242 414,71	<b>50,43</b>
MS: IN-KIND BENEFITS	3 545,00	-	-	<b>0,00</b>
MS: SRB - NON PENSIONABLE	1 840,00	-	-	<b>0,00</b>
MS: SRB - LSA CURR SERV	1 953 422,00	371 171,24	2 092 739,22	<b>107,13</b>
<b>SUB TOTAL : MS - SAL ALLOW &amp; SERV BENEF</b>	<b>351 912 989,00</b>	<b>30 141 402,46</b>	<b>93 373 726,39</b>	<b>26,53</b>
<b>MS - SOCIAL CONTRIBUTIONS</b>				<b>#DIV/0!</b>
MS: SOC CONTR - BARGAINING COUNCIL	166 344,00	11 935,35	34 828,55	<b>20,94</b>
MS: SOC CONTR - GROUP LIFE INSURANCE	1 488 851,00	86 864,23	260 510,93	<b>17,50</b>
MS: SOC CONTR - MEDICAL	28 189 091,00	2 420 743,76	7 280 213,67	<b>25,83</b>
MS: SOC CONTR - PENSION	45 670 003,00	3 918 399,17	11 805 114,82	<b>25,85</b>
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 488 849,00	167 026,11	503 726,16	<b>20,24</b>
<b>SUB TOTAL : MS - SOCIAL CONTRIBUTIONS</b>	<b>78 003 138,00</b>	<b>6 604 968,62</b>	<b>19 884 394,13</b>	<b>25,49</b>
MS: PRB - MED: CURRENT SERVICE COST				<b>#DIV/0!</b>
MS: PRB - MED: INTEREST COST	4 689 734,00	461 615,86	456 935,86	<b>9,74</b>
MS: PRB - PENS: INTEREST COST				<b>#DIV/0!</b>
MS: PRB - OTHER: LEAVE GRATUITY		0,00	0,00	<b>#DIV/0!</b>
<b>SUB TOTAL : MS - POST RETIREMENT BEN</b>	<b>4 689 734,00</b>	<b>461 615,86</b>	<b>456 935,86</b>	<b>9,74</b>
<b>MS - COST CAPITALISED TO PPE</b>				<b>#DIV/0!</b>
MS: IN-KIND BENEFITS CST CAP PPE	142 512,00	5 668,48	20 609,13	<b>14,46</b>
<b>SUB TOTAL : MS - COST CAPITALISED TO PPE</b>	<b>142 512,00</b>	<b>5 668,48</b>	<b>20 609,13</b>	<b>14,46</b>
<b>SUB TOTAL : MUNICIPAL STAFF</b>	<b>434 748 373,00</b>	<b>37 213 655,42</b>	<b>113 735 665,51</b>	<b>26,16</b>
<b>SUB TOTAL : EMPLOYEE RELATED COST</b>	<b>449 409 838,00</b>	<b>37 549 256,17</b>	<b>114 725 188,99</b>	<b>25,53</b>

**FS201 Moqhaka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September**

Summary of Employee and Councillor remuneration	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	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		4 043	7 774	7 774	977	2 203	1 944	260	13%	7 774
Pension and UIF Contributions		1 756	1 934	1 934	19	184	483	(299)	-62%	1 934
Medical Aid Contributions		752	1 255	1 255	61	182	314	(132)	-42%	1 255
Motor Vehicle Allowance		13 760	14 795	14 795	74	1 315	3 699	(2 384)	-64%	14 795
Cellphone Allowance		2 105	3 031	3 031	159	490	758	(268)	-35%	3 031
Housing Allowances								-		
Other benefits and allowances		28	695	695	511	1 024	174	850	489%	695
<b>Sub Total - Councillors</b>		<b>22 444</b>	<b>29 484</b>	<b>29 484</b>	<b>1 799</b>	<b>5 398</b>	<b>7 371</b>	<b>(1 973)</b>	<b>-27%</b>	<b>29 484</b>
<b>% increase</b>	4		<b>31,4%</b>	<b>31,4%</b>						<b>31,4%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		1 702	5 827	5 827	206	552	1 457	(904)	-62%	5 827
Pension and UIF Contributions		266	500	500	24	73	125	(52)	-42%	500
Medical Aid Contributions		-	214	214	0	0	53	(53)	-99%	214
Overtime								-		
Performance Bonus		127	338	338	-	-	84	(84)	-100%	338
Motor Vehicle Allowance		953	1 258	1 258	91	272	315	(43)	-14%	1 258
Cellphone Allowance		62	87	87	5	15	22	(7)	-31%	87
Housing Allowances		-	379	379	-	-	95	(95)	-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	29	1 508	(1 479)	-98%	6 032
Entertainment		1	28	28	-	-	7	(7)	-100%	28
Scarcity								-		
Acting and post related allowance								-		
In kind benefits								-		
<b>Sub Total - Senior Managers of Municipality</b>		<b>29 685</b>	<b>14 661</b>	<b>14 661</b>	<b>336</b>	<b>990</b>	<b>3 665</b>	<b>(2 676)</b>	<b>-73%</b>	<b>14 661</b>
<b>% increase</b>	4		<b>-50,6%</b>	<b>-50,6%</b>						<b>-50,6%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		249 693	258 252	258 252	21 516	64 879	64 563	316	0%	258 252
Pension and UIF Contributions		47 250	49 648	49 648	4 172	12 569	12 412	157	1%	49 648
Medical Aid Contributions		28 691	28 189	28 189	2 421	7 280	7 047	233	3%	28 189
Overtime		38 218	31 753	31 753	3 458	9 571	7 938	1 633	21%	31 753
Performance Bonus		20 335	22 739	22 739	913	5 703	5 685	18	0%	22 739
Motor Vehicle Allowance		21 447	25 557	25 557	1 992	5 727	6 389	(662)	-10%	25 557
Cellphone Allowance		493	800	800	41	153	200	(47)	-24%	800
Housing Allowances		1 722	2 091	2 091	138	409	523	(114)	-22%	2 091
Other benefits and allowances		4 879	4 615	4 615	1 237	2 277	1 154	1 123	97%	4 615
Payments in lieu of leave		8 351	4 316	4 316	487	2 597	1 079	1 518	141%	4 316
Long service awards		2 009	1 953	1 953	371	2 093	488	1 604	329%	1 953
Post-retirement benefit obligations	2	15	4 690	4 690	462	457	1 172	(716)	-61%	4 690
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits		-	4	4	-	-	1	(1)	-100%	4
<b>Sub Total - Other Municipal Staff</b>		<b>423 103</b>	<b>434 606</b>	<b>434 606</b>	<b>37 208</b>	<b>113 715</b>	<b>108 652</b>	<b>5 063</b>	<b>5%</b>	<b>434 606</b>
<b>% increase</b>	4		<b>2,7%</b>	<b>2,7%</b>						<b>2,7%</b>
<b>Total Parent Municipality</b>		<b>475 232</b>	<b>478 752</b>	<b>478 752</b>	<b>39 343</b>	<b>120 103</b>	<b>119 689</b>	<b>414</b>	<b>0%</b>	<b>478 752</b>

The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible. Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is consistent and correlates to the normal estimated time to complete a job of a similar nature.
- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant, and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2025/26 MTREF.

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies.
- Approval of Overtime prior to it being incurred.
- Inability to manage overtime proactively.
- Curbing / Limiting / Curtailing expenditure on Overtime.
- Monitoring expenditure on Overtime.
- Utilizing the available workforce optimally.
- Implementing an alternative method of compensation.

- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance.
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system.

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

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

## **12. Capital programme performance.**

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

## **13. Other Supporting Documentation**



### Audit Trail

Batch Transfer

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

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

						Batch Status
Operator	Captured	First Approver	Second Approver	Third Approver	Final Approver	
	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 Details

Batch Entry Number 1

From / Joint Description	334536	MOQHAKA LOCAL MUNICIPALITY - 000004053274876			
Beneficiary Code	9345061750	90046539	Frequency	Adhoc	
To Account	223626	ESKOM 9345061750 - 0000055070067316	Mandate		
Description		MOQHAKA MUNICIPALITY	Amount	10,000,000.00	
Date		2025/09/01	Transaction Status	S	
Roll-over date					
Transaction Number	266457				
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](http://www.moghaka.gov.za)

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

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

The following are the budget and other financial issues:

- 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 - M03 September**

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	93 605	94 806	94 806	8 224	24 629	23 702	927	4%	94 806
Service charges	723 166	876 199	876 199	68 784	204 224	219 050	(14 825)	-7%	876 199
Investment revenue	39	63	63	-	-	16	(16)	-100%	63
Transfers and subsidies - Operational	331 012	328 582	328 582	-	130 294	82 146	48 148	0	328 582
Other own revenue	132 185	130 301	130 301	10 124	30 205	32 575	(2 370)	-7%	130 301
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 280 007</b>	<b>1 429 951</b>	<b>1 429 951</b>	<b>87 133</b>	<b>389 352</b>	<b>357 488</b>	<b>31 865</b>	<b>9%</b>	<b>1 429 951</b>
Employee costs	452 951	449 410	449 410	37 549	114 725	112 353	2 372	2%	449 410
Remuneration of Councillors	22 444	29 484	29 484	1 799	5 398	7 371	(1 973)	-27%	29 484
Depreciation and amortisation	112 242	10 305	10 305	-	-	2 576	(2 576)	-100%	10 305
Interest	99 037	8 790	8 790	550	122 245	2 198	120 047	5463%	8 790
Inventory consumed and bulk purchases	504 814	454 759	454 759	57 811	61 980	113 690	(51 710)	-45%	454 759
Transfers and subsidies	244	1 095	1 095	30	5	274	(269)	-98%	1 095
Other expenditure	503 836	432 991	432 991	27 845	48 038	108 248	(60 211)	-56%	432 991
<b>Total Expenditure</b>	<b>1 695 568</b>	<b>1 386 834</b>	<b>1 386 834</b>	<b>125 585</b>	<b>352 391</b>	<b>346 710</b>	<b>5 680</b>	<b>2%</b>	<b>1 386 834</b>
<b>Surplus/(Deficit)</b>	<b>(415 561)</b>	<b>43 117</b>	<b>43 117</b>	<b>(38 452)</b>	<b>36 961</b>	<b>10 777</b>	<b>26 184</b>	<b>243%</b>	<b>43 117</b>
Transfers and subsidies - capital (monetary)	48 042	66 532	66 532	-	-	16 633	###	-100%	66 532
Transfers and subsidies - capital (in-kind)	14	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(367 505)</b>	<b>109 649</b>	<b>109 649</b>	<b>(38 452)</b>	<b>36 961</b>	<b>27 410</b>	<b>9 551</b>	<b>35%</b>	<b>109 649</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(367 505)</b>	<b>109 649</b>	<b>109 649</b>	<b>(38 452)</b>	<b>36 961</b>	<b>27 410</b>	<b>9 551</b>	<b>35%</b>	<b>109 649</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>4 900</b>	<b>95 021</b>	<b>95 021</b>	<b>2 495</b>	<b>12 212</b>	<b>23 755</b>	<b>(11 544)</b>	<b>-49%</b>	<b>95 021</b>
Capital transfers recognised	136	66 532	66 532	5	25	16 633	(16 608)	-100%	66 532
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	4 763	28 489	28 489	2 490	12 186	7 122	5 064	71%	28 489
<b>Total sources of capital funds</b>	<b>4 900</b>	<b>95 021</b>	<b>95 021</b>	<b>2 495</b>	<b>12 212</b>	<b>23 755</b>	<b>(11 544)</b>	<b>-49%</b>	<b>95 021</b>
<b>Financial position</b>									
Total current assets	796 718	467 905	467 905		883 486				467 905
Total non current assets	1 941 454	3 107 101	3 107 101		1 974 370				3 107 101
Total current liabilities	1 969 643	538 944	538 944		2 003 482				538 944
Total non current liabilities	151 836	73 466	73 466		151 836				73 466
Community wealth/Equity	1 454 962	2 967 331	2 967 331		654 183				2 967 331
<b>Cash flows</b>									
Net cash from (used) operating	(87 086)	(379 265)	(379 265)	(22 133)	(86 298)	(94 816)	(8 518)	9%	(379 265)
Net cash from (used) investing	(7 184)	(86 529)	(86 529)	(814)	(10 553)	(21 632)	(11 079)	51%	(86 529)
Net cash from (used) financing	(1 178)	(2 121)	(2 121)	402	(230)	(530)	(300)	57%	(2 121)
<b>Cash/cash equivalents at the month/year end</b>	<b>(105 352)</b>	<b>(492 678)</b>	<b>(492 678)</b>	<b>(120 238)</b>	<b>(120 238)</b>	<b>(141 742)</b>	<b>(21 504)</b>	<b>15%</b>	<b>(491 072)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>

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

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
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>430 604</b>	<b>335 761</b>	<b>335 761</b>	<b>9 357</b>	<b>116 562</b>	<b>83 940</b>	32 622	39%	<b>335 761</b>
Executive and council		314 666	215 840	215 840	27	87 562	53 960	33 602	62%	215 840
Finance and administration		115 938	119 921	119 921	9 329	29 000	29 980	(980)	-3%	119 921
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>12 176</b>	<b>26 179</b>	<b>26 179</b>	<b>1 206</b>	<b>2 153</b>	<b>6 545</b>	(4 392)	-67%	<b>26 179</b>
Community and social services		1 816	3 730	3 730	195	532	932	(401)	-43%	3 730
Sport and recreation		2 356	3 511	3 511	108	176	878	(702)	-80%	3 511
Public safety		3 211	5 123	5 123	28	111	1 281	(1 170)	-91%	5 123
Housing		4 792	13 815	13 815	875	1 334	3 454	(2 119)	-61%	13 815
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>48 520</b>	<b>51 052</b>	<b>51 052</b>	<b>139</b>	<b>497</b>	<b>12 763</b>	(12 266)	-96%	<b>51 052</b>
Planning and development		1 932	1 773	1 773	139	389	443	(54)	-12%	1 773
Road transport		46 589	49 164	49 164	-	108	12 291	(12 183)	-99%	49 164
Environmental protection		-	115	115	-	-	29	(29)	-100%	115
<b>Trading services</b>		<b>836 763</b>	<b>1 083 491</b>	<b>1 083 491</b>	<b>76 431</b>	<b>270 140</b>	<b>270 873</b>	<b>(732)</b>	0%	<b>1 083 491</b>
Energy sources		440 915	575 441	575 441	45 411	141 963	143 860	(1 897)	-1%	575 441
Water management		241 620	306 472	306 472	17 777	67 452	76 618	(9 166)	-12%	306 472
Waste water management		90 301	116 972	116 972	7 757	35 101	29 243	5 858	20%	116 972
Waste management		63 926	84 606	84 606	5 485	25 625	21 151	4 474	21%	84 606
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>1 328 063</b>	<b>1 496 483</b>	<b>1 496 483</b>	<b>87 133</b>	<b>389 352</b>	<b>374 121</b>	<b>15 232</b>	<b>4%</b>	<b>1 496 483</b>

<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>429 573</b>	<b>369 217</b>	<b>369 217</b>	<b>20 859</b>	<b>186 506</b>	<b>92 305</b>	94 201	102%	<b>369 217</b>
Executive and council		92 868	116 725	116 725	6 609	144 763	29 181	115 582	396%	116 725
Finance and administration		332 609	247 021	247 021	13 884	40 656	61 756	(21 100)	-34%	247 021
Internal audit		4 096	5 471	5 471	367	1 087	1 368	(280)	-20%	5 471
<b>Community and public safety</b>		<b>112 755</b>	<b>131 037</b>	<b>131 037</b>	<b>8 001</b>	<b>25 169</b>	<b>32 760</b>	(7 591)	-23%	<b>131 037</b>
Community and social services		17 429	19 911	19 911	807	2 457	4 978	(2 521)	-51%	19 911
Sport and recreation		46 132	54 314	54 314	3 248	10 296	13 579	(3 283)	-24%	54 314
Public safety		40 581	46 363	46 363	3 213	10 093	11 591	(1 498)	-13%	46 363
Housing		8 612	10 448	10 448	734	2 324	2 612	(289)	-11%	10 448
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		<b>98 920</b>	<b>73 339</b>	<b>73 339</b>	<b>5 958</b>	<b>15 901</b>	<b>18 335</b>	(2 434)	-13%	<b>73 339</b>
Planning and development		9 741	13 203	13 203	768	2 546	3 301	(755)	-23%	13 203
Road transport		86 357	55 796	55 796	5 001	12 586	13 949	(1 363)	-10%	55 796
Environmental protection		2 822	4 339	4 339	188	769	1 085	(316)	-29%	4 339
<b>Trading services</b>		<b>1 053 003</b>	<b>809 881</b>	<b>809 881</b>	<b>90 672</b>	<b>124 527</b>	<b>202 471</b>	(77 943)	-38%	<b>809 881</b>
Energy sources		583 765	522 453	522 453	64 694	68 975	130 613	(61 639)	-47%	522 453
Water management		223 631	125 979	125 979	15 964	27 503	31 495	(3 992)	-13%	125 979
Waste water management		138 429	78 647	78 647	5 433	14 936	19 662	(4 726)	-24%	78 647
Waste management		107 180	82 802	82 802	4 582	13 114	20 701	(7 586)	-37%	82 802
<b>Other</b>		<b>1 316</b>	<b>3 361</b>	<b>3 361</b>	<b>94</b>	<b>287</b>	<b>840</b>	(553)	-66%	<b>3 361</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1 695 568</b>	<b>1 386 834</b>	<b>1 386 834</b>	<b>125 585</b>	<b>352 391</b>	<b>346 711</b>	<b>5 680</b>	<b>2%</b>	<b>1 386 834</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(367 505)</b>	<b>109 649</b>	<b>109 649</b>	<b>(38 452)</b>	<b>36 961</b>	<b>27 410</b>	<b>9 551</b>	<b>0,3484628</b>	<b>109 649</b>

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

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Executive & Council		306 737	215 840	215 840	27	87 562	53 960	33 602	62,3%	215 840
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		(2 178)	4 725	4 725	(346)	(670)	1 181	(1 851)	-156,7%	4 725
Vote 04 - Finance		117 673	114 432	114 432	9 636	29 594	28 608	986	3,4%	114 432
Vote 05 - Technical Services		819 425	1 048 049	1 048 049	70 945	244 623	262 012	(17 389)	-6,6%	1 048 049
Vote 06 - Community Services		76 918	93 973	93 973	5 698	26 261	23 493	2 767	11,8%	93 973
Vote 07 - Local Economic Development		9 488	19 464	19 464	1 172	1 982	4 866	(2 883)	-59,3%	19 464
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>1 328 063</b>	<b>1 496 483</b>	<b>1 496 483</b>	<b>87 133</b>	<b>389 352</b>	<b>374 121</b>	<b>15 232</b>	<b>4,1%</b>	<b>1 496 483</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Executive & Council		94 416	108 137	108 137	5 857	142 117	27 035	115 082	425,7%	108 137
Vote 02 - Municipal Manager		24 596	31 004	31 004	1 845	5 568	7 751	(2 183)	-28,2%	31 004
Vote 03 - Corporate Services		68 151	79 395	79 395	3 629	9 255	19 849	(10 594)	-53,4%	79 395
Vote 04 - Finance		176 711	79 522	79 522	6 782	17 280	19 881	(2 601)	-13,1%	79 522
Vote 05 - Technical Services		1 041 831	794 247	794 247	92 348	128 344	198 562	(70 218)	-35,4%	794 247
Vote 06 - Community Services		253 494	247 195	247 195	12 433	41 247	61 799	(20 553)	-33,3%	247 195
Vote 07 - Local Economic Development		36 369	47 334	47 334	2 689	8 580	11 834	(3 254)	-27,5%	47 334
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1 695 568</b>	<b>1 386 834</b>	<b>1 386 834</b>	<b>125 585</b>	<b>352 391</b>	<b>346 710</b>	<b>5 680</b>	<b>1,6%</b>	<b>1 386 834</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(367 505)</b>	<b>109 649</b>	<b>109 649</b>	<b>(38 452)</b>	<b>36 961</b>	<b>27 410</b>	<b>9 551</b>	<b>34,8%</b>	<b>109 649</b>



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

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		(23 158)	2 905	2 905	(44 626)	2 905
Trade and other receivables from exchange transactions		640 991	247 218	247 218	722 212	247 218
Receivables from non-exchange transactions		71 173	43 806	43 806	78 724	43 806
Current portion of non-current receivables						
Inventory		81 831	105 427	105 427	82 662	105 427
VAT		3 168	35 960	35 960	21 768	35 960
Other current assets		22 711	32 588	32 588	22 746	32 588
<b>Total current assets</b>		<b>796 718</b>	<b>467 905</b>	<b>467 905</b>	<b>883 486</b>	<b>467 905</b>
<b>Non current assets</b>						
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	1 838 667	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						
<b>Total non current assets</b>		<b>1 941 454</b>	<b>3 107 101</b>	<b>3 107 101</b>	<b>1 974 370</b>	<b>3 107 101</b>
<b>TOTAL ASSETS</b>		<b>2 738 171</b>	<b>3 575 006</b>	<b>3 575 006</b>	<b>2 857 856</b>	<b>3 575 006</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(2 121)	(2 121)	(886)	(2 121)
Consumer deposits		15 564	14 338	14 338	16 235	14 338
Trade and other payables from exchange transactions		1 756 299	507 185	507 185	1 743 131	507 185
Trade and other payables from non-exchange transactions		6 343	–	–	29 917	–
Provision		184 238	71 434	71 434	184 238	71 434
VAT		7 199	(51 892)	(51 892)	30 848	(51 892)
Other current liabilities		–	–	–	–	–
<b>Total current liabilities</b>		<b>1 969 643</b>	<b>538 944</b>	<b>538 944</b>	<b>2 003 482</b>	<b>538 944</b>
<b>Non current liabilities</b>						
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		–	–	–	–	–
<b>Total non current liabilities</b>		<b>151 836</b>	<b>73 466</b>	<b>73 466</b>	<b>151 836</b>	<b>73 466</b>
<b>TOTAL LIABILITIES</b>		<b>2 121 479</b>	<b>612 409</b>	<b>612 409</b>	<b>2 155 318</b>	<b>612 409</b>
<b>NET ASSETS</b>	2	<b>616 692</b>	<b>2 962 597</b>	<b>2 962 597</b>	<b>702 538</b>	<b>2 962 597</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		1 454 962	2 965 980	2 965 980	654 183	2 965 980
Reserves and funds		–	1 351	1 351	–	1 351
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 454 962</b>	<b>2 967 331</b>	<b>2 967 331</b>	<b>654 183</b>	<b>2 967 331</b>

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

Sept'25

Period

2025/26

National Financial Year

Demarcation Code of Municipality being assessed

FS201

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	<b>Maintaining the Eskom and bulk water current account –</b> (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	<input type="text" value="Does not have function"/>
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	<input type="text" value="Does not have function"/>
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	<input type="text" value="Does not have function"/>
4	6.3.1	- Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	<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 <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a>?</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><b>Compliance with a funded MTREF –</b>                      <i>(choose from drop down list the MTREF assessed)</i></p>	<input type="text" value="2025/26 Adopted MTREF"/>
7	6.4.1	<p>- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a>?</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 <i>(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)</i> on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p>	<input type="text" value="Yes"/>
		<p><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></p>	
10	6.4.1	<p>- Has the municipality made adequate provision for depreciation and asset impairment <i>(considering its asset register and physical state of assets)</i> on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p>	<input type="text" value="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	- <b>If the municipality's MTREF is not funded</b> , has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?	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	- <b>If the municipality's MTREF is not funded and it has an FRP per the legislative framework</b> , does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)? <i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i>	Yes
13	6.4.2	- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lower January collection rates, etc.?)	Yes
14	6.5	<b>Cost reflective tariffs</b> – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?	Yes

	6.6	<b>Electricity and water as collection tools</b> – 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:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, <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>	Yes
	6.6	<b>Supporting evidence:</b> <i>The National Treasury and/ or provincial treasury’s related budget assessment confirms the municipality’s relevant MTREF’s related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i>	
	6.7	<b>Maintain a minimum average quarterly collection of property rates and services charges –</b>	
19	6.7.1	- Has the municipality achieved a minimum of <i>80 per cent average quarterly collection</i> of property rates and service charges <b>with effect from 01 April 2023</b> and <i>85 per cent average quarterly collection</i> <b>with effect from 01 April 2024</b> during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	No

		<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, <b>has the municipality demonstrated to the satisfaction of National Treasury the following :</b>	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	Yes
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Yes
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Yes
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No

24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes
25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
6.8 Municipality's Completeness of the revenue base –			
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	N/a
28	6.8.2	- <b>For the latest ending Quarter</b> -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- <b>MFMA section 71 reporting</b> – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	Yes

31	6.9.3	- <b>Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?	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 <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ?	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 <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a> ? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i>	Yes

35	6.10.3	<p>- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?</p>	<input type="text" value="Yes"/>
		<p><i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i></p>	
36	6.11	<p><b>Limitation on municipality borrowing powers</b> - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?</p>	<input type="text" value="No"/>
		<p><i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i></p>	
	6.12	<p><b>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</b></p>	
37	6.12.1	<p>- has the municipality <b>apportioned and ring-fenced in a sub-account</b> to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) <b>the component of the</b> 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><b>Supporting evidence:</b> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.</p>	<input type="text" value="No"/>
40	6.13	<p><b>Accounting Treatment</b> - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date?  <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i></p>	<input type="text" value="No"/>
41	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"/>
		<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>	

PT: HOD/ NT / MM Name:

---

Signature of HOD/ NT/ MM:

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Date:

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**Note** – if the official is signing on behalf of the Head of the Provincial Treasury (HOD) / Municipal Manager, the written procurement 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**

<b>Free State</b>		
<b>Code</b>		<b>District</b>
<b>FS201</b>		

<b>Collection Rate Assessment</b>									
<b>Aggregate Collection</b>	<b>Summary - Quarter 1</b>				<b>Q1</b>	<b>Summary - Quarter 2</b>			
	<b>Billing</b>	<b>Collection</b>	<b>R - Billing not collected</b>	<b>% Collection</b>		<b>Billing</b>	<b>Collection</b>	<b>R - Billing not collected</b>	
1. Collection for whole demarcation	234 480 971	144 039 544	90 441 427	61%	61%	80 278 910	-	80 278 910	
2. Collection <u>excl Eskom supplied areas</u>	174 114 656	114 656 412	59 458 244	66%	66%	58 920 551	-	58 920 551	
3. Collection: <b>Property Rates</b>	23 794 538	16 571 363	7 223 175	70%	70%	7 591 267	-	7 591 267	
4. Total average collection: <b>Electricity</b> (Municipal supplied areas)	109 169 018	83 189 837	25 979 181	76%	76%	37 208 684	-	37 208 684	
5. Total average collection: <b>Water</b>	42 127 838	21 006 213	21 121 625	50%	50%	15 734 380	-	15 734 380	
6. Total average collection: <b>Wastewater</b>	21 375 932	12 837 564	8 538 368	60%	60%	6 775 762	-	6 775 762	
7. Total average collection: <b>Refuse</b>	15 032 776	8 154 112	6 878 664	54%	54%	5 165 764	-	5 165 764	
8. Total average collection: <b>Interest</b>	22 980 868	2 280 454	20 700 414	10%	0%	7 803 053	-	7 803 053	

# Collection Rate Assessment

Total Aggregate Collection	3.September - Reporting for August in September				Summary - Quarter 1				Q1	4.Octobe
	Billing For August	Collection for in September	R - Billing not collected	% Collection	Billing	Collection	R - Billing not collected	% Collection		Billing For September
1.Collection for whole demarcation	68 466 676	49 294 728	27 076 854	72%	234 480 971	144 039 544	90 441 427	61%	61%	80 278 910
2.Collection <u>excl Eskom supplied areas</u>	50 977 445	39 097 629	24 006 153	77%	174 114 656	114 656 412	59 458 244	66%	66%	58 920 551
3.Collection: <b>Property Rates</b>	8 174 352	5 260 607	2 913 745	64%	23 794 538	16 571 363	7 223 175	70%	70%	7 591 267
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)	23 398 297	31 303 203	0	134%	109 169 018	83 189 837	25 979 181	76%	76%	37 208 684
5.Total average collection: <b>Water</b>	16 067 809	6 158 061	9 909 748	38%	42 127 838	21 006 213	21 121 625	50%	50%	15 734 380
6.Total average collection: <b>Wastewater</b>	7 323 977	3 367 794	3 956 183	46%	21 375 932	12 837 564	8 538 368	60%	60%	6 775 762
7.Total average collection: <b>Refuse</b>	5 196 029	2 262 948	2 933 081	44%	15 032 776	8 154 112	6 878 664	54%	54%	5 165 764
8. 7.Total average collection: <b>Interest</b>	8 306 211	942 114	7 364 097	11%	22 980 868	2 280 454	20 700 414	10%		7 803 053

## Complete This Section

## Quarter 1 Performance Per Ward

Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q1
<b>Property Rates Tax</b>	Eskom supplied	1	153 032	24 850	128 182	16%	16%
Electricity			193 827	160 235	33 592	83%	83%
Water			935 533	49 640	885 893	5%	5%
Refuse			500 170	30 307	469 863	6%	6%
Waste Water			663 705	56 605	607 100	9%	9%
Interest			1 037 091	6 020	1 031 071	1%	1%
<b>Property Rates Tax</b>	Partial Eskom & Mun Supplied	2	1 252 414	939 886	312 529	75%	75%
Electricity			2 248 149	1 537 513	710 636	68%	68%
Water			893 281	254 534	638 746	28%	28%
Refuse			453 426	188 948	264 478	42%	42%
Waste Water			639 911	239 896	400 016	37%	37%
Interest			1 019 353	273 696	745 657	27%	27%
<b>Property Rates Tax</b>	Mun Supplied	3	3 467 185	866 702	2 600 483	25%	25%
Electricity			6 817 190	5 831 021	986 168	86%	86%
Water			4 016 795	5 457 564	(1 440 770)	136%	136%
Refuse			1 216 474	934 787	281 688	77%	77%
Waste Water			1 670 302	1 348 268	322 034	81%	81%
Interest			439 121	138 417	300 703	32%	32%

<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	4	11 933	3 434	8 499	29%	29%
			277 942	88 498	189 444	32%	32%
			932 603	113 788	818 815	12%	12%
			199 392	35 076	164 316	18%	18%
			259 319	35 287	224 032	14%	14%
			604 133	12 294	591 838	2%	2%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	5	10 917	1 583	9 334	15%	15%
			129 833	15 608	114 225	12%	12%
			1 245 601	105 389	1 140 213	8%	8%
			181 560	33 718	147 842	19%	19%
			232 454	31 943	200 510	14%	14%
			453 274	5 517	447 757	1%	1%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	6	177 841	5 001	172 840	3%	3%
			399 843	109 386	290 457	27%	27%
			1 590 925	283 969	1 306 957	18%	18%
			314 114	91 081	223 033	29%	29%
			428 616	121 249	307 367	28%	28%
			768 295	40 773	727 522	5%	5%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	7	716 979	351 923	365 056	49%	49%
			855 470	952 824	(97 354)	111%	111%
			1 081 696	205 654	876 042	19%	19%
			342 791	103 409	239 382	30%	30%
			447 640	121 858	325 782	27%	27%
			916 446	64 492	851 954	7%	7%

<b>Property Rates Tax</b>	Mun Supplied	8	95 092	89 202	5 890	94%	94%	
			Electricity	277 620	145 101	132 519	52%	52%
			Water	1 458 970	311 558	1 147 412	21%	21%
			Refuse	283 714	131 243	152 471	46%	46%
			Waste Water	366 074	167 817	198 257	46%	46%
			Interest	587 284	78 058	509 226	13%	13%
<b>Property Rates Tax</b>	Mun Supplied	9	503 757	1 869 599	(1 365 842)	371%	371%	
			Electricity	8 242 091	376 432	7 865 658	5%	5%
			Water	1 709 400	1 422 927	286 473	83%	83%
			Refuse	462 655	771 804	(309 149)	167%	167%
			Waste Water	671 862	1 390 838	(718 977)	207%	207%
			Interest	(1 749 568)	27 160	(1 776 728)	-2%	-2%
<b>Property Rates Tax</b>	Mun Supplied	10	124 880	26 358	98 522	21%	21%	
			Electricity	344 839	53 800	291 039	16%	16%
			Water	1 702 469	248 769	1 453 700	15%	15%
			Refuse	349 689	107 060	242 630	31%	31%
			Waste Water	455 505	115 136	340 369	25%	25%
			Interest	691 717	25 627	666 090	4%	4%
<b>Property Rates Tax</b>	Mun Supplied	11	1 085 305	12 978	1 072 327	1%	1%	
			Electricity	2 710 870	1 174 370	1 536 500	43%	43%
			Water	3 604 347	1 773 275	1 831 072	49%	49%
			Refuse	962 788	394 883	567 905	41%	41%
			Waste Water	1 485 959	715 345	770 614	48%	48%
			Interest	1 216 960	24 652	1 192 308	2%	2%

<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	12	280 819	18 505	262 314	7%	7%
			474 224	135 441	338 783	29%	29%
			1 801 555	230 887	1 570 668	13%	13%
			406 242	120 659	285 583	30%	30%
			563 582	170 086	393 497	30%	30%
			952 460	19 642	932 818	2%	2%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	13	1 343 428	1 136 526	206 902	85%	85%
			38 356 089	34 748 310	3 607 779	91%	91%
			2 277 632	1 132 954	1 144 678	50%	50%
			1 087 599	455 992	631 607	42%	42%
			1 703 474	1 008 107	695 367	59%	59%
			2 235 455	195 707	2 039 748	9%	9%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	14	184 618	12 034	172 584	7%	7%
			384 061	97 669	286 393	25%	25%
			1 294 276	269 663	1 024 613	21%	21%
			369 813	129 675	240 138	35%	35%
			501 667	163 898	337 770	33%	33%
			761 446	25 990	735 455	3%	3%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	15	203 439	11 505	191 933	6%	6%
			653 470	220 982	432 488	34%	34%
			1 571 924	341 836	1 230 087	22%	22%
			418 042	136 591	281 451	33%	33%
			559 992	158 376	401 616	28%	28%
			729 333	15 853	713 480	2%	2%

<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	16	4 601 554	4 635 896	(34 341)	101%	101%
			18 009 145	12 011 289	5 997 856	67%	67%
			3 650 088	3 503 826	146 263	96%	96%
			2 324 019	1 916 000	408 019	82%	82%
			3 692 589	3 202 067	490 521	87%	87%
			1 343 033	682 503	660 530	51%	51%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Mun Supplied	17	4 576 453	3 401 310	1 175 142	74%	74%
			11 046 323	7 574 135	3 472 189	69%	69%
			2 172 032	3 451 187	(1 279 155)	159%	159%
			2 072 522	1 663 391	409 132	80%	80%
			2 961 781	2 462 239	499 542	83%	83%
			699 514	231 176	468 338	33%	33%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Partial Eskom & Mun Supplied	18	1 828 857	1 371 824	457 033	75%	75%
			17 528 610	17 799 771	(271 161)	102%	102%
			3 269 005	1 645 259	1 623 747	50%	50%
			1 184 678	791 319	393 360	67%	67%
			1 614 938	1 135 897	479 041	70%	70%
			2 151 568	350 359	1 801 209	16%	16%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Eskom supplied	19	82 624	295	82 329	0%	0%
			284	-	284	0%	0%
			2 297 971	38 038	2 259 934	2%	2%
			403 745	16 306	387 439	4%	4%
			528 787	25 346	503 441	5%	5%
			2 368 646	1 972	2 366 673	0%	0%

<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Partial Eskom & Mun Supplied	20	175 916	11 137	164 779	6%	6%
			45 098	2 963	42 135	7%	7%
			1 813 983	63 538	1 750 446	4%	4%
			508 580	42 381	466 199	8%	8%
			636 930	63 784	573 146	10%	10%
			1 820 878	9 674	1 811 204	1%	1%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Eskom supplied	21	742 925	327 794	415 131	44%	44%
			3 740	-	3 740	0%	0%
			2 726 664	26 088	2 700 576	1%	1%
			966 830	39 920	926 910	4%	4%
			1 251 226	68 384	1 182 842	5%	5%
			3 517 498	11 707	3 505 791	0%	0%
<b>Property Rates Tax</b> Electricity Water Refuse Waste Water Interest	Eskom supplied	22	2 174 570	1 453 021	721 550	67%	67%
			170 299	154 490	15 809	91%	91%
			81 086	75 870	5 216	94%	94%
			23 933	19 564	4 369	82%	82%
			39 619	35 137	4 482	89%	89%
			416 933	39 164	377 769	9%	9%

#### 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
<b>Indigent Household service targets</b>	1									
<b>Water: (Include All Indigent households also in Eskom supplied areas)</b>										
Indigent HH's with piped water inside dwelling			12 711	12 757	-	13 237	13 308	13 354	13 424	
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		-	-	-	-	-	-	-	
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>			<b>12 711</b>	<b>12 757</b>	<b>-</b>	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	
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			-	-	-	-	-	-	-	
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total number of registered indigent households</b>	5		<b>12 711</b>	<b>12 757</b>	<b>-</b>	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	

<b>Status of Water meters :</b>							
Number of Indigent HH's with prepaid Water	-	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Water	10 204	10 231	-	10 483	10 468	10 519	10 586
Number of Indigent HH's NOT metered currently - Water	1 538	1 607	-	1 700	1 718	1 718	1 723
Number of Indigent HH's with <b>NO Water supply</b> - No metering	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	<b>11 742</b>	<b>11 838</b>	-	<b>12 183</b>	<b>12 186</b>	<b>12 237</b>	<b>12 309</b>
<b>Status of unlimited supply of Water :</b>							
Number of Indigent HH's with <b>conventional metered Water</b> - where the municipality is <b>NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month</b>							
Number of Indigent HH's <b>NOT metered</b> currently receiving unlimited supply - Water	12 711	12 757	-	13 237	13 308	13 354	13 424
Number of Indigent HH's <b>NOT metered</b> currently receiving unlimited supply - Water	1 538	1 607	-	1 700	1 718	1 718	1 723
<b>Total number of registered indigent households receiving unlimited supply - Water</b>	<b>14 249</b>	<b>14 364</b>	-	<b>14 937</b>	<b>15 026</b>	<b>15 072</b>	<b>15 147</b>
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's <b>billed for consumption above the 6 kilolitres</b>							
	12 711	12 757	-	13 237	13 308	13 354	13 424
<b>Energy : ( Include All Indigent households also in Eskom supplied areas )</b>							
Indigent HH's with Electricity (at least min.service level)	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (min.service level)	12 711	12 757	-	13 237	13 308	13 354	13 424
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>	<b>12 711</b>	<b>12 757</b>	-	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>
Indigent HH's with Electricity (< min.service level)	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-
Indigent HH's with other energy sources	-	-	-	-	-	-	-
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	<b>12 711</b>	<b>12 757</b>	-	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>

<b>Status of Electricity meters :</b>								
Number of Indigent HH's with prepaid Electricity		12 711	12 757	-	13 237	13 308	13 354	13 424
Number of Indigent HH's with conventional metered Electricity		-	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Electricity		-	-	-	-	-	-	-
Number of indigent HH's with <i>other energy sources</i> - No metering		-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	12	<b>12 711</b>	<b>12 757</b>	<b>-</b>	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>
<b>Status of unlimited supply of Electricity :</b>								
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		-	-	-	-	-	-	-
<b>Total number of registered indigent households receiving unlimited supply - Electricity</b>		-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's <i>billed for consumption above the 50 kwh</i>	13	-	-	-	-	-	-	-
<b><u>Number of ALL Households receiving Free Basic Service (including registered Indigent Households)</u></b>								
Water (6 kilolitres per household per month)	7	12 711	12 757	-	13 237	13 308	13 354	13 424
Electricity/other energy (50kwh per household per month)		12 711	12 757	-	13 237	13 308	13 354	13 424

<b>Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)</b>								
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-
<b>Total cost of FBS Water and Electricity provided to ALL Households</b>	<b>8</b>	<b>296</b>	<b>320</b>	<b>-</b>	<b>383</b>	<b>391</b>	<b>389</b>	<b>392</b>
<b>Highest level of free service provided per household (ALL Households)</b>								
Property rates (R value threshold)		-	-	-	-	-	-	-
Water (kilolitres per household per month)		10	10	-	10	10	10	10
Sanitation (kilolitres per household per month)		10	10	-	10	10	10	10
Sanitation (Rand per household per month)		145	170	-	154	160	160	160
Electricity (kwh per household per month)		50	50	-	50	50	50	50
Refuse (average litres per week)		30	30	-	30	30	30	30
<b>Revenue cost of subsidised services provided for ALL Households (R'000)</b>								
<b>Residential Category</b> : Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	9	-	-	-	-	-	-	-
<b>PSI Category</b> : Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	14(a)	-	-	-	-	-	-	-
Additional Subsidies: Property rates exemptions, reductions and rebates in excess of section 17 of MPRA	14(b)	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)	15	4	4	4	4	4	4	4
Sanitation (in excess of free sanitation service to indigent households)	16	4	4	4	4	4	4	4
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

### References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance  $\leq$  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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<b>BUDGET 2023-2024 FBS BUDGET</b>	<b>DESCRIPTION</b>	<b>BUDGET</b>	<b>YTD</b>	<b>% USED</b>
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%

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**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	Moqhaka Local Municipality						
GV Period	01/07/2024 - 30/06/2028						
Financial Year	2025/2026						
Reconciliation Period	Quarter 1						
Reconciliation Overview							
High Level Reconciliation							
Property Categories	Number of Properties				Market Values		
	GV	MFS	Variance		GV Market Values	MFS Market Values	Variance
Residential	44 996	45 019	-23		7 538 100 653	7 535 151 052	2 949 601.00
Industrial	318	310	8		351309 000	349 859 000	1450 000.00
Business and Commercial	1132	1132	0		1068 755 610	1069 145 610	- 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		1 168 197 013	1 166 927 013	1270 000.00
PSI	492	492	0		38 281 901	38 281 901	-
PBO	280	280	0		253 231 003	253 231 003	-
Multi Use	0		0				-
Vacant	611	604	7		74 326 607	70 466 608	3 859 999.00
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>52308</u>	<u>8</u>		<u>16 806 219 141.00</u>	<u>16 792 499 446.00</u>	<u>13 719 695.00</u>


Property Categories	Monthly Billing				Quarterly		
Property Categories	GV	MFS	Variance		GV	MFS	Variance
Residential	2 109 384	2 111 466	- 2 082		6 328 151.73	6 334 396.89	- 6 245.16
Industrial	521 038	521 598	- 560		1 563 115.20	1 564 795.20	- 1 680.00
Business and Commercial	1 686 149	1 686 783	- 634		5 058 446.49	5 060 347.74	- 1 901.25
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	149 368	- 16 353		399 045.93	448 104.84	- 49 058.91
POW			-		-	-	-
Municipal			-		-	-	-
Other	80 968	80 968	-		242 903.34	242 903.34	-
<b>Total</b>	<b><u>R8 206 548.32</u></b>	<b><u>R8 225 703.76</u></b>	<b><u>-R19 155.44</u></b>		<b><u>24 619 644.96</u></b>	<b>24 677 111.28</b>	<b>- 57 466.32</b>

Property Rates Reconciliation							
Province	Free State						
District	Ficks Dabi						
Type							
Municipal Name	Moghaka Local Municipality						
GV Period	01/07/2024 - 30/06/2025						
Financial Year	2025/2026						
Reconciliation Period	Quarter 1						
Reconciliation Overview							
High Level Reconciliation							
Property Categories	Number of Properties				Market Values		
	GV	MFS	Variance		GV Market Values	MFS Market Values	Variance
Residential	44 956	45 019	-23		7 536 100 653	7 535 151 052	2 549 601 00
Industrial	318	312	6		351 300 000	349 850 000	1 450 000 00
Business and Commercial	1132	1132	0		1 066 755 610	1 069 145 610	390 000 00
Agricultural	3607	3607	0		5 673 968 751	5 670 608 753	3 354 998 00
Mining	31	31	0		55 374 000	55 374 000	
State Owned for Public Purpose	158	143	15		1 166 167 613	1 166 927 013	1 270 000 00
PSI	492	492	0		38 261 901	38 261 901	
PBO	280	280	0		253 231 003	253 231 003	
Multi Use	0		0				
Vacant	611	664	7		74 326 607	70 466 608	3 859 999 00
POW	8	8	0		2 420 000	2 420 000	
Municipal	227	224	-2		252 167 182	252 147 006	20 000 00
Other (PI, PSP)	461	458	3		160 067 501	178 907 501	1 230 000 00
	52335	52362	27		15 606 219 163 00	15 732 492 666 00	12 273 503 00
Detailed Reconciliation							
Property Categories	Monthly Billing				Quarterly		
	GV	MFS	Variance		GV	MFS	Variance
Residential	2 109 384	2 111 466	- 2 082		6 326 151 73	6 334 396 09	6 245 15
Industrial	521 638	621 596	- 99		1 563 115 20	1 564 795 20	1 680 00
Business and Commercial	1 666 149	1 666 703	- 554		5 098 449 49	5 060 347 74	1 901 23
Agricultural	1 011 146	1 009 823	1 323		3 033 438 63	3 029 489 63	3 969 99
Mining	167 349	167 349	-		502 045 52	502 045 52	-
State Owned for Public Purpose	2 437 499	2 478 349	- 40 850		7 432 497 72	7 435 047 72	2 550 00
PSI							
PBO							
Multi Use							
Vacant	133 015	149 368	- 16 353		399 045 93	445 104 04	46 058 11
POW							
Municipal							
Other	80 966	80 966	-		242 903 34	242 903 34	-
<b>Total</b>	<b>18 205 546 32</b>	<b>18 225 703 75</b>	<b>-R19 156 44</b>		<b>24 619 644 96</b>	<b>24 637 111 26</b>	<b>57 466 32</b>

Prepared By: DINEO MOKOENA Date: 08/10/2025  
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Signature: 

Reviewed By: SAMMY THELEBANE Date: 08/10/2025  
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Signature: 

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

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



### Audit Trail

Batch Transfer

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

Group: 19058 - MOQHAKA 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: Joint	334536	MOQHAKA LOCAL MUNICIPALITY - 0000004053274876		
Description	9345061750	90046539	Frequency	Adhoc
Beneficiary Code				
To Account	223626	ESKOM 9345061750 - 0000055070067316		
Description		MOQHAKA MUNICIPALITY	Mandate	
Date	2025/09/01		Amount	10,000,000.00
Roll-over date				
Transaction Number	266457		Transaction Status	\$
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><b>6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)</b></p>	<p><b>6.3.1</b> The municipality must monthly pay and maintain its <b>Eskom bulk current account</b> and <b>bulk water current account</b> - 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><b>Compliant - ESKOM</b> The municipality settled R63,149m excl interest of R3,178m on 25 June 2024 on the current ESKOM account for May 2024 amounting to R66,327m. <b>Compliant - DWS</b> No billing was raised for May 2024, due to the servitude (free water quota) allocated to the municipality</p>
	<p><b>6.3.1 (a)</b> At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS. <b>(b)</b> Pay the monthly debt instalment of R6,700m to Eskom on 15th of each month</p>	<p>Monthly, 5th of each month</p>		<p><b>Non-compliant</b> The municipality had insufficient cash available from operations to settle the debt repayment instalment to DWS of R6m on or before 5th of July 2024, but settled R18,758m on the o/s balance of Dec 2023 acc (R5,108m) and R13,000m on the Feb 2024 acc. And paid R650k, on WRM levies. The municipality settled R6.7m on the payment arrangement of ESKOM on 21 June 2024. The due is the 15th of each month.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
	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	<b>Compliant</b> 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	<b>Compliant</b> 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	<b>Compliant</b> 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><b>6.6.1</b> 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 hierachy allocation report	<p><b>Compliant</b>  Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.</p>
	<p><b>6.6.2</b> The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	<p>Prepaid disconnections = 32 351  Conventional disconnections = 338  Total = 32 689</p>
	<p><b>6.6.3</b> The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	<p><b>Non-compliant.</b>  Transversal Contract for smart meters has been awarded by National Treasury. Supply Chain is in the process of applying to access the transversal tender.</p>
	<p><b>6.6.4</b> If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.</p>	Monthly	No of indigent consumers	<p><b>Non-compliant</b>  Due to the financial constraints currently faced by many of our Indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.</p>

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

	<b>6.7.4</b> 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.

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

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

<b>6.10 Provincial Treasury's Certification of municipal compliance</b>	<b>6.10 Provincial Treasury certification of municipal compliance</b> – 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

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

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



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**OUR REFERENCE: ROY VISAGIE/wm Ref Nr:**

### Quality Certificate

I, **I.S Mokgatlé** the Acting Municipal Manager of Moqhaka Local Municipality hereby certify that: -

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

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

Municipal Manager of Moqhaka Local Municipality (FS201)

Signature: *I.S Mokgatlé*

Date: 14/10/2025

