



"People's power in action"

MFMA SECTION 71 REPORT MONTH ENDING

31 OCTOBER 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**

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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 31 OCTOBER 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 921 000 654, of which 91% of the debt is owed more than 90 days totalling R1 743 488 080. Included in the total debt, R133 785 549 is owed by Government or Organs of State, R216 330 029 by Business and R1 439 996 640 by Households. Included in the Households debt is R263 112 564 by Indigent Households. The municipality continues to urge its debtors to meet their obligation to the municipality or make payment arrangements. The cash collection is improving to a desired level, and this does bode well for the municipality's financial position. There needs to be a major paradigm shift in the payment culture across all customer groups.

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

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

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

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

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 May 2009, regarding the “Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations” necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. “The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.” Further, Section 71 of the MFMA requires that, “the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.” For the reporting period ending 31 October 2025, the ten-working day reporting limit expires on Friday the 14th of November 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 Oct 25	YTD Actual to Oct 25	Variance Favourable (Unfavourable)	% YTD Budget vs YTD Actual	% Variance vs Actual Favourable (Unfavourable)
Total Revenue (Excluding Capital Transfers and Contributions)	R 476 650 000	R465 546 000	(R11 104 000)	97.6%	(2.4%)
Total Revenue including Capital Transfers and Contributions	R498 827 000	R464 694 000	(R34 133 000)	93%	(7%)
Total Operational Expenditure	R436 635 000	R434 687 000	R1 948 000	99%	(1%)

As indicated in Table 1 above, as of 31 October 2025, the actual billed revenue including operational transfers, but excluding capital grants amounted to R465 546 000, which resulted in an unsatisfactory variance of 2.4% when compared to YTD Budget of R476 650 000. 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 R464 694 000 from the budget of R498 827 000. The Total Operational Expenditure amounted to R434 687 000 versus the YTD Budget of R436 635 000, resulting in an 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 satisfactorily at 114% against monthly billing inclusive of arrears, 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 October 2025, a payment of **R5 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) - M04 October

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										
Revenue										
Exchange Revenue										
Service charges - Electricity		435 252	548 139	548 139	38 940	170 704	182 713	(12 009)	-7%	548 139
Service charges - Water		164 103	204 038	204 038	7 901	48 559	68 013	(19 454)	-29%	204 038
Service charges - Waste Water Management		72 624	73 321	73 321	6 186	24 874	24 440	434	2%	73 321
Service charges - Waste management		51 188	50 701	50 701	4 341	17 455	16 900	554	3%	50 701
Sale of Goods and Rendering of Services		5 678	8 764	8 764	524	1 580	2 921	(1 341)	-46%	8 764
Agency services								-		
Interest								-		
Interest earned from Receivables		86 303	78 687	78 687	7 425	31 573	26 229	5 344	20%	78 687
Interest from Current and Non Current Assets		39	63	63	-	-	21	(21)	-100%	63
Dividends		5 822	4 744	4 744	606	1 451	1 581	(130)	-8%	4 744
Rent on Land								-		
Rental from Fixed Assets		5 339	9 256	9 256	309	1 932	3 085	(1 153)	-37%	9 256
Licence and permits		-	-	-	-	-	-	-		-
Special rating levies								-		
Operational Revenue		7 419	14 960	14 960	(434)	(764)	4 987	(5 751)	-115%	14 960
Non-Exchange Revenue										
Property rates		93 605	94 806	94 806	8 231	32 860	31 602	1 258	4%	94 806
Surcharges and Taxes								-		
Fines, penalties and forfeits		4 755	5 784	5 784	93	233	1 928	(1 695)	-88%	5 784
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		331 012	328 582	328 582	1 196	131 490	109 527	21 963	20%	328 582
Interest		10 024	8 373	8 373	798	3 289	2 791	498	18%	8 373
Fuel Levy								-		
Operational Revenue		888	(267)	(267)	78	311	(89)	399	-449%	(267)
Gains on disposal of Assets		(2 284)	-	-	-	-	-	-		-
Other Gains		8 240	-	-	-	-	-	-		-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		1 280 007	1 429 951	1 429 951	76 193	465 546	476 650	(11 104)	-2%	1 429 951
Expenditure By Type										
Employee related costs		452 951	449 410	449 410	40 534	155 259	149 804	5 454	4%	449 410
Remuneration of councillors		22 444	29 484	29 484	2 220	7 618	9 828	(2 210)	-22%	29 484
Bulk purchases - electricity		486 867	428 185	428 185	634	57 953	142 728	(84 776)	-59%	428 185
Inventory consumed		17 948	26 574	26 574	4 391	9 053	8 858	195	2%	26 574
Debt impairment		78	61 096	61 096	-	-	20 365	(20 365)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	3 435	(3 435)	-100%	10 305
Interest		99 037	8 790	8 790	550	122 795	2 930	119 865	4091%	8 790
Contracted services		146 907	197 383	209 541	18 031	43 144	67 143	(23 999)	-36%	209 541
Transfers and subsidies		244	1 095	1 095	-	5	365	(360)	-99%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	1 405	3 730	1 322	2 408	182%	3 966
Operational costs		179 190	170 482	170 736	14 531	35 137	56 834	(21 697)	-38%	170 736
Losses on Disposal of Assets		2 133	63	63	-	-	21	(21)	-100%	63
Other Losses		4 613	-	-	-	(6)	-	(6)	#DIV/0!	-
Total Expenditure		1 695 568	1 386 834	1 399 246	82 296	434 687	463 635	(28 948)	-6%	1 399 246

Exchange and Non-Exchange Revenue

Revenue analysis for the month ending 31 October 2025

Revenue Types	Section 71 of 31 October 2025						Four Months Ending 31 October 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	8 231 271	104%	13 851 320	168%	31 602 145	32 859 950	104%	30 914 408	94%
Electricity - conventional	384 403 973	32 033 664	22 359 525	70%	31 986 661	143%	128 134 658	113 913 229	89%	115 273 521	101%
Water	204 038 000	17 003 167	7 895 842	46%	5 703 683	72%	68 012 667	48 553 611	71%	26 536 069	55%
Sanitation	73 321 000	6 110 083	6 176 698	101%	3 605 888	58%	24 440 333	24 833 148	102%	16 474 304	66%
Refuse	50 701 046	4 225 087	4 340 580	103%	2 476 071	57%	16 900 349	17 454 533	103%	10 763 055	62%
Total Direct Services	807 270 455	67 272 538	49 003 916	73%	57 623 624	118%	269 090 152	237 614 471	88%	199 961 357	84%
Other revenue	130 363 518	10 863 627	3 538 640	33%	4 343 388	123%	43 454 506	13 264 212	31%	10 062 065	76%
Revenue from Billed services	937 633 973	78 136 164	52 542 556	67%	61 967 012	118%	312 544 658	250 878 683	80%	210 023 422	84%
Electricity - prepaid	163 735 027	13 644 586	14 002 384	103%	14 002 384	100%	54 578 342	58 052 569	106%	58 052 569	100%
grants	1 101 369 000	91 780 750	66 544 939	73%	75 969 396	114%	367 123 000	308 931 252	84%	268 075 991	87%
Operational grants and subsidies	6 877 000	868 829	868 829	100%	868 829	100%	868 829	868 829	100%	868 829	100%
Equitable share	312 705 000	-	-	-	-	-	130 294 000	130 294 000	100%	130 294 000	100%
Total Revenue	1 420 951 000	92 649 579	67 413 768	73%	76 838 224	114%	498 285 829	440 094 081	88%	399 238 820	91%

Comments on Section 71 Report.

Collection rate for waste water management is 58% for the month of October 2025 and 66% for year to date.

Collection rate for waste management is 57% for the month of October 2025 and 62% for the year to date.

Collection rate for water is 72% for the month of October 2025 and 55% for the year to date.

The collection rate on Property Rates is 168% for the month of October 2025 due to payment from Public Works and 94% for the year to date.

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

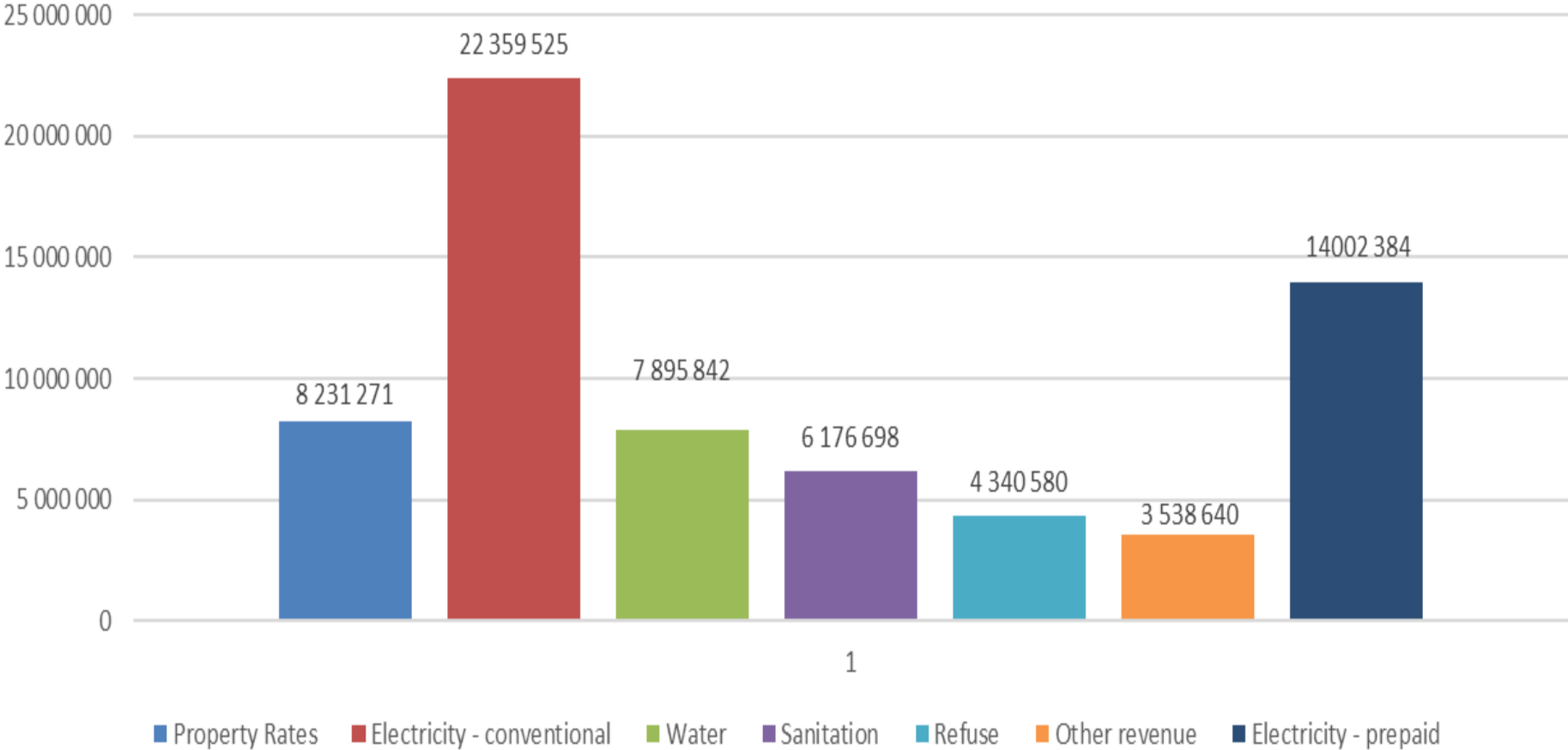
Conventional electricity revenue collection is 143% for the month of October 2025 due to disconnections and 101% for year to date.

Revenue before operational grants versus billing is 114% for the month of October 2025 due to debt collection policy implementation and 87% for the year to date.

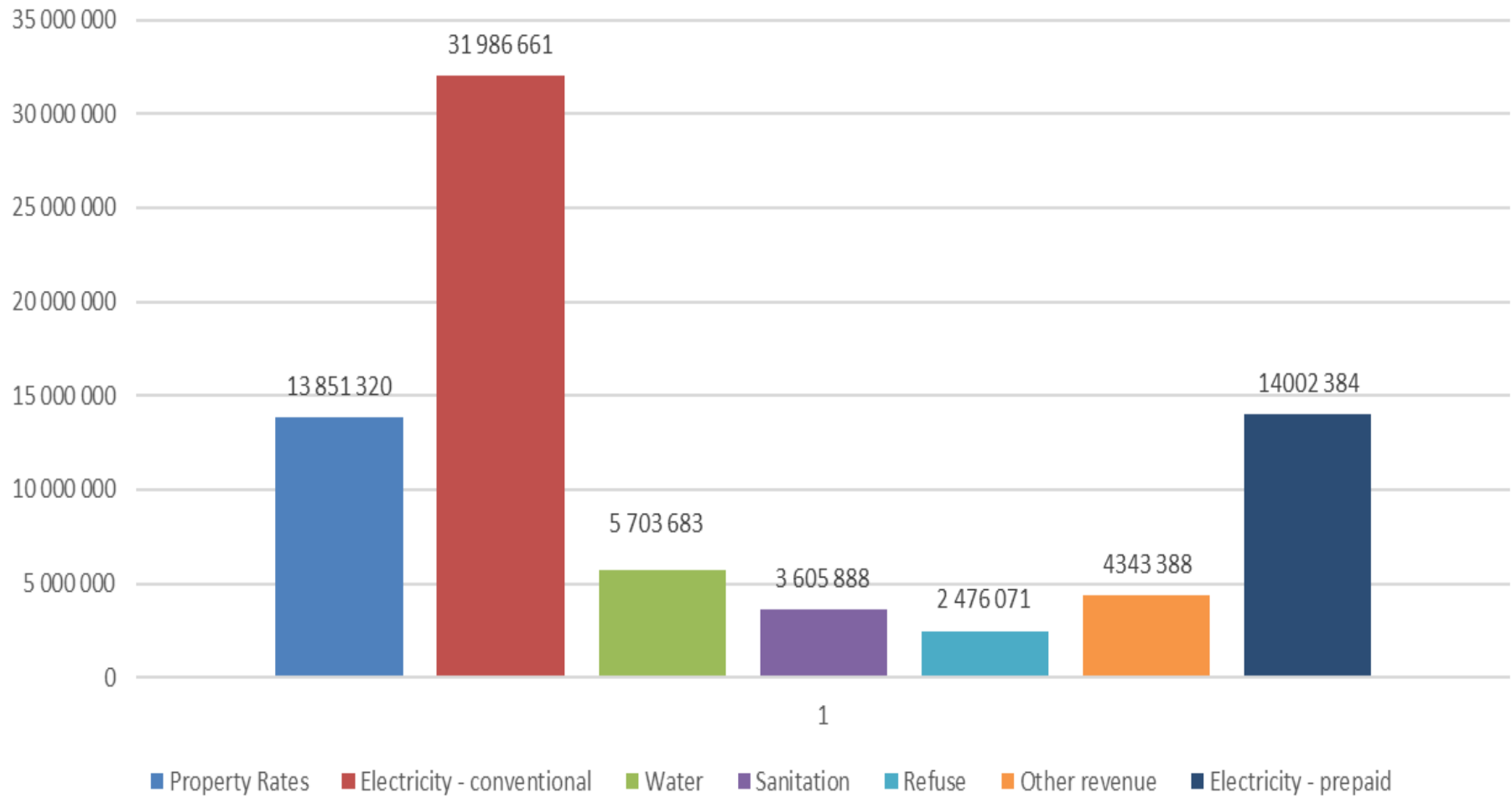
Total Revenue Collection Percentage with Zero or No Grant Funding received for the month of October 2025 remains 114% and 91% for the period under review.

Indigents Contribution for Prepaid Electricity in October 2025 is R1 039 498.50 + R189 348.21 (FBE in Eskom Supplied Areas) = R1 228 846.21

Billing Per Service



Collection Per Service

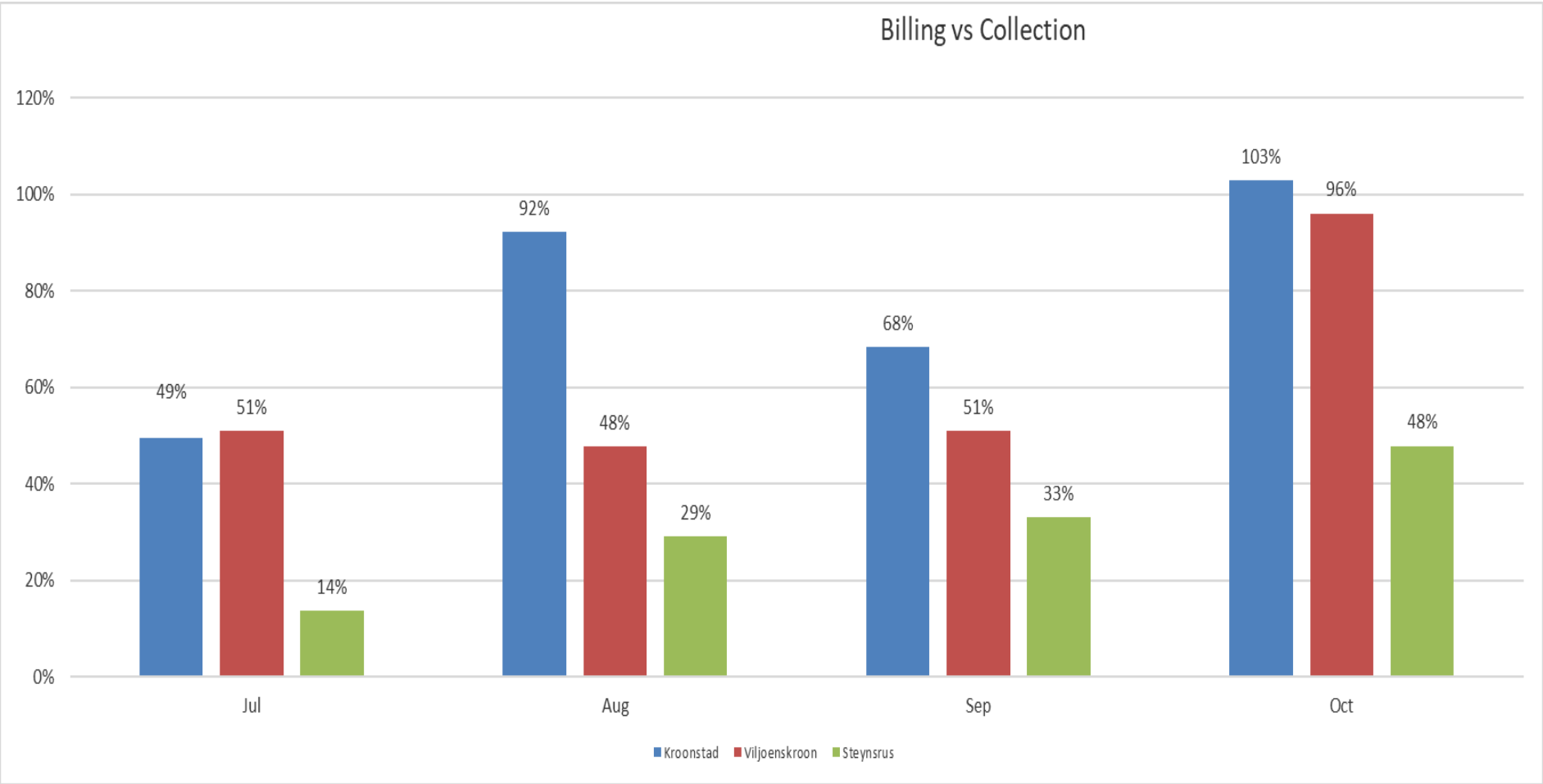


The October 2025 receipts amounted to R62 011 877.20 against billing of R62 016 910.88. That translates to 100% collection rate.

Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	161 341 433.01	17 682 784.24	-1 367 582.71	36 372.61	52 076.00	16 403 650.14	-17 758 035.26	159 987 047.89	-108%	-1 354 385.12
2	688 900 905.91	18 932 888.64	-11 513 670.92	0.00	14 557.00	7 433 774.72	-7 515 804.15	688 818 876.48	-101%	-82 029.43
3	5 038 447.82	3 557 901.27	0.00	0.00	0.00	3 557 901.27	-5 038 480.00	3 557 869.09	-142%	-1 480 578.73
4	61 485 659.11	543 869.00	-106 163.40	0.00	0.00	437 705.60	-994 625.17	60 928 739.54	-227%	-556 919.57
6	22 998 510.77	1 446 986.53	-854.82	0.00	0.00	1 446 131.71	-2 427 900.98	22 016 741.50	-168%	-981 769.27
7	28 256 984.66	947 629.34	-238 332.31	474.72	0.00	709 771.75	-327 576.07	28 639 180.34	-46%	382 195.68
8	10 234 362.67	477 108.11	16 434.52	0.00	59 755.80	553 298.43	-213 791.73	10 573 869.37	-39%	339 506.70
9	2 448 577.03	12 190.59	-400.00	0.00	0.00	11 790.59	-16 450.00	2 443 917.62	-140%	-4 659.41
10	71 682 022.59	12 234 462.50	-1 394 855.25	0.00	0.00	10 839 607.25	-11 385 494.04	71 136 135.80	-105%	-545 886.79
11	96 986 660.46	2 573 947.02	-553 219.36	0.00	19 124.00	2 039 851.66	-976 345.83	98 050 166.29	-48%	1 063 505.83
13	646 655 209.23	11 901 495.73	-7 160 800.22	3 668.05	5 657.00	4 750 020.56	-3 835 449.65	647 569 780.14	-81%	914 570.91
14	8 113 758.01	4 984 609.65	8 350.00	0.00	0.00	4 992 959.65	-5 524 358.56	7 582 359.10	-111%	-531 398.91
15	7 337.34	67.89	0.00	0.00	0.00	67.89	0.00	7 405.23	0%	67.89
16	116 845 751.23	8 962 079.72	-231 849.97	4 349.91	105 800.00	8 840 379.66	-5 997 565.76	119 688 565.13	-68%	2 842 813.90
	1 920 995 619.84	84 258 020.23	-22 542 944.44	44 865.29	256 969.80	62 016 910.88	-62 011 877.20	1 921 000 653.52	-100%	5 033.68

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%
Oct	50 234 011	51 675 723	103%	9 743 048	9 359 808	96%	2 039 852	976 346	48%
Total	233 958 427	174 528 515	75%	57 733 394	23 922 661	41%	8 891 125	2 698 626	30%



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	↑ 9%
Aug	R0	R14 968 547	R2 245 078	R17 213 625	R6 162 357	R1 051 657	↓ -4%
Sep	R0	R13 554 176	R2 032 933	R15 587 109	R5 651 698	R1 039 402	↓ -9%
Oct	R0	R14 002 384	R2 100 151	R16 102 535	R5 797 385	R1 039 498	↑ 3%
Totals	R0	R58 052 568	R8 707 052	R66 759 621	R23 962 729	R4 176 810	

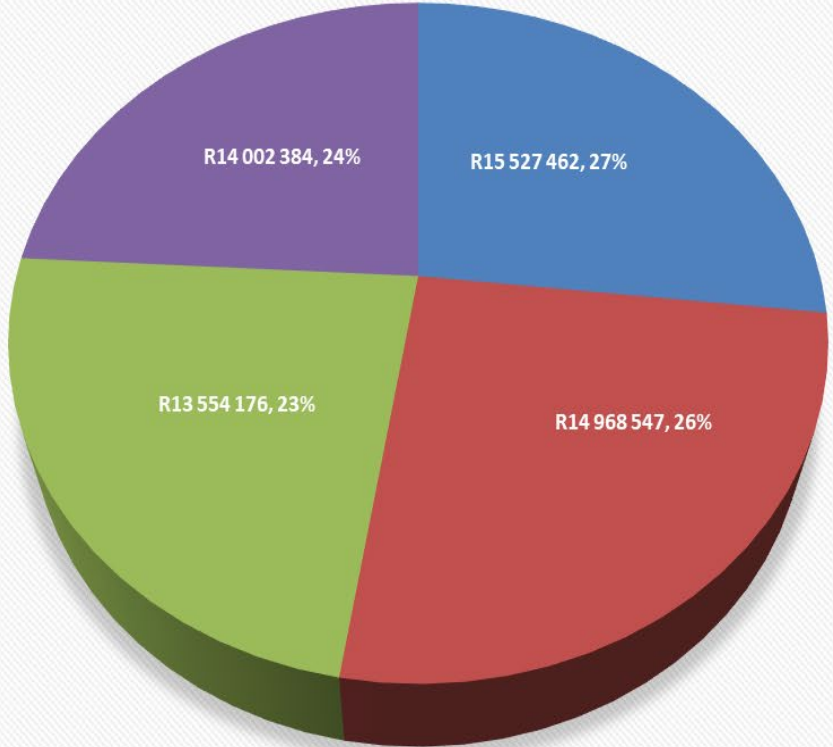
Billing for Kroonstad/Maokeng, Brentpark in October 2025 was R50.2m, Viljoenskroon/Rammolutsi was R9.7m due to R7m adjustments and Steynsrus/Matlwangtlwang was R2 039 852.

The average collection rate for Kroonstad/Maokeng/Brentpark for October 2025 is 103% , Viljoenskroon/Rammolutsi is 96% & Steynsrus/Matlwangtlwang is 48%.

Kroonstad/Maokeng/Brentpark generated a revenue of R51.7m for October 2025, Viljoenskroon/Rammolutsi generated R9.4m & Steynsrus/Matlwangtlwang generated R976 346.

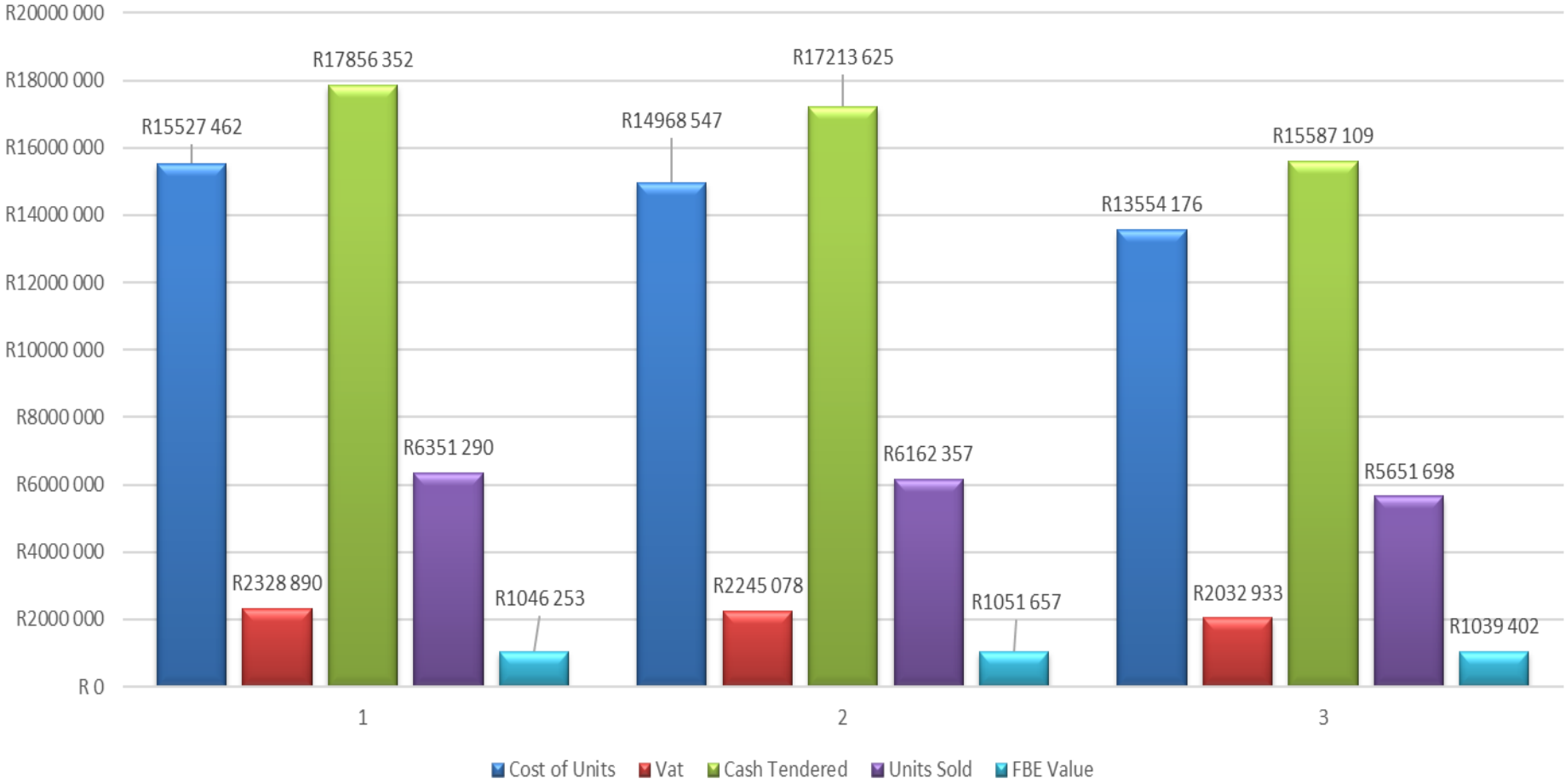
The cost of revenue generated through prepaid electricity for the month of October 2025 is R14 002 384. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales @ Cost



■ Jul ■ Aug ■ Sep ■ Oct

Prepaid Electricity Statistics



4.2 Operating expenditure by type

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		452 951	449 410	449 410	40 534	155 259	149 804	5 454	4%	449 410
Remuneration of councillors		22 444	29 484	29 484	2 220	7 618	9 828	(2 210)	-22%	29 484
Bulk purchases - electricity		486 867	428 185	428 185	634	57 953	142 728	(84 776)	-59%	428 185
Inventory consumed		17 948	26 574	26 574	4 391	9 053	8 858	195	2%	26 574
Debt impairment		78	61 096	61 096	-	-	20 365	(20 365)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	3 435	(3 435)	-100%	10 305
Interest		99 037	8 790	8 790	550	122 795	2 930	119 865	4091%	8 790
Contracted services		146 907	197 383	209 541	18 031	43 144	67 143	(23 999)	-36%	209 541
Transfers and subsidies		244	1 095	1 095	-	5	365	(360)	-99%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	1 405	3 730	1 322	2 408	182%	3 966
Operational costs		179 190	170 482	170 736	14 531	35 137	56 834	(21 697)	-38%	170 736
Losses on Disposal of Assets		2 133	63	63	-	-	21	(21)	-100%	63
Other Losses		4 613	-	-	-	(6)	-	(6)	#DIV/0!	-
Total Expenditure		1 695 568	1 386 834	1 399 246	82 296	434 687	463 635	(28 948)	-6%	1 399 246

Comparison against YTD Budget

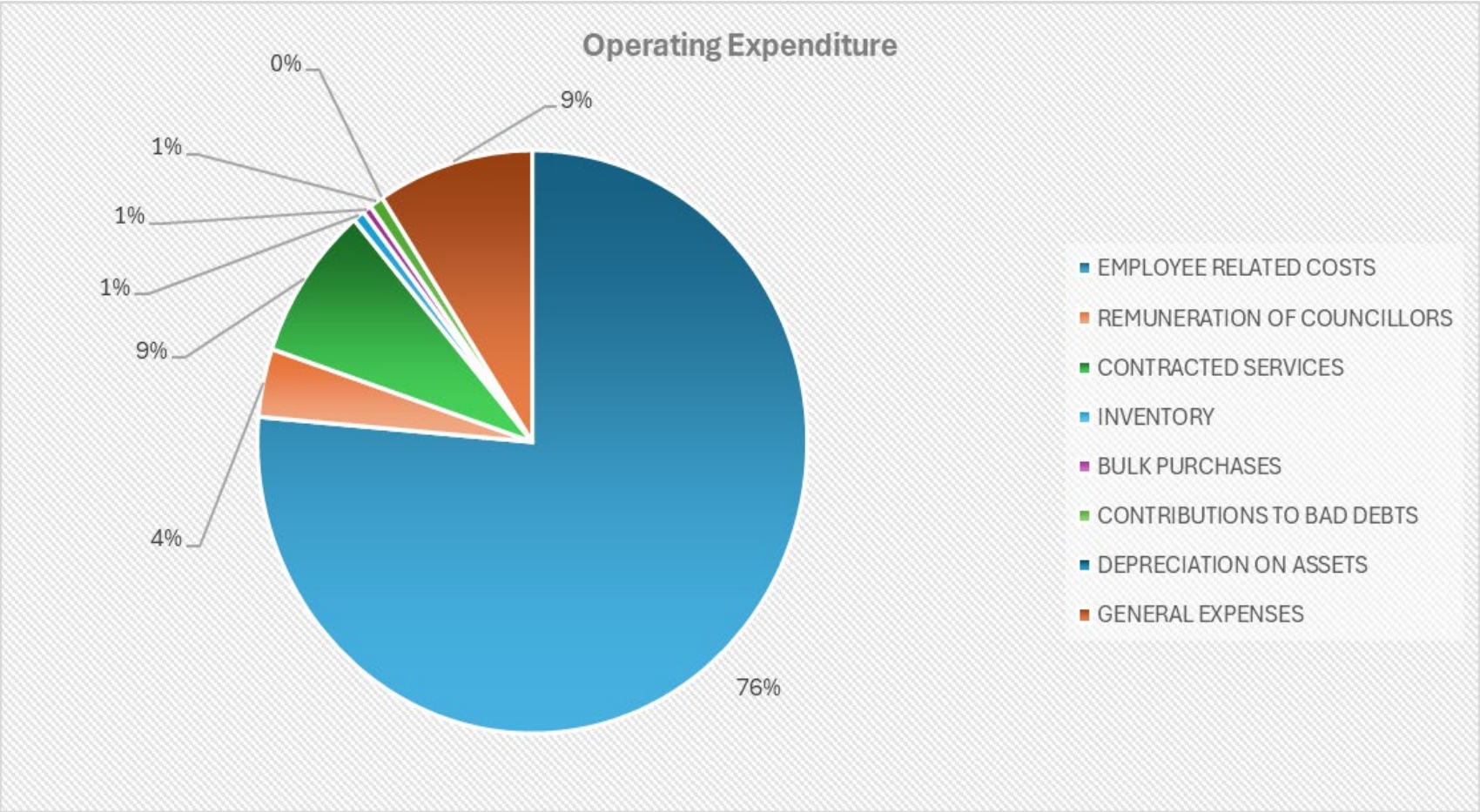
As indicated in the Table above, as at 31 October 2025, expenditure shows an unsatisfactory variance of minus 6%. The YTD actual amounted to R434 687 000 against the YTD budget of R463 635 000.

- Employee related costs show a satisfactory variance of 4%. 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 22%.
- Bulk purchases – Electricity is showing an unsatisfactory variance of minus -59%.

- The expenditure on Inventory consumed is showing an satisfactory variance 2%. 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 4091%, 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 36%.
- Transfers and subsidies showing negative variance of minus 99%, due to non-expenditure & no commitment to show movement.
- Operational cost is showing an unsatisfactory variance of minus 38% as a result of the following line items under Operational Cost (OC)
- Costs are incurred for Professional Bodies membership & Subscriptions, for predominantly annual SALGA membership fees.



OPERATING EXPENSES					
DESCRIPTION	Annual Budget 2025/2026	Actual 30-Sept-25	YTD 30-Sept-25	Variance (Unspent Budget)	% Exp
EMPLOYEE RELATED COSTS	449 409 838,00	40 533 712,82	155 258 901,81	294 150 936,19	34,55
REMUNERATION OF COUNCILLORS	29 484 431,00	2 219 998,10	7 618 042,61	21 866 388,39	25,84
BULK PURCHASES	428 185 402,00	634 482,13	57 952 708,24	370 232 693,76	13,53
INVENTORY	26 574 038,00	4 391 096,46	9 052 825,86	17 521 212,14	34,07
DEPRECIATION ON ASSETS	10 282 705,00	-	-	10 282 705,00	-
INTEREST	8 790 312,00	550 000,00	122 795 000,00	-114 004 688,00	1 396,94
CONTRACTED SERVICES	209 520 921,00	18 030 892,51	43 143 804,68	166 377 116,32	20,59
TRANSFERS AND SUBSIDIES	1 095 158,00	-	5 000,00	1 090 158,00	0,46
CONTRIBUTIONS TO BAD DEBTS	3 966 284,00	1 404 585,53	3 729 609,15	236 674,85	94,03
OPERATIONAL EXPENDITURE	152 017 436,00	10 596 606,31	30 143 099,35	121 874 336,65	19,83
OPERATING LEASES	18 515 003,00	3 934 323,94	4 993 550,29	13 521 452,71	26,97
TOTAL EXPENDITURE (NETT)	1 337 841 528,00	82 295 697,80	434 692 541,99	903 148 986,01	32,49
DESCRIPTION	Annual Budget 2025/2026	Actual 30-Sept-25	YTD 30-Sept-25	Variance	
OUTSOURCE SERVICES					-
OS: BURIAL SERVICES	286 227,00	0,00	0,00	286 227,00	-
OS: B&A HUMAN RESOURCES	0,00	0,00	0,00	0,00	-
OS: B&A OCCUPATIONAL HEALTH & SAFETY	0,00	0,00	0,00	0,00	-
OS: B&A ORGANISATIONAL	0,00	0,00	0,00	0,00	-
OS: B&A PROJECT MANAGEMENT	1 984 127,00	59 128,78	411 113,80	1 573 013,20	20,72
OS: B&A RESEARCH & ADVISORY	923 138,00	0,00	21 120,00	902 018,00	2,29
OS: B&A QUALIFICATION VERIFICATION	0,00	0,00	0,00	0,00	-
OS: B&A VALUER	3 285 468,00	64 347,82	96 521,73	3 188 946,27	2,94
OS: CATERING SERVICES	1 281 869,00	16 000,00	162 352,76	1 119 516,24	12,67
OS: CLEANING SERVICES	216 757,00	10 831,80	10 831,80	205 925,20	5,00
OS: ELECTRICAL	19 029 252,00	716 168,48	1 082 325,90	17 946 926,10	5,69
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	2 046 780,41	2 152 694,77	10 295 605,23	17,29
OS: CONNECT/DIS-CONNECTION: ELECTICI	9 757,00	0,00	0,00	9 757,00	-
OS: TRAFFIC FINES MANAGEMENT	174 997,00	0,00	21 840,00	153 157,00	12,48
OS: TRANSPORT SERVICES	0,00	0,00	0,00	0,00	-
SUB TOTAL : OUTSOURCE SERVICES	40 768 212,00	2 913 257,29	3 958 800,76	36 809 411,24	9,71

CONSULTANTS AND PROFESSIONAL SERVICES					-
C&PS: B&A AIR POLLUTION	100 000,00	0,00	0,00	100 000,00	-
C&PS: B&A AUDIT COMMITTEE	210 276,00	11 918,97	63 650,97	146 625,03	30,27
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	176 182,61	330 967,91	3 738 001,09	8,13
C&PS: B&A MEDICAL EXAMINATIONS	1 000 000,00	0,00	20 935,00	979 065,00	2,09
C&PS: B&A OCCUPATIONAL HEALTH & SAFE	484 938,00	0,00	4 400,00	480 538,00	0,91
C&PS: B&A PROJECT MANAGEMENT	32 688 770,00	4 461 814,91	17 415 041,34	15 273 728,66	53,28
C&PS: B&A PROJ MAN(COMM CRISIS)	0,00	0,00	0,00	0,00	-
C&PS: B&A PROJ MAN(TRAJ & 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	391 537,79	1 253 285,91	5 060 901,09	19,85
C&PS: LEGAL COST ADVICE & LITIGATION	7 500 000,00	0,00	-1 503 208,23	9 003 208,23	-20,04
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	107 719,02	252 242,18	1 177 053,82	17,65
SUB TOTAL : CONSULTANT AND PROF SERV	62 794 768,00	5 149 173,30	17 837 315,08	44 957 452,92	28,41
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	17 100,00	17 100,00	147 173,00	10,41
CONTR: EMPLOYEE WELLNESS	657 094,00	4 000,00	4 000,00	653 094,00	0,61
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	275 552,20	552 281,80	1 327 071,20	29,39
CONTR: MAINT OF BUILDINGS & FACILIT	15 985 864,00	15 765,96	211 242,77	15 774 621,23	1,32
CONTR: MAINTENANCE OF EQUIPMENT	7 051 852,00	214 153,65	353 760,40	6 698 091,60	5,02
CONTR: MAINTENANCE OF EQUIPMENT (FLE	3 774 643,00	120 156,85	308 527,39	3 466 115,61	8,17
CONTR: MAINTENANCE FLEET	12 993 793,00	1 062 202,02	2 469 753,06	10 524 039,94	19,01
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	1 159 510,66	5 190 029,65	7 809 970,35	39,92
CONTR: SAFEGUARD & SECURITY	42 000 000,00	6 518 641,60	9 826 900,63	32 173 099,37	23,40
CONTR: TRAFFIC & STREET LIGHTS	6 027 240,00	581 378,98	2 414 093,14	3 613 146,86	40,05
SUB TOTAL : CONTRACTORS	105 957 941,00	9 968 461,92	21 347 688,84	84 610 252,16	20,15

CONTRACTED SERVICES	209 520 921,00	18 030 892,51	43 143 804,68	166 377 116,32	20,59
OPERATIONAL COST					
OC: ADV/PUB/MARK - CORP & MUN ACTIVI	2 063 944,00	0,00	126 408,00	1 937 536,00	6,12
OC: ADV/PUB/MARK - MUNICIPAL NEWSLET	800 000,00	12 950,00	-185 658,70	985 658,70	-23,21
OC: ADV/PUB/MARK - SIGNS	358 000,00	0,00	0,00	358 000,00	-
OC: ADV/PUB/MARK - STAFF RECRUITMENT	328 547,00	253,04	9 609,54	318 937,46	2,92
OC: ADV/PUB/MARK - TENDERS	230 640,00	13 738,45	13 738,45	216 901,55	5,96
OC: AUDIT COST: EXTERNAL	11 247 482,00	0,00	920 058,90	10 327 423,10	8,18
OC: BC/FAC/C FEES - BANK ACCOUNTS	1 329 408,00	99 400,33	395 012,58	934 395,42	29,71
OC: COMMISSION - THIRD PARTY VENDORS	18 440 000,00	961 866,15	3 051 809,56	15 388 190,44	16,55
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	182 460,75	287 239,95	1 812 760,05	13,68
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	101 617,57	202 297,02	2 297 702,98	8,09
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	5 901,82	34 823,90	195 672,10	15,11
OC: ENTERTAINMENT - SPEAKER	10 440,00	2 286,00	4 780,80	5 659,20	45,79
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	54 356 667,00	7 164 380,37	18 549 777,16	35 806 889,84	34,13
OC: INSUR UNDER - CLAIM PAID 3RD PAR		0,00	0,00	0,00	-
OC: INSUR UNDER - EXCESS PAYMENTS	500 000,00	0,00	148 032,16	351 967,84	29,61
OC: INSUR UNDER - PREMIUMS	4 500 000,00	1 386,07	35 568,67	4 464 431,33	0,79
OC: LEARNERSHIPS & INTERNSHIPS	100 000,00	0,00	0,00	100 000,00	-
OC: LIC - VEHICLE LIC & REGISTRATION	1 756 542,00	190 736,50	381 191,00	1 375 351,00	21,70
OC: LIC - VEHICLE LIC & REGISTR FLEE	14 678,00	1 416,00	1 416,00	13 262,00	9,65
OC: PERSONNEL AGENCY FEES (PERS RECR	0,00	0,00	0,00	0,00	-
OC: PRINTING & PUBLICATIONS	839 438,00	36 547,00	36 547,00	802 891,00	4,35
OC: PROFESSIONAL BODIES M/SHIP & SUB	431 226,00	23 659,13	80 745,13	350 480,87	18,72
OC: REMUNERATION TO WARD COMMITTEES	3 066 437,00	92 500,00	367 500,00	2 698 937,00	11,98
OC: ROAD WORTHY TEST FLEET	18 854,00	0,00	0,00	18 854,00	-
OC: SKILLS DEVELOPMENT FUND LEVY	4 466 696,00	18 899,83	385 591,50	4 081 104,50	8,63
OC: SEARCH FEES	17 194,00	0,00	0,00	17 194,00	-
OC: SERVITUDES & LAND SURVEYS	54 758,00	0,00	0,00	54 758,00	-
OC: SIGNAGE	521 724,00	0,00	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	104 256,79	372 903,71	2 795 804,29	11,77
OC: T&S DOM - DAILY ALLOWANCE	2 153 496,00	74 104,10	213 660,14	1 939 835,86	9,92
OC: T&S DOM - FOOD & BEVERAGE (SERVE	312 860,00	0,00	2 300,52	310 559,48	0,74
OC: T&S DOM TRP - W/OUT OPR OWN TRAN	2 801 784,00	179 023,71	533 977,18	2 267 806,82	19,06
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	675,92	28 573,92	280 942,08	9,23
OC: TRANSPORT - MUNICIPAL ACTIVITIES	57 660,00	0,00	0,00	57 660,00	-
OC: UNIFORM & PROTECTIVE CLOTHING	7 024 497,00	572 911,62	939 528,57	6 084 968,43	13,38
OC: VEHICLE TRACKING FLEET	626 892,00	0,00	0,00	626 892,00	-
OC: WET FUEL	11 435 321,00	755 635,16	2 524 645,62	8 910 675,38	22,08
OC: WORKMEN'S COMPENSATION FUND	1 830 991,00	0,00	469 501,37	1 361 489,63	25,64
SUB TOTAL : OPERATIONAL COST	152 017 436,00	10 596 606,31	30 143 099,35	121 874 336,65	19,83

INVENTORY					
INV - CONSUMABLE STORES - STANDARD RATED	15 088 136,00	3 695 121,70	5 107 311,32	9 980 824,68	
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 - CONSUMABLE 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	695 974,76	3 904 955,67	6 535 044,33	
SUB TOTAL - INVENTORY	26 574 038,00	4 391 096,46	9 052 825,86	17 521 212,14	
BULK PURCHASES					
ESKOM	428 185 402,00	634 482,13	57 952 708,24	370 232 693,76	
BULK WATER PURCHASES					
SUB TOTAL : BULK PURCHASES	428 185 402,00	634 482,13	57 952 708,24	370 232 693,76	
INTEREST DIVIDENDS AND RENT ON LAND					-
INT PAID BOR: ANNUITY LOANS	6 600 000,00	550 000,00	122 795 000,00	-116 195 000,00	1 860,53
INT PAID: OVERDUE ACCOUNTS	2 190 312,00	0,00	0,00	2 190 312,00	-
SUB TOTAL - INTEREST DIVID & RENT -	8 790 312,00	550 000,00	122 795 000,00	-114 004 688,00	1 396,94
OPERATING LEASES					-
OPR LEASES: FURNITURE & OFFICE EQUIP	3 376 619,00	4 271,97	17 087,88	3 359 531,12	0,51
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	3 930 051,97	4 976 462,41	10 138 857,59	32,92
SUB TOTAL : OPERATING LEASES	18 515 003,00	3 934 323,94	4 993 550,29	13 521 452,71	26,97
BAD DEBTS WRITTEN OFF					
IRRECOVERABLE DEBTS WRITTEN OFF_EXCHANGE					
IRRECOV DEBTS W/OFF_EXCHG:ELECTRICITY	1 149 906,00	616 246,39	1 005 984,95	143 921,05	87,48
IRRECOV DEBTS W/OFF_EXCHG:NON-SPECIFIC	-	0,00	0,00	0,00	-
IRRECOV DEBTS W/OFF_EXCHG:WASTE	177 704,00	130 889,37	262 722,10	-85 018,10	147,84
IRRECOV DEBTS W/OFF_EXCHG:WASTE WATER	228 604,00	236 119,75	428 184,45	-199 580,45	187,30
IRRECOV DEBTS W/OFF_EXCHG:WATER	1 261 670,00	180 190,75	499 917,53	761 752,47	39,62
SUB TOTAL : IRRECOV BAD DEBT W/OFF_EXCH	2 817 884,00	1 163 446,26	2 196 809,03	621 074,97	77,96
IRRECOVERABLE DEBTS W/OFF_NON-EXCHANGE					
IRRECOV DEBTS W/OFF_NON-EXCH:PROP RATES	1 148 400,00	241 139,27	1 532 800,12	-384 400,12	133,47
SUB TOTAL : IRREC BAD DEBT W/OFF_NON-EX	1 148 400,00	241 139,27	1 532 800,12	-384 400,12	133,47
SUB TOTAL : BAD DEBTS WRITTEN OFF	3 966 284,00	1 404 585,53	3 729 609,15	236 674,85	94,03
TRANSFERS AND SUBSIDIES					-
HH SSP SOC ASS: SOCIAL RELIEF	1 095 158,00	0,00	5 000,00	1 090 158,00	0,46
SUB TOTAL : OPERATIONAL : ALLOC IN K	1 095 158,00	0,00	5 000,00	1 090 158,00	0,46

OPERATIONAL : MONETARY					-
SUB TOTAL : OPERATIONAL : MONETARY	0,00	0,00	0,00	0,00	-
SUB TOTAL : TRANSFERS & SUBSIDIES	1 095 158,00	0,00	5 000,00	1 049 000,00	0,46
DEPRECIATION & AMORTISATION					
DEPRECIATION COMPUTER EQUIPMENT	394 635,00	0,00	0,00	0,00	-
DEPRECIATION WATER SUPPLY DISTRIBUTION	876 125,00	0,00	0,00	0,00	-
DEPRECIATION FURNITURE & OFFICE EQUIPM	821 327,00	0,00	0,00	0,00	-
DEPRECIATION ELEC MV NETWORKS	4 380 624,00	0,00	0,00	0,00	-
DEPRECIATION ELEC LV NETWORKS	876 125,00	0,00	0,00	0,00	-
DEPRECIATION MACHINERY & EQUIPMENT	1 301 834,00	0,00	0,00	0,00	-
DEPRECIATION TRANSPORT ASSETS	1 528 800,00	0,00	0,00	0,00	-
DEPRECIATION COMMUNITY CAPITAL SPARES	103 235,00	0,00	0,00	0,00	-
SUB TOTAL : DEPRECIATION & AMORTISATION	10 282 705,00	-	-	0,00	-

4.3 Capital Expenditure

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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									
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		15	-	-	-	-	-	-	-	-
Vote 02 - Municipal Manager		97	150	150	-	-	50	(50)	-100%	150
Vote 03 - Corporate Services		2 258	2 500	2 500	-	57	833	(777)	-93%	2 500
Vote 04 - Finance		191	81	81	-	-	27	(27)	-100%	81
Vote 05 - Technical Services		1 805	65 207	53 314	606	1 774	20 414	(18 641)	-91%	53 314
Vote 06 - Community Services		160	25 983	25 688	6 312	17 298	8 628	8 670	100%	25 688
Vote 07 - Local Economic Development		375	1 100	1 100	-	1	367	(366)	-100%	1 100
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	4 900	95 021	82 833	6 918	19 129	30 320	(11 190)	-37%	82 833

FS201 Moqhaka - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 October

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									
Capital Expenditure - Functional Classification										
Governance and administration		2 581	2 981	2 981	-	57	994	(937)	-94%	2 981
Executive and council		15	-	-	-	-	-	-		-
Finance and administration		2 532	2 981	2 981	-	57	994	(937)	-94%	2 981
Internal audit		34	-	-	-	-	-	-		-
Community and public safety		383	29 350	28 327	6 343	17 356	9 670	7 686	79%	28 327
Community and social services		-	550	550	-	27	183	(156)	-85%	550
Sport and recreation		271	5 853	5 439	-	1	1 905	(1 904)	-100%	5 439
Public safety		84	22 947	22 337	6 343	17 327	7 581	9 746	129%	22 337
Housing		27	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		263	42 144	14 420	-	1 133	10 968	(9 835)	-90%	14 420
Planning and development		129	-	-	-	-	-	-		-
Road transport		119	42 064	14 340	-	1 133	10 941	(9 808)	-90%	14 340
Environmental protection		15	80	80	-	-	27	(27)	-100%	80
Trading services		1 674	20 546	37 106	575	584	8 689	(8 105)	-93%	37 106
Energy sources		98	250	250	-	-	83	(83)	-100%	250
Water management		143	18 524	20 690	-	10	6 415	(6 406)	-100%	20 690
Waste water management		1 434	1 773	16 047	575	575	2 177	(1 602)	-74%	16 047
Waste management		-	-	119	-	-	13	(13)	-100%	119
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	4 900	95 021	82 833	6 918	19 129	30 320	(11 190)	-37%	82 833

As indicated in the Table above, the YTD Actual on capital expenditure as at end of October 2025 amounted to R19 129 000. The total YTD capex is funded from Capital grants R631 000 and Internally generated funds R18 498 000. 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

FS201 Moqhaka - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		57 716	120 179	120 179	13 696	29 953	40 060	(10 106)	-25%	120 179
Service charges		581 142	864 329	864 329	61 262	229 236	288 110	(58 874)	-20%	864 329
Other revenue		8 965	(134 111)	(134 111)	(26 236)	(65 731)	(44 704)	(21 028)	47%	(134 111)
Transfers and Subsidies - Operational		330 336	334 714	334 714	5 131	154 404	111 571	42 832	38%	334 714
Transfers and Subsidies - Capital		52 270	68 228	68 228	852	5 447	22 743	(17 296)	-76%	68 228
Interest		9 900	-	-	1 161	4 185	-	4 185	#DIV/0!	-
Dividends		5 822	4 744	4 744	606	1 451	1 581	(130)	-8%	4 744
Payments										
Suppliers and employees		(1 133 236)	(1 637 348)	(1 637 348)	(99 349)	(488 120)	(545 783)	(57 663)	11%	(1 637 348)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES		(87 086)	(379 265)	(379 265)	(42 877)	(129 175)	(126 422)	2 753	-2%	(379 265)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(2 284)	8 493	8 493	0	(21)	2 831	(2 852)	-101%	8 493
Decrease (increase) in non-current receivables										
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(4 900)	(95 021)	(95 021)	(6 918)	(19 129)	(31 674)	(12 545)	40%	(95 021)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7 184)	(86 529)	(86 529)	(6 917)	(19 150)	(28 843)	(9 693)	34%	(86 529)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		(1 178)	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	-	-	231	887	-	887	#DIV/0!	-
Payments										
Repayment of borrowing		-	(2 121)	(2 121)	(343)	(1 611)	(707)	904	-128%	(2 121)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 178)	(2 121)	(2 121)	(112)	(724)	(707)	17	-2%	(2 121)
NET INCREASE/ (DECREASE) IN CASH HELD		(95 447)	(467 915)	(467 915)	(49 907)	(149 049)	(155 972)			(467 915)
Cash/cash equivalents at beginning:		(9 905)	(24 764)	(24 764)	(122 300)	(23 158)	(24 764)			(23 158)
Cash/cash equivalents at month/year end:		(105 352)	(492 678)	(492 678)	(172 207)	(172 207)	(180 735)			(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: October 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-Aug	30-Sept	% Change	31-Oct	% Change	Reference
Services						
Councillors' debt (>90 days)	R 1 659 747	R 1 626 045	-2%	R 1 628 707	0%	BP136-r
Officials debt (>90 days)	R 3 126 333	R 3 080 860	-1%	R 3 148 731	2%	BP136-a
Sundry debtors						
Telephones (Officials & Councillors)	R708 131.64	R711 131.53	0%	R717 678.34	1%	BP136-rt
Indigents	R 240 952 250	R 248 981 257	3%	R 263 112 564	6%	BP136-ia
Total Debt 90 Days +	R 246 446 461	R 254 399 293	3%	R 268 607 680	6%	

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:

Oct-25	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
PROVINCIAL DEPARTMENTS								
OFFICE OF THE PREMIER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE LEGISATURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF TOURISM, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE PROVINCIAL TREASURY	15 010.00	0.00	2 172.00	13 858.00	0.00	31 040.00	0.00	31 040.00
DEPARTMENT OF HEALTH (PH)	12 752 678.00	9 337 899.00	0.00	12 367 466.00	26 462.00	34 484 505.00	0.00	34 484 505.00
DEPARTMENT OF EDUCATION (PE)	123201.00	1 590 464.00	3 550 107.00	18 934 295.00	0.00	24 198 067.00	0.00	24 198 067.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	278 622.00	0.00	278 622.00	0.00	278 622.00
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)	1 070 367.00	16 392 340.00	2 153.00	889 580.00	2 352.00	18 356 792.00	0.00	18 356 792.00
PUBLIC SAFETY, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGRICULTURE (PA)	0.00	240.00	0.00	0.00	0.00	240.00	0.00	240.00
SPORTS, ARTS & CULTURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	13 961 256.00	27 320 943.00	3 554 432.00	32 483 821.00	28 814.00	77 349 266.00	0.00	77 349 266.00
				0.00				
SCHOOLS (SECTION 21)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NATIONAL DEPARTMENTS	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
CORRECTIONAL SERVICES (NC)	2 526 529.00	2 128 013.00	0.00	294 607.00	0.00	4 949 149.00	0.00	4 949 149.00
DEFENCE (ND)	2 948 734.00	6 143 262.00	12 504.00	320 146.00	14 173.00	9 438 819.00	0.00	9 438 819.00
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	26 724.00	141 924.00	160 587.00	58 193.00	94 881.00	482 309.00	0.00	482 309.00
PUBLIC WORKS (NW)	17 464.00	138 912.00	2 735 113.00	77 460.00	0.00	2 968 949.00	0.00	2 968 949.00
SA POLICE(NP)	995 999.00	1 051 211.00	11 042.00	1 076 119.00	2 143.00	3 136 514.00	0.00	3 136 514.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	18 834.00	84 624.00	0.00	11 435.00	1 810.00	116 703.00	0.00	116 703.00
TOTAL	6 534 284.00	9 687 946.00	2 919 246.00	1 837 960.00	113 007.00	21 092 443.00		21 092 443.00
TOTAL	20 495 540.00	37 008 889.00	6 473 678.00	34 321 781.00	141 821.00	98 441 709.00	-	98 441 709.00
						TOTAL		98 441 709.00
						LESS CREDIT		0.00
						GRAND TOTAL		98 441 709.00

MUNICIPAL DEBT RETURN FORM - Provincial & National Departments

Municipality: **FS201 Moqhaka**Financial Year: **2023/24** 2025/26Reporting Month: **M04 October**

	Provincial Public Works & Infrastructure	Education		National Public Works	TOTAL
		Section 20 Schools (Payable by Department of Education)	Section 21 Schools (Payable by Schools)		
<i>R'000</i>					
Property Rates	3 552			2 919	6 472
0-30 Days	1 762			735	2 497
31-60 Days	1 603			735	2 338
61-90 Days	20			735	754
Over 90 Days	167			714	882
Water	13 961	–	11 772	6 534	32 268
0-30 Days	1 402	–	468	1 468	3 338
31-60 Days	776	–	621	894	2 291
61-90 Days	791	–	271	977	2 039
Over 90 Days	10 992	–	10 413	3 196	24 600
Electricity	27 321	–	23 470	9 688	60 479
0-30 Days	957	–	1 253	1 829	4 039
31-60 Days	1 321	–	1 741	2 047	5 109
61-90 Days	1 449	–	1 334	2 461	5 244
Over 90 Days	23 594	–	19 141	3 351	46 087
Sanitation	21 463			1 116	22 579
0-30 Days	1 082			179	1 261
31-60 Days	1 082			69	1 151
61-90 Days	1 082			67	1 150
Over 90 Days	18 217			801	19 018
Refuse Removal	11 021			721	11 742
0-30 Days	547			94	641
31-60 Days	547			38	585
61-90 Days	547			37	584
Over 90 Days	9 379			553	9 932
Other	31	–	46	113	190
0-30 Days	0	–	2	3	5
31-60 Days	0	–	2	3	5
61-90 Days	0	–	2	3	5
Over 90 Days	30	–	41	105	177
TOTAL	77 349	–	35 288	21 092	133 730
0-30 Days	5 750	–	1 723	4 308	11 781
31-60 Days	5 330	–	2 364	3 785	11 479
61-90 Days	3 890	–	1 606	4 279	9 775
Over 90 Days	62 379	–	29 595	8 720	100 694

Payments received during reporting month (whole amount)	8 620 401.08		2 071 395.21	#####
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Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses

- Disconnection of consumers must be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt.
- Data cleansing of the entire debtor's book, and data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (SMS) and e-mail.
- Improve in the accuracy of monthly billing.
- Ensure meters are read consistently, timeously and significantly reduce interim readings and ultimately eliminate interim readings.
- Reduce material billing errors by thoroughly interrogating billing exception reports prior to final billing run.
- Enhance customer relations and consumer satisfaction by improving on the turnaround time when dealing with billing queries.
- Introduce electronic complaints management system/register for account queries.
- Ensure faulty and bypassed electricity meters are replaced.
- Ensure that stuck, leaking, faulty or damaged water meters are replaced.
- Do regular follow-ups on meter replacements.
- Accurately update the system with latest information
- Reduce the turnaround time for installation of replacement or new meters.
- Ensure improved synergy and improved communication between internal department like Town Planning, Infrastructure, GIS and Billing.
- Interrogate billing and prepaid electricity reports monthly and take immediate remedial action to address anomalies or discrepancies.
- Ensure that all billable properties are billed for Property rates and services.
- Ensure that customers are billed at the correct approved tariff by linking each customer to the correct tariff code loaded on the system.
- Reduce Electricity and Water losses.
- Introduce automated metering for bulk consumers.
- Electricity Cost of Supply Study was finalised
- Ensure qualifying indigents are registered on the system, immediately upon verification.
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed/replaced immediately for all approved indigents.
- Improve on service delivery and personnel performance, to enhance customer's willingness to pay.
- Reduce or curb unnecessary expenditure by diligently applying cost containment measures.
- Improve on routine maintenance on particularly revenue generating assets.
- Spend funds effectively with good value for money.

6. Debtors' Analysis

4	Outstanding Debtor's by Customer Group	Current (0 to 30 days)	31 to 60 Days	61 to 90 Days	Over 90 days	Total
4.1	Organs of State (Provincial & National Departments)	R 23 280 252	R 9 777 164	R 7 240 360	R 93 487 773	R 133 785 549
4.2	Business / Commercial	R 29 144 134	R 11 267 489	R 8 233 956	R 167 684 450	R 216 330 029
4.3	Households	R 31 734 478	R 28 689 162	R 28 369 675	R 1 351 203 325	R 1 439 996 640
4.4	Other	-R 8 677 704	R 3 889 908	R 4 563 700	R 131 112 532	R 130 888 436
	Total	R 75 481 160	R 53 623 723	R 48 407 691	R 1 743 488 080	R 1 921 000 654
5	Outstanding Debtor's by Income Source	Current (0 to 30 days)	31 to 60 Days	61 to 90 Days	Over 90 days	Total
5.1	Water	R 21 362 038	R 19 826 259	R 19 582 444	R 902 468 746	R 963 239 487
5.2	Electricity	R 30 933 498	R 15 453 529	R 12 839 523	R 156 613 266	R 215 839 816
5.3	Property Rates	R 8 348 559	R 5 946 624	R 3 873 212	R 115 864 243	R 134 032 638
5.4	Sanitation	R 8 203 404	R 6 703 791	R 6 471 190	R 280 036 820	R 301 415 205
5.5	Refuse removal	R 5 753 538	R 4 740 855	R 4 598 358	R 203 751 495	R 218 844 246
5.6	Other	R 880 123	R 952 665	R 1 042 964	R 84 753 510	R 87 629 262
	Total	R 75 481 160	R 53 623 723	R 48 407 691	R 1 743 488 080	R 1 921 000 654

Comments:

Total outstanding debt has increased from R1 920 995 620 in September 2025 to R1 921 000 654 in October 2025. The 0% movement amounting to R5 034.00 is a result of payments & blockings.

Water outstanding debt was R957 472 236 in September 2025 and has increased to R963 239 487 in October 2025. That accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters.

Electricity outstanding debt was R222 600 707 in September 2025 and has decreased to R215 839 816 in October 2025. This decrease is 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 R139 767 802 in September 2025 and has decreased to R134 032 638 in October 2025. This account for 7% against total debt.

Total outstanding debt for sanitation/Sewerage was R297 028 543 in September 2025 and has increased to R301 415 205 in October 2025. This accounts for 16% of the total outstanding debt.

Refuse Removal or Solid Waste outstanding debt was R215 692 166 and has increased to R218 844 246 in October 2025. This accounts for 11% of the total debt and emanates from non-payment of accounts.

Total outstanding debt for Other or Sundries was R88 434 166 in September 2025 and has decreased to R87 629 262 in October 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 R134 455 623 in September 2025 and has decreased to R133 785 549 in October 2025. This represents 7% of the total outstanding debt that Public Works is in the process of addressing.

Business/Commercial debt was R226 613 629 in September 2025 and has decreased to R216 330 029 in October 2025. This represents 11% 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 427 760 202 in September 2025 and has increased to R1 439 996 640 in October 2025. That accounts for 75% of the total debt. This is inclusive of R263 112 564 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R132 166 166 in September 2025 and has decreased to R130 888 436 in October 2025. That is 7% of the total outstanding debt.

The total debt by Councillors was R1 626 045 in September 2025 and it is R1 628 707 in October 2025 (0% movement). Officials owed R3 080 860 in September 2025 and it is R3 148 731 in October 2025 (2% increase).

Telephone accounts had a balance of R711 131.53 in September 2025 and has increased to R717 678.34 in October 2025 (1% increase).

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.

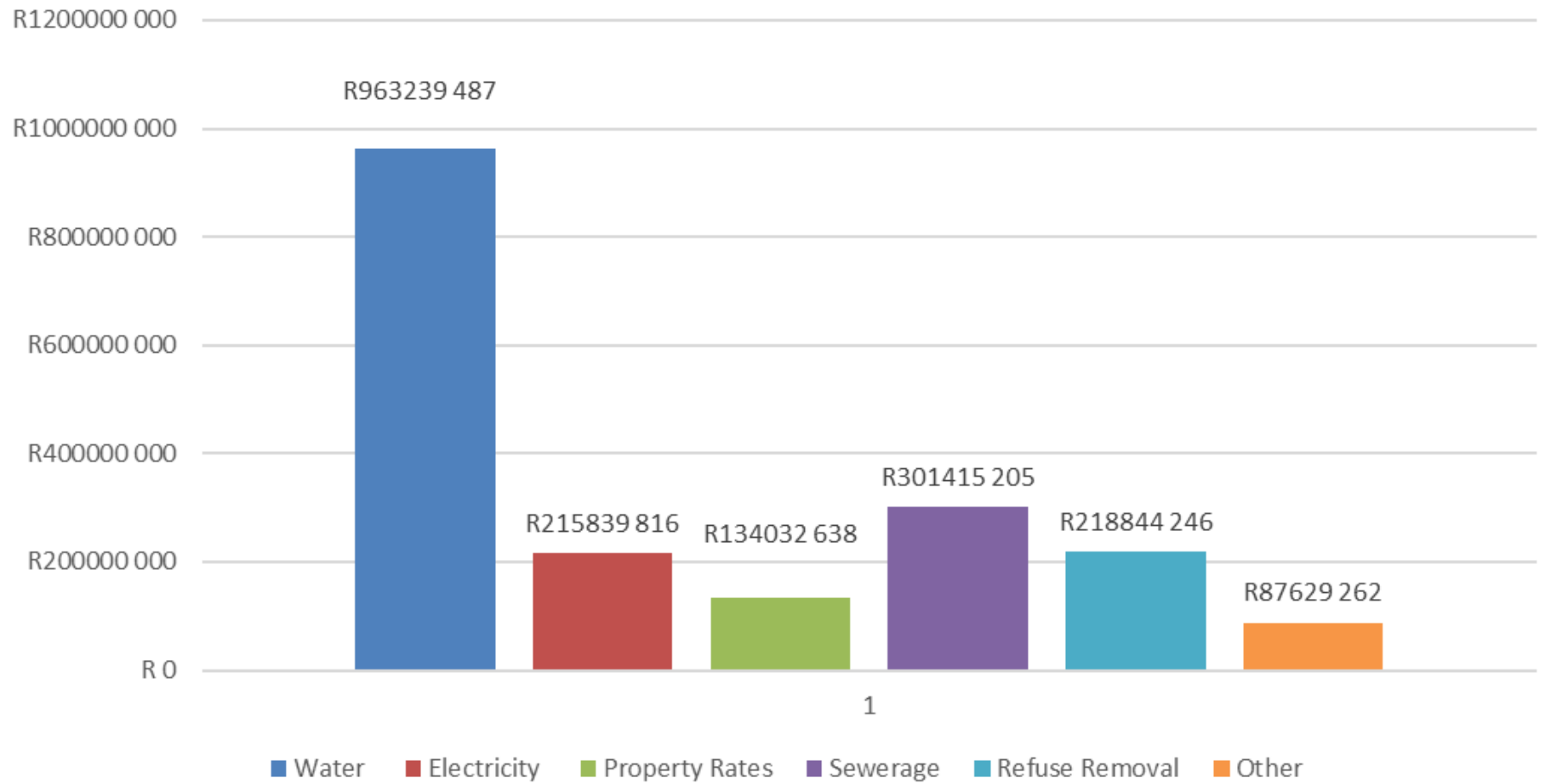
Blockings of the prepaid electricity meters & disconnections for the conventional electricity meters for categories of payment defaulters plays a major role in the collection rate and revenue enhancement.

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.

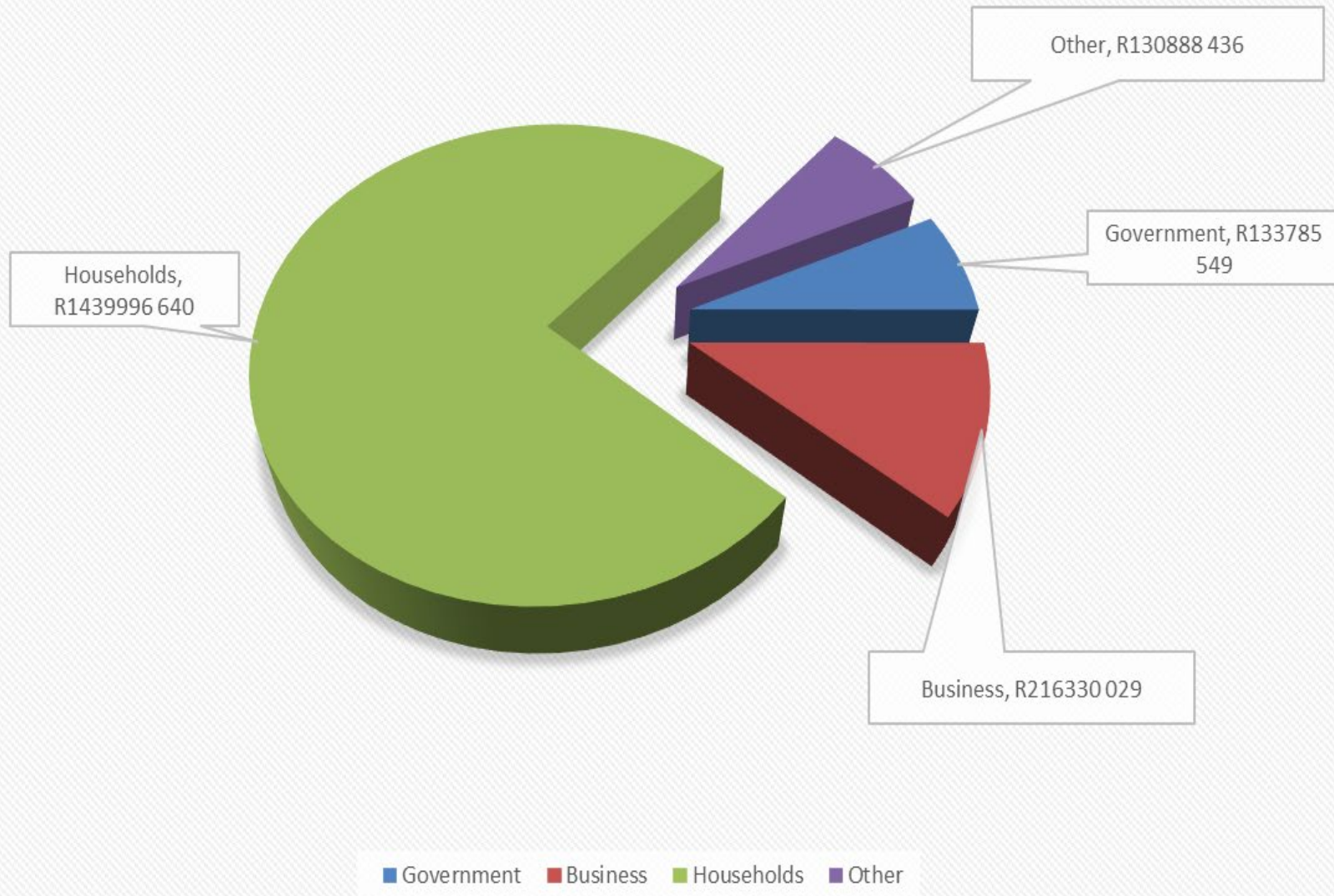
The three years and eight months delay in appointing the Chief Financial Officer and other Directors plays a very critical role in the financial distress facing the municipality.

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

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	58 327 494	54 429 512	73 628 886	-	-	-	-	1 882 711 519	2 069 097 411
Loan repayments	884 120	676 595	778 077					5 307 553,00	7 646 345
Trade Creditors	9 498 861	1 687 503	2 747 620	38 287		-	-	-	13 972 271
Auditor General	3 208 284	2 590 804	-	-		-	-	-	5 799 088
DWS	898 718	898 718	898 718					22 575 298	25 271 452
WORKMENS COMPENSATION	-							1 014 024	1 014 024
GOVERNMENT GARAGE	547 036							-	547 036
Total	73 364 513	60 283 132	78 053 301	38 287	-	-	-	1 911 608 394	2 123 347 627

Bulk Electricity – As at the 31 October 2025, the outstanding debt owed to Eskom amounted to R2 069 097 411. 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 R3 208 284. Other creditors – includes Sundry creditors which were unpaid as at 31 October 2025 amount to R11 828 735.

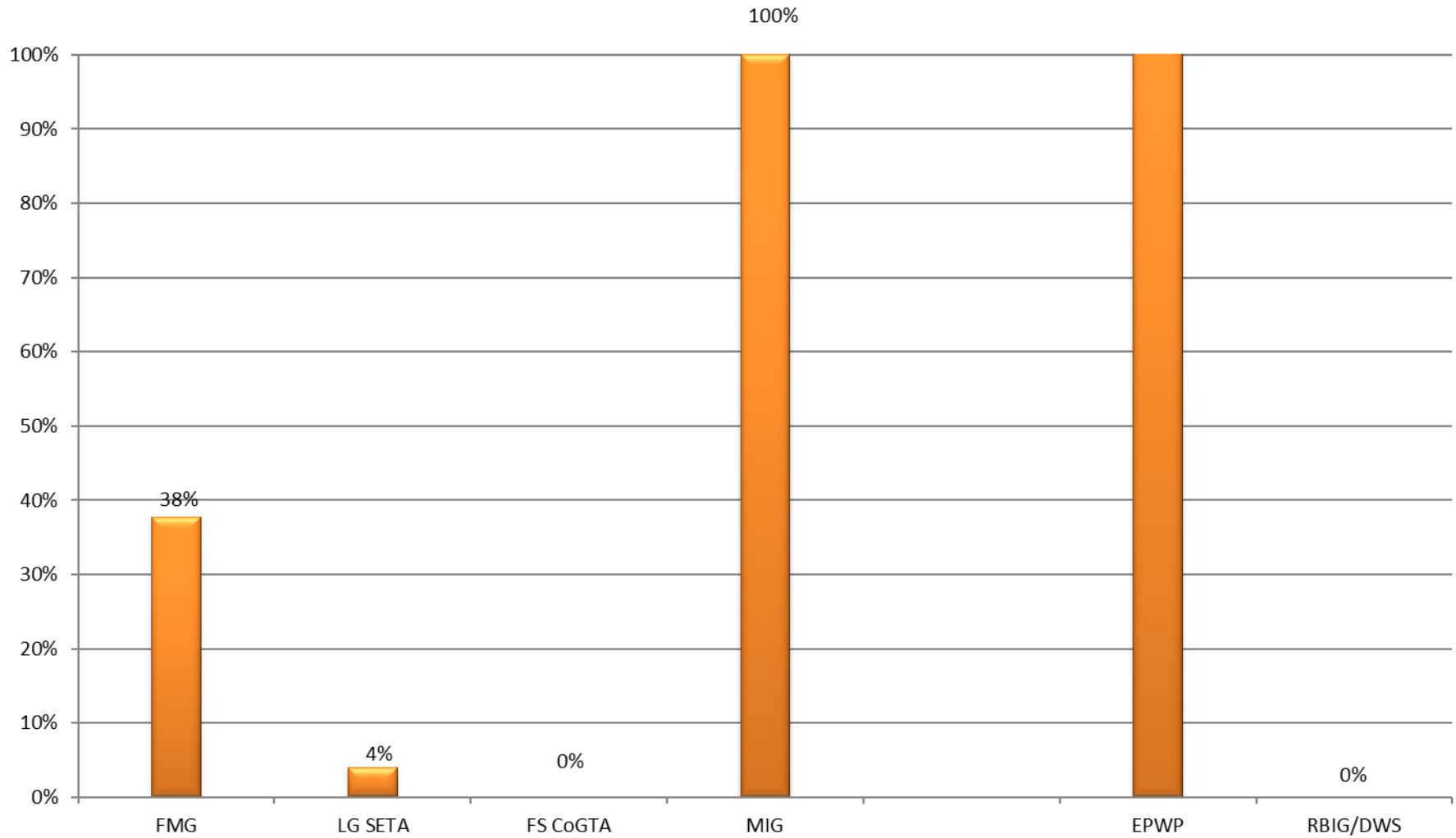
8. Investment portfolio analysis

Moqhaka Municipality				
Year End	30-Jul-26			
Section	Finance			
Compiled by	ID Mphosi			
Purpose	Investment Register			
<i>The municipality holds the following investments with ABSA Bank.</i>				
Detail	Bank Acc num	Type of investment	Vote num	
ABSA - 1	20-7531-4898	Fixed Deposit	34055053140ZZZZZZW	
ABSA - 2	20-5824-7882	Fixed Deposit	34055053040ZZZZZZW	
ABSA - 3	91-3190-1443	Call Account	34055053240ZZZZZZW	
	20-7531-4898	20-5824-7882	91-3190-1443	
	ABSA - 1	ABSA - 2	ABSA - 3	Total
Balance 01-Jul- 2025	6 040,56	129 607,22	22 165 244,44	22 300 892,22
Prior period error		-	-	-
Adjusted Balance	6 040,56	129 607,22	16 165 244,44	16 300 892,22
	-	-	56 994 351,86	56 994 351,86
Invested	-	-	120 595 000,00	120 595 000,00
Withdrawn	-	-	-64 000 000,00	-64 000 000,00
Interest earned	-		399 351,86	399 351,86
Balance at 31-Jul-2025	6 040,56	129 607,22	73 159 596,30	73 295 244,08
	109,47		8 205 548,02	8 205 657,49
Invested			35 336 519,94	35 336 519,94
Withdrawn			-27 500 000,00	-27 500 000,00
Interest earned	109,47		369 028,08	369 137,55
Balance at 31-Aug-2025	6 150,03	129 607,22	81 365 144,32	81 500 901,57
			-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
Balance at 30-Sep-2025	6 150,03	129 607,22	50 691 612,03	50 827 369,28
			-9 136 373,01	-9 136 373,01
Invested			30 600 000,00	30 600 000,00
Withdrawn			-40 000 000,00	-40 000 000,00
Interest earned			263 626,99	263 626,99
Balance at 31-Oct-2025	6 150,03	129 607,22	41 555 239,02	41 690 996,27

9. Allocation and grant receipts and expenditure

Report on conditional grants at	OCTOBER 2025						
Municipality:	FS201 Moqhaka						
Financial Accounting for Grant Funds Received and Expended							
	OPERATIONAL GRANTS		CAPITAL GRANTS				
	Finance Management Grant (FMG)	LG SETA (Mandatory)	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	RBIG	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
DORA Allocation for the 2025/26	2 300 000						-
Unspent grants at beginning of the financial year		2 530 931					-
Received Prior Months	-	2 530 931	852 000	-	16 304 539	-	17 156 539
Received This Month	2 300 000	-	-	374 000	5 131 087	4 595 000	10 100 087
Total Funds Received	2 300 000	2 530 931	852 000	374 000	21 435 626	4 595 000	27 256 626
Spent Prior Months	643 057	49 000	-	327 390	16 304 539	-	16 631 929
Spent This Month	225 772	51 270	851 915	123 340	5 131 087	-	6 106 342
Grants refunded						-	-
Total Funds Spent	868 829	100 270	851 915	450 730	21 435 626	-	22 738 271
Total funds Received and Not Spent	1 431 171	2 430 661	85	-76 730	-	4 595 000	4 518 355
Percentage of Funds Spent	38%	4%	100%	121%	100%	0%	83%
Funds Currently Committed but Not Spent	-	-	-	-		-	-
Scheduled Transfers Withheld	-	-	-	-		-	-

GRANTS SPENDING 2025/26 OCTOBER



FS201 Moqhaka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		329 232	325 501	325 501	869	131 163	108 500	22 663	20,9%	325 501
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Equitable Share		298 568	312 705	312 705	-	130 294	104 235	26 059	25,0%	312 705
Expanded Public Works Programme Integrated Grant		-	1 496	1 496	-	-	499	(499)	-100,0%	1 496
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Local Government Financial Management Grant		2 300	2 300	2 300	869	869	767	102	13,3%	2 300
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant		28 364	9 000	9 000	-	-	3 000	(3 000)	-100,0%	9 000
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		1 780	3 081	3 081	327	327	1 027	(700)	-68,1%	3 081
ESKOM		-	-	-	-	-	-	-		-
National Economical Development and Labour Council		1 104	-	-	327	327	-	327		-
National Skills Fund		676	3 081	3 081	-	-	1 027	(1 027)	-100,0%	3 081
Total Operating Transfers and Grants	5	331 012	328 582	328 582	1 196	131 490	109 527	21 963	20,1%	328 582
Capital Transfers and Grants										
National Government:		-	67 471	67 471	-	-	22 490	(22 490)	-100,0%	67 471
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	48 709	48 709	-	-	16 236	(16 236)	-100,0%	48 709
Water Services Infrastructure Grant		-	18 762	18 762	-	-	6 254	(6 254)	-100,0%	18 762
Provincial Government:		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	-	67 471	67 471	-	-	22 490	(22 490)	-100,0%	67 471
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	331 012	396 053	396 053	1 196	131 490	132 018	(527)	-0,4%	396 053

- R852 000 for MIG AND R16 304 539 of RBIG 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

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

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

DESCRIPTION	Budget 2025/2026	Actual	YTD	% Exp
		31-Oct-25	31-Oct-25	
EMPLOYEE RELATED COST				
SENIOR MANAGEMENT				
SM - SALARIES ALLOW AND SERV BENEFITS				
MM - SALARIES ALLOW AND SERV BENEFITS				
SM MM: SAL & ALL - BASIC SALARY	1 094 538,00	74 582,15	296 633,60	27,10
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	12 000,00	34,37
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	83 333,32	29,82
SM MM: SRB - LONG SERVICE	0,00	0,00	47 650,28	#DIV/0!
SUB TOTAL: MM - SAL ALLOW & SERV BENEF	1 565 911,00	98 415,48	439 617,20	28,07
CFO - SALARIES ALLOW AND SERV BENEFITS				
SM CFO: SAL & ALL - BASIC SALARY	947 185,00	-	-	-
SM CFO: SAL & ALL - PERFORM BASED BONUS	57 736,00	-	-	-
SM CFO: ALLOW - CELLULAR & TELEPHONE	6 982,00	-	-	-
SM CFO: ALLOW - HOUSING BENEFITS	-	-	-	-
SM CFO: ALLOW - TRAVEL OR MOTOR VEHICLE	58 186,00	-	-	-
SM CFO: SRB - ENTERTAINMENT	16 546,00	-	-	-
SM CFO: SRB - ACTING & POST RELATE ALLOW				
SUB TOTAL: CFO - SAL ALLOW & SERV BENEF	1 086 635,00	0,00	0,00	0,00
D01 - SALARIES ALLOW AND SERV BENEFITS				
SM D01: SAL & ALL - BASIC SALARY	996 166,00	61 539,05	184 617,15	18,53
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	4 000,00	38,19
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	98 840,36	58,94
SM D01: SRB - ENTERTAINMENT	0,00	-	-	-
SM D01: SRB - ACTING & POST RELATE ALLOW				
SUB TOTAL: DTS - SAL ALLOW & SERV BENEF	1 232 171,00	87 249,14	287 457,51	23,33

DO2 - SALARIES ALLOW AND SERV BENEFITS				
SM D02: SAL & ALL - BASIC SALARY	860 513,00	69 618,00	276 777,00	32,16
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	4 000,00	20,53
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	180 419,80	30,87
SM D02: ALLOW - ACCOM TRAVEL & INCIDENT.	-	-	-	#DIV/0!
SM D02: SRB - ENTERTAINMENT	11 030,00	-	0,00	0,00
SM D02: SRB - ACTING & POST RELATE ALLOW		0,00	0,00	#DIV/0!
SUB TOTAL: DPS - SAL ALLOW & SERV BENEF	1 584 694,00	115 722,95	461 196,80	29,10
DO3 - SALARIES ALLOW AND SERV BENEFITS				
SM D03: SAL & ALL - BASIC SALARY	941 891,00	-	-	0,00
SM D03: SAL & ALL - PERFORM BASED BONUS	56 480,00	-	-	0,00
SM D03: ALLOW - CELLULAR & TELEPHONE	5 691,00	-	-	0,00
SM D03: ALLOW - HOUSING BENEFITS	184 263,00	-	-	0,00
SM D03: ALLOW - TRAVEL OR MOTOR VEHICLE	104 643,00	-	-	0,00
SM D03: SRB - ENTERTAINMENT	-	-	-	#DIV/0!
SM D03: SRB - ACTING & POST RELATE ALLOW	-	-	-	#DIV/0!
SUB TOTAL: DCH - SAL ALLOW & SERV BENEF	1 292 968,00	0,00	0,00	0,00
DO4 - SALARIES ALLOW AND SERV BENEFITS				
SM D04: SAL & ALL - BASIC SALARY	986 330,00	-	-	0,00
SM D04: SAL & ALL - PERFORM BASED BONUS	8 600,00	-	-	0,00
SM D04: ALLOW - CELLULAR & TELEPHONE	9 000,00	-	-	0,00
SM D04: ALLOW - HOUSING BENEFITS	86 068,00	-	-	0,00
SM D04: ALLOW - TRAVEL OR MOTOR VEHICLE	63 948,00	-	-	0,00
SM D04: SRB - ENTERTAINMENT	-	-	-	#DIV/0!
SUB TOTAL: DCS - SAL ALLOW & SERV BENEF	1 153 946,00			0,00
SUB TOTAL: SM - SAL ALLOW & SERV BENEF	7 916 325,00	301 387,57	1 188 271,51	15,01
SM - SOCIAL CONTRIBUTIONS				
MM - SOCIAL CONTRIBUTIONS				
SM MM: SOC CONTR: MEDICAL	72 276,00	0,00	0,00	0,00
SM MM: SOC CONTR: PENSION FUNDS	122 187,00	13 119,69	52 478,76	42,95

31 October 2025

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

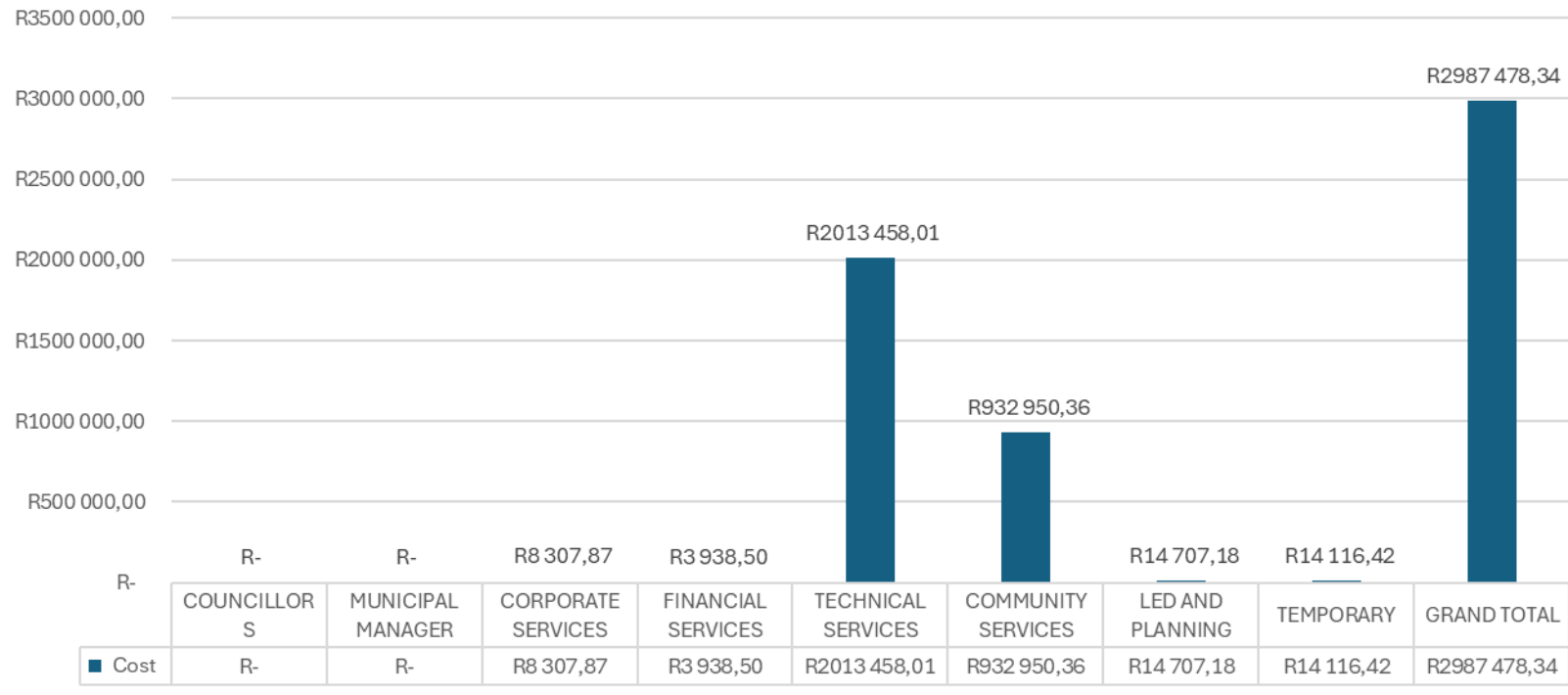
Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)

Analysis of overtime per department

Description	31-Oct-25	
	Hours	Cost
Municipal Manager	-	-
Corporate Services	41	8 308
Financial Services	20	3 939
Technical Services	10 712	2 013 458
Community Services	4 456	932 950
LED & Planning	85	14 707
Temporary	97	14 116
Total	15 410	2 987 478

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



■ Cost	R-	R-	R8 307,87	R3 938,50	R2 013 458,01	R932 950,36	R14 707,18	R14 116,42	R2 987 478,34
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FS201 Moqhaka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 October

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
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 043	7 774	7 774	1 034	3 237	2 592	646	25%	7 774
Pension and UIF Contributions		1 756	1 934	1 934	19	204	645	(441)	-68%	1 934
Medical Aid Contributions		752	1 255	1 255	62	244	418	(174)	-42%	1 255
Motor Vehicle Allowance		13 760	14 795	14 795	408	1 723	4 932	(3 209)	-65%	14 795
Cellphone Allowance		2 105	3 031	3 031	159	649	1 010	(361)	-36%	3 031
Housing Allowances								-		
Other benefits and allowances		28	695	695	537	1 561	232	1 329	573%	695
Sub Total - Councillors		22 444	29 484	29 484	2 220	7 618	9 828	(2 210)	-22%	29 484
% increase	4		31,4%	31,4%						31,4%
Senior Managers of the Municipality										
Basic Salaries and Wages		1 702	5 827	5 827	206	758	1 942	(1 184)	-61%	5 827
Pension and UIF Contributions		266	500	500	24	97	167	(69)	-42%	500
Medical Aid Contributions		-	214	214	0	1	71	(71)	-99%	214
Overtime								-		
Performance Bonus		127	338	338	-	-	113	(113)	-100%	338
Motor Vehicle Allowance		953	1 258	1 258	91	363	420	(57)	-14%	1 258
Cellphone Allowance		62	87	87	5	20	29	(9)	-31%	87
Housing Allowances		-	379	379	-	-	127	(127)	-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	463	493	2 011	(1 518)	-76%	6 032
Entertainment		1	28	28	-	-	9	(9)	-100%	28
Scarcity								-		
Acting and post related allowance								-		
In kind benefits								-		
Sub Total - Senior Managers of Municipality		29 685	14 661	14 661	789	1 778	4 887	(3 109)	-64%	14 661

% increase	4		-50,6%	-50,6%						-50,6%
Other Municipal Staff										
Basic Salaries and Wages		249 693	258 252	258 252	21 597	86 476	86 084	391	0%	258 252
Pension and UIF Contributions		47 250	49 648	49 648	4 151	16 720	16 549	171	1%	49 648
Medical Aid Contributions		28 691	28 189	28 189	2 389	9 669	9 396	273	3%	28 189
Overtime		38 218	31 753	31 753	4 817	14 388	10 584	3 803	36%	31 753
Performance Bonus		20 335	22 739	22 739	1 984	7 687	7 580	107	1%	22 739
Motor Vehicle Allowance		21 447	25 557	25 557	1 885	7 612	8 519	(907)	-11%	25 557
Cellphone Allowance		493	800	800	66	219	267	(48)	-18%	800
Housing Allowances		1 722	2 091	2 091	137	546	697	(152)	-22%	2 091
Other benefits and allowances		4 879	4 615	4 615	1 452	3 729	1 539	2 190	142%	4 615
Payments in lieu of leave		8 351	4 316	4 316	810	3 407	1 439	1 968	137%	4 316
Long service awards		2 009	1 953	1 953	460	2 552	651	1 901	292%	1 953
Post-retirement benefit obligations	2	15	4 690	4 690	(2)	455	1 563	(1 109)	-71%	4 690
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits		-	4	4	-	-	1	(1)	-100%	4
Sub Total - Other Municipal Staff		423 103	434 606	434 606	39 743	153 458	144 870	8 589	6%	434 606
% increase	4		2,7%	2,7%						2,7%
Total Parent Municipality		475 232	478 752	478 752	42 752	162 855	159 585	3 270	2%	478 752

The BTO office recommended the following precautionary measures.

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

- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative to address the issues on overtime.

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

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

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

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

12. Capital programme performance.

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

13. Other Supporting Documentation

absa *Eskom - Oct 25*

Audit Trail

Batch Transfer Fri, Oct 31, 2025 at 07:51:14 AM

Group: 19058 - MOQHAKA LOCAL MUNICIPALITY
 Operator: 018 - ERINA JACOBS
 Batch Name & Description: 90047155 90047155
 Status: **Finally Approved**

	Captured	First Approver	Second Approver	Third Approver	Final Approver	Batch Status
Operator	18	21			31	
Operator Name	ERINA JACOBS	IRENE MOKHESENG			RYAN D BUYS	
Approval Level						
Date	2025/10/30	2025/10/30			2025/10/30	
Time	10:46:56	11:23:10			12:22:18	
Roll-over Date						

Batch Details

Batch Entry Number 1

From Account	334536	MOQHAKA LOCAL MUNICIPALITY - 0000004053274876		
Description	90047155		Frequency	Adhoc
Beneficiary Code				
To Account	223626	ESKOM 9345061750 - 0000055070067316		
Description		MOQHAKA MUNICIPALITY	Mandate	
Date	2025/10/30		Amount	5,000,000.00
Roll-over date				
Transaction Number	270184		Transaction Status	S
Immediate Interbank Payment	No			

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

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

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

14. Conclusion

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

Communication

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

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

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

The following are the budget and other financial issues:

- Water and Electricity losses
- Collection on arrear debtors and liquidity of the Municipality
- The municipality not meeting the average daily cash collection target
- Defaulting on the high months and partial payments to ESKOM
- Non-compliance to MFMA Circular 124 Municipal Debt Relief and prescribed conditions
- Notice of disconnection from ESKOM
- Risk of forfeiting our NERSA license and the serious implications this will have on the operations of the municipality

- Insufficient cash to pay salaries and creditors for goods and services rendered
- Stopping of conditional capital grants.
- Disapproval of rollover requests
- The billed income of electricity and water 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 - M04 October

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	93 605	94 806	94 806	8 231	32 860	31 602	1 258	4%	94 806
Service charges	723 166	876 199	876 199	57 367	261 591	292 066	(30 475)	-10%	876 199
Investment revenue	39	63	63	-	-	21	(21)	-100%	63
Transfers and subsidies - Operational	331 012	328 582	328 582	1 196	131 490	109 527	21 963	0	328 582
Other own revenue	132 185	130 301	130 301	9 399	39 604	43 433	(3 829)	-9%	130 301
Total Revenue (excluding capital transfers and contributions)	1 280 007	1 429 951	1 429 951	76 193	465 546	476 650	(11 104)	-2%	1 429 951
Employee costs	452 951	449 410	449 410	40 534	155 259	149 804	5 454	4%	449 410
Remuneration of Councillors	22 444	29 484	29 484	2 220	7 618	9 828	(2 210)	-22%	29 484
Depreciation and amortisation	112 242	10 305	10 305	-	-	3 435	(3 435)	-100%	10 305
Interest	99 037	8 790	8 790	550	122 795	2 930	119 865	4091%	8 790
Inventory consumed and bulk purchases	504 814	454 759	454 759	5 026	67 006	151 587	(84 581)	-56%	454 759
Transfers and subsidies	244	1 095	1 095	-	5	365	(360)	-99%	1 095
Other expenditure	503 836	432 991	445 402	33 966	82 004	145 685	(63 681)	-44%	445 402
Total Expenditure	1 695 568	1 386 834	1 399 246	82 296	434 687	463 635	(28 948)	-6%	1 399 246
Surplus/(Deficit)	(415 561)	43 117	30 705	(6 102)	30 859	13 015	17 844	137%	30 705
Transfers and subsidies - capital (monetary)	48 042	66 532	66 532	(852)	(852)	22 177	###	-104%	66 532
Transfers and subsidies - capital (in-kind)	14	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(367 505)	109 649	97 237	(6 954)	30 007	35 193	(5 185)	-15%	97 237
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(367 505)	109 649	97 237	(6 954)	30 007	35 193	(5 185)	-15%	97 237
Capital expenditure & funds sources									
Capital expenditure	4 900	95 021	82 833	6 918	19 129	30 320	(11 190)	-37%	82 833
Capital transfers recognised	136	66 532	54 344	606	631	20 823	(20 192)	-97%	54 344
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	4 763	28 489	28 489	6 312	18 498	9 496	9 001	95%	28 489
Total sources of capital funds	4 900	95 021	82 833	6 918	19 129	30 320	(11 190)	-37%	82 833
Financial position									
Total current assets	796 718	467 905	467 905		831 469				467 905
Total non current assets	1 941 454	3 107 101	3 094 913		1 981 288				3 094 913
Total current liabilities	1 969 643	538 944	538 944		2 014 221				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		647 401				2 967 331

FS201 Moqhaka - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		430 604	335 761	335 761	10 819	127 381	111 920	15 460	14%	335 761
Executive and council		314 666	215 840	215 840	884	88 446	71 947	16 499	23%	215 840
Finance and administration		115 938	119 921	119 921	9 935	38 935	39 974	(1 039)	-3%	119 921
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 176	26 179	26 179	522	2 675	8 726	(6 052)	-69%	26 179
Community and social services		1 816	3 730	3 730	142	674	1 243	(570)	-46%	3 730
Sport and recreation		2 356	3 511	3 511	150	326	1 170	(844)	-72%	3 511
Public safety		3 211	5 123	5 123	61	172	1 708	(1 536)	-90%	5 123
Housing		4 792	13 815	13 815	168	1 503	4 605	(3 102)	-67%	13 815
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		48 520	51 052	51 052	(392)	105	17 017	(16 912)	-99%	51 052
Planning and development		1 932	1 773	1 773	132	522	591	(69)	-12%	1 773
Road transport		46 589	49 164	49 164	(525)	(417)	16 388	(16 804)	-103%	49 164
Environmental protection		-	115	115	-	-	38	(38)	-100%	115
Trading services		836 763	1 083 491	1 083 491	64 393	334 534	361 164	(26 630)	-7%	1 083 491
Energy sources		440 915	575 441	575 441	39 784	181 747	191 814	(10 067)	-5%	575 441
Water management		241 620	306 472	306 472	11 410	78 861	102 157	(23 296)	-23%	306 472
Waste water management		90 301	116 972	116 972	7 736	42 837	38 991	3 846	10%	116 972
Waste management		63 926	84 606	84 606	5 464	31 089	28 202	2 887	10%	84 606
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 328 063	1 496 483	1 496 483	75 342	464 694	498 828	(34 134)	-7%	1 496 483

Expenditure - Functional										
Governance and administration		429 573	369 217	369 267	26 512	213 018	123 079	89 939	73%	369 267
Executive and council		92 868	116 725	116 775	6 356	151 119	38 914	112 205	288%	116 775
Finance and administration		332 609	247 021	247 021	19 746	60 402	82 341	(21 940)	-27%	247 021
Internal audit		4 096	5 471	5 471	410	1 497	1 824	(326)	-18%	5 471
Community and public safety		112 755	131 037	130 987	9 228	34 397	43 674	(9 277)	-21%	130 987
Community and social services		17 429	19 911	19 861	1 276	3 733	6 632	(2 898)	-44%	19 861
Sport and recreation		46 132	54 314	54 314	3 826	14 122	18 105	(3 983)	-22%	54 314
Public safety		40 581	46 363	46 363	3 365	13 458	15 455	(1 997)	-13%	46 363
Housing		8 612	10 448	10 448	760	3 084	3 483	(399)	-11%	10 448
Health		-	-	-	-	-	-	-		-
Economic and environmental services		98 920	73 339	85 527	7 283	23 184	25 801	(2 617)	-10%	85 527
Planning and development		9 741	13 203	13 203	815	3 361	4 401	(1 040)	-24%	13 203
Road transport		86 357	55 796	67 984	6 247	18 834	19 953	(1 120)	-6%	67 984
Environmental protection		2 822	4 339	4 339	220	989	1 446	(457)	-32%	4 339
Trading services		1 053 003	809 881	810 104	39 185	163 712	269 961	(106 248)	-39%	810 104
Energy sources		583 765	522 453	522 453	8 212	77 187	174 151	(96 964)	-56%	522 453
Water management		223 631	125 979	125 979	14 746	42 249	41 993	256	1%	125 979
Waste water management		138 429	78 647	78 647	6 034	20 970	26 216	(5 246)	-20%	78 647
Waste management		107 180	82 802	83 025	10 193	23 307	27 601	(4 294)	-16%	83 025
Other		1 316	3 361	3 361	88	375	1 120	(745)	-67%	3 361
Total Expenditure - Functional	3	1 695 568	1 386 834	1 399 246	82 296	434 687	463 635	(28 948)	-6%	1 399 246
Surplus/ (Deficit) for the year		(367 505)	109 649	97 237	(6 954)	30 007	35 193	(5 185)	-0,147339	97 237

FS201 Moqhaka - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

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										
Revenue by Vote										
	1									
Vote 01 - Executive & Council		306 737	215 840	215 840	884	88 446	71 947	16 499	22,9%	215 840
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		(2 178)	4 725	4 725	(480)	(1 150)	1 575	(2 725)	-173,0%	4 725
Vote 04 - Finance		117 673	114 432	114 432	10 301	39 895	38 144	1 751	4,6%	114 432
Vote 05 - Technical Services		819 425	1 048 049	1 048 049	58 405	303 028	349 350	(46 322)	-13,3%	1 048 049
Vote 06 - Community Services		76 918	93 973	93 973	5 662	31 922	31 324	598	1,9%	93 973
Vote 07 - Local Economic Development		9 488	19 464	19 464	571	2 553	6 488	(3 935)	-60,6%	19 464
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 328 063	1 496 483	1 496 483	75 342	464 694	498 828	(34 134)	-6,8%	1 496 483
Expenditure by Vote										
	1									
Vote 01 - Executive & Council		94 416	108 137	108 137	5 510	147 627	36 046	111 581	309,6%	108 137
Vote 02 - Municipal Manager		24 596	31 004	31 004	1 956	7 524	10 335	(2 811)	-27,2%	31 004
Vote 03 - Corporate Services		68 151	79 395	79 395	3 596	12 852	26 465	(13 614)	-51,4%	79 395
Vote 04 - Finance		176 711	79 522	79 522	6 182	23 461	26 508	(3 046)	-11,5%	79 522
Vote 05 - Technical Services		1 041 831	794 247	806 435	36 394	164 738	266 104	(101 366)	-38,1%	806 435
Vote 06 - Community Services		253 494	247 195	247 418	25 741	66 987	82 399	(15 412)	-18,7%	247 418
Vote 07 - Local Economic Development		36 369	47 334	47 334	2 918	11 498	15 778	(4 281)	-27,1%	47 334
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 695 568	1 386 834	1 399 246	82 296	434 687	463 635	(28 948)	-6,2%	1 399 246
Surplus/ (Deficit) for the year	2	(367 505)	109 649	97 237	(6 954)	30 007	35 193	(5 185)	-14,7%	97 237

FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	Budget Year 2025/26				
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		(23 158)	2 905	2 905	(105 785)	2 905
Trade and other receivables from exchange transactions		640 991	247 218	247 218	728 282	247 218
Receivables from non-exchange transactions		71 173	43 806	43 806	73 086	43 806
Current portion of non-current receivables						
Inventory		81 831	105 427	105 427	83 314	105 427
VAT		3 168	35 960	35 960	29 814	35 960
Other current assets		22 711	32 588	32 588	22 758	32 588
Total current assets		796 718	467 905	467 905	831 469	467 905
Non current assets						
Investments		390	289	289	390	289
Investment property		123 200	204 203	204 203	123 200	204 203
Property, plant and equipment		1 805 751	2 895 342	2 883 154	1 845 585	2 883 154
Biological assets						
Living and non-living resources						
Heritage assets		7 754	2 743	2 743	7 754	2 743
Intangible assets		4 359	4 525	4 525	4 359	4 525
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
Total non current assets		1 941 454	3 107 101	3 094 913	1 981 288	3 094 913
TOTAL ASSETS		2 738 171	3 575 006	3 562 818	2 812 757	3 562 818
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(2 121)	(2 121)	(1 611)	(2 121)
Consumer deposits		15 564	14 338	14 338	16 467	14 338
Trade and other payables from exchange transactions		1 756 299	507 185	507 185	1 740 175	507 185
Trade and other payables from non-exchange transactions		6 343	–	–	35 556	–
Provision		184 238	71 434	71 434	184 238	71 434
VAT		7 199	(51 892)	(51 892)	39 398	(51 892)
Other current liabilities		–	–	–	–	–
Total current liabilities		1 969 643	538 944	538 944	2 014 221	538 944
Non current liabilities						
Financial liabilities		9 582	29 047	29 047	9 582	29 047
Provision		142 254	44 419	44 419	142 254	44 419
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		151 836	73 466	73 466	151 836	73 466
TOTAL LIABILITIES		2 121 479	612 409	612 409	2 166 057	612 409
NET ASSETS	2	616 692	2 962 597	2 950 409	646 700	2 950 409
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 454 962	2 965 980	2 965 980	647 401	2 965 980
Reserves and funds		–	1 351	1 351	–	1 351
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 454 962	2 967 331	2 967 331	647 401	2 967 331

Annexure A2 - Monthly



National Treasury

Municipal Debt Relief

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

Free State Provincial Treasury

Certificate of Compliance: Municipal Debt Relief Conditions for Application

Oct'25

Period

2025/26

National Financial Year

FS201

Demarcation Code of Municipality being assessed

District

Fezile Dabi

Demarcation Description

Moqhaka

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

Municipal Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition	6,3 + 6,12	Maintaining the Eskom and bulk water current account – (current account for the purpose of this exercise means the account for a single month's consumption):	
1	6.12.2	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	<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 https://lguploadportal.treasury.gov.za ?	<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 Eskom bulk current account 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	- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za ?	<input type="text" value="Yes"/>

6	6.3.4	- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?	Yes
	6.4	Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)	2025/26 Adopted MTREF
7	6.4.1	- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?	No
8	6.4.1	- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?	Yes
9	6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		<i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment (considering its asset register and physical state of assets) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes

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

15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	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, respectively? <i>Note – the municipality’s monthly MFMA s.71 statement must include as part of the narratives the Indigent Information in the required NT format.</i>	Yes
	6.6	Supporting evidence: The National Treasury and/ or provincial treasury’s related budget assessment confirms the municipality’s relevant MTREF’s related budget policies and by-laws demonstrate compliance with paragraph 6.6.	
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
19	6.7.1	- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?	

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

31	6.9.3	<p>- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?</p>	<input type="text" value="Yes"/>
32	6.9.4	<p>- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za?</p>	<input type="text" value="Yes"/>
<p><i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i></p>			
<p>6.10 <i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i></p>			
33	6.10.1	<p>- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?</p>	<input type="text" value="Yes"/>
34	6.10.2	<p>- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal https://lguploadportal.treasury.gov.za? <i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i></p>	<input type="text" value="Yes"/>
35	6.10.3	<p>- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?</p>	<input type="text" value="Yes"/>
<p><i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i></p>			

36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?	<input type="text" value="No"/>
<i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i>			
6.12 For the duration of the Municipal Debt Relief (to ensure proper management of resources):			
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	<input type="text" value="No"/>
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?	<input type="text" value="No"/>
<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>			
39		Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	<input type="text" value="No"/>

40	6.13	<p>Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i></p>	<div style="background-color: #ffffcc; height: 30px; width: 100%;"></div> <div style="border: 1px solid black; padding: 2px;">No ▾</div>
41	6.14	<p>'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	<div style="background-color: #ffffcc; height: 30px; width: 100%;"></div> <div style="border: 1px solid black; padding: 2px;">No ▾</div>
<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:

Date:

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

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

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

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

-16.3 The National Treasury Debt Relief Compliance Assessment

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

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

Condition 17: Restricting the water supply.

Condition 18: Restricting indigent for water and electricity.

Condition 23: No installation of smart prepaid meters.

Condition 24: Smart Meter Policy not yet adopted; and

Condition 26: National Treasury's rates reconciliation

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

16.4.1 Monthly / Quarterly collection per ward

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

Free State			
Code		District	
FS201			

Collection Rate Assessment										
Aggregate Collection	Summary - Quarter 1				Q1	Summary - Quarter 2				Q2
	Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	234 480 971	144 039 544	90 441 427	61%	61%	143 233 032	56 997 705	86 235 327	40%	40%
2.Collection <u>excl Eskom supplied areas</u>	174 114 656	114 656 412	59 458 244	66%	66%	107 467 001	45 841 474	61 625 527	43%	43%
3.Collection: Property Rates	23 794 538	16 571 363	7 223 175	70%	70%	15 688 812	13 695 866	1 992 946	87%	87%
4.Total average collection: Electricity (Municipal supplied areas)	109 169 018	83 189 837	25 979 181	76%	76%	63 415 601	31 440 659	31 974 941	50%	50%
5.Total average collection: Water	42 127 838	21 006 213	21 121 625	50%	50%	24 877 593	5 433 186	19 444 407	22%	22%
6.Total average collection: Wastewater	21 375 932	12 837 564	8 538 368	60%	60%	13 792 327	3 519 293	10 273 034	26%	26%
7.Total average collection: Refuse	15 032 776	8 154 112	6 878 664	54%	54%	10 100 950	2 343 266	7 757 684	23%	23%
8.Total average collection: Interest	22 980 868	2 280 454	20 700 414	10%	0%	15 357 749	565 434	14 792 315	4%	4%

Collection Rate Assessment

Total Aggregate Collection	Reporting for August	Summary - Quarter 1				Q1	4.October - Reporting for September in October				5.November
	Collection for in September	Billing	Collection	R - Billing not collected	% Collection		Billing For September	Collection in October	R - Billing not collected	% Collection	Billing For October
1.Collection for whole demarcation	49 294 728	234 480 971	144 039 544	90 441 427	61%	61%	80 278 910	56 997 705	29 385 805	71%	62 954 122
2.Collection <u>excl Eskom supplied areas</u>	39 097 629	174 114 656	114 656 412	59 458 244	66%	66%	58 920 551	45 841 474	22 626 131	78%	48 546 450
3.Collection: Property Rates	5 260 607	23 794 538	16 571 363	7 223 175	70%	70%	7 591 267	13 695 866	0	180%	8 097 545
4.Total average collection: Electricity (Municipal supplied areas)	31 303 203	109 169 018	83 189 837	25 979 181	76%	76%	37 208 684	31 440 659	5 768 025	84%	26 206 917
5.Total average collection: Water	6 158 061	42 127 838	21 006 213	21 121 625	50%	50%	15 734 380	5 433 186	10 301 194	35%	9 143 213
6.Total average collection: Wastewater	3 367 794	21 375 932	12 837 564	8 538 368	60%	60%	6 775 762	3 519 293	3 256 470	52%	7 016 565
7.Total average collection: Refuse	2 262 948	15 032 776	8 154 112	6 878 664	54%	54%	5 165 764	2 343 266	2 822 498	45%	4 935 186
8. 7.Total average collection: Interest	942 114	22 980 868	2 280 454	20 700 414	10%		7 803 053	565 434	7 237 618	7%	7 554 696

Services	Electricity Supplier	Ward Name & Number	Collection for August in September	Billing For September	Collection for September in October	Rand Value of Billing not collected	% Collection	Billing For October
Property Rates Tax	Eskom supplied	1	3 329	51 760	181 801	0	351%	51 760
Electricity			46 746	86 064	62 123	23 941	72%	77 519
Water			8 666	243 870	16 621	227 249	7%	242 004
Refuse			4 387	180 014	13 155	166 859	7%	174 882
Waste Water			5 076	234 961	17 721	217 240	8%	227 339
Interest			1 003	348 892	13 164	335 727	4%	339 754
Property Rates Tax	Partial Eskom & Mun Supplied	2	295 337	398 565	366 934	31 631	92%	439 119
Electricity			559 974	784 405	333 830	450 575	43%	811 979
Water			134 171	387 378	71 182	316 196	18%	204 366
Refuse			77 922	156 563	59 685	96 878	38%	157 698
Waste Water			87 122	221 831	78 391	143 440	35%	223 406
Interest			119 018	274 421	29 569	244 853	11%	330 163
Property Rates Tax	Mun Supplied	3	250 938	1 161 807	1 968 184	0	169%	1 175 248
Electricity			2 573 626	2 467 363	1 432 495	1 034 868	58%	2 042 015
Water			966 611	1 196 610	1 476 125	0	123%	1 809 117
Refuse			200 468	398 589	263 516	135 073	66%	413 443
Waste Water			261 166	551 016	324 818	226 198	59%	567 700
Interest			31 408	90 546	32 222	58 324	36%	133 369

Property Rates Tax	Mun Supplied	4	585	4 035	1 555	2 480	39%	4 035
Electricity			35 842	86 032	37 704	48 328	44%	92 506
Water			38 824	334 849	99 732	235 117	30%	420 392
Refuse			13 880	66 924	10 737	56 187	16%	65 737
Waste Water			12 920	87 148	13 373	73 775	15%	85 656
Interest			4 054	198 246	2 202	196 044	1%	190 358
Property Rates Tax	Mun Supplied	5	307	3 678	451	3 227	12%	3 678
Electricity			5 167	45 639	5 564	40 075	12%	44 802
Water			33 952	506 231	25 549	480 682	5%	279 408
Refuse			11 764	62 782	7 893	54 889	13%	61 493
Waste Water			10 201	80 410	10 305	70 105	13%	78 799
Interest			1 746	156 242	2 014	154 228	1%	152 912
Property Rates Tax	Mun Supplied	6	1 096	60 143	268 342	0	446%	60 143
Electricity			33 039	175 858	40 684	135 173	23%	138 356
Water			104 168	715 808	77 325	638 483	11%	220 785
Refuse			18 440	108 508	12 384	96 125	11%	105 786
Waste Water			16 285	146 714	17 108	129 606	12%	143 295
Interest			3 144	252 652	3 350	249 303	1%	222 338
Property Rates Tax	Mun Supplied	7	96 152	247 725	276 385	0	112%	253 136
Electricity			190 706	413 272	226 520	186 752	55%	326 609
Water			69 933	471 334	50 809	420 525	11%	198 764
Refuse			29 675	114 829	21 048	93 781	18%	113 110
Waste Water			30 822	150 083	21 522	128 561	14%	147 981
Interest			23 436	308 364	38 689	269 675	13%	290 984

Property Rates Tax	Mun Supplied	8	45 687	32 153	63 033	0	196%	32 153
Electricity			61 274	100 989	14 759	86 230	15%	93 863
Water			154 636	527 432	45 106	482 326	9%	225 871
Refuse			54 045	93 810	19 864	73 946	21%	92 950
Waste Water			68 690	121 144	22 448	98 696	19%	120 135
Interest			37 278	188 306	4 677	183 629	2%	185 970
Property Rates Tax	Mun Supplied	9	288 660	155 145	724 796	0	467%	169 995
Electricity			148 624	905 091	4 328 326	0	478%	(4 231 899)
Water			272 751	521 533	227 451	294 081	44%	550 716
Refuse			151 995	171 258	104 932	66 326	61%	177 262
Waste Water			250 009	251 908	179 951	71 957	71%	259 855
Interest			6 175	367 312	12 745	354 568	3%	327 737
Property Rates Tax	Mun Supplied	10	9 013	42 239	72 056	0	171%	45 885
Electricity			16 520	125 021	19 091	105 931	15%	123 863
Water			77 834	568 334	76 569	491 765	13%	497 209
Refuse			33 731	117 405	29 208	88 196	25%	117 978
Waste Water			30 239	152 488	33 322	119 166	22%	153 272
Interest			6 029	216 726	5 661	211 066	3%	219 270
Property Rates Tax	Mun Supplied	11	4 408	367 038	1 734 970	0	473%	367 007
Electricity			42 775	902 494	69 591	832 902	8%	716 508
Water			50 148	1 352 770	41 305	1 311 465	3%	1 003 395
Refuse			19 544	292 646	18 987	273 659	6%	289 924
Waste Water			20 108	503 087	26 835	476 252	5%	499 584
Interest			6 535	399 807	11 564	388 242	3%	395 462

Property Rates Tax	Mun Supplied	12	5 432	94 965	402 385	0	424%	94 965
Electricity			28 414	210 298	65 106	145 192	31%	175 386
Water			68 225	736 143	52 311	683 833	7%	573 662
Refuse			27 324	136 112	22 161	113 951	16%	133 430
Waste Water			27 695	189 292	27 107	162 186	14%	186 020
Interest			4 782	304 575	5 921	298 654	2%	303 358
Property Rates Tax	Mun Supplied	13	311 160	448 940	679 298	0	151%	455 960
Electricity			13 019 345	14 096 793	12 206 844	1 889 948	87%	11 584 778
Water			465 398	1 173 174	317 757	855 417	27%	784 121
Refuse			167 911	369 944	236 040	133 904	64%	360 992
Waste Water			269 853	576 816	412 695	164 121	72%	566 897
Interest			38 266	750 924	73 071	677 853	10%	713 319
Property Rates Tax	Mun Supplied	14	2 662	62 479	266 914	0	427%	62 479
Electricity			41 219	141 283	21 105	120 179	15%	115 379
Water			115 517	356 030	64 178	291 852	18%	266 381
Refuse			38 683	123 037	23 332	99 705	19%	122 619
Waste Water			42 911	167 012	30 121	136 890	18%	166 613
Interest			9 635	245 986	5 618	240 368	2%	248 409
Property Rates Tax	Mun Supplied	15	4 698	69 192	287 975	0	416%	69 425
Electricity			67 383	268 617	56 299	212 317	21%	242 116
Water			117 389	465 584	114 465	351 119	25%	375 624
Refuse			36 501	139 052	33 211	105 842	24%	136 740
Waste Water			34 424	185 677	40 283	145 394	22%	183 808
Interest			5 442	234 972	7 588	227 384	3%	231 814

Property Rates Tax	Mun Supplied	16	1 884 901	1 172 988	2 377 064	0	203%	1 592 254
Electricity			4 338 877	6 441 338	4 214 559	2 226 779	65%	5 286 526
Water			990 398	1 517 144	1 098 858	418 286	72%	1 610 175
Refuse			550 091	772 150	704 733	67 417	91%	702 648
Waste Water			934 567	1 220 474	1 117 726	102 747	92%	1 081 691
Interest			399 545	(85 091)	135 385	0	-159%	260 916
Property Rates Tax	Mun Supplied	17	971 611	1 523 077	1 653 439	0	109%	1 534 497
Electricity			3 829 635	3 284 157	2 017 822	1 266 336	61%	2 879 809
Water			1 813 326	967 146	986 226	0	102%	1 343 225
Refuse			555 661	669 307	513 096	156 211	77%	664 805
Waste Water			875 315	555 661	823 457	0	148%	947 229
Interest			76 367	195 727	91 469	104 257	47%	212 462
Property Rates Tax	Partial Eskom & Mun Supplied	18	524 047	622 835	1 205 909	0	194%	625 936
Electricity			6 189 729	6 528 994	6 202 983	326 011	95%	5 595 606
Water			610 964	1 157 452	541 709	615 743	47%	1 264 920
Refuse			248 700	405 192	229 305	175 887	57%	403 105
Waste Water			362 799	553 032	300 129	252 903	54%	549 749
Interest			156 727	653 454	61 845	591 609	9%	697 773
Property Rates Tax	Eskom supplied	19	81	27 940	90 746	0	325%	27 940
Electricity			-	98	140	0	143%	98
Water			3 261	1 087 686	4 448	1 083 237	0%	970 597
Refuse			1 132	135 810	954	134 856	1%	135 810
Waste Water			1 101	177 811	619	177 192	0%	177 880
Interest			834	779 458	230	779 228	0%	787 074

Property Rates Tax	Partial Eskom & Mun Supplied	20	8 229	56 032	196 556	0	351%	59 426
Electricity			676	15 560	1 575	13 985	10%	15 560
Water			26 757	563 038	21 178	541 860	4%	533 900
Refuse			6 404	169 975	7 207	162 767	4%	170 237
Waste Water			5 478	213 506	7 922	205 583	4%	213 673
Interest			1 981	601 021	2 360	598 661	0%	608 519
Property Rates Tax	Eskom supplied	21	128 404	251 365	324 666	0	129%	251 365
Electricity			-	1 290	-	1 290	0%	1 290
Water			6 501	841 586	9 958	831 628	1%	(4 266 738)
Refuse			6 981	475 225	5 664	469 561	1%	326 454
Waste Water			4 763	422 290	4 057	418 233	1%	422 582
Interest			2 951	1 160 489	8 701	1 151 787	1%	558 040
Property Rates Tax	Eskom supplied	22	423 872	737 167	552 407	184 760	75%	721 140
Electricity			73 631	128 027	83 538	44 489	65%	74 246
Water			28 629	43 250	14 324	28 926	33%	35 318
Refuse			7 709	6 630	6 153	477	93%	8 084
Waste Water			16 250	13 401	9 382	4 019	70%	13 401
Interest			5 758	160 024	17 391	142 633	11%	144 698

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 unl*)

Description	Ref	As Per Debt Relief Application	2025/2026 - Monthly Monitoring							
		Current Year - 2025/2026	Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04
Indigent Household service targets	1									
<i>Water: (Include All Indigent households also in Eskom supplied areas)</i>										
Indigent HH's with piped water inside dwelling		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	
Indigent HH's with piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	
Indigent HH's using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	
Indigent HH's with other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	
Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	
Indigent HH's using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	
Indigent HH's with other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	
Indigent HH's with No water supply		-	-	-	-	-	-	-	-	
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	
Total number of registered indigent households	5	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	
Status of Water meters :										
Number of Indigent HH's with prepaid Water		-	-	-	-	-	-	-	-	
Number of Indigent HH's with conventional metered Water		10 204	10 231	-	10 483	10 468	10 519	10 586	10 679	
Number of Indigent HH's NOT metered currently - Water		1 538	1 607	-	1 700	1 718	1 718	1 723	1 753	

Number of Indigent HH's NOT metered currently receiving unlimited supply - Water	1 538	1 607	-	1 700	1 718	1 718	1 723	1 753
Total number of registered indigent households receiving unlimited supply - Water	14 249	14 364	-	14 937	15 026	15 072	15 147	15 318
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565
Energy : (Include All Indigent households also in Eskom supplied areas)								
Indigent HH's with Electricity (at least min.service level)	-	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (min.service level)	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565
<i>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</i>	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565
Indigent HH's with Electricity (< min.service level)	-	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-
Indigent HH's with other energy sources	-	-	-	-	-	-	-	-
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-
Total number of registered indigent households	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565
Status of Electricity meters :								
Number of Indigent HH's with prepaid Electricity	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565
Number of Indigent HH's with conventional metered Electricity	-	-	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Electricity	-	-	-	-	-	-	-	-
Number of indigent HH's with other energy sources - No metering	-	-	-	-	-	-	-	-
Total number of registered indigent households	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565
Status of unlimited supply of Electricity :								
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT phiscally restricting Electricity to the national free basic limit of 50kwh per household per month	-	-	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently receiving unlimited supply - Electricity	-	-	-	-	-	-	-	-
Total number of registered indigent households receiving unlimited supply - Electricity	-	-	-	-	-	-	-	-
Of the Total Number of registered indigent households receiving unlimited supply of Electricity - State the Number of HH's billed for consumption above the 50 kwh	-	-	-	-	-	-	-	-

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

Votenummer	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	-	-

7.14%	0.00%	0.00%
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BUDGET 2023-2024 FBS BUDGET	DESCRIPTION	BUDGET	YTD	% USED
31251178950FBZZZZHO	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	-R2 300 000.00	-	0.00%
31252260380FBP83ZZHO	OS: B&A PROJECT MANAGEMENT	R1 400 000.00	-	0.00%
31252260600FBP83ZZHO	OS: CATERING SERVICES	R0.00	-	-
31252270370FBP83ZZHO	C&PS: B&A HUMAN RESOURCES	R400 000.00	21 454.68	-
31252303300FBP83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	R0.00	-	-
34052110010FBP83ZZHO	MS: SAL & ALL: BASIC SALARY & WAGES	R500 000.00	-	0.00%
34052303300FBQ83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	R0.00	-	-
34056470020FBD70ZZHO	COMPUTERS	R0.00	-	-
34056470020FBD70ZZWM	COMPUTERS	R0.00	-	-
34301025100F6FB5ZZHO	RESIDENTIAL PROPERTIES: DEVELOPED	R0.00	-	-
34301321170F6FB1ZZHO	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	R0.00	-	-
35321321170F1FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-R359 928.00	-	-

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


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

Property Rates Reconciliation	
Province	FS
District	Faerie Dubs District
Type	LM
Municipal Name	Bloubaai
GV Period	01/01/2023 - 30/06/2023
Financial Year	2023/2024
Reconciliation Period	Quarter 1


Reconciliation Overview						
High Level Reconciliation						
Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	33 312	45 588	12 199	5 857 857 000.00	7 883 026 150.00	1 725 772 000.00
Industrial	265	237	72	325 990 001.00	387 045 901.00	61 055 900.00
Business and Commercial	1 093	1 205	112	562 485 606.00	5 987 353 112.00	5 424 867 506.00
Agricultural	3 401	3 598	197	5 563 195 750.00	5 849 400 753.00	286 204 003.00
Mining	9	31	22	7 378 000.00	95 374 000.00	88 000 000.00
State Owned for Public Purpose	211	146	65	1 251 799 916.00	1 171 863 913.00	79 936 003.00
R&I	257	479	241	17 740 500.00	38 231 804.00	20 491 304.00
PBO	25	279	253	50 589 399.00	757 031 005.00	706 441 606.00
Multi Use	276	-	276	342 282 490.00	-	342 282 490.00
Vacant	476	-	476	38 033 136.00	-	38 033 136.00
PCMV	254	8	246	199 151 504.00	7 470 000.00	191 681 504.00
Municipal	12 777	994	12 083	2 156 654 980.00	384 546 606.00	1 772 108 374.00
Other	-	-	-	-	-	-
Total	52 290	52 284	6	16 811 152 641.00	16 801 814 445.00	9 338 196.00

Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	2 118 454	2 734 951	616 207	6 355 213.29	8 734 273.98	2 379 060.69
Industrial	822 136	860 561	37 424	2 466 408.87	2 581 685.91	115 277.04
Business and Commercial	1 575 414	1 776 077	194 662	4 726 242.33	5 293 239.71	566 997.38
Agricultural	878 868	1 006 000	127 132	2 636 604.34	3 018 800.76	382 196.42
Mining	24 982	187 344	162 362	74 946.70	562 246.87	487 300.17
State Owned for Public Purpose	2 660 003	2 417 815	242 188	7 980 009.35	7 433 445.96	546 563.39
R&I	-	1 148	1 148	-	3 444.00	3 444.00
PBO	-	-	-	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	38 033	-	38 033	116 099.82	-	116 099.82
PCMV	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	107 919 213.14	108 231 275.02	312 061.88	323 750 131.43	324 050 911.86	300 780.43

Prepared By: DIVED MOKOENA Date: 07/11/2025
 Contact Details: 050 216 9300

Signature: 

Reviewed By: SAMMY THELISANE Date: 10/11/2025
 Contact Details: 050 216 9158

Signature: 

Property Rates Reconciliation						
Province	FS					
District	Fezile Dabi District					
Type	LM					
Municipal Name	Moghaka					
GV Period	01/07/2023 - 30/06/2028					
Financial Year	2025/2026					
Reconciliation Period	Quarter 1					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	# of Properties			Market Values		
Property Categories	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	33 312	45 508	- 12 196	5 857 857 092.00	7 583 629 159.00	- 1 725 772 067.00
Industrial	265	337	- 72	326 960 001.00	357 045 001.00	- 30 085 000.00
Business and Commercial	1 093	1 205	- 112	969 485 606.00	1 087 163 110.00	- 117 677 504.00
Agricultural	3 401	3 598	- 197	5 593 186 750.00	5 869 408 753.00	- 276 222 003.00
Mining	9	31	- 22	7 378 000.00	55 374 000.00	- 47 996 000.00
State Owned for Public Purpose	211	146	65	1 251 766 016.00	1 171 863 013.00	79 903 003.00
PSI	237	478	- 241	17 740 500.00	38 231 801.00	- 20 491 301.00
PBO	26	279	- 253	50 689 999.00	252 031 003.00	- 201 341 004.00
Multi Use	235	-	235	342 280 499.00	-	342 280 499.00
Vacant	470	-	470	38 033 106.00	-	38 033 106.00
POW	254	8	246	199 161 004.00	2 420 000.00	196 741 004.00
Municipal	12 777	694	12 083	2 156 654 068.00	384 648 606.00	1 772 005 462.00
Other	-	-	-	-	-	-
	52 290	52 284	6	16 811 192 641.00	16 801 814 446.00	9 378 195.00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	2 118 404	2 234 691	- 116 287	6 355 213.20	6 704 073.99	- 348 860.79
Industrial	523 136	550 591	- 27 454	1 569 408.00	1 651 771.50	- 82 363.50
Business and Commercial	1 575 414	1 770 077	- 194 662	4 726 242.33	5 310 229.71	- 583 987.38
Agricultural	978 808	1 009 600	- 30 793	2 936 423.04	3 028 800.78	- 92 377.74
Mining	24 962	187 349	- 162 386	74 886.70	562 045.92	- 487 159.22
State Owned for Public Purpose	2 660 003	2 477 815	182 187	7 980 008.35	7 433 445.96	546 562.39
PSI	-	1 148	- 1 148	-	3 444.00	- 3 444.00
PBO	-	-	-	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	38 984	-	38 984	116 951.80	-	116 951.80
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	<u>R7 919 711.14</u>	<u>R8 231 270.62</u>	<u>-R311 559.48</u>	<u>23 759 133.43</u>	24 693 811.86	934 678.43

Prepared By: DINEO MOKOENA Date: 07/11/2025
 Contact Details: 056 216 9300

Signature: _____

Reviewed By: SAMMY THELETSANE Date: 10/11/2025
 Contact Details: 056 216 9158

Signature: _____

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

i) Indicated below is the Eskom Bulk payment for October 2025.



Eskom - Oct 25

Audit Trail

Batch Transfer

Fri, Oct 31, 2025 at 07:51:14 AM

Group **19058 - MOQHAKA LOCAL MUNICIPALITY**
 Operator **018 - ERINA JACOBS**
 Batch Name & Description **90047155 90047155**
 Status **Finally Approved**

	Captured	First Approver	Second Approver	Third Approver	Final Approver	Batch Status
Operator	18	21			31	
Operator Name	ERINA JACOBS	IRENE MOKHESENG			RYAN D BUYS	
Approval Level						
Date	2025/10/30	2025/10/30			2025/10/30	
Time	10:48:56	11:23:10			12:22:18	
Roll-over Date						

Batch Details

Batch Entry Number 1

From Account	334536	MOQHAKA LOCAL MUNICIPALITY - 0000904053274876		
Description	90047155		Frequency	Adhoc
Beneficiary Code				
To Account	223626	ESKOM 9345061750 - 0000055070067316		
Description		MOQHAKA MUNICIPALITY	Mandate	
Date	2025/10/30		Amount	5,000,000.00
Roll-over date				
Transaction Number	270184		Transaction Status	S
Immediate Interbank Payment	No			

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

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

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

16.7 Municipal Debt Relief Monitoring Plan – Progress report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Quality Certificate

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

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

For the month of 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 Mokgatle*

Date: *14/10/2025*

