



"People's power in action"

MFMA SECTION 71 REPORT MONTH ENDING

30 NOVEMBER 2025

- DISTRIBUTION:

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

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

- Acting Chief Financial Officer: **Dr Roy Luciano 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 NOVEMBER 2025

TO: THE EXECUTIVE MAYOR

1. Purpose

DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT: S71 MONTHLY REPORT FOR THE PERIOD ENDING 30 NOVEMBER 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 954 317 222, of which 91% of the debt is owed more than 90 days totalling R1 775 188 294. Included in the total debt, R139 959 is owed by Government or Organs of State, R219 200 030 by Business and R1 462 024 156 by Households. Included in the Households debt is R 275 732 062 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 are strictly, consistently and fairly applied to all customer groups. Consumers that are not paying for services are reminded that no municipality will remain sustainable and functional, if it expects to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality, as there is a direct correlation between providing quality services and consumers' willingness to pay.

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

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

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

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

2. Background

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 May 2009, regarding the “Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations” necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. “The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.” Further, Section 71 of the MFMA requires that, “the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality’s budget reflecting certain particulars for that month and for the financial year up to the end of that month.” For the reporting period ending 30 November 2025, the ten-working day reporting limit expires on Friday the 12th of December 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 Nov 25	YTD Actual to Nov 25	Variance Favourable (Unfavourable)	% YTD Budget vs YTD Actual	% Variance vs Actual Favourable (Unfavourable)
Total Revenue (Excluding Capital Transfers and Contributions)	R564 689 538	R500 515 631	(R67 173 907)	89%	(11%)
Total Revenue including Capital Transfers and Contributions	R564 689 538	R500 515 631	(R67 173 907)	89%	(11%)
Total Operational Expenditure	R580 585 000	R511 663 000	(68 922 000)	88%	(12%)

As indicated in Table 1 above, as of 30 November 2025, the actual billed revenue including operational transfers, but excluding capital grants amounted to R500 515 631, which resulted in an unsatisfactory variance of 11% when compared to YTD Budget of R564 689 538. 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 R500 515 631 from the budget of R564 689 538. The Total Operational Expenditure amounted to R221 125 000 versus the YTD Budget of R346 710 000, 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 September 2025, a payment of **R10 000 000** was made towards the account. A cost containment policy has been implemented to control the administration of new orders, non-essential expenditure, pre-approve overtime and manage fuel consumption of municipal fleet.

The municipality was not successful in engaging the seven approved service providers by National Treasury on the RT29 transversal contract relating to the installation of smart water & electricity meters. Smart water meters were specifically earmarked for the areas where ESKOM distributes electricity to improve collection in those areas.

The municipality has an incentive policy to assist account holders to settle their outstanding accounts. The policy is implementable as follows:

Incentives for Households, Churches, NPOs, Farmers, Government, Schools, etc. (Excluding Business/Industrial)

- Discount of 10% for settlement of debt between R 3 000 to R 15 000
- Discount of 20% for settlement of debt between R 15 001 and R 30 000
- Discount of 30% for settlement of debt between R 30 001 and R 50 000
- Discount of 40% for settlement of debt between R 50 001 and R 150 000
- Discount of 50% for settlement of debt between R 150 001 and more

Incentives for Businesses/Industrial

- Discount of 10% for settlement of debt between R 30 000 to R 60 000
- Discount of 20% for settlement of debt between R 60 001 and R 100 000
- Discount of 30% for settlement of debt between R 100 001 and R 150 000
- Discount of 40% for settlement of debt between R 150 001 and R 250 000
- Discount of 50% for settlement of debt between R 250 001 and more

The municipality used to collect 60% from each electricity purchase for all accounts in arrears longer than the approved period, to improve collection as per the Debt Collection & Credit Control policy. Departments are engaged on a regularly basis to recoup outstanding debt owed by Organs of State. The non-buying prepaid consumers must be urgently addressed, and the municipality is confident that the smart prepaid metering solution will assist the municipality tremendously in improving on its billing accuracy and ensuring cash inflows from prepaid sales. There are four debt collection companies that are appointed to assist with the debt collection challenges.

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

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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	27 541	198 245	228 391	(30 146)	-13%	548 139
Service charges - Water		164 103	204 038	204 038	15 042	63 601	85 016	(21 415)	-25%	204 038
Service charges - Waste Water Management		72 624	73 321	73 321	6 188	31 062	30 550	512	2%	73 321
Service charges - Waste management		51 188	50 701	50 701	4 339	21 794	21 125	668	3%	50 701
Sale of Goods and Rendering of Services		5 678	8 764	8 764	305	1 885	3 652	(1 766)	-48%	8 764
Agency services								-		
Interest								-		
Interest earned from Receivables		86 303	78 687	78 687	8 086	39 659	32 786	6 873	21%	78 687
Interest from Current and Non Current Assets		39	63	63	-	-	26	(26)	-100%	63
Dividends		5 822	4 744	4 744	28	1 479	1 977	(497)	-25%	4 744
Rent on Land								-		
Rental from Fixed Assets		5 339	9 256	9 256	1 181	3 113	3 857	(744)	-19%	9 256
Special rating levies								-		
Operational Revenue		7 419	14 960	14 960	(348)	(1 112)	6 233	(7 345)	-118%	14 960
Non-Exchange Revenue										
Property rates		93 605	94 806	94 806	8 233	41 093	39 503	1 590	4%	94 806
Surcharges and Taxes								-		
Fines, penalties and forfeits		4 755	5 784	5 784	170	403	2 410	(2 007)	-83%	5 784
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		331 012	328 582	328 582	-	131 490	136 909	(5 419)	-4%	328 582
Interest		10 024	8 373	8 373	834	4 123	3 489	634	18%	8 373
Fuel Levy								-		
Operational Revenue		888	(267)	(267)	78	388	(111)	499	-449%	(267)
Gains on disposal of Assets		(2 284)	-	-	-	-	-	-		-
Other Gains		7 254	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		1 279 022	1 429 951	1 429 951	71 677	537 223	595 813	(58 590)	-10%	1 429 951

Exchange and Non-Exchange Revenue

Revenue analysis for the month ending 30 November 2025

Revenue Types	Section 71 of 30 November 2025						Five Months Ending 30 November 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	8 232 573	104%	6 009 234	73%	39 502 682	41 092 523	104%	36 923 642	90%
Electricity - conventional	384 403 973	32 033 664	27 501 719	86%	26 283 269	96%	160 168 322	141 414 948	88%	141 556 790	100%
Water	204 038 000	17 003 167	15 039 361	88%	5 722 097	38%	85 015 833	63 592 972	75%	32 258 166	51%
Sanitation	73 321 000	6 110 083	6 177 611	101%	3 339 906	54%	30 550 417	31 010 759	102%	19 814 210	64%
Refuse	50 701 046	4 225 087	4 339 115	103%	2 436 413	56%	21 125 436	21 793 648	103%	13 199 468	61%
Total Direct Services	807 270 455	67 272 538	61 290 379	91%	43 790 920	71%	336 362 690	298 904 850	89%	243 752 276	82%
Other revenue	130 363 518	10 863 627	3 016 276	28%	1 356 706	45%	43 454 506	13 264 212	31%	10 062 065	76%
Revenue from Billed services	937 633 973	78 136 164	64 306 655	82%	45 147 625	70%	379 817 196	312 169 062	82%	253 814 341	81%
Electricity - prepaid	163 735 027	13 644 586	13 443 972	99%	13 443 972	100%	54 578 342	58 052 569	106%	58 052 569	100%
grants	1 101 369 000	91 780 750	77 750 627	85%	58 591 598	75%	434 395 538	370 221 631	85%	311 866 910	84%
Operational grants and subsidies	6 877 000	-	-	0%-	-	0%	-	-	0%	-	0%
Equitable share	312 705 000	-	-	-	-	-	130 294 000	130 294 000	100%	130 294 000	100%
Total Revenue	1 420 951 000	91 780 750	77 750 627	85%	58 591 598	75%	564 689 538	500 515 631	89%	442 160 910	88%

Comments on Section 71 Report.

Collection rate for waste water management is 54% for the month of November 2025 and 64% for the year to date.

Collection rate for waste management is 56% for the month of November 2025 and 61% for the year to date.

Collection rate for water is 38% for the month of November 2025 and 51% for the year to date.

The collection rate on Property Rates is 73% for the month of November 2025 and 90% for the year to date.

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

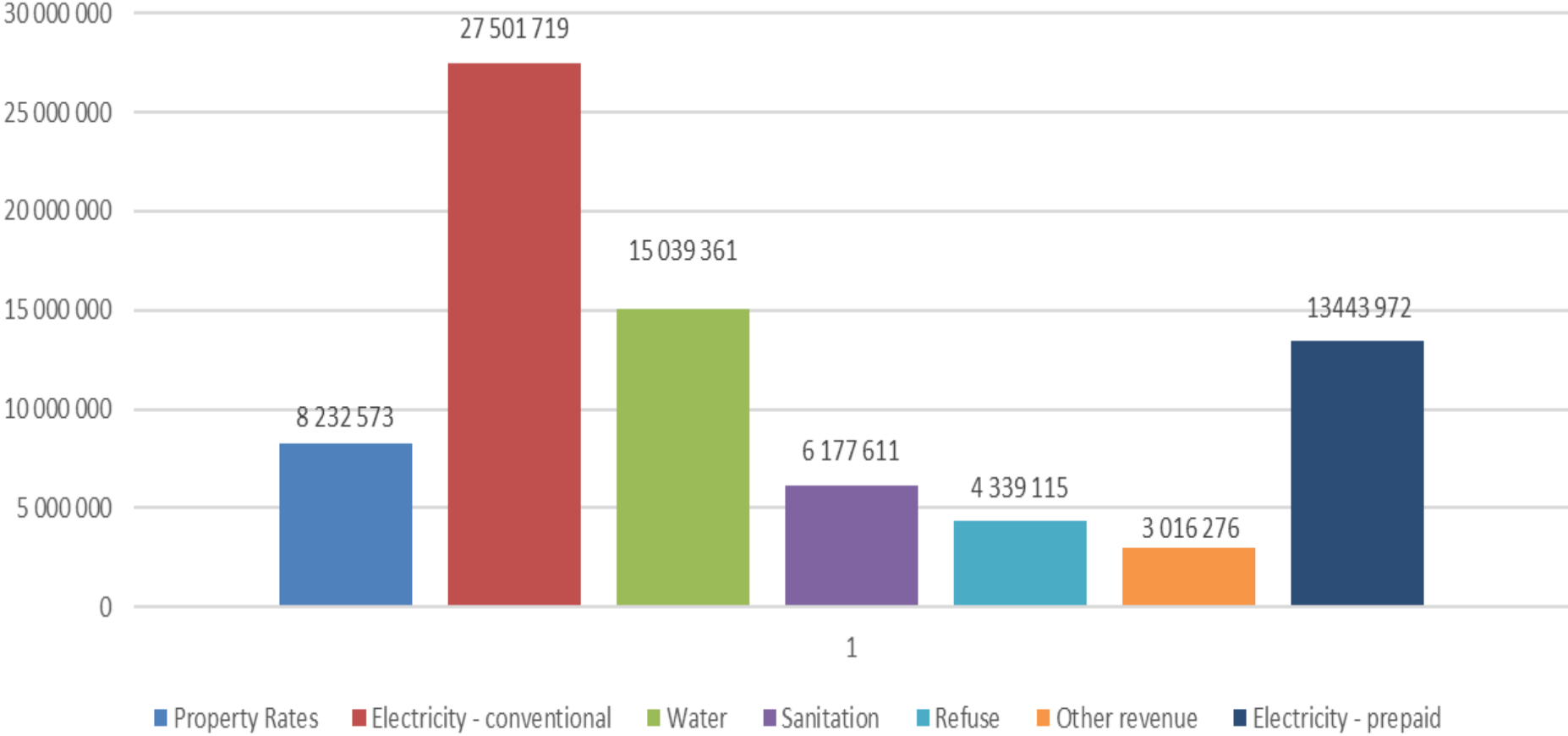
Conventional electricity revenue collection is 96% for the month of November 2025 due to disconnections and 100% for the year to date.

Revenue before operational grants versus billing is 75% for the month of November 2025 and 88% for the year to date.

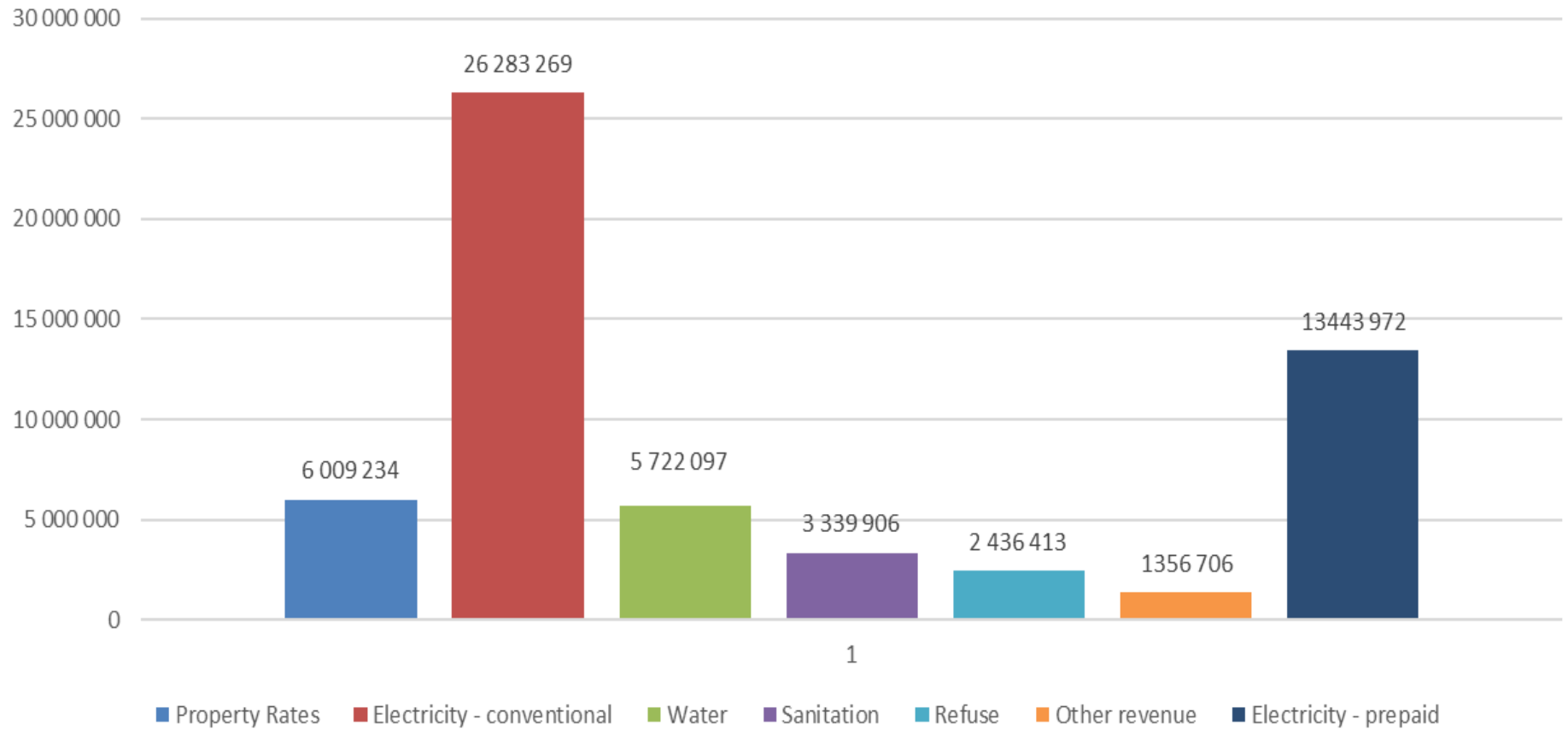
Total Revenue Collection Percentage with Zero or No Grant Funding received for the month of November 2025 is 75% and 88% for the period under review.

Indigents Contribution for Prepaid Electricity in November 2025 is R1 048 376.00 + R189 348.21 (FBE in ESKOM Supplied Areas) = R1 237 724.21

Billing Per Service



Collection Per Service



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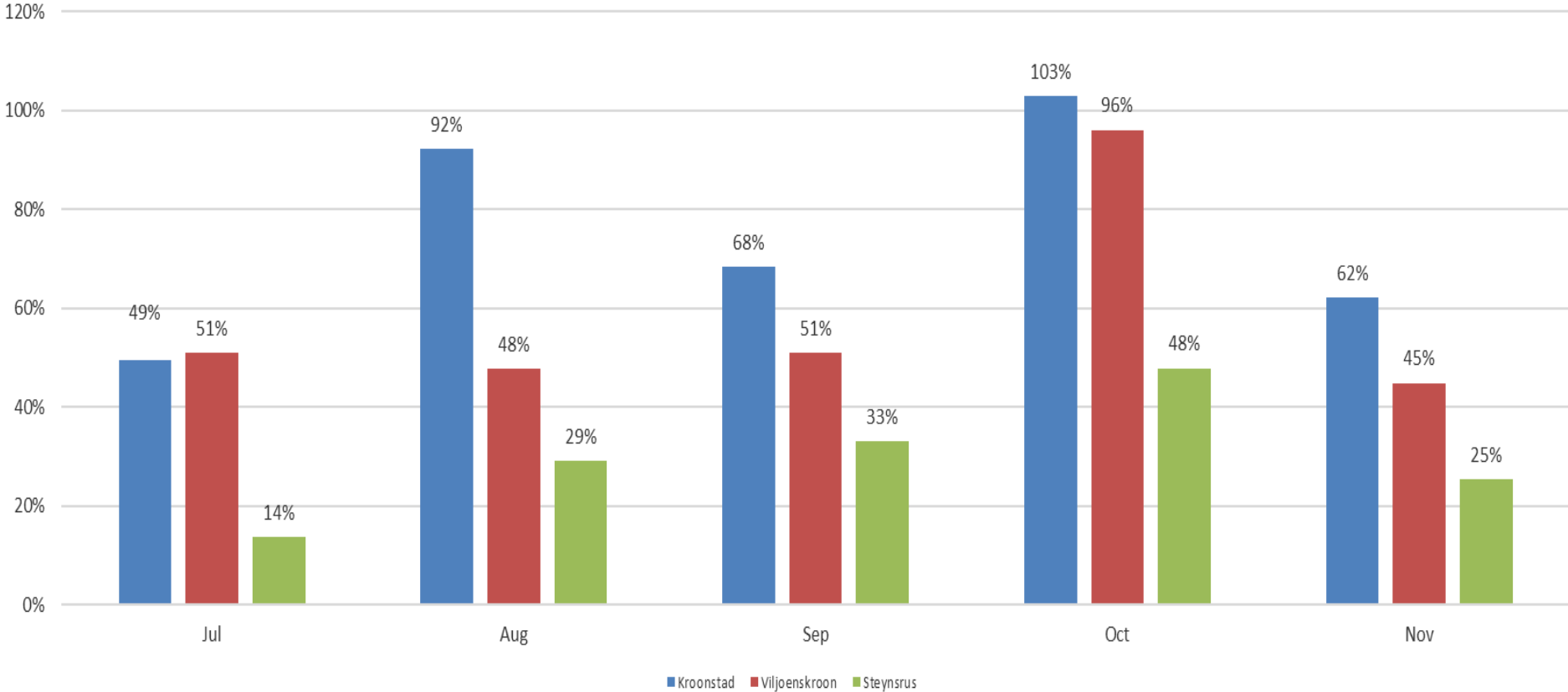
The November 2025 receipts amounted to R45 306 864.20.20 against billing of R78 623 432.34. That translates to 58% collection rate.

Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	159 987 047.89	18 834 980.77	-1 027 718.90	27 745.59	31 206.00	17 866 213.46	-14 545 648.32	163 307 613.03	-81%	3 320 565.14
2	688 818 876.48	21 282 069.76	-6 385 872.00	16 443.53	5 150.00	14 917 791.29	-4 573 050.67	699 163 617.10	-31%	10 344 740.62
3	3 557 869.09	3 850 386.31	0.00	0.00	0.00	3 850 386.31	-3 557 901.00	3 850 354.40	-92%	292 485.31
4	60 933 339.54	1 397 997.72	-23 748.17	48 334.69	0.00	1 422 584.24	-99 070.46	62 256 853.32	-7%	1 323 513.78
6	22 016 741.50	1 519 035.65	-360 056.20	0.00	0.00	1 158 979.45	-847 873.48	22 327 847.47	-73%	311 105.97
7	28 639 180.34	989 195.96	-260 526.54	0.00	0.00	728 669.42	-339 775.35	29 028 074.41	-47%	388 894.07
8	10 573 869.37	401 073.10	1 049.64	0.00	0.00	402 122.74	-276 648.19	10 699 343.92	-69%	125 474.55
9	2 443 917.62	12 195.52	-400.00	0.00	0.00	11 795.52	0.00	2 455 713.14	0%	11 795.52
10	71 136 135.80	12 614 605.47	-1 740 996.82	0.00	67 554.00	10 941 162.65	-9 685 731.20	72 391 567.25	-89%	1 255 431.45
11	98 050 166.29	2 822 782.65	-545 683.98	0.00	895.00	2 277 993.67	-578 838.20	99 749 321.76	-25%	1 699 155.47
13	647 565 180.14	12 654 237.52	-1 785 311.69	0.00	3 580.95	10 872 506.78	-2 264 581.22	656 173 105.70	-21%	8 607 925.56
14	7 582 359.10	5 209 626.22	0.00	0.00	0.00	5 209 626.22	-4 953 924.47	7 838 060.85	-95%	255 701.75
15	7 405.23	67.89	0.00	0.00	0.00	67.89	0.00	7 473.12	0%	67.89
16	119 688 565.13	9 350 762.03	-387 229.33	0.00	0.00	8 963 532.70	-3 583 821.64	125 068 276.19	-40%	5 379 711.06
	1 921 000 653.52	90 939 016.57	-12 516 493.99	92 523.81	108 385.95	78 623 432.34	-45 306 864.20	1 954 317 221.66	-58%	33 316 568.14






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%
Nov	60 263 238	37 509 520	62%	16 082 201	7 218 506	45%	2 277 994	578 838	25%
Total	294 221 665	212 038 035	72%	73 815 595	40 500 975	55%	11 169 119	3 277 465	29%

Billing vs Collection



PRE-PAID ELECTRICITY SALES 2025-2026 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%
Nov	R0	R13 443 972	R2 016 410	R15 460 382	R5 610 387	R1 048 376	 -4%
Totals	R0	R71 496 540	R10 723 462	R82 220 003	R29 573 117	R5 225 186	

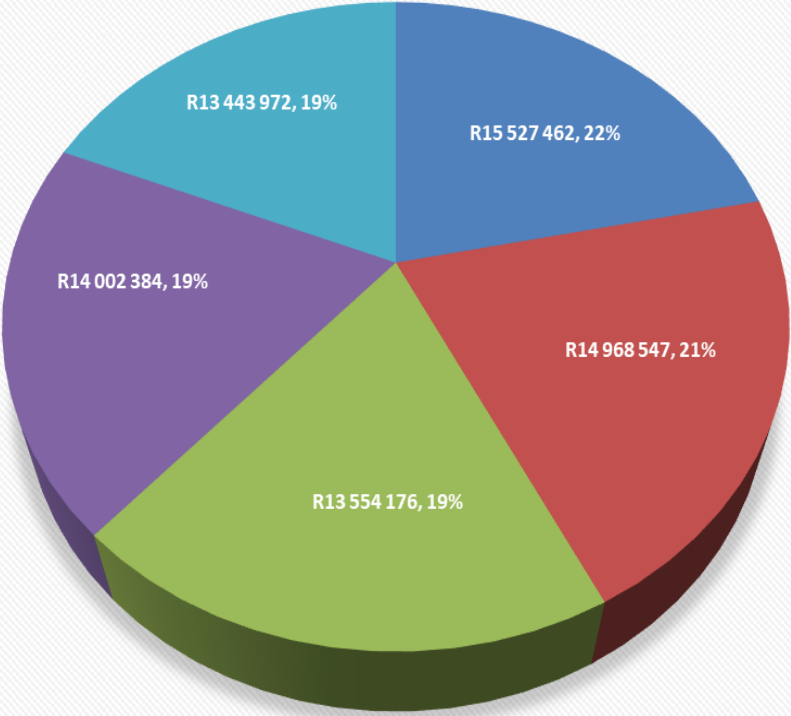
Billing for Kroonstad/Maokeng, Brentpark in November 2025 was R60.3m, Viljoenskroon/Rammolutsi was R16.1m and Steynsrus/Matlwangtlwang was R578 838.00

The average collection rate for Kroonstad/Maokeng/Brentpark for November 2025 is 62% , Viljoenskroon/Rammolutsi is 45% & Steynsrus/Matlwangtlwang is 25%.

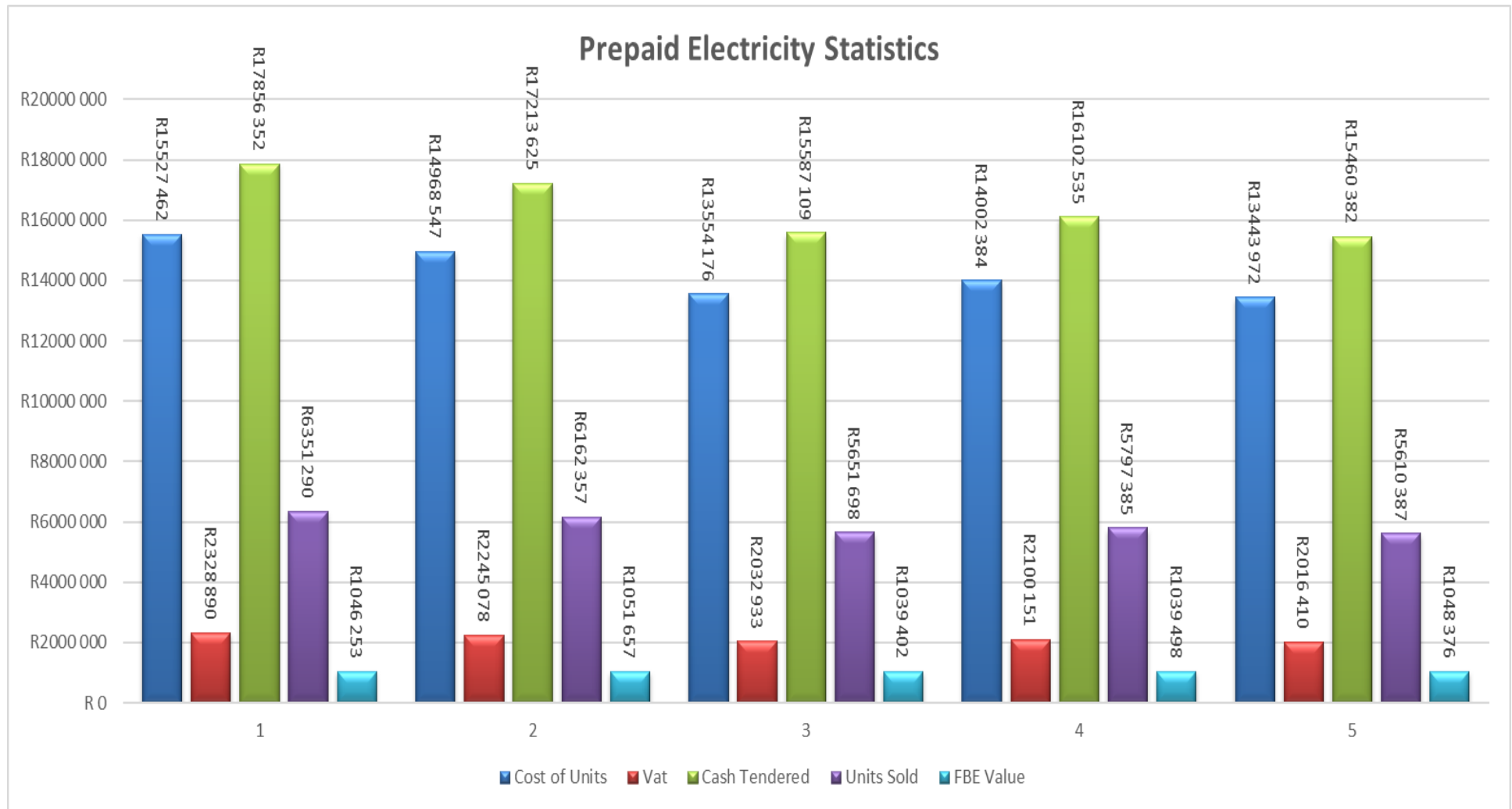
Kroonstad/Maokeng/Brentpark generated a revenue of R37.5m for November 2025, Viljoenskroon/Rammolutsi generated R7.2m & Steynsrus/Matlwangtlwang generated R578 838.00.

The cost of revenue generated through prepaid electricity for the month of November 2025 is R13 443 972. The electricity vendors are contributing to these sales.

Prepaid Electricity Sales @ Cost



■ Jul ■ Aug ■ Sep ■ Oct ■ Nov



4.2 Operating expenditure by type

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November

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
Expenditure By Type										
Employee related costs		452 951	449 410	449 410	41 775	197 034	187 256	9 778	5%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 841	9 459	12 285	(2 827)	-23%	29 484
Bulk purchases - electricity		486 867	428 185	423 185	1 022	58 975	177 786	(118 811)	-67%	423 185
Inventory consumed		17 948	26 574	26 574	4 057	13 110	11 073	2 037	18%	26 574
Debt impairment		78	61 096	61 096	-	-	25 457	(25 457)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	4 294	(4 294)	-100%	10 305
Interest		99 037	8 790	8 790	550	123 345	3 663	119 682	3268%	8 790
Contracted services		148 907	197 383	214 471	12 675	55 819	85 559	(29 740)	-35%	214 471
Transfers and subsidies		244	1 095	1 095	-	5	456	(451)	-99%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	301	4 030	1 653	2 378	144%	3 966
Operational costs		179 769	170 482	170 786	14 756	49 893	71 078	(21 185)	-30%	170 786
Losses on Disposal of Assets		1 796	63	63	-	-	26	(26)	-100%	63
Other Losses		4 869	-	-	-	(6)	-	(6)	#DIV/0!	-
Total Expenditure		1 698 065	1 386 834	1 399 226	76 976	511 663	580 585	(68 922)	-12%	1 399 226

Comparison against YTD Budget

As indicated in the Table above, as at 30 November 2025, expenditure shows an unsatisfactory variance of minus 12%. The YTD actual amounted to R511 663 000 against the YTD budget of R580 585 000.

- Employee related costs show a satisfactory variance of 5%. 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 23%.
- Bulk purchases – Electricity is showing an unsatisfactory variance of minus -67%.

- The expenditure on Inventory consumed is showing an unsatisfactory variance minus 18%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure.
- The major backlog and deterioration of infrastructure is negatively influencing the Repairs & Maintenance expenditure line items. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally.

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

- Depreciation was projected for on a straight-line basis, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system for integration.
- Interest is showing an unsatisfactory variance of minus 30%, due to the Interest on External borrowing being paid monthly and the first instalment for the current financial year was paid during July 2024. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- Expenditure on Contracted services is showing an unsatisfactory variance of minus 35%.
- 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 30% 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-Nov-25	YTD 30-Nov-25	Variance (Unspent Budget)	% Exp
EMPLOYEE RELATED COSTS	449 409 838.00	41 774 705.05	197 033 606.86	252 376 231.14	43.84
REMUNERATION OF COUNCILLORS	29 484 431.00	1 840 532.87	9 458 575.48	20 025 855.52	32.08
BULK PURCHASES	423 185 402.00	1 022 339.44	58 975 047.68	364 210 354.32	13.94
INVENTORY	26 574 038.00	4 056 990.50	13 109 816.36	13 464 221.64	49.33
DEPRECIATION ON ASSETS	10 282 705.00	-	-	10 282 705.00	-
INTEREST	8 790 312.00	550 000.00	123 345 000.00	-114 554 688.00	1 403.19
CONTRACTED SERVICES	214 470 921.00	12 675 202.35	55 819 007.04	158 651 913.96	26.03
TRANSFERS AND SUBSIDIES	1 095 158.00	-	5 000.00	1 090 158.00	0.46
CONTRIBUTIONS TO BAD DEBTS	3 966 284.00	300 652.28	4 030 261.43	-63 977.43	101.61
OPERATIONAL EXPENDITURE	152 270 936.00	14 194 408.60	44 337 507.95	107 933 428.05	29.12
OPERATING LEASES	18 515 003.00	561 486.23	5 555 036.52	12 959 966.48	30.00
TOTAL EXPENDITURE (NETT)	1 338 045 028.00	76 976 317.32	511 668 859.32	826 376 168.68	38.24

DESCRIPTION	Annual Budget 2025/2026	Actual 30-Nov-25	YTD 30-Nov-25	Variance	
OUTSOURCE SERVICES					-
OS: BURIAL SERVICES	286 227.00	5 900.00	5 900.00	280 327.00	2.06
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	470 242.58	1 513 884.42	23.70
OS: B&A RESEARCH & ADVISORY	923 138.00	0.00	21 120.00	902 018.00	2.29
OS: B&A QUALIFICATION VERIFICATION	0.00	0.00	0.00	0.00	-
OS: B&A VALUER	3 285 468.00	32 173.91	128 695.64	3 156 772.36	3.92
OS: CATERING SERVICES	1 281 869.00	1 671.46	164 024.22	1 117 844.78	12.80
OS: CLEANING SERVICES	216 757.00	36 345.45	47 177.25	169 579.75	21.77
OS: ELECTRICAL	19 029 252.00	557 679.51	1 640 005.41	17 389 246.59	8.62
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	112 936.68	2 265 631.50	10 182 668.50	18.20
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	805 835.79	4 764 636.60	36 003 575.40	11.69

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	32 595.76	96 246.73	114 029.27	45.77
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	4 088 969.00	342 547.43	673 515.34	3 415 453.66	16.47
C&PS: B&A MEDICAL EXAMINATIONS	1 000 000.00	4 166.40	25 101.40	974 898.60	2.51
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	32 668 770.00	0.00	17 415 041.34	15 253 728.66	53.31
C&PS: B&A PROJ MAN(COMM CRISIS)	0.00	0.00	0.00	0.00	-
C&PS: B&A PROJ MAN(TRAI & AWARE)	0.00	0.00	0.00	0.00	-
C&PS: B&A PROJ MAN(COMM CRISIS)	500 000.00	0.00	0.00	500 000.00	-
C&PS: B&A PROJ MAN(EMERG RESPOND)	1 000 000.00	0.00	0.00	1 000 000.00	-
C&PS: B&A RESEARCH & ADVISORY	5 500.00	0.00	0.00	5 500.00	-
C&PS: B&A SYSTEM SUPPORT	20 880.00	0.00	0.00	20 880.00	-
C&PS: I&P ENGINEERING CIVIL	1 617 156.00	0.00	0.00	1 617 156.00	-
C&PS: I&P LAND & QUANTITY SURVEYORS	150 000.00	0.00	0.00	150 000.00	-
C&PS: I&P LAND SCAPE DESIGNER	374 796.00	0.00	0.00	374 796.00	-
C&PS: I&P TOWN PLANNER	130 000.00	0.00	0.00	130 000.00	-
C&PS: LAB SERV WATER	6 314 187.00	615 378.13	1 868 664.04	4 445 522.96	29.59
C&PS: LEGAL COST ADVICE & LITIGATION	7 500 000.00	317 064.87	-1 186 143.36	8 686 143.36	-15.82
C&PS: LEGAL COST ISSUE OF SUMMONS	300 000.00	0.00	0.00	300 000.00	-
C&PS: LEGAL COST COLLECTION	1 429 296.00	57 513.02	309 755.20	1 119 540.80	21.67
SUB TOTAL : CONSULTANT AND PROF SERV	62 794 768.00	1 369 265.61	19 206 580.69	43 588 187.31	30.59

CONTRACTORS					-
CONTR: ARTISTS & PERFORMERS	55 230.00	0.00	0.00	55 230.00	-
CONTR: BUILDING CONTRACTORS	1 438 062.00	0.00	0.00	1 438 062.00	-
CONTR: CATERING SERVICES	164 273.00	0.00	17 100.00	147 173.00	10.41
CONTR: EMPLOYEE WELLNESS	657 094.00	76 000.00	80 000.00	577 094.00	12.17
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	137 710.30	689 992.10	1 189 360.90	36.71
CONTR: MAINT OF BUILDINGS & FACILIT	15 985 864.00	56 355.97	267 598.70	15 718 265.30	1.67
CONTR: MAINTENANCE OF EQUIPMENT	7 051 852.00	43 310.44	397 070.84	6 654 781.16	5.63
CONTR: MAINTENANCE OF EQUIPMENT (FLE	3 774 643.00	371 563.12	680 090.51	3 094 552.49	18.02
CONTR: MAINTENANCE FLEET	12 993 793.00	998 997.15	3 468 750.21	9 525 042.79	26.70
CONTR: PEST CONTROL & FUMIGATION	114 273.00	0.00	0.00	114 273.00	-
CONTR: PLANTS FLOWERS & OTH DECORATI	47 165.00	0.00	0.00	47 165.00	-
CONTR: PREPAID ELECTRICITY VENDORS	13 000 000.00	2 194 379.92	7 384 409.57	5 615 590.43	56.80
CONTR: SAFEGUARD & SECURITY	42 000 000.00	2 514 431.03	12 341 331.66	29 658 668.34	29.38
CONTR: TRAFFIC & STREET LIGHTS	11 027 240.00	4 107 353.02	6 521 446.16	4 505 793.84	59.14
SUB TOTAL : CONTRACTORS	110 907 941.00	10 500 100.95	31 847 789.75	79 060 151.25	28.72
CONTRACTED SERVICES	214 470 921.00	12 675 202.35	55 819 007.04	158 651 913.96	26.03

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	217 391.30	31 732.60	768 267.40	3.97
OC: ADV/PUB/MARK - SIGNS	358 000.00	0.00	0.00	358 000.00	-
OC: ADV/PUB/MARK - STAFF RECRUITMENT	328 547.00	189 602.40	199 211.94	129 335.06	60.63
OC: ADV/PUB/MARK - TENDERS	230 640.00	0.00	13 738.45	216 901.55	5.96
OC: AUDIT COST: EXTERNAL	11 247 482.00	2 252 872.97	3 172 931.87	8 074 550.13	28.21
OC: BC/FAC/C FEES - BANK ACCOUNTS	1 329 408.00	134 585.24	529 597.82	799 810.18	39.84
OC: COMMISSION - THIRD PARTY VENDORS	18 440 000.00	119 103.95	3 170 913.51	15 269 086.49	17.20
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	3 004.35	290 244.30	1 809 755.70	13.82
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	106 315.52	308 612.54	2 191 387.46	12.34
OC: CONTR TO PROV - REHAB LANDFILLS	93 255.00	0.00	0.00	93 255.00	-
OC: DEEDS	329 402.00	21 581.83	28 891.18	300 510.82	8.77
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	4 189.10	39 013.00	191 483.00	16.93
OC: ENTERTAINMENT - SPEAKER	10 440.00	0.00	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	7 596.09	7 596.09	8 596 632.91	0.09
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	8 395 089.28	26 944 866.44	27 411 800.56	49.57
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	90 881.95	126 450.62	4 373 549.38	2.81
OC: LEARNERSHIPS & INTERNSHIPS	100 000.00	0.00	0.00	100 000.00	-
OC: LIC - VEHICLE LIC & REGISTRATION	1 720 142.00	58 439.00	439 630.00	1 280 512.00	25.56
OC: LIC - VEHICLE LIC & REGISTR FLEE	14 678.00	0.00	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	10 250.00	46 797.00	792 641.00	5.57
OC: PROFESSIONAL BODIES M/SHIP & SUB	431 226.00	31 124.78	111 869.91	319 356.09	25.94
OC: REMUNERATION TO WARD COMMITTEES	3 066 437.00	92 500.00	460 000.00	2 606 437.00	15.00
OC: ROAD WORTHY TEST FLEET	18 854.00	0.00	0.00	18 854.00	-
OC: SKILLS DEVELOPMENT FUND LEVY	4 466 696.00	17 492.43	403 083.93	4 063 612.07	9.02
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	3 148 708.00	117 325.90	490 229.61	2 658 478.39	15.57
OC: T&S DOM - DAILY ALLOWANCE	2 153 496.00	62 590.00	276 250.14	1 877 245.86	12.83
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	172 049.24	706 026.42	2 095 757.58	25.20
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	11 250.11	39 824.03	269 691.97	12.87
OC: TRANSPORT - MUNICIPAL ACTIVITIES	57 660.00	0.00	0.00	57 660.00	-
OC: UNIFORM & PROTECTIVE CLOTHING	7 347 497.00	1 122 420.91	2 061 949.48	5 285 547.52	28.06
OC: VEHICLE TRACKING FLEET	626 892.00	0.00	0.00	626 892.00	-
OC: WET FUEL	11 422 221.00	956 752.25	3 481 397.87	7 940 823.13	30.48
OC: WORKMEN'S COMPENSATION FUND	1 830 991.00	0.00	469 501.37	1 361 489.63	25.64
SUB TOTAL : OPERATIONAL COST	152 270 936.00	14 194 408.60	44 337 507.95	107 933 428.05	29.12

INVENTORY					
INV - CONSUMABLE STORES - STANDARD RATED	15 088 136.00	2 765 257.91	7 872 569.23	7 215 566.77	
INV - CONSUMABLE STORES - WATER METERS	0.00	0.00	0.00	0.00	
INV - CONSUMABLE STORES - CHEMICALS	0.00	0.00	0.00	0.00	
INV - CONSUMABLE STORES -STD RATED FLEET	1 885.00	0.00	0.00	1 885.00	
INV - CONSUMABL STORES -ZERO RATED FLEET	0.00	0.00	0.00	0.00	
INVENTORY - MATERIALS & SUPPLIES	1 041 710.00	75 873.63	116 432.50	925 277.50	
INVENTORY - MATERIALS & SUPPLIES FLEET	2 307.00	0.00	0.00	2 307.00	
INVENTORY - WATER	10 440 000.00	1 215 858.96	5 120 814.63	5 319 185.37	
SUB TOTAL - INVENTORY	26 574 038.00	4 056 990.50	13 109 816.36	13 464 221.64	
BULK PURCHASES					
ESKOM	423 185 402.00	1 022 339.44	58 975 047.68	364 210 354.32	
BULK WATER PURCHASES					
SUB TOTAL : BULK PURCHASES	423 185 402.00	1 022 339.44	58 975 047.68	364 210 354.32	
INTEREST DIVIDENDS AND RENT ON LAND					-
INT PAID BOR: ANNUITY LOANS	6 600 000.00	550 000.00	123 345 000.00	-116 745 000.00	1 868.86
INT PAID: OVERDUE ACCOUNTS	2 190 312.00	0.00	0.00	2 190 312.00	-
SUB TOTAL - INTEREST DIVID & RENT -	8 790 312.00	550 000.00	123 345 000.00	-114 554 688.00	1 403.19
OPERATING LEASES					-
OPR LEASES: FURNITURE & OFFICE EQUIP	3 376 619.00	4 271.97	21 359.85	3 355 259.15	0.63
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	557 214.26	5 533 676.67	9 581 643.33	36.61
SUB TOTAL : OPERATING LEASES	18 515 003.00	561 486.23	5 555 036.52	12 959 966.48	30.00
BAD DEBTS WRITTEN OFF					
IRRECOVERABLE DEBTS WRITTEN OFF_EXCHANGE					
IRRECOV DEBTS W/OFF_EXCHG:ELECTRICITY	1 149 906.00	24 631.19	1 030 616.14	119 289.86	89.63
IRRECOV DEBTS W/OFF_EXCHG:NON-SPECIFIC	-	0.00	0.00	0.00	-
IRRECOV DEBTS W/OFF_EXCHG:WASTE	177 704.00	34 571.44	297 293.54	-119 589.54	167.30
IRRECOV DEBTS W/OFF_EXCHG:WASTE WATER	228 604.00	60 743.01	488 927.46	-260 323.46	213.88
IRRECOV DEBTS W/OFF_EXCHG:WATER	1 261 670.00	104 107.10	604 024.63	657 645.37	47.88
SUB TOTAL : IRRECOV BAD DEBT W/OFF_EXCH	2 817 884.00	224 052.74	2 420 861.77	397 022.23	85.91
IRRECOVERABLE DEBTS W/OFF_NON-EXCHANGE					
IRRECOV DEBTS W/OFF_NON-EXCH:PROP RATES	1 148 400.00	76 599.54	1 609 399.66	-460 999.66	140.14
SUB TOTAL : IRREC BAD DEBT W/OFF_NON-EX	1 148 400.00	76 599.54	1 609 399.66	-460 999.66	140.14
SUB TOTAL : BAD DEBTS WRITTEN OFF	3 966 284.00	300 652.28	4 030 261.43	-63 977.43	101.61
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) - M05 November

Vote Description	Ref	2024/25	Budget Year		Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget						
R thousands	1									
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		15	-	-	-	-	-	-		-
Vote 02 - Municipal Manager		97	150	150	-	-	63	(63)	-100%	150
Vote 03 - Corporate Services		2 258	2 500	2 500	-	57	1 042	(985)	-95%	2 500
Vote 04 - Finance		191	81	81	-	-	34	(34)	-100%	81
Vote 05 - Technical Services		1 805	65 207	53 314	680	2 453	24 527	(22 073)	-90%	53 314
Vote 06 - Community Services		160	25 983	25 708	-	17 298	10 763	6 535	61%	25 708
Vote 07 - Local Economic Development		375	1 100	1 100	-	1	458	(457)	-100%	1 100
Total Capital single-year expenditure	4	4 900	95 021	82 853	680	19 809	36 886	(17 077)	-46%	82 853
Total Capital Expenditure		4 900	95 021	82 853	680	19 809	36 886	(17 077)	-46%	82 853
Capital Expenditure - Functional Classification										
Governance and administration		2 581	2 981	3 001	-	57	1 244	(1 188)	-95%	3 001
Executive and council		15	-	-	-	-	-	-		-
Finance and administration		2 532	2 981	3 001	-	57	1 244	(1 188)	-95%	3 001
Internal audit		34	-	-	-	-	-	-		-
Community and public safety		383	29 350	28 327	9	17 364	12 002	5 363	45%	28 327
Community and social services		-	550	550	-	27	229	(202)	-88%	550
Sport and recreation		271	5 853	5 439	-	1	2 347	(2 346)	-100%	5 439
Public safety		84	22 947	22 337	9	17 336	9 426	7 910	84%	22 337
Health										
Economic and environmental services		263	42 144	14 420	-	1 133	11 399	(10 267)	-90%	14 420
Planning and development		129	-	-	-	-	-	-		-
Road transport		119	42 064	14 340	-	1 133	11 366	(10 233)	-90%	14 340
Environmental protection		15	80	80	-	-	33	(33)	-100%	80
Trading services		1 674	20 546	37 106	671	1 256	12 241	(10 985)	-90%	37 106
Energy sources		98	250	250	-	-	104	(104)	-100%	250
Water management		143	18 524	20 690	32	41	8 200	(8 159)	-99%	20 690
Waste water management		1 434	1 773	16 047	640	1 214	3 911	(2 696)	-69%	16 047
Waste management		-	-	119	-	-	26	(26)	-100%	119
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	4 900	95 021	82 853	680	19 809	36 886	(17 077)	-46%	82 853

As indicated in the Table above, the YTD Actual on capital expenditure as at end of November 2025 amounted to R36 886 000. The total YTD capex is funded from Capital grants R25 013 000 and Internally generated funds R11 873 000. Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

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

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

4.4 Cash flows

CASH FLOW ANALYSIS FOR THE MONTH ENDING	
Detail	Nov-25
Cash Receipts by Source	
Property rates	5 743 273
Service charges - electricity revenue	26 102 055
Service charges - water revenue	4 066 725
Service charges - sanitation revenue	2 582 701
Service charges - refuse revenue	2 179 964
Service charges - other	-
Interest earned - external investments	204 275
Interest earned - outstanding debtors	339 544
Fines	-
Transfer receipts - operational	673 000
Other revenue	20 901 789
Cash Receipts by Source	62 793 326
Other Cash Flows/Receipts by Source	
Transfer receipts - capital	1 033 000
Borrowing long term/refinancing	-
Total Cash Receipts by Source	63 826 326
Cash Payments by Type	
Employee related costs	41 774 705
Remuneration of councillors	1 840 532
Bulk purchases - Electricity	1 134 520
Contracted services	12 675 202
General expenses	22 461 591
Cash Payments by Type	79 886 550
Other Cash Flows/Payments by Type	
Capital assets	6 917 616
Repayment of borrowing	-
Total Cash Payments by Type	80 566 441
Net Increase/(Decrease) in Cash Held	-16 740 115
Cash/cash equivalents at the month/year begin:	45 470 453
Cash/cash equivalents at the month/year end:	28 730 338
Cash Book Balance (GL)	-

FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M05 November

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	(144 329)	2 905
Trade and other receivables from exchange transactions		640 991	247 218	247 218	758 835	247 218
Receivables from non-exchange transactions		71 173	43 806	43 806	75 806	43 806
Current portion of non-current receivables						
Inventory		82 169	105 427	105 427	82 338	105 427
VAT		5 333	35 960	35 960	22 780	35 960
Other current assets		22 711	32 588	32 588	22 758	32 588
Total current assets		799 221	467 905	467 905	818 189	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		1 804 754	2 895 342	2 883 174	1 845 268	2 883 174
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		1 940 457	3 107 101	3 094 933	1 980 971	3 094 933
TOTAL ASSETS		2 739 677	3 575 006	3 562 838	2 799 160	3 562 838
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(2 121)	(2 121)	(1 965)	(2 121)
Consumer deposits		15 564	14 338	14 338	16 167	14 338
Trade and other payables from exchange transactions		1 761 044	507 185	507 185	1 743 020	507 185
Trade and other payables from non-exchange transactions		6 343	–	–	36 229	–
Provision		184 493	71 434	71 434	184 493	71 434
VAT		7 199	(51 892)	(51 892)	31 474	(51 892)
Other current liabilities		–	–	–	–	–
Total current liabilities		1 974 643	538 944	538 944	2 009 418	538 944
Non current liabilities						
Financial liabilities		9 582	29 047	29 047	9 582	29 047
Provision		143 239	44 419	44 419	143 239	44 419
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		152 821	73 466	73 466	152 821	73 466
TOTAL LIABILITIES		2 127 465	612 409	612 409	2 162 239	612 409
NET ASSETS	2	612 213	2 962 597	2 950 429	636 921	2 950 429
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 453 965	2 965 980	2 965 980	637 814	2 965 980
Reserves and funds		–	1 351	1 351	–	1 351
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 453 965	2 967 331	2 967 331	637 814	2 967 331

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: November 2025
5. In-year Budget Statement Tables

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

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

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

Highlights	30-Sept	31-Oct	% Change	30-Nov	% Change	Reference
Services						
Councillors' debt (>90 days)	R 1 626 045	R 1 628 707	0%	R 1 649 918	1%	BP136-r
Officials debt (>90 days)	R 3 080 860	R 3 148 731	2%	R 3 217 255	2%	BP136-a
Sundry debtors						
Telephones (Officials & Councillors)	R711 131.53	R717 678.34	1%	R723 557.99	1%	BP136-rt
Indigents	R 248 981 257	R 263 112 564	6%	R 275 732 062	5%	BP136-ia
Total Debt 90 Days +	R 254 399 293	R 268 607 680	6%	R 281 322 793	5%	

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 November 2025, the Government Debt was as follows:

Nov-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	15 386.00	0.00	0.00	14 202.00	2 412.00	32 000.00	0.00	32 000.00
DEPARTMENT OF HEALTH (PH)	13 477 630.00	9 863 234.00	0.00	12 918 391.00	26 462.00	36 285 717.00	0.00	36 285 717.00
DEPARTMENT OF EDUCATION (PE)	131259.00	1 670 939.00	3 562 021.00	19 985 493.00	0.00	25 349 712.00	0.00	25 349 712.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	282 192.00	0.00	282 192.00	0.00	282 192.00
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)	1 138 087.00	16 691 030.00	2 281.00	912 851.00	2 352.00	18 746 601.00	0.00	18 746 601.00
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	14 762 362.00	28 225 443.00	3 564 302.00	34 113 129.00	31 226.00	80 696 462.00	0.00	80 696 462.00
				0.00				
SCHOOLS (SECTION 21)	11 590 210.00	24 079 029.00	6 460.00	8 862.00	32 895.00	35 717 456.00	0.00	35 717 456.00
NATIONAL DEPARTMENTS	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
CORRECTIONAL SERVICES (NC)	3 849 286.00	3 208 454.00	0.00	353 979.00	0.00	7 411 719.00	0.00	7 411 719.00
DEFENCE (ND)	2 275 897.00	5 762 374.00	15 630.00	164 402.00	14 173.00	8 232 476.00	0.00	8 232 476.00
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	27 029.00	143 687.00	188 712.00	58 766.00	97 281.00	515 475.00	0.00	515 475.00
PUBLIC WORKS (NW)	16 469.00	190 104.00	3 435 892.00	82 153.00	0.00	3 724 618.00	0.00	3 724 618.00
SA POLICE(NP)	1 104 813.00	1 187 569.00	13 910.00	1 113 512.00	2 143.00	3 421 947.00	0.00	3 421 947.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	21 658.00	116 940.00	0.00	11 435.00	2 432.00	152 465.00	0.00	152 465.00
TOTAL	7 295 152.00	10 609 128.00	3 654 144.00	1 784 247.00	116 029.00	23 458 700.00		23 458 700.00
TOTAL	33 647 724.00	62 913 600.00	7 224 906.00	35 906 238.00	180 150.00	139 872 618.00	-	139 872 618.00
						TOTAL		139 872 618.00
						LESS CREDIT		0.00
						GRAND TOTAL		139 872 618.00

MUNICIPAL DEBT RETURN FORM - Provincial & National Departments



Municipality: **FS201 Moqhaka**

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

Reporting Month: **M05 November**

R'000	Provincial Public Works & Infrastructure	Education		National Public Works	TOTAL
		Section 20 Schools <i>(Payable by Department of Education)</i>	Section 21 Schools <i>(Payable by Schools)</i>		
Property Rates	3 564			3 654	7 218
0-30 Days	1 762			735	2 497
31-60 Days	1 603			735	2 338
61-90 Days	20			735	755
Over 90 Days	179			1 449	1 627
Water	14 762	–	11 590	7 295	33 648
0-30 Days	801	–	460	1 618	2 879
31-60 Days	1 402	–	438	1 436	3 275
61-90 Days	776	–	598	894	2 268
Over 90 Days	11 783	–	10 094	3 348	25 225
Electricity	28 225	–	24 079	10 609	62 914
0-30 Days	973	–	1 252	1 863	4 088
31-60 Days	930	–	1 149	1 708	3 787
61-90 Days	1 321	–	1 663	2 040	5 024
Over 90 Days	25 001	–	20 015	4 998	50 014
Sanitation	22 545			1 080	23 625
0-30 Days	1 082			80	1 162
31-60 Days	1 082			69	1 151
61-90 Days	1 082			67	1 150
Over 90 Days	19 299			864	20 163
Refuse Removal	11 568			704	12 272
0-30 Days	547			44	592
31-60 Days	547			38	585
61-90 Days	547			37	584
Over 90 Days	9 926			585	10 512
Other	31	–	48	116	195
0-30 Days	0	–	2	3	5
31-60 Days	0	–	2	3	5
61-90 Days	0	–	2	3	5
Over 90 Days	31	–	43	108	181
TOTAL	80 696	–	35 717	23 459	139 873
0-30 Days	5 166	–	1 714	4 344	11 223
31-60 Days	5 565	–	1 589	3 987	11 141
61-90 Days	3 747	–	2 263	3 776	9 786
Over 90 Days	66 219	–	30 152	11 352	107 722

Payments received during reporting month (whole amount)	1 739 093.82			2 078 648.52	3 817 742.34
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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 22 414 115	R 9 787 335	R 9 698 050	R 98 059 521	R 139 959 021
4.2	Business / Commercial	R 31 321 272	R 10 725 147	R 7 960 057	R 169 193 554	R 219 200 030
4.3	Households	R 34 171 079	R 27 219 292	R 27 705 557	R 1 372 928 228	R 1 462 024 156
4.4	Other	-R 7 525 853	R 3 593 826	R 2 059 051	R 135 006 991	R 133 134 015
	Total	R 80 380 613	R 51 325 600	R 47 422 715	R 1 775 188 294	R 1 954 317 222
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 23 733 466	R 19 375 067	R 19 353 761	R 916 146 652	R 978 608 946
5.2	Electricity	R 32 170 181	R 13 566 624	R 12 183 646	R 163 168 419	R 221 088 870
5.3	Property Rates	R 8 514 435	R 6 068 651	R 4 000 399	R 118 058 273	R 136 641 758
5.4	Sanitation	R 8 270 169	R 6 707 182	R 6 423 085	R 285 025 107	R 306 425 543
5.5	Refuse removal	R 5 818 896	R 4 745 931	R 4 560 665	R 207 137 903	R 222 263 395
5.6	Other	R 1 873 466	R 862 145	R 901 159	R 85 651 940	R 89 288 710
	Total	R 80 380 613	R 51 325 600	R 47 422 715	R 1 775 188 294	R 1 954 317 222

Comments:

Total outstanding debt has increased from R1 921 000 654 in October 2025 to R1 954 317 222 in November 2025. The 2% movement amounting to R33 316 568 is a result of account payers defaulting.

Water outstanding debt was R963 239 487 in October 2025 and has increased to R978 608 946 in November 2025. That accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters.

Electricity outstanding debt was R215 839 816 in October 2025 and has increased to R221 088 870 in November 2025. This translates to 11% of the total debtors' book to date.

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 R134 032 638 in October 2025 and has increased to R136 641 758 in November 2025. This account for 7% against total debtors' book.

Total outstanding debt for sanitation/Sewerage was R301 415 205 in October 2025 and R306 425 543 in November 2025. This accounts for 16% of the total outstanding debtors' book.

Refuse Removal or Solid Waste outstanding debt was R218 844 246 in October 2025 and has increased to R222 263 395 in November 2025. This accounts for 11% of the total debt and emanates from non-payment of accounts.

Total outstanding debt for Other or Sundries was R87 629 262 in October 2025 and has increased to R89 288 710 in November 2025. Which accounts for 5% for total outstanding debtors' book. It represents the debt

from indirect services on sundry accounts like rental, telephone, advertising & signs, and more.

Government debt was R133 785 549 in October 2025 and has increased to R139 959 021 in November 2025. This represents 7% of the total outstanding debt that Public Works is in the process of addressing.

Business/Commercial debt was R216 330 029 in October 2025 and has increased to R219 200 030 in November 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 439 996 640 in October 2025 and has increased to R1 462 024 156 in November 2025. That accounts for 75% of the total debtor's book. This is inclusive of R275 732 062 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R130 888 436 in October 2025 and has increased to R133 134 015 in November 2025. That is 7% of the total outstanding debtor's book.

The total debt by Councillors was R1 628 707 in October 2025 and has increased to R1 649 918 in November 2025 (1% movement). Officials owed R3 148 731 in October 2025 and has increased to R3 217 255 in November 2025 (2% increase).

Telephone accounts had a balance of R717 678.34 in October 2025 and has increased to R723 557.99 (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.

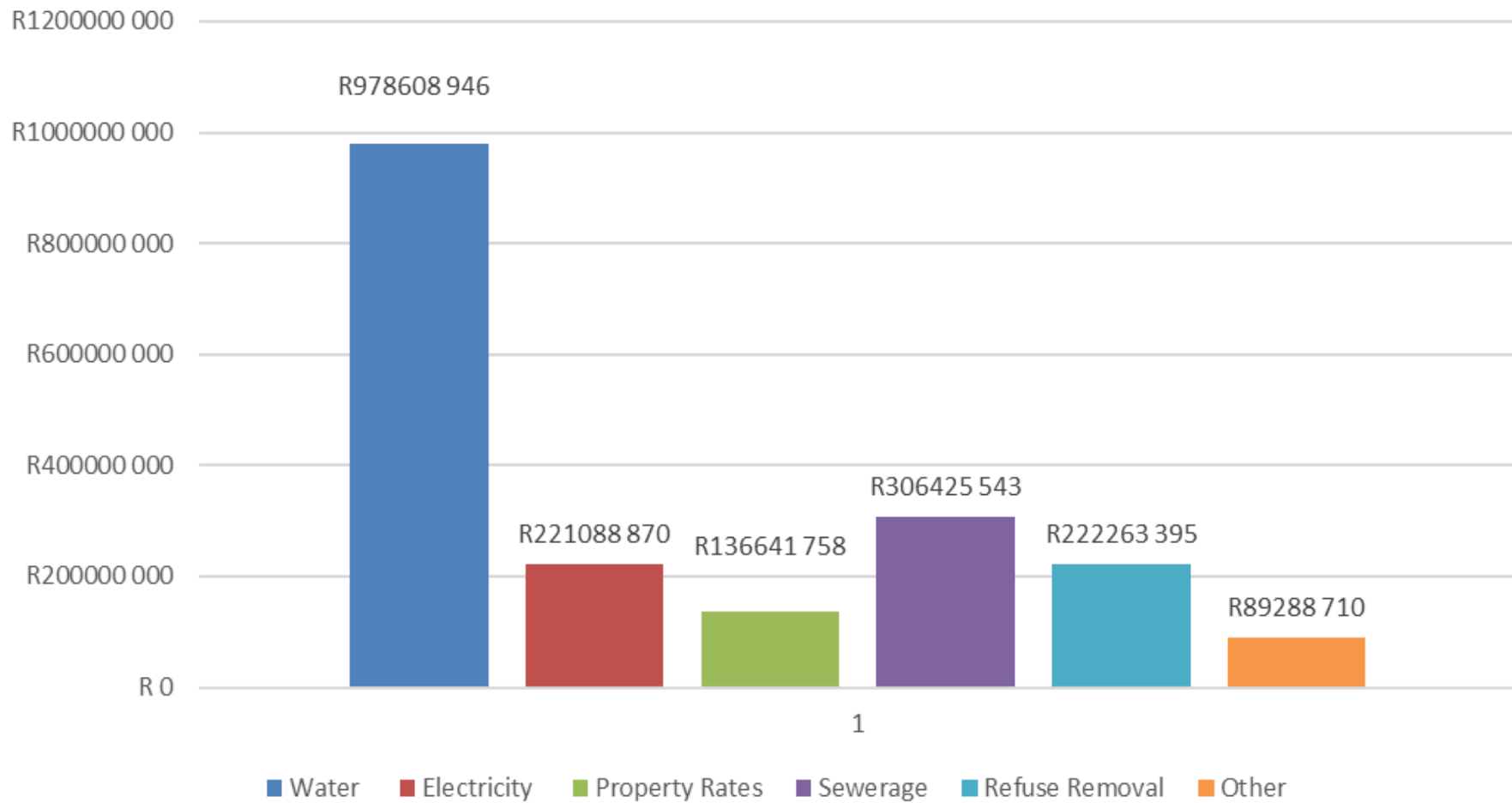
Blockings of the prepaid electricity meters & disconnections for the conventional electricity meters for categories of payment defaulters plays a major role in the collection rate and revenue enhancement.

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

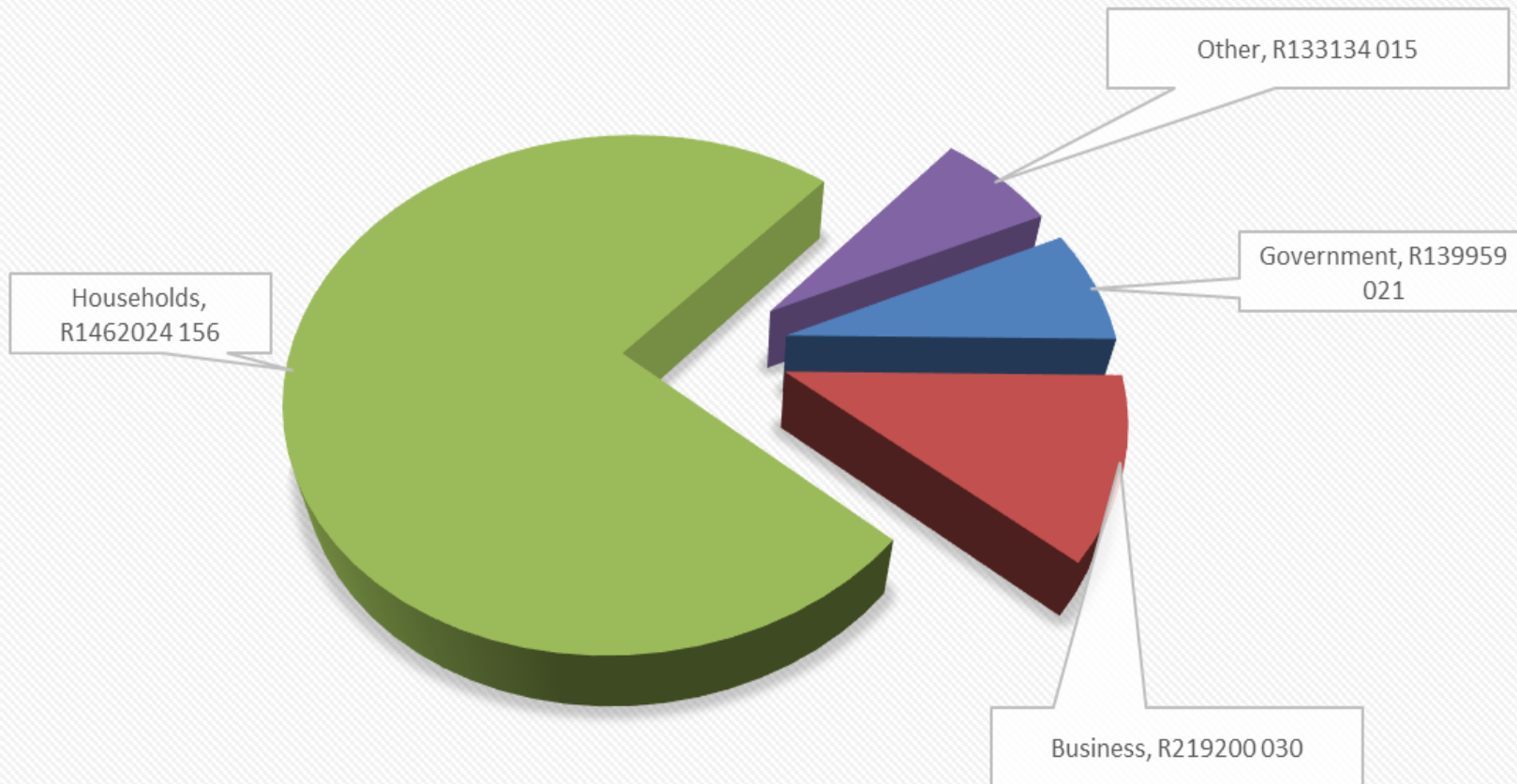
The three years and nine months delay in appointing the Chief Financial Officer and other Directors plays a very critical role in the financial distress facing the municipality.

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



■ Government ■ Business ■ Households ■ Other

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

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

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

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

7. Creditors' Analysis

Creditor Age Analysis November 2025									
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total -
Bulk Electricity	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	11 454 853	2 557 146	867 786	542 733	-	-	-	-	15 422 518
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	75 320 505	61 152 775	76 173 467	542 733	-	-	-	1 911 608 394	2 124 797 874

Bulk Electricity – As at the 30 November 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 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 R5 799 088. Other creditors – includes Sundry creditors which were unpaid as at 30 November 2025 amount to R15 422 518.

8. Investment portfolio analysis

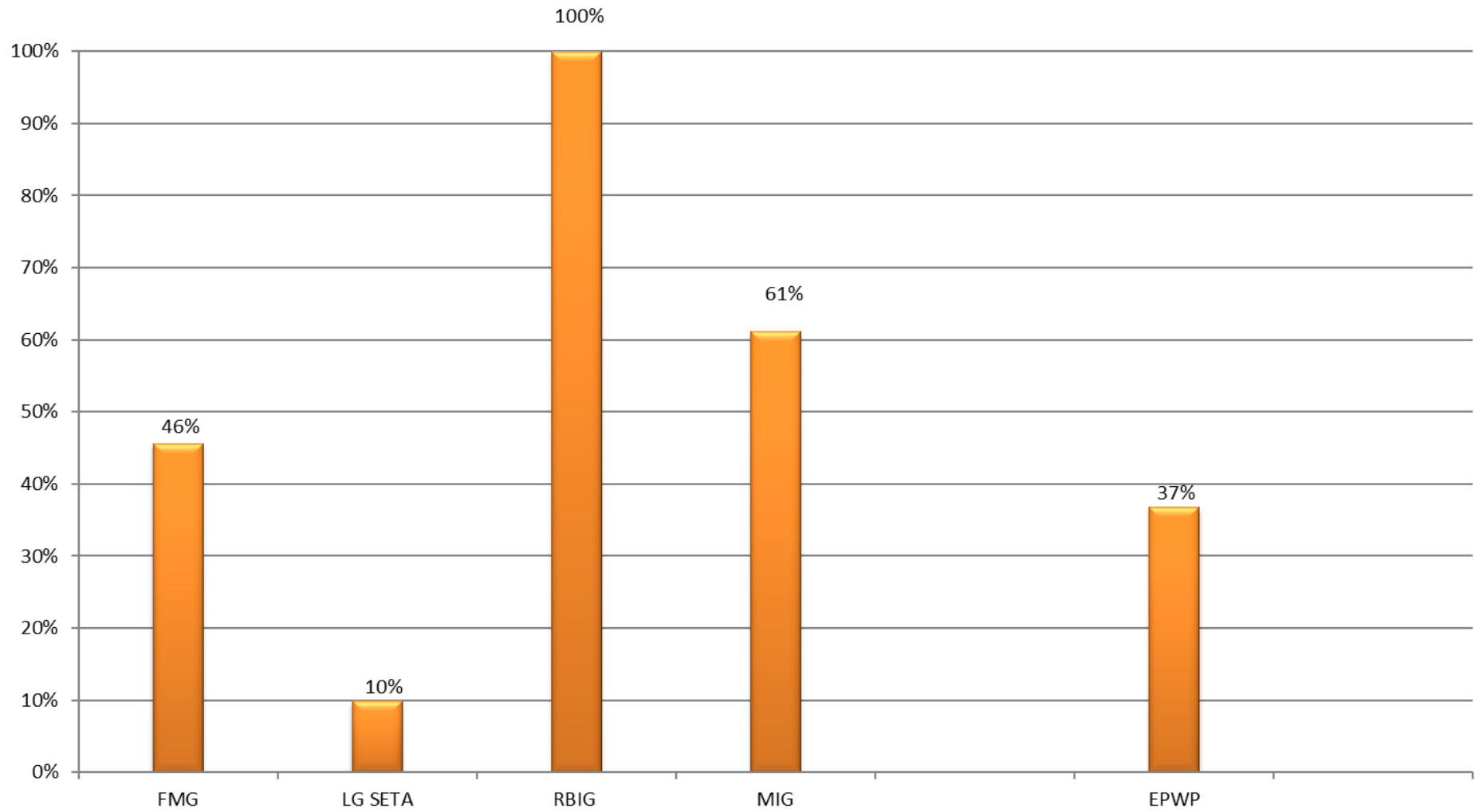
The municipality holds the following investments with ABSA Bank.

Detail	Bank Acc num	Type of investment	Vote num	
ABSA - 1	20-7531-4898	Fixed Deposit	34055053140ZZZZZZZW	
ABSA - 2	20-5824-7882	Fixed Deposit	34055053040ZZZZZZZW	21 465 760.64
ABSA - 3	91-3190-1443	Call Account	34055053240ZZZZZZZW	
	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
Invested	-	-	56 994 351.86	56 994 351.86
Withdrawn	-	-	120 595 000.00	120 595 000.00
Interest earned	-	-	-64 000 000.00	-64 000 000.00
			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
	102.93	11 059.79	-9 997 966.57	-9 986 803.85
Invested	-	-	18 800 000.00	18 800 000.00
Withdrawn	-	-	-29 002 241.75	-29 002 241.75
Interest earned	102.93	11 059.79	204 275.18	215 437.90
Balance at 30-Nov-2025	6 252.96	140 667.01	31 557 272.45	31 704 192.42

9. Allocation and grant receipts and expenditure

Report on conditional grants at	30-Nov-25						
Municipality:	FS201 Moqhaka						
Financial Accounting for Grant Funds Received and Expended							
	OPERATIONAL GRANTS			CAPITAL GRANTS			
	Finance Management Grant (FMG)	LG SETA (Mandatory)	RBIG	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
DORA Allocation for the 2025/26	2 300 000	-	-	48 937 000	1 496 000	17 595 000	68 028 000
Unspent grants at beginning of the financial year		2 530 940		1 198 333			1 198 333
Received Prior Months	2 300 000		21 435 626	852 000	374 000	4 595 000	5 821 000
Received This Month	-	-		1 033 000	673 000	-	1 706 000
Total Funds Received	2 300 000	2 530 940	21 435 626	3 083 333	1 047 000	4 595 000	8 725 333
Spent Prior Months	868 829	100 270	21 435 626	851 915	450 730	-	1 302 645
Spent This Month	180 198	148 993		1 033 000	99 357	-	1 132 357
Grants refunded	-	-				-	-
Total Funds Spent	1 049 027	249 263	21 435 626	1 884 915	550 087	-	2 435 002
Total funds Received and Not Spent	1 250 973	2 281 677	-	1 198 418	496 913	4 595 000	6 290 331
Percentage of Funds Spent	46%	10%	100%	61%	37%	0%	28%
Funds Currently Committed but Not Spent	-	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-	-
Capital Government grants and subsidies consist of the following:							
Municipal Infrastructure Grant	48 937 000						
Water Services Infrastructure Grant	17 595 000						
EPWP (Incentive)	1 496 000						
Total	68 028 000						

GRANTS SPENDING 2025/26



FS201 Moqhaka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M05 November

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		329 232	325 501	325 501	-	131 163	135 625	(4 463)	-3.3%	325 501
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		298 568	312 705	312 705	-	130 294	130 294	0	0.0%	312 705
Expanded Public Works Programme Integrated Grant		-	1 496	1 496	-	-	623	(623)	-100.0%	1 496
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		2 300	2 300	2 300	-	869	958	(90)	-9.3%	2 300
Regional Bulk Infrastructure Grant		28 364	9 000	9 000	-	-	3 750	(3 750)	-100.0%	9 000
Other transfers and grants [insert description]										
Other grant providers:		1 780	3 081	3 081	-	327	1 284	(956)	-74.5%	3 081
<i>National Economical Development and Labour Council</i>		1 104	-	-	-	327	-	327		-
<i>National Skills Fund</i>		676	3 081	3 081	-	-	1 284	(1 284)	-100.0%	3 081
Total Operating Transfers and Grants	5	331 012	328 582	328 582	-	131 490	136 909	(5 419)	-4.0%	328 582
Capital Transfers and Grants										
National Government:		-	67 471	67 471	-	-	28 113	(28 113)	-100.0%	67 471
Municipal Infrastructure Grant		-	48 709	48 709	-	-	20 295	(20 295)	-100.0%	48 709
Water Services Infrastructure Grant		-	18 762	18 762	-	-	7 817	(7 817)	-100.0%	18 762
Total Capital Transfers and Grants	5	-	67 471	67 471	-	-	28 113	(28 113)	-100.0%	67 471
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	331 012	396 053	396 053	-	131 490	165 022	(33 532)	-20.3%	396 053

- R3 083 333 for MIG was received as Capital Grant for the month under review.
- Correcting journals are processed monthly to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

10. Councillor and board member allowances and employee benefits

30 November 2025

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

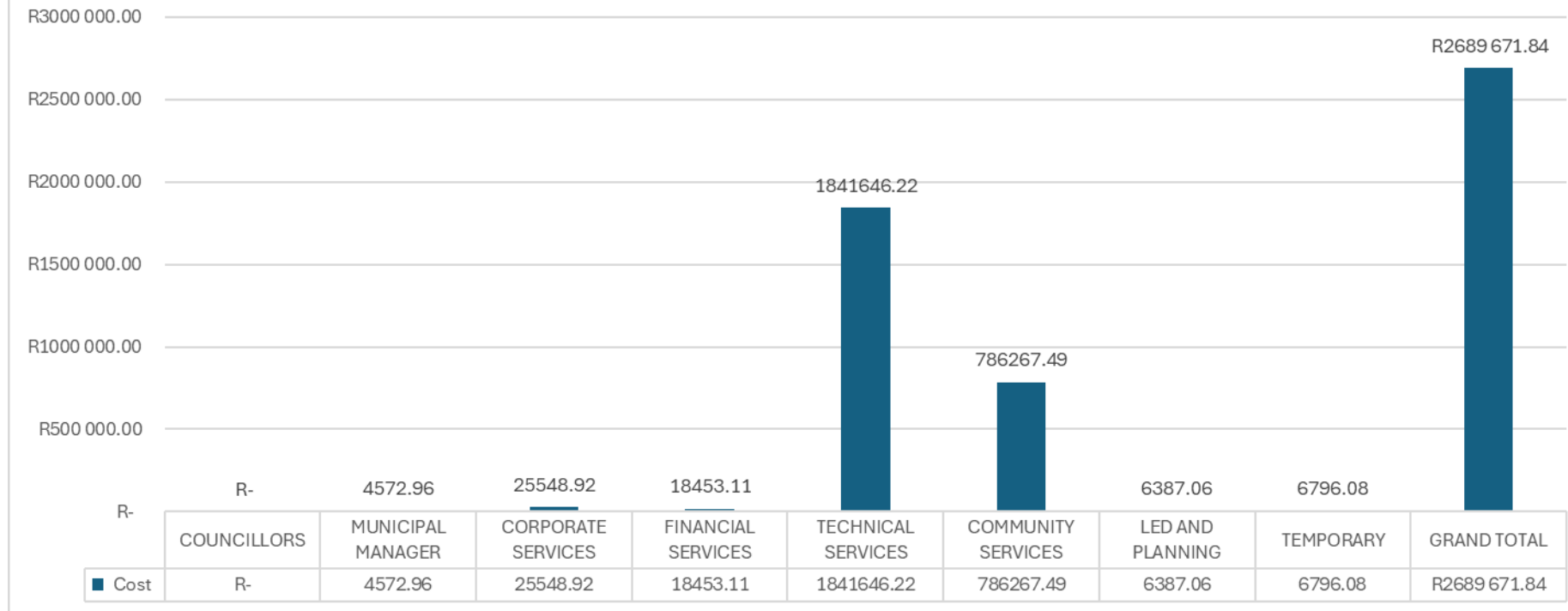
Summary of Section 66 of the MFMA - Salaries and Wages (Staff Benefits)

Analysis of overtime per department

Description	30-Nov-25	
	Hours	Cost
Municipal Manager	32	4 572.96
Corporate Services	68	25 548.92
Financial Services	102	18 453.11
Technical Services	9 979	1 841 646.22
Community Services	3 880	786 267.49
LED & Planning	30	6 387.06
Temporary	119	6 796.08
Total	14 210	2 689 672

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



DESCRIPTION		Actual	YTD	% Exp
	Budget 2025/2026	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	371 215.75	33.92
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	15 000.00	42.97
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	104 166.65	37.27
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	538 032.68	34.36
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	246 156.20	24.71
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	5 000.00	47.74
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	123 550.45	73.68
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	374 706.65	30.41

DO2 - SALARIES ALLOW AND SERV BENEFITS				
SM D02: SAL & ALL - BASIC SALARY	860 513.00	69 618.00	346 395.00	40.25
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	5 000.00	25.66
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	225 524.75	38.58
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	576 919.75	36.41
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	1 489 659.08	18.82

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	65 598.45	53.69
SM MM: SOC CONTR: UIF	2 547.00	177.12	885.60	34.77
SUB TOTAL: MM - SOCIAL CONTRIBUTIONS	197 010.00	13 296.81	66 484.05	33.75
CFO - SOCIAL CONTRIBUTIONS				
SM CFO: SOC CONTR: GROUP LIFE INSURANCE	-	-	-	-
SM CFO: SOC CONTR: MEDICAL	6 995.00	-	-	-
SM CFO: SOC CONTR: PENSION FUNDS	139 648.00	-	-	-
SM CFO: SOC CONTR: UIF	2 576.00	-	-	-
SM CFO: SOC CONTR: BARGAINING COUNCIL	-	-	-	-
SUB TOTAL: CFO - SOCIAL CONTRIBUTIONS	149 219.00	0.00	0.00	0.00
D01 - SOCIAL CONTRIBUTIONS				
SM D01: SOC CONTR: GROUP LIFE INSURANCE	0.00	0.00	0.00	#DIV/0!
SM D01: SOC CONTR: MEDICAL	73 416.00	177.12	708.48	0.97
SM D01: SOC CONTR: PENSION FUNDS	151 541.00	10 771.93	53 859.65	35.54
SM D01: SOC CONTR: UIF	2 588.00	0.00	177.12	6.84
SM D01: SOC CONTR: BARGAINING COUNCIL	0.00	0.00	0.00	#DIV/0!
SUB TOTAL: DTS - SOCIAL CONTRIBUTIONS	227 545.00	10 949.05	54 745.25	24.06
D02 - SOCIAL CONTRIBUTIONS				
SM D02: SOC CONTR: GROUP LIFE INSURANCE	0.00	0.00	0.00	#DIV/0!
SM D02: SOC CONTR: MEDICAL	38 965.00	0.00	0.00	0.00
SM D02: SOC CONTR: PENSION FUNDS	74 671.00	0.00	0.00	0.00
SM D02: SOC CONTR: UIF	2 586.00	177.12	885.60	34.25
SM D02: SOC CONTR: BARGAINING COUNCIL	0.00	0.00	0.00	#DIV/0!
SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS	116 222.00	177.12	885.60	0.76

D03 - SOCIAL CONTRIBUTIONS				
SM D03: SOC CONTR: GROUP LIFE INSURANCE				
SM D03: SOC CONTR: MEDICAL	22 093.00	-	-	0.00
SM D03: SOC CONTR: PENSION FUNDS	-	-	-	#DIV/0!
SM D03: SOC CONTR: UIF	1 280.00	-	-	0.00
SM D03: SOC CONTR: BARGAINING COUNCIL	-	-	-	#DIV/0!
SUB TOTAL: DCH - SOCIAL CONTRIBUTIONS	23 373.00	0.00	0.00	0.00
SUB TOTAL: SM - SOCIAL CONTRIBUTIONS	713 369.00	24 422.98	122 114.90	17.12
SM - POST RETIREMENT BENEFITS				
SM: PRB - MED: CURRENT SERVICE COST				
SM: PRB - MED: INTEREST COST	5 250 508.00	474 573.21	967 076.27	18.42
SM: PRB - PENS: INTEREST COST	781 263.00	-	-	-
SUB TOTAL : SM - POST RETIREMENT BENEFIT	6 031 771.00	474 573.21	967 076.27	16.03
SM: PST RET BEN OBL CST CAP PPE				
SUB TOTAL : SM - COST CAPITALISED TO PPE				
SUB TOTAL : SENIOR MANAGEMENT	14 661 465.00	800 383.76	2 578 850.25	17.59

MUNICIPAL STAFF				
MS - SALARIES ALLOW AND SERV BENEFITS				
MS: SAL & ALL: BASIC SALARY & WAGES	258 251 928.00	21 767 738.99	108 243 300.19	41.91
MS: SAL & ALL: PERFORMANCE BASED BONUSES	30 121.00	0.00	54 857.05	182.12
MS: ALL - CELLULAR & TELEPHONE	800 052.00	41 650.00	260 822.36	32.60
MS: HB & INC: HOUSING BENEFITS	2 091 443.00	135 946.40	681 519.37	32.59
MS: ALL - LEAVE PAY	4 315 814.00	409 454.03	3 816 520.46	88.43
MS: ALL - TRAVEL OR MOTOR VEHICLE	25 556 843.00	1 948 561.84	9 560 377.22	37.41
MS: OVERTIME - NON STRUCTURED	31 687 614.00	6 231 037.62	20 615 320.66	65.06
MS: OVERTIME - STRUCTURED	64 895.00	0.00	3 292.83	5.07
MS: PAYMENTS - SHIFT ADD REMUNERATIO	-	-	-	#DIV/0!
MS: SRB - ANNUAL BONUS	22 708 446.00	2 552 314.00	10 184 069.25	44.85
MS: SRB - LONG SERVICE AWARD	0.00	0.00	0.00	#DIV/0!
MS: SRB - STANDBY ALLOWANCE	4 447 026.00	613 785.98	4 295 977.50	96.60
MS: IN-KIND BENEFITS	3 545.00	-	-	0.00
MS: SRB - NON PENSIONABLE	1 840.00	-	-	0.00
MS: SRB - LSA CURR SERV	1 953 422.00	692 509.73	3 244 839.07	166.11
SUB TOTAL : MS - SAL ALLOW & SERV BENEF	351 912 989.00	34 392 998.59	160 960 895.96	45.74
MS - SOCIAL CONTRIBUTIONS				#DIV/0!
MS: SOC CONTR - BARGAINING COUNCIL	166 344.00	11 782.60	58 510.60	35.17
MS: SOC CONTR - GROUP LIFE INSURANCE	1 488 851.00	86 864.23	434 239.39	29.17
MS: SOC CONTR - MEDICAL	28 189 091.00	2 401 301.95	12 070 481.03	42.82
MS: SOC CONTR - PENSION	45 670 003.00	3 915 984.67	19 618 460.07	42.96
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 488 849.00	166 369.25	836 577.07	33.61
SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	78 003 138.00	6 582 302.70	33 018 268.16	42.33
MS: PRB - MED: CURRENT SERVICE COST				#DIV/0!
MS: PRB - MED: INTEREST COST	4 689 734.00	-2 340.00	454 595.86	9.69
MS: PRB - PENS: INTEREST COST				#DIV/0!
MS: PRB - OTHER: LEAVE GRATUITY		0.00	0.00	#DIV/0!
SUB TOTAL : MS - POST RETIREMENT BEN	4 689 734.00	-2 340.00	454 595.86	9.69

MS - COST CAPITALISED TO PPE				#DIV/0!
MS: IN-KIND BENEFITS CST CAP PPE	142 512.00	1 360.00	23 336.63	16.38
SUB TOTAL : MS - COST CAPITALISED TO PPE	142 512.00	1 360.00	23 336.63	16.38
SUB TOTAL : MUNICIPAL STAFF	434 748 373.00	40 974 321.29	194 457 096.61	44.73
SUB TOTAL : EMPLOYEE RELATED COST	449 409 838.00	41 774 705.05	197 035 946.86	43.84

FS201 Moqhaka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November

Summary of Employee and Councillor remuneration	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		4 043	7 774	7 774	1 001	4 238	3 239	999	31%	7 774
Pension and UIF Contributions		1 756	1 934	1 934	19	223	806	(583)	-72%	1 934
Medical Aid Contributions		752	1 255	1 255	64	308	523	(215)	-41%	1 255
Motor Vehicle Allowance		13 760	14 795	14 795	75	1 798	6 165	(4 367)	-71%	14 795
Cellphone Allowance		2 105	3 031	3 031	159	808	1 263	(455)	-36%	3 031
Other benefits and allowances		28	695	695	522	2 083	290	1 794	619%	695
Sub Total - Councillors		22 444	29 484	29 484	1 841	9 459	12 285	(2 827)	-23%	29 484
% increase	4		31.4%	31.4%						31.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 702	5 827	5 827	206	964	2 428	(1 464)	-60%	5 827
Pension and UIF Contributions		266	500	500	24	121	208	(87)	-42%	500
Medical Aid Contributions		-	214	214	0	1	89	(88)	-99%	214
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		127	338	338	-	-	141	(141)	-100%	338
Motor Vehicle Allowance		953	1 258	1 258	91	453	524	(71)	-14%	1 258
Cellphone Allowance		62	87	87	5	25	36	(11)	-31%	87
Housing Allowances		-	379	379	-	-	158	(158)	-100%	379
Long service awards		-	-	-	-	48	-	48	#DIV/0!	-
Post-retirement benefit obligations	2	26 574	6 032	6 032	475	967	2 513	(1 546)	-62%	6 032
Entertainment		1	28	28	-	-	11	(11)	-100%	28
Sub Total - Senior Managers of Municipality		29 685	14 661	14 661	800	2 579	6 109	(3 530)	-58%	14 661
% increase	4		-50.6%	-50.6%						-50.6%
Other Municipal Staff										
Basic Salaries and Wages		249 693	258 252	258 252	21 768	108 243	107 605	638	1%	258 252
Pension and UIF Contributions		47 250	49 648	49 648	4 169	20 889	20 687	202	1%	49 648
Medical Aid Contributions		28 691	28 189	28 189	2 401	12 070	11 746	325	3%	28 189
Overtime		38 218	31 753	31 753	6 231	20 619	13 230	7 388	56%	31 753
Performance Bonus		20 335	22 739	22 739	2 552	10 239	9 475	764	8%	22 739
Motor Vehicle Allowance		21 447	25 557	25 557	1 949	9 560	10 649	(1 088)	-10%	25 557
Cellphone Allowance		493	800	800	42	261	333	(73)	-22%	800
Housing Allowances		1 722	2 091	2 091	136	682	872	(190)	-22%	2 091
Other benefits and allowances		4 879	4 615	4 615	626	4 354	1 923	2 431	126%	4 615
Payments in lieu of leave		8 351	4 316	4 316	409	3 817	1 798	2 018	112%	4 316
Long service awards		2 009	1 953	1 953	693	3 245	814	2 431	299%	1 953
Post-retirement benefit obligations	2	15	4 690	4 690	(2)	452	1 954	(1 502)	-77%	4 690
In kind benefits		-	4	4	-	-	1	(1)	-100%	4
Sub Total - Other Municipal Staff		423 103	434 606	434 606	40 973	194 431	181 087	13 344	7%	434 606
% increase	4		2.7%	2.7%						2.7%
Total Parent Municipality		475 232	478 752	478 752	43 614	206 469	199 481	6 987	4%	478 752
TOTAL SALARY, ALLOWANCES & BENEFITS		475 232	478 752	478 752	43 614	206 469	199 481	6 987	4%	478 752
% increase	4		0.7%	0.7%						0.7%
TOTAL MANAGERS AND STAFF		452 788	449 267	449 267	41 773	197 010	187 196	9 814	5%	449 267

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

N/A

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.moqhaka.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 - M05 November

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	8 233	41 093	39 503	1 590	4%	94 806
Service charges	723 166	876 199	876 199	53 111	314 702	365 083	(50 380)	-14%	876 199
Investment revenue	39	63	63	-	-	26	(26)	-100%	63
Transfers and subsidies - Operational	331 012	328 582	328 582	-	131 490	136 909	(5 419)	(0)	328 582
Other own revenue	131 200	130 301	130 301	10 334	49 938	54 292	(4 354)	-8%	130 301
Total Revenue (excluding capital transfers and contributions)	1 279 022	1 429 951	1 429 951	71 677	537 223	595 813	(58 590)	-10%	1 429 951
Employee costs	452 951	449 410	449 410	41 775	197 034	187 256	9 778	5%	449 410
Remuneration of Councillors	22 444	29 484	29 484	1 841	9 459	12 285	(2 827)	-23%	29 484
Depreciation and amortisation	112 242	10 305	10 305	-	-	4 294	(4 294)	-100%	10 305
Interest	99 037	8 790	8 790	550	123 345	3 663	119 682	3268%	8 790
Inventory consumed and bulk purchases	504 814	454 759	449 759	5 079	72 085	188 858	(116 773)	-62%	449 759
Transfers and subsidies	244	1 095	1 095	-	5	456	(451)	-99%	1 095
Other expenditure	506 333	432 991	450 382	27 732	109 736	183 773	(74 037)	-40%	450 382
Total Expenditure	1 698 065	1 386 834	1 399 226	76 976	511 663	580 585	(68 922)	-12%	1 399 226
Surplus/(Deficit)	(419 043)	43 117	30 725	(5 299)	25 560	15 228	10 332	68%	30 725
Transfers and subsidies - capital (monetary)	48 042	66 532	66 532	-	(852)	27 722	##	-103%	66 532
Transfers and subsidies - capital (in-kind)	14	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(370 987)	109 649	97 257	(5 299)	24 708	42 950	(18 242)	-42%	97 257
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(370 987)	109 649	97 257	(5 299)	24 708	42 950	(18 242)	-42%	97 257
Capital expenditure & funds sources									
Capital expenditure	4 900	95 021	82 853	680	19 809	36 886	(17 077)	-46%	82 853
Capital transfers recognised	136	66 532	54 344	648	1 280	25 013	(23 733)	-95%	54 344
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	4 763	28 489	28 509	32	18 529	11 873	6 656	56%	28 509
Total sources of capital funds	4 900	95 021	82 853	680	19 809	36 886	(17 077)	-46%	82 853
Financial position									
Total current assets	799 221	467 905	467 905		818 189				467 905
Total non current assets	1 940 457	3 107 101	3 094 933		1 980 971				3 094 933
Total current liabilities	1 974 643	538 944	538 944		2 009 418				538 944
Total non current liabilities	152 821	73 466	73 466		152 821				73 466
Community wealth/Equity	1 453 965	2 967 331	2 967 331		637 814				2 967 331
Cash flows									
Net cash from (used) operating	(87 086)	(379 265)	(379 265)	(68 400)	(197 575)	(158 027)	39 548	-25%	(379 265)
Net cash from (used) investing	(7 184)	(86 529)	(86 529)	(750)	(19 900)	(36 054)	(16 154)	45%	(86 529)
Net cash from (used) financing	(1 178)	(2 121)	(2 121)	(308)	(1 032)	(884)	148	-17%	(2 121)
Cash/cash equivalents at the month/year end	(105 352)	(492 678)	(492 678)	(242 707)	(241 665)	(219 728)	21 937	-10%	(491 072)
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	80 381	51 326	47 423	1 775 188	-	-	-	-	1 954 317
Creditors Age Analysis									
Total Creditors	75 321	61 153	76 173	543	-	-	-	#####	2 124 798

FS201 Moqhaka - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M05 November

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		429 619	335 761	335 761	9 385	136 766	139 900	(3 134)	-2%	335 761
Executive and council		313 681	215 840	215 840	–	88 446	89 933	(1 488)	-2%	215 840
Finance and administration		115 938	119 921	119 921	9 385	48 320	49 967	(1 647)	-3%	119 921
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		12 176	26 179	26 179	1 323	3 998	10 908	(6 910)	-63%	26 179
Community and social services		1 816	3 730	3 730	146	820	1 554	(735)	-47%	3 730
Sport and recreation		2 356	3 511	3 511	161	487	1 463	(976)	-67%	3 511
Public safety		3 211	5 123	5 123	65	237	2 135	(1 897)	-89%	5 123
Housing		4 792	13 815	13 815	951	2 454	5 756	(3 302)	-57%	13 815
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		48 520	51 052	51 052	142	247	21 272	(21 024)	-99%	51 052
Planning and development		1 932	1 773	1 773	142	664	739	(75)	-10%	1 773
Road transport		46 589	49 164	49 164	0	(417)	20 485	(20 901)	-102%	49 164
Environmental protection		–	115	115	–	–	48	(48)	-100%	115
<i>Trading services</i>		836 763	1 083 491	1 083 491	60 826	395 360	451 454	(56 094)	-12%	1 083 491
Energy sources		440 915	575 441	575 441	28 411	210 158	239 767	(29 609)	-12%	575 441
Water management		241 620	306 472	306 472	19 131	97 992	127 696	(29 704)	-23%	306 472
Waste water management		90 301	116 972	116 972	7 784	50 621	48 739	1 883	4%	116 972
Waste management		63 926	84 606	84 606	5 500	36 589	35 252	1 337	4%	84 606
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	1 327 078	1 496 483	1 496 483	71 677	536 371	623 534	(87 163)	-14%	1 496 483
Expenditure - Functional										
<i>Governance and administration</i>		430 219	369 217	369 247	24 310	237 329	153 850	83 478	54%	369 247
Executive and council		93 305	116 725	116 775	8 466	159 585	48 647	110 938	228%	116 775
Finance and administration		332 818	247 021	247 001	15 456	75 858	102 924	(27 066)	-26%	247 001
Internal audit		4 096	5 471	5 471	388	1 886	2 280	(394)	-17%	5 471
<i>Community and public safety</i>		112 790	131 037	130 937	9 666	44 064	54 582	(10 518)	-19%	130 937
Community and social services		17 457	19 911	19 861	1 263	4 996	8 285	(3 289)	-40%	19 861
Sport and recreation		46 140	54 314	54 264	3 466	17 588	22 625	(5 037)	-22%	54 264
Public safety		40 581	46 363	46 363	4 173	17 631	19 318	(1 687)	-9%	46 363
Housing		8 612	10 448	10 448	764	3 848	4 353	(505)	-12%	10 448
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		98 769	73 339	85 577	7 225	30 408	33 273	(2 864)	-9%	85 577
Planning and development		9 741	13 203	13 203	838	4 199	5 502	(1 303)	-24%	13 203
Road transport		86 206	55 796	67 984	6 026	24 859	25 957	(1 098)	-4%	67 984
Environmental protection		2 822	4 339	4 389	361	1 350	1 814	(464)	-26%	4 389
<i>Trading services</i>		1 054 970	809 881	810 104	35 672	199 384	337 479	(138 095)	-41%	810 104
Energy sources		584 377	522 453	522 453	12 918	90 105	217 689	(127 584)	-59%	522 453
Water management		224 254	125 979	125 979	8 996	51 244	52 492	(1 247)	-2%	125 979
Waste water management		139 159	78 647	78 647	8 274	29 244	32 770	(3 526)	-11%	78 647
Waste management		107 180	82 802	83 025	5 484	28 791	34 529	(5 738)	-17%	83 025
<i>Other</i>		1 316	3 361	3 361	103	478	1 400	(922)	-66%	3 361
Total Expenditure - Functional	3	1 698 065	1 386 834	1 399 226	76 976	511 663	580 585	(68 922)	-12%	1 399 226
Surplus/ (Deficit) for the year		(370 987)	109 649	97 257	(5 299)	24 708	42 950	(18 242)	-0.42472	97 257

FS201 Moqhaka - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November

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	–	88 446	89 933	(1 488)	-1.7%	215 840
Vote 02 - Municipal Manager		–	–	–	–	–	–	–		–
Vote 03 - Corporate Services		(2 178)	4 725	4 725	(302)	(1 452)	1 969	(3 421)	-173.8%	4 725
Vote 04 - Finance		117 673	114 432	114 432	9 670	49 565	47 680	1 885	4.0%	114 432
Vote 05 - Technical Services		819 425	1 048 049	1 048 049	55 327	358 355	436 687	(78 332)	-17.9%	1 048 049
Vote 06 - Community Services		75 933	93 973	93 973	5 701	37 624	39 155	(1 532)	-3.9%	93 973
Vote 07 - Local Economic Development		9 488	19 464	19 464	1 282	3 835	8 110	(4 275)	-52.7%	19 464
Total Revenue by Vote	2	1 327 078	1 496 483	1 496 483	71 677	536 371	623 534	(87 163)	-14.0%	1 496 483
Expenditure by Vote	1									
Vote 01 - Executive & Council		94 598	108 137	108 137	7 658	155 285	45 058	110 228	244.6%	108 137
Vote 02 - Municipal Manager		24 596	31 004	31 004	2 263	9 787	12 919	(3 131)	-24.2%	31 004
Vote 03 - Corporate Services		68 360	79 395	79 395	4 010	16 862	33 082	(16 220)	-49.0%	79 395
Vote 04 - Finance		176 711	79 522	79 502	5 073	28 535	33 132	(4 597)	-13.9%	79 502
Vote 05 - Technical Services		1 043 646	794 247	806 435	37 649	202 386	333 645	(131 259)	-39.3%	806 435
Vote 06 - Community Services		253 785	247 195	247 418	17 374	84 361	103 027	(18 666)	-18.1%	247 418
Vote 07 - Local Economic Development		36 369	47 334	47 334	2 949	14 447	19 723	(5 277)	-26.8%	47 334
Total Expenditure by Vote	2	1 698 065	1 386 834	1 399 226	76 976	511 663	580 585	(68 922)	-11.9%	1 399 226
Surplus/ (Deficit) for the year	2	(370 987)	109 649	97 257	(5 299)	24 708	42 950	(18 242)	-42.5%	97 257

FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		(23 158)	2 905	2 905	(144 329)	2 905
Trade and other receivables from exchange transactions		640 991	247 218	247 218	758 835	247 218
Receivables from non-exchange transactions		71 173	43 806	43 806	75 806	43 806
Current portion of non-current receivables						
Inventory		82 169	105 427	105 427	82 338	105 427
VAT		5 333	35 960	35 960	22 780	35 960
Other current assets		22 711	32 588	32 588	22 758	32 588
Total current assets		799 221	467 905	467 905	818 189	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		1 804 754	2 895 342	2 883 174	1 845 268	2 883 174
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		1 940 457	3 107 101	3 094 933	1 980 971	3 094 933
TOTAL ASSETS		2 739 677	3 575 006	3 562 838	2 799 160	3 562 838
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(2 121)	(2 121)	(1 965)	(2 121)
Consumer deposits		15 564	14 338	14 338	16 167	14 338
Trade and other payables from exchange transactions		1 761 044	507 185	507 185	1 743 020	507 185
Trade and other payables from non-exchange transactions		6 343	–	–	36 229	–
Provision		184 493	71 434	71 434	184 493	71 434
VAT		7 199	(51 892)	(51 892)	31 474	(51 892)
Other current liabilities		–	–	–	–	–
Total current liabilities		1 974 643	538 944	538 944	2 009 418	538 944
Non current liabilities						
Financial liabilities		9 582	29 047	29 047	9 582	29 047
Provision		143 239	44 419	44 419	143 239	44 419
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		152 821	73 466	73 466	152 821	73 466
TOTAL LIABILITIES		2 127 465	612 409	612 409	2 162 239	612 409
NET ASSETS	2	612 213	2 962 597	2 950 429	636 921	2 950 429
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 453 965	2 965 980	2 965 980	637 814	2 965 980
Reserves and funds		–	1 351	1 351	–	1 351
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 453 965	2 967 331	2 967 331	637 814	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

Nov'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 – <i>(choose from drop down list the MTREF assessed)</i>	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 <i>(considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget)</i> on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes
		<i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i>	
10	6.4.1	- Has the municipality made adequate provision for depreciation and asset impairment <i>(considering its asset register and physical state of assets)</i> on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?	Yes

		<i>Note - If the municipality merely used the depreciation and asset impairment to 'balance' the budget and there is no real alignment between the provision for such with the state of assets/asset register, the Provincial Treasury must respond to this item as: "No".</i>	
11	6.4.2	<p>- 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)?</p> <p style="text-align: right;">Yes <input type="button" value="v"/></p>	
		<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	<p>- 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)?</p> <p><i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p> <p style="text-align: right;">Yes <input type="button" value="v"/></p>	
13	6.4.2	<p>- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (<i>For example higher winter Eskom tariffs, lower January collection rates, etc.?</i>)</p> <p style="text-align: right;">Yes <input type="button" value="v"/></p>	
14	6.5	<p>Cost reflective tariffs – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?</p> <p style="text-align: right;">Yes <input type="button" value="v"/></p>	
	6.6	<p>Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, <i>demonstrated, through its by-laws and budget related policies</i> that:</p>	

15	6.6.1	- 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?	No

		<i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i>	
	6.7.2	- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following :	
20	6.7.2.1	* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;	Yes
21	6.7.2.2	* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?	Yes
22	6.7.2.3	* the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed <u>and</u> the reason(s) for the failure?	Yes
23	6.7.3	- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection <u>and</u> only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?	No
24	6.7.4	- Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect the 2023/24 MTREF with a smart pre-paid meter?	Yes

25	6.7.5	- Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?	Yes
	6.8	Municipality's Completeness of the revenue base –	
26	6.8.1	- Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?	Yes
27	6.8.1	- If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	N/a
28	6.8.2	- 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>	<input type="text" value="No"/>
41	6.14	<p>'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	<input type="text" value="No"/>
<p><i>Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.</i></p>			

PT: HOD/ NT / MM Name:

Signature of HOD/ NT/ MM:

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%	222 812 285	101 244 116	121 568 170	45%	45%
2.Collection <u>excl Eskom supplied areas</u>	174 114 656	114 656 412	59 458 244	66%	66%	166 006 217	81 360 766	84 645 451	49%	49%
3.Collection: Property Rates	23 794 538	16 571 363	7 223 175	70%	70%	23 871 974	19 568 908	4 303 066	82%	82%
4.Total average collection: Electricity (Municipal supplied areas)	109 169 018	83 189 837	25 979 181	76%	76%	96 563 482	58 156 061	38 407 421	60%	60%
5.Total average collection: Water	42 127 838	21 006 213	21 121 625	50%	50%	42 576 792	10 948 966	31 627 826	26%	26%
6.Total average collection: Wastewater	21 375 932	12 837 564	8 538 368	60%	60%	20 963 994	6 783 793	14 180 201	32%	32%
7.Total average collection: Refuse	15 032 776	8 154 112	6 878 664	54%	54%	15 106 610	4 726 573	10 380 037	31%	31%
8.Total average collection: Interest	22 980 868	2 280 454	20 700 414	10%	0%	23 729 434	1 059 815	22 669 619	4%	4%

Free State

FS201

Average collection rate (MFM)

NB - Collection rate principle

Collection Rate Assessment

Total Aggregate Collection	5.November - Reporting for October in November				6.December - Reporting for November in December				Summary - Quarter 2	Q2			
	Billing For October	Collection in November	R - Billing not collected	% Collection	Billing For November	Collection in December	R - Billing not collected	% Collection			Billing	Collection	R - Billing not collected
1.Collection for whole demarcation	62 954 122	44 246 411	19 216 196	70%	79 579 254	-	79 579 254	0%	222 812 285	101 244 116	121 568 170	45%	45%
2.Collection <u>excl Eskom supplied areas</u>	48 546 450	35 519 292	19 722 863	73%	58 539 216	-	58 539 216	0%	166 006 217	81 360 766	84 645 451	49%	49%
3.Collection: Property Rates	8 097 545	5 873 042	2 224 503	73%	8 183 162	-	8 183 162	0%	23 871 974	19 568 908	4 303 066	82%	82%
4.Total average collection: Electricity (Municipal supplied areas)	26 206 917	26 715 402	0	102%	33 147 881	-	33 147 881	0%	96 563 482	58 156 061	38 407 421	60%	60%
5.Total average collection: Water	9 143 213	5 515 780	3 627 433	60%	17 699 199	-	17 699 199	0%	42 576 792	10 948 966	31 627 826	26%	26%
6.Total average collection: Wastewater	7 016 565	3 264 501	3 752 064	47%	7 171 667	-	7 171 667	0%	20 963 994	6 783 793	14 180 201	32%	32%
7.Total average collection: Refuse	4 935 186	2 383 306	2 551 880	48%	5 005 660	-	5 005 660	0%	15 106 610	4 726 573	10 380 037	31%	31%
8. 7.Total average collection: Interest	7 554 696	494 381	7 060 316	7%	8 371 685	-	8 371 685	0%	23 729 434	1 059 815	22 669 619	4%	4%

Click to view/close months

Complete This Section		Quarter 2 Performance Per Ward							
		5.November				6.December			
Services	Ward Name & Number	Billing For October	Collection for October in November	Rand Value of Billing not collected	% Collection	Billing For November	Collection for November in December	Rand Value of Billing not collected	% Collection
Property Rates Tax	1	51 760	46 058	5 702	89%	51 760		51 760	0%
Electricity		77 519	55 089	22 430	71%	92 803		92 803	0%
Water		242 004	45 857	196 147	19%	244 276		244 276	0%
Refuse		174 882	5 506	169 375	3%	179 381		179 381	0%
Waste Water		227 339	4 734	222 605	2%	234 106		234 106	0%
Interest		339 754	1 167	338 588	0%	357 591		357 591	0%
Property Rates Tax	2	439 119	234 034	205 085	53%	441 948		441 948	0%
Electricity		811 979	347 337	464 642	43%	787 926		787 926	0%
Water		204 366	69 366	135 000	34%	425 959		425 959	0%
Refuse		157 698	58 530	99 168	37%	157 776		157 776	0%
Waste Water		223 406	70 186	153 220	31%	223 488		223 488	0%
Interest		330 163	33 456	296 708	10%	338 612		338 612	0%
Property Rates Tax	3	1 175 248	604 804	570 444	51%	1 177 528		1 177 528	0%
Electricity		2 042 015	674 637	1 367 378	33%	2 048 016		2 048 016	0%
Water		1 809 117	432 729	1 376 388	24%	1 986 640		1 986 640	0%
Refuse		413 443	218 369	195 075	53%	415 095		415 095	0%
Waste Water		567 700	251 593	316 106	44%	569 729		569 729	0%
Interest		133 369	29 132	104 237	22%	155 206		155 206	0%

Property Rates Tax		4 035	673	3 362	17%	4 035		4 035	0%
Electricity		92 506	38 102	54 404	41%	92 576		92 576	0%
Water	4	420 392	48 668	371 724	12%	537 195		537 195	0%
Refuse		65 737	16 732	49 005	25%	48 668		48 668	0%
Waste Water		85 656	16 647	69 009	19%	84 767		84 767	0%
Interest		190 358	5 481	184 877	3%	195 381		195 381	0%
Property Rates Tax		3 678	943	2 735	26%	3 678		3 678	0%
Electricity		44 802	7 575	37 228	17%	44 560		44 560	0%
Water	5	279 408	42 196	237 212	15%	520 945		520 945	0%
Refuse		61 493	18 175	43 318	30%	61 206		61 206	0%
Waste Water		78 799	13 976	64 823	18%	78 415		78 415	0%
Interest		152 912	2 380	150 532	2%	155 297		155 297	0%
Property Rates Tax		60 143	56 918	3 224	95%	60 143		60 143	0%
Electricity		138 356	60 282	78 074	44%	130 125		130 125	0%
Water	6	220 785	106 164	114 621	48%	685 597		685 597	0%
Refuse		105 786	30 836	74 950	29%	104 354		104 354	0%
Waste Water		143 295	28 175	115 120	20%	141 444		141 444	0%
Interest		222 338	3 924	218 414	2%	248 891		248 891	0%
Property Rates Tax		253 136	94 723	158 412	37%	250 632		250 632	0%
Electricity		326 609	132 243	194 366	40%	332 360		332 360	0%
Water	7	198 764	91 621	107 143	46%	476 733		476 733	0%
Refuse		113 110	39 219	73 890	35%	112 394		112 394	0%
Waste Water		147 981	30 999	116 982	21%	146 968		146 968	0%
Interest		290 984	17 853	273 131	6%	242 118		242 118	0%

Property Rates Tax		32 153	36 028	0	112%	32 153		32 153	0%
Electricity		93 863	54 622	39 241	58%	89 090		89 090	0%
Water	8	225 871	125 321	100 550	55%	382 262		382 262	0%
Refuse		92 950	52 638	40 312	57%	92 950		92 950	0%
Waste Water		120 135	62 072	58 063	52%	120 075		120 075	0%
Interest		185 970	27 616	158 354	15%	194 161		194 161	0%
Property Rates Tax		169 995	99 702	70 293	59%	170 403		170 403	0%
Electricity		(4 231 899)	1 780 019	0	-42%	604 729		604 729	0%
Water	9	550 716	102 605	448 110	19%	801 190		801 190	0%
Refuse		177 262	48 021	129 241	27%	178 532		178 532	0%
Waste Water		259 855	48 805	211 050	19%	260 139		260 139	0%
Interest		327 737	6 154	321 583	2%	297 514		297 514	0%
Property Rates Tax		45 885	22 950	22 935	50%	47 263		47 263	0%
Electricity		123 863	21 267	102 595	17%	133 760		133 760	0%
Water	10	497 209	90 644	406 565	18%	635 201		635 201	0%
Refuse		117 978	41 257	76 721	35%	119 782		119 782	0%
Waste Water		153 272	40 619	112 652	27%	156 638		156 638	0%
Interest		219 270	7 035	212 235	3%	231 963		231 963	0%
Property Rates Tax		367 007	355 232	11 775	97%	367 007		367 007	0%
Electricity		716 508	722 902	0	101%	722 902		722 902	0%
Water	11	1 003 395	91 247	912 149	9%	1 381 004		1 381 004	0%
Refuse		289 924	31 111	258 813	11%	288 491		288 491	0%
Waste Water		499 584	32 174	467 410	6%	497 733		497 733	0%
Interest		395 462	6 747	388 715	2%	400 371		400 371	0%

Property Rates Tax	12	94 965	87 246	7 719	92%	94 965	94 965	0%
Electricity		175 386	100 109	75 278	57%	171 771	171 771	0%
Water		573 662	122 260	451 402	21%	840 624	840 624	0%
Refuse		133 430	32 769	100 660	25%	130 708	130 708	0%
Waste Water		186 020	34 332	151 688	18%	182 540	182 540	0%
Interest		303 358	7 302	296 056	2%	311 477	311 477	0%
Property Rates Tax	13	455 960	519 382	0	114%	424 119	424 119	0%
Electricity		11 584 778	10 247 623	1 337 155	88%	12 318 461	12 318 461	0%
Water		784 121	434 368	349 753	55%	971 101	971 101	0%
Refuse		360 992	254 553	106 440	71%	353 585	353 585	0%
Waste Water		566 897	402 626	164 270	71%	544 360	544 360	0%
Interest		713 319	108 642	604 677	15%	672 759	672 759	0%
Property Rates Tax	14	62 479	57 990	4 489	93%	62 479	62 479	0%
Electricity		115 379	78 634	36 745	68%	111 493	111 493	0%
Water		266 381	100 912	165 470	38%	429 168	429 168	0%
Refuse		122 619	39 656	82 963	32%	122 601	122 601	0%
Waste Water		166 613	43 362	123 251	26%	166 531	166 531	0%
Interest		248 409	8 930	239 479	4%	257 571	257 571	0%
Property Rates Tax	15	69 425	59 948	9 477	86%	69 425	69 425	0%
Electricity		242 116	121 169	120 947	50%	235 069	235 069	0%
Water		375 624	215 289	160 335	57%	478 082	478 082	0%
Refuse		136 740	43 983	92 757	32%	135 400	135 400	0%
Waste Water		183 808	42 958	140 849	23%	182 841	182 841	0%
Interest		231 814	6 676	225 138	3%	236 308	236 308	0%

Property Rates Tax	16	1 592 254	1 386 586	205 668	87%	1 657 577		1 657 577	0%
Electricity		5 286 526	3 723 063	1 563 463	70%	6 245 278		6 245 278	0%
Water		1 610 175	1 042 227	567 948	65%	1 769 929		1 769 929	0%
Refuse		702 648	609 643	93 004	87%	780 262		780 262	0%
Waste Water		1 081 691	968 056	113 635	89%	1 234 196		1 234 196	0%
Interest		260 916	88 160	172 756	34%	382 395		382 395	0%
Property Rates Tax	17	1 534 497	1 127 901	406 596	74%	1 568 526		1 568 526	0%
Electricity		2 879 809	3 127 126	0	109%	2 983 477		2 983 477	0%
Water		1 343 225	1 706 004	0	127%	1 177 507		1 177 507	0%
Refuse		664 805	603 332	61 474	91%	684 472		684 472	0%
Waste Water		947 229	883 896	63 333	93%	974 377		974 377	0%
Interest		212 462	60 022	152 440	28%	261 777		261 777	0%
Property Rates Tax	18	625 936	526 071	99 865	84%	625 451		625 451	0%
Electricity		5 595 606	5 362 310	233 296	96%	5 901 492		5 901 492	0%
Water		1 264 920	579 124	685 797	46%	1 303 294		1 303 294	0%
Refuse		403 105	219 223	183 882	54%	404 518		404 518	0%
Waste Water		549 749	269 465	280 284	49%	552 454		552 454	0%
Interest		697 773	40 829	656 945	6%	728 980		728 980	0%
Property Rates Tax	19	27 940	18 366	9 573	66%	27 940		27 940	0%
Electricity		98	150	0	153%	98		98	0%
Water		970 597	3 026	967 570	0%	952 365		952 365	0%
Refuse		135 810	845	134 965	1%	134 928		134 928	0%
Waste Water		177 880	968	176 912	1%	176 737		176 737	0%
Interest		787 074	193	786 881	0%	792 695		792 695	0%

Property Rates Tax		59 426	41 748	17 678	70%	59 426		59 426	0%
Electricity		15 560	589	14 971	4%	14 481		14 481	0%
Water	20	533 900	21 462	512 438	4%	630 926		630 926	0%
Refuse		170 237	6 560	163 677	4%	168 171		168 171	0%
Waste Water		213 673	5 869	207 804	3%	211 017		211 017	0%
Interest		608 519	1 560	606 959	0%	610 968		610 968	0%
Property Rates Tax		251 365	100 321	151 044	40%	251 513		251 513	0%
Electricity		1 290	-	1 290	0%	1 290		1 290	0%
Water	21	(4 266 738)	18 219	0	0%	1 056 615		1 056 615	0%
Refuse		326 454	5 961	320 493	2%	324 305		324 305	0%
Waste Water		422 582	2 768	419 814	1%	419 710		419 710	0%
Interest		558 040	6 520	551 520	1%	1 137 077		1 137 077	0%
Property Rates Tax		721 140	395 417	325 722	55%	735 192		735 192	0%
Electricity		74 246	60 554	13 692	82%	86 126		86 126	0%
Water	22	35 318	26 471	8 847	75%	12 587		12 587	0%
Refuse		8 084	6 385	1 699	79%	8 084		8 084	0%
Waste Water		13 401	10 219	3 182	76%	13 401		13 401	0%
Interest		144 698	24 605	120 093	17%	162 572		162 572	0%

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Household



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

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

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

Description	Ref	As Per Debt Relief Application	2025/2026 - Monthly Monitoring							
		Current Year - 2025/2026								
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05
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	13 682
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	13 682
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	13 682

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	10 730
Number of Indigent HH's NOT metered currently - Water	1 538	1 607	-	1 700	1 718	1 718	1 723	1 753	1 777
Number of Indigent HH's with NO Water supply - No metering	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	11 742	11 838	-	12 183	12 186	12 237	12 309	12 432	12 507
Status of unlimited supply of Water :									
Number of Indigent HH's with <i>conventional metered Water</i> - where the municipality is <i>NOT phycally restricting Water to the national free basic limit of 6 kilolitres per household per month</i>	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682
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	1 777
Total number of registered indigent households receiving unlimited supply - Water	14 249	14 364	-	14 937	15 026	15 072	15 147	15 318	15 459
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	13 682
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	13 682
<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	13 682
Indigent HH's with Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Indigent HH's with other energy sources	-	-	-	-	-	-	-	-	-
<i>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682

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	13 682
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	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682
Status of unlimited supply of Electricity :										
Number of Indigent HH's with conventional metered Electricity - where the municipality is NOT <i>physically restricting Electricity to the national free basic limit of 50kwh per household per month</i>										
		-	-	-	-	-	-	-	-	-
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										
	13	-	-	-	-	-	-	-	-	-
Number of ALL Households receiving Free Basic Service (including registered Indigent Households)										
	7									
Water (6 kilolitres per household per month)		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682
Electricity/other energy (50kwh per household per month)		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682
Cost of Free Basic Services provided to ALL Households in - Formal Settlements (R'000)										
Water (6 kilolitres per household per month)		182	196	-	189	195	193	196	187	194
Electricity/other energy (50kwh per household per month)		114	124	-	194	196	196	196	196	196
Cost of Free Basic Services provided to ALL Households in - Informal Formal Settlements (R'000)										
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Total cost of FBS Water and Electricity provided to ALL Households	8	296	320	-	383	391	389	392	382	389

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance $\leq 200\text{m}$ from dwelling
3. Stand distance $> 200\text{m}$ 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	Fezile Dabi District					
Type	LM					
Municipal Name	Moqhaka					
GV Period	01/07/2023 - 30/06/2028 – November 2025					
Financial Year	2025/2026					
Reconciliation Period	Quarter 2					
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	45,023	- 11,711	5,857,857,092.00	7,537,811,052.00	- 1,679,953,960.00
Industrial	265	309	- 44	326,960,001.00	349,559,000.00	- 22,598,999.00
Business and Commercial	1,093	1,099	- 6	969,485,606.00	977,845,610.00	- 8,360,004.00
Agricultural	3,401	1,806	1,595	5,593,186,750.00	2,769,573,451.00	2,823,613,299.00
Mining	9	1,839	- 1,830	7,378,000.00	3,247,899,302.00	- 3,240,521,302.00
State Owned for Public Purpose	211	588	- 377	1,251,766,016.00	1,343,704,514.00	- 91,938,498.00
PSI	237	491	- 254	17,740,500.00	38,280,901.00	- 20,540,401.00

PBO	26	279	- 253	50,689,999.00	251,821,003.00	- 201,131,004.00
Multi Use	235	-	235	342,280,499.00	-	342,280,499.00
Vacant	470	603	- 133	38,033,106.00	76,681,608.00	- 38,648,502.00
POW	254	8	246	199,161,004.00	2,420,000.00	196,741,004.00
Municipal	12,777	218	12,559	2,156,654,068.00	204,677,005.00	1,951,977,063.00
Other	-	-	-	-	-	-
	52,290	52,263	27	16,811,192,641.00	16,800,273,446.00	<u>10,919,195.00</u>

Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
Property Categories	GV	MFS	Variance	GV	MFS	Variance
Residential	2,118,404	2,187,021	- 68,617	6,355,213.20	6,561,063.69	- 205,850.49
Industrial	523,136	521,998	1,138	1,569,408.00	1,565,995.20	3,412.80
Business and Commercial	1,575,414	1,545,581	29,833	4,726,242.33	4,636,741.86	89,500.47
Agricultural	978,808	475,436	503,372	2,936,423.04	1,426,308.30	1,510,114.74
Mining	24,962	873,592	- 848,629	74,886.70	2,620,774.77	- 2,545,888.07
State Owned for Public Purpose	2,660,003	2,477,475	182,527	7,980,008.35	7,432,425.96	547,582.39
PSI	-	1,148	- 1,148	-	3,444.00	- 3,444.00

PBO	-	-	-	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	38,984	150,322	- 111,338	116,951.80	450,965.70	- 334,013.90
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	<u>R7,919,711.14</u>	<u>R8,232,573.16</u>	<u>-R312,862.02</u>	<u>23,759,133.43</u>	24,697,719.48	- 938,586.05
Prepared By	DINEO MOKOENA			Date	01/12/2025	
	Contact Details	`056 216 9300				
Signature	:					
Reviewed By	SAMMY THELETSANE			Date	01/12/2025	
	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 current account invoice for October 2024 due and payable during the month of reporting, on or before 3 June 2025.

16.7 Municipal Debt Relief Monitoring Plan – Progress report

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

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

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

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

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

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

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

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

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.9 Monitor and report on implementation	6.9.1 MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	Compliant Report included in the monthly S71 report for May 2024
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the <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.

