



"People's power in action"

MFMA SECTION 71 REPORT MONTH ENDING

31 DECEMBER 2025

- DISTRIBUTION:

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

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

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

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

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

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List of Abbreviations and Acronyms used in the Monthly Budget Statement

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

PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 30 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 31 DECEMBER 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 987 763 071, of which 91% of the debt is owed more than 90 days totalling R1 805 447 605. Included in the total debt, R145 411 828 is owed by Government or Organs of State, R224 302 828 by Business and R1 484 472 278 by Households. Included in the Households debt is R282 576 144 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 31 December 2025, the ten-working day reporting limit expires on Thursday the 15th of January 2026.

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 Dec 25	YTD Actual to Dec 25	Variance Favourable (Unfavourable)	% YTD Budget vs YTD Actual	% Variance vs Actual Favourable (Unfavourable)
Total Revenue (Excluding Capital Transfers and Contributions)	R714 975 000	R714 188 000	(R787 000)	99%	(1%)
Total Revenue including Capital Transfers and Contributions	R748 241 000	R714 369 000	(R33 872 000)	95%	(5%)
Total Operational Expenditure	R697 472 000	R593 863 000	(R103 609 000)	85%	(15%)

As indicated in Table 1 above, as of 31 December 2025, the actual billed revenue including operational transfers, but excluding capital grants amounted to R754 620 930, which resulted in an unsatisfactory variance of 4% when compared to YTD Budget of R783 089 457. 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 R773 722 881 from the budget of R802 191 408. The Total Operational Expenditure amounted to R221 125 000 versus the YTD Budget of R346 710 000, resulting in a satisfactory variance of 36%.

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

4. Budget Performance Overview

The municipality is implementing the approved budget for 2025/26 financial year. The budget for 2025/26 is not funded, but the budget funding plan was approved by council, as it encapsulates the recommendations for the improvement of the collection rate. Overall, operational revenue collection is 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 December 2025, a payment of **R40 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. However, the Municipality has made an application to National Treasury to be included in the RT27-2024 Debt Collection Transversal Contract.

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) - M06 December

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		435 252	548 139	548 139	30 212	228 457	274 070	(45 613)	-17%	548 139
Service charges - Water		164 103	204 038	204 038	15 792	79 393	102 019	(22 626)	-22%	204 038
Service charges - Waste Water Management		72 624	73 321	73 321	6 172	37 234	36 660	574	2%	73 321
Service charges - Waste management		51 188	50 701	50 701	4 329	26 123	25 351	772	3%	50 701
Sale of Goods and Rendering of Services		5 678	8 764	8 764	350	2 235	4 382	(2 147)	-49%	8 764
Agency services								-		
Interest								-		
Interest earned from Receivables		86 303	78 687	78 687	8 274	47 933	39 343	8 590	22%	78 687
Interest from Current and Non Current Assets		39	63	63	-	-	32	(32)	-100%	63
Dividends		5 822	4 744	4 744	855	2 335	2 372	(37)	-2%	4 744
Rent on Land								-		
Rental from Fixed Assets		5 339	9 256	9 256	882	3 995	4 628	(633)	-14%	9 256
Licence and permits		-	-	-	-	-	-	-		-
Special rating levies								-		
Operational Revenue		7 419	14 960	14 960	(453)	(1 565)	7 480	(9 045)	-121%	14 960
Non-Exchange Revenue										
Property rates		93 605	94 806	94 806	8 234	49 326	47 403	1 923	4%	94 806
Surcharges and Taxes								-		
Fines, penalties and forfeits		4 755	5 784	5 784	154	556	2 892	(2 335)	-81%	5 784
Licence and permits		-	-	-	-	-	-	-		-
Transfers and subsidies - Operational		331 012	328 582	328 582	101 242	232 732	164 291	68 441	42%	328 582
Interest		10 024	8 373	8 373	845	4 967	4 187	781	19%	8 373
Fuel Levy								-		
Operational Revenue		888	(267)	(267)	78	466	(133)	599	-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	176 965	714 188	714 975	(788)	0%	1 429 951
Expenditure By Type										
Employee related costs		452 951	449 410	449 410	40 117	237 151	224 707	12 444	6%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 841	11 299	14 742	(3 443)	-23%	29 484
Bulk purchases - electricity		486 867	428 185	423 185	824	59 799	212 843	(153 043)	-72%	423 185
Inventory consumed		17 948	26 574	26 574	2 715	15 825	13 287	2 538	19%	26 574
Debt impairment		78	61 096	61 096	-	-	30 548	(30 548)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	5 153	(5 153)	-100%	10 305
Interest		99 037	8 790	8 790	550	123 895	4 395	119 500	2719%	8 790
Contracted services		148 907	197 383	215 055	15 162	70 981	104 059	(33 078)	-32%	215 055
Transfers and subsidies		244	1 095	1 095	-	5	548	(543)	-99%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	601	4 631	1 983	2 648	134%	3 966
Operational costs		179 769	170 482	169 762	20 390	70 282	85 176	(14 893)	-17%	169 762
Losses on Disposal of Assets		1 796	63	63	-	-	32	(32)	-100%	63
Other Losses		4 869	-	-	-	(6)	-	(6)	#DIV/0!	-
Total Expenditure		1 698 065	1 386 834	1 398 786	82 200	593 863	697 472	(103 609)	-15%	1 398 786

Exchange and Non-Exchange Revenue

Revenue Types	Section 71 of 31 December 2025						Six Months Ending 31 December 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	8 233 651	104%	6 097 607	74%	47 403 218	49 326 174	104%	43 021 249	87%
Electricity - conventional	384 403 973	32 033 664	30 164 834	94%	27 504 274	91%	192 201 987	228 237 861	119%	169 061 064	74%
Water	204 038 000	17 003 167	15 788 220	93%	5 020 865	32%	102 019 000	79 381 192	78%	37 279 031	47%
Sanitation	73 321 000	6 110 083	6 164 909	101%	3 036 527	49%	36 660 500	37 175 668	101%	22 850 737	61%
Refuse	50 701 046	4 225 087	4 329 236	102%	2 226 304	51%	25 350 523	26 122 884	103%	15 425 772	59%
Total Direct Services	807 270 455	67 272 538	64 680 849	96%	43 885 577	68%	403 635 228	420 243 779	104%	287 637 853	68%
Other revenue	130 363 518	10 863 627	2 729 182	25%	3 382 506	124%	65 181 759	15 993 394	25%	13 444 571	84%
Revenue from Billed services	937 633 973	78 136 164	67 410 032	86%	47 268 083	70%	468 816 987	436 237 173	93%	301 082 424	69%
Electricity - prepaid	163 735 027	13 644 586	14 482 259	106%	14 482 259	100%	81 867 514	85 978 800	105%	85 978 800	100%
grants	1 101 369 000	91 780 750	81 892 291	89%	61 750 343	75%	550 684 500	522 215 973	95%	387 061 224	74%
Operational grants and subsidies	6 877 000	510 128	510 128	0%-	510 128	100%	1 378 957	1 378 957	0%	1 378 957	100%
Equitable share	312 705 000	100 732 000	100 732 000	-	100 732 000	100%	231 026 000	231 026 000	100%	231 026 000	100%
Total Revenue	1 420 951 000	193 022 878	183 134 419	95%	162 992 471	89%	783 089 457	754 620 930	96%	619 466 181	82%

Comments on Section 71 Report.

Collection rate for waste water management is 49% for the month of December 2025 and 61% for the year to date.

Collection rate for waste management is 51% for the month of December 2025 and 59% for the year to date.

Collection rate for water is 32% for the month of December 2025 and 47% for the year to date.

The collection rate on Property Rates is 74% for the month of December 2025 and 87% for the year to date.

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

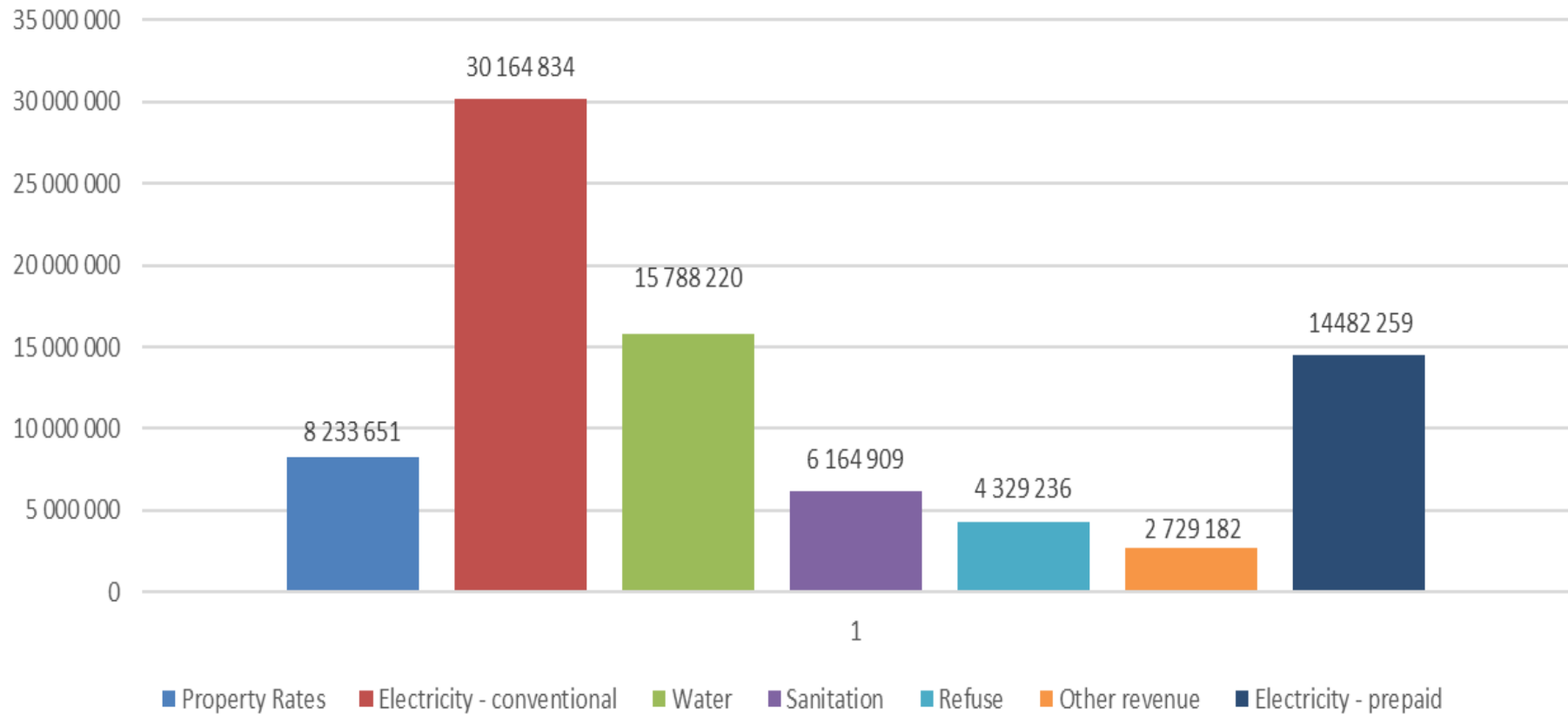
Conventional electricity revenue collection is 91% for the month of December 2025 and 74% for the year to date.

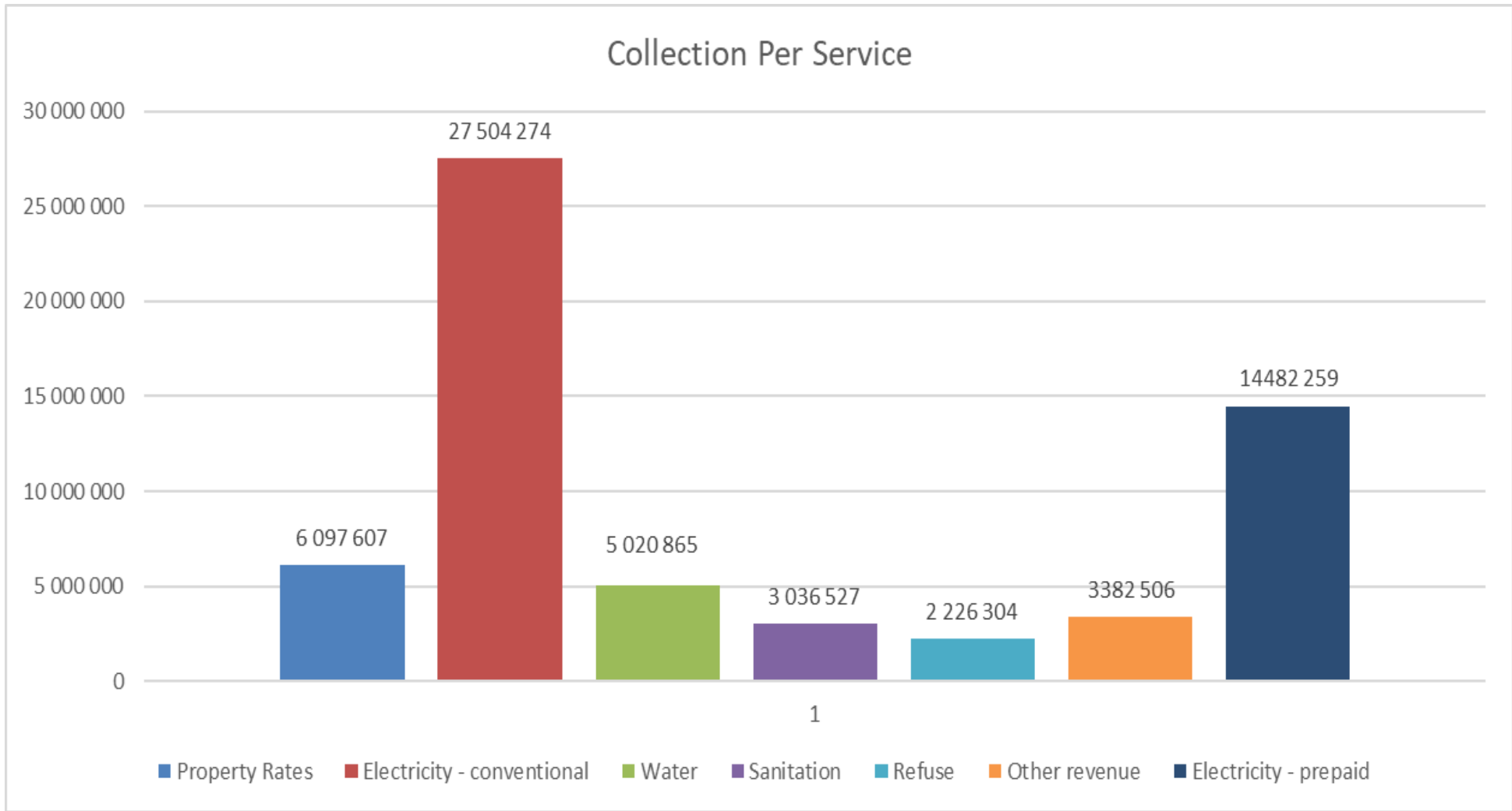
Revenue before operational grants versus billing is 75% for the month of December 2025 and 74% for the year to date.

Total Revenue Collection Percentage with Zero or No Grant Funding received for the month of December 2025 is 89% and 82% for the period under review.

Indigents Contribution for Prepaid Electricity in December 2025 is R1 032 357.00 + R189 348.21 (FBE in ESKOM Supplied Areas) = R1 221 705.21

Billing Per Service





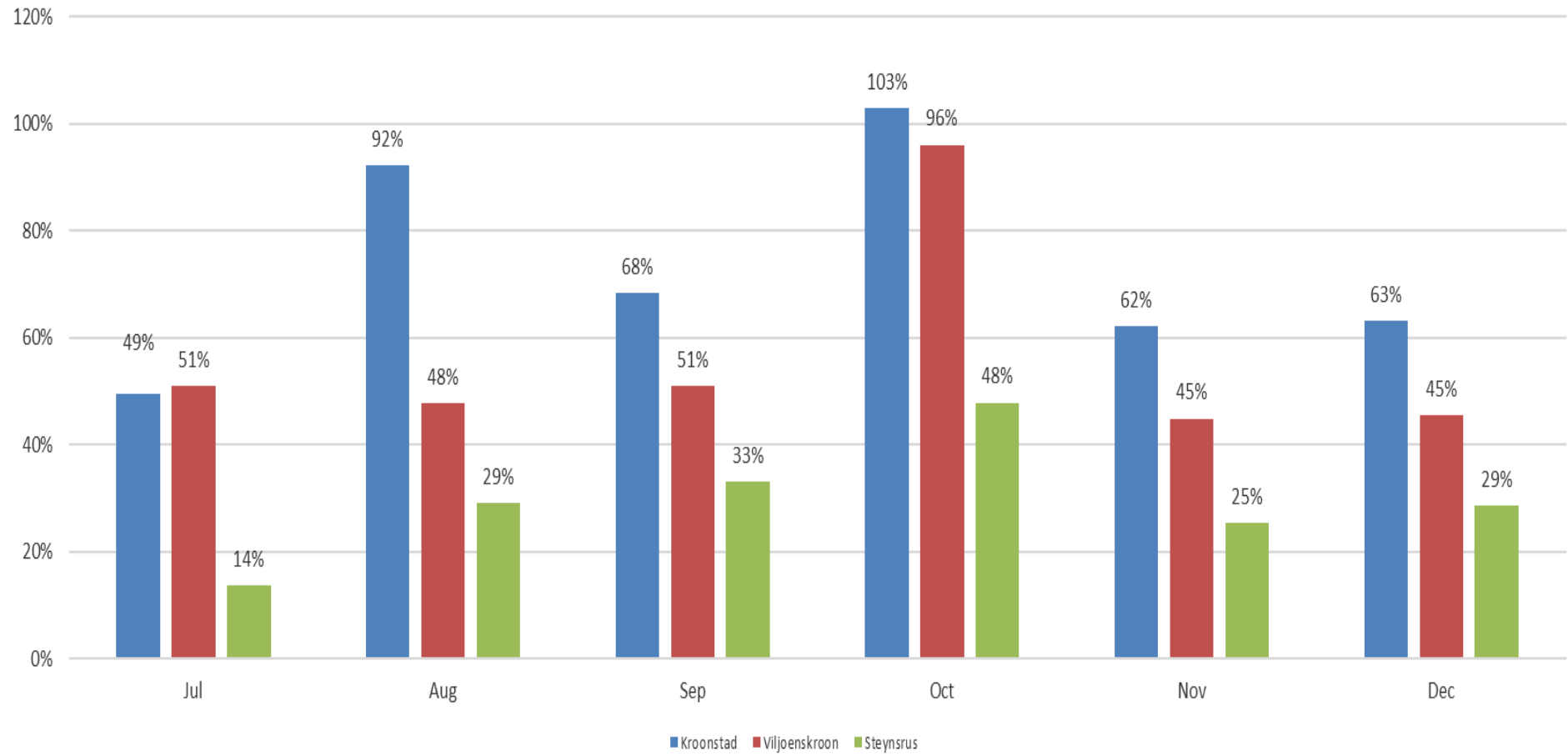
The December 2025 receipts amounted to R47 414 592.39 against billing of R80 860 442.01. That translates to 59% collection rate.

Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	163 307 613.03	19 604 544.21	-983 287.47	57 485.83	64 866.00	18 743 608.57	-15 235 903.96	166 815 317.64	-81%	3 507 704.61
2	699 163 617.10	22 136 778.54	-6 224 024.50	42 634.41	26 850.00	15 982 238.45	-4 577 744.88	710 568 110.67	-29%	11 404 493.57
3	3 850 354.40	4 085 283.99	0.00	0.00	0.00	4 085 283.99	-3 846 997.00	4 088 641.39	-94%	238 286.99
4	62 256 853.32	749 143.34	-123 976.67	0.00	0.00	625 166.67	-371 147.88	62 510 872.11	-59%	254 018.79
6	22 327 847.47	1 368 914.19	-463 589.99	0.00	0.00	905 324.20	-1 434 269.55	21 798 902.12	-158%	-528 945.35
7	29 028 074.41	998 483.30	-231 773.56	6 636.90	1 655.00	775 001.64	-248 753.30	29 554 322.75	-32%	526 248.34
8	10 699 343.92	426 631.86	4 751.98	0.00	0.00	431 383.84	-271 268.21	10 859 459.55	-63%	160 115.63
9	2 455 713.14	12 108.41	-400.00	0.00	0.00	11 708.41	-15 075.00	2 452 346.55	-129%	-3 366.59
10	72 391 567.25	12 929 474.86	-1 133 852.79	0.00	0.00	11 795 622.07	-9 814 930.90	74 372 258.42	-83%	1 980 691.17
11	99 749 321.76	3 111 996.08	-1 056 347.46	19 281.00	4 762.00	2 079 691.62	-595 109.98	101 233 903.40	-29%	1 484 581.64
13	656 173 105.70	12 337 932.71	-1 282 711.17	0.00	4 480.95	11 059 702.49	-2 421 981.09	664 810 827.10	-22%	8 637 721.40
14	7 838 060.85	5 603 237.33	0.00	0.00	0.00	5 603 237.33	-5 158 060.42	8 283 237.76	-92%	445 176.91
15	7 473.12	67.89	0.00	0.00	0.00	67.89	0.00	7 541.01	0%	67.89
16	125 068 276.19	8 903 464.63	-160 927.71	10 666.92	9 201.00	8 762 404.84	-3 423 350.22	130 407 330.81	-39%	5 339 054.62
	1 954 317 221.66	92 268 061.34	-11 656 139.34	136 705.06	111 814.95	80 860 442.01	-47 414 592.39	1 987 763 071.28	-59%	33 445 849.62







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%
Dec	62 117 743	39 239 441	63%	16 663 008	7 580 042	45%	2 079 692	595 110	29%
Total	356 339 408	251 277 476	71%	90 478 603	48 081 017	53%	13 248 810	3 872 575	29%

Billing vs Collection



PRE-PAID ELECTRICITY SALES 2025-2026 FINANCIAL YEAR

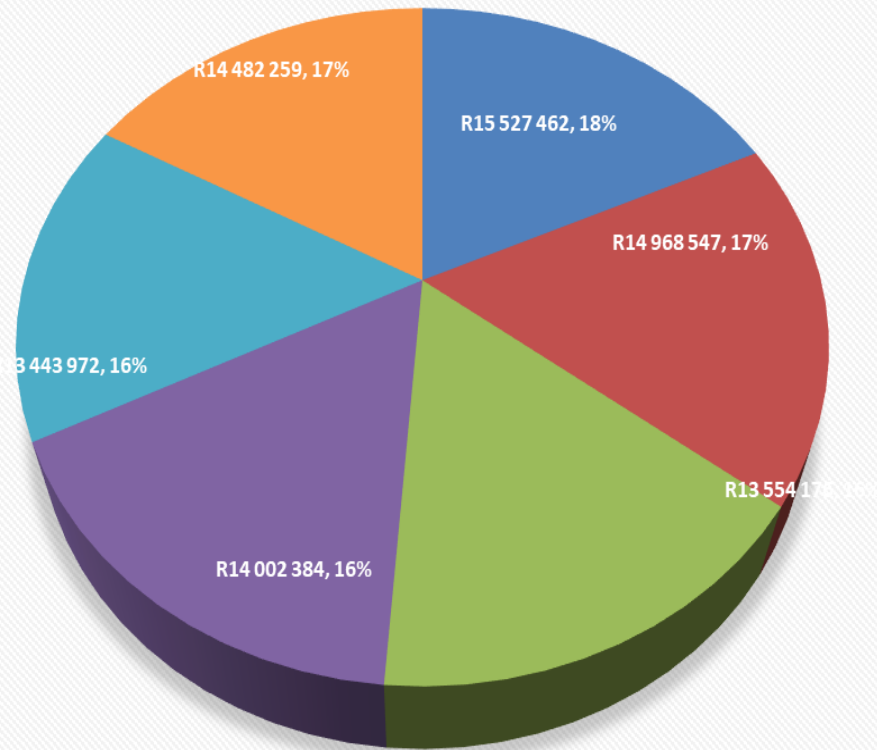
Month	Arrears	Cost of Units	Vat	Cash Tendered	Units Sold	FBE Value	% Movement
Jul	R0	R15 527 462	R2 328 890	R17 856 352	R6 351 290	R1 046 253	 9%
Aug	R0	R14 968 547	R2 245 078	R17 213 625	R6 162 357	R1 051 657	 -4%
Sep	R0	R13 554 176	R2 032 933	R15 587 109	R5 651 698	R1 039 402	 -9%
Oct	R0	R14 002 384	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%
Dec	R0	R14 482 259	R2 172 162	R16 654 421	R5 951 521	R1 032 357	 8%
Totals	R0	R85 978 800	R12 895 624	R98 874 424	R35 524 637	R6 257 543	

Billing for Kroonstad/Maokeng, Brentpark in December 2025 was R62.1m, Viljoenskroon/Rammolutsi was R16.7m and Steynsrus/Matlwangtlwang was R2 079 692

The average Collection Rate for Kroonstad/Maokeng/Brentpark for December 2025 is 63% , Viljoenskroon/Rammolutsi is 45% & Steynsrus/Matlwangtlwang is 29%.

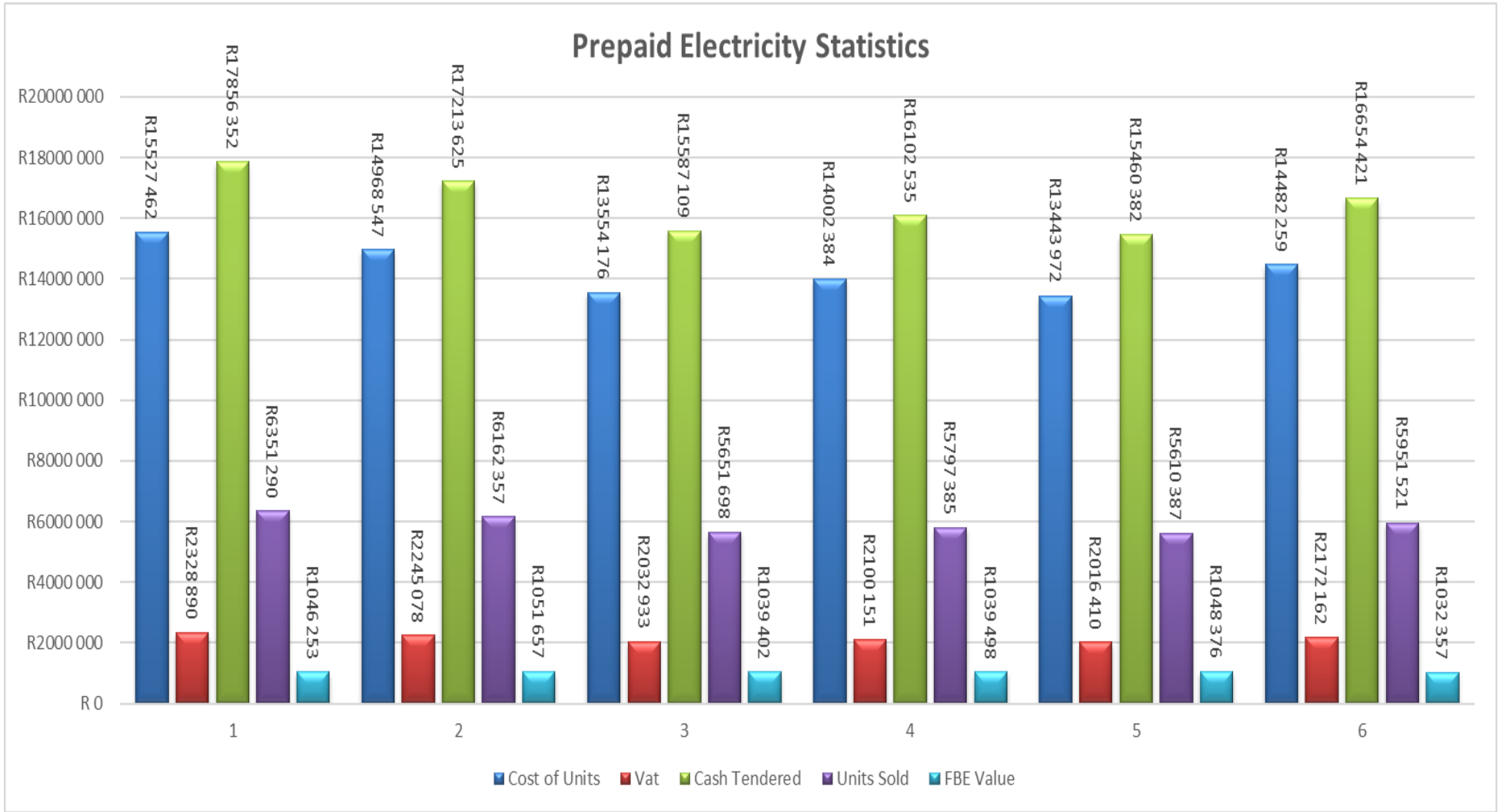
Kroonstad/Maokeng/Brentpark generated a revenue of R39.2m for December 2025, Viljoenskroon/Rammolutsi generated R7.6m & Steynsrus/Matlwangtlwang generated R595 110,00.

Prepaid Electricity Sales @ Cost



■ Jul ■ Aug ■ Sep ■ Oct ■ Nov ■ Dec

Prepaid Electricity Statistics



4.2 Operating expenditure by type

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		452 951	449 410	449 410	40 117	237 151	224 707	12 444	6%	449 410
Remuneration of councillors		22 444	29 484	29 484	1 841	11 299	14 742	(3 443)	-23%	29 484
Bulk purchases - electricity		486 867	428 185	423 185	824	59 799	212 843	(153 043)	-72%	423 185
Inventory consumed		17 948	26 574	26 574	2 715	15 825	13 287	2 538	19%	26 574
Debt impairment		78	61 096	61 096	-	-	30 548	(30 548)	-100%	61 096
Depreciation and amortisation		112 242	10 305	10 305	-	-	5 153	(5 153)	-100%	10 305
Interest		99 037	8 790	8 790	550	123 895	4 395	119 500	2719%	8 790
Contracted services		148 907	197 383	215 055	15 162	70 981	104 059	(33 078)	-32%	215 055
Transfers and subsidies		244	1 095	1 095	-	5	548	(543)	-99%	1 095
Irrecoverable debts written off		170 915	3 966	3 966	601	4 631	1 983	2 648	134%	3 966
Operational costs		179 769	170 482	169 762	20 390	70 282	85 176	(14 893)	-17%	169 762
Losses on Disposal of Assets		1 796	63	63	-	-	32	(32)	-100%	63
Other Losses		4 869	-	-	-	(6)	-	(6)	#DIV/0!	-
Total Expenditure		1 698 065	1 386 834	1 398 786	82 200	593 863	697 472	(103 609)	-15%	1 398 786

Comparison against YTD Budget

As indicated in the Table above, as at 31 December 2025, expenditure shows an unsatisfactory variance of minus 15%. The YTD actual amounted to R593 863 000 against the YTD budget of R697 472 000.

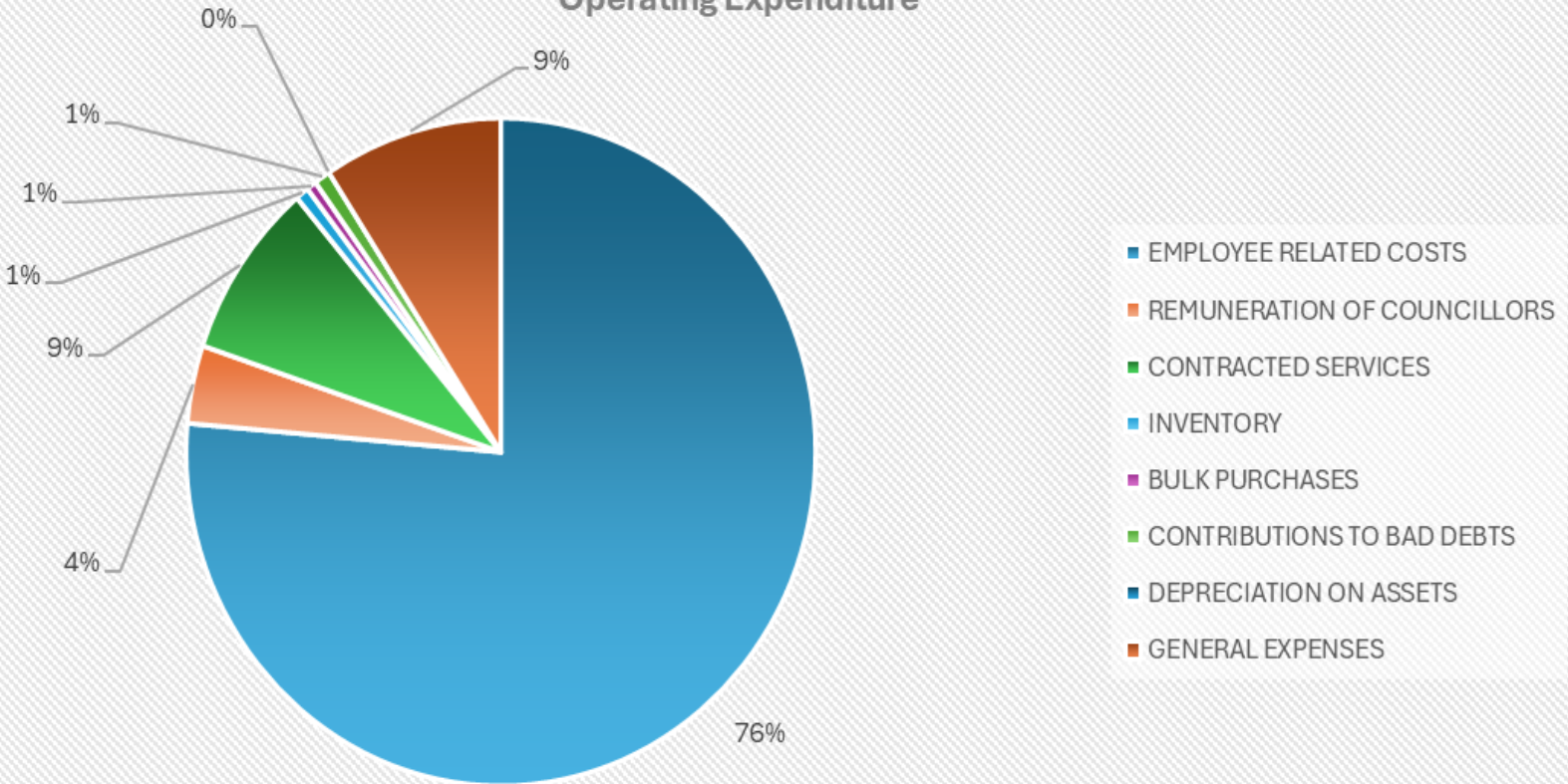
- Employee related costs show a satisfactory variance of 6%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- Remuneration of councillors is showing an unsatisfactory variance of minus 23%.

- Bulk purchases – Electricity is showing an unsatisfactory variance of minus 72%.
- The expenditure on Inventory consumed is showing an unsatisfactory variance minus 19%.
- 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 2719%, 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. The major problem behind this percentage is due to inappropriate budgeting.
- Expenditure on Contracted services is showing an unsatisfactory variance of minus 32%.
- 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 17% 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 Expenditure



OPERATING EXPENSES					
DESCRIPTION	Annual Budget 2025/2026	Actual 31-Dec-25	YTD 31-Dec-25	Variance (Unspent Budget)	% Exp
EMPLOYEE RELATED COSTS	449 409 838,00	40 117 051,59	237 150 658,45	212 259 179,55	52,77
REMUNERATION OF COUNCILLORS	29 484 431,00	1 840 532,87	11 299 108,35	18 185 322,65	38,32
BULK PURCHASES	423 185 402,00	824 398,49	59 799 446,17	363 385 955,83	14,13
INVENTORY	26 574 038,00	2 715 474,44	15 825 290,83	10 748 747,17	59,55
DEPRECIATION ON ASSETS	10 281 392,00	-	-	10 281 392,00	-
INTEREST	8 790 312,00	550 000,00	123 895 000,00	-115 104 688,00	1 409,45
CONTRACTED SERVICES	215 054 621,00	15 161 684,77	70 980 691,80	144 073 929,20	33,01
TRANSFERS AND SUBSIDIES	1 095 158,00	-	5 000,00	1 090 158,00	0,46
CONTRIBUTIONS TO BAD DEBTS	3 966 284,00	600 902,96	4 631 164,39	-664 880,39	116,76
OPERATIONAL EXPENDITURE	151 247 436,00	17 977 842,37	62 315 350,32	88 932 085,68	41,20
OPERATING LEASES	18 515 003,00	2 412 022,61	7 967 059,13	10 547 943,87	43,03
TOTAL EXPENDITURE (NETT)	1 337 603 915,00	82 199 910,10	593 868 769,44	743 735 145,56	44,40
OUTSOURCE SERVICES					
DESCRIPTION	Annual Budget 2025/2026	Actual 31-Dec-25	YTD 31-Dec-25	Variance	
OS: BURIAL SERVICES	286 227,00	1 500,00	7 400,00	278 827,00	2,59
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	529 371,36	1 454 755,64	26,68
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	160 869,55	3 124 598,45	4,90
OS: CATERING SERVICES	1 281 869,00	26 836,50	190 860,72	1 091 008,28	14,89
OS: CLEANING SERVICES	216 757,00	0,00	47 177,25	169 579,75	21,77
OS: ELECTRICAL	19 029 252,00	1 737 817,85	3 377 823,26	15 651 428,74	17,75
OS:ILLEGAL DUMPING	547 578,00	311 664,99	311 664,99	235 913,01	56,92
OS: MEDICAL SERVICES [HEALTH SERV &	580 742,00	0,00	0,00	580 742,00	-
OS: PERSONNEL & LABOUR	12 608 300,00	539 452,80	2 805 084,25	9 803 215,75	22,25
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	40 928 212,00	2 708 574,83	7 473 211,38	33 455 000,62	18,26

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	7 128,00	103 374,73	106 901,27	49,16
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	7 999,00	681 514,34	3 407 454,66	16,67
C&PS: B&A MEDICAL EXAMINATIONS	1 000 000,00	379 100,00	404 201,40	595 798,60	40,42
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	32 452 470,00	1 722 585,03	19 137 626,37	13 314 843,63	58,97
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	744 389,76	2 613 053,80	3 701 133,20	41,38
C&PS: LEGAL COST ADVICE & LITIGATION	7 500 000,00	749 451,83	-436 691,53	7 936 691,53	-5,82
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	36 931,19	346 686,39	1 082 609,61	24,26
SUB TOTAL : CONSULTANT AND PROF SERV	62 578 468,00	3 647 584,81	22 854 165,50	39 724 302,50	36,52
CONTRACTORS					-
CONTR: ARTISTS & PERFORMERS	55 230,00	0,00	0,00	55 230,00	-
CONTR: BUILDING CONTRACTORS	1 438 062,00	138 240,00	138 240,00	1 299 822,00	9,61
CONTR: CATERING SERVICES	164 273,00	0,00	17 100,00	147 173,00	10,41
CONTR: EMPLOYEE WELLNESS	657 094,00	72 520,00	152 520,00	504 574,00	23,21
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	140 068,00	0,00	0,00	140 068,00	-
CONTR: INTERIOR DECORATOR	219 031,00	0,00	0,00	219 031,00	-
CONTR: INSPECTION FEES	1 879 353,00	137 567,51	827 559,61	1 051 793,39	44,03
CONTR: MAINT OF BUILDINGS & FACILIT	15 985 864,00	579 169,13	846 767,87	15 139 096,13	5,30
CONTR: MAINTENANCE OF EQUIPMENT	7 051 852,00	660 850,25	1 057 921,09	5 993 930,91	15,00
CONTR: MAINTENANCE OF EQUIPMENT (FLE	3 774 643,00	214 853,07	894 943,58	2 879 699,42	23,71
CONTR: MAINTENANCE FLEET	13 793 793,00	1 214 517,70	4 683 267,91	9 110 525,09	33,95
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	2 678 184,78	10 062 594,35	2 937 405,65	77,40
CONTR: SAFEGUARD & SECURITY	42 000 000,00	1 187 273,09	13 528 604,75	28 471 395,25	32,21
CONTR: TRAFFIC & STREET LIGHTS	11 027 240,00	1 922 349,60	8 443 795,76	2 583 444,24	76,57
SUB TOTAL : CONTRACTORS	111 547 941,00	8 805 525,13	40 653 314,92	70 894 626,08	36,44
CONTRACTED SERVICES	215 054 621,00	15 161 684,77	70 980 691,80	144 073 929,20	33,01

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	250 000,00	281 732,60	518 267,40	35,22
OC: ADV/PUB/MARK - SIGNS	358 000,00	0,00	0,00	358 000,00	-
OC: ADV/PUB/MARK - STAFF RECRUITMENT	328 547,00	0,00	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	3 250 021,97	6 422 953,84	4 824 528,16	57,11
OC: BC/FAC/C FEES - BANK ACCOUNTS	1 329 408,00	99 342,65	628 940,47	700 467,53	47,31
OC: COMMISSION - THIRD PARTY VENDORS	18 440 000,00	35 256,42	3 206 169,93	15 233 830,07	17,39
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	145 342,19	435 586,49	1 664 413,51	20,74
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	106 015,01	414 627,55	2 085 372,45	16,59
OC: CONTR TO PROV - REHAB LANDFILL S	93 255,00	0,00	0,00	93 255,00	-
OC: DEEDS	329 402,00	4 714,71	33 605,89	295 796,11	10,20
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	8 938,37	47 951,37	182 544,63	20,80
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	0,00	7 596,09	8 596 632,91	0,09
OC: EXT COM SERV PROV - S/WARE LICEN	2 317 859,00	557 932,00	705 238,80	1 612 620,20	30,43
OC: EXT COM SERV PROV - SYSTEM ADVIS	0,00	0,00	0,00	0,00	-
OC: HIRE CHARGES	53 556 667,00	8 486 604,16	35 431 470,60	18 125 196,40	66,16
OC: INSUR UNDER - CLAIM PAID 3RD PAR	0,00	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	3 877 135,04	4 003 585,66	496 414,34	88,97
OC: LEARNERSHIPS & INTERNSHIPS	100 000,00	0,00	0,00	100 000,00	-
OC: LIC - VEHICLE LIC & REGISTRATION	1 496 642,00	5 787,50	445 417,50	1 051 224,50	29,76
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	1 561,74	48 358,74	791 079,26	5,76

OC: PROFESSIONAL BODIES M/SHIP & SUB	431 226,00	316,52	112 186,43	319 039,57	26,02
OC: REMUNERATION TO WARD COMMITTEES	3 066 437,00	93 000,00	553 000,00	2 513 437,00	18,03
OC: ROAD WORTHY TEST FLEET	18 854,00	0,00	0,00	18 854,00	-
OC: SKILLS DEVELOPMENT FUND LEVY	4 466 696,00	18 521,04	421 604,97	4 045 091,03	9,44
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	13 561,92	503 791,53	2 644 916,47	16,00
OC: T&S DOM - DAILY ALLOWANCE	2 153 496,00	11 916,08	288 166,22	1 865 329,78	13,38
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	46 974,06	753 000,48	2 048 783,52	26,88
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	2 799,76	42 623,79	266 892,21	13,77
OC: TRANSPORT - MUNICIPAL ACTIVITIES	57 660,00	0,00	0,00	57 660,00	-
OC: UNIFORM & PROTECTIVE CLOTHING	7 347 497,00	295 169,40	2 357 118,88	4 990 378,12	32,08
OC: VEHICLE TRACKING FLEET	626 892,00	0,00	0,00	626 892,00	-
OC: WET FUEL	11 422 221,00	666 931,83	4 148 329,70	7 273 891,30	36,32
OC: WORKMEN'S COMPENSATION FUND	1 830 991,00	0,00	469 501,37	1 361 489,63	25,64
SUB TOTAL : OPERATIONAL COST	151 247 436,00	17 977 842,37	62 315 350,32	88 932 085,68	41,20
INVENTORY					
INV - CONSUMABLE STORES - STANDARD RATED	15 088 136,00	1 444 163,37	9 316 732,60	5 771 403,40	
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	30 557,25	146 989,78	894 720,22	
INVENTORY - MATERIALS & SUPPLIES FLEET	2 307,00	0,00	0,00	2 307,00	
INVENTORY - WATER	10 440 000,00	1 240 753,82	6 361 568,45	4 078 431,55	
SUB TOTAL - INVENTORY	26 574 038,00	2 715 474,44	15 825 290,83	10 748 747,17	
BULK PURCHASES					
ESKOM	423 185 402,00	824 398,49	59 799 446,17	363 385 955,83	
BULK WATER PURCHASES					
SUB TOTAL : BULK PURCHASES	423 185 402,00	824 398,49	59 799 446,17	363 385 955,83	
INTEREST DIVIDENDS AND RENT ON LAND					-
INT PAID BOR: ANNUITY LOANS	6 600 000,00	550 000,00	123 895 000,00	-117 295 000,00	1 877,20
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	123 895 000,00	-115 104 688,00	1 409,45
OPERATING LEASES					-
OPR LEASES: FURNITURE & OFFICE EQUIP	3 376 619,00	4 271,97	25 631,82	3 350 987,18	0,76
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	2 407 750,64	7 941 427,31	7 173 892,69	52,54
SUB TOTAL : OPERATING LEASES	18 515 003,00	2 412 022,61	7 967 059,13	10 547 943,87	43,03
BAD DEBTS WRITTEN OFF					
IRRECOVERABLE DEBTS WRITTEN OFF_EXCHANGE					
IRRECOV DEBTS W/OFF_EXCHG:ELECTRICITY	1 149 906,00	410 249,44	1 440 865,58	-290 959,58	125,30
IRRECOV DEBTS W/OFF_EXCHG:NON-SPECIFIC	-	0,00	0,00	0,00	-
IRRECOV DEBTS W/OFF_EXCHG:WASTE	177 704,00	16 728,47	314 022,01	-136 318,01	176,71
IRRECOV DEBTS W/OFF_EXCHG:WASTE WATER	228 604,00	27 437,65	516 365,11	-287 761,11	225,88
IRRECOV DEBTS W/OFF_EXCHG:WATER	1 261 670,00	34 322,47	638 347,10	623 322,90	50,60
SUB TOTAL : IRRECOV BAD DEBT W/OFF_EXCH	2 817 884,00	488 738,03	2 909 599,80	-91 715,80	103,25
IRRECOVERABLE DEBTS W/OFF_NON-EXCHANGE					
IRRECOV DEBTS W/OFF_NON-EXCH:PROP RATES	1 148 400,00	112 164,93	1 721 564,59	-573 164,59	149,91

SUB TOTAL : IRREC BAD DEBT W/OFF_NON-EX	1 148 400,00	112 164,93	1 721 564,59	-573 164,59	149,91
SUB TOTAL : BAD DEBTS WRITTEN OFF	3 966 284,00	600 902,96	4 631 164,39	-664 880,39	116,76
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) - M06 December

Vote Description	Ref	2024/25	Budget Year 2025/26								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands	1										
Capital Expenditure - Functional Classification											
Governance and administration		2 581	2 981	3 217	172	229	1 526	(1 297)	-85%	3 217	
Executive and council		15	-	-	-	-	-	-		-	
Finance and administration		2 532	2 981	3 217	172	229	1 526	(1 297)	-85%	3 217	
Internal audit		34	-	-	-	-	-	-		-	
Community and public safety		383	29 350	28 327	-	17 364	14 334	3 030	21%	28 327	
Community and social services		-	550	550	-	27	275	(248)	-90%	550	
Sport and recreation		271	5 853	5 439	-	1	2 789	(2 788)	-100%	5 439	
Public safety		84	22 947	22 337	-	17 336	11 270	6 066	54%	22 337	
Housing		27	-	-	-	-	-	-		-	
Health		-	-	-	-	-	-	-		-	
Economic and environmental services		263	42 144	14 420	-	1 133	11 831	(10 698)	-90%	14 420	
Planning and development		129	-	-	-	-	-	-		-	
Road transport		119	42 064	14 340	-	1 133	11 791	(10 658)	-90%	14 340	
Environmental protection		15	80	80	-	-	40	(40)	-100%	80	
Trading services		1 674	20 546	37 106	2 841	4 097	15 793	(11 696)	-74%	37 106	
Energy sources		98	250	250	-	-	125	(125)	-100%	250	
Water management		143	18 524	20 690	-	41	9 984	(9 943)	-100%	20 690	
Waste water management		1 434	1 773	16 047	2 841	4 056	5 644	(1 589)	-28%	16 047	
Waste management		-	-	119	-	-	40	(40)	-100%	119	
Other		-	-	-	-	-	-	-		-	
Total Capital Expenditure - Functional Classification	3	4 900	95 021	83 070	3 014	22 823	43 484	(20 661)	-48%	83 070	

Funded by:										
National Government		128	66 532	54 344	2 841	4 121	29 203	(25 082)	-86%	54 344
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		9	-	-	-	-	-	-		-
Transfers recognised - capital		136	66 532	54 344	2 841	4 121	29 203	(25 082)	-86%	54 344
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		4 763	28 489	28 726	172	18 702	14 281	4 421	31%	28 726
Total Capital Funding		4 900	95 021	83 070	3 014	22 823	43 484	(20 661)	-48%	83 070

As indicated in the Table above, the YTD Actual on capital expenditure as at end of December 2025 amounted to R22 823 000. The total YTD capex is funded from Capital grants R4 121 000 and Internally generated funds R18 702 000. 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	Dec-25
Cash Receipts by Source	
Property rates	5 962 996
Service charges - electricity revenue	24 794 149
Service charges - water revenue	3 574 344
Service charges - sanitation revenue	2 363 698
Service charges - refuse revenue	2 012 901
Service charges - other	-
Interest earned - external investments	358 783
Interest earned - outstanding debtors	421 371
Fines	-
Transfer receipts - operational	100 732 000
Other revenue	30 014 862
Cash Receipts by Source	170 235 104
Other Cash Flows/Receipts by Source	
Transfer receipts - capital	11 648 227
Borrowing long term/refinancing	-
Total Cash Receipts by Source	181 883 331
Cash Payments by Type	
Employee related costs	40 117 051
Remuneration of councillors	1 840 532
Bulk purchases - Electricity	40 824 368
Contracted services	15 161 685
General expenses	51 918 777
Cash Payments by Type	149 862 413
Other Cash Flows/Payments by Type	
Capital assets	3 013 866
Repayment of borrowing	-
Total Cash Payments by Type	152 876 309
Net Increase/(Decrease) in Cash Held	29 007 022
Cash/cash equivalents at the month/year begin:	34 963 369
Cash/cash equivalents at the month/year end:	63 970 391

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

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

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

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

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

Highlights	31-Oct	30-Nov	% Change	31-Dec	% Change	Reference
Services						
Councillors' debt (>90 days)	R 1 628 707	R 1 649 918	1%	R 1 611 015	-2%	BP136-r
Officials debt (>90 days)	R 3 148 731	R 3 217 255	2%	R 3 265 416	1%	BP136-a
Sundry debtors						
Telephones (Officials & Councillors)	R717 678.34	R723 557.99	1%	R727 306.69	1%	BP136-rt
Indigents	R 263 112 564	R 275 732 062	5%	R 282 576 144	2%	BP136-ia
Total Debt 90 Days +	R 268 607 680	R 281 322 793	5%	R 288 179 882	2%	

The municipality conducts a mass blocking of all prepaid meters of Customers that are owing the Municipality. Our collection efforts are also exacerbated by the tampering crisis we are currently facing as a municipality. The community does not see the importance of paying for municipal services; and that ultimately this is a key part required for effective service delivery. There is a poor payment culture within the jurisdiction of our Municipality and drastic measures need to be taken to get people back to the culture of paying their municipal accounts monthly without fail.

As of 31 December 2025, the Government Debt was as follows:

Dec-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.	15 760.00	0.00	0.00	14 544.00	2 656.00	32 960.00	0.00	32 960.00
FREE STATE PROVINCIAL TREASURY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF HEALTH (PH)	14 287 408.00	10 317 894.00	0.00	13 469 318.00	26 462.00	38 101 082.00	0.00	38 101 082.00
DEPARTMENT OF EDUCATION (PE)	139952.00	1 698 864.00	3 573 934.00	21 036 616.00	0.00	26 449 366.00	0.00	26 449 366.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	285 761.00	0.00	285 761.00	0.00	285 761.00
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)	1 188 503.00	16 930 212.00	2 409.00	935 650.00	2 352.00	19 059 126.00	0.00	19 059 126.00
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	15 631 623.00	28 947 210.00	3 576 343.00	35 741 889.00	31 470.00	83 928 535.00	0.00	83 928 535.00
				0.00				
SCHOOLS (SECTION 21)	11 634 655.00	24 204 501.00	6 490.00	8 530.00	32 895.00	35 887 071.00	0.00	35 887 071.00
NATIONAL DEPARTMENTS	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
CORRECTIONAL SERVICES (NC)	4 813 487.00	4 238 088.00	0.00	413 350.00	0.00	9 464 925.00	0.00	9 464 925.00
DEFENCE (ND)	2 067 525.00	5 860 712.00	18 756.00	165 853.00	14 402.00	8 127 248.00	0.00	8 127 248.00
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	27 334.00	145 061.00	172 264.00	59 337.00	99 709.00	503 705.00	0.00	503 705.00
PUBLIC WORKS (NW)	21 989.00	105 107.00	4 136 435.00	79 260.00	0.00	4 342 791.00	0.00	4 342 791.00
SA POLICE(NP)	1 166 459.00	697 180.00	16 778.00	1 098 079.00	2 143.00	2 980 639.00	0.00	2 980 639.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	17 083.00	73 552.00	0.00	0.00	2 280.00	92 915.00	0.00	92 915.00
TOTAL	8 113 877.00	11 119 700.00	4 344 233.00	1 815 879.00	118 534.00	25 512 223.00		25 512 223.00
TOTAL	35 380 155.00	64 271 411.00	7 927 066.00	37 566 298.00	182 899.00	145 327 829.00	-	145 327 829.00
						TOTAL		145 327 829.00
						LESS CREDIT		0.00
						GRAND TOTAL		145 327 829.00

MUNICIPAL DEBT RETURN FORM - Provincial & National Departments

Municipality: **FS201 Moqhaka**Financial Year: **2023/24** 2025/26Reporting Month: **M06 December**

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	3 576			4 344	7 921
0-30 Days	1 762			734	2 496
31-60 Days	1 603			734	2 337
61-90 Days	21			734	756
Over 90 Days	190			2 142	2 332
Water	15 632	–	11 668	8 114	35 413
0-30 Days	871	–	439	1 313	2 623
31-60 Days	801	–	440	1 573	2 814
61-90 Days	1 402	–	417	1 408	3 227
Over 90 Days	12 558	–	10 371	3 820	26 749
Electricity	28 947	–	24 171	11 120	64 238
0-30 Days	848	–	1 682	1 856	4 385
31-60 Days	952	–	1 084	1 673	3 709
61-90 Days	926	–	1 006	1 533	3 465
Over 90 Days	26 222	–	20 399	6 058	52 679
Sanitation	23 627			1 102	24 729
0-30 Days	1 082			72	1 154
31-60 Days	1 082			67	1 149
61-90 Days	1 082			57	1 139
Over 90 Days	20 381			907	21 287
Refuse Removal	12 115			714	12 829
0-30 Days	547			40	587
31-60 Days	547			37	584
61-90 Days	547			31	579
Over 90 Days	10 473			605	11 079
Other	31	–	48	119	198
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	109	183
TOTAL	83 929	–	35 887	25 512	145 328
0-30 Days	5 110	–	2 123	4 018	11 251
31-60 Days	4 985	–	1 526	4 087	10 599
61-90 Days	3 979	–	1 425	3 766	9 170
Over 90 Days	69 854	–	30 813	13 641	114 308

Payments received during reporting month (whole amount)	1 779 401.82			2 000 462.86	3 779 864.68
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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 21 891 666	R 9 174 493	R 9 309 296	R 105 036 373	R 145 411 828
4.2	Business / Commercial	R 32 844 579	R 12 196 112	R 8 186 255	R 171 075 882	R 224 302 828
4.3	Households	R 34 717 282	R 29 213 312	R 26 146 271	R 1 394 395 413	R 1 484 472 278
4.4	Other	-R 7 597 051	R 4 371 081	R 1 862 170	R 134 939 937	R 133 576 137
	Total	R 81 856 476	R 54 954 998	R 45 503 992	R 1 805 447 605	R 1 987 763 071
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 23 739 515	R 21 686 778	R 18 953 221	R 931 166 689	R 995 546 203
5.2	Electricity	R 34 379 172	R 13 984 756	R 10 743 566	R 168 106 296	R 227 213 790
5.3	Property Rates	R 8 521 289	R 5 981 709	R 4 016 264	R 120 495 570	R 139 014 832
5.4	Sanitation	R 8 219 373	R 6 708 769	R 6 406 280	R 290 230 284	R 311 564 706
5.5	Refuse removal	R 5 778 214	R 4 751 647	R 4 545 949	R 210 712 354	R 225 788 164
5.6	Other	R 1 218 913	R 1 841 339	R 838 712	R 84 736 412	R 88 635 376
	Total	R 81 856 476	R 54 954 998	R 45 503 992	R 1 805 447 605	R 1 987 763 071

Comments:

Total outstanding debt has increased from R1 954 317 222 in November 2025 to R1 987 763 071 in December 2025. The 2% movement amounting to R33 445 849 is a result of account payers defaulting.

Water outstanding debt was R978 608 946 in November 2025 and has increased to R995 645 203 in December 2025. That accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters.

Electricity outstanding debt was R221 088 870 in November 2025 and has increased to R227 213 790 in December 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 R136 641 758 in November 2025 and has increased to R139 014 832 in December 2025. This account for 7% against total debtors' book.

Total outstanding debt for sanitation/Sewerage was R306 425 543 in November 2025 and has increased to R311 564 706 in December 2025. This accounts for 16% of the total outstanding debtors' book.

Refuse Removal or Solid Waste outstanding debt was R222 263 395 in November 2025 and has increased to R225 788 164 in December 2025. This accounts for 11% of the total debt and emanates from non-payment of accounts.

Total outstanding debt for Other or Sundries was R89 288 710 in November 2025 and has decreased to R88 635 376 in December 2025. Which accounts for 4% 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 R139 959 021 in November 2025 and increased to R145 411 828 in December 2025. This represents 7% of the total outstanding debt that Public Works is in the process of addressing.

Business/Commercial debt was R219 200 030 in November 2025 and has increased to R224 302 828 in December 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 462 024 156 in November 2025 and has increased to R1 484 472 278 in December 2025. That accounts for 75% of the total debtors' book. This is inclusive of R282 576 144 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R133 134 015 in November 2025 and has increased to R133 576 137 in December 2025. That is 7% of the total outstanding debtors' book.

The total debt by Councillors was R1 649 918 in November 2025 and has decreased to R1 611 015 (2% movement). Officials owed R3 217 255 in November 2025 and that has increased to R3 265 416 in December 2025 (1% increase).

Telephone accounts had a balance of R723 557.99 in November 2025 and has increased to R727 306.69 in December 2025 (1% increase).

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

There were 4 debt collection companies appointed until June 2025. The Municipality made an application to join the National Treasury RT27-2024 debt collection transversal contract.

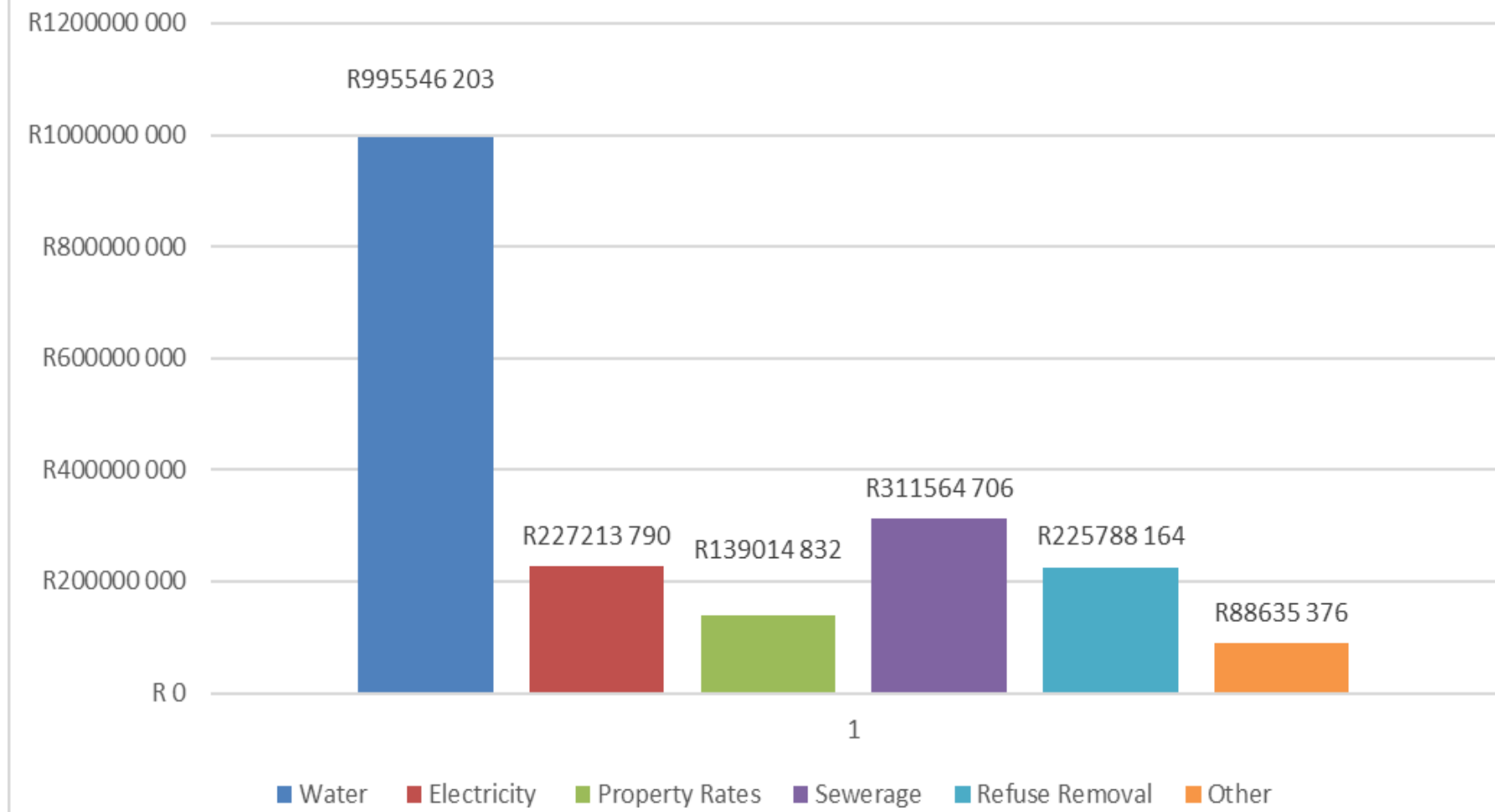
Blockings of the prepaid electricity meters & disconnections for the conventional electricity meters for categories of payment defaulters plays a major role in the collection rate and revenue enhancement.

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.

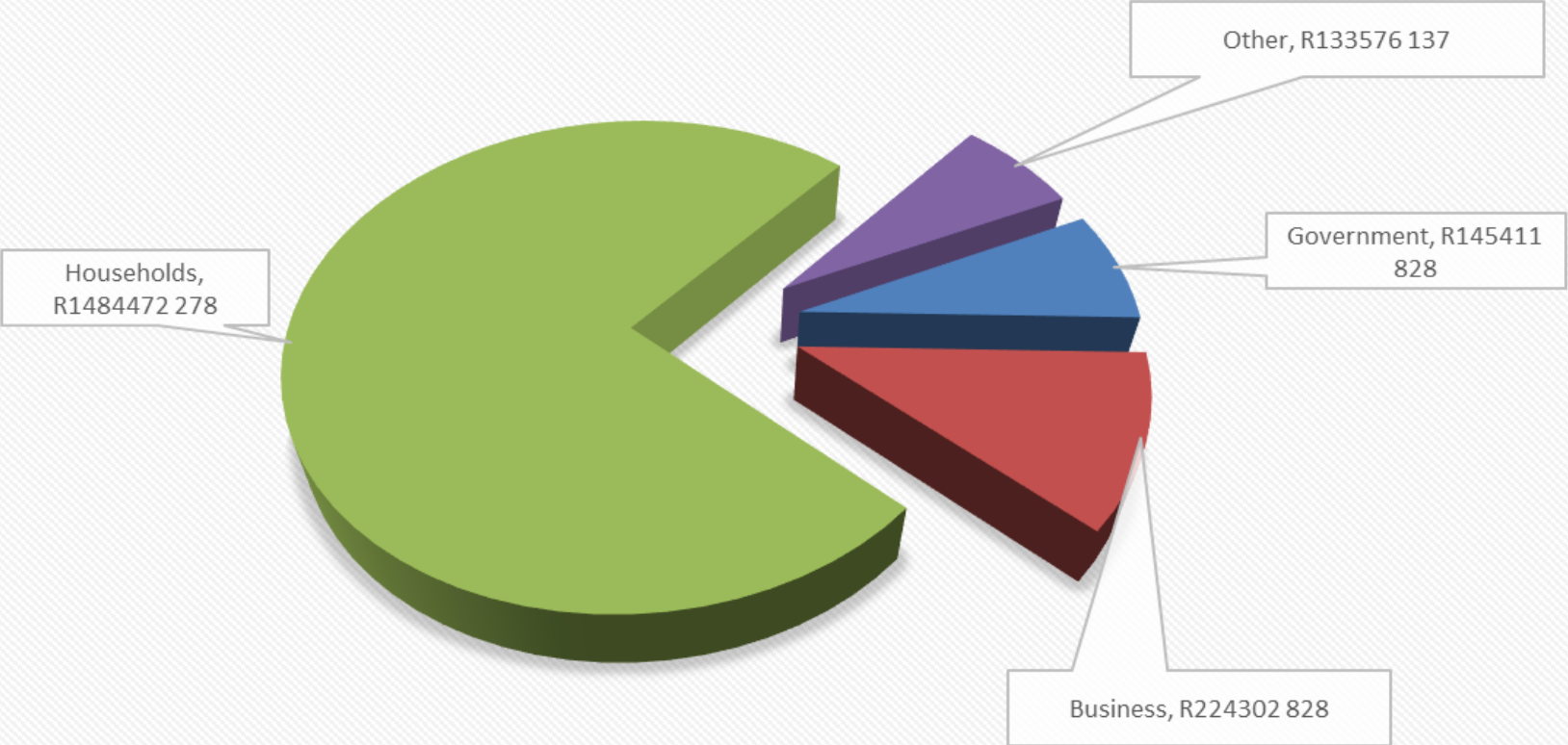
The three years and ten months delay in appointing the Chief Financial Officer and other Directors plays a very critical role in the financial distress facing the municipality.

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 December 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	55 966 828	57 890 500	58 327 494	-	-	-	-	1 970 769 918	2 142 954 740
Loan repayments	562 197	676 595	-	-	-	-	-	-	1 238 792
Trade Creditors	3 372 051	5 742 781	1 345 175	1 588 853	-	-	-	-	12 048 860
Auditor General	630 270	3 208 284	-	-	-	-	-	-	3 838 554
DWS	976 252	3 208 284	898 718	-	-	-	-	23 589 322	28 672 576
WORKMENS COMPENSATION	-	-	-	-	-	-	-	-	-
GOVERNMENT GARAGE	-	-	-	-	-	-	-	-	-
Total	61 507 598	70 726 444	60 571 387	1 588 853	-	-	-	1 994 359 240	2 188 753 522

Bulk Electricity – As at the 31 December 2025, the outstanding debt owed to Eskom amounted to R2 142 954 740. As per the Debt Relief approval, the municipality must honour the payment of the monthly current account and only the outstanding balance of R365 000 000 after approval of the debt relief application. The municipality is yet to enter into a payment arrangement. Trade creditors are all suppliers registered on the municipality's database and it is a prerequisite for these suppliers to be registered on the Central Supplier Database (CSD). Auditor General – the current account due to the AGSA is R630 270. Other creditors – includes Sundry creditors which were unpaid as at 31 December 2025 amount to R4 910 500

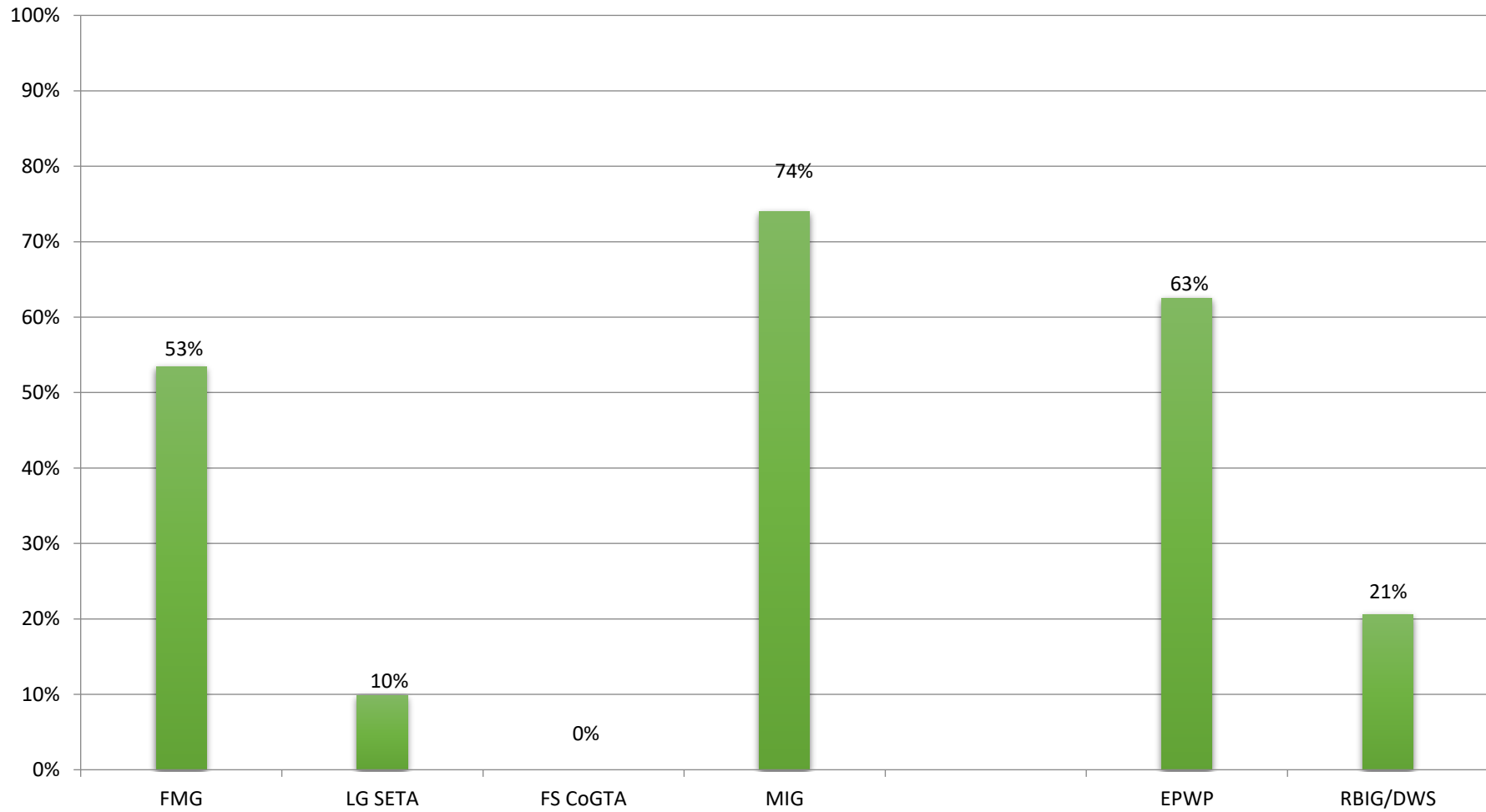
8. Investment portfolio analysis

Moqhaka Municipality				
Year End	30-Jul-26			
Section	Finance			
Compiled by	ID Mphosi			
Purpose	Investment Register			
<i>The municipality holds the following investments with ABSA Bank.</i>				
Detail	Bank Acc num	Type of investment	Vote num	
ABSA - 1	20-7531-4898	Fixed Deposit	34055053140ZZZZZZZWM	
ABSA - 2	20-5824-7882	Fixed Deposit	34055053040ZZZZZZZW	21 465 760.64
ABSA - 3	91-3190-1443	Call Account	34055053240ZZZZZZZWM	
	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
			25 958 783.01	25 958 783.01
Invested	-	-	120 500 000	120 500 000.00
Withdrawn	-	-	-94 900 000	-94 900 000.00
Interest earned	-	-	358 783.01	358 783.01
Balance at 31-Dec-2025	6 252.96	140 667.01	57 516 055.46	57 662 975.43

9. Allocation and grant receipts and expenditure

Municipality:	FS201 Moqhaka						
Financial Accounting for Grant Funds Received and Expended							
	OPERATIONAL GRANTS		CAPITAL GRANTS				
	Finance Management Grant (FMG)	LG SETA (Mandatory)	Municipal Infrastructure Grant (MIG)	Extended Public Works Programme (EPWP)	RBIG	Water Services Infrastructure Grant (WSIG)	Total Capital Grants
DORA Allocation for the 2025/26	2 300 000						-
Unspent grants at beginning of the financial year		2 530 931					-
Received Prior Months	2 300 000	2 530 931	3 083 864	1 047 000	21 435 626	4 595 000	30 161 490
Received This Month	-	-	1 534 000	-	-	6 000 000	7 534 000
Total Funds Received	2 300 000	2 530 931	4 617 864	1 047 000	21 435 626	10 595 000	37 695 490
Spent Prior Months	1 049 027	100 270	1 884 915	550 087	21 435 626	-	23 870 628
Spent This Month	180 198	148 993	1 533 736	104 325	-	-	1 638 061
Grants refunded						2 181 896	2 181 896
Total Funds Spent	1 229 225	249 263	3 418 651	654 412	21 435 626	2 181 896	27 690 585
Total funds Received and Not Spent	1 070 775	2 281 668	1 199 213	392 588	-	8 413 104	10 004 905
Percentage of Funds Spent	53%	10%	74%	63%	100%	21%	73%
Funds Currently Committed but Not Spent	-	-	-	-	-	-	-
Scheduled Transfers Withheld	-	-	-	-	-	-	-

GRANTS SPENDING 2025/26 DECEMBER



FS201 Moqhaka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

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	101 019	232 182	162 750	69 432	42,7%	325 501
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Equitable Share		298 568	312 705	312 705	100 732	231 026	156 352	74 674	47,8%	312 705
Expanded Public Works Programme Integrated Grant		-	1 496	1 496	-	-	748	(748)	-100,0%	1 496
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Local Government Financial Management Grant		2 300	2 300	2 300	287	1 156	1 150	6	0,5%	2 300
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	-	-	-	-	-	-		-
Regional Bulk Infrastructure Grant		28 364	9 000	9 000	-	-	4 500	(4 500)	-100,0%	9 000
Other transfers and grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		1 780	3 081	3 081	223	550	1 541	(991)	-64,3%	3 081
ESKOM		-	-	-	-	-	-	-		-
National Economical Development and Labour Council		1 104	-	-	223	550	-	550		-
National Skills Fund		676	3 081	3 081	-	-	1 541	(1 541)	-100,0%	3 081
Total Operating Transfers and Grants	5	331 012	328 582	328 582	101 242	232 732	164 291	68 441	41,7%	328 582
Capital Transfers and Grants										
National Government:		-	67 471	67 471	-	-	33 735	(33 735)	-100,0%	67 471
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant		-	48 709	48 709	-	-	24 354	(24 354)	-100,0%	48 709
Water Services Infrastructure Grant		-	18 762	18 762	-	-	9 381	(9 381)	-100,0%	18 762
Provincial Government:		-	-	-	-	-	-	-		-
Infrastructure Grant		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Capital Transfers and Grants	5	-	67 471	67 471	-	-	33 735	(33 735)	-100,0%	67 471
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	331 012	396 053	396 053	101 242	232 732	198 026	34 706	17,5%	396 053

- R1 534 000 for MIG and R6 000 000 WSIG was received as Capital Grant for the month under review.
- Correcting journals are processed monthly to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

10. Councillor and board member allowances and employee benefits

31 December 2025

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

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

DESCRIPTION	Budget 2025/2026	Actual 31-Dec-25	YTD 31-Dec-25	% Exp
	EMPLOYEE RELATED COST			
SENIOR MANAGEMENT				
SM - SALARIES ALLOW AND SERV BENEFITS				
MM - SALARIES ALLOW AND SERV BENEFITS				
SM MM: SAL & ALL - BASIC SALARY	1 094 538,00	74 582,15	445 797,90	40,73
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	18 000,00	51,56
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	124 999,98	44,72
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	636 448,16	40,64
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	307 695,25	30,89
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	6 000,00	57,29
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	148 260,54	88,42
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	461 955,79	37,49

DO2 - SALARIES ALLOW AND SERV BENEFITS				
SM D02: SAL & ALL - BASIC SALARY	860 513,00	69 618,00	416 013,00	48,34
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	6 000,00	30,80
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	270 629,70	46,30
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	0,00	#DIV/0!
SUB TOTAL: DPS - SAL ALLOW & SERV BENEF	1 584 694,00	115 722,95	692 642,70	43,71
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	1 791 046,65	22,62
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	78 718,14	64,42

SM MM: SOC CONTR: UIF	2 547,00	177,12	1 062,72	41,72
SUB TOTAL: MM - SOCIAL CONTRIBUTIONS	197 010,00	13 296,81	79 780,86	40,50
CFO - SOCIAL CONTRIBUTIONS				
SM CFO: SOC CONTR: GROUP LIFE INSURANCE	-	-	-	-
SM CFO: SOC CONTR: MEDICAL	6 995,00	-	-	-
SM CFO: SOC CONTR: PENSION FUNDS	139 648,00	-	-	-
SM CFO: SOC CONTR: UIF	2 576,00	-	-	-
SM CFO: SOC CONTR: BARGAINING COUNCIL	-	-	-	-
SUB TOTAL: CFO - SOCIAL CONTRIBUTIONS	149 219,00	0,00	0,00	0,00
D01 - SOCIAL CONTRIBUTIONS				
SM D01: SOC CONTR: GROUP LIFE INSURANCE	0,00	0,00	0,00	#DIV/0!
SM D01: SOC CONTR: MEDICAL	73 416,00	177,12	885,60	1,21
SM D01: SOC CONTR: PENSION FUNDS	151 541,00	10 771,93	64 631,58	42,65
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	65 694,30	28,87
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	1 062,72	41,10
SM D02: SOC CONTR: BARGAINING COUNCIL	0,00	0,00	0,00	#DIV/0!
SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS	116 222,00	177,12	1 062,72	0,91
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	146 537,88	20,54
SM - POST RETIREMENT BENEFITS				
SM: PRB - MED: CURRENT SERVICE COST				

SM: PRB - MED: INTEREST COST	5 250 508,00	466 591,41	1 433 667,68	27,31
SM: PRB - PENS: INTEREST COST	781 263,00	-	-	-
SUB TOTAL : SM - POST RETIREMENT BENEFIT	6 031 771,00	466 591,41	1 433 667,68	23,77
SM: PST RET BEN OBL CST CAP PPE				
SUB TOTAL : SM - COST CAPITALISED TO PPE				
SUB TOTAL : SENIOR MANAGEMENT	14 661 465,00	792 401,96	3 371 252,21	22,99
MUNICIPAL STAFF				
MS - SALARIES ALLOW AND SERV BENEFITS				
MS: SAL & ALL: BASIC SALARY & WAGES	258 251 928,00	21 551 122,29	129 794 422,48	50,26
MS: SAL & ALL: PERFORMANCE BASED BONUSES	30 121,00	0,00	54 857,05	182,12
MS: ALL - CELLULAR & TELEPHONE	800 052,00	51 100,00	311 922,36	38,99
MS: HB & INC: HOUSING BENEFITS	2 091 443,00	133 305,94	814 825,31	38,96
MS: ALL - LEAVE PAY	4 315 814,00	779 933,98	4 596 454,44	106,50
MS: ALL - TRAVEL OR MOTOR VEHICLE	25 556 843,00	2 065 522,50	11 625 899,72	45,49
MS: OVERTIME - NON STRUCTURED	31 687 614,00	3 588 213,44	24 203 534,10	76,38
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	3 358 301,93	13 542 371,18	59,64
MS: SRB - LONG SERVICE AWARD	0,00	0,00	0,00	#DIV/0!
MS: SRB - STANDBY ALLOWANCE	4 447 026,00	586 873,25	4 882 850,75	109,80
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	671 637,76	3 916 476,83	200,49
SUB TOTAL : MS - SAL ALLOW & SERV BENEF	351 912 989,00	32 786 011,09	193 746 907,05	55,06
MS - SOCIAL CONTRIBUTIONS				#DIV/0!
MS: SOC CONTR - BARGAINING COUNCIL	166 344,00	11 719,30	70 229,90	42,22
MS: SOC CONTR - GROUP LIFE INSURANCE	1 488 851,00	86 864,23	521 103,62	35,00
MS: SOC CONTR - MEDICAL	28 189 091,00	2 373 825,65	14 444 306,68	51,24
MS: SOC CONTR - PENSION	45 670 003,00	3 901 347,97	23 519 808,04	51,50
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 488 849,00	166 016,39	1 002 593,46	40,28
SUB TOTAL : MS - SOCIAL CONTRIBUTIONS	78 003 138,00	6 539 773,54	39 558 041,70	50,71
MS: PRB - MED: CURRENT SERVICE COST				#DIV/0!
MS: PRB - MED: INTEREST COST	4 689 734,00	-2 340,00	449 915,86	9,59

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	449 915,86	9,59
MS - COST CAPITALISED TO PPE				#DIV/0!
MS: IN-KIND BENEFITS CST CAP PPE	142 512,00	1 205,00	24 541,63	17,22
SUB TOTAL : MS - COST CAPITALISED TO PPE	142 512,00	1 205,00	24 541,63	17,22
SUB TOTAL : MUNICIPAL STAFF	434 748 373,00	39 324 649,63	233 779 406,24	53,77
SUB TOTAL : EMPLOYEE RELATED COST	449 409 838,00	40 117 051,59	237 150 658,45	52,77

31 December 2025

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

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

Analysis of overtime per department

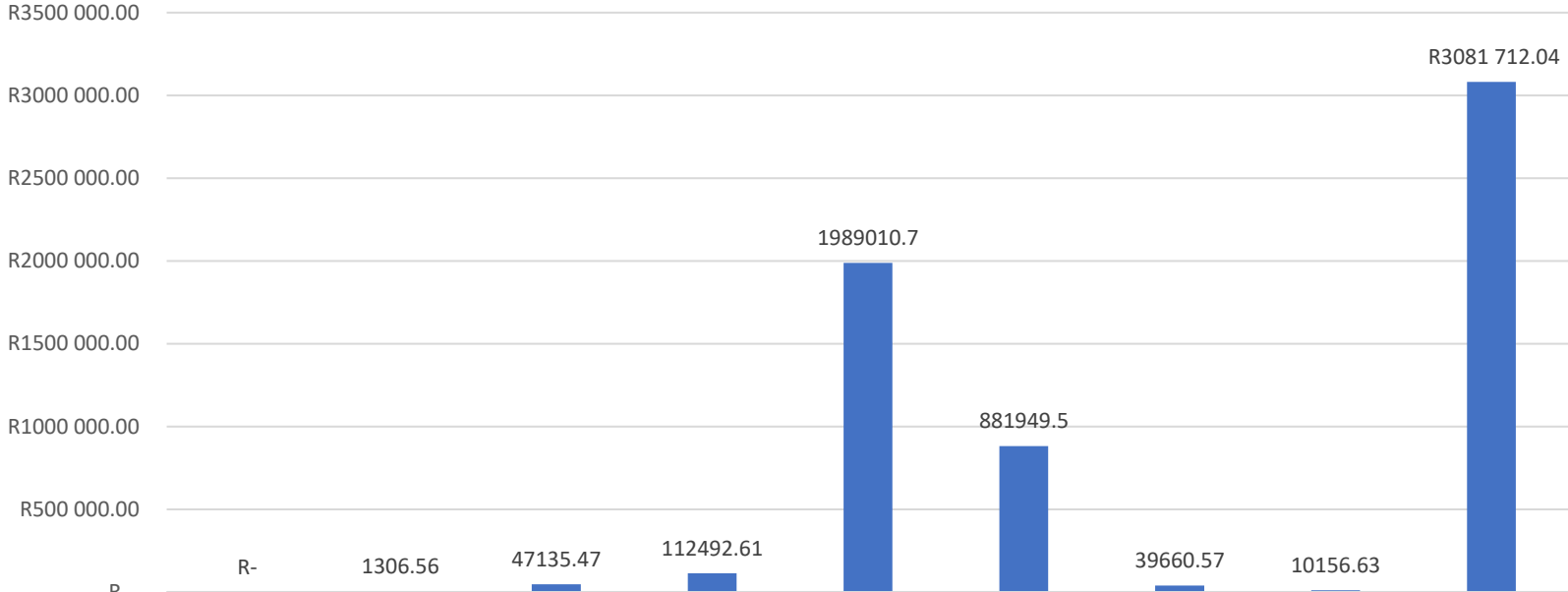
Description	31-Dec-25	
	Hours	Cost
Municipal Manager	8	1 306,56
Corporate Services	170	47 135,47
Financial Services	674	112 492,61
Technical Services	10 878	1 989 010,70
Community Services	4 420	881 949,50
LED & Planning	210	39 660,57
Temporary	62	10 156,63
Total	16 422	3 081 712

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



R-	R-	1306.56	47135.47	112492.61	1989010.7	881949.5	39660.57	10156.63	R3081 712.04
■ Cost	R-	1306.56	47135.47	112492.61	1989010.7	881949.5	39660.57	10156.63	R3081 712.04

FS201 Moqhaka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		4 043	7 774	7 774	1 001	5 239	3 887	1 352	35%	7 774
Pension and UIF Contributions		1 756	1 934	1 934	19	242	967	(724)	-75%	1 934
Medical Aid Contributions		752	1 255	1 255	64	372	628	(256)	-41%	1 255
Motor Vehicle Allowance		13 760	14 795	14 795	75	1 873	7 398	(5 525)	-75%	14 795
Cellphone Allowance		2 105	3 031	3 031	159	967	1 515	(548)	-36%	3 031
Housing Allowances								-		
Other benefits and allowances		28	695	695	522	2 606	348	2 258	650%	695
Sub Total - Councillors		22 444	29 484	29 484	1 841	11 299	14 742	(3 443)	-23%	29 484
% increase	4		31,4%	31,4%						31,4%
Senior Managers of the Municipality										
Basic Salaries and Wages		1 702	5 827	5 827	206	1 170	2 913	(1 744)	-60%	5 827
Pension and UIF Contributions		266	500	500	24	146	250	(104)	-42%	500
Medical Aid Contributions		-	214	214	0	1	107	(106)	-99%	214
Overtime								-		
Performance Bonus		127	338	338	-	-	169	(169)	-100%	338
Motor Vehicle Allowance		953	1 258	1 258	91	544	629	(85)	-14%	1 258
Cellphone Allowance		62	87	87	5	30	43	(13)	-31%	87
Housing Allowances		-	379	379	-	-	190	(190)	-100%	379
Other benefits and allowances		-	-	-	-	-	-	-		-
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	48	-	48	#DIV/0!	-
Post-retirement benefit obligations	2	26 574	6 032	6 032	467	1 434	3 016	(1 582)	-52%	6 032
Entertainment		1	28	28	-	-	14	(14)	-100%	28
Scarcity								-		
Acting and post related allowance								-		
In kind benefits								-		
Sub Total - Senior Managers of Municipality		29 685	14 661	14 661	792	3 371	7 331	(3 960)	-54%	14 661
% increase	4		-50,6%	-50,6%						-50,6%
Other Municipal Staff										
Basic Salaries and Wages		249 693	258 252	258 252	21 551	129 794	129 126	668	1%	258 252
Pension and UIF Contributions		47 250	49 648	49 648	4 154	25 044	24 824	219	1%	49 648
Medical Aid Contributions		28 691	28 189	28 189	2 374	14 444	14 095	350	2%	28 189
Overtime		38 218	31 753	31 753	3 588	24 207	15 876	8 330	52%	31 753
Performance Bonus		20 335	22 739	22 739	3 358	13 597	11 369	2 228	20%	22 739
Motor Vehicle Allowance		21 447	25 557	25 557	2 066	11 626	12 779	(1 153)	-9%	25 557
Cellphone Allowance		493	800	800	51	312	400	(88)	-22%	800
Housing Allowances		1 722	2 091	2 091	133	815	1 046	(231)	-22%	2 091
Other benefits and allowances		4 879	4 615	4 615	599	4 953	2 308	2 645	115%	4 615
Payments in lieu of leave		8 351	4 316	4 316	780	4 596	2 158	2 438	113%	4 316
Long service awards		2 009	1 953	1 953	672	3 916	977	2 940	301%	1 953
Post-retirement benefit obligations	2	15	4 690	4 690	(2)	450	2 345	(1 895)	-81%	4 690
Entertainment								-		
Scarcity								-		
Acting and post related allowance								-		
In kind benefits		-	4	4	-	-	2	(2)	-100%	4
Sub Total - Other Municipal Staff		423 103	434 606	434 606	39 323	233 755	217 304	16 450	8%	434 606
% increase	4		2,7%	2,7%						2,7%
Total Parent Municipality		475 232	478 752	478 752	41 956	248 425	239 378	9 048	4%	478 752

The BTO office recommended the following precautionary measures.

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

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

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

- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system.

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

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

12. Capital programme performance.

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

13. Other Supporting Documentation



Audit Trail

Create Transfer

Thu, Dec 18, 2025 at 08:52:07 AM

Group **19058 - MOQHAKA LOCAL MUNICIPALITY**
 Operator **010 - PAULA DARINA DU PLESSIS**
 Status **Finally Approved**

	Captured	First Approver	Second Approver	Third Approver	Final Approver
Operator Number	10	21			31
Operator Name	PAULA DARINA DU PLESSIS	IRENE MOKHESENG			RYAN D BUYS
Approval Level		A			A
Date	2025/12/17	2025/12/17			2025/12/18
Time	13:37:23	14:21:07			08:40:56
Roll-over Date					2025/12/18

Transaction Status

From Account	334536	MOQHAKA LOCAL MUNICIPALITY - 0000004053274876	
Description	3	9345061750 90047754	Frequency
Beneficiary Code			
To Account	223626	ESKOM 9345061750 - 0000055070067316	
Description	3	MOQHAKA MUNICIPALITY	
Date	20251217		Amount
Roll-over date	2025/12/18		
Transaction Number	272711		Immediate Interbank Payment

Transaction Detail

Adhoc

40,000,000.00

No

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

14. Conclusion

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

Communication

In compliance to legislative requirements (Section 71 of the MFMA), this document is provided to all stakeholders by placing it on the municipal website: www.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 - M06 December

Description	Budget Year 2025/26								
	2024/25	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	8 234	49 326	47 403	1 923	4%	94 806
Service charges	723 166	876 199	876 199	56 504	371 206	438 099	(66 893)	-15%	876 199
Investment revenue	39	63	63	-	-	32	(32)	-100%	63
Transfers and subsidies - Operational	331 012	328 582	328 582	101 242	232 732	164 291	68 441	0	328 582
Other own revenue	131 200	130 301	130 301	10 985	60 923	65 150	(4 228)	-6%	130 301
Total Revenue (excluding capital transfers and contributions)	1 279 022	1 429 951	1 429 951	176 965	714 188	714 975	(788)	-0%	1 429 951
Employee costs	452 951	449 410	449 410	40 117	237 151	224 707	12 444	6%	449 410
Remuneration of Councillors	22 444	29 484	29 484	1 841	11 299	14 742	(3 443)	-23%	29 484
Depreciation and amortisation	112 242	10 305	10 305	-	-	5 153	(5 153)	-100%	10 305
Interest	99 037	8 790	8 790	550	123 895	4 395	119 500	2719%	8 790
Inventory consumed and bulk purchases	504 814	454 759	449 759	3 540	75 625	226 130	(150 505)	-67%	449 759
Transfers and subsidies	244	1 095	1 095	-	5	548	(543)	-99%	1 095
Other expenditure	506 333	432 991	449 942	36 152	145 888	221 797	(75 909)	-34%	449 942
Total Expenditure	1 698 065	1 386 834	1 398 786	82 200	593 863	697 472	(103 609)	-15%	1 398 786
Surplus/(Deficit)	(419 043)	43 117	31 165	94 765	120 325	17 504	102 821	587%	31 165
Transfers and subsidies - capital (monetary)	48 042	66 532	66 532	1 033	181	33 266	###	-99%	66 532
Transfers and subsidies - capital (in-kind)	14	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(370 987)	109 649	97 697	95 798	120 506	50 770	69 736	137%	97 697
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(370 987)	109 649	97 697	95 798	120 506	50 770	69 736	137%	97 697
Capital expenditure & funds sources									
Capital expenditure	4 900	95 021	83 070	3 014	22 823	43 484	(20 661)	-48%	83 070
Capital transfers recognised	136	66 532	54 344	2 841	4 121	29 203	(25 082)	-86%	54 344
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	4 763	28 489	28 726	172	18 702	14 281	4 421	31%	28 726
Total sources of capital funds	4 900	95 021	83 070	3 014	22 823	43 484	(20 661)	-48%	83 070
Financial position									
Total current assets	799 221	467 905	467 905		889 847				467 905
Total non current assets	1 940 457	3 107 101	3 095 150		1 983 985				3 095 150
Total current liabilities	1 974 643	538 944	538 944		1 988 292				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		733 790				2 967 331
Cash flows									
Net cash from (used) operating	(87 086)	(379 265)	(379 265)	(45 426)	(243 001)	(189 632)	53 369	-28%	(379 265)
Net cash from (used) investing	(7 184)	(86 529)	(86 529)	(3 066)	(22 966)	(43 264)	(20 298)	47%	(86 529)
Net cash from (used) financing	(1 178)	(2 121)	(2 121)	(482)	(1 514)	(1 061)	453	-43%	(2 121)
Cash/cash equivalents at the month/year end	(105 352)	(492 678)	(492 678)	(290 328)	(290 639)	(258 721)	31 918	-12%	(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

FS201 Moqhaka - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Functional										
<i>Governance and administration</i>		429 619	335 761	335 761	77 921	214 687	167 880	46 807	28%	335 761
Executive and council		313 681	215 840	215 840	67 778	156 223	107 920	48 303	45%	215 840
Finance and administration		115 938	119 921	119 921	10 143	58 464	59 960	(1 497)	-2%	119 921
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		12 176	26 179	26 179	1 035	5 033	13 089	(8 057)	-62%	26 179
Community and social services		1 816	3 730	3 730	160	980	1 865	(885)	-47%	3 730
Sport and recreation		2 356	3 511	3 511	499	986	1 756	(770)	-44%	3 511
Public safety		3 211	5 123	5 123	36	273	2 562	(2 288)	-89%	5 123
Housing		4 792	13 815	13 815	339	2 793	6 907	(4 114)	-60%	13 815
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		48 520	51 052	51 052	1 375	1 622	25 526	(23 904)	-94%	51 052
Planning and development		1 932	1 773	1 773	119	783	887	(103)	-12%	1 773
Road transport		46 589	49 164	49 164	1 256	839	24 582	(23 743)	-97%	49 164
Environmental protection		-	115	115	-	-	58	(58)	-100%	115
<i>Trading services</i>		836 763	1 083 491	1 083 491	97 667	493 027	541 745	(48 719)	-9%	1 083 491
Energy sources		440 915	575 441	575 441	37 165	247 323	287 721	(40 397)	-14%	575 441
Water management		241 620	306 472	306 472	31 110	129 102	153 236	(24 133)	-16%	306 472
Waste water management		90 301	116 972	116 972	16 845	67 466	58 486	8 980	15%	116 972
Waste management		63 926	84 606	84 606	12 546	49 135	42 303	6 833	16%	84 606
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 327 078	1 496 483	1 496 483	177 998	714 369	748 241	(33 873)	-5%	1 496 483
Expenditure - Functional										
<i>Governance and administration</i>		430 219	369 217	369 031	31 638	268 966	184 591	84 375	46%	369 031
Executive and council		93 305	116 725	116 775	14 733	174 318	58 380	115 939	199%	116 775
Finance and administration		332 818	247 021	246 785	16 568	92 426	123 476	(31 050)	-25%	246 785
Internal audit		4 096	5 471	5 471	336	2 222	2 736	(513)	-19%	5 471
<i>Community and public safety</i>		112 790	131 037	130 937	9 561	53 624	65 490	(11 866)	-18%	130 937
Community and social services		17 457	19 911	19 991	1 116	6 112	9 958	(3 846)	-39%	19 991
Sport and recreation		46 140	54 314	54 134	3 968	21 557	27 126	(5 570)	-21%	54 134
Public safety		40 581	46 363	46 363	3 641	21 272	23 182	(1 910)	-8%	46 363
Housing		8 612	10 448	10 448	836	4 684	5 224	(540)	-10%	10 448
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		98 769	73 339	85 577	6 651	37 059	40 745	(3 686)	-9%	85 577
Planning and development		9 741	13 203	13 203	780	4 979	6 602	(1 623)	-25%	13 203
Road transport		86 206	55 796	67 984	5 685	30 544	31 961	(1 417)	-4%	67 984
Environmental protection		2 822	4 339	4 389	186	1 536	2 182	(646)	-30%	4 389
<i>Trading services</i>		1 054 970	809 881	809 881	34 248	233 632	404 965	(171 334)	-42%	809 881
Energy sources		584 377	522 453	522 453	9 849	99 954	261 227	(161 273)	-62%	522 453
Water management		224 254	125 979	125 979	7 165	58 409	62 990	(4 581)	-7%	125 979
Waste water management		139 159	78 647	78 647	9 792	39 036	39 324	(288)	-1%	78 647
Waste management		107 180	82 802	82 802	7 442	36 233	41 425	(5 192)	-13%	82 802
<i>Other</i>		1 316	3 361	3 361	103	581	1 681	(1 099)	-65%	3 361
Total Expenditure - Functional	3	1 698 065	1 386 834	1 398 786	82 200	593 863	697 472	(103 609)	-15%	1 398 786

FS201 Moqhaka - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
	1									
Vote 01 - Executive & Council		306 737	215 840	215 840	67 778	156 223	107 920	48 303	44,8%	215 840
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		(2 178)	4 725	4 725	(431)	(1 884)	2 363	(4 246)	-179,7%	4 725
Vote 04 - Finance		117 673	114 432	114 432	10 527	60 092	57 216	2 876	5,0%	114 432
Vote 05 - Technical Services		819 425	1 048 049	1 048 049	86 376	444 730	524 024	(79 294)	-15,1%	1 048 049
Vote 06 - Community Services		75 933	93 973	93 973	12 735	50 359	46 986	3 373	7,2%	93 973
Vote 07 - Local Economic Development		9 488	19 464	19 464	1 013	4 848	9 732	(4 884)	-50,2%	19 464
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 327 078	1 496 483	1 496 483	177 998	714 369	748 241	(33 873)	-4,5%	1 496 483
Expenditure by Vote										
	1									
Vote 01 - Executive & Council		94 598	108 137	108 137	13 653	168 939	54 069	114 870	212,4%	108 137
Vote 02 - Municipal Manager		24 596	31 004	31 004	2 168	11 955	15 502	(3 547)	-22,9%	31 004
Vote 03 - Corporate Services		68 360	79 395	79 395	6 206	23 068	39 698	(16 630)	-41,9%	79 395
Vote 04 - Finance		176 711	79 522	79 286	4 930	33 464	39 725	(6 261)	-15,8%	79 286
Vote 05 - Technical Services		1 043 646	794 247	806 435	34 392	236 778	401 187	(164 409)	-41,0%	806 435
Vote 06 - Community Services		253 785	247 195	247 195	17 909	102 270	123 622	(21 352)	-17,3%	247 195
Vote 07 - Local Economic Development		36 369	47 334	47 334	2 942	17 388	23 668	(6 280)	-26,5%	47 334
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 698 065	1 386 834	1 398 786	82 200	593 863	697 472	(103 609)	-14,9%	1 398 786
Surplus/ (Deficit) for the year	2	(370 987)	109 649	97 697	95 798	120 506	50 770	69 736	137,4%	97 697

FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M06 December

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	(120 843)	2 905
Trade and other receivables from exchange transactions		640 991	247 218	247 218	791 164	247 218
Receivables from non-exchange transactions		71 173	43 806	43 806	78 262	43 806
Current portion of non-current receivables						
Inventory		82 169	105 427	105 427	81 439	105 427
VAT		5 333	35 960	35 960	37 071	35 960
Other current assets		22 711	32 588	32 588	22 755	32 588
Total current assets		799 221	467 905	467 905	889 847	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	2 883 390	1 848 281	2 883 390
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	3 095 150	1 983 985	3 095 150
TOTAL ASSETS		2 739 677	3 575 006	3 563 054	2 873 831	3 563 054
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	(2 121)	(2 121)	(2 319)	(2 121)
Consumer deposits		15 564	14 338	14 338	16 063	14 338
Trade and other payables from exchange transactions		1 761 044	507 185	507 185	1 697 296	507 185
Trade and other payables from non-exchange transactions		6 343	–	–	52 732	–
Provision		184 493	71 434	71 434	184 493	71 434
VAT		7 199	(51 892)	(51 892)	40 027	(51 892)
Other current liabilities		–	–	–	–	–
Total current liabilities		1 974 643	538 944	538 944	1 988 292	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	2 141 113	612 409
NET ASSETS		612 213	2 962 597	2 950 645	732 718	2 950 645
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 453 965	2 965 980	2 965 980	733 790	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	733 790	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

Dec'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?	

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

	6.6	Electricity and water as collection tools – has the municipality, with effect from the tabling of the 2023/24 MTREF, <i>demonstrated, through its by-laws and budget related policies</i> that:	
15	6.6.1	- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?	Yes
16	6.6.2	- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?	Yes
17	6.6.3	- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? <i>Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of waste water.</i>	No
18	6.6.4	- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, 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: <i>The National Treasury and/ or provincial treasury’s related budget assessment confirms the municipality’s relevant MTREF’s related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i>	
	6.7	Maintain a minimum average quarterly collection of property rates and services charges –	
19	6.7.1	- Has the municipality achieved a minimum of <i>80 per cent average quarterly collection</i> of property rates and service charges with effect from 01 April 2023 and <i>85 per cent average quarterly collection</i> 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
<p><i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p>			
	6.7.2	- 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 identified? <i>Note - monthly progress against the action plan to address variances to be included as part of the municipality's debt relief compliance reporting in the MFMA s.71 statement</i>	N/a
28	6.8.2	- For the latest ending Quarter -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on https://lguploadportal.treasury.gov.za?	Yes
6.9 Monitor and report on implementation –			
29	6.9.1	- MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Yes
30	6.9.2	- If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i>	

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

35	6.10.3	<p>- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?</p>	<input type="text" value="Yes"/>
		<p><i>Note - if the PT failed to address its failure such non-compliance will be considered as non-compliance by the municipality in terms of paragraph 6.1.1.</i></p>	
36	6.11	<p>Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?</p>	<input type="text" value="No"/>
		<p><i>Note - there is a prohibition on municipal borrowing for three consecutive municipal financial years from the date of the municipality's initial or any subsequent benefit in terms of this municipal debt support programme. NT confirms that MFMA Circular No. 124: condition 6.11 (Limitation on municipality borrowing powers) will only be enforced in relation to new long term loans (entered into after the effective date of debt relief approval) as envisaged in MFMA section 46. Short term borrowing, including making use of an overdraft for in-year bridging purposes are not considered within the ambit of this condition.</i></p>	
	6.12	<p>For the duration of the Municipal Debt Relief (to ensure proper management of resources):</p>	
37	6.12.1	<p>- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?</p>	<input type="text" value="No"/>
38	6.12.2	<p>- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?</p>	<input type="text" value="No"/>
		<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i></p>	

39		<p>Supporting evidence: Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.</p>	<input type="text" value="No"/>
40	6.13	<p>Accounting Treatment - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date? <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i></p>	<input type="text" value="No"/>
41	6.14	<p>'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	<input type="text" value="No"/>
		<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

There are 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 Details		
Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003	Free State			
	Code	District		Municipality
	FS201			Moqhaka

Collection Rate Assessment										
Aggregate Collection	Q1	Summary - Quarter 2				Q2	Summary - Quarter 3			
		Billing	Collection	R - Billing not collected	% Collection		Billing	Collection	R - Billing not collected	%
1. Collection for whole demarcation	61%	222 812 285	145 097 768	77 714 517	65%	65%	82 761 738	-	82 761 738	
2. Collection <u>excl Eskom supplied areas</u>	66%	166 006 217	115 972 285	50 033 932	70%	70%	60 917 825	-	60 917 825	
3. Collection: Property Rates	70%	23 871 974	25 578 576	(1 706 602)	107%	107%	8 218 743	-	8 218 743	
4. Total average collection: Electricity (Municipal supplied areas)	76%	96 563 482	85 498 794	11 064 688	89%	89%	35 906 931	-	35 906 931	
5. Total average collection: Water	50%	42 576 792	15 813 607	26 763 185	37%	37%	17 824 278	-	17 824 278	
6. Total average collection: Wastewater	60%	20 963 994	9 757 886	11 206 108	47%	47%	7 178 299	-	7 178 299	
7. Total average collection: Refuse	54%	15 106 610	6 907 135	8 199 475	46%	46%	5 012 802	-	5 012 802	
8. Total average collection: Interest	0%	23 729 434	1 541 771	22 187 663	6%	6%	8 620 685	-	8 620 685	

Collection Rate Assessment

Total Aggregate Collection	4.October - Reporting for September in October			5.November - Reporting for October in November				6.December - Reporting for November in December			
	Collection in October	R - Billing not collected	% Collection	Billing For October	Collection in November	R - Billing not collected	% Collection	Billing For November	Collection in December	R - Billing not collected	% Collection
1.Collection for whole demarcation	56 997 705	29 385 805	71%	62 954 122	44 246 411	19 216 196	70%	79 579 254	43 853 653	35 725 601	55%
2.Collection <u>excl Eskom supplied areas</u>	45 841 474	22 626 131	78%	48 546 450	35 519 292	19 722 863	73%	58 539 216	34 611 519	25 066 725	59%
3.Collection: Property Rates	13 695 866	0	180%	8 097 545	5 873 042	2 224 503	73%	8 183 162	6 009 668	2 173 494	73%
4.Total average collection: Electricity (Municipal supplied areas)	31 440 659	5 768 025	84%	26 206 917	26 715 402	0	102%	33 147 881	27 342 733	5 805 148	82%
5.Total average collection: Water	5 433 186	10 301 194	35%	9 143 213	5 515 780	3 627 433	60%	17 699 199	4 864 641	12 834 558	27%
6.Total average collection: Wastewater	3 519 293	3 256 470	52%	7 016 565	3 264 501	3 752 064	47%	7 171 667	2 974 093	4 197 574	41%
7.Total average collection: Refuse	2 343 266	2 822 498	45%	4 935 186	2 383 306	2 551 880	48%	5 005 660	2 180 563	2 825 097	44%
8. 7.Total average collection: Interest	565 434	7 237 618	7%	7 554 696	494 381	7 060 316	7%	8 371 685	481 956	7 889 729	6%

Complete This Section

Quarter 2 Performance Per Ward

Complete This Section			Quarter 2 Performance Per Ward							
			5.November				6.December			
Services	Electricity Supplier	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	Eskom supplied	1	51 760	46 058	5 702	89%	51 760	37 735	14 026	73%
Electricity			77 519	55 089	22 430	71%	92 803	64 080	28 722	69%
Water			242 004	45 857	196 147	19%	244 276	14 837	229 439	6%
Refuse			174 882	5 506	169 375	3%	179 381	5 074	174 307	3%
Waste Water			227 339	4 734	222 605	2%	234 106	5 420	228 687	2%
Interest			339 754	1 167	338 588	0%	357 591	1 193	356 398	0%
Property Rates Tax	Partial Eskom & Mun Supplied	2	439 119	234 034	205 085	53%	441 948	192 448	249 501	44%
Electricity			811 979	347 337	464 642	43%	787 926	412 292	375 635	52%
Water			204 366	69 366	135 000	34%	425 959	65 000	360 960	15%
Refuse			157 698	58 530	99 168	37%	157 776	50 549	107 227	32%
Waste Water			223 406	70 186	153 220	31%	223 488	64 861	158 627	29%
Interest			330 163	33 456	296 708	10%	338 612	15 156	323 456	4%
Property Rates Tax	Mun Supplied	3	1 175 248	604 804	570 444	51%	1 177 528	655 620	521 908	56%
Electricity			2 042 015	674 637	1 367 378	33%	2 048 016	1 236 463	811 553	60%
Water			1 809 117	432 729	1 376 388	24%	1 986 640	624 280	1 362 360	31%
Refuse			413 443	218 369	195 075	53%	415 095	255 795	159 300	62%
Waste Water			567 700	251 593	316 106	44%	569 729	290 239	279 490	51%
Interest			133 369	29 132	104 237	22%	155 206	26 840	128 366	17%

Property Rates Tax	Mun Supplied	4	4 035	673	3 362	17%	4 035	811	3 224	20%
Electricity			92 506	38 102	54 404	41%	92 576	36 901	55 674	40%
Water			420 392	48 668	371 724	12%	537 195	41 466	495 728	8%
Refuse			65 737	16 732	49 005	25%	48 668	18 254	30 414	38%
Waste Water			85 656	16 647	69 009	19%	84 767	13 463	71 304	16%
Interest			190 358	5 481	184 877	3%	195 381	4 260	191 120	2%
Property Rates Tax	Mun Supplied	5	3 678	943	2 735	26%	3 678	449	3 229	12%
Electricity			44 802	7 575	37 228	17%	44 560	6 168	38 392	14%
Water			279 408	42 196	237 212	15%	520 945	40 941	480 003	8%
Refuse			61 493	18 175	43 318	30%	61 206	12 195	49 012	20%
Waste Water			78 799	13 976	64 823	18%	78 415	11 645	66 769	15%
Interest			152 912	2 380	150 532	2%	155 297	2 326	152 971	1%
Property Rates Tax	Mun Supplied	6	60 143	56 918	3 224	95%	60 143	55 917	4 226	93%
Electricity			138 356	60 282	78 074	44%	130 125	55 890	74 235	43%
Water			220 785	106 164	114 621	48%	685 597	136 115	549 482	20%
Refuse			105 786	30 836	74 950	29%	104 354	25 736	78 618	25%
Waste Water			143 295	28 175	115 120	20%	141 444	26 340	115 105	19%
Interest			222 338	3 924	218 414	2%	248 891	5 401	243 489	2%
Property Rates Tax	Mun Supplied	7	253 136	94 723	158 412	37%	250 632	101 557	149 074	41%
Electricity			326 609	132 243	194 366	40%	332 360	416 970	0	125%
Water			198 764	91 621	107 143	46%	476 733	74 162	402 570	16%
Refuse			113 110	39 219	73 890	35%	112 394	27 276	85 118	24%
Waste Water			147 981	30 999	116 982	21%	146 968	28 890	118 078	20%
Interest			290 984	17 853	273 131	6%	242 118	7 109	235 009	3%

Property Rates Tax	Mun Supplied	8	32 153	36 028	0	112%	32 153	13 812	18 341	43%
Electricity			93 863	54 622	39 241	58%	89 090	14 296	74 794	16%
Water			225 871	125 321	100 550	55%	382 262	58 033	324 229	15%
Refuse			92 950	52 638	40 312	57%	92 950	24 980	67 970	27%
Waste Water			120 135	62 072	58 063	52%	120 075	27 902	92 173	23%
Interest			185 970	27 616	158 354	15%	194 161	4 330	189 830	2%
Property Rates Tax	Mun Supplied	9	169 995	99 702	70 293	59%	170 403	96 946	73 456	57%
Electricity			(4 231 899)	1 780 019	0	-42%	604 729	1 659 147	0	274%
Water			550 716	102 605	448 110	19%	801 190	118 675	682 515	15%
Refuse			177 262	48 021	129 241	27%	178 532	49 111	129 421	28%
Waste Water			259 855	48 805	211 050	19%	260 139	49 579	210 561	19%
Interest			327 737	6 154	321 583	2%	297 514	7 331	290 183	2%
Property Rates Tax	Mun Supplied	10	45 885	22 950	22 935	50%	47 263	26 759	20 503	57%
Electricity			123 863	21 267	102 595	17%	133 760	23 257	110 504	17%
Water			497 209	90 644	406 565	18%	635 201	124 530	510 671	20%
Refuse			117 978	41 257	76 721	35%	119 782	42 476	77 306	35%
Waste Water			153 272	40 619	112 652	27%	156 638	52 482	104 157	34%
Interest			219 270	7 035	212 235	3%	231 963	18 109	213 855	8%
Property Rates Tax	Mun Supplied	11	367 007	355 232	11 775	97%	367 007	354 634	12 373	97%
Electricity			716 508	722 902	0	101%	722 902	69 628	653 274	10%
Water			1 003 395	91 247	912 149	9%	1 381 004	62 822	1 318 183	5%
Refuse			289 924	31 111	258 813	11%	288 491	25 931	262 560	9%
Waste Water			499 584	32 174	467 410	6%	497 733	30 392	467 342	6%
Interest			395 462	6 747	388 715	2%	400 371	5 893	394 478	1%

Property Rates Tax	Mun Supplied	12	94 965	87 246	7 719	92%	94 965	85 671	9 294	90%
Electricity			175 386	100 109	75 278	57%	171 771	34 859	136 912	20%
Water			573 662	122 260	451 402	21%	840 624	90 170	750 454	11%
Refuse			133 430	32 769	100 660	25%	130 708	25 630	105 078	20%
Waste Water			186 020	34 332	151 688	18%	182 540	32 921	149 619	18%
Interest			303 358	7 302	296 056	2%	311 477	6 872	304 605	2%
Property Rates Tax	Mun Supplied	13	455 960	519 382	0	114%	424 119	356 873	67 246	84%
Electricity			11 584 778	10 247 623	1 337 155	88%	12 318 461	10 665 432	1 653 029	87%
Water			784 121	434 368	349 753	55%	971 101	352 071	619 030	36%
Refuse			360 992	254 553	106 440	71%	353 585	170 658	182 926	48%
Waste Water			566 897	402 626	164 270	71%	544 360	285 928	258 433	53%
Interest			713 319	108 642	604 677	15%	672 759	129 040	543 718	19%
Property Rates Tax	Mun Supplied	14	62 479	57 990	4 489	93%	62 479	57 135	5 344	91%
Electricity			115 379	78 634	36 745	68%	111 493	49 141	62 351	44%
Water			266 381	100 912	165 470	38%	429 168	99 294	329 874	23%
Refuse			122 619	39 656	82 963	32%	122 601	35 243	87 359	29%
Waste Water			166 613	43 362	123 251	26%	166 531	40 147	126 384	24%
Interest			248 409	8 930	239 479	4%	257 571	7 495	250 077	3%
Property Rates Tax	Mun Supplied	15	69 425	59 948	9 477	86%	69 425	60 272	9 153	87%
Electricity			242 116	121 169	120 947	50%	235 069	103 188	131 881	44%
Water			375 624	215 289	160 335	57%	478 082	160 207	317 875	34%
Refuse			136 740	43 983	92 757	32%	135 400	39 627	95 772	29%
Waste Water			183 808	42 958	140 849	23%	182 841	45 481	137 360	25%
Interest			231 814	6 676	225 138	3%	236 308	8 329	227 979	4%

Property Rates Tax	Mun Supplied	16	1 592 254	1 386 586	205 668	87%	1 657 577	1 352 008	305 569	82%
Electricity			5 286 526	3 723 063	1 563 463	70%	6 245 278	4 444 946	1 800 332	71%
Water			1 610 175	1 042 227	567 948	65%	1 769 929	996 897	773 032	56%
Refuse			702 648	609 643	93 004	87%	780 262	580 383	199 879	74%
Waste Water			1 081 691	968 056	113 635	89%	1 234 196	911 519	322 677	74%
Interest			260 916	88 160	172 756	34%	382 395	89 920	292 475	24%
Property Rates Tax	Mun Supplied	17	1 534 497	1 127 901	406 596	74%	1 568 526	1 240 512	328 015	79%
Electricity			2 879 809	3 127 126	0	109%	2 983 477	2 355 517	627 960	79%
Water			1 343 225	1 706 004	0	127%	1 177 507	1 137 222	40 285	97%
Refuse			664 805	603 332	61 474	91%	684 472	551 425	133 047	81%
Waste Water			947 229	883 896	63 333	93%	974 377	740 883	233 493	76%
Interest			212 462	60 022	152 440	28%	261 777	68 073	193 705	26%
Property Rates Tax	Partial Eskom & Mun Supplied	18	625 936	526 071	99 865	84%	625 451	552 795	72 655	88%
Electricity			5 595 606	5 362 310	233 296	96%	5 901 492	5 651 362	250 130	96%
Water			1 264 920	579 124	685 797	46%	1 303 294	605 345	697 949	46%
Refuse			403 105	219 223	183 882	54%	404 518	215 784	188 734	53%
Waste Water			549 749	269 465	280 284	49%	552 454	287 693	264 760	52%
Interest			697 773	40 829	656 945	6%	728 980	47 278	681 702	6%
Property Rates Tax	Eskom supplied	19	27 940	18 366	9 573	66%	27 940	18 520	9 420	66%
Electricity			98	150	0	153%	98	-	98	0%
Water			970 597	3 026	967 570	0%	952 365	2 717	949 648	0%
Refuse			135 810	845	134 965	1%	134 928	704	134 224	1%
Waste Water			177 880	968	176 912	1%	176 737	763	175 974	0%
Interest			787 074	193	786 881	0%	792 695	176	792 519	0%

Property Rates Tax	Partial Eskom & Mun Supplied	20	59 426	41 748	17 678	70%	59 426	40 720	18 706	69%
Electricity			15 560	589	14 971	4%	14 481	544	13 937	4%
Water			533 900	21 462	512 438	4%	630 926	19 032	611 894	3%
Refuse			170 237	6 560	163 677	4%	168 171	5 788	162 383	3%
Waste Water			213 673	5 869	207 804	3%	211 017	6 425	204 592	3%
Interest			608 519	1 560	606 959	0%	610 968	1 196	609 771	0%
Property Rates Tax	Eskom supplied	21	251 365	100 321	151 044	40%	251 513	144 546	106 967	57%
Electricity			1 290	-	1 290	0%	1 290	-	1 290	0%
Water			(4 266 738)	18 219	0	0%	1 056 615	18 008	1 038 607	2%
Refuse			326 454	5 961	320 493	2%	324 305	13 650	310 655	4%
Waste Water			422 582	2 768	419 814	1%	419 710	13 828	405 882	3%
Interest			558 040	6 520	551 520	1%	1 137 077	9 941	1 127 136	1%
Property Rates Tax	Eskom supplied	22	721 140	395 417	325 722	55%	735 192	563 928	171 264	77%
Electricity			74 246	60 554	13 692	82%	86 126	42 655	43 471	50%
Water			35 318	26 471	8 847	75%	12 587	22 818	0	181%
Refuse			8 084	6 385	1 699	79%	8 084	4 297	3 787	53%
Waste Water			13 401	10 219	3 182	76%	13 401	7 292	6 109	54%
Interest			144 698	24 605	120 093	17%	162 572	15 687	146 885	10%

16.4.2 Monthly - Restriction of Free Basic Services to Indigent Household



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

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

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

Description	Ref	As Per Debt Relief Application	2025/2026 - Monthly Monitoring								
		Current Year - 2025/2026									
		Baseline	Adopted Budget	Adjusted Budget	Full Year Forecast	M01	M02	M03	M04	M05	M06
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	13 740
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	13 740
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	13 740
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	10 794
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	1 780

Number of Indigent HH's with NO Water supply - No metering											
Total number of registered indigent households	10	11 742	11 838	-	12 183	12 186	12 237	12 309	12 432	12 507	12 574
Status of unlimited supply of Water :											
Number of Indigent HH's with conventional metered Water - where the municipality is NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740
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	1 780
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	15 520
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's billed for consumption above the 6 kilolitres	11	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740
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	13 740
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	13 740
Indigent HH's with Electricity (< min.service level)		-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-	-
Indigent HH's with other energy sources		-	-	-	-	-	-	-	-	-	-
Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-
Total number of registered indigent households	5	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740
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	13 740
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	13 740

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	13 740	
Electricity/other energy (50kwh per household per month)		12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	
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	191	
Electricity/other energy (50kwh per household per month)		114	124	-	194	196	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	387
Highest level of free service provided per household (ALL Households)												
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-	-	
Water (kilolitres per household per month)		10	10	-	10	10	10	10	10	10	10	
Sanitation (kilolitres per household per month)		10	10	-	10	10	10	10	10	10	10	
Sanitation (Rand per household per month)		145	170	-	154	160	160	160	160	160	160	
Electricity (kwh per household per month)		50	50	-	50	50	50	50	50	50	50	
Refuse (average litres per week)		30	30	-	30	30	30	30	30	30	30	

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

References

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

Votenummer	Description	Curr Mth Exp	Curr Mth Exp	Curr Mth Exp
		Jul	Aug	Sep
31251178950FBZZZZHO	TS_O_M_NG_LOCAL GOV FIN MNG GRANT	-		
31252260380FBP83ZZHO	OS: B&A PROJECT MANAGEMENT	-		
31252260600FBP83ZZHO	OS: CATERING SERVICES	-		
31252270370FBP83ZZHO	C&PS: B&A HUMAN RESOURCES	21 454.68		
31252303300FBP83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	-		
34052110010FBP83ZZHO	MS: SAL & ALL: BASIC SALARY & WAGES	-		
34052303300FBQ83ZZHO	OC: LEARNERSHIPS & INTERNSHIPS	-		
34056470020FBD70ZZHO	COMPUTERS	-		
34056470020FBD70ZZWM	COMPUTERS	-		
34301025100F6FB5ZZHO	RESIDENTIAL PROPERTIES: DEVELOPED	-		
34301321170F6FB1ZZHO	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-		
35321321170F1FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-		
35321321170F2FB1ZZWM	ELEC SALES: DOMESTI LOW HOME LIGHT 2 20A	-		
35321321190F1FB1ZZWM	ELEC SALES: DOMESTIC LOW: PREPAID	-		
35321321200F1FB1ZZWM	ELEC SALES: DOMESTIC HIGH HOME POWER 1	1 095.93		
35321321380F1FB1ZZWM	ELEC: AVAILABILITY CHARGES	754 018.97		
35411324020F1FB4ZZWM	WATER: SALE - CONVENTIONAL	895 724.37		
35411324070F1FB4ZZWM	WATER: AVAILABILITY CHARGES	1 602 948.85		
35441324020F5FB2ZZWM	WATER: SALE - CONVENTIONAL	-		
35511323020F1FB2ZZWM	WASTE WATER MANG: SANITATION CHARGES	1 070 961.51		
35511323060F1FB2ZZWM	WASTE WATER MANG: AVAILABILITY CHARGES	879 520.61		
36621322030F1FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	-		
36621322030F3FB3ZZWM	WASTE MANGEMENT: REFUSE REMOVAL	1 397 508.50		
36621322050F1FB3ZZWM	WASTE MANGEMENT: AVAILABILITY CHARGES	126 217.59		
		6 749 451.01	-	-

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

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

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


Property Tax Return Form	
Parish	IS
State	Louisiana
Type	IM
Mapical Name	IBP&S
CV Period	1/1/2023 - 12/31/2023
Report Year	202305
Report Period	Quar 2

Reconciliation Overview
High Level Reconciliation


Property Categories	Est. Properties			Market Values		
	CV	MIS	Variance	CV Market Value	MIS Market Value	Variance
Industrial	33,311	45,003	11,711	1,807,957,000.00	2,131,548,000.00	323,591,000.00
Residential	705	909	41	309,965,000.00	349,589,000.00	39,624,000.00
Commercial and Commercial	1,008	1,132	35	899,485,000.00	1,121,825,000.00	222,340,000.00
Agricultural	4,944	3,387	1,557	1,533,189,750.00	3,488,948,750.00	1,955,759,000.00
Misc.	8	13	4	7,378,000.00	28,734,000.00	21,356,000.00
State Owned or Public Property	211	589	371	1,251,788,000.00	1,340,944,500.00	88,928,500.00
Oil	237	461	224	17,740,000.00	38,280,000.00	20,540,000.00
Gas	26	279	253	50,980,000.00	251,821,000.00	199,841,000.00
Mult. Use	235	-	235	262,280,480.00	-	262,280,480.00
Leases	470	900	430	35,031,000.00	28,771,000.00	6,260,000.00
Other	254	8	246	39,181,000.00	1,435,000.00	37,746,000.00
Municipal	12,737	219	12,518	2,195,584,000.00	304,827,000.00	1,890,757,000.00
Misc.	-	-	-	-	-	-
Total	52,284	52,282	2	15,811,552,810.00	19,927,214,480.00	4,115,661,670.00

Property Categories	Number of Properties			Market Values		
	CV	MIS	Variance	CV	MIS	Variance
Industrial	2,780,807	2,982,254	201,447	9,365,213.20	1,590,572.70	8,474,640.50
Residential	523,135	521,366	1,769	1,509,498.00	1,585,896.20	76,398.20
Commercial and Commercial	1,575,416	1,895,208	319,792	4,720,242.30	1,094,894.30	3,625,348.00
Agricultural	578,805	1,338,775	760,970	2,335,423.54	1,099,318.00	1,236,105.54
Misc.	2,492	18,749	16,257	71,888.70	52,158.00	19,730.70
State Owned or Public Property	2,800,303	2,477,915	322,388	7,280,008.25	7,403,448.00	123,439.75
Oil	-	1,548	1,548	-	3,444.00	3,444.00
Gas	-	-	-	-	-	-
Mult. Use	-	-	-	-	-	-
Leases	38,364	190,414	152,050	1,918,010.00	49,130.40	1,868,879.60
Other	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Misc.	-	-	-	-	-	-
Total	17,118,713	18,320,652	1,201,939	23,778,333.24	28,740,951.71	4,962,618.47

Prepared By: DAVID MOYCE Date: 07/05/23
 Contact Details: 066 219 9006804

Signature: 

Reviewed By: LEIGHANOLD MORGAN Date: 07/05/23
 Contact Details: 066 219 9006804

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.



Audit Trail

Create Transfer

Thu, Dec 18, 2025 at 08:52:07 AM

Group **19058 - MOQHAKA LOCAL MUNICIPALITY**
Operator **010 - PAULA DARINA DU PLESSIS**
Status **Finally Approved**

	Captured	First Approver	Second Approver	Third Approver	Final Approver
Operator Number	10	21			31
Operator Name	PAULA DARINA DU PLESSIS	IRENE MOKHESENG			RYAN D BUYS
Approval Level		A			A
Date	2025/12/17	2025/12/17			2025/12/18
Time	13:37:23	14:21:07			08:40:56
Roll-over Date					2025/12/18

Transaction Status

Transaction Detail

From Account	334536 MOQHAKA LOCAL MUNICIPALITY - 0000004053274876		
Description	3 9345061750 90047754	Frequency	Adhoc
Beneficiary Code			
To Account	223626 ESKOM 9345061750 - 0000055070067316		
Description	3 MOQHAKA MUNICIPALITY		
Date	20251217	Amount	40,000,000.00
Roll-over date	2025/12/18		
Transaction Number	272711	Immediate Interbank Payment	No

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

16.7 Municipal Debt Relief Monitoring Plan – Progress report

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

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

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

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - June 2024 Comments
6.6 Electricity and Water Collection (Demonstration through by-laws and budget related policies)	<p>6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order:</p> <ul style="list-style-type: none"> (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity 	Monthly	Monthly billing reconciliation / Financial system generated hierachy allocation report	<p>Compliant</p> <p>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</p> <p>Conventional disconnections = 338</p> <p>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.</p> <p>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</p> <p>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 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 thirdparty salary payments</p>

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

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

Quality Certificate

I, PH TShabalala the Municipal Manager of Moghaka Local Municipality hereby certify that: -

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

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

Municipal Manager of Moghaka Local Municipality (FS201)

Signature: PH TShabalala

Date: 14/01/2026

