



*"People's power in action"*

**MFMA SECTION 71 REPORT MONTH ENDING**

**28 FEBRUARY 2026**

- DISTRIBUTION:

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

- Municipal Manager (Acting) **Mr Thembekile Maxwell Ngesi**

- Chief Financial Officer (Acting) **Dr Jimmy Maswanganyi**

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

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### **List of Abbreviations and Acronyms used in the Monthly Budget Statement**

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

**PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 28 FEBRUARY 2026**

**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 28 FEBRUARY 2026

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 R2 059 943 163, of which 91% of the debt is owed more than 90 days totalling R1 872 406 414. Included in the total debt, R152 988 739 is owed by Government or Organs of State, R242 584 912 by Business and R1 525 999 786 by Households. Included in the Households debt is R302 627 196 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 28 February 2026, the ten-working day reporting limit expires on Friday the 13<sup>th</sup> of March 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:

**N.B.** The Municipal Budget is unfunded

Table 1. Consolidated summary: Statement of Financial Performance: YTD Budget

Description	YTD Budget to Feb 26	YTD Actual to Feb 26	Variance Favourable (Unfavourable)	% YTD Budget vs YTD Actual	% Variance vs Actual Favourable (Unfavourable)
Total Revenue (Excluding Capital Transfers and Contributions)	R971 192 078	R769 434 809	(R201 757 269)	79%	(21%)
Total Revenue including Capital Transfers and Contributions	R974 330 605.31	R772 573 336.31	(R201 757 269)	79%	(21%)
Total Operational Expenditure	R942 000 000	R596 627 000	(R345 373 000)	63%	(37%)

As indicated in Table 1 above, as of 28 February 2026, the actual billed revenue including operational transfers, but excluding capital grants amounted to R769 434 809, which resulted in an unsatisfactory variance of 21% when compared to YTD Budget of R971 192 078. 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 R772 573 336.31 from the budget of R974 330 605.31. The Total Operational Expenditure amounted to R596 627 000 versus the YTD Budget of R942 000 000, resulting in a satisfactory variance of 63%.

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 unsatisfactorily at 54% against monthly billing inclusive of arrears, and inclusive of operational grants recognized is 71%, 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 2025-2026 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 whenever financially possible. During the month of February 2026, a payment of **R10 000 000** was made towards the account. A cost containment policy has been implemented to control the administration of new orders, non-essential expenditure, pre-approve overtime and manage fuel consumption of municipal fleet.

The municipality was not successful in engaging the seven approved service providers by National Treasury on the RT29 transversal contract relating to the installation of smart water & electricity meters. Smart water meters were specifically earmarked for the areas where Eskom distributes electricity to improve collection in those areas. 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 were four debt collection companies that were 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) - M08 February**

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		435 252	548 139	548 139	41 605	341 675	365 426	(23 751)	-6%	548 139
Service charges - Water		164 103	204 038	204 038	14 106	106 395	136 025	(29 631)	-22%	204 038
Service charges - Waste Water Management		72 624	73 321	75 216	6 136	49 533	49 259	273	1%	75 216
Service charges - Waste management		51 188	50 701	50 701	4 301	34 747	33 801	947	3%	50 701
Sale of Goods and Rendering of Services		5 678	8 764	8 675	511	3 446	5 825	(2 378)	-41%	8 675
Agency services										
Interest										
Interest earned from Receivables		86 303	78 687	83 128	8 299	64 400	53 346	11 054	21%	83 128
Interest from Current and Non Current Assets		39	63	63			42	(42)	-100%	63
Dividends		5 822	4 744	4 744	279	2 907	3 163	(255)	-8%	4 744
Rent on Land										
Rental from Fixed Assets		5 339	9 256	9 883	265	4 897	6 296	(1 399)	-22%	9 883
Licence and permits										
Special rating levies										
Operational Revenue		7 419	14 960	9 353	(239)	(2 226)	8 852	(11 078)	-125%	9 353
<b>Non-Exchange Revenue</b>										
Property rates		93 605	94 806	98 716	8 234	65 793	63 986	1 807	3%	98 716
Surcharges and Taxes										
Fines, penalties and forfeits		4 755	5 784	5 603	89	715	3 820	(3 105)	-81%	5 603
Licence and permits										
Transfers and subsidies - Operational		331 012	328 582	363 896	181	233 088	226 117	6 971	3%	363 896
Interest		10 024	8 373	9 755	868	6 693	5 858	835	14%	9 755
Fuel Levy										
Operational Revenue		888	(267)	(267)	77	621	(178)	799	-449%	(267)
Gains on disposal of Assets		(2 284)								
Other Gains		7 254								
<b>Discontinued Operations</b>										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 279 022</b>	<b>1 429 951</b>	<b>1 471 642</b>	<b>84 712</b>	<b>912 685</b>	<b>961 639</b>	<b>(48 954)</b>	<b>-5%</b>	<b>1 471 642</b>
<b>Expenditure By Type</b>										
Employee related costs		452 951	449 410	524 882	36 631	311 650	314 703	(3 054)	-1%	524 882
Remuneration of councillors		22 444	29 484	28 381	1 841	14 980	19 436	(4 455)	-23%	28 381
Bulk purchases - electricity		486 867	428 185	325 349	797	61 402	263 390	(201 987)	-77%	325 349
Inventory consumed		17 948	26 574	41 146	1 470	20 490	20 778	(288)	-1%	41 146
Debt impairment		78	61 096	38 496			36 211	(36 211)	-100%	38 496
Depreciation and amortisation		112 242	10 305	10 305			6 870	(6 870)	-100%	10 305
Interest		99 037	8 790	8 790	550	4 400	5 860	(1 460)	-25%	8 790
Contracted services		148 907	197 383	271 169	8 289	89 343	152 141	(62 797)	-41%	271 169
Transfers and subsidies		244	1 095	1 095	25	35	730	(695)	-95%	1 095
Irrecoverable debts written off		170 915	3 966	10 002	642	5 640	3 851	1 789	46%	10 002
Operational costs		179 769	170 482	192 907	5 789	88 692	117 987	(29 295)	-25%	192 907
Losses on Disposal of Assets		1 796	63	63			42	(42)	-100%	63
Other Losses		4 869		6		(6)	1	(7)	-600%	6
<b>Total Expenditure</b>		<b>1 698 065</b>	<b>1 386 834</b>	<b>1 452 592</b>	<b>56 033</b>	<b>596 627</b>	<b>942 000</b>	<b>(345 373)</b>	<b>-37%</b>	<b>1 452 592</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations)		48 042	66 532	66 532	3 139	3 399	44 355	(40 956)	(0)	66 532
Transfers and subsidies - capital (in-kind)		14								
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(370 987)</b>	<b>109 649</b>	<b>85 583</b>	<b>31 818</b>	<b>319 457</b>	<b>63 993</b>	<b>255 463</b>	<b>0</b>	<b>85 583</b>
Income Tax										
<b>Surplus/(Deficit) after income tax</b>		<b>(370 987)</b>	<b>109 649</b>	<b>85 583</b>	<b>31 818</b>	<b>319 457</b>	<b>63 993</b>	<b>255 463</b>	<b>0</b>	<b>85 583</b>
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(370 987)</b>	<b>109 649</b>	<b>85 583</b>	<b>31 818</b>	<b>319 457</b>	<b>63 993</b>	<b>255 463</b>	<b>0</b>	<b>85 583</b>
Share of Surplus/Deficit attributable to Associate										
Intercompany/Parent subsidiary transactions										
<b>Surplus/ (Deficit) for the year</b>		<b>(370 987)</b>	<b>109 649</b>	<b>85 583</b>	<b>31 818</b>	<b>319 457</b>	<b>63 993</b>	<b>255 463</b>	<b>0</b>	<b>85 583</b>

## Exchange and Non-Exchange Revenue

Revenue analysis for the month ending 28 February 2026

Revenue Types	Section 71 of 28 February 2026						Eight Months Ending 28 February 2026				
	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	98 715 836	8 226 320	8 233 603	100%	5 036 260	61%	65 810 557	65 792 963	100%	56 810 895	86%
Electricity - conventional	384 403 973	32 033 664	26 695 624	83%	22 508 700	84%	256 269 315	229 174 192	89%	215 632 398	94%
Water	203 998 096	16 999 841	14 100 028	83%	4 382 298	31%	135 998 731	106 372 670	78%	45 903 914	43%
Sanitation	74 766 665	6 230 555	6 133 205	98%	2 947 653	48%	49 844 443	49 468 730	99%	28 514 980	58%
Refuse	50 701 046	4 225 087	4 301 055	102%	2 022 360	47%	33 800 697	34 747 190	103%	19 385 461	56%
<b>Total Direct Services</b>	<b>812 585 616</b>	<b>67 715 468</b>	<b>59 463 515</b>	<b>88%</b>	<b>36 897 272</b>	<b>62%</b>	<b>541 723 744</b>	<b>485 555 745</b>	<b>90%</b>	<b>366 247 648</b>	<b>75%</b>
Other revenue	130 937 000	10 911 417	4 106 943	38%	4 156 454	101%	87 291 333	22 923 485	26%	19 347 337	84%
<b>Revenue from Billed services</b>	<b>943 522 616</b>	<b>78 626 885</b>	<b>63 570 458</b>	<b>81%</b>	<b>41 053 726</b>	<b>65%</b>	<b>629 015 077</b>	<b>508 479 230</b>	<b>81%</b>	<b>385 594 985</b>	<b>76%</b>
Electricity - prepaid	164 223 384	13 685 282	13 045 873	95%	13 045 873	100%	109 482 256	113 224 815	103%	113 224 815	100%
<b>grants</b>	<b>1 107 746 000</b>	<b>92 312 167</b>	<b>76 616 331</b>	<b>83%</b>	<b>54 099 599</b>	<b>71%</b>	<b>738 497 333</b>	<b>621 704 045</b>	<b>84%</b>	<b>498 819 800</b>	<b>80%</b>
Operational grants and subsidies	6 877 000	114 463	114 463	0%-	114 463	100%	1 668 745	1 668 745	0%	1 668 745	100%
Equitable share	353 516 000	-	-	-	-	-	231 026 000	231 026 000	100%	231 026 000	100%
<b>Total Revenue</b>	<b>1 468 139 000</b>	<b>92 426 629</b>	<b>76 730 794</b>	<b>83%</b>	<b>54 214 061</b>	<b>71%</b>	<b>971 192 078</b>	<b>854 398 790</b>	<b>88%</b>	<b>731 514 545</b>	<b>86%</b>

### Comments on Section 71 Report.

Collection rate for waste water management is 48% for the month of February 2026 and 58% for the year to date.

Collection rate for waste management is 47% for the month of February 2026 and 56% for the year to date.

Collection rate for water is 31% for the month of February 2026 and 43% for the year to date.

The collection rate on Property Rates is 61% for the month of February 2026 and 86% 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 84% for the month of February 2026 and 94% for the year to date.

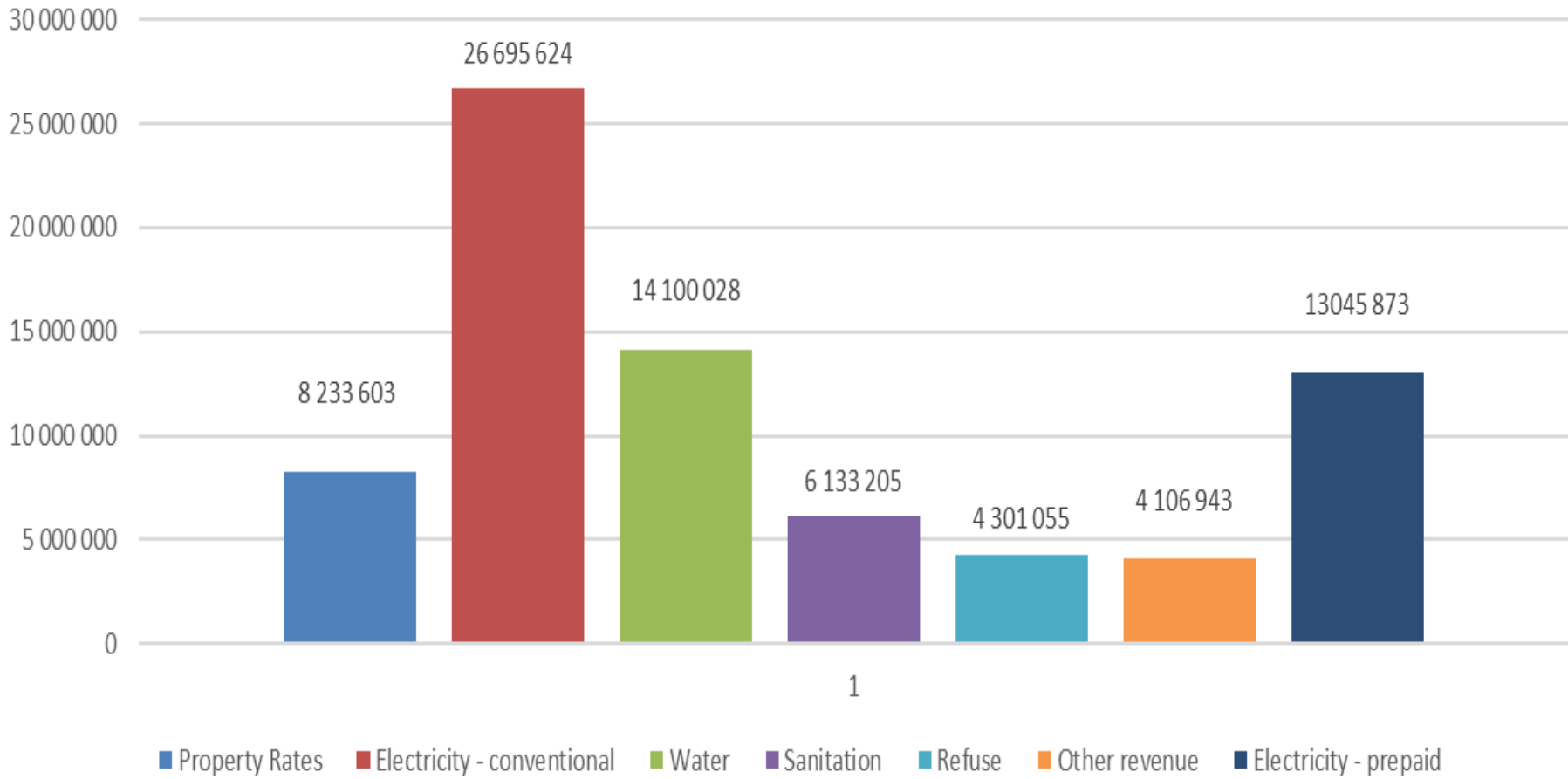
**Revenue before operational grants versus billing is 71% for the month of February 2026 and 80% for the year to date.**

Total Revenue Collection Percentage with Zero or No Grant Funding received for the month of February 2026 is 71% and 86% for the period under review.

Indigents Contribution for Prepaid Electricity in February 2026 is R1 036 506.50 + R189 348.21 (FBE in ESKOM Supplied Areas) = R1 225 854.71

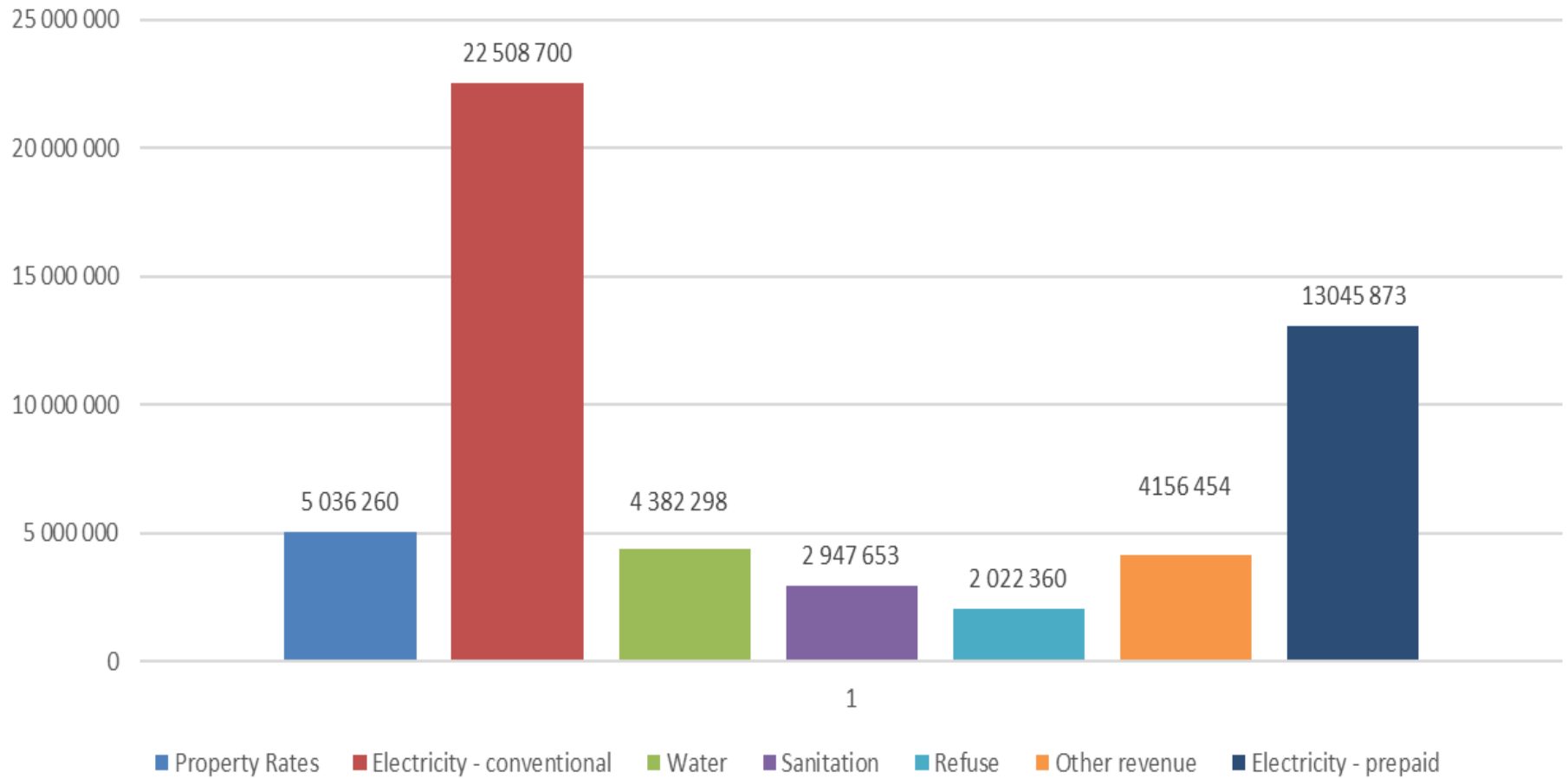


## Billing Per Service



1

### Collection Per Service



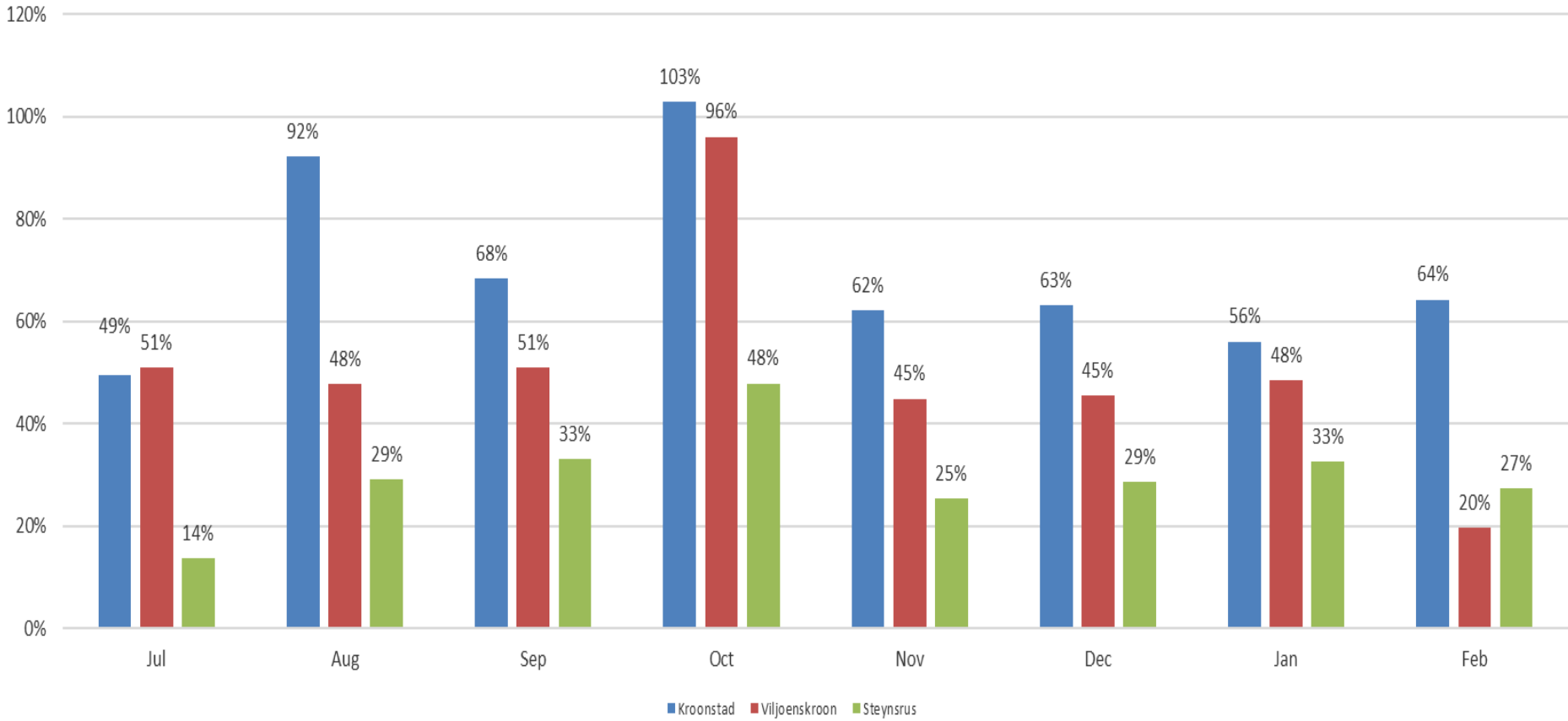
The February 2026 receipts amounted to R41 181 040.63 against billing of R75 877 032.36. That translates to 54% collection rate.

Cycle	Opening Balance	Charges Raised	Adjustments	Repayments	Deposits	Nett Movement	Receipts	Closing Balance	Collection	Billing vs Receipts
1	169 864 085.46	18 510 846.35	-790 351.98	60 287.46	47 395.00	17 828 176.83	-16 159 013.82	171 533 248.47	-91%	1 669 163.01
2	721 944 674.36	21 554 239.21	-6 593 957.35	10 616.72	36 400.00	15 007 298.58	-2 584 278.46	734 367 694.48	-17%	12 423 020.12
3	3 550 849.07	3 358 830.79	0.00	0.00	0.00	3 358 830.79	-3 547 491.00	3 362 188.86	-106%	-188 660.21
4	62 847 019.71	556 502.19	79 341.78	963.80	0.00	636 807.77	-146 910.46	63 336 917.02	-23%	489 897.31
6	21 584 914.71	1 311 870.24	-854.82	0.00	0.00	1 311 015.42	-1 001 197.18	21 894 732.95	-76%	309 818.24
7	30 008 860.59	947 210.15	-221 366.12	918.55	895.00	727 657.58	-239 885.08	30 496 633.09	-33%	487 772.50
8	11 090 487.89	607 160.98	-380.46	2 610.95	0.00	609 391.47	-268 539.62	11 431 339.74	-44%	340 851.85
9	2 459 360.69	11 905.89	-26 902.56	4 878.30	0.00	-10 118.37	-10 050.00	2 439 192.32	99%	-20 168.37
10	83 436 805.56	12 472 000.88	-1 961 707.58	0.00	0.00	10 510 293.30	-10 955 797.70	82 991 301.16	-104%	-445 504.40
11	102 677 656.70	1 098 771.47	446 342.59	0.00	3 867.00	1 548 981.06	-424 885.03	103 801 752.73	-27%	1 124 096.03
13	673 452 680.90	12 653 059.84	-1 781 675.52	0.00	11 390.64	10 882 774.96	-2 318 057.66	682 017 398.20	-21%	8 564 717.30
14	8 046 912.59	4 840 278.61	0.00	0.00	0.00	4 840 278.61	-768 017.37	12 119 173.83	-16%	4 072 261.24
15	7 608.90	67.89	0.00	0.00	0.00	67.89	0.00	7 676.79	0%	67.89
16	134 275 254.09	8 707 726.17	-82 848.13	698.43	0.00	8 625 576.47	-2 756 917.25	140 143 913.31	-32%	5 868 659.22
	2 025 247 171.22	86 630 470.66	-10 934 360.15	80 974.21	99 947.64	75 877 032.36	-41 181 040.63	2 059 943 162.95	-54%	34 695 991.73

**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%
Jan	62 870 020	35 235 270	56%	16 297 434	7 891 837	48%	2 141 437	697 684	33%
Feb	58 604 930	37 670 081	64%	15 723 121	3 086 075	20%	1 548 981	424 885	27%
<b>Total</b>	<b>477 814 358</b>	<b>324 182 827</b>	<b>68%</b>	<b>122 499 158</b>	<b>59 058 929</b>	<b>48%</b>	<b>16 939 229</b>	<b>4 995 143</b>	<b>29%</b>

### 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%
Jan	R0	R14 200 142	R2 129 818	R16 329 961	R5 851 316	R1 029 848	↓ -2%
Feb	R0	R13 045 873	R1 956 699	R15 002 572	R5 445 783	R1 036 507	↓ -8%
<b>Totals</b>	<b>R0</b>	<b>R113 224 815</b>	<b>R16 982 141</b>	<b>R130 206 956</b>	<b>R46 821 737</b>	<b>R8 323 897</b>	

Billing for Kroonstad/Maokeng, Brentpark in February 2026 was R58.6m, Viljoenskroon/Rammolutsi was R15.7m and Steynsrus/Matlwangtlwang was R1 548 981.

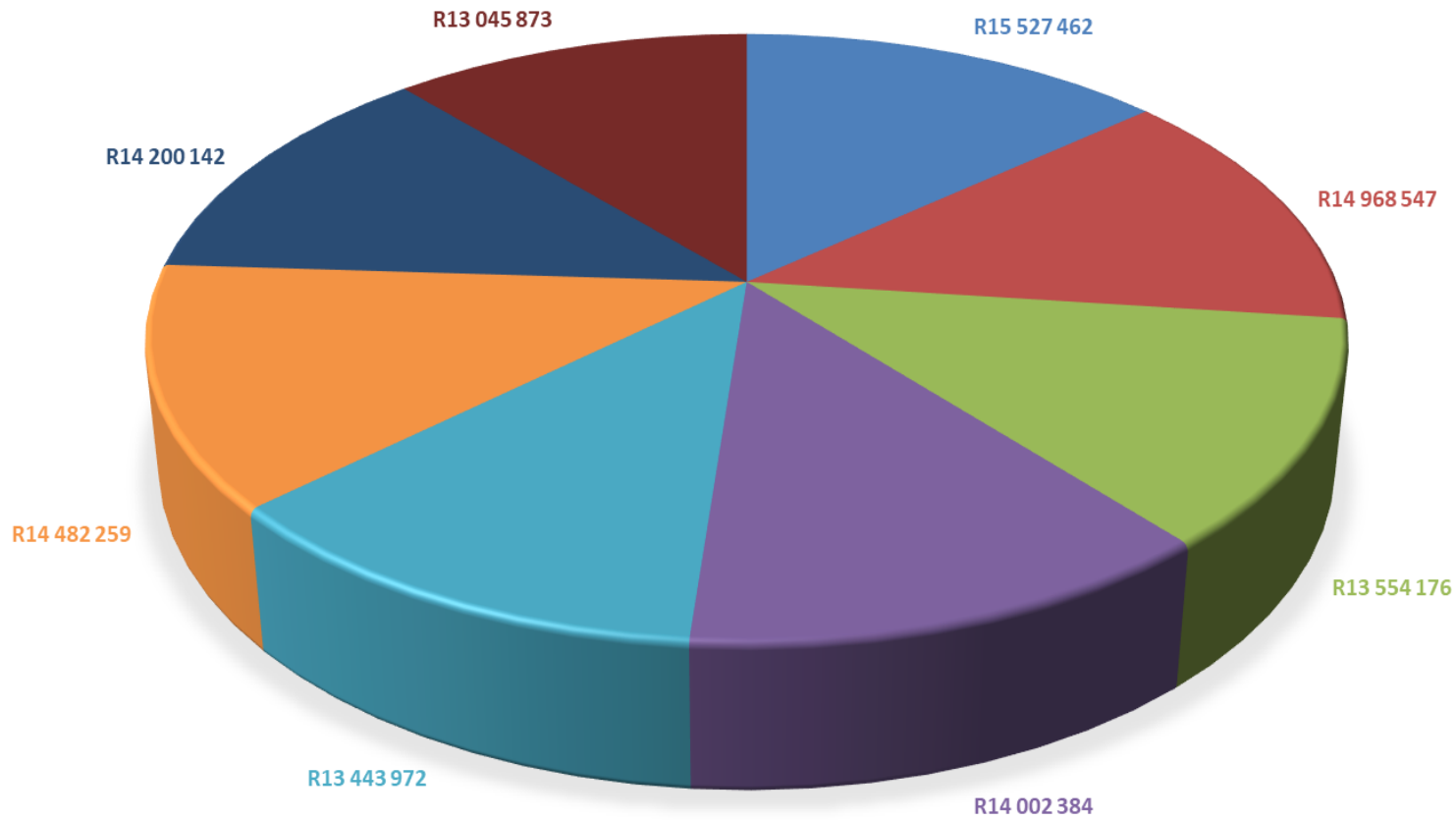
The average Collection Rate for Kroonstad/Maokeng/Brentpark for February 2026 is 64% , Viljoenskroon/Rammolutsi is 20% & Steynsrus/Matlwangtlwang is 27%.

Kroonstad/Maokeng/Brentpark generated a revenue of R37.7m for February 2026, Viljoenskroon/Rammolutsi generated R3.1m & Steynsrus/Matlwangtlwang generated R424 885.

The cost of revenue generated through prepaid electricity for the month of February 2026 is R13 045 873. The electricity vendors are contributing to these sales.

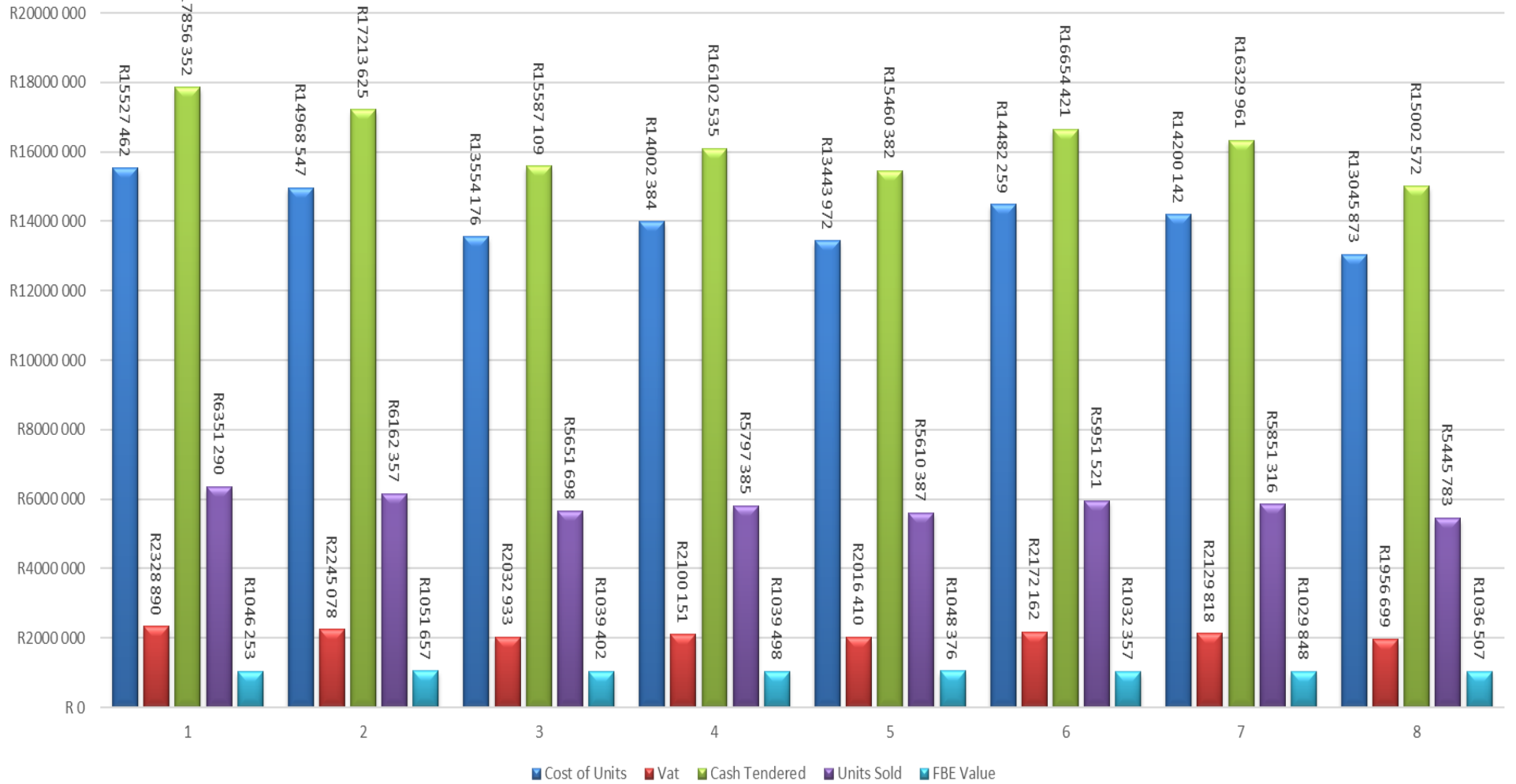


### PREPAID ELECTRICITY SALES @ COST



■ Jul ■ Aug ■ Sep ■ Oct ■ Nov ■ Dec ■ Jan ■ Feb

## Prepaid Electricity Statistics



### 4.2 Operating expenditure by type

FS201 Moqhaka - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		452 951	449 410	524 882	36 631	311 650	314 703	(3 054)	-1%	524 882
Remuneration of councillors		22 444	29 484	28 381	1 841	14 980	19 436	(4 455)	-23%	28 381
Bulk purchases - electricity		486 867	428 185	325 349	797	61 402	263 390	(201 987)	-77%	325 349
Inventory consumed		17 948	26 574	41 146	1 470	20 490	20 778	(288)	-1%	41 146
Debt impairment		78	61 096	38 496	-	-	36 211	(36 211)	-100%	38 496
Depreciation and amortisation		112 242	10 305	10 305	-	-	6 870	(6 870)	-100%	10 305
Interest		99 037	8 790	8 790	550	4 400	5 860	(1 460)	-25%	8 790
Contracted services		148 907	197 383	271 169	8 289	89 343	152 141	(62 797)	-41%	271 169
Transfers and subsidies		244	1 095	1 095	25	35	730	(695)	-95%	1 095
Irrecoverable debts written off		170 915	3 966	10 002	642	5 640	3 851	1 789	46%	10 002
Operational costs		179 769	170 482	192 907	5 789	88 692	117 987	(29 295)	-25%	192 907
Losses on Disposal of Assets		1 796	63	63	-	-	42	(42)	-100%	63
Other Losses		4 869	-	6	-	(6)	1	(7)	-600%	6
<b>Total Expenditure</b>		<b>1 698 065</b>	<b>1 386 834</b>	<b>1 452 592</b>	<b>56 033</b>	<b>596 627</b>	<b>942 000</b>	<b>(345 373)</b>	<b>-37%</b>	<b>1 452 592</b>

### Comparison against YTD Budget

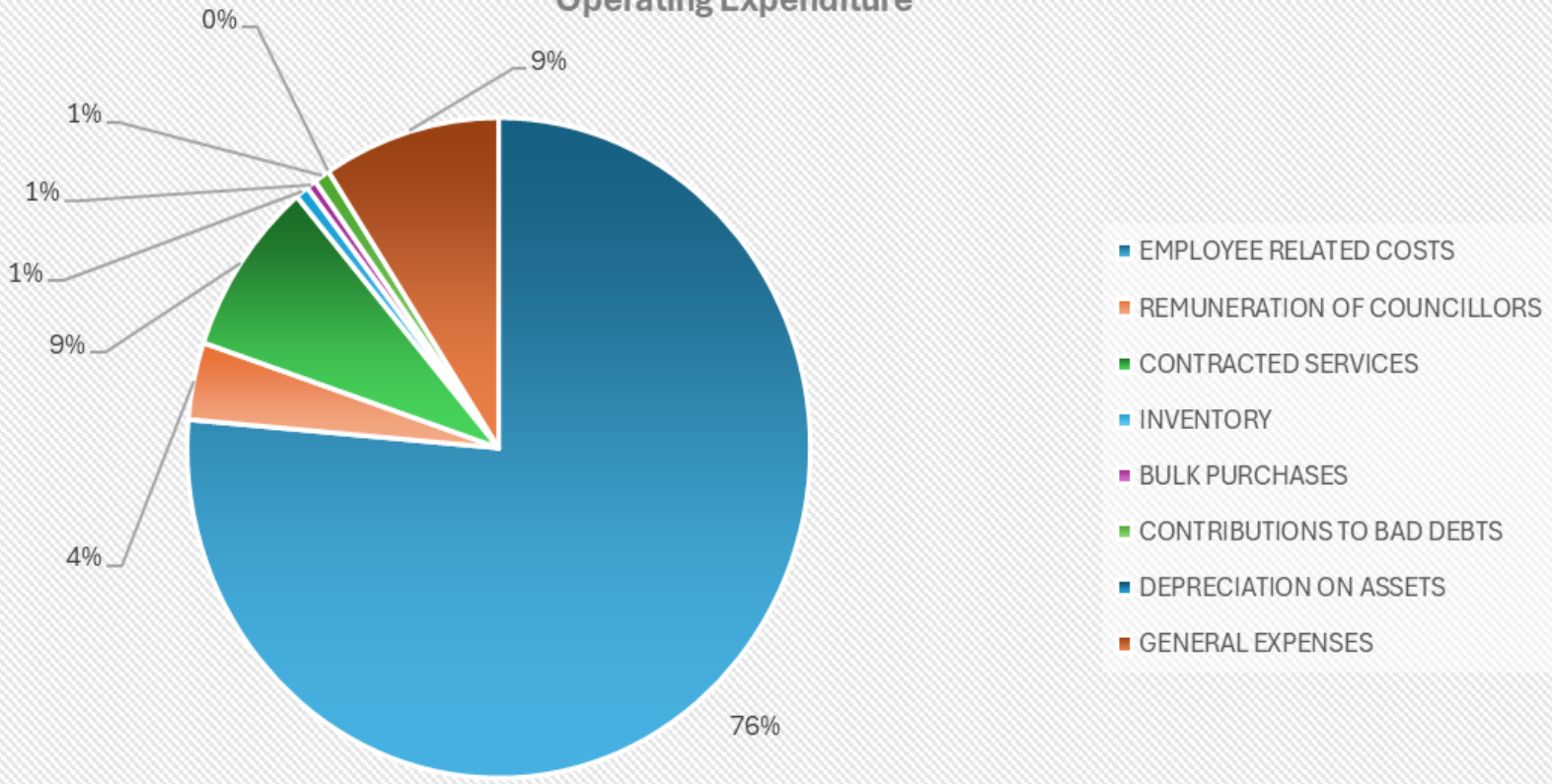
As indicated in the Table above, as at 28 February 2026, expenditure shows an unsatisfactory variance of minus 37%. The YTD actual amounted to R596 627 000 against the YTD budget of R942 000 000.

- Employee related costs show a unsatisfactory variance of minus 1%. 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 77%.
- The expenditure on Inventory consumed is showing an unsatisfactory variance minus 1%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure.
- The major backlog and deterioration of infrastructure is negatively influencing the Repairs & Maintenance expenditure line items. Deviations and re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally.

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

- Depreciation was projected for on a straight-line basis, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system for integration.
- Interest is showing an unsatisfactory variance of minus 25%, due to the Interest on External borrowing being paid monthly and the first instalment for the current financial year was paid. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- Expenditure on Contracted services is showing an unsatisfactory variance of minus 95%.
- Transfers and subsidies showing negative variance of minus 95%, due to non-expenditure & no commitment to show movement.
- Operational cost is showing an unsatisfactory variance of minus 25% 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





<b>OPERATING EXPENSES</b>				
<b>DESCRIPTION</b>	<b>Annual Budget 2025/2026</b>	<b>Actual 28-Feb-26</b>	<b>YTD 28-Feb-26</b>	<b>Variance (Unspent Budget)</b>
EMPLOYEE RELATED COSTS	524 882 394,00	36 630 878,94	311 649 847,74	213 232 546,26
REMUNERATION OF COUNCILLORS	28 380 690,00	1 840 532,87	14 980 174,09	13 400 515,91
BULK PURCHASES	325 349 213,00	796 628,19	61 402 448,44	263 946 764,56
INVENTORY	41 145 897,00	1 469 567,68	20 490 178,86	20 655 718,14
DEPRECIATION ON ASSETS	10 282 705,00	-	-	10 282 705,00
INTEREST	8 790 312,00	550 000,00	4 400 000,00	4 390 312,00
CONTRACTED SERVICES	271 168 989,00	8 288 788,19	89 343 172,97	181 825 816,03
TRANSFERS AND SUBSIDIES	1 095 158,00	25 350,00	35 350,00	1 059 808,00
CONTRIBUTIONS TO BAD DEBTS	10 001 998,00	642 257,06	5 640 028,18	4 361 969,82
OPERATIONAL EXPENDITURE	169 475 959,00	5 784 645,15	79 582 679,51	89 893 279,49
OPERATING LEASES	23 431 483,00	4 271,97	9 109 025,36	14 322 457,64
<b>TOTAL EXPENDITURE (NETT)</b>	<b>1 414 004 798,00</b>	<b>56 032 920,05</b>	<b>596 632 905,15</b>	<b>817 371 892,85</b>
<b>DESCRIPTION</b>	<b>Annual Budget 2025/2026</b>	<b>Actual 28-Feb-26</b>	<b>YTD 28-Feb-26</b>	<b>Variance</b>
<b>OUTSOURCE SERVICES</b>				
OS: BURIAL SERVICES	286 227,00	2 900,00	45 250,00	240 977,00
OS: B&A HUMAN RESOURCES	0,00	0,00	0,00	0,00
OS: B&A OCCUPATIONAL HEALTH & SAFETY	0,00	0,00	0,00	0,00
OS: B&A ORGANISATIONAL	0,00	0,00	0,00	0,00
OS: B&A PROJECT MANAGEMENT	2 314 127,00	79 514,05	668 014,19	1 646 112,81
OS: B&A RESEARCH & ADVISORY	815 478,00	0,00	21 120,00	794 358,00
OS: B&A QUALIFICATION VERIFICATION	0,00	0,00	0,00	0,00
OS: B&A VALUER	3 285 468,00	32 173,91	225 217,37	3 060 250,63
OS: CATERING SERVICES	1 339 529,00	7 700,00	228 060,72	1 111 468,28
OS: CLEANING SERVICES	216 757,00	47 012,29	107 684,49	109 072,51
OS: ELECTRICAL	18 869 252,00	292 581,02	4 339 341,98	14 529 910,02
OS:ILLEGAL DUMPING	820 642,00	-40 651,95	291 053,52	529 588,48
OS: MEDICAL SERVICES [HEALTH SERV &	350 000,00	0,00	0,00	350 000,00
OS: PERSONNEL & LABOUR	11 700 120,00	394 691,50	3 201 936,44	8 498 183,56
OS: CONNECT/DIS-CONNECTION: ELECTICI	9 757,00	0,00	0,00	9 757,00
OS: TRAFFIC FINES MANAGEMENT	174 997,00	21 840,00	43 680,00	131 317,00
OS: TRANSPORT SERVICES	0,00	0,00	0,00	0,00
<b>SUB TOTAL : OUTSOURCE SERVICES</b>	<b>40 182 354,00</b>	<b>837 760,82</b>	<b>9 171 358,71</b>	<b>31 010 995,29</b>
<b>CONSULTANTS AND PROFESSIONAL SERVICES</b>				
C&PS: B&A AIR POLLUTION	0,00	0,00	0,00	0,00
C&PS: B&A AUDIT COMMITTEE	225 133,00	9 408,00	112 782,73	112 350,27
C&PS: B&A BUSINESS & FIN MANAGEMENT	4 900 000,00	0,00	0,00	4 900 000,00
C&PS: B&A HUMAN RESOURCES	4 426 421,00	14 754,78	696 269,12	3 730 151,88
C&PS: B&A MEDICAL EXAMINATIONS	1 000 000,00	0,00	404 201,40	595 798,60
C&PS: B&A OCCUPATIONAL HEALTH & SAFE	484 938,00	0,00	4 645,00	480 293,00
C&PS: B&A PROJECT MANAGEMENT	71 894 431,00	10 080,00	19 545 621,76	52 348 809,24
C&PS: B&A PROJ MAN (COMM CRISIS)	0,00	0,00	0,00	0,00
C&PS: B&A PROJ MAN (TRAJ & AWARE)	0,00	0,00	0,00	0,00
C&PS: B&A PROJ MAN (COMM CRISIS)	500 000,00	0,00	0,00	500 000,00
C&PS: B&A PROJ MAN (EMERG RESPOND)	700 000,00	0,00	0,00	700 000,00
C&PS: B&A RESEARCH & ADVISORY	0,00	0,00	0,00	0,00
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	20 000,00	0,00	0,00	20 000,00
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	5 314 187,00	32 344,74	3 166 606,77	2 147 580,23
C&PS: LEGAL COST ADVICE & LITIGATION	7 500 000,00	939 280,96	647 174,43	6 852 825,57
C&PS: LEGAL COST ISSUE OF SUMMONS	150 000,00	0,00	0,00	150 000,00
C&PS: LEGAL COST COLLECTION	1 429 296,00	39 542,48	423 160,06	1 006 135,94

HH SSP SOC ASS: SOCIAL RELIEF	1 095 158,00	25 350,00	35 350,00	1 059 808,00	<b>3,23</b>
<b>SUB TOTAL : OPERATIONAL : ALLOC IN K</b>	<b>1 095 158,00</b>	<b>25 350,00</b>	<b>35 350,00</b>	<b>1 059 808,00</b>	<b>3,23</b>
OPERATIONAL : MONETARY					-
<b>SUB TOTAL : OPERATIONAL : MONETARY</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	-
<b>SUB TOTAL : TRANSFERS &amp; SUBSIDIES</b>	<b>1 095 158,00</b>	<b>25 350,00</b>	<b>35 350,00</b>	<b>1 049 000,00</b>	<b>3,23</b>
<b>DEPRECIATION &amp; AMORTISATION</b>					
DEPRECIATION COMPUTER EQUIPMENT	394 635,00	0,00	0,00	394 635,00	-
DEPRECIATION WATER SUPPLY DISTRIBUTION	876 125,00	0,00	0,00	876 125,00	-
DEPRECIATION FURNITURE & OFFICE EQUIPM	821 327,00	0,00	0,00	821 327,00	-
DEPRECIATION ELEC MV NETWORKS	4 380 624,00	0,00	0,00	4 380 624,00	-
DEPRECIATION ELEC LV NETWORKS	876 125,00	0,00	0,00	876 125,00	-
DEPRECIATION MACHINERY & EQUIPMENT	1 301 834,00	0,00	0,00	1 301 834,00	-
DEPRECIATION TRANSPORT ASSETS	1 528 800,00	0,00	0,00	1 528 800,00	-
DEPRECIATION COMMUNITY CAPITAL SPARES	103 235,00	0,00	0,00	103 235,00	-
<b>SUB TOTAL : DEPRECIATION &amp; AMORTISATION</b>	<b>10 282 705,00</b>	-	-	10 282 705,00	-



<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		2 581	2 981	3 560	153	1 371	2 158	(787)	-36%	3 560
Executive and council		15	-	-	-	-	-	-		-
Finance and administration		2 532	2 981	3 560	153	1 371	2 158	(787)	-36%	3 560
Internal audit		34	-	-	-	-	-	-		-
<b>Community and public safety</b>		383	29 350	29 077	5	15 714	19 155	(3 441)	-18%	29 077
Community and social services		-	550	500	-	27	357	(329)	-92%	500
Sport and recreation		271	5 853	5 789	-	1 064	3 749	(2 685)	-72%	5 789
Public safety		84	22 947	22 537	5	14 623	14 999	(377)	-3%	22 537
Housing		27	-	250	-	-	50	(50)	-100%	250
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		263	42 144	16 270	-	3 307	13 064	(9 757)	-75%	16 270
Planning and development		129	-	516	-	-	103	(103)	-100%	516
Road transport		119	42 064	15 674	-	3 307	12 907	(9 601)	-74%	15 674
Environmental protection		15	80	80	-	-	53	(53)	-100%	80
<b>Trading services</b>		1 674	20 546	36 932	-	4 127	22 863	(18 736)	-82%	36 932
Energy sources		98	250	250	-	-	167	(167)	-100%	250
Water management		143	18 524	20 617	-	71	13 538	(13 467)	-99%	20 617
Waste water management		1 434	1 773	15 947	-	4 056	9 092	(5 036)	-55%	15 947
Waste management		-	-	119	-	-	66	(66)	-100%	119
<b>Other</b>		-	-	40	-	-	8	(8)	-100%	40
<b>Total Capital Expenditure - Functional Classification</b>	3	4 900	95 021	85 879	159	24 519	57 248	(32 729)	-57%	85 879
<b>Funded by:</b>										
National Government		128	66 532	54 344	5	4 126	37 584	(33 457)	-89%	54 344
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		9	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		136	66 532	54 344	5	4 126	37 584	(33 457)	-89%	54 344
<b>Borrowing</b>	6	-	-	-	-	-	-	-		-
<b>Internally generated funds</b>		4 763	28 489	31 535	153	20 392	19 664	728	4%	31 535
<b>Total Capital Funding</b>		4 900	95 021	85 879	159	24 519	57 248	(32 729)	-57%	85 879

As indicated in the Table above, the YTD Actual on capital expenditure as at end of February 2026 amounted to R24 519 000. The total YTD capex is funded from Capital grants R4 126 000 and Internally generated funds R20 392 000. Capex is extremely low and major intervention is required for the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

The majority of capital projects are based on a functionality criterion. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately must be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report, Table C5 has been prepared on the prescribed monthly C-schedule and is categorised by municipal vote and functional classification.

#### **4.4 Cash flows**

<b>CASH FLOW ANALYSIS FOR THE MONTH ENDING</b>	
<b>Detail</b>	<b>Feb-25</b>
<b>Cash Receipts by Source</b>	
Property rates	4 463 620
Service charges - electricity revenue	22 112 170
Service charges - water revenue	3 856 005
Service charges - sanitation revenue	2 410 153
Service charges - refuse revenue	1 813 389
Service charges - other	-
Interest earned - external investments	260 187
Interest earned - outstanding debtors	939 401
Fines	-
Transfer receipts - operational	-
Other revenue	28 105 207
<b>Cash Receipts by Source</b>	<b>63 960 132</b>
<b>Other Cash Flows/Receipts by Source</b>	
Transfer receipts - capital	-
Borrowing long term/refinancing	-
<b>Total Cash Receipts by Source</b>	<b>63 960 132</b>
<b>Cash Payments by Type</b>	
Employee related costs	36 630 878
Remuneration of councillors	1 757 612
Bulk purchases - Electricity	10 796 628
Contracted services	8 288 788
General expenses	12 474 161
<b>Cash Payments by Type</b>	<b>69 948 067</b>
<b>Other Cash Flows/Payments by Type</b>	
Capital assets	182 460
Repayment of borrowing	-
<b>Total Cash Payments by Type</b>	<b>70 130 527</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>-6 170 395</b>
<b>Cash/cash equivalents at the month/year begin:</b>	<b>60 729 359</b>
<b>Cash/cash equivalents at the month/year end:</b>	<b>54 558 964</b>



**FS201 Moqhaka - Table C7 Monthly Budget Statement - Cash Flow - M08 February**

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		57 716	120 179	120 179	4 677	55 146	80 119	(24 973)	-31%	120 179
Service charges		581 142	864 329	864 329	47 378	428 939	576 219	(147 281)	-26%	864 329
Other revenue		8 465	(134 111)	(134 111)	(33 914)	(256 907)	(89 407)	(167 499)	187%	(134 111)
Transfers and Subsidies - Operational		330 336	334 714	334 714	-	265 288	223 143	42 146	19%	334 714
Transfers and Subsidies - Capital		52 270	68 228	68 228	80	14 094	45 486	(31 392)	-69%	68 228
Interest		9 900	-	-	1 421	8 124	-	8 124	#DIV/0!	-
Dividends		5 822	4 744	4 744	279	2 907	3 163	(255)	-8%	4 744
<b>Payments</b>										
Suppliers and employees		(1 133 236)	(1 637 348)	(1 637 348)	(55 534)	(812 537)	(1 091 565)	(279 029)	26%	(1 637 348)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(87 585)</b>	<b>(379 265)</b>	<b>(379 265)</b>	<b>(35 613)</b>	<b>(294 945)</b>	<b>(252 843)</b>	<b>42 102</b>	<b>-17%</b>	<b>(379 265)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		(2 284)	8 493	8 493	(11)	(153)	5 662	(5 815)	-103%	8 493
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(4 900)	(95 021)	(95 021)	(159)	(24 519)	(63 348)	(38 829)	61%	(95 021)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(7 184)</b>	<b>(86 529)</b>	<b>(86 529)</b>	<b>(169)</b>	<b>(24 672)</b>	<b>(57 686)</b>	<b>(33 014)</b>	<b>57%</b>	<b>(86 529)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		(1 178)	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(499)	-	-	44	927	-	927	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		-	(2 121)	(2 121)	(349)	(3 014)	(1 414)	1 600	-113%	(2 121)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(1 677)</b>	<b>(2 121)</b>	<b>(2 121)</b>	<b>(304)</b>	<b>(2 087)</b>	<b>(1 414)</b>	<b>673</b>	<b>-48%</b>	<b>(2 121)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(96 446)</b>	<b>(467 915)</b>	<b>(467 915)</b>	<b>(36 086)</b>	<b>(321 704)</b>	<b>(311 943)</b>			<b>(467 915)</b>
Cash/cash equivalents at beginning:		(9 905)	(24 764)	(24 764)	(311 073)	(23 158)	(24 764)			(23 158)
Cash/cash equivalents at month/year end:		(106 351)	(492 678)	(492 678)	(347 159)	(344 862)	(336 707)			(491 072)

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

## **Moqhaka Local Municipality (FS201): Monthly Budget Statement: S71 Monthly Report: February 2026**

### **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.

<b>Highlights</b>	<b>31-Dec</b>	<b>31-Jan</b>	<b>% Change</b>	<b>28-Feb</b>	<b>% Change</b>	<b>Reference</b>
<b>Services</b>						
Councillors' debt (>90 days)	R 1 611 015	R 1 622 848	1%	R 1 628 901	0%	BP136-r
Officials debt (>90 days)	R 3 265 416	R 3 325 005	2%	R 3 254 288	-2%	BP136-a
<b>Sundry debtors</b>						
Telephones (Officials & Councillors)	R727 306.69	R710 200.90	-2%	R733 604.45	3%	BP136-rt
<b>Indigents</b>	R 282 576 144	R 293 315 857	4%	R 302 627 196	3%	BP136-ia
<b>Total Debt 90 Days +</b>	<b>R 288 179 882</b>	<b>R 298 973 911</b>	<b>4%</b>	<b>R 308 243 990</b>	<b>3%</b>	

The municipality regularly 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 28 February 2026, the Government Debt was as follows:



Feb-26	WATER	ELEC	RATES	SE & RF	OTHER	TOTAL	PAYMENT	OUTST
<b>PROVINCIAL DEPARTMENTS</b>								
OFFICE OF THE PREMIER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FREE STATE LEGISATURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF TOURISM, ETC.	16 510.00	0.00	0.00	15 228.00	3 166.00	34 904.00	0.00	34 904.00
FREE STATE PROVINCIAL TREASURY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DEPARTMENT OF HEALTH (PH)	15 564 591.00	11 174 979.00	0.00	14 571 175.00	26 462.00	41 337 207.00	0.00	41 337 207.00
DEPARTMENT OF EDUCATION (PE)	131021.00	1 772 949.00	257 977.00	23 122 103.00	0.00	25 284 050.00	0.00	25 284 050.00
DEPARTM OF SOCIAL DEV(PS)	0.00	0.00	0.00	292 902.00	0.00	292 902.00	0.00	292 902.00
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)	1 251 123.00	17 255 890.00	2 664.00	982 204.00	2 352.00	19 494 233.00	0.00	19 494 233.00
PUBLIC SAFETY, ETC.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AGRICULTURE (PA)	0.00	240.00	0.00	0.00	0.00	240.00	0.00	240.00
SPORTS, ARTS & CULTURE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>16 963 245.00</b>	<b>30 204 058.00</b>	<b>260 641.00</b>	<b>38 983 612.00</b>	<b>31 980.00</b>	<b>86 443 536.00</b>	<b>0.00</b>	<b>86 443 536.00</b>
				<b>0.00</b>				
<b>SCHOOLS (SECTION 21)</b>	11 710 438.00	23 739 950.00	7 952.00	10 615.00	32 895.00	<b>35 501 850.00</b>	0.00	<b>35 501 850.00</b>
<b>NATIONAL DEPARTMENTS</b>	<b>WATER</b>	<b>ELEC</b>	<b>RATES</b>	<b>SE &amp; RF</b>	<b>OTHER</b>	<b>TOTAL</b>	<b>PAYMENT</b>	<b>OUTST</b>
CORRECTIONAL SERVICES (NC)	6 576 628.00	4 620 854.00	0.00	415 946.00	0.00	11 613 428.00	0.00	11 613 428.00
DEFENCE (ND)	2 367 199.00	6 589 329.00	25 010.00	476 738.00	14 402.00	9 472 678.00	0.00	9 472 678.00
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	27 944.00	148 393.00	226 592.00	60 481.00	104 647.00	568 057.00	0.00	568 057.00
PUBLIC WORKS (NW)	42 656.00	126 189.00	5 537 998.00	88 512.00	0.00	5 795 355.00	0.00	5 795 355.00
SA POLICE(NP)	1 264 242.00	886 706.00	22 506.00	1 152 988.00	2 143.00	3 328 585.00	0.00	3 328 585.00
WATER AFFAIRS (WA)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUSTICE (GJ)	27 334.00	132 519.00	0.00	11 435.00	3 751.00	175 039.00	0.00	175 039.00
<b>TOTAL</b>	<b>10 306 003.00</b>	<b>12 503 990.00</b>	<b>5 812 106.00</b>	<b>2 206 100.00</b>	<b>124 943.00</b>	<b>30 953 142.00</b>		<b>30 953 142.00</b>
<b>TOTAL</b>	<b>38 979 686.00</b>	<b>66 447 998.00</b>	<b>6 080 699.00</b>	<b>41 200 327.00</b>	<b>189 818.00</b>	<b>152 898 528.00</b>	-	<b>152 898 528.00</b>
						<b>TOTAL</b>		<b>152 898 528.00</b>
						<b>LESS CREDIT</b>		<b>0.00</b>
						<b>GRAND TOTAL</b>		<b>152 898 528.00</b>

v5

**MUNICIPAL DEBT RETURN FORM - Provincial & National Departments**

**treasury**  
Department of  
Treasury  
FREE STATE PROVINCE

**Municipality:** **FS201 Moqhaka**

**Financial Year:** **2023/24**

2025/26

**Reporting Month:** **M08 February**

	Provincial Public Works & Infrastructure	Education		National Public Works	TOTAL
		Section 20 Schools (Payable by Department of Education)	Section 21 Schools (Payable by Schools)		
<i>R'000</i>					
<b>Property Rates</b>	<b>261</b>			<b>5 812</b>	<b>6 073</b>
0-30 Days	25			734	759
31-60 Days	19			734	753
61-90 Days	19			734	753
Over 90 Days	197			3 610	3 807
<b>Water</b>	<b>16 963</b>	–	<b>11 710</b>	<b>10 306</b>	<b>38 979</b>
0-30 Days	793	–	332	1 249	2 373
31-60 Days	597	–	299	1 965	2 861
61-90 Days	870	–	378	1 211	2 459
Over 90 Days	14 704	–	10 701	5 881	31 286
<b>Electricity</b>	<b>30 204</b>	–	<b>23 740</b>	<b>12 504</b>	<b>66 448</b>
0-30 Days	732	–	1 209	1 872	3 812
31-60 Days	656	–	589	1 459	2 705
61-90 Days	833	–	811	1 569	3 213
Over 90 Days	27 983	–	21 131	7 603	56 717
<b>Sanitation</b>	<b>25 781</b>			<b>1 359</b>	<b>27 140</b>
0-30 Days	1 088			180	1 268
31-60 Days	1 082			171	1 253
61-90 Days	1 082			67	1 150
Over 90 Days	22 528			941	23 469
<b>Refuse Removal</b>	<b>13 203</b>			<b>847</b>	<b>14 050</b>
0-30 Days	550			94	644
31-60 Days	547			90	637
61-90 Days	547			38	585
Over 90 Days	11 559			626	12 184
<b>Other</b>	<b>32</b>	–	<b>51</b>	<b>125</b>	<b>208</b>
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	–	46	115	193
<b>TOTAL</b>	<b>86 444</b>	–	<b>35 502</b>	<b>30 953</b>	<b>152 898</b>
0-30 Days	3 188	–	1 542	4 132	8 862
31-60 Days	2 902	–	890	4 422	8 214
61-90 Days	3 352	–	1 190	3 623	8 166
Over 90 Days	77 002	–	31 879	18 776	127 656
<b>Payments received during reporting month (whole amount)</b>	<b>2 246 231.50</b>			<b>409 063.62</b>	<b>2 655 295.12</b>

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

- Disconnection of consumers will 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 – February 2026

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 17 121 008	R 8 170 981	R 8 652 656	R 119 044 094	R 152 988 739
4.2	Business / Commercial	R 30 861 816	R 21 926 913	R 10 065 302	R 179 730 881	R 242 584 912
4.3	Households	R 35 565 152	R 27 958 830	R 28 026 500	R 1 434 449 304	R 1 525 999 786
4.4	Other	-R 5 072 914	R 2 337 205	R 1 923 300	R 139 182 135	R 138 369 726
	<b>Total</b>	<b>R 78 475 062</b>	<b>R 60 393 929</b>	<b>R 48 667 758</b>	<b>R 1 872 406 414</b>	<b>R 2 059 943 163</b>
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 23 656 099	R 20 249 777	R 20 318 407	R 961 131 465	R 1 025 355 748
5.2	Electricity	R 32 406 346	R 22 824 714	R 11 947 413	R 181 405 504	R 248 583 977
5.3	Property Rates	R 6 980 202	R 4 588 704	R 4 163 663	R 124 720 090	R 140 452 659
5.4	Sanitation	R 8 441 086	R 6 945 970	R 6 507 201	R 300 584 071	R 322 478 328
5.5	Refuse removal	R 5 914 257	R 4 892 672	R 4 600 928	R 218 002 386	R 233 410 243
5.6	Other	R 1 077 072	R 892 092	R 1 130 146	R 86 562 898	R 89 662 208
	<b>Total</b>	<b>R 78 475 062</b>	<b>R 60 393 929</b>	<b>R 48 667 758</b>	<b>R 1 872 406 414</b>	<b>R 2 059 943 163</b>

### **Comments:**

Total outstanding debt has increased from R2 025 247 171 in January 2026 to R2 059 943 163 in February 2026. The 2% movement amounting to R34 695 992 is a result of account payers defaulting.

Water outstanding debt was R1 009 808 265 in January 2026 and has increased to R1 025 355 748 in February 2026. That accounts for 50% of the outstanding debt due to non-payment, burst pipes, leaking water meters.

Electricity outstanding debt was R240 066 512 in January 2026 and has increased to R248 583 977 in February 2026. This translates to 12% 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 R138 822 334 in January 2026 and has increased to R140 452 659 in February 2026. This account for 7% against total debtors' book.

Total outstanding debt for sanitation/Sewerage was R317 169 969 in January 2026 and has increased to R322 478 328 in February 2026. This accounts for 16% of the total outstanding debtors' book.

Refuse Removal or Solid Waste outstanding debt was R229 668 371 in January 2026 and has increased to R233 410 243 in February 2026. This accounts for 11% of the total debt and emanates from non-payment of accounts.

Total outstanding debt for Other or Sundries was R89 711 720 in January 2026 and has decreased to R89 662 208 in February 2026. 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 R147 606 173 in January 2026 and has increased to R152 988 739 in February 2026. This represents 7% of the total outstanding debt that Public Works is in the process of addressing.

Business/Commercial debt was R236 501 344 in January 2026 and has increased to R242 584 912 in February 2026. This represents 12% of the total outstanding debt and is impacted by small business establishments in the townships

that are either rented out to non-South Africans and where owners passed on.

Debt by Households was R1 505 521 495 in January 2026 and has increased to R1 525 999 786 in February 2026. That accounts for 74% of the total debtors' book. This is inclusive of R302 627 196 owed by indigent households.

The remaining Other Income debt by many other various categories of debtors was R135 618 159 in January 2026 and has increased to R138 369 726 in February 2026. That is 7% of the total outstanding debtors' book.

The total debt by Councillors was R1 622 848 in January 2026 and has increased to R1 628 901 in February 2026 (0% movement). Officials owed R3 325 005 in January 2026 and R3 254 288 in February 2026 (2% decrease).

Telephone accounts had a balance of R710 200 in January 2026 and has moved to R733 604.45 in February 2026 (3% increase).

The Municipality will soon resolve on the Revenue Enhancement Strategy & has resolved to 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.

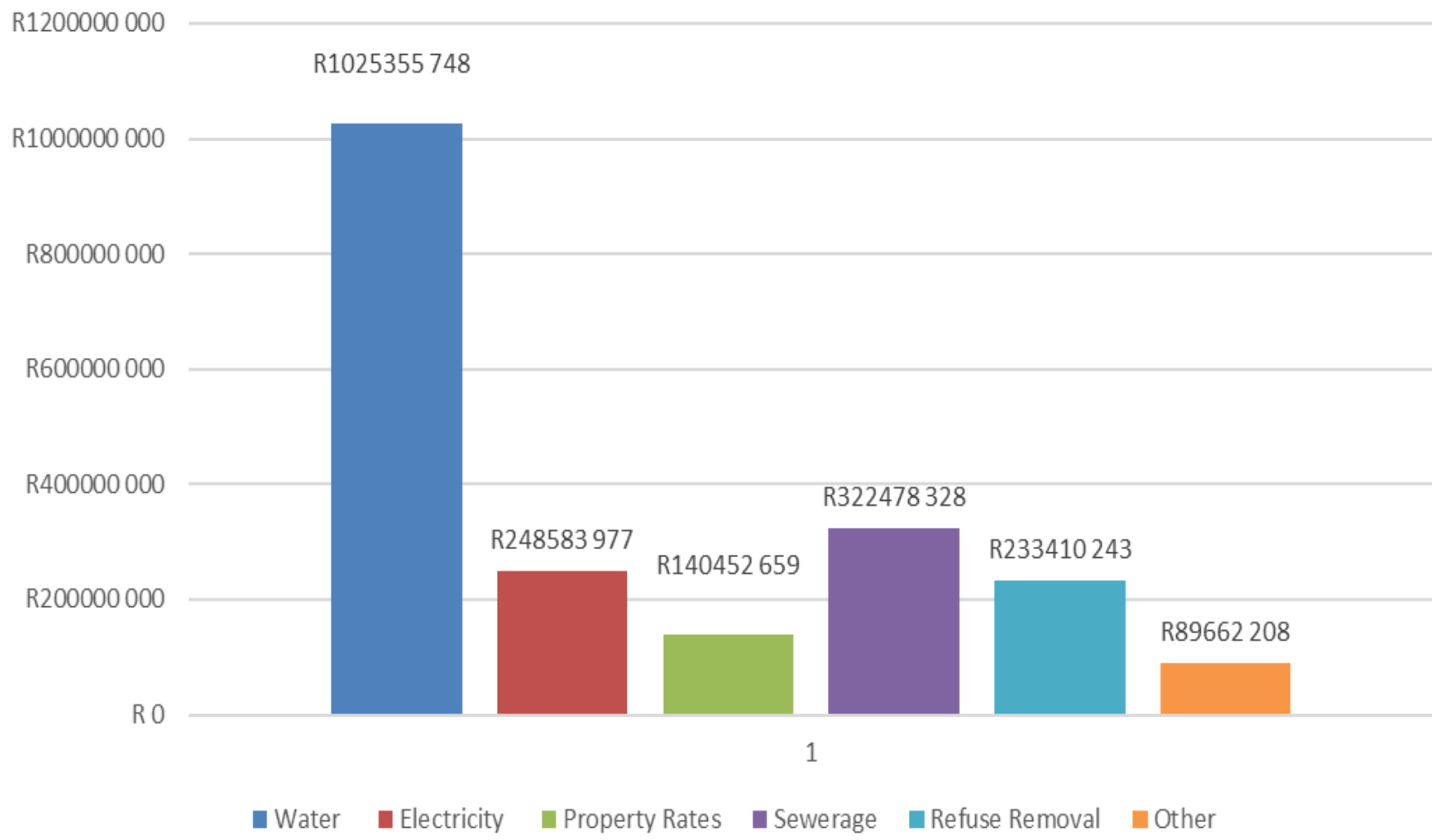
The Municipal Manager has been dismissed in January 2026. This negatively impacts on the enforcement of the Debt Collection & Credit Control policy, as well as the Cost Containment policy.

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

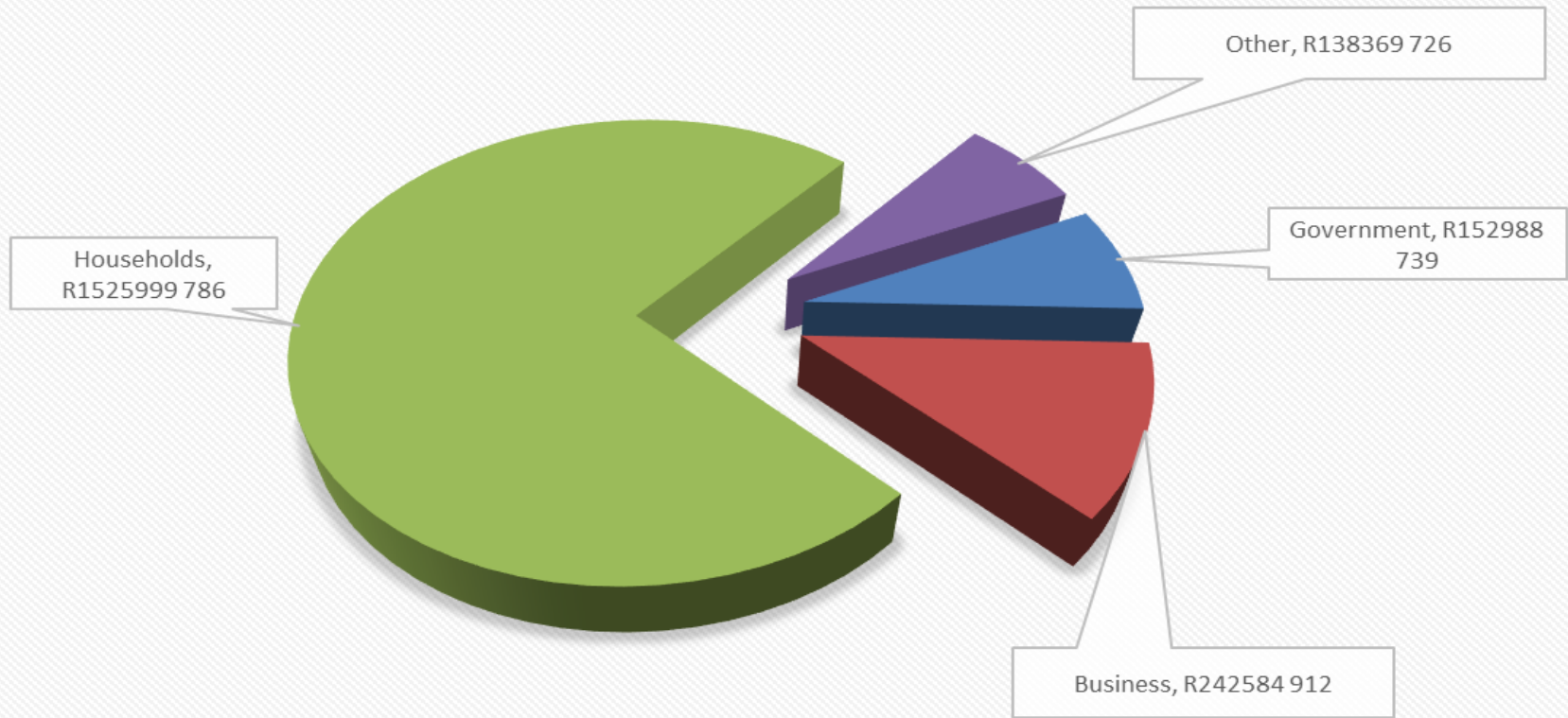
The Municipality operates with administrative leadership that mostly is in acting capacity. The municipality is politically unstable, and the leadership vacuum affects operations.



### 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.

<b>Creditor Age Analysis February 2026</b>						
<b>Detail</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>91 - 120 Days</b>	<b>Over 1 Year</b>	<b>Total -</b>
Bulk Electricity	55 271 805	60 589 679	55 966 828	-	2 076 987 912	2 248 816 224
Loan repayments	-	-	-	-	-	-
Trade Creditors	10 073 325	2 165 902	2 095 409	3 146 511	-	17 481 147
Auditor General	95 063	259 815	630 270	-	-	985 148
DWS	898 718	989 715	975 253	-	23 589 322	26 453 008
WORKMENS COMPENSATION	-	-	-	-	-	-
GOVERNMENT GARAGE	-	-	-	-	-	-
<b>Total</b>	<b>66 338 911</b>	<b>64 005 111</b>	<b>59 667 760</b>	<b>3 146 511</b>	<b>2 100 577 234</b>	<b>2 293 735 527</b>

**Bulk Electricity** – As at the 28 February 2026, the outstanding debt owed to Eskom amounted to R2 248 816 224. 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

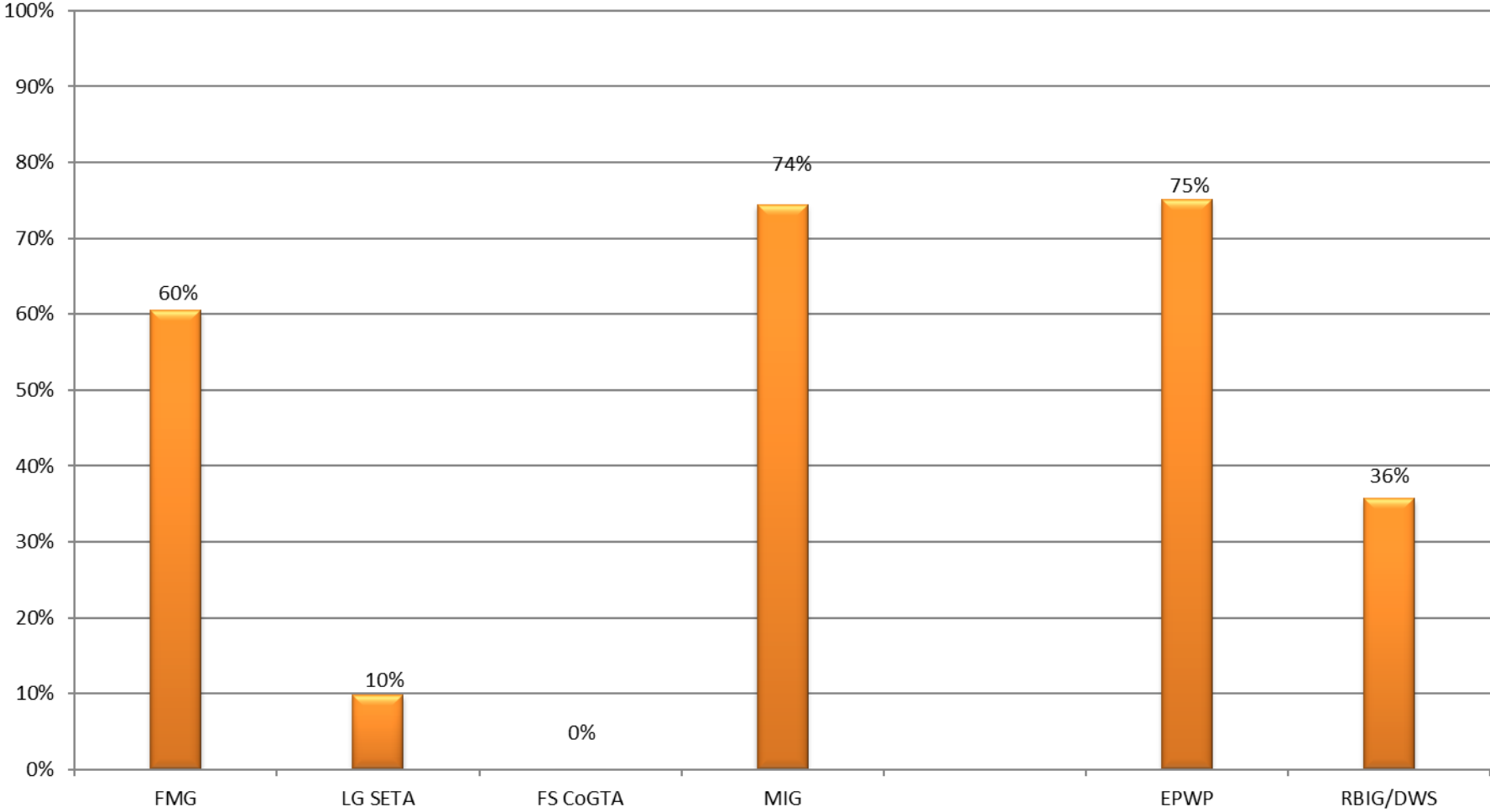
Database (CSD). Auditor General – the current account due to the AGSA is R95 063. Other creditors – includes Sundry creditors which were unpaid as at 28 February 2026 amount to R10 972 043.

## **8. Investment portfolio analysis**





# GRANTS SPENDING 2025/26 FEBRUARY





**FS201 Moqhaka - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February**

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		329 232	325 501	360 501	114	232 406	224 001	8 406	3,8%	360 501
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		298 568	312 705	312 705	-	231 026	208 470	22 556	10,8%	312 705
Expanded Public Works Programme Integrated Grant		-	1 496	1 496	-	-	997	(997)	-100,0%	1 496
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		2 300	2 300	2 300	114	1 380	1 533	(153)	-10,0%	2 300
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		28 364	9 000	44 000	-	-	13 000	(13 000)	-100,0%	44 000
Other transfers and grants [insert description]										
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		1 780	3 081	3 395	66	682	2 117	(1 435)	-67,8%	3 395
ESKOM		-	-	-	-	-	-	-	-	-
National Economical Development and Labour Council		1 104	-	-	66	682	-	682	-	-
National Skills Fund		676	3 081	3 395	-	-	2 117	(2 117)	-100,0%	3 395
<b>Total Operating Transfers and Grants</b>	5	331 012	328 582	363 896	181	233 088	226 117	6 971	3,1%	363 896
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	67 471	66 065	-	-	44 699	(44 699)	-100,0%	66 065
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	48 709	48 937	-	-	32 518	(32 518)	-100,0%	48 937
Water Services Infrastructure Grant		-	18 762	17 128	-	-	12 181	(12 181)	-100,0%	17 128
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	-	67 471	66 065	-	-	44 699	(44 699)	-100,0%	66 065
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	331 012	396 053	429 960	181	233 088	270 817	(37 728)	-13,9%	429 960

- 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**

28 February 2026

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

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

DESCRIPTION	Budget 2025/2026	Actual	YTD	% Exp
		28-Feb-26	28-Feb-26	
<b>EMPLOYEE RELATED COST</b>				
<b>SENIOR MANAGEMENT</b>				
SM - SALARIES ALLOW AND SERV BENEFITS				
<b>MM - SALARIES ALLOW AND SERV BENEFITS</b>				
SM MM: SAL & ALL - BASIC SALARY	1 094 538,00	0,00	546 428,70	49,92
SM MM: SAL & ALL - PERFORM BASED BONUS	156 963,00	0,00	0,00	0,00
SM MM: ALLOW - CELLULAR & TELEPHONE	34 911,00	0,00	21 000,00	60,15
SM MM: ALLOW - HOUSING BENEFITS	0,00	0,00	0,00	#DIV/0!
SM MM: ALLOW - TRAVEL OR MOTOR VEHICLE	279 499,00	0,00	145 833,31	52,18
SM MM: SRB - LONG SERVICE	95 301,00	0,00	47 650,28	50,00
<b>SUB TOTAL: MM - SAL ALLOW &amp; SERV BENEF</b>	<b>1 661 212,00</b>	<b>0,00</b>	<b>760 912,29</b>	<b>45,80</b>
<b>CFO - SALARIES ALLOW AND SERV BENEFITS</b>				
SM CFO: SAL & ALL - BASIC SALARY	473 592,00	-	-	-
SM CFO: SAL & ALL - PERFORM BASED BONUS	28 868,00	-	-	-
SM CFO: ALLOW - CELLULAR & TELEPHONE	3 491,00	-	-	-
SM CFO: ALLOW - HOUSING BENEFITS	-	-	-	-
SM CFO: ALLOW - TRAVEL OR MOTOR VEHICLE	29 093,00	-	-	-
SM CFO: SRB - ENTERTAINMENT	8 273,00	-	-	-
SM CFO: SRB - ACTING & POST RELATE ALLOW				
<b>SUB TOTAL: CFO - SAL ALLOW &amp; SERV BENEF</b>	<b>543 317,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D01 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D01: SAL & ALL - BASIC SALARY	1 992 332,00	62 596,90	446 416,16	22,41
SM D01: SAL & ALL - PERFORM BASED BONUS	57 846,00	0,00	0,00	0,00
SM D01: ALLOW - CELLULAR & TELEPHONE	12 000,00	1 000,00	8 000,00	66,67
SM D01: ALLOW - HOUSING BENEFITS	0,00	0,00	0,00	#DIV/0!
SM D01: ALLOW - TRAVEL OR MOTOR VEHICLE	296 521,00	25 070,30	203 173,42	68,52
SM D01: SRB - ENTERTAINMENT	0,00	-	-	-
SM D01: SRB - ACTING & POST RELATE ALLOW				
<b>SUB TOTAL: DTS - SAL ALLOW &amp; SERV BENEF</b>	<b>2 358 699,00</b>	<b>88 667,20</b>	<b>657 589,58</b>	<b>27,88</b>

<b>DO2 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D02: SAL & ALL - BASIC SALARY	860 513,00	71 047,55	564 970,85	<b>65,66</b>
SM D02: SAL & ALL - PERFORM BASED BONUS	0,00	0,00	0,00	<b>#DIV/0!</b>
SM D02: ALLOW - CELLULAR & TELEPHONE	19 482,00	1 000,00	8 000,00	<b>41,06</b>
SM D02: ALLOW - HOUSING BENEFITS	109 157,00	0,00	0,00	<b>0,00</b>
SM D02: ALLOW - TRAVEL OR MOTOR VEHICLE	584 512,00	47 187,91	368 450,69	<b>63,04</b>
SM D02: ALLOW - ACCOM TRAVEL & INCIDENT.	-	-	-	<b>#DIV/0!</b>
SM D02: SRB - ENTERTAINMENT	11 030,00	-	0,00	<b>0,00</b>
SM D02: SRB - ACTING & POST RELATE ALLOW	0,00	0,00	0,00	<b>#DIV/0!</b>
<b>SUB TOTAL: DPS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 584 694,00</b>	<b>119 235,46</b>	<b>941 421,54</b>	<b>59,41</b>
<b>DO3 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D03: SAL & ALL - BASIC SALARY	470 945,00	-	-	<b>0,00</b>
SM D03: SAL & ALL - PERFORM BASED BONUS	28 240,00	-	-	<b>0,00</b>
SM D03: ALLOW - CELLULAR & TELEPHONE	2 845,00	-	-	<b>0,00</b>
SM D03: ALLOW - HOUSING BENEFITS	92 131,00	-	-	<b>0,00</b>
SM D03: ALLOW - TRAVEL OR MOTOR VEHICLE	52 321,00	-	-	<b>0,00</b>
SM D03: SRB - ENTERTAINMENT	-	-	-	<b>#DIV/0!</b>
SM D03: SRB - ACTING & POST RELATE ALLOW	-	-	-	<b>#DIV/0!</b>
<b>SUB TOTAL: DCH - SAL ALLOW &amp; SERV BENEF</b>	<b>646 482,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>DO4 - SALARIES ALLOW AND SERV BENEFITS</b>				
SM D04: SAL & ALL - BASIC SALARY	986 330,00	-	-	<b>0,00</b>
SM D04: SAL & ALL - PERFORM BASED BONUS	8 600,00	-	-	<b>0,00</b>
SM D04: ALLOW - CELLULAR & TELEPHONE	9 000,00	-	-	<b>0,00</b>
SM D04: ALLOW - HOUSING BENEFITS	86 068,00	-	-	<b>0,00</b>
SM D04: ALLOW - TRAVEL OR MOTOR VEHICLE	63 948,00	-	-	<b>0,00</b>
SM D04: SRB - ENTERTAINMENT	-	-	-	<b>#DIV/0!</b>
<b>SUB TOTAL: DCS - SAL ALLOW &amp; SERV BENEF</b>	<b>1 153 946,00</b>			<b>0,00</b>
<b>SUB TOTAL: SM - SAL ALLOW &amp; SERV BENEF</b>	<b>7 948 350,00</b>	<b>207 902,66</b>	<b>2 359 923,41</b>	<b>29,69</b>
<b>SM - SOCIAL CONTRIBUTIONS</b>				
<b>MM - SOCIAL CONTRIBUTIONS</b>				
SM MM: SOC CONTR: MEDICAL	72 276,00	0,00	0,00	<b>0,00</b>
SM MM: SOC CONTR: PENSION FUNDS	157 436,00	0,00	96 526,58	<b>61,31</b>

SM MM: SOC CONTR: UIF	2 547,00	0,00	1 239,84	48,68
<b>SUB TOTAL: MM - SOCIAL CONTRIBUTIONS</b>	<b>232 259,00</b>	<b>0,00</b>	<b>97 766,42</b>	<b>42,09</b>
<b>CFO - SOCIAL CONTRIBUTIONS</b>				
SM CFO: SOC CONTR: GROUP LIFE INSURANCE	-	-	-	-
SM CFO: SOC CONTR: MEDICAL	3 497,00	-	-	-
SM CFO: SOC CONTR: PENSION FUNDS	69 824,00	-	-	-
SM CFO: SOC CONTR: UIF	1 288,00	-	-	-
SM CFO: SOC CONTR: BARGAINING COUNCIL	-	-	-	-
<b>SUB TOTAL: CFO - SOCIAL CONTRIBUTIONS</b>	<b>74 609,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>D01 - SOCIAL CONTRIBUTIONS</b>				
SM D01: SOC CONTR: GROUP LIFE INSURANCE	0,00	0,00	0,00	#DIV/0!
SM D01: SOC CONTR: MEDICAL	10 000,00	177,12	1 239,84	12,40
SM D01: SOC CONTR: PENSION FUNDS	151 541,00	11 267,44	89 296,24	58,93
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!
<b>SUB TOTAL: DTS - SOCIAL CONTRIBUTIONS</b>	<b>164 129,00</b>	<b>11 444,56</b>	<b>90 713,20</b>	<b>55,27</b>
<b>D02 - SOCIAL CONTRIBUTIONS</b>				
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	1 416,96	54,79
SM D02: SOC CONTR: BARGAINING COUNCIL	0,00	0,00	0,00	#DIV/0!
<b>SUB TOTAL: DPS - SOCIAL CONTRIBUTIONS</b>	<b>116 222,00</b>	<b>177,12</b>	<b>1 416,96</b>	<b>1,22</b>
<b>D03 - SOCIAL CONTRIBUTIONS</b>				
SM D03: SOC CONTR: GROUP LIFE INSURANCE				
SM D03: SOC CONTR: MEDICAL	11 046,00	-	-	0,00
SM D03: SOC CONTR: PENSION FUNDS	-	-	-	#DIV/0!
SM D03: SOC CONTR: UIF	640,00	-	-	0,00
SM D03: SOC CONTR: BARGAINING COUNCIL	-	-	-	#DIV/0!
<b>SUB TOTAL: DCH - SOCIAL CONTRIBUTIONS</b>	<b>11 686,00</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>SUB TOTAL: SM - SOCIAL CONTRIBUTIONS</b>	<b>598 905,00</b>	<b>11 621,68</b>	<b>189 896,58</b>	<b>31,71</b>
<b>SM - POST RETIREMENT BENEFITS</b>				
SM: PRB - MED: CURRENT SERVICE COST				

SM: PRB - MED: INTEREST COST	5 250 508,00	8 152,80	1 916 712,84	36,51
SM: PRB - PENS: INTEREST COST	781 263,00	-	-	-
<b>SUB TOTAL : SM - POST RETIREMENT BENEFIT</b>	<b>6 031 771,00</b>	<b>8 152,80</b>	<b>1 916 712,84</b>	<b>31,78</b>
SM: PST RET BEN OBL CST CAP PPE				
<b>SUB TOTAL : SM - COST CAPITALISED TO PPE</b>				
<b>SUB TOTAL : SENIOR MANAGEMENT</b>	<b>14 579 026,00</b>	<b>227 677,14</b>	<b>4 466 532,83</b>	<b>30,64</b>
<b>MUNICIPAL STAFF</b>				
<b>MS - SALARIES ALLOW AND SERV BENEFITS</b>				
MS: SAL & ALL: BASIC SALARY & WAGES	283 804 649,00	21 238 683,28	172 262 769,30	60,70
MS: SAL & ALL: PERFORMANCE BASED BONUSES	109 714,00	0,00	54 857,05	50,00
MS: ALL - CELLULAR & TELEPHONE	941 659,00	40 850,00	394 807,96	41,93
MS: HB & INC: HOUSING BENEFITS	2 227 217,00	125 518,58	1 084 156,12	48,68
MS: ALL - LEAVE PAY	9 533 785,00	243 687,68	5 500 485,13	57,69
MS: ALL - TRAVEL OR MOTOR VEHICLE	27 547 616,00	1 955 879,91	15 598 250,81	56,62
MS: OVERTIME - NON STRUCTURED	50 703 762,00	3 901 380,34	32 597 070,47	64,29
MS: OVERTIME - STRUCTURED	59 072,00	0,00	3 292,83	5,57
MS: PAYMENTS - SHIFT ADD REMUNERATIO	-	-	-	#DIV/0!
MS: SRB - ANNUAL BONUS	28 073 353,00	1 186 100,88	15 418 188,81	54,92
MS: SRB - LONG SERVICE AWARD	0,00	0,00	0,00	#DIV/0!
MS: SRB - STANDBY ALLOWANCE	14 500 058,00	651 508,33	6 163 583,63	42,51
MS: IN-KIND BENEFITS	3 545,00	-	-	0,00
MS: SRB - NON PENSIONABLE	1 840,00	-	-	0,00
MS: SRB - LSA CURR SERV	4 060 860,00	303 354,87	4 577 240,90	112,72
<b>SUB TOTAL : MS - SAL ALLOW &amp; SERV BENEF</b>	<b>421 567 130,00</b>	<b>29 646 963,87</b>	<b>253 654 703,01</b>	<b>60,17</b>
<b>MS - SOCIAL CONTRIBUTIONS</b>				#DIV/0!
MS: SOC CONTR - BARGAINING COUNCIL	174 369,00	11 721,70	93 610,55	53,69
MS: SOC CONTR - GROUP LIFE INSURANCE	1 371 149,00	83 963,93	689 031,48	50,25
MS: SOC CONTR - MEDICAL	30 475 355,00	2 595 250,80	19 625 211,83	64,40
MS: SOC CONTR - PENSION	48 991 970,00	3 903 808,52	31 318 665,56	63,93
MS: SOC CONTR - UNEMPLOYMENT INSUR FUND	2 571 920,00	165 377,08	1 332 661,60	51,82
<b>SUB TOTAL : MS - SOCIAL CONTRIBUTIONS</b>	<b>83 584 763,00</b>	<b>6 760 122,03</b>	<b>53 059 181,02</b>	<b>63,48</b>
MS: PRB - MED: CURRENT SERVICE COST				#DIV/0!
MS: PRB - MED: INTEREST COST	4 689 734,00	-5 081,60	442 494,26	9,44
MS: PRB - PENS: INTEREST COST				#DIV/0!
MS: PRB - OTHER: LEAVE GRATUITY		0,00	0,00	#DIV/0!
<b>SUB TOTAL : MS - POST RETIREMENT BEN</b>	<b>4 689 734,00</b>	<b>-5 081,60</b>	<b>442 494,26</b>	<b>9,44</b>
<b>MS - COST CAPITALISED TO PPE</b>				#DIV/0!
MS: IN-KIND BENEFITS CST CAP PPE	461 741,00	1 197,50	26 936,63	5,83
<b>SUB TOTAL : MS - COST CAPITALISED TO PPE</b>	<b>461 741,00</b>	<b>1 197,50</b>	<b>26 936,63</b>	<b>5,83</b>
<b>SUB TOTAL : MUNICIPAL STAFF</b>	<b>510 303 368,00</b>	<b>36 403 201,80</b>	<b>307 183 314,92</b>	<b>60,20</b>
<b>SUB TOTAL : EMPLOYEE RELATED COST</b>	<b>524 882 394,00</b>	<b>36 630 878,94</b>	<b>311 649 847,75</b>	<b>59,38</b>

**FS201 Moqhaka - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February**

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
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		4 043	7 774	16 914	2 046	8 287	7 011	1 276	18%	16 914
Pension and UIF Contributions		1 756	1 934	831	19	281	1 069	(788)	-74%	831
Medical Aid Contributions		752	1 255	899	64	499	765	(267)	-35%	899
Motor Vehicle Allowance		13 760	14 795	6 059	1 657	3 606	8 116	(4 511)	-56%	6 059
Cellphone Allowance		2 105	3 031	2 250	250	1 376	1 864	(488)	-26%	2 250
Housing Allowances										
Other benefits and allowances		28	695	1 429	(2 197)	932	610	322	53%	1 429
<b>Sub Total - Councillors</b>		<b>22 444</b>	<b>29 484</b>	<b>28 381</b>	<b>1 841</b>	<b>14 980</b>	<b>19 436</b>	<b>(4 455)</b>	<b>-23%</b>	<b>28 381</b>
<b>% increase</b>	4		<b>31,4%</b>	<b>26,5%</b>						<b>26,5%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		1 702	5 827	5 878	134	1 558	3 895	(2 337)	-60%	5 878
Pension and UIF Contributions		266	500	463	11	189	326	(137)	-42%	463
Medical Aid Contributions		-	214	136	0	1	127	(126)	-99%	136
Overtime										
Performance Bonus		127	338	281	-	-	214	(214)	-100%	281
Motor Vehicle Allowance		953	1 258	1 306	72	717	848	(131)	-15%	1 306
Cellphone Allowance		62	87	82	2	37	57	(20)	-35%	82
Housing Allowances		-	379	287	-	-	235	(235)	-100%	287
Other benefits and allowances		-	-	-	-	-	-	-		-
Payments in lieu of leave										
Long service awards		-	-	95	-	48	19	29	150%	95
Post-retirement benefit obligations	2	26 574	6 032	6 032	8	1 917	4 021	(2 104)	-52%	6 032
Entertainment		1	28	19	-	-	17	(17)	-100%	19
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Senior Managers of Municipality</b>		<b>29 685</b>	<b>14 661</b>	<b>14 579</b>	<b>228</b>	<b>4 467</b>	<b>9 758</b>	<b>(5 291)</b>	<b>-54%</b>	<b>14 579</b>
<b>% increase</b>	4		<b>-50,6%</b>	<b>-50,9%</b>						<b>-50,9%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		249 693	258 252	283 805	21 239	172 263	177 279	(5 016)	-3%	283 805
Pension and UIF Contributions		47 250	49 648	52 935	4 153	33 340	33 756	(416)	-1%	52 935
Medical Aid Contributions		28 691	28 189	30 475	2 595	19 625	19 250	375	2%	30 475
Overtime		38 218	31 753	50 763	3 901	32 600	24 971	7 630	31%	50 763
Performance Bonus		20 335	22 739	28 183	1 186	15 473	16 248	(775)	-5%	28 183
Motor Vehicle Allowance		21 447	25 557	27 548	1 956	15 598	17 436	(1 838)	-11%	27 548
Cellphone Allowance		493	800	942	41	395	562	(167)	-30%	942
Housing Allowances		1 722	2 091	2 227	126	1 084	1 422	(337)	-24%	2 227
Other benefits and allowances		4 879	4 615	14 676	663	6 257	5 089	1 168	23%	14 676
Payments in lieu of leave		8 351	4 316	9 534	244	5 500	3 921	1 580	40%	9 534
Long service awards		2 009	1 953	4 061	303	4 577	1 724	2 853	166%	4 061
Post-retirement benefit obligations	2	15	4 690	4 690	(5)	442	3 126	(2 684)	-86%	4 690
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits		-	4	4	-	-	2	(2)	-100%	4
<b>Sub Total - Other Municipal Staff</b>		<b>423 103</b>	<b>434 606</b>	<b>509 842</b>	<b>36 402</b>	<b>307 156</b>	<b>304 786</b>	<b>2 370</b>	<b>1%</b>	<b>509 842</b>
<b>% increase</b>	4		<b>2,7%</b>	<b>20,5%</b>						<b>20,5%</b>
<b>Total Parent Municipality</b>		<b>475 232</b>	<b>478 752</b>	<b>552 801</b>	<b>38 470</b>	<b>326 603</b>	<b>333 980</b>	<b>(7 377)</b>	<b>-2%</b>	<b>552 801</b>

The BTO office recommended the following precautionary measures.

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

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

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

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

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

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

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

## **13. Other Supporting Documentation**



### Audit Trail

Batch Transfer

Fri, Mar 13, 2026 at 09:14:34 AM

Group **19058 - MOQHAKA LOCAL MUNICIPALITY**  
 Operator **010 - PAULA DARINA DU PLESSIS**  
 Batch Name & Description **90048219 90048219**  
 Status **Finally Approved**

	Captured	First Approver	Second Approver	Third Approver	Final Approver
Operator	10	22			21
Operator Name	PAULA DARINA DU PLESSIS	SAMUEL THELETSANE			IRENE MOKHESENG
Approval Level					
Date	2026/02/13	2026/02/13			2026/02/13
Time	12:43:15	12:57:07			14:34:34
Roll-over Date					

#### Batch Status

#### Batch Details

##### Batch Entry Number 1

From Account	334536	MOQHAKA LOCAL MUNICIPALITY - 0000004053274876		
Description	9345061750	90048219	Frequency	Adhoc
Beneficiary Code				
To Account	223626	ESKOM 9345061750 - 0000055070067316		
Description		MOQHAKA MUNICIPALITY	Mandate	
Date	2026/02/13		Amount	10,000,000.00
Roll-over date				
Transaction Number	276296		Transaction Status	S
Immediate Interbank Payment	No			

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

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

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

## 14. Conclusion

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

### Communication

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

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

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

The following are the budget and other financial issues:

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

- Disapproval of rollover requests
- The billed income of electricity and water in rand values are below the budgeted amounts which puts additional pressure on the budget and cash flow.
- The municipality is facing a huge financial crisis. If drastic measures are not taken immediately because the cash flow is on the verge of collapsing.
  - Issues pertaining to Employee related costs, Overtime expenditure, Contract appointments and EPWP Expenditure

## **15. Annexure A: C-schedules**

**FS201 Moqhaka - Table C1 Monthly Budget Statement Summary - M08 February**

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	93 605	94 806	98 716	8 234	65 793	63 986	1 807	3%	98 716
Service charges	723 166	876 199	878 094	66 148	532 350	584 511	(52 162)	-9%	878 094
Investment revenue	39	63	63	-	-	42	(42)	-100%	63
Transfers and subsidies - Operational	331 012	328 582	363 896	181	233 088	226 117	6 971	0	363 896
Other own revenue	131 200	130 301	130 874	10 150	81 454	86 982	(5 528)	-6%	130 874
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 279 022</b>	<b>1 429 951</b>	<b>1 471 642</b>	<b>84 712</b>	<b>912 685</b>	<b>961 639</b>	<b>(48 954)</b>	<b>-5%</b>	<b>1 471 642</b>
Employee costs	452 951	449 410	524 882	36 631	311 650	314 703	(3 054)	-1%	524 882
Remuneration of Councillors	22 444	29 484	28 381	1 841	14 980	19 436	(4 455)	-23%	28 381
Depreciation and amortisation	112 242	10 305	10 305	-	-	6 870	(6 870)	-100%	10 305
Interest	99 037	8 790	8 790	550	4 400	5 860	(1 460)	-25%	8 790
Inventory consumed and bulk purchases	504 814	454 759	366 495	2 266	81 893	284 168	(202 275)	-71%	366 495
Transfers and subsidies	244	1 095	1 095	25	35	730	(695)	-95%	1 095
Other expenditure	506 333	432 991	512 643	14 720	183 669	310 233	(126 564)	-41%	512 643
<b>Total Expenditure</b>	<b>1 698 065</b>	<b>1 386 834</b>	<b>1 452 592</b>	<b>56 033</b>	<b>596 627</b>	<b>942 000</b>	<b>(345 373)</b>	<b>-37%</b>	<b>1 452 592</b>
<b>Surplus/(Deficit)</b>	<b>(419 043)</b>	<b>43 117</b>	<b>19 051</b>	<b>28 679</b>	<b>316 058</b>	<b>19 639</b>	<b>296 419</b>	<b>1509%</b>	<b>19 051</b>
Transfers and subsidies - capital (monetary)	48 042	66 532	66 532	3 139	3 399	44 355	###	-92%	66 532
Transfers and subsidies - capital (in-kind)	14	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(370 987)</b>	<b>109 649</b>	<b>85 583</b>	<b>31 818</b>	<b>319 457</b>	<b>63 993</b>	<b>255 463</b>	<b>399%</b>	<b>85 583</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(370 987)</b>	<b>109 649</b>	<b>85 583</b>	<b>31 818</b>	<b>319 457</b>	<b>63 993</b>	<b>255 463</b>	<b>399%</b>	<b>85 583</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>4 900</b>	<b>95 021</b>	<b>85 879</b>	<b>159</b>	<b>24 519</b>	<b>57 248</b>	<b>(32 729)</b>	<b>-57%</b>	<b>85 879</b>
Capital transfers recognised	136	66 532	54 344	5	4 126	37 584	(33 457)	-89%	54 344
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	4 763	28 489	31 535	153	20 392	19 664	728	4%	31 535
<b>Total sources of capital funds</b>	<b>4 900</b>	<b>95 021</b>	<b>85 879</b>	<b>159</b>	<b>24 519</b>	<b>57 248</b>	<b>(32 729)</b>	<b>-57%</b>	<b>85 879</b>
<b>Financial position</b>									
Total current assets	799 221	467 905	467 905		1 103 267				467 905
Total non current assets	1 940 457	3 107 101	3 097 959		1 985 680				3 097 959
Total current liabilities	1 974 643	538 944	538 944		2 004 457				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	2 982 255		933 134				2 982 255
<b>Cash flows</b>									
Net cash from (used) operating	(87 585)	(379 265)	(379 265)	(35 613)	(294 945)	(252 843)	42 102	-17%	(379 265)
Net cash from (used) investing	(7 184)	(86 529)	(86 529)	(169)	(24 672)	(57 686)	(33 014)	57%	(86 529)
Net cash from (used) financing	(1 677)	(2 121)	(2 121)	(304)	(2 087)	(1 414)	673	-48%	(2 121)
<b>Cash/cash equivalents at the month/year end</b>	<b>(106 351)</b>	<b>(492 678)</b>	<b>(492 678)</b>	<b>(347 159)</b>	<b>(344 862)</b>	<b>(336 707)</b>	<b>8 155</b>	<b>-2%</b>	<b>(491 072)</b>

**FS201 Moqhaka - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 February**

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>430 219</b>	<b>369 217</b>	<b>401 250</b>	<b>26 423</b>	<b>201 576</b>	<b>252 509</b>	(50 933)	-20%	<b>401 250</b>
Executive and council		93 305	116 725	121 537	8 702	68 581	78 798	(10 217)	-13%	121 537
Finance and administration		332 818	247 021	274 207	17 289	129 930	170 057	(40 128)	-24%	274 207
Internal audit		4 096	5 471	5 506	431	3 065	3 654	(589)	-16%	5 506
<b>Community and public safety</b>		<b>112 790</b>	<b>131 037</b>	<b>136 461</b>	<b>8 619</b>	<b>71 329</b>	<b>88 411</b>	(17 082)	-19%	<b>136 461</b>
Community and social services		17 457	19 911	20 565	883	7 903	13 417	(5 514)	-41%	20 565
Sport and recreation		46 140	54 314	56 223	3 599	28 950	36 547	(7 597)	-21%	56 223
Public safety		40 581	46 363	49 178	3 341	28 182	31 472	(3 290)	-10%	49 178
Housing		8 612	10 448	10 494	795	6 295	6 975	(680)	-10%	10 494
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		<b>98 769</b>	<b>73 339</b>	<b>93 368</b>	<b>3 178</b>	<b>46 297</b>	<b>57 247</b>	(10 950)	-19%	<b>93 368</b>
Planning and development		9 741	13 203	13 659	837	6 796	8 894	(2 098)	-24%	13 659
Road transport		86 206	55 796	74 959	2 144	37 579	45 364	(7 784)	-17%	74 959
Environmental protection		2 822	4 339	4 751	198	1 922	2 990	(1 068)	-36%	4 751
<b>Trading services</b>		<b>1 054 970</b>	<b>809 881</b>	<b>818 174</b>	<b>17 725</b>	<b>276 652</b>	<b>541 596</b>	(264 945)	-49%	<b>818 174</b>
Energy sources		584 377	522 453	475 502	5 089	109 696	338 912	(229 217)	-68%	475 502
Water management		224 254	125 979	163 692	4 732	70 664	91 529	(20 865)	-23%	163 692
Waste water management		139 159	78 647	85 734	4 102	51 190	53 849	(2 659)	-5%	85 734
Waste management		107 180	82 802	93 247	3 801	45 102	57 306	(12 205)	-21%	93 247
<b>Other</b>		<b>1 316</b>	<b>3 361</b>	<b>3 339</b>	<b>88</b>	<b>773</b>	<b>2 236</b>	(1 463)	-65%	<b>3 339</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1 698 065</b>	<b>1 386 834</b>	<b>1 452 592</b>	<b>56 033</b>	<b>596 627</b>	<b>942 000</b>	(345 373)	-37%	<b>1 452 592</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(370 987)</b>	<b>109 649</b>	<b>85 583</b>	<b>31 818</b>	<b>319 457</b>	<b>63 993</b>	<b>255 464</b>	<b>3,9920633</b>	<b>85 583</b>



**FS201 Moqhaka - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February**

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Executive & Council		306 737	215 840	215 840	179	156 550	143 893	12 656	8,8%	215 840
Vote 02 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 03 - Corporate Services		(2 178)	4 725	(372)	(333)	(2 719)	2 131	(4 850)	-227,6%	(372)
Vote 04 - Finance		117 673	114 432	122 144	10 009	80 073	77 830	2 243	2,9%	122 144
Vote 05 - Technical Services		819 425	1 048 049	1 087 193	71 736	613 834	706 528	(92 694)	-13,1%	1 087 193
Vote 06 - Community Services		75 933	93 973	93 780	5 804	61 856	62 610	(754)	-1,2%	93 780
Vote 07 - Local Economic Development		9 488	19 464	19 589	455	6 491	13 001	(6 510)	-50,1%	19 589
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - .		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>1 327 078</b>	<b>1 496 483</b>	<b>1 538 174</b>	<b>87 851</b>	<b>916 084</b>	<b>1 005 993</b>	<b>(89 910)</b>	<b>-8,9%</b>	<b>1 538 174</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Executive & Council		94 598	108 137	112 874	8 100	61 821	73 040	(11 219)	-15,4%	112 874
Vote 02 - Municipal Manager		24 596	31 004	31 551	1 748	15 606	20 779	(5 173)	-24,9%	31 551
Vote 03 - Corporate Services		68 360	79 395	93 179	3 925	30 520	55 687	(25 167)	-45,2%	93 179
Vote 04 - Finance		176 711	79 522	89 345	5 494	46 223	54 918	(8 695)	-15,8%	89 345
Vote 05 - Technical Services		1 043 646	794 247	812 261	16 205	279 792	537 435	(257 643)	-47,9%	812 261
Vote 06 - Community Services		253 785	247 195	265 143	17 558	139 042	168 403	(29 362)	-17,4%	265 143
Vote 07 - Local Economic Development		36 369	47 334	48 238	3 003	23 623	31 738	(8 115)	-25,6%	48 238
Vote 08 - .		-	-	-	-	-	-	-	-	-
Vote 09 - .		-	-	-	-	-	-	-	-	-
Vote 10 - .		-	-	-	-	-	-	-	-	-
Vote 11 - .		-	-	-	-	-	-	-	-	-
Vote 12 - .		-	-	-	-	-	-	-	-	-
Vote 13 - .		-	-	-	-	-	-	-	-	-
Vote 14 - .		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>1 698 065</b>	<b>1 386 834</b>	<b>1 452 592</b>	<b>56 033</b>	<b>596 627</b>	<b>942 000</b>	<b>(345 373)</b>	<b>-36,7%</b>	<b>1 452 592</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(370 987)</b>	<b>109 649</b>	<b>85 583</b>	<b>31 818</b>	<b>319 457</b>	<b>63 993</b>	<b>255 463</b>	<b>399,2%</b>	<b>85 583</b>

**FS201 Moqhaka - Table C6 Monthly Budget Statement - Financial Position - M08 February**

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		(23 158)	2 905	2 905	15 936	2 905
Trade and other receivables from exchange transactions		640 991	247 218	247 218	862 148	247 218
Receivables from non-exchange transactions		71 173	43 806	43 806	79 906	43 806
Current portion of non-current receivables						
Inventory		82 169	105 427	105 427	78 997	105 427
VAT		5 333	35 960	35 960	43 460	35 960
Other current assets		22 711	32 588	32 588	22 820	32 588
<b>Total current assets</b>		<b>799 221</b>	<b>467 905</b>	<b>467 905</b>	<b>1 103 267</b>	<b>467 905</b>
<b>Non current assets</b>						
Investments		390	289	289	390	289
Investment property		123 200	204 203	204 203	123 200	204 203
Property, plant and equipment		1 804 754	2 895 342	2 886 200	1 849 977	2 886 200
Biological assets						
Living and non-living resources						
Heritage assets		7 754	2 743	2 743	7 754	2 743
Intangible assets		4 359	4 525	4 525	4 359	4 525
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets						
<b>Total non current assets</b>		<b>1 940 457</b>	<b>3 107 101</b>	<b>3 097 959</b>	<b>1 985 680</b>	<b>3 097 959</b>
<b>TOTAL ASSETS</b>		<b>2 739 677</b>	<b>3 575 006</b>	<b>3 565 864</b>	<b>3 088 947</b>	<b>3 565 864</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	(2 121)	(2 121)	(3 014)	(2 121)
Consumer deposits		15 564	14 338	14 338	16 240	14 338
Trade and other payables from exchange transactions		1 761 044	507 185	507 185	1 693 126	507 185
Trade and other payables from non-exchange transactions		6 343	-	-	49 238	-
Provision		184 493	71 434	71 434	184 493	71 434
VAT		7 199	(51 892)	(51 892)	64 374	(51 892)
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>1 974 643</b>	<b>538 944</b>	<b>538 944</b>	<b>2 004 457</b>	<b>538 944</b>
<b>Non current liabilities</b>						
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		-	-	-	-	-
<b>Total non current liabilities</b>		<b>152 821</b>	<b>73 466</b>	<b>73 466</b>	<b>152 821</b>	<b>73 466</b>
<b>TOTAL LIABILITIES</b>		<b>2 127 465</b>	<b>612 409</b>	<b>612 409</b>	<b>2 157 278</b>	<b>612 409</b>
<b>NET ASSETS</b>	2	<b>612 213</b>	<b>2 962 597</b>	<b>2 953 455</b>	<b>931 669</b>	<b>2 953 455</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		1 453 965	2 965 980	2 980 904	933 134	2 980 904
Reserves and funds		-	1 351	1 351	-	1 351
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 453 965</b>	<b>2 967 331</b>	<b>2 982 255</b>	<b>933 134</b>	<b>2 982 255</b>

# Municipal Debt Relief

## 16.1 MFMA Circular 124 – Municipal Compliance Self Assessment

### Annexure A2 - Monthly



National Treasury

**Municipal Debt Relief**

MFMA Circular No. 124

Municipal Finance Management Act No. 56 of 2003

***Municipality Self-Assessment***

**Certificate of Compliance: Municipal Debt Relief Conditions for Application**

Feb'26

**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 <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? <i>Note - refer condition 6.12.2</i>	Does not have function
2	6.12.2	- Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a>	Does not have function
3	6.12.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of the Water Board and/ or Water Trading Entity?	Does not have function

4	6.3.1	<p>- Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)?</p> <p><b>Note</b> - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</p>	<input type="text" value="No"/>
5	6.3.2 6.3.3	<p>- Has the municipality submitted the supporting evidence of the bulk Eskom current account payment to the National Treasury and Eskom within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a>?</p>	<input type="text" value="Yes"/>
6	6.3.4	<p>- Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom?</p>	<input type="text" value="Yes"/>
6.4		<p><b>Compliance with a funded MTREF – (choose from drop down list the MTREF assessed)</b></p>	<input type="text" value="2025/26 Adopted MTREF"/>
7	6.4.1	<p>- Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx</a>?</p>	<input type="text" value="No"/>
8	6.4.1	<p>- Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A4 – Budgeted Financial Performance) of the Municipal Budget- and Reporting Regulations?</p>	<input type="text" value="Yes"/>

9	6.4.1	<p>- Has the municipality made adequate provision for debt impairment (<i>considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget</i>) on the A1 Schedule (Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p>	<input type="text" value="Yes"/>
		<p><i>Note - For example, if the municipality during the preceding 12 months only managed to collect 60 per cent of its revenue (also property rates), the provision for debt impairment aligning with the historic collection trend should align to 40 per cent of the 2023/24 MTREF revenue projections (also property rates). If the municipality merely used the debt impairment to 'balance' the budget and there is no real alignment between the provision for such with the actual collection of revenue, the Provincial Treasury must respond to this item as: "No".</i></p>	
10	6.4.1	<p>- Has the municipality made adequate provision for depreciation and asset impairment (<i>considering its asset register and physical state of assets</i>) on the A1 Schedule) Table A4 - Budgeted Financial Performance) of the Municipal Budget-and Reporting Regulations?</p>	<input type="text" value="Yes"/>
		<p><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></p>	
11	6.4.2	<p>- <b>If the municipality's MTREF is not funded</b>, has it tabled and adopted a credible Budget Funding Plan as part of the MTREF budget (refer item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?</p>	<input type="text" value="Yes"/>
		<p><i>Note - if the municipality has an FRP, a separate budget funding plan is not necessary. However, the PT / NT must assess whether the existing FRP incorporates / will give effect to a funded MTREF. If not, the FRP requires strengthening.</i></p>	

12	6.4.2	<p>- <b><i>If the municipality's MTREF is not funded and it has an FRP per the legislative framework</i></b>, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period of the FRP) - aligning with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Circular no. 122, 09 December 2022)?</p> <p><i>Note - only if the municipality does not have an FRP may "N/A" be selected from the dropdown list.</i></p>	<input type="text" value="Yes"/>
13	6.4.2	<p>- Does the municipality's annual and monthly cashflow projections included on the A1 Schedule (Table A7 - Budgeted Cash Flows and Supporting Table SA 30 – Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (<i>For example higher winter Eskom tariffs, lower January collection rates, etc.?</i>)</p>	<input type="text" value="Yes"/>
14	6.5	<p><b>Cost reflective tariffs</b> – (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 of MFMA Budget Circular no. 122) as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF?</p>	<input type="text" value="Yes"/>
	6.6	<p><b>Electricity and water as collection tools</b> – has the municipality, with effect from the tabling of the 2023/24 MTREF, <b><i>demonstrated, through its by-laws and budget related policies</i></b> that:</p>	
15	6.6.1	<p>- the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?</p>	<input type="text" value="Yes"/>

16	6.6.2	<p>- the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?</p>	<input type="text" value="Yes"/>
17	6.6.3	<p>- the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?  <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></p>	<input type="text" value="No"/>
18	6.6.4	<p>- If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 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></p>	<input type="text" value="Yes"/>
	6.6	<p><i>Supporting evidence: The National Treasury and/ or provincial treasury’s related budget assessment confirms the municipality’s relevant MTREF’s related budget policies and by-laws demonstrate compliance with paragraph 6.6.</i></p>	
	6.7	<p><b>Maintain a minimum average quarterly collection of property rates and services charges –</b></p>	
19	6.7.1	<p>- Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges <b>with effect from 01 April 2023</b> and 85 per cent average quarterly collection <b>with effect from 01 April 2024</b> during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?</p>	<input type="text" value="No"/>
		<p><i>Note - although the norm and standard for collection (MFMA Circular No. 71) is a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm.</i></p>	

	6.7.2	<p>- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, <b>has the municipality demonstrated to the satisfaction of National Treasury the following :</b></p>	
20	6.7.2.1	<p>* the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool <u>and</u> that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1;</p>	<p>Yes</p>
21	6.7.2.2	<p>* the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?</p>	<p>Yes</p>
22	6.7.2.3	<p>* 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?</p>	<p>Yes</p>
23	6.7.3	<p>- 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?</p>	<p>No</p>
24	6.7.4	<p>- 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?</p>	<p>Yes</p>

25	6.7.5	<p>- 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?</p>	<input type="text" value="Yes"/>
<p style="text-align: center;"><b>Municipality's Completeness of the revenue base –</b></p>			
26	6.8.1	<p>- 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?</p>	<input type="text" value="Yes"/>
27	6.8.1	<p>- 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></p>	<input type="text" value="N/a"/>
28	6.8.2	<p>- <b>For the latest ending Quarter</b> -Has the municipality submitted its completed billing system, GVR and/or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circulars no. 93, 98, 107 and 108) to the upload portal on <a href="https://lguploadportal.treasury.gov.za">https://lguploadportal.treasury.gov.za</a>?</p>	<input type="text" value="Yes"/>
<p style="text-align: center;"><b>Monitor and report on implementation –</b></p>			
29	6.9.1	<p>- <b>MFMA section 71 reporting</b> – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?</p>	<input type="text" value="Yes"/>

30	6.9.2	<p>- If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?</p> <p><i>Note - condition 6.9.2 has a typing error and must refer to 6.9.1.</i></p>	<input type="text" value="Yes"/>
31	6.9.3	<p>- <b>Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?</p>	<input type="text" value="Yes"/>
32	6.9.4	<p>- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a></p>	<input type="text" value="Yes"/>
		<p><i>Note - a municipality with a FRP may only benefit from the Municipal Debt Support programme if the FRP progress report was submitted to both the Provincial Executive and MFRS.</i></p>	
6.10		<p><i>Provincial Treasury Note - Provincial Treasury certification of municipal compliance – in terms of section 5 and 74 of the MFMA, with effect from 01 April 2023, a delegated municipality may not benefit from Municipal Debt Relief, unless:</i></p>	
33	6.10.1	<p>- has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?</p>	<input type="text" value="Yes"/>
34	6.10.2	<p>- has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the <b>conditions for provincial treasuries</b> (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timeously uploaded the compliance certificate via the GoMuni Upload Portal <a href="https://lguploadportal.treasury.gov.za?">https://lguploadportal.treasury.gov.za?</a></p> <p><i>Note - in the case of a non-delegated municipality the National Treasury to issue the compliance certificate.</i></p>	<input type="text" value="Yes"/>

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

37	6.12.1	<p>- has the municipality <b>apportioned and ring-fenced in a sub-account</b> to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) <b>the component of the</b> Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?</p>	<input type="text" value="No"/>
38	6.12.2	<p>- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose?</p>	<input type="text" value="No"/>
		<p><i>Note: Only if relevant in the specific circumstances, will a request be made to the Minister of Finance upon the municipality's request to exempt the municipality from MFMA s.8(3).</i></p>	
39		<p><b>Supporting evidence:</b> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.</p>	<input type="text" value="No"/>
40	6.13	<p><b>Accounting Treatment</b> - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General issued for Municipal Debt Relief to date?  <i>Note - to include accounting for any related benefit (e.g. interest suppression, etc.) and alignment with mSCOA.</i></p>	<input type="text" value="No"/>
41	6.14	<p>'NERSA License - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?</p>	<input type="text" value="No"/>

*Note: By applying for Municipal Debt Relief as set-out in paragraph 3. of MFMA Circular no. 124, the council of a municipality that during the duration of the Municipal Debt Relief programme fails to comply with any condition of the Relief, agrees to apply to NERSA to revoke the municipality's license in terms of section 17 of the Electricity Regulation Act, 2006 (Act no. 4 of 2006). Any such application must be preceded by the relevant processes for appointing an external mechanism as envisaged in Chapter 8 of the Municipal Systems Act, 2000, including the necessary service delivery agreement aligning with the Municipal Systems Act, 2000 and Electricity Regulation Act, 2006. In terms of the conditions of government's wider support to Eskom, Eskom will once again have to enforce its credit control and debt collection policies also in relation to the municipality's arrears that are the subject of municipal debt relief, etc.*

PT: HOD/ NT / MM Name:

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Signature of HOD/ NT/ MM:

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Date:

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

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

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

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 February 2026 is attached to this S71 report.

treasury

Enquiries: Mr. SD Mokhele Department of

Email: Mokhefes@treasury.fs.gov.za

Reference: Revenue & Debt Management  
0001



\_\_\_TreasuryFREE STATE PROVINCE

Ms. Ogalaletseng Gaarekwe  
Deputy Director-General  
Intergovernmental Relations

National Treasury  
40 Church Square  
PRETORIA

Mr T. Ngesi  
Acting Municipal Manager  
Moghaka Local  
Municipality  
PO Box 302  
KROONSTAD  
9500



for the month under review the municipality did not upload proof of payment on GoMuni portal and also not included in the Section 71 MFMA narrative report which confirms that no payment was made towards Eskom current account. The Provincial Treasury recommends that the municipality urgently prioritise payment of current account, strengthen credit control and revenue collection measure and implement Eskom repayment plan to curb the continued growth of debt.

Condition 6.4 - A funded MTREF: The municipality's tabled budget for 2025/2026 MTREF is unfunded and was tabled with a budget funding plan.

Condition 6.5 - Cost reflective tariffs: The cost reflective tariff assessment indicates that the municipality has not yet achieved full cost reflectivity across all services, while water and wastewater show cost reflective outcomes, electricity and solid waste remain not fully cost reflective posing a risk to the municipality's financial sustainability. It is further noted that the final tariff tool for 2025/26 was not uploaded on GoMuni despite support provided by National Treasury and Provincial Treasury. The municipality is advised to develop and include a clear strategy to phase in cost reflective tariffs in the upcoming 2026/27 tabled and adopted budget narratives.

FS		Fezile Dabi		Moghaka		FS201		
Assessment Status	Financial Year	Period	Item	Assessment or Water	Waste Water	Electricity	Solid Waste	
cost	2023/2024 Assessment		Revenue Budgeted Shotti11i Excess come per erg ce	115 790 304 449 83 797 i45	co 135385 70018628 9 883 243	557 680689 553019 530 4 662 159	96 885 48 47 523 664	694 867 188 565
lot Cost Reflecliv	2024/2025 Assessment		Revenue Required by NT Tariff Revenue Budgeted Surplus 'Deficit Outcome per Service	106489 148 204584470 98 322	39 558 73 239 485 33681 199 Cost Reflectiv n	689 578 457382 - 111 185 cost	75 912 662 50798 176 25 cost	91 602 805 907079513 4 523 292
	2025/2026 Assessment		Revenue Required by NT Tariff	III 213 160 Cost	073 76608 500 35 427 Cost e	789 605 066420 • cost	79 181 53 134892 26 320 289 cost RegecWeN01Cost	954 072 240 948 805 109 5267 071

				Revenue Budgeted Surplus 'Deficit Outcome per Service					

**Condition 6.6 - Electricity and water as collection tools:**

The municipality must physically restrict the monthly supply of electricity and water of defaulting consumer/property owner registered as an indigent to the monthly national basic free electricity- and water limits of 50 kW electricity and 6 Kl water. The Provincial Treasury recommends the municipality must upload the disconnection list with the minimum required information timeously. Furthermore, the municipality should strengthen credit control measures by implementing electricity disconnections and water restrictions mechanisms for defaulting consumers to prevent excessive revenue losses and avoid unrestricted water supply, which contributes to financial strain and negatively impacts the municipality's ability to meet Eskom bulk payment obligations.

**Conditions 6.7 - Maintain a minimum average quarterly collection of property rates and services charges:** The collection performance of the municipality as per the submitted payment rate per ward per service template, the municipality's collection for has declined when compared to the previous month, for the period under review the municipality reported 50% for all services, 67% for electricity and 23% for water. The continued low performance particularly in water and overall collections remains a concern for cash flow sustainability and compliance with the debt conditions. The municipality to urgently implement consolidated billing and ensure that payments allocated in order of priority, starting with property rates, water, wastewater, refuse removal and lastly electricity to improve revenue management and collection performance.

**Condition 6.8 - Municipality's Completeness of the revenue base:** The municipality submitted the reconciliation tool on the GoMuni portal as required. There is a misalignment between the municipal GVR, and the billing as seen in the reported variances. However, the municipality did not provide or outline corrective steps to address the identified variances. The Provincial Treasury recommends that the municipality develop a detailed variance clearing plan.

Condition 6.9 Monitor and Report on compliance: The table below shows the extent to which the municipality has complied with the guidelines for preparing a narrative report for section 71 reporting.

MFMA S71 Statement component		Compliance (Yes / No)
1.	The Budget Performance Overview (paragraph 4) of the MFMA S71 statement explicitly advised on the municipality's progress in implementing the municipality's budget and (where relevant also the budget funding plan) — where implementation is slow, the statement advised explicitly on progress, challenges and corrective actions.	Yes
2.	The conclusion (paragraph 14) of the MFMA S71 statement explicitly advised as part of the MFMA Circular 124: Condition 6.9 reporting i Any risk associated; and The mitigating factors with the implementation of the municipality's Budget Funding Plan and / or Funded Budget.	Yes
3.	Annexure B of the MFMA S71 statement included the following debt relief re ortin com onents-	
3.1.1	The municipality's MFMA Circular 124 self-assessment	No
3.1.2	The self-assessment (refer 3,1.1 above) was included in the format of MFMA Budget Circular 128 (Annexure B)	No
3.2	The municipality's overall relief compliance across the months of its debt relief participation since its National Treasury debt relief approval effective date	No
3.3	The latest Provincial Treasury debt relief compliance certificate and report issued to the municipality	Yes

3.41	The municipality's revenue collection performance the overall performance graph; Summary worksheet; and Collection per ward indicating who supplies electricity in the ward	Yes
3.4.2	The revenue collection performance information (refer 3.4.2) was included in the format of MFMA Budget Circular 128 (Annexure D).	Yes
3.5.1	The indigent management information	Yes

3.5.2	The indigent management information was included in the format of MFMA Budget Circular 128 (Annexure C).	Yes
3.6.1	The summary of the municipality's property rates reconciliation undertaken in the National Treasury format.	Yes
3.6.2	The municipality's progress during the month against its planned corrective action to address any variances evident from the property rates reconciliation.	No
3.7.1	Any Eskom and Water (if the municipality has the Water function) Bulk current account invoice(s) due and payable during the month of reporting	No

3.72	The municipality's proof of payment of any such Eskom and / or Water Bulk current account invoice(s) during the month of reporting.	No
3.783	The municipality's reconciliation statement for electricity and water (if it has the function) aligning to the MFMA S71 mSCOA data strin s u load.	Yes
3.8	Recommendations noting explicitly the aforementioned debt relief reporting to the Mayor and / or Mayoral Committee meetin	Yes

**Condition 6.10 - Provincial Treasury Certification of municipal compliance**  
 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**

Period

Jan '26

National Financial Year

2025/26

Demarcation Code of Municipality being assessed

FS201

District

Fezile Dabi

Demarcation Description

Moqhaka

I, Mr Pakiso Lebone, 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

6.3+ Maintaining the Eskom and bulk water current account –		
Condition	6.12 (current account for the purpose of this exercise means the account for a single month's consumption)	
1	6.12.2 - Has the municipality paid its <b>bulk water current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros) <i>Note - refer condition 6.12.2</i>	No
2	6.12.2 - Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/ or Water Trading Entity within 1 day of making any such payment (in PDF format) via the GoMuni Upload Portal <a href="https://beundnadmota.treasury.gov.za/">https://beundnadmota.treasury.gov.za/</a>	No
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?	No
4	6.3.1 - Has the municipality paid its <b>Eskom bulk current account</b> within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros) <i>Note - current account in terms of municipal debt relief approval means the total Eskom charges for the billing period plus VAT plus any component that may be due in terms of a payment arrangement of "New arrears" (March 2023 and / or subsequent current account(s) up to the date of NT approval of the application.</i>	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 <a href="https://guploadportal.treasury.gov.za/">https://guploadportal.treasury.gov.za/</a>	No
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?	No
6.4	Compliance with a funded MTREF – <i>(choose from drop down list the MTREF assessed)</i>	Select
7	6.4.1 - Is the municipality's MTREF funded and aligning to the National Treasury's Budget Funding Guidelines - <a href="http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?">http://mfma.treasury.gov.za/Guidelines/Pages/Funding.aspx?</a>	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
6.4.1	- Has the municipality made adequate provision for debt impairment (considering the actual collection of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1	

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	694.2 6,4.2	<p>- If the municipality's MTREF is not funded and it has an FRP per the legislative framework, does the existing FRP incorporate a credible Budget Funding Plan (will the FRP give effect to a funded MTREF over the period Of the FRP) — aligning With the principles Of a budget funding plan as envisaged in item 9.3 of MFMA Budget Ci rcular no, 122, 09 December 2022)?</p> <p>Note • cnfy if the municipality does not hove on FRP may " be selected from the dropdown list_</p> <p>- Does the municipality's annual and monthly cashflow projections included on the AI Schedule (Table AI - Budgeted Cash Flows and Supporting Table SA 30 —Budgeted Monthly Cash Flows) of the Municipal Budget and Reporting Regulations aligns with and gives effect to the municipality's Budget Funding Plan strategy (or the FRP strategy) and related seasonal trends (For example higher winter Eskom tariffs, lowerJanuaty collection rates, etc.</p>	N/a
			No
	6.5		<p>Cost reflective tariffs — (excluding metros) has the municipality included its completed tariff tool (refer MFMA Circular no. 98 and item 5.2 Of MFMA Budget Circular no. 122) as part Of the municipalit}'s annual tabled and adopted MTREF submissions with effectthe tabling of the 2023/24 MTREF?</p>
		<p>Electricity and water as collection tools —has the municipality, with effect from the tabling of the 2023/24 MTREF, <u>demonstrated</u>, through its <u>by-laws</u>on<b>budget</b> related <u>policieS</u> thatt</p>	
	6.6.J		

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<p>6.62 6.63</p>	<p>- the municipality issues a consolidated monthly bill to all Consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?</p> <p>the municipality disconnects electricity services and/or block the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?</p> <p>- the municipality is restricting and/or interrupting the supply of electricity and/or water to any defaulting consumer/ property owner unless the defaulter already registered as an indigent consumer with the municipality? Note: In terms of this condition the municipality must undertake such restriction/ interruption of water together with the municipal engineer(s) to ensure a minimum supply of</p> <p>If the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity- and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively?</p> <p>Note — the municipality's monthly MFMA 5.71 Statement must include as part of the narratives the indigent information in the required format.</p>	<p>No</p> <p>NO</p>
<p>6.6 <u>Supporting evidence</u> The National Treasury and/or provincial/ municipal treasuries' reported budget assessment confirms the municipality's MTREF's budget performance and by-jaws demonstrate compliance». dth paragraph 6.6</p>		

Maintain a minimum average quarterly collection of property rates and service charges—

6.71	Has the municipality achieve a minimum 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?		
		No	
<p>Note on the data for collection of property rates (section 71) threshold. The municipality has the debt - relief by the year from 2023 to this norm.</p>			
6.7.2.1 6.1.202 6.7.2.3 6.7.3 5.7.4 6.7.5 Fich@rdt	<p>- If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7±1, has the municipality demonstrated to the satisfaction of National Treasury the following :</p> <ul style="list-style-type: none"> <li>- unacceptably poor performance Eskom - supplied areas where the municipality does not have electricity as a collection tool that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection</li> <li>the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?</li> <li>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</li> <li>- The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its</li> </ul>		
		Yes	
		Yes	
		No	
		No	
		No	

	<p>customers, within its normal credit control process?</p> <p>- 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?</p> <p>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 6.743 and 6.744?</p>		
<p>and Zastron Streets. CBD. Bloemfontein</p>			

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6.8		Municipality's Completeness of the revenue base –	
25	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	No
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>	Yes
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 <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a>	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?	No FRP
32	6.9.4	- If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRS) timeously via the GoMuni Upload Portal <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> <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>	No FRP
6.10		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:	
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 <a href="https://uploadportal.treasury.gov.za/">https://uploadportal.treasury.gov.za/</a> <i>Note: in the case of a non-delegated municipality by the National Treasury to issue the compliance certificate.</i>	Yes
35	6.10.3	- has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring? <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>	No
36	6.11	Limitation on municipality borrowing powers - has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme? <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 bidding purposes are not considered within the ambit of this condition.</i>	No
6.12		For the duration of the Municipal Debt Relief (to ensure proper management of resources):	
37	6.12.1	- has the municipality apportioned and ring-fenced in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation?	Yes
38	6.12.2	- has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it applied the revenue in the sub-account for any other purpose? <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>	No
39		<b>Supporting evidence:</b> Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue.	No
40	6.13	<b>Accounting Treatment</b> - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrear debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General Issued for Municipal Debt Relief to date?	Yes

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6,12 For the duration of the Municipal Debt Relief (to ensure proper management of resources) :

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Free State Provincial Treasury

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The Provincial Treasury's assessment and compliance certificate confirmed that Moqhaka Municipality during January 2026 did not fully comply with all the conditions of the debt relief. The municipality is urged to improve on all the conditions as required by MFMA Circular 124.

Condition 6.11 — Limitations on municipal borrowing powers:

Moqhaka Local Municipality has complied with this condition since its debt relief participation and the National Treasury debt relief approval effective date.

Conditions 6.12 — Proper management of resources: The municipality must ensure that it complies with Condition 6.12.2 to pay Eskom account first and secondly its bulk water account before it applied the revenue in the sub-account for any purpose.

Condition 6.14 Nersa license - The municipality must ensure that during the duration of the Municipal Debt Relief program, it complies with all the conditions of the Relief to avoid revoking the Electricity license in terms of section 18 of the Electricity Regulation Act, 2006.

MFMA Circular 124 conditions were elaborated on above. It is also noted that the municipality's January 2026 average compliance has shown no movement from last month's overall performance percent 49 percent compliance.

4.The municipality must ensure that all non-compliance matters are addressed and the outstanding documents are sent to the following e-mails:(National Treasury) at [revenuemanagement@treasury.gov.za](mailto:revenuemanagement@treasury.gov.za) as well as (Provincial Treasury) to Mr. Mokhele at [mokheles@treasury.fs.gov.za](mailto:mokheles@treasury.fs.gov.za) .

5.I trust that you will find this in order.

Regards,



Mr. PE Lebone

Acting Head: Free State Provincial Treasury

Date: 26.02.2026 oz.

cc: HOD: FSCOGTA

PDO: SALGA - Free State

MFMA Coordinator: Provincial Treasury

CFO: Moqhaka Local Municipality

TA: Mrs. M. Tshabangu

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Here are the specific conditions that were not fully met in February 2026 according to the monitoring tool:

Condition 17: Restricting the water supply.

Condition 18: Restricting indigent for water and electricity.

Condition 23: No installation of smart prepaid meters.

Condition 24: Smart Meter Policy not yet adopted; and

Condition 26: National Treasury's rates reconciliation

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

**16.4.1 Monthly / Quarterly collection per ward**

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

Municipal Details					
Free State					
Code		District		Municipality	
FS201				Moqhaka	Period Monitored July

Collection Rate Assessment																		
Aggregate Collection	Summary - Quarter 1					Q1	Summary - Quarter 2					Q2	Summary - Quarter 3					Q1
	Billing	Collection	R - Billing not collected	% Collection			Billing	Collection	R - Billing not collected	% Collection			Billing	Collection	R - Billing not collected	% Collection		
1.Collection for whole demarcation	234 480 971	144 039 544	90 441 427	61%	61%	222 812 285	145 097 768	77 714 517	65%	65%	240 497 320	78 534 074	161 963 246	33%	33%			
2.Collection <u>excl Eskom supplied areas</u>	174 114 656	114 656 412	59 458 244	66%	66%	166 006 217	115 972 285	50 033 932	70%	70%	177 747 110	64 792 479	112 954 631	36%	36%			
3.Collection: <b>Property Rates</b>	23 794 538	16 571 363	7 223 175	70%	70%	23 871 974	25 578 576	(1 706 602)	107%	107%	24 466 151	13 318 183	11 147 968	54%	54%			
4.Total average collection: <b>Electricity</b> (Municipal supplied areas)	109 169 018	83 189 837	25 979 181	76%	76%	96 563 482	85 498 794	11 064 688	89%	89%	104 878 112	46 153 461	58 724 651	44%	44%			
5.Total average collection: <b>Water</b>	42 127 838	21 006 213	21 121 625	50%	50%	42 576 732	15 813 607	26 763 185	37%	37%	49 141 431	8 106 045	41 035 386	16%	16%			
6.Total average collection: <b>Wastewater</b>	21 375 932	12 837 564	8 538 368	60%	60%	20 963 994	9 757 886	11 206 108	47%	47%	21 428 970	5 527 906	15 901 064	26%	26%			
7.Total average collection: <b>Refuse</b>	15 032 776	8 154 112	6 878 664	54%	54%	15 106 610	6 907 135	8 199 475	46%	46%	14 964 381	3 866 511	11 097 871	26%	26%			
8.Total average collection: <b>Interest</b>	22 980 868	2 280 454	20 700 414	10%	0%	23 729 434	1 541 771	22 187 663	6%	6%	25 618 274	1 561 968	24 056 306	6%	6%			

# Collection Rate Assessment

Notes

	Total Aggregate Collection	8. February - Reporting for January in February			9. March - Reporting for February in March			
		Collection in February	R - Billing not collected	% Collection	Billing For February	Collection in March	R - Billing not collected	% Collection
1	1. Collection for whole demarcation	36 829 974	45 268 376	45%	75 637 232	-	75 637 232	0%
2	2. Collection <u>excl Eskom supplied areas</u>	32 501 316	29 251 282	54%	56 554 948	-	56 554 948	0%
3	3. Collection: <b>Property Rates</b>	4 695 817	3 469 847	58%	8 081 743	-	8 081 743	0%
4	4. Total average collection: <b>Electricity</b> (Municipal supplied areas)	22 120 720	15 906 192	58%	30 944 269	-	30 944 269	0%
5	5. Total average collection: <b>Water</b>	4 020 386	11 253 294	26%	16 043 474	-	16 043 474	0%
6	6. Total average collection: <b>Wastewater</b>	2 866 247	4 288 835	40%	7 095 589	-	7 095 589	0%
7	7. Total average collection: <b>Refuse</b>	1 968 531	3 035 261	39%	4 947 787	-	4 947 787	0%
8	8. 7. Total average collection: <b>Interest</b>	1 158 274	7 314 947	14%	8 524 369	-	8 524 369	0%

Services	Ward Name & Number	Billing For January	Collection for January in February	Rand Value of Billing not collected	% Collection	Billing For February	Collection for February in March	Rand Value of Billing not collected	% Collection
<b>Property Rates Tax</b>	1	52 110	5 110	47 000	10%	52 206		52 206	0%
Electricity		97 818	68 677	29 141	70%	69 188		69 188	0%
Water		243 475	19 070	224 405	8%	249 139		249 139	0%
Refuse		179 381	13 962	165 418	8%	179 381		179 381	0%
Waste Water		234 106	14 931	219 175	6%	234 106		234 106	0%
Interest		366 443	3 299	363 144	1%	370 662		370 662	0%
<b>Property Rates Tax</b>	2	440 180	140 330	299 849	32%	439 577		439 577	0%
Electricity		1 238 598	305 822	932 775	25%	219 866		219 866	0%
Water		332 203	60 715	271 487	18%	(284 221)		0	0%
Refuse		158 534	35 083	123 451	22%	155 882		155 882	0%
Waste Water		224 752	48 893	175 859	22%	221 262		221 262	0%
Interest		341 905	10 778	331 128	3%	346 986		346 986	0%
<b>Property Rates Tax</b>	3	1 177 840	294 373	883 468	25%	1 170 429		1 170 429	0%
Electricity		1 246 894	706 773	540 121	57%	1 217 524		1 217 524	0%
Water		2 015 383	374 124	1 641 259	19%	1 446 219		1 446 219	0%
Refuse		413 583	216 698	196 885	52%	402 877		402 877	0%
Waste Water		568 093	258 560	309 533	46%	556 945		556 945	0%
Interest		158 352	37 249	121 103	24%	135 437		135 437	0%

<b>Property Rates Tax</b>		4 004	562	3 442	14%	4 004		4 004
Electricity		93 273	36 905	56 368	40%	93 234		93 234
Water	4	407 993	31 932	376 061	8%	531 997		531 997
Refuse		67 383	10 033	57 350	15%	66 380		66 380
Waste Water		88 269	10 366	77 903	12%	87 162		87 162
Interest		197 108	2 961	194 147	2%	197 493		197 493
<b>Property Rates Tax</b>		3 715	3 762	0	101%	3 678		3 678
Electricity		43 775	5 920	37 855	14%	42 009		42 009
Water	5	369 246	30 833	338 413	8%	474 911		474 911
Refuse		60 142	10 154	49 988	17%	57 768		57 768
Waste Water		76 958	12 522	64 436	16%	73 948		73 948
Interest		154 653	3 297	151 357	2%	153 646		153 646
<b>Property Rates Tax</b>		60 143	1 499	58 644	2%	60 143		60 143
Electricity		114 022	68 230	45 792	60%	127 078		127 078
Water	6	646 147	74 102	572 044	11%	522 007		522 007
Refuse		101 631	14 195	87 437	14%	101 487		101 487
Waste Water		137 984	15 924	122 060	12%	137 438		137 438
Interest		246 232	3 095	243 137	1%	250 714		250 714
<b>Property Rates Tax</b>		257 518	347 007	0	135%	244 031		244 031
Electricity		297 076	501 110	0	169%	351 801		351 801
Water	7	420 416	53 361	367 055	13%	428 833		428 833
Refuse		111 534	21 127	90 407	19%	111 248		111 248
Waste Water		145 875	23 251	122 624	16%	145 427		145 427
Interest		250 385	202 760	47 625	81%	304 155		304 155

<b>Property Rates Tax</b>		32 153	1 928	30 226	6%	32 153		32 153
Electricity		84 335	115 740	0	137%	71 264		71 264
Water	8	404 910	63 130	341 780	16%	484 315		484 315
Refuse		91 231	27 434	63 797	30%	91 088		91 088
Waste Water		117 889	31 587	86 302	27%	117 707		117 707
Interest		195 398	12 630	182 767	6%	194 819		194 819
<b>Property Rates Tax</b>		170 403	4 519	165 884	3%	170 403		170 403
Electricity		843 866	150 395	693 471	18%	861 289		861 289
Water	9	604 130	95 960	508 170	16%	478 304		478 304
Refuse		176 243	40 201	136 042	23%	175 383		175 383
Waste Water		258 862	49 418	209 444	19%	257 770		257 770
Interest		301 782	13 053	288 729	4%	314 818		314 818
<b>Property Rates Tax</b>		46 889	8 000	38 888	17%	47 708		47 708
Electricity		122 131	19 917	102 213	16%	121 145		121 145
Water	10	488 310	78 720	409 590	16%	709 610		709 610
Refuse		114 585	33 766	80 819	29%	117 290		117 290
Waste Water		148 764	37 605	111 159	25%	153 557		153 557
Interest		202 349	6 597	195 752	3%	234 675		234 675
<b>Property Rates Tax</b>		367 007	2 166	364 842	1%	367 007		367 007
Electricity		541 208	32 260	508 948	6%	578 784		578 784
Water	11	1 112 543	46 704	1 065 839	4%	1 288 653		1 288 653
Refuse		284 319	17 792	266 527	6%	281 049		281 049
Waste Water		496 371	23 965	472 406	5%	490 801		490 801
Interest		405 455	6 763	398 692	2%	405 990		405 990

<b>Property Rates Tax</b>		94 965	7 461	87 505	8%	94 965	94 965
Electricity		129 748	33 505	96 243	26%	121 316	121 316
Water	12	488 996	74 184	414 813	15%	830 034	830 034
Refuse		131 441	31 428	100 013	24%	127 071	127 071
Waste Water		179 444	36 149	143 295	20%	177 889	177 889
Interest		308 681	11 433	297 248	4%	311 968	311 968
<b>Property Rates Tax</b>		456 509	331 636	124 873	73%	396 977	396 977
Electricity		17 942 055	10 539 778	7 402 277	59%	11 828 494	11 828 494
Water	13	1 053 704	327 275	726 430	31%	1 617 911	1 617 911
Refuse		373 857	160 879	212 978	43%	349 584	349 584
Waste Water		582 625	273 748	308 877	47%	537 556	537 556
Interest		632 060	10 261	621 799	2%	805 387	805 387
<b>Property Rates Tax</b>		62 494	3 637	58 857	6%	62 479	62 479
Electricity		104 616	18 982	85 634	18%	89 142	89 142
Water	14	253 381	67 041	186 340	26%	437 965	437 965
Refuse		121 760	26 041	95 719	21%	121 617	121 617
Waste Water		165 362	34 109	131 253	21%	165 180	165 180
Interest		261 676	7 092	254 584	3%	265 659	265 659
<b>Property Rates Tax</b>		69 425	7 534	61 891	11%	67 423	67 423
Electricity		213 631	59 063	154 568	28%	212 267	212 267
Water	15	433 121	76 832	356 289	18%	442 003	442 003
Refuse		133 107	26 392	106 715	20%	129 450	129 450
Waste Water		178 677	32 302	146 376	18%	172 074	172 074
Interest		235 251	6 256	228 995	3%	235 708	235 708

<b>Property Rates Tax</b>		1 621 624	1 422 075	199 549	88%	1 681 722		1 681 722
Electricity		6 125 274	6 233 130	0	102%	6 348 399		6 348 399
Water	16	578 270	1 419 448	0	245%	1 503 371		1 503 371
Refuse		764 824	632 900	131 924	83%	786 988		786 988
Waste Water		1 208 951	1 059 191	149 759	88%	1 256 645		1 256 645
Interest		426 650	630 902	0	148%	467 849		467 849
<b>Property Rates Tax</b>		1 562 253	967 605	594 648	62%	1 508 570		1 508 570
Electricity		2 724 377	1 763 679	960 698	65%	2 931 109		2 931 109
Water	17	1 186 266	710 288	475 978	60%	1 144 287		1 144 287
Refuse		680 232	449 550	230 681	66%	654 807		654 807
Waste Water		969 739	621 335	348 403	64%	940 422		940 422
Interest		272 532	95 262	177 270	35%	185 052		185 052
<b>Property Rates Tax</b>		626 203	325 280	300 923	52%	623 423		623 423
Electricity		5 960 839	1 404 526	4 556 314	24%	5 550 665		5 550 665
Water	18	1 762 707	356 879	1 405 828	20%	1 110 949		1 110 949
Refuse		404 212	181 274	222 937	45%	402 596		402 596
Waste Water		551 872	263 781	288 091	48%	549 704		549 704
Interest		752 299	30 181	722 117	4%	769 503		769 503
<b>Property Rates Tax</b>		27 940	182	27 758	1%	27 940		27 940
Electricity		98	-	98	0%	98		98
Water	19	973 929	3 895	970 034	0%	1 084 776		1 084 776
Refuse		134 928	604	134 323	0%	134 784		134 784
Waste Water		176 737	425	176 312	0%	176 555		176 555
Interest		808 399	144	808 255	0%	638 454		638 454

<b>Property Rates Tax</b>	20	59 426	3 079	56 347	5%	59 426	59 426
Electricity		14 481	432	14 049	3%	14 383	14 383
Water		590 707	20 543	570 164	3%	410 526	410 526
Refuse		169 042	10 195	158 847	6%	169 783	169 783
Waste Water		211 437	8 270	203 167	4%	211 773	211 773
Interest		624 144	906	623 238	0%	630 435	630 435
<b>Property Rates Tax</b>	21	251 390	213 471	37 920	85%	251 484	251 484
Electricity		1 290	-	1 290	0%	1 290	1 290
Water		875 056	23 669	851 387	3%	1 099 166	1 099 166
Refuse		324 499	5 678	318 821	2%	323 950	323 950
Waste Water		419 767	4 542	415 225	1%	419 122	419 122
Interest		1 163 584	37 820	1 125 764	3%	1 174 751	1 174 751
<b>Property Rates Tax</b>	22	721 474	604 604	116 870	84%	715 996	715 996
Electricity		87 507	55 877	31 630	64%	93 922	93 922
Water		32 790	11 683	21 107	36%	32 719	32 719
Refuse		7 325	3 145	4 180	43%	7 325	7 325
Waste Water		12 545	5 371	7 175	43%	12 545	12 545
Interest		167 883	25 534	142 349	15%	130 207	130 207

**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 otherwise)

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	M07	M08	
<b>Indigent Household service targets</b>	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	13 870	13 958	
Indigent HH's with piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-	-	-	-	
Indigent HH's using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-	-	-	-	
Indigent HH's with other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</b>		<b>12 711</b>	<b>12 757</b>	<b>-</b>	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>	<b>13 958</b>	
Indigent HH's using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-	-	-	-	
Indigent HH's with other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-	-	-	-	
Indigent HH's with No water supply		-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total number of registered indigent households</b>	5	<b>12 711</b>	<b>12 757</b>	<b>-</b>	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>	<b>13 958</b>	

<b>Status of Water meters :</b>												
Number of Indigent HH's with prepaid Water	-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's with conventional metered Water	10 204	10 231	-	10 483	10 468	10 519	10 586	10 679	10 730	10 794	10 792	10 784
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	1 812	1 829
Number of Indigent HH's with <b>NO Water supply</b> - No metering	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	<b>11 742</b>	<b>11 838</b>	-	<b>12 183</b>	<b>12 186</b>	<b>12 237</b>	<b>12 309</b>	<b>12 432</b>	<b>12 507</b>	<b>12 574</b>	<b>12 604</b>	<b>12 613</b>
<b>Status of unlimited supply of Water :</b>												
Number of Indigent HH's with <b>conventional metered Water</b> - where the municipality is <b>NOT physically restricting Water to the national free basic limit of 6 kilolitres per household per month</b>	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870	13 958
Number of Indigent HH's <b>NOT metered</b> currently receiving unlimited supply - Water	1 538	1 607	-	1 700	1 718	1 718	1 723	1 753	1 777	1 780	1 812	1 829
<b>Total number of registered indigent households receiving unlimited supply - Water</b>	<b>14 249</b>	<b>14 364</b>	-	<b>14 937</b>	<b>15 026</b>	<b>15 072</b>	<b>15 147</b>	<b>15 318</b>	<b>15 459</b>	<b>15 520</b>	<b>15 682</b>	<b>15 787</b>
Of the Total Number of registered indigent households receiving unlimited supply - State the Number of HH's <b>billed for consumption above the 6 kilolitres</b>	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870	13 958
<b>Energy : (Include All Indigent households also in Eskom supplied areas)</b>												
Indigent HH's with Electricity (at least min.service level)	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (min.service level)	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870	13 958
<i>Total no. of Indigent HH's receiving Minimum Service Level and Above sub-total</i>	<b>12 711</b>	<b>12 757</b>	-	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>	<b>13 958</b>
Indigent HH's with Electricity (< min.service level)	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	-	-	-
Indigent HH's with other energy sources	-	-	-	-	-	-	-	-	-	-	-	-
<i>Total no. of Indigent HH's receiving - Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	<b>12 711</b>	<b>12 757</b>	-	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>	<b>13 958</b>
<b>Status of Electricity meters :</b>												
Number of Indigent HH's with prepaid Electricity	12 711	12 757	-	13 237	13 308	13 354	13 424	13 565	13 682	13 740	13 870	13 958
Number of Indigent HH's with conventional metered Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Number of Indigent HH's NOT metered currently - Electricity	-	-	-	-	-	-	-	-	-	-	-	-
Number of indigent HH's with <b>other energy sources</b> - No metering	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total number of registered indigent households</b>	<b>12 711</b>	<b>12 757</b>	-	<b>13 237</b>	<b>13 308</b>	<b>13 354</b>	<b>13 424</b>	<b>13 565</b>	<b>13 682</b>	<b>13 740</b>	<b>13 870</b>	<b>13 958</b>



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

## References

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

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%

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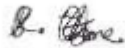
**16.5 -MFMA Circular 124 – Condition 6.8 Valuation Roll Reconciliation (Completeness of the revenue base)**

Property Rates Reconciliation						
Province	FS					
District	Fezile Dabi District					
Type	LM					
Municipal Name	Moghaka					
GV Period	01/07/2023 - 30/06/2028					
Financial Year	2025/2026					
Reconciliation Period	Quarter 3					
Reconciliation Overview						
High Level Reconciliation						
Property Categories	# of Properties			Market Values		
	GV	MFS	Variance	GV Market Values	MFS Market Values	Variance
Residential	33 312	45 022	- 11 710	5 857 857 092.00	7 538 546 052.00	- 1 680 688 960.00
Industrial	265	308	- 43	326 960 001.00	349 559 000.00	- 22 598 999.00
Business and Commercial	1093	1 128	- 35	969 485 606.00	1 071 540 610.00	- 102 055 004.00
Agricultural	3 401	3 595	- 194	5 593 486 750.00	5 869 408 753.00	- 276 222 003.00
Mining	9	13	- 4	7 378 000.00	55 374 000.00	- 47 996 000.00
State Owned for Public Purpose	211	589	- 378	125 176 616.00	134 386 514.00	- 92 098 498.00
PSI	237	491	- 254	17 740 500.00	38 280 901.00	- 20 540 401.00
PBO	26	278	- 252	50 689 999.00	250 971 003.00	- 200 281 004.00
Multi Use	235	-	235	342 280 499.00	-	342 280 499.00
Vacant	470	601	- 131	38 033 106.00	76 556 608.00	- 38 523 502.00
POW	254	8	246	199 161 004.00	3 270 000.00	195 891 004.00
Municipal	12 777	2 16	12 561	2 156 654 068.00	204 592 005.00	1 952 062 063.00
Other	-	-	-	-	-	-
	52 290	52 249	41	16 811 192 641.00	16 801 963 446.00	9 229 195.00
Detailed Reconciliation						
Property Categories	Monthly Billing			Quarterly		
	GV	MFS	Variance	GV	MFS	Variance
Residential	2 118 404	2 167 478	- 69 074	6 355 213.20	6 562 434.69	- 207 221.49
Industrial	523 136	521 998	1 138	1 569 408.00	1 565 995.20	3 412.80
Business and Commercial	1 575 414	1 697 835	- 122 421	4 726 242.33	5 093 504.97	- 367 262.64
Agricultural	978 808	1 009 770	- 30 962	2 936 423.04	3 029 310.03	- 92 886.99
Mining	24 962	167 349	- 162 386	74 886.70	562 046.04	- 487 159.34
State Owned for Public Purpose	2 660 003	2 477 815	182 187	7 980 008.35	7 433 445.96	546 562.39
PSI	-	1 148	- 1 148	-	3 444.00	- 3 444.00
PBO	-	-	-	-	-	-
Multi Use	-	-	-	-	-	-
Vacant	38 984	150 209	- 111 225	116 951.80	450 627.48	- 333 675.68
POW	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	<u>R7 919 711.14</u>	<u>R8 233 602.79</u>	<u>-R313 891.65</u>	<u>23 759 133.43</u>	<u>24 700 808.37</u>	<u>- 941 674.94</u>

Prepared By: DINEO MOKOENA Date: 03/03/2026  
 Contact Details: 056 216 9300/9604

Signature: 

Reviewed By: SAMMY THELETSANE Date: 05/03/2026  
 Contact Details: 056 216 9158

Signature: 



National Treasury	
<b>Water and Electricity Meter</b>	
Financial Year	2025/2026

Information			
<b>Municipal Details</b>		<b>Please insert your municipality's information!</b>	
District	Code Descr		Code
Fezile Dabi	Moqhaka		FS201
MM Name:			
Signature of MM:			
Date:			

**Municipal Meter Requirements  
Smart Meter Roll - Out Plan**

**Moqhaka**

Part 1 - Water Meter Requirements											
Wards	Area Description / Location	Existing Meters Total	Smart Meters	Conventional Meters	Prepaid Meters	Planned New Meters Total	Un- Metered	New Meters (New stands)	Total Meter Requirement	Replacement	Proposed Number of Meters for Roll-out
Ward1		0				0			0	Yes	
Ward2		0				0			0	Yes	
Ward3		0				0			0	Yes	
Ward4		0				0			0	Yes	
Ward5		0				0			0	Yes	
Ward6		0				0			0	Yes	
Ward7		0				0			0	Yes	
Ward8											
Ward9											
Ward10											
Ward11											
Ward12											
Ward13											
Ward14											
Ward15											
Ward16											
Ward17											
Ward18											
Ward19											
Ward20											

**Municipal Meter Statistics**  
**Electricity**  
**Moqhaka**

<b>Part 4 - Existing Meter Data - Units Traded- Electricity</b>						
Trading Service Electricity	Month	Total Units(KWH) Aquired/Bought	Total Rand Value Sourced/Aquired/Boug ht	Total Units(KWH) Sold	Total Rand Value Sold	Comments
Month 1	Jul-24	23 044 858,00	61 868 836,84	26 461 217,70	59 390 738,02	
Month 2	Aug-24	21 456 214,96	55 118 217,33	17 411 626,70	51 919 301,69	
Month 3	Sept-24	19 728 117,88	37 814 151,61	16 657 427,90	48 398 881,43	
Month 4	Oct-24	20 578 157,00	39 943 478,22	14 891 727,00	39 522 759,42	
Month 5	Nov-24	20 464 023,52	39 258 680,39	15 087 862,40	44 552 755,94	
Month 6	Dec-24	19 271 581,00	36 083 913,00	16 723 065,80	48 011 806,58	
Month 7	Jan-25	21 239 000,20	40 978 470,47	16 499 251,30	50 269 780,66	
Month 8	Feb-25	18 905 516,52	36 642 182,24	14 389 763,90	41 993 881,99	
Month 9	Mar-25	0	0	0	0	
Month 10	Apr-25	0	0	0	0	
Month 11	May-25	0	0	0	0	
Month 12	Jun-25	0	0	0	0	
<b>Total for period</b>		164687469,1	347707930,1	138121942,7	384059905,7	

**Municipal Meter Statistics**  
**Electricity**  
**Moqhaka**

<b>Part 4 - Existing Meter Data - Units Trade - Water</b>						
Trading Service Water	Month	Total Units(KL) Aquired/Bought	Total Rand Value Sourced/Aquired/Bought	Total Units(KL) Sold	Total Rand Value Sold	Comments
Month 1	Jul-24	-	-	-	-	
Month 2	Aug-24	-	-	-	-	
Month 3	Sept-24	-	-	-	-	
Month 4	Oct-24	-	-	-	-	
Month 5	Nov-24	-	-	-	-	
Month 6	Dec-24	-	-	-	-	
Month 7	Jan-25	-	-	-	-	
Month 8	Feb-25	-	-	-	-	
Month 9	Mar-25	-	-	-	-	
Month 10	Apr-25	-	-	-	-	
Month 11	May-25	-	-	-	-	
Month 12	Jun-25	-	-	-	-	
<b>Total for period</b>		-	-	-	-	

**11 Reduction of Water and Electricity Losses (Water Debt Relief (Condition 7.3.1.3))**

**Water Losses for the period ending February 2026**

Technical Losses (kilolitres)	Technical Losses (Rand)	Non-technical Losses (kilolitres)	Non-technical Losses (Rand)	Total Water Losses (kilolitres)	Total Water Losses (Rand)
Undetermined	Undetermined	Undetermined	Undetermined	611514	Xxxx

Total Water Losses amounts to 53% of the bulk water purchased (purified) during the reporting period. (Bulk water is not purchased)

**Electricity Losses for the period ending February 2026**

Technical Losses (kilowatt hours)	Technical Losses (Rand)	Non-technical Losses (kilowatt hours)	Non-technical Losses (Rand)	Total Electricity Losses (kilowatt hours)	Total Electricity Losses (Rand)
756221	2925333.96	4009983	15512058.76	4766204	18437392.72

Total Electricity Losses amounts to 24% of the bulk electricity purchased during the reporting period.

The municipality need to include as part of the MFMA s.71 narrative statement in this part, the municipality’s progress against its strategy(s) to reduce the water and electricity losses.

- The progress must be clear also in terms of the strategy timeframes over the short, medium and long term.

The municipality does not have a strategy on reducing water losses, however the maintenance teams attend to leakages as and when reported by the community. Burst pipes are given priority. When responding to burst pipes, the Standard Operating Procedure is that the burst asbestos pipe is replaced with a full length of a uPVC pipe, thus reducing the asbestos pipes in the network, The municipality has appointed a consultant on risk to acquire funding for the development of a strategy and the implementation thereof

- Provide both technical and non-technical loss percentages.

## ■ . Municipal Manager's quality certification

## ■ . Recommendations

**It is recommended that that the Mayoral Committee / Mayoral Committee meeting take note of -**

1. The monthly budget statement for the February 2026;(standard own format);
2. The non-compliance emanating from the municipality's **(Eskom) debt relief** self-assessment as well as the National Treasury / Provincial Treasury's independent assessment set-out in paragraph 16.3 above;
3. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Municipal (Eskom) Debt Relief Conditions:
4. The non-compliance emanating from the municipality's **Water Debt Relief** self-assessment as well as the National Treasury / Provincial Treasury's independent assessment set-out in paragraph 16.8 above;
5. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of the Water Debt Relief Conditions:
6. The balance of the Eskom bulk account and / or bulk water account (if relevant) and the municipality's reconciliation of these accounts as set-out in paragraph 16.9 and 16.10 above.